

Kano State Export Strategy and Guideline

*Prepared by the
KANO STATE MINISTRY OF COMMERCE, TRADE AND TOURSIM*

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Introduction:

The government of Kano state in Nigeria, through the Ministry of Industry, Trade, Investment & Tourism, acknowledges the vast potential for economic growth and prosperity that can be achieved through exports. As a result, they have made a deliberate effort to create a conducive environment for entrepreneurs and businesses, with a commitment to improving the ease of doing business in Kano state.

The introduction of a definitive export guide by the Ministry is a crucial part of their overall strategy. The guide has been meticulously crafted to demonstrate the government's commitment to navigating the complexities of global markets and empowering local businesses to take advantage of the vast opportunities presented by international trade. This initiative aims to not only help businesses expand, but also to position Kano state as a major player in the global economic landscape.

Strategic Empowerment Through a Comprehensive Roadmap

The export guide, spearheaded by the Ministry, is a strategic instrument designed to empower individuals and enterprises alike. Recognising the intricacies involved in global markets, the guide provides a roadmap beyond mere documentation – a comprehensive strategy meticulously tailored to the unique challenges and opportunities inherent in the state's economic landscape.

Empowering Entrepreneurs for Global Success

The guide acknowledges that the potential for growth through exports is not limited to established conglomerates but extends to individual entrepreneurs and small to medium enterprises (SMEs). It serves as a democratising force, ensuring that businesses of all sizes in Kano state have access to the tools and knowledge required to navigate the global market successfully.

Government's Commitment to Ease of Doing Business

At its core, the export guide manifests the government's unwavering commitment to enhancing the ease of doing business in Kano state. By providing a step-by-step roadmap, the government aims to demystify the complexities of international trade, fostering an environment conducive to entrepreneurship and economic growth.

Aligning with Global Best Practices

In crafting the export guide, the Ministry adheres to global best practices in trade facilitation. The government aims to instill confidence in the international business community and attract foreign investments by doing so. The guide not only equips local businesses for global competitiveness but also positions Kano state as a reliable and attractive destination for international trade partnerships.

Promoting Sustainable Economic Growth

The export guide is not merely a set of instructions but a catalyst for sustainable economic growth. By promoting exports, the government envisions a scenario where local businesses thrive, creating employment opportunities and contributing to the overall economic well-being of Kano state. This, in turn, fosters a positive development cycle, attracting further investments and propelling the state towards long-term prosperity.

A Government-Pioneered Paradigm Shift

In conclusion, the Ministry's export guide is not just a document; it signifies a paradigm shift orchestrated by the government of Kano state. It underscores the recognition that a robust export strategy is integral to economic development. By empowering entrepreneurs and businesses with the knowledge and tools needed to venture into international trade, the government is pioneering a transformative journey towards economic prosperity, all while bolstering the ease of doing business in Kano state. This initiative symbolises a forward-thinking government actively fostering an environment where businesses can thrive and contribute meaningfully to the global marketplace.

Exporting can be very rewarding in diverse ways. It involves selling products/services in foreign markets. Some of the benefits include:

- Spreading risks and reducing dependence on the Nigerian market.
- Increasing sales and productivity and making one more efficient.
- Generating new ideas and marketing techniques and improving ways of doing business.

Starting Export Business in Kano state is made easy by following these Nine (9) steps guide. How

do you start? This document helps you get started with this export guide.

1. EXPORT READINESS

Export readiness refers to the preparedness of a company or a country to engage in international trade and expand its business activities in the global market. It encompasses various factors and capabilities that influence an entity's ability to export goods or services to other countries successfully. Here are some key elements of export readiness:

- a. **Market Research:** Understanding the target market's demand, competition, and regulatory environment is crucial. Comprehensive market research helps identify opportunities and potential challenges.
- b. **Product Adaptation:** Adapting products or services to meet the specific needs and preferences of the target market is often necessary. This might involve making changes to product features, packaging, or pricing.
- c. **Regulatory Compliance:** Compliance with international trade regulations, export laws, and customs requirements is essential to avoid legal issues and ensure smooth export operations.
- d. **Financial Preparedness:** Having the necessary financial resources to cover export-related costs, such as shipping, tariffs, and marketing expenses, is vital.
- e. **Export Documentation:** Familiarity with export documentation, such as invoices, export licenses, certificates of origin, and customs declarations, is crucial for smooth transactions.
- f. **Distribution Channels:** Establishing effective distribution channels or partnerships in the target market is important for product delivery and market penetration.
- g. **Marketing and Promotion:** Developing marketing strategies tailored to the target market helps create awareness and generate demand for your products or services.
- h. **Competitive Pricing:** Pricing strategies should be competitive and consider factors like currency exchange rates and local pricing norms.
- i. **Risk Management:** Identifying and mitigating risks associated with international trade, including political, economic, and financial risks, is important for long-term success.
- j. **Logistics and Supply Chain:** Ensuring efficient logistics and supply chain management is critical to delivering products on time and maintaining customer satisfaction.
- k. **Cultural Awareness:** Understanding cultural differences and customs in the target market can help build strong business relationships.
- l. **Export Compliance Training:** Providing training to employees involved in export activities to ensure they are aware of export regulations and best practices.
- m. **Trade Finance:** To facilitate international transactions, exploring financing options, such as export credit insurance or trade finance solutions.
- n. **Government Support:** Leveraging government programs and incentives to promote exports, such as export promotion agencies or trade agreements, can be beneficial.
- o. **Sustainability and CSR:** Addressing environmental and social responsibility concerns can enhance the appeal of products in the global market.

Export readiness is an ongoing process that requires continuous assessment and adaptation to changing market conditions. It involves a combination of strategy, resources, knowledge, and capabilities to seize international business opportunities effectively.

2. E-REGISTRATION

General Outline

Here's a general outline of the steps involved in the export certificate e-registration process in Nigeria:

- **Business Registration:** Before you can start exporting goods from Nigeria, you must register your business entity with the Corporate Affairs Commission (CAC) if you haven't already done so. Ensure that your business is duly registered.
- **Obtain Tax Identification Number (TIN):** You must obtain a Tax Identification Number (TIN) from the Federal Inland Revenue Service (FIRS).
- **Register with the Nigerian Export Promotion Council (NEPC):** The NEPC promotes and regulates non-oil exports in Nigeria. Register your business with the NEPC to access various export incentives and benefits. You can do this online through their official website.

Documents Required to Register as Exporter at NEPC

- Certificate of Incorporation (issued by the Corporate Affairs Commission)
- Certified True Copy of Memorandum and Articles of Association.
- Current Certified True Copy of Form CAC 1.1 – "section C" (Particulars of Directors). This is formerly known as Form C07 or Form CAC 7.

Validity

NEPC-issued certificates are valid for an initial two years (24 months), after which they become renewable yearly.

Service timeline

Export certificates will be issued within one working day after confirmation of payment. Please note that your certificate could be delayed by non-confirmation of payment, irregular documentation, or insufficient information.

Additional information

- Upon registration with the NEPC portal, the applicant receives a confirmatory mail to proceed with the application.
- The prospective exporter then uploads the documents on the platform for verification by NEPC and pays the fee.
- The user will receive an automated mail from eregistration@nepc.gov.ng confirming payment.

3. UNDERSTANDING THE MARKET

Understanding the market is crucial for business and investment. However, the term "market" can hold different meanings depending on the context. Thus, let's break down the key components that contribute to understanding the market:

Definition of Market

- **Product Market:** This refers to the specific industry or sector in which a company operates—for example, the smartphone market, the real estate market, or the automobile market.
- **Financial Market:** This includes various exchanges and platforms where financial instruments like stocks, bonds, currencies, and commodities are bought and sold. Examples include the stock market and the foreign exchange market (Forex).

Market Analysis

- **Market Research:** Research to gather information about market trends, customer preferences, competitor activity, and potential opportunities or threats.
- **SWOT Analysis:** Analyzing the strengths, weaknesses, opportunities, and threats in the market to make informed decisions.
- **Understanding Demand and Supply:** Understanding the forces of supply and demand is fundamental. If demand for a product or service exceeds supply, prices tend to rise, and vice versa.

Market Segmentation

Market segmentation involves dividing the market into specific groups based on demographics, geography, psychographics, or behavior to target customers more effectively.

