



EXPORT STRATEGY FOR BENUE STATE

**PRESENTED TO THE
BENUE STATE GOVERNMENT**

BY THE

**NIGERIAN EXPORT PROMOTION COUNCIL
BENUE STATE COORDINATING OFFICE MAKURDI.**

DECEMBER, 2023

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1.0. INTRODUCTION:

NIGERIAN EXPORT PROMOTION COUNCIL (NEPC)

- **Established by law in 1976 as the apex Federal Government institution for promoting the development and diversification of NON-OIL EXPORT in Nigeria.**
- **Vision:**
To make the world a marketplace for Nigerian non-oil goods and services
- **Mission:**
To spearhead the diversification of the Nigerian economy by expanding and increasing non-oil exports for sustainable and inclusive economic growth.
- **Structure:**
 - ❖ **Staff strength: 495**
 - ❖ **Head office: Abuja**
 - ❖ **Regional Offices: Lagos, Kano, Port Harcourt, Enugu,**
 - ❖ **Jos, Yola**
 - ❖ **29 State Offices**
- **Benue State Export Coordinating Office:**
Created to promote the development and diversification of non-oil export in Benue State.

2.0. DEVELOPMENT OF NON-OIL EXPORT IN BENUE STATE

2.1. BACKGROUND:

Political leaders across the three tiers of government have been concerned about over dependence of Nigeria on one commodity as the main source of foreign exchange earnings. More importantly, crude oil export is continuously being threatened by both local and external issues such as security, price volatility and reducing demand for fossil-based energy sources.

Economically, nations are interdependent on one another. That is the simple reasons why trade remains one of the most significant unifying or divergent instruments of global politics.

The USA Department of Trade Administration (2023) posited that exports are essential to nation's growth, prosperity, and economic security. It provides growth opportunities for businesses of all sizes and across sectors by offering broader markets and diversified revenue sources; its uplift families and communities by supporting millions of good-paying jobs.

The story is the same in Nigeria with deep thought to sub-national where the exportable commodities are being produced.

3.0. CURRENT SITUATION, CONTEXT AND BASELINE DATA

- i. According to the International Trade Centre, total world export in 2018 was put at over \$19.3 trillion. Nigeria merchandise was about \$52.9 billion out of which non-oil export only accounted for a mere \$3.1 billion. World oil demand fell by 20% in 2016. The event though the price has further increased since then however, the volatility of oil price in the international market is dangerous for Nigeria economy.

ii. In the last six years Nigeria's economy has plunged deeply into deficit and sub-nationals are struggling to secure separate alternative sources of funds for the budget. As a matter of fact, economic diversification is an urgent necessity to undertake structural transformation, buffer the domestic economy from externally transmitted shocks and accelerate growth accompanied by job creation.

iii. A conducive environment for non-oil export driven economy would be a right step for Benue State, to remain afloat the troubled economy and create a path for the future generation.

iv. Benue State, located within the tropic savannah has a land Area of 30,800 km² with a population of over 7,000,000 of which about 50% of the population falls within the active age (15-60). The natural climatic condition, natural vegetation and presence of a long water body provided the required environment for agricultural and agricultural related businesses.

v. Considering the economic dynamism of the State, in 2019, the internally generated Revenue (IGR) of the State IGR was N17.9bn, its 2020 budget was merely N114.5bn, with low household consumption of N1.2tn in 2019. These macro- economic analyses could be improved upon if non-oil export activities are stimulated in the State.

vi. In terms of non-oil export activities, Benue State is second to the last in non-oil export certificate registration in the North-Central despite the fact that it is less than four-hour drive from the Abuja and Enugu International Airport. The State is sharing boundary with Cross-River Sea Port. Benue State has an Export Processing Zone which enables vantage industrial activities that would enhance export competitiveness of their products.

vii. It is therefore important for Benue State to improve its non-oil export participation in order to boost its economy, create job among the youth, and build rural economies since over 50% of the populace are rural dwellers.

4.0. Constraints Against Non-Oil Export:

Notwithstanding the fact that Benue State is largely blessed both in terms of natural and human resources to be a big player in non-oil export business, the required awareness, skills, experience and conducive infrastructures and doing business environment are limited for the State to be a big player.

At present, the State cultivate about fifty (50) agricultural commodities, has deposit of over fifteen (15) solid minerals, the land space is dotted with various manufacturing and processing factories. This is in addition to its cultural diversity, human skill, technological innovation occasioned by the numerous trained skilled from the various institutions of higher learning. All of these provide opportunities for export of goods and services from Benue State. Some of the products from Benue State such as sesame seeds, yam, soya beans, cassava, shea-butter, citrus, spices and ethnic foods stuffs are already doing well at the international market. However, the exports are being undertaken by people outside the State thereby making other State of the federation to be the main beneficiaries.

