

## **Chinese Business as an Emergent Actor in Nigerian Economy**

**By**

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### **Introduction**

The expatriate communities in Nigeria are invisible even for eyes of a resident watcher. They are not necessarily exclusive for outsiders, but are sometimes negative in disclosing their overall activities. Closed nature of the communities might be attributed to their history of settlement and development in the country. Most of their activities were to compete with those of indigenous people and other expatriate groups. In the process of expansion they could not help clashing with local established groups and their interests.

The strict manner of expatriate business had been the result of relations and intercourses with local communities. This often caused of another tension with the indigenous society. Expatriate firms used to introduce stricter management control over local employees. The salary level of local people was kept lower than those expatriates in the same firm. Labor unions were sometimes banned in order to disunite local workers and keep their wages low. And often the management of firm was strongly controlled by family members and relatives of expatriate owner. On the whole such closeness has been a common character of expatriate business communities.

Chinese firm had been typical one among those expatriate businesses that followed such a strict manner. They restricted the degree of substantial participation of indigenous people and strengthened family control for long time. Though Chinese firms performed almost like local establishments, their partnership with local interests had been weak and estranged one. Business transactions were restricted even within their own community. Individual and independent entrepreneurship characterized Chinese business community before.

In recent years, however, Chinese business has been showing different aspects in their performances. Under the schemes of privatisation and commercialisation that were introduced under the structural adjustment programme, business firms from China declared to collaborate, acquire or merge with Nigerian public corporations. Many other Chinese companies arrived and started their businesses in Nigeria following economic reforms of China. Their ambitious business attitude and collective approach are completely different from existing Chinese businesses in the country.

This emergency shall become a focal point of this essay. Those newcomers who arrived from China are main targets of description. Attempts are made to differentiate such emergent Chinese businesses from existing ones, and to verify their performances in merchandise trade. As many works on Nigerian business concentrated their attentions in indigenous and multinational sectors, those on expatriate business are comparative scarce. With the exception of Taiwanese firms in the country, Chinese business has been almost neglected as a research target. To fill up this blank we start from describing historical Chinese presence and settlement on the continent.

### **Historical Background**

Geographical remoteness reflected on the relationship between the African continent and China. It is difficult to find out evidences of direct contact until recent age. Only exception was the North Africa. Egypt (and Axum slightly) had substantial record of exchanges with ancient China in pre-medieval era. They seemed to continue formal relations with Chinese dynasties for centuries.

These were rather diplomatic relations than substantial traffics. Official missions were dispatched from both sides and merchandise was exchanged. Archaeological findings illustrate such exchanges as the ivory, various incenses, silk fabrics, currencies and so on (Snow 1988). These are believed to have been contributed each other on visits.

There were very few evidence on non-formal contacts except those of small number of scholars and explorers. The written records were found mostly on Chinese side. They spent several years to reach at the African continent. And the journey was not necessarily the planned one for them. It was extended from the near east or other destinations in between.

Physical distance required intermediary agents that connected them. In spite of interests for goods produced on both sides, lack of the regular traffic prevented the development of merchandise trade for long time. This is the constraint to be overcome even now. A well-known coastal trade of Swahili merchants was the one that intermediated both sides. They contributed to connect a so-called commodity chain between two remote areas. But the informational exchanges did not go hand in hand with those of commodity trade.

### **Chinese Migration into Africa**

It may fairly be said that the relation between Africa and China started from the forced migration of Chinese people. Physical distance blocked the regular traffic of goods, and so did the human traffics. Excepting official missions, substantial movement of people between two areas didn't come appear until 19<sup>th</sup> century.

The human traffic from China reached its heyday in the mid-19<sup>th</sup> century. The coolie, contract labourers sent to work in foreign countries became remarkable in poorer areas of China as well as India. It was a highly profitable business for brokers to intermediate this human traffic.

From this point of view, Chinese migration into the African Continent seemed to have started from the forced one. Prior to the coolie traffic, however, the African continent had witnessed another forced Chinese labourer in the Cape colony under the Dutch occupation. From mid-17<sup>th</sup> century the Dutch East India Company started to use the

Cape colony as a penal settlement, and there were Chinese convicts took from Batavia, present Jakarta in Indonesia (Yap & Man, 1996: 5-9).

This forced labour migration implies another aspect of Chinese movement into the continent. For many Chinese, their settlement on African continent had been accidental. They were the people who tried to escape from economic, political and natural disasters befall in China since the middle of 19<sup>th</sup> century. The migration gained a strong momentum and the Chinese disperse all over the world.

Many of them arrived at the continent via other places. In case of the people originating from Guangdong province in south China, massive emigration started around 1850s. Emigrants made their way to British Malaya and Singapore, Thailand, and other South East Asian regions. Hong Kong became a kind of springboard for those emigrants who aimed toward the new world including Africa.

Migration patterns were different in destinations on the continent. In East and Southern Africa many Chinese residents came to their places by way of the South East Asian and South Asian countries and territories. After leaving major ports in south China, for example, they took the trade routes to the continent via Mauritius.<sup>1</sup> In West Africa, however, majority of Chinese arrived at their places via the United Kingdom. Accordingly settlement of the latter became far later than the former.

