



**AKWA IBOM STATE
EXPORT STRATEGY
(AKSES) 1.0
2023 - 2027**

December 29, 2023

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EXECUTIVE SUMMARY

The Vision: Harnessing the natural resources and endowments in Akwa Ibom State to develop a market-centered, export-led economy that will foster job creation, inclusive development, diversified and sustainable industrialization.

As the world experiences a shift in the economic landscape, the need for a monolithic economy like Nigeria to passionately and aggressively diversify cannot be overemphasized. The unstable crude oil prices and the ever-increasing appetite of the average Nigerian slowly plunge and plunder the scarce economic resources of the country.

It is therefore important for an oil-rich economy like Nigeria with a vast reservoir of untapped potentials, to diversify its economy promptly and sustainably (World Bank, 2020). Oil price fluctuations trigger some of these economic shocks. The effect of this depletes national earnings, minimizes Gross Domestic Product (GDP) gains, triggers inflation, and devalues the currency.

The ARISE Agenda of the Akwa Ibom State government therefore promises to build on the legacies of past administrations for faster and sustained development. It is an acronym for:

A - Agricultural Revolution, Tourism, Sport/Social Development & Environmental Management,

R - Rural Development, Women & Youth Empowerment

I - Infrastructural Maintenance/Advancement and ICT Development

S - Security Management, Sound Educational & Health Sector Management

E - Economic /Industrial Advancement & Wealth Creation

Simultaneously, emerging drivers such as the Victor Attah International Airport and the Ibom Air/Aircraft Hangers, consolidation and promotion of Ibom Deep Sea Port, restoration of Ibom Power (electricity) to its original 191MW turbine, advancements in sustainability technology through the e-library, creation of Industrial Parks, Science Park & homegrown digital hub, Establishment of an International Market to curb capital flight, the development of the full value chain for the major state produce and increase access to agricultural credit facilities through Ibom Fadama Microfinance Bank have collectively created a conducive environment for strategic economic repositioning (Highlights of my blueprint for economic consolidation & expansion, 2023).

With a renewed sense of pragmatic optimism, Akwa Ibom State can harness these emerging enablers and align with the shared objectives of core stakeholders to strategically reposition its economy. This necessitates reducing waste, increasing output, enhancing competitiveness, generating employment, and opening new markets for prioritized, value-added exportable products.

Situated in the South-South region of Nigeria, Akwa Ibom State is one of the oil-producing states in Nigeria in the tropical rainforest region, characterized by distinct wet and dry seasons. It boasts of lush vegetation, numerous rivers and creeks, and the longest coastline in Nigeria, covering a land area of 8,412 km². The state is home to approximately

3.9 million people, 70% of whom are engaged in farming or farming-related activities (Nigeria Census, 2006). As Nigeria's leading oil palm-producing state, Akwa Ibom State also cultivates other crops such as rice, maize, cassava, cocoa, rubber, cashew, and banana/plantain. Recognizing agriculture as a pivotal sector with the potential to transform Akwa Ibom State's fortunes, there is a strategic focus on promoting growth by enhancing private sector participation in agro-allied industries, thereby stimulating employment generation and food security.

Key guiding principles underpinning strategy 1.0:

- Shifting from traditional agriculture to agribusiness;
- Ensuring fair access to means of production and resources;
- Adopting a value-chain approach for the development of crops, livestock, and fish/aquaculture subsectors;
- Encouraging private sector investment; and
- Exploring both local and export market potentials.

By investing in agriculture, Akwa Ibom State aims to achieve self-sufficiency in production, contribute significantly to domestic food production, and become a net exporter of key agricultural products.

Furthermore, the Ibom Air and Deep-Sea Port is expected to catalyze investments into large industries and small businesses, enabling the production of goods and services in unprecedented quantities for sale to the African Continental Free Trade Area (AfCFTA) and the rest of the world. With the AfCFTA creating a single market valued at over \$3 billion, this plan contemplates leveraging Akwa Ibom State's competitive and comparative strategic advantages on the continent by integrating cross-cutting measures and interventions (AfCFTA Secretariat, 2021). The AKSES 1.0 aims to create an enabling environment for Nigerian industrialists and MSMEs to thrive within the continental market, serving as a springboard to the global market.

Ultimately, the success of the AKSES 1.0 will be based on the commitment and active participation of all stakeholders. The Akwa Ibom State Committee on Export Promotion (AKSCEP) will require the support of all the members to bring this innovative, state-level initiative to fruition. The recently inaugurated sub-committees are well-positioned to drive the implementation and monitoring process.

CHAPTER 1: BACKGROUND CONTEXT

1.0 The significant reliance on oil revenue, making up 65-70% of federal earnings and 90% of state finances, exposes Nigeria's vulnerability to global market fluctuations in oil prices. As such, states like Akwa Ibom must look beyond oil to develop sustainable, non-oil revenue streams through strategic planning (Adeoye, 2018).

1.1 The proposed non-oil export strategy 1.0 is expected to transform the Akwa Ibom State economy and society by properly maximizing the benefits of natural and human resources, including key organs, systems, and structures, through:

- Encouraging policymakers to support exports.
- Supporting institutions and enterprises to make key contributions for long-term growth.
- Facilitating collaborative decision-making among ministries, agencies, departments, businesses, and civil society.
- Developing homegrown criteria for appropriate destinations and attractive markets for export.
- Developing an implementation plan for the key economic organs within the state on export promotion
- Identifying the interventions required by operators within the value chain.

1.2 Agriculture therefore stands out as a sector with significant potential for widespread economic benefits. A robust agricultural strategy for Akwa Ibom State should aim to:

- i. Introduce novel farming methods.
- ii. Advance the various crop value chains.
- iii. Secure farmers' access to finance.
- iv. Boost revenue for the state and its citizens while contributing to the national GDP.
- v. Establish a microfinance bank devoted to supporting business pursuits.
- vi. Develop a comprehensive land-use plan for the state.
- vii. Facilitate the growth of a robust agricultural value chain

1.3 The AKSES 1.0 Plan seeks to answer four critical questions:

- How would Akwa Ibom State sustain itself solely on locally generated non-oil revenues?
- Which goods and services should Akwa Ibom State focus on exporting?
- What product will generate enough jobs and improve the quality of life within the state?
- How fast can Akwa Ibom State pivot to an export-driven, industrial economy?

1.4 The estimated global market for goods and services is US\$18.755 trillion and US\$6.098 trillion, respectively (WTO, 2019). However, the contributions from Sub-Saharan Africa, including Nigeria, are disappointingly minimal (WTO, 2020).

1.5 Developing countries have started to gain traction in global exports, especially in manufacturing (UNCTAD, 2020). For Nigeria and Akwa Ibom State, starting with agribusiness and then evolving into manufacturing could provide the needed foothold in

the global market (Adeoye, 2018). Major Trade Routes and Regional Commerce High-volume international corridors currently do not include Nigeria, making export logistics costly (UNCTAD, 2020).

1.5.1 Product Categories in Developed and Developing Countries

Developed nations primarily export services, machinery, and chemicals, among other products (WTO, 2020). The absence of a high-volume trading corridor means the AKSES Plan needs to target markets with significant buying capacity (Olagunju et al., 2019).

1.5.2 Regional Trade Frameworks

While regional trade is vital for economic growth, Africa's contribution remains below par, at just 12% (African Union, 2021). The AfCFTA agreement presents a golden opportunity for improving these figures, but the AKSES 1.0 Plan needs to align with it to maximize benefits (African Union, 2021).

Developing a robust non-oil export sector is fundamental to Akwa Ibom State's economic progress. Initiatives must be put in place to attract foreign investment and support local enterprises (World Bank, 2020).

This plan will adhere to a four-section format:

- Introductory Remarks and Historical Context
- A SWOT Analysis/Enablers and Drivers for the Strategy
- Defined Goals, Pillars, Tactical Steps, and Roadmaps/Projects
- A System for Monitoring and Evaluating Progress

This nonoil export strategy 1.0 offers a well-researched, feasible approach for transforming Akwa Ibom State's economy through non-oil exports (Adeoye, 2018).

1.6 Economy of Akwa Ibom State

Akwa Ibom State, located in the South-South region of Nigeria, is endowed with a plethora of natural resources, including agricultural produce, mineral resources, and petrochemicals, among others. It is also home to a variety of services, including tourism.