5.0. Strategy Targets:

- i. The Benue State Non-Oil Export Development Programme is aiming to earn at least US2.5 billion annually for the State in the next 4 years.
- ii. Create at least 250,000 export related jobs created in the priority products value chains;
- iii. Benue State to be in the forefront for services (e-commerce and technological) led economy as a paradigm shift from drudgery agricultural lead economy.
- iv. Bring smallholder producers to benefit directly from the benefits of non-oil export, motivating all local government to benefit immensely from the economy.
- v. Strengthen partnership for non-oil export.

6.0. Broad Objectives:

To contribute to the Federal Government policy of economic diversification using the development of non-oil export sector to achieving poverty reduction, creating decent jobs and improve the general socio-economy development of Benue State propelled by export led global interaction.

6.1. Other Objectives of the Strategy:

- i. To grow the non-oil export base of Benue State for export by 10% yearly;
- ii. To develop an efficient and flourishing domestic market that is competitive in the global economy;
- iii. To enhance the quality and competitiveness of the States production, in the domestic and international markets;
- iv. To enhance market access and create opportunities for Made-in-Benue products in West African, African and international markets;
- v. To intensify international trade linkages with the industrial sector;
- vi. To break all barriers militating against export in the State;
- vii. To strengthen instruments of trade facilitation, building capacity, strategic infrastructure development to boost the competitiveness of the Benue State economy; and
- viii. To create inclusive jobs across the 23 LGAs.

7.0. Long Term Strategic Framework:

The strategy is designed to fit into the existing policy framework of the global Sustainable Development, **EXPORT FOR SURVIVAL** of the country, the Nigeria's Medium Term National Development Plan 2021-2025 which encapsulate into the 2050 Agenda and the General Trade and Investment Policy of Nigeria and the Benue State. Such framework are as follows:

- i. National Strategic Exportable Products Framework
- ii. The State Committee on Export Promotion
- iii. The Zero Oil Plan (2019 – 2025)

- iv. The One-State One-Product (OSOP)
- v. The Export 774 Initiative
- vi. SDGs 2032
- vii. The Renewed Hope Agenda
- viii. African Continental Free Trade Area (AfCFTA) Agreement.

8.0. Priority Product for Implementation:

It is a known fact that Benue State is blessed with many exportable products. The strategy shall therefore prioritize limited products without prejudice to other activities by individuals and groups. Such priority products shall be considered based on the following criteria:

- i. Existence of export market opportunity;
- ii. Period of gestation (low hanging fruits);
- iii. Ease and knowledge of production;
- iv. Capacity to generate high direct and indirect employment opportunities;
- v. Ease and availability of local and foreign technology for processing;
- vi. Existing supporting policy and strategy by both State and Federal Government (Finance, Production, Processing and Export)/SEZ;
- vii. The inclusivity of the product sectors in terms of women, youths and other vulnerable groups.

On the basis of the foregoing, Sesame Seeds, Soya Beans, Yam, Cassava, Shea Butter, Citrus, Ethnic foodstuff/spices as well as fashion, Services and Solid minerals have been carefully selected.

9.0. Emerging Strengths and Opportunities:

In addition to the existing opportunities in the global market, the implementation of the African Continental Free Trade Area Agreement

(AfCFTA) has created a broad market of over 1.3 billion people and likely investment of over \$3.4trillion in the coming years. This is in addition to the various specific opportunities being created by the Nigerian Export Promotion Council (NEPC). Such specific opportunities are as follows:

- i. NEXPORTRADE/PAPSS Portal
- ii. Export Trading Companies/AFREXIM Partnership
- iii. Services Exports Leadership in Africa
- iv. Digital Economy, E-Commerce maturity
- v. Export Trade House (ETH)
- vi. SHETRADE initiative in collaboration with ITC
- vii. The Blue and Green Economies pursuit of the Federal Government

10.0. Strategy Pillars:

- i. Production Expansion for the Priority Products;
- ii. Market Access Development;
- iii. Export Facilitation and Infrastructural Development;
- iv. Partnership Building;
- v. Environment (Enabling Doing Business); and
- vi. Financing and Export Incentives Opportunities.

