

CONTRACTS OF SALE/ PURCHASE AND CARRIAGE OF GOODS.

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INTRODUCTION:

In line with the desire of the organisers of this Seminar, this will be a simplified paper on what contract of sale/purchase and carriage of goods is all about and the implications for the exporter with a focus on how one can successfully transport agro-based produce and solid minerals.

It is noteworthy that some of the agricultural commodities found in Kwara State are, Sheanut, Cashew nut, Maize, Cassava, Yam, Sweet Potatoes, Soya beans, Millet and cotton², Palm Produce, Sugar Cane, Tobacco, Coffee, Millet, Fruits and Vegetables.³ Among the solid minerals found in Kwara State are Kaolin, Limestone, Marble, Columbite, Refined tin, Gold, Baryte, Feldspar, Coal, Gemstones, Basalt, Gypsum and Cassiterite⁴.

Exports.

An export is simply an act of sending or carrying goods from one country to another person or company in another country and can be carried out by land, sea or air, or rail but a lot of exports are done by sea. Exports could be visible [things exported abroad in respect of which money is paid] or invisible [in respect of services including financial services, legal services, foreign investments, shipping charges]⁵. An export has also been defined as “the sale and transfer of goods and services by sea, road or any other approved means from one country to the other”. It should be noted that in order to have a successful export by avoiding seizure of goods and civil and criminal penalties under the law, a Nigerian exporter must only properly sell and export non-prohibited goods and follow the proper and legal channels and procedure, meet the proper requirements and not engage in smuggling. Export therefore involves international trade or international contract of sale and purchase of goods outside a country and their transportation. This paper will therefore focus on visible exports of agricultural products and solid minerals found in Kwara State.

Contract of Sale.

A contract of sale [also known as contract for sale], of goods has been statutorily defined as “ a contract whereby the seller transfers or agrees to transfer, the property [or title] in the goods to the buyer for a money consideration called the price”⁶. It should be borne in

¹LLB [Hons], BL, PG Dip. [Maritime Law], Notary Public for Nigeria, September, 2001.

² See, Principles and Practice of Freight Forwarding in Nigeria by M.A. Abiola [1999] pages 138-139.

³ Source: National Export Products Map by Nigerian Export Promotion Council.

⁴ Sourced from the Nigerian Shippers’ Council.

⁵ Eric Sullivan’s Marine Encyclopaedic Dictionary, 6th Edition, LLP, 1999, page 160.

⁶ Section 1(1) Sale of Goods Act, 1893. Different states now have their equivalent Sale of Goods Law which are replicas of the Sale of Goods Act, 1893.

mind that this definition recognises two types of sales transactions, namely a present *sale* [properly so called] where the property in the goods is transferred from the seller to the buyer and *an agreement to sell*, where the transfer of the property in the goods is to take place or takes effect in the future or subject to certain terms.

From the above definition, the ownership of the goods must be transferred from the seller to the buyer in exchange for money to the buyer for there to be a sale. *Goods* include all personal chattels except money and choses in action e.g. bills of exchange, cheque, land. Therefore, an agreement for an exchange of goods for goods is not a sale contract but a barter⁷ and so is where the goods were gifts or where the ownership in them is transferred in consideration of love and affection because no exchange of money is involved. The money paid need not be cash it being enough if payment is made by cheque or bank draft or any other mode of payments e.g. credit card in e-commerce and letters of credit in the case of international sale contract.

Even though its ultimate goal is the sale of the goods involved and it is a bailment coupled with an option to purchase the goods concerned or a conditional sale of goods in instalments, a hire purchase agreement is not a sale contract because until the option to purchase is exercised [and it may not be exercised], there will not be a contract of sale. A contract of sale also differs from transactions in the nature of sale-and-lease-back or where A will sell his goods to B and collects the value of the goods sold as loan and retains possession of them but giving A the right to seize the goods if B fails to pay back the loan and interest at the expiry of the time given. So contracts of sale that are intended to operate by way of mortgage, pledge, charge or other security, are excluded. In the same vein, a contract for skill and labour eg. for an artist to paint a portrait or for supply of labour and materials where goods are supplied in order to be installed or fitted into a building [both of which are also known as contracts for services], are not contracts of sale of goods. Lastly, where B who is a commission agent at the instance of A procures goods for A from C [the manufacturer], it may arise whether B sold the goods to A or acted as A's agent in A's purchase of the goods from C. Depending on the terms, if A acted as B's agent, the transaction is not a contract of sale between A and B.

