In 2010, 87.3 percent of the $17.7 billion bilateral trade between China and Nigeria was in China's favour. To reverse this growing imbalance, the Chinese government sought to establish special economic zones in Africa.

The Ogun-Guangdong Free Trade Zone and the Lekki Free Trade Zone (LFTZ) are two of eight Chinese special economic zones (SEZ) approved by the Chinese Ministry of Commerce in 2006. The primary motive for these special economic zones is economic. That is, to increase Chinese multinational companies' Nigerian market share; to expand the Nigerian market for Chinese manufactured goods; to increase China's presence in Nigeria's oil and gas sector; and to leverage its investment in Nigeria as a gateway for entering the ECOWAS market.

However, only the EPZ in Egypt has taken off. The SEZ, when it takes off, will become a light manufacturing and a high-tech agricultural demonstration park. Besides, competition is stiff – India, Bangladesh, Mexico and Vietnam have competitive labour markets.

The first phase of the LFTZ – it is estimated that it will cost $5 billion to develop 30 square kilometres of the 165 square kilometres – is scheduled for completion in 2014. China-Africa Development Fund (CADFund), China's largest private equity fund with an African focus, is one of quartet that formed a consortium of Chinese companies that partnered with Lagos State. An oil refinery, to be built and operated by China State Construction Engineering Corporation (CSCEC), is expected to produce 300,000 barrels of oil a day and 500,000 metric tonnes of liquefied petroleum gas each year.

LFTZ has attracted, so far, $1.1 billion (N170.5 billion) investment commitment from 48 investors, according to the Minister of Trade and Investment in 2012. A 2011 World Bank report lists four key challenges: developers' dearth of management capabilities; unequal status of developers and host government; absence of off-site infrastructure; and high cost of finance.

Management skills, "software", are as important as infrastructure, "hardware". Those developing the zones are grappling with how to import best practices, e.g., operating and financing models

from SEZs in China to host governments. “Learning and knowledge sharing should be given higher priority” to overcome these challenges.

To succeed, SEZs need committed and pragmatic reform-minded leadership. Location matters. SEZs located in coastal region coupled with inter-modal infrastructure – i.e., onsite and offsite infrastructure are prioritised – tend to succeed if they are given “preferential policies and institutional autonomy”. Successful SEZs are able to attract the Diaspora, their billions of dollars of remittances and skills. In addition, SEZs that aim at healthy competition spur economic growth, exports, employment and investment.

Host governments can explore a legal and regulatory framework that spurs infrastructure investment. Iliad, a thriving French fixed and mobile service provider, invested €1 billion when the mayor of Paris opened the sewers of the city for connecting Parisians to super-high-speed broadband. It seemed unlikely that this would be constructed solely through private initiatives.

Opening the sewers of the LFTZ will reduce cost. In Paris the mayor cut access fees by 25 percent for the last 400 metres to houses. LFTZ can become the location of an ecosystem of start-ups, venture capital and angel investors, to complement the banks and universities sprouting on the Lekki axis.