

# BACITI ECONOMIC INSIGHT

BASHIR ADENIYI CENTRE  
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## BRICS+ Partnership: Opportunities for Nigeria's Solid Minerals Sector

The new partnership between Nigeria and BRICS is potentially transformative for Nigeria's development, and an enhancement for BRICS' engagement in Africa and the world, broadening global influence.

Nigeria will potentially gain financial support for critical infrastructure projects through the BRICS New Development Bank (NDB), FDI for potential diversification, industrialization and job creation, knowledge transfer and access to technical expertise, and a platform to amplify its voice on global issues such as trade reforms, climate change, and equitable economic policies.

The partnership comes at a time where Nigeria is on an investment drive. In November, 2024, the Nigeria High Commission in South Africa hosted an investment roadshow to showcase Nigeria's emerging solid minerals sector. Nigeria's solid mineral sector presents a promising opportunity for Nigeria to diversify, as well as create jobs, increase revenue, and boost export potentials.



*Picture 1: Some solid minerals from Getty images*

Nigeria has huge deposits of solid minerals such as copper, lead, zinc, tin, aluminum, nickel, cobalt, molybdenum, recycled steel, gold, platinum, palladium, silver, coal, clay, marble, limestone, lignite, and iron ore. According to Afrexim Chief Economist, Yemi Kale, Nigeria's GDP could soar by \$25 billion and employment potentials by 3 million if the solid minerals sector is properly harnessed.

However, Nigeria's Extractive Industries and Transparency Initiative (NEITI) reports that solid minerals contributed about 0.83% to Nigeria's GDP in 2022, and declined to 0.75% in 2023. Comparatively, revenue from mining accounted for 7.3% and 6.3% of South Africa's GDP in 2022 and 2023 respectively, while Botswana experienced success in mining and natural resource development, contributing 20.3% and 16.7% to Botswana's GDP in 2022 and 2023, respectively (Statista, 2024). To improve the sector's output, Nigerian government and other stakeholders need to learn from these countries to tap the available opportunities.

