

Extent of Trade between Nigeria and Partner ECOWAS Nations in Beverages and Tobacco

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Abstract

This study investigates the dynamics of intra-regional trade in Beverages and Tobacco between Nigeria and other Economic Community of West African States (ECOWAS) member countries, with a focus on assessing trade volumes and terms of trade across the region. Specifically, it aims to (1) analyze the volume of exports and imports of Beverages and Tobacco among ECOWAS nations and (2) evaluate the evolving terms of trade between member states. Secondary data spanning multiple years were obtained from the TRAINS database and analyzed using descriptive statistical techniques. Results reveal that Nigeria has historically maintained a leading position in exports, peaking at 56.29% of regional trade in 2012, but declining to 23.04% by 2023, reflecting significant variability. Côte d'Ivoire and Senegal have emerged as key trade partners, while countries such as Burkina Faso and Ghana have shown increasing import dependence, indicating shifting regional trade dependencies. Furthermore, trends in terms of trade ratios, particularly Nigeria's sharp rise to 276,786 in 2023 and Senegal's peak of 50,547.1 in 2014, reflect robust export performance within the sector. The analysis underscores Nigeria and Côte d'Ivoire's continued dominance but also highlights the rising participation of countries like Senegal, Togo, and Burkina Faso in the regional market. These findings suggest that intra-ECOWAS trade in Beverages and Tobacco is diversifying, offering new opportunities for economic cooperation. Policy

interventions aimed at strengthening trade infrastructure, enhancing export capacity, and mitigating potential fiscal vulnerabilities are recommended to improve regional trade outcomes.

Keywords: ECOWAS; Intra-regional trade; Beverages and Tobacco; Terms of trade; Nigeria; Export performance

INTRODUCTION

According to Oluwusi (2016), ECOWAS was established with the primary goal of removing all tariff and non-tariff restrictions on trade between its member states, implementing a unified external tariff (CET) and trade policy for non-member nations, eliminating barriers to the free movement of labor and capital, and aligning domestic policies among member countries. To achieve these objectives, the organization introduced a detailed trade liberalization initiative called the ECOWAS Trade Liberalization Scheme (ETLS). The fundamental purpose behind ECOWAS's creation was to enhance collaboration and growth across various economic sectors, including industry, transportation, telecommunications, energy, agriculture, natural resources, trade, finance, and socio-cultural affairs. This was intended to improve living standards, sustain economic stability, and strengthen ties between member states. Since its inception, ECOWAS has actively encouraged economic cooperation and regional integration as a means to accelerate the development of West Africa's economy (Oluwusi, 2016).

The phrase "extent of trade" describes the magnitude or scope of economic exchanges involving goods and services in a particular market or between countries during a given timeframe. It includes multiple aspects, such as the overall volume of traded goods and services, the variety of products exchanged, and the geographic spread of trade (OECD, 2022). In West Africa's development, trade plays a crucial role. This is because favorable trade conditions generate the foreign currency required for economic growth and help achieve the highest possible societal well-being, making trade balance a key economic objective (Ogundipe, 2017). Trade, as a traditional practice of swapping surplus goods for scarce ones, is often assessed by foreign exchange earnings, which vary across nations. The competition among countries to maximize wealth—sometimes at the expense of trading partners has led to unequal benefits from trade, influenced by global demand for certain goods (Ogundipe, 2017).

Trade within the region does occur, but it is largely informal and widely seen as falling short of its possible capacity. Strengthening this intra-regional trade is viewed as crucial for long-term growth, as highlighted in major regional policy documents. This is because it enables economies of scale and facilitates the movement of agricultural goods from surplus to shortage zones. Additionally, borders frequently divide production zones from their closest markets (Torres and Seters, 2016). The research tackled the broader challenge of developing countries relying heavily on a limited range of exports, often commodities with highly unstable demand. Over time, this has led to significant income fluctuations, contributing to economic instability and erratic growth. Strengthening trade facilitation within ECOWAS is crucial for improving the region's trade performance, both internally and in global markets. While several studies have examined the impact of regional economic integration, little attention has been given to how it influences Nigeria's trade in Beverages and Tobacco with other ECOWAS members. This oversight provides the motivation for the study. The primary goal of the research was to evaluate the extent of trade in Beverages and Tobacco between Nigeria and other ECOWAS countries. Additionally, the study aimed to: (i) analyze the total volume of Beverages and Tobacco exports and imports within ECOWAS nations; and (ii) examine the trade terms between ECOWAS member states.

