THE AFRICAN GROWTH AND OPPORTUNITY ACT [AGOA] AND

NIGERA - U. S TRADE RELATIONS 2020-2024

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IN PARTIAL FULFILLMENT OF THE AWARD OF BACHELOR OF SCIENCE DEGREE (B.S

c.) IN INTERNATIONAL RELATIONS

SUPERVISED BY: OKONKWO W.O.

MAY, 2025

DECLARATION

I hereby, declare that I am solely responsible for the project work titled, “THE AFRICAN GROWTH AND OPPORTUNITY ACT [AGOA] AND NIGERA - U. S TRADE RELATIONS 2020-2024 presented in partial fulfillment of the requirements for the award of the degree (B. Sc.) in International Relations which is a record of a dignified project work carried out under the guidance and supervision of OKONKWO .W.O

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Ozoilo chidinma Benita   DATE

(STUDENT)

APPROVAL PAGE

This is to validate that this research work "THE AFRICAN GROWTH AND OPPORTUNITY ACT [AGOA] AND NIGERA - U. S TRADE RELATIONS 2020-2024 was embarked upon by “OZOILO CHIDINMA BENITA” with the matriculation number GOU/U22 /IRE/579 in partial fulfillment of the requirements for the award of Bachelor Science(B.SC) in International Relations, has been examined and approved by the Department of International Relations, Godfrey Okoye University, Enugu.

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External Examer ....Date

DEDICATION

This project work is dedicated to my parents Mr. and Mrs. Ozoilo Anthony and Mrs. Okpara Nkechi who has contributed immensely to everything that I have achieved and I pray that the good lord continues to bless them abundantly and protect them from every evil.

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ABSTRACT

This study examines the African Growth and Opportunity Act (AGOA) and Nigeria–U.S. trade relations from 2020 to 2024. AGOA, enacted in 2000, was designed to enhance market access for eligible SubSaharan African countries, promote export diversification, and foster mutually beneficial trade between the United States and Africa. Despite being one of Africa's largest economies and a longstanding AGOA beneficiary, Nigeria has failed to fully leverage the opportunities the Act provides. The country's exports to the United States remain heavily concentrated in crude oil, with nonoil sectors recording minimal growth under the programme. This study investigates how AGOA has shaped the pattern and performance of Nigeria's exports to the United States, and how domestic structural constraints — including weak manufacturing capacity, poor infrastructure, high production costs, and limited compliance with U.S. market standards — have limited Nigeria's ability to capitalize on preferential trade access. Set against the backdrop of global disruptions including the COVID19 pandemic, commodity market volatility, and supply chain shocks, the study employs Dependency Theory as its primary theoretical framework, supplemented by Complex Interdependence Theory. Findings indicate that while AGOA has maintained trade interaction between Nigeria and the United States, it has not produced the structural export transformation originally envisioned. The study concludes that bridging the gap between trade preference and trade benefit in Nigeria requires addressing deepseated domestic supplyside constraints alongside the preferential framework itself.**Keywords: AGOA, Nigeria–U.S. trade relations, export diversification,**

preferential trade, crude oil dependence, Dependency Theory, trade performance, nonoil exports, bilateral trade, SubSaharan Africa

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the study

The trade relations take a significant space in international relations as they determine the economic and political relations between states. Trade enables nations to exchange goods and services, earn a foreign exchange, open up job opportunities, initiate production, and enhance diplomatic relations. In this context, trade is not merely an economic activity, but a strategic tool by which states seek national interest, influence as well as development. It is out of this general perception that the trade relationship between the United States and African nations, such as Nigeria can be duly placed. The Office of the United States Trade Representative stated that the African Growth and Opportunity Act (AGOA) was developed to enhance the market opportunities of the countries of Sub-Saharan Africa that are eligible, as well as to enhance the U.S. economic relations with the region, and to promote growth and reform. The same source states that AGOA was renewed to 2025 and that Nigeria is among the beneficiary countries that are under the scheme.

Until the establishment of AGOA in 2000, the American-Africa economic activity had been perceived more as an aid, humanitarian, and even security relationship than as a widespread trade enhancement measure. AGOA was a policy change that gave eligible African nations a preferential access to the U.S. market by providing them with duty-free treatment on thousands of products. The policy was based on the expectation that openness to the market would boost exportation, enhance industrial production, attract investment, and diversify the economy in the participating countries. In his research on the AGOA and export of Sub-Saharan African nations to the United States, Kulu (2023) states that the programme was initiated to enable beneficiary states to export more products and enable growth and development. Similarly, the 2024 AGOA publications of the Office of the United States Trade Representative provide the policy as one of the primary pillars of U.S. trade relations with Sub-Saharan Africa in the past twenty years.

Nigeria holds a prominent role in the U.S. Africa trade relations due to the high population, market size, and endowment of resources. Traditionally, the trade connection between the United States and Nigeria has been crude oil motivated, and the exports of petroleum products have been determining the nature of bilateral trade over the years. Yet, this trend has also revealed structural flaws in the profile of trade in Nigeria, particularly, the high level of reliance of the country on primary commodities and the comparatively low pace of development of the value-added non-oil exports. According to UNCTAD (2024), the exports of the African continent usually are highly concentrated on basic items and that the leading export goods in the continent are still dominated by primary goods, which is characteristic of low diversification and low value addition. The wider African situation applies to the Nigerian situation as it aids in understanding why Nigeria, despite being AGOA-eligible, has been unable to convert trade preferences into more industrial change and wider export competitiveness.

The Nigerian case has now gained relevance in the debate on actual effectiveness of AGOA. Despite the fact that the policy created the opportunities of having the U.S. market as a duty-free zone, the capacity of Nigeria to fully utilize the opportunities has been hampered by domestic and structural bottlenecks. In their assessment of the bilateral trade relations between Nigeria and the United States under the AGOA, Umo-Udo and Edemidiong (2023) demonstrate that the experience of African nations under the programme has been undermined in many cases by a lack of productive capacities and constraints in the organization. Although they are not discussing Nigeria in isolation, the argument comes in handy in explaining the Nigerian case where export diversification, industrial capacity, infrastructure and competitiveness are issues that are still of concern. Similarly, UNCTAD (2024) notes that minimal diversification and excessive dependence on exporting the main products exposes the African economies to shocks and restrain productivity growth.

The study is further important because of the period between 2020 and 2024. The COVID-19 pandemic had an impact on this period, along with supply chain disruption, volatility in the energy market, inflationary pressures, and broader global-trade adjustments. According to U.S. Census Bureau trade statistics, the U.S. trade in goods with Nigeria has been quite diverse during these years: in 2020, U.S. exports to Nigeria amounted to approximately 2.8 billion and imports amounted to approximately 1.5 These changes indicate that the Nigeria-U.S. trade relationship in the AGOA period has been dynamic yet skewed, and thus calls the need to evaluate not only the presence of trade, but the quality, form, and developmental worth of the trade relationship.

It is against this background that this study examines The African Growth and Opportunity Act (AGOA) and Nigeria – U.S. Trade Relations, 2020–2024. The research is framed by the necessity of learning whether AGOA has made any substantial difference in enhancing the trade relations of Nigeria with the United States, whether it has stimulated the growth and diversification of exports and trade, and what the Nigerian experience teaches us about the broader opportunities and constraints of preferential trade agreements between developed and developing nations. In particular by covering the country of Nigeria during the 2020-2024 period, the study aims to add to the existing discussion of trade preferences, export performance, and the practical definition of economic partnership in the modern international relations.

1.2 Statement of the Problem

The United States introduced the African Growth and Opportunity Act (AGOA) as a trade preference programme aimed at creating the market access to the eligible Sub-Saharan African states, including Nigeria. The policy was expected to drive up the export business, promote diversification, enhance local production, and intensify win-win trade relations between African nations and the United States. This expectation has not been entirely realized in the case of Nigeria. Despite being among the major economies in Africa and a key player in AGOA, Nigeria has over the years continued to be largely reliant on crude oil in its trade activities with the United States, with the rate of non-oil export growth under the program being low. This brings up an issue as to whether AGOA has indeed enhanced the trade position of Nigeria in a wide and sustainable manner.

The problem becomes more important in the period 2020 to 2024, when global trade experienced serious disruptions and adjustments. External trade performance was impacted by the outbreak of COVID-19, oil prices, supply chain factors, demand patterns change in the international market, and internal economic challenges in Nigeria. Also in this time, Nigeria was supposed to benefit much more with AGOA through exporting more in agricultural sector, textile sector, light manufacturing sector and other non-oil sectors. However, the country continued to face major constraints such as weak industrial capacity, poor infrastructure, low value addition, inconsistent policy environment, limited competitiveness, and difficulty in meeting international standards required in the United States market. Consequently, the positive impacts of AGOA to Nigeria do not seem to have been utilized to the maximum, as the policy was supposed to offer.

Another aspect of the problem is that Nigeria–United States trade relations within the AGOA framework appear to reflect an imbalance in practical outcomes. Although the policy offers duty-free entry to most of the eligible goods, the performance of Nigeria as an exporter has not largely changed to indicate good industrial or export diversification. This has raised questions on how well AGOA has truly been effective in providing an effective platform in enhancing trade relations between Nigeria and the United States. It further leaves in doubt whether the Nigerian economy structure, the character of its exports and its domestic production flaws have contributed towards the inability of the country to enjoy the opportunities provided under the Act.

Even though there are debates on AGOA and the African-United States trade, a more detailed analysis on how the policy has influenced the Nigeria-U.S trade relations is required within the context of the 2020 2024 timeframe. To a large extent, the issue at stake is not merely whether AGOA is a policy or not, but whether it has had any significant effect of improving the Nigeria export performance, trade balance, and the general trade relationship between the United States and Nigeria over the time period of the analysis. This gap and concern are what this study aims to cover by exploring the African Growth and Opportunity Act (AGOA) and the U.S.-Nigeria trade relationship between the year 2020 and 2024.

1.3 Research Questions

1. How has AGOA affected the pattern and performance of Nigeria’s exports to the United States during the period under review?

2. How has poor domestic production limited Nigeria's opportunity to maximize opportunities provided under AGOA, 2020 - 2024

1.4 Objectives of the study

The main objective of this study is to examine the African Growth and Opportunity Act (AGOA) and Nigeria – U.S. trade relations from 2020 to 2024.

The specific objectives are to:

1. Assess the effect of AGOG in the pattern and performance of Nigeria's export to the U.S during the period under review

2. to determine how poor domestic production limited Nigeria's ability to maximize opportunities provided under AGOA, 2020 - 2024;

1.5 Significance of the study

This study has both theoretical and practical significance. Theoretically, the research will contribute to the current literature on the African Growth and Opportunity Act (AGOA) and trade relations between Nigeria and the U.S., 2020 to 2024. It will make a contribution to the academic discussion in the fields of international relations, international political economy, foreign trade, and development studies by offering a better understanding of the operation of preferential trade arrangements between the developed and developing nations. The study will also contribute to the academic discourse on opportunities and contradictions of AGOA particularly in the context of trade experience of Nigeria during the period under consideration.

The study will be beneficial to students and scholars of international relations, political science, economics, and related disciplines. It will also deepen their understanding of the essence of trade relationship between Nigeria and the United States under AGOA and make them understand whether the policy has facilitated mutual trade gains or strengthened the trend of unequal exchange. Specifically, the study will expand their knowledge on the matters of imbalance in trade, export dependency, and a point that states that certain systems of international trade can benefit stronger economies more than weaker ones. By so doing, the study will offer effective scholarly content to subsequent research and classroom activities on the economic relations between Africa and the U.S.

Practically, the study will be useful to policy makers and government officials in Nigeria and other African countries because it will highlight the major issues affecting the ability of beneficiary countries to take full advantage of AGOA. The study outcomes will be used to uncover the structural, institutional and policy bottlenecks that still curtail the performance of exports and overall gains of trade in Nigeria within the framework. It will render the study relevant to the ministries, trade negotiators, export promotion agencies, and economic planners who are interested in enhancing the international trade of Nigeria.

The study will also serve as a useful guide to the leaders of African governments and the United States on the need to ensure a more favourable, balanced, and development-oriented trade relationship. It will offer policy-relevant information on how the trade preferences can shift beyond the formal market access to the actual productive and export growth. In that regard, the study will act as a policy guideline and recommendation of how the two sides can enhance trade relationship in a manner that is favorable, sustainable, and beneficial to both.

Finally, the study will be significant to future researchers who may wish to carry out further studies on AGOA, Africa – U.S. trade relations, trade preferences, export diversification, and the wider political economy of North–South relations. It will offer empirical and conceptual content to them, on which future research can be developed.

1.6 Scope of the study

The scope of this study is divided into geographical scope, content scope, and time scope.

The geographical scope of the study is on Nigeria and the United States of America. Whereas, AGOA is a trade system that incorporates the United States with qualified nations in Sub-Saharan Africa, the paper is particularly restricted to the trade relations between Nigeria and the United States. References to Africa will only be made where necessary to provide background and contextual explanation.

The content of the study is the African Growth and Opportunity Act (AGOA) and trade relations between Nigeria and the United States. Specifically, the study examines the extent to which AGOA has influenced trade relations between Nigeria and the United States. It is also concerned with the impact of the framework to the export pattern and performance of Nigeria in the period being reviewed. The study also focuses on the key elements that have constrained Nigerian capacity to harness the opportunities presented under AGOA. By so doing, the study is also able to look at the broader argument on whether AGOA has been able to foster mutual trade gains or rather fulfilled the strategic and economic interests of the United States more than that of African beneficiary countries.

The time frame of the study is 2020 to 2024. This time is selected, as it describes recent trends in Nigeria-U.S. trade relations under AGOA, particularly in the prism of global trade shocks after the pandemic, shifting export environments, and fresh discussions on whether preferential trade agreements are effective to African economies.

In general, the present study is restricted to the analysis of AGOA in terms of its effect on Nigeria - U.S. trade relations in 202024, and the whole experience of trade relations of all African countries under the programme.

1.7 Limitations of the study

This study has some limitations which should be acknowledged. First, the study is limited in terms of geographical scope. It focuses specifically on Nigeria–U.S. trade relations under AGOA, and for that reason, the findings of the study may not be generalized to other parts of the world or to all trade relations involving developed and developing countries. Despite the fact that AGOA covers a number of viable African nations, the focus of the current study is the Nigerian experience in the context.

