

The Role of Textile and Polymer Industries in the Development and Growth on Nigerian Economy

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Abstract

*Nigeria is currently being faced with serious economic challenges going into recession twice in the last five years, it's economy largely dependent on the oil sector and a problem of high level of youth unemployment. There is an urgent need to diversify the economy in order to avoid complete collapse of the economy when faced with consistent decline of oil price in the oil market especially during the recent **COVID-19 pandemic** where oil prices crashed down and led so many countries to recession including Nigeria. The revival and growth of textile and polymer industries in the manufacturing sector is essential and crucial if Nigeria is to foster structural changes to boost and secure the economy. The Nigerian textile and polymer industries have in the past contributed positively to the economy of the country. These sectors play a vital role in the development of Nigerian economy in the 1980s and were major foreign exchange earners after agriculture, it was the largest employer of labour after the government with about 600,000 and 700,000 workforces with thousands of cotton farmers, suppliers and traders (Webmaster,2016). This paper identifies the problems that lead to the decline and eventual comatose state of the textile manufacturing sector in Nigeria. The paper also stresses the huge contribution textile and polymer industries will add to the whole economy in terms of GDP growth, employment and other aspects of socio- economic development if revived to its full potential.*

Keywords: Textile, polymer, Socio-Economy, Covid-19, Employment, Recession.

INTRODUCTION

Textile and polymer industries are the largest employer of labour after government in Nigeria and its contribution and importance to the Nigerian economy cannot be overemphasized. The Nigerian Textile and Polymer Industry used to be a major contributor to the nation's Gross Domestic Product (GDP). But like many sectors of the Nigerian economy, the industry lost its glory in the mid-80s with many of the mills closing down and its workforce sent home. The effect was so drastic that the industry lost more than 500,000 of its workforces (Webmaster, 2016).

There is a need to take urgent steps to encourage growth and development in the textile and polymer sector through revitalization of the industry.

The United Nations Industrial Development Organization (UNIDO 2009) has tasked the Nigeria government to revive the country's textile industries. It was reported that, if revived, would remain a major foreign exchange earner for the country. The statement also indicated that the Nigerian textile industry represent a strategic non – oil industry and the second largest industry in many parts of Sub- Sahara in Africa. Reviving the sector will create more jobs for farmers because of its high utilization of local raw materials.

The small and medium textile industries in textile producing countries such as China, Bangladesh, India and Japan etc. serve to create employment for their citizenry. The overall review is that, the revival and development of textile polymer, fashion, leather plastic and paper industry will serve as a veritable source of employment, internal revenue generation in foreign reserve for the government etc. (Alesagba et al, 2010).

This development is coming when Nigeria is facing a lot of socio-economic problems such as insecurity, drop in oil revenue, drop in GDP and lack of employment among the youth and citizens, an enabling environment for small, medium and large-scale textile industrialization should be a way forward to create employment for the citizens.

The aim of this paper is to examine the challenges and the role of textile and polymer industry for the growth and sustainable development of the Nigerian economy.

CONTRIBUTION OF TEXTILE INDUSTRY TO THE NIGERIAN ECONOMY

At its peak in the 1970s and mid 1980's, Nigeria had one of the finest and vibrant textile sectors in the world. The sector provided up to 175 mills within the country's cities especially Kano Kaduna and Lagos which employed between 600,000 and 700,000 workforces (Webmaster, 2016). It was then a huge revenue earner for the government given that it generated about 25% of manufacturing GDP and contributing more than 20% of corporate taxation revenue. That was before the collapse and ultimate neglect of the sector. By 2008, only some 24 mills were still in production at very low-capacity utilization rate, indicating a decline of over 90 percent in the number of mills in production in a short span of seven years (Webmaster, 2016). Unfortunately, this has happened when the major source of the country economy (oil) is declining in the world oil market with the trends of technology and other problems such as COVID-19. It is evident to understand this during the corona virus pandemic, when the OPEC countries encountered serious economic downturn due to world lockdown and subsequent decline in oil market. From all over the world, it was reported from world business news that even US Texas market had gone negative and the Nigerian Oil market also dropped to 18-20 dollar per barrel. It was at the time when Saudi Arabia the most leading oil producing Country from OPEC had to intervene and cut down its production rate below its capacity in order to save other OPEC countries including Nigeria. Dependency on oil as the major source of the country's revenue is not but only portray a serious danger to the national economy most especially when observing the rapid increase in the country's population which was projected to increase up to 263,000,000 million in 2030 and 401 million by the year 2050 (Uche,2020).