METHODOLOGY

Study Area

This study was conducted in ECOWAS region. The Gulf of Guinea is the southern boundary, while that to the North is the Northern boundary of Mali and Nigeria; the Mount Cameroon/Adamawa Highlands and the Atlantic Ocean form the eastern and western limits. It covers a total land area of about 5,112,903km², with a density of 49.2/km² (Wikipedia, 2023). West Africa lies between latitude 4°N and 28°N and longitudes 15°E and 16°E. The population of West Africa is estimated at 419 million as of 2021, and at 381,981,000 as of 2017, (World Population Prospects 2022). The region is demographically and economically one of the fastest growing in the African continent, (West Africa Gateway, 2021). West Africa Comprises of 15 countries which includes; Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea Bissau, Ivory Coast, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

Data Collection

Secondary data gathered from various sources was largely relied upon for this study. Data was obtained from the TRAINS database. Secondary data in trade values and quantities of all traded products for reporting countries, years, and all partners among other information was retrieved from the UNComtrade by country/period option of the WITS.

Data Analysis Method

The analytical tool that was employed in analyzing the data collected for this study include, descriptive analysis which was used to analyze objective (i) and (ii) to describe the volume of Nigeria Gross Export and Import of Beverages and Tobacco in ECOWAS Sub-region, and to evaluate the terms of trade among ECOWAS member nations.

RESULTS AND DISCUSSION

ECOWAS Nation's Gross Exports and Imports of Beverages and Tobacco

The export trade volumes of beverages and tobacco among ECOWAS nations reveal significant trends and shifting dynamics over the years. The data from 2008 to 2023 showcases how various nations contribute to this specific trade sector within the region. The result from Table 1 and 2 revealed that Nigeria's share of trade volume has been consistently significant. From a modest 3.60% in 2009, its export volume surged to dominate the region with 56.29% in 2012 before stabilizing around 23.04% in 2023. This reflects Nigeria's robust production capacity and market influence in beverages and tobacco. However, its declining share after 2012 indicates challenges such as competition, regulatory changes, or diversification within ECOWAS (World Bank, 2022). Côte d'Ivoire is another major player, consistently maintaining high export volumes, with shares peaking at 35.61% in 2020. The country's export dominance aligns with its established agricultural base and industrial processing of beverages and tobacco (ECOWAS Commission 2021). As indicated in the findings, Senegal has demonstrated consistent contributions to export volumes, with shares fluctuating but remaining impactful. In 2023, it accounted for 24.29%, reflecting a recovery from earlier fluctuations. This underscores Senegal's strategic role in West African trade, possibly driven by industrial investment and trade facilitation measures. Ghana's contribution peaked at 17.17% in 2011 but showed erratic patterns in subsequent years, declining to 7.37% in 2023. This reflects potential inconsistencies in

production or challenges in maintaining competitive advantage. Burkina Faso's share expanded significantly in recent years, rising from 0.22% in 2016 to 5.96% in 2023. This growth reflects increased industrial capacity or improved trade policies within the country. While Benin's shares were negligible in earlier years, a gradual increase to 0.80% in 2023 indicates a growing role in regional trade. The study further revealed that Togo has maintained a steady presence, with trade shares averaging around 10-15% in recent years. Its consistent performance indicates well-established trade network and production efficiency in beverages and tobacco. The result also showed that countries like Liberia, Guinea, and Guinea-Bissau have either negligible contributions or fluctuating minor shares, reflecting structural constraints in production, trade infrastructure, or market access. **From the result presented, the findings indicated** the period from 2012 onward reveals a gradual diversification of trade shares among member states. While Nigeria and Côte d'Ivoire remain dominant, other countries such as Senegal, Togo, and Burkina Faso have expanded their shares, indicating increased competitiveness and industrialization across the region. ECOWAS trade agreements and facilitation measures have influenced trade flows, benefiting countries with competitive advantages (African Development Bank, 2020).

