



# NATIONAL UNION OF TEXTILE GARMENT AND TAILORING WORKERS OF NIGERIA

## CAMPAIGNS ON LABOUR AND INDUSTRY *2000 to 2017*



International  
Labour  
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# **National Union of Textile garment and Tailoring Workers of Nigeria**

**Campaigns on Labour and Industry**

**A Publication of the National Union of Textile Garment  
and Tailoring Workers of Nigeria (NUTGTWN)**

**2000 to2017**

## **DEDICATION**

**To all members of National Union of Textile Garment  
Workers of Nigeria At 40**

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# **DEDICATION**

# CHAPTER ONE

## INTRODUCTION

At independence, the textile sector contributed more than 50 percent of manufacturing sector contribution to Gross Domestic Product (GDP). Textile is Nigeria's foremost manufacturing industry, using local raw materials (cotton) and employment over a million people – workers, farmers, traders. Infact, textile industry serves as an integrating factor in the country. The Nigerian textile industry was the second largest in terms of volume of productivity in sub-Saharan Africa, after South Africa, with a fixed investment of over N160 billion (US\$4 billion) and great export potentials (UNIDO: 2003).

Apart from the temporary shock of the 80s during the Structural Adjustment Programme (SAP) years which was quickly overcome through a process of backward integration, the industry recorded steady growth operating between 60 and 80 per cent of installed capacity with dominant market share, employing thousands of workers on annual basis.

However, since the beginning of the current crisis in 1997 following the uncritical adoption of WTO guidelines, the industry has witnessed unprecedented decline in operations and the workforce.

The impact of jobs, employment and the economy are quite dramatic; employment decline from 500,000 in the 80s to just around 24,000 in 2008.

This sad development shows why Nigeria's state and government must urgently return to duty. The problems are familiar; smuggling and dumping, high costs of inputs (LPFO and diesel), power failure and high costs of funds among others. All the issues are governance issues.

**As a union we believe that without the industry, there cannot be workers and without workers there cannot be unions. We are therefore committed to reinventing the industry. That has been**

**the guiding principle behind the union's decade long experience in advocacy and policy engagement.**

NUTGTWN with other stakeholders particularly textile employers held series of mass action, advocacy and policy dialogue meetings aimed at strengthening policy intervention and accelerating the revival of the Nigerian textile industry.

As a result of the relentless effort and continued struggle of the union and other stakeholders on the issue of re-industrialization, some stability in the sector is being witnessed. **There is a new hope for revival of the textile industry as confirmed by the recent re-opening of United Nigeria Textile Plc. Kaduna which closed down in 2007.**

This publication documents the engagements of the union and highlights the key issues affecting the industry.

## **CHAPTER TWO**

### **A CASE FOR UNTL PLC**

UNT Plc. Kaduna is about the largest textile factory not only in Nigeria but in Africa. Established in 1965, at full production, it had capacity to employ about 8000 workers in an integrated textile production involving spinning, weaving and printing.

In Kaduna, there are other textile factories like Kaduna Textile Limited (KTL), Arewa, Finetex, Nortex, Poly Fibre that closed shops between year 2000 and 2006 as a consequence of the current crisis of the industry made worse by smuggling, energy crisis and high interest rates. All together these factories provided direct employment for over 30,000 people.

UNT Plc. braced the odds but having to shed jobs through redundancies over the years. As at the time of closing in 2007, there were about 4000 workers still in employment. The closure of UNT Plc. jolted the public, the media and Infact the Kaduna State government. The one time bubbling industrial estate of Kakuri had become complete industrial graveyard with the collapse of UNT Plc. The KadunaState government under the Administration of Governor Namadi Sambo went into action.

It is on record that the Vice President, Arc. Namadi Sambo who was then the Executive Governor of KadunaState made commendable effort towards the revival of the textile industry.

Apart from visiting some of the closed factories, Arc. Namadi Sambo in 2008 inaugurated a Committee comprising all the stakeholders to look into the revival of industries in the State with the revival of textile industry as top priority. NUTGTWN was represented in the Committee by the General Secretary, Comrade Issa Aremu. The present Governor of Kaduna State Mr. Patrick Ibrahim Yakowa was the Chairman of the Committee. The Committee went round the textile industries in the State and came out with a comprehensive report on the way forward.

Power supply was considered very critical to the survival of the industry. Namadi Sambo thus embarked on the construction of a 215 MW power plant to be dedicated to the industrial area of the State to boost the generation of power to help industrialization.

It is not surprising that Namadi Sambo has brought the same zeal and commitment to the office of the Vice President as President Goodluck Jonathan's administration has finally endorsed a N500 billion deal for the revival of the Nigerian Manufacturing sector and the power sector, with the textile sector as a major beneficiary.

The move for greater financial support for the real sector became more imperative as a result of the crisis in the financial sector and the inability of manufacturing sector to access credit to finance operations and stimulate private sector participation in the power sector with the aim of accelerating improved electricity generation for industrial needs.

This new deal was supervised by Vice President Namadi Sambo and the aim is to revolutionise funding for the real sector and breath life into the ailing industries. The fund is to be disbursed to beneficiaries at a concessionary interest rate of not more than 7 percent with a tenor of 10 – 15 years.

The deal covers lending and re-financing of projects, restructuring of existing portfolios to manufacturers and support for investment in industrial clusters power supply. Vice President Namadi Sambo said the intervention by the Central Bank of Nigeria (CBN) was creative because the sector has suffered immensely from infrastructural problem and access to credit.

The CBN Governor, Mallam Sanusi Lamido Sanusi said the banking industry can be the catalyst for the manufacturing sector. He noted also that beyond funding, the CBN provides advice and impact assessment to aid growth of the manufacturing sector. He noted that in the end, the CBN target is economic growth, poverty alleviation, mass employment, and wealth creation.

With this renewed commitment by the CBN and by extension the Federal Government, there are high hopes once again for the return of industries in Nigeria.

The full return of UNTL Plc. is premised on the realization of this cocktail of measures. In the meantime, the Bank of Industry (BOI) fund has proved crucial in the re-opening of UNT Plc. However, the sustained growth and expansion will depend on the commitment of KadunaState government to its supportive policies and the extent to which the Federal government is able to demonstrate consistency in policy and reduction in the incidence of smuggling.

# **CLOSURE OF UNTL: END OF HISTORY OF MANUFACTURING IN NIGERIA**

## **INTRODUCTION**

The Union is considerably at pain to announce the closure of no less a company than United Nigeria Textile Plc. Kaduna. The closure of UNTL has added to the swollen record of closed textile mills in the country.

## **SUCCESS STORY OF UNTL**

Established in Kaduna in 1965, UNTL was a product of developmentalist post-colonial Nigeria. The Northern regional government led by the late Premier, Ahmadu Bello, established first textile industries in Kano and Kaduna to take the advantage of available raw materials like cotton and surplus labour in the region in late 50s. During the competitive Federalism period of 1954-1966, regions engaged in healthy competition for development that included establishment and promotion of industries such as textile mills. Hence, there were the Nigeria Textile Mill in Lagos and Aba and Asaba Textile Mills in old Western, Eastern and Mid-Western regions respectively.

UNTL was established against this historic underdevelopment/development background. Its Chinese owners are part of a group of companies with affiliates in other countries in West Africa, Hong Kong and "overseas". The majority owners were the British registered Cha family of Kong Chinese origin. At the peaks of its production in 1979, UNTL in Kaduna being one of the largest companies in Nigeria employed as many as 8,000 workers. When we combined the employment figure of its Lagos subsidiary, Nichemtex, as many as 20,000 workers were employed. Its installed capacity by 1980 was about 33,000 spindles including 360 modern rotor spindles and 2,300 looms, all shuttle-less. UNTL is not the only integrated mill with spinning, weaving and printing activities. Kaduna Textile (KTL) used to also be an integrated mill. But it was the management style of UNTL that distinguished it from others and made it to be the last standing mill until this week.

Where other textile mills were crippled with indebtedness and operational crisis, UNTL, opted for proactive measures of more disciplined and work-load, backward integration "into spinning to replace the previously imported yarn, investing in associated spinning factories" (Supertex and Unitex), promoted a cotton trading company established under joint industry auspices making the company less vulnerable to raw material crisis. At a time outward orientation was not popular, UNTL was deep into export drive selling some of its produce to the US and by 1990 was said to "be exporting up to 25 per cent of its products". Least resistance measures such as temporary closures and mass terminations were not common features of UNTL management styles. About ten years ago, the company had planned massive investment in garment production with an eye on huge domestic demand as well as export.

### **UNTL CLOSURE: MORE INCOME/JOB LOSSES**

With complete closure of the largest textile mill in the continent, with direct 4,000 job losses and indirect 30,000 (suppliers, trades, cotton growers, etc.) job losses we can as well proclaim from the rooftops the end of history of manufacturing in Nigeria!

UNTL's history is the history of industry, productivity and quality prints, investment, positive economic climate, industrial policy consistency, mass employment, training and skills acquisition, research and development, market, consumption, community and value adding activities in general. An end to all these, mean an end to history of enterprise in Nigeria.

The closure of the company only adds to the deafening noise level of the state of industry in general. Being in the North, the closure will further push the region into abyss of income poverty and human de-capitalization.

### **OTHER CLOSED FACTORIES/JOB LOSSES**

Other factories in the closure list include: Supertex (1,514 workers) and Unitex (901 workers) – subsidiaries of UNTL, Kaduna Textiles Limited (2,436 workers), Arewa Textiles Plc. (2,815 workers), Finetex

(795)/Nortex Limited (1,325, SRC (154) and Blanket Manufacturing Ltd. Kaduna. Others are Aswani Textiles (320), GDM (460), Topstar Nigeria Limited (98), Diamond Spinners (340), NSF (356), Rheka Industries (150), Emar Textiles (270), Arcee (768), Aflon (152), Royal Spinners (407), Enpee Plc. (1,522), Nelco (750), Nigeria Textile Mill, Varaman (96), Daltex (625), Atlantic Textile (900), Texlon (300) and Century Polyester (400) among other in Lagos area. Closed factories in Kano include Kano Textiles (108), NTM (221), Leader (60), Nornit/Veltex (50), Gaskiya Textiles Plc. (1,176), Dangote Textiles (298), etc. Others closed factories include Stretch Fibres (242) Port Harcourt, Aba Textiles (1,479), Asaba Textiles (1,651), Odu'a Textile (330), Carpet Royal Ibadan (35), Nasco Fibres Jos (60) among many others.

It is sad to note that the textile industry maintains rapid decline in spite of government's reform agenda. Direct employment has sharply declined from 137,000 in 1996 to about 25,000 whilst capacity utilization stands at abysmal low level of 30%. In effect about 112,000 direct jobs were lost to factory closures and redundancies occasioned by overall decline in capacity utilization. Overall well over 500,000 jobs have been lost in the sector when other indirect jobs relating to service provision and supplies to the industry are considered.

## **THE PROBLEMS**

### **Smuggling**

The immediate threat factor to UNTL PIC. And industry in general is wholesale smuggling and domination of Northern textile market by smuggled textiles through land borders with Niger Republic as well as ports especially in the last six months. It is sad that at the peak of Sallah season, when domestic mills make sales, major markets at Balogun Lagos, KantiKwari Kano and Onitsha are full of smuggled goods occupying over 80% of market share. Most of these illegal imports are also fakes of the trademarks of Nigerian textiles by Chinese manufacturers.

Nigeria loses annually USD1.3billion on illegal textile imports due to revenue loss on evasion of customs duty and VAT. Smuggled goods are open-ended waivers. Apart from the limitation of the Customs service, the issue is the re-emergence of Cargo/Container economy in which there is official preference for imports from tooth picks to policy advice!

The challenge is to immediately overcome and drop the official mindset of import dependency to real sector domestic value adding activities. It is these radical paradigm shifts that will make the government deliver power for industry, encourage banks to move from double digit to single digit interest rate and make industry competitive as well as protect the domestic market.

### **High Interest Rate**

It is unfortunate that notwithstanding the consolidation in banks, interest rate is still intolerably 2 digits. Industrial development cannot be achieved in an environment where interest rate is very high (above 20%). The exchange rate even though stable at between N125 and N127 to a dollar is still very low assist a real sector that is dependent on imported in-puts. Nigeria needs to learn from industrial economies like Korea and Malaysia where interest rate are below 5% and particularly Japan that sets a zero per cent interest rate on loans for purchase of industrial machineries.

### **High Cost of Energy**

Again, inspite of power sector reform that gulped N300 billion, electricity is still in a poor state. Poor state infrastructure in general and the high cost of LPFO (black oil) and other industrial fuels are responsible for the uncompetitive of locally manufactured textile. Industry is still generator-driven with the attendant implication of prohibitive cost of production.

### **Poor Infrastructures**

Vision 2020 which seeks to make Nigeria one of the strongest 20 economies in the world by year 2020 cannot be achieved if in 2007, just 13 years to 2020 industries particularly labour-intensive industries like textiles are closing down on account of poor state of infrastructure, inconsistent and ineffective policies.

### **Manufacturers Yet to Access the N70 billion**

The union is alarmed that inspite of the official grandstanding and symbolic cheque presentations of N70 billion to textile manufacturers by the Obasanjo administration, one year after, no industry had been able to access the Textile Revival Fund

### **GOVERNMENT SHOULD SHOW MORE INTEREST IN INDUSTRY**

One of the 7-point agenda of President Yar'Adua is wealth generation. The key to wealth generation and economy is industrialization with basic labour intensive industries like textile as the key driver. In the absence of intermediate and secondary industries, total collapse of basic industries like textile means an intolerable return to wholesale de-industrialization of colonial era.

It is commendable that Mr. President's priority is triplicate; economy, economy and economy. But economy as it were has to be created and not assumed precisely because real economy, defined as value-adding activities either in oil and gas or manufacturing is dead. Vision 2020 is blurred and even imperiled 'when domestic investment casually winds up.

## **URGENT MEASURES TO SAVE THE INDUSTRY**

### **Release the N70 billion**

Government should expedite action on the release of the N70 billion Naira Textile Revival Fund through the on-going arrangement with local financial institution such that fund will be made available to manufacturers at an interest rate not exceeding 5%.

### **Special Interest Rate for Textile Industry**

There is need for a special interest rate policy for textile industry as it is for Agriculture such that operating loans can be accessed from Banks at concessionary single digit rates. The Federal government should borrow a leaf from Japan which assists industries to access loans to buy machineries at zero per cent and set up equipment purchase loan facility for industries particularly as most textile industries need to modernise operations to compete effectively in a liberalised market.

### **Introduce Label of Origin Legislation**

Government through the Ministry of Industry and Commerce should partner with the union, textile manufacturers in introducing Label of Origin Legislation as it is done in South Africa. This will require each and every garment and textile product being sold in the Nigerian market to have a label that states where it was made. If it was imported, the importer's company code must be stated on the label as well. This way, it will be easier for the Customs Service to chase some of these illegal imports to the market.

### **China Should Invest In Nigeria**

Government must come to terms with the challenge of China. We are unduly romantic with China with more pains than gains. With 41 real wax factories already established 40 million meters of African prints monthly targeted towards Nigerian markets, via unofficial import channels, it is doubtful if Nigeria's industry can be saved. China should be encouraged to invest here rather than seeing Nigeria as a trading post. Nigeria needs Chinese factories NOT "China Towns" selling China-made-products via Nigerian traders.

### **Buy Home-Made**

Government procurement policies should be strengthened in favour of locally manufactured textiles particularly as it relates to uniforms for agencies like Customs, the Police and the Military.

### **Subsidise LPFO (Black oil)**

Government should include Low Pour Fuel Oil (LPFO) in the Petroleum Equalisation Fund (PEF) to ensure that the products get to manufacturers all over the country at the same rate. One of the most useful ways to assist industries overcome prohibitive production cost is to subsidise the cost of LPFO currently selling above N60 by 50%. The expectation is that in the long run, the cost of LPFO should substantially go down once the refineries in Port Harcourt and Kaduna return to normal production as LPFO like other petroleum products are currently imported through the Lagos port.

### **HALT MORE FACTORY CLOSURES**

When primary-labour textile mills are as endangered through closures, the point cannot be over-emphasized that Nigeria is on the verge of de-industrialisation. This unsavory development scares foreign investment in the sense that every closed factory serves as disincentive to potential investor. Factory closures take Nigeria far away from targeted Millennium Development Goals (MDGS) of poverty reduction.

Issa Aremu mni.  
General Secretary

Reginald Agulana  
President

## **CHAPTER THREE**

### **POLICY DIALOGUE**

In recognition of the fact that Union's campaign and advocacy had culminated in the emergence of several supportive policies such as the ban on textile import between 2003 and 2007, the introduction of Export expansion grant, the 100 percent textile material and 100 billion naira textile and cotton intervention funds. Some of these policies had brought succor to the industry in the past. Rather than strengthen and sustain some of these policy measures, we have witnessed uncritical reversal of policies by successive governments.

This situation prompted the union to initiate the policy dialogue forum on the revival of the Nigeria Textile Industry in collaboration with the Friedrich Ebert Foundation. In 2008 the first policy forum identified energy supply and smuggling of fake and counterfeit textile as key challenges to the industry.

The Bank of Industry has since taken over the management of the funds and has already commenced disbursing to manufacturers. The problem of the industry however goes beyond funding as there are still a number of challenges including the following

- High cost of LPFO and Gas
- High rate of exchange
- Low demand of made-in-Nigeria goods
- Absence of clear industrial policy
- Unrestrained importation of fake counterfeit and substandard textile
- Smuggling

These and other issues featured in the second policy dialogue meeting in October 2009 with an enlarged participation including law-makers and other small scale producers. These series of activities led to a public hearing of the two houses of National Assembly (the senate and House of Representative) and had ignited the then Honourable Minister of Commerce and Industry Chief Achikeudenwa to propose an expanded intervention fund for industry. Ultimate, the current N200 billion

intervention fund for the real sector by the CBN had its roots in all of these policy engagement processes.

To build on the momentum the third policy dialogue held in October 2010 assessed the impact of the existing intervention programmes. It was also aimed at strengthening the collaborative involvement of stakeholders in the policy process as a way of sustaining the pressure for supportive policies for the revival Textile Industry in Nigeria. This year's forum proved quite useful in throwing up the gray areas in the implementation of the 100 billion Cotton and Textile Garment (CTG) fund as manufactures and Bank of Industry (BOI) official engage the issues of stringent conditions, 30% counterpart funding and additional charges.

Participants also urged Federal government to accelerate action on power generation and enforcement of standard and ensuring that imported goods attract correct duty payment.

**SOME NOTES BY COMRADE ISSA AREMU mni. GENERAL SECRETARY, NATIONAL UNION OF TEXTILE GARMENT AND TAILORING WORKERS OF NIGERIA/VICE PRESIDENT, NIGERIA LABOUR CONGRESS (NLC) AT THE 3<sup>RD</sup> POLICY DIALOGUE ON THE REVIVAL OF NIGERIA TEXTILE INDUSTRY ORGANISED BY THE NATIONAL UNION OF TEXTILE GARMENT AND TAILORING WORKERS OF NIGERIA IN COLLABORATION WITH FRIEDRICH EBERT FOUNDATION (FEF) THURSDAY NOVEMBER 4, 2010**

**THE PROBLEM**

A comprehensive industrial survey by Manufacturers' Association of Nigeria (MAN) was published on Sunday, 31<sup>st</sup> of October, 2010 in Sunday Punch newspaper. According to the survey, a total of 834 manufacturing companies in Nigeria closed shops 2009 as a result of their inability to continue to cope with the challenges posed by the harsh operating environment in Nigeria. This survey is all inclusive of all companies. It does not say textile companies alone. Because of the advocacy and loud voice of Textile Union and Textile Manufacturers' Association, the impression has been created that only textile industry is distressed.

