

WORLD TRADE ORGANISATION TRADE POLICY REVIEW MECHANISMS: EFFECTS ON NIGERIA'S TRADE POLICY AND IMPLICATIONS FOR THE ECONOMY

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Abstract

This article presents a legal analysis of Nigeria's engagement with the World Trade Organization's (WTO) Trade Policy Review Mechanisms (TPRMs), assessing its effect on Nigeria's trade policies and its implications for the economy. Using the doctrinal research methodology, the findings reveal that while the TPRMs significantly enhances Nigeria's trade policy transparency and accountability, boosting its global image and credibility, its full benefits are hampered by persistent challenges. These include institutional weaknesses, inconsistent policy implementation, bureaucratic bottlenecks, regulatory overlaps, and fragmented legal frameworks. Broader socio-economic issues like infrastructural challenges, and heavy reliance on crude oil exports further impedes effective policy reforms. The article argues that the non-binding nature of TPRMs recommendations and technical complexities of WTO dispute settlement system deter Nigeria from seeking redress. It also argues that despite these hurdles, the TPRMs offers valuable opportunities for policy making, capacity building, and institutional strengthening, encouraging alignment with multilateral and regional obligations like the WTO and the African Continental Free Trade Area (AfCFTA). The article concludes with actionable recommendations aims at enhancing institutional capacity for effective trade policy management, enhanced transparency, and stakeholder engagement to foster resourceful and equitable participation in the global trading system.

Keywords: WTO, Trade Policy, Review, Implications, Economy, Nigeria

1. Introduction

The World Trade Organisation (WTO) officially commences operations on January 1, 1995, following the Uruguay Round negotiations that began in 1986 and concluded with a significant agreement in Marrakesh, Morocco in April 1994. The General Agreement on Tariffs and Trade (GATT), which was the pre-existing framework for international trade was soon after incorporated into the WTO framework.¹ Its agreements address various economic issues of its member states including but not limited to agriculture, textiles, subsidies, and intellectual property rights (IPRs),² by providing the multilateral framework for countries to negotiate trade agreements, resolve trade disputes, and promote open and fair-trade practices.³

The WTO plays a fundamental role in regulating international trade through its numerous mechanisms, one of which is the Trade Policy Review Mechanisms (TPRMs). The TPRMs afford member States the opportunities to undergo the process of collective evaluation of their trade policies. The aim is to improve adherence to the rules, disciplines, and commitments made under

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¹ World Trade Organization, 'Official Ministerial Website – Accessions' (2024) <http://www.wto.org/english/thewto_e/minist_e/min99_e/english/about_e/21accs_e.htm> accessed 25 December 2024

² Shaw, M. N. International Law, (4th Edition, Grotius Press Ltd., Cambridge, 1997) 893

³ V Treichel, 'Putting Nigeria to Work: A Strategy for Employment and Growth' (2010) <<https://ideas.repec.org/b/wbk/wbpubs/2463.html>> accessed 26 December 2024

the Multilateral Trade Agreements (MTAs) and, where applicable, the Pluri-lateral Trade Agreements (PTAs). This would enhance smoother functioning of the multilateral trading system to achieve greater understanding of the trade policies and practices of member States.⁴ The Trade Policy Review Body (TPRB) conducts routine review of the trade policies of member States, ensuring transparency and accountability as well as identifying areas for potential improvement in the international trading system. In addition, TPRMs enables member States to assess each other's trade practices and compliance with WTO agreements, as well as examine their impact on the global trading system.⁵

As a WTO member, Nigeria faces significant challenges in aligning its trade policies with the WTO standards, while striving to protect its domestic industries from the adverse effects of trade liberalisation. The country is currently witnessing a massive influx of foreign goods, leaving little to no room for the local manufacturers to thrive.⁶ Beyond goods and services, digital trade remains blind spots in Nigeria's TPRMs submissions. Sectors like financial services, information technology (IT), and transport drive economic development yet receive scant attention during reviews. Similarly, micro, small, and medium enterprises (MSMEs), which provides employment opportunities for majority of Nigerians appears in disaggregated form, masking the uneven effects of trade liberalization on vulnerable business owners.⁷ In addition, Nigeria's efforts to integrate green technology and enforce labour standards remain peripheral to WTO assessments.⁸ In the light of these multifaceted challenges, this article examines Nigeria's engagement with the WTO-TPRMs, assess its effect on Nigeria's trade policies and implications for the economy.

2. Conceptual Framework

2.1. Trade Policy Review Mechanisms (TPRMs)

The TPRMs is the linchpin of the WTO framework, designed to foster transparency and an understanding of its member States' trade policies and practices.⁹ It is a systematic monitoring and evaluation tool to promote adherence to global trade rules and commitments.¹⁰ The scope of the TPRM extends beyond trade in goods to encompass services and IPRs, reflecting the evolving nature of global commerce.¹¹ This mechanism provides a platform for member countries to present their national reports on their trade policies, which are then subject to peer review by other members. This process not only promotes accountability but also allows developing economies to

⁴ WTO, *The Results of the Uruguay Round of Multilateral Trade Negotiations – The Legal Texts* (Geneva 1995)

⁵ C Herrmann-Pillath, 'Ways Out of the Globalisation Trilemma: Deliberating Trade Policy' in E Brousseau, J-M Glachant and J Sgard (eds), *The Oxford Handbook of Institutions of International Economic Governance and Market Regulation* (Oxford Academic, 14 March 2019) <<https://doi.org/10.1093/oxfordhb/9780190900571.013.14>> accessed 26 December 2024

⁶ WTO Secretariat, 'Trade Policy Review: Nigeria 2020' (WTO 2024) <https://www.wto.org/english/tratop_e/tpr_e/g277_e.pdf> accessed 1 August 2025

⁷ International Labour Organization, 'Textiles and Garments Sector in Nigeria' (ILO 2023) <<https://www.ilo.org/global/topics/textiles-garments>> accessed 1 August 2025

⁸ WTO Secretariat, 'Dispute Settlement' (2024) <https://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm> accessed 1 August 2025

⁹ WTO, 'Trade Policy Reviews - The Trade Policy Review Mechanism (TPRM)' <https://www.wto.org/english/tratop_e/tpr_e/tprm_e.htm> accessed 12 August 2025

¹⁰ Joseph F. Francois, 'Maximizing the Benefits of the Trade Policy Review Mechanism for Developing Countries' (1999) <https://www.iatp.org/files/Maximizing_the_Benefits_of_the_Trade_Policy_5.htm> accessed 12 March 2025

¹¹ C Myers, 'What Is a Trade Policy Review Mechanism and How Does It Evaluate International Trade Policies?' (ISF Solution, 6 January 2025) <<https://isfsolution.com/what-is-a-trade-policy-review-mechanism-and-how-does-it-evaluate-international-trade-policies/>> accessed 16 July 2025

voice their concerns regarding market access and trade flows influenced by developed economies.¹²

TPRMs contributes to the overall efficiency and stability of the multilateral trading system by ensuring that countries adhere to their commitments and engage in fair trading practices and encourage countries to reform their trade policies in line with WTO principles, leading to more open and efficient trade regimes.¹³ A member country undergoing review is required to submit a comprehensive report detailing its trade policies and macroeconomic situation, and a policy statement outlining its trade practices.¹⁴ At the heart of the review process is a formal meeting conducted by the TPRB, where the submitted documents are discussed. The country under review is expected to implement the feedback received during the review, with subsequent reviews assessing the progress made and compliance with the recommendations provided.¹⁵

2.2. Trade Policy Transparency

Trade Policy Transparency aims at fostering a fair, open, and accountable global trading environment. It signifies the commitment by WTO member States to openly disclose their trade policies and practices. This openness is designed to prevent misunderstandings, reduce friction in global trade, and promote cooperation between nations. The principle of transparency is deeply embedded in key WTO agreements like the Agreement on Sanitary and Phytosanitary Measures (SPS) and the Agreement on Technical Barriers to Trade (TBT), both of which lay out clear obligations for how countries must report and communicate their trade regulations.¹⁶