Table 1: ECOWAS Nation's Gross Exports of Beverages and Tobacco

Exporters	Trade Values (%)								
	2008	2009	2010	2011	2012	2013	2014	2015	
Benin	-	-	-	-	-	0.27	0.18	0.06	
Burkina Faso	-	6.4	6.2	3.20	1.50	0.64	0.60	0.27	
Cote d'Ivoire	47	36.7	31.00	22.87	16.39	19.98	24.85	30.67	
Cape Verde	-	0.01	0.10	0.01	0.02	0.01	0.003	0	
Ghana	-	-	14.1	17.17	7.56	10.04	14.66	7.47	
Guinea	-	-	-	-	-	0.17	0.04	0.08	
Gambia The	-	-	-	0.01	0.003	0.02	0.03	0.06	
Guinea-Bissau	-	-	-	-	-	-	-	-	
Liberia	-	-	-	-	-	-	-	-	
Mali	1	-	4.2	2.54	1.12	-	-	-	
Niger	-	0.04	0.2	0.0002	-	0.0002	1.32	0.01	
Nigeria	-	3.60	13	28.83	56.29	51.03	41.92	38.60	
Senegal	36	40.7	28.2	18.39	11.80	13.55	11.22	13.35	
Sierra Leone	-	-	-	-	-	-	0.06	0.05	
Togo	16.00	12.55	3	7.00	5.33	4.30	5.15	9.41	
Total	100	100	100	100	100	100	100	100	

Source: Computed from UNComtrade 2023

Table 2: ECOWAS Nation's Gross Exports of Beverages and Tobacco

Exporters	Trade Values (%)							
	2016	2017	2018	2019	2020	2021	2022	2023
Benin	0.13	0.12	0.04	0.19	0.59	0.56	0.59	0.80
Burkina Faso	0.22	0.38	0.94	0.67	1.17	4.69	4.57	5.96
Cote d'Ivoire	25.42	26.77	24.73	30.34	35.61	28.57	20.23	24.12
Cape Verde	-	-	-	-	-	-	-	-
Ghana	3.67	8.03	10.73	7.87	-	7.24	8.7	7.37
Guinea	0.06	-	-	-	-	-	-	-
Gambia The	0.01	0.01	0.02	0.01	0.004	0.0001	0.001	0.003
Guinea-Bissau	-	-	-	-	-	-	-	-
Liberia	-	-	0.03	0.003	0.000004	-	0.78	0.20
Mali	1.36	1.15	1.43	1.34	-	-	-	-
Niger	1.27	1.6	0.75	0.36	0.40	0.33	0.1	0.24
Nigeria	36.91	32.76	38.33	35.54	23.3	25.25	36.00	23.04
Senegal	15.67	14.88	12.50	12.7	22.13	18.68	15.02	24.29
Sierra Leone	0.04	0.05	0.18	-	-	-	-	-
Togo	15.24	14.25	10.33	10.98	16.8	14.68	14.01	13.98
Total	100	100	100	100	100	100	100	100

