



BORNO STATE EXPORT STRATEGY

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1.1 Background

The State's Vision reflect the indigenous wisdom of the populace in order to optimally utilize the local resources efficiently and in the fastest manner possible. States play a major role in boosting this nation's growth. The reason for emphasis on involvement of states for promotion of exports is the desire for all-inclusive growth in exports in the country.

Borno State Government is of the firm view that agriculture holds the key for higher and sustainable growth leading to growth of exports. The State Government has recently unveiled an investor friendly agriculture policy, which aims to help boost the already thriving agricultural sector.

Given the current economic and sociopolitical climate, it has become imperative for Borno State to reconsider its economic plans and policies in order to become a competitive player in the global economy. This document seeks to provide a framework for the Government to implement its export strategies.

Export Strategy cannot be considered in isolation; rather, it is embodied in various government strategies and policies bordering on agriculture, infrastructure development, human Resources, among others. As such, an export strategy must effectively reduce import dependency in areas where the State could be competitive and encourages healthy domestic production.

It must be remembered that while exports ultimately depend on the performance of each and every individual enterprise, the role of the state has repeatedly proven to be path setter and critical in the larger play of things. A favourable environment for flourishing industrial growth would ultimately depend, inter alia, on:

- Availability of land and water
- Skilled & Semi-Skilled human resources
- Availability of raw materials
- Easy environmental clearances
- Banking services at competitive interest rates
- An environment that supports growth of potential sectors.

This strategy document provides an indicative Vision and Mission for promoting the exports of the state. Additionally, it elaborately discusses the direction for policy thrust and specific measures for incentivizing exports. After thorough discussions with all stakeholders, thorough examination of all related and pertinent strategies and policies affecting exports, a number of suggestions have been highlighted. In a similar vein, a cross-departmental coordination effort has also been made to align this

strategy with other government strategies and policies. Emphasis has been placed on the projects envisioned in the industrial policy framework of the State as thrust and core sectors.

1.2 Economic Scenario of Borno State

Borno state is Nigeria's 2nd Largest State, covering about 7.46 % of Nigeria's total land mass. Located in the Northeast Zone of Nigeria and bordered by three different countries i.e., Niger, Cameroun, and Chad, as well as three Nigerian states of Yobe to the west, Adamawa to the south, and Gombe to the southwest.

Vital Statistics about Borno State:

- Land Mass Total: 70,898 km² (27,374 sq mi)
- Area Rank: 2nd of the 36 states
- Population Estimates
- Total: 5,860,200 (2006 Census) projected to 9,845,136 in 2023 at a 4.0% annual growth rate
- Male: 4,942,258 (50.2%) Female: 4,902,878 (49.8%)
- LGAs: Borno State consists of twenty-seven (27) Local Government Areas, grouped into three Senatorial Districts Borno Central, Borno South, and Borno North.

1.2.1 Labour market data:

A survey reports that the state has 67% of its residents above 25 years and are employed in the labour market. The same shows 61% for young adults between 18 and 24. And 40% for children between 12 and 17. This indicates an employed population at various ages.

1.2.2 Gross Domestic Product (GDP)

The most recent state GDP data published by the National Bureau of Statistics (NBS) shows that Borno has a total GDP of \$5.175 billion and ranks as the 19th state in Nigeria with the biggest GDP. Among the states in the North-East region, Borno has the largest GDP. 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. As such, we may not be able to accurately assess the performance of Zulum on this indicator. In 2023, BudgIT released the 2022 State of States report, which put the current GDP of the state at N1.96 trillion, and it now ranks as the second state with the smallest GDP in the Northeast region. This drop in ranking may not be unconnected to the disturbing level of insecurity in the state which has stifled its economic growth.

1.2.3 Inflation Rate

In the Consumer Price Index Report released by the NBS in June 2023, Borno State at 20.44% recorded the slowest rise in all items inflation on a year-on-year basis.

1.3 Objectives

1.3.1 Vision

A secure and competitive Agri-business and commercial hub anchored on prosperous dignified people, and sustainable development

1.3.2 Goals

Increase exports by 5% in 2024 in alignment with the state's goal of becoming an export hub.

1.3.3 Mission

Restore the age-old honour, dignity, and prosperity of the state, while ensuring that all citizens and future generations have access to necessities and thrive at every stage of their lives.

