

# Event Report on the Non-Oil Exporters Dialogue

**Location:** The Sojourner by Genesis hotel Ikeja GRA, Lagos

**Date:** Thursday, 31<sup>st</sup> August 2017

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## List of Abbreviations

CAC	-	Corporate Affairs Commission
CCI	-	Clean Certificate of Inspection
EBES	-	Enabling Business Environment Secretariat
FGoN	-	Federal Government of Nigeria
MSMEs	-	Micro Small and Medium Enterprises
NEPC	-	Nigerian Export Promotion Council
NACCIMA	-	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture
NAQS	-	Nigeria Agricultural Quarantine Services
NAFDAC	-	National Agency for Food and Drug Administration and Council
NDLEA	-	National Drug Law Enforcement Agency
NESG	-	Nigerian Economic Summit Group
NESS	-	Nigerian Export Supervision Scheme
NOTAP	-	National Office for Technological Acquisition and Promotion
NXP	-	Nigerian Export Proceeds
PEBEC	-	Presidential Enabling Business Environment Council
PDF II	-	Policy Development Facility Phase II
SON	-	Standards Organization of Nigeria
WTO	-	World Trade Organization

## Executive Summary

As Nigeria looks to diversify its economy from oil, a major challenge would be tackling 'before the border' and 'beyond the border' issues around non-oil products and services to enable the required competitiveness that would bring socio-economic transformation.

At the heart of this are a mass of MSMEs who hold the economic opportunities for job creation and economic dependency. So far, these MSMEs involved in formal and informal cross border trade and non-oil export, have been unable to compete favorably in the global trade value chain due to stifling challenges in the business environment. Thus far, the path to export reforms has been onerous as this segment of economic agents has been absent in trade debates (WTO 2016).

It is in this regard the PDF II Trade work stream seeks to engage with non-oil export groups and stakeholder organizations and individuals with the aim of:

- Enabling underrepresented export oriented voices in economic policy.
- Strengthening exporter groups' participation in trade sustainably.

To start the process, a Non-Oil Exporter Dialogue was held on the 31<sup>st</sup> of August 2017 with key stakeholders like NEPC, EBES and NESG in attendance. The in-depth conversations kicked off with a presentation on preliminary findings of a study on Exporter Experience. The study set out to determine the gap(s) between trade regulators prescriptions for non-oil exports and the actual experiences of trade operators; contribute to creating a business environment that enables MSMEs participate competitively in the international market; create a monitoring instrument for the on-going reform of business environment in Nigeria; and provide a guide for reform proposals and dialogue between public institutions and trade operators. Early results from the study showed that regulators do not adhere to their own set operational guidelines and prescriptions for trade operations. The ones that adhere to the guidelines do not add value to the export value chain; Institutions have full knowledge and widely publicize the executive orders of FGN, but it has not translated into significant gains for trade operators. Summary conversations from this session expressed the need for not just reforms in principle but for reforms to match realities.

The conversations went deeper with exporters in two breakout sessions stating their top challenges, opportunities and roles.

### **Top Challenges:**

1. Non-existing structure for the repatriation of funds
2. Financing – high interest rates not favourable
3. Lack of Adequate information and knowledge gap on export processes at NEXIM
4. Logistics, Transport and Mobility
5. Poor synergy amongst stakeholders

### **Opportunities**

1. The need to work with commercial attaches. Commercial attaches are a valuable resource to NEPC and should be leveraged in getting market intelligence within their respective countries of service thereby bridging the information gap.

2. Need for cooperative groups to work together to meet export demands and pull resources. Exporters can leverage cooperatives for everything, knowledge etc.
3. There should be a platform that brings and links players in the value chain together especially buyers and sellers.
4. There should be clusters where shared facilities are provided.

### **Roles of an Export Group**

1. Advocacy for more trade offices in other countries and trade attaches.
2. Ensure quality certification and Inspection
3. Logistics and transportation
4. Full value reorientation of players and stakeholders on the export value chain
5. Trainings and empowerment programs for exporters (e.g. on letters of credit), regulators and financial service providers.

The event moved into a knowledge and experience sharing panel session. Panelists were drawn from the Presidential Enabling Business Environment Council (PEBEC) through its Enabling Business Environment Secretariat (EBES), Nigeria Economic Summit Group (NESG,) Nigerian Export Promotion Council (NEPC), Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and ABX World.

Some contributions from some participants noted the impact of bad governance and corruption as well as lack of capacity among non-oil exporters. The need to leverage expert networks like the NESG was emphasized for capacity building. There is also the need to unify import terms across our network of countries to enable ease of trade.