### **Changing Pattern of Settlement**

This migration pattern of Chinese people was closely related to the reason of their entry to the African continent. Not every Chinese resident selected African countries from the early stage of their emigration. They had the will to migrate to any foreign country. Many of them entered African countries with invitation by the former Chinese residents. Established immigrants assisted relatives or member of the extended family to settle in the same area. This so-called chain migration was most popular among their

people. Bonds of clan and kinship used to be the major factors leading to settlement of Chinese population.

In recent years, however, this pattern seemed to be changing. As is mentioned above, number of Chinese emigrants who destine for African countries are not the majority. They seek for an opportunity to get a profitable job and the better life in foreign country. Some of them applied entry visas for several countries at the same time. The mere reason of entry to an African country is the earlier issuance of visa of the very country.

There is a case of female Chinese migrant who managed a restaurant in Lagos. Ms. Yuan Yan Jun told she had come from Shanghai with the assistance of undisclosed agent in mid-1990s. Initially she intended to go to Japan. Application for the entry permit was done, but it had taken long time for processing. Before the issuance of Japanese visa, she could get Nigerian one. Then her decision turned to go over Nigeria. After few years she opened a Chinese restaurant with Mr. Zhang Jing Kun who also worked in Nigeria for several years. Their restaurant situated along one of the busiest streets in Lagos, but number of customer declined under economic difficulties. Among all, the transfer of capital city to Abuja affected their business in Lagos. They started to consider moving to the new capital city. Though all ministries had already completed the movement, urban infrastructure and facilities in capital city were insufficient. There seemed to be business chances for a restaurant owner. They tried to find a proper facility and nominal 'owner' of new restaurant by themselves. However the search for new 'owner' didn't go well. And their plan had been suspended.

Ms. Yuan's case suggests several characteristics of recent Chinese migrants arriving at Nigeria. Firstly, she had no special connection with the country and no idea to migrate to there in initial stage. Secondly, she got no assistance from Chinese resident there to settle in Lagos. An unknown agent gave her conveniences to enter and settle in the country. Thirdly, she was free from vested interests in Lagos. That was why she could

try to move her business to the new capital city. All these are last characteristics we can find with traditional Chinese migrants and settlers.

### **Chinese in Manufacturing Sector**

Chinese firms tended to represent the main foreign element in Nigerian textile sector. Expatriates have been dominating the sector since its establishment. Among the owners of 64 registered textile industries Nigerians were only 13 (see **Table I**). Chinese are as notable as Lebanese and Indians. The most prominent one is Kaduna-based United Nigeria Textiles limited (UNTL). It had been registered in the United Kingdom because of its ownership. One Chinese family of Hong Kong origin established the UNTL in 1965. It was part of a group of companies that had affiliations in other countries. Even in Nigeria the UNTL had five affiliated factories in mid 1980s. It became one of the largest companies in Nigeria, not just in textile sector, with employment peaking in 1979 at 8,000 workers (Andrae & Beckman, 1999: 109).

**Table I: Nationality of textile factories in Nigeria**

Indian	30
Nigerian	13
Chinese	10
Lebanese	7
Others	4
<b>Total</b>	<b>64</b>

Source: (Andrae & Beckman, 1999: 75)

Chinese also involved in other sectors of manufacturing. It had been widely believed that Chinese manufacturers overwhelmed production of general merchandise like leather, rubber, and plastic products. The most traditional item was enameled wares that substituted long-time imports from various origins. Around 1970s the plastic industry started to dominate the manufacturing of a variety of products in the realm of

household materials. And Chinese also engaged in plastic manufacturing activities in various part of Nigeria.

Zakaria (1997, 1999) introduced one of such plastic firm established in a northern city, Kano. Among 60 factories engaging plastic manufacturing there, two third of them were owned by expatriates like Lebanese and Chinese. The plastic firm started its operations in 1977 as a joint business of two Chinese. Though they started slightly over 100 workers in its initial operation, total employee exceeded 3,000 with its five subsidiaries in other parts of the country in 1995. The firm has been enjoying substantial monopoly of the market as a pioneer footwear company in northern Nigeria since its establishment.

### **Taiwanese and Auto Parts Production**

There is another remarkable case of manufacturing sector in eastern part of Nigeria. Nnewi town located to the southwest of Onitsha, one of major industrial center of the country.<sup>2</sup> It has been a relatively wealthy trading and transporting community because of outward orientation of its people. During and after the colonial period, Nnewi people (Nnewian) migrated all over Nigeria, creating a trading and transport footholds. Their transport specialism led them to the trade in motor parts (Forrest, 1994: 159).

In the late 1950s, some Nnewians began to send European motor parts to Japan for copying and importing back to Nigeria. During the civil war (the Biafran War), an important parts market was located in Nnewi and spare parts were given priority as part of the war effort.<sup>3</sup>

Trading ties were re-developed with Japan, Korea, Taiwan, Singapore, and Hong Kong in 1970s. Especially Taiwanese products started to replace Japanese ones in this period. Although there was a distinction between original auto parts and those made in Taiwan, the linkage in trade and industry was advanced gradually. Following the retreat of

Indian and Hong Kong companies that had supplied auto parts, Taiwanese traders started to join the business with their flexibility and rapid responses.