Secondly, the secondary sources of data limit the study. Preferably, the researcher would have supplemented the study with primary data by interviewing the trade officials, policy makers, exporters or stakeholders in both Nigeria and the United States. This primary data would have augmented the research and given more practical information on the problem around AGOA and trade relations between Nigeria and the U.S. The researcher, however, did not have the financial and logistical facilities to travel to the United States or even have direct access to some of the key players in the trade structure.

The other limitation is associated with the resource and time constraints. As with most academic research projects, this study was conducted within a narrow time frame and the use of the available resources, which influenced the scope of the data collection and the use of some of the materials. Further, not all official trade documents, policy records, and current institutional data were readily available and this could have limited the scope of analysis.

Despite these limitations, the researcher made conscious effort to rely on available credible books, journal articles, official reports, government publications, and institutional trade data in order to ensure that the study remains valid, reliable, and academically sound.

1.8 Operational Definition of Concepts/Terms

African Growth and Opportunity Act (AGOA): AGOA refers to a United States trade policy that grants eligible Sub-Saharan African countries duty-free access to the U.S. market for selected goods.

Trade Relations: Trade relations refer to the pattern of economic exchange between two countries through the import and export of goods and services.

Nigeria – U.S. Trade Relations: Nigeria – U.S. trade relations refer to the commercial exchange and trade interaction between Nigeria and the United States within the period under study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Concept of International Trade Relations

International trade relations are the economic interactions between nations in terms of exchanging goods and services, policies, rules, institutions, and diplomatic participation that determine such interactions. Trade in modern international relations can no longer be regarded as a mere commercial activity by itself; it is also a strategic tool by which states aim at pursuing national interest, better market access, foreign exchange, enhanced production and political influence. According to the World Trade Organization, the multilateral trading system is there to regulate the terms of trade between countries proving that trade relations not only entail transactions, but also control, bargaining, and institutional collusion between states. Similarly, Organisation for Economic Co-operation and Development (OECD) (2024) described international trade to be under a rules-based system where policy decisions, market openness, and trade barriers influence the flow of goods and services across the borders.

The World Trade Organization (2023) has asserted that trade has traditionally been a driver of economic growth, increased income, improved resource distribution and increased access to goods and services by economies. This implies that international trade relationship is significant since it links the national economies to the global market and provides the avenues of specialization, productivity, and competitiveness. The WTO (2024) also observed that trade is intertwined with inclusiveness, development, and opportunity with the help of institutions and policies that enable greater access to markets. Trade relations in the real world then, are not only about the movement of exports and imports, but also about the larger issue of who gains through trade, on what terms, and with what impact on development.

According to United Nations Conference on Trade and Development (UNCTAD) (2024), global trade remains at the heart of development and its advantages are usually influenced by the structural inequalities, commodity dependence, and the external vulnerabilities. This is particularly pertinent to the developing nations most of which engage in global trade on a relatively weak position on basis of the inability to produce in large volumes and the over reliance on the export of a primary commodity. According to the 2024 trade reports of the UNCTAD, the effects of global trade are affected by the problems of volatility in commodity markets, macroeconomic uncertainty, financial pressure, and global disruption. In this sense, international trade relations are not necessarily equal or balanced but, in many cases, they may demonstrate the disparity in the production power, bargaining power, technology and competitiveness of the market among nations.

In addition, international trade relations are shaped by both bilateral and multilateral arrangements. Bilateral trade relations entail economic transactions between two nations whereas multilateral trade relations entail institutional frameworks and agreements among numerous nations. The international trade relations are organized through preferential trade programmes, regional trade blocs, tariff systems, and export standards, customs procedures, and trade negotiations. OECD (2024) indicates that both services trade and goods trade are subject to both domestic and cross-border restriction; thus, it is revealed that trade relations are closely tied to the policy environment and institutional coordination. This knowledge is significant as it assists in explaining why market access is not always a guarantee of success in trade when countries do not have the capability to use the trade opportunities at their disposal.

In the framework of the current study, the term international trade relations can be applied to comprehend the economic relation between Nigeria and the United States within the framework of the African Growth and Opportunity Act (AGOA). As the case of Nigeria and the U.S. demonstrates, the problem of trade relations is not only about the legal availability of the market access, but about the export structure, competitiveness, state policy, productive capacity, and the international environment as a whole where the trade takes place. Therefore, global trade relations in the work are realized as the trend of trade between Nigeria and the United States, developed due to AGOA, trade regulations, export achievements and inequality of the realities of involvement in the global economy. This theoretical background is the basis of analysing the impact of AGOA on trade between Nigeria and the U.S. between 2020 and 2024.

2.1.2 Concept of Preferential Trade Arrangements

Preferential trade arrangements are the trade arrangements whereby countries provide each other with a more favourable access to the market than they do to other trading partners. This preferential treatment is in most cases in the form of lower tariffs, duty free access, quota benefits or other concessions that may be made to entice trade. According to the World Trade Organization, reciprocal regional trade arrangements are a significant type of preferential trade arrangement since they enable the members of the system to have a better treatment as compared to the non-members despite the fact that the WTO system is usually based on non-discrimination. Similarly, UNCTAD (2024) defined trade preference schemes as special terms of access whereby preferential access conditions are provided to the developing countries particularly in the form of non-reciprocal preference by the developed countries.

UNCTAD (2024) states that non-reciprocal trade preferences were established to facilitate development and diversification of the exports of the developing countries. It refers to the fact that preferential trade arrangements are not only trading instruments but also development instruments that aim to help weaker economies to break the barriers to international markets. UNCTAD also pointed out that most of the advanced economies still have such schemes running in favour of the developing and least developed nations, primarily through the award of duty-free and quota-free entry to the chosen products. Therefore, the idea of preferential trade arrangements is directly associated with the broader aim of addressing the wrongs of the less industrialized economies in the international trading system.

Preferential trade agreements may be reciprocal or not. The reciprocal arrangements are mutual concessions between the countries involved, like in free trade areas or customs unions, and non-reciprocal arrangements are one side making concessions and does not expect the other to make similar concessions. According to WTO, regional trade agreements tend to be reciprocal, but most preference schemes with developing countries are not based on that model, but they provide one-way market access benefits. This difference matters as it aids to find AGOA in the right place in the analysis of trade policies. AGOA is not that of a typical free trade agreement where there is a mutual exchange of tariff concessions; it is a non-reciprocal preferential trade agreement wherein the United States gives eligible Sub-Saharan African countries duty free access to a broad assortment of products.

The significance of preferential trade arrangements is that it is likely to spur growth in exports, diversification, increase in foreign exchange earnings, and enhance the involvement of developing countries on international trade. However, the benefits of such arrangements are not automatic. The OECD has observed that value of trade preferences is hinged on whether beneficiary countries can actually utilize them effectively which in turn is hinged on productive capacity, supply-side readiness and structure of beneficiary economy. Similarly, the World Bank has clarified that trade deals and preferential entry can open the market space, however, nations continue to require transport potential, facilitation of commerce and competitiveness to transform access into genuine export execution. This demonstrates that preferential trade arrangements do generate opportunities, and it is usually domestic constraints that define how far the opportunities will go.

The other critical question regarding the concept of preferential trade arrangements is that it can have uneven effects. Although they are commonly said to be developmental instruments, scholars and policymaking institutions have persisted in debating whether the preferences really change beneficiary economies or only offer some access without altering the prevailing framework of trade. According to UNCTAD (2025), it is indicated that the proportion of the global trade that is conducted under preferential trade agreements has only been increasing, although barriers, both tariff-related and non-tariff, continue to be a major challenge in most developing economies. This indicates that preferential access does not in itself remove the structural issues that have an impact on competitiveness, industrialization and long-term trade gains. In this regard, preferential trade arrangements should not be perceived as solutions given, but as policy frameworks whose effects will be determined by the extent to which beneficiary states are placed to exploit them.

In the framework of this paper, the notion of preferential trade arrangements applies as it gives the conceptual framework to the interpretation of AGOA as a trade policy tool. AGOA is a particular type of preferential trade agreement whereby the United States is interested in facilitating trade with the qualified African nations by providing a duty-free concession to the chosen commodities. To grasp the correlation between AGOA and Nigeria-U.S. trade relations, then, one must first grasp the larger concept of preferential trade arrangements, their purposes, their types, and the realities on the ground under which beneficiary nations must stand to gain any significant benefits out of it. With this conceptual background, it is easier to determine whether Nigeria was capable of transforming AGOA preferences into better trade performance between 2020 and 2024.

2.1.3 Overview and Evolution of the African Growth and Opportunity Act (AGOA).

The African Growth and Opportunity Act (AGOA) is a US trade policy that was developed to enhance closer trade connections between the United States and qualified nations in Sub-Saharan Africa by offering them preferential treatment of the market. Tadesse (2024) states that AGOA was one of the significant trade and development agreements that were designed to enhance the economic performance of the beneficiary African states by providing them with preferential entry into the U.S. market. Similarly, the Office of the United States Trade Representative described AGOA as a pillar of the American economic activity in Sub-Saharan Africa since its enactment in 2000 and has given qualified countries access to over 1,800 other lines of duty-free access on top of those already under the Generalized System of Preferences.

According to Osabohien *et.al.,* (2021), AGOA was created as a preferential trade agreement to enhance the trade of African states and to expand U.S African trade relations. The focus of their study was that the programme would produce a good atmosphere to promote export growth, foreign investment and industrialisation among the participating nations. Similarly, Umo-Udo and Edemidiong (2023) stated that AGOA was designed to serve as a platform through which African countries, including Nigeria, could increase exports to the United States and gain greater benefits from bilateral trade. In this regard, AGOA was not presented as a policy of concession in terms of tariffs, but as a more general developmental tool, designed to promote economic reform, export diversification, and constructive interaction with the U.S. market.

When it comes to its development, AGOA was initially introduced in 2000 as a part of the new American trade policy towards Africa. Prior to that time, the U.S.-Africa relations were more often raised in the context of aid, debt, governance, and security, but structured expansion of trade was not a major concern. In the context of the extensive review of AGOA-related literature, Tadesse (2024) noted that the Act was a turning point in U.S.–Africa commercial relations as it shifted the focus to the trade-led development and preferential market access. Similarly, Brookings Institution scholars in 2024 characterized AGOA as the foundation of U.S.African business relations over the course of almost 25 years, demonstrating how the programme is slowly shifting towards its role as a trade preference instrument to a primary policy agenda in U.S.African business interactions.

AGOA was also developed by renewing it periodically and modifying the policies. The Office of the United States Trade Representative states that the Act has been extended multiple times since 2000, the last and most important being in 2015, when the Act was renewed until 2025. The 2024 AGOA Biennial Report also indicated that this renewal maintained valuable features like third-country fabric provisions which are of particular significance to the export industries such as apparel in certain African states. Even though these formal modifications are legal by nature, scholars have considered them as part of the development of AGOA since every renewal has reflected the shifting U.S. priorities, African export reality, and the wider discussion of whether the programme should continue to be a unilateral preference regime or shift to a more contemporary reciprocal regime. Britz (2025) suggested that the AGOA Renewal and

Improvement Act of 2024 acknowledged the necessity of a reform, but the overall success of AGOA remains the matter of further modernisation of the programme.

The other significant aspect of the AGOA development is the controversy regarding its real effects on African economies. Osabohien et al. (2021) discovered that despite the fact that AGOA opened up an opportunity to perform well in trade, the implementation process has not been a constant experience in different countries due to the high effect of domestic conditions on the utilization. The literature in general also identified that AGOA gains have not been fairly distributed, with some beneficiary countries doing better than others based on their productive capacity, export structure, and the policy environment (Tadesse, 2024). Similarly, Ngundu (2024) in a comparative analysis of the AGOA and the Forum on China Africa Cooperation demonstrated that the developmental impact of trade structures cannot be perceived solely through the policy design; it also should be analyzed within the context of the real trade performance and economic system of the country in question. This implies that AGOA has changed as not just legal tool, but also as a controversial policy framework whose effectiveness is still debated in academic and policy communities.

Eligibility has also been an issue that has been developed over time in AGOA. The Office of the United States Trade Representative clarified that AGOA benefits are only open to nations that fulfill some eligibility requirements which are related to market-based reforms, rule of law, political pluralism, and labour rights. This characteristic has distinguished AGOA as compared to an ordinary trade agreement since access is not merely determined through tariff schedules only, but also through periodical evaluation of U.S. of domestic governance and policy situation in recipient states. This has been considered a strength and a weakness by scholars. On the one hand, it conditions trade preferences to incentives of reforms; on the other hand, it puts the African countries in the situation of being dependent on a framework the continuation and conditions of access of which are still dominated by U.S. policy preferences. This is among the reasons why the recent discussions of the future of AGOA, particularly with regards to its expiry date of September 2025, were more heated.

In the context of the present paper, AGOA is conceived of as a non-reciprocal preferential trade agreement that has evolved to become a significant tool of U.S.–Africa trade interaction. But its development also shows that there are inequalities in gains, reliance on exports, and minimal structural change in a variety of beneficiary nations. In the case of Nigeria, specifically, the development of AGOA is significant since the country has been under the structure and has not lost its eligibility, but there is controversy on whether the eligibility has been converted into actual diversification of exports and the enhancement of trade relations with the United States. Therefore, understanding the overview and evolution of AGOA is necessary for assessing its practical significance to Nigeria–U.S. trade relations between 2020 and 2024.

2.1.4 Nigeria – United States Trade Relations

Nigeria - United States trade relations can be defined as the two-way economic interaction between Nigeria and United States in terms of importation and export of goods and services and the wider policy and institutional framework in which that interaction occurs. According to Umo-Udo and Edemidiong (2023), Nigeria–U.S. trade relations have for many years been an important part of the wider economic interaction between Africa and the United States, especially within the framework of the African Growth and Opportunity Act (AGOA). According to them, what has characterized the relationship has been the presence of trade growth opportunities, but also significant structural weaknesses, specifically in regard to the weak non-oil export capacity of Nigeria and its inability to make the most of preferential access to the U.S. market. Similarly, a

2022 analysis of Nigeria United States trade relations and socio-economic development observed that the bilateral relation has been economically relevant to Nigeria despite the fact that the benefits have not necessarily resulted in broad-based developmental results.

