



KEBBI STATE EXPORT STRATEGY

Prepared and developed by the Kebbi State Committee on Export Promotion

December 15, 2023

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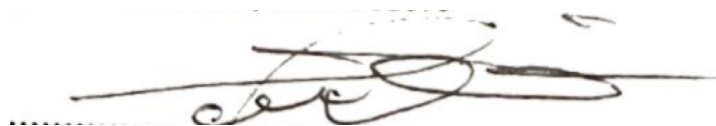
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COMPOSITION OF THE KEBBI STATE COMMITTEE ON EXPORT PROMOTION

S/N	Name	Organisation	Designation
1.	Permanent Secretary, Ministry of Commerce		Chair
2.	Abubakar Kalgo	All Farmers Association (AFAN)	Member
3.	Alhaji Aliyu Ahmed Maiahu	President, Kebbi Chamber of Commerce, Industry, Mines and Agriculture	Member
4.	Jabir Muhd Ambarsa	Nigeria Association of Small and Medium Enterprises	Member
5.	Mustapha Rabiu	Kebbi State Traders Association	Member
6.	Saidu Abdullahi	Raw Materials Research and Development Council	Member
7.	M.S Dan Ikul	Nigerian Export Promotion Council	Member
8.	Director of Commerce, Ministry of Commerce and Industry		Secretary



Permanent Secretary
Ministry of Commerce and Industry
December 15, 2023

Preface

Kebbi State nicknamed “Land of Equity” was created out of the then Sokoto State on 27 August 1991 by the government of General Ibrahim Babangida. It lies in North-Western Nigeria with its capital in Birnin Kebbi. It became part of the Songhai Empire in the fifteenth century.

Kebbi State is bordered by Sokoto State to the North and East, Niger State to the South, Dosso Region in the Republic of Niger to the Northwest and the Republic of Benin to the West.

Kebbi State Snapshot

Total land area: 36,985 Km²

Local Government Areas: 21 LGAs: Aleiro, Arewa – Dandi, Argungu, Augie, Bagudo, Birnin Kebbi, Bunza, Dandi, Fakai, Gwandu, Jega, Kalgo, Koko / Besse, Maiyama, Ngaski, Sakaba, Shanga, Suru, Wasagu / Danko, Yauri, Zuru.

Population: 4,724,046 (Male- 2,631,629 and Female- 1,624,912)

Vegetation: Tropical Savannah

Major crops: Millet, Wheat, Guinea corn, Rice, Onion, Groundnut, Cotton, Maize.

Solid minerals: Kaolin, Gypsum, Salt, Gold, Glassware and Marble

Opportunities for investment exist in:

- Agribusiness
- Light Manufacturing
- Healthcare
- Business Process Outsourcing
- Tourism
- Energy
- Mining

Key guiding principles underpin this strategy:

- a. Shifting from traditional agriculture to agribusiness;
- b. Ensuring fair access to means of production and resources;
- c. Adopting a value-chain approach for the development of crops, livestock, and fish/aquaculture subsectors;
- d. Encouraging private sector investment;
- e. Exploring both local and export market potentials.
- f. Tapping into the vast potential of making the State the Hub for African trade through using its border with Benin and Niger Republics

By investing in agriculture, Kebbi State aims to achieve self-sufficiency in production, contribute significantly to domestic food production, and become a net exporter of key agricultural products. It also aimed to maximize its Solid Mineral potentials and use of its

abundant water resources for both dry season farming and movement of goods and services within the ECOWAS countries.

Furthermore, the proximity of Kebbi state to two ECOWAS countries and is expected to galvanize the business community to invest in domestic warehouses, catalyze investments into industries for the production of goods for export to African countries through the African Continental Free Trade Area (AfCFTA) concept. The AfCFTA single market is valued at over \$3 billion, this plan contemplates leveraging Kebbi State's competitive and comparative strategic advantages on the continent by integrating cross-cutting measures and interventions (AfCFTA Secretariat, 2021).

The success of this strategy is based on the commitment and active participation of all stakeholders in Kebbi State.

CHAPTER 1: BACKGROUND CONTEXT

1.1 The Imperative for Diversifying State Revenue Streams

The significant reliance on oil revenue, making up 65-70% of federal earnings and 90% of state finances, exposes Nigeria's vulnerability to global market fluctuations in oil prices. As such, states like Kebbi must look beyond oil to develop sustainable, non-oil revenue streams through strategic planning (Adeoye, 2018).

1.2 Unlocking the Potential of Agribusiness, Solid Minerals

Agriculture stands out as a sector with significant potential for widespread economic benefits. A robust agricultural strategy for Kebbi State should aim to:

- i. Introduce novel farming methods.
- ii. Advance the various crop value chains.
- iii. Secure farmers' financial stability.
- iv. Boost revenue for both the state and its citizens while contributing to the national GDP (World Bank, 2020). Strategy elements:
 - v. Establish a land bank devoted to agricultural pursuits.
 - vi. Advocate for the creation of agribusiness estates.
 - vii. Build infrastructure within these estates to attract young entrepreneurs.
 - viii. Develop a comprehensive land-use plan for the state.
 - ix. Facilitate the growth of a robust agricultural value chain (Olagunju et al., 2019).

The State's Solid Minerals deposit can be harnessed through the formation of Artisanal Miners cooperative Societies, Utilization of the Presidential Committee on Artisanal Miners Initiatives, Investment by both State and the Business community as well as creation of partnership with foreign business partners. The State can harness the large number of cross-border traders (informal traders) into a formal structure and the use of identified agro associations involved in cross border trade across ECOWAS, such as the Onion Association.

1.3 Vision of the Kebbi State Export Development (KBSED) Plan

The KBSED Plan seeks to answer four critical questions:

- i. How would Kebbi State sustain itself solely on locally generated non-oil revenues?
- ii. Which goods and services should Kebbi State focus?
- iii. What strategy will generate enough jobs and improve the quality of life within the state?
- iv. How fast can Kebbi State pivot to an export-driven, industrial and formal economy?

The KBSED Plan aims to double non-oil export values within eight years, focusing on sectors like Onion, Shea, Cassava, Groundnut, Sesame, Rice, Bambara nut, Tigernut, Fish, Gold, Talc, etc).

1.4 The International Trading Landscape

The estimated global market for goods and services is US\$18.755 trillion and US\$6.098 trillion, respectively (WTO, 2019). However, the contributions from Sub-Saharan Africa, including Nigeria, are disappointingly minimal (WTO, 2020).

1.4.1 Opportunities in Global Export for Developing Nations

Developing countries have started to gain traction in global exports, especially in manufacturing (UNCTAD, 2020). For Nigeria and Kebbi State, starting with agribusiness and then evolving into manufacturing could provide the needed foothold in the global market (Adeoye, 2018). Major trade routes and regional commerce high-volume international corridors currently do not include Nigeria, making export logistics costly (UNCTAD, 2020)

Product Categories in Developed and Developing Countries

Developed nations primarily export machinery and chemicals, among other products (WTO, 2020). The absence of a high-volume trading corridor means the KBSED Plan needs to target markets with significant buying capacity (Olagunju et al., 2019).

Regional Trade Frameworks

While regional trade is vital for economic growth, Africa's contribution remains below par, at just 12% (African Union, 2021). The AfCFTA agreement presents a golden opportunity for improving these figures, but the KBSED Plan needs to align with it to maximize benefits (African Union, 2021).

The Crucial Role of Non-Oil Exports in Kebbi State

Developing a robust non-oil export sector is fundamental to Kebbi State's economic progress. Initiatives must be put in place to attract foreign investment and support local enterprises (World Bank, 2020).

Local and National Policy Backdrop

Kebbi State's development is facilitated by its own investment and promotion agency, KIPA, established in 2023 with the sole aim of fostering a favorable investment climate.

Organizational Layout of the KBSED Plan

This plan will adhere to a four-section format:

- a. Introductory Remarks and Historical Context
- b. A SWOT and PESTEL Analysis/Enablers and Drivers for the Strategy
- c. Defined Goals, Pillars, Tactical Steps, and Roadmaps/Projects
- d. A System for Monitoring and Evaluating Progress

Economic Impact of the KBSED Plan

This strategy offers a well-researched, feasible approach for transforming Kebbi State's economy through non-oil exports (Adeoye, 2018).

References:

Adeoye, B.W. (2018). Economic Diversification in Nigeria: The Prospects of Agriculture. *International Journal of Advanced Economics*, 2(1), 1-18.

World Bank. (2020). *Agriculture for Development*. Washington, DC: World Bank.

WTO. (2019). *World Trade Statistical Review*. Geneva: World Trade Organization. WTO. (2020). *International Trade Statistics*. Geneva: World Trade Organization.

UNCTAD. (2020). *Trade and Development Report*. Geneva: United Nations Conference on Trade and Development.

African Union. (2021). *Status of Integration in Africa Report*. Addis Ababa: African Union

Case Study 1: Addis Ababa, Ethiopia

Ethiopia, a country located in the Horn of Africa, has been one of the fastest-growing economies in the world. The capital city, Addis Ababa, played a crucial role in this transformation, being the center of economic activities and the industrial hub of the country.

In 2010, Ethiopia embarked on an ambitious Growth and Transformation Plan (GTP) aimed at transforming the country into a middle-income economy by 2025. A key component of the GTP was the development of industrial parks to attract foreign direct investment and promote export-led industrialization.

One of the significant success stories is the Hawassa Industrial Park, located 275 km south of Addis Ababa. The park, which became operational in 2017, is dedicated to the garment and textile sector, a key industry identified by the Ethiopian government for export-led growth. As of 2019, the Hawassa Industrial Park employed over 25,000 people and housed 22 companies from 11 different countries (World Bank, 2019).

The government's efforts in developing the infrastructure and providing incentives for investors contributed to the success of the export-led industrialization strategy. Between 2010 and 2019, Ethiopia's exports of goods and services

increased from \$2 billion to \$3.4 billion, and the share of non-oil exports in total exports increased from 70% to 90% (World Bank, 2020).

References:

World Bank. (2019). Ethiopia Economic Update. Washington, DC: World Bank. World Bank. (2020). World Development Indicators. Washington, DC: World Bank.

Case Study 2: Bangalore, India

Bangalore, the capital city of the Indian state of Karnataka, is known as the "Silicon Valley of India" due to its role as the hub of the information technology (IT) industry in the country. The city's transformation into a global IT hub is a classic example of export-led non-oil economic revolution.

In the 1990s, the Indian government introduced a series of economic reforms that included liberalization of the economy, reducing trade barriers, and encouraging foreign investment. Bangalore, with its skilled workforce, educational institutions, and pleasant climate, became the preferred destination for IT companies and startups.

The government of Karnataka played a proactive role by establishing the Electronics City and International Tech Park in Bangalore, providing the necessary infrastructure and incentives for IT companies to set up their operations. As a result, Bangalore became home to numerous IT companies, both domestic and international, contributing significantly to India's IT exports. In 2019-20, the IT exports from Karnataka accounted for nearly 40% of India's total IT exports, amounting to \$44.5 billion (STPI, 2020).

The success of the IT industry in Bangalore not only contributed to economic growth but also created employment opportunities and led to the development of ancillary industries.

Case Study 3: Shenzhen, China

Shenzhen, a city located in the Guangdong province of China, is a remarkable example of export-led non-oil economic revolution. In 1980, Shenzhen was designated as China's first Special Economic Zone (SEZ) with the aim to attract foreign investment and promote export-oriented industrialization.

The local government implemented a series of reforms that included tax incentives for foreign investors, relaxed regulations, and development of infrastructure. As a result, Shenzhen attracted a significant amount of foreign direct investment and became a manufacturing hub for electronics and other consumer goods.

The success of Shenzhen as an export hub is reflected in its economic growth. In 1980, the GDP of Shenzhen was \$270 million. By 2019, it had grown to \$400

billion, making it one of the most economically dynamic cities in the world (Shenzhen Government, 2020). The export-led growth also resulted in significant social development. The population of Shenzhen increased from 300,000 in 1980 to over 13 million in 2019, and the city transformed from a small fishing village into a modern metropolis with world-class infrastructure and amenities.

Macroeconomic Data - Kebbi State

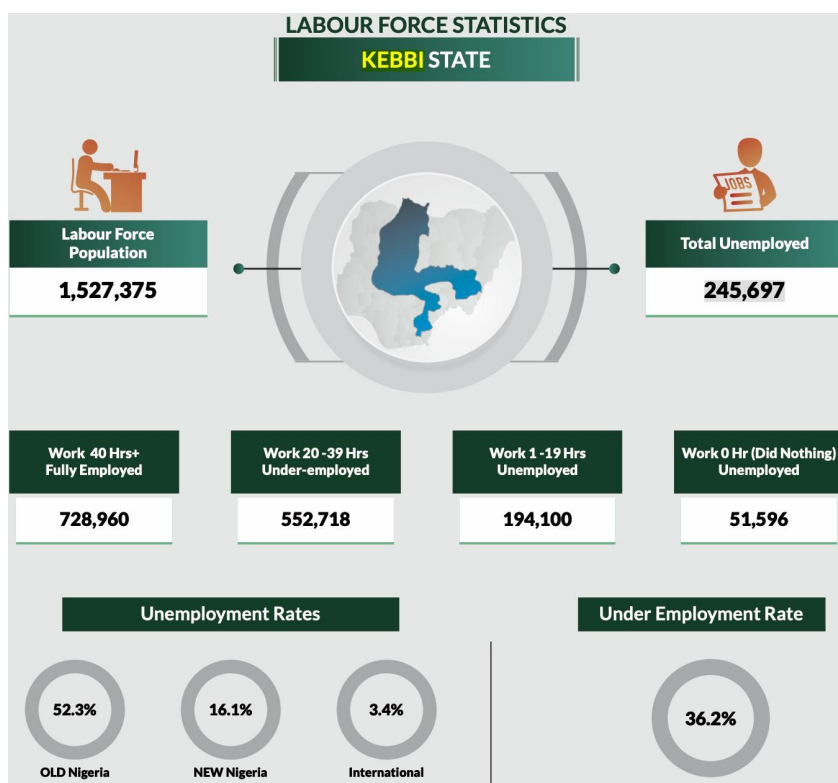
Kebbi State, located in the North Western region of Nigeria, is endowed with a plethora of natural resources, including agricultural produce, Solid mineral resources, water bodies, cross border trade, among others. It is also home to a variety of services, including tourism.

Gross Domestic Product (GDP)

The most recent state GDP data published by the National Bureau of Statistics (NBS) shows that Kebbi has a total GDP of \$2.7 billion. It is, however, important to state that this data was published in 2012, and no recent subnational GDP data has been published by the NBS.

