



## PROSPECTS OF MUBI FREE TRADE ZONE: A PANACEA FOR NIGERIA'S ECONOMIC DEVELOPMENT

### ABSTRACT

*Mubi, a border town and an economic hub of Adamawa-North senatorial district and indeed of the state itself, is a virgin town where smugglers and unscrupulous security and defence agents divert what would have been revenue to the country to themselves having field days "looking the other way" at the detriment of country's economy; when the latter are supposed to protect the territorial integrity and internal security of the country with about 70 percent of goods in circulation in the Republic of Cameroon comes from Nigeria through smuggling with no benefit on her foreign earnings. On the other hand, a Free Trade Zone in Mubi can be a game changer for earnings geared towards national development as a policy recommendation, if made fruitful, a ground for industrialization where productivity can be made with little or no tariffs on goods and service largely made for export for the country's foreign exchange as against the current scenario where locally manufactured goods from hard earned foreign exchange for domestic purposes find their way across, north, central and eastern Africa region.*

**Keywords:** Mubi, Free Trade Zone, Development, Nigeria.

### Introduction

The notion of free trade area is a policy of international trade in which goods and services can be produced, bought and sold across international borders with little or no tariffs, quotas, subsidies or prohibitions in their exchange. Its conception is against protectionism or economic isolation, more so, to communities divided due to historical epoch of scramble and partition of the continent in the 1884-5 Berlin conference of imperialism which isolated people united by culture and denying them development and sustainable economic development that is key to contemporary development endeavors. This paper focuses on the prospects of achieving sub-regional and inter regional economic development as result of a well-coordinated inter-border trade under a free trade zone arrangement in Mubi, Adamawa-North Senatorial District.

Economic development planning for areas or locations with unique development potentials such as the Adamawa North Senatorial District (ANSND) requires having a strategy in terms of programmes, policies or activities that seek to tap these potentials. The strategy must equally be tailored towards improving the economic well-being and quality of life for the surrounding community, especially in their financial, social and political circumstances.

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Thus, achieving economic growth and increase in quantity and quality of life implies addressing the common underdevelopment challenges of a developing society or community such as the Adamawa-North Senatorial District.

In spite of its trade potentials, the ANSD is characterised by informal trading such as inter-border smuggling with several security and economic consequences. In order to boost the trade potentials of the area in focus and to enhance economic development in Nigeria. This paper proposes the establishment of a free trade zone in Mubi, Adamawa state, Nigeria to be known as the Mubi Free Trade Zone (MFTZ). The MFTZ will not only discourage smuggling, but will also enable traders from Nigeria, Cameroun, Tchad, the Central African Republic as well as Sudan to freely exchange goods and services thereby translating into improved quality of life. Under the MFTZ arrangement, goods and services can be manufactured, handled, reconfigured with raw materials imported and re-exported without the involvement of customs or its agencies. In the end, the MFTZ will also enhance the revenue potentials of the state, country and regions under the African Continental Free Trade Area.

### **A SWOT Analysis of the Economic Potentials of the Adamawa-North Senatorial District**

In the context of economic development, the Adamawa-North Senatorial District has the following strengths, weaknesses, opportunities and threats. On strength, the district which is made up of five Local Government Areas (LGAs) namely, Madagali, Michika, Mubi North, Mubi South and Maiha are strategically situated on a cosmopolitan environment which is connected to an international boundary thus, connected to the rest of the world. This is a strength in terms of international trade across West, Central, and North African regions. It is also a strong catalyst for development if inter-border trade is deliberately enhanced and formalised. However, there are weaknesses, which includes transactions in illicit substances, small arms and other international criminalities.

For opportunities, the senatorial district's location has potentials to fast tract development by converting violent energies of its teeming youths to various employment opportunities in the arena of production, processing and marketing of industrial goods and services under international trade offered by Free Trade Zone (FTZ) arrangement. This has the potential of reducing unemployment, improving human capital and by implication, enhancing regional security. Conspicuous threat to economic development of the Adamawa-North Senatorial District is will include the potential fluidity of international terrorism and crime from other states within west and central African regions when unchecked and this could threaten international transactions and regional security.

### **The Problematique**

Adamawa-North Senatorial District has the potential for an effective and formal trade with neighboring towns/states in the Cameroon, Tchad, the Central African Republic and other North African states, However, the district suffers from the crises of underdevelopment despite huge potentials and opportunities. Presently, it is equally held hostage by the problems of smuggling of manufactured local goods, not made for export cross the border of the Republic of Cameroon to either Republics of Chad, Sudan, Central Africa, or the Democratic Republic of Congo from Mubi town. Mubi is now used by smugglers as last port of call synonymous to an FTZ but without economic benefit to the district, Adamawa state, the country and international trade system at large.

Presently, the state is losing huge revenue because of the activities of smugglers thereby, denying it the required funds for the construction of basic infrastructure needed for socioeconomic development. Criminal elements are also likely to take advantage of the present situation to perpetuate inter-border crime such as the smuggling of light arms for terrorist activities. At the moment, several decent traders are discouraged from engaging in inter-border trading in spite of its huge potentials because of its current nature. Lives are also being lost at times due to clashes between the Nigerian Customs and smugglers, a situation that can be avoided with the establishment of an FTZ in Mubi.

### **The Paper's Objective**

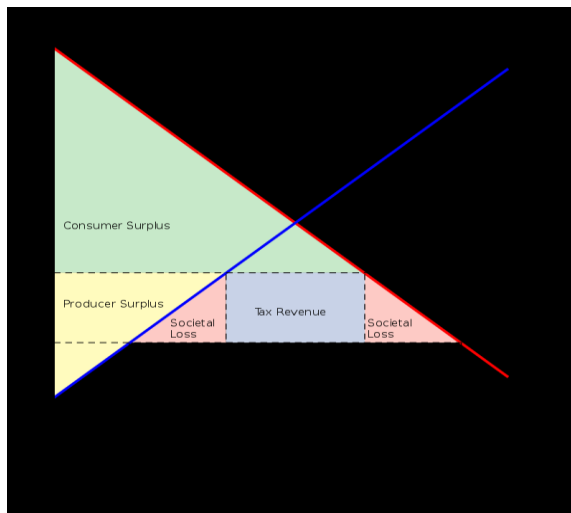
The paper's objective is mainly to be a policy prescription for the Federal Government of Nigeria to consider creation of Mubi Free Trade Zone (MFTZ) through Nigerian Export Processing Zones Authority (NEPZA) in conjunction with the state government and the host community, and also the involvement of World Trade Organization (WTO). In realizing this ambition, the focus should be among others:

1. To conduct of feasibility study on the prospects of establishing a free trade zone in the Adamawa-North Senatorial District,
2. To ascertain the readiness of traders within and beyond the district to engage in legitimate inter-border trading under a free trade zone arrangement,
3. To explore how the establishment of the free trade zone will curtail trade in illicit items due to the activities of smugglers,
4. To explore the linkage between a viable free trade zone and the de-radicalisation of the youth in North-eastern Nigeria, and
5. To examine how the establishment of a free trade zone will aid the Nigerian state and the international community in the fight against terrorism in West, Central and North Africa,

### **Theoretical Argument and Discussion**

According to traditional theories in international economics as expounded by Richard and Heckscher-Ohlin in their models posited that an environment in which governments do not intervene in the market under its extant laws creates free trade based on comparative advantages is preferred from the perspective of resource allocation, maximizes the economic development of the concerned communities. However, free trade theorization evolves from Adam Smith and David Ricardo who developed the idea of free trade in to its modern and recognizable form justifying contemporary civilizations and their economic prosperity.

### Free Trade Chart



**Source:** Adapted

#### Discussion

As a result of the official closure of Nigeria’s north-eastern borders because of boko haram terrorism with effect from the year 2010/2011 has kept them close till date. This policy of the Federal Government on national security seemingly allowed the various security and defence agencies at the borders of the North-Eastern states with Cameroon and with particular reference to Adamawa-North Senatorial District border points to continue to have their way and replaced the national interest with theirs. On the other hand, Republic of Cameroon did not close its border with the senatorial district, thereby, allowing business as usual where she continue to generate her country’s revenue.

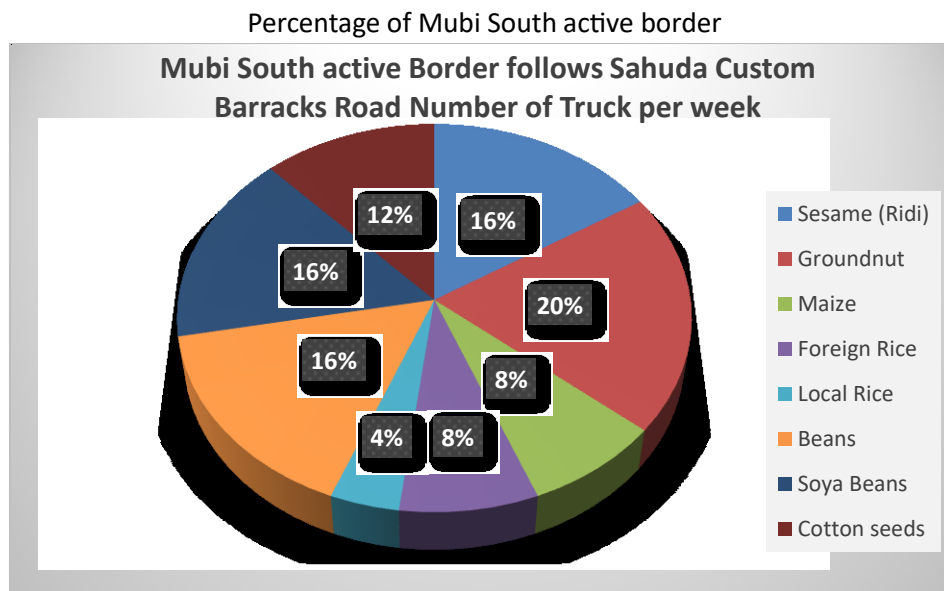
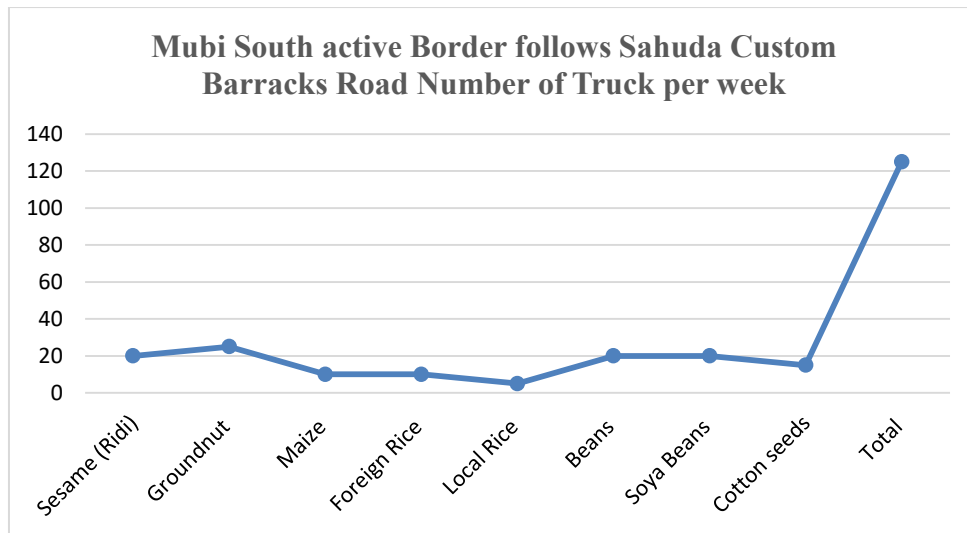
Also important, 75 percent of merchants interviewed are of the opinion that uninterrupted trade across Nigeria/Cameroon border as the life-line of their micro and macro-economy of their country and the entire Central, East and some North African regional countries, they describe economic intercourse to Adamawa-North Senatorial District as crucial for survival and development.

The tables below show frequency of flows of goods and persons from field observations on the basis of smuggling, and can be identified as “Imports” and “Exports” despite the border closure.

