

EXP RTI DIGEST

...ENHANCING EXPORT TRADE EDUCATION

VOLUME 3 ISSUE 29

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AfCFTA Update: Safeguards Available for Nigerian Economy



The Head of the Nigeria Office of Trade Negotiation (NOTN) Ambassador Chiedu Osakwe recently concluded his tour round the country to sell the ideas and benefits behind the African Continental Free Trade Agreement (AfCFTA) to different stakeholders in the Nigerian economy. This was a fallout of the controversy that trailed the absence of the Nigerian President at the signing ceremony of the AfCFTA. The NOTN team was mandated by the president to consult widely with all the stakeholders in different parts of the country. This has made the NOTN to meet with tens of trade groups and also visit the following locations in the 6 geopolitical zones in the country and these include Kano, Benue, Maiduguri, Owerri, Calabar and Lagos. The consultation has been largely successful because it has significantly cleared the doubts and allay the fears of the stakeholders on the wrongly perceived dangers of signing the AfCFTA.

The Ambassador, who lead the Continental team that drafted this agreement was able to assured Nigerians that the AfCFTA is not going to expose the Nigerian economy unduly to influx of foreign goods. He was able to highlight some of the safeguards in the agreement that will make this to be impossible.

Some of these safeguards include the rule of origin. The AfCFTA has increase the level of value addition imported from outside Africa to 60% for the products to be deemed to be of African origin. This will prevent the goods from Europe and Asia from entering Nigeria to kill to local manufacturers who might not be able to compete because of the infrastructural deficit that have bedeviled our country. Secondly, the state parties have 10% areas of their economy that they can hold back for a number reasons which could include developmental purpose, National Security, inadequate capacity to compete with imported goods and so on. A list containing the products and services will be agreed upon by the state parties in their countries and submitted to the AfCFTA Secretariat. It is also interesting to note that.

Article 10 of the protocol on trade in goods which is on modification of schedule allows state parties to modify these schedules from time to time as dynamics of their various economies demands.

Another very interesting safeguards for the Nigerian economy under the AfCFTA is the Article 16 of protocol on trade in goods. This article is on

Anti dumping and countervailing measures. This agreement allows state parties to impose duties on goods that are imported into their countries at a price lower than what is obtained in the exporting countries. This might be due to subsidies in the exporting country or market penetration strategies by the manufacturer or exporter.

Above all is the protocol on Arbitration. This is a very unique feature of the AfCFTA and an improvement on the deficiencies of the ECOWAS Trade Liberalisation Scheme (ETLS). This is because it allows aggrieved exporters to tender their concern with the relevant committee at the AfCFTA secretariat in order to resolve any issue or wrong doings of either state parties or individuals companies in the AfCFTA regions.

Finally on the safeguards, the AfCFTA has a provision for any state party to exit the from the free trade areas on the African Continental after 5years of signing the Agreement if such a country so desire. This means it is not a forced marriage because we can divorce if it becomes necessary.

There are many other protocols in the AfCFTA that can serve as a tool to protect the Nigeria economy. I think the Ambassador and his team at the NOTN have gone a long way to convince most of the stakeholders in the Nigerian economy that we are safe under the AfCFTA. It is also worthy of note that we have just 180days from March 21, 2018 to sign this agreement. If we do not sign by then, the rest of Africa will move on and if we intend to join some years down the line, we will have start a fresh negotiation through the

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- Ports: Customs' Automation Platform Breaks Down Hinders Cargo Clearance
- Diploma Admission for Batch 2 is still on
- Prices of Imported Goods may Rise Over Rate Hike by Shipping Companies
- N500bn Export Grant Applicants Chide NEXIM

Ports: Customers' Automation Platform Breaks Down Hinders Cargo Clearance

There is tension among Customs clearing agents operating at the western port of the Nigerian Ports Authority (NPA) as Customs' new automation platform, Nigeria Integrated Customs Information System (NCIS 11) at all the port locations has broken down.