Labour Market Data

The NBS Q2 2020 labour force statistics shows that the State has a labour force of 1,527,375 people out of which 245,697 are unemployed. A highlight of the data is captured below:



Agricultural Exports:

Kebbi State is the largest producer of rice in Nigeria. Other significant agricultural products include shea, groundnut, millet, onion and tigernut fruits. The government of Kebbi State has been making efforts to boost agricultural production by providing support to farmers, including access to credit, improved seedlings, and training on modern farming techniques.

Despite these efforts, the export volume and value of agricultural produce from Kebbi State have faced challenges due to various factors such as inadequate infrastructure, lack of access to international markets, and quality issues.

Mineral Resources:

Kebbi State is rich in mineral resources, including gold, salt, limestone, granite, and kaolin. The government has been making efforts to attract investment in the mining sector by creating a conducive environment for investors. However, the mining sector in Kebbi State is still underdeveloped, and its contribution to the state's export earnings is minimal. The lack of adequate infrastructure, regulatory challenges, and the informal nature of the mining sector are some of the reasons for this situation.

Services:

Tourism is an important sector in Kebbi State, with attractions such as the Argungu Fishing Festivals, Ohola Festival, Hawan Daushe etc. The government has been making efforts to promote tourism by improving infrastructure and marketing the state as a tourist destination. However, the contribution of tourism to the state's export earnings is minimal, as most of the tourists are domestic. Furthermore, online digital services exports have been growing and needs to be formally documented to assist its development. The logistics services sector is booming as goods and services are transported both by road and the river to the South West of Nigeria, as well as Niger and Benin Republic.

In summary, Kebbi State has significant export potential in agriculture, mineral resources, cross border trade, and services. However, inadequate infrastructure, lack of access to international markets, quality issues, and regulatory challenges have hampered the growth of exports from the state. Efforts are needed to address these challenges and realize the full export potential of Kebbi State.

References:

Nigerian Export Promotion Council. (2018). Export Guide. Abuja: Nigerian Export Promotion Council.

The Necessity of the KBSED Plan for a Sustainable Future

KBSED Plan is a fundamental initiative designed to transform the economy of Kebbi State into a sustainable, inclusive, and prosperous one. It aims to exponentially increase production across various sectors, strengthen the necessary infrastructure, and facilitate the entrance of products into international markets. The comprehensive nature of the plan ensures widespread impact across numerous dimensions of the Kebbi State economy, with the following anticipated outcomes:

1. **Robust Trade Balance, Resilient Currency** – An upsurge in foreign exchange earnings will enhance the trade balance of Kebbi State and fortify the Naira, thereby contributing to economic stability and boosting investor confidence.
2. **Reinforced Public Finances** – The expansion of real sector output will stimulate economic activity and solidify the government’s fiscal standing, enabling increased investment in public services and infrastructure.
3. **Job Creation, Skill Development, and Enhanced Quality of Life** – The plan is structured to generate a ripple effect of employment opportunities due to the growth in national output. Export-led employment will lead to the development of skills, wage growth, and, consequently, a significant improvement in the overall quality of life for the residents of Kebbi State.
4. **Strategic Sovereign Relationships** – The KBSED Plan will reposition Kebbi State’s regional and international bilateral relationships with a specific focus on expanding market access for goods produced within the state.
5. **Real Sector Output Growth** – The strategy will lead to a rapid escalation in the output of key products, including agro-products, manufactured goods, solid minerals, and oil and gas derivative products. It sets output targets for strategic sectors over the next 5 to 10 years, which will be closely tracked and monitored.
6. **Enhanced Competitiveness** – The plan advocates for reducing operating costs within the real sector, which is crucial for Kebbi State to operate at the lower end of the global cost curve for key products and to successfully sell its goods at globally competitive prices by addressing power, freight, and shipping constraints.
7. **Economic Inclusivity** – The plan will facilitate the economic integration of adjacent industries as well as micro, small, and medium enterprises (MSMEs), thereby promoting inclusivity and broad-based growth.
8. **Increased Investments** – The KBSED Plan will catalyze both domestic and foreign investments in Kebbi State, supporting output growth and providing viable channels for the modernization of the state’s financing markets. Capital will be strategically allocated across the export value chain, including processing plants, agricultural fields, and associated infrastructure, to ensure holistic development and sustainable growth.

The timely implementation of the KBSED Plan is crucial for the sustainable development of Kebbi State, creating a resilient economy characterized by increased job opportunities, wealth creation, and an improved quality of life for all its inhabitants.

CHAPTER 2: Context of Kebbi State: SWOT AND PESTEL Analyses

Historical Background

Natural Resources: Kebbi State is blessed with fertile soil suitable for agriculture and animal rearing. The state is Nigeria's largest producer of Rice, 2nd Largest in shea and among the largest producers of other crops which include soya, millet, sesame, tiger nut, bambara nut and groundnut.

Mineral Resources: Minerals found in the state include gold, quartz sand, clay, granite, limestone, talc, kaolin, coal, columbite rock and tin.

Tourism: Tourist attractions includes Argungu Fishing Festival, Ohola Festival in Zuru, Hawan Daushe in all the Emirates etc.

Geopolitical Context: Kebbi State is divided into 4 Emirate Councils (Gwandu, Argungu, Yauri and Zuru)

Administrative Divisions: The state comprises 21 Local Government Areas, with elected Chairmen as political leaders.

Politics and Government: The state government is led by a democratically elected executive governor, serving a maximum of two four-year terms. He is assisted by the deputy governor and members of the House of Assembly.

Economy: Kebbi State's economy is diversified, with a considerable focus on agriculture, manufacturing (rice milling and others.), and mining (Gold, limestone, etc. However, agriculture is the largest contributor to the state's revenue and the backbone of its economy with trading of goods and services to neighbouring countries coming a distance second.

The agricultural sector in Kebbi State employs the majority of the population, especially in rural areas. Key agricultural products include Groundnut, cassava, rice, maize, guinea corn, beans, sweet potatoes, and vegetables. Fishery and livestock farming also play an essential role in the local economy.

Infrastructure: Kebbi State has a relatively well-developed infrastructure network, with a network of federal, state, and local roads connecting its towns and cities. . There is also an airport, the Abdullahi Fodio Airport, which facilitates the movement of goods and people to and from the state.

Education: Kebbi State is one of the most educationally advanced states in Northern Nigeria, with a high literacy rate. The state has numerous primary and secondary schools, both public and private. Tertiary institutions include Federal University, Kalgo, Kebbi State University of Science and Technology, Alieru; Rayhann University, Birnin Kebbi, Federal University of Agriculture, Birnin Kebbi and Waziri Umaru Polytechnic, Birnin Kebbi These institutions play a vital role in the education and training of the youth of the state (Kebbi State Government).

Demographics: As of 2006, the population of Kebbi State was 3,460,877, with a near-equal split between males and females. The majority of the population is Hausa, speaking with Fulani, Dakarkari, Dukkawa and others. There is also a significant Muslim population, with smaller Christian and traditional religious communities. The state has a relatively young population, with a significant proportion under the age of 30 (National Bureau of Statistics, 2006).

References:

National Bureau of Statistics. (2006). Population Census. Retrieved from nigerianstat.gov.ng

SWOT ANALYSIS

Strengths

Vast Solid Mineral Resources: Kebbi is home to a significant quantity of solid minerals, including Gold, Kebbi State is also endowed with largely untapped solid minerals, including precious stones, manganese, gypsum, limestone, coal, clay/kaolin, marble, granite, bitumen, and silicates.

Abundant Fertile Land: With ... million hectares of cultivable land and ... million cubic meters of surface water, Kebbi State has immense potential for irrigation farming all year round which will lead to support the growth of exportable cash crops like Sesame, Soya, Ground nut, Spices and Other staple crops, such as Onion, Millet, Spices and fruits, also flourish in most regions.

Strategic Location: Kebbi State has direct access to many ECOWAS countries, enabling strategic access to the African markets.

Large Domestic Market: With a population approaching 200 million, Nigeria ranks as the world's seventh-largest country, offering a large, rapidly expanding, and youthful captive market. This demographic makes investment in Kebbi State attractive as a gateway to the continent and beyond.

Efficient and Cost-effective Workforce: kebbi State has capable workforce and with competitive wages, the youths will be put into good use.

Competitive Advantage in Services Exports: The rapidly growing export services sector of Kebbi State significantly contributes to Nigeria's expanding leadership in Africa in this field.

Weaknesses

Compliance with Quality and Standards: Despite successes in exporting Onion and other commodities, meeting the quality and standards of target markets remains a challenge.

An estimated 15% of Nigerian food and agro- products exported from Nigeria and ECOWAS are rejected at the borders of Europe, America, and Asia for not conforming to the required standards.

Although the Standards Organization of Nigeria (SON) and National Agency for Food and Drug Administration and Control (NAFDAC) have made progress in controlling the quality of exported products, enhanced coordination between public and private sectors is necessary to strengthen this area.

Deficit in Infrastructure: Infrastructure is essential for economic development. Most developed and developing countries have infrastructure stock equivalent to 70% of their GDP, whereas Nigeria's infrastructure stock ranges between 20% and 25% of GDP. This inadequate infrastructure undermines operating competitiveness, a critical aspect of international exports markets. Kebbi State must identify and prioritize infrastructure needed for export purposes, package and accelerate its development, making export infrastructure programs affordable, feasible, and attractive to private sector concessionaires. This includes transport corridors, key port facilities, and production hubs.

Lack of Export Aggregators: The current non-oil export value chain lacks efficient and qualified aggregators, causing farmers to struggle to find credible offtakers, leading to waste, inconsistent production, and expansion inability. This challenge is exacerbated by the limited information available to farmers and miners about market prices, and where and to whom to sell their output. Additionally, there is a significant lack of reliable export logistics facilities (e.g., warehouses) and logistics providers, resulting in high market volume volatility, fluctuating between glut and scarcity. Large-scale market aggregators (public or private) will 'make markets' and provide physical and virtual locations to facilitate specific products' trade for exports. Strong collaboration with the NCX will address these weaknesses.

Low Output in Real Sector: The overall output of the real sector is low. Most provinces export surplus production after meeting local market demands. Kebbi State requires radical agricultural, trade, and investment policy reforms to accelerate real sector output growth in agriculture, solid minerals, manufacturing, and oil & gas industrial activities. The State has already initiated this process.

Insufficient Export Financing: High finance costs, short funding durations, and low appetite (and understanding) for export finance hinder the growth of the export sector. The country's Export Credit Agency (NEXIM) is significantly undercapitalized, while commercial banks possess more expertise and know-how in import finance than export finance. Additionally, real sector finance in Nigeria faces several structural issues, including low commercial bank assets to GDP, low stock market capitalization, and high interest rates.

Poor Export Market Intelligence and Know-How: Export market intelligence, especially for MSMEs in Nigeria, is relatively low. Many exporters struggle with basic areas: Where to source products cheaply? Who to sell products to? Where are the credible offtakers? How to package goods for

exports and meet foreign requirements? For many small business exporters, this information is often too expensive to develop or obtain. The Kebbi State Exporters Cluster Association, developed by SCEP and the NEPC, addresses this challenge by providing business development services to its members.

Opportunities

Transition to Low-Tech High-Volume Goods: Rising cost pressures in major emerging economies, such as China, are increasingly leading to the transfer of certain low-cost production to smaller economies. The COVID-induced supply side shocks and the subsequent shortening of supply chains are driving low-end production relocation to African countries, where production and export can be more competitive.

Utilizing Competitive and Comparative Advantages: Kebbi State has significant comparative advantages in agriculture, solid minerals, manufacturing, and services, providing a solid platform to produce low- and high-tech high-volume goods.

Penetrating High-Growth, High-Value Markets: Nigeria has an opportunity to further penetrate higher-value markets, such as processed food products, textiles, and garments. To succeed in these markets, there is a need to develop products with higher value-added, with a focus on meeting global quality and standards. Similarly, with the significant expansion of ICT connectivity and the subsequent increase in exportable services, there is an opportunity to export services in various sectors, including healthcare, education, finance, and entertainment. Building the required capacity to tap into these markets will lead to increased foreign exchange earnings for the state.

Expanding Market Access through Trade Agreements: The African Continental Free Trade Area (AfCFTA) presents a unique opportunity to expand market access for Nigerian products. This agreement will create the largest free trade area in the world, joining 55 African countries into a single market of 1.3 billion people. The Nigerian government, through the Nigerian Export Promotion Council (NEPC), is investing in building the capacity of exporters to take advantage of this opportunity.

Utilizing the Diaspora Network: The Nigerian diaspora, particularly in the United States, the United Kingdom, and the European Union, presents an opportunity to expand market access for Nigerian products. Efforts are being made to develop diaspora-focused marketing campaigns to increase the export of Nigerian products to these regions.

Threats

Geopolitical Uncertainties: The global geopolitical landscape is currently uncertain, with an increased incidence of protectionist policies, economic

sanctions, and trade barriers. These uncertainties pose a significant threat to Nigeria's export ambitions.

Reliance on Primary Commodities: The bulk of Nigeria's non-oil exports are primary commodities, making it vulnerable to price volatility in the global market. There is a need to diversify the export basket to include more value-added products to mitigate this risk.

Foreign Exchange Volatility: The volatility of the Nigerian Naira is a significant concern for exporters. The Central Bank of Nigeria (CBN) has put in place various policies to manage foreign exchange risks, but the situation remains precarious. There is a need for a more stable and predictable exchange rate regime to boost exporter confidence.

Climate Change and Environmental Risks: Climate change poses a significant threat to the agriculture sector, the backbone of Kebbi economy. There is a need for concerted efforts to build resilience in the agriculture sector to mitigate the impacts of climate change.

Competition from Other Emerging Markets: Other emerging markets, such as Vietnam and Bangladesh, are aggressively penetrating global markets, especially our state trading partners of Niger and Benin Republics posing a significant threat to not only Kebbi but Nigeria's export ambitions. There is a need for a more targeted and strategic approach to market penetration to overcome this challenge.

Inadequate Infrastructure and Regulatory Barriers: The inadequate infrastructure and regulatory barriers in Nigeria are significant obstacles to the growth of the export sector. There is a need for a more focused approach to address these challenges and create an enabling environment for export growth.

References:

Central Bank of Nigeria (CBN)

National Agency for Food and Drug Administration and Control

(NAFDAC) Nigerian Export Promotion Council (NEPC)

Standards Organization of Nigeria (SON) African

Continental Free Trade Area (AfCFTA)

PESTEL ANALYSIS

A PESTEL analysis for Kebbi State with respect to export value chains will cover the Political, Economic, Social, Technological, Environmental, and Legal factors that impact the region.