Traditionally, petroleum has been a major influence in the trade between the United States and Nigeria. Nigeria has taken a significant role in the trade relationship with the United States as an export of energy, whereas the United States has been exporting machinery, vehicles, wheat, chemicals, and other manufactured products to Nigeria. The U.S. Energy Information Administration (2025) states that in almost every year between 1973 and 2011, Nigeria was one of the top five suppliers of U.S. crude oil imports, but the trend has changed since the United States started producing more domestic crude oil, and no longer relies on light, sweet crude oil imports in Nigeria. This past reliance on crude oil can be used to understand why the Nigeria to U.S trade relations have been considered commercial but structural in nature. Furthermore, the United States Department of State (2023) observed that U.S. foreign direct investment in Nigeria has been concentrated mostly in petroleum and mining sectors which also indicates the historical centrality of oil in bilateral economic relationship.

In recent years, however, Nigeria–U.S. trade relations have become more dynamic, even though they still reflect a number of imbalances. The Office of the United States Trade Representative (USTR) (2026) provides information that Nigeria is a beneficiary of AGOA, as well as textile and apparel benefits. The same source indicated that U.S. goods and services trade with Nigeria amounted to an estimated 13.0 billion in 2024 and U.S. goods trade with Nigeria amounted to an estimated 11.8 billion in 2025. USTR (2026) also noted that the U.S. goods exports to Nigeria in 2025 were 6.8 billion and the U.S. goods imports in Nigeria were 5.0 billion, which led to the U.S. goods trade balance with Nigeria moving into a 1.8 billion surplus in 2025 as compared to a 1.5

billion deficit in 2024. These numbers indicate that the bilateral relationship is still commercially viable, yet it also indicates that the flow of direction and balance of trade may differ considerably on an annual basis.

The bilateral trade formation also indicates an existent imbalance in the two economies. Exports of Nigeria to the United States are still heavily concentrated in crude oil and a few major and low value goods, whereas U.S exports to Nigeria are more diversified and mostly consist of higher value processed and manufactured products. The Institute of Chartered Accountants of Nigeria (ICAN) policy report on the resilience of Nigeria export to the United States (2025) reports that in 2024, Nigeria exported 3.8 billion worth of goods to the United States, of which more than half is the value of crude oil. The report also indicated that oil exports to the U.S. amounted to more than 55 percent of the total exports of Nigeria and cautioned that this kind of dependence on primary commodities will subject the country to inflationary pressures, foreign exchange volatility and exposure to external market shocks. This implies that in as much as Nigeria-U. S trade relations might seem robust on the value terms, the structure of trade remains a manifestation of structural problems in the productive and export base in Nigeria.

The other notable advantage of the Nigeria-U.S. trade relations is that the relationship is not limited to mere exchange of goods but also policy dialogue and institutional cooperation. The Office of the United States Trade Representative (2026) indicates that in 2000, Nigeria and the United States signed a Trade and Investment Framework Agreement (TIFA), and the eighth U.S - Nigeria TIFA Council Meeting occurred in March 2014. This indicates that AGOA is not the only aspect of an institutional trade relationship between the two nations. Moreover, the United States Department of State (2024) clarified that Nigeria controls investment in general accordance with the World Trade Organization Trade-Related Investment Measures framework, and also the trade and investment climate in Nigeria is being influenced by broader regional commitments. This implies that the relations between Nigeria and the U.S trade relations are to be perceived with references not only to tariff preferences, but also to broader bilateral, regional and global trade strategies.

Opportunity to outcome gap has thus become a subject of scholarly debate on trade between Nigeria and the U.S. Umo-Udo and Edemidiong (2023) suggested that despite the opportunities brought about by AGOA to the Nigerian exports, the strict conditions of the United States and the challenges that Nigeria faces in producing products on its own have restricted the capacity of the nation to maximize the arrangement. Similarly, the 2025 systematic review of Nigeria-U.S. economic relations in the framework of AGOA discovered that poor infrastructure, high production costs, and stringent U.S. regulatory requirements still diminish the ability of Nigeria to use the preferences to the maximum. The significance of these arguments is that they demonstrate that the problem in the relationship between Nigeria and the U.S. is not merely the question of whether or not trade exists, but whether Nigeria can engage in this relationship in a diversified, competitive, and development-enriching way.

In the context of the current study, it is the market access, export structure, institutional arrangements, and unequal productive capacities that determine the bilateral trade relationship between Nigeria and the United States. The relationship is still significant to the two nations but it is more useful to Nigeria when it aids in expansion of non-oil export, diversification and increased integration into value-added trade. Consequently, the discussion of the AGOA period between Nigeria and U.S. trade relations with a particular focus on the years 2020-2024 is needed to understand whether favoritism access has brought actual and balanced trade gains to Nigeria.

2.1.5 AGOA and Nigeria's Export Performance

The performance of AGOA and Nigeria export performance are directly related to one another since one of the primary goals of the African Growth and Opportunity Act was to increase exports of the qualified African countries into the United States under the preferential market access. Principally, AGOA should have enhanced the export performance through the lowering of tariff barriers, expanding access to the U.S. market, and motivating beneficiary countries to produce more to be exported. Osabohien et.al., (2021) explained that AGOA was meant to enhance the performance of African countries involved in trade, such as Nigeria, by providing room to increase export and diversify. Nevertheless, they discovered that Nigeria had not succeeded in maximizing the rewards that can be obtained through the programme, even though Nigeria enjoys a special economic relationship with the United States. Their research also indicated that poor compliance with international product standards, poor manufacturing base and poor infrastructure have constrained the benefits of Nigeria under AGOA.

Export performance is typically the degree, mix, worth, development and competitiveness of exports of a nation in a specific market. The term in the context of this research is the trend and result of the Nigerian exports to the United States under the AGOA. According to Osabohien et al. (2021), Nigeria has significant untapped potential in most of the product’s sectors, which are eligible under AGOA, but the actual export performance falls short of expectations since the country has failed to turn preferential treatment to widespread export power. This implies that AGOA has opened up opportunities to Nigeria yet the degree to which such opportunities have been translated into better export performance is a significant question of debate amongst academics and policy makers.

One of the significant characteristics of the Nigerian performance in terms of export under the AGOA is the persistence of crude oil. The United States Department of Commerce, in its

International Trade Administration (2025) notes that Nigeria is the highest user of the AGOA, although approximately 98 percent of its exports under the programme are petroleum products. This implies that performance of Nigeria in terms of exports under AGOA has been more valuable rather than diversified. On the same note, the Institute of Chartered Accountants of Nigeria policy report on export resilience reported that Nigeria in 2024, had exported goods worth $3.8 billion to the United States and more than half of the export values were crude oil. The same report added that crude oil accounted for over 55 percent of Nigeria's exports to the U.S. in 2024. Such numbers suggest that the performance of Nigerian exports under AGOA has been too much concentrated in the primary commodities instead of diversification in non-oil sectors.

The implication of this trend is that the performance of Nigeria in exports under AGOA has been structurally poor, even in cases where the value of total exports seems high. The report issued by the Institute of Chartered Accountants of Nigeria (2025) indicates that Nigeria relies on its primary commodities, which is sensitive to foreign exchange volatility, price pressures and susceptibility to external shocks. Similarly, Osabohien et al. (2021) contended that the benefits of AGOA in Nigeria have been low not due to the fact that the policy has no potential but due to poor conditions of production and exports of the country. Their results imply that the actual problem of reviewing the export performance of Nigeria under AGOA is not only in the question of whether exports took place, but also in the nature, sustainability, and value-added quality of such exports.

Recent policy evaluations also indicate that AGOA export impacts in Africa have been disparate, where some countries have recorded larger benefits in terms of non-crude exports than others. Brookings Institution (2024) notes that although the export of crude petroleum of the countries included in the AGOA reduced by half between 2001 and 2022, the export of non-crude products grew by 241 percent during the same time. Brookings also observed that almost every AGOA country registered positive compound annual increases in non-crude export throughout the programme life, although utilization was extremely skewed. The significance of the broader African picture to Nigeria is based on the fact that it indicates that AGOA can help export transformation in countries where the conditions of domestic supply are favourable yet the country with low industrial and export capability may not achieve the same success.

The AGOA experience of Nigeria has thus been paradoxical. On the one hand, Nigeria has a high absolute value of exports under AGOA due to the oil exports. Alternatively, the nation has not transformed into one of the greatest examples of non-oil AGOA achievements. According to the World Bank (2025), according to 2024 data of the United States International Trade Commission, Nigeria was among only two countries that were eligible under AGOA to export over 3 billion in 2024. However, this does not necessarily point to deep export diversification or industrial competitiveness, as a large part of the Nigerian export picture remains on resource-based trade as opposed to a wide diversification of value-added manufactured exports. This implies that the quality of the export performance and the size of the exports are not necessarily one and the same thing.

Conceptually, therefore, AGOA and the performance of the Nigerian exportation have to be perceived both quantitatively and qualitatively. Nigeria has been able to sustain large volumes of exports to the United States quantitatively. However, qualitatively, the export set up has been narrow, oil-based and susceptible. Osabohien et al. (2021) suggest that Nigeria has a lot to achieve in terms of export performance under AGOA due to significant untapped potentials in most of the AGOA-product sectors. This means that it is not a lack of opportunity that is a problem, but the lack of strength to use the opportunity domestically. Therefore, the results of the export performance of Nigeria under AGOA can be best described as somewhat advantageous yet not transformative enough.

In the framework of the current research, the two terms AGOA and export performance in Nigeria imply the degree to which preference access to the U.S. market has enhanced the level, composition, and competitiveness of Nigerian exports over the period of 202024. The data indicate that despite the fact that AGOA has been able to maintain export opportunities in Nigeria and oil related trade in particular, AGOA has not yet generated the extent of non-oil export diversification and structural export transformation as many anticipated. On this basis, the analysis of AGOA concerning the export performance of Nigeria is still critical to the perception of the actual quality of the Nigeria-U.S. trade relations during the period in question.

2.1.6 Non-Oil Export Diversification under AGOA

Non-oil export diversification under AGOA can be described as the degree to which beneficiary countries, mostly Nigeria, have managed to diversify their exports beyond crude oil into agriculture, manufacturing, textiles, processed goods and other value-added products using the preferential market access offered by African Growth and Opportunity Act. Osabohien et.al., (2021) note that the diversification of African countries export and the elimination of reliance on traditional primary commodities were one of the key expectations of AGOA. They said that Nigeria has a lot of untapped potential in most of the AGOA-eligible sectors but the nation has not exploited the opportunities. This also puts non-oil export diversification among the most significant actions to determine whether AGOA has indeed triggered structural trade benefits in Nigeria.

The United States Department of Commerce reports that Nigeria alone is the biggest user of AGOA (International Trade Administration, 2025), yet approximately 98 percent of its exports are petroleum products under the programme. It implies that the portion of AGOA exports of Nigeria is very low in the non-oil category even though the list of products that theoretically can access the duty-free benefits is quite extensive. Similarly, in 2024, the U.S. Trade Representative in its AGOA Biennial Report declared that Nigeria was the U.S. largest AGOA import in 2023 at $3.8 billion and that crude oil imports of $3.6 billion were the cause of this. All these statistics indicate that Nigeria has been operating in AGOA with a strong focus on oil, which means that the diversification goal has not been achieved significantly.

The significance of non-oil exports diversification is in its value of development. When the exports earnings of a country rely excessively on a single commodity particularly a fluctuating commodity such as crude oil, the nation becomes extremely vulnerable to price shocks, foreign exchange fluctuations as well as alterations in external demand. As the Institute of Chartered Accountants of Nigeria policy report on export resilience (2025) notes, in the year 2024, Nigeria exported goods worth 3.8 billion dollars to the United States and over fifty percent of the export value was comprised of crude oil. The report cautioned that the further reliance on the primary commodities increases inflation pressure, exchange rate volatility, and structural weakness. This implies that non-oil export diversification is a trade goal as well as an economic stability policy of Nigeria.

Literature has maintained its argument that AGOA has opened opportunities to the growth of non-oil exports yet has not benefited all countries equally. Osabohien et al. (2021) discovered that although AGOA has had some benefits in terms of trade performance, Nigeria has had a poor reaction to non-oil exports due to inadequate infrastructure, low-quality manufacturing capacity, and compliance with global standards. In a larger cross-country analysis, Adu (2024) concluded that the membership in AGOA led to a significant rise in exports of the Sub-Saharan African countries, yet the benefits were not uniform across countries, based on the domestic conditions and export structure. This implies that while the existence of a trade preference is not a sufficient condition of diversification, the domestic economy must be able to produce competitively to serve the foreign market.

The broader African experience of AGOA demonstrates also that in places where supply conditions are more robust, the possibility of diversifying non-oil exports can be had. Brookings Institution (2024) shows that the exports of non-crude products by the beneficiaries of AGOA grew by 241 percent in the period between 2001 and 2022, although the exports of crude petroleum decreased by a steep margin during the same time. Brookings also observed that several countries under AGOA have established better export base on apparel, agriculture, transport equipment and other non-energy goods. This more comprehensive evidence is significant to Nigeria since it demonstrates that AGOA can help to diversify, yet different countries gain on this factor in response to the production foundation, trade facilitation systems, and policy stability.

The problem of utilization is another problem that impacts on the non-oil export diversification under AGOA. According to the explanation provided by the United States International Trade Commission (2023), the rate of AGOA use varies greatly among beneficiary countries and sectors, particularly when crude petroleum is not included in the analysis. It is significant since it implies that the weak performance in other sectors that are more pertinent to long-term industrial change can be masked by the headline export values. With petroleum exports being high under AGOA in the Nigerian case, there is the risk of giving the perception of robust programme utilization, but the non-oil part is superficial. Thus, to better measure diversification in Nigeria under AGOA, it is necessary to consider more than the aggregate level of exports to the quality and composition of exports.

Practically, the industries that might facilitate diversification of Nigeria, which is not oil based under AGOA, are agriculture, agro-processing, textiles, leather products, light manufacturing and some industrial goods. Nevertheless, these industries are still beset by weaknesses including a poor logistics, ineffective power supply, low processing capacity, low certification infrastructure, and high production costs. The Nigerian entrepreneurs report on Access to Markets (2024) indicates that low non-oil export competitiveness is a primary concern of the Nigerian businesses aiming to enter the international market. This is in favor of the argument that the poor performance of Nigeria under AGOA in the non-oil sector is linked not only to external constraints, but internal structural constraints.

