THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

Nigeria's Investment Relations with the BRICS: Implication on Nigerian Economy

Dr. Obiora S. Odo
Principal Lecturer, Department of Social Studies, Federal College of Education, Eha-Amufu, Enugu State, Nigeria

Abstract:
The world has witnessed the emergence of developing countries whose gross domestic products has remarkably increased over the years, and with great impacts on world economy. These countries are Brazil, Russia, India, China and South Africa, otherwise known as the BRICS. The level of their industrialization has led to wealth generation and mass production of goods and services that overshoot local demands thereby making energy for fueling the industries and large markets for the sale of industrial products their major challenges. Coincidentally, Nigeria possess oil for fueling the industries and large markets for industrial goods, but lack enough wealth for investment on infrastructural development. Oil for infrastructure thus occupied the centre stage in the bilateral relations between Nigeria and the respective BRICS countries. The implication of the relationship to Nigerian economy is that it increases infrastructural development in Nigeria that is tied to oil sector with over presence of foreign determination. Nigeria should diversify her economy beyond oil for international economic relationships.

Keywords: *Bilateral, BRICS, economy, infrastructure, investment, Nigeria, relations*

1. Introduction

The world had witnessed dramatic economic changes in last decades as emerging and developing countries have demonstrated geometric increases in their Gross Domestic product (GDP). In 2001, Goldman Sachs Investment banker, O'Neil (2001) in a paper titled "The World Needs Better Economic BRICs" grouped Brazil, Russia, India and China as BRIC. He predicted that these four emerging countries would become the economic pillar of the world and would be among the six largest economies by 2050. In 2003, there was a follow-up publication entitled "Dreaming with BRICs: The Path to 2050", which provided that by 2040, GDP of BRICs' economies collectively would be larger than the Group of six (G6) in terms of United States (US $) dollars.

In 2009, Godman Sachs updated its growth forecast for the BRIC economies due to their fast economic growth. The revised figures indicated that the BRIC economies would be as large as the G7 by 2032 and China was particularly forecast to be as big as the United States by 2027.Since the coining of the acronym, the four countries formed a federation that meets yearly and the BRICs has transformed from solely an acronym that identified four ascending countries to a diplomatic – political entity. The formation of the BRIC is an effort by its members to foster cooperation in order to meet global challenges, especially those faced by emerging economies. The collaboration thus aim to meet the investment and general economic challenges in the developing world through South-South cooperation. Three main aspects underlie the relevance of BRIC in the global economy. These are their outstanding size of economies, strong growth rates, leading to increasing significance in world economy and the demand for a stronger political voice in international governance structure which corresponds to their economic status.

On June 16, 2009, the BRIC had their first summit at Yekatering burg, Russia; while the second was held on April 16, 2010 in Brazil. On 23 December 2010, South Africa was officially invited to join the BRIC after persistent lobbying by the President, Jacob Zuma. The third BRIC summit held on 14 and 15 April 2011 and attended by President Zuma heralded the transformation of BRIC to BRICS – Brazil, Russia, India, China and South Africa. Although South Africa was admitted into the forum, it does not for all intents and purposes have similar economic status with others. Its consideration to be part of the group was based on the fact that it is a leading economic and political actor in African continent. It is one of the few African countries ranked as an upper- middle- income country and as the only African country with a G 20 seat. These five countries called for reforms in international financial mechanism and greater cooperation in order to meet global challenges, especially those faced by emerging economies. That is why they have identified food security and commitment to provide financial and technical assistance in fighting under-nourishment in developing countries as part of its agenda. In the joint declaration at Sanya in 2011, BRICS claimed to represent common goals of all low and middle income countries and emphasized the necessity to fight poverty and achieve the Millennium Development Goals (MDGs). In its Sanya declaration, the political leaders of the BRICS stated that:

- Accelerating sustainable growth of developing countries is one of the major challenges for the world. We believe that growth and development are central to addressing poverty and achieving the MDGs. Eradication of extreme poverty and hunger is a

> moral, social, political and economic imperative of humankind and are of the greatest global challenges facing the world today, particularly in Least Developed countries in Africa and elsewhere. We call on the international community to actively implement… and achieve the objectives of the MDGs by 2015… (www.voltairenet.org/article169501.html.)

Fundamentally, these countries, in view of their recording economic growth in the recent time, which is tuned by industrialization, need energy to operate and large market for the sale of the industrial products. Thus, the BRICS possess technical power but lack the required energy and large market to dispose their industrial products. What they therefore have in abundance is what other countries lack and vice versa. To create a balance, countries that have the potentials of supplying the energy and large market, and in dire need of technological impacts in infrastructural development becomes a good partner to the BRICS. Nigeria by any standard, is a country that possesses what the BRICS want and in need of what they can offer. It is against this background that the investment relationship between Nigeria and the BRICS is examined. To effectively do this, Nigeria's investment relationship with individual member country of the BRICS is briefly examined.

1.1. Nigeria- Brazil Relations

Nigeria's relationship with Brazil, though unofficially started during the slave trade of 17th to 19th centuries when many Nigerians, especially but not exclusively from South-west were enslaved to Brazil did not have official effectiveness the same period. On Nigeria's attainment of independence in 1960, there was a bilateral diplomatic relationship between Nigeria and Brazil at ambassadorial levels with concentration on cultural and historical infirmity rather than economic. Their relationship considerably remained at these levels until early 2000s when it expanded to diplomatic and economic spheres in view of Brazil's breakthrough in economic development, her quest for energy (oil) for industrialization, and Nigeria's large oil reserves and market for trade. These economic reasons breathed a new lease of life into the long decades of cultural and historical relationship.

