

NUSA Update

A Newsletter of the U.S. Commercial Service, Nigeria

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Message from the Commercial Counselor

We hope you enjoy this edition of NUSA Update. This edition features the U.S. Export-Import Bank and the many financial products and programs it offers in support of U.S.-Nigeria trade. Ex-Im Bank has maintained a bullish posture toward business in Nigeria, and supports a growing number of large and small transactions bringing in the latest and best U.S. technology and products for the Nigerian market.

As 2008 rushes toward its closing months, we in the Commercial Service in Nigeria

have a number of activities and programs scheduled both in the USA and in Nigeria, all designed with the intent of assisting NUSA members partner with US products, technology and services. We count on your participation.

NUSA – GATEWAY TO EX-IM BANK FINANCING

It is certain that not all NUSA members know or fully understand how the United States Export-Import Bank works and can affect their businesses. To appreciate this requires good understanding of its relationship with the Commercial Service. First, it is essential to recognize that the U.S. Commercial Service is that unit of the International Trade

Administration within the Department of Commerce that promotes trade between the United States and other countries. This is achieved through provision of market research, counseling and advocacy through every step of the import process, trade events that present U.S. made products and services to qualified buyers, as well as introduction of U.S. companies to qualified buyers and distributors.

However, the U.S. Export-Import Bank is the official export credit agency of the United States that helps finance the export of U.S. goods and services primarily to emerging markets throughout the world by providing loan guarantees and export credit insurance.

In the wake of recent reforms in Nigerian banking sector, along with the surge in demand for financing from both U.S. exporters to Nigeria and their

Nigerian buyers, the U.S. Ex-Im Bank approved a total of \$300 million, allocated among 14

Nigerian banks in support of exports to Nigeria. This consolidated facility was intended to facilitate the processing of short and medium-term Bank financing for the purchase of U.S. products and services by Nigerian customers. To ensure that only legitimate Nigerian companies benefit from this facility, Ex-Im Bank tapped into the NUSA program by working with the NUSA team to develop enhanced international company profile (ICP) program that provides comprehensive reports on the selected banks, as well as their Nigerian clients seeking Ex-Im Bank financing. Companies verified under this program are included in our NUSA database and the reports thus become the prerequisite for Ex-Im Bank financing. Between 2006 and 2008, some **NUSA clients** have utilized Ex-Im Bank facility in financing U.S. exports in the amount of **\$156,756.853** through 9 local Nigerian banks.



This figure represents just a little above 50 percent of the facility approved by the U.S. Ex-Im Bank, which means that many more opportunities abound for NUSA members that would like to take advantage of this facility.

Facility Expanded to \$1 Billion

At the recent export credit workshop organized by the U.S. Mission to Nigeria, Ambassador Robin Sanders announced that the U.S. Ex-Im Bank has more than doubled the size of its Nigerian Bank Facility to \$1 billion. This facility has been expanded to accommodate long-term transactions beyond the short and medium-term insurance and guarantees. Ex-Im Bank Board Member J. Joseph Grandmaison said, "Since its 2005 restructuring, the Nigerian banking sector's growth has been truly outstanding. In 2007 alone, the banking sector's assets rose by 55 percent and its average net earnings by 64 percent, while the sector raised an additional \$10.3 billion in capital."

Initially the demand from Nigerian banks was for short-term financing, and more recently for medium-term financing, Grandmaison said.

"Now, with the focus on larger infrastructure projects, we are receiving requests for financing transactions in excess of \$10 million, with terms of seven to ten years, to support U.S. exports such as passenger aircraft, oil and gas equipment, dredges, and telecommunications and manufacturing equipment," he said. "That is why we are reaching out to our Nigerian partner banks to restructure our relationship. The changes also are aimed at rewarding those banks that are active users of the Ex-Im Bank facility."

However Ex-Im Bank is open to consider transactions with Nigerian banks that are not members of the facility. "We welcome the opportunity to work with all of Nigeria's banks," Grandmaison said.

For free counseling on U.S. exports financing contact your Account Manager or email us at Lagos.office.box@mail.doc.gov

NUSA UPGRADE FROM BASIC TO ENHANCED REGISTRATION. *Of what Value!*

The natural reaction to the above title is: *Is it possible? Is it worth it?* The answer to both questions is “Yes.” We will recall that the NUSA program was primarily designed to cater to the needs of small and medium-sized businesses. Some of these companies began operations fairly recently, while a great number of them that have been active for years are just learning basic business documentation and are attempting to establish well-defined organizational structure reflecting the true position of their companies, which are critical to enhanced registration. In view of this, growing businesses are often encouraged to first register under basic, and with progress of time or upon expiration of initial registration may request an upgrade to enhanced category when submitting application for revalidation. As many of us already know that revalidation (or recertification) has been designed to track changes that might have occurred in the business within the past 18 months, in order to provide U.S. companies accurate and up-to-date information on the Nigerian clients. Enhanced report is similar to that of the international company profile. The only difference is that, a Nigerian company through NUSA registration can request an enhanced report. Nonetheless, both reports are detailed and are a product of thorough verification of the Nigerian organization involved in the transaction, and are accepted as an evaluation tool for export financing and partnership by the U.S. Ex-Im Bank and other interested American companies.