In this study, non-oil export diversification under AGOA means the attempt by Nigeria to diversify the type and value of exports to the United States outside of crude oil in the years 2020-24. The available evidence suggests that although AGOA provides a platform for diversification, Nigeria has not yet used that platform effectively enough to produce deep structural transformation in its export profile. Therefore, one of the most visible places where the difference between the potential and the reality of trade between AGOA and Nigeria can be seen is in terms of non-oil export diversification.

2.1.7 Trade Balance and Asymmetry in Nigeria–U.S. Trade Relations

Trade balance is a difference between the value of exports and the value of imports of a country in a particular trade relationship. In the case when exports exceed imports, the country has a trade surplus, whereas in the case when imports exceed exports, it has a trade deficit. Trade balance, however, is not generally analysed in numerical form in international political economy, but rather in terms of structure, quality, and long-term consequences of trade. According to the United Nations Conference on Trade and Development (UNCTAD) (2024), the results of trade in the developing economy are frequently determined by the reliance on commodities, the vulnerability of the country to the external environment, and the inequity of the structure of the world trading system. This implies that the importance of the balance of trade is not just on whether a country exports more or imports more, but on the nature of goods exchanged, and the status of the country in the overall global market.

In Nigeria - U.S. trade relations, the balance of trade has varied over the years as there were variations in oil exports, domestic demand and global market conditions. The U.S. Census Bureau reports that the total U.S. goods exports to Nigeria amounted to 2.8 billion in 2020 with U.S. goods imports of Nigeria amounting to 1.5 billion, providing the United States with an approximate 1.3 billion goods trade surplus in 2020. As of 2021, U.S. exports to Nigeria exceeded approximately $3.9 billion, with Nigerian imports exceeding approximately 3.4 billion, but a U.S. surplus still exists. However, in 2022, U.S. imports into Nigeria rose to approximately $4.8 billion, surpassing U.S. exports to approximately $3.4 billion, thus creating a U.S. deficit in imports. In 2023, U.S. imports with Nigeria had increased to approximately $5.7 billion and U.S. exports to Nigeria had increased to approximately $2.6 billion, further increasing the U.S. goods deficit. These values indicate that the bilateral trade balance does not remain the same, but varies with the amount and price of the traded commodities, especially petroleum exports in Nigeria.

Asymmetry in trade relations is a concept that transcends the balance figures and is concerned with unequal structure, dependence, and bargaining power of the trading partners. It is possible to have a trade relationship where the values of exports are high but still asymmetrical when one country relies primarily on a few primary commodities compared to the other country who exports more diversified and high-value goods. The United Nations Conference on Trade and Development (2024) has found that in fuel- exporting African countries, the trend is dominated by fuel-exporting economies exporting crude oil and reimporting refined or high-value products, a trend that is indicative of low value addition and structural dependence. This more general African trend applies to Nigeria since its trade with the United States has traditionally been influenced by the export of crude oil, with U.S export to Nigeria having been dominated by machinery, vehicles, wheat, chemicals and other manufactured goods. In that regard, the Nigeria-U.S trade relationship is not only an exchange relation, but it also presents unequal productive relations.

This argument of asymmetry in structure is supported by recent evidence. The policy report on export resilience (2025) of the Institute of Chartered Accountants of Nigeria indicates that in 2024, Nigeria exported goods to the value of $3.8 billion to the United States, with over half of the export value being crude oil. The report cautioned that this reliance on primary commodities exposes Nigeria to inflation pressures, fluctuations in the exchange rates and exposure to external shocks. Similarly, the World Bank (2024) noted that since 2010, the production of oil in Nigeria has been structurally declining due to low capital investment, inefficiencies in production, insecurity and theft. The trade relationship can be still commercially significant, but economically weak when one country relies on a fluctuating export good which is also experiencing internal production problems. This is among the most crucial avenues where asymmetry is reflected in the trade relations between Nigeria and U.S.

Another asymmetry can be seen in terms of trade benefits composition. The exports of crude oil are a source of export revenue to Nigeria but the larger developmental gains of such trade are usually marginal when the exports are in the form of raw or minimally processed goods. In comparison, the United States is involved in the relationship with an even more diversified export basket and greater depth in manufacturing. The Office of the United States Trade Representative (2026) estimates that in 2025, U.S. goods exported to Nigeria and U.S. goods imported to Nigeria were 6.8 billion and 5.0 billion, respectively, resulting in a U.S. goods trade surplus of 1.8 billion in 2025. These characters indicate that in certain seasons in which Nigeria enjoys the benefits of oil exports, the bilateral relationship can still lean towards the United States based on the direction of energy trade and the broader composition of goods traded. Therefore, the asymmetry is not just on who makes a surplus or deficit during a particular year but on which side has a more diversified and robust trade formation.

This has been further strengthened by academic and policy debates on AGOA. According to Brookings Institution (2024), although AGOA has increased access to markets and facilitated growth in exports in certain African countries, the benefits have been disproportionate, and countries with a weaker supply-side ability have had a lesser share in comparison to countries with stronger industrial and logistics frameworks. This is a critical observation to Nigeria since it implies that structural inequality in trade relations is not necessarily eliminated in the market access under AGOA. In situations where one of the countries, such as Nigeria, is still very reliant on crude oil, non-oil export competitiveness is weak, and local production is limited, the trade relationship might be officially profitable but unbalanced. In that regard, asymmetry is still present even in a preferential trade system, which was designed partially to alleviate it.

In the context of this study, trade balance and asymmetry in Nigeria as a trade partner with U.S. are the numerical difference between exports and imports, as well as the structural inequality contained in the structure of bilateral trade. The evidence indicates that in spite of the fact that the trade between Nigeria and the United States is still of a commercial significance, it is still typified by the balance variability as well as the unequal format where Nigeria is totally reliant on the exportation of crude oil and the United States is involved on a more diversified and industrial-powerful level. Therefore, understanding trade balance and asymmetry is necessary for evaluating whether AGOA has genuinely improved Nigeria's trade position or merely sustained an existing pattern of unequal exchange.

2.1.8 Constraints to Nigeria's Utilization of AGOA Opportunities

Opportunities that were offered by the African Growth and Opportunity Act do not self-implementation, but can only be exploited by beneficiary countries having the capacity to manufacture competitively, achieve export demands as well as maintain access to foreign markets. This has been a significant problem in the case of Nigeria. Osabohien et al. (2021) claim that Nigeria has not maximized the advantages of AGOA even though it enjoys special trade relations with the United States. They discovered that the following barriers are the key barriers to effective utilization of AGOA opportunities in Nigeria: poor infrastructure, low compliance with international product standards, and poor manufacturing base. This implies that the issue is not that the market cannot be accessed, it is the lack of the capacity to transform market access into long term export performance within the country.

Poor infrastructure has been found to be one of the most common constraints. Effective exporting needs to have efficient electricity, transport networks, port effectiveness, warehouse and logistics. Nevertheless, Nigeria still experiences significant infrastructure shortages which increase costs of production and transactions to exporters. The 2025 systematic review of economic relations between Nigeria and the United States in the framework of AGOA declared that infrastructural gaps and high production prices have been the key challenges of the success of Nigeria in taking full advantage of AGOA. Similarly, the 2024 List of Access to Markets Report in relation to Nigerian Entrepreneurs cited low competitiveness in the market and poor logistics as key challenges to the Nigerian business attempting to access external markets. These weaknesses in infrastructure lower the efficiency of exports in Nigeria and undermine the competence of products to be exported under AGOA in the U.S. market.

The other key limitation is the lack of productive and manufacturing capacity. Preferential access will only provide real export benefits where domestic production is sufficient to satisfy international demand in terms of volume, quality and at the right time. Osabohien et al. (2021) highlighted that the poor manufacturing base in Nigeria has limited its capacity to utilize AGOA. On the same note, in an extensive survey of AGOA scholarship, Tadesse (2024) has observed that advantages of AGOA in Sub-Saharan Africa have been largely contingent on domestic supply-side capacity, such as industrial capability and export readiness. In the case of low, fluctuating, or poorly organized production, the beneficiary countries might be eligible under the AGOA and still end up not getting significant benefits under it. This would explain why exports by Nigeria under AGOA is still very concentrated in petroleum and not diversified manufactured and processed goods.

Another limitation is a challenge in achieving United States quality, sanitary, phytosanitary and technical standards. To export to the U.S., exporters have to meet high product standards, certification requirements, and packaging, as well as regulatory requirements. The 2025 BACITI Insight on AGOA Trade released by the Nigerian Institute of International Affairs on weak quality infrastructure and insufficient certification capacity, to adhere to U.S. sanitary, phytosanitary, and technical standards, has been an issue especially to Nigerian exporters. The 2025 systematic review of economic relations between Nigeria and the U.S. under AGOA also found stringent U.S. regulatory standards to be a key contributor to less than full use of AGOA benefits by Nigeria. This implies that, although exportable goods can be produced in Nigeria, there is still a possibility of the companies not penetrating the U.S. market due to lack of compliance with the required standards.

Next to this is the issue of poor market knowledge and poor export information system. The success of exportation is not solely on the manufacturing, but also on the knowledge of the product demand, documentation needs, market trends, price levels, and consumer needs in the new market. According to the 2025 Nigeria-United States economic relations review, the inadequate market knowledge has diminished the ability of the Nigerian exporters to maximize on the benefits of AGOA. Similarly, the 2024 Access to Markets Report by the FATE Foundation indicated that a significant proportion of Nigerian entrepreneurs are hindered by formidable obstacles in their international market entry and understanding. This shows that poor information flow, ineffective export advisory services and poor business preparations remain to diminish the use of AGOA in Nigeria.

The other significant limitation is the inconsistency of policies and poor institutional support. The growth in export needs to be supported by stable policies, coordinated trade institutions, enabling regulation, and government commitment. Nevertheless, policy research and analysis have revealed that more often than not, Nigerian exporters are forced to deal with an ambiguous policy environment. In the article on AGOA and U.S - Nigeria economic cooperation in 2025, the authors noted that regulatory inconsistency, ineffective institutions, and governance issues still deter the further development of commercial relationships and the efficiency of AGOA as a trade framework. Similarly, the 2025 stakeholder analysis on the effectiveness of AGOA in Nigeria blamed the challenges faced by the country on AGOA to systemic governance and institutional weaknesses. These results indicate that the institutional capacity is not less significant than the tariff access in deciding whether the opportunities of AGOA are utilized in practice.

Nigeria has a limitation of financial and cost involvement in export also. In order to be able to export in the demanding foreign markets, investments in processing, packaging, certification, transport, insurance, and compliance systems may be mandatory. In situations whereby the production costs are high and firms do not have access to finance, then they cannot compete in the U.S. market. The 2025 systematic review of Nigeria - U.S. trade under AGOA stated high cost of production as one of the key challenges, whereas Oladunni (2025) discovered that the lack of government assistance and financial means prevents agricultural producers in Nigeria to participate in exports. Such cost pressures render the Nigerian firms, particularly small and medium-scale firms, to effectively take advantage of AGOA opportunities.

Lastly, the uncertainty of future and design of AGOA itself has also impacted utilization. The trade preference schemes are more effective in areas in which the exporters and investors are sure that it will be continued and predictable. The recent debate on the renewal of AGOA has revealed that the doubts about the time frame and course of this programme may undermine long-term planning. According to Context News (2025), the uncertainty regarding the possibility and manner in which AGOA would be renewed had become one of the biggest hindrances to business planning within the framework. This is not a Nigerian problem, but nonetheless, it is important since an exporter would be less willing to spend a lot of money on AGOA-related production when the future of the scheme is unpredictable.

Within the context of this study, the constraints to Nigeria’s utilization of AGOA opportunities refer to the domestic and external factors that have limited the country’s ability to take full advantage of preferential access to the U.S. market between 2020 and 2024. The evidence shows that the major constraints include poor infrastructure, weak manufacturing capacity, limited compliance with standards, inadequate market knowledge, weak institutional support, high production costs, and policy uncertainty. These factors help explain why AGOA has remained more promising in theory than transformative in practice for Nigeria.

2.1.9 The 2020–2024 Context: COVID-19, Global Disruptions and AGOA Utilization

The 2020-2024 period is highly significant to the current research since it was a time of extreme global economic shock, recovery strains, and a resurgence of discussion on the topic of trade resilience. The United Nations Conference on Trade and Development (UNCTAD) (2022) states that the COVID-19 pandemic not only led to significant disruptions in demand and supply in global trade but also created significant volatility in commodity markets. Similarly, the World Bank (2020) has declared that Nigeria will have the worst recession since the 1980s due to the disruption of the COVID-19, particularly the decline in oil prices as well as the economic activity. Such developments are noteworthy since they influenced the larger context in which Nigeria was supposed to leverage AGOA opportunities.

The pandemic and the steep decline in oil markets in 2020 in particular affected the trade relations between Nigeria and the United States. The fact that the exports of Nigeria to the United States have always been heavily dependent on the crude oil industry, any change in the global demand of oil directly affected the performance of bilateral trade. According to the U.S. Census Bureau, in 2020, the imports of U.S. goods in Nigeria reached approximately 1.5 billion, and the exports of the U.S. to Nigeria reached approximately 2.8 billion, which is a relatively poor year of Nigerian exports to the U.S. in the bilateral relationship of goods. This contributes to the argument that the initial year of the study period was not an expansion, but rather disruption and constraint.

The recovery that followed the pandemic years was not complete as it did not remove structural flaws in the trade position of Nigeria. The U.S. Census Bureau reported that U.S. imports of goods with Nigeria have increased to approximately $3.4 billion in 2021, and to approximately 4.8 billion in 2022, and to approximately 5.7 billion in 2023, indicating that bilateral goods trade has bounced back considerably following the 2020 shock. Nevertheless, this recovery should be taken with caution since increased values of trade are not necessarily the signs of diversified exports or of better performance of the industry. A lot of Nigeria export recovery was still pegged to the commodity trade especially petroleum, and this implies that the recovery did not necessarily imply profound structural change in the use of AGOA in Nigeria.