There is need to constitute a formidable force, if possible an organization which is represented by relevant stakeholders (private sector and government), that will serve as a pressure group to get government to implement policies. This organization should stir the required level of interactions and broker effective partnerships like in the case of Transcorp.

The EBES asserted that it is engaging with commissioners of about Twenty (20) states, as the World Bank seeks to rank each of the Nigerian States on how easy it is to do business. Similar to what has been set up at the federal level, the EBES will identify what the hurdles are to doing business, promote competition and earn the rankings. The PEBEC (EBES) also expressed its attention on issues around customs, police check points, and undue rent seeking that happens.

On regulatory agencies, especially NAFDAC and SON, the EBES seeks to streamline their processes and update their facilities and infrastructure. CEO of ABX noted that there is need to certify Nigerian farmers, exporters and stakeholders on the value chain with agricultural certifications from the Global G.A.P

Exporters committed to more specializations and synergy along the non-oil export value chain sectors. The EBES and NEPC representatives also pledged to take deliberations to high-level decision and policy-making committees to improve the state of non-oil MSMEs and the exporter experience. This is aimed at delivering a nation that is powered by a diversified export base to improve revenue proceeds, foreign exchange and socio-economic inclusion.

## Opening Brief: Trade Policy Stream Vision

MSMEs in the world play a significant role among businesses involved in formal and informal cross border trade and non-oil export, yet to date, they have been absent in trade debates (WTO, 2016). MSMEs account for majority of firms in most countries and for majority of jobs, yet most MSMEs (amongst which there are many potential exporters) are unable to participate competitively in the global trade value chain due to stifling challenges in the business environment. Currently the path to export from Nigeria is onerous and the challenges must be addressed.

The Chatham House Report, *Nigeria's Booming Borders, The Drivers and Consequences of Unrecorded Trade* articles why Nigeria's vast external trade remains largely informal, unrecorded and untaxed – and this fact leaves much of the country's economic potential unrealized. There is consensus that Nigeria needs to diversify its exports away from crude oil, but what this means in reality and the best way to achieve it remains a topic of hot debate. Recommendations from the Overseas Development Institute's (ODI) work: *Supporting Economic Transformation* in Nigeria suggests that using non-oil exports in a few selected sectors could have significant impact on economic growth.

To effectively position Nigeria's MSMEs for the global market, debates must address some 'before the border' and 'beyond the border' issues. However, the political economy of trade policy remains challenging with certain groups dominating the policy discourse and many other local voices unrepresented. Rather than traditional institutional support, the balance of PDF II's efforts is focused on the building blocks of long-term trade policy by strengthening alternative (or under-represented) voices that can feed into policy process.

The Trade work stream will explore how it might strengthen export-oriented voices and groups to feed the policy formulation as well as consider how it could work to reflect broader views from export groups and business policy discussions

In line with its strategic work plan for its first year the Trade work stream therefore has set out to engage with non-oil export groups and stakeholder organizations and individuals with the aim of:

- Enabling underrepresented export oriented voices in economic policy.
- Strengthening exporter groups' participation in trade sustainably.

# Presentation on Early Findings of a Study on Exporters Experience Mapping of Exporter Experience on Process, Sequence and Cost of Nigeria Non-Oil Export

By Dr Olumuyiwa Alaba and Lanre Nwankwo

The study is supported by PDF II, a DFID funded program.

1. The purpose of this mapping is to determine the gap(s) between trade regulators, prescriptions for non-oil exports and the actual experiences of trade operators
2. The overall objective is to contribute to creating a business environment that enables MSMEs participate competitively in the international market.
3. To create a monitoring instrument for the on-going reform of business environment in Nigeria (particularly the executive order (EO) issued by the FGN related to transparency<sup>1</sup>)
4. To provide a guide for reform proposals and dialogue between public institutions and trade operators

## Key Motivation

1. Create friendly environment for business, particularly export competitiveness of MSMEs
2. Concerns about Nigeria's ranking in global doing business indicators. Among others Nigeria ranks (World Bank, 2017).
  - 169 out of 190 countries considered in the 2017 overall DBI assessment.
  - 181 of 190 countries on the ease of trading across the border
  - 134 on starting a business indicator
3. Important roles of MSMEs in trade and economic growth:
  - MSMEs account for majority of firms in most countries, 95% on the average, and constitute the majority in export business and responsible for a vast majority of jobs (see WTO, 2016).

## Focus of Mapping

- Various trade operators experience measurement of complexity as it with trade regulators.
- Identification of unnecessary bottlenecks compromising practices
- Provide direction for progressive reforms (Simplify procedures, eliminate redundancies, reduce time and costs)
- Monitoring of progress through regular up to date information experiences of trade operators

## Methodology

1. Review of export-related procedures as prescribed by the trade regulators in three key areas:
  - Registration – CAC, NEPC, NAFDAC, NAQS etc.
  - Certification – NAQS, NAFDAC, NDLEA, SON, Private inspection Agents (NXP, NESS, CCI) etc.