From this MAN survey it is clear that it is the entire Nigerian economy that is de-industrializing. According to the survey, besides the almost 1000 companies that have closed down, about half of the remaining operating firms have been classified as "ailing," a situation according to MAN "that poses a great threat to the survival of manufacturing in the country in the next few years".

Paradoxically this shocking news has not moved the nation. I am yet to read the reaction of the Presidency and that of the federal Ministry of Commerce and Industry to the near total collapse of manufacturing in Nigeria. The allocation of new oil wells captured imagination while 1000 companies closed down have not moved the nation.

Indeed, the first Federal Executive Council meeting after this damning report of MAN, debated Alhaji Dangote's Committee on jobs creation. The report says that as many as 15 million jobs can be created through public and private sectors initiatives in five years. But how can these jobs be created when as many as 1000 companies closed shops alone in 2009 and we are already losing millions of jobs now? An economic analyst and former United Nations Development Programme's top economist, Dr. Warea Thomas, reacting to MAN report said, "... **when a company stops operation, the workers there become the frontline victims. If 834 firms were officially given by MAN to have closed shop in 2009, it is easy to speculate that not less than 83,400 jobs were lost in that year alone, if we assume that they were all medium-size manufacturing firms, with each having 100 workers. "Apart from job losses, the depletion to the national Gross Domestic Product and a scare syndrome it creates to the outside investment market are serious reasons why the government should consider tackling the problems associated with the declining trend headlong."**"

The truth is that Nigeria must resume development through industrialization. For now development and industrialization are on recess in Nigeria. We have become a notorious importing nation

from, tooth picks to branded cars, from fake drugs to hand grenades and rocket launchers. Nigeria is indeed a container economy. Wholesale importation as opposed to domestic production is not only killing millions of jobs but today importation of anything including arms is now a threat to our sovereignty and security as a nation.

## **WHAT ANNIVERSARY CELEBERATION?**

We are still celebrating 50 years of independence. But in real terms, out of these fifty years, about 40 years can be said to be celebration of oil and gas. Only 10 of these years (from 1960-72) can be said to be development decade in which Nigeria's GDP was driven by manufacturing and agriculture. In fact in the first decade when Nigeria relied on industry and agriculture, Nigeria's GDP was ahead of that of Indonesia and Malaysia. Sadly the budget of Nigeria in 2010 is 95 percent financed by oil and gas which still remains an extractive rather than a value adding industry.

## **INDUSTRY IN THE NEXT 50 YEARS**

Today we must resolve to make the next 50 years, 50 years of non-oil manufacturing sector if Nigeria would be part of the 20 leading economies in 2020 and beyond. We have witnessed a lot of state activism in recent times with respect to electrification and industrial financing. We commend the Federal government especially the Vice President Arc. Sambo Namadi who through the CBN and BOI have made industrial financing easier. However it is not over until industries that have closed down reopen. It is not over until industries that have relocated return to Nigeria. It is not over until manufacturing makes up to 25 per cent of the country's GDP. It is not over until millions of unemployed youths return to the industries adding

value and acquiring skills. It is not over until we eradicate poverty through job creations in manufacturing.

In the said survey above, the President of MAN, Chief Kola Jamodu, identified the problems of the manufacturing sector as institutional and policy challenges. This policy dialogue is part of our contribution to look for ways to reinvent industries.

We must Reaffirm Commitment to Industrialization in Nigeria. There is an urgent need for Nigeria and indeed Africa to reinvent industry and industrialization. There is a direct relationship between industrialization, employment and poverty eradication. Infact there is no way Nigeria can meaningfully address the problem of poverty without addressing the production issues. As important as oil and gas industry and solid mineral resources may be, they are exhaustible. In any case there are abundant evidences to show that extractive industries are the curse rather than blessings for sustainable development in developing countries. Employment is a derived factor. The challenge therefore is to revive the real productive sectors of the economy and creatively engage the unemployed in value-adding activities.

## **WAY FORWARD**

Appreciating the Primacy of Textile and Garment Industry in Global Economy

The revival plan for Nigeria's textile and garment industry must rest on the collective appreciation of the importance of this industry for economic diversification, global competition, economic integration, employment

generation and poverty eradication worldwide. ILO (2005) offers a comprehensive "rapid impact assessment" of the Textile and clothing industry globally after the phasing out of Multi Fibre Agreement (MFA) in January 2005. Despite the anxiety and uncertainty that followed the possible adverse impact of China's exports in post MFA environment, this report shows that textile and garment industry worldwide is still a lead manufacturing player and provider of billions of jobs especially for women. For instance, TC is central to China's industrialization and transformation. The industry directly employs as many as 19 million workers with additional 80 million dependants. In 2004 alone China earned as much as US\$61.62 billion in exports value through textiles. Textile industry is the largest employer of labour after agriculture in India. The sector accounts for 14 per cent of the country's total industrial production. Between 2004 and 2005, India was expected to have created one million additional jobs as the country increased its share of world trade in textile and clothing. In Turkey, the sector produces goods worth US\$30 billion annually. The industry accounts for 16.3 per cent of the country's industrial production and 18.7 per cent of manufacturing. In a country with large informal sector, textile and garment sector employs more than 30 per cent of industrial employment.

In Africa the industry assumes special importance in the overall economic performance of many countries. Egypt's exports of textiles to United States of America amounts to US\$615 million annually. In Kenya, in 2004 alone, the industry earned US\$261million textiles exports. The industry employs

as many 39,000 workers. In 2005 Kenya exported US\$60million worth of textile products to United States and that was a drop of 13 per cent i.e. US\$9 million compared to the same period in 2004. Lesotho took advantage of African Growth and Opportunity Act (AGOA) to almost transform its economy in the past few years. In 2004, the industry accounted for 90 per cent of the country's total exports employing as many as 56, 000 workers, making the sector the largest employer of labour. In both Morocco and Tunisia, textile and clothing sector is the mainstay economies employing 201, 000 and 250,000 workers respectively. The exports of textile totalled US\$3.7 billion in 2004. The ILO report indicates that while the industry faces the challenges of competition leading to some job-losses, Nigeria proves an exception as the only country in which the industry was on the verge of total collapse. Namibia's nascent textile and garment boasts of "competitive edge in the United States the AGOA and in the EU market under the Cotonou agreement" while Nigeria's industry which by early 1990s was the second largest after Egypt "appears to be on the verge of total collapse". The challenge is for Nigeria to reinvent and protect its textile industry consistent with global practices of promotion of manufacturing and industrial employment.

**APPRECIATION** - Special thanks to Bank of Industry (BOI) and Friedrich Ebert Foundation (FEF) for keeping this policy dialogue alive.

## CHAPTER FOUR

### **Letters and Memoranda**

The union remains focused to its commitment to the revival of industries and the principle that consistent favorable policy is key to Textile Industry Revival.

Over the last ten years, several letters, memoranda, and position papers have been written to the different tiers of government and particularly the Federal Ministry of Commerce and Industry and the National Assembly.

Some of the key issues highlighted include the incessant increases in the prices of LPFO which jumped from 12.21 in May, 2005 to N57 in June 2009. The union also argued the case for preferential allocation and pricing of LPFO for Industrial use.

Several correspondences also focused on the administration and implementation of the textile intervention fund which was raised from the initially proposed 50 billion to 70 billion and later to 100 billion, to include intervention for strengthening cotton production locally.

According to UNIDO report, cotton production had declined from 98,000 to 55,000 between 2002 and 2008 (UNIDO report 2009).

It is important to recall that Nigeria had been a notable cotton producer with cotton production in excess of 443,000 tonnes in 1976.

Other issues of concern raised in union submissions include that of smuggling and the damaging impact it has on the Industry.

**THE SUBMISSION TO THE HOUSE COMMITTEE ON INDUSTRY ON  
REVIEW OF WORLD TRADE ORGANISATION AGREEMENT BY  
NATIONAL UNION OF TEXTILE, GARMENT AND TAILORING  
WORKERS OF NIGERIA JULY 31, 2001 ABUJA, NIGERIA**

**THE IMPACT OF WTO AGREEMENT ON TEXTILE INDUSTRY**

In January 1997, the Federal military government without consultation with the operators in the industry lifted the ban on importation of some products including textile articles. The policy was announced without prior notice for the industry's operators to adjust to the problems and challenges arising from wholesale liberalisation. That singular policy reversal marked the worst expression of military dictatorship!

The official reasons for the lifting of the ban on imported textiles then were three-fold; the need for Nigeria to comply with World Trade Organisation (WTO) agreement, the need to improve on the quality of locally produced fabrics through exposure to foreign competition and the need to make textile products affordable to consumers through reduced prices.

**Previous Protests and Representations**

Our union together with all other stakeholders in the industry immediately protested this sudden policy reversal insisting that it was ill-informed and undermined the avowed commitment of government to boost local production, create investment-friendly environment and promote employment generation. Indeed, we pointed out that none of the officially advanced reasons was valid and sustainable.

On international trade agreement, we recalled that when Nigeria rightly banned the importation of textile products two decades ago, it was done with patriotic zeal to protect the domestic industry taking the advantage of the domestic market. This patriotic policy led to the growth and expansion of the textile industry. This reason, we insisted and still insist remains valid today. Even in advanced countries such as America, European Union, Pakistan, India, Malaysia, their borders are far from being completely open to such labour intensive goods as textiles.

In the case of America and European Union, under the new World Trade Organization (WTO) agreement, which ostensibly Nigerian officials predicated its uncritical lifting of the ban, quota restrictions are still in force up till year 2005. With respect to China, not only is it the leading exporter of textile products but even as it desperately strives to join WTO together with countries such as India, it still imposes effective ban on the importation of textile fabrics of all descriptions. What then is the justification for Nigerian economy that can benefit from more protection of its only surviving industry to completely lift ban in 1997?

On the official assumption about poor quality of Nigerian textiles, we pointed out that it was not informed and certainly was unpatriotic to officially assume as such. Notable players in the industry, namely United Nigerian Textile Plc, Nichemtex in Lagos, Churchgate, Arewa Textile Plc and Afprint have won various productivity/quality awards by official National Productivity Council and Nigeria Standard Organization. Even outside the shores of Nigeria, quality of Nigerian fabrics is acknowledged as evidenced by reported high demand for their products. During the recent historic visit of President Bill Clinton to Nigeria, the entourage team led by Deputy Labour Minister Mr. Edmond Montgomery visited United Textile Nigeria Limited, Kaduna. It was remarkable that the team left with deep impression of quality production produced by this company and indeed was convinced that the industry was capable of taking advantage of the celebrated African Growth and Opportunity Act (AGOA), which allows for export of goods, including textile products to US market.

Lastly, we indicated that while the official concern about the level of domestic prices was legitimate, importation was certainly no solution and was actually a disservice to the economy. We called on the government to focus on how to make domestic industry more competitive and minimise the price advantage of imported textile materials rather than opting for unpatriotic options of imports from world's Export Processing Zones (EPZs) in which government builds the factories with all the infrastructure and comprehensive incentives denied the Nigerian industries.

Subsequently, our union made several pleas to government for policy adjustment and reversal, all of which were not considered by previous governments as this notorious policy still subsists. Notable representations

made to past Chief of General Staff and Honourable ministers of Industry identified the following negative impact of government's policy as follows:

- (i) Potential threat to the survival of the textile industry, which ranks as the first generation industry.
- (ii) Threat to employment of millions of workers and their dependants in this labour intensive industry.
- (iii) Threat to industrialisation process of the nation.
- (iv) Threat to national security, as country that cannot meet basic needs, as textile products cannot be said to be secured.

## **EFFECTS AND IMPACT**

Four years after this policy was imposed on the economy and our legitimate outcry was ignored by the government, our fears about its possible adverse effects are not only right but also grossly underestimated given the devastating impact of the policy on the textile industry so far.

### **DUMPING**

- (i) Nigerian markets are now filled with dumped finished textiles heavily subsidized by the home governments of the exporters and in some cases produced under inhuman conditions using child labour and prisoners. This problem is further compounded by the financial and economic crisis in South East Asian countries, which led to dumping of cheaper goods from these countries. Proof of dumping are:
  - a) **Under Pricing**:- Foreign textiles are sold at prices far below their actual cost. For example, the cost price of a 6-yard piece of foreign African Print is N510 while it is sold at only N400. A detailed break up of cost and price calculation. Hence it is apparent that foreign textiles are underpriced by 25%.

- b) **Under Declaration:-** Quantity in containers imported through Nigerian ports is under declared to the extent of 50%. This is proved by an actual shipping document submitted herewith as a proof to that effect.
- c) **Surge in Imports:-** There has been a "sharp and substantial" increase in the quantity of foreign textiles, which have taken over 50% of market share from hardly a 3% before lifting of the ban. During this period, the capacity utilisation in the manufacturing sector dropped to 28%.
- d) **Volume of Foreign Textiles:-** In 1999 the volume of foreign textiles was estimated at 200 containers per month or 200 million metres valued at approximately US\$200 million, about 30 - 40% of which is African prints alone. In 2000, the volume is increasing at an alarming rate.

### **SECOND HAND TEXTILE CLOTHING**

(ii) Although the ban on second hand clothing still subsists. These products are found everywhere in the country not minding the health hazards involved to the citizens. Indeed, **smugglers are now ruling our economy to the detriment of local manufacturers!** This is bound to undermine the effort of the new democratic government to attract foreign investors, since nobody will be willing to engage in long-term investment when trading in smuggled goods is more profitable and attractive. Indeed dumping of foreign textile products undermines the considerable efforts of President Obasanjo to attract foreign investment.

### **UNSOLD LOCALLY PRODUCED GOODS**

(iii) The warehouses of our companies and distributors are filled with unsold stocks, leading to substantial tie up of funds. The results for the industries are injurious; many textile firms now owe various suppliers billions of Naira, as their money is blocked in the market due to credit sales to customers that are not selling.

### **LOW CAPACITY UTILIZATION**

(iv) Reduction in capacity utilisation to all time low level of 28%, which was about 45% a year before lifting the ban.

### **JOB - LOSES**

- (v) Today, over 200,000 employees have lost their jobs due to closures, distress and reduced capacity utilisation, with the possibility of further 150,000 job losses in the nearest future. This excludes direct threat to sources of livelihood of cotton farmers, contractors, suppliers, dealers and millions of dependants of employees.

### **LOSS OF GOVERNMENT REVENUE**

- (vi) Loss of revenue to government arising from diversion, under-invoicing, wrong declaration and other sharp practices by unscrupulous importers. Our findings show that smugglers import their goods through Cotonou free port and smuggle the goods into Nigeria by land and directly sell to traders in notable smugglers' markets like in Lagos and Kano. Thus government does not actually get any revenue from this network of smuggling!

### **DE-INDUSTRIALIZATION**

- (vii) **De-industrialisation of the country:** - Rather than encouraging manufacturing which is value added, trading in imported fabrics is being encouraged. Some operators in the industry with plans for further investments have put it on hold because the policy now makes it more attractive to import fabrics.

### **LOST - INVESTMENT**

- (viii) This has led to financial distress in the industry whereby many companies cannot fulfil their obligations to financial institutions and even to their workers, as salaries are either being delayed or not paid. Redundancies are now the order of the day. Indeed many companies had invested billions of Naira to modernize their machinery and technology at high interest rate only to now face the problems of unsold goods, which in turn undermine their capacity to recoup their investment. Many have closed, while a great number have scale down operations. (see appendix one)

## **Our Demands**

The importance of textile industry like any primary industry such as food and beverages and agro-allied cannot be over-emphasised. The advanced economies of Europe and America were built on textile, agriculture and construction. Textile industry forms the bed-rock of newly industrialising countries of Asia, namely India, Indonesia, South Korea and Malaysia. In India, 1 out of 5 jobs is in textile industry. India actually has Ministry of Textile with a Minister and Commissioner to supervise it. In Syria, 3% of the population is in cotton and textiles production.

In Nigeria, as a labour intensive industry, it is the largest employer in the private sector. About 198 textile and allied industries exist in the country today with a total investment of ₦40 billion and annual turnover of ₦20 billion. At full capacity, the industry is capable of employing one million workers producing 1.4 billion metres of cloth from 21,000 looms. Installed spinning capacity is reported to be 300,000 metric tons per annum. Indeed the textile industry is second to government in the aspect of employment generation.

Sir, it is against this background, we demand that government should protect this industry, tap its potentials for economic recovery, employment generation and poverty alleviation rather than destroy it on alter of uncritical and unrestrained trade liberalisation.

What must distinguish the present democratic government from the past military dictatorship will be the extent to which it shows sensitivity and responsiveness to the outcries of its corporate citizens about their problems, as being demonstrated by this committee. One major problem facing this country today lies on how to revive and protect our industries, create employment for mass of millions of unemployed and protect of national economy within the context of globalisation. We have full confidence that Nigeria has a democratic and representative government with clear commitment to live up to this challenge.

Already, the government is taking commendable steps to sanitise public utilities, which will greatly minimise the incidence of high costs of production. Also, the governments expressed commitment to employment generation; particularly the new policy of creating 5 million jobs in the next

one year will be undermined by specific policies, which threaten existing jobs. The disposition of the present democratic government should therefore inform policy prescriptions as opposed to a blind commitment to market forces and trade liberalisation. Above all, given the problems of low capacity utilisation, high level of unemployment and poverty, it is our patriotic submission that revival of industry, job creation and prevention of job losses must form the primary criterion informing policies in the country.

The destruction of industries and jobs through uncritical and wholesale trade liberalisation only make mockery of the effort to attract investment and create new jobs in the country.

It is against the above background that we hereby humbly pray that steps are urgently taken by government to avert the imminent collapse of Textile Industry.

- (i) **Re-impose a temporary ban for 4 - 6 years on import of textiles:** - A temporary protection for 4 - 6 years as provided under World Trade Organisation (WTO) Safeguards could enable the domestic industry to prepare itself for global competition by **improving its internal efficiency in terms of cost and quality.** In the meantime, the government could provide the industry with a level playing field comprising:
  - (a) Improved infrastructure
  - (b) Increased access to export markets
  - (c) Increased export incentives
  - (d) Availability of short and long term funds at competitive rates.

There are adequate safeguards available under WTO to save the domestic industry from damaging surges in imports. It is under the following provisions enshrined in WTO principles that a temporary ban should be re-imposed. This is substantiated by extracts from WTO Agreements hereby attached.

1. Agreement on Safeguards ("SG Agreement")  
Under the Agreement on Safeguards a country is allowed to take "emergency actions" with respect to increased imports of particular products, where such imports have caused or

threaten to cause serious injury to the importing Member's domestic industry".

## **2. Transition Safeguards:**

Even developed countries were granted a period of 10 years (1995 - 2005) to prepare themselves for import liberalisation. Article 6, Clause 1 of the Agreement on Textiles & Clothing provides **"that during the transition it may be necessary to apply a specific transitional safeguard mechanism"**

## **3. Special and Differential Rights:**

The Special and Differential (S & D) clause provides special treatment to developing countries such as "more flexible terms within specified time limits; e.g. longer transition periods, smaller commitments." Under the S&D provisions "developing country members may extend the application of a safeguard measure by another two years beyond that is normally permitted" (normally 4 years).