This development has made clearance of cargoes at the ports impossible for the past two weeks. The western ports consist of the Lagos Port Complex, Apapa; Tin-Can Port Complex; Kirikiri Lighter Terminal, Lilypond Terminal and PTML Terminal. NCIS 11 was created to ensure trade facilitation in the country especially between customs, importers, exporters, clearing agents and all other government agencies. The system is powered by Web Fontaine. It was gathered that the broken down server affected clearing procedures at all the ports in the region. Apapa and Tin-Can ports account for over 90 percent of cargoes imported into the country. The implication of the broken down server in the western port, according to shipping experts, are congestion, increased storage charges by terminal operator and demurrage by shipping companies.

However, a visit by our correspondent to the Customs command, where the new automated clearing platform is being driven on Friday showed inactivity due to the server break down. The problem was more pronounced at the Apapa command due to the fact that the command handles the largest imports, the disruption affected a great number of importers and their agents.

Excerpt: Leadership

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World Trade Organization (WTO) before we can be admitted.

Meanwhile, out of the 44 countries that signed the agreement during the ceremony on March 21, 2018, 3 of them have ratified the law and make their submissions to the AfCFTA secretariat. It is also important to note that 30 days after 22 countries have ratified and submitted the document to the

AfCFTA secretariat, the Agreement will take effect which means the state parties can begin to transact businesses under the law.

Excerpt: Tradeinfo.ng

Diploma Admission for Batch 2 is Still on



The Admission for the second batch of Executive Diploma in Export Business Management and Executive Diploma in Export Trade Finance is still in progress. This was announced last week by the management of 3T Impex Trade Academy. This Diploma programme is first of its kind on the African soil and it is in conjunction with the American Institutes of Extended studies.

The first batch of the programme started in February 2018 with 13 candidates who are from different sectors of the economy including Banking, Manufacturing and Agricultural and Solid Mineral Sectors. The first batch will conclude their programme by the end of July this year while the second batch will be starting their programme from the first week of June 2018.

The classes hold on Saturdays at the 3T Impex Trade Centre in Surulere from 8am. The programme is divided into three modules with each module lasting for a period of two months with an end course test.

Knowing fully well that export is the future of Nigeria, the management of 3T Impex has designed this programme to create on one hand, a pool of export trade professionals to manage the budding and established export businesses in Nigeria and on the other hand to develop highly skilled trade professionals that will be structuring export trade finance in different financial institution in Nigeria.

Excerpt Tradeinfo.ng

Prices of Imported Goods may Rise Over Rate Hike by Shipping Companies



Both companies attributed the increased rates to increased bunker fuel prices which are a result of higher oil prices.

The fuel used to power ships is known as bunker fuel.

For a country like Nigeria, which depends on importation for machinery, fuel and other items, this might lead to increased prices.

The eventual impact on consumers is now in the hands of importers who may decide to absorb increased costs or increase retail prices.

However, the increased rates will affect the landing cost of petrol and other petroleum products.

Crude oil prices have returned to 2014 highs on rising tensions between the US and Iran after the former backed out of a nuclear deal.

Maersk is the world's largest container ship and supply vessel operator and Mediterranean Shipping Company is ranked the second largest.

Maersk said the emergency bunker surcharge will take effect from June 1.

"The increase (in bunker fuel prices) is more than 20 percent compared with the beginning of 2018 and this unexpected development means that it is no longer possible for us to recover bunker costs through the standard bunker adjustment factors," Maersk said in a note to customers.

"This unexpected development means that it is no longer possible for us to recover bunker costs through the standard bunker adjustment factors."

In a [notice on its website](#), MSC said the "situation is no longer sustainable without emergency action".

It said the worldwide temporary emergency bunker surcharge will be with immediate effect.