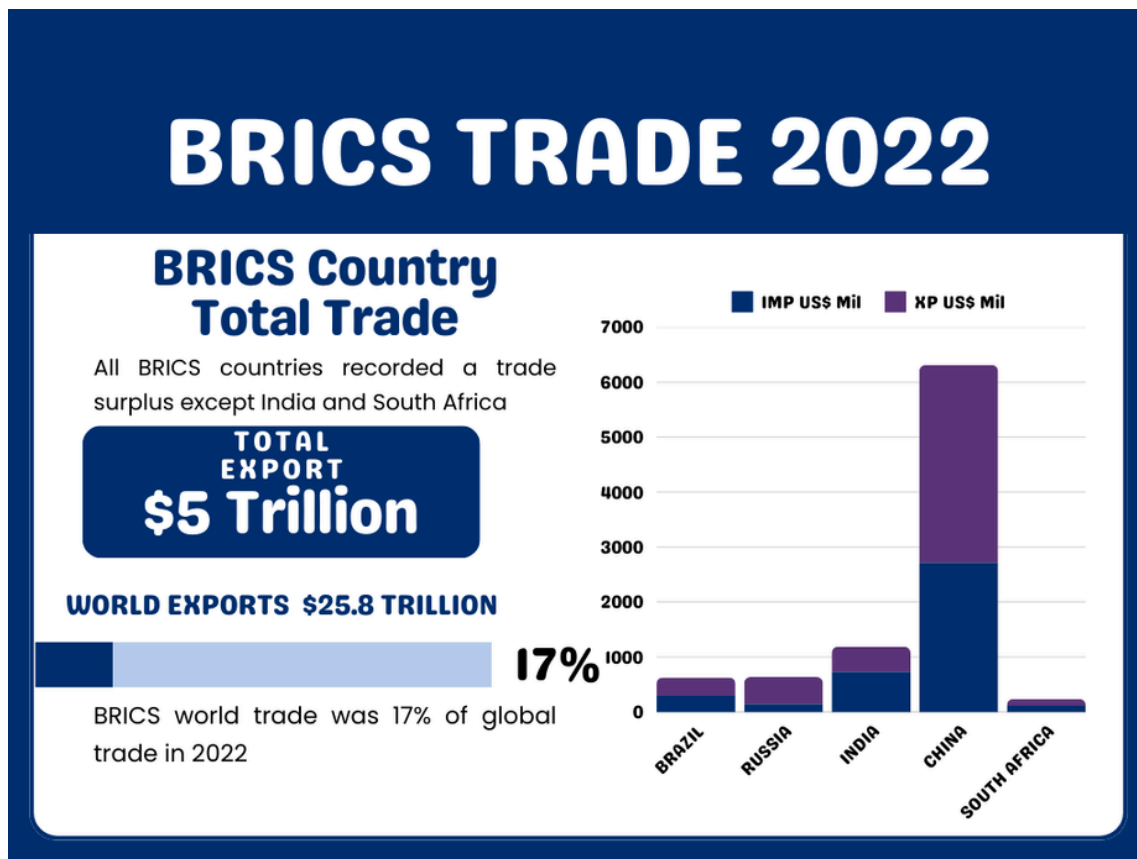


Figure 1: BRICS total trade statistics

### BRICS Trade

The BRICS countries enjoy robust trade within and outside the bloc. In 2022, BRICS countries total export was \$5 trillion, 17% of global trade in the same year \$25.8 trillion. Total intra-BRICS trade was 1.2 trillion, constituting exports (\$517.48 billion) and imports (\$634.52 billion). Intra-BRICS total trade was 13.3% of BRICS countries total trade. Figure 2 shows each country's share of intra-BRICS trade to their total trade, with South Africa recording the second highest and China the lowest. This indicates 21.5% of South Africa's trade was with BRICS countries in 2022.

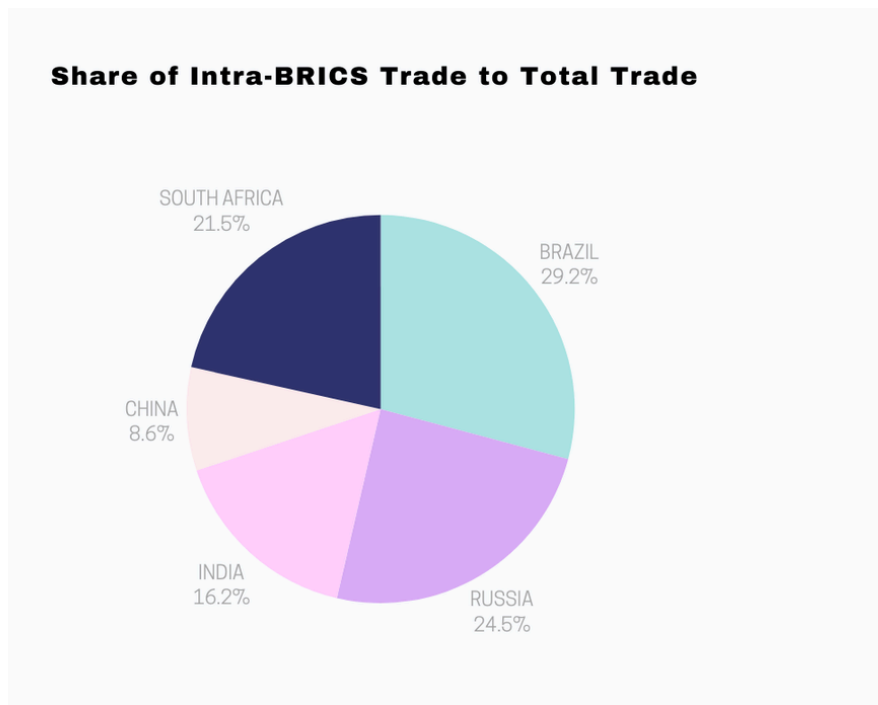


Figure 2: Share of Intra-BRICS trade total trade statistics

### BRICS Solid Minerals Trade

The BRICS enjoy a robust global trade in solid minerals, leveraging their vast reserves, advanced extraction technologies, and strong industrial demand.