4. There are numerous cases where other countries have used WTO Safeguards to rescue their domestic industry. Therefore, our plea of temporary ban on imports for a period of 4 - 6 years is fully within the scope of WTO principle.
  - (ii) Measure should be put in place to enforce existing ban on fairly used clothing.
  - (iii) Textile manufacturers should be given a period up to 2005 to modernise and gear up for globalisation of trade.
  - (iv) Petroleum products should be made available for the use of all facets of the economy.
  - (v) Society should be enlightened of the immediate repercussion of patronizing cheap quality materials, being dumped by the Asian countries.

It will interest the Committee to know that other third world countries, organisations and experts shared the same opinion with the committee

that the WTO is intended to develop the economics of the less developed countries. Please find attached (appendix two) submission of one of a non-governmental organisation; Third World Network, committed to the growth of economics of the third world economy.

ISSA AREMU

**GENERAL SECRETARY**

August 18, 2005

Engr. (Dr) Funso Kupolokun  
Group Managing Director (GMD)  
Nigeria National Petroleum Corporation (NNPC)  
NNPCTowers  
Abuja.

Sir,

**RE: RECENT INCREASE IN PRICE OF LPFO – APPEAL TO SAVE THE TEXTILE INDUSTRY**

On behalf of the National Executive Council (NEC) OF OUR Union, we hereby convey to you the warmest greetings of thousands of our members whose jobs are now at stake following the recent increase in price of LPFO, a major raw material used in the industry.

The industry operators have raised alarm on the implementation of the new price of LPFO from N12.21 per litre to N30.40 effective from August 17, 2005 to the survival of the industry.

Already, we have been inundated with notices of closure by the very few existing factories. Sir, the livelihood of over 50,000 of our members under the industry's direct employment and their dependants is at risk including numerous customers and suppliers who also rely on the industry for their living.

The point cannot be over – emphasized that the future of any nation lies in industry and enterprise in terms of provision of goods and services and employment opportunities. We acknowledge the commitment of the Federal Government in the great task of transforming the nation from existing intolerable underdevelopment to progress and development by rebuilding domestic industries, creating jobs for the army of unemployed and consequently eradicating poverty. These efforts would however be undermined if the policy measures that are at variance with the good intention of government are imposed on the local industries such as the latest increases in prices of LPFO.

**It is against this background that we appeal to you to save the industry from total closure by urgently reverting to the old price or**

**grant concession sales to labour intensive industries like Textiles that essentially rely on the product for production. Your prompt intervention to save the industry will also be consistent with the passion and commendable commitment of Mr. President to save the Industry.**

We implore you to listen to the outcry of stakeholders and use your good office to save the industry from folding up by urgently facilitating the review of the recent price increase. Anything less than this would spell doom not only for the textile industry but also the entire economy. We enclose herewith, copy of the circular to all Marketers on the increase.

While counting on your co – operation, please accept our wishes and the renewed assurances of our esteemed regards.

Yours faithfully  
For and on behalf of NUTGTWN

Reginald Agulanna  
**PRESIDENT**

Alhaji Umaru Mohammed  
**Ag. GENERAL SECRETARY**

January 5, 2006

Mrs. Nenadi Usman  
Honourable Minister of State  
Federal Ministry of Finance  
Abuja.

Dear Madam,

## **RE: WAIVER FROM IMPORT PROHIBITION LIST TO LACE MANUFACTURERS**

On behalf of the National Executive Council (NEC) of the Union, we convey to your Honourable Minister the warmest greetings of our members in the New Year.

We wish to formally acknowledge the effort of the Government aimed at resuscitating the textile industry and saving the jobs of thousands of workers in the industry. We particularly appreciate the policy to sustain the prohibition on import of textiles under the recently introduced Common External Tariff (CET). Nevertheless, we express our deep concern over grant of waiver to certain companies to import Polyester Filament Yarn and Fabrics.

We are surprised that out of the seven companies allowed to import Polyester Filament Yarn, only three are active and the remaining ones are either non-functional or are not engaged in lace manufacturing.

Also, only a few of the said companies are part of Nigerian Textile Manufacturers Association (NTMA) or Organised Private Sector (OPS). Their products may also not be registered with Standard Organisation of Nigeria (SON) as statutorily required for all manufacturers. The implication is that the concessions may be abused to undermine the economy, as seen in similar waivers given in the past.

The point cannot be over-emphasized that the industry has made renewed investment based on commitment made to Mr. President. However, special concessions such as above do undermine the policy to resuscitate the sector.

**In view of the above, we appeal that import prohibition on all types of Yarns, especially polyester Filament Yarn and Polyester Fibre should be sustained to save thousands of jobs which are at stake.**

While counting on your usual support and co-operation, please accept our best wishes and the renewed assurances of our esteemed regards.

Yours faithfully,  
For: **NUTGTWN**

Issa Aremu **mni.**  
**GENERAL SECRETARY**

Reginald Agulanna  
**PRESIDENT**

cc: Federal Ministry of Industry  
cc: Special Adviser on Manufacturing & Private Sector  
cc: Nigerian Investment Promotion Council  
cc: Director General, Manufacturers Association of Nigeria (MAN)  
cc: Director General, Nigerian Textile Manufacturers Association (NTMA)  
cc: Special Adviser to the President on Policies & Programmes Monitoring

July 26, 2006

His Excellency  
Chief Olusegun Obasanjo GCFR  
President and Commander-in-Chief  
Federal Republic of Nigeria  
Aso Rock Villa, Abuja.

***Through: The Honourable Minister of Finance, Mrs. Nenadi Usman***

Your Excellency Sir,

**RE: PROPOSED N50 BILLION INVESTMENT ON TEXTILE**

On behalf of the National Executive Council (NEC) of the Union and the generality of our members, we wish to formally express our deep appreciation to your Excellency for the proposed unprecedented Federal government N50 billion support fund for textile industry. This commendable initiative is consistent with our long-standing demand and suggestion that only public/private sector partnership will revive the industry.

The industry definitely could do more with additional substantial intervention funds for retooling and minimizing the ever rising production costs. However, the N50 billion gestures to be lent at concessionary rates to industry operators to replace obsolete machinery will nonetheless enhance relative competitiveness of the industry and get thousands of jobless textile workers back to work.

As a stakeholder in the industry, we have maintained that the laudable objective of NEEDS to create 7 million jobs will prove a mirage if labour intensive industry like textile remains depressed. The proposed N50 billion Naira investments if reinforced with policy consistency and infrastructural development will help to revive the industry.

We are even more delighted that the Honourable Minister of Finance, Mrs. Nenadi Usman had promptly inaugurated a Presidential Panel to raise the funds. We however observed that this Committee could be made more inclusive to include workers' representatives (labour).

Both government and labour are two major stakeholders who are generally concerned with bigger issues of employment and industry and only them can

compliment each other. Industry operators are vested interest driven, such that fund raising responsibility is too important to be left to them alone. We request for the inclusion of at least two (2) representatives drawn from the Nigeria Labour Congress (NLC) and the National Union of Textile, Garment and Tailoring Workers of Nigeria (NUTGTWN) respectively to ensure effective fund raising, monitoring and judicious utilization of the funds. It is our sincere hope that your Excellency will give due consideration to our appeal.

Once again, please accept our appreciation and the renewed assurances of our highest regard.

Yours faithfully,  
***For and on behalf of NUTGTWN***

Issa Aremu **mni.**  
**GENERAL SECRETARY**

cc: President, Nigeria Labour Congress (NLC)

January 22, 2007

Dr. Aliyu Modibo  
Honourable Minister  
Ministry of Commerce and Industry  
Federal Secretariat  
Abuja.

Sir,

**RE: STATE OF TEXTILE INDUSTRY**

On behalf of the National Executive Council (NEC) of the union and the generality of our members, we convey to you our warmest greetings in the New Year.

This is to formally express our gratitude for your patriotic effort and determination to revive the Nigeria textile industry. In particular, we watched with profound appreciation your exceptional ministerial media campaign for textile industry in the Nigeria Television Authority (NTA) on Saturday January 20, 2007. No Honourable Minister of the Federal Republic of Nigeria has openly exhibited a resolve in intention and actions to save a strategic non-oil industry as you did at weekend in an independent programme like Weekend File. We are even more impressed by your remarkable attention for details as demonstrated by your display of basket of fake and genuine textile fabrics.

As a stakeholder in the industry, we have consistently maintained that textile industry is **NOT a LOST CASE**. The laudable objective of NEEDs to create 7 million jobs will prove a mirage if labour intensive industry like textile remains depressed. Your open acknowledgment of the problem and resolve to make a decisive impact is all we need to push the industry into recovery. If there is the political will, there will be many ways to revive this all-inclusive national industry.

As the Chairman of the Presidential Adhoc Committee on Cotton and Textile, you can count on the support of our union to revive the industry. As a matter of Infact, we have long intimated Mr. President that Committee to revive the industry will be enriched by participation and involvement of trade union.

While thanking you for all your effort, please accept our best wishes in the New Year and the renewed assurances of our esteemed regards.

Yours faithfully,  
***For and on behalf of NUTGTWN***

Issa Aremu **mni.**  
**GENERAL SECRETARY**

January 14, 2008

His Excellency  
Alhaji Umaru Musa Yar'Adua GCFR  
President and Commander-in-Chief  
Federal Republic of Nigeria  
Aso Rock Villa, Abuja.

***Through: The Honourable Minister of Labour and Productivity, Dr. Muhammed Hassan Lawal***

Your Excellency Sir,

**RE: PROPOSED N70 BILLION TEXTILE REVIVAL FUND**

On behalf of the National Executive Council (NEC) of the Union and the generality of our members, we wish to formally express our deep appreciation to your Excellency for your renewed commitment to revive the moribund textile industry through the proposed N70 billion support fund for the industry.

This commendable initiative first instituted by the past administration of Chief Olusegun Obasanjo is consistent with our long-standing demand and suggestion that only public/private sector partnership will revive the industry. Unfortunately, this noble agenda was not actualized by the past administration. It is therefore to the eternal credit of your administration that practical steps are now being taken to make the proposed fund available to industry operators with a view of reviving the labour-intensive textile industry.

This gesture will go a long way in enhancing the relative competitiveness of the industry and get thousands of jobless textile workers back to work. Indeed the proposed N70 billion Naira investment if reinforced with policy consistency and infrastructural development will help to revive the industry.

As a stakeholder equally concerned with the bigger issues of employment and industry, our union will partner with the Nigeria Labour Congress (NLC) and the Nigeria Textile Manufacturers Association to ensure effective monitoring and judicious utilization of the funds such that the good intention of government to revive the textile industry and create job opportunities is realized.

Once again, please accept our appreciation and the renewed assurances of our highest regard.

Yours faithfully,  
***For and on behalf of NUTGTWN***

Issa Aremu **mni.**  
**GENERAL SECRETARY**

cc: President, Nigeria Labour Congress (NLC)  
cc: DirectorGeneral, Nigeria Textile Manufacturers Association  
cc: Honourable Minister of Commerce and Industry  
cc: Honourable Minister of Finance

## **M E M O**

**TO: HIS EXCELLENCY, ALHAJI UMARU MUSA YAR'ADUA**  
(GCFR) PRESIDENT, FEDERALREPUBLIC OF NIGERIA

**THROUGH: HIS EXCELLENCY, GOVERNOR BABATUNDE**  
RAJI FASHOLA (SAN) EXECUTIVE GOVERNOR,  
LAGOSSTATE

**DATE:** 23RD APRIL 2009

**SUBJECT: RE-INDUSTRIALIZE NIGERIA, CREATE**  
**JOBS CAMPAIGN**

### **APPRECIATION**

We acknowledge your unusual approach to governance and have followed with keen interest, the steady progress you have made in bringing about change in LagosState, through unprecedented infrastructural development.

We sincerely share in your aspiration and wish to state that Nigeria needs radical change and a shift in development paradigm that will ensure a return to post-independence era of stable macro-economic environment and steady infrastructural support for industries.

It is painful that Nigeria remains a poor country in spite of the huge and monumental human and material resource endowment. Unemployment remains intolerably high amidst unending cases of industrial closure and gross under-utilization of industrial capacity. A situation that has been made worse by unending crisis of electricity supply over the last two decades and a half.

At independence, the promise was that of economic prosperity and National development across the geo-political zones in the country. Sustained industrial development was boosted with massive infrastructural development by Federal and State governments through establishment of industrial estates like Isolo, Ilupeju, Ikorodu in Lagos, Sharada, Challawa and Bompai in Kano, Kakuri in Kaduna, Trans Amadi in Port-Harcourt and Oluyole in Ibadan among others. At the Federal level, stable macro-

economic environment coupled with efficient and effective policy regimes ensured focused industrial development across the nation. In fact, in 1990, manufacturing made a significant eight (8) percent contribution to GDP. Almost two decades after, Nigeria has engaged the reverse gear in industrial growth with manufacturing contributing a mere three (3) percent to GDP in 2008.

It is incorrect to blame the current crisis in industries entirely on the implications of international trade and the challenge of global competition. The state of affairs is more a reflection of the virtual destruction of the very structure and systems that produce these industries in the first place.

The creation of consistent, sustainable and conducive macro-economic for industry remains a key goal for any nation that is keen to be an active player in the emerging global business environment.

It is against this background that we are embarking on the campaign to reverse this trend of de-industrialization through pressure and advocacy for friendly business environment, stable macro-economic policy, consistent, clear and focused industrial strategy and above all good governance at council of states that will ensure value addition and job creation through patronage of made in Nigeria goods.

## **THE PROBLEM**

Almost two decades after, Nigeria has engaged the reverse gear with sharp industrial decline in industrial growth with manufacturing contributing less than 3 percent to GDP in 2008, mass factory closures, mass unemployment and unhelpful wholesale dependence on Government.

## **REAL SECTOR IS DYING**

The journey to de-industrialization is not just limited to the textile sector. The entire footwear and leather sector is virtually dead. Even the print media is currently feeding on imported newsprint as all the local newsprint companies like Oku-Iboku, Jebba and Iwopin remain under lock and key. In the construction industry many local firms have closed shop and the big multi-nationals are reducing workforce in large number as the leadership of

the union reported over 12000 job losses recently. The railway, one time driver of the economy is completely in shambles with idle locomotives and dilapidated trucks with several thousands of job losses. The prosperous petroleum sector is built virtually on extraction and not value addition as Kaduna and 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 industrial decay is just monumental.

### **YES, NIGERIA CAN!**

If more developed and industrialized America, Europe and Asia are rolling out stimulus packages for their domestic industries, our government must wake up to the reality that good governance is the key to industrial development. Nigeria must reaffirm commitment to industrialization.

### **WANTED: NIGERIA'S STIMULUS PACKAGE**

It is painful that three years after the symbolic presentation of the N70bn textile revival fund by President Obasanjo, textile manufacturers are yet to assess the fund. On the contrary, just three months after Obama presidency, America rolled out about \$1trillion stimulus package for her auto industry. Portugal and Spain each gave out 800 million euros for textile industries. Japan, India and China have multiple incentives including interest free loans and tax holidays for industries.

Rather than providing stimulus packages, what we have here includes persistent power failure, high cost of fuel, multiple taxation, high rate of interest, smuggling and illegal imports, faking and counterfeiting of made in Nigeria products, Naira devaluation, high cost of input, poor state of infrastructure – roads, railways, inconsistent macro-economic policies, lack of clear industrial policy and in fact poor governance. Bank of Industry (BOI) must urgently put in place measures that must recapitalize the industry

### **MACRO-ECONOMIC POLICIES**

The creation of consistent, sustainable and conducive macro-economic environment for industry remains a key goal for any nation that is keen to be an active player in the emerging global business environment.

### **GOOD GOVERNANCE KEY TO INDUSTRIAL DEVELOPMENT**

Only activist and good governance can guarantee the imperative of industrial development for any nation. If a poorer Nigeria in the 50s and 60s could out of nothing ensure industrial development, a richer Nigeria should be able to ensure the expansion, not contraction of industrial development. Regrettably, big manufacturing companies like Michelin, Dunlop and others are relocating to more conducive industrial environment in neighbouring country like Ghana.

Other urgent measures:

- Customs must fight smuggling
- Stop counterfeiting of Nigeria's brand quality products
- Ensure consistent energy (power) supply
- Ensure consistent industrial policies
- Create mass jobs through development of real sector **NOW!**

Consequently, we solicit your Excellency's support in lending your critical voice and in initiating programmes and activities that will stimulate industrial production in LagosState.

**YES, NIGERIA CAN AND MUST!**

**ISSA AREMU mni**  
**General Secretary – NUTGTWN**

**BONIFACE ISOK**  
**President NUCFRLANMPE**

**M. U. MOMOH**  
**General Secretary – NUCFRLANMPE**

**JOHN ODIGIE**  
**ISSAN**

June 24, 2009

Alhaji Umaru Musa Yar'adua GCFR  
President  
Federal Republic of Nigeria  
Aso Rock Villa  
Abuja.

Your Excellency Sir

**SAVE TEXTILE INDUSTRY FROM TOTAL COLLAPSE: LOWER THE PRICES OF LPFO AND AGO**

**APPRECIATION**

On behalf of the National Executive Council (NEC) of the Union, we convey to your Excellency the warmest greetings of the generality of our members across the country.

We hereby once again acknowledge the remarkable effort of your Excellency towards industrial revival, job creation and improvement in power supply as part of the 7-point Agenda.

We recall the recent historic extensive interview of His Excellency with the Guardian newspapers. We are encouraged by the remarkable presidential appreciation of the depth of the problems of textile industry and manufacturing sector in particular and the resolve of the administration to promote wealth generation as part of the 7-point agenda.

Significantly, we recall your Excellency went on to announce new policy initiatives including implementation of customs reforms, inauguration of a Presidential committee on counterfeiting to be headed by former UN scribe Kofi Anan as well as coordinated ECOWAS meeting on the problem. We are even reassured when your Excellency singled out textile industry as the "*largest manufacturing in this country that must be protected.*"

**RECENT INCREASES IN PRICES OF LPFO AND AGO**

It is against this background that we respectfully wish to draw your Excellency's attention to serial and seemingly endless increases in the prices of LPFO (black oil) from N25.40 per litre to N48.00 in May and N57.00 in June and AGO (diesel) from N60.00 per litre to N69.00 (15%).

**LPFO and AGO are essential inputs in industrial production especially in the textile industry. Indeed the hitherto regulated price of the product was a critical success factor in the growth of the industry in the 80s to 90s. Conversely, with the upward increase in the product prices the industry is on the verge of total collapse. The prohibitive price increases of these products put additional burden on the already burdened industry.**

The recent increase in the prices of LPFO and AGO under the muted policy of deregulation worsens the deplorable state of the industry and undermines the commendable effort of your administration to resuscitate the labour intensive textile industry. We offer below impact assessment of the new increases on a typical textile mill.

**With 330,000 litres monthly consumption of LPFO, increase in cost of LPFO will amount to  $N330,000 \times N57.00 = N18,810,000.00$ . 726,000 litres of AGO per month at N69.00 amounts to N50,094,000.00.**

African Textile Mill (ATM) for instance, the only surviving integrated mill in Kano spends N50 million monthly on LPFO before the increase.

In a depressed economy with miserable purchasing power, industry certainly cannot pass on the costs. When we add the costs of bank interest, electricity (generator), water/affluent it is self-evident that deregulation of the products prices (i.e. incessant price increases) kills enterprise altogether.