Political:

Geopolitical Uncertainties: The global geopolitical landscape is uncertain, with an increased incidence of protectionist policies, economic sanctions, and trade barriers which pose a significant threat to Kebbi State's export ambitions.

Trade Agreements: The African Continental Free Trade Area (AfCFTA) presents an opportunity to expand market access for Kebbi State products. • **Government Support:** The Nigerian government, through the Nigerian Export Promotion Council (NEPC), is investing in building the capacity of exporters.

Economic:

Foreign Exchange Volatility: The volatility of the Nigerian Naira is a significant concern for exporters in Kebbi State. A more stable and predictable exchange rate regime is required to boost exporter confidence.

Competition from Emerging Markets: Other emerging markets, such as Vietnam and Bangladesh, pose a significant threat to Kebbi State's export ambitions. • **Export Financing:** High finance costs, short funding durations, and low appetite (and understanding) for export finance hinder the growth of the export sector in Kebbi State.

Social:

Demographics: With a rapidly expanding and youthful population, Kebbi State offers a large captive market.

Diaspora Network: The Nigerian diaspora presents an opportunity to expand market access for Kebbi State products.

Workforce: Nigeria has an efficient and cost-effective workforce, which is a key attraction for investors and exporters in Kebbi State.

Technological:

ICT Connectivity: The significant expansion of ICT connectivity increases the opportunity to export services in various sectors, including healthcare, education, finance, and entertainment from Kebbi State.

Lack of Export Market Intelligence: Many exporters struggle with basic areas such as sourcing products cheaply, finding credible offtakers, packaging goods for exports, and meeting foreign requirements.

Environmental:

Climate Change: Climate change poses a significant threat to the agriculture sector, the backbone of Kebbi State's non-oil exports.

Natural Resources: Kebbi State is home to vast energy resources and untapped solid minerals, which provides immense potential for the development of various export industries.

Legal:

Compliance with Quality and Standards: Meeting the quality and standards of target markets remains a challenge for Kebbi State exporters. Enhanced coordination between public and private sectors is necessary to strengthen this area.

Regulatory Barriers: Inadequate infrastructure and regulatory barriers in Nigeria are significant obstacles to the growth of the export sector in Kebbi State.

In conclusion, Kebbi State has vast potential for growth in its export value chains, given its abundant natural resources, strategic location, and large domestic market. However, there are significant challenges that need to be addressed, including geopolitical uncertainties, foreign exchange volatility, competition from other emerging markets, climate change impacts, and compliance with quality and standards. A strategic approach that addresses these challenges and leverages the opportunities will be key to unlocking the potential of Kebbi State's export value chains.

CHAPTER 3: ENABLERS FOR THE STRATEGY

Drivers and Enablers for the Strategic Growth and Development of Non-Oil Exports from Kebbi State

Kebbi State, located in the North western region of Nigeria, is embracing a visionary approach to economic development by focusing on the strategic growth of its non-oil export sector. This comprehensive report delves into the multifaceted drivers and enablers that are propelling Kebbi State's journey towards export- led growth and diversification. From ambitious infrastructure projects to cutting- edge technologies and forward-thinking policies, Kebbi State is strategically leveraging a range of factors to drive its export- oriented agenda and chart a course towards sustained economic prosperity.

Kebbi State Investment Promotion Agency: A Gateway to Industrialization and Export Expansion:

The newly established agency stands as a pivotal driver of industrialization and export expansion in Kebbi State. This is set to revolutionize trade by providing a direct and efficient link to global markets. The Agency strategic action plan along with the State Committee on Export Promotion synergy will facilitate high level of business in the state.

It will serve as a catalyst for industrialization by attracting foreign direct investment and stimulating local manufacturing, it will enhances the ease of doing business, encouraging both domestic and international investors to set up industries in the state. As industries flourish, job creation accelerates, leading to improved livelihoods and economic growth.

Furthermore, Kebbi State position as the quickest route to many ECOWAS countries will make it a hub for Mainstreaming of Informal Export.

The New Nigeria Electricity Act: Empowering Industries and Enhancing Competitiveness:

The enactment of the New Nigeria Electricity Act is a significant enabler of Kebbi State's strategic growth in non-oil exports. Access to reliable and uninterrupted power supply is pivotal for industrialization, production, and value addition. The new act addresses historical energy constraints, promotes private sector participation, and encourages investments in renewable energy sources. This regulatory overhaul ensures a stable power supply, providing industries with the energy resources necessary to enhance productivity and innovation.

The availability of consistent and affordable electricity fosters a conducive environment for export- oriented industries. Manufacturers can operate at optimal capacity, utilizing advanced technologies and production processes. This empowers businesses to meet international quality standards, increase output, and gain a competitive edge in global markets. The New Nigeria Electricity Act,

therefore, plays a pivotal role in elevating Kebbi State's non-oil export capabilities and positioning it as a hub of industrial growth.

The Nigeria Agricultural Transformation Agenda: Diversification and Export Enhancement:

Kebbi State's alignment with the Nigeria Agricultural Transformation Agenda reinforces its commitment to diversifying the agricultural sector and propelling non-oil exports. The agenda focuses on crop diversification, agro-processing, value addition, and technology-driven agricultural practices. By enhancing productivity, sustainability, and efficiency, the state contributes not only to export-oriented development but also to food security, rural development, and poverty reduction.

The emphasis on agro-processing and value addition is particularly noteworthy. Kebbi State aims to transform raw agricultural products into higher-value commodities, thereby capturing a larger share of export revenues. By modernizing processing techniques and adhering to international quality standards, the state creates a pathway for its agricultural products to compete in global markets. This alignment with the Nigeria Agricultural Transformation Agenda is pivotal in elevating Kebbi State's non-oil export potential and fostering inclusive growth.

African Continental Free Trade Agreement (AFCFTA): Seizing Regional and Global Opportunities:

Kebbi State's active participation in the African Continental Free Trade Agreement (AFCFTA) positions it as a key player in regional and global trade dynamics. This landmark agreement aims to create a single market within Africa, fostering economic integration, reducing trade barriers, and facilitating market access. Kebbi State's strategic location, coupled with its diverse exportable products, enables it to harness the immense potential of the African market while simultaneously expanding its exports to international partners.

By leveraging the AFCFTA, Kebbi State can establish itself as a trade and manufacturing hub. The removal of trade barriers enhances the state's access to regional markets, enabling exporters to scale their operations and diversify their customer base. Additionally, the agreement provides a platform for Kebbi State to forge strategic partnerships with other African nations, facilitating knowledge exchange, technology transfer, and value chain integration.

Technological Enablers: AI and Blockchain Revolutionizing Non-Oil Exports:

Kebbi State's embrace of cutting-edge technologies, such as Artificial Intelligence (AI) and blockchain, underscores its commitment to innovation and competitiveness. AI-powered solutions offer real-time insights into market trends, consumer preferences, and demand fluctuations. This data-driven approach empowers exporters to make informed decisions, optimize supply chains, and tailor their products to meet evolving market demands.

Blockchain technology, renowned for its transparency and security, has the potential to revolutionize the non-oil export sector. By ensuring traceability, authenticity, and accountability across the export value chain, blockchain builds consumer trust and supports ethical and sustainable practices. Kebbi State can leverage blockchain to provide verifiable information about product origins, production processes, and adherence to international standards, thereby enhancing its market reputation and capturing discerning consumers seeking high-quality and ethically sourced products.

Global Sustainability Measures: From Compliance to Competitive Advantage:

Kebbi State's commitment to global sustainability measures is a testament to its forward-thinking approach and responsible business practices. In an era marked by heightened environmental consciousness, sustainability transcends regulatory compliance to become a competitive differentiator. By adopting eco-friendly practices, minimizing waste, and adhering to international environmental standards, Kebbi State enhances the marketability of its non-oil export products.

Sustainability is no longer a niche concept; it is a pivotal driver of consumer preferences and market access. Kebbi State's dedication to global sustainability trends positions it as a responsible and trustworthy exporter. Businesses that embrace sustainability measures gain a competitive edge by appealing to conscientious consumers, meeting the criteria of eco-conscious markets, and aligning with international sustainability goals.

New Trade and Investment Policies: Navigating the Path to Export Success:

Kebbi State's strategic approach to trade and investment policies creates an enabling environment for non-oil export growth. By streamlining regulations, reducing bureaucratic hurdles, and offering incentives to exporters and investors, the state fosters an atmosphere conducive to business expansion. This policy framework instills confidence among stakeholders, stimulates innovation, and attracts both local and foreign investments, thereby strengthening the export ecosystem.

The state's commitment to trade facilitation and investment promotion is evident in its efforts to create a business-friendly environment. Transparent and efficient procedures attract investments, enable faster market entry for exporters, and ensure compliance with international trade standards. Kebbi State's new trade and investment policies serve as a bridge connecting local industries to global markets, driving export growth and positioning the state as an attractive destination for trade and investment.

Kebbi State's journey towards the strategic growth and development of non-oil exports is a testament to its resilience, innovation, and forward-thinking approach. The convergence of drivers and enablers, from transformative infrastructure projects to advanced technologies, policy reforms, and sustainability measures, positions Kebbi State on a trajectory of sustained

economic prosperity. The state's commitment to export-led growth, industrialization, and diversification underscores its role as a dynamic player in the global trade arena.

By harnessing the potential of the newly approved Kebbi Deep Sea Port, leveraging the benefits of the New Nigeria Electricity Act, embracing the opportunities presented by the Nigeria Onion Development Plan, and aligning with the Nigeria Agricultural Transformation Agenda, Kebbi State sets the stage for exponential non-oil export growth. The state's participation in the AFCFTA further amplifies its market reach and potential, while technological enablers like AI and blockchain enhance its competitiveness and credibility.

As Kebbi State navigates the complexities of global trade, its dedication to global sustainability measures and its progressive trade and investment policies solidify its position as an exporter of choice. The confluence of these multifaceted drivers and enablers paints a promising picture of Kebbi State's future— a future characterized by innovation, resilience, and sustainable growth through non-oil exports.

Prioritized Non-Oil Export Commodities - Rice, Shea, Soya, Sesame, Ground nut, Tiger nut, Onion, Beans, Millet and Cassava

Introduction: In the pursuit of strategic growth and development of non-oil exports, Kebbi State has identified Ten key commodities as priorities. This chapter delves into the justifications behind the selection of these commodities and outlines a comprehensive strategy for their growth. By aligning with the seven pillars of the export strategy, namely access to finance, infrastructure development, market expansion, quality enhancement, production augmentation, value addition, institutional strengthening, and policy framework, Kebbi State aims to project a compelling trajectory for the next 10 years in terms of production and revenue growth.

Justifications for Selection of OSOP Products:

Onion: Onion holds a venerable legacy in Kebbi State's history, making it a logical priority for strategic growth. The state has the natural advantage of climate and soil conducive to Onion cultivation. Furthermore, the global demand for high- quality Onion remains steadfast due to its applications in the confectionery and beverage industries. By focusing on Onion, Kebbi State capitalizes on its existing strengths to not only boost its exports but also reestablish itself as a premium Onion producer, commanding higher prices and contributing to the state's revenue.

Shea: Shea is another strategic priority due to its versatile applications in food processing, cosmetics, and biodiesel production. Kebbi State's vast Shea plantations position it as a potential major contributor to Nigeria's palm oil production. By prioritizing Shea, the state can cater to the growing domestic and

international demand for sustainable and ethically sourced palm oil. Additionally, value addition initiatives like refining and processing can amplify the state's revenue and foster job creation.

Projected Production and Revenue Growth:

Onion: Leveraging the seven pillars of the export strategy, Kebbi State aims to enhance Onion production through improved cultivation practices, farmer training, and the adoption of quality standards. With targeted interventions, it is projected that Onion production will increase by 20% over the next 10 years. This growth, coupled with premium quality, is anticipated to boost Onion export revenues by 25% annually.

Shea: Kebbi State's commitment to value addition and sustainable practices is expected to result in a 15% growth in Shea production over the next decade. By refining and processing palm oil locally, the state aims to capture higher margins and contribute to the growth of the industrial sector. This initiative is projected to lead to a 30% annual increase in Shea export revenues.

CHAPTER 4: PILLARS OF KBSED

Purpose and Goals

The Kebbi State Export Strategy (KBSED) is the inaugural comprehensive roadmap of Kebbi State to broaden and industrialize its economy via international trade in non-oil exports. Structured as a decade-long plan, it is aligned with National Strategy imperatives like the National Union Development Plan (NCDP) 2023-2032 and aims to expedite the growth of non-oil exports. This strategic shift for Kebbi State is anticipated to fuel economic expansion, job creation, enhancement of living standards, and maintenance of macroeconomic stability. The strategy will amplify production in crucial economic sectors where Kebbi State can secure significant foreign revenue, generate employment, and foster inclusive, enduring prosperity.

This strategic document acknowledges both global and national trade promotion policies. In today's interconnected world, events in one region can have repercussions worldwide. Consequently, policy makers must consider potential obstacles to exportation and the smooth transit of state products in international markets. This necessitates a comprehensive analysis of the political, economic, social, technological, environmental, and legal conditions of the state to ensure seamless production and exportation of its non-oil resources. At the national level, Nigeria has experienced continuous democratic transitions since the inception of the fourth republic in 1999. However, its GDP has persistently declined. A remedy to this downturn lies in diversifying the national economy by promoting the exportation of non-oil products from all 36 states. Similarly, the political climate of Kebbi State has consistently facilitated policy growth across sectors. Nonetheless, the abundant agricultural and mineral resources of Kebbi State necessitate a proactive approach and a strategy to optimize products to meet international standards.

The primary objectives of the KBSED plan encompass: Generating a minimum of US\$2 billion in annual foreign revenue. Creating a minimum of 100,000 new jobs annually, exclusively from non-oil exports. Elevating at least 1 million individuals out of poverty. **Distinctiveness of the KBSED Plan**

The plan delineates a framework to sustainably develop the Non-Oil sector. It is the first state-level agenda in Nigeria aimed at economic advancement through exports, offering a detailed roadmap to enhance production and penetrate multiple markets. The uniqueness of the plan is manifested in four aspects:

Targeted & Intentional – The plan methodically assesses the sectoral strengths of Kebbi State, pinpointing priority sectors through which it can potentially generate up to US\$4 billion annually by 2032, in line with the 10-year NCDP for

its flagship product, Onion. It strategically identifies target markets for Kebbi's priority products and offers guidance on resource allocation for export.

Production-Driven – The plan outlines a pathway to significantly escalate production across agriculture, manufacturing, solid minerals, and the downstream petroleum sector. Sustainable increases in real sector output are essential for export, as only produced goods can be exported. The Zero Oil plan delineates specific mechanisms to drive sustainable increases in real sector output.

