**LOCAL PRODUCTION AND IT IMPACT IN NIGERIA ECONOMY**

**Abstract**

The purpose of this study is to examine local production and its impact on Nigeria economy. This study adopted the survey, ex post facto and descriptive research design for both quantitative and qualitative analysis. It is ex-post facto research design in that the data generated were already put in place and are not subject to the manipulation of the researcher, this were data within the period of 1989 to 2014. This data were extracted from CBN statistical bulletin in CBN website and from the website of Food and Agriculture Organization of the United Nations (FAO). This study presumed that the economic development in Nigeria (represented by real GDP) is dependent on Total Local Production TLP (independent variable), Cashew production in Nigeria CPN (independent variable) and money supply MSP (independent variable). Multiple regression analysis was applied for the data analyses following the specified model. The result obtained shows that total local production and money supply exert a positive but insignificant influence on the development of Nigeria economy. Also, cashew production in Nigeria has not contributed so much to the Nigeria economy.

**CHAPTER ONE**

**INTRODUCTION**

* 1. **Background of the study**

The structure of the Nigerian economy is typical of an underdeveloped country. Over half of the gross domestic product (GDP) is accounted for by the primary sector with agriculture continuing to play an important role. The oil and gas sector, in particular, continues to be a major driver of the economy, accounting for over 95 per cent of export earnings and about 85 per cent of government revenue between 2011 and 2012. The sector contributed 14.8 and 13.8 per cent to GDP in 2011 and 2012, respectively. It also recorded an increase in reserves from 37.119 billion barrels (bbs) in 2012 from 36.042 bbs in 2011. In contrast, the industrial sector in Nigeria (comprising manufacturing, mining, and utilities) accounts for a tiny proportion of economic activity (6 per cent) while the manufacturing sector contributed only 4 per cent to GDP in 2011. This is despite policy efforts, over the last 50 years, and, in particular, more recently, that have attempted to facilitate the industrialization process. In this paper we explore the evolution of the industrial sector in Nigeria over the last 50 years. To set the context we begin by providing an overview of the policy framework for industrial development from the 1960s to the present day. At independence in 1960 and for much of that decade, agriculture was the mainstay of the Nigerian economy providing food and employment for the populace, raw materials for the nascent industrial sector, and generating the bulk of government revenue and foreign exchange earnings. Following the discovery of oil and its exploration and exportation in commercial quantities, the fortunes of agriculture gradually diminished while crude petroleum replaced it as the dominant source of revenue and export earnings. This is despite a drive for industrial development1 in Nigeria dating back to the early 1960s with the first National Development Plan for the period 1962-68.2 Under the First Plan the country embraced import-substituting industrialization (ISI)3 with the objective of mobilizing national economic resources and deploying them on a cost/benefit basis among contending projects as a systematic attempt at industrial development. The period of this plan witnessed the commissioning of energy projects such as the Kanji dam and the Ughelli thermal plants, which provided a vital infrastructural backbone for the nascent industrial sector. Other important industrial infrastructure developed during this period, which was considered crucial for catalyzing industrial take-off in Nigeria; included an oil refinery, a development bank, and a mint and security company. Even though, the main objective of the ISI strategy was to stimulate the start-up and growth of industries as well as enhance indigenous participation by altering the ownership structure and management of industries, it was characterized by a high degree of technological dependence on foreign knowhow to the extent that the domestic factor endowments of the country were grossly neglected. The focus on an ISI strategy as the cornerstone of industrial development efforts during the period of the First Plan therefore seemed to have neglected many of the factors required for managing the emergent industrial sector and in particular, the management of technologies transferred or acquired. The Second National Development Plan (1970-74), attempted to address the limitations of the ISI strategy, and placed emphasis on ‘the upgrading of local production of intermediate and capital goods for sale to other industries’. This was the first systematic effort to create an industrial structure linked to agriculture, transport, mining, and quarrying. The Second Plan coincided with Nigeria’s newly acquired status as a major petroleum producing country. As the economy benefited heavily from enormous foreign exchange inflows, the government embraced ambitious and costly industrial projects in sectors such as iron and steel, cement, salt, sugar, fertilizer, pulp and paper, among others.4 According to the plan, the establishment of industrial projects during this period was inspired by the need to increase the earning power of the populace; to minimize social tension by generating more employment; to make essential goods easily available; and to lay the foundation for a self-sustaining economy. The shallow nature of Nigeria’s technological capacity, however, prevented the economy from moving beyond the elementary phases of these projects, and indeed, virtually all of these projects have today either been shut down or operate at very low capacity.