United Nations Industrial Development Organisation (UNIDO) and Federal Ministry of Industry did a joint sector-wide assessment in 2003, with the objective of reviving textile and garment industry. The report recommended that industry should be supplied *'at the officially priced fuel and diesel oil on priority basis, for power and steam generation'*. UNIDO cited the example of Indonesia, also an oil producing country which as a matter of industrial policy deliberately uses low-power and steam costs to promote textile industry and industrialisation as a whole.

## **OUR PLEA**

***Until the industry benefits from the proposed measures of your Excellency, increase in prices of LPFO and AGO should be reversed. Additional costs as a result of these inputs price increases make the***

***industry uncompetitive, and will lead to further closures and mass job losses. This development undermines the wealth-generation component of 7-point Agenda.***

**We therefore call on your Excellency's urgent intervention for the reversal of the price increases to their old prices of N25.40 per litre (LPFO) and N60.00 per litre (AGO) to save the existing domestic investment in manufacturing. Foreign investors will not invest in Nigeria when domestic investment is being wiped off on account of high input prices.**

While looking forward to your Excellency's urgent intervention, please accept our appreciation and the renewed assurances of our esteemed regard and my personal best wishes.

Yours faithfully

***For and on behalf of NUTGTWN***

Issa Aremu **mni.**

**GENERAL SECRETARY**

## **APPENDIX**

### **CLOSED TEXTILE FACTORIES WITHIN THE LAST 3 - 4 YEARS**

1. Western Textile Mills Limited, Lagos
2. Nigerian Fishing Net Industry Limited, Lagos
3. President Industries Nigeria Limited, Lagos
4. Pacific Weaving Company Limited, Lagos
5. Moot7 Diamond Spinning Mills Limited, Lagos
6. Edo Textile Mills Limited, Benin
7. Delttx Industries Limited, Lagos
8. Five Star Industries Limited, Lagos
9. Fablon Limited, Lagos
10. Nigerian Weaving, Spinning & Printing Company Limited, Lagos
11. Vinkay Industries Nigeria Limited, Lagos
12. Nigerian Weaving & Processing Company Limited, Lagos
13. Delta Packaging Company Limited, Sapele
14. Nibeltex Industries Nigeria Limited, Aba
15. West Coast Weaving Works Limited, Lagos
16. K. R. Textiles and Allied Products Limited, Lagos
17. Abel Abu Industries Limited, Ikorodu
18. Dorji Textile Mills Limited, Aba
19. Nasco Fibre Products Limited, Jos
20. Jaybee Industries Nigeria Limited, Lagos
21. Varaniati Industries Nigeria Limited, Lagos
22. K. Issardas Tectile Industries Limited, Lagos
23. OgbaChukwu Company Limited, Aba
24. Euro Sports Wear Nigeria Limited, Lagos
25. Wab Terry Nigeria Limited, Lagos
26. Bagauda Textiles Mills Limited, Kano
27. BakholonNigeriaLimited, Lagos
28. United Eniene Textile Mills, Lagos
29. Nuyi Knitting Industries Limited, Ibadan
30. Alam Textile Limited, Lagos
31. Kailash Weaving & Garment Manufacturing Limited, Lagos
32. Top Star Nigeria Limited, Lagos

### **THOSE DISTRESSED AND HAVE RETRENCHED UP TO 80% OF THEIR NORMAL WORKFORCE**

1. Aswani Industries PLC, Lagos
2. Kay Industries Nigeria Limited, Lagos
3. Subaco Limited, Lagos
4. Niger Garment Manufacturing Company Limited, Aba
5. Textile Specialities (Nigeria) Limited, Lagos
6. Rosies Textile Mills Limited, Aba
7. Nigerian Ropes PLC, Lagos
8. Kano Textile Printers Limited, Kano
9. Marklint Medical Complex Limited, Enugu
10. Belhope Plastic Industry Limited, Port Harcourt
11. Tarpaulin Industries Limited, Lagos
12. O'dua Textile Industries, Ado Ekiti

## CHAPTER FIVE

# **Advocacy**

### **(Press Statements, Articles, Annual Press Briefings)**

The Media has been a very strong partner in the decade long struggle for the revival of the Nigeria textile industry. Apart from the annual press briefings the General Secretary, Comrade Issa Aremu has also tapped extensively on the media to project the issues of the industry and to perpetually draw the attention of policy makers through published articles and interviews. The critical issues in focus are the unmitigated perennial crisis of electricity supply, smuggling, supply of LPFO, patronage of local materials, payment of gratuities of workers in closed factories like KTL, Arewa Textiles, Finetex/Nortex.

Specifically a lot of attention was paid to the issue of funding because of the prolonged delay in the release of the intervention fund. Since 2006 when government made the initial pronouncement of N50 billion intervention till 2007 when it was changed to N70 billion and later in 2009 when it was expanded to N100 billion to cover N30 billion intervention for cotton sector, NUTGTWN's voice was critical in setting the agenda and providing push for implementation.

Since 2001, as part of our industry campaign, NUTGTWN has developed a tradition of yearly press briefing to review the performance of the industry in the previous year and present the outlook for the current year.

**January 2001**

## **2001 GOODWILL MESSAGE TO ALL NIGERIANS**

On behalf of the National Executive Council (NEC) of our union, we greet thousands of our members in National Union Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) and entire Nigerian Workers during this year' unique triple celebration of **Christmas, Sallah** and New **Year** celebrations.

We recall that the Year 2000 being new millennium year was greeted with great expectations and anxiety with some prophets of doom promising catastrophic millennium bug and an end of the world. We have every cause therefore to register our profound gratitude to the Almighty God for his guidance and protection throughout the millennium year.

This unique occasion of triple celebration again offers us another opportunity to reflect and critically reappraise our activities in the outgoing year and make projections for the future.

### **2000: YEAR OF NEW MINIMUM WAGE**

One major achievement in year 2000 was the struggle for a new minimum wage. We are proud that as a union that we are among one of the very first affiliate unions of the Nigeria Labour Congress (NLC) to sign a new agreement, consistent with NLC agreement to improve substantially on the basic component of total pay which increase by the 207%. We congratulate all our members for this achievement and the support given to the union, especially during the historic negotiation that lasted 3

months.

We commend the textile management and employers represented by Nigerian Textile Employers Association (NTEA) who inspite of the difficulties facing the industry agreed to the new pay and implemented it without the usual acrimony, protracted strikes and even violence that characterized some sections of public and private sectors. Above all, our commendation must go to the new NLC under our own Comrade Adams Oshiomhole for initiating the new national minimum wage as well as the democratically elected federal government of President Olusegun Obasanjo for entering into quick agreement with the Congress. The new minimum wage will certainly go down in history as one undisputed dividend of democracy. That singular negotiated agreement broke the discredited wage freeze and unilateral award under the military dictatorship. The challenge in the New Year therefore lies in how we as workers will redouble our effort especially in areas of commitment to our jobs to make the new minimum wage sustainable. We must therefore avoid wastage, loitering, late coming and be quality conscious to ensure in industrial growth and development.

We must hasten to stress that as salutary and commendable the new minimum wage is, it has NOT significantly alleviated poverty much less eradicating it. Indeed the twin notorious policies of systematic devaluation of Naira and increases in prices of petroleum products had induced price inflation that far more exceeded the wage concession. In truth, price inflation has effectively led to wage-cut without the obvious dictate of the employers and government. This current reality means that the struggle

for improvement in living wage in the face of price riot must continue in the coming year.

Our union will therefore do all it could to support NLC in ensuring the realisation of the aspect of the Year 2000 new minimum wage agreement dealing with 25% wage increase in May 2001. We therefore wish to use this season to urge the government to live up to the spirit and content of that collective agreement.

### **PETROLEUM PRICE INCREASE AND PERSISTENT ENERGY CRISIS**

This year also witnesses an unprecedented struggle by organised labour to prevent government arbitrary increase in prices of petroleum products. We salute all our members for the support given to the union and NLC which rightly mobilized against the fuel price-hike in June this year.

The great involvement of our union in that patriotic struggle was indeed anchored on the need to prevent the erosion of the value of our wages through inflation that normally trail unguarded price increases. Secondly the union was also interested in the survival of the textile industry. Price increases of products especially diesel, LPFO and petrol would make the sector more comparative disadvantaged in the global market, since it would further lead to increase in already prohibitive production cost.

One positive outcome of NLC struggle in June was the setting up of the Presidential Committee to Review Petroleum Product Supply and

Distribution with the participation of all stakeholders in the industry including NUPENG, PENGASSAN and NLC. We salute the role played by NLC representatives in the committee. The NLC representatives particularly resisted the attempt by forces of deregulation to opportunistically use the committee to make case for further increase in products' prices rather than fruitfully proffer permanent solutions to the crisis-ridden petroleum industry. The independent report submitted by NLC representatives is an affirmation of Nigerian workers belief that the time is NOT ripe for any major price review of petroleum prices. However, it is obvious that the forces of deregulation and so-called 'appropriate pricing' are still at work as recently indicated by Information Minister, Professor Jerry Gana when he announced the constitution of enlightenment campaign committee on possible price increases. Government is urged here by not to give the impression that its priority is petroleum price increases instead of effective distribution of petroleum products for organised citizens. We support the NLC's demand for urgent proper rehabilitation of refineries, depots and pipelines distribution system. The NNPC should also be restructured for greater efficiency while government must not hesitate to punish criminality and sheer impunity that characterized the petroleum industry. To this extent, we support and commend the recent effort of government to enforce rule of law by bringing to book hoarders of products and operators of surface tanks and those who divert products. Government however should not restrict this sanitization to invisible small road-side saboteurs but visible big-time major and independent marketers who actually fuel small criminals that have held the nation hostage to their greed for quick profit. Our union strongly believes that what the nation needs is more **regulation** and government control of this indispensable and strategic

sector and not deregulation. We cannot afford to live petroleum sector the Nigerian of market force.

### **TEXTILE SECTOR IN YEAR 2000**

Never before has the textile sector felt the impact of the 1997 arbitrary lifting of the ban on importation of textile materials than this year. In Year 2000, it will be on record that the sector witnesses unprecedented closure of textile industries and retrenchment. At the last count, over 30,000 workers have been thrown into the labour market while capacity utilization is now at an all time low of 29%. From every indication the year 2001 may be worse unless government initiates emergency measures to save the industry. This is why the union being so worried has resorted to rallies in order to create further awareness of the crises in the textile sector. Painfully the Federal Government seems not to appreciate the magnitude of economic and social consequences of the crisis facing manufacturing industries, as demonstrated by the conspicuous absence of any policy frame work to revive the sector in the 2001 budget. We want to use the opportunity of this season to remind the Federal Government that the future of Nigerian economy does not lie in non-renewable oil and gas resources, sharing and distribution of the revenue of which often pre-occupy national budgets.

The future of Nigerian economy lies in manufacturing and industrialisation through intensified mobilisation of domestic and foreign investment. This call for activist and interventionist state policies that will protect our local industries and not the present passive laizze- faire do-nothing approach that has exposed industries to the vagaries of trade liberalization,

globalisation and sniggling, resulting in dumping of cheaper inferior goods and mass domestic job loss. In the coming year, our union will intensify the public campaign started in December this year for government to namely:-

- Initiate bold and patriotic industrial policies to protect domestic industry beyond tinkering with tariff structure
- Aggressively pursue both policy i.e. of import substitution and export promotion.
- Prohibit unfairly subsidized import into Nigerian market, initiate and enforce anti -dumping and safeguard measures
- Rehabilitate collapsed infrastructure - NEPA, telecommunication, roads, etc. to reduce production cost and ensure competitive advantage
- Ban import of textile fabrics for at least five (5) years.

Long live Textile Union Long live NLC

Long live Federal Republic of Nigeria Long live

International Labour Movement

**1<sup>st</sup> September 2002**

**TEXT OF THE PRESS CONFERENCE BY NATIONAL UNION  
OF TEXTILE GARMENT AND TAILORING WORKERS OF  
NIGERIA ON THE RECENT TEMPORARY BAN ON  
IMPORTED TEXTILES**

**GREETINGS**

Members of the Press, warm greetings from the National Executive Council (NEC) of our 50,000 members. We have called this Press Conference to address the single theme of the recent historic temporary ban on all printed fabrics, (textiles) to the country effective from 1<sup>st</sup> of September 2002.

**NEW MEASURE: TEMPORARY SUSPENSION OF TEXTILE IMPORTS**

You will recall that last weekend the Honourable Minister of Commerce, Engineer Mustapha Bello acting on the directive of the President, Chief Olusegun Obasanjo announced the new historic measure to protect our local textile factories most of which have closed down due to unfair competition from abroad.

Specifically, a new certification arrangement is being put in place to ensure that imported fabrics meet certain Nigerian standard in terms of price, quality and health of the citizenry. Remarkable is that imports will only pass through Apapa and TinCanPorts for easy verification by Customs. Imports outside these ports will be treated as contraband to be auctioned at 20 percent of market value or be destroyed on account of their sub-standard and harmful effects on human lives. Important too, textile fabrics produced with chloride bleach harmful to health is suspended.

The point cannot be over-emphasized that this singular temporary ban on imported fabrics represents a major move by Federal Government to protect our industry in which we have lost as many as 40,000 members since the industry was exposed to unfair competition in 1997 when Nigeria signed WTO agreements uncritically and without notice to industry operators.

## **APPRECIATION AND COMMENDATION**

We are indeed very grateful that Federal Government listens and acts on the outcries of industry operators. Our special appreciation goes to President Obasanjo who confronted with grim statistics of job losses and collapse of industry, has become concerned. This policy shows that contrary to general impression, the President listens and also acts to effect changes. History is being made again! It was the decisive action of General Obasanjo in 1975/76 through ban on textile imports that facilitated the growth of industry in the 70s and 80s. Today, decisive action by President Obasanjo may save the industry from total collapse.

We also commend the Honourable Ministers of Labour and Industry namely, Alhaji Gwadabe and Chief Jamodu. We are delighted in particular that the Ministry of Industry has resumed some positive activism since Chief Jamodu's appointment. Now Ministry of Industry strives to revive declining industries rather than in the past when policies from the Ministry deliberately undermined the growth of industries. We remember that Chief Jamodu held meetings with the stakeholders in the industry and the outcomes and resolutions of these meetings were instrumental to the recent decision of the government on the ban on imported textiles.

NUTGTWN can also not forget the role of the National Assembly in the realization of this new policy. In particular, we commend the progressive roles of relevant committees of the two Houses, House of Representatives and the Senate in making this new policy aimed at protecting the industry possible. The committees are on Commerce, Labour and Industry. Through public hearings of the committees, WTO agreements have come under commendable scrutiny especially with respect to dumping of imports and de-industrialization of the economy. It is these hearings that sensitized the executive to finally take this measure

## **CHALLENGES**

This new policy is better late than never. It was long expected. This is because the damage done to the industry due to wholesale liberalization of imports is enormous.

However, while temporary suspension of textile imports represents a departure from the past laissez-faire 'do-nothing' approach, it is certainly

not far enough. What we demand for its outright ban for a specific period of 10 years such that textile industry operators can prepare for challenges of competition. Within this period, the hope is that infrastructure could have improved namely, NEPA, telecom such that our industry will be competitive.

The relevant agencies such as Customs, FIRO and Standard Organization (SON) need enough time to perform the great tasks of verification and testing of products.

Secondly, the suspension is on finished fabrics (African Prints and others). The new policy is silent on baft (teru), which is used for the final print. Nigeria has a lot of spinning mills that are fall-outs of efforts at backward integration of the SOS. These spinning mills with billions of naira investment and thousands of employees are at risk as a result of increasing imports of also equally sub-standard and harmful bafts. Thus we demand that this suspension be extended to baft.

The third challenge is enforcement of this temporary ban. We hereby call on Comptroller-General of Nigeria Customs Service to ensure compliance of importers with the new policy. The new policy also demands that government provide Custom with equipment to enforce this rule.

## **CONCLUSIONS**

The recent development shows that democracy works and the new policy of suspension of imports shows dividend of democracy.

Remember that we started this campaign during Abacha dictatorship but no reply not to talk of changes.

Thus, let us strengthen democracy. We therefore support NLC's recent call on both the Assembly and the Executive to work together for the development of the country.

We also support the NLC in resisting anti-democratic forces aiming to derail this democratic process. Our Union will be willing to support the government to meet up to these challenges.



**3<sup>rd</sup> November 2003**

**PRESS BRIEFING BY THE NATIONAL UNION OF  
TEXTILE, GARMENT AND TAILORING WORKERS  
OF NIGERIA (NUTGTWN) ON THE STATE OF THE  
UNION, INDUSTRY AND THE NATION**

**Introduction**

- On behalf of the National Executive Council (NEC) of our union, we welcome members of the press on this brief interactive session on the state of our union, industry and country as a whole. Like the previous engagement, this interaction affords us another opportunity to offer ideas and suggestions on how to revive our increasingly ailing industry, reposition our union in the face of the new reality as well as reflect on the growing reforms by the Federal government and the role of labour under the leadership of Nigeria Labour Congress (NLC).

**Industry**

- You will recall that more than once, we have had cause to commend the Federal Government and Mr. President, Chief Olusegun Obasanjo for the demonstrated passion and commitment to revive manufacturing sector in general and textile sub-sector in particular. We recollect the historic Saturday forum of Saturday August 31, 2002 during which Mr. President devoted a whole-day to find solutions to the myriad of avoidable problems facing our sector. That singular unprecedented presidential initiative led to some far-reaching measures which raised 'great hope and expectations among industry operators, workers and our union alike.

Some of the measures include:

- Implementation of customs enforcement of import restrictions and prevention of smuggling;
- Reduction in the tariff on dye-stuff from the present 20% to 5%;

- The availability of long term funds at a single digit interest rate from the Bank of Industry (BOI) for modernisation and expansion;
- The application of WTO safeguards to convert the temporary suspension of import of fabrics into prohibition on import of ALL textiles for 4 years;
- Government should restrain from granting waivers on imported fabrics;
- Undertake a comprehensive study on the textile/garment sub-sector;
- Provide loans and subsidise inputs to cotton growers to double production to 400,000 MT per annum;
- Increase export incentive grant (EEC) from 20% to between 30 and 35%;
- Pass VISA bill to take advantage of AGOA and secure implementation of ECOWAS Trade Liberalisation Scheme (ETLS);
- Provide adequate infrastructure to Nigeria Customs Service, to fight smuggling;
- The Standard Organization of Nigeria (SON) should co-ordinate with cotton and textile industry association to improve quality standards;
- Promote patronage of local textiles by International Agencies like UNICEF
- Empower NEPA to supply adequate voltage of power to factories across the country and the **revision** of; the discriminatory tariff whereby you pay more for consuming high; and
- Government should strengthen the capacity of the Department handling textiles at the Federal Ministry of Industry.

