

**TEXT OF PRESS STATEMENT BY NATIONAL UNION OF TEXTILE,  
GARMENT AND TAILORING WORKERS OF NIGERIA IN  
CONJUNCTION WITH FRIEDRICH EBERT FOUNDATION ON THE  
OCCASION OF AFRICAN INDUSTRIALISATION DAY ON MONDAY  
21<sup>ST</sup> NOVEMBER,2011**

**Theme: RE-INDUSTRIALIZATION, GROWTH AND  
EMPLOYMENT: Towards Mass Job Creation and  
Sustainable Industrial Development in Nigeria**

**Introduction**

Yesterday was African Industrialization Day. Today, we the group of trade unions in the private sector have come together to mark the day in collaboration with FES. This year's industrialization day is being marked against the background of unprecedented decline in industrial manufacturing and stunted growth in agriculture and services. Nigeria grapples with the twin problem of unemployment and poverty and the attendant social problems magnified by the recent insecurity in some parts of the country.

Recent statistics from the National Bureau of Statistics put unemployment figures at 23.9 per cent up from 19.7 per cent in 2009. Poverty level remains very high as over 70 per cent Nigerians are reputed to live below the poverty line. These are unacceptable embarrassing figures for a country with vast human and material resources and enormous petroleum wealth. Nigeria must resolve the paradox of jobless growth – Growth without jobs.

The African Industrialization day gives us opportunity to critically evaluate the state of our industries and re-affirm our position that the real path to

mass job creation, sustainable development is through industrial development.

Industrial manufacturing and the promotion of value adding processes in the oil and gas and the informal sector would help the country resolve existing protracted unemployment and poverty crisis, achieve self reliance through usage of high content of local raw materials in all sectors of the economy.

A huge gap exists between official policy pronouncements and implementation. As at 2010, manufacturing contribution to GDP in Nigeria stood at 4.1 per cent while in other middle income countries like India, Singapore and Indonesia, Manufacturing's share of GDP is as high as between 30 and 40 per cent. In China, manufacturing share of GDP is as high as 80 per cent.

### **Nigeria: once an industrializing Nation**

At independence, the promise of economic prosperity and national development was made possible with competitive industrial development across the geopolitical zones in the country. In the following decades of the 70s and the 80s sustained industrial development was boosted with massive infrastructural development by the Federal and State Governments through establishment of industrial estates. Stable macro-economic environment coupled with efficient and effective policy regimes ensured focused industrial development across Nigeria.

At a point, Nigeria was an industrial giant with substantial investment in textiles, automobiles, food and beverages, chemical and footwear, house equipments and light industrial goods providing in the process huge employment for the people and substantial revenue to the Government.

### **The Problem**

But in recent times, there has been virtual collapse of the country's industrial base. For instance, in 1982 manufacturing made a significant

15.2 per cent contribution to GDP, in 1990, 8 per cent, in 2008 4.13 per cent and the figure is still falling with massive closure of factories in 2009 and 2010. The textile sector provides a graphic detail of the unprecedented decline in industrial production

We are concerned about the precarious situation in industry and its implication for our members' welfare, jobs and employment in general. Employment in the textile industry declined from about 200,000 in 1985 to about 24,000 in 2008 and the decline is still unabated. The journey to de-industrialization is not just limited to the textile sub sector. The entire footwear and leather sector is virtually wiped away. Even the print media is feeding on imported newsprint as the local newsprint companies like Oku-Iboku, Iwopin and Jebba remain a mere shadow of a once vibrant sector. In the Construction industry many local firms have closed shop and the big multinationals are reducing workforce in large numbers as the leadership of the union reported over 12,000 job losses recently.

The prosperous petroleum sector is built virtually on extraction and not value addition as Kaduna, Warri and Port Harcourt refineries remain comatose. The entire oil industry regrettably lives on contract and casual employment. In fact, no sector is spared; Air Transport, Shop and Distributive, Steel, Engineering and Automobile. The Railway sector despite monumental investment in recent years is yet to show the promise of revival. The Industrial decay is just monumental.

The Manufacturers Association of Nigeria (MAN) in her 2009 annual report provided a graphic detail of factory closures across all geo political zones with eight hundred and thirty four (834) factory closures and over 100,000 job losses that year alone.

## **The Challenges**

Official policy pronouncements are not short of the right acknowledgement of the issues. The commitment to address the critical challenge of electricity despite the monumental investment of the last decade has not substantially altered the electricity supply landscape. Similarly, there are still a number of challenges affecting industrial production that has defied structured and consistent official intervention:

- Energy (re-electrification)
- Smuggling
- Unrestrained importation of fake, counterfeit and sub-standard textile and other manufactured goods
- Absence of clear Industrial policy
- High cost of LPFO
- Interest rate instability
- Multiple taxation (taxes imposed by all tiers of Government)
- Low demand for made-in-Nigeria goods
- Low level of technology
- Poor water supply and transportation
- High cost of raw materials - local and imported

As a nation we, must realize that we are in a period of change in which there is global consciousness that the only way to sustainable development is through industrial development. That is why inspite of the trade liberalization in line with WTO guideline developed countries like Germany, Italy, France, United Kingdom and the United States do not only provide stimulus package and incentives for industries but also weave all kinds of protection around their core industries.

The United States recently provided about one trillion dollars in support of troubled auto industry. Portugal and Spain each provide over 800 million Euros to support their textile industry. India, Pakistan and China provided

incentive package to textile industries. For the developed economies quality standard is another language for import restriction

On the occasion of African Industrialization day, we challenge the Nigerian Governments, States and Federal to refocus their development strategies consciously in favour of value adding productive activities. The challenge of job creation cannot be addressed through a cosmetic entrepreneurship programme but through a deliberate state intervention in re-inventing public infrastructure and a stable and supportive macroeconomic framework that supports industrial production and patronage of made in Nigeria goods.

Specifically we urge the Federal Government to save the Nation the burden of being the only oil producing country that is nearly dependent on imported petroleum products through massive upgrading of existing refineries and Construction of new ones.

It is also widely acknowledge that the informal sector provides over 70 per cent of employment in the country, yet many workers daily face harassment and intimidation from Government officials at all level while there is no systematic programme of training and re-training in the face of changing technologies and market dynamics, credible programmes of access to credits as well as decent workspaces.. This must change, workers in the informal economy need state support in capacity building, finance and patronage and social protection.

Interestingly the three key sectors with the dominant contribution to GDP are not exacting positive structural impact as employment in the sectors are unstable and precarious. Employment in the agricultural sector remains largely seasonal characterized by high unemployment in the rural areas during dry season as most farming activities are still largely subsistent. Nigeria spent about 8 billion dollars on food importation in 2010. This is unacceptable given our vast agricultural resources. We must focus our industrial development to propel growth in the agro-allied sector.

The Petroleum industry and the telecom sector are run largely on contract and casual workers. They are run on high end technological skill and are less labour intensive. The oil industry being largely extractive without sustained refining activities locally.

Therefore, we are prepared to engage the state on a long term process on these issues of industry and job creation through campaigns and advocacy for friendly business environment, stable macro-economic policy, consistent, clear and focused industrial strategy that will provide support and incentive for manufacturing activities, ensure value addition and job creation through patronage of made in Nigeria goods.

As stakeholders we demand involvement of trade unions and other non state actors in policy processes aimed at addressing the critical issues of re-industrialization and job creation.

We hereby solicit the support of all stakeholders present in making a shift from the rhetoric of recommendations to a concrete programme of action.

Thank you for your attention.