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<sup>1</sup> Mandating all Federal Government ministries, agencies and departments to henceforth publish a complete list of all requirements or conditions for obtaining products and services within their scope of their responsibility with timelines

- Inspection and shipment: Joint Inspections led by NCS
2. Survey of real field experiences of trade operators based on the review – conducted interview with trade operators, freight forwarders and accompany exporters to physical trade operations
  3. Determination of consistency or otherwise of the two above. i.e. the registration of the operators and what is going on in the field.

### **Summary of Findings**

1. Preliminary analysis of information/data obtained during the survey shows that regulators do not adhere to their own set operational guidelines and prescriptions for trade operations. While the ones that adhere to these guidelines do not add value to the export value chain.
2. Institutions have full knowledge and widely publicize the executive orders of FGoN, but it has not translated into significant gains for trade operators

### **Specific preliminary results obtained from our survey show the following:**

- a. Operations of some institutions have improved significantly in terms of transparency and time – CAC, NEPC.

Though people note that it's a lot easier to register a business on their website, the reality is that there is a column that requires you to fill the address of your agent. Although they said they have eliminated the role of agents there is still a need for an accredited lawyer or secretary. As a matter of fact, when responding the email goes to the agent and not you. That still locks us on to the agency problem that existed before. It is therefore not true that you can register a business without any problem.

- b. However, operators raised concerns about the following:
  - i. agency/intermediary issues in business registration
  - ii. Value additions of NEPC in real trade operations beyond revenue collections

Most exporters noted that NEPC have appeared to be more of revenue collectors than trade facilitators, because after registering as an exporter you cannot get them to provide market intelligence, or linkages to the international market. NEPC appears to only keep a data bank to enable the collection of revenue in the next eighteen (18) months. NEPC therefore seems to be an instrument that collects government revenue not facilitating exports.

- c. Processing of NXP and NESS to obtain CCI is problematic for the following reasons:
  - i. Majority of bank branches do not have knowledge of NXP processes
  - ii. Obtaining, filing and processing of NXP forms consume days and weeks of exporters' precious time. For perishables this portends a disaster
  - iii. Exporters now find ways to ignore NXP, and by implication NESS and CCI in export processes.

Notably some exporters stated they have found their way of not going through the NXP process all the time this is because many of the banks do not understand the NXP process and neither have capacity for them. So when filling the NXP form, most banks send them to the head office in Lagos, which takes weeks and delays transactions or movement on the value chain, this

process also produces the CCI and exporters have come to realize that these documents and certifications are not needed in the international market so they jump these process and move straight to the market as these other agencies are seen as revenue collection agencies.

### **3. Certifications:**

- i. SPS certification process is the most mentioned as headache by exporters. It has no fixed fee, no clear process. Exporters say your negotiating power is an asset in obtaining SPS certification.
- ii. Clear demarcation of mandates is an issue among public certification agencies: NAFDAC, NAQS, and SON etc.
- iii. Exporters express doubt about integrity of tests being conducted by relevant public agencies, some exporters experience significant losses to product tested to set contract in Nigeria but failed objective tests abroad,
- iv. Some reported that certification is 'auctioned' on cash and carry basis,
- v. Yet registration for certification and actual certification is time consuming and with no determinable costs

For issues of certification exporters express dissatisfaction and challenge on the integrity of test being conducted by public institutions in Nigeria. Some exporters have lost lots of money on products said to have been tested and conform to the contract signed. When these products get abroad and are tested it is rejected therefore losing business opportunities and money. Exporters in some institutions noted that registration and actual certification are not done. They are usually advised to get an agent to negotiate, they tell you to pay an undeterminable amount, and the fees depend on the exporters negotiating power. They grant certificates when these payments are made.

### **4. Inspections – Business as usual still on-going:**

- i. Successes of inspections depend on how much the exporters are willing to 'facilitate' the process.
- ii. Some exporters reported experiences of re-inspection after initial inspection and clearance. For such process exporter pay additional fee of over N100, 000.
- iii. Exporters confirm that many of the agencies and/units of agencies that have nothing to do with inspections still participate in inspection

It was also noted that all the agencies government asked to leave still find their way into the inspection process. A particular institution has seven units in the port where the only relevant one is the inspection unit, making rent seeking still an issue. A particular agency when you have passed their test would ask you to off-load and reload for re-inspection and this attracts an average cost of N130, 000 coercing exporters to negotiate out of this process. Also, agencies that have nothing to do with inspection are also there.