In 1980s the scene changed again with economic transformations on both Nigeria and Taiwan. Nigerian economy deteriorated under situation of the oil glut. With the shortage of foreign exchanges the import became far more difficult than in 1970s. On the other hand, Asian currencies were appreciated after so-called the Plaza Agreement in 1985. The trade with Taiwan became costly for local businessmen than before.

Some entrepreneurs tried to invite a whole factory for local production. First motor accessories factory was opened in 1983 with the technical support of Taiwanese partner. Then, in late 1980s, similar joint ventures were established one after another that produced such items as fan belts, brake pads & shoes, linings and so on. Personnel exchanges became busier between two sides, and the Taiwanese experts were involved in technology transfer through the installation and start-up of production facilities.

### **Formal Business Relations**

Chinese business presence in African economies had been affected by official diplomatic relations. Until the formal recognition of the membership in the United Nations, many African countries were reluctant to strengthen economic relations with China. Nigerian government formally recognized the People's Republic of China in 1971. It was in line with the United Nation's decision to replace the Taiwan's membership with China. Even after this, however, Nigeria kept substantial relationship with Taiwan especially in the economic realm.

China started its formal trade with African countries in the late 1950s. Major partners were those countries in North Africa, especially the United Arab Republic (Egypt). Pre-independence Nigeria was the third largest importer of Chinese goods in Africa, and the volume of trade had been increasing then. She was also one of parties that



established official trade relations with Chinese diplomatic mission in Cairo in 1957 (Ogunsanwo, 1971: 37).

Trade initiative from Nigerian side was taken soon after her independence. A Nigerian economic mission led by the Minister of Finance visited Beijing in June 1961.<sup>4</sup> The country continued to dispatch delegations to China until it was interrupted by outbreak of the civil war (Biafran War).

Trading pattern reflected the nature of both economies. Before independence of African countries, they still imported tea, silk and other traditional items from China. And major export items for China were such selective commodities as Egyptian cotton, Moroccan phosphate, Sudanese sugar, and so on.<sup>5</sup> Until 1960s Chinese entry into European-dominated African markets met some difficulties. Among all, African countries' close economic ties with the former colonizers made it difficult for China to access those markets. Another difficulty was the non-availability of goods that African countries could sell to China. The non-complementary nature of Chinese and African economies affected trade relations (Ogunsanwo 1971: 85).

Most African countries became apt to export primary products to, and imported consumer and capital goods from China. Although there had been differences by country and time, this pattern didn't change until recently. Nigeria, for example, exported cocoa beans, rubber, cashew nuts, hide & skin, and some other agricultural products even after 1990. China tends to export large amounts of low-cost manufactures meeting with Nigerian local demands that reflected declining economy. This also resulted in serious trade imbalances between both sides. Trade imbalance with China has been a structural problem common to most of African countries. For compensation China utilized her economic assistance programs.

In early 1960s China's interest free loans were offered to some African allies like Guinea, Ghana, Mali and Algeria. In those cases, repayments could be either in export

of goods or in the currency of an agreed third country. Furthermore, in Ghana, an integrated textile and knitwear factory and an enamelled wares and china factory were set up with Chinese credits.

### **Institutional Settings for Bilateral Trade**

The first formal agreement on trade between Nigeria and China was signed in 1972 together with another agreement on economic, scientific and technological cooperation. The visit of Chinese Minister of Foreign Trade and Economic Cooperation provided this opportunity, and the bilateral trade relation entered the new phase. It was the eve of Nigerian oil boom when the country enjoyed indiscriminate imports.

During this boom Nigerian economy experienced unprecedented influx of commodities and goods from all over the world. Vessels were told to wait for more than three months until unloading their cargoes off the port of Lagos. Among those imports Chinese merchandise had no competitiveness because of its low quality. Though the import from China had increased steadily in 1970s, they were ranked as the "second class" products. The mosquito coil, for example, had been a typical Chinese product with this kind of bad reputation in Nigerian market. In spite of reasonable pricing in the market, Chinese mosquito coils were unpopular among Nigerian customers because of their quality. People claimed that Chinese coils smoked much but killed no mosquito.

Two trade-related agreements with China were renewed in 1981 respectively. They were formal procedures and accompanied no substantial requirements for both parties. However Chinese products re-gained its market in the process of deepening crisis of Nigerian economy in 1980s. Disciplinary measures were introduced into foreign trade regime under the name of Economic Stabilization Policy. Especially the import licensing system eliminated "luxurious goods" from Nigerian market. Traders tried to import as much commodities as possible with allocated foreign exchanges.

Introduction of the Structural Adjustment Programme in 1986 further pushed this tendency in foreign trades.

### **Changes Following Chinese Rapid Economic Growth**

Formal business relation with China entered a new phase in the middle of 1990s. Following the rapid economic development since late 1980s, Chinese products flooded into African market. From early- to mid-1990s Chinese trading companies became very active on the continent, and total number of those reached to 150 in the region (Brautigam 1998: 55). Consequently, throughout Africa, Chinese trade volume in 1995 expanded by almost 50% over 1994, and trade figure of the year was four times higher than that of year 1990.