Outcome-Oriented – The plan sets definitive, measurable goals and targets. (iv) Integrated - Developed by SCEP, the plan incorporates lessons from previous policy initiatives in export-led economies. Successful coordination between government Ministries, Departments, and Agencies (MDAs) and the private sector is pivotal for success, as demonstrated by other countries. The plan is also congruent with existing economic plans of the Nigerian administration.

The plan LED BY THE Ministry of Commerce and Cooperative Services in partnership with Kebbi State Investment Promotion Agency will synergize with the activities and efforts of key ministries, including:

Ministry of Agriculture and Rural Development, Ministry of Solid Minerals,
State Coordinating Office, Nigerian Export Promotion Council

The KBSED Structure

The structure is anchored on eight strategic pillars:

“KBSED” Export sectors “KBSED”

Markets “KBSED” Sourcing

“KBSED” Value-Addition

“KBSED” Finance & Incentives

“KBSED” Physical and Quality Infrastructure “KBSED”

Institutional and Regulatory Framework “KBSED” Monitoring and Evaluation

These pillars are further delineated into specific thrusts for program execution.

“KBSED” Goods and Services Export Sectors

This pillar identifies the priority export sectors of Kebbi, which have the potential for exponential growth due to the size of global markets. These are categorized into Categories-A and B.

Category A: Major Revenue Generators. This category comprises sectors with the highest potential to contribute significantly to non-oil export income. These

sectors are heavily traded internationally, and Kebbi has the capacity to scale up. It includes five strategic export products, for which Kebbi aims to capture majority percentage in the ECOWAS Subregion which is Onion, Groundnut, Sesame, Soya, Rice, Tigernut and Shea.

Services Exports: Service exports are a crucial component of global export markets. While global goods exports are estimated at US\$20 trillion annually, service exports are estimated at US\$4.7 trillion annually. Countries like India and other emerging markets have capitalized on service exports (e.g., technology and call centers) to fuel their economic growth.

This pillar acknowledges the importance of service exports, focusing on identified priority subsectors based on market size, inclusivity, ease of entry, MSME friendliness, and other criteria. It also includes a separate roadmap of thrusts/projects developed by the NEPC in collaboration with international partners and key stakeholders of subsectors. The Kebbi Deep Sea Port and International Airport are anticipated to attract substantial investments in logistics, infrastructure, and industrial production over the 10-year duration of the KBSED plan.

“KBSED” Markets

The markets pillar identifies target export markets from which Kebbi can secure sustainable foreign exchange. Approximately 60 percent of non-oil products are exported to Asia and Europe, particularly India and the United Kingdom. The plan proposes the expansion and diversification of export markets from ECOWAS countries to identifying 20 large economy countries with the highest potential to purchase our high-priority export products. The plan also underscores an “Export to Africa” initiative under the AFCFTA to strategically deepen product penetration into the \$2.3 billion African market. This pillar covers specific initiatives to open these markets and generate off-takes for these products.

“KBSED” Sourcing

The sourcing pillar outlines a framework to augment the production of strategic export products. Sectoral policy decisions of other MDAs and the Federal Government are crucial for this pillar. It sets production targets to ensure KBSED achieves its total non-oil value target, highlighting the investments, capacity, and effort required for each priority sector. This pillar also addresses export logistics by identifying essential transport corridors to move goods to ports. The establishment of Export aggregators and Common Facility Centers, as well as anticipated reforms within the Nigerian Commodities Exchange, are part of this pillar.

“KBSED” Value-Addition

The value-addition pillar focuses on increasing the added value of priority export products. While most non-oil exports are currently in raw form, this pillar

emphasizes processing and manufacturing to secure higher revenues. Besides, Nigeria, and Kebbi specifically, is plagued by power deficits. This pillar addresses the problem of access to reliable power, proposing initiatives that will attract investments in renewable energy sources. This pillar also includes specific thrusts on power, for example, the establishment of off- grid power systems.

“KBSED” Finance & Incentives

Finance is a critical factor for the success of any export initiative. The finance and incentives pillar provides a framework for funding exports, specifically aimed at the needs of MSMEs. This pillar underscores the significance of specific funding solutions that address the unique needs of MSMEs, including export development funds and export grants.

“KBSED” Physical and Quality Infrastructure

The physical and quality infrastructure pillar outlines initiatives to augment and enhance the quality of infrastructure necessary for exports. This includes construction of Domestic Export Warehouses, Trailer Parks, etc at Border exit points, International Airport, and the Kebbi industrial park. It addresses initiatives to facilitate access to these infrastructures and sets the benchmark for other infrastructural projects that will spur economic growth and job creation.

“KBSED” Institutional and Regulatory Framework

This pillar recognizes the necessity for a well-structured institutional and regulatory framework to facilitate exports. It identifies barriers and obstacles faced by exporters and proposes solutions to ease export procedures, streamlining regulatory processes for ease of doing business. It also underscores the importance of partnerships with key stakeholders, private sector institutions, and non-governmental organizations. The plan aims to strengthen the capacity of institutions responsible for export-related activities, ensuring they are well- resourced, and can adequately address the challenges faced by exporters.

“KBSED” Monitoring and Evaluation

Monitoring and evaluation are crucial for the successful implementation of the KBSED plan. This pillar underscores the significance of continuous oversight of the KBSED plan, which involves tracking progress, identifying challenges, and implementing corrective measures when necessary. The plan includes a comprehensive dashboard for continuous monitoring, evaluation, and review. This pillar highlights the importance of regular assessments, annual reviews, and mid-term evaluations to measure the success of the KBSED plan and adjust strategies accordingly.

Implementation Strategy

The KBSED plan is a comprehensive, structured roadmap for the sustainable development of Kebbi’s non- oil export sector. It aims to generate significant

foreign revenue, create new jobs, and elevate people out of poverty. The implementation strategy of the KBSED plan is structured into three phases:

Phase 1: Quick Wins This phase focuses on leveraging the existing infrastructure, value chains, and export initiatives for immediate results. The quick wins phase aims to secure early successes and build momentum for the full implementation of the KBSED plan.

Phase 2: Sustained Growth The sustained growth phase focuses on building the capacity of the identified priority sectors, facilitating the growth of MSMEs, and ensuring the effective implementation of proposed initiatives. This phase emphasizes the development of infrastructure and the promotion of strategic partnerships for the success of the KBSED plan.

Phase 3: Long-Term Development The long-term development phase focuses on strengthening the established capacity and infrastructure and fostering a competitive export sector. This phase aims to ensure the sustainability of the KBSED plan by focusing on the development of a competitive, sustainable export sector.

The three-phase implementation strategy ensures a structured, strategic approach to the development of Kebbi's non-oil export sector. This approach will facilitate the achievement of the strategic goals of the KBSED plan and ensure its long-term sustainability.

Monitoring and evaluation of the KBSED plan are crucial for its success. A comprehensive dashboard will be developed to track progress continuously, identify challenges, and implement corrective measures when necessary. Regular assessments, annual reviews, and mid-term evaluations will be conducted to measure the success of the KBSED plan and adjust strategies accordingly. Key performance indicators (KPIs) will be established for each strategic pillar and thrust of the KBSED plan. These KPIs will serve as a benchmark for measuring the success of the plan and identifying areas for improvement. Regular reporting to stakeholders, including the government, private sector, and non-governmental organizations, will ensure transparency and accountability in the implementation of the KBSED plan.

CHAPTER 5: PILLAR 1 - KBSED SECTORS

Criteria for Selecting KBSED Sectors

The KBSED Plan targets "Big Ticket" export items, categorized as Category-A products, based on three main criteria:

Criteria 1: Kebbi International Trade Volume of the Product/Sector (i.e., financial value)

Selected priority sectors are highly liquid and actively traded on international markets, facilitating buyer acquisition and capacity addition without disrupting market structures. • Insufficiently traded products will not generate adequate income for Nigeria as small financial values of exports do not yield enough foreign exchange.

Criteria 2: Ease of Operating in the Sector (i.e., degree of complexity)

Priority sectors in the plan have relatively straightforward business models and technological requirements. The ease of investment and operation influences the speed of production scale-up in Nigeria, considering investment size, required technology level, and supply chain complexity. • Less complex sectors will expedite export diversification.

Criteria 3: Comparative Advantages within Kebbi

Priority sectors leverage Kebbi's natural resources and capabilities. These sectors utilize Nigeria's natural endowments and include areas with a strong historical or legacy presence. Over 200 products/sectors were evaluated using these criteria with a weighted index.

Category-A Products ("Big Ticket" items)

Products were prioritized using Criteria 1 to 3, resulting in a list of top non-oil products under the NEPC Zero Oil plan:

- i. Onion
- ii. Shea
- iii. Rice

These products are best positioned to help achieve the financial goals of the plan

Rice

The global Rice trade volume exceeds US\$20 billion annually. The top exporters are India, Thailand, and Vietnam. Demand for rice is expeease due to population growth, especially in Africa and Asia. It is projected that by 2030, the global rice consumption will reach 500 million tons, up from 439 million tons in 2016. Current Status in Nigeria: Nigeria is one of the world's largest rice importers, despite having suitable land for rice cultivation. The Nigerian government has initiated several policies and programs to support local rice production, including

the Anchor Borrowers' Program, which provides low-interest loans to rice farmers. Key Facts: • Rice is a staple food for over half of the world's population. • Nigeria has the potential to be a significant player in the global rice market, given its vast arable land and water resources. Why Export from Nigeria? Exporting rice can contribute to food security, income for small-scale farmers, and foreign exchange earnings for Nigeria.

Onion

Onion Industry: The international trade of Onion beans and its intermediate products (Onion powder, liquor, and butter) is valued at about US\$20 billion annually. Onion beans constitute 50 percent of the combined traded value. Roughly 3 million metric tons of Onion are produced each year, with Africa, Asia, and Latin America being the primary Onion-producing regions. Africa accounts for 70 percent of the global Onion production, with Ivory Coast being the largest producer, contributing 33 percent of the world's output. Chocolate production is the primary use of Onion and its derivatives. The growing global demand for chocolate confectionery has resulted in increased Onion demand. Europe and the United States, being the main chocolate manufacturing regions, are the largest importers of post-processed Onion products (paste, butter, powder). A considerable share of this trade occurs under preferential terms and on a duty-free basis. The intermediate Onion product market is substantial, providing opportunities for value addition. For instance, Europe imports over US\$2.7 billion of Onion butter, US\$2.5 billion of Onion powder by Europe, the United States, and Asia, and US\$2 billion of Onion paste predominantly by Europe. The surging consumption in Asia, fueled by wage growth, is projected to boost the demand for Onion in the US\$100 billion chocolate and confectionery industry. Over the past five years, Onion prices have remained relatively stable and less susceptible to fluctuations.

Current Status in Nigeria

Onion holds the position of the second-largest exported product in Nigeria, following crude oil. The country produces approximately 280,000 metric tons of Onion annually, with over 90 percent being exported and less than 10 percent retained for domestic consumption. The Onion industry in Nigeria plays a crucial role in employment, providing jobs for 5 million Nigerians. However, several challenges hinder Onion production in Nigeria, including low yields due to aged Onion trees, farm losses of up to 30 percent from pests and diseases every year, and the absence of reliable and credible off-takers. Despite having 810,000 hectares of land dedicated to Onion cultivation, predominantly located in the South-West region, the majority of Onion is produced by smallholdings, typical family-run farms. There are approximately 300,000 Onion farmers in Nigeria.

Category-B Products

The Zero Oil Category-B products play a vital role in ensuring inclusive economic growth across all Nigerian states. Although Nigeria has a strong history and heritage of production in small and mid-sized operations for most of these products, the global export market size of these products does not qualify them as Category-A products.

Currently, these Category-B products have significant levels of informal trade between Nigeria and other countries. The Zero Oil plan aims to formalize these exports, accelerate output growth, and maximize job creation potential. While Category-B products may have less financial impact on foreign exchange earnings, they are essential for diversifying Nigeria's export basket and providing a base for further value addition and other industrial processes. The products are based on three possible outcomes, using the size of the product traded globally and Nigeria's current export values. The products under this category include:

- i. Soya
- ii. Ground nut
- iii. Sesame
- iv. Tiger nut
- v. Vegetables and spices

Facilitating Growth in the Services Exports Sector

The service sector is a crucial component of several developing economies, including Nigeria. It contributes significantly to the gross domestic product (GDP), job creation, and provides essential inputs for the rest of the economy, thereby impacting economy-wide performance and the overall investment climate. The opportunities for Nigerian service providers to participate in international trade are greater than ever. Trade in services involves the sale and delivery of intangible products, known as "services," between a service producer and a consumer. Services constitute a broad range of activities, including transportation, financial services, communication, information technology (IT), education, health, and tourism services. The trade in services has shown remarkable resilience to global economic downturns. Despite the global financial crisis of 2008-2009, the services sector continued to grow. While there was a modest decline in 2020 due to the COVID-19 pandemic, the sector is recovering rapidly. The IT services market, for example, is expected to reach US\$1 trillion by 2023.

Current Status in Nigeria The services sector in Nigeria accounts for 57 percent of the GDP and employs over 30 percent of the labor force. However, the sector's export share is only 9 percent of Nigeria's total exports. This is because the services sector in Nigeria is mainly domestic-oriented, with a few sub-sectors, such as transportation, finance, and tourism, being somewhat internationalized. Nevertheless, the growth prospects of the services sector are promising. In

particular, the Information and Communication Technology (ICT) sub-sector has grown rapidly over the past decade. The Nigerian IT market is one of the fastest-growing in Africa, with a market size of over US\$3.3 billion. Furthermore, the tourism sector, with a market size of US\$1.4 billion, holds significant potential. The government is making efforts to develop and promote the tourism sector as a part of the Economic Recovery and Growth Plan (ERGP).

Key Facts • Nigeria is one of the largest markets for mobile services in Sub-Saharan Africa, with over 195 million mobile subscribers and a penetration rate of 97 percent. • In 2019, Nigeria recorded 2.2 million international visitors, which contributed US\$1.4 billion to the economy.

Reasons to Export Services from Kebbi State

There are several reasons for promoting service exports from Nigeria. Firstly, it will help diversify the export basket and reduce dependency on oil exports. Secondly, the service sector has a high job creation potential, thereby contributing to economic growth and development. Thirdly, it will help in promoting Nigerian businesses and professionals in the international market. Fourthly, it will contribute to the foreign exchange earnings of the country. The government is already taking steps to promote service exports by developing the necessary infrastructure, promoting investments, and implementing policies to encourage exports. Furthermore, several businesses and professionals are already providing services in the international market, which can be leveraged for increasing service exports from Nigeria. Therefore, promoting service exports should be an integral part of our export promotion strategy.

