

BAUCHI STATE  

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EXPORT  
STRATEGY

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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. BAUCHI STATE GOVERNMENT EXPECTS TO INCREASE NON-OIL EXPORTS FROM THE STATE WITH THE IMPLEMENTATION OF THE FOLLOWING MEASURES:.....	9
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## 1. BACKGROUND

The State's outlook embodies the ancestral insights of its populace, striving for the swift and optimal utilization of indigenous resources. States wield significant influence in propelling national advancement, particularly through their facilitation of export-oriented endeavors to bolster overall export expansion.

The administration of Bauchi State staunchly advocates for agriculture as the linchpin for achieving heightened and sustainable development, thereby catalysing heightened export activity. Recently, the State unveiled a pro-investor agricultural policy aimed at amplifying the already burgeoning agricultural domain.

Given the prevailing economic and sociopolitical milieu, Bauchi State finds it imperative to recalibrate its economic strategies to vie competitively in the global arena. This blueprint delineates a framework for the Government's execution of export-centric initiatives.

It warrants mention that the Export Strategy is intricately intertwined with various governmental initiatives spanning agriculture, infrastructure, and human capital development. Thus, an efficacious export strategy should curtail import reliance in sectors where the State can vie competitively and bolster domestic production robustness.

It underscores that while export outcomes hinge on individual enterprise performance, the state's role remains pivotal in the broader context. Fostering an enabling environment for industrial growth hinges, among other factors, on:

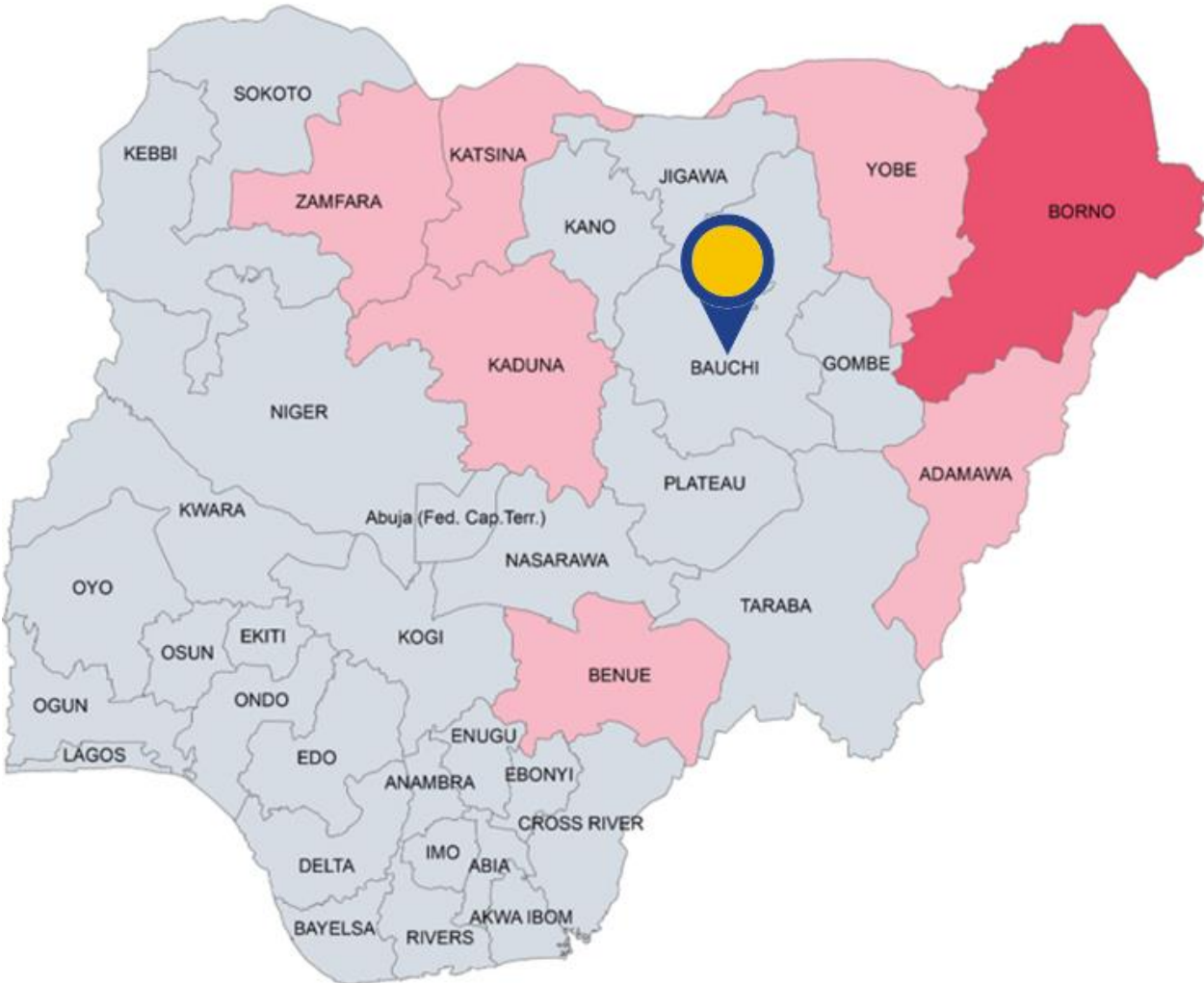
- Availability of land and water
- Skilled & Semi-Skilled human resources
- Availability of raw materials
- Easy environmental clearances
- Banking services at competitive interest rates
- An environment that supports growth of potential sectors.