In case of Nigeria, total trade figure almost doubled from \$50 million to \$96 million between 1991 and 1992. Nigerian import from China jumped up 8 times in this period. Import value of the year amounted to almost 5.4 billion Naira. It was over 20 times higher than the country's export value of 24 million Naira. This gap had continued to extend until 1995 when its import exceeded 10 billion Naira.<sup>6</sup> Federal government of Nigeria could not help implementing measures to check the rapid increase of imports from China.

There had been one serious problem that played mischief with this upward trend of bilateral trade. It was nothing but the quality of merchandise imported from China. Those substandard products caused many troubles in the country, and Nigerian government could not help taking compulsory measure to control distribution and sales of them. In early 1996 the Standards Organization of Nigeria seized and destructed such items as cables, fittings, and other electrical products imported from China.

Until then many fake products were brought into and distributed in Nigerian market through informal channels. But these substandard Chinese products were imported in

large quantities with formal trading procedures. In some cases local traders travel abroad to request manufactures to produce substandard items for sale in Nigeria (Chibundu 2000: 33).

The matter became an inter-governmental issue to tackle. Chinese authorities dispatched delegations to discuss the control of substandard commodities exported from China to Nigeria. On the other hand, Nigerian authorities started to reconsider inspection mechanism in general.<sup>7</sup> Nigeria had been introducing the pre-shipment inspection of imports to the country until then. Inspection services were also implemented by third party organizations to avoid such kind of trouble. Nigerian Federal Government decided to resolve this problem with replacement of the destination inspection mechanism. They declared the new procedures and guidelines for imports in January 1997.<sup>8</sup>

### **Changing Attitude of Nigerian People**

Absorption of Chinese and their products reflect the changing attitude of Nigerian people. Ordinary Nigerians still bear traditional bias and prejudice for Chinese in their mind. Also they are keeping long-lasting evaluation toward Chinese merchandise as for its quality. However, their purchasing power doesn't allow them to discriminate it any more. Price level of Chinese products became far more reasonable and attractive for them than before. Nigerian consumers are willing to purchase Chinese brand in the market.

So do the Nigerian businessmen. They started to rush into China for seeking trade partners. According to an interview with a staff of Japanese Embassy, they issued almost 3,000 visas for Nigerian applicants in the year 2000. This was an average issuance level of recent years. In contrast to this, Chinese Embassy issued more than 8,000 visas within the same period. It was pointed out that this had been a trend since mid-1990s and the number of applicants would increase. This inclination for China is

basing on availability of reasonable products in Chinese market.

Many Chinese products are still bearing modified brand names after major manufacturers of the item. In the local market it's not difficult to find such brand names of radio cassette as NAIWA, NAKAI, Phillips and so on. Obviously each one is after major brand name like AIWA, AKAI and Phillips. Also some products show a guarantee as 'Designed in Japan' (not 'Made in Japan'). However Nigerians are not discriminating them as fake nor sub-standard products any more. It might follow the manner that Taiwanese auto parts had regained its reputation in economic hardship of the country.

### **Further Expansion of Bilateral Trade**

The year 1997 witnessed the further upward turn of bilateral trade between Nigeria and China. The import from China steadily grew, and its share of total imports of Nigeria exceeded 5% in value bases. Diversification of import items was another characteristics of this period. In addition to such traditional imports as household articles and other light industry products, transport machineries and pharmaceutical products became higher in import ranking.

The motorcycle and related products became symbolic imports in this period. In 1998 motorcycle spare parts and accessories appeared in the third position of import ranking with the share of 2.3%. And their share increased to 2.9% in 1999, and they were ranked up to second position among major import items. Finally, in the year 2000, their share further increased to 3.5%, but the first position was occupied by motorcycle itself with its share of 3.7%.

Trade expansion is reflected on increased number of loading ports. In addition to traditional export ports like Hong Kong and Singapore, Shanghai appeared as a major loading point of cargos destined for Nigeria and other African countries. Hong Kong

has been shipping merchandises from its own hinterland including Shenghen that was rapidly developed as China's special economic zone. Singerpore intermediates manufacturing products of South East Asian countries as a transit port. As a loading port Shanghai covers so-called Chang Jiang delta where private sector led industrialisation advanced under China's policy of economic reform and liberalisation.

### **Case of Jiangsu Province**

Other than diplomatic initiatives of Chinese central government, there was a noteworthy initiative by its local governments. They tried to establish alternative trade channel by themselves. This is closely related with China's rapid industrial development in recent years. Among all, its coastal area attained remarkable economic growth in 1990s. Now Shanghai special municipality and its surrounding provinces became one of the most vigorous economic zones in East Asia.

Jiangsu Province developed itself as a hinterland of Shanghai. In spite of its smaller size of land area (only 1% of the whole country) it has 72 million people (5.9% of total population in China). The provincial GDP hit 93 billion U.S. dollars in 1999. This figure amounted to over 9% of China's national GDP.