In January 2005, Nigeria and Brazil established what could be termed the first major diplomatic relations when a 14- man delegation of Brazil under the leadership of Celso Amorim, the Brazilian Minister of External Relations visited Nigeria. The visit made the then Nigerian President, Chief Olusegun Obasanjo to indicate Nigeria's readiness to relate with Brazil on many issues of common concern, particularly on the question of reforms in the United Nations. In April 2005, the Brazilian President, Da Silva made a 2 day visit to Nigeria, which was reciprocated by Nigerian president in September 2005 during which both Presidents signed a bilateral agreement in the areas of trade and investment, technical co- operation, cultural revival and regular political consultations. The Nigeria's oil trade with Brazil was tied to oil-for-infrastructure, a policy made during Obasanjo administration, but was broached in August 2009 by President Yar'Adua when he led Nigerian business delegation to Brazil. That was when the Minister of Power and Mines, Lanre Bablola indicated that Nigeria's immediate interest was Brazil's huge hydroelectric- generating capacity. To engage Brazil in Nigeria's energy sector, a joint agreement between Nigeria and Brazil on energy co-operation was signed during the August 2009 visit. The agreement resulted to the establishment of a bilateral Energy commission, causing Brazil to indicate interest in completing the development of the Zungeru Hydropower Plant in Niger State and financing the Mambilla Hydropower project aimed at Nigeria developing her power industry. To compensate Brazil's input in Nigeria's energy sector, she participated in the open bid to gain access in Nigeria's oil blocks.

The bilateral Nigeria-Brazil relations also extend to other areas such as drugs and narcotics control as well as bio-fossils and the use of ethanol as an alternative to fuel. That was why "in 2007 Brazil announced of the plan to build a 'Biofuel Town' in Nigeria with a proposed initial amount of USD 100 million for the production of Ethanol from sugar cane and palm oil" (ADB, 2011:5). In 2012, a Bi-National Commission was established under the auspices of the Nigerian- Brazilian Chamber of Commerce and Industry with the concern of fostering co-operation in trade and investment. The Chamber has since 2013 been successfully organizing bilateral trade missions covering different areas of interest to both countries.

1.2. Nigeria- Russia Relations

The Soviet Union (later Russia) opened up diplomatic relationship with Nigeria in November 1960 and the Soviet embassy was opened in Lagos in 1961. In 1962 the Nigerian embassy in Moscow was opened. In spite of this development, there wasn't cordial relationship between them as both belonged to different ideological camps: while Soviet Union pursued socialist ideology, Nigeria favoured capitalism. Though that was the case, Russia strongly supported Nigeria during the civil war (1967- 1970) by supplying of weapons and development of military and other technical personnel to train Nigerian soldiers in the handling of the weapons. The support drastically changed the war pattern in favour of Nigeria and coupled with other factors, the war ended in Nigeria's favour.

At the end of the war, other Soviet imports such as consumer goods and industrial manufacture were imported by Nigeria. The Soviet companies were also awarded contracts for the establishment of the Ajaokuta Iron and Steel Complex and laying of oil pipelines across the country. Between 1977 and 1982, two systems of oil pipelines of 920km with total output of 18.7 million tons per year were constructed in Nigeria by former USSR. In spite of these developments, the Russo-Nigeria relationship did not until 1999 get stronger even with Russia becoming the successor State of the USSR after its disintegration into 15 independent States (Armenia, Azerbaijan, Byelorussia, Estonia, Georgia, Kazakhstan, Kirgizia, Lativia, Lithuania, Moldova, the Russia Socialist Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan) within the Commonwealth of Independent States (CIS) in December 31, 1991. At the inauguration of President Obasanjo administration in May 1999, a delegate of Russian President attended and delivered an invitation to Nigeria's President to Russia. That opened a new dawn in the bilateral relationship. From March 5- 7, 2001, the Nigerian President visited Russia during which there was the signing of a Declaration on the Principles of Friendly Relations and Partnership, and a Programme on Cultural and Scientific Cooperation. These agreements established the legal frameworks for the Russo-Nigeria relations, and according to Agubamah (2014:197) led to the "eventual establishment of the Intergovernmental Commission on Economic and Scientific- Technical Cooperation (ICESTC)…." Successive governments in the two countries further deepened the bilateral relations.

In 2007, the Russian Aluminum Company (RUSAL), a Russian conglomerate bought 77.5 per cent stake in the Nigeria's Aluminum Smelter Company of Nigeria (ALSCON) for $250 million despite an American company having the highest offer. Further, the Russian National energy giant, Gazprom, signed a Memorandum of Understanding (MOU) with the Nigerian National Petroleum Corporation (NNPC) to form a new joint venture to be known as NIGAZ Energy Company for the exploration and exploitation of Nigerian gas reserves. Each of the company as Agubamah (2014: 198) put it "was expected to invest up to 2.5 billion dollars in the joint project." The joint company was also to get involved in the infrastructural development projects in Nigeria. In 2008, series of MOUs were signed by the two countries to further consolidate their relationship. One of those agreements was on the regulation of the peaceful use of nuclear energy.