This strategy blueprint outlines a prospective Vision and Mission aimed at fostering state exports. Furthermore, it extensively delves into policy orientations and tailored actions to spur export incentives. Following exhaustive consultations with stakeholders and comprehensive scrutiny of pertinent export-related strategies and policies, several

recommendations have surfaced. Correspondingly, a concerted cross-departmental endeavor has ensued to synchronize this strategy with broader governmental agendas. Particular focus has been directed towards projects outlined in the State's industrial policy framework, earmarked as pivotal and foundational sectors.

### 1.2 Economic Scenario of Bauchi State

Home to 4.94 million people, The State of Peace and Tourism, Bauchi, is blessed with a favourable climate and vast arable land conducive to the production of Irish potatoes, cotton, rice, groundnuts, maize, and soybeans. Bauchi state is known for its remarkable records and legendary hospitality, a town endowed with so many natural beauties ranging from solid minerals of different kinds, hills, waterfalls, game reserves, cool weather and beautiful land mass.



## Vital Statistics about Bauchi State:

- Land Mass Total: 49,596 km<sup>2</sup>
- Population Estimates  
Total: 4,653,066 (2006 Census) projected to rise to 8,308,800 in 2022 at 3.7% growth rate
- Male: 2,369,266 Female: 2,283,800
- LGAs: Bauchi State consists of twenty(20) Local Government Areas.

### 1.2.1 Labour market data:

For Bauchi State, according to the National Bureau of Statistics labour data for 4th Quarter 2020, the total working-age population in the state stands at 3,261,495, with 1,792,628 individuals actively participating in the labour force, resulting in an unemployment rate of 34.22% and an underemployment rate of 30.01%.

### 1.2.2 Gross Domestic Product (GDP)

The Gross Domestic Product (GDP) of the state amounted to \$5 billion, translating to a GDP per capita of \$1,120, accompanied by a 0.7% growth rate in the specified period.<sup>1</sup>

### 1.2.3 Inflation Rate

In the Consumer Price Index Report released by the NBS in June 2023, on a Month-on-Month basis in October 2023, Bauchi recorded the highest increases in both All-Items inflation rate at 2.15% and Food inflation, which reached the highest level at 1.95%.<sup>2</sup>

### 1.2.4 Government Budget Deficit/Surplus:

Bauchi State's Debt stock amounted to N150.209 billion as at end-December 2020 compared to

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<sup>1</sup> <https://stateofstates.kingmakers.com.ng/States/Bauchi/GDP/>

<sup>2</sup> <https://nigerianstat.gov.ng/download/1241350>

N145.010 billion as at end-December 2019, representing an increase of N5.199 billion or 3.58 percent. The increase in the Total Debt stock was reflected in External Debt components largely due to the appreciation of the US dollar against the Nigerian Naira. The external debt stock increased from N43.586 billion in 2019 to N51.400 billion in 2020, while the domestic debt stock decreased to N98.809 billion in 2020 from N101.423 billion in 2019.

### **1.3 Objectives**

#### **1.3.1 Vision**

The goal of the State Export Strategy is to position Bauchi state as a leading sustainable industrial centre in emerging global markets. Its mission is to foster a conducive business environment and implement a sustainable export strategy through well-designed approaches and directives. While acknowledging that it's not a cure-all solution, the Bauchi Export Strategy proposes initiatives to address ongoing economic challenges and presents a coherent plan to boost and maintain exports, fostering wealth creation and genuine economic progress. Achieving success with this strategy necessitates broad collaboration among stakeholders, informing policy development by the Ministry of Commerce, Industry, and Cooperative Services, which, in turn, supports exporters' high performance, reinforced by an effective trade support network.

#### **1.3.2 Goals**

In accordance with the overarching objective of positioning the state as a prominent export centre, the aim is to achieve a notable uptick of 5% in export volumes throughout the year 2025.

#### **1.3.3 Mission**

1. Effective utilization and allocation of human, mineral, water, agricultural, and forest resources within the state.
2. Adding value through improved production processes and establishing connections along the supply chain.
3. Strengthening human capital quality through targeted capacity-building initiatives.
4. Cultivating an entrepreneurial ethos by offering entrepreneurship development programs to both local and external Small and Medium Enterprises (SMEs).
5. Creating a conducive environment to empower the private sector to lead industrial activities.
6. Encouraging the development of sustainable renewable energy technologies by tapping into the state's mineral reserves.