The province attained rapid economic growth with its well-balanced industrial structure. There located Nanjing, Wuxi, Suzhou, Taicang and other industrial cities. They established not only light industries like textile, but also such industries as building materials, chemical, machinery, electronic. Among them, machinery and electronic industries recorded their exports worth of 7.69 billion U.S. dollars in 1999. Their share in the provincial export volume was almost 42%.

Jiangsu Provincial Government launched various export promotion measures in 1990s. Its Department of Foreign Trade and Economic Cooperation had selected Lagos as one of venues for their industrial products exhibition. According to this policy, the first

'Machinery & Electric Products Exhibition' was held in 1995. In line with this, one of trading companies in Suzhou city had opened its liaison office in Lagos.

The most current exhibition was held in November 2000. It was the third occasion sponsored by above mentioned department and the Machinery & Electrical Products Import & Export Office of Jiangsu Provincial Government. They invited 26 exhibitors from the province (see **Appendix I**). More than half of them were trading companies (carried names like 'Import & Export' or 'Foreign Trade' on it) representing major cities and manufactures in the province. Their exhibition booths were similarly full of small items. But other manufacturers' exhibited commodities bearing local demands in their minds. Some of those exhibitors are introduced below.<sup>8</sup>

*Huadong Electronics Groups Co.*

The company's major commodities on exhibit were fluorescent lamps. They prepared 15 types of straight lamps and 3 circular ones. These line-ups were to well-reflect the demand of Nigeria. One vice manager of its Import and Export Department, Mr. Li Yuhong told that they had intended to trade these items in bulk. Nigerian market is big enough to deal their various products. But purchasing power of Nigerian people have been declining under the economic crisis. The company was not expecting much for private consumption but for bulk purchase by the government. It was the reason why they didn't exhibit TV set in spite of their prior statement of exhibition items.

*Jiangsu Shihua Electric Appliance (Group) Import & Export Co., Ltd.*

Mr. Chuangping (Connor) Zhou, a representative of the company made almost the same comment as Mr. Li. Though they had decided to exhibit only limited number of electric fans, they also expected to receive a bulk order from the governmental sector. As one of the largest fan manufacturer in China, they started from assembling of a simple fan and diversified their products. Now their production line-ups cover those items from table fans to the most advanced micro motors. However, they brought only cheaper models of table, stand and ceiling fans considering sales potential in Nigeria.

*Jiangsu Golden Monkey Machinery Group Corporation*

The company's outdoor exhibition attracted many audiences. Their major item, a mechanical dumper of Jinhou brand was only a mobile car in the exhibition. As well as their construction mixer, the dumper was an item targeted private contractor. It is not necessarily common to use this kind of machine among small-scale construction companies in Nigeria. But the construction sector is a promising one after steady demand for housings. One of supporting party of the exhibition, the Golden Gate Paradise (Nigeria) Limited has incidentally a construction company under its umbrella.

*Yinhe Electronics Corporation Limited*

Their main product, computer cases were not commodities for Nigeria at all. Neither did their switching power supplies. Even their satellite receiver function has very limited market in the country. The presence of company, however, gave a favourable impression on visitors. Unlike other booths they contributed to make an advanced image of the exhibitors and exhibition itself. The company also targeted manufacturers with their future demands.

*Jiangsu Light Industrial Products Import & Export (Group) Corporation*

Unlike many other exhibitors the company had targeted general consumers. As a trading company they brought various kinds of daily necessities. Their kerosene cooking stove, for example, was a common type used in Nigeria. Tools and locks are also same types as witnessed in Nigerian local markets.

These manufacturing firms from Jiangsu Province were not necessarily keeping permanent deals with Nigerian counterparts. Some of those firms participated in this exhibition for the first time. They told to have held business meetings with local distributors and dealers, but those results were not disclosed. The exhibition seemed to attract more Chinese residents than Nigerian businessmen. In either case their products might be distributed in Nigerian market.