To promote this transparency, the WTO relies on a few core mechanisms. One is the notification requirement, which mandates that member States regularly report changes to their trade policies and regulations. Another key tool is the TPRMs, which periodically assesses each member's trade practices.¹⁷ These reviews encourage self-reflection, minimize misunderstandings that could lead to disputes, and help promote a collaborative approach to trade. The frequency of these reviews depends on a country's share in global trade, ranging from every two years for the biggest players to every six years or more for smaller economies. The process includes a government-issued policy statement and an independent report by the WTO Secretariat, both of which are published for the public.¹⁸

¹² FasterCapital, 'Trade Policy Review Mechanism: GATT's Trade Policy Review Mechanism: Promoting Transparency and Accountability' <<https://fastercapital.com/content/Trade-Policy-Review-Mechanism--GATT-s-Trade-Policy-Review-Mechanism--Promoting-Transparency-and-Accountability.html>> accessed 16 July 2025

¹³ R Saner, L Yiu and M Filadoro, 'Aid for Trade in Trade Policy Reviews: LDCs (and Developing Countries)' (ECDPM) <<https://ecdpm.org/work/trade-and-development-making-the-link-volume-1-issue-6-august-2012/inclusion-of-aid-for-trade-in-trade-policy-reviews-strengthening-value-of-development-instruments-for-ldcs-and-developing-countr>> accessed 21 July 2025

¹⁴ Valentin Zahrt, 'The WTO's Trade Policy Review Mechanism: How to Create Political Will for Liberalization?' European Centre for International Political Economy (ECIPE 2009) <<https://www.econstor.eu/bitstream/10419/174838/1/ecipe-wp-2009-11.pdf>>. accessed 1 July 2025

¹⁵ A Ghosh, Developing Countries in the WTO Trade Policy Review Mechanism, World Trade Review (2010) (9) 419

¹⁶ S Lee, 'Unlocking WTO Transparency: A Comprehensive Guide to WTO Law and its Implications' (Number Analytics) <<https://www.numberanalytics.com/blog/ultimate-guide-to-transparency-in-wto-law>> accessed 2 August 2025

¹⁷ World Trade Organization, 'Trade policy reviews: ensuring transparency' (World Trade Organization) <https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm11_e.htm> accessed 2 August 2025.

¹⁸ Terry Collins-Williams and Robert Wolfe, "Transparency as a Trade Policy Tool: the WTO's Cloudy Windows," World Trade Review (2010) 9 (4) 551–581

2.3. Review Mechanisms

Review mechanisms are designed to reinforce transparency and ensure that member States remain accountable to the rules governing international trade. These mechanisms emphasize the WTO's mission to create a fair, predictable, and open global trading environment, where individuals, businesses, and governments can understand trade rules and trust that policies would not shift unexpectedly.¹⁹ To support its mission, the WTO employs three key types of review mechanisms. The first is the TPRMs, which is the cornerstone that provides routine assessments of national trade policies and practices to promote transparency and mutual understanding.²⁰ Another mechanism is the Dispute Settlement Mechanism (DSM), which handles disagreements between states, offering a fair and structured system to resolve conflicts over trade agreement interpretations.²¹ Lastly, RTAs also plays a supporting role by incorporating their oversight processes to monitor compliance and handle concerns within specific regions, working in parallel with the multilateral trading system.²²

2.4. Multilateral Trade Agreements (MTAs)

Multilateral Trade Agreements (MTAs) are legal instruments designed to regulate and promote the exchange of goods, services, and investments between three or more nations.²³ These agreements can foster cooperation, harmonize trade policies, reduce barriers, and ensure equitable participation in international trade. They are essential for creating transparent rule-based systems that facilitate global economic integration and support sustainable development.²⁴ MTAs have consistently been restated through the inclusion of key legal principles that enhance their effectiveness. The Most-Favoured Nation (MFN) principle of the WTO obliges member states to extend any trade advantage granted to one nation to all other signatories, equally.²⁵ Similarly, the National Treatment (NT) principle mandates that foreign goods receive no less favourable treatment than domestic goods, fostering fair competition within national markets. These principles prevent discrimination and ensures equal trading opportunities for all the member States.²⁶

MTAs can be broadly classified as regional and comprehensive agreements, reflecting their scope and focus. RTAs such as the European Union (EU) and the African Continental Free Trade Area (AfCFTA) are designed to enhance economic integration among neighbouring nations. These agreements streamline trade procedures, reduce tariffs, and promote investment flow within specific regions. Conversely, comprehensive agreements, including WTO framework aims to

¹⁹ World Trade Organization, 'Trade Policy Reviews: Ensuring Transparency' (WTO 2024) <https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm11_e.htm> accessed 2 August 2025.

²⁰ S Lee, 'Trade Policy Review Mechanism in Action: Understanding its Impact on Global Trade and Economic Development' (Number Analytics) <<https://www.numberanalytics.com/blog/trade-policy-review-mechanism-in-action>> accessed 2 August 2025

²¹ John H. Jackson, 'The Role and Effectiveness of the WTO Dispute Settlement Mechanism' *Brookings Trade Forum* (2000) 179–219

²² Axel Berger, et al, 'Improving Key Functions of the World Trade Organization: Fostering Open Plurilateral, Regime Management, and Decision-Making' (Global Solutions Initiative, Policy Brief 2020), <<https://www.global-solutions-initiative.org/publication/improving-key-functions-of-the-world-trade-organization-fostering-open-plurilaterals-regime-management-and-decision-making/>> accessed 2 August 2025

²³ C Garcia, 'Understanding the Key Elements of the Multilateral Trade System' (ShallBD) <<https://shallbd.com/understanding-the-key-elements-of-the-multilateral-trade-system/>> accessed 6 July 2025

²⁴ International Law Editorial, 'Historical Evolution of Trade Law: Key Milestones and Impact' (World Jurisprudence 2024) <<https://worldjurisprudence.com/historical-evolution-of-trade-law/>> accessed 6 July 2025.

²⁵ Washington International Trade Association (WITA), 'Key Principles in International Trade' (WITA) <<https://www.wita.org/ustrade/basics-of-trade/key-principles/>> accessed 6 July 2025

²⁶ *ibid*

address diverse global trade issues ranging from IPRs to environmental protection. MTAs fosters economic growth by improving market access, encouraging innovation, and reducing costs for both businesses and consumers. Furthermore, they promote legal stability by creating frameworks to address trade disputes and ensures compliance with established norms.²⁷

2.5. Trade Liberalization

Trade liberalization is the process of reducing or eliminating trade barriers, such as tariffs, quotas, and restrictions that hinder the movement of goods and services between countries. The primary objective is to promote global economic integration and efficiency, allowing nations to specialize in the production of goods or services in which they hold a comparative advantage. This specialization not only fosters competition and innovation but also enhances consumer choices, providing access to a wider variety of products at competitive prices.²⁸

Trade liberalisation enhances market efficiency by channelling resources toward the most productive sectors. For example, countries abundant in skilled labour can focus on manufacturing high-tech goods, while those rich in natural resources can specialise in their extraction and export. While the process promotes economic growth, it has been criticised for exacerbating labour market inequalities. In many developing countries, liberalised trade has led to the exploitation of low-wage workers in export-oriented industries, raising concerns about human rights and labour standards. The discourse on trade liberalization is evolving to address emerging technologies like block chain and artificial intelligence (AI) that are redefining global trade dynamics, enhancing transparency, and reducing transaction costs.²⁹ Developing nations often face challenges, as liberalisation may expose local industries to intense competition from foreign players. For instance, small-scale farmers in Nigeria have struggled to compete with subsidised agricultural imports from developed countries, leading to income disparities and social tensions.³⁰

2.6. Country Specific Studies

Country-specific studies explore how individual nations navigate the multilateral trading system under the WTO umbrella. Rather than treating all countries the same, these studies dig into each country's history, policy framework, and economic priorities to reveal why some face unique barriers or seize opportunities within global trade.³¹ From its roots in the GATT of 1947, the WTO has sought both to liberalize trade and to accommodate the special needs of developing countries. However, the United States (US)-China trade war has shown that even the biggest players sometimes bypass WTO norms for strategic advantage. Between 2018 and 2020, both countries imposed steep tariffs on hundreds of billions of dollars' worth of goods, and each filed multiple WTO complaints.³²