Action Steps

The State Government should develop the necessary infrastructure, promote investments, and implement policies to encourage service exports. Furthermore, the government should focus on the following key areas:

Development of Human Capital: Building a skilled workforce is crucial for the growth of the services export sector. Therefore, the government should focus on skill development programs and vocational training in key areas such as ICT, health, education, and tourism.

Promoting Investments: The government should provide incentives for investments in the services sector. This could be in the form of tax incentives, reduced import duties, and access to affordable finance.

Enhancing Market Access: The government should negotiate bilateral and multilateral agreements to enhance market access for our service providers. This could be in the form of trade agreements, mutual recognition agreements, and visa facilitation agreements.

Implementing Quality Standards: Implementing international quality standards and certifications is crucial for promoting service exports. Therefore, the government should support businesses in getting the necessary certifications and adhering to international quality standards.

Promoting Kebbi Brands: The government should invest in promoting our brands in the international market. This could be done through international marketing campaigns, participation in international trade fairs and exhibitions, and leveraging digital marketing platforms.

Supporting SMEs: Small and medium-sized enterprises (SMEs) play a crucial role in the services export sector. Therefore, the government should provide support to SMEs in the form of access to finance, skill development, and market access.

In conclusion, promoting service exports is crucial for diversifying Nigeria's export basket, creating jobs, and contributing to economic growth and development. Therefore, the Government and other stakeholders must take strategic steps to facilitate growth in the services export sector. This includes developing human capital, promoting investments, enhancing market access, implementing quality standards, promoting Brand Nigeria, and supporting SMEs.

CHAPTER 6: PILLAR 2 - ENHANCING MARKET ACCESS FOR KBSED

"Zero Oil" Markets: The Importance of Accessing Markets

The ability of Nigerian businesses to penetrate foreign markets has traditionally been impeded by various factors:

- a. **Absence of Trustworthy Offtake Agreements:** Local enterprises find it challenging to secure solid orders from international buyers.
- b. **Inadequate Market Knowledge and Intelligence:** There is insufficient data on the dynamics of targeted foreign markets.
- c. **Product Standards Compliance:** Local exporters often fail to meet the specific standards and packaging requirements of different markets.
- d. **Unreliable Supply:** Local supply chains are viewed as inconsistent, which raises doubts about the continuous availability of exportable goods.
- e. **Implicit Subsidies in Foreign Markets:** Subsidies provided by foreign governments result in price imbalances, making it tough for some Nigerian exporters to compete.
- f. **Market Structure, Practices, and Global Merchants:** A small number of global trading firms control the trade of many products, resulting in an implied oligopoly of purchasing entities.
- g. **Branding and Product Awareness:** The cost and complexity of exporting branded items overseas are significantly increased. The tariff costs vary depending on the destination of the exported goods, whether they are entering developed or developing markets.

While developed countries typically have lower tariffs, emerging market countries tend to have higher average tariffs. For example, the average tariffs in the United States are 3.5%, Japan 4.6%, and the EU 5%, whereas India has an average tariff of 48.5%, China 10%, and Brazil 31.4%.

The “Zero Oil” Market Strategy

To accelerate the entry of Nigerian products into foreign markets, a seven-pronged strategic approach is being implemented:

Thrust 1: Strategic Markets (“The Export 20” and “The Export to Africa Agenda”)

Thrust 2: Export Accelerators

Thrust 3: Online Marketplaces

Thrust 4: Compliance with International Quality and Standards Protocols

Thrust 5: Export-Driven Trade Agreements

Thrust 6: Export Infrastructure Development

Thrust 7: Partnerships with Multinationals and Global Trade Groups

Thrust 1: Strategic Markets

The Plan has designated several priority markets for expanding Kebbi's non-oil exports. These markets were selected based on:

- a. The target country's status as a major importer of at least one product from Kebbi.
- b. The country's financial capacity to import and engage substantially in international trade.
- c. Existing trade relationships and ties with Nigeria that can be significantly developed in the upcoming years.

A list of target export products and their corresponding countries includes:

Africa: Rubber to South Africa (AfCFTA)

America (South): Sugar, Fertilizer/Ammonia, Rubber, and Onion to the United States (US\$2,000 billion) Central Asia: Fertilizer/Ammonia, Palm Oil, and Gold to India (US\$ 400 billion)

East Asia: Palm Oil to Pakistan (US\$40 billion); Petrochemicals, Soybeans, Sugar, Cotton & Yarn, Palm Oil, Rice, Rubber, Leather, and Gold to China (US\$1,500 billion); Onion to Malaysia (US\$ 190 million)

Europe: Petrochemicals and Onion to France (US\$660 billion); Petrochemicals and Onion to Germany (US\$1,100 billion); Palm Oils and Onion to the Netherlands (US\$ 550 billion); Petrochemicals, Cotton & Yarn to Turkey (US\$220 billion); Gold and Petrochemicals to the United Kingdom (US\$620 billion)

Middle East: Rice and Onion to Iran (US\$45 billion)

For each of these countries, Nigeria and Kebbi State will:

- a. Establish Export Trade Offices, in association with (or within) Nigeria's foreign missions in these countries, with explicit mandates to facilitate the generation of foreign procurement orders.
- b. Enter into Corporate Agreements with the largest businesses and buyers in strategic sectors within these countries.
- c. Compile domestic product requirements and standards for strategic products. Create dedicated trade promotion platforms for these target markets.

The “Export to Africa” Agenda

Kebbi State will also amplify its regional export penetration into the African market, given the regional proximity and shared heritage of neighboring countries. West and Central Africa, with a population exceeding 500 million people, are captive markets for products made in Nigeria. However, it is important

to note that developing African export markets presents its own set of challenges. Although the 49 Sub-Saharan African countries have a combined import bill of just over US\$200 billion a year, Nigeria and South Africa alone account for 75 percent of this import bill. Excluding these two countries, the total import bill for the other 47 Sub-Saharan African countries is reduced to US\$50 billion a year (or approximately US\$1 billion per country in annual imports). This indicates a lack of market depth for exporting into these markets (outside South Africa). The limited absorptive capacity and low-income levels of many African countries in the near term may limit Nigeria's ability to export large volumes of products to Africa to meet its post-oil objectives. Nonetheless, Nigeria views intra-African trade and exports as crucial for creating a unified and prosperous continent. Therefore, Nigeria will establish a strong export foothold in these markets and grow with key African markets as they expand and become more robust.

In 2018, Nigerian exports to Africa totalled approximately \$6.99 billion, while exports to the rest of the world were \$45.92 billion, as illustrated in Figure 48. This means that Nigerian intra-African exports accounted for 13.2% of total exports. Figure 49 shows that Nigeria is among the worst-performing ECOWAS states in terms of intra-African exports as a percentage of total exports. Except for Cabo Verde and Guinea Bissau, every ECOWAS state exports a higher percentage of their products to Africa compared to Nigeria. Admittedly, Nigeria's total exports to the rest of Africa of \$6.99 billion are significantly higher than any other ECOWAS country. However, this is expected given the country's size, accounting for over half of the ECOWAS population. Moreover, Nigerian exports to Africa are dominated by crude oil and natural gas, accounting for 91.9% of this \$6.99 billion. In terms of non-oil exports, Nigeria exports less in gross value to Africa than Mali, Senegal, Côte D'Ivoire, and Ghana. Given Nigeria's low (formal) non-oil exports to Africa, the initial hesitation to sign the Africa Continental Free Trade Area (AfCFTA) agreement is understandable.

By strategically selecting markets and products, collaborating with large businesses and buyers, and establishing dedicated trade promotion platforms, Kebbi State and Nigeria aim to overcome existing challenges and tap into the untapped potential of global markets. Although the African market presents unique challenges, it is a key focus for Nigeria, as it is essential for creating a unified and prosperous continent. With a comprehensive approach that includes strategic market selection, export accelerators, online marketplaces, compliance with international quality and standards protocols, export-driven trade agreements, export infrastructure development, and partnerships with multinationals and global trade groups, Kebbi State and Nigeria are well-equipped to achieve their post-oil objectives and create a thriving and sustainable future. Below are some strategic markets in Africa for Kebbi State products.

South Africa

In 2018, almost the entirety (99.6%) of the exports from Nigeria to South Africa, valued at a whopping \$3.8 billion, were constituted by crude oil and natural gas. However, given the population of South Africa, which stands at 56.72 million, and a GDP per capita of \$6,160, there is a vast opportunity for Nigeria, and specifically Kebbi State, to diversify and augment its foreign exchange earnings by exporting non-oil goods. As the AfCFTA comes into play, it is anticipated that South African producers will eye the Nigerian market, necessitating a counteractive effort from Nigerian producers. Two key products identified for export from Nigeria to South Africa are rubber and fertilizer. While Nigeria exported rubber valued at around \$10.5 million to South Africa in 2018, the latter's annual rubber imports amount to approximately \$1.3 billion, indicating a considerable opportunity for Nigeria to bolster its rubber exports. If Nigeria manages to secure just 5% of South Africa's total rubber imports, it could boost its exports by \$50 million. Additionally, the ITC's export potential tool indicates that there is significant potential for Nigeria to amplify its exports of fertilizer (urea) to South Africa. Currently, Nigeria fulfils only 35% of its potential for fertilizer exports to South Africa, with the majority of South Africa's fertilizer imports originating from outside Africa. The enforcement of AfCFTA presents a golden opportunity for Nigeria to sway South African consumers to prefer fertilizers made in Nigeria.

Morocco

Morocco represents another promising market for Nigeria, where it holds a competitive edge in several sectors. According to the ITC's export potential map, there is considerable potential for Nigeria to boost its leather exports to Morocco. Additionally, Morocco imports ginger and tea worth over \$250 million annually, but only a mere 0.33% of this is sourced from Nigeria. These three products— leather, ginger, and tea—represent significant opportunities for Nigeria to broaden its footprint in Morocco once tariffs are relaxed.

Ethiopia

Ethiopia, as indicated by IMF data, was the fastest-growing economy in Africa in 2018. As the second most populous country in Africa, Ethiopia offers a vast market opportunity for Nigeria, especially for plastic products. In 2017, Ethiopia imported plastics worth \$634 million, while Nigeria exported plastics valued at \$78 million in the same year; however, none of this was directed to Ethiopia. Interestingly, a staggering 96.9% of Ethiopia's plastic imports were sourced from outside Africa. The enforcement of AfCFTA is expected to decrease this percentage, providing an opportunity for Nigeria to contribute to this change.

Ghana

In 2018, Ghana imported plastics and iron and steel valued at over \$550 million and \$433 million, respectively, with only a meager 1% of each originating from

Nigeria. The demand for these products is already established; hence, Nigeria must capitalize on the opportunities presented by AfCFTA to cater to this demand.

Democratic Republic of Congo

Although current exports from Nigeria to the Democratic Republic of Congo (DRC) are minimal, there is an opportunity for Nigeria to increase its fertilizer exports to the DRC. In 2018, the DRC imported nearly \$50 million worth of fertilizer, with over 90% sourced from Africa. The enforcement of AfCFTA provides an opportunity for Nigeria to secure a portion of this demand. The AfCFTA is a symbol of hope and a tool for export diversification for Nigeria. The Zero Oil Plan outlines strategic products and markets to facilitate a coordinated Nigerian approach to harness the benefits of the agreement. It is essential for Nigeria to perceive the AfCFTA with optimism and as a tool for effective export diversification prepared by the Zero Oil Plan.

Domestic Export Warehouse

The KBSED Plan aims to facilitate the development of DEWs, essentially one-stop warehouses to aggregate exports and expedite capacity building in the non-oil export sector for small businesses. The design of the DEWs involved extensive consultations with experts who have developed and executed similar programs in other emerging economies like Nigeria. The DEWs will also serve as operating platforms for government and private sector service providers to assist in the export process. DEWs and ETHs will be connected to a common network and will focus on driving export transactions quickly and inexpensively. The functions of the Export Accelerators will include housing all regulatory agencies involved in the export process (NEPC, NEXIM, SON, Customs, etc.), maintaining international regulatory contacts and links regarding foreign market requirements, providing references for exporters planning to enter the business, serving as the "First Point of Call" for existing or prospective non-oil exporters needing support, and maintaining a virtual link to the offshore Export Trade Offices.

The Online Marketplace

sunshineexport.ng will serve as an international export marketplace, a technology platform providing trade leads, requests for proposals, and export tender opportunities from companies and government organizations in Kebbi State. The marketplace will facilitate transactions between registered businesses or find new sources, suppliers, and manufacturers for Kebbi goods for export. It will serve as a core public- private technology backbone, on top of which other private sector providers can build add-on services and platforms for more specialized export functions. The marketplace will offer importers, exporters, and international traders an unlimited number of trade leads, trade submissions, product photo uploads, access to export supply statistics, and more. It will cover various sections, including Export products, Import products, International Agents and

Distributors, International Suppliers and Manufacturers, International Business Travel, International Trade Financial Services, International Trade import and export joint ventures, and investment opportunities. This virtual marketplace will facilitate export operations and bridge the gap between Kebbi businesses and international offtake opportunities.

CHAPTER 7: PILLAR 3 - KBSED SOURCING

Boosting production

The Importance of Sourcing

The Plan aims to significantly increase production and output across several sectors in Kebbi, including Agriculture, Solid Minerals, Oil & Gas industrial products, and General Manufacturing. Output is measured in tonnes of the specific product produced within Kebbi. The sourcing initiatives of the plan intend to address four critical questions:

- a. What quantity (in tons) of a product is required to achieve our export financial goals?
- b. What resources need to be mobilized to hit the target production amounts?
- c. How can we efficiently collect all output and transport them to ports for export?
- d. What strategies can be employed to lower production and transportation costs, making Kebbi goods globally competitive?

The Kebbi Real Sector Today

Various overarching challenges have impeded the Kebbi real sector for years, although the extent varies from one sector to another: (i) Agriculture: low yields, insufficient cultivated land, poor use of inputs and technology, inadequate storage facilities, and limited market access. (ii) Manufacturing: outdated plants and equipment, high freight costs, unreliable energy supply, limited access to domestic feedstock and inputs, and uncertain regulatory positions. (iii) Solid Minerals: inadequate geophysical data, insufficient proven mineral reserves, limited presence of renowned mining companies, and a licensing regime not tied to performance incentives.

The current administration is implementing several interventions to address these constraints. The Ministry of Agriculture and Rural Development is working on resolving agricultural issues. The Ministry of Industry, Trade, and Investment is addressing manufacturing challenges.

The Sourcing Strategy

To expedite the production of Kebbi goods across strategic sectors, the plan is built on six main pillars:

- a. Kebbi Output Targets
- b. Real Sector Output Policy (from key MDAs)
- c. Export Aggregation & Buying Centres

- d. Field-to-Export Transport Corridors
- e. Industrial Scale Output (Local and Foreign Investors)
- f. Kebbi Commodities Exchange

Thrust 1-Kebbi Output Targets

The output targets outline the required real sector production for a sustainable economy. It provides a common vision for sectoral output that government agencies and private sector investors can work towards together.