### **5. Repatriation of funds**

There is need to check these processes and evaluate them closely to be sure we are not doing reforms on paper but doing truly reforms on the value chain. In terms of export proceeds repatriation; exporters say they are going through a lot of hardship in the hands of their banks,



because most of them are not sure of the exchange rate that is applicable. Many claim that the banks would change at official market rates and still charge them fees. In summary, we have reforms in principle but are still far away from real reforms.

### **Comments, Questions and Answers**

C: Mr Egbo Akpesiri (Tradecorp)

1. An observation was made that the dialogue had more participants from Agriculture than other sectors especially solid minerals sector that had only 2 people participating. In response, he was informed that this was because the focus of the study was on select agricultural products.
2. Export related agencies in Nigeria do not have laboratories, all the solid minerals are sent overseas for analysis. This participant had a case where his company sent samples to ALFRED KNIGHT for analysis, knowing that same sample could not be sent twice to a testing agency. They noticed that their report came back a month later because samples were from a Nigerian business. Where products are from Nigeria they go an extensive mile on the analysis especially where the product is of high quality because they find it difficult to believe such a product can come from Nigeria.
3. In solid minerals, you must have a 'buying centre' license given by the federal government, and most solid minerals exporters do not have 'buying centre' license. Although it is not supposed to be a cumbersome process but the only challenge is that only the Minister signs the document. Similarly, only the Minister signs the 'site certificate' for timber lifting. In this regard, many exporters' goods are stuck in Vietnam, this because they cannot be cleared without the 'site certificate'.
4. Another challenge is infrastructural; exports cannot compete with China, India, Vietnam and Ghana because of higher transportation costs in Nigeria. For example, transporting 20 – 25 tons of good is N400, 000 from Taraba to Lagos (different states), while from Apapa to Ikorodu (same state, Lagos) is N250, 000
5. Most times the rules and operators are not the problem, but that the rules are not adhered to especially by banks, most banks lack understanding of export and are not responsive with regards to funding even with letters of credit
6. Majority of exporters do not have passion for exports.
7. Cultural drawbacks from communities who would not allow licensed holders to mine. Also, there are lots of individuals who although not in the mining industry, own licenses that they just hold onto.
8. Worthy of note is what is happening with funds at NEXIM, the average exporter gets funds at 25%, China at 1 or 2% and Japan at 0%
9. Lack of export incentives for exporters across the value chain

## Break-Out Session

### Group 1

**Topic:** Exporters discussed the challenges faced in their day-to-day engagement with export processes and procedures; they also highlight areas of opportunity that could be effectively harnessed for the growth of the non-oil export sector.

**Moderator:** Mrs. Enitan Dada (Consultant)

### Top Challenges:

1. Non-existing structure for the repatriation of funds
2. Financing – high interest rates not favourable
3. Lack of Adequate information and knowledge gap on export processes at NEXIM
4. Logistics and mobility – Taking your product from source to destination. Delayed timing in meeting with demands.
5. Sourcing of export produce, prices at farm gate are not competitive, no regulation to protect the local market
6. Monopoly of the market by foreigners' e.g. OLAM. (There is need for the government to make strong inclusive policies.
7. Integrity in the global market, what is the government doing to develop the Nigerian market. There should be a data bank on destination activities; Bona fide exporters should get full support of the government.
8. Practitioners not represented in policy discussion on import.
9. Quality Inspection agents not competent. Samples have to be sent abroad which delays the process. Also the pricing, requirements and documentation not necessary.
10. Lack of synergy between buyers and sellers
11. Some association do not trust Nigerian testing labs.
12. Lack of coordination among government agency, NEPC should lead.

### Opportunities

1. Nigerian commercial attaches in various countries could support NEPC with market intelligence. There is lack of knowledge in this regard and they could bridge the gap.
2. Non-oil exporters need to play a role in solving the quality issues by working together
3. Need for cooperative groups to work together to meet export demands and pool resources.
4. Get foreign certifications because local certifications are not competitive
5. Time for exporters to participate in policy discussions to influence reforms. This should be facilitated
6. Stakeholders should form synergies that could lead to economies of scale, private sector should drive this, not government
7. Trade Policy influence

### Roles as an Export Group

1. Advocacy for more trade offices in other countries and trade attaches.
2. Ensure quality, certification and inspection
3. Logistics and Transportation
4. Bring multiple charges to a minimum