The GDP of the country is expected to be higher when we take account of the contribution of textile and polymer industries in terms of revenue generation creation of employment, increase in income taxation and annual increase in foreign reserve. There is need to give an urgent attention to diversify the economy to non-oil dependency economy towards looking into revitalization of textile and polymer industries for sustainable development.

Textile industry is a major money – spinner for several countries across the globe, with a global net of over \$748.1 billion in 2016 and capacity to grow to \$961.0 billion in 2021 and \$1,834 billion in value in 2022 (Sheng Lu, 2018). China, India, Hong Kong, and Japan are among top beneficiaries of textile industries, in particular China have become a major beneficiary of this trade essentially because of the availability of cheap labour, which is critical factor in the industry (Emmanuel and Hannatu 2010).

Godwin Emefiele, the Governor of the Central Bank of Nigeria (CBN), has revealed that the country's textile industry can create not less than 2 million jobs if well harnessed. He made this known while expressing confidence that the industry is poised to make the Nigerian economy self-reliant. Speaking at a stakeholders' meeting with cotton, textile, garment producers and farmers in Abuja, Emefiele said the textile industry can also "reduce over \$4

billion import bills annually, and save our hard earn foreign exchange, while accelerating the industrial development of the country, and making Nigeria a global player in the textile and garment subsector.”. (Damilare and Famuyiwa 2019).

Emefiele maintained that the country’s textile industry is capable of transforming the economy by reviving the cotton and garment sector, thereby improving Internally Generated Revenue (IGR) across the three tiers of government. Furthermore, the apex bank Governor stressed that the ginners, spinners, and about one million farmers who were planting cotton as their source of livelihood also lost their jobs (Damilare et, al, 2019).

CHALLENGES OF THE TEXTILE INDUSTRY IN NIGERIA

Liberalization policy of the federal Government which produced poor economic climate leading to high cost of industrial production (Yusuf 2008). ECOWAS trade policy further worsen the situation which allowed the ECOWAS countries to free movement within Africa that lead to smuggle of textile material into the country.

The consequence is diminished market for locally manufactured product that today account for only 27% share at the local market. Globalization also led to massive dumping, which for textile alone, was estimated at about 200 containers per month or 200 million meters valued at US \$20 million (Emmanuel and Hannatu 2010). In August 2020, the Federal Government directed the temporary suspension of textile imports and later imposed the total closure of all borders with the aim to contain the smuggling of textile and other raw materials but yet many foreign textile goods find their way into the country. Administrative lapses hindered the enforcement and therefore, weakened the impact of the measures.

The complete collapse of social and physical infrastructure also compounded the industrial problems in the country, for instance, electricity supply has been a challenge over the years, it was found to have dropped to about 1300 megawatts in 1998, and 4000 to about 5000 megawatts in 2020. The major economic sector of the industry, transport services and house hold of Nigeria are still greatly restrained from the expected growth due to inadequate energy supplies. Electrical power of about 4500Mw is grossly inadequate for a population of more than 200 million people. Recently, energy demand and supply projection show that for a GDP growth rate of 7% the required electrical power will be about 31000 Mw in 2020, 47000MW in 2025, and 63000MW in 2030 (Sambo 2019).

Another Challenge faced by the textile industrial sector is the lack of policy implementation by the Federal Government. Previously there are many policies initiated by the past and present administration to revitalize the textile and allied industrial sector for economic growth and development. However, lack of full implementation of these policies and mechanism to check and balance hindered the sector to take up full operation in full capacity. For instance, Bank of industry (BOI) through the federal government announced the release of N60 billion as part of N100 billion textile revival package initiated in 2007 before suspending the disbursement (Daily Trust, 2016).

Also, the federal government launched N70 billion development fund to finance new investment in cotton and textile sector, N50 billion was meant to rehabilitate the factories and N20 billion to grow cotton it was projected to generate N60 billion annually and create 200,000 jobs for youths (Nigeria Guardian News, 2009).