In 2009, the Russian President, Dmitry Anatolyevich Medvedev's visit to Nigeria marked another leap in the Nigeria-Russia relationship. The highlight of the visit was the signing of six bilateral agreements on June 21, 2009 on issues concerning:

i. Investment Promotion and Protection agreement,
ii. Agreement on cooperation in the field of Peaceful use of Nuclear Energy,
iii. Memorandum of Understanding in the field of Exploration of Outer Space for Peaceful Purposes,
iv. Agreement of the Transfer of Persons Sentenced to imprisonment,
v. Memorandum and Articles of Association on Joint Venture between NNPC and GAZPROM, and
vi. Legal Cooperation between the Nigerian and Russian Ministries of Justice. (Agubamah, 2014:198-199).

The visit further resulted to the establishment of a Russia- Nigeria Business Council (RNBC) in 2009 with the objective of consolidating the efforts of Russian and Nigerian private business communities including representatives of small and medium businesses that are involved in market of both countries.

By 2010, both Nigeria and Russia had explored discussions on space technology, nuclear energy and other areas of technical relations. Since the emergence of Buhari as the President of Nigeria, there has been talks between the government of Nigeria and Russia for improvements in the bilateral relations. For instance, in October 2013, the Russian Ambassador to Nigeria, Nikolay Udovincheko indicated during a business forum in Abuja, Nigeria, that Russia was interested in developing cooperation with Nigeria in the fields of investment, energy, trade and agriculture, among others. In May 2016, the Ambassador disclosed during the year's Congress of the Soyuznik Alumni Association in Nigeria that the governments of both countries had been negotiating for the establishment of a multifunctional scientific research nuclear centre in Nigeria.

1.3. Nigeria- India Relations

India's relationship with Nigeria dates back to 20th November, 1958 when it established its diplomatic mission in Lagos, then capital of Nigeria. After Nigeria became independence, the India Mission was upgraded to the status of a High Commission, and in 1962 Nigeria reciprocated the gesture. Of important to say is that the bilateral relationships have their roots in colonialism as both were colonized by Britain. The two countries championed the struggle for decolonization and eradication of discrimination of any form. The 1962 visit of Indian Prime-Minister, Jawaharial Nehru to Nigeria marked the beginning of diplomatic visits between government officials of the two States. The visit, according to Vasudevan (2010:3) was "in recognition of Nigeria's size, population, resources, then efficient civil service and well-functioning economy". Despite these potentialities possessed by Nigeria, India's Ministry of External Affairs appeared to relegate Nigeria to the back burner. That notwithstanding, India had substantial involvement in textile industry in the northern states of Kano and Kaduna between 1962 and the mid-1990s, and training of Nigerian military personnel in its defence establishments. The subsequent exchanges of visits by government officials of both countries kept alive, though not effective, their diplomatic, economic and social relationship.

With the return of democracy to Nigeria in 1999, the Nigeria- India relationship had a new lease of life culminating to increased diplomatic and economic relations. In 2007, the Indian Prime-Minister, Manmoham Singh visited Nigeria and addressed a joint session of the Nigerian Parliament. The visit equally marked the signing of Abuja Declaration which contained detailed vision of Nigeria-India strategic partnership with an emphasis of closer energy co-operation, taking into account the commodities and complementarities between the two countries. The follow-up agreements scheduled for 2008, according to Wapmuk (2012) included those in Double taxation Avoidance, Bilateral Investment Promotion and Protection, Science and Technology, Air services, the renewal of 1976 Mutual Legal Assistance Treaty, an Extradition Treaty, a Bilateral Trade Agreement, Co-operation against trafficking in Arms, and finally, a Cultural Exchange Programme for the period 2008- 2010.

In the area of investment, India has established reasonable impact in Nigerian economy. In the banking sector, India got involved in the Nigerian banking industry as far back as 1962 when a branch of bank of India was opened in Nigeria. The branch in Nigeria later changed its name to Allied Bank but could not go into operation much after. Subsequently, India and Indians with the exception of the Mahtani family showed little interest in the Nigerian banking sector even at the establishment of Chartered bank in 1988 and the Regent Bank in 2005. In November 2005, these two banks merged with others to form the Investment Banking and Trust Company (IBTC) with the Mahtani family having significant stake.

Another form of India's investment in the Nigerian banking sector was the June 2011 Indian Bharti Airtel formation of partnership with ECOBANK to launch mobile banking. The partnership was to form various forms of mobile banking services such as inter-personal, inter-Business and mobile –saving products and to be marketed under brand names of Ecobank Mobile and Airtel Money.

The Bharti Airtel, the Indian largest cellular services company have also entered into telecommunications services in Nigeria by investing "$600 million in Nigeria's mobile market when it purchased Zain Telecom's African Business for $10.7 billion" (Alao, 2011:15). This take-over of Zain telecommunication has empowered India to impact on other aspects of business in the information technology (IT) sector. For instance, the Indian company, National Institute of information Technology annually engaged in the manpower development of about 15,000 Nigerians in information technology. Also, in March 2011, Zen Mobile, an Indian handset manufacturing company promised to provide affordable high quality mobile phones in Nigerian markets, which it later fulfilled by launching into Nigerian markets six Zen mobile phones, namely: the X82, X381, X410, X430, M20, and Z66.