* 1. **STATEMENT OF THE PROBLEM**

It is the deficit of visionary leadership and long-term planning that has prevented locally made goods and other local industrial clusters from becoming global manufacturing hubs. Nevertheless, the current economic realities in the country have pushed the government at both national and sub-national levels to start looking inwards. Aba-made products are now receiving some attention.

On October 1, 2016, the Abia State government launched an e-commerce site, MadeInAba.com.ng, to make it possible for Aba-made merchandise to be retailed across the country. MadeInAba.com.ng is a much larger market that includes an online retail store and physical stores to offer wholesale and retail services. A strategic engagement of the Nigerian government in the production of this resource as well as supporting entrepreneurs in the country, are viable approaches for achieving the competitiveness of the Nigerian economy sought by the current administration’s economic plan. Moreover, supporting the manufacturing sector in the south-eastern part of the country would go a long way in boosting the political capital of President Muhammadu Buhari in that region. In all, both the government and the private sector have major roles to play in achieving economic security for all Nigerians, it is against this backdrop that the researcher intends to investigate the impact of local production on Nigeria economy.

* 1. **OBJECTIVE OF THE STUDY**

The main objective of the study is to investigate the impact of local production on Nigeria’s economy. To aid the completion of the study, the researcher intends to achieve the following specific objectives:

1. To ascertain the impact of made in Nigeria goods on the economic growth of Nigeria
2. To investigate the role of local production in job creation
3. To ascertain the relationship between local production and job creation in Nigeria
4. To investigate the role of government in promoting local production
   1. **RESEARCH HYPOTHESES**

To aid the completion of the study, the following research hypotheses were formulated by the researcher

**H0:** made in Nigeria goods has no significant impact on the economic growth of Nigeria

**H1:** made in Nigeria goods has a significant impact on the economic growth of Nigeria

**H02:** there is no relationship between local production and job creation in Nigeria

**H2:** there is a relationship between local production and job creation in Nigeria

* 1. **SIGNIFICANCE OF THE STUDY**

It is believed that at the completion of the study, the findings will be of great importance to the federal government, as the result of the findings will serve as a guide in formulating policies that will booster locally made product in the country, the study will also be useful to the state and local government, as the study intends to explore the benefit of local production in terms of revenue generation and job creation at the local and state level. The study will also be of great importance to researchers who intends to embark on study in a similar topic as the study will serve as a guide to further studies. Finally the study will be of great importance to student teachers lecturers and academia as the findings will add to the pool of knowledge already available.

* 1. **SCOPE AND LIMITATION OF THE STUDY**

The scope of the study covers local production and its impact on Nigeria economy.in the cause of the study, there were some factors which limited the scope of the study:

**Time factor:** time was not on the researchers to consult various sectors of the economy to review employees or given out questionnaire to various institutions on the effect of government revenue policies.  
As we all know, time is never our friend. The time scheduled for the completion of this research thesis was too short. As a result, generating information/data was strenuous as it coincides with final year examination period, which needed attention.

**Finance:** this is another barrier that limited the researcher’s work.

**Available resources:** was unavailable for the research work

* 1. **DEFINITION OF TERMS**

**Production**

Production is a process of combining various material inputs and immaterial inputs in order to make something for consumption. It is the act of creating output, a good or service which has value and contributes to the utility of individuals

**Economy**

An economy is an area of the production, distribution, or trade, and consumption of goods and services by different agents

**Economic growth**

Economic growth is the increase in the inflation-adjusted market value of the goods and services produced by an economy over time. It is conventionally measured as the percent rate of increase in real gross domestic product, or real GDP.

* 1. **ORGANIZATION OF THE STUDY**

This research work is organized in five chapters, for easy understanding, as follows

Chapter one is concern with the introduction, which consist of the (overview, of the study), statement of problem, objectives of the study, research question, significance or the study, research methodology, definition of terms and historical background of the study. Chapter two highlight the theoretical framework on which the study its based, thus the review of related literature. Chapter three deals on the research design and methodology adopted in the study. Chapter four concentrate on the data collection and analysis and presentation of finding. Chapter five gives summary, conclusion, and recommendations made of the study.