The other key characteristic of the 2020-2024 context was the broader turmoil in the global economy. The United Nations Conference on Trade and Development (2024) clarified that the global economy at this time was influenced by sluggish growth, increased debt load, poor investment, and continuous development strains. Such broad macroeconomic factors were important to developing economies such as Nigeria in that they influenced the demand of exports, the terms of financing, the cost of production and competitiveness. An AGOA opportunity was available in this kind of environment, and the climate in which to operate was more challenging than in a stable global economy.

It was also influenced by a resurgence of policy interest in AGOA itself. Brookings Institution (2024) asserts that the 21st AGOA Forum in July 2024 reinstated the high level of support to the early renewal of the AGOA that expires on September 30, 2025. Brookings also observed that AGOA had already created a lot of economic benefits in the whole of Africa but that the future was still a long way to go and that the programme needed greater reform, more use and more clarity. It applies to the current study since the 20202024 period was not merely a period of trade disruption and recovery, but also a period of uncertainty and deliberation in regard to the future of the U.S.Africa trade relations.

In the case of Nigeria in particular, the situation in 20202024, thus, involved three key pressures pandemic shock, reliance on the export of volatile commodities, and maximizing a trade preference program in a volatile international environment. Though Nigeria was still AGOA-eligible at the time, the reality of harnessing AGOA opportunities was limited due to domestic structural weaknesses and poor international trading environment. This is why the 20202024 period will not only be a period in the study but a significant context of analysis in understanding why Nigeria did not maximize the use of AGOA in one way or another despite the ongoing existence of preferential market access.

2.1.10 Relevance of AGOA to Nigeria's Economic and Trade Development

The importance of the African Growth and Opportunity Act to the economic and trade development of Nigeria is that it has the potential to increase market access, spur exports, diversification, and increase bilateral trade relations with the United States. The Office of the United States Trade Representative reports that AGOA grants eligible Sub-Saharan African nations duty free access into the U.S. market on over 1800 additional tariff lines in addition to those offered under the Generalized System of Preferences. This renders AGOA significant to Nigeria since it provides the country with a formal avenue to enhance the earnings it makes through exports and to enhance its involvement in global trade.

Export expansion is one of the key areas of applicability. Trade preference programmes like AGOA are likely to enhance the performance of exports by lowering tariff and making the goods of the beneficiary countries more competitive in the destination country. According to Osabohien et.al., (2021), AGOA created opportunities for Nigeria to expand exports to the United States, although the country has not fully utilized those opportunities. Their point is significant in the sense that AGOA is applicable to Nigeria not only as a legal framework, but as an avenue by which the growth of exports could be realized in case the conditions of domestic production are enhanced. Similarly, Brookings Institution (2024) observed that AGOA has created export gains in beneficiary countries in Africa and has assisted in sustaining growth in non-crude exports in most countries.

AGOA also applies to the non-oil export diversification which is among the top economic priorities in Nigeria. The fact that Nigeria has long relied on crude oil has left the nation vulnerable to global oil price shocks, foreign exchange instability, and fiscal vulnerability. The policy report on export resilience (2025) of the Institute of Chartered Accountants of Nigeria indicates that in 2024, Nigeria continued to heavily rely on crude oil in its exports to the United States, indicating that diversification is still wanting. In this regard, AGOA is still pertinent as it provides Nigeria with a chance to market agricultural products, agro-processed goods, textiles, leather goods, and chosen manufactured exports in the U.S market. The developmental worth of AGOA to the Nigerian economy is therefore not just in its ability to help the country maintain the volume of exports, but also in the fact that it will create space within the export architecture that will be more sustainable and inclusive.

Industrial and productive development is another field of applicability. Favourable access to a huge foreign market may stimulate investment in production, processing, packaging and exporting industries. The World Bank (2025) suggests that AGOA has continued to be of commercial interest to African exporters particularly where it assists in the development of sectors that have higher potential of value addition. This applies to Nigeria as enhanced use of AGOA has potential to boost local industries, generate jobs, and enhance effective production in the non-oil sector. But it is a conditional relevance, as market access will only generate gains to development where there is sufficient infrastructure, competitiveness and policy facilitation.

AGOA also applies to the economic relations and trade diplomacy between Nigeria and the U.S. In addition to the flow of goods, AGOA has turned into one of the key pillars of U.S.–Africa trade activities and continues to be a significant component of U.S.–Nigeria trade activities. The Office of the United States Trade Representative believes that Nigeria is eligible under AGOA and is also enjoying textile and apparel benefits under the programme. USTR also adds that the US and Nigeria continue to expand their trade interaction by the Trade and Investment Framework Agreement. This implies that AGOA does not only apply to the movement of trade, but also to the larger diplomatic and institutional system within the framework of which both nations interact on an economic level.

The applicability of AGOA to Nigeria is also in the fact that it serves as a development standard. The framework enables scholars and policymakers to determine whether Nigeria has succeeded in transforming preferential access to the market to actual economic benefits. Tadesse (2024) points out that AGOA has been among the most significant and significant trade and development programs between the United States and the Sub-Saharan African region, yet its results have been diverse across nations. In the case of Nigeria, this renders AGOA an effective prism through which to assess the preparedness of the export, the capacity of the state, the competitiveness of their industries, and the realistic constraints of trade preference programs. In this regard, AGOA will be applicable not only in terms of what it provides, but also of what the experience of Nigeria under it communicates about the country economic framework in general.

In the framework of the current study, the applicability of AGOA to the economic and trade development of Nigeria is as follows: It offers a significant export promotion and diversification, productive development, and enhanced bilateral trade relations with the United States. Meanwhile, the experience of Nigeria demonstrates that the applicability of AGOA does not necessarily translate into practice; it depends on whether the country will be able to overcome the domestic limitations and effectively utilize the opportunities offered within the scheme. Thus, AGOA is still applicable to Nigeria as a means of trade opportunity and as a trial of the nation in terms of export-oriented development.

2.2 Review of Themes of Research Questions

2.2.1 AGOA and the Nature of Nigeria–U.S. Trade Relations

African Growth and Opportunity Act has also stayed as one of the most crucial frameworks which have influenced the commercial relationship between United States and Nigeria. The Office of the United States Trade Representative states that since its introduction in 2000, AGOA has been the center of U.S. trade policy and commercial relationship with Africa, and provides duty-free access to the U.S. market to over 1,800 products in addition to those already covered by the Generalized System of Preferences. Nigeria is one of the beneficiary countries that qualify as such in the scheme. This implies that AGOA is not simply a tariff policy per se, but one of the institutional pillars by which the Nigeria-U.S. trade relations have been built in the modern age.

According to Umo-Udo and Edemidiong (2023), Nigeria–U.S. trade relations under AGOA have been characterized by opportunity on one hand and limitation on the other. Their research clarified that the big question has been whether AGOA has had any significant effect on the performance of Nigeria as a non-oil exporter and whether it has enabled Nigeria to experience real trade benefits. This matters since it implies that the nature of the Nigerian-US trade relations cannot be explained by the very presence of the AGOA eligibility, but by the degree to which Nigeria has been capable of reaping balanced and development-oriented benefits out of the relationship. Similarly in the same direction, the 2025 systematic review of economic relations between Nigeria and United States under AGOA discovered that the relationship is still economically important, however the full benefits of AGOA is not fully realized due to domestic structural constraints and rigid U.S. standards.

The two countries have also continued to have a bilateral trade relationship that has been commercially viable in terms of value. According to the U.S. Census Bureau, U.S. goods exports to Nigeria were about $2.8 billion in 2020, $3.9 billion in 2021, $3.4 billion in 2022, and $2.6 billion in 2023, while U.S. goods imports from Nigeria were about $1.5 billion in 2020, $3.4 billion in 2021, $4.8 billion in 2022, and $5.7 billion in 2023. These data demonstrate that the trade relationship was not at rest during the studied period, yet the balance changed to a U.S. deficit in 2022 and 2023, compared to a U.S. surplus in 2020 and 2021. It suggests that AGOA has been able to maintain an ongoing trade between Nigeria and the United States, yet the trend of such trade has been volatile and very sensitive to fluctuations in export value, particularly petroleum exports.

The structure of products traded between Nigeria and the U.S under AGOA also influences the nature of trade relations between the two countries. The International Trade Administration of the U.S. Department of Commerce recorded more than $11.2 billion in two-way trade between the United States and Nigeria in 2023, although the utilization of AGOA by Nigeria is predominantly centered on the use of petroleum products. According to the same source, Nigeria is the biggest user of AGOA, and of its AGOA exports, about 98 percent of the exports are petroleum. This implies that despite the fact that AGOA has ensured good business relationships, the relationship is not so broadly based, since Nigeria keeps on being involved in crude oil instead of diversified value-added exports. In that regard, AGOA has facilitated continuity of trade than deep export transformation in the Nigeria-U.S relationship.

The other significant aspect of the relationship is that AGOA has institutionalized the U.S.-Nigeria trade relations into a broader institutional and policy context. The Office of the United States Trade Representative reports that Nigeria and the United States also have broader trade involvement in the form of the Trade and Investment Framework Agreement, and AGOA eligibility also is based on broader economic and governance standards. This demonstrates that the relationship is not entirely founded on market exchange, but on policy discourse, eligibility tests and overall economic diplomatic relations. Similarly, Brookings Institution (2024) has reported that AGOA has become a focal point in U.S. commercial interaction with Africa and that recent AGOA forums have highlighted the necessity to find a greater utilization approach and modernize the programme. Thus, the character of the trade relations between Nigeria and U.S. in the framework of AGOA is commercial and institutional.

The relation is however, in practice asymmetrical. Nigeria is an active contributor as a petroleum and other low-value products supplier whereas the United States is involved in a more diversified export base and robust production base. Umo-Udo and Edemidiong (2023) suggested that AGOA was yet to bring about the degree of export diversification and mutual trade advantage that would signify a fully balanced connection to Nigeria. The later stakeholder and systematic-review literatures also indicate that the effects of AGOA on the trade level in Nigeria and the overall trade policy are unclear and disjointed. This implies that the character of the Nigeria- U.S. trade relationship under AGOA can be only characterized as important, yet, uneven: important, in that the relationship continues to be important in terms of commerce, and uneven, in that the benefits do not accrue equally in terms of structure and developmental impact.

AGOA and the nature of the Nigeria-U.S. trade relations is how the three concepts interact to determine the commercial relationship between the two nations. The evidence indicates that

AGOA has reinforced the sustainability and prominence of Nigeria-U.S trade relations, yet it has not essentially eliminated the structural vices that restrict the benefits that Nigeria accrues out of the relationship. This is why the first research question is of particular importance, as the main question is not whether AGOA affected Nigeria -U.S. trade relations, but what sort of a trade relation it has actually facilitated in 2020-2024.

2.2.2 AGOA and Nigeria's Export Pattern and Performance

The African Growth and Opportunity Act is one of the laws whose main objective was to enhance the performance of the African countries that were eligible to export their products to the United States market as it gave them the duty-free access. Ideally, such preferential treatment is supposed to raise the level of exports, expand the product portfolio, and enhance the competitiveness of beneficiaries' nations in the international markets. Osabohien et.al., (2021) assert that AGOA was implemented to enhance trade performance and give African countries involved the opportunity to diversify their exports, including Nigeria. Their analysis claimed that the scheme has provided Nigeria with a clear export opportunity, which the country has not exploited due to structural weaknesses in Nigeria. This renders AGOA and performance in exports a theme in assessing the trade relations between Nigeria and the U.S.

Export pattern is the composition and structure of exports made by a country, whereas the export performance is the level of export, value of export, its growth and competitiveness of the export. The trend of the export to the United States under AGOA to Nigeria has been very concentrated in petroleum. The International Trade Administration of the U.S. Department of Commerce (2025) sees Nigeria as the biggest consumer of AGOA, yet approximately 98 percent of its export volume is petroleum goods. This indicates that despite Nigeria having registered high value of exports under AGOA, the trend of exports is still very narrow and commodity-based. Effectively, AGOA has helped Nigerian exports in terms of quantity, but not in terms of creating diversification of the export system.

Recent trade data also reveal that in exporting to the United States, Nigeria has performed significantly over the period it has been analyzed. The U.S. Census Bureau reported U.S. goods imports with Nigeria at circa 1.5 billion in 2020, circa 3.4 billion in 2021, circa 5.7 billion in 2022 and 2023 respectively. These numbers show that after the U.S. market disruption in 2020, Nigeria has improved in terms of value in its exports. Nevertheless, this growth in export value must be viewed with a reservation, as a large portion of this performance was still pegged on the export of petroleum products as opposed to an export of a diversified basket of non-oil products. Therefore, higher export value did not necessarily mean stronger structural export transformation.

This export value/ export quality contradiction has always been highlighted in scholarly and policy discourses. Osabohien et al. (2021) discovered that Nigeria has a large potential to be exported under AGOA, particularly in the categories of non-oil products, but the actual reaction has been low due to ineffective infrastructure, insufficient manufacturing capacity, and low adherence to international standards. Similarly, 2024 Brookings analysis of AGOA observed that the export of non-crude goods by African beneficiary countries rose by 241 per cent between 2001 and 2022, despite the fact that crude petroleum exports fell by 50 per cent over the same time. This broader African experience offers that AGOA can help in diversification of exports though the benefits will largely be determined by the domestic conditions of production. The comparatively low response to non-oil exports in Nigeria is thus an indication of lack of opportunity rather than lack of opportunity to exploit the same.

The other interpretation of the pattern of exports in Nigeria under AGOA can be done by determining the difference between absolute export dominance and development export strength. Nigeria does not need to be a robust AGOA exporter in the sense that its exports of petroleum products can yield high export values, but this is not necessarily an indication that the country has attained a wide export competitiveness. In the policy literature, it is indicated that Kenya and Lesotho countries are usually cited as more successful cases of non-oil AGOA application, especially in the apparel and light manufacturing, but in Nigeria, the application of AGOA is still dominated by fuel exports. It implies that at some point Nigeria has performed better under AGOA in terms of headline value in exports, but has been worse in terms of diversification, industrial depth and sustainability.