India has also shown remarkable interest in the Nigerian oil sector as all its key oil players have invested in the sector. These oil companies are the Indian Oil Corporation (IOC), ONGC Mittal Energy Limited (OMEL), which is a joint venture between ONGC and Mittel Steel Ltd, and the gas Authority of India Ltd (GAIL). In 2005, ONGC Videsh (OVL) made a bid of $2billion for a 45 per cent stake in Nigeria's offshore oil and gas field owned by South Atlantic petroleum Ltd. The deal was however cancelled by the Indian government on account that the investment was too large and fell short of 'viability parameters', especially on the rate of return on the investment. However, in December 2006, OMEL bided for and won the same oil block. It further, in 2007 indicated interest in setting up in Nigeria a Greenfield refinery with a capacity of 200,000 barrels per day. Indeed, between 2005 and 2007 Indian companies participated in Nigerian bid rounds and won six oil blocks. ONGC Mittal Energy Limited (OMEL) won three blocks, (OPL279, OPL 285 and OPL 297); Sterling won two (OPL 2005 and OPL 2006); and Essar won one (OPL 226).

In January 2007, the Indian national Thermal Power Corporation (NTPC) showed interest in contributing in the Liquefied natural gas (LNG) terminal. It equally agreed to contribute in setting up two gas-based power plants in Nigeria that could generate 700 MW and 500 MW respectively. The details of how to actualize these were issued to the NTPC in a draft MOU from Nigerian government. Briefly, the arrangement involved Nigeria ensuring the yearly supply of 3 million tons of gas for NTPC projects in India. In return, the NTPC was to build the gas-based power plants. Unfortunately, the Indian interest in Nigerian oil industry met some setbacks as the complex nature of Nigerian politics affected the arrangement: the Yar'Adua administration reversed all oil block offers made under Obasanjo on the ground that 'they did not follow due processes.' In January 2010, the NNPC indicated that the Indian government had agreed to invest up to $340 million for the development of two oil blocks (OPLs 279 and 285). It equally reiterated the offer made in 2007 by showing interest in establishing a new Greenfield refinery in Port Harcourt.

1.4. Nigeria-China Relations

Nigeria, like most African countries, between 1960s and 1970, viewed China as a non-aligned developing country and was not inclined to foster with her any form of business relationship. This position was primarily due to China's economic and political challenges at the time. Hence despite the fact that China has impacted significantly in the non-aligned movement and in the overall Asian efforts to ensure that it relates with African states in different fora such as in the Bandung Conference, Nigerian government immediately on the attainment of independence was not willing to form any alliance with a Communist government and thus hesitated to relate with China. That was why when in the late 1963, the China's Premier, Zhou En-Lai's made a trip to 10 African countries, Nigeria was excluded. Later in 1964 when a delegation from China visited Nigeria with the intent to establish diplomatic relations with Nigeria, the delegation went home without achieving its objective. When it appeared uncertain for Nigeria and China to establish diplomatic relations, China, in September 1968 supported the secession attempt of Nigeria's Igbo dominated Biafra region to break away from the rest of the federation through supply of weapons of war.

However, in the face of the reform policy introduced by Deng Xiaoping in the 1970s and 1980s China experienced some rapid growth and transformation in the areas of industrialization, growth in the quest for energy and expansion of markets outside its shores. These needs brought her into deeper relationship with African countries as alternative model to Western partnership. Besides, China that at first demonstrated indirect supports to African countries' political and ideological quests, later shifted to directly supporting her in her various quests for national liberation struggles. These developments motivated Nigeria to begin to think of identifying with China, hence, on February 10, 1971 Nigeria and China established relations that later spurred exchange of visits of Heads of States of both countries as well as their top government officials. The relationship was in continuation of the attempts geared towards promoting and strengthening the objectives of the cooperation among countries of the Southern hemisphere, which include promoting cooperation among them in the areas of trade, investment, technical cooperation, etc. The development led to China's deepening of her relationship with Nigeria by agreeing to extend to Nigeria some forms of assistance including allowing some of her medical and agricultural experts to assist in the development of new model farms and in other forms of economic relations. The bilateral economic relations was robust until the end of Obasanjo's regime in 1979 when it became negligible. In the early years of Abacha's regime in 1995, the Nigerian government through the application of some tactical and diplomatic means, brought China closer again to Nigeria, essentially to close the gap created by the United States and her Western allies that distanced themselves from Nigeria as a result of human rights abuses and other political crisis that were then prevalent in the country. This development in refocusing of the Nigeria's economic relations is what is popularly known as a 'policy shift to Asia'. Though the bilateral economic relations has suffered some setbacks since 1971, the two countries has from 1999 rejuvenated the relationship till date by promoting investments among other cooperation in the economic sphere.

In 1999, both countries re-entered into some investment related agreements on issues concerning protection of investments and avoidance of double taxation, among others, which are characterized, according to Oyeranti, Babatunde, Ogunkola and Bankole (2010:13) by the following:

- A broad asset-based definition of investment covering movable and immovable properties, real estates, corporate shares and stocks, copyright, intellectual property rights and royalties;

- Coverage of investment in accordance to domestic laws and regulations;
- Fair and equitable treatment and most-favourable nation (MFN) treatment for foreign investors;
- Protection of investors against expropriation and nationalization ;
- Guarantee free transfer of funds related to investment; and
- Settlement mechanism for state-state dispute.