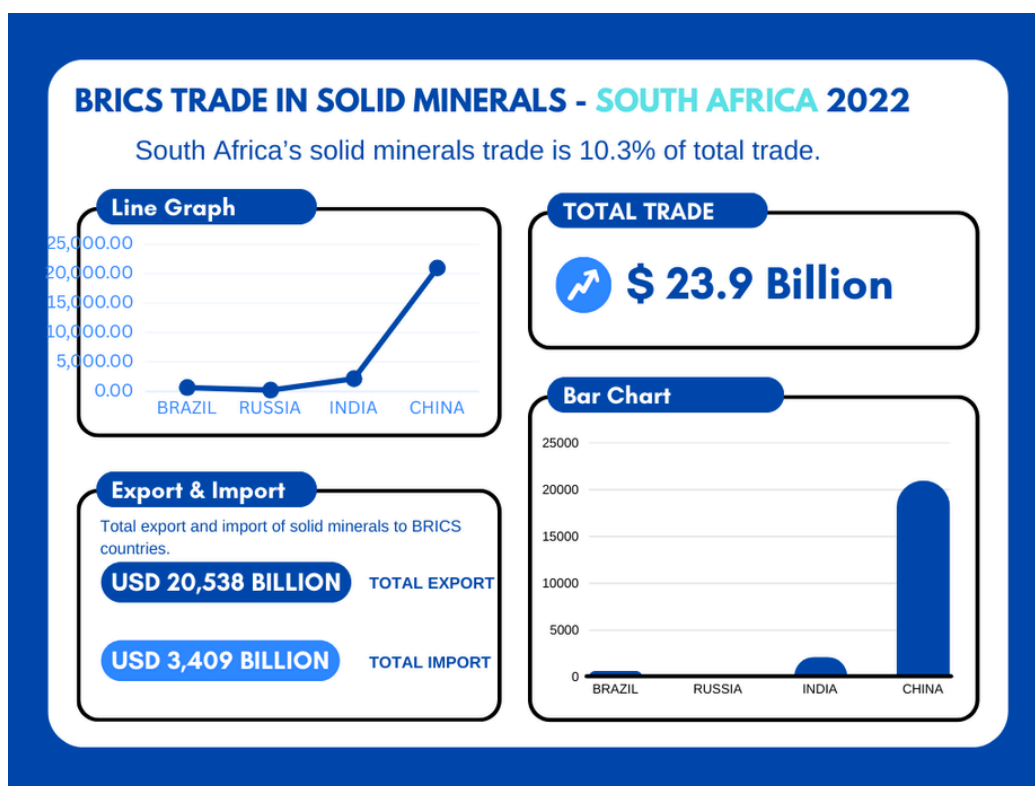


Figure 3: South Africa-BRICS trade in solid minerals

Specifically, South Africa and Brazil have increased their exports of solid minerals significantly. They benefit largely from the vast Chinese market, the world's largest consumer of these critical minerals.