**Table II : Summary of Shipper's Document**

Port of Loading	Place of Issue/ Place of Receipt	Description of Goods
Busan	Tianjin	pencils
	do./Xingang	tires & tubes
	Seoul	kitchenware, disposable syringes
	do.	embroidery, audio cassette tape
	do.	PVC sheet, PVC leather
	do.	(textiles), used motorcycle engines
	do.	photo papers & film processing chemicals
	do.	organdie embroidery
	Ningbo	welding electrodes, fluorescent tube
	do.	padlock netting, iron bottles
	do.	speaker, speaker wire, transformer
	do.	industrial sewing machines
	do.	roofing nail, iron staple
	do.	rear sprocket
Durban	Durban	industrial raw materials
	do.	merchandise (LUX 90G White)
	Johannesburg	corn starch
	Hainault/Durban	rubber
	Nairobi/Mombasa	suspension
Hong Kong	-	industrial raw material (asbestos fiber)
	Hong Kong	dinner set
	do.	artificial flower
	do.	flashlight bulbs, torch light
	do.	suit cases
	do.	napkins, handkerchiefs, towels
	do.	transformer, head phone
	do.	AC/DC converter, office stapler, flat graters, plug/connector, framed pictures, combs
	do.	used A/C, used A/C compressor, used video
	do.	wire nettings, copper nail
	do.	PVC hand bags
	do.	windscreen & glass for commercial vehicle
	do.	transformer, video head cleaner
	do.	Men's wears (jeans) & foot wears
	do.	fairly used cassette players, transformer
	do.	transformer, video cassette cleaner
	do.	scissors, calculator
	do.	razor blade, combs, eye-brow pencil, shave brush, key holder, bulb, torch, soccer ball, scissors
	Shenzhen/Yantian	voltage regulator, motorcycle hose
	Hong Kong	razor blade, scissors, battery, playing card, key holder, soccer ball, bulb
	do.	Polyester woven fabric
	do.	battery, torch
	do./Shenzhen	lantern (HARRICANE)
	do.	blank audio cassette
	Yokohama	tires
	Tokyo	tires (FIRESTONE)
	Taipei	PVC ladies shoes
	do.	Nylon umbrella
	Hong Kong	metal blade, rod
	Shenzhen	monosodium glutamate
	do.	speaker
	do.	bedroom set, dining set
	do.	auto bulb
	Xiamen/Taipei	PVC men's sports shoes
	Shenzhen	Antenna
	Melbourne	instant milk powder (COWBELL)
Keelung	Taipei	dipping machine
	do.	computer accessories
	do.	transfer printing paper
	do.	insulating fitting
(continued)	do.	armor cable
Keelung	do.	flexible cords

Source: Author's field survey, 2000.

**Table II : Summary of Shipper's Document**

Port of Loading	Place of Issue/ Place of Receipt	Description of Goods
	do.	cables? (AAC 50mm, AAC 70mm)
	do.	Samosa(?) ribbon
	do.	general merchandise (nylon netting, etc.)
	Xiamen	medicated oil
Pusan	Qingdao	Polyester fabric (tie), sports shoes
	do.	heavy duty truck
	Tianjin/Xingang	stationery
	Seoul	A/C (WESTPOINT) & spare parts
	do.	primary school textbooks
	do.	raw materials for plastic industry
	do.	PVC artificial sheeting
Shanghai	Shanghai	industrial spare parts, hand groves, etc.
	-/Wenzhou	lamp holder, switch
	-/Ningbo	chemicals (TOBIAS acid, etc.)
	-/Jiangsu?	pharmaceutical raw materials
	-/Wenzhou	distribution board, switches
	-/Shanghai?	shoes
	-/Shanghai?	complete winkers
	-/Shanghai?	extension socket, electrical accessories, etc.
	-/Hubei?	coated electrodes, extension socket, sandal, hair thread, tooth brush
	-/Hubei?	extension socket, fluorescent tubes, 1000W Halogen fittings
	-	new motorcycle spare parts
	-/Henan	enamel wares
	-/Jiangsu	vacuum flask (ROYAL brand)
	-	hand mixer, juice extractor
	-	medicine (GENTAMYCIN, etc.)
	-	agricultural herbicide
	-/Wenzhou?	EVA cases
	-/Jiangxi?	electrical accessories
	-/Jiangsu	motorcycle (CKD)
	-/Yangzhou?	children toothbrush
	Shanghai	hand drilling machine, hand saw blade, air cleaning machine, blower electrode holder
	do./Hangzhou	impulse sealer, gas cooker
	do.	locks, Acrylic cabinet, handles
	do./Hangzhou	welding electrodes, traveling cases
	Fuzhou/Taipei	umbrella
Singapore	Jakarta	Seminar file
	Kobe/Osaka	Partially-hydrolyzed Polyvinyl Alcohol
	Bangkok	Polyester chips
	Singapore	(raw materials for industrial use)
	Kuala Lumpur	rubber bands
	Bangkok	textile fabric
	Colombo	tires & tubes
	Cochin	breach-creel stenciled foot mat
	Pasir Gudang	activated clay
	do.	palm oil extraction machine & accessories
	do.	agricultural herbicide
	Jakarta	cresols solid substance
	do.	chain saws parts, accumulator for vehicle
	do.	aluminum tube
	do.	writing & printing paper
	do.	colored paper board
	Madras	brown glazed porcelain disc
	Surabaya	writing & printing paper
	Shenzhen/Yantian	PP shopping bag
	Taipei/Kaohsiung	merchandise (GOLDING KING)

Source: Author's field survey, 2000.

For the purpose of confirming such distribution, it was considered to trace commodity chains of similar products. As the first step of this confirmation, the shipper's documents were obtained from a handling company in Nigeria. **Table II** shows the port of loading, the place of receipt, and description of goods in container loaded on a vessel destined to Lagos, Nigeria.

This container vessel called at Korea (Pusan), Taiwan (Keelung), China (Shanghai, Hong Kong), Singapore and South Africa (Durban), and loaded containers with various contents. Among those loaded in Shanghai there are some containers that were received in Jiangsu. Described goods are pharmaceutical raw materials, vacuum flask, motorcycle and so on. Other than these items, goods loaded in Shanghai cover similar manufacturing items that were found in the exhibition. Influx of Chinese goods to Nigeria was increasing steadily. And commodity chains between two economies are becoming far tighter than the 1990s.