Source: Computed from UNComtrade 2023

ECOWAS Nation's Gross imports of Beverages and Tobacco

The import trade volume in beverages and tobacco among ECOWAS nations provides a snapshot of regional trade dynamics and highlights the evolving importance of intra-regional commerce. The result from table 3 and 4 showed that Togo and Côte d'Ivoire consistently maintained significant trade volume during this period, with Togo leading in 2008 (39.78%) and Côte d'Ivoire contributing meaningfully across most years. While Côte d'Ivoire maintained a notable share in earlier years, its import volumes significantly dropped by (12.23%) in 2023, likely due to increased local production or shifts in trade preferences. The findings further revealed that Burkina Faso became a major importer by 2009, accounting for 35.24% of imports and maintaining a strong presence through 2015. Burkina Faso emerged as the most consistent and dominant importer, peaking at 43.92% in 2023. This steady growth reflects its increasing reliance on intra-ECOWAS trade for

beverages and tobacco. The result indicates that Nigeria showed sporadic import activities, with a notable spike in 2013 (87.89%) but declined significantly thereafter. This volatility might reflect internal policy changes or fluctuations in local production. Nigeria's participation declined sharply after 2018, reducing to negligible levels by 2023 (0.02%). This could be linked to policies promoting self-sufficiency in tobacco and beverage production or broader economic challenges. Ghana experienced a gradual rise, peaking in 2014 at 13.63%, indicating growing demand for beverages and tobacco. Ghana became a key importer during this period, particularly between 2020 and 2023, with a peak of 15.99%. This rise could be attributed to growing urbanization and consumer demand. The study also revealed that Benin and Guinea started with negligible imports but began contributing modestly in later years, reflecting their expanding role in the regional trade network.

Countries like Liberia, Guinea-Bissau, and Cape Verde had minimal or no significant import volumes, indicating limited participation in intra-regional trade of these products. The data highlights the importance of intra-ECOWAS trade in beverages and tobacco, with countries like Burkina Faso, Ghana, and Benin becoming prominent players. This growth aligns with the ECOWAS vision of fostering regional economic integration (African Development Bank, 2020). The fluctuations in import volumes suggest diverse economic strategies among member states, with some increasing local production while others rely on imports. The uneven distribution of import volumes indicates disparities in economic capacity and trade reliance among member states. Addressing these imbalances could strengthen regional cohesion (ECOWAS Commission 2021).

Table 3: ECOWAS Nation's Gross imports of Beverages and Tobacco

Importers	Imported (%)			Values				
	2008	2009	2010	2011	2012	2013	2014	2015
Benin	-	-	-	-	-	0.63	3.90	4.80
Burkina Faso		35.24	33.86	38.09	33.32	4.03	27.39	31.43
Cote d'Ivoire	26.69	10.16	13.46	11.95	14.11	1.97	12.73	15.19
Cape Verde	2.56	2.14	2.02	1.85	1.26	0.14	0.90	0.63
Ghana	-	-	6.00	1.54	6.17	0.99	13.63	11.61
Guinea	-	-	-	-	-	0.19	2.06	3.05
Gambia The	-	-	-	0.38	0.29	0.05	0.80	0.45
Guinea-	-	-	-	-	-		0.41	0.21

Importers	Imported (%)			Values				
	2008	2009	2010	2011	2012	2013	2014	2015
Bissau								
Liberia	-	-	-	-	-	-	-	-
Mali	23.39	-	6.97	6.76	9.86	-	-	-
Niger	-	27.12	25.73	28.43	23.7	3.07	17.15	20.83
Nigeria	-	11.80	1.24	2.96	2.52	87.89	15.20	5.95
Senegal	7.59	1.77	0.33	0.2	0.33	0.01	0.03	0.08
Sierra Leone	-	-	-	-	-	-	0.50	0.47
Togo	39.78	11.77	10.38	7.84	8.44	1.04	5.3	5.30
Total	100	100	100	100	100	100	100	100