1.6.1 Agricultural Exports:

Akwa Ibom State ranks among the largest producers of oil palm in Nigeria, accounting for over 168,000 hectares of wild grooves/plantations distributed over 31 LGAs of the state. Other significant agricultural products include bananas, plantain, rubber, cocoa, raffia palm, coconut, vegetables, and cassava. It is blessed with arable lands, fertile soil, a favourable all-around climate, and marine resources. The government of Akwa Ibom State has been making efforts to boost agricultural production by providing support to farmers, including access to credit, improved seedlings, and training on modern farming techniques.

Despite these efforts, the export volume and value of agricultural produce from Akwa Ibom State have faced challenges due to various factors such as inadequate infrastructure, lack of access to international markets, and quality issues.

1.7.2 Mineral Resources

Akwa Ibom State is rich in mineral resources, including crude oil, silver nitrate limestone, granite, clay, zinc, glass sand, lignite, and Sodium Chloride. The government has been making efforts to attract investment in the mining sector by creating a conducive

environment for investors. However, this sector is still underdeveloped, and its contribution to the state's export earnings is minimal. The lack of adequate infrastructure, regulatory challenges, and the informal nature of the mining sector in Nigeria have hampered progress.

1.7.3 Crude Oil

Akwa Ibom State has significant deposits of crude oil ranked first in production. It accounts for 30% of the daily crude oil production in the country. The State has most of its oil fields located offshore. Investment opportunities in the development of upstream and downstream sectors, refinery projects, and oil services

1.7.4 Gas Reserves

The state is blessed with an abundance of natural gas. There are investment potentials in Gas to liquid projects. Other areas to explore include gas-gathering (dry) and distribution, renewable energy, and low-emission fuel production and distribution.

1.7.4 Services

Tourism is an important sector in Akwa Ibom State, with attractions to the yearly carol night and the Christmas village. The beach at Ibeno is also a tourist delight. The Godswill Akpabio International Stadium (Champion Nest), the Golf course, and the growing hospitality industry have created a conducive and friendly atmosphere for tourists. The government has been making efforts to promote tourism by improving infrastructure and marketing the state as a tourist destination. However, the contribution of tourism to the state's export earnings is minimal, as most of the tourists are domestic.

1.8 In summary, Akwa Ibom State has significant potential in mineral resources, petrochemicals, and services. However, inadequate infrastructure, lack of access to international markets, quality issues, and regulatory challenges have hampered the growth of exports from the state. Efforts are needed to address these challenges and realize the full export potentials of Akwa Ibom State.

References:

Nigerian Export Promotion Council. (2018). Export Guide. Abuja: Nigerian Export Promotion Council.

1.9 The Akwa Ibom State Export Strategy (AKSES) 1.0 Plan is a fundamental initiative designed to transform the economy of Akwa Ibom 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 Akwa Ibom State economy, with the following anticipated outcomes:

- a. Robust Trade Balance, Resilient Currency – An upsurge in foreign exchange earnings will enhance the trade balance of Akwa Ibom State and fortify the Naira, thereby contributing to economic stability and boosting investor confidence.

- b. Reinforced Public Finances – The expansion of real sector output will stimulate economic activity and solidify the government’s fiscal standing, enabling increased investment in public services and infrastructure.
- c. Job Creation, Skill Development, and Enhanced Quality of Life – 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 Akwa Ibom State.
- d. Strategic Sovereign Relationships – The AKSES Plan will reposition Akwa Ibom State’s regional and international bilateral relationships with a specific focus on expanding market access for goods produced within the state.
- e. Real Sector Output Growth – The strategy will lead to a rapid escalation in the output of key products, including agro-products, manufactured goods, solid minerals, and oil and gas derivative products. It sets output targets for strategic sectors over the next 5 to 10 years, which will be closely tracked and monitored.
- f. Enhanced Competitiveness – The plan advocates for reducing operating costs within the real sector, which is crucial for Akwa Ibom State to operate at the lower end of the global cost curve for key products and to successfully sell its goods at globally competitive prices by addressing power, freight, and shipping constraints.
- g. Economic Inclusivity – The plan will facilitate the economic integration of adjacent industries as well as micro, small, and medium enterprises (MSMEs), thereby promoting inclusivity and broad-based growth.
- h. Increased Investments – The AKSES Plan will catalyze both domestic and foreign investments in Akwa Ibom State, supporting output growth and providing viable channels for the modernization of the state’s financing markets.

To ensure holistic development and sustainable growth, capital will be strategically allocated across the export value chain, including processing plants, agricultural fields, and associated infrastructure.

The timely implementation of the AKSES Plan is crucial for the sustainable development of Akwa Ibom State, creating a resilient economy characterized by increased job opportunities, wealth creation, and an improved quality of life for all its inhabitants.

CHAPTER 2: Context of Akwa Ibom State/SWOT Analysis

2.1 Historical Background:

Akwa Ibom State, lying between latitudes 4°32" and 5°33" North and longitudes 7°35 and 8°25 east is situated in south-south Nigeria. The state was established on September 23, 1987, from the then Cross River State by the government of the military President Ibrahim Badamasi Babangida. The territory of Akwa Ibom State derives its name from the Qua Iboe tributaries. About 13.4% of the 960km of Nigeria's Atlantic Ocean coastline runs through the State. The State is bounded by River State, Cross River State, Abia State, and the Gulf of Guinea on the east, west, north, and south respectively.

Demographics: The majority of the population are Ibibio, Annang, and Oron. The state is a microcosm of Nigeria, featuring resourceful, industrious, and hospitable inhabitants. Its educated elite contributes to its ranking as among Nigeria's most educationally advanced states. The population, as of 2006, was about 3.9m, though a projected population of 7,200,000 by the State Bureau of Statistics. It has an annual projected growth rate of 3.4%.

Culture: The State is culturally homogenous with a common identity, despite the presence of many spoken local languages. The culture of Akwa Ibom State is rich and diverse, encompassing local food, dress, dance, folklore, myth, songs, beliefs, handicrafts, and arts. Antiquities and artifacts are preserved in traditional rulers' palaces, some of which are designated as National Monuments. The state covers approximately 7,249 km² and lies entirely in the tropical belt.

Climate and Vegetation: The climate is tropical, with a rainy season from April to October and a dry season from November to March. Temperatures range from 23°C to 31°C, and humidity is relatively high. Annual rainfall varies from 2,000mm in the south to 1,150mm in the north. The state features lush vegetation, with a high forest zone (rainforest).

Government and Administration: The state comprises 31 local government areas, each with its headquarters and Uyo the State capital: Abak(Abak), Eket(Eket), Eastern Obolo(Okoro-Ete), Etim Ekpo(Utu Etim Ekpo), Esit Eket(Uquo), Etinan(Etinan), Essien Udim(Afaha Ikot Ebak), Ikot Abasi(Ikot Abasi), Ibeno(Ukpenekong), Ikot Ekpene(Ikot Ekpene), Ibiono Ibom(Oko Ita), Ika (Urua-Inyang), Ini(Odoro Ikpe), Ikono (Ibiaku Ntok Okpo), Ibesikpo Asutan(Nung-Udoe), Itu(Itu), Mbo(Enwang), Mkpat Enin (Mkpat Enin), Nsit Atai (Odot), Nsit Ibom(Afaha Offong), Nsit Ubium (Ikot Edibon), Oruk Anam(Ikot Ibiritan), Obot Akara(Nto Edino), Okobo(Okopedi), Onna(Abat), Oron(Oron Town), Ukanafun (Ikot Akpa Nkuk), Urue-Offong/Oruko Urue Offong, Uruan(Idu), Udung Uko(Eyofin), and Uyo(Uyo).

Politics and Government: The state government is led by a democratically elected executive governor, with the opportunity to serve a maximum of two four-year terms if re-elected. The current governor is Pastor Umo Bassey Eno, a member of the People Democratic Party (PDP), elected in 2023. The deputy governor and 26 members of the

House of Assembly assist him. The State Executive Council includes Commissioners, heading various Ministries that have been set up to deliver on the dividends of democracy. The PDP dominates the political landscape of Akwa Ibom State, which is part of the South-South geopolitical zone of Nigeria.

Economy: Akwa Ibom State's economy is diversified, with a considerable focus on agriculture (cocoa, oil palm, rubber, timber, seafood,), manufacturing (syringes, metering solution, Flour mill, Oil Palm Estate, Crude oil and gas in very large quantities, and mining. The state has developed a well-structured industrial base however struggling with critical infrastructure such as power. The oil and gas sector, however, is the largest contributor to the state's revenue and the backbone of its economy. Oil is produced offshore.