**Table 1:** Mubi South Local Govt area: “Import” at Border of Sahuda Custom Barracks Road

S/n	Variables	Number of Truck per week
1	Sesame (Ridi)	20
2	Groundnut	25
3	Maize	10
4	Foreign Rice	10
5	Local Rice	5
6	Beans	20
7	Soya Beans	20
8	Cotton seeds	15
	<b>Total</b>	<b>125</b>

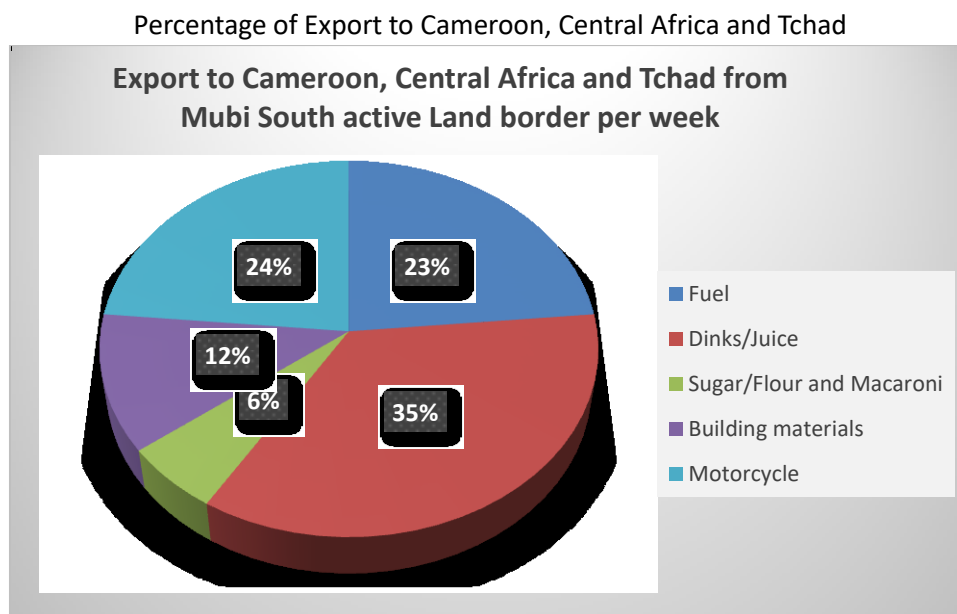
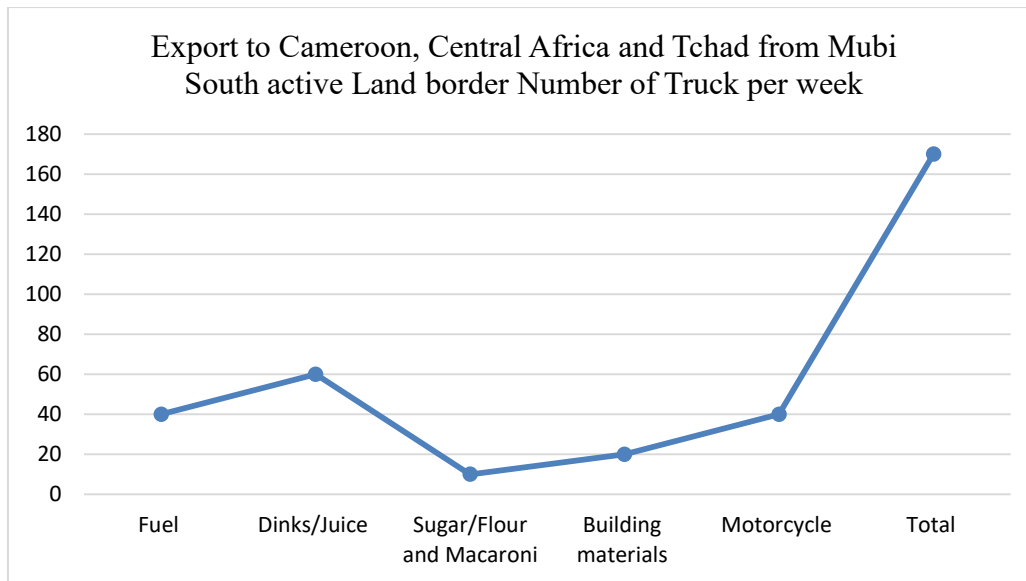
**Source:** Field work, 2023



**Table 2:** “Export” to Cameroon, Central Africa and Tchad from Mubi South active Land border

S/n	Variables	Number of Truck per week
1	Fuel	40
2	Dinks/Juice	60
3	Sugar/Flour and Macaroni	10
4	Building materials	20
5	Motorcycle	40
	<b>Total</b>	<b>170</b>

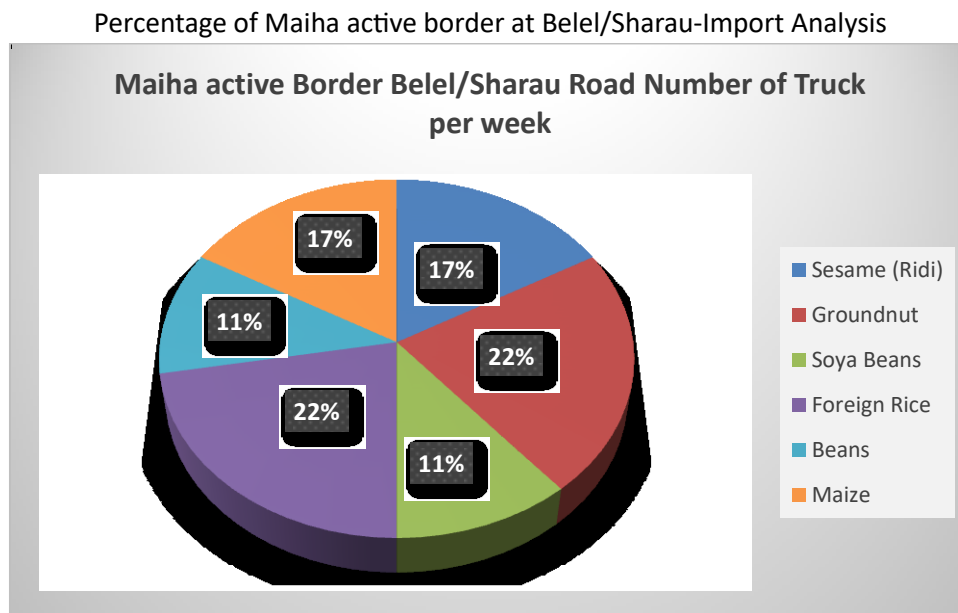
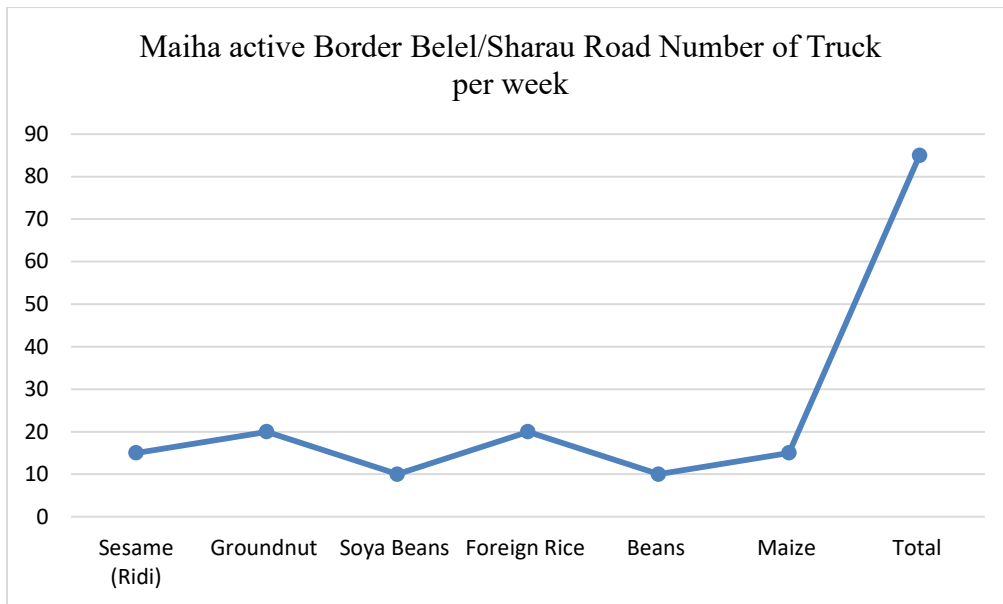
Source: Field work, 2023