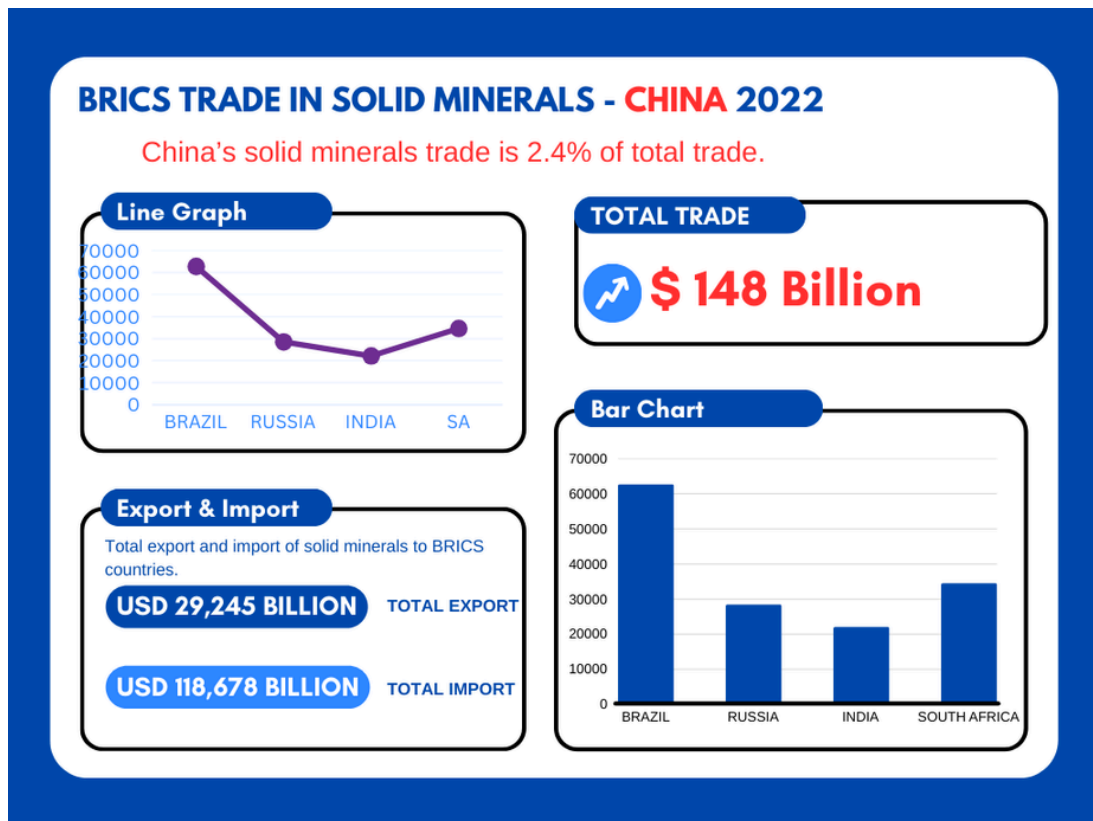


Figure 4: China-BRICS trade in solid minerals

China heavily imports iron ore, lithium, and rare earth elements, while Russia leads in nickel and palladium production. China records a huge trade deficit in its solid minerals trade with BRICS. China's top two solid minerals trading partners are Brazil (\$62.7 billion) and South Africa (\$34.6 billion) respectively.