Akwa Ibom State is blessed with favourable climatic conditions and good soil types which support the cultivation of export crops such as oil palm, coconut, and root crops such as cassava yam, and value chains for export such as Oil Palm- Exportable Products include Special Palm Oil (SPO), Palm Kernel Oil (PKO), broom, Coconut: Coconut oil, Raffia palm: raffia bag, shoes, belts, car seat covers, Cocoa: Dry Cocoa pods, cocoa powder, cocoa tea, Rubber: Rubber crumbs, processed rubber, Root crops: Cassava/yam chippings, flour, starch, . Challenges in the cash crop industry include a lack of processing and pre-processing facilities Low production volume, a Lack of standard laboratories for quality analysis and certification, Lack of access to export financing programmes.

The State has the largest coastline of 129km in the country, from Oron to Ikot Abasi. The vast coastline provides a rich source of a wide variety of fishes and seafood including catfish, barracuda, blue **MARLIN**, squid, sardine, croakers, shrimps, prawns, crabs, clams, crayfish, snappers, and oysters. The export potential of this sector is vast and diverse. Opportunities abound in the seafood canning and packaging industry. Its challenges include the non-availability of processing industries and support infrastructure as well as finance.

Akwa Ibom State under the last three administrations has witnessed remarkable development of the transport sector. This is evidenced by the development of good road networks which open up and connect the rural areas to the urban citizens for easy movement of agricultural inputs and to market products.

In the aviation industry, the building of the Victor Attah International Airport provides the fastest means of conveying goods and services in and out of the state. The Cargo landing terminal of the airport provides a veritable export infrastructure for exporters to take advantage of. The maintenance, Repair, and overhaul (MRO) terminal is another unique feature of the airport.

In addition, the state government floated an Airline – Ibom Air whose fleet has kept increasing and international flights have commenced. Under the Blue Economy, the state is taking full advantage of its marine transport potential. Currently, efforts are being made to provide safe means of conveying goods and personnel by ferry to neighbouring states and countries. The presence of security personnel and the Nigerian Navy patrols has restored and maintained security along the waterways.

A major achievement in the Marine sector is the granting of a license to the Akwa Ibom State Government to develop the Ibom Deep Sea Port facilities which are already on course. The project has the potential of providing critical infrastructure for export manufacturing/processing through the Export Processing Zone:

2.1 SWOT ANALYSIS

2.1.1 Strengths

- a. **Vast Energy Resources:** Akwa Ibom is home to a significant amount of energy resources, including the largest crude oil and gas reserves. This vast quantity of natural gas could be utilized as a raw material for various export industries dependent on gas, such as petrochemicals, fertilizers, methanol, and energy-intensive manufacturing sectors. • **Plentiful Solid Minerals:** Apart from substantial oil and gas reserves, Akwa Ibom State is also endowed with largely untapped solid minerals, including precious stones, manganese, gypsum, limestone, coal, clay/kaolin, marble, granite, bitumen, and silicates.
- b. **Abundant Fertile Land:** With large hectares of cultivable land and a great expanse of surface water, Akwa Ibom State has immense potential for irrigation. The varied agro-vegetational zones, ranging from the mangrove coastal region in the south to the rainforest zone in the north, support the growth of exportable cash crops like oil palm, cocoa, rubber, cassava, rice, and palm kernel. Other staple crops, such as yam, maize, and fruits, also flourish in most regions.
- c. **Strategic Location:** Located along the Gulf of Guinea, Akwa Ibom State has extensive direct access to the Atlantic Ocean, enabling strategic access to crucial markets, especially in the US, EU, and South America. Additionally, Nigeria's position allows viable trading routes to Eastern markets (China, India, S.E Asia, .) and expands intra-Africa trade opportunities, particularly in Western and Central Africa. The forthcoming Ibom Deep Sea Port is expected to draw foreign direct investment for port infrastructure development, addressing supply chain constraints due to its central location.
- d. **Large Domestic Market:** With a population approaching 200 million, Nigeria ranks as the world's seventh-largest country, offering a large, rapidly expanding, and youthful captive market. This demographic makes investment in Akwa Ibom State attractive as a gateway to the continent and beyond.
- e. **Efficient and Cost-effective Workforce:** Akwa Ibom State has an efficient workforce, with competitive wages compared to developed and emerging markets. It has a vibrant population of youths. This vast, affordable workforce is a key attraction for investors and exporters, considering the identified emerging enablers.

2.1.2 Weaknesses

- a. **Compliance with Quality and Standards:** Despite successes in exporting oil palm, cocoa, and other commodities, meeting the quality and standards of target markets remains a challenge. An estimated 15% of Nigerian food and agro-products exported from Nigeria and ECOWAS are rejected at the borders of Europe, America,

and Asia for not conforming to the required standards. Although the Standards Organization of Nigeria (SON) and the National Agency for Food and Drug Administration and Control (NAFDAC) have made progress in controlling the quality of exported products, enhanced coordination between the public and private sectors is necessary to strengthen this area.

- b. **Deficit in Infrastructure:** Infrastructure is essential for economic development. Most developed and developing countries have infrastructure stock equivalent to 70% of their GDP, whereas Nigeria's infrastructure stock ranges between 20% and 25% of GDP. This inadequate infrastructure undermines operating competitiveness, a critical aspect of international export markets. Akwa Ibom State must identify and prioritize infrastructure needed for export purposes, package and accelerate its development, making export infrastructure programs affordable, feasible, and attractive to private sector concessionaires. This includes transport corridors, key port facilities, and production hubs.
- c. **Lack of Export Aggregators:** The current non-oil export value chain lacks efficient and qualified aggregators, causing farmers to struggle to find credible off-takers, leading to waste, inconsistent production, and expansion inability. This challenge is exacerbated by the limited information available to farmers and miners about market prices, and where and to whom to sell their output. Additionally, there is a significant lack of reliable export logistics facilities (e.g., warehouses) and logistics providers, resulting in high market volume volatility, fluctuating between glut and scarcity. Large-scale market aggregators (public or private) will 'make markets' and provide physical and virtual locations to facilitate specific products' trade for exports. Strong collaboration with the NCX will address these weaknesses.
- d. **Insufficient Export Financing:** High finance costs, short funding durations, and low appetite (and understanding) for export finance hinder the growth of the export sector. The country's Export Credit Agency (NEXIM) and the Ibom Fadama microfinance bank are significantly undercapitalized, while commercial banks possess more expertise and know-how in import finance than export finance. Additionally, real sector finance in Nigeria and Akwa Ibom State faces several structural issues, including low commercial bank assets to GDP, low stock market capitalization, and high interest rates.

2.1.3 Opportunities

- a. **Transition to Low-Tech High-Volume Goods:** Rising cost pressures in major emerging economies, such as China, are increasingly leading to the transfer of certain low-cost production to smaller economies. The COVID-induced supply side shocks and the subsequent shortening of supply chains are driving low-end production relocation to African countries, where production and export can be more competitive.
- b. **Penetrating High-Growth, High-Value Markets:** Akwa Ibom State has an opportunity to further penetrate higher-value markets, such as processed food products, textiles, and garments. To succeed in these markets, there is a need to

develop products with higher value-added, with a focus on meeting global quality and standards. Similarly, with the significant expansion of ICT connectivity and the subsequent increase in exportable services, there is an opportunity to export services in various sectors, including healthcare, education, finance, and entertainment. Building the required capacity to tap into these markets will lead to increased foreign exchange earnings for the state.

- c. **Expanding Market Access through Trade Agreements:** The African Continental Free Trade Area (AfCFTA) presents a unique opportunity to expand market access for Akwa Ibom products and Nigerians in general. This agreement will create the largest free trade area in the world, joining 55 African countries into a single market of 1.3 billion people. The Nigerian government, through the Nigerian Export Promotion Council (NEPC), is investing in building the capacity of exporters to take advantage of this opportunity.