It is also necessary to mention here that it is better to have the sale contract put into writing in order to avoid controversies, which usually trail verbal agreements and the shortness of human memories. To have a valid contract of sale, there must have been an offer to buy/sell, acceptance of that offer, consideration in terms of price payment and intention to create legal relations. From the written contract that reflects the terms and conditions of sale/purchase based on the wishes and intentions of the parties, whether any of the provisions are conditions or warranties, will be easier to determine. This is because the consequences of the breach of warranties differ from the consequences of a breach of a condition of the contract of sale. A condition is a principal or fundamental term of the sale contract the breach of which will entitle the innocent party to rescind the contract whilst a breach of warranty entitles the innocent party to claim for damages but not

⁷ By some kind of construction, trading –in of old goods especially cars, are regarded as sales even though it may not involve the exchange of money, because the parties have treated it as a sale.

repudiation of the contract. Since the distinction is not often easy to draw, the construction of the contract decides what term is a warranty or a condition.

However, apart from the express terms of contract of sale, there are also terms, which are implied into them by operation of law, which are terms as to title, description of title, merchantable quality and fitness for purpose of the goods. All the above can strictly be viewed in the context of contract of sale of goods locally although they are also relevant to export trade or exporters especially where the agricultural produce or solid minerals to be exported are purchased for the purpose of export and because a contract of sale is one of the characteristics of export trade or international sale contract.

International Contract of Sale.

An international sale or export trade contract is an agreement for the sale and delivery of goods across international borders or boundaries and for all other things incidental to it. Five essentials of an international sale contract are:

- Contract of sale of goods.
- Contract of carriage of goods.
- The contract of insurance for the goods.
- The compliance with formalities and documentation requirements stipulated by exports and imports' authorities.
- The mechanism for payment set up by the buyer.

A standard international contract of sale of any solid mineral or agricultural produce will naturally contain the names and addresses of the exporter [seller] and importer [buyer], the terms and conditions of sale and purchase including the nature, quantity and quality of the agricultural commodity or solid mineral, the price terms, packing, product documentation, mode and time of payment, terms of delivery and inspection, insurance, freight and arbitration to mention a few. The contract of carriage of the goods will indicate how the goods will be transported from the exporter [seller] based in Ilorin or any other part of Nigeria to the buyer that is abroad, usually by sea or air. Where the agricultural produce are carried by road to Apapa port and from Apapa port abroad by sea, the contract of carriage by road may be evidenced by a consignment note or waybill from Ilorin to Apapa port and by a bill of lading or charterparty from Apapa port to Liverpool, UK, and if the agricultural commodities are flown to Heathrow Airport from Ilorin or Abuja airport, the contract of carriage will be evidenced by an air waybill. The consignment note is not a document of title but it is evidence of the terms of carriage, consignment and delivery of custody of the goods to the carrier.

The contract of insurance is to provide insurance cover for the goods whilst they are in transit so that if they are lost or damaged by either perils of the sea or other covered risks their carriage may expose them to, the party having insurable interest in the goods at the material time [either exporter or importer] will be indemnified for the loss or damage. Moreover, because export trade is transboundary, all the laws and regulations of the countries through which the goods would be carried, must be known and their documentary formalities complied with by the exporters/importers in order to avoid

seizure and attendant loss. Then, the buyer must establish the mode of paying for the goods in line with the agreement reached with the exporter, which may either be by cash, bill of exchange or documentary letters of credit.

Trade Terms.