## **Conclusions**

It should be stressed here again that individual motive of Chinese people has not changed since the early stage of their migration. Most of them tried to find good business and job for sustaining their family members and relatives as most overseas Chinese do in other part of the world. Early Chinese migrants arrived at Nigeria via transit countries. A typical case was so-called Hong Kong Chinese who migrated from the United Kingdom to the African continent. Those overseas Chinese settled in major cities and towns where they could start profitable businesses. They are regarded as the first generation distinguished from latecomers especially from mainland China. Their business had been steady and reliable in both management and industrial relations. Among all their performance in manufacturing sector was remarkable in initial industrialization of Nigeria.

From sociological point of view, it is obvious that the push factor of Chinese society and economy has been becoming stronger than the pull factor of Chinese communities in foreign countries. It might have another aspect, a change from the chain migration to the human traffic along with commodity chains. It had been popular among overseas Chinese to follow relatives and intimates who lived in foreign countries, to stay with them, and to inherit their businesses. However recent Chinese migration shows that their movement is not necessarily following those patterns.

This resulted in a kind of change in human traffic. In recent years Chinese products overflow to the world market following her rapid economic growth. In many developing countries Chinese merchandise conquered those markets and expelled local products from there. Dealing Chinese goods is popular and profitable business even among African traders. Consequently Chinese people also found business chances and enjoyed good trade in African market.

Here we witness the emergence of 'new' Chinese business and a different type of Chinese migrant. Some business actors try to establish formal relationship with definite targets. Exhibitors from Jiangsu Province were typical ones that emerged in Nigerian market in the late 1990s. Existence of official supports was another cause of their emergence. Also people like a female manager of Chinese restaurant appeared in the Nigerian labour market with their expertise. They tried to establish business and to settle in Nigerian society. Their intentions were, however, quite different from those formal businesses. Their migration into the country was casual. And their selection of Nigeria was not basing on decisive ideas. They merely tried to secure a chance of out-migration from China.

These two kinds of emergences, however, might be explained in the same context of globalisation. Confronting with keen competitions in both domestic and foreign markets, many Chinese manufacturers started to develop new markets for their products. Other than conventional spot deals with local traders, Chinese business

started direct marketing and regular export for African continent. On the other hand, the emergence of Chinese migrants on the African continent was also the result of competition in Chinese labour market. Their massive influx suggests a severe struggle for survival in Chinese society. Nigerian economy gives conducive and absorptive environment for these emergent actors.

## Notes

1. Mauritius played a pivotal role in 'disturbing' Chinese emigrants to Reunion, the Seychelles, Madagascar and South Africa from 1880 to 1940. (Yap & Man 1996: 37)
2. Nnewi and its surrounding area became committed to war effort, because it was the home of the Biafran leader Odumegwu Ojukwu. Its market absorbed returnees from the North immediately before the war. As the level of physical war destruction was low, Nnewi people could restart their business in the period of reconstruction after the war.
3. Manufacturing Development in Nnewi owed much to the private initiative and didn't involve official investments. On the background and characteristics of its development, see next. Banji Oyelaran-Oyeyinka, *Nnewi: An Emergent Industrial Cluster in Nigeria*, Technopol Publishers, n.d.
4. It was one among four delegations sent to China in the same year. China was believed to make an 'indirect offer of economic aid' (Ogunsanwo 1971: 86) to Nigeria then/ However it was not realized because of absence of formal diplomatic relation between two countries.
5. Among major Chinese trade partners at that time, only Nigeria had no such export item until her independence. It was almost the unilateral trade, and this pattern was followed in some francophone countries thereafter. (Ogunsanwo, 1971: 38)
6. As Nigerian local currency (Naira) was keenly devaluated in this period, the value itself didn't embody quantitative change per se. But the gap between import and export further widened to more than 30 times in this year.
7. There were also several instances when agricultural exports like cashew nuts, cotton shipped from Nigeria were inspected at destinations in China, and devalued by Chinese inspection officers. It resulted in considerable loss for Nigerian exporters. (Chibundu 2000: 37)
8. These descriptions are basing on interviews implemented at '2000 China Jinagsu Machinery & Electric Products Exhibition.'

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**Appendix I****Exhibitors and Their Items****At****The 2000 China Jiangsu, Machinery & Electric Products Exhibition****1. Jiangsu Light Industrial Products Import & Export (Group) Corporation**

Address: 100 Jiangsu Road, Nanjing, China

Items: stove & barbecues, tools & locks, lighting items & Christmas decorations,  
enamel & aluminum wares, lanterns, candle lights & glass globes,  
meat mincers & grinders

**2. Sainty International Group, Jiangsu Machinery Import & Export Corp. Ltd.**

Address: 50 ZhongHua Road, Nanjing, China

Items: power tools, agriculture tools, meat mincers, noodle machines,  
electrical materials (distribution board, switches), hard wares,  
car & motorcycle accessories, air conditioners, typewriters, projectors,  
audio/video system, locks (car lock, door lock, drawer lock), microwave  
stove, color TV, sewing machines, shoes, toothbrushes