In general terms the Memorandum of Understanding (MOU) on investment cooperation between the two countries is an attempt to enhance and expand bilateral cooperation in the spirit of reciprocity, mutual benefit, and common development. Enterprises in both countries are by the MOU encouraged to invest in the areas of agricultural machinery, textiles, clothing, telecommunication equipment, home appliances as well as in the development of natural resources.

Since Nigeria intensified her economic relations with China in 1999, there has been an appreciable development in the FDI from China to Nigeria. With the reopening of the relations, one of the major elements of Obasanjo's policy towards China may best be summarized as "oil for infrastructure". Simply put, Obasanjo required that Chinese and other Asian preferred bidders for oil blocs include in their bids a commitment to provide Nigeria with major infrastructure projects. This appeared to be motivated by the growing frustration and disillusionment of the Nigerian government with the seemingly paltry result of many years of post-independence co-operation with the West and partly because Obasanjo was personally so impressed with the infrastructure he saw on visits to China. With this policy, there has been a fragmented composition of Chinese investment present in Nigeria.

On a general note, the Chinese investment interests in Nigeria can be broadly classified into two: private and public. The private foreign direct investment consists of investments undertaken by Chinese investors or jointly with other Chinese or Nigerian investors. The private FDI are much in agro-allied industries, manufacturing and communication sectors. With respect to public FDI, some are wholly owned by Chinese government investors or in partnership with other foreign government investors. Many of the public investors have one way or the other benefited much than the private investors. In any case, both the private and public investors have positively influenced the Chinese foreign direct investment in Nigeria.

On the sectoral basis, a significant proportion of Chinese finance is allocated to general multi-sector infrastructure projects in Nigeria through Chinese State-owned Bank in other to secure new contracts for Chinese firms. According to the World Bank-PPIAF Chinese Project database (2009), China committed $0.2billion, $0.3billion and $ 4.90 billion in 2002, 2005, and 2006 respectively. In 2008 the World Bank released a useful and informative survey of China's growing role as a financier of infrastructure in Sub-Sahara Africa, which according to Foster (2008:32) reported that more than 35 countries are engaging with China in infrastructure finance deals, primarily through the Exim Bank, with the biggest recipients being Nigeria, Angola, Sudan and Ethiopia. Writing further, Foster maintains that these four countries are found to have received 70% of China's total infrastructure finance, and the two main sectors where China's money has been directed towards are power and transport. In 2009, the report went ahead to indicate that Nigeria, Angola, Ethiopia and Sudan in that order received the highest commitment of China's infrastructure finance in Sub-Sahara Africa.

The sectoral spread of the China's infrastructure finance in Nigeria in 2009 as put by World Bank- PPIAF Chinese Project Data Base (2009) show that transport received 65% of all the commitments, followed by power with 24%, then telecommunications with 7% and miscellaneous others accounting for 4%. The transport sector, which maintained 65 %, was so because China registered a major financial commitment in the Nigerian rail sector, with the major rehabilitation projects in the Lagos to Kano line, and the Abuja Rail Mass Transit System. In the power sector, which has 24% Chinese financial commitment, China provided US $3.5 billion toward the construction of six major hydropower projects amounting to some 6,000 megawatts (MW) of installed capacity across Africa. There was also the 2,600 MW Mambilla in Taraba state, which the government linked to CNOOC acquiring oil blocs in the 2007 bidding round. Other power projects in which Chinese companies have significant stake is the "335 MW Olorunsogo at a cost of $220.7 million, 35% of which is coming from the Nigerian government and the balance from a credit facility provided by Exim Bank". Another is the 335 MW Omotosho gas-turbine power station in Ondo State, completed in 2007, and again largely financed by the Exim Bank. Also financed by the Exim Bank of China, although in the true sense of it built by Germany's Siemens is the 138 MW Geregu gas-turbine power stations in Kogi State (Foster, 2008:34). In the Information and Communication Technology (ICT) sector, China has focused on the financing of projects such as the Nigeria's National Rural Telephony Project and the first satellite NigComSat-1."The satellite was built and launched by the China Great Wall Corporation in May 2007 at a cost of $251 million, of which $51 million was provided by the federal government of Nigeria and the balance by a federally guaranteed loan from China"(Mthembu-Salter,2009:18).

Following the renewed economic ties between Nigeria and China since 1999, there have been cases of China's FDI for promotion of trade in Nigeria. Some of these foreign investments are in the Lekki Free Trade Zone (LFTZ), which was established in 2005; the Ogun Guangdong Free Trade Zone (OGFTZ); the Kojola Specialized Railway Industrial Free Trade Zone; Ofada Vee Tee Rice Limited; and China Town.The Lekki Free Trade Zone near Lagos is the first Trade Zone where Chinese companies have a major stake in Nigeria. It was identified by the Lagos State Government (LSG) in 2005. In April 2006, Lekki Worldwide Investment Limited (LWIL) owned by LSG formed a joint venture with a Chinese consortium apparently led by CCECC. For the development of the Zone, the parties entered into some agreements; prominent of them are its funding and provision of other logistics. On this note Mthembu-Salter (2009:21) puts it that "the original agreement was for the Chinese consortium to provide $200 million for the LSG to provide the land, and move and compensate displaced villagers; and for Nigerian investors to stump up $67 million." As at April 2009 the CCECC consortium had provided $50 million in cash and kind for the project, while Nigerian investors was yet to make any financial commitment. Road construction into the Zone had started in 2007. Other infrastructure put in place is dedicated power plant which is independent of the national grid to ensure regular supply, and also water and sewage treatment plants. The LFTZ was designed to run in phases. Writing on this,Mthembu-Salter (2009:22) stated that:

- the Phase 1 of the Zone which started in April 2009 was scheduled for completion in 2014. The total investment for the phase was scheduled to run to $700-800 million, with the idea being to spend the initial $267 million getting to the point where Lekki Free Trade Zone Development Company (LFTZDC) has a bankable project for which it can seek financing.