There are trade terms [also called special trade terms] which are employed in international sale in order contracts to determine specific responsibilities of parties some of which need to be highlighted here because of their impact on international sale contracts in which they are used. Many of the terms had been over the years evolved by trade usages, customs and practices of merchants and they are a shorthand or abbreviated way of incorporation of some aspects of contractual obligations and performance in sales contracts. In order to unify their use and understanding, the International Chamber of Commerce [ICC] based in Paris came out in 1936 with their uniform definitions officially called International Rules for Interpretation of Trade Terms popularly known as INCOTERMS⁸ [International Commercial Terms], which had been revised in 1953, 1967, 1976, 1980, 1990 the latest revision of which were brought out in 2000, in order to avoid the conflicting constructions given them in different municipal legal systems. Their periodical revisions are to make them reflect current international trade practice in matters they concern e.g. the use of containers in shipping cargo, increasing use of air transportation of cargo and electronic data interchange [EDI] had warranted the revision of Incoterms.

Whilst they centre on and govern delivery of goods, when risk passes, the party responsible for carriage and costs of it and their adoption by parties is optional, but they do not provide a general contracts law regime such as when property passes in the goods, or consequences of breach of contract or the interpretation of the applicable contract of carriage all of which are governed in the applicable law of contract as agreed to by the parties. Incoterms facilitate and make straightforward the process of drafting sale contracts by a shorthand incorporation of more detailed contractual rights and obligations but they do not have the status of law and are not yet incorporated into municipal law. Since the adoption of the terms is optional, where they are not incorporated into the contract of sale, the inconsistencies in the interpretations of the true scope of the terms in municipal legal systems may arise and may render uncertain, the implications of the use of the terms.

The trade terms include EX-W [Ex-Works], FOB [Free On Board], CIF [Cost Insurance and Freight], CF or CFR [Cost and Freight], FCA [Free Carrier], FAS [Free Alongside Ship], CPT [Carriage Paid To], CIP [Carriage Insurance Paid to] DAF [Delivered At Frontier], DES [Delivered Ex-Ship], DDP [Delivered Duty Paid], etc. The required Incoterms is incorporated into the contract of sale thus, "CIF(...named place) (Incoterms 1990)" or "Cost Insurance and Freight (named place) (Incoterms 1990)" thereby specifically referring to the specific Incoterms. As indicated above that the Incoterms were being reviewed from time to time to meet changes in mercantile activities, although

⁸ They identify standard trade usages and provide a detailed statement of what each term requires the exporter and importer to do.

FAS, FOB and CIF are still intended for purely marine transport, FCA is intended for air transport, FCA for rail and Ex-W, and CPT and CIP for any mode of transport including multi-modal operations.

There are 13 Incoterms 1990 and they are grouped into four categories according to the extent to which the seller [exporter] on one hand and the buyer [importer] on the other hand, are each responsible for the delivery of the goods and other incidental matters including arranging for export and import clearance, arranging and paying for carriage, insurance and the passing of risk. In line with my mandate, I will not be considering the trade terms in great detail although I will describe them sufficiently to enlighten the audience, I however advise that legal advice should be sought from maritime lawyers and consultants for protection and advancement of the exporters' interests before, after and during getting into international trade contracts. The categories of the 1990 Incoterms are shown in Table 1 below.

It is important to note that whilst the EXW imposes a minimum responsibility on the exporter of produce, it imposes maximum liability on the buyer since the exporter's delivery obligations end with his delivery of the goods to the buyer at the exporters' premises. The D category terms impose maximum duties on the exporter with less duties on the buyer because the exporter is bound to deliver the goods in the buyer's country.

Group E Departure	EXW	Ex-Works
Group F Main carriage unpaid	FCA FAS FOB	Free Carrier Free alongside ship Free on board
Group C Main carriage paid	CFR CIF CPT CIP	Cost and freight Cost, insurance and freight Carriage paid to Carriage and insurance paid to
Group D Arrival	DAF DES DEQ DDU DDP	Delivered at frontier Delivered ex-ship Delivered ex-quay Delivered duty unpaid Delivered duty paid

TABLE 1: INCOTERMS 1990. SOURCE: INTERNATIONAL TRADE AND BUSINESS: Law, Policy and Ethics by Gabriel Moens and Peter Gillies, 1998 page 127.