Country-specific dynamics also shape behind-the-scenes bargaining; informal subgroups and small meetings allows nations press their case, swap intelligence on negotiations, and adapt global norms to local realities. In these settings, diplomats, legal experts, and WTO staff all play a role in

²⁷ *ibid*

²⁸ Quickonomics, 'Trade Liberalization Definition & Examples' (Quickonomics 2023) <<https://quickonomics.com/terms/trade-liberalization/>> accessed 30 July 2025

²⁹ J Pauwelyn and C Sieber-Gasser, 'Addressing Negative Effects of Trade Liberalization: Unilateral and Mutually Agreed Flanking Policies' *World Trade Review* (2024) (23) 554

³⁰ *ibid*

³¹ World Trade Organization, 'Understanding the WTO: Developing Countries' (WTO) <https://www.wto.org/english/thewto_e/whatis_e/tif_e/dev1e.htm> accessed 2 August 2025

³² Daniel Bohl, 'The WTO and the Developing World: A Look at the Effects of WTO Membership on the Developing World' *Chicago-Kent Journal of International and Comparative Law* (2004) <<https://studentorgs.kentlaw.iit.edu/jicl/wp-content/uploads/sites/5/2014/01/BohlSubmissionWTOFinal.pdf>> accessed 2 August 2025

interpreting, and sometimes redefining the meaning of WTO obligations to fit diverse national contexts.³³ Essentially, country-specific studies focus on the complexities between global trade rules and national circumstances. By feeding into mechanisms like the TPRMs, it provides tailored feedback, promote transparency, and help ensure that trade benefits are shared more equitably fuelling sustainable development for every WTO member.³⁴

2.7. Special and Differential Treatment

The primary objective of the Special and Differential Treatment (SDT) is to enable developing countries integrate into the global trading system under provisions that offers them flexibility, assistance, and preferential access to international markets. Given the historical and structural challenges these nations face, such as limited industrialisation, fragile economic infrastructure, and financial constraints, the SDT provisions provide a semblance of a level playing field that seeks to promote equitable trade participation.³⁵ One of the key principles of SDT is flexibility in trade commitments, which allows developing countries extended timelines to implement trade agreements to build capacity, enhance infrastructure, and develop competitive industries. This flexibility ensures that trade reforms do not destabilize their economies or lead to adverse socio-economic consequences.³⁶

In addition, the SDT provisions offer preferential tariff rates, allowing developing countries to export goods at lower tariffs than their developed counterparts. This policy fosters trade growth, encourages foreign investment, and supports local industries by providing them access to international markets under less restrictive conditions.³⁷ The WTO and other international trade organisations are instrumental in facilitating technical support through knowledge-sharing, legal assistance, and financial aid to enable developing countries acquire the necessary skills and expertise to comply with international trade agreements.³⁸ Such initiatives strengthen the institutional capabilities of developing nations, enabling them to navigate the complexities of global trade more effectively. The importance of technical assistance cannot be overstated, as many developing countries face administrative and financial hurdles that prevent them from fully benefiting from trade liberalisation.³⁹

However, critics argue that while SDT theoretically provides benefits, developed countries continue to impose restrictive trade regulations, such as stringent non-tariff barriers, which undermines the intended advantages of preferential market access.⁴⁰ In addition, many developing countries find it difficult to challenge unfair trade practices effectively, due to the cost of litigation and the complexity of trade disputes.⁴¹

³³ Rimantas Daujotas, 'Defining the Extent of NGO's Participation in the WTO & Markets: Organizational Forms' e-journal (2011) 3 (24)

³⁴ Dean Hirsch, 'Symposium on Issues Confronting the World Trading System — Opening Remarks' (WTO 2001) <https://www.wto.org/english/forums_e/ngo_e/ngo_symp2001_hirsch_e.htm> accessed 2 August 2025

³⁵ World Trade Organization, 'Special and Differential Treatment Provisions' (2018) <<https://web.wtocommerce.org.tw/file/PageFile/352894/WTCOMTDW258.pdf>> accessed 5 July 2025

³⁶ L Bartels, 'Trade Law, and Development' (2017) <<https://scholar.google.com/citations?user=3FU-ztsAAAAJ&hl=en>> accessed 5 May 2025

³⁷ GP Sampson, 'Developing Countries and the WTO: Policy Approaches' (UNU Press 2019) <<https://digitallibrary.un.org/record/628547>> accessed 5 May 2025

³⁸ G Shaffer, 'Developing Country Access to WTO Dispute Settlement' *Journal of International Economics Law* (2015) (14) 711

³⁹ WTO, 'Trade Facilitation Agreement' (2022) <<https://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/wto-agreement-on-trade-facilitation.aspx>> accessed 5 May 2025

⁴⁰ HJ Chang, 'Kicking Away the Ladder: Development Strategy in Historical Perspective' (2002) <<https://www.jstor.org/stable/40722165>> accessed 5 May 2025

⁴¹ G Shaffer, (n. 38)

3. Theoretical Framework for the WTO-TPRMs

This article adopts six theories: international trade theory, political economic theory, trade liberalization theory, institutional theory, regulatory framework theory and economic theory. These are discussed seriatim.

3.1 International Trade

The theory of international trade provides critical insights into the patterns of trade, the formulation of trade policies, and the resultant economic implications for participating states. The theory rests upon several foundational hypotheses that explain how nations benefit from engaging in cross-border trade.⁴² Traditionally, international trade theories are divided into classical and contemporary perspectives, each offering unique insights into global trade dynamics. Classical trade theories are rooted in early economic thought, emphasising efficiency and specialisation. For example, Ricardo's Comparative Advantage Theory can be illustrated through England producing cloth and Portugal producing wine, suggesting that specialisation and trade result in lower opportunity costs and mutual gain.⁴³ Another of such classical theories is the Heckscher-Ohlin Hypothesis, which speaks to how countries tend to export goods that leverage their abundant factors of production while importing goods that rely on resources they lack. Moreso, the Factor-Price Equalization Theorem posits that, with the removal of trade barriers, the prices of production factors will converge among trading nations.⁴⁴ Proponents argue that free trade not only promotes economic growth but also enhances welfare by enabling nations to benefit from their unique strengths and engage in mutually beneficial exchanges.⁴⁵

On the other hand, contemporary trade theories provide insights into the complexities of global economic interactions. For example, Raymond Vernon's Product Life Cycle Theory describes how products are developed and produced in high-income countries due to advanced research capabilities and strong consumer demand, and as production technology matures and demand grows, companies seek cost efficiencies by relocating manufacturing to lower-cost countries.⁴⁶ For instance, the personal computer (PC) industry was initially centred in developed nations, but as production became standardised, manufacturing shifted to lower-cost economies. This theory highlights the dynamic nature of international trade, showing that competitive advantage is not static but evolves with industry maturation and technological diffusion.⁴⁷

In addition, the Global Strategic Rivalry Theory focuses on the competitive strategies of multinational corporations (MNCs), emphasizing the importance of overcoming barriers to entry, such as economies of scale and technological advancements to maintain a competitive advantage.⁴⁸

The theory underscores corporate strategies as key determinants of trade success. Companies must overcome barriers to entry, including economies of scale, proprietary technology, and specialised expertise to sustain a competitive edge. Firms invest heavily in research and development (R&D),

⁴² Seth Wilen, 'A Brief History of International Trade and Its Importance Today' (ATI News 2022) <<https://www.american-trading.com/news/history-of-international-trade>> accessed 1 April 2025

⁴³ *ibid*

⁴⁴ Saravanamutthu Jeyarajah, 'Heckscher-Ohlin's Theory of International Trade and Its Evaluation' (2024) <<https://doi.org/10.5281/ZENODO.14360009>> accessed 6 April 2025

⁴⁵ *ibid*

⁴⁶ Carmen Elena Dorobat, 'A Brief History of International Trade Thought' (ProQuest) <<https://www.proquest.com/docview/1683745594?sourcetype=Scholarly%20Journals>> accessed 6 April 2025