**CHAPTER TWO**

**REVIEW OF RELATED LITERATURE**

**2.1 Introduction**

The best way for every country to advance the standard of its citizen is to formulate policies and standards that discouraged total dependence on importation of goods and services and developed local manufacturers. To an extent the country of white man into Nigeria contributed to the importation of foreign goods into the country. Presently our quest for western culture has led to the establishment of indigenous companies all over the country. Though most of these goods produced in the country are of highly quality, many Nigerians are not satisfy with them due to inferiority complex. There are factors responsible for these pathetic and epileptic state in the country. Gbemre (2015) attributed one of the problems to under development of the industrial sector. Foreign manufacturers are aware that Nigeria is a dump site for their substandard products , that is why some Nigeria marketers for their selfish reasons entered into partnership with foreign manufacturers especially those in china to produce substandard goods at a cheaper rate and export them into multinational companies operating in Nigeria do not patronize local made goods for their operation. The country is flooded with fake and substandard goods. There are some made in Nigeria goods that are better of quality than foreign ones. The president of cable manufacturing Association of Nigeria, Engr ifeanyi uzodike, in an interview with Guardian newspaper noted that the cable industry in Nigeria is doing well, but lack of support and favourable policies from government is hindering the progress. Erhurun etal (2006) opined that many developing countries came up with decision to encourage local manufacturing industries for a great economy, which will increase employment opportunities and to encourage import substitution. In the recent publication in the NATION of 2 nd march 2016, the Nigeria senate demands first option policy on made in Nigeria goods. The senate asked the federal government to urgently initiate of locally manufactured products for government procurement in all arms of government. That the policy would compel ministries, departments and agencies to place priority on purchase of locally made goods. It was recalled that as at 1990, Nigeria had over 170 developed textile industries employing between 2000 and 10,000 workers each, but today only 112 are functioning in the country. It is high time Nigeria should initiate and copy from country like united state, Chinese and india,as some of the countries that made it mandatory for government agencies to source for locally manufactured goods before patronizing goods from other countries. According to the institute of credit administration (ICA), the major driver of the economic reform agenda should be the availability of credit in monetary and trade terms to fuel export of made in Nigeria goods. In the statement signed by the registrar and chief executive of the institution, chris onalo, he said priorities should be given to the economic, social and security situation in the country. That locally made products accounted for 89.2 percent contributions toward nigeria’s gross domestic product in 2014. One of the problems facing the country is the issue of diversification and divertment of the economy from oil sector to industrial and agricultural sector. There is no nation that can move forward by importing raw materials without strong industrial base. The Second National Development Plan (1970-74), attempted to address the limitations of the ISI strategy, and placed emphasis on ‘the upgrading of local production of intermediate and capital goods for sale to other industries’. This was the first systematic effort to create an industrial structure linked to agriculture, transport, mining, and quarrying. The Second Plan coincided with Nigeria’s newly acquired status as a major petroleum producing country. As the economy benefited heavily from enormous foreign exchange inflows, the government embraced ambitious and costly industrial projects in sectors such as iron and steel, cement, salt, sugar, fertilizer, pulp and paper, among others.4 According to the plan, the establishment of industrial projects during this period was inspired by the need to increase the earning power of the populace; to minimize social tension by generating more employment; to make essential goods easily available; and to lay the foundation for a self-sustaining economy. The shallow nature of Nigeria’s technological capacity, however, prevented the economy from moving beyond the elementary phases of these projects, and indeed, virtually all of these projects have today either been shut down or operate at very low capacity. The period of the 1970-74 Plan also witnessed a dramatic shift in policy from private to public sector-led industrialization. Industrial planning took place in the public sector which also executed most of the industrial projects as the government invested directly in productive activities. It was clear at this time that Nigerian entrepreneurs did not have the money or the techno-managerial capacity to establish and manage such enterprises and so the government had to lead the way. On balance, a critical appraisal of the nature of the industrial development challenge of the 1970s reveals that the limitation was not so much that of finance but dearth of human capital including techno-managerial capabilities and skills required for initiating, implementing, and managing industrial projects. This was all the more evident by the fact that project preparation, feasibility studies, engineering drawings and designs including construction, erection, and commissioning, relied greatly on foreign technical skills and services. The 1972 Act on Indigenization of Enterprises Operating in Nigeria resulted in an indigenization policy which was subsequently amended, repealed, and replaced by the Nigerian Enterprises Promotion Act of 1977. The objectives of the policy were to:

* Transfer ownership and control to Nigerians in respect of those enterprises formerly owned (wholly or partly) and controlled by foreigners;
* Foster widespread ownership of enterprises among Nigerian citizens;
* Create opportunities for Nigerian indigenous businessmen;
* Encourage foreign businessmen and investors to move from the unsophisticated spheres of the economy to domains where large investments are required.

The Third National Development Plan (1975-80) was launched at the height of the oil boom. Despite a lack of executive capacity in the country, the plan envisaged an investment outlay of 42 billion NGN (up from 3.2 billion NGN of the Second Plan).Emphasis remained on public sector investment in industry, especially heavy industries. With easy access to foreign exchange, private firms opted for investments in the light, low technology consumer industries which were heavily dependent on imported machinery and raw materials. It became apparent that the country had entered into industrial project agreements with very little concern for the country’s capabilities for technology acquisition.

**2.2 MANUFACTURING SECTOR PERFORMANCE**

The source of data used for analysing manufacturing sector performance is the investment climate survey of Nigeria conducted by the World Bank in 2006. The broad survey covered manufacturing firms, micro-enterprises, retail, and residual businesses. The manufacturing survey addressed a wide range of issues pertinent to the industrial sector. The survey instrument was partitioned into 12 major modules, with each module focusing on a broad theme under which specific issues were investigated. The 12 modules are:

* Control information
* General information about firms
* Sales and export
* Supplies and import
* Capacity and innovation
* Investment climate constraints
* Infrastructure and services
* Conflict resolution and legal environment
* Business-government relations
* Labour relations
* Finance
* Productivity.

**2.3 PRODUCTIVITY IN THE NIGERIAN MANUFACTURING INDUSTRY**

Anyanwu,(2001:124-135) commented “Prolonged economic recession occasioned by the collapse of the world oil market from the early 1980 and the attendant sharp fall in foreign exchange earnings have adversely affected economic growth and development in Nigeria. Other problems of the economy include excessive dependence on imports for consumption and capital goods, dysfunctional social and economic infrastructure, unprecedented fall in capital utilization rate in industry and neglect of the agricultural sector among others” Most importantly, the researcher analyzed that putting the country back on the path of recovery and growth will require urgently rebuilding deteriorated infrastructure and making more goods and services available to the citizenry at affordable prices. Increasing productivity should be the focus because many other countries that have forced themselves in the same predicaments have resolved them through productivity enhancement schemes. He proposes further that given the importance of high productivity in boosting economic growth and the standards of the people, productivity measurement cannot but be of importance to both policy makers and researchers. Productivity measurement can be used to evaluate the efficient of an economy in relations to others.Anyanwu proposes high productivity in the Nigerian manufacturing industry as a necessary condition for the sectors’ recovery, achieving competitiveness ,boosting the Gross Domestic Product(GDP) and uplifting the standards of living of the people. Achieving high productivity will require a frontal attack on the problems confronting the sector which are low technological development, High cost of productivity, lack of access to finance. This paper is well focused to address the issues raised by this researcher.

**2.4 GLOBALIZATION AND THE MANUFACTURING SECTOR**

Aluko, Akinola and Fatokun,(2004:119-130) commented that one of the greatest problems of the Nigerian economy is the problem of capacity utilization in the manufacturing sector. This problem became more pronounced and aggravated by the structural adjustment programme and recently by globalization and all that accompanied it. In their study of the economy, their evaluation was characterized by the following indices: low capacity utilization which averaged 30 percent in the last decade, low and declining contribution to national output, which averaged 6percent, declining and negative real growth rates, low valued-added production due to high import dependence for inputs, accumulation of large inventories of unsold finished products, dominance of sub-standard goods, which cannot compete internationally. They further attributed the deplorable conditions of the manufacturing sector to a horde of factors like lack of an enabling environment, which included policy and polity instability, poor macro-economic environment, poor legal environment which could not guarantee property right and safety, and lack of good governance. others are poor and inadequate infrastructure, poor implementation of incentives to manufacturing, including export incentives, low access to investible funds due to underdeveloped long-term capital market that match industrial projects needs.