2.1.4 Threats

- a. **Reliance on Primary Commodities:** The bulk of Nigeria's non-oil exports which includes those from Akwa Ibom State are primary commodities, making it vulnerable to price volatility in the global market. There is a need to diversify the export basket to include more value-added products to mitigate this risk.
- b. **Foreign Exchange Volatility:** The volatility of the Nigerian Naira is a significant concern for exporters. The Central Bank of Nigeria (CBN) has put in place various policies to manage foreign exchange risks, but the situation remains precarious. There is a need for a more stable and predictable exchange rate regime to boost exporter confidence.
- c. **Inadequate Infrastructure and Regulatory Barriers:** The inadequate infrastructure and regulatory barriers in Akwa Ibom State are significant obstacles to the growth of the export sector. There is a need for a more focused approach to address these challenges and create an enabling environment for export growth.

CHAPTER 3: ENABLERS FOR THE STRATEGY

3.0 Drivers and Enablers for the Strategic Growth and Development of Non-Oil Exports from Akwa Ibom State

Akwa Ibom State, located in the south-south region of Nigeria, is embracing a visionary approach to economic development by focusing on the strategic growth of its non-oil export sector. This comprehensive report delves into the multifaceted drivers and enablers that are propelling Akwa Ibom State's journey towards export-led growth and diversification.

3.1 Gateways to Industrialization and Export

3.1.1 Ibom Air and the Victor Attah International Airport:

Akwa Ibom State is the first state in Nigeria to float an Airline. The flight operation commenced in June 2019. It currently has in its rapidly expanding fleet, 8 aircraft including air buses and bombardiers covering six local and one international route. Meanwhile, the Victor Attah International Airport serves as a gateway to the world for cargo and human transportation that has been positioned to meaningfully contribute to the economy. The maintenance, Repair, and overhaul (MRO) terminal is another unique feature of the airport and is capable of attracting significant income from the export of services.

3.1.2 Ibom Deep Sea Port

The newly approved Ibom Deep Sea Port is a licensed industrial-free zone. It stands today as a pivotal driver of industrialization and export expansion in Akwa Ibom State. This monumental infrastructure project is set to revolutionize trade by providing a direct and efficient link to global markets. The port's strategic location along the coastline offers unparalleled access to international shipping routes, facilitating the movement of goods and raw materials. The benefits derived from the Ibom Deep Sea Port are far-reaching and transformative.

Furthermore, the Deep-Sea Port positions Akwa Ibom State as a hub for value addition and trade-related activities. It fosters the development of industrial clusters and economic zones, encouraging the establishment of export-oriented manufacturing and processing units. The port's logistical efficiency reduces transportation costs, making it attractive for businesses seeking to optimize their supply chains.

3.1.3 Other Free Trade/Export Processing Zones

- **Liberty Free Trade Zone**

It is a licensed oil and gas free trade zone that occupies 50,000 hectares of land across six local government areas. It will consist of an international jetty, and a dry bulk quay to house agricultural products to support both local and international markets.

- **Ibom Science & Technology Free Zone**

This is a state government-owned with a specialty in trade services.

- **Aluminium Smelter Company of Nigeria (ALSCON) Export Processing Zone**

This is a federal government-sponsored and private sector-developed Export Processing Zone that occupies 815 hectares with a specialty in manufacturing.

3.2 The Arise / Nigeria Agricultural Transformation Agendas: Diversification and Export Enhancement:

Akwa Ibom State's alignment with the Nigeria Agricultural Transformation Agenda reinforces its commitment to diversifying the agricultural sector and propelling non-oil exports. Both agendas focus on crop diversification, agro-processing, value addition, and technology-driven agricultural practices, by enhancing productivity, sustainability, and efficiency. The state contributes not only to export-oriented development but also to food security, rural development, and poverty reduction.

The emphasis on agro-processing and value addition is particularly noteworthy. Akwa Ibom State aims to transform raw agricultural products into higher-value commodities, thereby capturing a larger share of export revenues. By modernizing processing techniques and adhering to international quality standards, the state creates a pathway for its agricultural products to compete in global markets. This alignment with the Nigeria Agricultural Transformation Agenda is pivotal in elevating Akwa Ibom State's non-oil export potential and fostering inclusive growth.

3.3 African Continental Free Trade Agreement (AFCFTA): Seizing Regional and Global Opportunities:

Akwa Ibom State's active participation in the African Continental Free Trade Agreement (AFCFTA) positions it as a key player in regional and global trade dynamics. This landmark agreement aims to create a single market within Africa, fostering economic integration, reducing trade barriers, and facilitating market access. Akwa Ibom State's strategic location, coupled with its diverse exportable products, enables it to harness the immense potential of the African market while simultaneously expanding its exports to international partners.

By leveraging the AFCFTA, Akwa Ibom State can establish itself as a trade and manufacturing hub. The removal of trade barriers enhances the state's access to regional markets, enabling exporters to scale their operations and diversify their customer base. Additionally, the agreement provides a platform for Akwa Ibom State to forge strategic partnerships with other African nations, facilitating knowledge exchange, technology transfer, and value chain integration.

3.5 Global Sustainability Measures: From Compliance to Competitive Advantage:

Akwa Ibom State's commitment to global sustainability measures is a testament to its forward-thinking approach and responsible business practices. In an era marked by heightened environmental consciousness, sustainability transcends regulatory compliance to become a competitive differentiator. By adopting eco-friendly practices, minimizing waste, and adhering to international environmental standards, Akwa Ibom State enhances the marketability of its non-oil export products.

3.6 UNIDO Assisted Oil Palm Mill, Akwa Ibom State

This is a state-of-the-art oil palm mill with silos and a laboratory established by the Akwa Ibom State government in collaboration with United Nations Industrial Development Organisation (UNIDO) to produce quality palm oil for the local and international markets.

3.7 Prioritized Non-Oil Export Commodities - Oil growth and development of non-oil exports, Akwa Ibom State has identified two key commodities— oil palm, and seafood—as priorities. This chapter delves into the **Oil Palm and Seafood**

Introduction: In the pursuit of strategic justifications behind the selection of these commodities and outlines, a comprehensive strategy for their growth has been considered. By aligning critical pillars of the export strategy, namely access to finance, infrastructure development, market expansion, quality enhancement, production augmentation, value addition, institutional strengthening, and policy framework, Akwa Ibom State aims to project a compelling trajectory for the next 10 years in terms of production and revenue growth.

3.7.1 Justifications for Selection of OSOP Products:

Oil Palm: Akwa Ibom State is the largest producer of Oil Palm in Nigeria. Oil palm is another strategic priority due to its versatile applications in food processing, cosmetics, and biodiesel production. Akwa Ibom State's vast oil palm plantations position it as a potential major contributor to Nigeria's palm oil production. By prioritizing oil palm, the state can cater to the growing domestic and international demand for sustainable and ethically sourced palm oil. Additionally, value-addition initiatives like refining and processing can amplify the state's revenue and foster job creation.

Seafood: Seafood stands out as a strategic choice due to the incredible length of the coastal line from Oron to Ikot Abasi (129km), acknowledged to be the longest in Nigeria. From global statistics, Nigeria ranks 3rd in Africa on aquatic species caught by a country for all commercial, industrial, recreational, and subsistence purposes. Its multi-faceted applications in food and feed, the world over, increase the demand for it. The Nigerian seafood is mostly sourced from the ocean and is organic. The global trend for organic food for healthier lifestyles is increasing the international sales and demands for seafood from Akwa Ibom State.

3.7.2 Projected Production and Revenue Growth:

Seafood:

Oil Palm: Akwa Ibom State's commitment to value addition and sustainable practices is expected to result in a 15% growth in oil palm production over the next decade. By refining and processing palm oil locally, the state aims to capture higher margins and contribute to the growth of the industrial sector. This initiative is projected to lead to a 30% annual increase in oil palm export revenues.

CHAPTER 4: PILLARS OF AKSES 1.0

4.1 PILLAR 1 - AKSES SECTOR - Criteria for Selecting AKSES Sectors

The AKSES 1.0 Plan targets nonoil "Big Ticket" export items that have been carefully chosen based on the International Trade Volume of the Product/Sector (i.e., financial value) and their Comparative Advantages within Nigeria

- Priority Products are Oil Palm and Seafood

4.2 PILLAR 2 - Enhancing Market Access For AKSES

Various factors have traditionally impeded the ability of Akwa Ibom businesses to penetrate foreign markets:

- Absence of Trustworthy Offtake Agreements: Local enterprises find it challenging to secure solid orders from international buyers.
- Inadequate Market Knowledge and Intelligence: There is insufficient data on the dynamics of targeted foreign markets.
- Product Standards Compliance: Local exporters often fail to meet the specific standards and packaging requirements of different markets.
- Unreliable Supply: Local supply chains are viewed as inconsistent, which raises doubts about the continuous availability of exportable goods.