CRESTCOM INTERNATIONAL SEEKS OUT FRANCHISEES IN NIGERIA

America’s number one management and sales training franchisor plans to visit Nigeria next month to identify prospective licensees who are seeking opportunity to run their own businesses and go as high and far as their goals and abilities will take them. Approved Crestcom licensees would have the opportunity to offer

world-class training as part of a highly respected and rapidly growing network. *The unique feature about Crestcom is that – unlike other franchisors – licensees are required to attend an intensive initial training before making a financial investment in Crestcom.* This would allow both Crestcom and the potential candidate to determine whether Crestcom is the right opportunity. Crestcom franchisees are in business for themselves, but not by themselves, as they have opportunity to learn and receive referrals from a network of business owners who have experienced the same challenges and opportunities running their own businesses. They also get the benefit of Crestcom’s time-tested sales and training systems to help them start their businesses with strength and efficiency. Crestcom regularly reinvents its flagship BULLET PROOF MANAGER course providing you with new materials course to train and retain existing clients. Crestcom’s credentials find expression in the class of its licensees’ clientele, which includes, IBM, CISCO Systems, Toyota, Ericsson SA, Coca-Cola, FedEx, Sony and Nike. Crestcom has also served thousands of small and medium-sized companies worldwide. If you are interested in signing a franchise agreement with Crestcom during their visit in October 2008, please contact Joseph Umoetteh at: 01-470-4692, 460-3807 or by email at: Joseph.Umoetteh@mail.doc.gov.

KOFA INTERNATIONAL CO., USA - HOSTS A FINANCE FORUM IN LAGOS

A U.S. based KOFA International Company, in concert with Dredging Supply Company, Inc., Astec-Telsmith, Inc., Dredging Association of Nigeria, Nigerian American Chamber of Commerce, and the United States Commercial Service, Nigeria host the Nigerian dredging and construction equipment finance forum on October 22, 2008, at Eko Hotel & Suites (Abora Suites), Victoria Island, Lagos. The purpose of the Forum is to create an enabling environment for Nigerian companies to meet leading manufacturers of quality equipment in the USA, and explore the profitability of using the improved U.S. Ex-Im Bank facility in financing related projects.

Upcoming U.S. Trade Shows

IFAI Expo '08

Objective: This trade event is the largest and the best annual trade show and conference for technical textiles and speciality fabrics in the world. Participants will learn the latest from international exhibitors and focused seminars. The symposia will cover topics on: Automotive Materials, Fabric Architecture & Lightweight Structures, Medical Textiles, Sewing & Fabric, Textiles and Graphics. The event will draw delegates from over 50 countries. At IFAI Expo 2008, companies involved in any technical textiles industry will be able to: make purchasing decisions with more than 450 exhibitors, source new textiles, products and services for their businesses, learn about diverse markets and applications during the educational symposia, heighten their awareness about industry trends and product developments, develop new business partnerships, as well as network with worldwide industry delegates.

Location: Charlotte, North Carolina

Website: www.ifaexpo.com

Contact: *Folashade Egbaiyelo* at Folashade.Egbaiyelo@mail.doc.gov

Date: October 21-23, 2008

Permian Basin International Oil Show 2008

Objective: The PBIOS is a major inland petroleum trade show designed to provide education for companies in the oil and gas industry. At the exhibition, a variety of products would be displayed including those for environmental cleanup and soil remediation, oil spill prevention and clean up, telecommunications, specialized tools, equipment and instruments for drilling and exploration, as well as subsidiary support services. Other items to be exhibited are: tanks, pressure vessels, new and refurbished drilling rig equipment.

Location:

Website: www.pbioilshow.org/

Contact: Benedicta Nkwoh

Date: October 21-23, 2008

Note from the Editor:

This edition of NUSA newsletter highlights the roles U.S. Export-Import Bank (U.S. Ex-Im Bank) play in promoting U.S. export of technology, products and services to Nigeria. Ex-Im rates Nigeria as a growth market for U.S. exports, especially by small and medium enterprises. The U.S. Commercial Service believes that Ex-Im Bank credit guarantees will be increasingly demanded as Nigeria grows and develops, and as more Nigerian importers access the U.S. market.

This month, September, is special to the U.S. Commercial Service worldwide. It is the month that determines the scale in importance and the rung each post occupies in the hierarchy of things in the Department of Commerce, International Trade Administration. Let me tell you why.

September is the month our claims about NUSA 's effectiveness and efficiency as a trade development and promotional tool, is assessed. It is the month all our efforts via counseling sessions, trade facilitation, international buyer programs, market research, trade shows, seminars, outreach programs, match-making through international company profile and the gold-key service, are quantified in dollars and evaluated as trade data. The results subsequently form the basis each country is rated both for U.S. government assistance and resource allocated in support of market development the following fiscal year. Our fiscal year ends on September 30, 2008. May we, therefore, urge you to still send in all your transaction records, which have not been reported over the past two years - 2006 to 2008. They will help us to make a case for improved bilateral relations with Nigeria and to enhance our market development programs through NUSA.

Finally, let me invite you to enjoy the newsletter. Remember to send your comments to the coordinator, Joseph Umoetteh, and a copy to a friend.

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Coming Next:

- ◆ United States Trade Development Agency – How does its activity impact Local Nigerian companies (NUSA Clients)?
- ◆ Reflection on Awards Ceremony – Whose turn is it in 2009?
- ◆ Photo Gallery
- ◆ Others