In all, the LFTZ has the mission of developing an offshore economic growth zone, attracting foreign investment, promoting export, creating job opportunities, minimizing capital flight, and a host of other trade related matters.

The Ogun Guangdong Free Trade Zone, which is located in Igbesa in Ogun State is a tripartite projectsof two Chinese companies: Guangdong Xinguang International of Guangdong Province in China and China- Africa Investment Limited; and the Ogun State Government. The initial idea about the investment on the Free Trade zone was made by Chinese consortium with Ogun state government offering support in the area of land acquisition; processing and securing various approvals especially from the Nigeria export Processing Zone Authority (NEPZA). The project, according to Oyeranti et al (2010) is estimated to cost about $500 million and to be financed by the Chinese consortium, while the First Bank of Nigeria Plc is working in relation with the consortium in the areas of investment banking, project financing, business advisory services and correspondence banking relations.

Others include the Kojola Specialised Railway Industrial Free Trade Zone (KSRIFTZ), another joint venture of the Ogun State Government and the Chinese Civil Engineering Construction Company (CCECC). The company's investment which, according to Oyeranti et al (2010:58) is estimated at about ₦ 115.8 billion is a strategic move by the Ogun state government to make maximum advantage of the Railway modernisation programme and the proposed Inland Container Terminal Project of the Federal Government. The government envisaged that the project would facilitate rapid industrialization of the state and deepen foreign direct investment inflow into the state as specialized industries offering complementary services to the Federal Government projects were expected. Some of the expected investments include Locomotive workshops, Foundries, Metal fabrications, Ceramic making, Diary production, furniture making, garment production, fruit juice processing, kola processing, etc. Today, the Free Trade Zone is on the fast track of development and business is booming there, offering many Nigerians employment opportunities. This trade zone is one of the three of such in Ogun State and it is contributing to the development of the State.

Ofada Vee Tee Rice Limited is another tripartite firm whose equity shares are owned by the Ogun state Government, the Federal Government and Vee Tee Group (a Chinese firm) with the later holding the majority of the shares. The company, according to Mehan (2012:62) "has a designed capacity of 225,000 (9000 bags) tons of rice per day and the capital outlay estimated at about $2 billion".

China Town is a business centre predominantly established by Chinese investors in Nigeria and managed by International Cooperation Industry Nigeria Limited with office located at Surulere, Lagos. The business centre "consists of more than 125 shops managed by Nigerians and Chinese, but Chinese acquiring up to three-quarters of the shops, employing on the average, two Nigerians as shop attendants per shop", (Ekpo 2011: 65). The major items traded on in the China Town are textiles and apparels, lace materials, foot - wears, household utensils, handbags, electrical appliances, personal effects, etc. Significant about these goods is that they are either made in Nigeria by Chinese firms in Nigeria or imported from China. Food items of different types are also sold in the market.

In the manufacturing/production and retail services, Hong Kong and Taiwanese Chinese began manufacturing in Nigeria in the 1960s and early 1970s. Some started vehicle spare parts manufacture and others in other areas such as textiles. However, due to the then challenging business environment and lack of a resident Overseas Chinese community, as well as the declined output of cotton production and other associated problems like power supply, these companies could not progress and eventually closed down. With the new lease of life given to the Nigeria-China economic relations in 1999, many other Chinese companies started to invest in the manufacturing sector of Nigerian economy. Perhaps the most successful of the Hong Kong Chinese manufacturing companies is the Lee Enterprises. It has a huge factory in Jurgana, near Kano. The company, or more accurately, agglomeration of factories, employs a large number of Nigerian and Chinese workforce, with Chinese workers living in the premises. The factories which have their own dedicated power supply, manufactures plastics, steel and ceramic tiles. The companies also export hides for Italian ladder shoes. Lee Enterprises also own a number of apartments in Lagos, some of which are leased to oil companies, and the Up- market Golden Gate Chinese restaurant in Victoria Island, with a very popular casino downstairs.

Another long-listed Hong Kong Chinese manufacturing company in Nigeria is Wepco, which specializes in roofing sheets and furniture, growing the wood it uses for furniture on its own in Nigerian plantations. In the field of communication, Chinese telecommunications companies have moved determinedly into Nigeria but have not attempted to run their own networks. The Zhong Xing Telecommunication Equipment Company (ZTE) has been in the country since 2001. The company at inception employed many Nigerian students to wear white coats and pretend to be employees manufacturing handsets. However, according to Mthembu-Salter (2009:17), it has been established by journalists that ZTE's factory does not manufacture handsets but instead perform minor assembly tasks on phones that are actually made in China" What is however important here is not whether the company manufactures on itself handsets, but that it is a Chinese telecommunication company that have invested in telecommunication sector in Nigeria.