**Table 3:** Maiha active Border at Belel/Sharau Road “Import” Analysis

S/n	Variables	Number of Truck per week
1	Sesame (Ridi)	15
2	Groundnut	20
3	Soya Beans	10
4	Foreign Rice	20
5	Beans	10
6	Maize	15
	<b>Total</b>	<b>85</b>

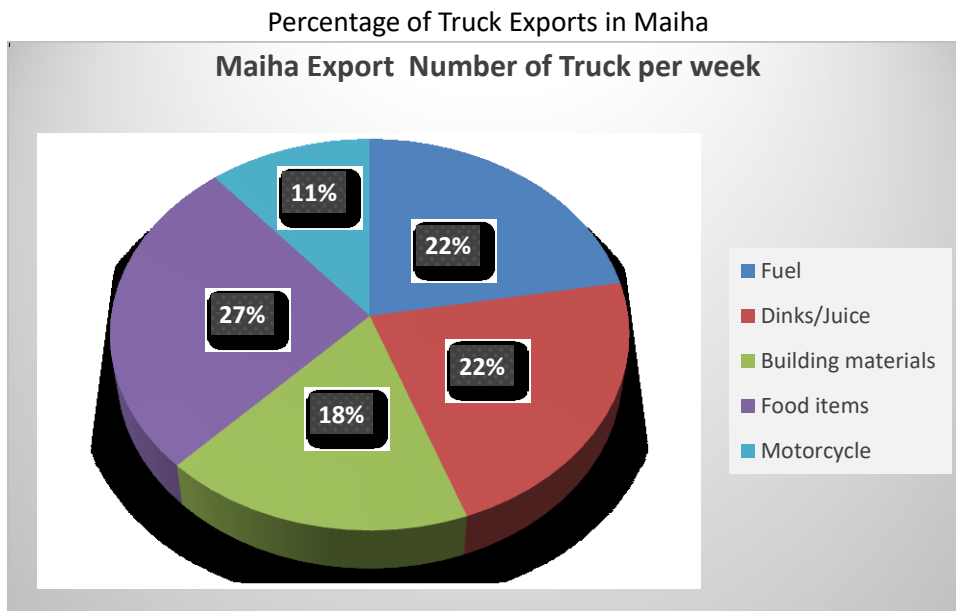
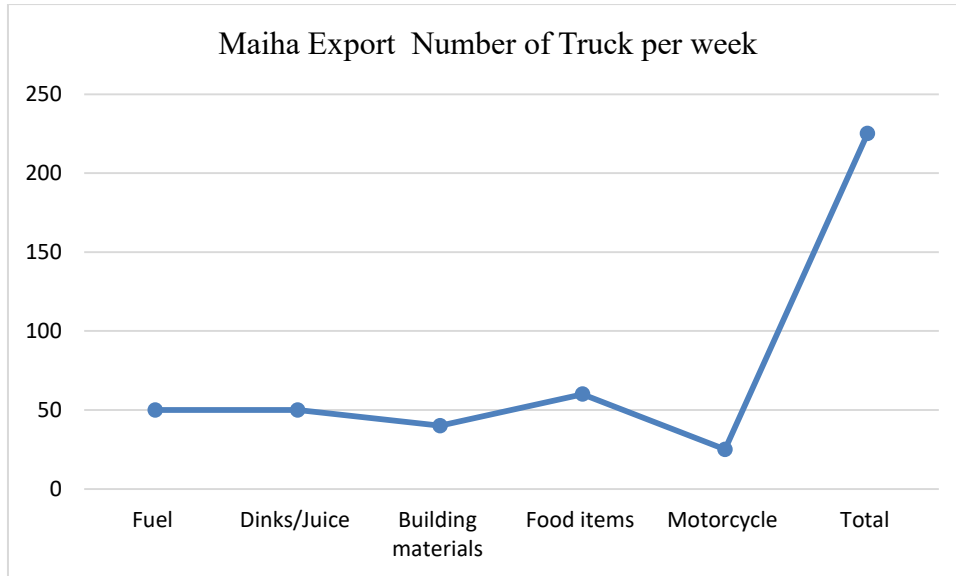
*Source:* Field work, 2023



**Table 4:** Maiha “Export” Analysis

S/n	Variables	Number of Truck per week
1	Fuel	50
2	Dinks/Juice	50
3	Building materials	40
4	Food items	60
5	Motorcycle	25
	<b>Total</b>	<b>225</b>

