REVIVING THE TEXTILE INDUSTRY

THE recent report that the number of workers in the textile industry had fallen from 800,000 a few years ago to an insignificant 24,000 has, once again, underscored the urgent need to revive the sub-sector.

With a fixed investment of $4 billion (about #640 billion), the Nigerian textile and garment industry used to be the hub of Nigeria's economy and second only to South Africa in sub-Saharan Africa. Unfortunately, due to a number of factors including from low capacity utilization, to high influx of cheap products, low exports, among other reasons, the sub-sector has witnessed a steady decline.

The industry which at a time had over 175 functional mills with an all-time low level of 24,000 employees as at today. The perennial non-chalance and negligence of the industry by successive governments only goes to show that the nation is yet to come to terms with the fact that the sub-sector is globally recognized and regarded as a significant catalyst for economic growth.

It is, however, heart-warming that the Federal Government, in reference to its Transformation Agenda, is beginning to show some level of commitment and determination to revive the industry. Speaking at a stakeholders' retreat for the textile sub-sector in Abuja, recently, the Minister of State for Trade and Investment, Dr. Samuel Ortom, reportedly said, "our aspiration for the sub-sector is to increase its share of the domestic market from the present position of 12 per cent to 25per cent by 2020". At the same event which was themed, "Economic Growth, Wealth and Job Creation for Nigeria," the Minister for Trade and Investment, Dr. Olusegun Aganga, expressed optimism that the Industrial Revolution Plan (IRP) would address all the weak linkages which he identified as reason for the determination in the sub-sector and revive it.

Remarkably, the Federal Government, through the Bank of Industry, is currently distributing N100billion infrastructural fund to stakeholders in the industry with a view to stimulating the sub-sector. We are, however of the view that FG should up the ante to about N500billion and the interest rate which is pegged at six percent be rescheduled to zero percent, aside reviewing the repayment period from seven years to a minimum of 15 years.

Beyond injecting the much-needed funds into the industry to jump-start it from its current moribund state, the FG also needs to urgently take the infrastructural challenges that resulted in the death and relocation of most of the factories of yore. It goes without stating that until there is stable power supply and the insecurity affecting a part of the nation tamed, any attempt at reviving the ailing industry will be only cosmetic. Government, therefore, should go the whole hog.

Many, rightly, believe that one of the things that resulted in the ruin of the industry was the undue and opportunity and control given to expatriates in the sub-sector who dictated the pace of its growth. This must be avoided this time around. The nation has boundless able and capable entrepreneurs. What is more, the tenets of local content must be up held.

Source: The Pointer