**3. Jiangsu Metal & Minerals Import & Export (Group) Corporation**

Address: 50 ZhongHua Road, Nanjing, China

Items: steel wire rope, bibcock & fittings, welding electrodes, netting

**4. Jiangsu Animal By-products Import & Export (Group) Corporation**

Address: 50 ZhongHua Road, Nanjing, China

Items: impact drills, angle grinder, sander, diamond saw, hard-alloy saw, cable reel,  
wires & socket bids, power tools

**5. Suzhou Import & Export (Group) Co., Ltd.**

Address: 17<sup>th</sup> Floor, International Building, No.6 Xihuan Road, Suzhou, China

Items: truck/car tires, various shoes, candles, lenses, key & locks,  
electrical relay & contractors, hard wares, stationery & sports requisit

**6. Jiangsu WuLing Diesel Engine Co., Ltd.**

Address: Hu TangQiao Wujin, Jiangsu, China

Items: diesel engine, etc.

**7. Changchai Group Import & Export Co., Ltd.**

Address: 123 Huaide Road, Changzhou, Jiangsu, China

Items: diesel engine, tractor, diesel generating set

**8. Taicang Foreign Trade Corporation**

Address: No.1 Shanghai Road, Taicang, Jiangsu, China

Items: starter for florescent lamp, desk, lamp, VCD player, color TV, down light,  
halogen lamp, energy saving line VOL & low VOL, cable, audio  
accessories

**9. Yinhe Electronics Corporation Limited**

Address: No.9 East Renmin Road, Tangqiao town, Zhangjiagang, Jiangsu, China

Items: computer case, switching power supply, digital satellite receiver

**10. Jiangsu Golden Monkey Machinery Group Corporation**

Address: 26 South Street, Hua Yang Town, Jurong, Jiangsu, China

Items: dumper, mixer

**11. Jiangsu PongFei Group Company**

Address: Benjiaji North City Suburb, Hai'an, Jiangsu, China

Item: n.a.

**12. Nanjing Luzhou Machine Works**

Address: P.O.Box 3901, Nanjing, China

Items: latex separator, starch separator, palm oil separator, vegetable oil separator

**14. Huadong Electronics Group Co.**

Address: 26Floor, Golden Eagle International Plaza, 89 Hanzhong Road, Nanjing,  
China

Items: 21" color TV, circular & straight florescent lamp, energy saving lamp,  
halogen lamp, starter, ballast

**15. Jiangsu Shihua Electric Appliance (Group) Import & Export Co., Ltd.**

Address: 189 East Dajie Road, Dongshan Town. Zhonghua Men Wai, Nanjing,  
China

Items: electric fan, micromotor

**16. China FAW Group Co., Wuxi Automobile Factory**

Address: Xihua Road, Wuxi, Jiangsu, China

Items: touring bus, city bus, group bus

**17. China First Automobile Group, Wuxi Diesel Engine Works**

Address: 9, 1<sup>st</sup> Tangnan Branch Road, Wuxi, Jiangsu, China

Items: diesel engine, various special trucks, group bus

**18. Wuxi Gada Hardware Import & Export Co., Ltd**

Address: No.108 Xianqian Xi Jie, Wuxi, Jiangsu, China

Items: netting, motor tires, saw frame, wrench, hammer, screw driver, water fitting,  
measuring tape, bottle jack, scraper, steel wire brush

**19. Wuxi Rubber Group Co. Ltd.**

Address: No.413 Qingyang Road, Wuxi, Jiangsu, China

Item: motorcycle & bicycle tires

**21. Wuxi Joyray Import & Export (Group) Corp.**

Address: 7<sup>th</sup> Floor, International Trade Center, 4 Jiankang Road, Wuxi, Jiangsu, China

Items: patlock, battery, nail clipper, sewing needle, safety pin, shoe polish

**22. Xuzhou Jinkui Group Co. Ltd.**

Address: Quanshan District, Xuzhou, China

Items: TV antenna

**23. Xuzhou North Jinagsu Petroleum Machinery Components Works**

Address: Quanshan District, Xuzhou, China

Items: accessories of petroleum machinery

**24. Xuzhou Fuhua Industry and Commerce Co.**

Address: Quanshan District, Xuzhou, China

Items: TV antenna, satellite antenna

**25. Wuxian Foreign Trade Company**

Address: 10<sup>th</sup> Floor, International Trade Building, West Baodai Road, South Renmin Street, Suzhou, China

Items: silk garments, textile products

**26. Jiangsu Textile (Group) Import & Export Co. Ltd., Wuxi Branch**

Address: 15 Liangxi Road, Wuxi, Jiangsu, China

Items: sewing machine & spare parts, bulbs & tubes, electrodes, textile machinery

spare parts & dyestuff, electrical cable, group bus

**27. Jin Cheng Import & Export Group Co., Ltd.**

Address: 518 East Zhongshan Road, Nanjing, China

Item: motorcycle

**28. Jiangsu Chunlan Import & Export Group Co., Ltd.**

Address: 18 Qingnian Road, Taizhou, Jiangsu, China

Items: air conditioner, color TV, refrigerator