The overall domestic and international environment also influences the performance of Nigerian exports under AGOA. The 2020 COVID-19 shock undermined the trade flow, particularly in the economies relying on the export of commodities, and the following years saw recovery in the export value, post-pandemic. Despite this, the Nigerian export composition to the U.S. did not differ significantly. The Office of the United States Trade Representative records that imports of U.S. goods into Nigeria in 2025 amount to $5.0 billion, increasing to higher levels in 2024, which indicates that the two nations continue to engage in trade relations in a commercial manner but can be influenced by other factors. This supports the argument that market access and external economic volatility affect the export performance under AGOA.

AGOA and the export pattern/performance of Nigeria means how well Nigerian exports have been enhanced by access to the U.S. market duty-free between 2020 and 2024 in terms of value, structure and competitiveness. The fact on the ground is that Nigeria has registered a substantial export under AGOA but the performance has been rather petroleum intensive with little or no non-oil diversification. Consequently, AGOA has helped to maintain the level of Nigerian exports to the United States, but has not yet achieved the amount of structural export transformation that would point to full and efficient use of the programme.

2.2.3 Factors Limiting Nigeria's Utilization of AGOA Opportunities

Despite the fact that the African Growth and Opportunity Act has given Nigeria a special entry into the United States market, the country has not managed to turn the opportunity into a wide and sustainable trade benefit. The big problem is that, market access is not alone enough to ensure export success unless the beneficiary country possesses the productive, institutional and regulatory capacity to use it. Osabohien et.al., (2021) argue that Nigeria has not maximized the value of AGOA even though it enjoys open trade relations with the United States. They discovered that a weak manufacturer base, low compliance to international product standards and poor infrastructure have capped gains of Nigerians under the programme. This implies that it is not the lack of access to AGOA that is the core constraint, but the fact that Nigeria has a weak internal capacity of making good use of such access.

A large limitation is a lack of infrastructure. Electricity, road networks, ports, storage systems and efficient logistics are key factors to export competitiveness. Where they are low, the exporters have increased costs of production and transfers, delays and low competition in the foreign markets. A 2025 systematic review of Nigeria - United States economic relation in an AGOA context indicated that infrastructural deficits and high cost of production are some of the key factors that constrain the full use of the benefits of AGOA by Nigeria. Similarly, the 2024 Access to Markets Report to the Nigerian Entrepreneurs established that a low percentage of Nigerian entrepreneurs were exporting and that market access is also a major challenge, which is indicative of greater limitations in terms of export preparedness and competitiveness.

Weak manufacturing and productive capacity is another critical limiting factor. The use of AGOA will only be productive when a nation can manufacture exportable commodities in quantities, quality and uniformity. Osabohien et al. (2021) argue that weak manufacturing base has left Nigeria struggling to tap the opportunities that are available under AGOA. This goes a long way to justify the fact that the exports of the AGOA in Nigeria are so much petroleum products instead of the diversified manufactured and processed products. The International Trade Administration (2025) also reported that Nigeria has the highest utilization of AGOA, but approximately 98 percent of its exports are petroleum products through the programme. This means that the productive base of Nigeria is yet to change sharply towards non-oil sectors that can enjoy more of the advantages of AGOA preferences.

Another limitation is the challenge in achieving the United States regulatory and quality standards. Access to the U.S. market through export can in most cases be subjected to technical standards, packaging and sanitary and phytosanitary requirements and a wider certification process. In a systematic review of Nigeria–U.S. economic relations conducted in 2025, under AGOA, stringent U.S. regulatory standards were singled out as one of the key impediments to complete AGOA use. Another weakness in Nigeria AGOA performance highlighted by Osabohien et al. (2021) is the weak compliance with international product standards. This implies that, in a situation whereby the Nigerian companies can offer their goods to the export market, they might still fail to make an entry into the U.S. market in case their products fail to meet the necessary quality and certification requirements.

It is closely connected with the problem of ineffective information on market access and low exporter readiness. Exporters must have sufficient knowledge on the demand, documentation, logistics, prices, consumer preference, and trade processes in the foreign market. According to the 2024 report on Access to Markets Report on Nigerian Entrepreneurs, one of the biggest challenges facing the Nigerian businesses is market access, and this implies that most companies are yet to be ready to enter the markets successfully with regard to their exporting activities. The 2025 AGOA systematic review similarly indicated weak market knowledge among the broader range of factors that limit the capacity of Nigeria to take full advantage of AGOA. Thus, lack of information and support systems to exporters is still in the list of constraints to utilization.

Policy inconsistency and a lack of institutional support is another limiting factor. Trade preferences need policy guidance, export-promotion institutions and consistent government assistance in order to bring about any significant benefits. The 2025 literature on Nigeria–U.S. economic relations under AGOA suggests that issues of governance, policy instability and poor institutional frameworks have diminished the capacity of Nigeria to translate AGOA preferences into more robust trade results. The significance of this is that preferential trade arrangements do not operate in vacuum; they require domestic institutions that can guide the firms, help sustain compliance and promote the exports in the long-term. Even an external market arrangement that is favourable can only result in limited outcomes where the institutions are weak or inconsistent.

Cost and financial limitations are also of concern. Participation in exports is usually associated with investment in the production and packaging, certification, transportation, insurance, and compliance systems. In the cases where companies have high lending rates, the cost of energy is high and their production is more widespread, it makes them less competitive in the American market. High production costs were found to be a key impediment to the AGOA use in Nigeria according to the 2025 systematic review, and current entrepreneurship and market-access reports indicate that Nigerian companies still face significant challenges in terms of expansion expenses and market-access obstacles. It implies that there might be AGOA opportunities on paper, but under the reality of the high cost of achieving export requirements, firms may not be able to take advantage of them in reality.

The constraints to Nigeria using the opportunities of AGOA can be defined as the domestic and external obstacles, which diminished the possibility of the country benefiting fully by preferential access to the U.S. market in 2020-24. The literature available indicates that the key limitations are poor infrastructure, low production capacity, high costs of production, poor adherence to standards, low preparedness of exporters and poor institutional support. Those are the reasons why AGOA has been more alluring on paper than revolutionary in reality to Nigeria.

2.3 Theoretical Review

Theoretical review describes the key theories, which may be employed to comprehend the connection between the African Growth and Opportunity Act and the trade relations between the countries of Nigeria and the U.S. Considering that this research is concerned with a preferential trade agreement between a developed state and a developing African state, the theories that can be applied the most are the ones that explain unequal exchange, external dependence, and the contribution of economic cooperation to the formation of interstate relations. In this regard, Dependency Theory and Complex Interdependence Theory are particularly useful. The most recent AGOA-related literature indicates that scholars are still viewing AGOA in terms of development and modernization-related prisms, particularly when they are talking about whether trade preferences can elicit change in beneficiary nations.

2.3.1 Dependency Theory

Dependency Theory is a late 1950s and 1960s and 1970s criticism of orthodox development thought. Encyclopaedia Britannica states that the theory is most directly linked to the work of Raul Prebisch and subsequently came to be popularized by other scholars like Andre Gunder Frank as an explanation of why so many developing countries have failed to develop under the globalized capitalistic system. The theory supports the argument that poorer countries are not underdeveloped merely because it is an internal issue, but the issue is deeply related to their subordinate status in the international economic order.

The Dependency Theory argues that the global economy is such that it favors the more industrialized nations at the expense of the weaker developing nations. Raw materials and primary commodities are usually exported by the developing states and manufactured goods by the developed countries with the latter having more of the capital, technological and market access. This trend forms a dependency kind of relationship where weaker economies are held at the beck and call of stronger economies. The theory highlights how the international economic structures can reproduce inequality and not eradicate it as captured by the dependency tradition that is summarized by Britannica.

The applicability of the Dependency Theory to this research is quite obvious. The trade relations between Nigeria and the United States under the AGOA have been mainly dominated by crude oil and other low value products, with the United States exporting more diversified and higher values products. This type of relationship suits the dependency argument in which developing economies tend to engage in global trade in a structurally disadvantaged position. In recent Nigeria-centric AGOA research, non-oil exports to the United States have been low and that, without oil, the United States has tended to be at an advantage in the bilateral trade relationship. Similar findings were made by Osabohien et.al., (2021) who showed that Nigeria has not maximized AGOA benefits due to weak manufacturing capacity, poor infrastructure and standards issues that enhance a dependent trade structure.

Dependency Theory can be applied to the given study since it helps one understand why a trade preference such as AGOA might not be able to achieve balanced development results in Nigeria. The weaker country might not enjoy the full benefits of the formal market access even in the case where there is a formal access of the market. Therefore, the theory offers good grounds in explaining the existence of trade asymmetry, oil dependence, and lack of non-oil diversification in Nigeria-U.S. trade relations. A weakness of the theory however is that it may tend to overstress external domination and downplay the impact of domestic policy failure, institutional fragility as well as local production limitations.

2.3.2 Complex Interdependence Theory

The theory of Complex Interdependence is primarily linked with Robert Keohane and Joseph Nye, particularly via their seminal effort, Power and Interdependence. In his discussion of the theory, Springer further indicates that Keohane and Nye constructed the concept to describe a world where states interact through numerous channels of interaction, which may not necessarily be military- or politically-based, but also economic and institutional relationships. The theory posits that in most cases, international relations are influenced by interdependence, institutions, negotiation and issue-linkages as opposed to force alone.

Trade relations under Complex Interdependence Theory fall within a broader category of interactions where nations become interconnected via commerce, diplomacy, institutions and policy arrangements. The theory does not presuppose the equality of all states; however, it underlines the fact that interstate relations are more associated with various types of connection that requires cooperation. In a recent 2022 study which uses interdependence theory to examine economic relations between Gulf states and the United States, the theory was found to be applicable in analysing trade relations that exist between the two sides characterized by cooperation and uneven dependence.

The theory applies to the current study since AGOA is not just a trade concession program; it is also an institution structure linking Nigeria and the United States in terms of access to markets, eligibility requirements, diplomacy, and overall economic activities. The AGOA trade relations between Nigeria and the U.S. entail tariffs, standards, conditions of governance, export performance, and institutional dialogue. Considering the complex interdependence perspective, it is possible to view AGOA within a larger framework of economic and policy interdependence between the two nations.

The advantage of Complex Interdependence Theory in this study is that it assists in the clarification of the persistence of bilateral trade relations in the presence of imbalances, constraints, and unequal benefits. It demonstrates that Nigeria and the United States are economically connected in terms of trade, policy tools, and institutional interactions. Its weakness, however, is that it might not be as able to explain the depth of structural inequality as Dependency Theory does. That is to say that, although it describes how continued interaction exists, it is not so strident in how the benefits of that interaction can persist to be unevenly distributed.

Relevance of the Theories to the Present Study

Out of theories examined, Dependency Theory seems to be the most appropriate to use in the current study. It is so as the subject matter is concerned with AGOA and Nigeria-U.S. trade relations, and the evidence that has already been examined demonstrates some constant elements of asymmetry, reliance on crude-oil, the lack of diversification of non-oil exports, and the inability to make the most of trade preferences. They are problems that Dependency Theory elucidates better than the other theories. The theory assists in demonstrating that, despite the preferential treatment of Nigeria in terms of the U.S. market, the economy of the country and its place within the global trade system might continue to place the country in an inferior and subservient situation. However, Complex Interdependence Theory can still be effectively utilized as a complementary viewpoint since it describes the ongoing institutional and economic interconnection between Nigeria and the United States within the framework of AGOA. The combination of the theories demonstrates that the bilateral relationship is not only cooperative but is unequal: cooperative since AGOA maintains not only trade and institutional interaction, but unequal since Nigeria will continue to benefit, but only to a certain degree due to its structural and domestic vulnerabilities. Hence, although the Dependency Theory is the best primary theory to use in the study, the Complex Interdependence Theory can still be used to supplement the analysis as it demonstrates the greater context of interaction in which AGOA exists

2.4 Empirical Review

Authors, Year and Title	**Location of Study**	**Research Methodology**	**Sample Size / Sampling Technique**	**Method of Data Analysis**	**Results and Findings**
James Nda Jacob, Ejor Michael Elgahm, and Agaba Halidu (2020), ***African Growth***	Sub-Saharan Africa; examined AGOA and export diversification	Qualitative, documentary and analytical study.	Not applicable; no respondent-based sample.	Qualitative/content analysis.	Found that over 90% of AGOA exports were energy-related, which weakened diversification

and Opportunity Act (AGOA) and Export Diversification: An Analysis (Academia)	in Africa–U.S. trade.				objectives. It also identified capacity constraints, high business costs, and infrastructure problems as key challenges. (Academia)
Romanus Osabohien, Bosede Ngozi Adeleye, and Evans Osabuohien (2021), ***African Growth and Opportunity Act and Trade Performance in Nigeria*** (ScienceDirect)	Nigeria.	Mixed approach using socio-economic indicators, statistical inference, and in-depth stakeholder interviews.	Sample size not clearly stated; stakeholder interviews used.	Statistical inference and interpretive analysis.	Found that Nigeria had not optimized AGOA benefits; major obstacles were weak manufacturing base, poor infrastructure, and weak adherence to international standards. (ScienceDirect)

Dal Didia and Suleiman Tahir (2022), *African Growth and Opportunity Act (AGOA): Impact on Small Businesses and Export Revenue in Nigeria* (ResearchGate)	Nigeria; focused on small businesses, non-oil exports, and export revenue.	Descriptive, non-technical analytical design.	Not applicable; based on trade data rather than survey respondents.	Descriptive analysis.	Found no notable increase in Nigeria's non-oil exports to the U.S. since AGOA began; excluding oil, the U.S. continued to enjoy trade surplus over Nigeria. (ResearchGate)
Evans Kulu and Isaac Bentum-Ennin (2023), *African Growth and Opportunity Act (AGOA) and Exports of Sub-Saharan African Countries to the United States of America: Does*	49 Sub-Saharan African countries.	Quantitative panel-data study.	49 countries; panel/census-style coverage, 1980–2020.	GMM and difference-in-differences estimation.	Found that AGOA had not fully achieved its purpose across the region, but export performance could improve significantly where private-sector credit is accessible. (ScienceDirect)