Thrust 2 - Real Sector Output Policy of key MDAs

Respective MDAs will design sectoral policies to increase domestic output and meet the plan's targets. Each policy will ensure that output targets, timelines, specifications, and investor mobilization can be achieved. Policies will be developed for:

- Food (e.g., Shea, Onion, Groundnut) led by the Ministry of Agriculture and Rural Development.
- Solid Minerals (e.g. Gold, Limestone, Granite) led by the Ministry of Mines & Steel Development.

Thrust 3 - Export Aggregation & Buying Centers

The plan will promote the establishment of Export Aggregation and Buying Centers to source products from specific catchment areas. Aggregators will either 'make markets' by having the financial capacity to take inventory risk or 'facilitate markets' by acting as brokers, matching buyers and sellers of export products. These centers will serve as physical consolidation points for products and marketplaces for export-bound products. Benefits include cost savings, increased market opportunities, financing opportunities, and access to value services.

Types of Export Aggregators for Kebbi

- Public aggregators: Joint Federal and State government OR State Only.
- Public/Private aggregator: Federal/State in conjunction with Private sector consortium or Cooperatives.
- Sole anchor operator: Single private sector entity with excess facility.

Under the plan, some Export Aggregation and Buying Centers will be existing facilities repurposed as aggregation points. New builds will be considered only after a strong business case for the financial sustainability of the site is established. Each aggregator will require credible sponsor(s).

- a. **Locating Aggregation Centers:** Criteria for locating Aggregation Centers will

include: **Transport Corridors:** Export aggregation centres will be established along identified transport corridors to facilitate the movement of products from the field to ports for export - Airports, Seaports, and Inland-ports.

- b. **Special Economic Zones:** Some special economic zones under the administration at the International Border Markets as captured by the State Ministry of Commerce, Industry, Trade and Tourism will be designated as aggregation centers for key product exports. The selection will be based on a detailed cost-benefit analysis conducted by other relevant MDAs
- c. **Digital Aggregation (Sourcing Platform):** A crucial part of the plan involves the implementation of a digital export trade platform. This platform will centralize information from all established sourcing and aggregation centers, making it accessible to traders worldwide. This initiative not only promotes transparency but also fosters global partnerships and trade relations.

Thrust 4 - Development of Strategic Transport Corridors

For Kebbi State producers who rely on overland routes to access seaports, it is imperative to develop strategic transport corridors that are cost-effective and reliable. Overland freight costs are a significant barrier to exports. Hence, Kebbi State is committed to actively developing, upgrading, and operating key transport corridors to ensure cost-effective transportation of goods to the sea.

Aggregation and Buying Centers for various products will be strategically located along these corridors. For major cities and towns not located along the main corridor route, special interventions will be implemented to connect their production centers to the main corridor route. This will facilitate the swift transportation of cargo to the ports for export.

Thrust 5 - Promoting Industrial Scale Output through Local and Foreign Investors

Kebbi State requires transformational projects on a large scale in priority sectors to accelerate output growth. A significant investment drive under the plan will mobilize substantial sponsors, both domestically and internationally, into key sector projects. This mobilization will involve a review of existing investment incentives to make them more targeted and focused on sectors that accelerate export diversification.

Thrust 6 - Repositioning the Nigerian Commodities Exchange (NCX) Under the NCDP

The NCX is undergoing a strengthening and repositioning process. Once expanded, it will support activities within the Export Aggregators and enable operations through soft and hard export infrastructure with an integrated technology backbone. This will facilitate disintermediation for farmers, improve price discovery, and create ready markets for specific export-bound commodities.

With the repositioned NCX, farmers will use the exchange information to make informed selling decisions, while exporters will use the exchange to aggregate quality supply better. This will apply only to products where the exchange specializes or 'makes a market.' Key considerations in repositioning the NCX include:

- a. Ownership – Determining whether a publicly owned, public-private, or fully privatized exchange is most appropriate.
- b. Decentralization – Assessing whether smaller, specialized commodities exchanges are needed for specialized products.
- c. Sourcing – Ensuring the exchange has access to quality supply and is seen as a credible place to trade products or find buyers.
- d. Standards – Ensuring that the quality and specifications of goods meet the exporter's requirements.
- e. Payment obligations – Capitalizing the exchange sufficiently to deal with unforeseen counterparty issues and ensure payment on trading instruments does not fail.
- f. Law – Upgrading existing laws to recognize key instruments, e.g., warehouse receipts.
- g. Storage availability – Ensuring the exchange has a sufficient network of its own, or 3rd party owned, warehouses and silos to hold inventory.
- h. Information Systems – Ensuring the exchange has robust information systems to facilitate trades and provide market information

Chapter 8: Pillar 4 - Incentivizing and Facilitating Value Addition to Commodities for Export

Introduction

The primary objective of the Kebbi State Export Strategy (KBSSED) is to create a sustainable and competitive export sector that significantly contributes to the state's economic growth and development. An essential pillar of this strategy is incentivizing and facilitating value addition to commodities destined for export. This involves the implementation of specific infrastructure projects and capacity- building programs aligned with global best practices to enhance the quality and competitiveness of Kebbi State's export products.

Value Addition to Commodities

Value addition refers to the process of increasing the economic value of a commodity by transforming raw materials into processed goods or adding value to semi-processed products. This is crucial for increasing the competitiveness of Kebbi State's exports as it enables the state to capture a larger share of the value chain and enhance its export earnings. It also helps in reducing the vulnerability to commodity price fluctuations by diversifying the range of exportable products.

Strategies for Value Addition

a. Investment in Processing Facilities

Kebbi State will invest in state-of-the-art processing facilities for key commodities such as Onion, Shea, rubber, and cashew. These facilities will be equipped with modern machinery to ensure the production of high- quality processed products that meet international standards.

b. Promotion of Public-Private Partnerships

Public-Private Partnerships (PPPs) will be promoted to attract investment in value addition activities. The government will provide incentives such as tax breaks, subsidized electricity, and access to low-interest loans to encourage private sector participation in processing and value addition activities.

c. Development of Value Chains

Efforts will be made to develop the entire value chain of key commodities. This involves supporting activities such as cultivation, harvesting, processing, packaging, and marketing to ensure the production of high- quality products that are competitive in the international market.

d. Infrastructure Development

Infrastructure development is key to facilitating value addition activities. Kebbi State will invest in the following infrastructure projects to support value addition and enhance export competitiveness:

e. Development of Industrial Parks

Industrial parks equipped with modern infrastructure and facilities will be developed to attract investment in value addition activities. These parks will be strategically located near raw material sources and transport corridors to minimize transportation costs and ensure timely delivery of products to the ports for export.

f. Upgradation of Transport Corridors

Transport corridors will be upgraded to ensure the efficient movement of goods from production centres to processing facilities and ports. This involves the development of roads, railways, and inland waterways to facilitate the transportation of goods.

g. Development of Cold Chain Facilities

Cold chain facilities will be developed to ensure the quality of perishable products such as fruits, vegetables, and fishery products. This involves the establishment of cold storage facilities at strategic locations along the value chain, from production centers to ports.

h. Capacity Building

Capacity building is essential for enhancing the skills and knowledge of stakeholders involved in value addition activities. Kebbi State will implement the following capacity-building programs:

- **Training and Skill Development**

Training and skill development programs will be organized for farmers, processors, and exporters to enhance their skills and knowledge in best practices for cultivation, processing, packaging, and marketing of export products.

- **Technology Transfer**

Efforts will be made to facilitate the transfer of technology from developed countries and international organizations to local processors and manufacturers. This involves organizing workshops, seminars, and exchange programs to expose local stakeholders to the latest technologies and best practices in value addition.

- **Support to Small and Medium Enterprises (SMEs)**

SMEs play a crucial role in value addition activities. Kebbi State will provide support to SMEs in terms of access to finance, technology, and markets to enhance their competitiveness in the export market.

Conclusion

Incentivizing and facilitating value addition to commodities for export is crucial for enhancing the competitiveness of Kebbi State's export products and increasing its export earnings. The implementation of specific infrastructure projects and capacity-building programs aligned with global best practices will play a key role in achieving this objective. Through a concerted effort by all stakeholders, Kebbi State can create a sustainable and competitive export sector that significantly contributes to its economic growth and development.

CHAPTER 9: PILLAR 5 - KBSED FINANCE

Financing and Incentives

Promoting exports by offering specialized financing packages is a common strategy among major global exporters, including Japan and South Korea. These countries sometimes prioritize exports over domestic consumption to boost their economies. The Kebbi State Zero Oil plan aims to address several key questions regarding the financing of Kebbi's non-oil exports, such as identifying funding sources, channeling funds to MSMEs and large corporates, optimizing the use of national intervention funds, maximizing returns from export incentives, and exploring innovative strategies for fund allocation.

The Nigerian financial markets currently suffer from several challenges, including low private sector credit, high interest rates, short loan tenures, low stock market and corporate fixed income capitalization, underdeveloped venture capital market, limited access to formal financing for MSMEs, and excessive funding for foreign reserve-depleting activities like imports. These challenges necessitate systemic and targeted reforms to address the financial needs of non-oil exporters.

Comparative Analysis of Lending Rates in Key Economies The “Zero Oil” Finance and Incentives Strategy. The Zero Oil plan consists of seven key elements:

- Export Trade Finance
- Export Expansion Grant (EEG)
- Export Development Fund (EDF)
- International Business Growth Incentive (SMART Incentives)
- SME Export Finance
- Special Purpose Vehicle for Transformational Export Projects (S.T.E.P)

Export Trade Finance: Despite Africa having approximately US\$350 billion in intermediated trade finance, with Nigeria contributing about a fifth, several challenges inhibit export finance in Nigeria. These include difficulties in assessing exporters' creditworthiness, high export finance costs, fragmented markets and small transaction volumes, foreign regulatory and institutional uncertainty, and limited financial institution capacity for large export exposures. These challenges impede pre-shipment and post-shipment financing, which are essential for fulfilling foreign orders and providing liquidity to exporters, respectively.

Export Expansion Grant (EEG): The EEG, a post-shipment incentive, helps Nigerian exporters reduce costs and enhance their international price competitiveness. Despite its success in boosting non-oil exports, the old EEG framework's maintenance costs have become prohibitive, necessitating a redesign. The new EEG scheme will have a lower rate ceiling, expanded range of fiscal charges eligible for offsetting, more targeted classification of qualifying export products, and stricter governance and controls for duty certificate issuance and validation.

Export Development Fund (EDF): The EDF, mandated by law but never activated, will be established under the Zero Oil Plan to fund underinvested segments of the export value chain. It will invest in both public goods expenditure and private entities with high export potential. The EDF will address funding gaps in real sector production, market aggregation and offtakes, export storage, standards and shipping, and international trading and foreign transactions.

The Federal Government, through EEG and EDF, plays a significant role in supporting non-oil exports through the EEG and EDF. The EEG is designed to reduce exporters' costs and enhance their global price competitiveness by providing a financial credit based on the value and type of products exported. Meanwhile, the EDF aims to address funding gaps across the export value chain by investing in both public and private entities with high export potential.

SME Export Finance: Given that SMEs contribute about 48% of Nigeria's GDP and employ around 60% of its workforce, this initiative will provide them with direct financial support to increase production capacity, enhance product quality, and compete effectively internationally. It will also include capacity- building programs to improve SMEs' managerial and technical skills.

Special Purpose Vehicle for industrial Export Projects: This initiative aims to support large-scale export projects with the potential to transform entire sectors of the Kebbi State economy. It will involve creating a special purpose vehicle (SPV) to mobilize private sector investments and facilitate the development of strategic export-oriented projects. It can involve the issuance of special State bonds for this purpose.

State Government and Private Sector Joint Interventions: State governments and the private sector play a crucial role in export financing by issuing state bonds and mobilizing private sector investments. State bonds can be an effective way for state governments to raise funds to support export-related infrastructure and projects. Additionally, the private sector can contribute by investing in strategic export- oriented public-private-partnership projects.

SME Export Credit Support Facility: The Nigerian Government has established several financing interventions aimed at the MSME sector, which include a NGN 220 billion Micro, Small and Medium Enterprises Development Fund (MSMEDF), a NGN 200 billion SME Credit Guarantee Scheme, and a NGN 3 billion Agricultural Credit Guarantee Scheme, among others. A portion of these intervention funds will be specifically allocated for SMEs engaged in the export business.

Export Credit Agency: Nigeria's ECA (Nigerian Export-Import Bank) bank has been increasing its financial support to the MSME sector, but there is a need for further enhancement. For instance, the total direct credit from Nigeria's ECA to the MSME sector amounted to NGN 23.3 billion between 2009 and 2012. A

significant portion of NEXIM's credit facilities to SMEs was extended to enterprises in the Manufacturing (58 percent) and Agro-allied sectors (21 percent). There is a crucial need to amplify Nigeria's ECA credit facilities to the SME sector to encourage inclusion and growth within exports in Nigeria.

Comparatively, in 2014, Exim banks of the US, China, and Thailand provided credit facilities of US\$5.1 billion, US\$227 million, and US\$700 million, respectively, to SMEs. This underscores the necessity for Nigeria to augment the commitment of trade facilities to SMEs for export. A dedicated SME export trade facility will be established and housed in the NEXIM bank. The allocated capital will be used to offer direct trade support to SMEs, insurance facilities, and other pre and post-shipment financing to the sub-sector, with preferential terms.

Anchor Exporter Programs and MSME Exports Cooperatives Funding Programs:

A series of initiatives and incentives will be implemented to support major off-takers from MSMEs for exports. These will encompass Anchor Exporter Programmes (similar to the Central Bank of Nigeria's Anchor Borrower's programme) and the MSME Exports Cooperatives Funding Programs. For the Anchor Exporter Program, Nigeria will identify mid-sized and large-scale off-takers who purchase from thousands of MSMEs and can export commercial-sized quantities of priority products. Anchor Exporters are vital for MSMEs as the funds they receive will be used to procure goods from MSMEs. Anchor Exporters will be eligible for incentives, including quality inputs, concessionary financing, among others. For the MSME Exports Cooperatives Funding Programs, Nigeria will facilitate the disbursement of intervention funds and private credit facilities through SME export cooperatives. The cooperative structure will reduce the financing risk to MSMEs in export, as the MSMEs will be able to cross-guarantee each other and consolidate their financials. Additionally, this structure will also streamline the monitoring and performance reporting process.