Excerpt: The Cable

N500bn Export Grant: Applications Chide NEXIM

Following Federal Government's approval of N500 billion-export stimulation fund otherwise known as Export Expand Grant for Nigerian exporters, there are indications that about 80 per cent of applicants for the facility are yet to access the funds.

The difficulties, New Telegraph learnt, are due mainly to stringent terms put in place by the Central Bank of Nigeria (CBN) and Nigeria Export-Import Bank (NEXIM).

The N500 billion was approved early last year by the Federal Government through the CBN and NEXIM at a single digit interest rate for exporters in order to resolve the lingering problem of grant in the country's export market.

The grant had been suspended since 2014 by the previous administration of President Goodluck Jonathan.

Investigations by this newspaper showed that many exporters that applied for the funds were facing an uphill task in accessing loan from NEXIM even after completing their application forms.

They complained that the terms and conditions for the credit facility as listed by NEXIM bank were stalling the prompt release of funds to them.

Excerpt: New Telegraph

OTHER HEADLINES



FG, Exporters Move to Stop Export of Processed Wood - Vanguard



Mining Export Increased by 592% in Two Years - Fayemi - The Eagle Online



90 Percent of Goods Imported Via Ports Under Declared - Nigeria Shippers' Council

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How Solid Minerals Can Lift Nigeria's Earnings by \$50b

Cont'd from last issue

This position of mine has been vindicated now that the foreign exchange has started flowing in a fairly reasonable manner from the CBN. You know what has happened now, most of the commercial banks has reverted back to their default mode of allowing export to be on auto pilot without a driver and concentrating on what brings in the cash-Importation business. Where are the export training for staff? Where are the export sensitisation seminars? Where are the export vibrant desks? Where are the product papers for export financing? Where are all the great and very creative export growth initiatives? They have all gone into oblivion in most of the banks. How I wish the drive and passion of the Nigerian banks

for exportation had continued, we would have been far ahead now and even very close to the desired breakthrough in this sector.

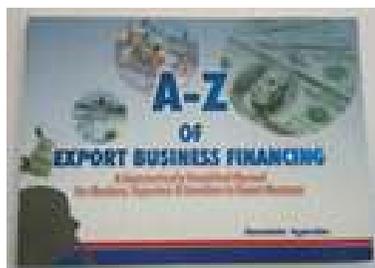
In order to bring the banks back to continue their drives towards export growth, here are my suggestions. I think the CBN should come up with a foreign exchange allocation mechanism, which allows any bank to get a percentage foreign exchange allocation (that CBN wants to sell per time) that is equivalent to the percentage of the export proceeds received in that banks, based on the exportation done by its customers. For example, if bank A received an export proceeds that amount to 10% of the industry total in the month of January, such a bank should

receive only 10% of the foreign exchange allocation to be sold by CBN in the month of February.

I expect some bankers to kick against this now because some banks seem to have larger share of the export proceeds inflow because they have more exporters, to solve this the CBN can give a notice of 3months to all the banks ahead of commencement of this policy. This is to enable the banks who currently have low export proceeds to put together their strategies, grow the capacity of their staff and begin the execution of their plans to increase their export customers base.

Cont'd from next issue

Export Training Products



Title:
A-Z of Export Business Financing
Speaker: Bamidele Ayemibo
Price: N 10,000



Title:
Export Business Made Easy
Speaker: Bamidele Ayemibo
Price: N 5,000

Export Miscellaneous:

EXPORT ORDERS			
S/N	PRODUCT	SPECIFICATION	MINIMUM SHIPMENT
1.	Zinc Ore	Purity 35%	60MT Per Month
2.	Lead Ore	Purity 60%	60MT Per Month
3.	Lead Oxide	Purity 30%	60MT Per Month

LOCAL ORDERS				
S/N	PRODUCT	SPECIFICATION	PAYMENT	MONTHLY VOLUME
1.	Zinc Ore	Purity 35%	Bank Guarantee	120MT Per Month
2.	Lead Ore	Purity 60%	Bank Guarantee	121MT Per Month
3.	Lead Oxide	Purity 30%	Bank Guarantee	122MT Per Month