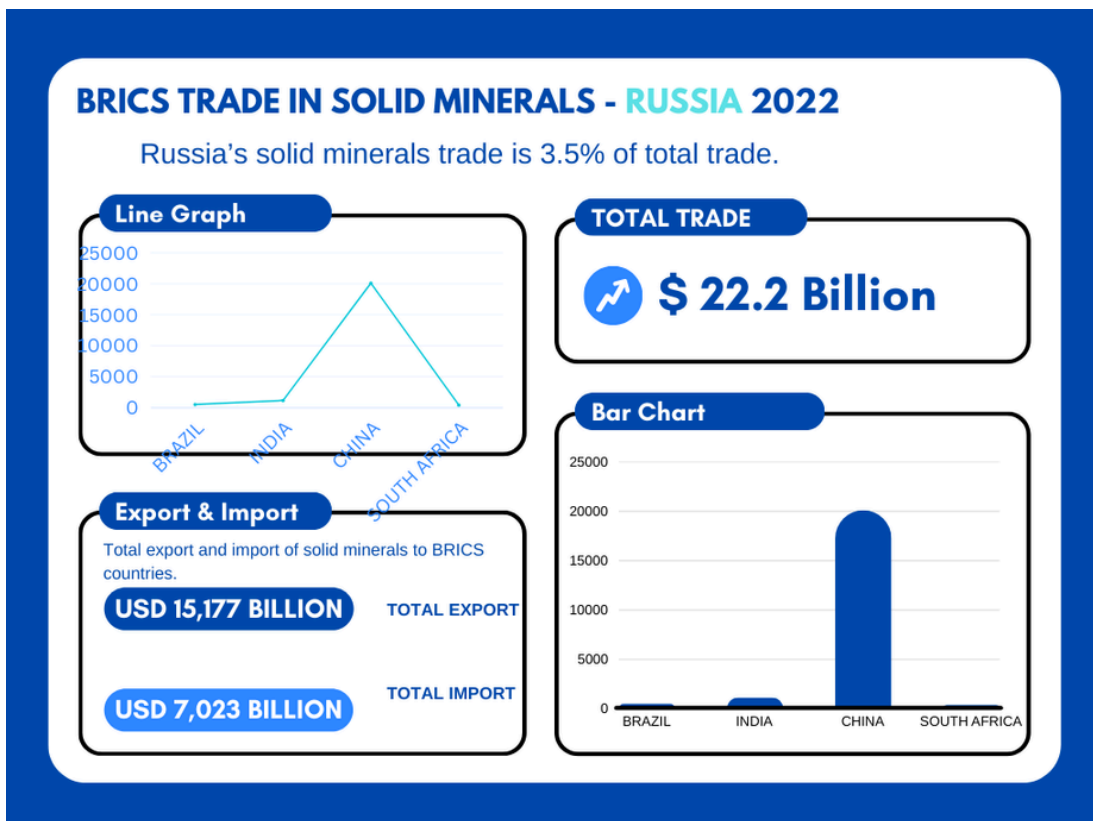


Figure 5: Russia-BRICS trade in solid minerals

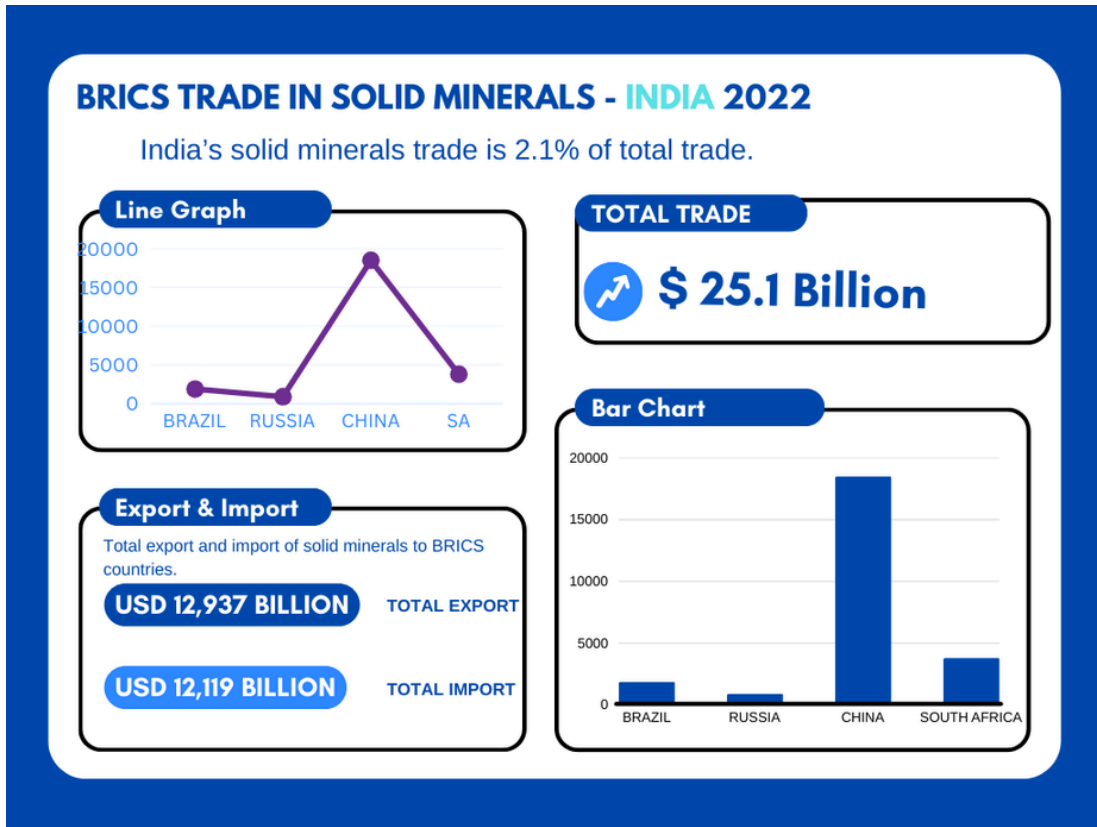


Figure 6 : India-BRICS trade in solid minerals

Total intra-BRICS solid mineral trade was \$268 billion in 2022. While South Africa had a share of only 9% of this intra-BRICS solid minerals trade, it constituted 10.3% of the country's total trade (see figure 3). A rather large share of the country's total trade in goods and services.



Figure 7 : Brazil-BRICS trade in solid minerals

China's share of Intra-BRICS trade in solid minerals was a whopping 55%, while Brazil, India, and Russia had a share of 18.4%, 9.4%, and 8.3% respectively.

## Nigeria Trade

Nigeria's total solid mineral trade in the same period was \$4.4 billion, 3.5% share of total trade and GDP was \$472.6 billion (See figure 8). Nigeria's efforts to move away from oil dependency align with its membership in BRICS+. By leveraging BRICS+ economic structures, Nigeria can easily access mining infrastructure financing through the NDB, technical expertise, and technology transfer, thereby enhancing local mineral processing and refining capabilities.