5. Proper documentation
6. Policy – A quick review of Nigeria Export Strategy review on products (supported by the Commonwealth).
7. Financing – a need to build capacity of financial institutions (besides access to finance)
8. Capacity building for exporters
9. Lack of coordination, harmonization and synergy among Agencies that relate to exports
10. Explore the Export Stimulation Fund currently managed by the CBN
11. Export development fund currently worked on by the NEPC should be implemented
12. Cohesive strategy on exporting in Nigeria
13. Build Integrity

### **Strategies for getting the Community of Practice (COP) running**

#### Social Media

1. WhatsApp group
2. Create a yahoo group to circulate specific information among members
3. Design terms of engagement as things progress
4. Pool resources among members of similar interest to push reforms and engage with the right agencies of government
5. Regular and periodic stakeholder meetings
6. PDF II to midwife this process to ensure it is sustainable and has a life of its own
7. PDF II to help articulate the issues and for members to flesh out.

### **Group 2 (discussed same topic with group 1)**

**Topic:** Exporters discussed the challenges faced in their day-to-day engagement with export processes and procedures; they also highlighted areas of opportunity that could be effectively harnessed for the growth of the non-oil export sector.

**Moderator** – Olugbenga Wahab (DAWN Commission)

#### **Top Challenges:**

1. The Process and Procedure of Financing. Many banks that are the main financiers do not have export desk especially in their zonal and local offices. The few that have only have one desk in the branch office with an unknowledgeable staff on export financing. The access to finance and process is not encouraging.
  - a. Logistics, Infrastructural and mobility, a lot of pilfering happens to goods in transit to the port.
  - b. Gridlock issues at the port, most times containers spend from one to three weeks and up to months because of poor access/exit out of the port
  - c. In some cases, the transport cost is more than the goods
  - d. Some locomotives at the moment do not work. This is due to poor maintenance, the ones that work are owned and maintained by giants in the industry e.g. Dangote and Oando

2. Power is a challenge as it is not readily available. To put a transformer in an average premise cost 5million. Most exporters therefore run on generators, which cost an average of N20, 000 per day to fuel.
3. Most exporters are small scale therefore cannot afford the machinery used to process raw materials into semi-finished or finished goods.
4. Unavailability of quality control machinery for testing and analyzing the quality of products being sent to the international market
5. Total lack of information across the value chain is a great challenge; the exporters, banks and other players do not have a clear perspective on how the value chain works, roles, agencies, process and procedures.
6. Some agencies in value chain have cross-functional roles and most are completely clueless.
7. Poor synergy across stakeholders, therefore leading to more system failure, raising the cost of independent operations.
8. Poor promotion and awareness which should be the mandate of the NEPC
9. Increase in cost of products from packaging and labelling, this occurs where goods are sent abroad in bulk to be packaged and labelled due to low quality packaging and labelling in Nigeria.
10. Made in Nigeria goods still have issues moving into the international market due to poor national image and reputation. In most cases Benue yams are only sold when tied in a Ghanaian flag ribbon
11. Lack of functional export credit guarantee scheme as only banks seem to be financiers, with no fund support from NEXIM, therefore leading to high interest rates which discourages borrowing
12. Unavailability of special insurance services for exporters.
13. Lack of patronage of made in Nigeria products in international markets from Nigerians living abroad.

### **Opportunities**

1. Synergy, cluster and cooperatives especially in logistics and supply chain would cut cost significantly.
2. Exporters can leverage cooperatives to access finance, access to markets, market information etc.
3. There should be a platform that brings and links players in the value chain together especially buyers and sellers.
4. There should be clusters where facilities are provided.
5. Adoption of the agriculture out-grower method for exports. Create clusters of producers and other areas of specialization in the value chain, so exporters can access their product or service in bulk.
6. Need for value reorientation to fight selfish and vested interest.
7. Access to skilled and unskilled labour.
8. Access to raw materials.
9. Need to look at insurance credit schemes as options to finance export project.
10. Access to land.

**Roles as Individuals**

1. Full value reorientation of players and stakeholders on the exporters value chain
2. Trainings and empowerment programs for exporters (e.g. on letters of credit etc.), regulators financial service providers.
3. Support and Mentorship
4. Buttress specialization and professionalism on every point of the value chain.
5. Emphasize value addition and quality control
6. Engagement for effective partnerships and internships, to cover the skills gap and quality of export products

**Roles as Groups**

1. Need for pressure groups with competencies to advocate, leverage opportunities and compliment efforts
2. Leverage social media; preferably Instagram to enable more involvement over time
3. Need to create more synergy
4. Need for top-down mentorship amongst major players

