

Trade liberalization and technology acquisition in the manufacturing sector: Evidence from Nigeria

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Abstract

This study reports the impact of recent trade liberalization policies in Nigeria on the acquisition of technology by the Nigerian manufacturing sector. The report uses survey data from 94 manufacturing firms covering three sectors: textiles, chemicals and light engineering. The results suggest that the impact is limited. Some elements of trade liberalization such as the abolition of import licensing and lower tariffs increased the availability of competing goods and facilitated firms' access to imports. However, the increasing competitive environment is yet to generate remarkable improvement in the technological activities of the firms. The respondents acknowledged that the rapid depreciation of the naira following the adoption of the liberalization policy has raised the cost of capital goods. Most of the firms agreed with the broad thrusts of government liberalization policies, hence it is important for the government to consolidate and maintain the credibility of these policies.

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