Huawai, another Chinese telecommunication company is also active in Nigeria, and has expanded its presence in Nigeria far more aggressively than has ZTE. "The company has six offices located at different parts of Nigeria and supplies system equipment to all network service providers, including MTN, Airtel (ZAIN), Glo, Visafone, and Zoom. In its training centre at Abuja, it employed over 4,000 graduates" (Parker, 2010:54). Huawai and ZTE are, by all accounts, highly competitive with each other in Nigeria. Despite this, however, both companies, according to Centre for Chinese Studies, (2009:23) "began collaboration in 2006 on the $3,000 million National Rural Telephony Programme. This Federal government programme involves connecting hundreds of rural communities to a

telephone network with the first $200 million of the funding provided by a concessionary loan from China". Phase one of the projects was finished in 2008 in many communities, but the anticipated second phase was put on hold by the Yar'Adua government.
Though the telecommunications network got completed in some parts of Nigeria, many of them, a case in point are those in different communities in Enugu state, never functioned even for a day. As at the time of this research, many of the wooden poles had fallen off, leaving the cables either rusting on the ground or carted away by hoodlums. This is not however the crux of the matter as far as this study is concerned, rather, that the Chinese companies have invested in the Nigerian telecommunication sector.While these companies may be the best known Chinese manufacturers in Nigeria, there are hundreds of other smaller ones established in a multitude of sectors with concentration in food and beverages, pharmaceuticals, cement, etc.
During the visit of Nigerian President Mohammadu Buhari (PMB) to China from April 11- 15, 2016, there were Framework Agreements between the Nigerian Federal Ministry of Industry, Trade and Investment and the National Development and Reform Commission of People's Republic of China to boost industrial and infrastructural development in Nigeria by China. Others are a Framework Agreement between Nigeria Federal Ministry of Communication and the China Aerospace Science and Technology, and a Memorandum of Understanding between Nigeria and China on Scientific and Technological cooperation. The North- South Power Company Limited and Sinohydro Corporation Limited signed an agreement, which according to Enejeta (2016:1)) was valued at $478,657,941.28 for the construction of 3000 Mega Watts solar power in Shiriro, Niger State. He further revealed that "a total of $1 billion USD is to be invested in the development of a Greenfield expressway for Abuja-Ibadan-Lagos under an agreement reached by the Infrastructure bank and Sinohydro Corporation Limited". Other areas which attracted the new Sino-Nigeria agreements during the visit include investing $363 million on comprehensive farm downstream industrial park in Kogi State, $1 billion for the establishment of a Hi-tech industrial park in Ogun-Guangdong Free Trade Zone in Igbesa, Ogun State. In all, Buhari was said to have expressed satisfaction with the outcome of the visit, which yielded additional investments in Nigeria exceeding $6 billion USD.

1.5. Nigeria-South Africa Relations
The objective of Nigeria foreign policy concerning Africa was contained in the speech of Prime-Minister, Sir Abubakar TafawaBelewa on 7th October, 1960 while addressing the United nations General Assembly. The speech among others indicated that "Nigeria hopes to work with other African countries for the progress of Africa and assist in bringing all African countries to state of independence". This concern about Africa was further developed by Jaja Wachukwu as the Minister of Foreign and Commonwealth Affairs on October 10, 1961 when he inter alia said: "we are independent in everything, but neutral in nothing that affects the destiny of Africa. The moment Africa is affected, we are involved". These statements bring to fore the Afrocentric foreign policy of Nigeria which commits her efforts to decolonization of the African continent and eradication of any form of racial discrimination and domination of the continent.
With particular reference to South Africa, the opportunity for Nigeria's involvement to her affairs was created by the March 21, 1960 Sharpeville killing of 72 blacks and wounding of many others during the protest against racial discrimination and domination. Nigeria from then spearheaded calls for and actions in different forums to bring about political and economic sanctions against the apartheid South Africa by the international community. The pressure on the racist regime in South Africa by many actor, including Nigeria brought its end in 1991 and the eventual emergence of democratic and majority rule in 1994. In spite of the roles of Nigeria in the dismantlement of apartheid regime and emergence of democratic rule, South Africa in 1995 was at the fore front of campaigning for Nigeria's suspension from the Commonwealth and United Nations on account of abuses of human rights under Abacha military regime.
The return of democratic government in Nigeria in 1999 reawakened Nigeria's stronger bilateral relationship with South Africa. The new relationship was helped, as put by Ebegbulem (2013:33), citing Dubow (2000) "by the fact that Thabo Mbeki had formed strong friendship with Obasanjo and Yar'Adua when he was in exile in Nigeria from 1976 to 1979". Politically, both countries exchanged visits of their political leaders and other government officials leading to establishing common stand on many issues that concern African continent. For instance, Chief Olusegun Obasanjo of Nigeria and Thabo Mbeki of South Africa jointly lobbied world countries to focus on African development and to cancel African nations' indebtedness. With strong commitment for African development, both political leaders made efforts to establishing the New partnership for Africa's Development (NEPAD) as a strategy for economic, social and political development of Africa.
Economically, both countries have encouraged bilateral relations, leading to South African companies playing key roles in various economic sphere of Nigeria. The signing of the bilateral agreements and the establishment of South Africa – Nigeria Bi-National Commission (BNC) in October 1999 has encouraged over 120 South African companies to be operating in Nigeria. Since the existence of the BNC, there has been remarkable achievements in the bilateral economic relations as it provided useful forum to emphasize the unity and harmony between the two countries. This is evident by a number of agreements which were negotiated and signed since the establishment of the BNC, which include the Bilateral Trade Agreement, the Reciprocal Promotion and Protection of Investment Agreements and the Avoidance of Double Taxation Agreement. Of all the South African companies operating in Nigeria, the Mobile Telecommunication Network (MTN), which was awarded license to operate cell phone network in 2001, is the biggest.