- The President has actually directed the implementation of these measures.
- We were encouraged by the temporary ban on imports, renewed patriotic activism of customs to enforce the ban by raid on markets of dumped fabrics in Kano and Lagos. We also noted with delight that NEPA was getting increasingly conscious of its role in industrialization as witnessed by the upgrading of distribution feeders to textile manufacturing companies from 11 KV to 33 KV and the commissioning of 60 MVA and 40 MVA transmission sub-stations in Kano, Kaduna South, Ikorodu, Funtua and Ilupeju which are major locations for textile industry in the country. The Standard Organization of Nigeria (SON) has also taken a number of commendable initiatives aimed at promoting quality awareness in the industry's operations so that the industry can be competitive.
- As part of the fall-out of unprecedented presidential initiative, the United Nations Industrial Development Organization (UNIDO) was commissioned to do a sector-wide assessment study. It is gratifying to note that UNIDO sector study to develop a "BLUEPRINT" for the improvement of the Textile and Garment Industry in Nigeria is out.
- On the whole, the President's measures and UNIDO report and above all, union pressures and advocacy had promoted active awareness and public discussion on the future of industry. This in itself is positive in the sense that when problems are identified, then we may all resolve to address them.
- The industry shows some signs of recovery at the initial commencement of the measures listed above. Indeed some investors were repositioning to further open new lines of operations and even expansions while those firms closed were initiating plans for re-opening.

### **Motion without Movement**

- However, the commendable moves by government and all stakeholders alike had not translated to expected recovery. On the

contrary, things are getting worse as closures of industries are now leading to **INVESTMENT STRIKE** in the sector. In Kaduna alone, in the past few months, we have lost additional three mills namely, Finetex/Nortex and Kaduna Textiles Limited (KTL). United Nigeria Textile (UNT) Plc., the surviving giant was forced to close down twice this year alone on account of non-availability of input namely LPFO (black oil).

- The challenge today lies in urgently saving the industry from total collapse. The first step is for Mr. President, Chief Olusegun Obasanjo, to reconvene another stakeholder's forum as a follow-up to the historic meeting of 2000 with a view of closing the gap between his commendable great initiatives and dismal results so far. The stakeholders should include the State governors particularly those from textile producing States namely Kaduna, Kano, Plateau, Lagos, Katsina, Zamfara, Ekiti, Ogun, Oyo, Rivers, Delta, Anambra, Abia among others given their expected role to the growth and development of the textile companies in their respective States.
- One identified problem-area is to ensure that relevant agencies of government namely, Federal Ministries of Finance, Industry and Commerce share the passion and commitment of Mr. President and UNIDO to revive the industry.
- Secondly, there must be harmonization of industrial revival plans and the broad macro-economic policies enthusiastically being pursued by the administration. For instance, UNIDO report identified 8-point areas as part of revival blue prints, namely, **government policies, infrastructural issues/ raw material base, exports, rising costs, financing issues, local market environment as well as garment issues**. The proposed next stakeholders forum must focus on the extent government and stakeholders are addressing the issues. The most contentious issue is that of government policies. Unfortunately policy discussion in Nigeria is often reduced to 'yes' or 'no', when the issue is the impact of policy. Take deregulation of downstream sector for instance. I think we must address the extent to which the new policy assists the industry's recovery. So far, the impact is adversary

unless there is a critical relook to make the policy Industry-friendly, industry-sensitive. So far, deregulation is industry-blind. Some textile mills and cement factories have been forced to close down because of prohibitive prices of diesel and LPFO (black oil) and even non availability of products. Certainly the articulated policy objective of deregulation **CANNOT** be closures of industry.

Issa Aremu

**GENERAL SECRETARY**

April 30<sup>th</sup> 2004

## **PRESS BRIEFING IN COMMEMORATION OF 2004 MAY DAY CELEBRATION**

### **Introduction**

- On behalf of the National Executive Council (NEC) of our union, we salute our members in the textile industry, the entire Nigerian workers and workers alt over the world on the occasion of 2004 May Day celebration. The theme of this year's May Day celebration as approved by the Nigeria Labour Congress (NLC) is **CREATE AND PROTECT JOBS TO FIGHT POVERTY AND INSECURITY.**
- We welcome members of the press to this brief interactive session in commemoration of this year's May Day celebration. Like the previous engagement, this interaction affords us another opportunity to reflect and critically reappraise the union's activities, the state of the industry and make projections for the future.
- May Day celebration affords us the opportunity to celebrate the **huge** progress we have achieved as workers and as a nation. It is a public holiday, which allows us, together with our families, to celebrate and rededicate ourselves to the struggles ahead. We also use it to dedicate ourselves to form part of the people's contract to create work and fight poverty. We further commit ourselves to the struggle for improvement in the living and working conditions of our members.
- This is the first May Day since the Union's historic 8<sup>th</sup> National Delegates' Conference in March 2004 which ushered in a new leadership for the Union. Again, we congratulate ourselves for a successful Conference and hope that collectively we shall strengthen the Union and improve the working conditions of our members.

### **State of the Industry**

- We commend the Federal government and Mr. President, Chief Olusegun Obasanjo in particular for the demonstrated passion and

commitment to revive manufacturing sector in general and textile sub-sector in particular.

- We were encouraged by the temporary ban on imports, renewed patriotic activism of customs to enforce the ban by raid on markets of dumped fabrics in Kano and Lagos. We also commend the recent seizure by the Nigerian Customs of heavy contraband textile materials brought into the country from Dubai by an International airline.
- By and large, the success of the government measures depends on the Nigerian Customs Services. We therefore call on the new Customs Comptroller-General to follow the path of honour and patriotism and emulate distinguished and eminent Nigerians who have used their official positions to give positive effect to progressive and patriotic policies of Government. If contraband goods are allowed to enter the markets, it will make a complete mockery of the prohibition order and erode the government's credibility. We call on the government to provide the Nigerian Customs Service with the necessary equipment to be able to fight smuggling activities.
- We also noted with delight that NEPA was getting increasingly conscious of its role in industrialization as witnessed by the upgrading of distribution feeders to textile manufacturing companies just as the Standard Organisation of Nigeria (SON) under the able leadership of Mr. Akanya has also taken a number of commendable initiatives aimed at promoting quality awareness in the industry's operations so that the industry can be competitive.
- Employers and captains of industry must take advantage of these positive developments on the part of government. Obsolete equipments have to be replaced to meet the challenge of competition.
- Beyond that there must be a substantial investment in research and development such that made in Nigeria products will respond to the demand and tastes of consumers. The world is changing, The Nigerian manufacturers must also respond to these changes. This will necessarily mean that local manufacturers will take the issue of training and re-training seriously.

## **The Problem**

We must hasten to stress that the salutary and commendable moves by government and all stakeholders alike had not translated to expected recovery. On the contrary, things are getting worse as closures of industries are now leading to **INVESTMENT STRIKE** in the sector. In Kaduna alone, in the past few months, we have lost additional three mills namely, Finetex/Nortex and Kaduna Textiles Limited (KTL). Arewa Textile Mill is not in full production while United Nigeria Textile (UNT) Plc, the surviving giant is having operational difficulties. It is the same in virtually all the industries. There is also an imminent cotton crisis, which if unchecked may cripple the sub-sector as a whole.

## **Challenges**

- The challenge today lies in urgently saving the industry from total collapse. As we have previously canvassed, **the first step is for Mr. President Chief Olusegun Qbasanjo, to reconvene another stakeholder's forum as a follow-up to the historic meeting of 2002 with a view of closing the gap between his commendable great initiatives and disproportional results so far.** The stakeholders should include the State governors particularly those from textile producing States namely Kaduna, Kano, Plateau, Lagos, Katsina, Zamfara, Ekiti, Ogun, Oyo, Rivers, Delta, Anambra, Abia among others given their expected role to the growth and development of the textile companies in their respective States.
- One identified problem-area is to ensure that relevant agencies of government namely, Federal Ministries of Finance, Industry and Commerce share the same passion and commitment of Mr. President and United Nations Industrial Development Organisation (UNIDO) to revive the industry.
- Secondly, there must be harmonization of industrial revival plans and the broad macro-economic policies being pursued by the administration. For instance, UNIDO report identified 8-point areas as part of revival blue prints, namely, **government policies, infrastructural issues, raw material base, exports, rising costs,**

**financing issues, local market environment as well as garment issues.** The proposed next stakeholders' forum must focus on the extent government and stakeholders are addressing the above critical issues.

- Take deregulation of downstream sector for instance. We must address the extent to which the new policy assists the industry's recovery. So far, the impact is adversary unless there is a critical relook to make the policy industry-friendly and industry-sensitive. Some textile mills and cement factories have been forced to close down because of prohibitive prices of diesel and LPFO (black oil) and even non availability of products! Certainly the articulated policy objective of deregulation **CANNOT** be closures of industry!
- **The same applies to devaluation of the Naira.** The increasing devaluation of the Naira is a real threat to national economic recovery. Certainly further devaluation will undermine domestic investment, erode existing productive capacity and deny industry competitive advantage because of attendant rising costs.
- As a union, we are prepared to work with our employers to improve on work culture and the drive towards higher productivity and improved quality, important hallmarks in today's global economy. We shall vigorously pursue the resolution adopted by the union's National Delegates' Conference on the need to save the industry, which includes that:
  - The union and the Employers Association shall strongly support the government with the view of making the new policy work.
  - Stimulate creativity and design by holding Brand Awareness Campaign to boost government's endorsement.
  - All arms of government namely the Executive and Legislature have crucial roles to play in saving the industry.
  - State governments are encouraged to follow the steps taken by Federal government to save the industry.

- In all our meetings and programmes members should wear Nigeria Textiles to promote home-made.
- Must campaign for effective Customs Services that is well equipped, rewarded for performance and sanctions for ineptitude.
- The union should liaise with other fraternal unions to organize mass rallies to enlighten the public on the need to buy homemade and save jobs.
- That there shall be no exceptions or waivers for industrial operators with respect to the ban. The union should consult with Employers Association, Customs and Maritime Workers Union for joint monitoring exercise to enforce the textile import prohibition.
- That all seized goods should be destroyed.

Alhaji Umaru Mohammed  
**SENIOR DEPUTY GEN. SECRETARY**

## **BUDGET 2004: REFORM OR ECONOMIC TRANSFORMATION?**

### **BEING TEXT REACTION TO BUDGET 2004 PROPOSAL BY THE NATIONAL UNION OF TEXTILE, GARMENT AND TAILORING WORKERS OF NIGERIA (NUTGTWN)**

#### **POLICY OBJECTIVES**

- It is commendable that 2004 Appropriation Bill identifies "**sustainable growth**" and development as well. as "**job-creation**" as its critical policy objectives.
  
- a) **PEOPLE:-**This budget rightly underscores the fact that the reforms programme is about PEOPLE. Until governments and their budgets at all levels see people as MEANS and ENDS of development, the much desired sustainable development would not materialize. To the extent that 2004 budget proposal shares people-centered development perspective then it constitutes a welcome radical departure from the past official muted indifference to people's plight especially with specific reference to mounting mass unemployment. The challenge lies in translating the budget's intention of job-creation to reality of mass engagement of existing mass idle hands.
  
- b) **EMPLOYMENT:-**The budget is tall on policy objective of job-creation but miserably short on practical proposals to achieve this laudable goal of job creation. For instance while the proposal

clearly and commendably sets verifiable targets with respects to inflation (**not more than 9 per cent!**), interest rates and fiscal deficit (**not more than 2 per cent of GDP!**) it sets no target at all for job-creation and employment.

- The point cannot be overemphasized that we must urgently change our approach to unemployment challenge. Trickle-down false assumption that growth will automatically lead to job-creation must give-way to direct realistic and affirmative job-generation strategies with verifiable benchmark. With open unemployment as high as 50% and unimaginable gross under-employment, Nigeria is one huge 'peaceful' graveyard.
- Mass unemployment means value-subtraction for a country urgently begging for value-addition and wealth generation. **In a country without social security, unemployment is a social equivalent of mass terrorism without justification whatsoever.** It means hunger at homes, family collapse, mass withdrawal of children from schools and mass crimes of varying dimension as we are currently witnessing in the country. The gender dimension of unemployment is increased prostitution that worsens AIDS pandemic! **The national assembly certainly has a singular responsibility to set a clear-cut drastically reduced unemployment rate (not more than 10%!) with which to measure the performance of the Federal Executive in area of job creation in 2004.** Given that

there is much work to be done, it is an untenably irony that there is mass unemployment in the country. The promise of NEEDS is growth rate of 5-6% in the next 10 years. With this expected growth, Nigeria needs more hands and not less! Nigeria deserves full employment to move from underdevelopment to development.

### **MANUFACTURING: KEY TO TRANSFORMATION**

- Nigerians look forward to refocusing of this budget from its oil-orientation to non-oil manufacturing sector by the Legislators. The promised macro-economic stability within the context of NEEDS and envisaged improved infrastructure will definitely assist in industrial recovery. However this budget lacks practical measures to halt volatile factors such as mass imports and capital flight which create macroeconomic instability (especially with respect to Naira exchange rate).

### **BEYOND WTO: STOP DUMPING**

- The Federal government has commendably made some bold move to protect domestic industry in the past years through ban of some imports in which the country has comparative advantage. Budget 2004 which is expected to consolidate the bold patriotic federal government's efforts in recent times is unexplainably industry-shy and lacks appropriate industrial policy agenda. No definitive commitment to capacity utilization target from its present still relatively low though improved rate. The national assembly has the responsibility to set appropriate capacity utilization target in the fiscal year. The capacity utilization should move from the present official

50% national average to desired full capacity utilization, if truly private sector will be the engine of growth. Dumping and unfair competition constitute the bane of domestic industries as appropriately identified by 2004 budget.

## **IMPLEMENT UNIDO REPORT ON TEXTILE**

- In the case of textile sub-sector, UNIDO recently revealed the dark side of dumping by showing that Nigeria's textile industry has a market share of only about 27%, with imports accounting for the remaining 73%! 2004 budget can only be meaningful to manufacturing, if it frontally addresses the issue of dumping and smuggling. While Nigeria must be conscious of its international obligations, remedies for industry protection within the "**context of WTO-framework**" as proposed in 2004 budget are certainly unhelpful. **Nigerian industry grew in the 60s, 70s and 80s in spite of WTO while the industry went under with WTO membership in 1990s. This cannot be industrial coincident. On the contrary, only producing and exporting nations pretend to operate "within WTO rules". Import dependent economy like Nigeria's will rather go under with WTO rules.**
- Thus remedies for industrial recovery must be in spite of WTO framework. We therefore urged the federal government to continue with the implementation of commendable measures agreed upon with all stakeholders with respect to textile sub-sector. These measures include enforcement of existing ban on textile products.

MR. President must appoint new Comptroller General of customs service who must rededicate custom men and women to Mr. President's great resolve to curb smuggling and dumping through intensified continuous seizures and raid of markets of smugglers as we witnessed under the outgoing custom boss.

The proposed harmonization of tariff in ECOWAS must benefit from all stakeholders' input. Nigeria **cannot** and **should not** lower tariff faster than it is desirable for its economic recovery. The critical issue is to indicate the extent measures taken help to buoy up capacity utilization and create more jobs.

January 2005

**YEAR 2005 MESSAGE ON THE STATE OF THE INDUSTRY, THE UNION AND CHALLENGES FOR 2005 BY NATIONAL UNION OF TEXTILE, GARMENT AND TAILORING WORKERS OF NIGERIA**

**GREETINGS**

On behalf of the National Executive Council (NEC) of the Union, we extend our sincere greetings to thousands of our members in the country in the New Year. Our fraternal greetings also go to sister industrial unions, Textile Employers Association, governments at all levels as well as all labour's well-wishers.

**THE INDUSTRY IN 2004**

**Industry**

It was a common knowledge that the state of Nigerian textile mills was deplorable. However in 2004, industry with respect to textile sub-sector moved from bad to worse. Indeed, we could talk **of industrial catastroph**y in 2004! We truly witnessed **industrial Tsunami** in 2004 which led to unprecedented factory closures and mass job-losses!

This development is tragic and unfortunate. No government seems to have commendably shown interest and invested time and energy to revive the industry in recent time like President Olusegun Obasanjo-led Federal Executive.

We recollect with nostalgia, the convening of Presidential Technical Committee on revival of textile in August 2002 find the attendant optimism of industrial revival in textile sub-sector.

Sadly, the notorious-gap daily widens between hope and reality. **We are constrained to conclude that unless something is urgently and dramatically done industrial hope is being dashed altogether in Nigeria!**

- In 2002, when government showed adequate interest in the revival of the industry, there were barely 50 companies operating at 30% capacity utilization compared to 175 mills in mid-1980s. It was this sharp industrial decline that prompted our advocacy, which in turn made Mr., President to set-up the interventionist technical committee.

### **Closures and Job-losses**

- Within the last 2 years, more than half of the remaining 50 mills had further shut down!
- The largest textile group in the country, the UNT Plc was not immune from this closure-quake! Two of its subsidiaries Zamfara Textile and Supertex were closed down last year. Consequently, additional 2,806 workers lost their jobs.
- In Lagos, NTM and Enpee employing over 5,000 workers also closed down. Altogether, as many as 100,000 workers have lost jobs from 1997 to date.
- When primary-labour textile mills are as endangered through closures, the point cannot be overemphasized that Nigeria is on the verge of de-industrialization.
- Mass factory closures mean complete wastage of Irreplaceable installed manufacturing investment estimated at US\$3billion in the textile sector.
- This unsavory development scares foreign investment in the sense that every closed factory serves as disincentive to potential investor.
- Given the unique nature of textile industry, which uses high percentage of locally, produced raw materials, such as cotton and polyester, mass factory closures wastefully deny the country the

value-chain of economic activities and the attendant decent and sustainable jobs.

- Conversely, textile goods not produced as a result of factory closure further fuel the propensity for imports, long decried by official policy. Today no thanks to propensity to import, we have China towns in Nigeria full of substandard low quality products even as we don't have Nigerian town in China!
- Factory closures undermine the objective of National Economic Empowerment Development Strategy (NEEDS) to promote non-oil export. You cannot export while domestic productive capacity is atrophied through factory .closures.

## **INDUSTRIAL CITIES OR OKADA CITIES?**

- Factory closures worsen communal poverty, increase destitution and hopelessness in all the industrial cities affected. Hitherto Nigeria's functioning industrial cities like Lagos, Kaduna and Kano are **filled with okada-riding youths** who ordinarily should be in the factories working, adding value and acquiring skills. **Industrial cities are now okada cities!!!**
- Okada-riding workforce is a gross distortion of the country's labour market. It represents gross underemployment compared to industrial employment.
- Factory closures take Nigeria far away from targeted **Millennium Development Goals (MDGs) of poverty reduction.**
- In sharp contrast to Nigeria, haven of factory closures and job-losses, within the last two years **Lesotho has moved from 20,000 people employed in the textile and clothing sector to more than 50,000!!** For a population of over 1.9m, Lesotho is near full employment on account of textile sub-sector employment, while Nigeria, with 130m people suffers mounting unemployment and gross underemployment in the wake of factory closure!

- Under AGOA Lesotho is the largest sub-Saharan African exporter, earning more than **US\$400m a year** compared to Nigeria that is yet to take advantage of the AGOA precisely because the industry is weighed down by a number of production problems!
- **Countries like Lesotho, Kenya and Mali, are repositioning in the light of the phasing out of the international textile quota system. Sadly, Nigeria's industries, rather than repositioning are closing down at an alarming rate!**

### **BUDGET 2005 AND CHALLENGES FOR INDUSTRY**

- The critical challenge of 2005 therefore lies in **REINVENTING** the industry. Federal and State governments must go back to basics long recognized by the country's founding fathers. Primary raw materials such as groundnuts, cocoa, cotton, palm oil and petroleum **WOULD NOT** develop Nigeria unless these resources are creatively applied to produce goods through industry and industrialization.
- Surprisingly all the parameters for 2005 budget are still oil-dependant, namely; Crude oil production of 2.71 million barrels a day, NLNG and upstream gas revenues, oil price of \$27 per barrel, continuation of fiscal rule in which revenues above the \$27 a barrel price will be saved for the rest of the year, joint venture cash calls of \$4.23billion, and additional 2004 oil income (excess crude revenues). None of these parameters indicate industrial growth, job creation and investment in the year!
- We acknowledge the sensitivity of Mr. President to the popular request that the expected revenue from oil should be pegged at US\$30 per barrel instead of the initial budget of US\$27.
- In the same spirit, it is not late for Mr. President and the National Assembly to set a benchmark for the revival of that industry, through delineated parameters of industrial capacity utilization, number of jobs' retention and creation in the year. Only through these clear-

cut parameters for industrial production will government show that annual budgets are not just to service public expenditure but also significantly, to generate wealth for development.