*Source:* Field work, 2023

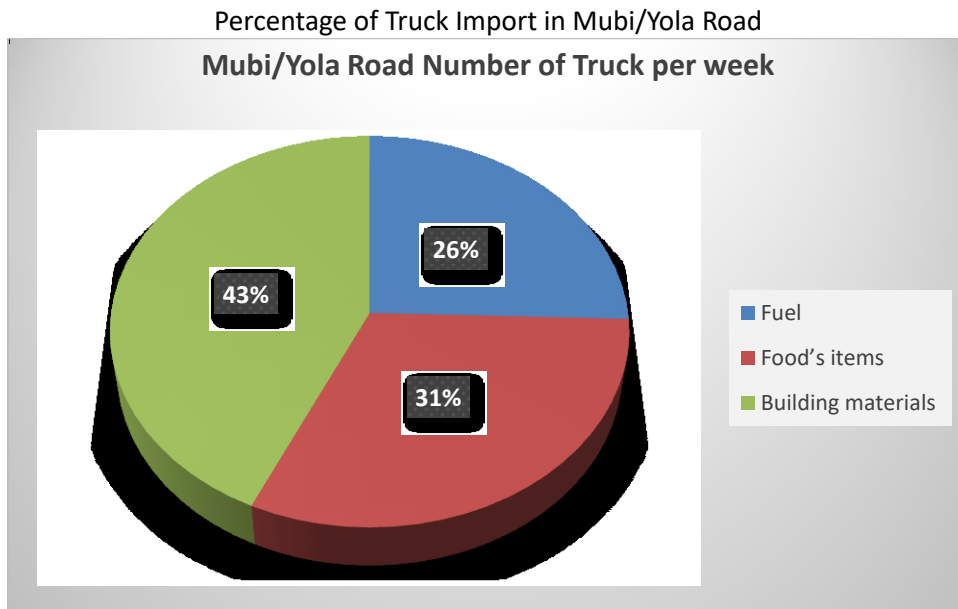
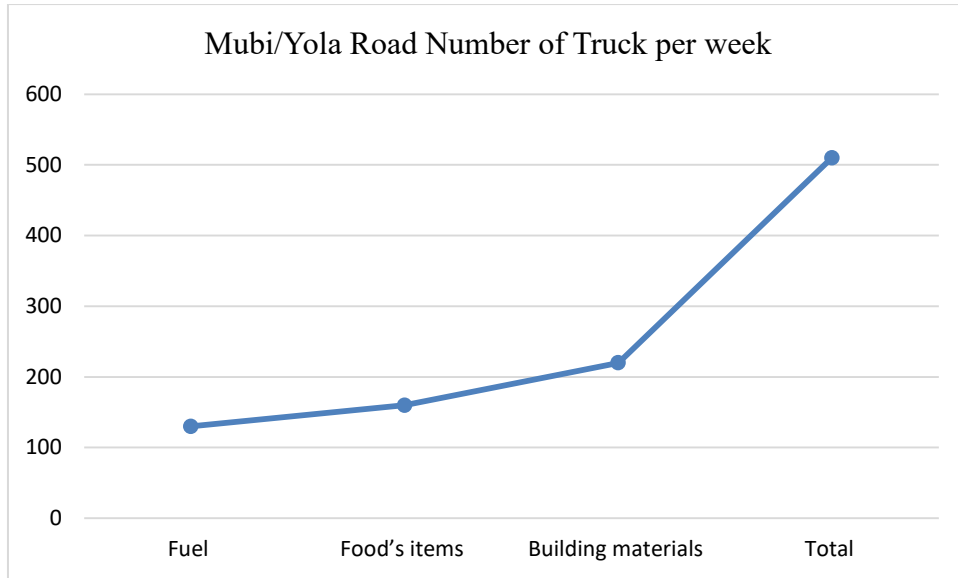


**Table 5:** Mubi/Yola Road “Export” Analysis

S/n	Variables	Number of Truck per week
1	Fuel	130
2	Food’s items	160
3	Building materials	220
	<b>Total</b>	<b>510</b>

Source: Field work, 2023

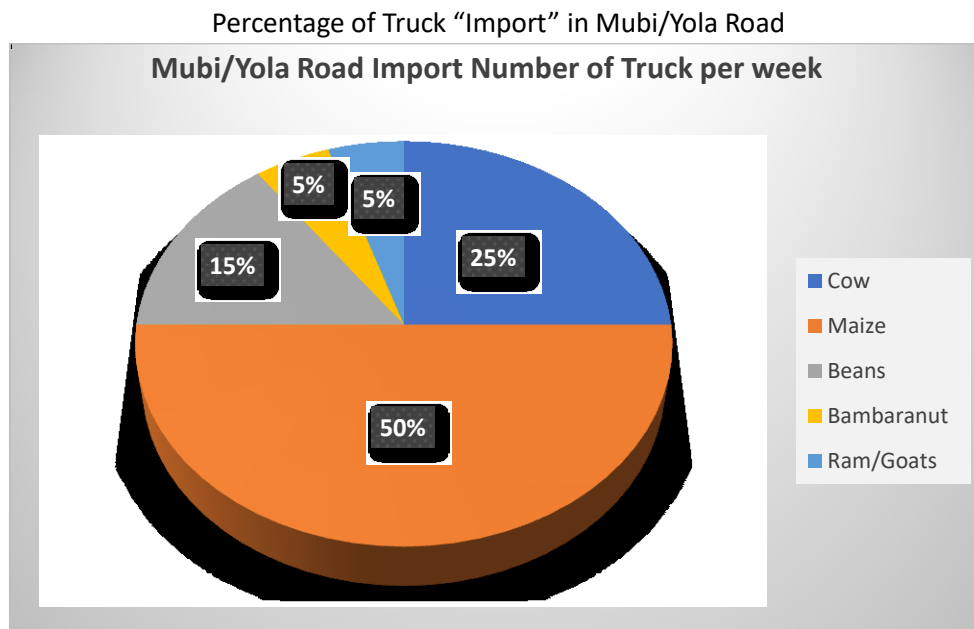
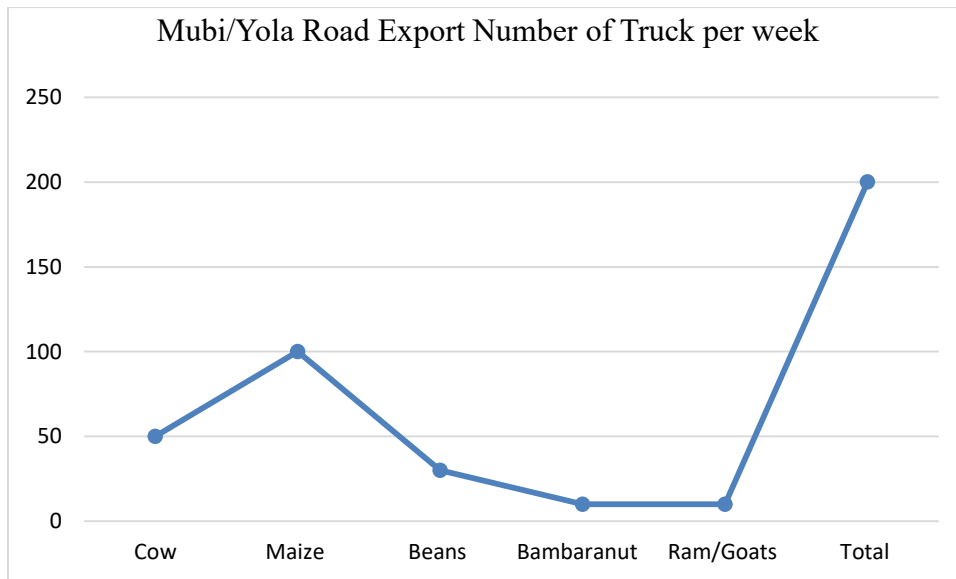