The F and C categories as shown in Table 1 are intermediate levels of obligations on both parties. The F category is so called because the exporter delivers the goods to the carrier free of expense and risk to the buyer and as soon as the carrier has the goods, the buyer takes over the risk and expense including cost of carriage. This category is also known as

the “shipping” contracts because the exporter fulfils the delivery duty in his country whilst the D category is the “arrival” contracts. After the Ex-W term, the F terms are best for the exporter of produce in terms of the reduced obligations and cost imposed on him in delivering the goods to the buyer. In the C terms, the exporter bears specified costs even after delivery at which point the general risks and costs pass to the buyer. The risk passes to the importer upon delivery to the carrier although the exporter is liable for the costs of carriage and in certain cases insurance until the arrival of the goods at the agreed destination in the importer’s country. So whilst as in the F category, the exporter [seller] in C-class performs his delivery duty in his country, C- class is more onerous on the exporter than F-class because of the carriage responsibilities. Two of the commonest trade terms namely, the CIF and the FOB are further considered.

FOB.

An exporter under an FOB [buyer contracting with the carrier] contract is responsible for all the expenses and costs of delivering the goods on board the ship nominated by the buyer whilst the buyer pays the freight and arranges for the insurance of the goods and as soon as the goods cross the over the ships’ rail, the risk passes over to the buyer. The Seller must give the buyer enough notice that the goods have been delivered on board. It is however noteworthy that whilst a sale contract with FOB term may be suitable for general or bulk cargo, it is less appropriate for roll on/roll off loading operations or containerised cargo which will be delivered at an earlier point [e.g. a container terminal] before shipment or crossing the ships’ rail. In this case, the buyer receives the bill of lading having contracted with the carrier.

In the “classic FOB”, the seller effects the contract of carriage either as the principal or as the buyer’s agent whilst the buyer may nominate a ship whereas in an FOB [with additional services] the exporter arranges shipment, nominates a ship and fixes insurance as agent of the buyer. Classic FOB or FOB [with additional services] are variants of FOB which were developed to take care of buyers who are not familiar with the sellers’ environment, prefer the seller to arrange ship and /or insurance. They may also be used if the buyer does not want to directly contract with the carrier as a shipper.

CIF

Now in the CIF trade term, the exporter is bound to do the following,

1. take out an invoice of the goods sold which shows inter alia the price or cost of the goods,
2. ship the agreed goods from the port of shipment to the buyer,
3. procure a contract of carriage by charterparty or bill of lading to ferry the goods to the buyer’s destination,
4. arrange insurance cover for the goods for the buyer’s benefit,
5. dispatch without delay to the buyer, shipping documents including the invoice, bill of lading, marine insurance policy, the delivery of which documents to the

buyer is symbolical of the delivery of the goods purchased to the buyer and transferring the risk to the buyer and imposing on him the duty to pay the price.⁹

Three main contracts are involved in the CIF namely, the cost [shown by invoice], contract of insurance and freight [contract of carriage]. The buyer must pay the price upon the receipt of the documents even if the goods are lost in which case it can sue the carrier or insurer, provided the act of appropriation occurred before the loss. Whilst risk passes generally on shipment, property passes upon the receipt of the goods by the buyer in return for payment of the price. The exporter is only bound to deliver the documents which documents confer rights of claims on the buyer against the carrier and the insurer in the case of damage or loss of the goods after shipment by the exporter. This is why a contract of sale with CIF term is said to be a contract of sale of goods to be performed by the delivery of documents. These documents are mainly three, namely the invoice[cost], the policy of insurance [insurance] and bill of lading [freight].

The invoice contains the buyer's order, particulars of the exporter and importer, the goods, price, terms of payment, shipping marks and numbers, port of loading and discharge. It is prepared on shipment of the goods and it is the document needed for clearing the goods through Customs and upon which the Customs duties are paid.