COMMODITY PRICES (LONDON METAL EXCHANGE AND BLOOMBERG)			
S/N	COMMODITY	PRICES	UNIT OF MEASUREMENT
1.	Lead	USD 2,430.00	Metric Tonne
2.	Zinc	USD 3,089.00	Metric Tonne
3.	Cocoa Beans	USD 2,458.00	Metric Tonne
4.	Copper	USD 6,814.00	Metric Tonne
5.	Tin	USD 20,675.00	Metric Tonne
6.	Alluminium	USD 2,271.00	Bushel
7.	Cotton	USD 92.36	Pounds

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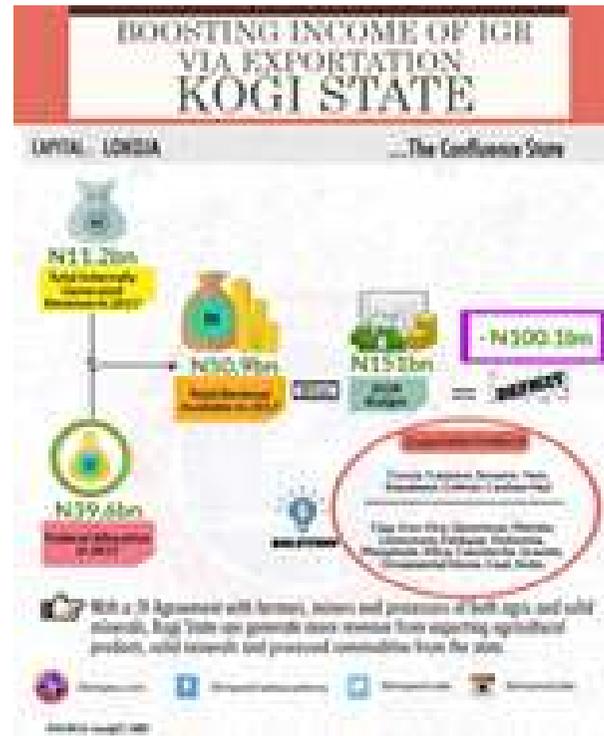
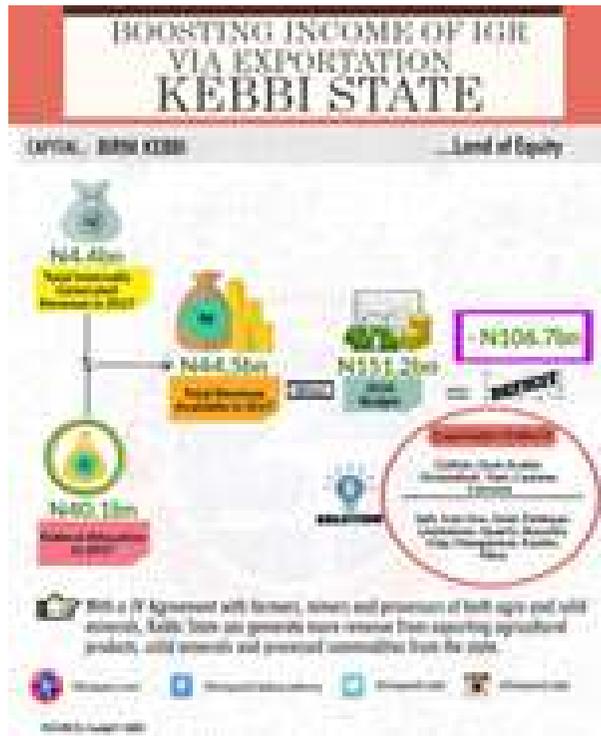
Days & Time

Weekdays - 9am
Date - April 17th & 18th, 2018
Weekend - 9am
Date - March 8th & 15th, 2018

Venue: 3T Impex Trade Center
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Infographics



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