⁴⁷ O Almutairi, 'Evolving Regulatory Frameworks: How Investment Companies are Adapting to Changing Governance Standards' (LinkedIn 2024) <<https://www.linkedin.com/pulse/evolving-regulatory-frameworks-how-investment-omar-almutairi-hrijf/>> accessed 6 April 2025

⁴⁸ Godwin Uddin, 'A Critique of Modern Theories of Trade' (Munich Personal RePEc Archive) <<https://mpra.ub.uni-muenchen.de/105194/>> accessed 6 April 2025

IP protection, and technological advancements to reinforce their dominance in global markets. This theory highlights the reality that global trade is increasingly shaped by corporate strategy rather than national economic policies alone.⁴⁹

However, critics argue that classical models appear to oversimplify complex realities by assuming static production costs, perfect competition, and frictionless trade, unfortunately, empirical evidence shows persistent inequalities, particularly in developing countries. In addition, the adjustment costs of trade liberalization, such as job displacement and industry decline, challenge the notion of universal benefits.⁵⁰

3.2 Political Economy

Political economy theory explains that trade agreements are not written in a vacuum of pure economics,⁵¹ but emerged from the messy interplay of national interests, domestic power brokers, and global power struggles.⁵² When governments sit down at the WTO table, they carry with them political agendas, whether it is protecting key industries, pursuing environmental goals, or shoring up social welfare programs and these priorities leave their mark on the legal texts that govern cross-border commerce.⁵³ Within this theoretical framework, two paradigms stand out. The Policy Space Paradigm explains that trade law does not exist in isolation but intersects with other legal regimes (environment, labour, human rights), so countries fight to carve out “policy space” to meet their domestic goals. The second, Safety-Valve Paradigm explains why nations deliberately build exceptions into trade rules (safeguards, anti-dumping duties, countervailing measures) to defuse political backlash when liberalization threatens local livelihoods. These tools are not mere loopholes; they are pressure-release valves designed to keep the broader system from tearing itself apart under domestic tensions.⁵⁴

This dynamic interplay of vested interests shows why trade talks often slog along in the trenches of politics as much as in economic logic.⁵⁵ Reviews of preferential trade agreements (PTAs) reveal that political motives such as alliances, electoral cycles, and domestic lobbying matter just as much as tariff schedules. Historical events like wars can redraw trade maps for decades, cementing alliances or spawning rivalries that persist in trade disputes.⁵⁶ For example, smaller players, like Costa Rica challenging US safeguard actions at the WTO demonstrates how savvy legal strategies

⁴⁹ S Brianese, 'Theories of International Trade: From Old Trade Theory to New-New Trade Theory' (ExportPlanning 2024) <<https://www.exportplanning.com/en/magazine/article/2024/09/04/theories-of-international-trade-from-old-trade-theory-to-new-new-trade-theory/>> accessed 6 April 2025

⁵⁰ Mukherji, R and Zarhani, S. H., 'Policy Paradigms and Path Dependence: The Endogenous Roots of Institutional Displacement and Drift in India' *Global Public Policy and Governance*, (2021) (1) 78–97

⁵¹ Kugler, K., 'Africa and the Great Power Competition at the World Trade Organization' (Carnegie Endowment for International Peace 2025) <<https://carnegieendowment.org/research/2025/03/africa-and-the-great-power-competition-at-the-world-trade-organization?lang=en>> accessed 3 August 2025.

⁵² Peres, A., 'Transience of (In)Formality: The Role of the Joint Initiatives in Reforming the WTO Negotiations' *World Trade Review* (2024) 23 (3) 385–407

⁵³ Library of Congress, 'International Trade in International Economics and Trade: Sources of Information' <<https://guides.loc.gov/international-economics-and-trade/international-trade>> accessed 3 August 2025

⁵⁴ Bown, C. P., & McCulloch, R., "Developing Countries, Dispute Settlement, and the Advisory Centre on WTO Law", *Brookings Institution* (2009) <<https://www.brookings.edu/articles/developing-countries-dispute-settlement-and-the-advisory-centre-on-wto-law/>> accessed 3 August 2025.

⁵⁵ Creskoff, S and Walkenhorst, P., 'Achieving WTO Compliance for Special Economic Zones in Developing Countries' (World Bank PREM Notes 2009) 134

⁵⁶ Bohl, C., 'Developing Country Participation in the WTO Dispute Settlement System' *Journal of International Commercial Law* (2014) <<https://studentorgs.kentlaw.iit.edu/jicl/wp-content/uploads/sites/5/2014/01/BohlSubmissionWTOFinal.pdf>> accessed 3 August 2025

backed by domestic coalitions can level the playing field, even against much larger opponents.⁵⁷ However, critics argue that the Policy Space and Safety-Valve frameworks oversimplify the mixed motives behind trade measures, leaving dispute panels scratching their heads over whether a rule aims to protect health, curry political favour, or simply shelter an industry.⁵⁸ Essentially, the theory explains that trade law is as much a political battleground as it is an economic one.

3.3 Trade Liberalization

The theory of trade liberalization is heavily influenced by free-market economics and classical liberalism as envisaged by Adam Smith and David Ricardo.⁵⁹ It emphasizes that open markets, when supported by transparent and consistent legal frameworks foster fair competition and economic interdependence among nations. Beyond its economic rationale, trade liberalization is promoted as a mechanism for advancing international cooperation, mutual understanding, and sustainable development on a global scale. Provisions under the WTO reflect these principles by accommodating developing nations and balancing liberalisation with equitable participation. The principles established within these agreements, including the MFN and the NT principles, and emphasises the legal obligations placed on member States to ensure equal and fair-trading opportunities for all signatories.⁶⁰

However, critics often argue that liberalised trade undermines domestic industries, leading to job losses and socio-economic disparities.⁶¹ In addition, MTAs increasingly incorporate provisions that safeguard labour rights, promote sustainability, and enforce standards against exploitation. These measures reflect an evolving recognition of the interconnectedness between commerce, law, and social welfare.⁶² Going forward, technological advancements, including block chain and AI, offer opportunities to enhance the efficiency and transparency of trade systems. Simultaneously, legal frameworks must balance liberalized trade policies with redistributive measures to address inequalities and ensure equitable access to benefits.

3.4 Institutional Theory

The institutional theory posits that markets are anchored by institutions, those bundles of customs, laws, and shared understandings that define what is acceptable, who holds power, and how the game is played.⁶³ Early thinkers drew attention to how habits and social structures guide economic behaviour,⁶⁴ but it was Douglass North and Oliver Williamson in the 1970s and '80s who truly crystallized its relevance to modern economies. According to them, institutions not only limit what actors can do (by outlawing fraud or enforcing contracts) but also create opportunities (by reducing

⁵⁷ Jung, E and González, A., "Developing Countries Can Help Restore the WTO's Dispute Settlement System" Centre for Economic Policy Research (CEPR) (2020), <<https://cepr.org/voxeu/blogs-and-reviews/developing-countries-can-help-restore-wtos-dispute-settlement-system>> accessed 3 August 2025.

⁵⁸ *ibid*

⁵⁹ DA Irwin, "International Trade Agreements" (Econlib) <<https://www.econlib.org/library/Enc/InternationalTradeAgreements.html>> accessed 6 April 2025.

⁶⁰ *ibid*

⁶¹ B Ravikumar, AM Santacreu and M Sposi, "Trade Liberalization versus Protectionism: Dynamic Welfare Asymmetries" *European Economic Review* (April 2024).

⁶² B Todorovic, "Key Issues in Multilateral Trade Liberalization of Economies in Transition" (United Nations Economic and Social Affairs) <https://www.un.org/en/development/desa/policy/publications/general_assembly/eitconference/rt3_report_todorovic.pdf> accessed 6 April 2025.