4.2.1 Thrust 1: Strategic Markets

The Plan has designated several priority markets for expanding Akwa Ibom's non-oil exports. These markets were selected based on:

- The target country's status as a major importer of at least one product from Nigeria.
- Existing trade relationships and ties with Nigeria can be significantly developed in the upcoming years.

A list of target export products and their corresponding countries includes:

- Africa: Oil Palm and Seafood
- Central Asia: Palm Oil and Seafood
- East Asia: Palm Oil to Pakistan; Palm Oil to China
- Europe: Palm Oil and Seafood to the Netherlands
-

4.2.2 Domestic Export Warehouse

The AKSES Plan aims to facilitate the development of DEWs, essentially one-stop warehouses to aggregate exports and expedite capacity building in the non-oil export sector for small businesses. The design of the DEWs involved extensive consultations with experts who have developed and executed similar programs in other emerging economies like Nigeria. The DEWs will also serve as operating platforms for government and private sector service providers to assist in the export process. DEWs and ETHs will be connected to a common network and will focus on driving export transactions quickly and inexpensively.

The functions of the Export Accelerators will include housing all regulatory agencies involved in the export process (NEPC, NEXIM, SON, Customs, NAQS, FPIS), maintaining international regulatory contacts and links regarding foreign market requirements, and providing references for exporters planning to enter the business.

4.3 **PILLAR 3 - AKSES SOURCING**

4.3.1 **Boosting production**

The Plan aims to significantly increase production and output across several sectors in Akwa Ibom of Oil Palm and Seafood production

- What quantity (in tons) of a product is required to achieve our export financial goals?
- What resources need to be mobilized to hit the target production amounts?

4.3.2 **The Sourcing Strategy**

To expedite the production of Akwa Ibom goods across strategic sectors, the plan is built on the following thrust:

i. Thrust 1-Akwa Ibom Output Targets

The output targets outline the required real sector production for a sustainable economy. It provides a common vision for sectoral output that government agencies and private sector investors can work towards together.

ii. Thrust 2 - Export Aggregation & Buying Centers

The plan will promote the establishment of Export Aggregation and Buying Centres to source products from specific catchment areas. Aggregators will either 'make markets' by having the financial capacity to take inventory risk or 'facilitate markets' by acting as brokers, matching buyers and sellers of export products. These centers will serve as physical consolidation points for products and marketplaces for export-bound products. Types of Export Aggregators for Akwa Ibom

- Public aggregators: Joint Federal and State government or State Only.
- Public/Private aggregator: Federal/State in conjunction with Private sector consortium or Cooperatives.
- Sole anchor operator: Single private sector entity with excess facility.

4.4 **Pillar 4 - Facilitating Value Addition to Commodities for Export**

The primary objective of the Akwa Ibom State Export Strategy (AKSES) is to create a sustainable and competitive export sector that significantly contributes to the state's economic growth and development. An essential pillar of this strategy is facilitating value addition to commodities destined for export. This involves the implementation of specific infrastructure projects and capacity-building programs aligned with global best practices to enhance the quality and competitiveness of Akwa Ibom State's export products.

4.4.1 **Value Addition to Commodities**

Value addition refers to the process of increasing the economic value of a commodity by transforming raw materials into processed goods or adding value to semi-processed products. This is crucial for increasing the competitiveness of Akwa Ibom State's exports as it enables the state to capture a larger share of the value chain and enhance its export earnings. It also helps in reducing the vulnerability to commodity price fluctuations by diversifying the range of exportable products.

4.4.2 Infrastructure Development

Infrastructure development is key to facilitating value addition activities. Akwa Ibom State will invest in the following infrastructure projects to support value addition and enhance export competitiveness:

- Integrating Businesses into the Industrial Parks

Industrial parks equipped with modern infrastructure and facilities have been designed by the Akwa Ibom State government to attract investment in value addition activities. These parks will be strategically located near raw material sources.

4.4.3 Capacity Building

Capacity building is essential for enhancing the skills and knowledge of stakeholders involved in value addition activities. Akwa Ibom State will enhance capacity-building programs:

- Training and Skill Development

The Ibom Leadership and Entrepreneurial Development Center has well-tailored Training on Entrepreneurship while the Akwa Ibom Skill Development Centre has been designed for skill development for farmers, processors, and exporters. They enhance their skills and knowledge of best practices for the cultivation, processing, packaging, and marketing of exportable products. They must rise to fill the vacuum the dearth of knowledge has created.

4.5 PILLAR 5 - AKSES FINANCE

4.5.1 Financing and Incentives

Promoting exports by offering specialized financing packages is a common strategy among major global exporters. The Ibom Fadama Microfinance Bank has to be financed to address several key questions regarding the financing of Akwa Ibom's non-oil exports, such as identifying funding sources and channeling funds to MSMEs and large corporations. The funding process can be optimized with the use of national intervention funds such as the Export Expansion Grants, Export Development Funds, and Tax Relief on Interest Income Scheme.

4.6 PILLAR 6 - AKSES PHYSICAL AND QUALITY INFRASTRUCTURE

Developing the physical and quality infrastructure is a pivotal element of the Akwa Ibom State Export Strategy (AKSES). This elaborates on initiatives and projects that will be undertaken to develop the infrastructure required to support a robust export ecosystem in Akwa Ibom State.

4.6.1 Enhancing Quality Protocols for Exports

Ensuring compliance with technical, safety, and packaging requirements in foreign markets is crucial to avoid rejection of exports from Akwa Ibom State. Given that product requirements vary across countries and products, Akwa Ibom State will establish regular communication channels with exporters to provide updates on standards requirements and to adequately test products before they leave the state.

The following objectives will be pursued to establish Quality and Standards Protocols for Exports:

- i. **Operational Protocols with Local and Foreign Standards Organizations:** Collaborate with both local and foreign standards organizations and key regulators related to Akwa Ibom exports. This includes consolidating key personnel contacts, formalizing standards documentation, providing updates on requirements, and setting up fast-track procedures to certify key products for specific markets.
- ii. **Deepening Standards and Compliance Tests:** Facilitate upgrades in both public and privately-owned testing and certification facilities for strategic products. This will ensure that the quality of exports meets the required international standards.

4.6.2 Infrastructure Development Projects

Physical infrastructure is a key enabler of export competitiveness. Akwa Ibom State will invest in the following infrastructure development projects in line with global best practices and opportunities:

- i. **Transportation Infrastructure:** Improve road, rail, and sea transport infrastructure to facilitate the smooth movement of goods from production centers to ports and other exit points.
- ii. **Power Infrastructure:** Improve the power infrastructure to ensure a reliable supply of electricity to production centers and other facilities involved in the export value chain.
- iii. **Quality Testing and Certification Centers:** Establish quality testing and certification centers to ensure that products meet the required international standards before they are exported.

4.7 **PILLAR 7 - AKSES INSTITUTIONAL AND POLICY FRAMEWORK STRENGTHENING**

4.7.1 **AKSES Institutional and Policy Framework**

The Essential Role of Organization, Institutions, Policy, and Partnerships

This strategy aims to establish governance and institutional structures at the state level to ensure the program's long-term sustainability. A robust coordination mechanism between various ministries, departments, and agencies (MDAs) within the state is necessary to achieve the plan's objectives. The involvement of both public and private sector stakeholders is crucial for success. Therefore, an inclusive and responsive governance system will be established to ensure commitment to policy consistency and resolve

discrepancies in the investment environment. The highest levels of state authority must champion the plan for its successful implementation.

This initiative addresses several key questions:

- a. How will the program be governed at the state level?
- b. How will the roles of different MDAs be coordinated and tracked?
- c. How will progress be measured, feedback received, and changes to the plan managed?
- d. How will the state coordinate its institutions offshore to meet the program's objectives?
- e. How will institutional reforms improve the business environment for private sector involvement?

4.7.2 – AKSES/Akwa Ibom State Committee on Export Promotion (AKSCEP)

The AKSCEP will serve as the operational hub for the sectoral agenda. The subcommittees including other sectoral subgroups will drive the execution of the plan, led by the Akwa Ibom State Ministry of Trade and Investment. The AKSCEP will coordinate efforts across MDAs and the private sector as entrenched in the SCEP guidelines.

