

# EXP DIGEST

...ENHANCING EXPORT TRADE EDUCATION

VOLUME 3 ISSUE 36

INSIDE THIS ISSUE

**Export News:**

US-China Trade War:  
Ripple Effects Hit Nigerian  
Exporters  
- 1

**Export Programme:**

Import Processes  
LC & BC and More  
- 2

**Export Education:**

Why Nigeria Must Grow  
Exportation to West  
African Markets  
- 3

**Export Training Products:**

Export Pro and More  
- 3

**Export Miscellaneous:**

Commodity Prices,  
Infographs and Lots  
More  
- 3 & 4

## US-China Trade War: Ripple Effects Hit Nigeria Exporters



The trade war between China and the United States of America has started having ripple effects on Nigerian exporters and indeed other exporters that ship various items to China from different countries around the world.

This was made known to the 3T Impex Trade Academy by an exporter in Nigeria and confirmed by a broker in China this week. We were reliably informed that the one of the ways the Chinese government has responded to the trade war with the US is through exchange control measures. This involves the introduction of additional documentation that must be provided by the importer before payment can access foreign exchange which is needed to effected on goods that were sold to Chinese importers from abroad. The implication of this is delay in payment on goods that are shipped to China especially when the importer has not followed the laid down procedures in the process of importation into China.

The People's Bank of China (PBOC) and State Administration of Foreign Exchange (SAFE) regulate the flow of foreign exchange in and out of the country, and set exchange rates through a "managed float" system. Knowing fully well the implication of the increased tariff on some of the goods exported to the US by China which is huge reduction in export proceeds and consequently decline in foreign reserve, it is only reasonable for the PBOC and SAFE to reduce the rate of outflows from the China foreign reserves in order to mitigate the possibility of economic crises that could results from the shortage of foreign exchange.

The ripple effects of this trade war between two giants of international trade in the world is a risk that every exporters and bankers in Nigeria need to begin to anticipate in any export transactions to China and therefore design measures to mitigate it. In combating this risks, it could mean asking for confirmed letter of

credit (which is not a instruments that Chinese banks want to issue), counter guarantees and counter standby letter of credit from the Chinese buyers on one hand. On the other hand, it could also mean that exporters might have to take some pay cut on their export proceeds by requesting for their payment to be made in Chinese currency (CNY). However, this will only be possible when the Central Bank of Nigeria issues a guideline on how this will work since the only guideline that we currently have on the swap deal with China only favours the import transactions. Finally, the risks of the trade war between the US and China is here with us and every stakeholder in Nigeria who is directly or indirectly involve in export trade with China needs to begin to work towards how to mitigate the effects of this war on the Nigerian economy. A proactive measures on the part of the Central Bank of Nigeria will be very necessary to protect exporters in this regards.

*Excerpt: Tradeinfo.ng*

## FG Plans Mass Production of Cashew for Export



The Federal Government has initiated moves to encourage mass production of cashew and other agricultural products for exportation in a bid to boost the country's non-oil revenue.

Addressing participants at a workshop on 'Acceptable practices for stakeholders across the cashew value chain' in Enugu, the Executive Director

## Top News

- US-China Trade War: Ripple Effects Hit Nigerian Exporters
- FG Plans Mass Production of Cashew for Export
- NPA Bans Empty Containers From Ports
- Correcting Nigeria's Trade Imbalance Through Non-oil Exports
- NEPC Build Capacity for Fish Export
- Diploma Admission for Batch 2 is still on

of the Nigerian Export Promotion Council, Mr Olusegun Awolowo, said that cashew was a major component of the Federal Government's 'Zero Oil Plan' campaign.

The Zero Oil Plan, which is in line with the economic diversification agenda, involves massive production and marketing of cashew and the other concerned non-oil products.

"With the approval of the Minister for Industry, Trade and Investment, NEPC initiated a non-oil export promotion campaign tagged the Zero Oil Plan. This non-oil export revolution campaign is set to bring a future economy where Nigeria would be able to survive even at zero export of crude oil.

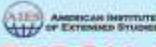
"Major components of the Zero Oil Plan are massive production and massive marketing of non-oil products and cashew is listed among the agricultural products in the lower value export products categories selected," Awolowo said, in the address which was read on his behalf by an official of the NEPC.