⁶³ Helmke, G and Levitsky, S., 'Informal Institutions and Comparative Politics: A Research Agenda' (University of the Witwatersrand 2023) <<https://www.studocu.com/en-za/document/university-of-the-witwatersrand-johannesburg/development-theories-issues-problems-and-strategies/institutions-formal-and-informal/73559412>> accessed 3 August 2025

⁶⁴Thorstein Veblen and John Commons in the early 1900s

uncertainty, encouraging investment, and fostering cooperation).⁶⁵ Thus, countries with weak or unpredictable institutions, by contrast, face barriers akin to high tariffs: foreign firms hesitate to enter their markets, and local companies struggle to find reliable partners.⁶⁶

At the heart of institutional theory lies a few interlocking ideas. First, institutions come in two flavours: the formal flavour (made up of laws, treaties, regulations) and the informal (made up of customs, cultural norms, shared beliefs). Both shape incentives: formal rules punish a company that breaks environmental standards, while informal norms reward a firm that's known for fair dealing.⁶⁷ Then there is the notion of isomorphism, the tendency for organizations or even entire countries to adopt similar practices over time, simply because being "legitimate" in the eyes of peers often means following the crowd.⁶⁸ Finally, cognitive forces (those deeply held assumptions that are rarely questioned) can make or break policies, because what seems "obvious" or "normal" in one society may be unthinkable in another.⁶⁹

However, critics argue that traditional approaches can be too static, treating institutions as immovable constraints rather than as arenas of ongoing struggle and change. Social actors like business leaders, non-governmental organisations (NGOs), and even charismatic individuals constantly push back, reshape norms, and carve out new spaces for innovation, a concept scholars now call "institutional work."⁷⁰ There is also path dependence: the idea that a flawed rule, once embedded, can lock a country into suboptimal policies simply because changing course feels too costly or politically fraught.⁷¹

3.5 Regulatory Framework

The Regulatory Framework Theory is anchored on the hypothesis that thoughtfully designed and efficiently implemented regulations ensure compliance, safeguard public interest, and foster fair practices. It articulates how international trade law establishes predictability and transparency, mitigates unfair practices, and fosters equitable economic cooperation among nations.⁷² The application of the theory covers diverse legal contexts, such as environmental law, financial regulation, and public safety.⁷³ For instance, in international trade law, the establishment of the GATT in 1947, subsumed into the WTO in 1995, was the foundation for multilateral cooperation, focusing on tariffs and non-tariffs barriers to trade, expanding the scope of trade governance to

⁶⁵ Bernhard, A., 'Quality Assurance in an International Higher Education Area: A Case Study Approach and Comparative Analysis' (VS Verlag für Sozialwissenschaften 2012) <<https://doi.org/10.1007/978-3-531-94298-8>> accessed 3 August 2025

⁶⁶ Oshota, S. O and Wahab, B. A., 'Institutional Quality and Intra-Regional Trade Flows: Evidence from ECOWAS' *Journal of African Trade*, (2022) (9) 73–106

⁶⁷ Lawrence, T. B and Phillips, N., *Institutional Work*. In *Constructing Organizational Life: How Social-Symbolic Work Shapes Selves, Organizations, and Institutions*, (Oxford University Press 2019) 188 - 217

⁶⁸ Sakib, N. H., 'Institutional Isomorphism. In *Global Encyclopedia of Public Administration' Public Policy, and Governance* (Springer 2020) <https://doi.org/10.1007/978-3-319-31816-5_3932-1> accessed 3 August 2025

⁶⁹ Mukherji, R and Zarhani, S. H., (n. 50)

⁷⁰ Lawrence, T. B., & Phillips, N., (n. 67)

⁷¹ Chiu, M., 'Path Dependency in Policymaking: A Double-edged Sword' (Protopia Group 2023) <<https://www.protopiagroup.org/analysis/path-dependency-in-policymaking-a-double-edged-sword>> accessed 3 August 2025

⁷² Fiveable, 'Regulatory Framework – Intro to Public Policy' (Fiveable, 2025) <<https://library.fiveable.me/key-terms/introduction-to-public-policy/regulatory-framework>> accessed 6 April 2025.

⁷³ S Trémolet and D Binder, 'Instability – How Can Regulators Ensure Stable (and Predictable) Regulatory Regime Under Changing Market and Technological Conditions?' (Regulation Body of Knowledge 2009) <<https://regulationbodyofknowledge.org/faq/foundations-of-regulation/instability-how-can-regulators-ensure-stable-and-predictable-regulatory-regime-under-changing-market-and-technological-conditions/>> accessed 6 April 2025.

include services, IP, and dispute resolution mechanisms by creating binding commitments among member States to promote transparent and rules-based trading systems.⁷⁴

However, this theory is not devoid of challenges in its application. These challenges are not limited to geopolitical tensions. For example, the US and China trade war has exposed limitations in the existing dispute resolution mechanisms.⁷⁵ Another challenge lies in balancing domestic interests with global commitments. Nations often face pressure to implement protectionist measures that conflict with their obligations under MTAs, raising questions about regulatory sovereignty.⁷⁶ In addition, while RTAs like the AfCFTA promotes regional cooperation, it also creates overlapping obligations that can undermine the coherence of the MTAs envisioned by the regulatory framework theory.⁷⁷

3.6 Economic Theory

The economic theory explains why even the most resource-poor nation can find a place in the global marketplace (specializing in goods for which it has the lowest opportunity cost, every country can trade its way to higher overall output and consumption). It also shapes the policies that decide who sells what to whom, under which conditions, and at what price.⁷⁸ Today, trade is more complex than simple two-country exchanges. This explains why industries often cluster in major economic hubs (the so-called home-market effect) where local demand is high enough to support economies of scale before firms venture overseas.⁷⁹ This reminds policymakers that tariff cuts alone is not enough because logistics, infrastructure, and geographic proximity all matter in the grand scheme of things.⁸⁰

Despite the clear gains from liberalization, protectionist pressures resurface whenever domestic industries feel threatened. The ebb and flow between open markets and defensive tariffs shows that trade law must remain adaptable, not only reflecting economic models but also political realities.⁸¹ In addition, as commerce goes digital and supply chains become global, the most resilient trade systems will be those that marry solid economic reasoning with flexible legal design frameworks that lower barriers where gains are clear, build safeguards where risks exist, and evolve swiftly as technology and geopolitics shift.⁸²

⁷⁴ Saylor Academy, 'What Is International Trade Theory in International Business'

<https://saylordotorg.github.io/text_international-business/s06-01-what-is-international-trade-th.html> accessed 3 August 2025

⁷⁵ World Trade Organization, 'An Economic Analysis of the US-China Trade Conflict' (WTO Working Papers 2020)

⁷⁶ Johnston, M., 'A Brief History of International Trade Agreements', (Investopedia 2021)

<<https://www.investopedia.com/articles/investing/011916/brief-history-international-trade-agreements.asp>> accessed 3 August 2025

⁷⁷ Australian Government Department of Foreign Affairs and Trade, 'Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)' (DFAT, 2025)

⁷⁸ Vadi, V., 'International Economic Law and Its Histories' *Loyola University Chicago International Law Review* (2024) 20 (2) 23–53

⁷⁹ Paliwal, D., 'Theories of International Trade' (iPleaders Blog 2022) <<https://blog.iplayers.in/theories-of-international-trade-2/>> accessed 3 August 2025

⁸⁰ Beattie, A., 'A Brief History of Economics', (Investopedia 2024) <<https://www.investopedia.com/articles/economics/08/economic-thought.asp>> accessed 3 August 2025

⁸¹ Haggart, B., 'Modern Free Trade Agreements Are Not About Free Trade', Centre for International Governance Innovation (2017), <<https://www.cigionline.org/articles/modern-free-trade-agreements-are-not-about-free-trade/>> accessed 3 August 2025.