4.7.3 Establishing a State Export Promotion Institution

To ensure efficient and seamless implementation of the AKSES1.0, the establishment of a State Agency to manage the implementation processes is apt. The Agency will work on policy directions from the Akwa Ibom State Ministry of Trade and Industry. This will create a natural balance required for monitoring and evaluating activities associated with the strategy.

4.8 PILLAR 8 - IMPLEMENTATION, MONITORING, AND EVALUATION

The triumph of the Akwa Ibom State's decade-long export strategy lies in a solid, well-structured framework that includes budgeting, implementation, monitoring, evaluation, reviews, and participation from all stakeholders. This chapter elaborates on the holistic approach that Akwa Ibom State will adopt to guarantee the effective implementation and ongoing refinement of the export strategy. By clearly allocating finances, encouraging stakeholder involvement, setting up stringent monitoring mechanisms, and conducting regular assessments, Akwa Ibom State aims to achieve its export-focused objectives with efficiency and accountability.

4.8.1 Budgeting: Resource Allocation for Success

- Detailed Financial Plan: Create a comprehensive budget that designates resources for each component of the export strategy, encompassing expenses related to finance access, infrastructure, market development, quality framework, production enhancement, value addition, institutional fortification, and policy framework.

- **Transparent Financial Management:** Guarantee transparency and accountability in budget allocations, providing regular updates on fund disbursements, utilization, and outcomes.

4.8.2 Adoption and Implementation: Strategy Translation into Action

- **Stakeholder Engagement:** Involve key stakeholders, including government agencies, private sector entities, farmers, research institutions, and industry associations, in the strategy adoption and implementation process.
- **Detailed Action Plans:** Create comprehensive action plans for each component, specifying tasks, responsibilities, timelines, and performance indicators.
- **Capacity Enhancement:** Offer essential training and capacity-building programs to equip stakeholders with the necessary skills and knowledge to effectively execute their roles.
- **Interdepartmental Synergy:** Encourage collaboration among various government departments to ensure seamless coordination in implementing the export strategy.

4.8.2 Monitoring and Evaluation: Guaranteeing Accountability and Progress

- **Comprehensive Performance Indicators:** Establish a complete set of performance indicators and benchmarks for each component to measure progress toward key objectives and outcomes.
- **Real-Time Monitoring:** Implement a robust monitoring system that provides real-time data on the status of activities, expenditures, and results across all components.
- **Regular Reporting:** Generate regular reports that offer insights into the progress, challenges, and achievements of the export strategy, enhancing transparency and accountability.

4.8.3 Reviews: Continuous Enhancement of Strategy Effectiveness

- **Periodic Assessments:** Conduct regular assessments of the export strategy to evaluate its alignment with shifting market dynamics and emerging opportunities.
- **Learning from Experience:** Analyze successes, challenges, and lessons learned from previous periods to inform the refinement and optimization of future strategies.
- **External Expert Consultation:** Engage external experts and consultants to provide unbiased assessments and recommendations for enhancing the strategy.

CHAPTER 5: ROADMAP FOR THE AKSES PILLARS

5.1 Road Map for Strategic Growth: A Comprehensive Approach

In the pursuit of strategic growth and development of oil palm and seafood exports, Akwa Ibom State is committed to leveraging essential pillars. This detailed road map outlines a comprehensive strategy for each pillar, aimed at harnessing the immense potential of these key commodities. By integrating access to finance, infrastructure development, market expansion, quality enhancement, production augmentation, value addition, institutional strengthening, and policy framework, Akwa Ibom State is poised to chart a transformative course toward sustainable economic prosperity.

5.2.1 Access to Finance:

- Capitalize Ibom Fadama microfinance to support businesses in Akwa Ibom State with favourable rates on interest rates to facilitate investments in cultivation, processing, and value addition.
- Create land Banks for agricultural uses.
- Guarantee bank loans for agriculture at single digits.
- Provide incentives for the localisation of factories within the State.

5.2.2 Infrastructure Development

- **Transportation Networks:** maintain and upgrade roads, while introducing rail networks to ensure seamless transportation of raw materials from farms to processing facilities and export hubs.
- **Storage Facilities:** Maintain existing storage facilities while constructing modern ones with climate-controlled conditions to minimize post-harvest losses and maintain product quality.
- Facilitate farmers' access to arable land
- Undertake the rehabilitation and expansion of existing plantations.
- **Processing Facilities:** Invest in state-of-the-art processing plants for oil palm, and modern fishing terminals for seafood to enable value addition and improve product quality.
- Expansion and penetration of Greenhouse technologies in the production of high-priced crops.
- Embark on special intervention programmes to purchase/offtake farm products and resell them to vulnerable groups at subsidized rates.
- Establishment of Local Government Enterprise Development Centres, across the State to develop, organise, and regulate production activities in the areas.
- Establish Free Trade Zones and Enterprise Zones to encourage manufacturing and investment.
- Establishment of business incubator centres (e-centers & physical centres) to provide a range of entrepreneurial business needs from conceptual development to startup.

5.2.3 Market Development:

- Market Research: Conduct regular market research to identify target markets, consumer preferences, and trends for oil palm and seafood products.
- Expand the implementation of the Made-In-Akwa-Ibom Trade Fair to an International dimension to showcase products and services of Akwa Ibom State origin.
- Establish a State Agency (Commodities Board) to coordinate commodity market access across the State.
- Provide an uninterruptible power supply to industrial layouts in the state.

5.2.4 Quality Framework:

- Quality Standards: Develop and implement stringent quality standards and certifications for oil palm and seafood products, ensuring compliance with international requirements.
- Developing processing value chains for quality and standardisation of agricultural foods and feeds by establishing more primary food processing centres in the state.
- Quality Control Labs: Establish quality control laboratories equipped with modern testing equipment to monitor and certify the quality of exports.
- Capacity Building: Provide specialized training to farmers, processors, and exporters on quality assurance practices to maintain consistency and meet global standards.

5.2.5 Boosting Production:

- Improved Seeds and Varieties: Facilitate access to high-yielding and disease-resistant seed varieties for oil palm, and seafood through enhanced productivity.
- Research and Development: Collaborate with research institutions to develop innovative farming techniques, pest management strategies, and soil fertility enhancement.

5.2.6 Value Addition:

- Processing Facilities: Establish processing units for oil palm and seafood to transform raw materials into value-added products such as palm oil, and seafood derivatives.
- Product Diversification: Invest in research and development to create new products and derivatives from oil palm, and seafood, catering to diverse market demands.
- Packaging and Branding: Develop attractive packaging and branding for value-added products, enhancing their market appeal and competitiveness.

5.2.7. Institutional Strengthening:

- Farmer Cooperatives: Support and strengthen farmer cooperatives to enhance collective bargaining power, knowledge-sharing, and access to resources.
- Training and Capacity Building: Ibom LED, the revamped Akwa Ibom Agricultural Development Programme (AKADEP), and other skill acquisition centers will provide training to build the skills and knowledge of farmers, processors, and exporters along the value chain.
- Create Oil Palm Nucleus Estates and invite participation from farmers for oil palm production.
- Establish Industrial fisheries infrastructure and facilities at strategic locations through Public Private Partnership (PPP)

- Establish a University of Agriculture

5.2.8 Policy Framework:

- Domestication of all national and regional Industrial development projects in the state.
- Export Incentives: Develop and implement export-oriented policies that provide incentives such as tax breaks, grants, and export financing to encourage oil palm and seafood exports.
- Regulatory Streamlining: Streamline regulatory processes and reduce bureaucratic hurdles for exporters, facilitating smooth trade and enabling faster market access.
- Sustainability Initiatives: Integrate sustainability principles into policies by promoting environmentally friendly practices, ethical sourcing, and social responsibility within the value chains.

CHAPTER 6: CONCLUSION

The Akwa Ibom State Export Strategy (AKSES) 1.0 is the first non-oil export strategy document developed through diligent research and inputs from experts and stakeholders in the public and private sectors through the Akwa State Committee on Export Promotion (AK-SCEP) chaired by the Akwa Ibom State Ministry of Trade and Investment and the Akwa Ibom State SABER Committee Chaired by the Ministry of Finance.

Its development has become necessary due to the global market fluctuation in oil prices and the unstable foreign exchange rates within the country. It seeks to diversify the economy of the state away from crude oil and gas which has become the major contributors to the state earnings. The objective of strategy 1.0 is to identify the low-hanging fruits in the agricultural sector of the State with tremendous export value and develop a detailed road map through each pillar to harness the immense potential of these key commodities (Oil Palm and seafood).