11.0. Priority Product – Eligibility Criteria

- i. Listed under National Strategic Products: The Federal Government has listed 13 products under the strategic non-oil export product for export. The selections were done based on the high employment opportunities, grown domestically and availability of steady international market.
 - High FOREX Value Products.
 - High Socio-economic Impact Products
 - Services Sector Leadership
 - Availability of Local Skill and technology

- Ease of Processing

- ii. Listed as State main and alternate products under One-State One-Product (OSOP) programme.

12.0. Implementation Stakeholders: The driving agency shall be the Nigerian Export Promotion Council and the Benue State Government. Organizations listed under the State Committee on Export Promotion (SCEP) members as well as other trade facilitation agencies shall be considered as implementation organizations. See appendix.

13.0. Geographical Distributions:

Political Zones Product Mapping

S/N	Zone A	Zone B	Zone C
i.	Sesame Seeds	Sesame Seeds	Sesame Seeds
ii.	Soya Beans	Soya Beans	Soya Beans
iii.	Yams	Yams	Yams
iv.	Cassava/Derivatives	Cassava/Derivatives	Cassava/Derivatives
v.	Citrus/fruits	Citrus/fruits	Leather
vi.	Processed Products	Ethnic Foods/Spices	Spices
vii.	Ethnic Foods	Shea Butter	Light Manufactured Products
viii.	Services/solid minerals	Solid Minerals	Solid Minerals

14.0. Key Transportation Routes:

There are four transportation routes

- i. Kwande-Cameroon
- ii. Enugu-Port-Harcourt-Sea Port
- iii. Lagos-Sea Port/Airport
- iv. Lafia- Abuja-Airport

There is a strong need for Domestic Export Warehouse (DEW) in Benue State

15.0. Proposed Project Design:

S/N	Pillar	Present Situation	Objectives	Major Partners
i.	Production Expansion for the Priority Products;	There are players in the production of the priority products. However, the production needed to be expanded in order to meet the quantity of those products being demanded outside the country.	To increase production considerably to the quantity that could satisfy local and international demand.	NEPC, State Govt, Product Specific Stakeholders
ii.	Market Access Development;	There are noticeable constraints to	To create awareness on possible barriers	NEPC, BNSG, Quality

		access the market for some MSMEs in the State. There is a need to provide the relevant training in terms of quality, packaging and certification required to penetrate general and specific markets such as China, EU, America and African Market,	and how to break them for seamless export business. To sensitize potential exporters on useful market access concepts such as: ETH, DEWs, Go Global-Go Certi, General Administration of Chinese Customs (GACC), HACCP etc.	Designated Competent Authorities
iii.	Export Facilitation and Infrastructural Development;	Export Facilitation and Export Infrastructures are very vital to non-oil export trade. The government and other	To equip exporters with the necessary skills on General Customs Administration to foster trade.	NEPC, NCS, BNSG, PIAs, Freight Forwarders.

		stakeholders must identify the required infrastructures that could boost export in Benue State.		
iv.	Partnership Building;	Executing export order requires interface of exporters with different institutions and bodies. Until those institutions are brought together for consensus and partnership building, trade process might be jeopardized to the detriments of exporters.	To abolish institutional rivalries among export facilitation agencies.	NEPC, BNSG, NCS, NSC, etc
v.	Environment (Enabling Doing	Nigeria has done considerably in	To identified all the constraints	NEPC, PEBEC,

	Business)	improving on Enabling Business Environment (EBE). Nevertheless, the Benue State Government still has a lot to do in this wise to attract export related investment into the State.	militating against business processes in the State and proffer solution to them.	BNSG
vi.	Financing and Export Incentives Opportunities.	International trade involves huge finance to execute. This has caused a huge constraint on export in Benue State in particular. Apart from loan windows, there	To educate exporters on various available financial options. To create linkages between exporters and financial institutions.	NEPC, BNSG, Financial Institutions.

		are several available financial options for exporters and exporting MSMEs to key into.		

16.0. Convergent and Inclusive State Export Strategy:

- i. Research Driven strategy/value-added;
- ii. Digital Market Development for value added sectors
- iii. Local business as enablers (Structure)
- iv. SMEs Industrial Diversity Across Value-chains; Services Export and Services to Export Industry;
- v. Inclusiveness for socio-economic development, CFC/EPV
- vi. Domestication of key global programmes and project in sesame seeds, soya, shea butter, yam and light manufactured goods and leather products;
- vii. Yield optimization for competitiveness (partnership);
- viii. Finance for Export and Export Financing and infrastructures.