They averred that under globalization, the products of the Nigerian manufacturing sector cannot compete with goods from the advanced countries of the world most especially Europe and America. In their field survey which centered on three textile industries, and using statistical package for social sciences (SPSS), they stated that Nigeria should review their membership of World Trade Organization (WTO) as the impact of trade liberation on domestic firms in Nigeria has been overwhelming, disastrous and killing. That Nigeria and her firms were not prepared for the challenges of globalization. This paper focused on the review of these researchers opinion regarding the benefits of globalization and the review of Nigeria’s membership of World Trade Organization (WTO). Manufacturing sector can be adequately financed putting everything into consideration so that Nigeria economy can be fully integrated into the global economy.

**The performance of Nigerian manufacturing firms:**

Malik,Teal and Baptist,(2004:2-33) analyzed that manufacturing activity can only flourish in a good investment climate with the following features in place :physical infrastructure ,financial markets and creation of the enabling environment for investment and determine the opportunities and incentives for firms to invest productively, create job and expand business. They identified three problems as major constraints to the development of the manufacturing industry: Infrastructural constraints, access to credit, and the broader macroeconomic conditions affecting the demand for goods produced by the manufacturing sector.

They averred that well-functioning financial markets are an important ingredient for promoting economic growth. Developed financial markets allow access of firms to new markets, and help to promote greater competition, innovation and productivity in the economy. Even when faced with profitable investment opportunities, many firms lack the resources to exploit these. With financial markets unwilling to lend, investment decisions of firms become more dependent on internally generated cash flow or resources from family, friends and the informal sector. The costs of an inadequate financial infrastructure are demonstrably higher for small and medium size firms because they are not well connected to lenders and often lack the necessary credit history and collateral required for accessing bank finance. They further analyzed that weak financial markets are an important constraint for the average Nigerian manufacturer. The result of their survey revealed that large majority of firms in their work witnessed cash flow problems in 2003.Only a minority of firms sought loans from formal financial institutions, and these appear to be firms that have a promising chance of loan applications being accepted. A majority of firms (31%) were deterred from applying for bank loans due to high interest rates. The survey revealed the following on why manufacturing firms are not applying for a bank loan:

Interest rate too high 31%

Already heavily indebted 1%

Inadequate collateral 16%

Don’t want to incur debt 22%

Process too difficult 11%

Didn’t need one 11%

Didn’t think I would get one 8%

From their report, many firms have entered into an arrangement whereby banks provide an overdraft facility that is renewed on annual basis with interest rates ranging from 21% to 25%.The weight of evidence points towards important deficiencies in the country’s financial systems, particularly in its ability to meet the financial needs of smaller and medium-sized firms. Improving the operations of financial markets in Nigeria remains a high priority. Quoting from World Development Report 2005, new and innovative strategies need to be designed for a stronger financial sector such as promoting greater banking competition, facilitating information flows, preventing excessive risk taking and promoting macroeconomic stability. There is no doubt that access to funds in the financial institutions will create investment opportunities that will develop the sector. This area is one of the important areas that this paper addressed. However the idle capacity of the industry gives room for concern as their results indicate the following reasons for under capacity utilization:

Foreign competition 2%

Telephone problems 2%

Problems of IT 4%

Lack of worker 3%

Lack of water supply 7%

Lack of domestic raw materials 15%

Lack of Imported raw materials 15%

Lack of demand 62%

Power shortages 69%

Capacity utilization is one of the areas the researchers of this paper focused attention on

**2.4 SCANNING THE ENVIRONMENT FOR BANK LENDING:**

Dikko, (2005:16-23) commented that the financial system as wide, complex and regulated as it appears is saddled with enormous tasks and the success of economic, social and political system of the nation hinges on how these are managed. The financial institutions by providing the much needed capital for output and growth fill an important gap in the development process. That the financial system does matter in facilitating economic development under a liberalized and reformed environment. He opined that efficiency of the financial intermediation process can be assessed through determination of the level of allocative efficiency, cost efficiency and price efficiency. The boldest socio-economic contribution of banks is the emergence of the small and medium industries equity investment scheme (SMIES) can be viewed as economic contribution since the banks expect returns overtime only if the project operates profitably. This paper x-rayed the need for banks to expand their financial support to the real productive sector so as to enhance development of the sector.