## **HARMONIZED ECOWAS TARIFF**

- The real threat to the survival of the remaining textile mills in the year is the proposed harmonised ECOWAS tariff in 2005 budget. This proposal when in force lowers tariff to 18% from a previous level of 29%. The proposal expected to be in force by June 2005 will further lead to dumping of goods and more closures, as other countries in the sub-region have proved to be conduit pipes to facilitate dumping of foreign sub-standard goods on Nigeria economy.
- Lowering of tariffs would also render the import ban in the proposed 2005 budget irrelevant.
- The good policy on 'no waivers' in 2005 budget proves ineffective and insignificant since there has been generalized preference for little or no protection within the context of the proposed harmonized ECOWAS tariffs.
- The point cannot be over-emphasised that trade liberalization is **a means to development, not an end.**
- The ideological commitment of Honourable Minister of Finance, Ngozi Okonjo-Iweala to trade liberalization must give way to a realistic assessment of the negative impact of lowered tariffs on industry. .
- Just as President Obasanjo has commendably listened to the voice of reason with respect to the proposed ill-thought 'out Eco-Currency and puts it on hold, so also the Federal Government should defer the new ECOWAS Harmonized tariff regime which if implemented will accelerate the ongoing process of de-industrialization in the country.

## **EXPORT EXPANSION GRANT (EEG)**

- Our Union is delighted that the suspended EEG has been restored. While we commend the government for making the process of administration of the export incentive more accountable and transparent, we urge government to de-emphasise policy inconsistency in the future which in turn undermines domestic investment.
- The abrupt suspension of the incentive scheme last year, put investors in a state of uncertainty which in turn eroded investors' confidence.
- Government can review its policies without necessarily suspending the policies, creating crisis of investment confidence in the process.
- Renewed investment in manufacturing sector can only be based on continuity of government policies.

### **WANTED: INDUSTRY CONSOLIDATION!**

- Nigeria needs a **shock therapy** to address the issue of industry. Nigeria needs **industry consolidation** as much as we need banks' consolidation. We must consolidate the industry with defined targets in respect of capacity utilization, capital adequacy and labour absorption.
- There should be a two-year time frame for industrial revival just as a two-year time frame is fixed for banks' capitalization.
- Bank of Industries (BOI) must be re-capitalised and strengthened to save the collapsed companies such as Kaduna Textiles Limited, Nortex Limited, Finetex Limited, Supertex Limited, Zamfara Textiles Limited, Enpee Limited, among others.
- Significantly government should create appropriate industrial environment for the revival of industries. NEPA, NITEL, Water Board and roads should also be given time frame to deliver. The true test

of the service delivery pact is the uninterrupted services of these agencies.

## **STATE AND LOCAL GOVERNMENTS AS CENTRES OF DEVELOPMENT**

- We commend the President for challenging local government Chairmen to make local governments centres of development. Industries are located in local government areas. **Prosperous industry makes communities prosper while depressed industry depresses the communities.** Our local government areas as well as states should demonstrate their commitment to development with industrial revival.
- We should not judge the performance of state and local governments by how they spend monthly federally collected oil revenue but by the wealth they generate through creation of enabling environment for industrial development.
- However, Local and State governments can only follow the lead of the Federal government. Where Federal government is indifferent to industrial growth through ill-informed policies, State and Local governments are not expected to perform miracles.

## **LEARN FROM CHINA, MALAYSIA, INDONESIA AND LESOTHO**

- Nigeria maintains robust relations with China but we are only eager to open door to China-made products than learning from China's path to industrial growth and development. China protects its industry, creates jobs for its billion workforce. What is good for China is good for• Nigeria,

**Reginald Agulanna**  
**PRESIDENT GENERAL SECRETARY**

**Issa Aremu**

**December 16<sup>th</sup> 2005**

## **TEXT OF PRESS CONFERENCE ON THE STATE OF TEXTILE INDUSTRY**

### **SALUTATION**

- On behalf of the National Executive Council (NEC) of the Union, we greet our members in National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) and entire Nigerian workers as we prepare for Christmas and New Year celebrations. We welcome members of the press to this brief interactive session aimed at critically reappraising and reviewing the activities of the Union in the outgoing year and make projections for the future. The forum also offers opportunity to reflect on the state of the industry and the country as a whole. We wish to extend our seasonal greetings to sister industrial unions, Textile Employers Association, governments at all levels and all our well-wishers,
- This forum also gives a singular opportunity to announce the resumption of the Acting General Secretary of the Union, Comrade Issa Aremu after successful completion of Senior Executive Course 27 at the National Institute for Policy and Strategic Studies Kuru, Jos.

### **TEXTILE SECTOR IN YEAR 2005**

- Like the previous year, the situation in the textile industry has worsened. The period under review witnessed down ward trend of business activities in various textile industries. With the influx of imported and smuggled textile goods which remains undated, the entire textile industry is enveloped with uncertainty. **Indeed we are now on the verge of total collapse of industry.** And some of the closures were clearly avoidable. For instance the nonavailability of LPFO (black oil), vital input for production (even with the recent increase in the official price from N12.21 to N30.40!) worsened the deplorable state of the industry.
- The largest textile group in the country, the United Nigeria Textile (UNT) Plc. that uses an average of 12 trucks of the oil per day, was

worst hit. The company was forced to shut down operations several times this year essentially on the ground of non availability of the black oil. This is a scandal in an oil producing country!

### **A NEW DANGEROUS THREAT**

- The problem of the company has been compounded with the unfortunate discovery of large volume of fake and substandard Real Wax which fraudulently bear the United Nigeria Textile Plc logo. This suspected fake smuggled wax is now fastly taking over the market for real authentic UNT products. In fact this Press Conference is largely motivated by the need to point to the impact of this dangerous economic crime which has posed a serious threat to the survival of the company. We call on the Standard Organisation of Nigeria (SON) to urgently check this fraudulent practice with a view of saving the few surviving companies from imminent collapse and the attendant mass job-losses as well as revenue to government. There is need to investigate the source of these fake and substandard UNT Real wax and take necessary measures to halt it. This amounts to gross economic crime which calls for the intervention of Economic and Financial Crime Commission (EFCC).

### **Closures and Job-losses**

- In spite of the laudable policy and the bold step of setting up of Presidential Task Force on banned items, smuggling activities continue at alarming rate leading to company closures and job losses.
- This year alone, Dalamal textile, Century, Prestige, Globe Spinning and Specomill all in Lagos closed down. Consequently, additional 10000 direct jobs are lost. This excludes job losses as a result of retrenchment by distressed mills. This development is tragic and unfortunate. From every indication the year 2006 may be worse unless emergency measures are taken to save the industry.
- Unfortunately, the Budget 2006 proposal lacks new measures aimed at resuscitating the industry. In fact some neo-liberal measures contained in that budget such as Common External Tariff (CET) which brings tariff down drastically will worsen dumping and

undermine domestic production. Our fear is that this government seems eager to impress the world about being compliant with international/regional agreements rather than deliver on its promise of reviving the industry and creating jobs at home.

- Our views that tariff regime must be consistent with the officially claimed policy of industrial development, employment generation and poverty reduction. The truth is that Nigeria is the real productive economy within ECOWAS sub-region while other economies are channels for foreign imports. Thus to therefore uncritically lower tariff under a unified regional tariff structure is to further wreck havoc on the economy.

Issa Aremu mm.

**GENERAL SECRETARY**

**PRESIDENT**

Reginald Agulanna

# **TEXT OF PRESS CONFERENCE ON THE STATE OF TEXTILE INDUSTRY**

*Being Year 2007 Message  
Of National Union of Textile, Garment and Tailoring Workers of Nigeria  
(NUTGTWN)*

## **1.SALUTATION**

On behalf of the National Executive Council (NEC) of the Union, we greet our members in National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) and entire Nigeria Workers in the New Year. In line with the traditions, New Year Offers another opportunity to reflect on the state of the industry, critically reappraise and review the activities of the union and consider the outlook in the New Year. It also offers an opportunity to reflect on the state of the union.

We wish to extend our seasonal greetings to fraternal industrial unions, Textile Employers Association, governments at all levels, the press and all our well-wishers.

## **2.TEXTILE SECTOR IN YEAR 2006**

The sharp decline in the performance of textile industry continued in 2006. There is an official Admission that while food and agricultural sub-sectors have responded to the Presidential revival initiatives, textile industry remained ever depressed and virtually on the verge of extinction. The depression of the sector manifested in continuous factory closures, asset wastage, job-losses and decline union membership. In 2006 alone over 5000 direct jobs were lost due to factory closures, industrial down sizing and retrenchment. Indirect job-losses are in tens of thousands. This development has further fueled income poverty, deepened mass poverty, mass destitution and mass desperation in respective textile communities through out the country.

Paradoxically 2006 witnessed some additional bad moves by president Obasanjo Administration to revive the textile industry. The ban on imported textile materials was in place while custom Service recorded some remarkable seizures of illegal banned textile imports. The Presidential

committee under the chairmanship of FCT minister Mallam Nasiir el Rufai openly burnt some of the seized textile items. President Obasanjo launched the N50 billion Cotton rebirth campaign in August 2006 in Kaduna. The Federal government also inaugurated N50 billion revival fund for the industry in July 2006. Stakeholders held various meetings with Mr. President aimed at seeing to the recovery of the industry in the year.

The problem of the industry is therefore not due to the absence of measures and official moves aimed at revival of the industry. The problem is that these measures are not far enough in effectiveness and impact. Above all, the measures are piecemeal, ad hoc and at best belated and reactive.

### **OUTLOOK IN 2007**

Nigeria's Textile industry is not a "lost-case" if the government and industry stakeholders jointly initiate pro-active sustainable and effective measures. In 2007, there is the need for official appreciation (Federal and state government levels) that textile industry is a strategic non-oil sector industry that once served as catalyst for industry transformation of Nigeria in the 60s and up to 80s just as it did for many nations.

Textile was once next to public sector in terms of labour absorption. Even with massive closures, the industry with current 25000 direct jobs still ranks as the largest labour absorbing industry in the manufacturing sector after agro-allied industry.

The industry is uniquely placed to help the country resolve the existing protracted production and employment crisis, achieve self reliance in the usage of a high percentage of locally produced raw materials, namely cotton and polyester. The industry revival means protection of existing remaining 25000 direct jobs as well as millions of indirect jobs linked to the value-chains.

UNIDO estimates that a 20 per cent increase in the textile output means, 100,000 additional jobs in cotton farming and the textile industry, \$50million foreign exchange savings, \$30 million exports and N200million revenue. **Any recorded progress in other sub-sectors without the**

## **huge potentials in textile industry amount to nothing as far as the real sector is concerned. \_**

The problems facing the industry are largely governance issues; policy inconsistency, trade liberalization, high cost of production due to expensive energy and inadequate supply of basic inputs like LPFO. There is need for urgent agenda setting policy dialogue in 2007 with massive participation of state governments where industries are located for the revival of local industries. Presidential and governorship candidates must be assessed by voters by their commitment to industrialization with textile sub-sector as its bedrock.

Outgoing Obasanjo administration has recorded achievement in policy rhetoric with respect to economic diversification. It's time the new elected leaders moved from wishful thinking to industrial reality and performance.

In 2007 Nigeria must not pride itself as the "**largest market in Africa**" serving as heaven for dumped imported goods abroad. On the contrary, Nigeria must be counted as a functioning productive and integrated industrial economy that must liberate itself from the accursed dependency on extractive and wasting oil and gas sector. Huge domestic market must serve as catalyst for import-substituting and export oriented industries.

Electrification plus industrialization is the key to prosperity. In 2007, the best criterion to assess governance performance should be availability of steady and sustainable power and the number of industries set up at local, state and Federal levels as well as the quality and quantity of jobs created. There should be a time frame for industrial revival just as there was a time frame for banks' capitalisation. Nigeria ranked poorly 83 out of 117 countries in UNIDO competitive industrial performance. Indeed in 2005, the manufacturing contribution to GDP growth rate has further nosedived from 4.7 per cent in 2005 to 3.8 per cent in 2006. This scenario must be reversed in 2007.

### **THE UNION IN 2006**

In spite of the worsening plight of the industry, the Union strived in 2006 to fulfill its obligations to members in the areas of advocacy and

strengthened partnership with employers to protect the industry via campaigns and improved working conditions of our members.

The key to the revival of the industry is labour motivation and labour productivity. We therefore demand that labour's motivation is factored into government's revival plan. We specifically demand that part of the N50 billion be set aside to pay the owed entitlements of thousands of KTL, Arewa and Nortex/Finetex workers as well as Asaba Textile workers.

One major achievement of the union during the year was the recent review of our collective agreement as it affects basic salary and basic components effective from 1<sup>st</sup> October 2006. The agreement, which is the 30<sup>th</sup> agreement ^ to be signed by our union was a product of protracted negotiations between the union and the employers association. It covered two core areas namely basic salary and annual incremental rates. Discussion on Leave days/Leave Allowance is still in progress.

We congratulate all our members for this achievement and the support given to the union. While the improved wage was far from compensating for the income loss occasioned by inflation and poverty-inducing policies of the government, the negotiation underscored the fact that with union power, members can strive to improve on their lot.

We commend the textile management and employers represented by Nigerian Textile Garment and Tailoring Employers Association (NTGTEA) who in spite of other challenges of production kept fate with the spirit and content of our collective agreement through prompt signing and implementation of the collective agreement.

## **UNION OUTLOOK IN 2007**

The challenge in the coming year is to improve on the union's achievements in 2006. We call on members to redouble their efforts with the knowledge and appreciation that the key out of poverty is productivity and adequate remuneration as well as job protection. We must therefore avoid wastage general indiscipline and be quality conscious to ensure industrial growth and development. ***At the same time we must***

***maintain a zero-tolerance to employers' exploitation and violation of workers' rights.***

We reaffirm our cooperation with employers who respect the spirit and content of collective agreements as well as the country's labour laws. ***But 2007 proves to be a tough year for employers who opt to cut corners at the expense of the welfare of our members through casualisation, downsizing and frivolous job retrenchment.*** The union will NOT allow employers shift the burden of production crisis to the poor workers. We will be up in resistance against management that dabbles into union affairs and strives to undermine union independence and solidarity.

***Time is fast running out on dubious employers who are in the habit of claiming closures only to return to business with indecent job terms with a view of obtaining illicit profits.*** These employers cannot fool the union all the time! We warn our officers at all levels to live up to expectations in defence of members' gain through vigilance and spirited defense of workers' rights.

***The union will not tolerate corporate mis-governance. To this extent therefore employers who have refused to comply with the spirit and content of the new Pension reform must be prepared to face up to the full weight of the law.*** The new pension scheme with all its limitations is a form of wage improvement for the workers such that non-compliance with it amounts to corporate attempt to short-change the workers in the area of wage improvement.

June 17, 2008

## **INDUSTRY AND EMPLOYMENT SINCE 2007 – A YEAR AFTER INAUGURATION OF PRESIDENT YAR’ADUA**

### **INTRODUCTION**

More than previous administrations, President Umaru Musa Yar’Adua’s administration raised the prospects of industrialization and wealth generation at inception. President Yar’Adua delineated his vision for the Federal Republic of Nigeria in his inaugural address of May 29<sup>th</sup> last year.

In that historic speech, the President promised at the level of the economy to do “*necessary work to create more jobs, lower interest rates, reduce inflation and maintain a stable exchange rate*”. Much needed hope was raised to set the economy on the path of growth via accelerated generation, transmission and distribution of power nation-wide. The President assured of the need to reinvent human capital and confront deepening poverty. Significantly too, wealth generation is one of the seven-point agenda of President Yar’Adua, the key success factors are the small and medium scale industries.

A year after how far have industries fared? How many jobs have been created? How many jobs have been retained by this administration?

### **PERFORMANCE**

It was remarkable that President Umaru Musa Yar’Adua rekindled hope in industrialization and reaffirmed his belief in the primacy of the industrial renaissance as an indispensable factor in poverty eradication. However, there is still a wide gap between official preference and the reality of deepening de-industrialization and massive job-losses in the country.

### **FACTORY CLOSURES PERSIST**

Indeed in the last one year the recent spate of industrial closures had accelerated largely due to complete national power melt-down, smuggling, high operating costs arising from prohibitive raw material and energy cost. We recollect the pain of massive job losses and huge investment loss when UNT Plc. and Atlantic Textile Mill Lagos closed down last year.

Also Reliance and Bhojraj in Lagos have closed down this year. Textile industry has further lost additional 15,000 direct jobs in textile sector in the last one year with the danger of more closures and more job losses. The implication here is that the acknowledged political commitment to industrialization by the President has not yet translated into the promised industrial revival. On the contrary, industry is becoming endangered economic specie amidst windfalls in oil revenue known as excess crude receipt.

### **INDUSTRY: TOKEN GDP CONTRIBUTION**

Today, manufacturing's contribution to GDP in Nigeria is mere 4 per cent while in other serious middle income countries like India, Singapore and Indonesia, manufacturing's share of GDP is as high as 25 per cent. The controversial 2008 budget is still crude oil dependent with very few proposals to reinvent the real sector of the economy.

The only hope is that President Yar'Adua has the intention and capacity to return the country to the path of industrialization. If all the surmountable problems identified above are tackled, the industry can and must return to the good old days of capacity utilization, mass employment, labour absorption and labour retention.

### **OPTIMISM: POWER SECTOR EMERGENCY**

The nation awaits the impending urgent declaration of emergency in power sector with great optimism and enthusiasm. The emergency in the power sector is coming rather too late. But better late, than never more so if the current effort is a product of planning and serious thinking compared to the muddling through of the past eight years..

We urge governments at all levels to play their part at all times in creating enabling atmosphere for productive enterprises. Precisely just as President Yar'Adua is building consensus amongst the State governors on power sector, so also the administration must initiate national consensus on how to promote industrial development.

## **NIGERIA SHOULD EMULATE SAUDI EXAMPLE TO UTILIZE THE NEW OIL WINDFALL**

Saudi Arabia government recently announced a landmark construction of \$26.6 billion new EconomicCity (KingAbdullahEconomicCity) that will create 500,000 direct jobs in the next 10 years. Nigeria already prides itself with dead industrial cities. All we need is to revive Kano, Kaduna, Lagos, Aba, Port Harcourt and Enugu as economic cities with functioning industrial estates, industrial production and mass employment.

### **TEXTILE REVIVAL FUND**

We acknowledge the N70billion textile revival fund. However the process of disbursing the N70billion should not be hijacked by traders, importers and other parasitic anti-industry elements. This intervention fund has rekindled hope and lost confidence of investors. **We call on the federal government to insist that disbursement must be tied down to assurance of reopening of the closed factories, recall of workers declared redundant, retooling of machines and payment of workers' gratuities and benefits. Federal government needs new thinking on how to manage this intervention fund.**

We suggest that government should urgently revisit the UNIDO report of 2002 on the revival of textile industry. The report should form the basis for reviving the sector.