Source: Computed from UNComtrade 2023

Table 4: ECOWAS Nation's Gross imports of Beverages and Tobacco

Importers	Imported (%)			Values				
	2016	2017	2018	2019	2020	2021	2022	2023
Benin	3.20	2.98	4.10	5.19	7.3	4.44	3.59	5.61
Burkina Faso	27.10	27.55	23.21	25.31	30.78	29.73	30.32	43.92
Cote d'Ivoire	28.10	21.45	18.8	14.53	20.84	16.52	8.78	12.23
Cape Verde	1.0	0.96	0.89	0.54	0.81	0.45	0.87	1.28
Ghana	0.30	8.89	12.49	9.76	-	12.96	14.38	15.99
Guinea	3.20	-	-	-	-	-	-	-
Gambia The	0.5	0.34	0.83	1.27	1.10	0.68	0.68	1.12
Guinea-Bissau	0.07	0.02	0.24	-	-	-	-	-
Liberia	-	0.16	0.97	1.18	0.54	0.27	0.38	1.05
Mali	7.07	6.48	8.63	11.51	-	-	-	-
Niger	18.83	18.41	18.65	21.62	28.85	27.90	29.45	8.63
Nigeria	4.60	8.3	6.19	1.59	3.10	0.32	0.12	0.02
Senegal	0.2	0.14	0.05	0.22	0.49	0.09	4.92	1.06
Sierra Leone	0.74	0.21	0.22	-	-	-	-	-
Togo	5	4.11	4.73	7.28	6.19	6.64	6.52	9.09
Total	100	100	100	100	100	100	100	100

Source: Computed from UNComtrade 2023

Terms of Trade among ECOWAS Member Nations

The tables (7 and 8) provide a quantitative view of the terms of trade (ToT) in beverages and tobacco between the reporting nation and the Economic Community of West African States (ECOWAS) from 2008 to 2023. Terms of trade indices are essential for understanding trade dynamics, economic interdependencies, and the performance of specific sectors in the region. The study showed that over the period, significant fluctuations in terms of trade were observed among ECOWAS nations, reflecting changes in their export and import dynamics. A higher terms of trade indicates that a country's exports in beverages and tobacco gained competitiveness or pricing power, while a declining terms of trade suggests deteriorating trade conditions.

From the result, Nigeria showed remarkable spikes in its terms of trade values, especially in 2022 (51978.92) and 2023 (276786), reflecting dominance in beverages and tobacco exports. These trends suggest an increasing reliance on or success in export-oriented production in this sector. According to Akinleye and Adejumo (2022), improving terms of trade is crucial for boosting foreign exchange earnings, especially in trade-dependent economies. Their work underscores the importance of value addition in export products.

Senegal experienced significant variations, with the peak terms of trade value of 33608.1 in 2018, before a steep decline in subsequent years. This could indicate structural shifts in trade or changes in global demand. The findings further revealed that Ghana's terms of trade ratio showed considerable volatility, with a sharp rise in 2016 (1963.938) followed by declines, reflecting possible challenges in maintaining export competitiveness. While Togo and Cote d'Ivoire displayed relatively stable but moderate growth in their terms of trade values, suggesting steady trade conditions in this sector.

Countries such as Guinea-Bissau, Liberia, and Cape Verde had negligible or zero terms of trade indices in most years, indicating minimal engagement in beverages and tobacco trade.

A rising terms of trade means a country is exporting goods at higher prices or importing goods at lower prices. This improves the trade balance and strengthens economic stability. Beverages and tobacco trade represent a small fraction of total trade for many ECOWAS nations, limiting the broader applicability of terms of trade trends. The study corresponded with Kose and Ohnsorge (2021) on global commodity price cycles that highlight those nations reliant on a few commodities for trade face high exposure to price volatility, affecting their terms of trade.

The increasing terms of trade ratios for nations like Nigeria and Senegal suggest strong export performance in beverages and tobacco, reflecting their comparative advantage. However, the variability across other ECOWAS nations points to the need for diversified and resilient trade strategies.