## PANEL SESSION

### Panelists:

- Mrs Toyin Bashir – Coordinator Trading across Borders at PEBEC (The Enabling Business Environment secretariat Abuja)
- Alhaji Rabiu Sanni – Lead Trade, Investment Climate Policy Commission NESG and National VICE President NACCIMA
- Mr Akintunde Folorunso – Representing the Nigerian Export Promotion Council (NEPC)
- Captain John Okakpu – CEO ABX logistics

### PEBEC Initiatives, Key Achievements, Prospects and Challenges

#### Toyin Bashir

The journey towards improving exporter experience is a “marathon not a sprint”. The Presidential Enabling Business Environment Council (PEBEC) was set up by President Muhammad Buhari in July 2015, essentially to sustainably and progressively makes Nigeria an easy place to do business. Furthermore, to improve the World Bank rankings on Nigeria in the World Bank Ease of Doing Business Index, and to move Nigeria up by at least twenty (20) places. The council is headed by the Vice President – His Excellency, Professor Yemi Osinbajo (SAN) who is the Chairman, while the Minister of Trade Industry and Investment is the Vice Chairman. It has about Ten (10) ministers who act as housing members, representatives from the Nigerian House of Representatives, the CBN governor and Head Nigerian Civil Service who act as council members and other representatives from Lagos and Kano.

Lagos and Kano are the only two cities represented because the World Bank only tracks Lagos and Kano for the purposes of the ranking. This is because in countries with over a 100m population they track two cities. Whereas in countries where the population is lower than 100m they only track one city. The Enabling Business Environment Secretariat (EBES) supports the council in implementing the mandate of the council; that is essentially working with MDAs in identifying areas for reforms and working with them in implementing them.

The council meets monthly and EBES submits report. Heads of agencies as well as ministers are invited for the council meeting, which is usually chaired by the Vice President to listen to issues, bottlenecks and improvements around the reforms etc. As part of efforts to launch the reforms the EBES launched the National Action Plan in February this year. The national action plan was signed off in February and took off on February 21<sup>st</sup> 2017. It was for sixty (60) days and structured around the World Bank indicators, one of which is trading across borders.

One of the things that the World Bank looks at is the time and cost of documenting compliance and as well as time and cost of clearance for both import and export. So, because PEBEC and EBES just started, they rely on some feedback from both importers and exporters, partner agencies like NEPC, Custom Service, NPA, NIMASA, Shippers council. Exporters so far have shown awareness on the updated version of the export guidelines like need for the NXP details on the bill of lading and essentially to make the process easier by automating the processes for appointing a PSIA and introducing sanction regime to bring about compliance. There were also reforms from the NXP forms, from the form guidelines timelines have been introduced. From

today's conversations, it is clear that there are issues with compliance to provisions, which we have noted. In the coming weeks EBES will have conversations with the leadership of the CBN as well as customs regarding processing of the NXP form.

To deepen reforms, EBES have also introduced examination of goods, with timelines. . At the ports customs is to act as a lead agent in inviting relevant agencies into the ports where it is necessary hopefully reducing rent seeking opportunities.

So far, the reforms have not been extensive; EBES is going into a new cycle, which is why the feedback from the stakeholder is essential. They are introducing a national action plan in October, to begin to understand what the issues are bearing in mind that EBES cannot fix everything. . EBES mandate is to make it easier for stakeholders to do business. The executive orders were done to improve transparency, e.g. issues around information accessibility, procedures, timelines and approvals.

Recently EBES had a session with commissioners of about Twenty (20) states, to extend the World Bank ranking indicators on how easy it is to do business in those states. The states are setting up similar structures to what has been set up in the federal level to identify what the hurdles are, to promote competition and to earn good rankings.

Also, another initiative we look at is trading within Nigeria. We are addressing issues relating to customs, police check points, and undue rent seeking that happens.

The second issue has to do with regulatory agencies especially NAFDAC and SON, to streamline their processes and update their facilities and infrastructure. The aim is to look at how EBES can empower and strengthen these agencies.

Lastly on the aspect of trading within Nigeria in relation to importation and exportation of technology. Here EBES is relating with the National Office for Technology Acquisition and Promotion (NOTAP), the intellectual committee working with the Trademark registry and people who have been talking about their devices, inventions and registration. They are working with them in reforming the processes involved in technology acquisition and transfer.

### **Captain John Okakpu**

Most airlines that fly in cargo into Nigeria return empty after cargo has been offloaded. This explains the reason why Nigerian exporters pay much higher cargo rates; operators have to factor the cost of going back. In Nigeria, our products do not meet international standards because of poor standards and certifications; hence they are not attractive to the international markets. In Nigeria, no farmer, exporter, public or private sector body has a certification to sell Nigerian agricultural or manufactured product in the international market. Whereas in Kenya, they have about 350 – 700 agricultural products that are being exported into Europe, Nigeria has none. In China, they have about 2000 certifications, South-Africa about 1800, Egypt, Cote d'Ivoire, Cameroon, Togo, Rwanda has about two, Nigeria, none.