- Bank of Industry(BOI) and not NEXIM should be allowed to drive the N70 billion Naira Intervention Fund;
- The scheme should start with key pilot projects of functioning companies to demonstrate viability, necessary to continue with the agreed strategy of production and re-engagement of redundant workers;
- The framework should have a robust process of identifying real industry operators to avoid opportunistic moves by some individuals who now claim to be textile manufacturers; and,

Issa Aremu *mni.*

**GENERAL SECRETARY/VICE PRESIDENT, NLC**

July 24, 2008

## **TEXTILE REVIVAL FUND: TIME TO ACT IS** **NOW**

We acknowledge the N70billion textile revival fund approved by the Federal government. However the process of disbursing the N70billion should not be hijacked by traders, importers and other parasitic anti-industry elements. This intervention fund has rekindled hope and lost confidence of investors. **We call on the federal government to insist that disbursement must be tied down to assurance of reopening of the closed factories, recall of workers declared redundant, retooling of machines and payment of workers' gratuities and benefits. Federal government needs new thinking on how to manage this intervention fund.**

We suggest that government should urgently revisit the UNIDO report of 2002 on the revival of textile industry. The report should form the basis for reviving the sector.

The scheme should start with key pilot projects of functioning companies to demonstrate viability, necessary to continue with the agreed strategy of production and re-engagement of redundant workers;

The framework should have a robust process of identifying real industry operators to avoid opportunistic moves by some individuals who now claim to be textile manufacturers; and,

Before implementation, there is the need for symbolic visits to some of the industry operators. The Ministry of Commerce and Industry, BOI, and National Union of Textile, Garment and Tailoring Workers of Nigeria (NUTGTWN) and Nigeria Textile Manufacturers' Association (NTMA) representatives should conduct such visits.

The fund comes too late, too token. **Waste NO TIME TO DISBURSE IT NOW.**

Issa Aremu *mni.*

**GENERAL SECRETARY**

13, October 2009

## **"MADE-IN-NIGERIA" CAMPAIGN IS COMMENDABLE BUT MUST BE COMPLIMENTED WITH RE-INDUSTRIALISATION CAMPAIGN**

### **COMMENDATION**

- Today, the campaign for made-in-Nigeria goods flagged off by the Federal Ministry of Commerce and Industry will be officially declared open by the President of the Federal Republic of Nigeria, Alhaji Umaru Musa Yar'Adua at the Federal Capital Territory Abuja. The Minister of Commerce and Industry Chief AchikeUdenwa reportedly stated that the Federal Government will spend the sum of N200 million to offset the campaign for made- in-Nigeria goods which will also be launched in the six geo political zones of the country, all states capital and in the 774 local government areas across the nation.
- We agree that made-in-Nigeria campaign is a developmental strategy towards revamping the economy and to launch Nigeria on the map of the 20 most developed nations in the year 2020.
- We wish to express our solidarity with the Federal Ministry of Commerce and Industry for this patriotic campaign. This commendable initiative is consistent with our long standing campaign as well as the recommendation of UNIDO report 2003 that calls for more patronage of Made-in-Nigeria textiles by the government and its citizenry.

### **BEYOND THE CAMPAIGN**

- However, beyond the multi-million Naira symbolic campaigns, there must be practical proposals to show that the campaign would boost local production. For instance public procurement of uniforms for Armed Forces, police and paramilitary organizations including schools and

hospitals will go a long way in boosting domestic production, create mass jobs, promote industrialization in Nigeria create huge earnings in the country. Patronage of made-in-Nigeria goods will further legitimize the fact that Nigeria's goods meet global quality standard.

## **REINVENT THE INDUSTRY**

- But as significant and desirable this campaign is the reality on ground however is that made-in-Nigeria industrial goods are endangered now due to mass closure of industries. This campaign is only sustainable if it leads to the general campaign to save the industry.

- Now, industries in Nigeria are fastly relocating to Ghana and other neighboring African countries that offer reliable and cheaper power supply and good investment climate. The reasons are:

- High cost of production with energy cost accounting for over 45% of total production cost.

- Reduction in capacity utilization.

- Uncompetitiveness of locally produced goods when other infrastructure challenges and unstable policy environment are taking into account.

- Factory closure with attendant job losses leading to national insecurity. Textile, tyre, food and beverages, auto assembly plants are already victims.

Let the government go beyond this symbolic drama to concrete policy initiatives and policies that will urgently revive domestic investments and attract foreign investments.

- Government should give direct supply of LPFO at subsidized rate to bonfire manufacturers.

- Make the Nation's Refineries work to reduce dependence on importation of petroleum products, in particular LPFO and AGO.

- Improve electricity and water supply.
- Release Intervention Fund.

Let Us Buy Made-in-Nigeria goods today and Re-invent the Industry.

Reginald Agulanna  
**PRESIDENT**

Issa Aremu mni.  
**GENERAL SECRETARY**

**17<sup>th</sup> October 2009**

**APPEAL FOR URGENT ACTION TO  
RE-INDUSTRIALISE THE NORTH AND NIGERIA**

**BEING TEXT OF STATEMENT ISSUED BY NATIONAL UNION OF TEXTILE  
GARMENT AND TAILORING WORKERS OF NIGERIA (NUTGTWN) AT THE  
LAUNCHING OF SIR AHMADU BELLO MEMORIAL FOUNDATION APPEAL  
FUND ON SATURDAY OCTOBER 17, 2009**

**GREETINGS/COMMENDABLE INITIATIVE**

We salute the Board of Trustees of Sir Ahmadu Bello Memorial Foundation and the Northern Governors' Forum (NGF) under the Chairmanship of His Excellency, Alhaji Dr. Mu'azu Babangida Aliyu (*The Chief Servant*) on the historic launching of Sir Ahmadu Bello Memorial Foundation Appeal Fund. Coming more than 40 years after the death of the late Premier, we commend the Northern Governors for this great initiative in memory of the late elder Statesman and Premier of the defunct Northern Region, Sir Ahmadu Bello, *Sardauna of Sokoto*. Better late than NEVER! We urge all well meaning Nigerians to generously contribute to make the Foundation sustainable.

As an affiliate of Nigeria Labour Congress (NLC), we are indeed proud to be associated with this great initiative and pledge our support and solidarity.

Many legacies of the late Premier as well as his contributions in all fields are geared towards the development of both the Northern Region and Nigeria as a whole. The late Sardauna stood for industrial/agricultural development, job creation, education, health, infrastructural development and prosperity for all Nigerians. Today's event should therefore not just be a regional acknowledgement but national acknowledgement of the legacies of this great patriot including other people of his calibre notably Chief Nnamdi Azikiwe and Obafemi Awolowo.

**BEYOND THE FOUNDATION**

The best way to honour leaders like late Sardauna is not just to build monument but to build from where he stopped. We hereby add our voice

on the urgent need for re-industrialisation of Nigeria and the North in particular.

One of the legacies of the late Premier was industrial development in the Northern Nigeria. Friendly environment was provided by the late Premier to attract foreign investors. He even provided direct grants for the takeoff of Kaduna Textile Limited (KTL). Kano was to be made the "*Manchester of Nigeria*" (i.e. Industrial Power House) by the late Premier. Kaduna Textile Limited started producing in 1957 as one of the first textile companies established in Nigeria. This was followed by United Nigeria Textile Limited (UNTL) in 1965. UNTL just like KTL was an integrated spinning, weaving and printing mill. It was the largest textile company in West Africa. Other companies that sprang up in the North due to favourable business climate created by the late Sardauna included Unitex, Supertex (subsidiaries of UNTL), Arewa Textiles, Finetex, Nortex, among others. There were also many textile companies in other Northern cities of Kano, Gusau, Funtua, Kwara etc.

These companies were established to take advantage of available raw material like cotton and surplus labour in the region in the late 50s. The companies provided job opportunities not only for people of the Northern region but also to other regions.

The late Sardauna encouraged Nigerian's ownership of the enterprises. This led to Nigerian's ownership of substantial shares in Arewa Textiles and Kaduna Textiles through the NNDC. The Northern Premier also promoted regional competition that made other regions to follow his example of industrial development. The competition gave rise to Nigeria Textile Mill (NTM) in Lagos (Western Region) and Aba Textile Mill (Eastern Region). The competition continued such that by mid 80s, there were more than 200 textile and allied industries in Nigeria with total investment of ₦30 billion and annual turnover of ₦20 billion. Employment in the textile industry however declined from about 200,000 in 1985 to about 24,000 in 2008 and the decline is still unabated.

More than 80% of the factories have closed down due to harsh operating environment. KTL established by the late Premier closed down since 2002.

UNTL, the largest textile company in Nigeria and indeed West Africa has also closed down (2007) along with its subsidiaries namely Supertex and Unitex Kaduna. Arewa Textiles, Finetex, Nortex, Zamfara Textile and many other textile companies in the North have closed down with thousands of job losses.

## **CHALLENGES**

The challenge is how to reinvent this critical legacy of the late Premier. The Foundation should therefore serve as catalyst to revive this legacy. The late Premier saw the need to add value and he indeed added value. There must be a shift from federal revenue allocation and sharing to value addition.

We are happy with the efforts being made by some of the governors from the region to keep the memory of the late Sardauna alive. Governor Namadi Sambo of Kaduna State apart from setting up Committee on the revival of moribund industries in the State also personally visited some of the closed factories. Dr. Bukola Saraki of Kwara State has recorded a giant stride in agricultural development. Other Governors are hereby urged to borrow a leaf from these Governors. If Sardauna could provide the enabling environment to attract investors in the 60s namely Chinese and Indians, we certainly can do more now.

One of the key components of President Yar'Adua's seven point agenda is Employment and Wealth Generation. Nigeria cannot attain these noble objectives and be among 20 developed economies in eleven years as projected in the present administration's Vision 20-2020 with existing industrial collapse, idle investment, mass-unemployment and de-skilling and de-industrialisation in general.

## **WAY FORWARD**

A huge gap exists between official policy pronouncements and implementation. As at today, manufacturing contribution to GDP in Nigeria is less than 3 per cent while in other middle income countries like India, Singapore and Indonesia, manufacturing's share of GDP is as high as 60 per cent. In China, manufacturing share of GDP is as high as 80 per cent.

The current global economic downturn and its negative impact on oil revenue provides another historic opportunity to re-industrialise Nigeria. Textile Industry is uniquely placed to help the country resolve existing protracted production and employment crisis, achieve self reliance through usage of high content of local raw materials namely cotton and polyester.

United Nations Industrial Development Organisation (UNIDO) estimates that a 20 per cent increase in the textile output, means 100,000 additional jobs in cotton farming and the textile industry, \$50 million foreign exchange savings, \$30 million export and N200 million revenue.

We are encouraged by the remarkable policy shift and high level awareness of the issues of industry at the top level of government. We recall President Yar'Adua's recognition for the imperative of the revival of industries and deep understanding of the challenges. In the recently historic extensive interview with the Guardian newspapers, President Yar'Adua singled out textile industry as the *"largest manufacturing in this country that must be protected"*. We are optimistic about the renewed commitment by government to fix energy as well as the wide campaign for patronage of made-in-Nigeria goods.

**As we celebrate the legacies of the great Premier of the defunct Northern Region, Sir Ahmadu Bello, we call on the Northern Governors in particular to:**

**Build Infrastructure:** Provision of adequate water supply and electricity in particular are what made Kaduna and Kano attractive in those days. The NGF must continue to support the Federal government's effort to improve on electricity.

**Protect domestic industry against smugglers:** The North has unfortunately become trading houses for smuggled goods. Even the Northern traders are being displaced by Chinese traders. The governors must represent the North at the federal level to make sure customs are on duty thereby returning the North to the good old days of industrial protection. Otherwise, we will continue to have more of *Boko Harams* and other crises caused by unemployment.

**Return the North As Investment and Employment destination:**

The North has the capacity not only to produce goods and services for the region but the entire country. Most people in Nigeria have worked in the North in one way or the other particularly in the textile industry. This is one of the credits of the late Sardauna. The Northern governors must create the enabling environment for investment in the Region thereby creating ample job opportunities. The 15,000 Militants that reportedly laid down their arms in the Niger Delta is far less than the number UNTL in Kaduna was employing when in full production. We must urgently bring back industry in the North.

**Settle entitlements of KTL Workers:** The Union is disturbed by the continuous delay in the settlement of the entitlements of the workers of Kaduna Textiles Limited (KTL). The continuous delay worsens the state of the already impoverished workers. The gratuities and benefits of the workers have been computed and agreed to by both the union and management arising from the adjudication by the Industrial Arbitration Panel (IAP). We call on the Northern Governors Forum in the spirit of the late Premier, to settle the workers benefits amounting to about N687million and reopen KTL.

**Textile Revival Fund:** We commend the President of the Federal Republic of Nigeria, His Excellency, Alhaji Umaru Musa Yar'Adua for the renewed commitment to revitalise the textile industry in the country by increasing the cotton and textile revival fund from N70 billion to N100 billion to be sourced and administered by the Bank of Industry. We call on the NGF to support the Federal government to ensure the money is urgently sourced and released to the operators.

Finally, we wish to make an open request to the Chairman of Northern Governors Forum (NGF), His Excellency, Alhaji Dr. Banbangida Aliyu for the opportunity of a courtesy call by the leadership of the Union to discuss the issues above.

Thanks and long live!

**FOR AND ON BEHALF OF NUTGTWN**

Reginald Agulanna  
**PRESIDENT**

Issa Aremu mni.  
**GENERAL SECRETARY**

**January 8, 2010**

## **THE STATE OF THE INDUSTRY AND THE NATION**

*Being New Year (2010) Message Of National Union Of Textile,  
Garment And Tailoring Workers of Nigeria (NUTGTWN)*

### **SALUTATION**

We salute our members in National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) and entire Nigeria workers in the New Year.

The new calendar provides another opportunity to critically reappraise and review the activities of the union and reflect on the state of the industry and country as a whole and make projections for the future. We extend our season's greetings to sister industrial unions, Textile Employers Association, governments at all levels, the press and all our well-wishers.

### **TEXTILE SECTOR IN YEAR 2009**

The sharp decline in the performance of the textile Industry continued in 2009, inspite of the re-newed interest by Government to resuscitate the Industry.

The problem of the Industry therefore, is not due to the absence of measures and official initiatives aimed at resuscitating the industry but that these measures are not far reaching enough in effectiveness and impact.

Like the previous years, the textile industry remained depressed and virtually on the verge of extinction. This is manifested in continued factory closures, Job losses and decline in union membership.

The situation is indeed tragic and unfortunate as the gap between hope and reality yearly widens.

### **OUTLOOK IN 2010**

In 2010, "all hope is not lost" for textile industry in Nigeria, if the government and industry stakeholders jointly pursue proactive, sustainable and effective measures. There is therefore the need for government at all levels to be reminded of the fact that textile industry remains a strategic non-oil sector industry that once served as catalyst for industrial transformation of Nigeria in the 60's and up to 80's as it did for many other nations, and still has the capacity to help the country resolve the existing protracted production and employment crisis and achieve self-reliance in the usage of a high percentage of locally produced raw materials namely cotton and polyester.

The textile industry in terms of labour absorption was once next to public sector. Even with the massive closures, the industry with approximately 20,000 direct jobs still ranks as one of the largest labour absorbing industry in the manufacturing sector as at today.

Resuscitating the industry will mean protection of existing approximately 20,000 direct jobs as well as millions of indirect jobs linked to the value chains.

**The problem facing the industry remains largely governance issues; policy inconsistency, trade liberalization and high cost of production due to expensive energy, lack of good infrastructures and inadequate supply of basic input like LPFO.**

In 2010, Nigeria must also not continue to see itself as the "largest market in Africa" only serving as a safe "haven" for imported fake goods. Instead Nigeria must be counted as a functional productive and integrated industrial economy that must liberate itself from dependency on extractive oil and gas sector.

Industrialization and electrification is key to prosperity in 2010, there should be availability of steady and sustainable power supply and a number of industries should be set up at local, state and federal level as well as create quality jobs in large numbers. This will be the best criteria to assess performance of government at all levels in 2010 and beyond.

**N100 BILLION TEXTILE REVIVAL FUND: NO BETTER TIME TO ACT**

In 2010, there is the need for the federal government to go beyond paying just lip service but quickly release the 100 billion textile revival fund long promised for the industry. However, disbursement must be tied down to proper management which will assure re-opening of closed factories, recall workers declared redundant, retool machines and pay workers gratuity and benefits.

### **THE UNION IN 2009**

In spite of the worsening plight of the industry, the union strived in 2009 to fulfill its obligation to members in the areas of advocacy, partnership with employers to protect the industry through education campaigns and improved working conditions of our members.

Series of policy advocacy programs were held on the state of the industry and the need for re-industrialization in Nigeria.

One of the achievements of the union during the year was the recent review of our collective agreement as it affects allowances effective from 1<sup>st</sup> October 2009. The agreement which is the 33<sup>rd</sup> agreement to be signed by our union was a product of hard negotiation between the union and the employers association. The areas covered are namely:- Food Subsidy, Medical and Transport allowance.

We congratulate all our members for the achievement and support given to the union. Although the improved wage is far from compensating for income loss as a result of inflation and poverty-inducing policies of the government, the negotiations underlines the fact that with union power, members can strive to improve on their lot even in difficult circumstances.

We commend the textile management and employers represented by Nigerian Textile Garment and Tailoring Employers Association (NTGTEA) who in spite of the current state of the industry kept fate with the spirit and content of collective agreement through prompt signing and implementation of the collective agreement.

## **UNION OUTLOOK IN 2010**

The challenge in this New Year is to improve on the unions achievements in 2009 at all levels. We call on members to redouble their efforts with the knowledge and appreciation that productivity and adequate remuneration as well as job protection is the key out of poverty. Therefore, industrial growth and development must be ensured while wastage and general indiscipline should be avoided. The union will at the same time maintain a zero tolerance to employers' exploitation and violation of workers' rights.

In 2010, the union remains steadfast in its legal battles with recalcitrant employers such as KTL, Finetex/Nortex, Arewa Textile plc among others. The struggle continues until there is full payment of our members' gratuity and benefits as well as outstanding union dues.

The union will intensify its efforts and struggle in all areas of union activity namely: organizing the unorganized workers in both the formal and informal sectors, conflict resolution capacity building, national and international solidarity.

We will continue to advocate for policy change and strengthen our campaign for re-industrialization in Nigeria.

Issa Aremu mni  
**GENERAL SECRETARY**

Reginald Agulana  
**PRESIDENT**

March 4, 2010

**OTHER NORTHERN GOVERNORS SHOULD EMULATE GOVERNOR  
NAMADI SAMBO'S EFFORT IN PROMOTING NON-OIL SECTOR**

The National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) wishes to express its support and solidarity to the commendable effort of the Kaduna State Government aimed at resuscitating the ailing industries and attracting new investments in the State. Governor Namadi Sambo has recorded a giant stride in promoting non-oil sector through the ongoing effort to revive textile and manufacturing sector in general.