Export Counterpart Matching Fund: States will be encouraged to collaborate on counterpart matching fund schemes. Export counterpart funding schemes will be promoted between State Governments, DFIs (i.e., BOI, BOA, NEXIM), and private financial institutions to share risk and mobilize capital for MSME exporters. The export counterpart funding will serve as a stand-alone mutual fund agreement between the Federal Government, development banks, State governments, and private financial institutions. Under this arrangement, the State Governments will match financial commitments allocated for SME export finance in each state. This will be administered as medium-term loans with single-digit interest rates and channelled into the MSME export cooperatives and Anchor Exporters.

CHAPTER 10: PILLAR 6 - KBSED PHYSICAL AND QUALITY INFRASTRUCTURE

Developing the physical and quality infrastructure is a pivotal element of the Kebbi State Export Strategy (KBSED). This chapter elaborates on the initiatives and projects that will be undertaken to develop the infrastructure required to support a robust export ecosystem in Kebbi State.

Enhancing Quality Protocols for Exports

Ensuring compliance with technical, safety, and packaging requirements in foreign markets is crucial to avoid rejection of exports from Kebbi State. Given that product requirements vary across countries and products, Kebbi State will establish regular communication channels with exporters to provide updates on standards requirements and to adequately test products before they leave the state.

The following five objectives will be pursued to establish Quality and Standards Protocols for Exports:

- **Operational Protocols with Local and Foreign Standards Organizations:** Collaborate with both local and foreign standards organizations and key regulators related to Kebbi exports. This includes consolidating key personnel contacts, formalizing standards documentation, providing updates on requirements, and setting up fast track procedures to certify key products for specific markets.
- **Product Traceability Mechanisms:** Implement mechanisms to ensure products shipped from Kebbi State can be traced throughout all hand-off points on the export supply chain, including the responsible export merchant, freight channel used, processing/packaging plant, and source farm. This will enable Kebbi to trace and fix defects in the production, processing, packaging, or shipping of goods for export.
- **Deepening Standards and Compliance Tests:** Facilitate upgrades in both public and privately-owned testing and certification facilities for strategic products. This will ensure that the quality of exports meets the required international standards.
- **Consolidating Testing Points:** Establish consolidated testing points for key products before they leave Kebbi State. This will help prevent low- quality exports that can tarnish the reputation of the state and the country.
- **Export Value Chain Quality Framework:** Implement a framework to ensure sectoral policies (starting from actual production) are consistent with international requirements for specific goods. For example, the use of certain pesticides in cultivating crops may disqualify some products from entering markets like the European Union.

Decisions on export standards need to be made at the inception or development stage, and not just at harvest, shipping, or packaging stages. The Export Value Chain Framework will tie export standards into sectoral development policies, ensuring that exports are considered from the time a seed is planted or when the foundation of a processing plant is laid.

The Kebbi State Export Promotion Council will work closely with key domestic regulators to set up these standardization protocols, including the Standards Organization of Nigeria (SON), the National Agency for Food and Drug Administration and Control (NAFDAC), amongst others.

Infrastructure Development Projects

Physical infrastructure is a key enabler of export competitiveness. Kebbi State will invest in the following infrastructure development projects in line with global best practices and opportunities:

- **Transportation Infrastructure:** Improve road, rail, and sea transport infrastructure to facilitate the smooth movement of goods from production centers to ports and other exit points.
- **Export Processing Zones (EPZs):** Develop EPZs equipped with state-of-the-art facilities to attract investments and boost the production of exportable goods.
- **Cold Chain Infrastructure:** Develop cold chain facilities for the storage and transportation of perishable goods, ensuring that they reach their destination in optimal condition.
- **Digital Infrastructure:** Invest in digital infrastructure to facilitate online transactions, real-time tracking of shipments, and efficient communication between all stakeholders in the export value chain.
- **Power Infrastructure:** Improve the power infrastructure to ensure a reliable supply of electricity to production centers and other facilities involved in the export value chain.
- **Quality Testing and Certification Centers:** Establish quality testing and certification centers to ensure that products meet the required international standards before they are exported.

By investing in these infrastructure development projects, Kebbi State will create an enabling environment for exporters, attract investments, and ultimately boost its export competitiveness.

CHAPTER 11: PILLAR 7 - KBSED INSTITUTIONAL AND POLICY FRAMEWORK STRENGTHENING

KBSED Institutional and Policy Framework

The Essential Role of Organization, Institutions, Policy, and Partnerships

This strategy aims to establish governance and institutional structures at the state level to ensure the program's long-term sustainability. A robust coordination mechanism between various ministries, departments, and agencies (MDAs) within the state is necessary to achieve the plan's objectives. The involvement of both public and private sector stakeholders is crucial for success. Therefore, an inclusive and responsive governance system will be established to ensure commitment to policy consistency and resolve discrepancies in the investment environment. The highest levels of state authority must champion the plan for its successful implementation.

This initiative addresses several key questions:

- How will the program be governed at the state level?
- How will the roles of different MDAs be coordinated and tracked?
- How will progress be measured, feedback received, and changes to the plan managed?
- How will the state coordinate its institutions offshore to meet the program's objectives?
- How will institutional reforms improve the business environment for private sector involvement?

Institutional Support - Leverage, Not Duplicate

The initiatives of the plan are cross-cutting and require actions from a broad array of government institutions at the state level. Instead of replicating existing MDAs' statutory mandates, the plan will leverage their capabilities and powers to achieve the outlined objectives. This approach aligns with the government's objective to cut costs, remove duplications, and reduce overhead expenses. It is crucial to leverage existing institutions to ensure government policy is consistent and institutionalized across MDAs.

Various ministries will lead policy decisions to increase different sectors' output: The Ministry of Agriculture and Rural Development for agro products, the Ministry of Mines and Steel Development for solid minerals, the Ministry of Industry, Trade, and Investment for manufactured goods, and the Ministry of Petroleum Resources for petroleum industrial products. Additionally, the Ministry of Finance will drive fiscal and funding interventions.

Kebbi State Council on Export Promotion

The Kebbi State Council on Export Promotion (KSCEP) is domiciled in the Kebbi State Ministry of Commerce, Industry and Tourism. The functions of the KSCEP are to:

- a. Constitute a forum for the promotion of exportation of the principal exportable products of the State;
- b. Advise the Nigeria Export Promotion Council (NEPC) on the best means of achieving the mandate of the NEPC in the State; and
- c. Carry out such other functions as the Council may from time to time direct.
- d. Regular capacity building programmes for exporters at least three times annually and across the 3 senatorial districts of the State.

KBSED Work Groups

The KBSED Work Groups will serve as the operational hubs for the sectoral agenda. Several work groups will drive the sectoral execution of the plan, led by the respective Ministries in charge of that sector. Others will serve as enabling working groups to address issues of export competitiveness. The KBSED Work Groups will coordinate efforts across MDAs and the private sector. The Work Groups will be active operators, removing constraints, mobilizing export investments, and executing necessary public projects. The Work Groups are as follows:

- Agro-Foods Work Group
- Industrial Products Work Group
- Solid Minerals Work Group
- Oil & Gas Industrial Products Work Group
- Capital Mobilization & Incentives Work Group
- Performance Management Work Group

Others Work Groups may be created with approval from His Excellency, the Executive Governor.

The primary responsibilities of the Work Groups will include:

- Developing and driving sectoral initiatives to meet KBSED objectives.
- Driving sectoral policy, regulation, legislation, on key export sectors, etc.
- Updating the sectoral plans periodically based on results from execution
- Reviewing and monitoring the results of policy initiatives to determine whether policy decisions are sustained or changed as needed.

- Engaging investors and other stakeholders in specific sectors to understand issues affecting production and exports in the sector.
- Engaging international partners and MDAs on boosting exports in select sectors.
- Mobilizing domestic and international resources to ramp up production in strategic sectors.
- Instituting an effective monitoring and evaluation framework to track sectoral performance.

The Work Groups will bring together relevant MDAs involved in sectoral policy development and administration. Work Groups will be chaired by the respective Honourable Commissioners in charge of the area. The Work Groups are expected to meet monthly and report directly to the Chair of the KBSED Board.

Policy Interventions

Access to Land and Land Management Land is a critical input for agricultural production, and its accessibility is crucial. A key issue is land title and tenure, which define the conditions and rules guiding the right to hold a piece of land for one purpose or another. About 95% of agricultural lands are not titled, effectively nullifying their capacity to be treated as collateral for financial transactions. The Land Use Act stipulates that the Government holds land in trust for the people. However, communities where land is situated can create obstacles to land access, contributing to the difficulties investors face in acquiring land for agricultural investment. In other cases, the bureaucracy and approving authorities can also be obstacles to land allocation, even when the community's support is not in question. Constraints include:

- a. Land grabbing, with communities being dispossessed of large parcels of land
- b. Unclear rules and governance regarding the management of land for use in farming versus grazing for nomadic cattle populations
- c. The process of securing and perfecting the title is cumbersome, time- consuming, and often expensive.
- d. Access to Inputs (seeds/seedlings, fertilizer, livestock/fish feeds, etc.) - Access to inputs remains a challenge for achieving optimal productivity of agricultural outcomes. Previous governments' issues have resulted in subsidy programs (GES) characterized by late or non-delivery of inputs. Other problems encountered include the delivery of substandard or counterfeit inputs and the exclusion of rightful beneficiaries.

Policy Thrust

1. Increase productivity by ensuring access to timely, high- quality, and price- competitive inputs.

- a. Availability of improved seeds should receive maximum attention for enhancing productivity. Kebbi State has several domestic and foreign seed companies whose activity partially relies on the availability of seeds from the Nigerian research system.
- b. Stimulate the domestic production of good quality seeds for farmers, especially seeds and fertilizers.
- c. Engage standard and quality control mechanisms at various points in the relevant supply chains to safeguard sub-standard fertilizers & agrochemicals to farmers.
- d. Re-channel subsidy programs to ensure affordability by farmers.
- e. Development of processing and storage facilities for Cluster agro-processing hubs. Access to market information on markets and prices.
- f. Leverage the potential for public-private partnerships to provide the desired level of access to critical inputs.

2. Infrastructure - Effective infrastructural development is pivotal to the plan's success. Rural and urban infrastructure needs to be developed to meet market standards. Current transportation networks need to be developed and improved, including roads, rail, and ports. Power infrastructure is crucial for manufacturing and agro-processing. In a recent report, more than 80% of small enterprises said that power was a significant constraint to growth, and power costs consumed more than 10% of revenues.

- a. Increase productivity through the enhancement of transportation, power, and water infrastructure.
- b. The roads need to be motorable and easily accessible to ease the movement of goods.
- c. Rail services need to be developed to the point that transportation costs are significantly reduced.
- d. Power infrastructure needs to be reliable and accessible in both urban and rural areas.
- e. Efficient supply chain management needs to be developed to ensure the seamless transportation of goods and services.

3. Trade Facilitation - Numerous non-tariff barriers to trade result in increased costs and reduced competitiveness of Kebbi State's exports. These include: Complicated and duplicative documentation requirements.

- Delays in the processing of documents.
- Arbitrary fees and charges levied on exports.
- High shipping and transportation costs.
- Poor quality of export products.

The following will be implemented to reduce or eliminate these barriers by streamlining processes, reducing fees, improving transportation networks, and upgrading the quality of export products:

- a. Simplify documentation requirements, including automation of processes to reduce delays and costs.
- b. Improve the quality of infrastructure to reduce transportation costs.
- c. Implement quality control measures to ensure the export products meet international standards.
- d. Streamline fees and charges to make Kebbi State's products more competitive in the global market.

4. Funding - The financial sector's capacity in Kebbi State to provide adequate finance to various sectors is essential. Currently, the sector is underperforming, with banks being risk-averse to funding the productive sectors of the economy. Interest rates are high, and access to credit is limited, especially for small and medium enterprises. To arrest these issues, the following actions will be taken:

- Increase access to funding by developing a range of financial products that can meet the needs of businesses of all sizes in different sectors.
- Develop a comprehensive financial strategy that includes the development of funding products and measures to reduce interest rates.
- Develop a range of financial products that can meet the needs of businesses of all sizes in various sectors.
- Engage the private sector to develop innovative financial solutions that can help to drive growth in different sectors.
- Develop partnerships with international financial institutions to increase the availability of funding.

Agricultural Extension Services

The Agricultural Extension Services function as a critical component of a comprehensive knowledge system, encompassing research and agricultural education. This system is globally recognized by the FAO and World Bank as AKIS/RD (Agricultural Knowledge and Information System for Rural Development).

Advantages: These services provide farmers with essential technical advice on agriculture, as well as the necessary inputs and services required to bolster their agricultural production. Additionally, they facilitate the transfer of information and innovative ideas generated by agricultural research stations to farmers.

Policy Thrust: The FAO and World Bank have established a standard for Agricultural Extension Services, recommending 10-12 AKIS per cell. Kebbi State currently operates with 10 cells per local government, indicating a need for recruitment to enhance rural community coverage.

Mechanization

Agricultural mechanization involves the utilization of various machinery and equipment, from basic hand tools to advanced, motorized machinery, to execute agricultural operations. Modern mechanized agriculture includes the use of tractors, trucks, combine harvesters, planters, and satellite navigation (GPS). A significant positive correlation exists between the level of mechanization and the cost, output value, income, and return rate of all types of crops. Specifically, a 1% increase in the level of mechanization corresponds to an increase in the yields of all crops.

Policy Thrust: It is crucial to consider the terrain of our locality when purchasing tractors and their implements. Expert advice and vendors with technical expertise and proficiency in Agricultural Engineering should be consulted to avoid purchasing refurbished products. It is recommended to opt for tractors with high horsepower (between 100-120HP) as they are most suitable for our agricultural land terrain.

CHAPTER 12: PILLAR 8 - IMPLEMENTATION, MONITORING, AND EVALUATION

The triumph of the Kebbi State's decade-long export strategy lies in a solid, well-structured framework that includes budgeting, implementation, monitoring, evaluation, reviews, and participation from all stakeholders. This chapter elaborates on the holistic approach that Kebbi State will adopt to guarantee the effective implementation and ongoing refinement of the export strategy. By clearly allocating finances, encouraging stakeholder involvement, setting up stringent monitoring mechanisms, and conducting regular assessments, Kebbi State aims to achieve its export-focused objectives with efficiency and accountability.

Budgeting: Resource Allocation for Success

Detailed Financial Plan: Create a comprehensive budget that designates resources for each component of the export strategy, encompassing expenses related to finance access, infrastructure, market development, quality framework, production enhancement, value addition, institutional fortification, and policy framework.

Strategic Resource Prioritization: Assign funds based on the strategic significance of each component, prioritizing crucial areas like infrastructure development, quality improvement, and value addition.

