



NIGERIAN EXPORT PROMOTION COUNCIL



WTPO WINNER 2018

Best initiative to ensure that trade is inclusive and sustainable



Nigeria-China Belt and Road Investment forum

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Nigeria-China trade and investment relations



- Nigeria and China continue to have strong relations in trade.
- Nigeria's **biggest** import partner is China.
- China is one of the biggest **FDI** players in Nigeria.
- However, in terms of Nigerian export partners, China is **16th** on the list behind countries such as Sweden and Togo.
- Of the \$881 million Nigeria exported to China in 2018, **78.7%** was crude oil or natural gas.



Why invest and trade with Nigeria?



Ease of doing business



- Government established the Presidential Enabling Business Environment Council (PEBEC) in July 2016.
- Nigeria has risen by 23 places in the ease of doing business ranking which is above the regional average in sub-Saharan African.
- Remarkable improvements in electricity generation, trading across borders, contract enforcement and quality management systems.
- Nigeria is an investor friendly country with huge opportunities.

The significant market potential for short gestation export crops



Sesame



- Nigeria is the 6th largest producer of sesame in the world and currently, sesame is the second largest non-oil export after cocoa.

Cassava

- Nigeria is the world leading producer of cassava worldwide.



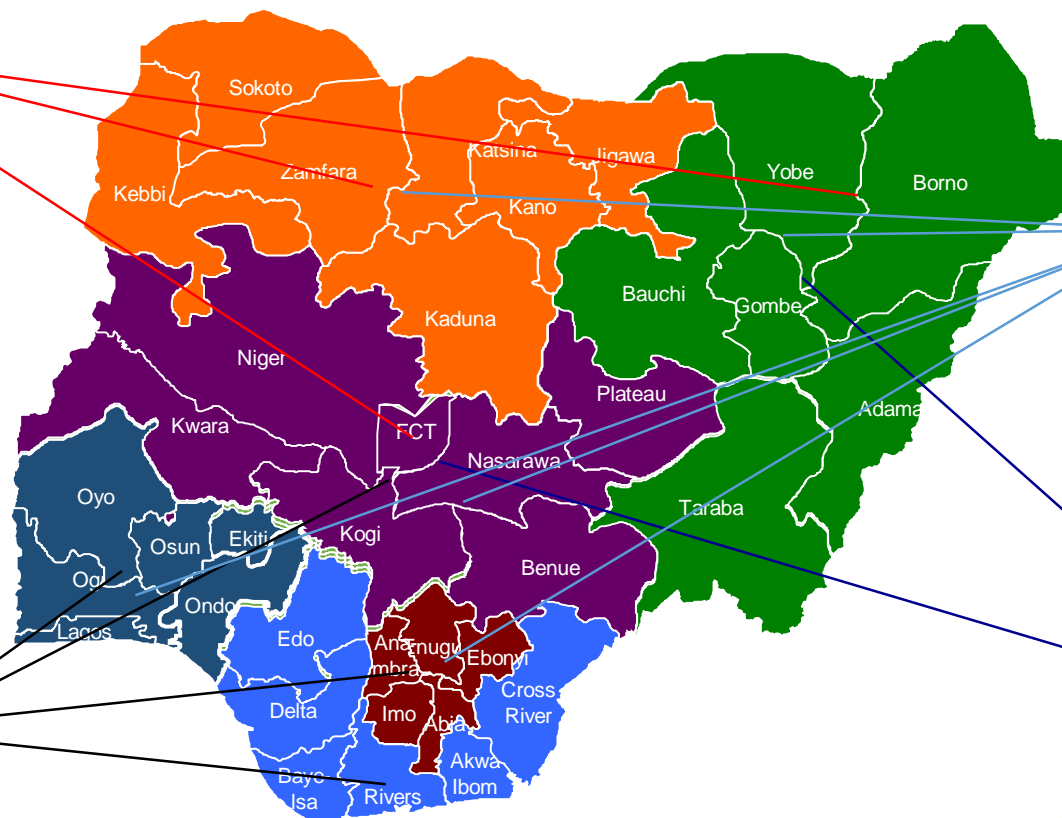
Ginger



- Nigeria is the 2nd largest ginger producer in the world.
- Nigeria produced 530,000 metric tons in 2016.

Soya

- Potential to earn US\$5 to US\$6.5 million annually.



And many more...



Non-oil export potential



- International Trade Centre's Export Potential tool identifies huge potential for Nigeria to increase its exports of sesame, frozen shrimps, and leather to China.
- In particular, Nigeria is only meeting 2% of its potential regarding sesame exports to China.
- Ethiopia and Sudan are currently exporting substantially more sesame to China than Nigeria.
- Chinese companies can look more to Nigeria in demanding sesame.



Examples of on-going activities with potential

Comparative advantage in rubber



Nigeria is gifted in rubber and in 2018 made \$41.8 million, selling from mainly Delta/Edo to Europe. European companies process this rubber and make twice the amount. In 2018, Royal Farms invested N1.8b in a processing plant; the machines have arrived and operation begins in July.

Manufacturing potential



In August 2015, Peugeot signed a deal in Nigeria to begin its first CKD (Complete Knock Down) factory in Nigeria. It is 2019 and the Europeans have transferred the job of car-making to Nigerians in Kaduna. Hopefully other brands shall open manufacturing and assembly plants here.



Processing



In 2017 Heritage Bank and CBN contributed a loan for the building a N2Bn processing facility for Triton fish/chicken in Oyo state. Their fish/chicken is produced in Oyo and sold as BIG SAMS in Poland,Romania,Egypt,Liberia,and Ivory Coast. Nigeria has the potential for prosperity.



Finance and Incentives



Finance and Incentives

Export Expansion Grant

- Post-shipment incentive designed to expand export volumes.
- Exporters can get a maximum of 15% of their annual export value, which can be used for:
 - ✓ Paying all taxes (except PAYE), offsetting government loans, buying government bonds.
- Payment of EEG is through the use of Export Credit Certificates (ECC).

Export Development Fund

- Prepare, facilitate and support exporters to penetrate global markets.
- Provide support for product development and market access for new exporters though:
 1. Providing export promotion training.
 2. Exposure to trade fair participation and trade missions.
 3. Gathering of trade information and intelligence, and provision of logistic support.
- The EDF is a strong opportunity to assist in funding and develop the capabilities of Nigerian exporters. (needs concessional seed funding to kick-start)

A Case Study of Success



FOOD PRO

With access to finance



- Pre-2015, production capacity 1000 metric tons.
- 2015-2016, loan of N200M facility enabled FoodPro to increase capacity to 5000 metric tons.
- Expansion delayed to 2017 due to FX crisis.
- Now, Food Pro is able to process one container a month.
- Progress from raw cashew and kernels to roasted cashews, focusing on retail in Nigeria, UK and South Africa.

This is what access to finance can do!



Closing remarks



- Nigeria and China will continue to have fruitful relations over the coming years.
- There is significant potential for Nigeria to export more non-oil products to China.
- Nigeria is open for business and the investment opportunities for Chinese firms are endless.



Thank you for listening.

Export Business...Tomorrow's Business