2. The Impacts of the Investment Relationship to Nigerian Economy
Nigeria's relationship with the member countries of the BRICS has come a long way. While the relationship with some of the member countries have obvious appreciable impacts, some appear very infinitesimal and without noticeable impact on Nigerians. Indeed, Nigeria's relationship with China, India and South Africa and their investments in the country has shown remarkable impacts on the economy and lives of average Nigerian. China has extensively invested in the Nigerian oil, power and transport sectors, among others.

However, Nigerian has raised concern over the poor and slavish treatment received in the Chinese companies. The complaint centres on the enormity of hours put at work without commensurate payment, abusive words and unjust dismissals. On the part of India, its impacts are more on the telecommunication (Airtel) and pharmaceuticals, while South Africa's impacts are on trade (Shoprite) and communication (MTN).

Conversely, Russia and Brazil has not meaningfully invested in Nigeria in spite of their bilateral investment-related agreements with Nigeria, which could best be described as aspirational agreements. This could have informed the statement of Alao (2011: 26-7) that "there is a negligible number of Brazilian or Russian companies in Nigeria that may have employed Nigerians, from which their treatment of Nigerian staff could be measured'.

In spite of the above assessment of individual BRICS impact on Nigeria, it is obvious that their relationship with Nigeria has positively impacted on Nigeria's economy. Many of their investments in the Nigerian economy are in the oil and gas industry, which has intensified the volume of petroleum products in Nigeria and exported to the BRICS with trade balance skewed in favour of the BRICS. The income generated from the enormity of the exports of petroleum products are presumably reinvested in other sectors of Nigerian economy. Even if the revenue generated from the exports are not directly invested in other aspects of the economy, they are presumably engaged in the importation of plant and machinery. These products if effectively put into use increases productivity either through capital accumulation effect or production through imitation of the imported technology. Bye and large, the relationship has engendered the over influence of foreign countries in Nigerian economy.

3. Conclusion and Recommendation

The Nigeria- BRICS investment relations is a complex one since the central interest of all of them is tied to Nigerian oil and gas sector. Implicitly, if the sector that attracts them increasingly booms, their interest would be sustained but would collapse when otherwise. Some of the member countries of the BRICS, such as China, India and South Africa has demonstrated reasonable degrees of investment in Nigeria, while Brazil and Russia has not. This notwithstanding, the BRICS generally has made investments that has impacted positively on Nigerian economy. However, Nigeria should diversify her economy to avoid the monoculture item (oil) that has all these while shaped the relationships.

4. References

i. African development Bank (ADB) Report (2011). "Brazil's Economic Engagement with Africa". Vol. 2(5) May.

ii. Agubamah, E. (2014). "Nigeria-Russia Relations: After and Now", in European Scientific Journal 10(14) May Pp193-204

iii. Alao, A. (2011). "Nigeria and the BRICs: Diplomatic, Trade, Cultural and Military Relations", Occasional Paper NO. 101, China in Africa Project, South Africa Institute of International Affairs, November. pp 1-71.

iv. Ebegbulem, J. C (2013). "An Evaluation of Nigeria-South Africa Bilateral Relations", Journal of International Relations and Foreign Policy 1(1) pp 32-40.

v. Ekpo, A. H. (2011). "Foreign Direct Investment in Nigeria: Evidence from time series data", in CBN Economic and Financial Review, 35(1) pp 1203-1250.

vi. Enejeta, E. (2016). "Benefits of Buhari's Visit to China", Home News: Business and Economy, April 17

vii. Foster, V. (2008). "Building Bridges: China's Growing Role as Infrastructure Financier for Africa", Washington D. C, World Bank Bulletin P.32.Goldman Sachs.

viii. Mehan, L. (2012). Foreign Direct Investment in Developing Countries and Economic Growth", in Journal of Development Studies, 35 (1) pp16-30.

ix. Mthembu-Salter, G. (2009). "Elephants, Ants and Superpowers: Nigeria's Relations with China, SAIIA Occasional Paper NO. 42, September.

x. O'Neil, J. (2001). "The World Needs Better Economic BRICs", Global Economic Paper Series,

xi. Oyeranti, O. A; Babatunde, M. A; ogunkola, E. O; & Bankole A. S. (2010). China- Africa Investment Relations: A Case Study of Nigeria", Final Report Submitted to the African Economic Research Consortium (AERC), Nairobi, Kenya. February pp1-71.

xii. Sanya Declaration (2011). www.voltairenet.org/article169501.html Accessed June 20, 2016.

xiii. Vasuadevan, P. (2010). "The Changing Nature of Nigeria –India relations", Programme Paper: AFP 2010/02. December, London: Chatham House.

xiv. Wapmuk, S. (2012). "Bilateral Trade and Investment Relations between Nigeria and India", African Review 4(2) pp 122-135.

xv. World Bank PPIAFF Chinese Project Database (2009)