Onwumere and Ugbam,(2008:27-31) explained the need for banks to do environmental scanning of the environment of an organization with a view to gathering information about its activities which will be useful to such an organization. Environmental factors must be analyzed because of their capability to impede the borrower’s ability to repay the debts. Some of these are economic variables (inflation, deflation, demand for the borrower’s products, foreign exchange rate, fluctuations, fiscal policy etc); political factors; legal factors (industry and firm risk).They are only deductible through environmental scanning. Other conditions are type or nature of business requesting the loan, the composition of the lending bank’s loan portfolio, one obligor credit ceiling or limit, bureaucratic considerations, geographical limitations, sectoral constraints or pricing consideration. Environmental scanning in lending cannot be overemphasized. Without environmental scanning, credit analysis, credit administration/monitoring and recovery are bound to fail. Lending is an important banking activity significantly underlining its intermediation function .The key factors for proper scanning according to Onwumere and Ugbam are:

Character: This is the most important of all considerations and is defined as qualities that make someone or something special and interesting by looking at his past records, his present activities and current relationships.

Capacity: This is the borrower’s financial ability to determine whether its expected future income stream can cover its current and maturing obligations.

Cash flow: This is what eventually repays the debts as they mature; hence its projections against repayment schedules are critical.

Capital: This is equity capital available to the firm whether it is enough to cover debt repayment in the event of failure of all other means of debt collection.

Collateral: Collateral is a security by way of cash, near cash assets (share certificates) and fixed or floating assets (land, building, plant and machinery, automobiles etc) which a prospective borrower offers to the lending bank in order to get credit facility of its request secured.

The researchers of this paper believe that rather than turning down request from the manufacturing sector and regard it as a high risk sector, the financial sector should carry critical scanning of the business environment so as to have safe lending. The administration of such lending should assist the borrower in effective utilization and repayment of the facility. The lending culture of Nigerian financial system need to be developed to incorporate every productive sector of the economy in their portfolio. This paper has critically examined the relationship of banks with the manufacturing sector with a conclusive view that the banking sector should play more active role in helping to develop the sector.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

* 1. **Research design**

The researcher used descriptive research survey design in building up this project work the choice of this research design was considered appropriate because of its advantages of identifying attributes of a large population from a group of individuals. The design was suitable for the study as the study sought to examine the impact of local production on Nigeria’s economy

* 1. **Sources of data collection**

Data were collected from two main sources namely:

(i)Primary source and

(ii)Secondary source

**Primary source:**

These are materials of statistical investigation which were collected by the research for a particular purpose. They can be obtained through a survey, observation questionnaire or as experiment; the researcher has adopted the questionnaire method for this study.

**Secondary source:**

These are data from textbook Journal handset etc. they arise as byproducts of the same other purposes. Example administration, various other unpublished works and write ups were also used.

* 1. **Population of the study**

Population of a study is a group of persons or aggregate items, things the researcher is interested in getting information on the study local production and its impact on Nigeria’s economy. 200 staff of selected SMEs across the state was selected randomly by the researcher as the population of the study.

* 1. **Sample and sampling procedure**

Sample is the set people or items which constitute part of a given population sampling. Due to large size of the target population, the researcher used the Taro Yamani formula to arrive at the sample population of the study.

n= N

1+N(e)2

n= 200

1+200(0.05)2

= 200

1+200(0.0025)

= 200 200

1+0.5 = 1.5 = 133.

**3.5 Instrument for data collection**

The major research instrument used is the questionnaires. This was appropriately moderated. They staff were administered with the questionnaires to complete, with or without disclosing their identities. The questionnaire was designed to obtain sufficient and relevant information from the respondents. The primary data contained information extracted from the questionnaires in which the respondents were required to give specific answer to a question by ticking in front of an appropriate answer and administered the same on staff of the organizations. The questionnaires contained about 16 structured questions which were divided into sections A and B.

* 1. **Validation of the research instrument**

The questionnaire used as the research instrument was subjected to face its validation. This research instrument (questionnaire) adopted was adequately checked and validated by the supervisor his contributions and corrections were included into the final draft of the research instrument used.