It is important to note that at the core of the state occupation is the agelong farming and fishing and the comparative advantage nationally, giving credence to the choice of Oil Palm and Seafood as the two priority products of the State. The enablers have also been acknowledged to act as catalysts and drivers for the rapid growth of the export sector in Akwa Ibom State. The pillars are thoroughly considered to ensure seamless and efficient operations within the value chain from the farmgate to the International Markets. Properly integrating access to finance, infrastructure development, market expansion, quality enhancement, production augmentation, value addition, institutional strengthening, and policy framework is capable of revolutionizing the export landscape and setting the State on an enviable pedestal in the country.

The climax of the strategy is the access to international market with quality products creating wealth for businesses and foreign exchange earnings for Nigeria and Akwa Ibom State. Meanwhile, the export strategy has been labeled 1.0 to prepare the minds of citizens and stakeholders for ongoing research into other exportable sectors for a comprehensive strategy soon.

CHAPTER 7: APPENDIX I:

Information on Palm Oil from the Akwa Ibom State Ministry of Agriculture and Rural Development

OIL PALM PRODUCTION AT A GLANCE IN AKWA IBOM STATE

Background: Akwa Ibom state is very rich in Agriculture with commanding heights in commercial farming on palm produce, fish, and crayfish. The state has the highest concentration of wild oil palm groves in Nigeria. More than 80% of the rural activities of the state revolve around the production of palm oil and palm kernel.

Oil Palm provides food, shelter from the trunks, raw materials to industries from the palm oil and kernel manure from the extracted fruit bunches, broom materials from the palm fonds, palm wine from the palm tree, and resources for education for the greatest number of the rural populace till date.

The three (3 no) Federal and State Government investments as plantations in the state are as follows:

- (a) The Ekor Plantation now known as DAKKADA Global Limited inherent from Akwa Palm Industries Limited located at Etebi, Esit Eket largely but situated on three (3) Local Government lands which are Esit Eket, Urue-Offong Oruko and Mbo L.G. Areas with over 1850 hectares of the land cultivated with palm trees as far back as 1980-1989.

Currently, the present Administration in the state through the Agric Investment Directorate under AKICORP has installed a 2 tons capacity palm mill at Etebi, raised over 20,000 improved seedlings from NIFOR (Nigerian Institute for Oil Palm Research) built an administrative therein with a borehole facility and in its efforts of rehabilitation on a gradual process by felling the oil palm planted long ago (over 40 years), has started planting some hectares of the improved palm seedlings with the technical support from NIFOR Abak / Oruk Anam sub-station headed by Mr. Akaninyene Udoh, an indigene of the state.

- (b) Obotme Oil Palm Plantation: Established about 1979 – 1980 by the Michael Opara regional government on commodity ownership program.

More than 850 hectares of the plantation from 1400 hectares of the Obotme land in Ini L.G.A taken over by the Nigerian Institute for Oil Palm Research (NIFOR) were planted with improved oil palm seedlings.

currently, due to neglect, poor management, and abandonment of the NIFOR Palm plantation more than 15 years ago, Youths of Obotme have taken over the plantation to harvest on a rotational basis from one group to another yearly.

- (c) NIFOR Sub-station, Oruk Anam L.G.A: The Nigerian Institute for Oil Palm Research (NIFOR) established in 1965 at Ibesit Ekoi village in Oruk Anam L.G.A. has 200 hectares of oil palm plantations.

currently, the NIFOR sub-station Oruk Anam is facing a communal crisis due to poor consideration and development of its catchment communities: Ibesit Ekoi, Ibesit Ebong, Ibesit Okpokoro etc and the Federal Government has not been giving proper funding, and maintenance of the facility.

Other Interventions in the Akwa Ibom State Oil Palm Production Projects:

- (1) Establishment of 3no commercial Palm mills / Export Processing Centres at Afaha Ikot Ebak, Essien Udim Local Government Area between 2002 – 2003 in partnership with UNIDO and the Federal Government. Also, at Ikot Annung, Ibesikpo Asutan L.G.A and Ikot Akpan Nkuk Village, Ukanafun L.G.A though all these facilities has been leased after 19 years of not being put to use.

As at date only, Essien Udim factory is still under testing but Ibesikpo Asutan and Ukanafun have been put to use since 2018.

- (2) Distribution of 38 No. Palm Mill equipment and machines in 2002 – 2004 through the Life Enhancement Programme (LEP) under the approval of His Excellency Obong Victor Attah at very highly subsidized rates.
- (3) Distribution of 95 No. Palm Oil / Palm Kernel equipment and Mills to cooperative societies by His Excellency Obong God’swill D. Akpabio in December 2008 through the Bureau of Cooperative Development.
- (4) Establishment of the community Plantation Development Scheme (CPDS) intervention programme in the Ministry of Agriculture in 2004 till date by His Excellency Arch. Obong Victor Attach for raising and distribution of free Oil Palm Seedlings to farmers and supervise farm plantings.

So far under this scheme from 2004 more than 2 million seedlings have been distributed to farmers across the state to establish palm plantations and own.

In Nigeria 24 states produce palm produce in this order of preference: Akwa Ibom, Edo, Cross River, Rivers State, Imo, Anambra, Enugu, Abia, Ondo, Ogun, Bayelsa, Kogi, Ebonyi, Ekiti, Oyo, Osun, Benue, Plateau, Taraba, Adamawa, Lagos, Kaduna.

From the presidential oil palm survey initiative in 2005, Akwa Ibom State wild grooves/plantations are distributed over 168,000 hectares in 31 LGAs follows in order of preference:

	LGAs	
1	Oruk Anam	16,000
2	Etim Ekpo	13,000
3	Ukanafun	12,500
4	Ini	12,000
5	Ikono	11,800
6	Esit Eket	11,600

7	Essien Udim	11,400
8	Ika	11,000
9	Ibiono Ibom	10,500
10	Itu	10,000
11	Obot Akara	9,500
12	Okobo	9,000
13	Uruan	8,500
14	Mkpat Enin	8,000
15	Nsit Ubium	7,000
16	Nsit Ibom	6,500
17	Ibesikpo	5,500
18	Nsit Atai	4,500
19	Onna	3,000
20	Ikot Abasi	2,800
21	Etinan	2,700
22	Abak	2,500
23	Uyo	1,000
24	Eket	950
25	Mbo	900
26	Ikot Ekpene	800
27	Urue – Offong	700
28	Eastern Obolo	600
29	Udung Ukot	400
30	Oron	300
31	Ibeno	200

APPENDIX II

Extracts from the submission (Seafood development proposal) of the Akwa Ibom State Committee on Export Promotion (AK-SCEP) to the Government of Akwa Ibom State

1.0 THE FISHING INDUSTRY:

1.1 Overview: For the entire artisanal coastal and inland sectors, fishing is the major source of livelihood. A total of 700,000 fishermen (500,000 coastal and 200,000 inland) are recorded as primary producers. This sector provides direct and indirect employment to thousands of Nigerians in various fields, such as management, engineering, vessel operation, distribution, marketing, etc. The offshore resources located between the 30 nautical mile territorial limit and the 200 nautical mile exclusive economic zone consist mainly of tuna. It forms part of the large Gulf of Guinea stocks. Despite this natural endowment, Nigeria is not actively participating in the exploitation of this resource due to a lack of appropriate equipment. These marine resources are concentrated in the east because of the higher productivity of the waters of the delta region and the wider continental shelf. The most sought-after shrimp in the Nigerian shore is *Penaeus notialis*, the white shrimp.

1.2 Nigerian Marine Shrimp Industry: Nigeria already has a shrimp industry based on capture, not culture. Nigeria lands around 350,000 tons of fish annually, of which about 55% is marine fish, with the balance being freshwater fish. Imports of 550,000 tons of fish complete the supply picture. The implications of this shrimp fishery for a possible farming sector are significant: (i) It demonstrates proven capacity to process and export shrimp (ii) There is an established Nigerian position in the international shrimp marketplace, and (iii) It provides a production cost base against which the economics of farming can be compared. The Nigerian commercial shrimping ground lies east of longitude 5 degrees east to the Nigerian/Cameroon border, principally in the Niger Delta and off river mouths, in estuaries and lagoons with soft mud deposits. Marine shrimp are caught by artisan and industrial trawlers. The artisan fishermen shrimp between 0 to 5 nautical miles along the continental shelf while the trawlers, supposedly, fish from 5 nautical miles and beyond. Typical shrimping areas are Escravos, Forcados, Ramos, Pennington, Brass, Bartholomew, Calabar, Oron, Ibeno, and Ikot Abasi along the Nigerian continental shelf. The shrimping season in Nigeria runs between May and October, a period when *P. notialis* (White shrimp) is in abundance. As from November and April, the brown shrimp predominates but occurs in shallower water.