⁸² Fontagné, L., Rocha, N., Ruta, M and Santoni, G., 'The Economic Impact of Deepening Trade Agreements', *The World Bank Economic Review* (2023) 37 (3) 366–388

4. Legal Framework for the WTO-TPRMs

4.1 Marrakesh Agreement Establishing the WTO 1994

The Marrakesh Agreement established the WTO as the legal framework for regulating international trade.⁸³ It outlines the WTO's key functions, principles, and organizational structure, including provisions for trade negotiations, dispute resolution, and policy coordination among member States. It aims to promote trade liberalization, reduce barriers, and foster economic cooperation. A central feature of the Marrakesh Agreement is the commitment to non-discrimination in international trade, encapsulated in the MFN and NT principles. The MFN principle ensures equal trade privileges among all members and the NT principle ensures that once foreign goods enter a market, they are treated no less favourably than domestic products.⁸⁴

The Marrakesh Agreement also establishes the Dispute Settlement Understanding (DSU), a key mechanism for resolving trade disputes. The WTO's Dispute Settlement Body (DSB) oversees these proceedings, providing a legal avenue for addressing grievances.⁸⁵ Additionally, the Agreement highlights the importance of the TPRMs, which regularly reviews trade policies of member States, ensuring compliance with WTO rules and providing a platform for dialogue and feedback. Furthermore, the SDT provisions allow developing countries and least developed countries (LDCs) to implement trade commitments at a manageable pace and access technical assistance and PTAs. The Agreement also created various committees and councils to oversee specific trade areas, including the General Council, the Council for Trade in Goods, and the TRIPs Council.⁸⁶

4.2 General Agreement on Tariffs and Trade (GATT) 1994

The GATT 1994, an integral part of the Marrakesh Agreement, built upon the original GATT framework established in 1947. It regulates international trade by promoting the reduction of barriers, establishing rules-based trading, and encouraging global economic cooperation.⁸⁷ GATT 1994 incorporates provisions to address trade in goods, services, and IP, making it a cornerstone of the WTO. A central tenet of GATT 1994 is non-discrimination, embodied in the MFN and NT principles. GATT 1994 also promotes tariff reduction and trade liberalization, creating opportunities for member States to expand their export market. However, it also exposes the domestic market to increased competition, requiring careful balancing.⁸⁸

Additionally, GATT 1994 addresses trade-related investment measures (TRIMs) and subsidies. It prohibits measures that distort trade, such as local content requirements, and regulates the use of export subsidies to avoid unfair advantages. The agreement also covers anti-dumping measures, allowing countries to protect local industries from unfair pricing practices. It enables member States to impose anti-dumping duties when necessary and ensures a level playing field in

⁸³ Marrakesh Agreement Establishing the World Trade Organization (adopted 15 April 1994, entered into force 1 January 1995) 1867 UNTS 154.

⁸⁴ *ibid*

⁸⁵ *ibid*

⁸⁶ *ibid*

⁸⁷ General Agreement on Tariffs and Trade 1994 (adopted 15 April 1994, entered into force 1 January 1995) 1867 UNTS 187.

⁸⁸ Ogunlana O A, 'General Agreement on Tariffs and Trade (GATT) and the World Trade Organisation (WTO): The Major Provisions and the Implication for Nigeria' CBN Occasional Paper (1998) (21) 1-33

international trade.⁸⁹ Lastly, GATT 1994 provides exceptions to trade liberalization for national security, public morals, and environmental concerns.⁹⁰

As part of the Marrakesh Agreement, the Dispute Settlement Understanding (DSU) ensures that conflicts among members are resolved through transparent, equitable, and enforceable legal procedures, rather than through unilateralism or retaliatory trade measures.⁹¹ The DSB is responsible for establishing panels, adopting reports, and monitoring the implementation of rulings. It possesses the authority to adopt decisions from both the initial panel and the Appellate Body (AB), with such rulings being binding on the parties involved. This binding nature strengthens compliance and discourages states from disregarding adverse decisions.⁹²

4.3 Annex 3 to the World Trade Organisation Agreement

The Annex 3 to the WTO Agreement establishes the TPRMs, a vital institutional framework designed to enhance trade policy transparency and accountability among WTO members. Its impact on global trade governance lies in providing a structured peer-review process where members' trade policies and practices are regularly examined and discussed, fostering greater openness and mutual understanding in the multilateral trading system.⁹³

Annex 3 explicitly defines the TPRMs' expansive scope, which covers trade in goods, services, TRIPs, and domestic economic policies substantially affecting trade flows. This broad ambit ensures that transparency is not limited to tariff schedules or market access alone but extends to underlying policy environments and reforms.⁹⁴ By institutionalizing periodic reviews, conducted at frequencies tied to members' trade volumes under Art. 5, it ensures that both major and smaller trading nations are held to accountability standards commensurate with their economic footprints.⁹⁵ The TPRMs process fosters effective accountability through the role of the TPRB composed of all WTO members.⁹⁶ Moreover, the procedural rules in Art. 9 ensures reviews are organized, inclusive, and participatory, fostering an environment for knowledge transfer and constructive feedback.⁹⁷ The confidentiality provisions under Art. 10 balance transparency with the protection of sensitive data, encouraging fuller disclosure without compromising national interests. However, while greatly advancing transparency, the effectiveness of these review mechanisms is nuanced. Studies indicate that the TPRMs serves as a valuable platform for policy review and peer pressure, yet its non-binding nature limits enforcement power.⁹⁸

⁸⁹ O Anugbum, 'Appraising the Current Legal Framework for Regulating Dumping into Nigeria: Need for Legislative Reforms and Intervention' *Global Journal of Politics and Legal Research* (2020) (8) 64 <<https://www.eajournals.org/wp-content/uploads/Appraising-the-Current-Legal-Framework-for-Regulating-Dumping-into-Nigeria.pdf>> accessed 3 June 2025

⁹⁰ WTO, 'General Agreement on Tariffs and Trade 1994: Article XX (General Exceptions) and Article XXI (Security Exceptions)' (WTO 2019) <https://www.wto.org/english/res_e/booksp_e/gatt_ai_e/art21_e.pdf> accessed 3 June 2025

⁹¹ WTO, 'Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) (Marrakesh Agreement Establishing the World Trade Organization, 1994)' <https://www.wto.org/english/docs_e/legal_e/28-dsu.pdf> accessed 3 June 2025

⁹² *ibid*

⁹³ T. A. Ogbonna, *Trade Policy, and Economic Development in Nigeria* (Lagos: Economic Policy Research Institute, 2018)

⁹⁴ Arts. 1 and 2

⁹⁵ WTO Secretariat, *Trade Policy Review: Nigeria* (Geneva: WTO, 2020) <https://www.wto.org/english/tratop_e/tpr_e/tp_rep_e.htm> accessed 7 June 2025

⁹⁶ Art. 6

⁹⁷ E. O. Akinwale and O. Abegunde, 'Impact of Trade Restrictive Measures on Vulnerable Households in Nigeria' *African Economic Review* (2019) 29 (2) 123–148

⁹⁸ A. Suleiman, 'Digital Trade Governance in Developing Economies: Nigeria's Experience', *Journal of International Trade Law* (2021) 12 (3) 45–67

4.4 Trade Policy Review Process

The Trade Policy Review Process (TPRP) institutionalized by Annex 3 of the WTO Agreement is the operational mechanism through which the TPRMs is carried out.⁹⁹ The TPRP consists of a series of structured steps aimed at ensuring regular, objective, and comprehensive examination of WTO members' trade policies and practices. This process is fundamental for enhancing transparency, accountability, and mutual understanding among members.¹⁰⁰ The review process begins with the scheduling of reviews at intervals determined by each member's share of world trade, ranging from every two years for the largest traders to every seven years for the smallest, with developing countries typically reviewed every five to seven years.¹⁰¹

Preparation involves two principal documents: a factual report by the WTO Secretariat and a policy statement submitted by the member State under review.¹⁰² The Secretariat's report offers an independent analysis of the country's economic environment, trade policy objectives, legal frameworks, and recent developments, while the government's submission reflects national priorities, reforms, and aspirations.¹⁰³ Both documents are circulated to all WTO members in advance of the review meeting, allowing adequate time for scrutiny and comment.¹⁰⁴ The formal review is then conducted in Geneva, overseen by the TPRB, the collective of WTO members and facilitated by a discussant who synthesizes the findings and members' concerns.¹⁰⁵