As for the insurance, this is taken out by the exporter in a CIF contract, usually in the name of the exporter and then subsequently assigned to the importer by assignment and delivery. The insurance must cover the goods under the sale contract.

A bill of lading is a document issued by or on behalf of the sea carrier of goods to the shipper with whom he has agreed to transport the goods. The bill of lading functions as evidence that the goods described therein have been received by the carrier, evidence of the contract of carriage and as a document of title in which case possession of it is constructive possession of the goods. However, for bulk cargoes or solid minerals, charterparties may be entered into either for a particular journey or for a definite period [also called voyage or time charters]. It could also be by bare boat or demise charter

From the incidents of CIF contract, the CIF value is higher than the FOB value and so may be preferable to the exporter because gives room for him to have a higher profit margin. So generally it had been argued¹⁰ that imports should be FOB whilst exports from Nigeria should be on CIF.

Financing export trade.

Letters of credit [also known as documentary credit] is an undertaking or a conditional promise by the bank issuing the documentary credit at the request of its customer

⁹ See, Lord Atkinson in Johnson –v Taylor Brothers [1920] AC 144. See also Comptoir d'Achat-v-Luis de Ridder, The Julia [1949] AC 392.

¹⁰ Dr. Bola Fajemirokun “ Sale of Goods and Documentary Credits”, a paper presented at the enlightenment seminar organised by Nigerian Shippers' Council at Lokoja, Kogi State in March, 2000.

[buyer/importer], to pay the beneficiary [usually a seller/exporter], a certain amount of money against or on the condition that the beneficiary presents stipulated documents to the bank. Here the bank operates as a go-between the importer and exporter of agricultural products or solid mineral, and guarantees payment to the exporter whilst protecting the importer by ensuring that payment was not made to the exporter until the exporter has shipped the goods, delivered the relevant documents and complied with all the stipulated conditions.

There are four parties to and four contracts involved in documentary credit transaction¹¹ namely,

1. applicant for the letter of credit [buyer/seller],
2. issuing bank in the applicant's [importer's] country,
3. correspondent bank in the exporter's country acting as advising/and or confirming bank,
4. beneficiary of the documentary credit [seller/buyer].

The use of documentary letters of credit has been standardised by banking practice under Uniform Customs for Documentary Credits [UCP] issued by the International Chamber of Commerce [ICC]¹², the most current of which came into force in 1994. The letters of credit may be an irrevocable or revocable credit and the quality may be confirmed or unconfirmed. The former refers to the duty of the issuing bank to the beneficiary whilst the quality of the credit being confirmed or unconfirmed refers to the obligation of the confirming bank to the beneficiary. Documentary credits are known for two main characteristics, namely, autonomy [in the sense that the 4 contracts are independent of one another and the right and duty to pay is not subject to the terms of such contract] and strict compliance in that on the basis of the documents alone, if the correspondent bank decides that there is compliance with the instructions it has, the bank pays not considering the terms of the contract of sale. It is however advisable that the Kwaran exporter of agricultural products or solid minerals should insist on an irrevocable confirmed letter of credit payable on sight on presentation of the shipping documents, to be opened in its favour by the foreign buyer. Nigerian exporters should avoid payment on open account or revocable letter of credit basis.

There are other letters of credits used for paying for exports some of which are acceptance credit where the exporter draws a bill of exchange either on the issuing bank, confirming bank, or on the buyer, or sometimes depending on the terms of the credit, or revolving credit or standby credit, which are bank guarantees. Bills for collection whereby a bank representing the interest of the exporter in the buyer's country is instructed by the exporter to collect the payment of specified sum [the price] for remittance to the exporter against releasing shipping and other documents to the buyer are also usable.

¹¹ See, *Akinsanya-v-United Bank of Africa* 2NSC 515 and *Nasaralai Enterprises Ltd –v- Arab Bank Limited* 2NSC 561.