* 1. **Method of data analysis**

The data collected was not an end in itself but it served as a means to an end. The end being the use of the required data to understand the various situations it is with a view to making valuable recommendations and contributions. To this end, the data collected has to be analysis for any meaningful interpretation to come out with some results. It is for this reason that the following methods were adopted in the research project for the analysis of the data collected. For a comprehensive analysis of data collected, emphasis was laid on the use of absolute numbers frequencies of responses and percentages. Answers to the research questions were provided through the comparison of the percentage of workers response to each statement in the questionnaire related to any specified question being considered.

Frequency in this study refers to the arrangement of responses in order of magnitude or occurrence while percentage refers to the arrangements of the responses in order of their proportion.

The simple percentage method is believed to be straight forward easy to interpret and understand method.

The researcher therefore chooses the simple percentage as the method to use.

The formula for percentage is shown as.

% = f/N x 100/1

Where f = frequency of respondents response

N = Total Number of response of the sample

100 = Consistency in the percentage of respondents for each item contained in questions.

**CHAPTER FOUR**

**PRESENTATION ANALYSIS INTERPRETATION OF DATA**

**4.1 Introduction**

Efforts will be made at this stage to present, analyze and interpret the data collected during the field survey. This presentation will be based on the responses from the completed questionnaires. The result of this exercise will be summarized in tabular forms for easy references and analysis. It will also show answers to questions relating to the research questions for this research study. The researcher employed simple percentage in the analysis.

**DATA ANALYSIS**

The data collected from the respondents were analyzed in tabular form with simple percentage for easy understanding.

A total of 133(one hundred and thirty three) questionnaires were distributed and 133 questionnaires were returned.

Question 1

Gender distribution of the respondents.

TABLE I

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Gender distribution of the respondents** | | | | | |
| Response | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Male | 77 | 57.9 | 57.9 | 57.9 |
| Female | 56 | 42.1 | 42.1 | 100.0 |
| Total | 133 | 100.0 | 100.0 |  |

From the above table it shows that 57.9% of the respondents were male while 42.1% of the respondents were female.

Question 2

The positions held by respondents

TABLE II

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **The positions held by respondents** | | | | | |
| Response | | Frequency | Percent | Valid Percent | Cumulative Percent |
| **Valid** | Management | 37 | 27.8 | 27.8 | 27.8 |
| Senior staff | 50 | 37.6 | 37.6 | 65.4 |
| Junior staff | 23 | 17.3 | 17.3 | 82.7 |
| Front desk | 23 | 17.3 | 17.3 | 100.0 |
| Total | 133 | 100.0 | 100.0 |  |

The above tables shown that 37 respondents which represent27.8% of the respondents are managers, 50 respondents which represents 37.6 % are senior staff, 23 respondents which represents 17.3% of the respondents are junior staff, while 23 respondents which represents 17.3% of the respondents front desk

**TEST OF HYPOTHESES**

Made in Nigeria goods has no significant impact on the economic growth of Nigeria

**Table III**

|  |  |  |  |
| --- | --- | --- | --- |
| **made in Nigeria goods has no significant impact on the economic growth of Nigeria** | | | |
| Response | Observed N | Expected N | Residual |
| Agreed | 40 | 33.3 | 6.8 |
| strongly agreed | 50 | 33.3 | 16.8 |
| Disagreed | 26 | 33.3 | -7.3 |
| strongly disagreed | 17 | 33.3 | -16.3 |
| Total | 133 |  |  |

|  |  |
| --- | --- |
|  | |
|  | made in Nigeria goods has no significant impact on the economic growth of Nigeria |
| Chi-Square | 19.331a |
| Df | 3 |
| Asymp. Sig. | .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 33.3. | |

Decision rule:

There researcher therefore reject the null hypothesis that state that made in Nigeria goods has no significant impact on the economic growth of Nigeria as the calculated value of 19.331 is greater than the critical value of 7.82

Therefore the alternate hypothesis is accepted that state that made in Nigeria goods has a significant impact on the economic growth of Nigeria.