The session is interactive, featuring presentations by the reviewed country, questions from other member States, and open-floor dialogue. This peer review format encourages frank discussion, provides opportunities for clarification, and fosters constructive criticism.¹⁰⁶ Following the meeting, the Secretariat compiles a summary record, including the main points of discussion, questions raised, responses provided, and any undertakings for future policy adjustments.¹⁰⁷ These records, alongside the original reports, are published to ensure transparency and to serve as references for subsequent reviews.¹⁰⁸

5. Institutional Framework for the WTO-TPRMs

5.1 World Trade Organization (WTO)

The WTO is the principal global body overseeing international trade, which provides the legal and institutional framework for the TPRMs. Established in 1995, the WTO's primary function is to ensure that trade flows as smoothly, predictably, and freely as possible.¹⁰⁹ The TPRMs is one of the key features of the WTO's monitoring and surveillance functions introduced to provide a comprehensive and regular review of the trade policies and practices of member States. This mechanism aims to foster greater transparency, accountability, and understanding of the trade policies of individual countries and is essential for the WTO's goal of promoting free trade and economic integration on a global scale.¹¹⁰

⁹⁹ World Trade Organization, *Understanding the WTO: The Agreements, Annex 3: Trade Policy Review Mechanism*, Geneva: WTO, 2022

¹⁰⁰ World Trade Organization, (n. 95)

¹⁰¹ World Trade Organization, *Trade Policy Reviews: Procedural Aspects and Schedules*, (WTO, 2024)

¹⁰² World Trade Organization, *Guidelines for Trade Policy Reviews*, (Geneva: WTO Publications, 2023)

¹⁰³ World Trade Organization Secretariat, *Trade Policy Review Reports: Methodology and Content* (Geneva 2022)

¹⁰⁴ World Trade Organization, *Circulation and Transparency in the Trade Policy Review Process* (WTO 2023)

¹⁰⁵ World Trade Organization, *The Role of the Trade Policy Review Body (TPRB)*, (Geneva: WTO Briefing 2024)

¹⁰⁶ *Ibid.*

¹⁰⁷ World Trade Organization Secretariat, *Summary Records and Follow-up in the TPRP*, (WTO 2023)

¹⁰⁸ World Trade Organization, *Publication Policy for Trade Policy Reviews*, (Geneva 2024)

¹⁰⁹ World Trade Organization, *Trade Policy Review Mechanism* (adopted 15 April 1994, entered into force 1 January 1995) 1867 UNTS 154

¹¹⁰ *ibid*

The WTO conducts periodic reviews of the trade policies of all its member States, including developing and LDCs, which are reviewed less frequently. These reviews serve to assess each member's adherence to WTO rules and regulations, and to identify areas where improvements or adjustments are needed. In addition to its regulatory and policy-making roles, the WTO provides technical assistance and capacity-building support to developing countries to ensure that they can effectively participate in the TPRMs and adhere to global trade rules.¹¹¹

5.2 Trade Policy Review Body (TPRB)

The TPRB is the main decision-making body within the WTO responsible for conducting trade policy reviews. Composed of representatives from all WTO member States, the TPRB ensures that the TPRMs is carried out effectively and impartially. The body meets regularly to discuss the findings of trade policy reviews and to adopt recommendations for improvements. It is tasked with overseeing the entire review process, including the preparation of reports, the conduct of reviews, and the final assessment of member States' trade policies.¹¹² The TPRB is responsible for assessing the trade policies and practices of individual WTO members based on reports prepared by the WTO Secretariat and the country under review. The reviews themselves are conducted in a formal setting, during which the country under review responds to questions from other members, and the WTO Secretariat provides an independent analysis of the country's trade policies.¹¹³

The body plays a pivotal role in ensuring that trade policy reviews are transparent, objective, and non-discriminatory, allowing for open discussions about the impact of trade policies on both domestic and global markets. The TPRB's role is integral to maintaining the credibility of the TPRMs, ensuring that reviews are carried out in a manner that respects the interests and concerns of all WTO members, especially those of developing and LDCs. Furthermore, the TPRB is tasked with ensuring that the process of trade policy review does not become a forum for trade disputes but instead remains focused on improving transparency and facilitating constructive dialogue on trade-related issues.¹¹⁴

6. Challenges of Compliance with the WTO-TPRMs

Nigeria faces array of challenges that hinders full compliance with the requirements and objectives of the WTO's TPRMs. These challenges are discussed below.

6.1 Institutional Weaknesses and Policy Incoherence

Despite the TPRM's design to foster transparency and accountability, Nigerian policymakers often engage in trade policy reviews in a cursory manner, lacking specialized knowledge of TPRMs procedures, and failing to translate international recommendations into concrete actions. This leads to inconsistent policy implementation, bureaucratic bottlenecks, and regulatory overlaps, such as delays in obtaining permits, uneven application of tariff schedules, and inefficiencies in customs administration.¹¹⁵ Furthermore, effective coordination across government ministries is often absent, with ministries operating in silos, leading to policy contradictions where, for instance, one ministry might promote export incentives while another enforces import bans or local content requirements that violate WTO disciplines.

¹¹¹ World Trade Organization, 'Trade-Related Technical Assistance and Capacity Building' (WTO, 2025) <https://www.wto.org/english/tratop_e/devel_e/teccop_e/tct_e.htm> accessed 3 June 2025

¹¹² *ibid*

¹¹³ Marrakesh Agreement Establishing the World Trade Organization (adopted 15 April 1994).

¹¹⁴ *ibid*

¹¹⁵ A. Suleiman, (n. 98)

6.2 Inadequate and Non-Transparent Data

The WTO relies on precise, disaggregated trade statistics, but Nigeria's customs and statistical authorities often produce fragmented or inconsistent datasets. This inconsistency not only undermines the credibility of review findings but also stifles the participation of civil society and private-sector voices in the process. While the TPRMs' confidentiality provisions are meant to safeguard sensitive data, they can sometimes hinder full disclosure, affecting the comprehensiveness of reviews.¹¹⁶

6.3 Protectionist Policies

Nigeria relies heavily on protectionist measures including import restrictions, tariff barriers, and restrictive non-tariff barriers, which are often identified as obstacles to free trade and global integration. This creates regulatory unpredictability, such as sudden bans on staple imports, which erodes investor confidence and hampers Nigeria's ability to meet its global trade commitments. The adjustment costs of trade liberalization including job displacement and industry decline are additional challenge, as seen in the contraction of the textile industry due to cheap imported garments.

6.4 TPRMs Complexities and Regional Integration

TPRMs' non-binding recommendations mean that accountability largely depends on political will and domestic capacity rather than enforceable mandates. Key sectors such as services and digital trade, and MSMEs often remain blind spots in Nigeria's TPRMs submissions. Moreover, issues like environmental sustainability and labour rights also remain peripheral to the core scope of WTO assessments, even as Nigeria seeks to balance industrial growth with ecological preservation. In addition, Nigeria's overlapping membership in regional trade blocs like the AfCFTA and the ECOWAS Customs Union further complicates its multilateral commitments. Its alignment of regional trade rules with WTO obligations leaves policymakers without a clear roadmap for reconciling these diverse integration goals.¹¹⁷

6.5 Socio-Economic and Political Factors

Socio-economic and political issues impede TPRMs' effectiveness in Nigeria. These include infrastructural deficits, pervasive corruption, governance challenges, insecurity, and political instability. These factors directly impede swift policy reforms and complicate adherence to WTO commitments, creating gaps between disclosed policies in TPRMs sessions and the practical realities on the ground. Moreover, systemic obstacles like unreliable electricity supply also contribute to a high cost of doing business, hindering global competitiveness.

7. Opportunities for Nigeria

Despite the challenges, the WTO-TPRMs offers numerous opportunities for Nigeria. Some of them are discussed below.