A campaign was started with Anambra state to empower the farmers, ABX went into a relationship with GLOBAL G.A.P – the body that offers agricultural certifications and has access to the international markets (all supermarkets in North America and Europe). Their certification enables you navigate the international market. A representative of the UK government visited

Anambra recently to lead conversations around marketing the Nigerian vegetable locally called 'Ugu' to the UK market.

Today we have about 7.5 billion people on earth, the aim is to work towards getting 500million to spend 1\$ a day on Nigerian Agricultural product. Leading to an average of over 184billion dollars a year and this we can achieve in the next 10 years, this would provide over 50million people with jobs. We are working on a project in Kachia (Kaduna) where the best ginger in the world is produced. There is huge potential in this area, rather than wait for people from India and china to come to Nigeria and buy these products, because they have certification, and put it on the world market. Nigerians can use agriculture to break every tribal and religious difference while working hard to improve exports.

### **Questions and Answers**

#### **Q: John Kachukwu**

One challenge we have is that Nigeria Flour Mills is not ready to extend their expiration date and because of this products are not accepted in the US. We spoke to one of their export managers, who said it's not possible to extend because of NAFDAC guidelines, what is the way forward?

#### **A: John Okakpu**

At the moment the international market does not recognize NAFDAC and SON. Today the leading agency for African exports is Nigeria Quarantine Services not NAFDAC, so if you want an extension of your product NAFDAC is the wrong agency to speak to.

#### **Q: Femi Adebayo**

What is the process for getting the GLOBAL G.A.P certification? How can your organization help us get quality buyers in the United States?

#### **A: John Okakpu**

At the moment, we are training local farmer groups that would reduce the cost of certification by about 70 – 80%. With this, many people would be able to afford this certification. Another thing to note is that American and European buyers are long term in nature, for them to buy from you they have to make sure you will not disappoint them. Sustainable availability of products is key. The GLOBAL G.A.P certification is about four steps, which includes the auditor coming to audit you, give you a number and put you in the world market. More information on [globalgap.org](http://globalgap.org). More importantly, exporters need to have passion for what they do.

#### **Mr. Akintunde Folorunso**

NEPC is a small part of the larger society; we are trying our best to work with the present government. According to the words of Mr. President during the first meeting he had with MAN in 2015, he said, "we should start thinking as if we do not have oil anymore", we note that the three most economically viable countries in the world are those without oil. It is because of this vision that the Council's Zero Oil Plan is being captured in the Economic Recovery and Growth Plan (ERGP). So, all our activities and programs are tailored to achieve the vision of the Zero Oil Plan. In this regard, we have started with the OSOP (One-State-One-Product) plan.



Despite the fact there are multiple products available in each state, we have helped States focus on just one e.g. Yam in Kebbi, which used to do 20 metric tons but now is increased to 70 metric tons with the NEPC intervention.

This initiative is to stir all the state governments to ensure that they key into the federal government's vision of producing for exports. We now have offices in 24 states.

We are also involved in ensuring our exporters are ready for exports. When we started our export pre-assessment on all our exporters, none of them were able to move their exports as exporters. We need to add value to our products e.g. labeling, packaging, barcoding, and acquiring the required certifications. To boost export readiness, we are partnering with the CBN through the Centre for the Promotion of Imports from Developing Countries (CBI). We have focused on three sectors, Cocoa, Sesame and Cashew. We took four companies from each of the sectors, to test if they can export. We observed amongst these companies, only two of them have been certified for the European market. As exporters, therefore we need capacity building, we also hope to increase the sector scope and involve more exporters. We are also looking at setting up an export development fund to take care of issues that have to do with trade missions and delegations. As a government agency, we have issues with funding. Besides from the 0.5% revenue, we are also supposed to get 10% of NIRSAL fund and accessing that fund is a problem; if we have these funds a lot of this would have been done.

Also we are working with the committee that seat on rejected products to reduce this frequent occurrence. We are currently engaging all stakeholders on value chain to ensure simplicity in the registration processes, quality control around production and storage.

### **Alhaji Rabiu Sanni**

In Nigeria, we have everything that it takes to be a successful economy. Most Nigerians take things for granted. Most Nigerians in diaspora when they come in they forget the important things in doing business, which involves planning and route-to-market strategy. We as businessmen are lacking in capacity to do business and to access the global market. It is the same issue faced by most people in BOI, NEPC, NEXIM, Financial Institutions (Banks). We have the problem of bad governance and corruption. All linked to the issue of lack of capacity. We can leverage the NESG group network. We need a unified import terms across our network of countries to enable ease of trade.