¹² Nigeria is an affiliate member of the ICC.

Formalities for exports/ exports procedure in Nigeria.

Since with the above information, you now have a fair knowledge of contract of sale and carriage, it is now appropriate to identify the formalities which, as an exporter of agricultural commodities and or solid mineral from Kwara State to foreign buyers, you must be familiar and comply with in order to have a hitch-free and profitable export. There are certain formalities stipulated by different Nigerian laws and regulations which the exporter must be familiar with in order to avoid unnecessary delays in the shipment of purchased goods to the overseas buyer or the seizure of the goods.

It is noteworthy that the type of goods to be exported determines the requirements to be complied with by a prospective exporter. All prospective exporters must be registered with the Nigerian Exports Promotion Council after meeting certain requirements before they can export any agricultural or solid mineral products and the exporter must be careful to ensure that the exportation of such products or solid minerals is not banned by making necessary enquiries.¹³.

To be registered with the Nigerian Exports Promotion Council [NEPC], a prospective exporter must:

1. be a limited liability company,
2. purchase at N250 from the Nigerian Exports Promotion Council, a registration form to be filled by it,
3. submit the duly completed registration form at any of the offices of NEPC with the receipt of the payment of processing and issuance of registration certificate fee of N2,000, a copy of the company's Memorandum and Articles of Association, certificate of incorporation and Form CO7.

The certificate of registration is renewable annually.

In order to export any agricultural product or solid mineral from Kwara State, the registered exporter shall:-

- (i) supply a copy of the contract of sale between it and the importer to the Nigerian Exports Promotion Council,
- (ii) open a domiciliary account with the Nigerian Export and Import [NEXIM] Bank, proof of which must be shown to Nigerian Exports Promotion Council,
- (iii) produce letter of credit under Form NSP showing the agricultural products or solid minerals meant to be exported and their location and destination.¹⁴

One of the advantages of registering with the Nigerian Exports Promotion Council, is that the registered company has the opportunity of being informed about and attending trade fairs and showcasing its products to the outside world at such trade fairs, access to export incentives and finance from NEXIM.

¹³ See table 2 below for some of the formalities, tasks, mode and place of compliance.

¹⁴ Details obtained from the NEPC's office, Apapa, Lagos in September, 2001.

For the export of solid minerals, in addition to meeting the above requirements, the exporter must obtain certain approval[s] from the Federal Ministry of Solid Minerals before it can export any of them. The approvals are in three categories namely,

1. Mines.
2. Handling [transportation].
3. Mines and Export.

A letter of clearance [Form K] must also be collected from the Ministry of Solid Minerals and Nigerian Mining Corporation at Jos.

An intending exporter of solid mineral from Kwara State must apply for and obtain 1, 2 and 3 above, albeit any person that is not interested in engaging in exporting but is interested only in mining any solid mineral or mining and transporting any solid mineral to buyers, may be contented with applying for and obtaining only approvals 1 and 2 above.

As for the prospective exporters of food crops, they must also obtain where necessary the approval of NAFDAC and approval of the Federal Produce Inspection Commission to certify their quality standards. There are two categories of exporters of agricultural produce, namely, manufacturing exporter and merchant exporter. Whilst the former manufactures from agricultural products for export the latter procures agricultural products for export. Any manufacturing exporter that conducted its exports through a domiciliary account will at the end of each year be given some incentive on 20% of its total export.

An exporter of animal or animal products must obtain approval or clearance from the Department of Veterinary Health Services whilst exporters of handicraft and artefacts are to obtain clearance letters from the National Museum and Monuments. Exporters of wood products, furniture and products classified under endangered wild life species are to obtain clearance from the Federal Department of Forestry.

The following certificates are also necessary for those engaging in the exports of such goods namely,

1. Certificate of analysis and quality in favour of manufacturers for exports of processed commodities and minerals,
2. Certificate of age for the export of spirits,
3. Phytosanitary certificate for export of plant products/commodities,
4. Certificate of quality and fumigation.