**Table 6:** Mubi/Yola Road “Import” Analysis

S/n	Variables	Number of Truck per week
1	Cows	50
2	Maize	100
3	Beans	30
4	Bambaranut	10
5	Ram/Goats	10
	<b>Total</b>	<b>200</b>

Source: Field work, 2023



### MFTZ Description

The paper assesses the economic and social viability of constructing a free trade zone (FTZ) to be known as the Adamawa-North Senatorial District Free Trade Zone Enterprises, Mubi, incorporating industrial and business parks, in the Adamawa-North Senatorial District, Mubi. Mubi town has the finest land border points at Belel, Dumo, Burha-Bango, Koja, Sahuda among others bordering the Republic of Cameroon leading to the Tchad Republic in Central African region, the republic of Central Africa and to Sudan in North Africa to be made accessible by road and rail connections. Connectivity to the existing

regional, national and local road network. Some of the facilities that can boost the smooth operation of the proposed free trade zone includes:

1. The construction of a railway line linking the FTZ with other parts of Nigeria as well as an inter-border rail line to link ANSD with neighboring states/towns in Cameroon, Tchad and Central African Republic to facilitate cargo transportation,
2. Development or extension of dry port facilities within the FTZ for decongestion purposes;
3. Further upgrading of the Yola international airport;
4. Availability of water supplies, electricity, telecommunications and wastewater treatment;
5. Construction of modern and permanent security outposts/stations, etc.

### **Expected Benefits of the MFTZ**

The paper is optimistic that the Free Trade Zone may have a number of benefits. For instance, leading to the establishment of a free Trade zone in the selected area which by extension will help to;

1. Promote sustainable economic development by enhancing the socioeconomic development of the people and their communities, improving the revenue profile of the state, curtailing smuggling as well as promoting local investment among others,
2. Improve Nigeria's ability to attract sustainable foreign direct investment in non-oil sectors and in semi urban areas through economic incentives,
3. Enhance Nigeria's ability to achieve the 2030 global agenda for sustainable development or the Sustainable Development Goals (SDGs), and
4. Facilitate the global war against terrorism in West and Central Africa through job creation and the empowerment of marginal populations such as the youth,
5. De-radicalising the youth in the district and its environs through gainful employment that will be generated by the establishment of a free trade zone.

Other important benefits of the free trade zone policy include the following:

1. Duty exemption/ no duty application,
2. Duty deferral,
3. Duty reduction or inverted tariffs,
4. Merchandise processing free reduction,
5. Streamlined logistics,
6. Quota avoidance,
7. Increase in competitive production,
8. Faster customs processing,
9. Exemption from local taxes,

10. Any foreign company can have 100% ownership of a company in the FTZ and may not require local sponsor,
11. One stop-shop for all licences in the FTZ.

### **Background to the Idea of Free Trade Zone in Nigeria**

When the idea of Free Trade Zones was conceived by the Federal Government of Nigeria, it created the Nigerian Exports Processing Zones Authority in 1992, the objective was to diversify the nation's economy away from its main stay- oil to trade in order to fast-track its industrialization agenda and ultimately, development. The plan was also to stimulate export-oriented business enterprises and manufacturing, strengthening strategic national economic policies, streamlining administrative approval processes as well as providing a one-stop-shop service for businesses both within and outside Nigeria. But after 35 years of existence as a nation, the Federal Government reviewed the operations of its political and economic plans for the rapid industrialisation of the Nigerian economy by facilitating the development, promotion, operation, regulation and marketing of industrial clusters, industrial cities, and industrial parks across the country. This is anchored on the launched -Nigeria's Industrial Revolution Plan.

Some scholars posit that the creation of Free Trade Zones is one of the fastest ways to boost industrialisation (Lincoln, Lynham & Guba, 2011). For instance, Mauritius and Ghana have also utilised the instrumentality of the FTZ to attract FDIs, increase export and capital flows, create jobs and upgrade into the global value network meant to achieve development. While the Chinese-model Special Economic Zone has become a world class model which has spurred interests in many countries, the African experience on SEZ has been far from impressive. In a survey on the performance of FTZs in six African countries in 2009 including Nigeria e.g the Ogun-Guogdong, an active Free Trade Zone established in 2006, (what happens? Survey by who? What are the findings?) However, the author(s) concluded that one of the reasons for the underperformance of economic zones in Africa is the weak business environment (Lincoln, Lynham & Guba, 2011).

Through alternate assumption, the work is premised on the idea that the creation of Free Trade Zone in Mubi, Adamawa state, Nigeria; can retard irregular/illegal migration of able-bodied youths from western, central and southern African regions to other regions outside the continent. This study is of the idea that the youth in the area would be attracted to FTZ industrialization and its accompanying opportunities.

### **Conceptual Clarification**

A Free Trade Zone (FTZ) is a principle and practice in international trade that creates an industrial community where the industrial production of goods through either local or foreign direct investment are legally coordinated and directed mainly for exports. A FTZ by its nature has the capacity to create jobs,

infrastructure, foreign exchange earnings, increase in revenue from productivity and tourism, supply of raw materials, industrial parts, industrial relations among others. The location of FTZ is usually in an area where goods produced can be handled and exported easily without the involvement of customs agencies. A good example of a suitable location for an FTZ is a border community situated between two or more countries which aptly fits the Adamawa-North Senatorial District with its bordering points to Republic of Cameroon, the Central African sub-region and beyond.

The aforesaid among others, eventually creates wealth at the level of the community, region and the nation at large, thereby lowering prices of goods and services. The proposed FTZ if established, will create jobs for the teeming youth in not only the ANSD but also the entire Northeast thereby reducing their susceptibility to radicalisation and terrorism such as kidnapping for ransom and banditry due poverty and unemployment.