Competitor Analysis: Evaluating competitors' strengths and weaknesses, market share, pricing strategies, and marketing efforts. This helps in positioning your business or product effectively.

Market Trends and Dynamics: Staying updated on current trends, consumer preferences, technological advancements, and regulatory changes that can impact the market.

Market Size and Growth Potential

Estimating the overall market size and assessing its growth potential. This helps in determining if there is room for your business to expand.

- **Market Entry Strategy:** Deciding how and when to enter the market, whether through organic growth, mergers and acquisitions, partnerships, or other means.
- **Risk Assessment:** Identifying and evaluating risks associated with the market, such as economic downturns, competition, regulatory changes, and technological disruptions.
- **Customer Behavior:** Understanding customers' purchasing decisions, what influences them, and how their behavior may change.
- **Market Positioning:** It is developing a unique value proposition and positioning your product or service to differentiate it from competitors.
- **Marketing and Promotion:** Creating effective marketing strategies to reach your target audience and promote your products or services.
- **Data and Analytics:** Using data and analytics tools to track and measure market performance, customer behaviour, and the effectiveness of marketing efforts.
- **Adaptability and Flexibility:** Be prepared to adapt to changes in the market and adjust your strategies accordingly.

Legal and Regulatory Considerations

Complying with relevant laws and regulations in the market can vary significantly by industry and location. Understanding the market is an ongoing process that requires continuous monitoring and analysis to stay competitive and make informed business decisions. Whether you are a business owner, investor, or marketer, a deep understanding of the market is essential for success.

4. EXPORT PLAN

After your market research, you need to develop an export plan.

Export plan tips

- 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 an export 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

5. EXPORT DOCUMENTS & PROCEDURES

Export documentation is a requirement for formal exports of goods and services from Nigeria.

Importance of Export Documentation & Procedures

- Minimize your export risks
- Ensure that exported goods conform to importing country specifications
- Ensure you meet buyers' requirements by providing evidence of origin and delivery
- Helps you to formalise your export business
- Assist you in qualifying for export incentives

Required export documents.

For formal exports, the following documents will be required at different stages of the export process:

a. EXPORTER REGISTRATION DOCUMENT

The first step of your export procedure is registration as an exporter with NEPC. To venture into an export business, this is required in summary: Document issued – exporters certificate Issued by – NEPC.

Relevance – it licenses you as an exporter and makes you eligible for NEPC benefits

b. EXPORT CONTRACT DOCUMENT

An export contract is an agreement between seller and buyer on the terms of export business: Document issued – a signed export contract Issued by – you as exporter and the importer.

Relevance – it spells out the obligations of the buyer and seller.

c. QUALITY ASSURANCE DOCUMENTS

Quality assurance documents help you to ensure your exported goods conform to safety measures (as stated by international conventions and possibly agreed terms of the contract). Using internationally recognised bodies is very important. Relevant documents include:

- Phytosanitary certificate for agricultural commodities (issued by NAQS)
- Health certificate for processed and semi-processed food items (issued by NAFDAC)
- International veterinary certificate for animals and animal products (issued by DVPCS)
- Fumigation certificate for agricultural commodities (issued by FPIS, part of FMITI)

d. COMMERCIAL DOCUMENTS

The commercial documents display product values and quantities. The documents are both prepared and issued by the exporter and include:

- Proforma Invoice – An offer by an exporter to sell specified goods in a formal manner for a certain price and at certain terms.

- Commercial invoice – indicating the value of goods for export in the currency of transaction
- Packing list – indicating the unit packaging and total quantity of goods intended for exports

e. FINANCIAL DOCUMENTS

Preparing financial documents shows evidence of financial transactions between buyer and seller. It also conforms with the financial regulations for exports. It includes:

Nigeria Export Proceed form (NXP)

- Issued by – commercial bank
- Relevance – it captures the value of the export transaction for economic development purposes. It is also a major prerequisite for accessing the Export Expansion Grant (export incentive)

Commercial Invoice

- Issued by – you as an exporter
- Relevance – it indicates the value of the goods for export in the currency of the transaction. It is also useful for processing the NXP

Final invoice.