The State is positioned to achieve this with the implementation of the following:

- 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
- 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
- x. Promotion of export diversification through knowledge dissemination, investment in technology, and skill enhancement

1.4 The Necessity of this strategy

This strategy plan is a fundamental initiative designed to transform the economy of the 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 State's economy, with the following anticipated outcomes:

1. **Enhanced Competitiveness** – The proposal emphasizes the importance of cutting operational expenses in the real sector, a vital step for the State to function at the lower spectrum of the global cost curve for essential products. This strategy aims to enable the state to sell its goods at internationally competitive prices by addressing challenges related to power, freight, and shipping.
2. **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 the State.
3. **Strategic Sovereign Relationships** – The Export Plan aims to redefine the State's regional and international bilateral connections, with a particular emphasis on broadening the reach to markets for products manufactured within the state.
4. **Increased Investments** – The Export Plan will stimulate investments, both local and international, in the State. This support for increased production and the establishment of effective avenues for updating the state's financial markets. Capital will be allocated strategically throughout the export value chain, encompassing processing facilities, agricultural areas, and related infrastructure. This allocation aims to ensure comprehensive development and sustainable growth.

CHAPTER 2

2.1 Borno State – Sectoral Analysis

Borno State is a State in the North-East geopolitical zone of Nigeria, bordered by Yobe to the West, Gombe to the South-West, and Adamawa to the South while its Eastern border forms part of the national border with Cameroon, its Northern border forms part of the national border with Niger, and its North-Eastern border forms all the national border with Chad. Government total expenditure in 2021 was N149 billion. The State capital is Maiduguri. Borno State has opportunities in pepper, onion, cowpea, cattle fattening, hides and skin, cross border trade, cap making, groundnut, sesame, and fishery.

2.2 Agriculture

Agriculture is the mainstay of the people of Borno State with occupation in crop production, livestock production and fish farming. The major crops cultivated in the State are millet, sorghum, maize, groundnut, wheat, cowpea, soybeans and vegetables such as onions, pepper, tomatoes, garden eggs and leafy vegetables. Also, the State is well known for fishing significantly around Lake Chad.

Major livestock reared in the State are cattle, camel, sheep and goats. The state trades its agricultural produce both within and outside Nigeria.

2.3 Trading

Given its international boundaries, there exist a healthy relationship between the state and her neighbouring countries for trading not only in agricultural produce but also in manufactured goods, trade in craft and craft products since the pre-colonial era. From this era through to the post-colonial period, the development of trade and commerce in Borno have given the region its popularity and importance such that by the end of 1916, there were about eight European and Levantine firms in the region (Balami, 2009).

In addition the need to meet the demands of the foreign firms propelled production in trade items like ground nut, cotton and gum. Furthermore, the fact that the Borno region and its immediate neighbours from other countries have similar features in terms of language, religion and cultural belief further facilitates trade relations. Also, the presence of unequal resource endowment at one point or the other for the Borno region and its neighbours indicates the strength of their trading relations.

For instance, during the Nigeria civil war, this trade relations was relied upon for supplies and a similar gesture was repaid during the Chad civil war (Balami, 2009). It is observed that unrecorded transnational trading activities in Borno State amounts to nearly 95% of total transborder trading activity with about 5 different trading routes (Balami, 2009). Borno state serves as the channel for the exchange of both raw agricultural produces and manufactured goods, thus creating employment opportunities for its residents and of course a source economic growth for the region. However, this growth has been greatly affected by the insecurity since 2009.

2.4 Tourism

Decorated with a rich cultural heritage, Borno state provides an inviting attraction to tourists who wish to take in its beauty and awe. In the state, you will find scenes of poetic beauty in its historic monuments which represents the glorious splendour of the ancient Kanem Bornu empire in its northern regions. And for its moving parts, you will find this ancient culture splashed on the clothings, dances, arts, crafts, and food.

Visitors and tourists are attracted to locations such as Sanda Kyarimi Park (Zoo), Lake Alau, The Gwoza Hills, Lake Tilla, and Jarry Falls. And the state government has decided to provide incentives for investors. Below are some specific investment opportunities:

- Availability of about 100ha of land available for the development of an international standard Horse/camel racing arena.
- About 100ha of land available for the development of an international standard Golf Course with a 5-star Hotel available for potential investors.
- Premium land along the Lake Chad basin is available for luxury vacation villas and condominiums.
- Over 3,000ha of free land for Tourism Development is available in the state.
- Existence of the Komadugu Gana River and River Ngada with the potential for an Independent Power Project to power the entire northeast geopolitical zone.

2.5 Mining

Borno State is blessed with a plethora mineral resources ready for exploration and exploitation. It is endowed with a variety of solid mineral deposits capable of feeding medium to large scale industries for optimum industrial operations. Previous work conducted by the Borno State Mineral Resources Development Agency and Borno State Investment and Property Development Company Limited revealed the existence of various solid mineral deposits which when effectively harnessed would improve the economic status of the state and its people in general. These deposits include among others:

- Uranium¹
- Quartz
- Feldspar
- Kaolin

However, mining activities have been suspended due to the security situation in the state.