Awolowo also spoke on the need to address issues concerning quality, said to play a significant role in product acceptability and pricing.

"Governments at various levels are working assiduously to ensure that the problems associated with poor quality, such as discounted pricing and outright rejects, are curtailed. As a member of the African Cashew Alliance, we hope that issues on cashew quality and appropriate pricing would further be addressed," he said.

Bemoaning the impact of the decline in the price of crude oil on the country's economy, Awolowo said, "We realised cashew and indeed cashew farmers and other stakeholders have significant roles to play in the new order."

*Excerpt: Punch*

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Website: www.tradeacademy.ng  
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+234 703 870 4402, +234 809 999 3142

## MBA Bars Empty Containers from Port

Nigerian Ports Authority (NPA) Managing Director (MD) Hadiza Bala Usman has warned truck drivers and owners against bringing empty containers to the ports.

Henceforth, such containers must be taken to the shipping firms' holding bays.

Ms Usman is said to have directed operators to stop using their terminals for storing empty container and no truck driver or owner must be allowed by any official of the NPA and terminal

operators to bring empty containers into the ports after delivering goods to importers.

Ms Usman took the step to manage traffic in and around the ports.

Over 40 per cent of the space at the Lagos Port Complex (LPC) and the Tin-Can Island Port is occupied by empty containers.

Ms Usman also ordered terminal operators to declare the number of empty containers in their terminals.

Most of the firms at the ports have no holding bays, despite the huge money they have generated since the ports were concessioned in 2006.

The NPA, the Nigerian Maritime Administration and Safety Agency (NIMASA), the Nigerian Shippers Council and the Nigeria Customs Service, it was alleged, do not have a record of the empty containers in most terminals.

Speaking with The Nation in Lagos, a senior official of the Federal Ministry of Transport (FMoT), who pleaded not to be named, urged the government to support NPA in stopping operators from using terminals for storing.

*Excerpt: The Nation*

## Correcting Nigeria's Trade Imbalance Through Non-Oil Exports

Based on an analysis by the African Export-Import Bank, one of the main reasons why intra-African trade is low at about 15 per cent compared to Europe (59 per cent), Asia (51 per cent) and North America (37 per cent) is because of lack of access to trade and market information.

This is because there is no coordinated platform to bring together continental and global players to showcase and exhibit their goods and services and to explore business and investment opportunities in Africa.

Also, the limited access to information about trade finance and trade facilitation interventions that will support intra-African trade has been identified as a major reason for the low level of trade within the continent.

In order to boost the level of trade within the region, stakeholders are of the view that there is need to have an intra-African market place where buyers and sellers of goods and services will meet and explore business opportunities.

This, according to them, would provide a platform for entry into a single market of over one billion people joined under the African Continental Free Trade Area. As part of a comprehensive intervention to support trade in the region, AFREXIM Bank has decided to disburse \$25bn in support of intra-African trade by the end of 2021.

The bank is also putting measures in place to facilitate

trade by finalising the African payment settlement system.

This would provide a clearing platform for payment system in the region.

Currently, all the 55 African countries have signed a treaty for the bank to implement this payment system.

*Excerpt: Punch*

## NEPC Builds Capacity for Fish Export

The Nigerian Export Promotion Council has confirmed there is a huge market for Nigerian fish abroad as demand keeps increasing.

Representative of the Chief executive officer of the council at a sensitisation programme for fish farmers and processors in Lagos stressed that the council is set to boost fish production for exports.

The NEPC explained that best practices must be promoted and adopted to help local farmers meet up with international demands.

The program is aimed at encouraging more Nigerians to key into the diversification agenda of the government which focuses on looking inwards and improving exports to generate more foreign exchange.

*Excerpt: TVCnews.tv*

## 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*

## OTHER HEADLINES



**Awolowo: We Have 1% of African Import**

- Nation



**Stakeholders want Women Farmers Involved in Agric-Budgeting**

- Daily Trust



**NEPC Bemoans Nigeria's Poor Intra-African Trade**

- Thisday

**3T IMPEX TRADE ACADEMY**

**A 2-DAY INTENSIVE TRAINING ON IMPORT TRADE PROCESSES, LETTER OF CREDIT AND BILL FOR COLLECTION**

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## Why Nigeria Must Grow Exportation to West African Market

*New issue*

The ECOWAS also presents a great potential for Non-Oil Export growth to Nigeria particularly in Agricultural products because of the similar lifestyle and culture of the people in the region and hence, the propensity to feed on the same types of food items. This means both raw and processed Agricultural products from Nigeria have a great chance of success in the ECOWAS markets. In addition to this, the doors to the other African markets will largely remain close until Nigeria conquer the West African markets. This is because, whatever strategy is deployed to penetrate ECOWAS market is the same with what needs to be done in order to penetrate other African market. Therefore, until such strategy that works in the West African markets is put in place, we will not

have a model to replicate in other African countries.