- Issued by – you as an exporter
- Relevance – it indicates the actual value of the goods exported in the currency of transaction for payment by the importer

f. GOODS MOVEMENT DOCUMENTS

This deals with all aspects of the delivery of goods to the buyer in the medium specified in the export contract. Documents involved include:

Clean Certificate of Inspection (CCI)

- Issued by – government-appointed Pre-Shipment Inspection Agencies (PIAs)
- Relevance – it ascertains the quality, quantity and price competitiveness of Nigerian exports

Certificate of Weight and Quality

- Issued by – independent quality assessors (e.g. SGS, Bureau Veritas) agreed by seller and buyer
- Relevance – it ensures the goods conform to the quality standards and weight as stated in the contract

Certificate of Origin

- Issued by – National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)
- Relevance – it indicates the origin of goods needed for, e.g. trade agreement benefits

Bill of Lading (shipping document)

- Issued by – shipping agencies
- Relevance – it indicates the details of goods transported by sea

Document issued – Air Way Bill (shipping document)

- Issued by – airlines
- Relevance – it indicates the details of goods transported by air

Road Transport Bill (shipping document)

- Issued by – logistics companies
- Relevance – it indicates the details of goods transported by road

6. LOGISTICS & FREIGHTS

Before embarking on any export venture, please ensure you understand the basic terms of delivery (including pricing and documentation). You must also understand the responsibilities of the major players for the safe delivery of your products to buyers. Such details include transport modes, shipment duration, conditions required for different products and the agreed terms of trade.

Tips on Logistics and freight

- Know the available range of freight options
- Understand the importance of freight forwarding for a seamless export process
- Conduct due diligence in engaging a freight forwarder
- Understand INCOTERMS 2020, enabling you to understand your responsibilities and the buyer's.
- Familiarize yourself with the necessary freighting requirements.

Freight forwarders & Custom Brokers

You must identify experienced freight forwarders and customs brokers. This would ensure that your products meet the agreed terms of delivery. To be well prepared, please:

- Familiarize yourself with the transport modes required to deliver the goods to the buyer.
- Research at least three freight forwarders/customs brokers.
- Visit the online database of freight forwarders, customs brokers and cargo agents in Nigeria

INCOTERMS

INCOTERMS is an acronym for International Commercial Terms. These are recognised terms in international business transactions. It provides details on the responsibilities of buyers and exporters. The terms are important for processing shipping and payment documents during exports. INCOTERMS define all obligations of buyers and sellers within the logistics chain.

Getting paid

To ensure payment after delivery, take into account the following tips;

- Familiarize yourself with the different modes of payments.
- A letter of credit (LC) is a more secure mode of payment.
- To receive payment, ensure all delivery conditions must be satisfied.
- Discuss the suitability of different options with your bankers / financial advisers.
- Always undertake due diligence on your buyers before exporting

7. EXPORT PRICING

You need the right knowledge of export pricing methods to become a successful exporter. This includes all items relating to sourcing and costing of the exportable products.

Tips for export pricing:

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

Cost elements for export pricing.

Ensure that all export costs are captured when determining your export price. Find out all associated costs per category:

- LOCAL EXPORT COSTS
- INTERNATIONAL EXPORT COSTS
- OTHER ASSOCIATED EXPORT COSTS

Pricing methods

The most common methods for price calculation are the 'cost plus' and 'top-down' methods. We recommend using both methods to achieve the best results in setting your export price. This means you calculate: Outwards your ex-factory price to the end consumer (cost plus). From the ideal end, consumer prices are backwards (top-down). Both methods have strengths and weaknesses; hence, you should calculate both for optimum export pricing balance. Please note that this could be different based on the export destination!

ROLES OF KANO STATE EXPORT COMMITTEE

We offer numerous services to all exporters of Kano origin with respect to export pricing. These include:

- Regular capacity building programmes on costing and pricing for export.
- Tailor-made assistance to exporters (office, online media, etc.)
- Provide top-down export market information (international commodity price).
- Provide bottom-up export market information (local commodity market report).

- Provide end-market information such as Tariffs and Import regulations to exporters to aid export pricing.

8. EXPORT FINANCING.

Export business requires sustainable funding over some time. The amount of money needed for export largely depends on your product and export destination(s). It is, therefore, vital to ensure that appropriate financing options are explored.

Tips for financing

- Seek advice from bankers and financial and export experts.
- Explore available government grants and loans. Grants and loans can be accessed from multilateral organisations and private parties.
- Explore available financing options with NEXIM and Financial Institutions.