¹ Nigerian Investment Promotion Commission (<https://www.nipc.gov.ng/nigeria-states/orno-state/>)

CHAPTER THREE - Export Support Strategies

3.1 Introduction

The State Government is intentional about boosting the capacity of its micro, small and medium enterprises (MSMEs) to take advantage of the State's competitive advantage. Borno State Government expects to increase non-oil exports from the state with the implementation of the following measures:

3.2 Partnership with Consultants and Non-profits

The Borno export support strategy envisions a collaborative framework that harnesses the expertise of key entities such as the Network of Practising Non-Oil Exporters of Nigeria (NPEN), the Nigerian Export Promotion Council (NEPC), and skilled consultants to bolster export capacity within the state. The NPEN, as a collective of experienced non-oil exporters, will play a pivotal role in knowledge sharing and mentoring local businesses, providing insights into international markets and export best practices. The NEPC, with its extensive experience in export promotion, will collaborate closely to offer strategic guidance, facilitate market access, and navigate regulatory frameworks. Additionally, engaging consultants specializing in export-related fields will offer tailored expertise, addressing specific challenges faced by local exporters. This holistic approach aims to build a robust ecosystem of support, empowering businesses in [State] to enhance their export capabilities and thrive in the global marketplace.

3.3 Export formalization support

In collaboration with the Nigerian Export Promotion Council (NEPC), the State Committee on Export Promotion (SCEP) will provide assistance to informal exporters on export formalization, particularly in obtaining export licence from the NEPC. The State Export Promotion Council will actively engage with informal exporters, providing guidance on the advantages of formalizing their activities and offering support throughout the export registration process. By creating a supportive framework within the state, Borno State aims to empower informal exporters with the tools and knowledge required to register, acquire export licences, and seamlessly integrate into the formal export economy, fostering sustainable economic development.

3.4 Regulatory licence support services

Exporters are required to obtain regulatory licences or approvals from Federal MDAs before they can undertake in legitimate export. MSMEs often experience challenges in obtaining these approvals. As a result, the SCEP, in collaboration with the State Investment Promotion Agency will establish one-stop shop, in order to facilitate the process of obtaining these clearances.

3.5 Creation of Exporter Grievances Hotline

A Grievance Redress Panel has been established further to the directive of the Executive Order on the Establishment of a Grievance Redress Mechanism For Trade Related Matters. The Panel will address complaints and grievances arising from the collection of trade related fees and tariffs and other trade related matters.

3.6. Promote new exporters through Skill development & Export Guidance:

As from Q2 2024, the SCEP will facilitate the training of MSMEs with interest in exports towards exportation of products to neighbouring states, as well as encourage existing exporters to increase export volumes. The training will focus on accessing international markets, product quality, standardization, packaging and export finance, among other areas.

3.7 Publication of export material and sensitization

The State Export Promotion Committee will publish periodic informative materials on export promotion. The Committee is also charged with sensitizing exports through various channels on how to successfully undertake export-related activities from the State.

CHAPTER 4 - Institutional Mechanism

4.1 State Export Promotion Committee

Borno State Government has constituted the State Committee on Export Promotion (SCEP) to promote and facilitate all export-related matters and enhance collaboration among stakeholders, including Federal and State MDAs.

The SCEP is required to convene at least thrice a year to assess the advancements made in the Exports Strategy and will be responsible for the following:

- 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.

4.2 Borno One Stop Shop (BOSS)

BOSS will provide technical support to MSMEs with the following:

- Assisting with export-related inquiries
- Connecting trade partners through matchmaking
- Providing information about incentives available to exporters
- Resolving issues related to exports
- Offering knowledge services related to exports
- Conducting export promotion and outreach activities

CHAPTER 5 - Export Guide

5.1 Introduction

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/>

5.2 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.



A. 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/>

B. 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/>

C. 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

- i. Gather basic market information regarding import regulations, trade statistics, tariff regimes and much more. Various Market Analysis tools can be handy in this respect.
- ii. Focus your research on a specific product or service.
- iii. Research on your competitor's market(s). Find out what they are doing right.
- iv. Attend market-specific seminars.
- v. Seek practical advice from experienced exporters.
- vi. Develop direct contacts with potential buyers. You can make use of authentic online directories.
- vii. Understand the market environment (culture, demography, religion, currency...)
- viii. 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](#)

D. 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](#)

E. 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/>

F. 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/>

G. 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

- i. Ensure your prices are competitive
- ii. Ensure all export-related and -associated costs are covered
- iii. Know your break-even points
- iv. Set realistic profit margins
- v. Know the INCOTERMS 2020
- vi. Negotiate best rates from service providers (banks, freight forwarders, producers, warehouses etc)
- vii. Keep abreast of the exchange rates
- viii. Review all of your cost elements periodically
- ix. Be conversant with the appropriate currencies and HS code(s)
- x. Take note of minimum order quantities

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

H. 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.

I. 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](https://nepc.gov.ng) for more details.