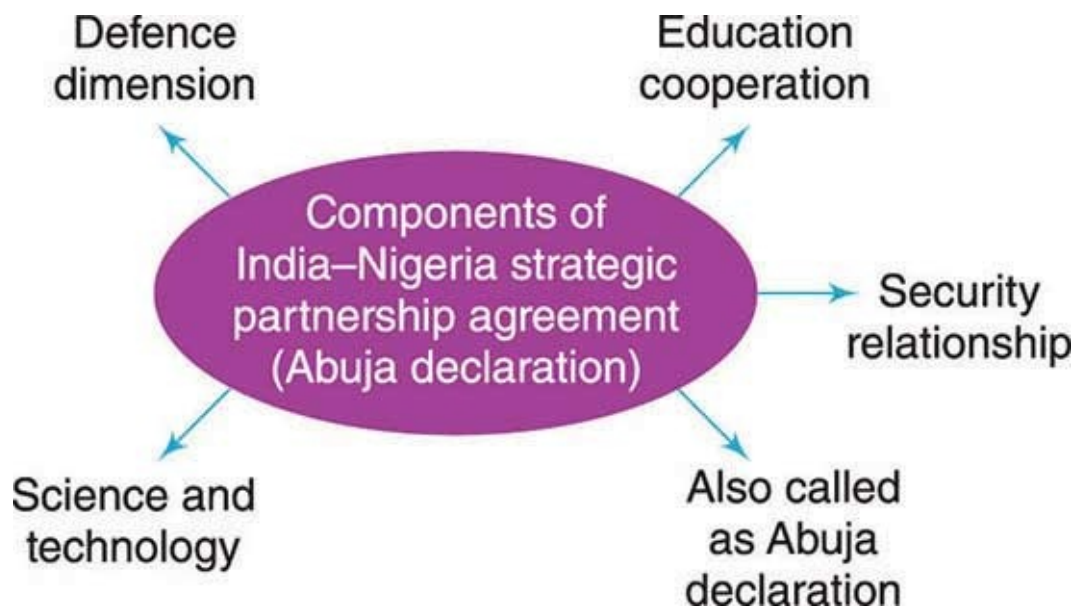


After reading the chapter, the reader will be able to develop an analytical understanding on the following:

- Historical Background
- Defense Diplomacy
- Commercial and Oil Diplomacy

HISTORICAL BACKGROUND

Nigeria had been a British Colony since the 1850s. India, however, established relations with Nigeria as early as 1958, though Nigeria became independent only in 1960. India and Nigeria have a long common struggle against apartheid and colonialism. India had supported Nigeria in its struggle on both fronts. Nehru visited Nigeria in 1962. The relations between both have been cordial despite irregular state visits by either side. Since Nehru's visit, the next high level bilateral visit happened only in 2007 when Dr Manmohan Singh visited Nigeria and concluded the India–Nigeria Strategic Partnership Agreement.