Marketing & market entry costs

Your export budget should cover all costs of marketing your products or services abroad, including market entry costs. Specific costs include:

- Hiring competent staff member(s) for the export business.
- Visit(s) to your targeted export destination(s).
- Advertising/Publicity cost.

Working capital

This is the amount of money required to run your export business effectively. It involves direct costs like raw material purchases, packaging, transportation, laboratory services and certification(s). Indirect costs include personnel and overheads.

Payment methods.

There are different payment methods available in international trade. The main options are:

- Documentary credit (e.g. Letter of Credit)
- Open account (e.g. advanced payment, cash against document, deferred payment)
- Documentary collections (e.g. Bills of collection)
- To ensure the repatriation of your export proceeds, it is advisable to consult a financial adviser for appropriate payment options.
- Funding options.

Funding options in export financing include

- Loans (commercial banks/family and friends)
- Self-financing and Joint ventures.
- Support from financial institutions
- EXPORT-IMPORT BANK: The Nigerian Export-Import (NEXIM) bank offers various funding options for your export business. Among these: Direct Lending Facility (DLF), Export Credit Insurance Facility, Stocking Facility (for manufacturing

exporters), ECOWAS Interstate Road Transit Scheme, Foreign Input Facility (for manufacturing exporters), Local Input Facility

- CENTRAL BANK OF NIGERIA (CBN): In addition to the NEPC-administered export incentives, the CBN offers two interesting incentives as well: Export Stimulation Fund (access through your bank), Rediscounting Refinancing Facility (access through NEXIM).

9. LEGAL ISSUES

Before exporting, it is important to understand the legal instruments regulating non-oil exports in Nigeria and that of the importing country.

Tips for exporters

It is advisable to engage an experienced trade lawyer or expert Research and understand the terms and conditions regulating the market access for your products.

- Protect your intellectual property (IP) rights if you have one.
- Avoid trading on prohibited products.
- Comply with both local and foreign regulatory requirements.
- Check out information on frauds, scams and corrupt practices regularly.

Export contract

An export contract is an agreement between an international buyer and seller. An exporter should pay attention to the details of the export contract agreed upon by the parties. International contracts can be complex. It is therefore recommended that you seek appropriate advice from a Professional.

Important components of an international export contract include

- Terms of trade (Incoterms, 2020).
- Mode of payment (e.g. letter of credit).
- Mode of delivery (Incoterms 2020).
- Trade enforcement organs.
- Dispute Resolution Mechanism (which law applies in case of disputes).

Legal & Governmental Regulations

As an exporter, you should be familiar with government policies and regulations. Some of these are:

- Export prohibition – exporters should know the list of prohibited export items. Detailed information can be found on the [customs information page](#).
- Export proceeds repatriation – all proceeds from export transactions should be repatriated within the stipulated time.

Intellectual Property (IP)

The Intellectual Property Rights of an exporter should be registered and protected at all times. It enhances a company's value, creates greater export opportunities and gives you a competitive edge over similar businesses. For more information on IP, you can check out the website of the [Nigerian Copyright Commission \(NCC\)](#)

LIST OF NON-OIL EXPORTABLE PRODUCTS FROM KANO STATE

1. Ginger
2. Sesame seeds
3. Yam flour
4. Textile and Garments
5. Cocoa Butter
6. Cotton
7. Gallstone
8. Rubber
9. Honey
10. Garlic
11. Charcoal
12. Cassava flour
13. Cashew nuts
14. Chilli pepper
15. Millet
16. Sorghum
17. Rice
18. Groundnut
19. Soyabeans
20. Sugarcane
21. Timber
22. Beniseed
23. Gum Arabic

SOLID MINERALS

1. Barytes
2. Bauxites
3. Graphites
4. Galena
5. Limestone
6. Gypsum
7. Kaolin
8. Feldspar
9. Mica
10. Pyrite
11. Uranium
12. Aquamarine
13. Sapphire
14. Tourmaline
15. Amethyst
16. Agate
17. Garnet
18. Topaz

Questions

Want to find out what we can do for you? Please contact us directly at our Export Desk, Ministry of Commerce, Trade and Tourism