IMPACT OF TEXTILE ON DEVELOPING ECONOMIES TECHNICAL TEXILES FROM SOUTH AFRICA.

The South African textile and clothing sector contribute an annual turnover of USD\$5.8 Billion, comprising \$2.9 billion of the textile sector and \$2.9 billion for clothing. The entire supply chain is represented within the country from growing of cotton and extrusion of synthetic filament to the final garments. A third of the industry constitute technical textiles, a

third house-hold textile. Both the fabric and made-up goods, and a third is apparel. Approximately 150,000 people are employed in the combine industry, of which 60,000 people are employed within the textile field. It is the country's most labor-intensive value chain of manufacturing measured by the number of jobs created by unit of capital invested (Niki 2007).

The industry has therefore increasingly concentrated on its expertise in the technical textiles and apparel fields and in new innovations in this area. Gelvenor Textiles, for example sits at the heading edge of innovative fabric development and is number two in the world for producing parachute fabrics, while Sans fibres number two in the world for supplying core yarns for sewing threads, supplies 80% of the world market of core yarn used in polyester and nylon 6'6 sewing threads. Team Puma produced very technical knitted fabrics including those used in smart textile, bomb disposal and flame retardants (Niki 2007).

Breathetex specialize in Laminated, waterproof, breathable fabrics and indeed many of their garments have been used by Everest Mounteners, while Primetex specialize in medical textiles, particularly those which help in preventing Gross contamination of AIDS, COVID - 19 etc.

The trends in the technical and non-woven sector are toward adding greater value particularly in specialty and performance fabric and garment finishing. In 2006 South Africa expected \$81 million of technical and industrial textile, 4% higher than in 2005. These includes: Coated and Laminated textiles, filtration and insulation product, geotextiles, webbing and strapping, industrial sewing threads, Conveyor belting, tire Corel fabrics, ropes and twins, netting and nets, canvas, Kelter, non -woven, parachuting and aeronautical, clean air textile and medical textiles (Niki 2007).

The frame group is one of the largest textiles and textile related product manufacturer in southern Africa producing yarn, woven, non-woven, and knitted fabric made up home textiles and industry related chemicals. The group has an annual turnover in excess of US\$ 200 million and total assets of US\$ 250million and has invested US\$ 70 million over the last ten years in diversification of its product range. (Niki 2007).

TEXTILES FROM BANGLADESH READY MADE GARMENT (RMG) INDUSTRY

In Bangladesh, the textile and clothing industries provide the single source of economic growth in Bangladesh's rapidly developing economy. This sector in Bangladesh has developed rapidly to meet local demands (Siddiqi, 2004).

Foreign exchange earnings are sourced principally from exports of textiles and garments products. By 2002 exports of textiles, and ready-made garments accounted for seventy seven percent (77%) of Bangladesh's total merchandise exports. By 2013, about four (4,000,000) million people, mostly women, worked in Bangladesh's \$19 billion-a-year industry, export-oriented textile industry. Presently, Bangladesh is the world's second-largest apparel exporter of western brands after China. Bangladeshi industrial sector is dominated by readymade garment (RMG) sector and the economy as a whole depends heavily on RMG industry for at least last four decades.

The textile industry is the most prominent export-oriented industry of the country which has achieved very significant growth during last two decades (K. Ahmed, 2002). Now there are more than 4,000 RMG industries in the country with export earnings of \$6.40 billion per year. The industry employs about 2 million workers with 80% participation of women labor force. RMG industry alone fetches 79% of the total export earnings of the country (J. Hasan, 2013). The Bangladeshi economy offers a unique competitive edge that supports profitable expansion into new strategic markets. From spinning to weaving, from knitwear to leisurewear and high street fashions.

The Ready-Made Garments (RMG) industry occupies a unique position in the Bangladesh economy. The industry plays a key role in employment generation and in the provision of income to the poor and middle-class citizens. Nearly four million workers are directly and more than twelve million inhabitants are indirectly associated with the industry. Over the past twenty-five years, the number of manufacturing units has grown from 180 to over 4000 (M. A. Haider, 2007). Two factors such as cheap labor force and captive market under quota system facilitated the development of RMG industry in Bangladesh. The favorable policies of the governments in the form of duty, preferential tax, tax holidays, duty free machinery inputs, central ware house facilities, letter of credit facilities without deposit, loans at low interest rate etc. have also supported the growth of the industry (Muzahidur, 2017).

