

COMMUNIQUE OF PARTICIPANTS AT THE BUSINESS LUNCH OF NEPAD BUSINESS GROUP-NIGERIA ON 'THE GROWTH AND CHALLENGES OF THE MANUFACTURING SECTOR' HELD AT EKO HOTELS AND SUITES ON TUESDAY, 9TH JULY, 2013

1. Participants identified policy inconsistencies on the part of government, inefficient management of fiscal policies and lack of political and technical will to address infrastructural challenges like power as major challenges to the sector. Manufacturing firms in the country generate no less than 80% of their energy needs, while several have relocated to neighbouring countries to do business. The meeting urged Government to assure necessary conducive environment through realistic policies that are sustained by political will and moral authority. Government, they insisted, must do away with the lack of will to implement institutional reforms.
2. Participants regretted the downward trend of the contribution of the industrial sector to the nation's GDP over the years and concluded that the manufacturing industry has suffered neglect through overdependence of the nation's economy on the petroleum sector since the 70s. They regretted the poor contribution of the sector to GDP and Exports, relative to countries like Brazil and Malaysia, despite the high prospects of the manufacturing sector in Africa generally. Participants called on Government to accord manufacturing its pride of place as the highest employer of labour and contributor to the GDP, as well as the fastest way through which a nation can achieve sustainable economic growth. For instance, Government should fast track its power reform and come up with a Master Plan for the development of the manufacturing sector. Other sources of energy like coal, wind, hydro and nuclear could be explored to resolve the power challenges.
3. To remain in business, industrialists were advised to concentrate on areas of comparative advantage, that is, in businesses that have a high local content in order for them to compete globally and ensure sustainability. An example was given of Dangote cement which has a very high local content and which Dangote Group is focusing more on continuously. Participants also harped on the need for backward integration to ensure competitiveness, just like Dangote Group which,

within a decade, grew from being the largest importer to the largest producer of cement in the country.

4. Decrying the high cost of funds, participants called for long term development funding to be made available for the sector. The credit market, according to them, needs to be unlocked to enable entrepreneurs to have access to much-needed funds to grow their businesses.
5. Participants highlighted the need to establish industrial clusters and urged government to tackle the menace of smuggled, fake and adulterated goods in the country. They also urged policy makers to put in place attractive sector-specific incentive packages. The stakeholders also decried the persistent multiple taxation prevalent in the country and called on government to redress this issue once and for all.
6. Insecurity was identified as a hindrance to the sustenance of the manufacturing sector. There is need for peace as a precondition for development without which the assumed efficiency of the public-private union as a catalyst for economic development of a nation is endangered. Hence, government was called upon to ensure that peace reigned in the country.
7. Participants also solicited for the re-orientation of citizens to patronize locally produced goods. This, they argued, is an area where government could lead by example. If locally produced goods are patronized and consumed, the dumping of fake and adulterated foreign goods on the country would reduce significantly.
8. They urged industrialists to drive more intra-African trade by pooling resources rather than going it alone, adding that African entrepreneurs must be at the forefront of the continent's industrial transformation.
9. Participants also touched on the importance of succession in industries, as 'success without successor is suicide'. Participants therefore underscored the need for robust succession plans to be put in place in industries to ensure continuity.
10. Women industrialists were called upon to seize the opportunity offered by funds mutually provided by Dangote Group and bank of Industry to grow their businesses.

11. Finally, participants at the forum commended the Dangote Group and others that have been sustaining the manufacturing sector despite the challenges of operating in a difficult terrain as Nigeria's. They noted that these companies go beyond the objective of conducting business in that they are patriotically committed to economic growth and development of the nation.