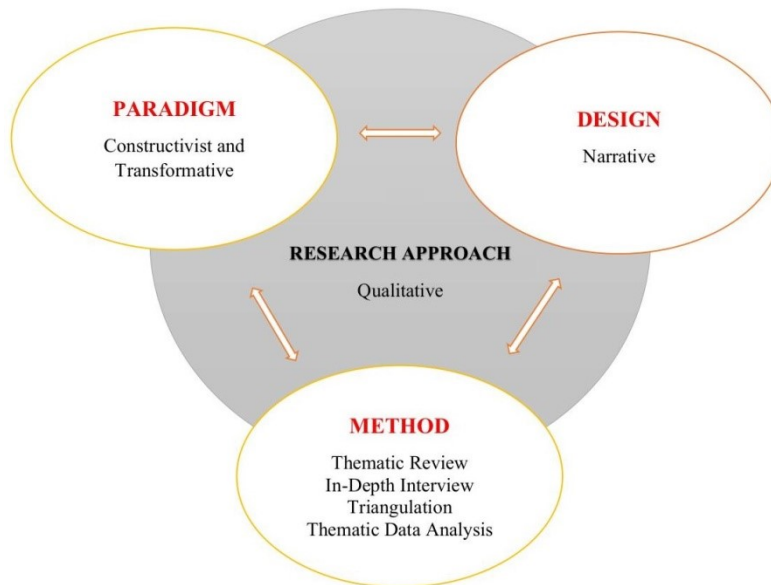
### **Research Method and Scope**

In terms of scope, the covers all the five (5) LGAs in the Adamawa-North Senatorial District of Adamawa state Nigeria namely Mubi North, Mubi South, Michika, Madagali and Maiha. The paper also extends to states/towns in the Cameroon bordering Nigeria; states/towns in the Republic of Tchad, Central African Republic, Sudan that are currently, benefiting from the informal trade (smuggling) from Mubi through Cameroon.

Scientific studies are generally expected to follow certain procedure and standard for their findings to be valid. In the social sciences, the appropriate research method to be applied depends largely on the scientific nature of the study. Since the study is related to sustainable economic development which places the people at the center of development endeavors, therefore, the qualitative research approach is adopted. This enables the paper to get an in-depth data from critical stakeholders and prospective participants. Consequently, the paper's approach is summarized as thus:

### **The Research Approach**

The paper adopted the qualitative research approach in order to enable it deeply explore and understand the meaning participants both as individuals and groups ascribe to the problem examined. The paper process involves open-ended and emerging questions and procedures and the required data collected in the participant's setting or communities. The collected data is analysed thematically with the aid of electronic research tools such as the NVIVO. In the end, the paper interpreted the meaning of the data. In this study, the research approach conducted is characterised by the intersection of these three research components (research philosophies, designs and methods) as diagrammatically explained below (Creswell, 2014; Creswell W & Creswell D, 2018).



**Source:** Based on the ideas in Creswell W. & Creswell D, (2018)

### Method

Before the primary data collection exercise, the paper conducted a thematic review of relevant literature related to the subject of study. In terms of data sourcing, the paper explored multiple sources of data. It mainly used primary source of data – in-depth interview. The paper also explored secondary sources such as research publications, government and NGO reports, etc., as a means of supplementing and validating the primary data. Multiple data sourced strengthen the validity of the findings of the paper. To paper understand informants’ personal feelings, experiences, localised knowledge and their subjective interpretation of the subject of study, the paper collected qualitative data for analysis. In view of that, the study collected non-numerical and decriptive or nominal data. The data are in form of words and sentences describing the feelings and subjective interpretations of the informants. In terms of study population, the paper conducted an in-depth interview with leaders of traders’ union, community leaders, consumers of various products, security agencies and officials of regulatory bodies within the selected area. In addition to the in-depth interview, the research paper equally collected relevant data from documents such as government reports/publications related to the subject of study area available. At the end of the data collection exercise, the raw data in form of transcripts of interviews, summaries and field notes.

### Some Aspects of the Management of Free Trade Zones in Nigeria

#### Registration

In line with the provisions of the Free Zones Registration Procedures and Regulations, upon a Licence being granted to an approved entity by the Nigerian Export Processing Zones Authority (NEPZA), the Authority shall cause all relevant details concerning such enterprise to be entered in the FZ Register and

for a Certificate of Registration, duly executed by or on behalf of the Authority/Zone Management, to be issued.

### **Rules of Registration**

The Regulations for the name of a Free Zone Enterprise must end with the acronym of the area within which it is located hence the naming of the proposed FTZ as “Adamawa-North Senatorial District Free Trade Zone, Mubi”. A Free Zone Enterprise shall not be registered in the FZE Register with a name, which is not approved by the Authority.

A Free Zone Enterprise may change its name by Owner’s Declaration subject to the proposed new name being approved by the Authority. The new name of the Free Zone Enterprise shall be entered in the FZE Register and a Certificate of Change of Name issued by the FZ Registry. Each Certificate of Change of Name shall specify, among other things, the date of registration of the new name in the FZE Register, being the date on which such new name shall take effect by the Nigerian Export Processing Zones Authority (NEPZA).

### **Registered Address**

Each Free Zone Enterprise shall at all times have an address, either in the Free Zone, in the State or in any other State, to which all communications and notices may be addressed. Details of such address, which shall be its registered address, and of any change of address, shall be notified within 14 days to the FZ Registry and details thereof promptly entered in the FZE Register of the Federal Ministry of Trade and Industries.

### **Object of Free Zone Enterprises**

The objects of a Free Zone Enterprise shall be to carry on all such business within the area of the Free Zone as the Authority may permit under the terms of the Licence issued in respect of the Free Zone Enterprise (as the same may be amended from time to time by the Authority) and elsewhere in accordance with all applicable laws and regulations, and all business and other matters ancillary, conducive or related thereto. Such matters will include power for a Free Zone Enterprise to borrow, grant security, guarantee any obligation of any person or indemnify any person, to enter into all types of banking and financial transactions, to issue, make endorse or draw any negotiable instruments (such as cheques, bills of exchange, promissory notes or bills of lading) in relation to its business and power for a Free Zone Enterprise to make, alter or dispose of any investments (whether or not within Nigeria) in relation to its business.

The Regulations further provide that a Free Trade Zone Licence shall be considered personal to the Licensee who shall not transfer, assign, or purport to transfer or assign the Licence in whole or in part without the prior written consent of Authority/Zone Management.

## **Renewal of Licence**

A Free Trade Zone License usually last for one year, and it can be renewed upon expiration.

Requirements for Renewal:

- i. payment of the Licence renewal Fee;
- ii. production of any other documents, returns or information with the Authority;
- iii. payment of all outstanding amounts (if any) due to the Authority.

## **Operations Outside the Free Trade Zone**

In accordance with the Licensing of Free Zones and Business Enterprises Regulations, a License issued by the Authority/Zone Management shall only be valid within the Free Zone. A Licensee wishing to carry on business outside the Free Zone must comply with the applicable laws in force for the time being outside the Free Zone.