7. Capitalizing on Bauchi state's comparative advantages to foster the establishment of new enterprises across various scales, particularly in sectors where it holds a competitive edge.
8. Facilitating private sector access to programs aimed at diversifying the economy through the export of manufactured goods.

#### **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. **Improved Competitive Edge** – By addressing critical factors like power, freight, and transportation constraints, the Export Strategy aims to reduce operating costs within the real sector. This is essential for Bauchi State to compete effectively on a global scale, offering investors the chance to benefit from globally competitive prices.
2. **Employment Generation, Skill Enhancement, and Elevated Standards of Living** – 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. **Tactical Alliances with Sovereign Entities** – 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 Capital Inflows**– 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.

## **2. Bauchi State – Sectoral Analysis**

Bauchi state is an agricultural state. Its vast fertile soil is an added advantage for agricultural products, which include maize, rice, millet, groundnut and guinea corn. Irrigation farming is practised and supported by the use of dams like Balanga dam, etc. Cattle and other livestock are also reared in the state.

The region also hosts a diverse array of services, among which is the renowned Yankari Game Reserve, attracting tourists from far and wide.

### **2.1 Agricultural Exports**

Bauchi state is the nation's fifth-largest cultivator of groundnut, with a total production of 10,010 tonnes, accounting for 3.49% of the country's total output, and the fourth producer of sesame seeds, yielding 3,310 tonnes out of the national total of 91,210 tonnes as of 2006, the region also ranks as the third-largest cultivator of sheanut. The Bauchi State government has been actively working to enhance agricultural output by assisting farmers, which includes granting access to credit, offering improved seedlings, and providing training in contemporary farming methods.

Despite these endeavors, Bauchi State has encountered obstacles in increasing the export quantity and worth of its agricultural goods, stemming from issues like insufficient infrastructure, limited entry to global markets, concerns with meeting international standards, and security challenges.

#### **Produce:**

Bauchi state is an agricultural state. Its vast fertile soil is an added advantage for agricultural products, which include maize, rice, millet, groundnut and guinea corn.



## 2.2 Mining

Bauchi State boasts abundant mineral resources, including Cassiterite (tine ore), Columbite, Gypsum, Wolfram, Coal, Limestone, Lignite, Iron-ore. The government has been actively striving to draw investment into the mining industry by fostering a favorable environment for potential investors. Nonetheless, the mining sector in Bauchi State remains relatively undeveloped, with its impact on the state's export revenues being minimal. Factors contributing to this include inadequate infrastructure, such as transportation and power, regulatory hurdles, and the informal nature of the mining sector.

## 2.3 Tourism

Tourism holds significant importance in Bauchi State, highlighted by attractions like the Yankari Game Reserve. The government has been actively working to boost tourism by enhancing infrastructure and positioning the state as a sought-after tourist hotspot. Nevertheless, tourism's contribution to the state's export revenue remains modest, primarily due to the predominantly domestic nature of tourist visits.

## SWOT ANALYSIS

<b>Strength</b>	<b>Weakness</b>	<b>Opportunity</b>	<b>Threat</b>
<ol style="list-style-type: none"><li>1. Large Domestic market</li><li>2. Affordable Workforce</li></ol>	<ol style="list-style-type: none"><li>1. Lack of Sufficient Infrastructure</li><li>2. Low export Financing.</li></ol>	<ol style="list-style-type: none"><li>1. Transitions to Africa</li><li>2. Global value chain</li><li>3. Tourism</li></ol>	<ol style="list-style-type: none"><li>1. Competition in the global market</li><li>2. Insecurities</li><li>3. Foreign</li></ol>

3. Vast Energy Resources	3. Low compliance to Quality Standards		exchange volatility
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**3. Export Support Strategies**

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. Bauchi State Government expects to increase non-oil exports from the state with the implementation of the following measures:

3.1 Partnership with Consultants and Non-profits

The Bauchi 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.

### **3.2 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, Bauchi 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.

### **3.3 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.

### **3.4 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.

### **3.5. 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.

### **3.6 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.

## **4. Institutional Mechanism**

### **4.1 State Export Promotion Committee**

Bauchi 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 Bauchi One Stop Shop (POSS)**

POSS 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

## **5. Export Guide**

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/>

### **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.



1. **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/>

2. **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/>

3. **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

1. Gather basic market information regarding import regulations, trade statistics, tariff regimes and much more. Various Market Analysis tools can be handy in this respect.
2. Focus your research on a specific product or service.
3. Research on your competitor's market(s). Find out what they are doing right.

4. Attend market-specific seminars.
5. Seek practical advice from experienced exporters.
6. Develop direct contacts with potential buyers. You can make use of authentic online directories.
7. Understand the market environment (culture, demography, religion, currency...)
8. 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](#)

**4. 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](#)

**5. 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/>

**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 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/>

**7. 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

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

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



**8. 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.

**9. 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](#) for more details.

**Signed**

Ministry of Commerce

December 2023