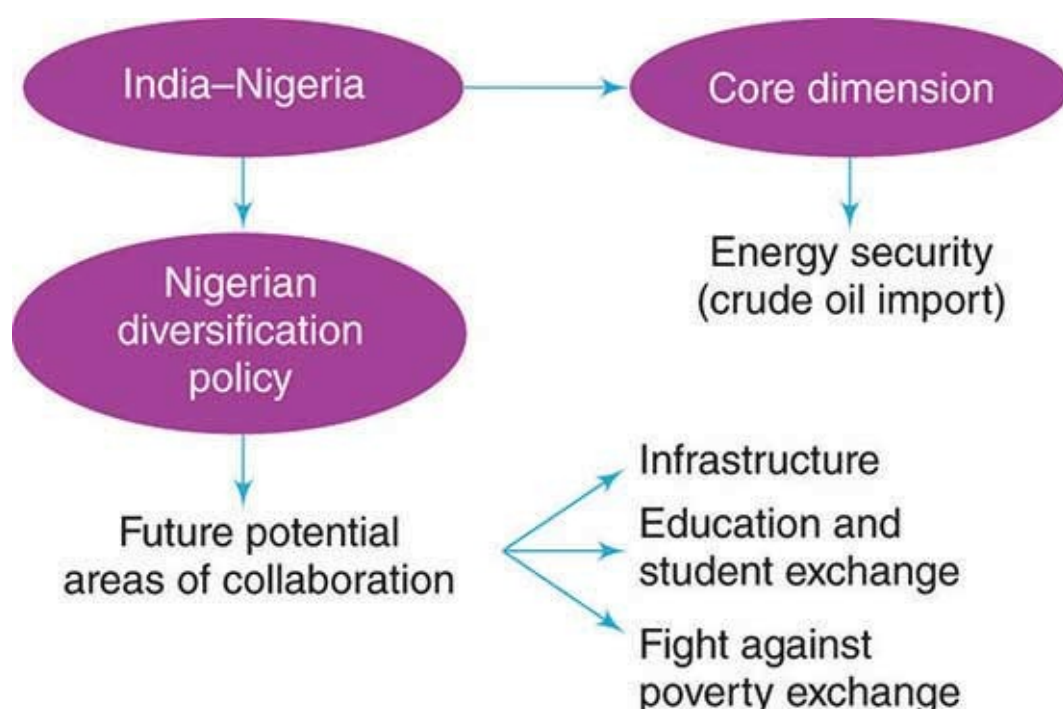
DEFENCE DIPLOMACY

India and Nigeria have a defence based relationship. The components in defence cooperation are those of training and capacity building. India offers training to defence officers of Nigeria at the NDA and the IMA in India. India, at the diplomatic level, has a defence attaché in its High Commission in Nigeria. In 2015, India decided to provide defence hardware to Nigeria to enhance military cooperation.

COMMERCIAL AND OIL DIPLOMACY

One of the most important dimensions in the relationship between India and Nigeria is trade. Nigeria is a resource-rich country and is in possession of a lot of crude oil. India today imports anything between 8–12% of Nigerian crude oil. India exports to Nigeria commodities like pharmacy products, rice and rubber while it imports oil, steel and cashew. Though, at the trade level there is an imbalance as India imports more (crude oil being the factor) than its exports, as the Nigerian economy has embarked upon a programme of diversification, the trade imbalance is likely to be rectified soon. Due to the diversification of the Nigerian economy, tremendous scope for Indian investment in infrastructure, and energy education, financial inclusion and poverty alleviation can be envisaged. To encourage firms to take advantage of the diversification of Nigerian economy, it has offered tax rebates and other benefits to various companies. A lot of Indian firms are already present in Nigeria. Bharti Airtel, Essar and Tata are some firms doing good business. Bajaj has been exporting a lot of automobile units to Nigeria. In August, 2015, Indian High Commission in Nigeria organised a ‘Brand India’ exercise. A lot of Indian companies, like NIIT, Tata, Dabur, Ashok Leyland, and so on, used this forum to showcase their expertise in infrastructure and IT sectors.

As per R. Ghyanahyam, IFS and India’s High Commissioner to Nigeria, there is immense trade potential between India and Nigeria, which can be significantly enhanced if both nations try to guarantee investment protection. In 2017, at the 4th India–Africa Hydrocarbon Conference in New Delhi, India had committed to double its oil imports for Nigeria. Nigeria, in the recent times, has tried to modify its oil selling and contract policies. Before this modification, the buyers of Nigerian oil had to purchase oil from spot markets. The problem of purchasing oil from spot markets was that it was vulnerable to price shocks. Nigeria has now started encouraging term contracts. As per a term contract, a fixed quantity of oil is to be supplied to contracting party at a stable price. Nigeria has also decided to sell oil directly to oil suppliers. In this context of a modified policy architecture, the Indian Oil Company (IOC) stands to gain as it had decided to agree for a term contract import of three million tonnes per annum crude from Nigeria in 2016.



Future Sectors for India–Nigeria Cooperation

ICT development: As a lot of Indian companies are in Nigeria, one area of potential cooperation is corporate learning, software development and value-added services. As the demand for tele connectivity and internet grows in Nigeria, the Indian corporate sector can enhance the ICT skills of Nigerian population in association with government agencies. This will create a lot of goodwill for India in Nigeria.

Healthcare: In Nigeria, healthcare is a neglected area. The Nigerian government has not yet equipped Nigerian healthcare with the needed capacity. This provides an opportunity for India. More so, in Nigeria there is an attitude amongst people to give preference to anything which is foreign. This attitude is most visible in healthcare. Every month, more than 5000 people on an average fly abroad for treatment. A lot of Nigerians also come to India as treatments in India are cheaper than in the US and Europe. However, the lack of connectivity via direct flights between India and Nigeria creates a difficulty in mobilisation of patients. Thus, two things can be done to leverage the opportunity. First, to take medical tourism to its full potential, we can enhance flight connectivity with daily, regular direct flights and secondly, encourage Indian hospitals to open up hospitals to cater to the market in Nigeria itself (for instance, Apollo hospital has opened a hospital in Nigeria lately).