We need to come in with a formidable force to constitute an organization which is represented by the relevant stakeholder organizations (private sector and government), to be a consistent pressure group, get government to implement policies and charge ourselves to stir the required level of interactions and have effective partnerships like the case of Transcorp.

### **Comments, Questions and Answers**

#### **Dr Obiora MADU**

One major issue is non-collaboration of government agencies, we are dissipating energy in different directions: SMEDAN, CBN and NEXIM work independently on export initiatives. Why is it not possible to collaborate?

Export promotion council is being strained beyond what they have capacity for. Export drives on a tripod. Development, Capacity building, Promotion. NEPC is only designed to promote, they do not have capacity for other functions. They are currently being forced to the other two functions.

Other agencies like the CBN should not make export policies without the consent or intervention from lead export agencies.

Why is the Export credit guarantee scheme not funded?

**Mrs. Toyin Bashir**

On the issue on coordination, we also face that challenge and we are working on overlaps amongst agencies

On export incentives from NEXIM we are working with them to improve or provide transparency and support

Also all agencies are encouraged by the executive order signed by Mr. President to reach out for information from the back end agencies

One of the things the PEBC is working on is the Omnibus bill this is because there are so much business laws that require review

We are talking to NEPC for areas of reforms in their laws; NEPC will put together a memorandum on areas for reform in their laws. NEPC is competent but limited by the enabling law; we are therefore working to add this to the omnibus bill.

**Q: John Kachukwu**

You said we do not export Yam, but I think that is not correct. I think the issues are wastage and preservation. We export yam from Ghana, Kogi and Benue.

To Toyin, why is it an issue for exporters like us to access our export proceeds, but when we repatriate into domiciliary account we access it in foreign currencies.

**Answer: Mrs. Toyin Bashir**

The EBES technical team is currently working on exchange rate issues to enable concession grants to exporters.

**Mrs. Toritseju Okanlawon**

The NEPC website is almost empty, what is the NEPC doing to help exporters via its online platform to learn export requirements for Nigeria. For NEPC you say you do export training for exporters, we have never been informed.

Why have we not been linked to buyers as promised at the point of registration?

How are you encouraging Nigerians to be upright in behavior as it relates to issues on exporting?

Can you create laws that empower these and why do we need to revalidate form C07 as a prerequisite for export transactions?

**Answer: Mr. Akintunde Folorunso**

- It is a prerequisite for issuing of port certificate, this is an express role that would not be embedded in some act but by implication we have to verify that your documents are authentic.
- The prices of local items are so high and we cannot meet demand sustainably
- Exporters need to have social media credibility to further buttress buyers' confidence

**Mrs. Eniola Dada**

What is the strategy for the informal traders, as a lot is going on that is not recorded?

**Answer: Mr. Akintunde Folorunso**

At the moment, we rely on the Nigerian Bureau of Statistics (NBS) for data and the report on what is captured for the NXP. Informal trade, it is a concern for us too. We are aware that a lot of cross border trade is happening. NEPC does not have capacity to be across the border to capture cross border trade, but we have statistics and records from our zonal offices that are close to those borders by partnering with on-the-ground stakeholders that grant us monthly reports of what goes out from Nigeria.

**Mr. Egbo**

Everything seems to be focusing on Agriculture alone; we should include stakeholders in the Solid Minerals value chain.

Comment: PDF II

We would look into this, review and surely make this more all encompassing in subsequent editions.

## Conclusion

The non-oil exporter dialogue event was considered timely by EBES, especially as PEDEC prepares to implement a new set of reforms relating to the 'entry and exit of goods' in the fourth quarter of 2017. Feedback from participants also gave EBES the opportunity to appraise its current reforms vis-à-vis exporters' experience.

Participants showed sincere appreciation to PDF II for putting together a dialogue where their voices have been strengthened to feed into the policy process. The opportunity to express their concerns and challenges with a view to getting them addressed as a group and at policy level was timely and necessary.

One key take-away for policy makers was the need to align paper reforms with the realities in the export space.

A few recommendations made include: Trainings and empowerment programs for exporters (e.g. on letters of credit etc.), regulators, financial service providers, synergy, specialization and professionalism across the value chain, need for quality standards, internationally recognized certification and inspection, infrastructure upgrade, logistics and mobility, and export policy reviews.

Participants raised the need for a bigger, more robust dialogue where all other relevant stakeholders are represented including participants from other non-oil export sectors (e.g. solid minerals, technology etc.).

The event was tweeted live @NonOilExportNG and @pdfnigeria with the hashtag #NonOilExDialogue.