17.0. STRATEGY ROADMAP:

17.1. Product Development

- i. Sensitization/Consultative Engagement
- ii. Product Development and Production Expansion

- iii. PESTEL/SWOT / Competitive Analysis
- iv. Supply Base Study
- v. GAP, GWP, Certification Process (Market Access Issues)
- vi. Product Adaptation/Development
- vii. Export Plans Templates Design
- viii. Small Business and underserved communities
- ix. **Timelines: 3 months from baseline**

17.2. Roadmap- Market Development

- i. Marketing Research
- ii. Market Linkages Activities
- iii. Market Segmentation
- iv. Capacity Building for Value-Addition and E-Commerce/Digital Marketing
- v. Deploy Export Accelerators/Dew
- vi. Organize/Participate in Benue State Outward Trade Mission/Trade Fairs etc in conjunction with NEPC
- vii. Design Common Facility Centers
- viii. Standards And Quality Policy/Infrastructure
- ix. Identification of Export Capable and Export Ready Companies
- x. Launch Global Market finders
- xi. **Timeline: 6 Months from Baseline**

17.3. Roadmap – Sourcing: Boosting Supply-Base

- i. Partnership with Research Institutes
- ii. Mass Mobilization of Improved Seedlings
- iii. Provision Of Land and Other Inputs
- iv. Off-takers and Aggregators Scheme

- v. NIRSAL/NEXIM Strategic Partnerships
- vi. Export Cooperatives Development
- vii. Databases and Extension Services
- viii. Diversity and Diaspora Connections
- ix. Monitoring & Evaluation
- x. Timeline: 12 Months from Baseline

17.4. Roadmap – Facilitating Export Finance /Incentives

- i. Comprehensive Investment & Industrialization Policy
- ii. Enabling Business Environment
- iii. Strategic Partnerships with Local and International Development Finance Institutions
- iv. Leveraging on Incentives
- v. Providing Land, Seedlings and other Inputs
- vi. Capacity Building on GAP, GWP, GHP, HACCP
- vii. Special Govt Projects
- viii. **Timeline: 12 Months from Baseline**

17.5. Roadmap – Export Infrastructure

- i. Deploy Common Facility Centres
- ii. Deploy Dews
- iii. Deploy Farm-To-Market Roads
- iv. Capacity Building for Workforce Skills
- v. Digitalization of Govt Services
- vi. One-Stop-Shops (DEW)
- vii. E-Commerce
- viii. **Timeline: 24 Months from Baseline**

17.6. Roadmap – Strengthening Institutional Framework

- i. Capacity Building for Govt Institutions
- ii. Policy Framework Review
- iii. Monitoring & Evaluation
- iv. Digitalization of Services
- v. Timeline: Throughout the Program

For the Export Strategy Plan to succeed, there is need for robust implementation and Monitoring//Evaluation. Reviews for major adjustments will be expected every four years. On the basis of that, an export week is being proposed to sensitize stakeholders

18.0. Monitoring and Evaluation/Review:

- i. Benchmarking States' OSOP programs -Weighted Criteria to include;
 - a. Inclusive, Comprehensive, Consistent and Cohesive State OSOP Policy
 - b. Public Awareness Measures
 - c. Core stakeholders' Participation in M&E
 - d. Ease of Doing Business
 - e. Development of Digital Solutions
 - f. Export Plan templates for prioritized products
 - g. Export-friendly digital financial ecosystem
 - h. Online directories, trade information & market intelligence
 - i. online OSOP one-stop-shop powered by the State DEW

- j. Training on E-commerce and digital marketing for youths
- k. Dedicated Website
- l. Individually we move faster, collectively we move farther

19.0. **PROJECTED EXPORT:** the study intends to increase non-oil export in Benue State at the rate of 50% in 12 months and grow at 10% in subsequent years for 3 years.

1 st Year	2 nd Year	3 rd Year	4 th Year
50/%	10%	10%	10%

20.0. **DURATION:** 4 years

21.0. **EXPECTED REVENUE:** Revenue shall be generated from commodity grading, taxes from exporting MSMEs, and other accruing revenue. Exporters shall be entitled to access EEG and Export Development Funds.

22.0. **RISK ASSESSMENT:**

S/N	Possible Risk	Mitigation
a.	Security	Community Relationship will be required
b.	Financing could also be a problem	A financing facility has would be embedded in the project to forestall the problem
e.	Natural Disaster	Insurance Policy is required to mitigate losses.

23.0. KEY NEXT STEPS/STRATEGY IMPLEMENTATION:

- i. Export Awareness Creation/Strategy Validation Programme **(WEEK LONG EVENT)**.
- ii. His Excellency the Governor of Benue State to set up **Strategy Implementation Committee**.
- iii. Commencement of full Implementation.