Today the Bangladeshi garment industry is worth \$25 Billion. The garment manufacturing sector in Bangladesh is expected to reach \$50 billion by the end of 2021. It is expected to grow exports by 10.9% annually to meet the \$50 billion target. Over the past six years the garment industry has grown by an average of 13.9% annually – which makes \$50bn by end of 2021 feasible. The readymade garment (RMG) sector of Bangladesh is moving ahead even after facing an adverse situation in the recent years. With significant improvement made in every aspect of quality control, fashion designing, technical expertise, merchandising as well as compliance, the sector is now getting recognition from all the concerned forums.

HOW TEXTILE IMPROVED THE ECONOMY DURING COVID- 19 PANDEMIC

It may be recalled that during the daily briefing by the presidential task force on the Covid-19 Pandemic, the committee suggested and recommended that part of the measure to curtail the spread of the virus is to ensure constant wearing of face mask in any gathering such as places of worship market, schools, Hospitals, Courts, etc. The production of these face masks provided and still provides immediate employment and job opportunities for many youths either by production or marketing, for example If a face mask which is a product of textiles is to be produced locally with standard N-95 standards, at the cost of ₦50 per sample, and which is to be supplied to a population of two hundred million at the cost of N50 each, the statistics is as follows:

Population: 200,000,000

Cost per face mask: ₦50

$200,000,000 \times ₦50$

Total amount = ₦10,000,000,000. Billion naira for the entire population.

Nigeria with the population of about 200,000,000 people, if each person is to obtain a facemask for protection against Covid -19 as was suggested by the presidential task force on Covid-19 during the daily briefings, let's say five (5) face masks at the cost of ₦50 each during the whole period of the COVID-19 pandemic, the statistics is as follows:

Population: 200,000,000

Cost of five face mask: ₦50x 5= ₦250.

$200,000,000 \times ₦250 = ₦50,000,000,000$ Billion naira.

Assuming this amount is to be injected into the Nigerian economy with such a market size, it will surely transform the entire economy by increasing the GDP, provide employment for our teeming youth and increase taxation income and foreign exchange earnings when the products are exported to the international market.

PRODUCTION OF PERSONAL PROTECTIVE CLOTHING (PPC) FOR HEALTH CARE WORKERS

During the Covid-19 pandemic the country experienced shortage of personal protective equipment that have been provided. While isolation centers are receiving PPE, health workers at other medical facilities say they do not have enough. The government claimed there is a

global shortage. According to WHO, the price of PPE surged since the start of the COVID-19 outbreak, meaning many lower-income countries can't afford it. (Paul 2020).

The use of medical clothing and personal protective equipment by healthcare workers is one of the basic tools for preventing the spread of infectious disease Like COVID-19 (WHO 2020). Face mask, Aprons, sweatshirts, disposable Cap, disposable Coverall, disposable Lab Coat, disposable Isolation Gown, disposable Surgical Gown, disposable Patient Gown, disposable Scrub Suit, disposable Shoe Cover, disposable Sleeve Cover, disposable Bedding and disposable Gloves as well as other elements of health care workers' clothing allow to protect doctors, nurses and medical technicians from the risks resulting from the nature of their work. Most of these clothing are products of textiles which are mostly **woven, non-woven, non-toxic fabric, and non-woven polypropylene.**

According to (WHO, 2020), healthcare workers, including doctors, nurses, and community health agents, responsible for protecting the health of their community should use contact and droplet precaution. This should be done by wearing PPEs such as disposable gloves to protect hands; clean, non-sterile, long-sleeve gown to protect clothes from contamination; medical masks to protect nose and mouth; and eye protection (e.g., goggles, face shield) when attending to COVID-19 patients.