# Nigeria Trade 2022

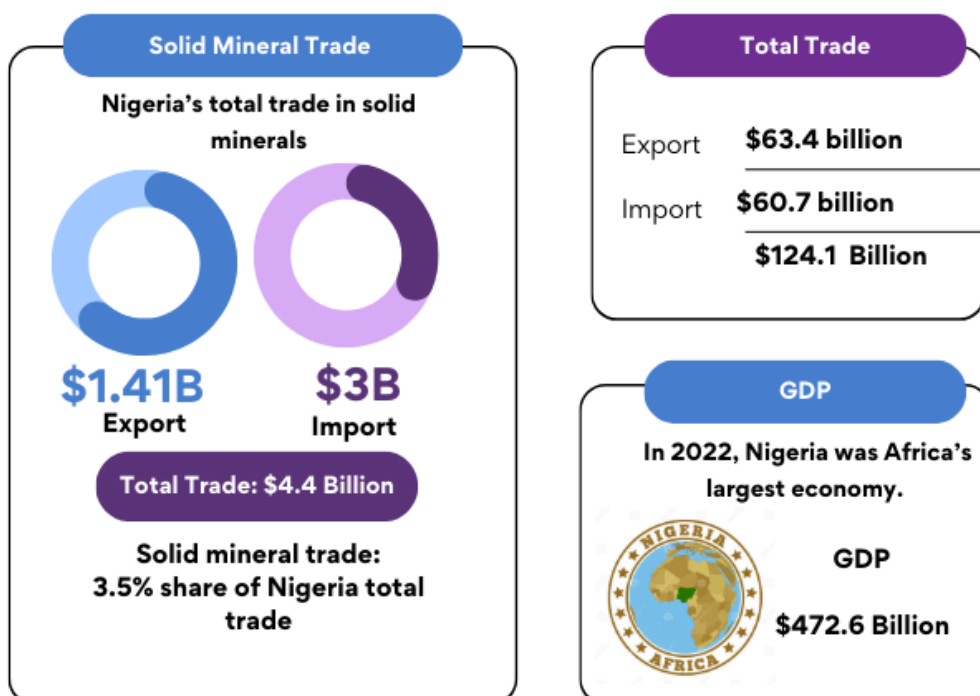


Figure 8 : Nigeria Trade 2022

The Nigerian solid minerals sector is grossly underdeveloped due to challenges such as inadequate infrastructure, inconsistent mining policies, and high security risks fostered by criminal elements that benefit from the disarray in the sector. In July 2024, the Chairman of the House of Representatives Committee on Solid Minerals disclosed that \$9 billion is lost to illegal mining yearly, with 80% of mining activity unregulated or illegal. To maximize trade benefits, we must address these challenges.

## Opportunities for Nigeria

1. **Strategic Market Collaboration:** Partnering with major BRICS+ mineral consumers will help ensure consistent demand for Nigeria's solid minerals, facilitating increased market access and trade expansion, particularly under the African Continental Free Trade Agreement (AfCFTA) framework.
2. **Technology and Infrastructure Development:** Collaborations with BRICS+ nations can drive advancements in mining technologies and infrastructure through shared expertise and investment, enabling more efficient exploration and extraction.
3. **Joint Ventures for Processing Facilities:** Establishing partnerships to develop local mineral processing plants will unlock the sector's full potential, contributing to the creation of an estimated 3 million jobs.
4. **Capacity Building and Workforce Development:** Implementing technical training programs will empower artisanal and small-scale miners, ensuring proper licensing and skill development for sustainable industry growth.
5. **Inclusive Mining Practices:** Learning from BRICS+ partners, Nigeria can integrate local communities into mining projects, fostering economic inclusion and reducing conflicts in resource-rich areas.
6. **Adopting Beneficiation Models:** Drawing from South Africa's approach, Nigeria can implement beneficiation strategies to reduce raw material exports, enhance local value addition, and drive industrialization.
7. **Sustainable Mining Practices:** Brazil's expertise in environmentally responsible mining can serve as a model for Nigeria, addressing ecological and social concerns in mining regions.
8. **Diversifying Export Base:** Expanding solid mineral exports alongside oil can help stabilize Nigeria's foreign exchange earnings and reduce dependency on petroleum revenue.

By leveraging these opportunities, Nigeria can strengthen its mining sector, attract global investments, and position itself as a key player in the BRICS+ minerals trade.

However, robust governance and policy frameworks must be established to drive sustainable growth in the mining sector. Comprehensive reforms are necessary to enhance regulatory oversight, ensuring transparency, efficiency, and compliance with global best practices. Implementing well-structured mining regulations will create a stable and predictable business environment, attracting long-term investments. Additionally, improving data availability and accessibility is crucial for informed decision-making and boosting investor confidence in Nigeria's solid minerals sector.

**The Bashir Adeniyi Centre for International Trade and Investment (BACITI) of The Nigerian Institute of International Affairs (NIIA).**

\*All graphs and charts were computed by the BACITI Team using data from World Bank's World Integrated Trade Solution (WITS)

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