For a better understanding of the various relevant tasks, documents and agencies involved in and necessary actions to facilitate international trade, the following table is helpful.

TABLE OF TASKS, FORMALITIES DOCUMENTATION REQUIRED IN NIGERIAN EXPORT TRADE

TASKS	DOCUMENTS REQUIRED	ACTION PARTY
A. Registration As An Exporter	i. Certificate of Incorporation ii. Company's Current Tax Clearance Certificate iii. Certified True copy of form C.O.7 iv. Company's Memorandum & Articles of Association	Nigerian Export Promotion Council (NEPC)
B. Export Trade Negotiation	i. Quotation (FOB, CIF & CF) ii. Offer by Exporter iii. Acceptance by Importer iv. Performa Invoice v. Commercial Invoice	Exporter/Importer
C. Bank Transactions	i. Form NCD3A ii. Form C – 3.2 (NMA) iii. Payment of ECCC (if necessary)	Exporter's Bank/Federal Ministry of Commerce and CBN
D. Packaging	i. Form EUR-[EEC Countries] ii. Certificate of origin iii. GSP Form iv. Endorsement of Export Bill of Entry (if containerised Export) v. Labelling – Marks & Numbers	Exporter or its Forwarding Agent NACCIMA/ Nigerian Customs Service
E. Quality Certificate	i. Phytosanitary certificate (fruit & Vegetables) ii. Certificate of quality & fumigation (producers)	Federal Produce Inspection Services Plant Quarantine Service Food & Drug Administration etc
F. Customs Inspection Release	i. Export SGD Form 2010 with relevant documents (as above)	Customs seat at port of shipment
G. Shipment	i. Bill of lading/Air Way Bill ii. Roadway Bill/Shipping or Consignment Note	Shipper/Carrier
H. Repatriation of Export Proceeds	Form NCD 3A	Central Bank of Nigeria/Banks

TABLE 2.

*Produced by:
Nigerian Committee on Trade
Procedures [NITPRO]
c/o Nig. Export Promotion Council
Kumba Street Wuse Zone 2.*

It is essential to point out that starting in Nigeria and Ghana, ECOWAS Trade Liberalisation Scheme is now in place whereby within the West African sub-region certain goods namely, unprocessed items, traditional handicraft materials and industrial products will freely move within the region. Benefits of the scheme include, total exemption from import duty and taxes, from movement without qualitative restriction, non-payment of compensation from revenue loss as a result of compensation and goods below US\$500 not to carry certificates of origin their receipts being enough for statistical purposes.¹⁵ So, exporters should consider how they can take advantage of the benefits in the scheme.

Moreover, all exporters should be mindful of the impact of globalisation [which has reduced the whole world into a global village through modern technology and telecommunications on Nigerian exporters. As one of the results of globalisation, overseas buyers use different electronic and communication facilities including Internet and e-commerce and there is regular power supply, all of which make costs of their doing import business to be lower when compared with costs incurred by the Nigerian exporters. Without proper education and exposure into international trade, a Nigerian exporter will find it difficult and expensive to partake profitably in exports trade, notwithstanding the absence or insufficiency or high cost of, the necessary infrastructure and enabling environment in Nigeria for easy exports trade in this age of globalisation. There is also a rapid change in transnational trade as a result of globalisation. An exporter should therefore properly consider the impact of globalisation on its international trade and whilst finding ways to reduce its adverse effects, find ways to maximise its benefits to its exports trade. The Kwaran exporter should also avoid frauds, which, the documents associated with and used in international contract of sale, are prone to. Consequently, it was argued that Nigeria and its exporters may not be gaining the expected dividends from globalisation.

Finally, I thank the Nigerian Shipper's Council for giving me the opportunity to write and present this paper and especially for the materials it supplied to me which facilitated my research in the process of preparing for this paper. I also hope that you have been enriched by my paper. I thank you all for your attention.

¹⁵ Culled from Information Note of the Nigerian Shippers' Council titled "ECOWAS Trade Liberalisation commences April 20 2000".