## **Deregistration**

The circumstances by which licensed free trade zones can be deregistered are encapsulated in Free Zones Registration Procedures and Regulations. It provides as follows:

1. A Free Zone Enterprise shall be deregistered from the FZ Register upon and in accordance with any order, therefore, being issued by any Court in Nigeria.
2. Upon deregistration of a Free Zone Enterprise, all trading and other business operations of such Free Zone Enterprise must cease and the Owner must ensure that the Free Zone Enterprise's affairs are wound up under the supervision of an accountant licensed to conduct business as such in Nigeria as liquidator/receiver so as to:
  - i. ensure that such winding up is conducted in a timely and organised way, taking account of all assets of the Free Zone Enterprise and the claims of all creditors and employees thereof and ensuring the payment, or provision for payment of, or to discharge, all claims, debts, liabilities and obligations of the Free Zone Enterprise subject to the limitation of liability of the owner specified in paragraph 7 above;
  - ii. distribute any surplus assets of the Free Zone Enterprise to the Owner;
  - iii. cause to be prepared by the liquidator a statement of account in respect of his actions and transactions;
  - iv. ensure that a copy of such report is delivered to the FZE Registrar within 7 days of such report being made. Details of such report shall be promptly entered in the FZE Register.



## **Revocation of Licences**

The Free Zones Registration Procedures and Regulations also provide that Licence of a user may be revoked if the existence of any of the following circumstances are confirmed by an investigation and assessment conducted under Article.

## **Incentives Available to Businesses in the Free Trade Zone**

If a business commences in any of the free trade zones, they are exempt from the normal laws and rules of the government which are applicable all over the country of Nigeria, especially in the field of taxes and customs duties. In return, the government anticipates that the company will help the economic growth of the country. There are several benefits that can be utilized by an enterprise when it is set up in an EPZ in Nigeria.

These benefits are: Any legislative provision related to taxes, levies, duties, and any foreign exchange regulations which are applicable in the country will not apply to the companies' set up in EPZs. Section 8 of the NEPZA provides that:

*“Approved enterprises operating within a Zone shall be exempted from all Federal, State and Government taxes, levies and rates.”*

Also, Section 18(1) (a) of the NEPZA provides that

*“Legislative provisions pertaining to taxes, levies, duties and foreign exchange regulations shall not apply within the Zones”.*

Additionally, a company set up in the Export Processing Zone is allowed to send back all the foreign capital investment with capital appreciation of the investment. If any profits and dividends earned by foreign investors, they can be remitted back to the home country. Section 18 (1) (b) and (c) NEPZA

A company established in the free zones can employ foreign managers and qualified personnel. The regulations of the NEPZ provide that all the companies which are licensed companies established in EPZ will be exempted from the expatriate quota requirement. This implies that companies operating within the zone do not require to obtain expatriate quotas before it can bring the expatriates to work in the free trade zones.

## **Setting Up a Company in the Free Trade Zones in Nigeria**

The procedure for the registration of the free trade zone enterprise is completely different from the registration of ordinary business in Nigeria. In our previous write-up, we explained the procedure for ordinary business registration and how to register a foreign subsidiary in Nigeria. To set up a company in the free trade zone, the investor needs to take specific steps which are standard for all the free zones of the country. These steps are as follows:

- i. Obtain and complete the application form.

- ii. Submit the completed application form in the Zone Administration office or NEPZA Office in with the required Project Plan/Feasibility Study.
- iii. The application will be reviewed and at the end of this process, the application may be accepted by the administration or may be rejected.
- iv. If the application is approved, an Operating License (OPL) will be issued by the Administration of the Free Zone.

It is worthy of note to state that there are prohibitions on the kind of trade done within the EPZ. Companies that are licensed to trade within the EPZ are prohibited from carrying out retail trade. Section 14 of the NEPZA provides that:

*“No retail trade shall be conducted within a Zone without the prior approval of the Authority and which may be subject to such terms and conditions as may be imposed, from time to time, by the Authority”*

Section 16 of the NEPZA Act; also prohibits the sale of ammunition and dangerous explosives.

Section 16 states as follows;

- i. *Firearms and ammunition, other than by members of the Nigeria Police Force or the armed forces of the Federation or by security agencies employed to work in a Zone in the course of their duties or by such other persons as may be authorized by the Authority;*
- ii. *Dangerous explosives, without prior approval of the Authority;*
- iii. *Petrol, inflammable materials, hazardous cargoes or oil fuels, other than in such quantities and on such terms and conditions as may be prescribed by the Authority;*
- iv. *Goods which the Authority by order has imposed specific or absolute prohibition on their importation into a Zone.*

### **Dispute Resolution in the Free Trade Zone**

The Nigeria Export Processing Zone Regulations also provide the following in respect of any dispute resolution;

1. Where any dispute arises between a Licensee and another Licence Holder in the Free Zone which cannot be amicably settled between the parties, the matter shall be referred by either of the parties to the Free Zone Authority for settlement and the decision of the Authority shall be communicated to both parties accordingly.
2. Also, where any dispute arises between a Licensee and any other Government Agency or Department in the Free Zone, the matter shall be referred to the Authority by either of the parties concerned and the Authority shall represent the Licensee in all negotiations, arbitration, settlement

and reconciliation of the same. In this respect, the Arbitration and Conciliation Act Cap 19 Laws of the Federation shall apply.

3. Where any dispute arises between any Licensee and their employees, which cannot be amicably settled between the parties, the matter shall be referred to the Authority, which shall take all necessary steps to reach Settlement between the parties.
4. In all the above cases, the Authority or the Zone Management reserves the right to intervene at any stage of any dispute in order to maintain industrial peace in the Zone. In all cases involving litigation in the Free Zone, the appropriate law in the customs territory shall apply.

### **Paper's Findings and conclusion**

The paper found that the policy of the Federal Government on national security as a result of Boko Haram terrorism which led to the closure of North Eastern borders since the year 2011 did promote smuggling without the benefit to the Nigerian state, while her neighbor, Republic of Cameroon did not close hers. Therefore, closure of North Eastern borders by the Nigerian state should be lifted.

In conclusion, Free zones in Nigeria act as important and rewarding areas which not only attract foreign investors but also provide employment opportunities to the native people. The benefits mentioned above offered by the various free zones make setting up a business in EPZ in Nigeria a very lucrative option for both domestic and foreign businesses.

Finally, once an enterprise or business has been registered within a trade zone, such business is exempted from registration with the Corporate Affairs Commission but to follow rules provided for Export Processing Zones Authority which is essentially for industrialization that is mainly focused for international markets to gain foreign exchange without causing harm to good and services produced for domestic market.

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