**TEST OF HYPOTHESIS TWO**

There is no relationship between local production and job creation in Nigeria

Table V

|  |  |  |  |
| --- | --- | --- | --- |
| **there is no relationship between local production and job creation in Nigeria** | | | |
| Response | Observed N | Expected N | Residual |
| Yes | 73 | 44.3 | 28.7 |
| No | 33 | 44.3 | -11.3 |
| Undecided | 27 | 44.3 | -17.3 |
| Total | 133 |  |  |

|  |  |
| --- | --- |
| **Test Statistics** | |
|  | there is no relationship between local production and job creation in Nigeria |
| Chi-Square | 28.21 1a |
| Df | 2 |
| Asymp. Sig. | .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 44.3. | |

Decision rule:

There researcher therefore reject the null hypothesis that state that there is no relationship between local production and job creation in Nigeria as the calculated value of 28.211 is greater than the critical value of 5.99

Therefore the alternate hypothesis is accepted that state that there is a relationship between local production and job creation in Nigeria.

**CHAPTER FIVE**

**SUMMARY, CONCLUSION AND RECOMMENDATION**

**5.1 Introduction**

It is important to ascertain that the objective of this study was to ascertain the impact of local production on Nigeria’s economy

In the preceding chapter, the relevant data collected for this study were presented, critically analyzed and appropriate interpretation given. In this chapter, certain recommendations made which in the opinion of the researcher will be of benefits in addressing the challenges encountered by locally produced good and its implication on the economy

**5.2 Summary**

It was discovered the one of the factors that affect local production in Nigeria is the cost of production. Indigenous product are under price and one of higher quality in some products while in some lower quality price difference between items whether local or foreign affect the preference of consumers or buyers. When they notice that locally made goods are more expensive then foreign ones they go for the foreign ones. Another factor that was discovered is the fashion and trend. Such the level of technology is still very low in the country, many consumers one carried away by the trend of technology which come from the western world, which make them give preference to foreign made goods. It was discovered that there are some consumers who would choose local made good anytime4 even if they fall within the same price range with foreign one and there are people that prefer foreign product even if the price are 3 times more expensive than the local one because of quality. There are some consumers who concluded within themselves that irrespective of the origin of the product, that if it is well package of high quality good taste and can give value for the purchasing power. It would be a prepared choice. Though some locally made products are of high qualities than foreign one, the overall statistic revealed that the qualities of foreign made goods are higher than made in Nigeria goods. Another factor is self ego and pride. Most people go for international brand to feel proud because of them it depicts class. Demand for foreign made goods is higher than locally made goods irrespective of the standard and quality. Most price of the locally made good which has negative effect on demand and local manufactures. This could be attributed to running cost and source of raw materials

**5.3 Conclusion**

The industrial sector in Nigeria (comprising manufacturing, mining, and utilities) accounts for a tiny proportion of economic activity (6 per cent) while the manufacturing sector contributed only 4 per cent to GDP in 2011. Electricity outages, transport bottlenecks, crime and corruption are the key factors constituting impediments to firm growth. Nigerian manufacturing firms suffer acute shortages of infrastructure such as good roads, portable water, and, in particular, power supply. Electricity outages and voltage fluctuations are commonplace, causing damage to 31 machinery and equipment. Consequently, most firms rely on self-supply of electricity by using generators, which escalates their costs of production and erodes their competitiveness relative to foreign firms. The economic transformation agenda, otherwise known as Nigeria Vision 20: 2020, sets the direction for the current industrial policy in Nigeria. The industrialization strategy aims to achieve global competitiveness for specific processed and manufactured goods by linking industrial activity with primary sector activity, domestic and foreign trade, and service activity. Nigeria is also pursuing a cluster development strategy for manufacturing and processing industries and selected export materials. In this regard, the economic transformation document highlights a number of issues to be addressed, including the development of industrial parks, industrial clusters and enterprise zones and incubator facilities.

**5.4 Recommendations**

Haven completed the study, the researcher recommends that:

The central bank of Nigeria should banned commercial banks from issuing tellers for the importation of selected products that are produced in the country

There should be a national re-branding campaign to educate the masses on the important of patronizing made in Nigeria goods.

The federal government should formulate polices that banned importation of some essential goods that are produce in the country to encourage local manufactures.

The local manufactures should improve on the standard of their product in terms of quality and taste.

The government should come with programs to enhance the growth of local manufactures in terms of financing.

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