The products to be targeted in any strategic plan being developed to grow export into the West African markets should be based on internal exports and external exports. Internal exports are the items currently been shipped (both formally and informally) by Nigerians into the region and these include Detergents, Pharmaceutical, Slippers, Cosmetics, Plastic products, Biscuits, Cigarettes, Malts, Fruits Juice, Antiseptics, Toothpaste, CO2 Gas, Confectionery, Dairy products, Bar Soap, Paints, Corrugated Roofing Sheet, Glass Louvres, Cements, Furniture, Noodles, Cooking Gas, Lubes products, Maggi Seasoning, Salts, Liquid Soaps, Chin-Chin,

Diapers, Shopping Bags, Insecticides and Carpet. The External exports are the products being shipped into the region by countries outside the ECOWAS (like the rest of Africa and other continents of the world). Out of these products, the ones that Nigerians can easily produce and ship into ECOWAS include: Agricultural products like Cereals, Snacks, Plastic products, Pharmaceutical products, Fish and Sea foods.

*To be cont'd - see next issue*

### Export Training Products



**Title:**  
**Export Pro**

**Speaker:** Bamidele Ayemibo  
**Price:** N 50,000



**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 2,100.00	Metric Tonne
2.	Zinc	USD 2,635.00	Metric Tonne
3.	Cocoa Beans	USD 2,322.00	Metric Tonne
4.	Copper	USD 6,073.00	Metric Tonne
5.	Tin	USD 19,475.00	Metric Tonne
6.	Alluminium	USD 2,075.00	Bushel
7.	Cotton	USD 87.08	Pounds

#### BENEFITS

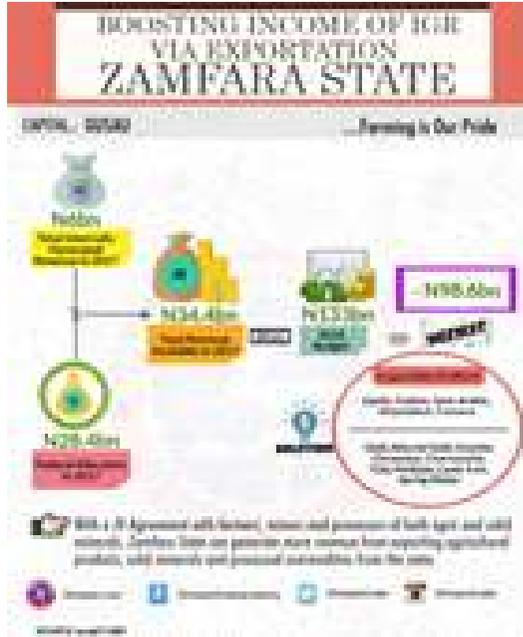
- Free Export Licence
- Free subscription to join African Export Development Initiative (AFED)
- Guaranteed Contracts for Export (T&C Apply)
- Export Mentoring Program with 20% discount
- Free Export Book & Advisory Service.

#### Days & Time

**Weekdays** - 9am  
**Date** - April 17th & 18th, 2018  
**Weekend** - 9am  
**Date** - March 8th & 15th, 2018  
**Venue:** 3T Impex Trade Center  
**Address:** 11D Bola Shadipe Street  
Off Adelabu Street, Surulere,  
Lagos, Nigeria.

**CONTACT:** tradeacademy@3timpex.com 08067476669, 08026782568, 08091244449

# Infographics



# Photo Speaks



## EXPORT NIGERIA CAMPAIGN



**PROJECT  
6X6,000  
EXPORTERS**  
...raising legion of exporters

### Targets:

**FREE** export seminar for religious organizations, clubs, cooperative associations, etc  
**Objective:** educate, enlighten, empower the public and create employment