1.3 Artisanal Fisheries: Artisanal marine fisheries can be categorized into:

* The coastal canoe fishery which operates usually within the 5 nautical miles non-trawling zone but due to motorization and targeted stocks some operators may venture farther into the sea. They lose a lot of fishing days to inclement weather and scarcity of production inputs etc.

* Brackish water or estuarine canoe fishery which operates in lagoons, creeks and estuaries.

* The artisanal group which mainly targets sharks and operates deep into the sea, deploying drift nets for sharks, sail fishes and saw fishes.

1.4 The coastal canoe fishery: The small-scale fishermen operate dug-out or improved canoes and they are two to ten men on board according to the type of fishery engaged in. From their set nets, they land demersal species such as croakers, catfish and shynose, of good individual size. They also target shrimp (Penaeids) in the estuaries at a convenient stage of their maturation cycle, thus curtailing harvesting at sea for the industrial shrimpers. For the estuarine and brackish-water fisheries, the main issue is pollution: oil spills, industrial waste, human waste and geophysical waste dumped into the river. Many fishing households in this environment can only just subsist, having lost their income-generating capacity to pollution. The waters around are simply getting less and less productive. Marine life is no longer flourishing. This canoe fleet exploits the vast networks of brackish waters of the Niger Delta and other major rivers, estimated to be about 858 000 ha. It is a low-technology, labor-intensive fishery, using canoes 6 to 13 m long, paddled or motorized. The gear is mainly gill nets, cast nets, hooks, beach seines, and various forms of traps in the estuaries. They target small pelagics – *Sardinella* spp. and *Ethmalosa* spp – which they land in huge quantities in season (November to April).

1.5 Industrial Shrimping: Shrimp and prawns are crustaceans with ten legs and they live in salt water. Industrial shrimping in Nigeria is operated on the continental shelf from 5 nautical miles. Vessels are licensed in accordance with the provisions of fisheries law and regulations. Presently there are over 36 companies and owning about 271 Nigerian-flagged vessels licensed to shrimp within the territorial waters of Nigeria. From statistics, the shrimp industry appears to be performing reasonably well. In June 1998, Nigeria accomplished harmonization in the EU market for her fish products exports, which are mainly shrimp (head-on and headless), together with other products such as sole fillets, cuttlefish and crab claws. The harmonization of Nigeria with EU regulations resulted in the listing of approved vessels. Responsibility for monitoring and maintenance of standards and recommendations for listing / de-listing has been vested in the Federal Department of Fisheries in accordance with the EU legislation, stating the special conditions governing imports of fishery and aquaculture products originating from Nigeria.

1.6 Trawler Fishing: The trawling industry is well developed and organized under the Nigerian Trawler Owners' Association (NITOA). The fleet consists of small – and medium-sized vessels in the range of 9 – 25 m LOA and 20 – 150 GRT. There are about 40 trawling companies in Nigeria, most of which are members of NITOA. Most individual company fleet sizes are low (less than four) and re mostly owned by Nigerians. The larger companies, with fleet size of 4 or more, are mainly partnerships with foreign investors.

1.7 Challenges: The challenges in this sub-sector include inadequate terminal infrastructure, unfavourable fiscal policy, inefficient resource management and environmental hazards. In spite of this, the number of trawlers licensed for shrimp is on the increase; currently about 200. Total landings of shrimps are also on the increase, with a high of 12,254 tons in 1995, when 235 vessels were licensed. Shrimp trawling is, however,

contributing significantly to the degradation of the coastal demersal stock. The industry is now being seen in both its positive and negative dimensions, and it is desirable to strike a balance, using appropriate technology. The artisanal coastal operators, mainly through the selectivity of their gear, could exploit their resources in a sustainable manner if they had absolute jurisdiction. However, the 0 to 5 nautical miles area reserved for them is constantly violated by trawlers, especially shrimpers combing the river mouths for their target species. This sector is also seriously constrained by high cost of inputs, craft and gear, resulting from the general lull in the economy. The sustained output level may be attributed to some development interventions, targeted at groups of coastal fisher folk, such as the IFAD-and ECOWAS-Fund-assisted Artisanal Fisheries Development Projects.

4.0 MARKET ANALYSIS:

4.1 Global Shrimp and Prawns Market: The global shrimp and prawns market reached a volume of nearly 5 Million Tons in 2016. The market is expected to reach a volume of more than 6 Million Tons by 2022, growing at a CAGR of more than 4% during 2017-2022. As shrimp and prawns are one of the most popular seafood types, shifting food habits towards the consumption of seafood has provided a thrust to the global prawns market. Moreover, prawns form an essential part of the staple diets of many regions, especially those near the seashore. Since the people living in these regions are largely dependent on prawns for their protein intake, this has to the growth of the global prawn market are the convenience attached with processed prawns available in ready-to-eat packaging, increasing urban population in the developing regions, and rapid growth of aquaculture across the globe. In terms of processed prawns, peeled prawns are the largest type, followed by shell-on prawns, cooked prawns, and then breaded prawns.

4.2 The Demand for Fish in Nigeria: Estimates have put the demand for fish in Nigeria at about 1.5 Million tons annually. Unfortunately, local production is not more than 0.5 million tons. In order to fill the gap, Nigeria imports fish. Nigeria is the largest importer of frozen fish in Africa and its annual import bill exceeds N27 Billion. This gap could be filled by local aquaculture. The bulk of Nigeria's marine products are exported to Europe. There has been slow growth in all sectors, but easily the most important is frozen shrimp. According to statistics, the most important sector is frozen, cooked 'Penaeus' shrimp. Typically, tropical shrimp are sold either headed or de-headed, green, after blast-freezing. The business is in the hands of large-scale trawler fleets, a proportion of which are foreign-owned. However, as important as Nigeria is as an exporter of shrimp and other marine products, it is also an equally important importer of marine products. Nigeria imports roughly 550,000 tons of fish valued at approximately \$240 Million.

4.3 The Domestic Market: The Nigerian domestic seafood market is a mix of the modern and the traditional. In the urban centres the wealthy buy western-style products, but the majority of the population, (rural communities and those in poorer urban areas) depend upon traditional markets, mostly selling traditional products. This means that fish is sold fresh (often live) or smoked/dried. Shrimp, as a very perishable product, is mostly sold smoked, unless sold close to point of capture where fresh/live product can be on sale.

Distribution relies upon small traders who buy and deliver small quantities of dried/smoked seafood to rural markets using local buses, etc. this is a trade dominated by women – the “fish mammies” , who tend to control all artisanal post-harvest activities throughout West Africa, often within family businesses where the men folk fish while the women manage and sell.

4.4 The Rural Markets: The rural markets are neither hygienic nor structured, with food safety a matter of concern to buyers (who buy live fish, well-cured fish or rely upon items being well smoked). There has been some impact of western food products upon the traditional sector. Canned fish (small pelagics) has been a Nigerian staple for many years, though it targets the market for low-cost “storable” protein food rather than seafood per se. recently, improved distribution and cold storage networks have allowed a huge increase in marketing of low-cost frozen species (small pelagics like mackerel, pilchard, herring, and scads) and Nigeria has become a leading importer of this category. Frozen pelagics now find their way into markets throughout Nigeria.

4.5 Fish Prices: In the Traditional markets, fish is sold by unit rather than by weight, making price comparison difficult for buyers. Prices vary widely, and for shrimp and prawns, the size-grade price differentials seen in international trade are fully reflected. Prices of larger size grades of penaeids, in the urban centres are high, relative to international levels, as are those for freshwater prawns. However, the dynamics of price formation are probably very different in these two cases. Freshwater prawns are mainly sold in local markets close to the water bodies where they are caught in a fragmented low volume trade. Penaeid prices though, appear to be set by the alternative for the producers. This they do with a huge premium to account for the disproportionate cost of dealing with small volumes in the domestic market.