Credit Matter? (ScienceDirect)					
Miraji Hamis Kasunsumo (2023), *The African Growth and Opportunity Act (AGOA) and Export Performance: A Case Study of the United Republic of Tanzania in Relation to its East African Partner States* (ResearchGate)	Tanzania in comparison with Kenya, Rwanda, and Uganda.	Quantitative comparative panel design.	Four East African countries; no respondent sampling.	OLS, panel estimation, and country regressions.	Found no significant overall panel effect of AGOA on the EAC states; only Kenya showed significant gains, while Tanzania's effect was insignificant. (ResearchGate)
Ndifreke Sunny Umo-Udo and Edemekong E. Edemidiong (2023), *Nigeria–United States*	Nigeria–United States bilateral trade relations, 2010–2020.	Historical and descriptive methodology.	Not applicable; no survey sample.	Historical-descriptive/content analysis.	Found that although Nigerian exports to the U.S. increased under AGOA, the programme did

Bilateral Trade Relations: An Evaluation of American Growth Opportunity Act (AGOA), 2010–2020 (Covenant University Journals)					not significantly transform the structure and pattern of Nigeria–U.S. trade. It recommended mainstreaming AGOA into Nigeria's development plans. (Covenant University Journals)
Boris Tadesse (2024), ***The Impacts of the African Growth Opportunity Act on the Economic Performances of Sub-Saharan African***	Sub-Saharan Africa.	Comprehensive review of literature and policy reports.	Not applicable; review-based study.	Narrative/review synthesis.	Found that AGOA positively affected trade, especially in apparel, textiles, and agriculture, but its impact on export diversification and FDI remained

Countries: A Comprehensive Review (MDPI)					mixed and uneven across countries. (MDPI)
Derick Taylor Adu (2024), *Four Essays in International Trade and Economic Development* — Chapter 1 on AGOA exports (Auburn University ETD)	Sub-Saharan African AGOA member countries.	Quantitative econometric design.	Country-level data; no respondent sample.	Synthetic control method, validated with additional econometric checks.	Found that AGOA member countries experienced an estimated **$818.11 million annual export increase**, about **42% above counterfactual levels**, with gains varying by product type and country. (Auburn University ETD)
Marvellous Ngundu, Mulatu Fekadu Zerihun, and Malibongwe C. Nyathi (2024), *Comparing the Effectiveness of*	South Africa.	Quantitative time-series study.	Quarterly time-series from 2001Q1 to 2022Q4; no respondent sample.	ARDL model.	Found that neither AGOA nor FOCAC significantly enhanced South Africa's economic growth; both

the African Growth and Opportunity Act (AGOA) and Forum on China–Africa Cooperation (FOCAC) in South Africa: An Application of Keynes' Macroeconomic Theory (ScienceDirect)					appeared more useful as strategic trade channels than growth drivers. (ScienceDirect)
United States International Trade Commission (2023), ***African Growth and Opportunity Act (AGOA): Program Usage,***	AGOA beneficiary countries across Sub-Saharan Africa.	Policy-empirical and sectoral analytical study.	Not applicable; programme-level data and hearing evidence.	Descriptive statistical and sectoral trend analysis.	Found that AGOA usage and utilization are highly uneven across countries and sectors; outcomes look very different when crude

Trends, and Sectoral Highlights (USITC)					petroleum is excluded. (USITC)
Landry Signé (2022), ***Testimony on the African Growth and Opportunity Act before the United States International Trade Commission*** (Brookings)	Sub-Saharan Africa; policy-oriented AGOA assessment.	Evidence synthesis / policy-analytical approach.	Not applicable.	Analytical synthesis.	Found that AGOA was created to increase trade and investment between the U.S. and Sub-Saharan Africa, but its effectiveness remains debated because benefits vary strongly across countries and sectors. (Brookings)
Office of the United States Trade Representative (2024), ***The***	AGOA-eligible countries across Sub-	Official programme review and implementation monitoring.	Not applicable.	Descriptive review and implementation analysis.	Found that **16 AGOA-eligible countries** had completed national AGOA

African Growth and Opportunity Act: 2024 Biennial Report (United States Trade Representative)	Saharan Africa.				utilization strategies, while others developed similar plans through regional blocs. This suggests that strategy and implementation matter greatly for AGOA utilization. (United States Trade Representative)
Uchenna C. Umearokwu and K. Ehizele (2025), *Nigeria–United States Economic Relations in the Context of African Growth*	Nigeria–U.S. economic relations, covering 2015–2023.	Systematic review with key-informant interviews.	8 participants; purposive sampling.	Thematic analysis.	Found that AGOA contributed positively to diversification of Nigeria's non-oil exports, but inadequate infrastructure, high production

and Opportunity Act (AGOA): A Systematic Review (ResearchGate)					costs, and strict U.S. standards limited fuller benefits. (ResearchGate)
Victoria Ebunutale Afolayan, David Oluwasegun Afolayan, and Ngozi Eunice Egbuna (2025), ***Qualitative Analysis of Stakeholder Perceptions of AGOA's Challenges in Nigeria*** (RSIS International)	Nigeria; stakeholder perceptions of AGOA trade volume and challenges.	Qualitative survey design.	30 questionnaires distributed, 26 retrieved; combined purposive and snowball sampling.	Qualitative classification and interpretation of responses.	Found that stakeholders believed AGOA increased market capacity and market expansion, but weak policy implementation, inadequate infrastructure, weak institutions, and standards challenges continued to limit Nigeria's gains. (RSIS International)

Ikechukwu Valentine Okorie (2024), *Nigeria–United States Economic Relations and the Development of the Oil Sector* (ajpasebsu.org.ng)	Nigeria–United States economic relations, 1999–2018, with focus on the oil sector.	Descriptive/historical analytical study.	Not applicable; no respondent sample.	Descriptive historical analysis.	Found that Nigeria–U.S. economic relations have remained strongly tied to the oil sector, reinforcing the narrow sectoral structure of the bilateral relationship. (ajpasebsu.org.ng)

The empirical evidence demonstrates that AGOA has brought mixed effects and not a consistent success of trade transformation. Regional and cross-country studies typically show that AGOA provided quantifiable export opportunities to Sub-Saharan African countries yet the scale and quality of the benefits differ drastically by country, industry and domestic capacity. To illustrate, an econometric study by Adu in 2024 established a significant positive regional-level export impact of AGOA but a panel study by Kulu and Bentum-Ennin (2023) suggested that AGOA was not entirely accomplishing its mission and that access to credit was a critical precondition to stronger export returns. A 2024 review by Tadesse also found that trade in such areas as apparel, textile, and agriculture have benefited through AGOA, although the results of diversification and FDI are unequal.

Studies that focus on Nigeria paint an even more narrow picture. They all concur that Nigeria has been a significant AGOA player, however, its benefits have been limited to the exportation of petroleum products instead of diversification of the economy through non-oil products. Osabohien, Adeleye, and Osabuohien (2021), Umo-Udo and Edemidiong (2023), and Didia and Tahir (2022) all agree on the finding that Nigeria has not been maximizing the use of AGOA in a transformative manner. The newer works of Umearokwu and Ehizele (2025) and Afolayan, Afolayan, and Egbuna (2025) also indicate that the AGOA has opened opportunities and some favorable attitudes to access the market, but these benefits are limited by a lack of infrastructure, high production costs, poor institutions, and the inability to meet U.S. standards.

The other significant trend in the empirical literature is the difference in headline export value and structural export transformation. According to some studies, the countries that are under AGOA are able to record high export values yet on scrutiny, the values are mostly fuelled by a small set of commodities, particularly petroleum. The USITC 2023 report and the USTR 2024 Biennial Report both confirm that the utilization is extremely uneven and that the results of the programmes rely on the country-level implementation plans and sector structure. In the case of Nigeria, this will help in arguing that the level of exports is not sufficient to make a conclusion that AGOA has essentially transformed the nature of trade between Nigeria and the United States.

Gap in Literature

The significant literature gap is that the recent literature does not include many studies that concentrate particularly on AGOA and Nigeria-U.S. trade relations in 2020-2024. Available studies on AGOA in the Sub-Saharan region, are either general in Africa, compare different countries within Africa, or cover Nigeria in previous years. However, 2020-2024 is a different year, as it is filled with disruption due to the pandemic, post-pandemic recovery, global supply-chain strife, oil-market volatility, and renewed policy interest in the future of AGOA. This analytically differs with previous periods of AGOA.

The second gap is that the studies which are Nigeria-focused tend to address trade performance or non-oil exports, but few of them consider all three issues which are the focus of the current study simultaneously, i.e.its impact on export pattern and performance, and the limiting Nigeria's ability to maximise opportunities provided under AGOA 2020-2024 The current research thus bridges a significant gap by offering a specific analysis of AGOA and Nigeria-U.S. trade relations during the specific time frame of analysis, as well as aggregating the issues of market access, export performance, trade structure, and utilization issues within one study.

CHAPTER THREE

METHODOLOGY

3.1 Theoretical Framework

This study is anchored primarily on Dependency Theory. Dependency Theory was initially linked to Raul Prebisch and subsequently developed by other scholars like Andre Gunder Frank. According to the theory, the international economic system is organized in such a manner that the developing countries are in a dependent position whereas developed countries are in a superior position in the international division of labour. In this set-up, weaker economies are primarily exporters of raw materials and primary commodities whereas stronger economies are exporters of manufactured goods, control technology and dictate the terms of trade.

The applicability of this theory to the current study is the characteristic of trade relations between Nigeria and United States under African Growth and Opportunity Act (AGOA). Despite the fact that AGOA was initiated as a preferential trade agreement that was meant to enhance African exports to the United States, the experience of Nigeria has remained to have some of the characteristics highlighted by Dependency Theory. The exports of Nigeria to the United States have been more or less controlled by crude oil and other major commodities and the United States has still been playing a role at a more diversified and industrialized state. This is an indication that to the extent that trade preferences exist, structural inequality continues to influence the trade relationship.

Dependency Theory is therefore suitable for this study because it provides a framework for understanding why a programme like AGOA may not necessarily translate into balanced and transformative gains for Nigeria. The theory is useful in explaining the continuation of export dependence, trade asymmetry and low non-oil diversification of trade relations between Nigeria and U.S. It also helps to argue that the availability of external market does not necessarily bring about significant development when the domestic economy is weak and relies on the external market.

However, the study also draws supportive insight from Complex Interdependence Theory, developed by Robert Keohane and Joseph Nye. This theory helps to explain that states are linked through multiple economic, institutional, and policy channels, not only through politics or military power. The relevance of this supporting theory is that AGOA is not merely a tariff concession but also a framework of continuing economic and policy engagement between Nigeria and the United States. However, because the central concern of the study is the unequal structure and limited developmental gains in the trade relationship, Dependency Theory remains the main theoretical framework.

3.2 Hypotheses

H1: AGOA has no significant effect on the pattern and performance of Nigeria's exports to the during the period review

H2: Poor domestic production limited Nigeria's ability to maximise opportunities provided under AGOA,2020-2024

3.3 Research Design

This study will adopt the descriptive research design. Specifically, it employed a qualitative documentary approach supported by the use of relevant quantitative trade statistics. The descriptive design was considered appropriate because the study is concerned with describing, explaining, and analysing the relationship between AGOA and Nigeria–U.S. trade relations within the period 2020 to 2024.

The documentary method was appropriate since the research was primarily based on the existing resources including the official trade reports, government publications, policy documents, scholarly journal articles, institutional reports, and bilateral trade statistics. This approach allowed the researcher to study how AGOA works, how Nigeria-U.S. trade is organized, how exports are made, and what problems impact the use of AGOA opportunities by Nigeria without the need to gather field data in questionnaires form.

It is also ex post facto in nature as it concerns events and the policies that have already taken place during the period in question. No variable was manipulated by the researcher, as he simply analysed already existing trade trends, policy frameworks, and empirical evidence and then made valid conclusions. This turned out to be a suitable design to conduct an international relations study of this nature where the primary interest is to examine the effect of policy and trade results based on recorded evidence.

3.4 Methods of Data Collection

The study made use of secondary sources of data. Secondary data were obtained from:

- scholarly journal articles
- theses and dissertations
- official publications of the Office of the United States Trade Representative (USTR)

- U.S. Census Bureau trade statistics
- United Nations Conference on Trade and Development (UNCTAD) reports
- World Bank reports
- United States International Trade Commission (USITC) publications
- Nigerian government and trade-related policy documents
- relevant newspaper and policy analyses where necessary

The use of secondary data was appropriate because the study focused on trade relations between Nigeria and the United States, which required documented statistics, policy records, and institutional materials. In addition, the use of secondary data made it possible to access historical and recent evidence on AGOA implementation, export performance, and trade constraints within the period covered by the study.

3.5 Study Area

The study area of this research is **Nigeria within the broader context of its trade relations with the United States of America**. Nigeria is located in West Africa and is one of the largest economies and most populous countries on the African continent. It has a strategic position in Africa's political and economic landscape and has remained one of the key countries eligible for the African Growth and Opportunity Act.

Nigeria's economy has traditionally been dominated by the petroleum sector, especially crude oil exports, which have played a major role in its trade relations with developed economies, including the United States. At the same time, Nigeria has sought to expand non-oil exports in sectors such as agriculture, agro-processing, textiles, and light manufacturing. This makes Nigeria a relevant case for examining whether AGOA has truly supported export diversification and improved bilateral trade relations with the United States.

The United States, on the other hand, is one of the world's largest economies and an important trade partner of Nigeria. Through AGOA and related trade frameworks, the United States has continued to shape economic relations with Nigeria and other African countries. Therefore, the Nigeria–U.S. trade space provides a suitable area for examining the opportunities and limitations of AGOA between 2020 and 2024.

3.6 Population of the Study

The population of the study consists of all relevant documents, reports, policy materials, and trade records relating to **AGOA and Nigeria–U.S. trade relations from 2020 to 2024**.

This includes:

- official AGOA reports
- bilateral trade statistics between Nigeria and the United States
- USTR publications
- U.S. Census Bureau trade data
- USITC reports
- UNCTAD reports
- World Bank documents
- academic journal articles, books, and dissertations relevant to the study
- policy briefs and institutional publications on Nigeria–U.S. trade relations

Since this study is documentary in nature, the population is not made up of human respondents but of documentary sources relevant to the variables under investigation.

3.7Methods of Data Analysis

The data collected for this study were analyzed using qualitative content analysis and descriptive statistical technique.

The qualitative aspect involved reviewing and interpreting the contents of relevant documents, policy materials, and scholarly publications in relation to the objectives of the study. This method made it possible to identify major themes such as the influence of AGOA on bilateral trade, the pattern of Nigeria's exports to the United States, and the constraints affecting the utilization of AGOA opportunities.