Transparent Financial Management: Guarantee transparency and accountability in budget allocations, providing regular updates on fund disbursements, utilization, and outcomes.

Adoption and Implementation: Strategy Translation into Action

Stakeholder Engagement: Involve key stakeholders, including government agencies, private sector entities, farmers, research institutions, and industry associations, in the strategy adoption and implementation process.

Detailed Action Plans: Create comprehensive action plans for each component, specifying tasks, responsibilities, timelines, and performance indicators. •

Capacity Enhancement: Offer essential training and capacity-building programs to equip stakeholders with the necessary skills and knowledge to effectively execute their roles.

Interdepartmental Synergy: Encourage collaboration among various government departments to ensure seamless coordination in implementing the export strategy.

Monitoring and Evaluation: Guaranteeing Accountability and Progress

Comprehensive Performance Indicators: Establish a complete set of performance indicators and benchmarks for each component to measure progress toward key objectives and outcomes.

Real-Time Monitoring: Implement a robust monitoring system that provides real-time data on the status of activities, expenditures, and results across all components.

Regular Reporting: Generate regular reports that offer insights into the progress, challenges, and achievements of the export strategy, enhancing transparency and accountability.

Timely Adjustments: Utilize monitoring data to identify bottlenecks and areas needing improvement, allowing for prompt adjustments and corrective actions.

Reviews: Continuous Enhancement of Strategy Effectiveness

Periodic Assessments: Conduct regular assessments of the export strategy to evaluate its alignment with shifting market dynamics, technological advancements, and emerging opportunities.

Learning from Experience: Analyze successes, challenges, and lessons learned from previous periods to inform the refinement and optimization of future strategies.

External Expert Consultation: Engage external experts and consultants to provide unbiased assessments and recommendations for enhancing the strategy.

Flexibility and Adaptation: Ensure the export strategy remains flexible and adaptable to evolving circumstances, enabling Kebbi State to effectively respond to emerging challenges and capitalize on new opportunities.

Stakeholder Participation: Guaranteeing Inclusivity and Collaboration

Active Involvement: Foster active participation from all stakeholders, including government agencies, private sector entities, farmers, research institutions, and industry associations, in the decision-making and implementation processes.

Collaborative Platforms: Establish platforms that facilitate collaboration and information exchange among stakeholders, enhancing coordination and alignment of efforts.

Feedback Mechanisms: Implement feedback mechanisms that allow stakeholders to provide input and suggestions for continuous improvement of the export strategy.

Overall, this comprehensive approach to budgeting, adoption, implementation, monitoring, evaluation, reviews, and stakeholder participation will ensure the effective execution and continuous improvement of Kebbi State's export strategy. This will ultimately contribute to achieving the state's export-oriented goals with efficiency and accountability.

Collaborative Platforms:

Develop collaborative platforms, including regular meetings, workshops, and consultations, to promote cooperation, knowledge exchange, and collective decision-making.

Partnerships with the Private Sector: Build partnerships with private sector entities, industry associations, and research institutions to harness their expertise, resources, and networks.

Empowering Farmers: Strengthen farmers and local communities by including them in the decision-making process and offering channels for feedback and contributions.

Government Commitment: Guarantee robust engagement and dedication from government agencies and regulatory bodies, establishing a conducive environment for the execution of the export strategy.

The framework for budgeting, adoption and implementation, monitoring and evaluation, reviews, and stakeholder participation forms the foundation for the success of Kebbi State's decade-long export strategy. By strategically allocating resources, converting strategy into action, promoting accountability, enhancing strategy effectiveness, and encouraging stakeholder collaboration, Kebbi State is ideally positioned to achieve its ambitious export-focused objectives. This comprehensive framework ensures that the export strategy remains dynamic, agile, and adaptable to changing scenarios, while also cultivating a culture of transparency, inclusivity, and ongoing enhancement. As Kebbi State embarks on this transformative journey, the dedication to effective implementation and stakeholder engagement will propel the state towards sustained economic growth, job generation, and heightened global competitiveness.

CHAPTER 13: ROADMAP FOR THE KBSED PILLARS

Road Map for Strategic Growth: A Comprehensive Approach

Introduction: In the pursuit of strategic growth and development of Onion, Shea, and other Exportable Products, Kebbi State is committed to leveraging eight essential pillars. This detailed road map outlines a comprehensive strategy for each pillar, aimed at harnessing the immense potential of these key commodities. By integrating access to finance, infrastructure development, market expansion, quality enhancement, production augmentation, value addition, institutional strengthening, and policy framework, Kebbi State is poised to chart a transformative course towards sustainable economic prosperity.

Access to Finance:

- **Enhanced Financing Channels:** Collaborate with financial institutions to establish dedicated financing options tailored to Onion, Shea, and other Agro farmers and agribusinesses, cross Border traders and other business men and women.
- **Subsidized Loan Programs:** Introduce subsidized loans with favorable interest rates to facilitate investments in cultivation, processing, and value addition.
- **Financial Literacy Programs:** Conduct training and workshops to enhance financial literacy among farmers, enabling them to make informed investment decisions.
- **Risk Mitigation Mechanisms:** Establish insurance and risk-sharing mechanisms to provide a safety net for agribusinesses against unforeseen challenges.

Infrastructure Development:

- **Transportation Networks:** Develop and upgrade road and rail networks to ensure seamless transportation of raw materials from farms to processing facilities and export hubs.
- **Storage Facilities:** Construct modern storage facilities with climate- controlled conditions to minimize post- harvest losses and maintain product quality.
- **Processing Facilities:** Invest in state-of-the-art processing plants for Onion, Shea, and cassava to enable value addition and improve product quality.
- **Export Hubs:** Establish strategically located export hubs with customs and logistics support to facilitate the efficient movement of goods to international markets.

Market Development:

- **Market Research:** Conduct comprehensive market research to identify target markets, consumer preferences, and trends for Onion, Shea, and cassava products.
- **Trade Missions and Exhibitions:** Organize trade missions and participate in international exhibitions to showcase Kebbi State's commodities and establish connections with global buyers.
- **Export Promotion Agencies:** Collaborate with national and international export promotion agencies to leverage their networks and resources for market access.
- **E-commerce Platforms:** Explore digital platforms and e-commerce channels to directly reach consumers and niche markets, enhancing market reach and visibility.

Quality Framework:

- **Quality Standards:** Develop and implement stringent quality standards and certifications for Onion, Shea, and cassava products, ensuring compliance with international requirements.
- **Quality Control Labs:** Establish quality control laboratories equipped with modern testing equipment to monitor and certify the quality of exports.
- **Traceability Systems:** Implement traceability systems using blockchain technology to provide transparency and authenticity of Kebbi State's commodities to global consumers.
- **Capacity Building:** Provide training to farmers, processors, and exporters on quality assurance practices to maintain consistency and meet global standards.

Boosting Production:

- **Technology Adoption:** Introduce modern and sustainable farming practices, precision agriculture, and use of advanced machinery to increase yields and efficiency.
- **Improved Seeds and Varieties:** Facilitate access to high-yielding and disease-resistant seed varieties for Onion, Shea, and cassava, enhancing productivity.
- **Extension Services:** Strengthen extension services to provide technical guidance, knowledge transfer, and best practices to farmers for optimal production.
- **Research and Development:** Collaborate with research institutions to develop innovative farming techniques, pest management strategies, and soil fertility enhancement.

Strategic Activities for boosting production

- Create agricultural land bank desk. (For Food, and Commercial Crop sub sectors).
- Develop infrastructures such as road, water and other basic amenities within the farm estates/settlements as a panacea to attract youths and other investors.
- Encourage, develop and empower the concept of out-growers among farmers in the state;
- Provide technical assistance/support for investors through extension services.
- Facilitate linkages with relevant institutions to secure financial support for promoting commercial agriculture.
- Develop a workable and acceptable legal framework and document on land matters with investors with relevant MDAs/organs in the State
- Conduct proper enumeration of crops and land in newly acquired areas and ensure adequate compensation to displaced farmers/ landowners.
- Facilitate the introduction of buy-back programme to smallholder/commercial farmers.
- Ensure availability of land to potential investors and encourage the concept of equity on land matters.

Value Addition:

- Processing Facilities: Establish processing units for Onion, Shea, and cassava to transform raw materials into value-added products such as chocolate, palm oil, and cassava derivatives.
- Product Diversification: Invest in research and development to create new products and derivatives from Onion, Shea, and cassava, catering to diverse market demands.
- Packaging and Branding: Develop attractive packaging and branding for value-added products, enhancing their market appeal and competitiveness.
- Market Linkages: Forge partnerships with downstream industries to ensure a steady demand for value-added products and create a sustainable value chain.

Institutional Strengthening:

- **Farmer Cooperatives:** Support and strengthen farmer cooperatives to enhance collective bargaining power, knowledge-sharing, and access to resources.
- **Training and Capacity Building:** Establish training centers and programs to build the skills and knowledge of farmers, processors, and exporters along the value chain.
- **Research and Extension:** Collaborate with agricultural research institutions to provide technical support, knowledge transfer, and innovation for the Onion, Shea, and cassava sectors.
- **Industry Associations:** Foster the creation of industry associations that advocate for the interests of Onion, Shea, and cassava stakeholders, enabling unified representation and advocacy.

Policy Framework:

- **Export Incentives:** Develop and implement export-oriented policies that provide incentives such as tax breaks, grants, and export financing to encourage Onion, Shea, and cassava exports.
- **Regulatory Streamlining:** Streamline regulatory processes and reduce bureaucratic hurdles for exporters, facilitating smooth trade and enabling faster market access.
- **Sustainability Initiatives:** Integrate sustainability principles into policies by promoting environmentally friendly practices, ethical sourcing, and social responsibility within the value chains.
- **Trade Agreements:** Leverage regional and international trade agreements, such as the African Continental Free Trade Agreement (AfCFTA), to enhance market access and competitiveness for Kebbi State's commodities.

CHAPTER 14: EXPORT GUIDE

The Nigerian Export Promotion Council (NEPC) has provided an export guide and Kebbi State is in alignment with the NEPC guidelines as captured on the NEPC website - <https://nepc.gov.ng/get-started/export-guide/>

Steps to starting and completing an export process

How do you start? NEPC helps you get started with this export guide. To adequately prepare yourself for export business, follow the 9 steps below. The guide also provides additional information for existing exporters.



1. **Export Readiness** – A prospective exporter can assess his/her readiness by following the steps provided on the NEPC website - <https://nepc.gov.ng/get-started/export-readiness-checker/>

2. **E-registration** – To export, businesses must register with the NEPC. Guide to registering is provided on the NEPC website via <https://nepc.gov.ng/get-started/e-registration/>

3. **Understanding the market** - To develop a successful export business, a good understanding of your target market(s) is essential. This involves conducting research on your export destination(s).

A good market research should not be based on facts and figures only, It should also focus on factors that drive the target market(s).

Tips to understand the market

1. Gather basic market information regarding import regulations, trade statistics, tariff regimes and much more. Various Market Analysis tools can be handy in this respect.
2. Focus your research on a specific product or service.
3. Research on your competitor's market(s). Find out what they are doing right.
4. Attend market-specific seminars.
5. Seek practical advice from experienced exporters.
6. Develop direct contacts with potential buyers. You can make use of authentic online directories.
7. Understand the market environment (culture, demography, religion, currency...)
8. Relevant Trade Fairs and Embassies are good sources of information. Research Areas

Some of the important areas of market research include:

- Trade statistics and trends
- Trade policies
- Regulatory framework
- Business environment
- Business culture
- Distribution channels
- Logistics
- Risk assessment

Tools for market analysis

There are numerous online Market Analysis-tools available. Some of these tools can be accessed for free. These tools will enhance understanding of your target market(s). Check out a [list of the relevant tools](#)

4. **Export Plan** – After your market research, there is need to develop an export plan. Tips on developing an export plan (as provided by NEPC) are provided below:

- Keep your plan simple and to the point
- Always include your unique value proposition (this describes what differentiates you from your competitors)
- Develop a feasible budget plan
- Focus on your target market when defining your export plan
- A good export plan guides you seamlessly through different export processes.
- Ensure you incorporate relevant stakeholders (financial advisers, brokers and governmental bodies)

Key elements of a good plan

A good export plan consists of certain key elements which include the following:

- Company profile (about us)
- Key features of target market(s)
- Competitors' analysis
- Market entry strategy
- Unique selling points
- Promotional strategy
- Branding (if relevant)
- Logistical planning
- Action plan
- Resources required

Export plan template

NEPC has provided a template containing all the key elements listed above and includes additional descriptions per element. Kindly download [a full export plan template from NEPC website](#)

5. **Export Document and Procedures** – Export documentation is a requirement for formal exports of goods and services from Nigeria. A list of required export documents are provided on NEPC website - <https://nepc.gov.ng/get-started/export-documents-procedures/>

6. **Logistics & Freights** – Before embarking on any export venture, please ensure you understand the basic terms of delivery (including pricing and documentation). You must also understand the responsibilities of the major players for safe delivery of your products to buyers. Such details include: transport modes, duration of shipment, conditions required for different products and the agreed terms of trade. More details are provided on NEPC website - <https://nepc.gov.ng/get-started/logistics-freights/>

7. **Export Pricing** – To become a successful exporter, you need the right knowledge of export pricing methods. This includes all items relating to sourcing and costing of the exportable products.

Tips for export pricing

1. Ensure your prices are competitive
2. Ensure all export-related and -associated costs are covered
3. Know your break-even points
4. Set realistic profit margins
5. Know the INCOTERMS 2020
6. Negotiate best rates from service providers (banks, freight forwarders, producers, warehouses etc)
7. Keep abreast of the exchange rates
8. Review all of your cost elements periodically
9. Be conversant with the appropriate currencies and HS code(s)
10. Take note of minimum order quantities

For more details, kindly visit - <https://nepc.gov.ng/get-started/export-pricing/>

8. **Export Financing** – Export business requires sustainable funding over a period of time. The amount of money needed for export is largely dependent on

your product and export destination(s). It is therefore vital to ensure that appropriate financing options are explored. Kindly visit <https://nepc.gov.ng/get-started/export-financing/> for more details.

9. **Legal Issues** – Prior to export, it is important to understand the legal instruments regulating non-oil exports in Nigeria and that of the importing country.

Tips for exporters

1. It is advisable to engage an experienced trade lawyer or expert
2. Research and understand the terms and conditions regulating the market access for your products.
3. Protect your intellectual property (IP) rights, if you have one
4. Avoid trading on prohibited products
5. Comply with both local and foreign regulatory requirements
6. Check out information on frauds, scams and corrupt practices regularly Kindly visit [NEPC website](#) for more details.

Signed

Ministry of Commerce, Industry and Tourism
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