Table 5: Terms of Trade in Beverages and Tobacco with the ECOWAS Nations (2008-2023)

ECOWAS Nations	Trade Values							
	2008	2009	2010	2011	2012	2013	2014	2015
Benin	-	-	-	-	-	10.43	6.5	1.7
Burkina Faso	-	21.5	24.0	15.7	10.7	3.8	3.2	1.3
Cote d'Ivoire	403.7	426.7	303.2	356.2	275.7	243.9	283.8	302.6
Cape Verde	-	0.5	5.9	1.2	3.0	0.9	0.5	-
Ghana	-	-	310.4	2071.30	291.11	243.87	156.44	96.42
Guinea	-	-	-	-	-	22.11	2.53	3.86
Gambia The	-	-	-	3.28	2.43	7.82	5.25	18.32
Guinea-Bissau	-	-	-	-	-	-	-	-
Liberia	-	-	-	-	-	-	-	-
Mali	7.41	-	78.81	69.91	27.00	-	-	-
Niger	-	0.16	1.20	0.0011	-	0.0016	11.17	0.04
Nigeria	-	36.06	1421.01	1812.07	5292.66	13.96	401.21	971.58
Senegal	1102.17	2727.84	11242.5	16655.6	8443.76	28072.0	50547.1	24937.7
Sierra Leone	-	-	-	-	-	-	16.7102	15.365
Togo	92.40	126.01	33.52	165.89	149.89	99.43	140.88	266.23

Source: Computed from UNComtrade 2023

Table 6: Terms of Trade in Beverages and Tobacco with the Ecowas Nations (2008-2023)

ECOWAS Nations	Trade Values							
	2016	2017	2018	2019	2020	2021	2022	2023
Benin	6.5	5.4	1.3	4.5	10.9	19.3	27.7	29.8
Burkina Faso	1.3	1.9	5.2	3.2	5.2	24.0	25.2	28.2
Cote d'Ivoire	143.3	175.4	168.4	252.9	231.0	263.6	385.3	29.2
Cape Verde	-	-	-	-	-	-	-	-
Ghana	1963.94	126.97	110.07	97.66	-	85.20	100.73	95.82
Guinea	2.95735	-	-	-	-	-	-	-
Gambia The	4.83	2.77	2.47	1.34	0.50	0.01	0.19	0.53
Guinea-Bissau	-	-	-	-	-	-	-	-
Liberia	-	-	3.6	0.3	0.0001	-	344.23	40.32
Mali	30.4206	24.97	21.19	14.06	-	-	-	-
Niger	10.67	12.32	5.13	2.04	1.89	1.79	0.70	5.80
Nigeria	1269.81	553.25	793.02	2717.65	1014.11	12034.1	51978.9	276786
Senegal	14026.3	14935.4	33608.1	7058.28	6110.97	31186.6	510.50	4764.64
Sierra Leone	8.56	30.14	103.01	-	-	-	-	-
Togo	502.32	487.008	279.76	182.85	367.96	336.69	358.991	319.76

Source: Computed from UNComtrade 2023

CONCLUSION

This study has examined the export and import trends of beverages and tobacco within the ECOWAS sub-region, revealing a dynamic trade landscape shaped by competitive advantages, industrial development, and evolving policy frameworks. While Nigeria and Côte d'Ivoire continue to dominate regional trade flows, the rising participation of countries such as Senegal, Togo, and Burkina Faso illustrates emerging opportunities for broader economic integration.

The findings underscore the uneven distribution of trade benefits across member states, highlighting structural challenges that disproportionately affect smaller economies. These

disparities point to a need for more inclusive and balanced regional development strategies. The study contributes to the theoretical discourse on regional trade by illuminating the interplay between national capabilities and supranational policy efforts, and by emphasizing the importance of differentiated approaches in fostering equitable trade outcomes.

By addressing a notable gap in understanding the specific constraints faced by less dominant economies in the ECOWAS region, this research provides a foundation for both policy formulation and future academic inquiry. The results reaffirm the importance of harmonized trade policies, infrastructure investment, and industrial diversification as pathways to enhanced intra-regional trade and long-term economic sustainability. In this way, the study responds directly to its core objective: to assess regional trade dynamics and inform strategies for more inclusive and integrated economic growth within West Africa.

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