The descriptive statistical aspect involved the use of trade figures, percentages, and trend observations drawn from official sources such as the U.S. Census Bureau and other institutional trade records. These figures were used to illustrate export and import patterns, trade balance shifts, and the changing nature of Nigeria–U.S. trade relations during the period under review.

The hypotheses were not tested using questionnaire-based inferential statistics because the study was documentary and qualitative in nature. Rather, the hypotheses were assessed through logical analysis of documentary evidence and trade statistics in relation to the objectives and research questions.

3.9 Logical Data Framework (LDF)

Research Objectives	**Research Questions**	**Data Required**	**Sources of Data**	**Method of Analysis**
How has AGOA affected the pattern and performance of	To assess the effect of AGOA on the pattern and	Export values, sectoral export composition, oil	Trade statistics, institutional	Descriptive statistics and

Nigeria's exports to the United States during the period under review?	performance of Nigeria's exports to the United States during the period under review	and non-oil export data, empirical studies	reports, journal articles	qualitative interpretation
To determine how poor domestic production limited Nigeria's ability to maximise opportunities provided under AGOA, 2020–2024	How has poor domestic production limited Nigeria's ability to maximise opportunities provided under AGOA, 2020–2024?	Export values, sectoral export composition, oil and non-oil export data, empirical studies	Trade statistics, institutional reports, journal articles	Descriptive statistics and qualitative interpretation

CHAPTER FOUR

DISCUSSION AND ANALYSIS

4.1 Introduction

This chapter presents a summary of the key findings derived from the analysis of data and literature reviewed in the preceding chapters. The findings are discussed in relation to the research objectives, research questions, and hypotheses of the study. The chapter is organized around the two main thematic areas of the study: the effect of AGOA on Nigeria's export pattern and performance, and to determine how poor domestic production limited Nigeria's ability to maximize the opportunities provided under AGOA betwee2020 and 2024.

4.1 Summary of Findings

4.1.1Effect of AGOA on Nigeria's Export Pattern and Performance

.1 IMPROVEMENT IN NONOIL SECTOR PERFORMANCEDespite the dominance of petroleum in Nigeria's AGOA export profile, the 2020–2024 period recorded limited but notable improvements in nonoil sector engagement under the programme. The Office of the United States Trade Representative (2024) confirmed that AGOA continued to provide dutyfree access across more than 1,800 tariff lines beyond those covered by the generalized System of Preferences, creating a formal platform for nonoil export expansion. In the agricultural sector, select Nigerian exports including sesame seeds, cocoa products, and certain processed food items recorded marginal increases in shipments to the United States. Similarly, the broader African picture documented by Brookings Institution (2024) showed that noncrude AGOA exports across SubSaharan Africa grew by 241 percent between 2001 and 2022, indicating that sectoral improvement is achievable under AGOA where domestic supply conditions are strengthened.However, these improvements remained modest and structurally insufficient. The United States International Trade Commission (2023) noted that AGOA utilization in nonoil sectors was highly uneven across beneficiary countries, and Nigeria's nonoil participation continued to be constrained by poor infrastructure, limited processing capacity, and difficulty meeting U.S. sanitary, phytosanitary, and technical standards. The Institute of Chartered Accountants of Nigeria (2025) reported that crude oil still accounted for over 55 percent of Nigeria's exports to the United States in 2024, confirming that nonoil sector performance under AGOA, while showing incremental activity, did not achieve the scale of transformation anticipated by the programme. Strengthening nonoil export capacity therefore remains a critical policy imperative for Nigeria to fully leverage AGOA preferences

.4.1.2 SHARP REDUCTION IN EXPORT VALUE TREND BETWEEN NIGERIA AND U.S.The 2020–2024 period witnessed a sharp and significant reduction in Nigeria's export value to the United States, most acutely in 2020 when the COVID19 pandemic severely disrupted global trade. According to the U.S. Census Bureau, U.S. goods imports from Nigeria fell to approximately $1.5 billion in 2020, representing a steep decline from prepandemic levels. This sharp contraction was primarily driven by the collapse in global oil demand and a corresponding drop in crude oil prices, which directly affected Nigeria's petroleumdependent export earnings. The broader economic disruptions of the period, including supply chain dislocations and reduced U.S. energy imports, compounded the downturn in bilateral trade values.Although bilateral trade values recovered in subsequent years—rising to approximately $3.4 billion in 2021, $4.8 billion in 2022, and $5.7 billion in 2023—this recovery was driven predominantly by petroleum price and volume dynamics rather than by structural diversification or expanded nonoil participation. The Office of the United States Trade Representative (2026) noted that U.S. goods imports from Nigeria amounted to $5.0 billion in 2025, reflecting the continued volatility of the trade relationship. The U.S. Energy Information Administration (2025) further confirmed that Nigeria's role as a crude oil supplier to the United States had significantly diminished since the rise of U.S. domestic shale production, adding structural downward pressure on Nigeria's longterm export value trajectory. Consequently, the sharp reduction in export values during 2020 underscored the fragility of Nigeria's AGOA trade position and reinforced the urgency of nonoil export diversification to sustain bilateral trade performance..

To determine how poor domestic production limited Nigeria's ability to maximise opportunities provided under AGOA,2020-2024 :was to identify the factors that have limited Nigeria's ability to maximize the opportunities provided under AGOA in its trade relations with the United States from 2020 to 2024. The findings reveal a set of interconnected structural, institutional, and policy constraints that have consistently

undermined Nigeria's capacity to benefit fully from AGOA preferences.Poor infrastructure emerged as one of the most significant constraints. Inefficient electricity supply, weak transport networks, inadequate port logistics, and limited cold-chain and storage facilities raise production and transaction costs for Nigerian exporters, reducing their competitiveness in the U.S. market (Umearokwu and Ehizele, 2025; FATE Foundation, 2024). Weak manufacturing and productive capacity constitutes another critical barrier. The concentration of Nigeria's AGOA exports in petroleum reflects the underdevelopment of domestic manufacturing and agro-processing sectors that would otherwise be best positioned to diversify the country's export base. Osabohien et al. (2021) specifically identified weak manufacturing as a core reason why Nigeria has not converted AGOA eligibility into broader export gains.Difficulty in meeting U.S. regulatory and quality standards — including sanitary and phytosanitary requirements, technical standards, and certification processes — has further limited the ability of Nigerian exporters to enter the U.S. market (Afolayan, Afolayan and Egbuna, 2025). Inadequate market knowledge and export readiness, including limited information on U.S. buyer requirements, documentation procedures, and trade logistics, has also reduced the effective participation of Nigerian firms in AGOA-eligible trade (FATE Foundation, 2024). Policy inconsistency, weak institutional support, and governance challenges have added to the constraints, reducing confidence and coordination in Nigeria's export promotion activities (Umearokwu and Ehizele, 2025).High production costs and limited access to affordable finance have further discouraged investment in export-oriented production, particularly among small and medium-scale enterprises. The uncertainty surrounding the future of AGOA itself, given debates about the

programme's renewal beyond its September 2025 expiry, also introduced planning risks for Nigerian exporters and potential investors during the study period

4.3 Discussion

The findings of this study highlight a persistent gap between the formal opportunities created by AGOA and the practical developmental gains achieved by Nigeria during the 2020–2024 period. The study demonstrates that AGOA has been more effective in sustaining an existing trade relationship — centered on petroleum exports — than in catalyzing the structural transformation of Nigeria's export economy. This outcome is consistent with Dependency Theory, the primary theoretical framework of the study, which argues that structural inequalities within the global trading system can persist even when formal market access is extended to developing countries.

The Nigerian experience under AGOA is not unique within Africa. As documented by Tadesse (2024), the benefits of AGOA across Sub-Saharan Africa have been uneven, with countries possessing stronger supply-side capacity and more diversified productive bases achieving greater non-oil export gains. Countries such as Kenya and Lesotho have recorded more notable achievements in apparel and light manufacturing under AGOA, whereas Nigeria's gains remain concentrated in the energy sector. This comparison reinforces the argument that preferential market access, while necessary, is not sufficient to drive export transformation in the absence of adequate domestic supply conditions.

The 2020–2024 period introduced additional complexity. The COVID-19 pandemic disrupted global trade in 2020, and the subsequent recovery was shaped by global commodity price movements and supply chain realignments rather than by deliberate domestic export diversification strategies. The post-pandemic trade data showed recovery in bilateral trade values, but the composition of that recovery remained concentrated in petroleum. This suggests that the structural constraints identified in the study are deeply entrenched and were not meaningfully addressed during the study period, despite the ongoing availability of AGOA preferences.

At the same time, Complex Interdependence Theory helps to explain the persistence of the Nigeria–U.S. trade relationship despite its structural imbalances. AGOA has created and maintained institutional and policy linkages between the two countries through eligibility reviews, the Trade and Investment Framework Agreement, and ongoing bilateral trade engagement. These linkages have ensured that the relationship has continued, even if its terms remain asymmetrical. The combination of both theoretical perspectives thus provides a more complete picture: the relationship is cooperative and institutionally sustained, yet structurally unequal and underdevelopmental in its current configuration.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

This study examined the African Growth and Opportunity Act (AGOA) and Nigeria–U.S. trade relations from 2020 to 2024, guided by two specific objectives: to; to assess the effect of AGOA on the pattern and performance of Nigeria's exports; and to determine how poor domestic production limitations Nigeria's ability to maximize opportunities provided under AGOA, 2020-2024. The study adopted a qualitative documentary research design relying on secondary data from official trade statistics, policy documents, institutional reports, and peer-reviewed academic literature.

The first finding is that AGOA had a measurable effect on the volume and value of Nigerian exports to the United States, particularly through petroleum-based trade, but did not produce significant non-oil export diversification. Despite duty-free access across more than 1,800 tariff lines beyond the Generalized System of Preferences, agriculture, agro-processing, textiles, light manufacturing, and other AGOA-eligible non-oil sectors remained largely underutilized. The COVID-19 pandemic significantly reduced trade flows in 2020, and the subsequent recovery was driven primarily by rising petroleum values rather than new export categories.

The second finding is that a set of interconnected structural, institutional, and policy constraints has consistently undermined Nigeria's capacity to benefit fully from AGOA preferences. These constraints include poor infrastructure, weak manufacturing and productive capacity, difficulty meeting U.S. regulatory and quality standards, inadequate market knowledge and export readiness, policy inconsistency, high production costs, limited access to affordable finance for SMEs, and uncertainty surrounding AGOA's future beyond its September 2025 expiry.

5.2 Conclusion

This study examined the African Growth and Opportunity Act (AGOA) and Nigeria–U.S. trade relations from 2020 to 2024. The study was guided by two specific objectives: to assess the effect of AGOA on the pattern and performance of Nigeria's exports; and poor domestic production limited limited Nigeria's ability to maximise opportunities provided under AGOA, 2020-2024 .The study adopted a qualitative documentary research design, drawing on secondary data from official trade statistics, policy documents, institutional reports, and peer-reviewed academic literature.

The overall conclusion of this study is that AGOA has maintained a framework of preferential market access that has sustained Nigeria–U.S. trade relations, but it has not transformed the nature, structure, or developmental quality of Nigeria's engagement with the United States. Despite being the largest user of AGOA by export value, Nigeria's participation in the programme has been overwhelmingly concentrated in petroleum exports, with minimal gains in non-oil sectors such as agriculture, manufacturing, and agro-processing.

The study concludes that the limited gains of Nigeria under AGOA are not primarily attributable to deficiencies in the policy design of the programme itself, but to a cluster of domestic structural and institutional constraints that have prevented the country from converting preferential market access into sustained export competitiveness. These constraints include poor infrastructure, weak manufacturing capacity, difficulty in meeting U.S. product standards, inadequate export information systems, policy inconsistency, high production costs, and limited financial access for export-oriented enterprises.

The study further concludes that the 2020–2024 period, marked by pandemic disruptions, global trade volatility, and uncertainty over AGOA’s future, presented both additional challenges and missed opportunities for Nigeria. While the trade relationship between Nigeria and the United States remained commercially active, the external disruptions of this period reinforced existing structural weaknesses rather than providing an impetus for diversification. The recovery in bilateral trade values after 2020 was driven primarily by petroleum price and volume dynamics, not by any meaningful broadening of Nigeria’s export base.

In theoretical terms, the study confirms the relevance of Dependency Theory in explaining the persistence of unequal trade relations between Nigeria and the United States within the AGOA framework. The bilateral relationship exhibits key characteristics of structural dependence: Nigeria’s role as a primary commodity exporter, the United States’ position as a more diversified and industrially powerful partner, and the inability of preferential market access alone to overcome the structural subordination of Nigeria’s economy within the global trading system. Complex Interdependence Theory complements this analysis by explaining the institutional continuity and policy engagement that have sustained the bilateral relationship despite its structural inequalities.

In conclusion, AGOA remains a significant but underutilized opportunity for Nigeria. Its value to Nigeria’s economic and trade development is contingent on the country’s ability to address the domestic supply-side constraints that have historically limited its non-oil export performance. Without deliberate and sustained domestic reforms, AGOA will continue to function primarily as a framework for petroleum-based trade rather than as a genuine instrument of export diversification and industrial development.

5.3 Recommendations

Based on the findings and conclusions of this study, the following recommendations are made to the Nigerian government, policymakers, and relevant trade institutions:

5.**3.1 Address Policy Inconsistency and Improve the Business Environment**The Nigerian government should work to stabilize the policy environment for export-oriented businesses. This includes maintaining consistent trade policies, reducing bureaucratic bottlenecks, strengthening institutional coordination between trade and investment agencies, and improving the overall business climate. The governance reforms required for continued AGOA eligibility should also be pursued consistently, not only to retain access to the programme but also to create a more stable environment for investment in export-oriented production.

5.3.1 Strengthen Domestic Infrastructure

The Nigerian government should prioritize investment in the infrastructure that directly supports export-oriented production. This includes reliable electricity supply, modern port facilities, efficient road and rail transport networks, and cold-chain logistics for agricultural and agro-processed goods. Without addressing these infrastructure gaps, Nigerian exporters will continue to face cost disadvantages that limit their ability to compete in the U.S. market. Public-private partnerships and targeted infrastructure investment programs linked to AGOA-eligible sectors should be developed as a matter of priority.

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