7.1 Strengthening Economic and Institutional Capacity

The TPRMs provides a mechanism for countries to periodically assess their trade policies, align them with international standards, and enhance their compliance with WTO obligations. Nigeria

¹¹⁶ O. N. Uche, 'Confidentiality in WTO Trade Policy Reviews: Implications for Nigeria', *International Trade Journal* (2020) 34 (1) 85–101

¹¹⁷ National Office for Trade Negotiations (NOTN), 'Trade Policy Review of Nigeria (TPR)' <<https://www.notn.gov.ng/post/26/TRADE-POLICY-REVIEW-OF-NIGERIA-%28TPR%29>> accessed 8 July 2025

can use the review process as a catalyst to deepen institutional reforms, improve trade governance, and enhance transparency in its trade policies. The interconnectedness of these trade arrangements with the global trading system provides Nigeria with a greater incentive to align its trade policies with international best practices and meet the expectations of the TPRMs.¹¹⁸

7.2 Improved Trade Policy Transparency and Accountability

The TPRMs offers Nigeria the chance to demonstrate its adherence to WTO rules and address any potential concerns raised by other member States. This is essential for building trust among trading partners and improving Nigeria's competitiveness in international markets. It also presents an opportunity for the government to receive constructive feedback from other WTO members, which can be used to refine trade policies, make necessary adjustments, and respond effectively to global trade challenges.¹¹⁹

7.3 Strengthening Nigeria's Global Trade Standing

The TPRMs offers Nigeria the platform to engage in constructive dialogue with other WTO members, fostering stronger diplomatic ties and improving bilateral trade relations. Nigeria's adherence to the TPRMs can significantly strengthen its standing in global trade negotiations as well as enhances its credibility as a responsible global trade player with greater leverage in trade negotiations.¹²⁰

7.4 Technical Assistance

For Nigeria, the TPRP is an opportunity to communicate its trade reform trajectory, justify policy choices, and receive external perspectives on policy effectiveness and areas for improvement.¹²¹ The process also enables Nigeria to draw attention to technical assistance needs, highlight challenges faced in implementing WTO obligations, and learn from the reforms undertaken in other countries. Notably, Nigeria's participation in the TPRP has been marked by open engagement with the Secretariat and WTO members, the adoption of review recommendations into national policy reform agendas, and the reinforcement of Nigeria's credibility as a proactive member of the international trading system.¹²²

7.5 Catalyst for Policy Reforms

The TPRP serves not only as a transparency and surveillance tool, but also as a catalyst for policy learning and incremental reforms. For Nigeria, active and constructive involvement in the TPRP has led to enhanced trade policy coherence, greater stakeholder involvement, and increased alignment with international best practices, thereby supporting the country's broader development goals and global economic integration.¹²³

¹¹⁸ Eyo-Udo, N. L., et al, *International Trade Law in the Modern World: A Review of Evolving Practices and Agreements* (2025)

¹¹⁹ O. N. Uche, (n. 116)

¹²⁰ Young African Policy Research Hub, 'Key Highlights of the Draft Trade Policy of Nigeria 2023–2027', <<https://youngafricanpolicyresearch.org/key-highlights-of-the-draft-trade-policy-of-nigeria-2023-2027/>> accessed 8 July 2025

¹²¹ E. Chukwu, 'Nigeria's Engagement in the WTO Trade Policy Reviews: Impact and Lessons' *African Journal of International Economics*, (2024) 12 (2) 110-125

¹²² G. Ansa, *Nigeria, and the World Trade Organization: Enhancing Trade Credibility*, (Lagos: Trade Policy Institute, 2023)

¹²³ O. Adeyemi, 'Impacts of the WTO Trade Policy Review Process on Developing Countries: The Nigerian Experience', *Journal of African Trade* (2025) 8 (1) 30-48

8. Recommendations

Series of recommendations aim to tackle existing challenges, capitalize on emerging opportunities, and promote a more coherent, transparent, and sustainable trade policy framework are proposed to enhance Nigeria's engagement with the WTO's TPRM.

8.1 Strengthening Institutional Capacity for Holistic Trade Policy Management

Nigeria must shift from performative to practical engagement with the TPRMs by crafting detailed, time-bound action plans for each WTO recommendation and broader obligation. A robust monitoring framework which is laced with milestone trackers, responsible parties, and transparent reporting, will track implementation progress, and quickly surpass any gaps. In doing so, Nigeria can demonstrate to both its citizens and global partners that it is not only committed to international standards but also fully prepared to deliver on them, forging a trade policy environment that is coherent, resilient, and aligned with long-term development goals.

8.2 Enhancing Proactive Transparency and Inclusive Stakeholder Engagement

To address Nigeria's trade policy ecosystem and ensure that no voice is left unheard, transparency must extend beyond the halls of government into the hands of every stakeholder. To remedy the current exclusion of MSMEs, civil society, labour unions, and academia, Nigeria should institutionalize permanent multi-stakeholder advisory forums. The incorporation of these diverse perspectives into TPRMs submissions and national trade policy deliberations will allow government decision-makers gain real-time insight into how liberalization measures impact vulnerable business owners and communities, ensuring that reforms are holistic, equitable and effective.

8.3 Leveraging TPRMs for Targeted Policy Reforms and Economic Diversification

Nigeria must confront its structural and policy weaknesses head-on and reduce its over-dependence on crude oil exports. Nigeria should also undertake a systematic review of existing protectionist measures (import restrictions, tariff barriers, and non-tariff barriers) that currently hinder economic efficiency. Rather than abandoning these safeguards outright, reforms must be calibrated to balance global trade obligations with the imperative to nurture nascent domestic industries. Such a balanced approach will help local manufacturers build resilience against cheaper imports and bridge technological gaps without stifling competition.

8.4 Advancing Socio-Environmental Dimensions

By integrating the United Nations Sustainable Development Goals (UNSDGs) alongside clear environmental and social objectives into every TPRMs submission and WTO negotiation, Nigeria can champion green technology, robust labour standards, and social equity on the world stage. Framing these priorities as strengths rather than constraints will demonstrate that economic growth and environmental stewardship can advance hand in hand, elevating Nigeria's reputation as a forward-thinking trade partner.

9. Conclusion

Despite numerous challenges hindering full compliance with the requirements and objectives of the WTO's TPRMs, it serves as a tool for identifying policy gaps, promoting transparency, and encouraging necessary reforms in Nigeria's trade policy. Through the periodic reviews, Nigeria has been compelled to assess and, in many instances, revise its trade laws, regulatory frameworks,

and institutional arrangements. This review process has revealed areas where Nigeria's policies may not align with international best practices, particularly in relation to trade barriers, customs regulations, and the business climate.

The TPRMs has highlighted significant concerns regarding Nigeria's reliance on protectionist measures, including import restrictions, tariff barriers, and restrictive NTBs. These policies, while aimed at protecting local industries and generating revenue, have often been identified as obstacles to free trade and global integration. The TPRMs process encourages Nigeria to review such policies and consider reforms that could reduce trade distortions and enhance economic efficiency. Nigeria has taken steps to improve various aspects of its domestic trade policy. For instance, the country has made efforts to streamline customs procedures, reduce bureaucratic inefficiencies, and work towards simplifying trade regulations to facilitate smoother transactions.

Furthermore, Nigeria's participation in the TPRMs has played a key role in shaping its trade relations with other WTO members and regional trading blocs. The TPRMs allows Nigeria to demonstrate its commitment to global trade rules and showcase its willingness to engage in constructive dialogue with other countries. By engaging in the TPRMs process, Nigeria has gained greater insight into global trade trends, best practices, and emerging policy issues. The TPRMs reviews also provides Nigeria with the opportunity to respond to concerns raised by other WTO members regarding its trade policies. These interactions, while sometimes contentious, contribute to building a more cooperative and collaborative approach to international trade relations. By addressing trade policy concerns raised by other countries, Nigeria has the chance to adjust its policies in ways that benefit both its domestic economy and its relationships with global trading partners. This exchange fosters a sense of accountability and trust, which can lead to more favourable trade terms and smoother trade relations. By aligning its trade policies with international norms, Nigeria stands to benefit from improved market access, enhanced FDI, and stronger economic partnerships.

Additionally, Nigeria's participation in the TPRMs has led to increased diplomatic engagement with WTO members. The reviews allow Nigeria to build relationships with other countries based on mutual understanding and respect for trade commitments. This helps to mitigate potential trade disputes by addressing issues proactively and engaging in transparent, evidence-based discussions. In this sense, the TPRMs serves as a diplomatic tool that strengthens Nigeria's position in the international trade arena.