Unfortunately, the demand for PPE now exceeds supply, endangering the lives of healthcare workers. In March 2020, WHO shipped half a million sets of PPE to 47 countries but supply was still insufficient. In the first quarter of 2020, over 6.4 million gloves, 1 million gowns, and 1.8 million surgical masks were delivered by the United Nations across the world. Nevertheless, the gap between supply and demand is still enormous. Each month, an estimated 89 million medical masks are required for the COVID-19 response. (Adaugo, 2020)

According to UNICEF, the need for PPE reached 2.2 billion surgical masks, 13 million goggles, 1.1 billion gloves, and 8.8 million face shields through the end of the year 2020. In addition, as the lockdown is relaxed across Africa, there is a hike in the number of cases, thereby increasing the exposure of healthcare workers, without PPE, to the infection.

In Nigeria, community workers have also been on the frontline of fighting COVID-19, going door to door to educate families about COVID-19 and to detect and report early symptoms of COVID-19 in the communities. However, their families are concerned about their exposure and safety. As the cases rise, these healthcare workers, without adequate access to PPE will be exposed to COVID-19 infection. (Adaugo, 2020)

Therefore, there is an urgent need for the stakeholders in the public and private sectors to collaborate to meet the rising demand for PPE which are mostly products of textile and polymer industries. There is an untapped potential of local producers in African countries with the capacity to ramp up PPE supply in the continent, the Nigerian textile industry if revived can fill the supply gap not only in Nigeria but also in Africa. Millions of dollars in import bills for PPE will be reduced which will be good for the economy. Currently, China is the largest producer of finished products of PPE including its raw materials, followed by Taiwan. Before the pandemic, China and Taiwan were respectively responsible for about 50% and 20% of the supply of surgical/face masks globally (Adaugo, 2020).

Nigerian textile industry if revived can tap into the PPE market and solve the problems of inadequate supplies of the PPE to the local health work force, and even export to the global market to fill the demand in the global market in case of any future pandemic like the COVID-19 and Ebola Pandemic.

CONCLUSION

Nigeria is facing lots of socio-economic problems such as drop in revenue, drop in GDP and lack of employment among their youth and citizenry. An enabling environment for small,

medium and large-scale textile and polymer industrializations should be the way forward to create employment for the citizen which will help boost and secure the economy in the future. The role of textile and polymer industries in the growth and development strategies in some developing countries was examined, how it generated employment, and contributed to the GDP growth of the countries, also the economic benefit that will be tapped during health emergency period like Covid-19 through the production of personal protective equipment (PPE). This is due to the increased demand globally. Several issues were identified as problems that lead to the continuous decline of the textiles industries and recommendations were proposed on how to solve the persistence problem in the textile and polymer industrial sector. So, it is imperative that policy makers in the country should look into the textile and polymer industries that were once a key sector in the economy and work towards the revival of the sector.

RECOMMENDATIONS

1. Government should as a matter of urgency key into the revitalization of textile Companies.
2. Government should expand the industry with production of synthetic fibers etc.
3. Government should establish geo textiles and medical textiles industries for sustainable growth and development.
4. Policy makers should draw a policy that will attract investors both local and international to invest in the area of non-woven textiles.
5. Thread and sewing of yarn industry should be established.
6. Government should review the level of progress and implementation of already existing policies in regards to the revival of the industries.
7. The Government must find a way to address the issue of the porosity of Nigerian borders to curtail smuggling of foreign textiles which greatly reduces the patronage of locally made fabrics.
8. A work frame mechanism that will capture and harmonize all identified factors for fully implementation should be created.
9. All contracts and it related textile materials and polymer should be awarded to indigenous textile companies including army uniform and logistics, schools uniform used by federal and state governments for intervention.
10. Ministry of education science and technology should invest heavily on textile research and development.

All the above recommendations are necessary to be implemented by the government in other to diversify the Nigerian Economy, create job opportunity for the teaming youth. Industrialization base encourages foreign revenue income and encourage investors for economic sustainable and future development in Nigeria.

This will also bridge the defect in decline of oil economy which Nigeria is operating as mono economy especially with the decline of the oil price in the oil market which affect sensibly the economy of the country from 2015-2021. The price of oil deflected from \$80 and above per barrel to even less than \$25 per barrel during the COVID-19 pandemic. (Financial Times, 2020). To overcome such a future problem. Textile and related garment industry have to be finally revitalized.

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