We commend the initiative of the Governor in setting up a Special Committee for the Revival of Textiles and Cotton Industries in Kaduna State and the unprecedented partnership between the State and the Federal government to address critical issues of financing, power supply, and water with a view of reinventing Kaduna as an industrial development centre. The Honourable Minister of Finance, Dr. Mansur Muktar, Economic Adviser to the President, Yakubu TanimuKurfi as well as the Chief Executive of Bank of Industry Evelyn N. Oputuwere in Kaduna recently on the invitation the State Governor to give effect to this partnership. The Union is indeed appreciative of this bold steps being taken by Governor Namadi Sambo and urged other Northern Governors to emulate him.

- We must however point out that beyond the commendable effort to reopen closed industries, Kaduna Textile Limited (KTL) workers deserve their legitimate gratuities and other benefits. Kaduna Textiles Limited (KTL) is owned by the 19 Northern States government. The company unilaterally closed down its operation since May 1, 2002 without settlement of workers benefits and other entitlements. The gratuities and benefits of the workers amounting to N687,073,346.00 as computed and agreed to by both the union and management arising from the adjudication by the Industrial Arbitration Panel (IAP) have remained unpaid inspite of series of campaigns and protests by the union.

- While expressing our profound thanks to Governor Namadi Sambo for his commitment and determination to revive the closed textile companies

thereby creating job opportunities in the State, we call on him and other Northern Governors to take necessary steps to settle the gratuities of KTL workers and bring back to life the oldest textile company in Nigeria and indeed Africa, Kaduna Textiles Limited.

In the same vein, we call on the management of the closed Arewa Textiles Pic., Finetex Limited and Nortex Limited Kaduna to settle the entitlements their workers without further delay.

The point cannot be overstated that these workers are wallowing in abject poverty and impoverishment due to long lay off from work without pay, Urgent settlement of their entitlements will go a long way in reducing their burden and alleviating their increasing destitution, poverty and desperation capable of causing communal/industrial disharmony.

Issa Aremu **mni.**

**GENERAL SECRETARY**

**March 15, 2010**

**NORTHERN GOVERNORS MUST SETTLE THE ENTITLEMENTS OF  
KTL WORKERS**

**THE PROBLEM**

The Union is disturbed by the continuous delay in the settlement of the entitlements of the workers of Kaduna Textiles Limited (KTL) by its owner-19 Northern States of the Federation and once again appeal to the Northern Governors Forum (NGF) to urgently take positive steps to settle the benefits of the workers amounting to **N697,073,346.00**

The Management and owners of the company are yet to settle the entitlements of the workers inspite of repeated appeals by the union.

**KADUNASTATE GOVERNMENT EXAMPLE**

We acknowledge the commendable effort of the Kaduna State Government Arc. Namadi Sambo aimed at resuscitating the ailing industries and attracting new investments in the State. Governor Namadi Sambo has recorded a giant stride in promoting non-oil sector through the ongoing effort to revive textile and manufacturing sector in general.

We commend the unprecedented partnership between the State and the Federal government to address critical issues of financing, power supply, water with a view of reinventing Kaduna as an industrial development Centre. The ongoing independent power project by the State government aimed at boosting electricity supply to the industrial area is a welcome development.

The Union is indeed appreciative of this bold step being taken by Governor Namadi Sambo and urged other Northern Governors to emulate him.

However, we wish to point out that beyond the commendable effort to reopen closed industries, Kaduna Textile Limited (KTL) workers

deserve their legitimate gratuities and other benefits. Kaduna Textiles Limited (KTL) is owned by the 19 Northern States.

KTL workers are wallowing in abject poverty and impoverishment due to long lay off from work without pay. Urgent settlement of their entitlements goes a long way in reducing their burden and alleviating their increasing destitution, poverty and desperation capable of causing communal/industrial disharmony.

### **CRISIS IN THE NORTH IS A DEVELOPMENT CRISIS**

The recurring crisis in Jos and other States in the North is a development crisis and calls for urgent action to reinvent the industry. It is the poorest of the poor who killed themselves as we witnessed in Jos recently. Northern governments should face up to the challenges of development through industrialization and mass job creation.

While expressing our profound thanks to Governor Namadi Sambo for his commitment and determination to revive closed textile companies thereby creating ample job opportunities in the State, we call on him and other Northern Governors to take necessary steps to settle the gratuities of KTL worker and bring back Kaduna Textile Limited (KTL)

Reginald Agulanna  
President

Issa Aremu mni  
General Secretary

### **MINISTER JUBRIL KUYE MUST SERVE THE NATION OR RESIGN**

#### **MINISTER JIBRIL KUYE GOT IT WRONG**

The nation read with utter dismay the statement credited to the Honourable Minister of Commerce and Industry, Senator Jubril Martins Kuye that the current economic condition of the country does not favor a bailout for the textile industry.

#### **BAIL-OUT IS A REALITY UNDER BANK OF INDUSTRY**

There is already a bailout plan for the industry and textile industry in particular. This is the textile revival fund. The mandate of the new minister of commerce and industry is to realize this existing plan not to jettison the plan or reinvent another personal agenda.

## **JUBRIL MARTINS KUYE MUST READ THE LIPS OF ACTING PRESIDENT**

At the inauguration of the federal executive council by the Ag. President Goodluck Jonathan, we recollect the acting president admonished the ministers not to reinvent personal agenda but to continue to work for a rigorous implementation of the policy framework of this administration. The Ag. President said *"the blue print for the actualization of government objectives are there in the budget and in the various policy frameworks now gathering dust in our archives. No minister will be allowed to go on a mission of endless search for solutions. You must hit the ground running."*

### **WHO DOES THE MINISTER SPEAK FOR?**

The question then is who is senator Kuye about to serve when on jetting out of the country he had the audacity to arrogantly try to jettison an existing framework to revive the industry? Certainly not Nigeria or the acting president who appointed him

### **UNIDO REPORT**

The current framework for revival of textile industry was out of decade-long painstaking study by United Nations Industrial Development Organization (UNIDO) and all the stakeholders. Honourable Martins Kuye has no business to reinvent another one.

### **NIGERIA DOES NOT NEED ONE-HAND MINISTER**

The existing framework for revival of industry is comprehensive enough to include financing, energy supply, anti-smuggling, infrastructure, raw materials etc. it is not one or the other. All the issues for revival of industry are integrated. All stakeholders know that it is not either financing or energy or anti-smuggling or cotton production. All the issues are inter-related. Nigeria does not need "one-handed" minister. We need a minister who must implement comprehensive framework for revival of industry.

### **BAILOUT IS NOT A CHARITY**

The minister who claims to be an industrialist should know better that bailout is not a grant from the national treasury. The minister should get well informed to know that this fund that is being managed by the Bank of Industry (BOI) with long-term repayment plan at a single digit interest rate. His predecessor, Humphrey Abbah commendably embarked on a comprehensive programme to promote patronage of made-in-Nigeria goods, bail-out intervention fund and anti-smuggling.

We call on Senator Kuye to simply resign if his intention in the Ministry is to pursue an agenda that is not consistent with the national policy framework as enunciated by the Ag. President Goodluck Jonathan. Nigeria can do without recycled ministers whose ideas are anti-development. EU and America under new younger vibrant political leaders are bailing out industries, why not deindustrialised countries like Nigeria?

Reginald Agulanna  
President

Issa Aremu mni  
Gen Secretary

April 27, 2010

## **2010 BUDGET MUST REVIVE THE INDUSTRY AND CREATE MASS EMPLOYMENT**

### **CHALLENGES**

Budget 2010 must reverse the worsening unemployment situation due to mass closures of industries, failing which the budget will end up as other failed past budgets.

N4.6 trillion has been signed into appropriation Act by the Acting President Goodluck Jonathan for the 2010 fiscal year. This is an increase of N600 billion (almost a trillion) proposed by the Executive but increased by the National Assembly. With this huge financial sum, Nigerians expect accelerated recovery of the Nigerian economy as a matter of necessity. Nigeria has been passing trillions Naira budgets in the past 10 years without any positive impact on the economy and public welfare.

The Acting President had pledged that the 2010 budget would accelerate Nigeria's economic recovery through targeted fiscal interventions aimed at stimulating the economy, sustaining private sector growth and enhancing the pace of national development.

### **2010: INDUSTRY/EMPLOYMENT-SHY**

The 2010 budget unfortunately is silent on clear cut concrete economic parameters to measure the performance of the budget such as the expected level of capacity utilisation, number of jobs to be created. On the

contrary, the budget was predicated on the same old parameters - oil production capacity (of 2.35 million barrels per day), oil price benchmark (of \$57 per barrel) and an average exchange rate of N150 to the US dollar. Inflation Rate was also put at 11.2% and Real GDP Growth at 6.1%. 2010 budget is industry shy. It is untenable that 10 years after so much official rhetoric about economic diversification, Nigeria is still oil dependent. It is time to break out of oil dependency and diversify the economy through activist Federal Ministry of Industry and Commerce and Federal Ministry of Labour and Productivity.

### **NO PROVISION FOR NEW MINIMUM WAGE AND WAGE INCREASE**

2010 budget does not make provision for the proposed minimum wage. There is therefore the need for supplementary budget to address this.

### **THERE MUST BE VALUE FOR THE HIGH DEFICIT**

The budget deficit is on the increase (N1.3 trillion) which is 4.5% of GDP above the limit approved within the Fiscal Responsibility Act. Deficit is good if it is targeted towards economic recovery. In the wake of the global economic meltdown, Europe and America are being revived through huge budget deficit. The challenge lies in how we must have value for the increased deficit in 2010 budget.

One practical way to measure the value is urgent revival of the industry. With particular reference to textile industry, there is an urgent need to recapitalise Bank of Industry for long-term funding of the industry. Nigeria must also address the problem of power crisis. Industry must be

subsidized to offset the cost private energy. Interestingly, the 2010 budget promises improvement in power infrastructure aimed at doubling electricity capacity to 10,000 megawatts (Mw) by the end of 2011.

## **NIGERIA SHOULD AVOID THE PITFALL OF ANOTHER INDEBTEDNESS**

Nigeria should not return again to the road of indebtedness. The Minister of Finance should clear the air on the issue of \$1 billion debt from World Bank to finance part of the 2010 budget. The match to huge debt starts with "token" loan which cumulatively may prove unsustainable.

## **STOP THE LEAKAGES**

The best way to ensure effective management of the budget is to stop the existing leakages. The main source of leakage is the National Assembly. Legislators engaged in wasteful self-helps by jacking up the Executive budget proposal. The Minister of Finance, Olusegun Aganga must make good his promise "to make sure that there are no leakages". The best way is to audit the so-called Constituency projects and stop prohibitive allowances National Assembly members award themselves through multiple membership of various committees.

## **THE BUDGETARY PROCESS**

The quality of Nigeria's budgetary process is declining. Nigeria must urgently overcome late budget approval. Acting President Goodluck

Jonathan must return the country to the era of early budget approval that allows for national planning.

Reginald Agulanna  
**PRESIDENT (NUTGTWN)**

Issa Aremu mni.  
**GENERAL SECRETARY/VP NLC**

July 27, 2010

**THE CHALLENGE IN THE NORTH IS THAT OF DEVELOPMENT AND GOOD GOVERNANCE**

**PROBLEM**

Whatever the outcome of the celebrated meeting of Governors of the 19 Northern States on political zoning today (Wednesday 27, July 2010), the challenge of the Northern region is that of development, **no more, no less**. The North is not short of governors. Indeed the region parades 19 governors out of 36 governors in the Federation.

What the North and indeed Nigeria lacks is **development, industry, jobs, quality education and quality of life in general**. The challenge before the governors today lies in how they must urgently reinvent the North and indeed Nigeria on the path of reindustrialization, full employment, security of lives and property.

**POLITICS IS THE MEANS, THE END IS DEVELOPMENT**

Politics is the means, the end is development. **Governors must refocus today beyond unhelpful divisive partisan politics of sharing and move on to real politics of wealth creation and poverty eradication. They must fulfill their promise to bring back collapsed textile mills in the region and reengage millions of Northern youths who currently remain idle and die in poverty. The Governors must start with Kaduna Textiles Limited (KTL) which they inherited from late Sardauna in the old Northern region.**

No more delay in the settlement of the entitlements of the workers of Kaduna Textiles Limited (KTL) by its owner-19 Northern States of the Federation. The Northern Governors' Forum (NGF) must take positive steps to settle the benefits of the workers amounting to **N697,073,346.00**.

Already there are commendable initiatives by the Vice President Arc. Sambo Namadi, Central Bank of Nigeria (CBN), and Ministry of Industry and Commerce in the revival of the textile industry. The initiatives are on power supply, financing and water supply. Governors should devote their time and resources to make these initiatives a reality today. United Nigerian Textiles Plc (UNTL) must reopen in fullest of time. CBN's industry fund can help to settle the debts of Arewa/Finetex/Nortex in Kaduna, Gaskiya and Universal textiles in Kano. These factories when in operation employed direct 40,000 workers.

All the above are the challenges before the 19 Governors. Nigeria is not short of Presidents and Governors. What is missing today is good governance, industrialization and development.

Issa Aremu **mni**.  
**GENERAL SECRETARY**

May 9, 2013

**OPEN LETTER TO CHAIRMAN, NORTHERN GOVERNORS FORUM (NGF), HIS EXCELLENCY, DR MU, AZU BABANGIDA ALIYU, EXECUTIVE GOVERNOR OF NIGER STATE THROUGH GOVERNOR OF KADUNA STATE ALHAJI (DR) MUKTAR RAMALAN YERO SAVE THE LIVES OF KTL WORKERS: PAY THEIR ENTITLEMENT WITHOUT FURTHER DELAY**

**INTRODUCTION**

- The national Union of textile garment and tailoring workers of Nigeria (NUTGTWN) an affiliate of Nigeria labour congress (NLC) AND IndustriALL Global Union wishes to express concerns on the general state of insecurity in almost all parts of the country and the attendant effects on the development of the Nigeria.
- We salute all the progressive forces and well meaning Nigerians that are working towards ensuring sustainable peace and development of the country.
- We recommend in particular, the Kaduna State Governor His Excellency, Alhaji (Dr) Muktar Ramalan Yero for his commitment to peace and security in Kaduna state and for deepening the peace efforts of his predecessor, late Sir Patrick Yakowa. We bear witness that his Excellency is quietly and effectively restoring investment confidence in the state that use to be the home of textile and textile workers.
- We commend the Northern Governors Forum (NGF), under the chairmanship of His Excellency, Dr Mu, azu Babangida Aliyu, Executive Governor of Niger state for the effort to address the security challenges in the North. We also commend the commitment of other Northern governors towards sustainable peace and development of the Northern States.

**THE PROBLEM**

- However, sustainable development of any country or state lies in industrialization and mass job creation. The root of the current crisis

in the country is economic and social root of the current crisis in the country is economic and social.

- It is against this background that the union is disturbed by the continuous closure of Kaduna Textile Limited since 2002. Even more worrisome is the continuous delay in settlement of the entitlements of KTL workers by its owners-19 northern states of the federation. KTL workers are suffering untold hardship due to non-payment of their benefits since the unilateral closure of the factory in 2002.
- The union since September 2005 obtained a court judgment for settlement of the entitlements of the workers amounting to ₦687,073,346.00. Unfortunately, the management and owners of the company (19 Northern States) have remained insensitive to the plight of these workers in spite of repeated appeals, prayers, rallies and protest by the union.
- In March 2013, the NGF set up a committee of 5-governors headed by His Excellency, the executive Governor of Kwara State Alhaji Abdulfatah Ahmed with governors of Zamfara, Kano, Bauchi and Borno state as members. The committee was mandated to look at KTL and proffer recommendations on the way forward. The report of the committee is yet to see the light of the day.
- The union also visited the Chairman of the board of KTL Gen. Wushishi (rtd) in March 2013 on the way forward, when the company would reopen or when the workers entitlement would be paid, but he could not give a concrete response.

### **SETTLE WORKERS ENTITLEMENTS**

- We again call on the Northern Governors and the management of Kaduna Textile Limited (KTL) to settle the terminal benefits of KTL workers.
- We equally call on the management of other closed textile factories in the north particularly Arewa textile plc, and Gaskiya textiles Kano to settle the entitlements of their workers without further delay. Urgent settlements of these workers will go a long way in reducing

their burden and alleviating their increasing destitution, poverty and desperation capable of causing communal, industrial disharmony.

- We commend all textile companies that have settled their workers benefit. In particular, we commend Alhaji Aminu Dantata who is making efforts to settle the benefits of Nortex/Fintex limited workers.
- But beyond settlements of the entitlements of KTL workers in particular, the Northern Governors must also bring back to life Kaduna Textiles Limited (KTL), the oldest textile company in Nigeria and indeed Africa and the proud legacy of the late sarduana of Sokoto, Sir Ahmadu Bello.

Issa Aremu  
General Secretary  
Vice-President, Nigeria Labour Congress (NLC)

August 28, 2013

**National Union of Textile, Garment and Tailoring Workers of Nigeria commend Governor Rabiukwankwaso of Kano state and Ogbeni Rauf Aregbesola of the state of Osun over the establishment of garment factories in their states.**

On behalf of the National Executive Council (NEC) of our union and the generality of our members, we most heartily commend his Excellencies; Dr Rabiukwankwaso Executive governor of Kano state and his counterpart in the state of Osun, Ogbeni Rauf Aregbesola for fulfilling their campaign promises in less than four years in office.

Dr Rabiukwankwaso has commenced the setting up of forty (40) Garment factories in Kano state with each local government area getting one factory each thereby reducing the unemployment rate and insecurity. This singular action of his Excellency is capable of employing over 10,000 youths in Kano with its multiplier effect on the economy; this is sustainable with the large population and is democracy in action.

On Tuesday, 27<sup>th</sup> August 2013, His Excellency Ogbeni Rauf Aregbesola commissioned a garment factory in Oshogbo known as omulabi garment factory with an initial employment of 3,000 direct jobs. The issue of job creation cannot be over emphasized given the 50% open unemployment in the country. Only industrialization will lead to job creation and eradicate unemployment.

The lack of development vision and sense of responsibility to Nigerians suffering masses can best be demonstrated in the refusal of successive administration in the past to establish sustainable industries to provide food, other basic amenities and employment for our suffering youths and masses in general. The union detests the situation where our roaming graduates are compelled to take to the perilous, destiny thwarting last option of commercial okada riding and prostitution by our desperate female population. We also condemned the orientation of our able body's youths for violent vocations such as political thuggery and engagement as body guards to looting politicians.

Finally, we urge our members and the people of Kano and the state of Osun to own these factories, see it as your own, nurture it, protect it and

above all, support these progressive governors in order for them to do more for our people.

Long live Nigeria

Long live Kano state

Long live the state of Osun

Solidarity forever

Issa Aremu

General Secretary NUTGTWN/Vice-President NLC

September 16, 2014

## **THE STATE OF INDUSTRY**

### **Performance of the Nigerian Textile Industry**

The performance of the Nigerian textile industry remained at low ebb in the first half of 2014 due to lack of enabling environment and inconsistency in government policy. There are 25 textile mills employing about 24,000 workers. The capacity utilization in the industry remains below 50% and the growth has been stagnant since 2012. The government had talked about a new textile policy in February 2013 however there has been no progress. Unless effective steps are taken by the government to revive the industry, gains achieved in 2010 will be lost and result in job losses, thus aggravating the unemployment situation.

### **Influx of smuggled Goods**

Smuggled goods occupy over 90% of the market. It is estimated that Nigeria imports N300 billion worth of textiles and garment annually, most of which are illegally imported without paying any duties and taxes. The total amount of revenue loss on account of customs duty and VAT on this volume is estimated at 75 billion. Such rampant evasion of taxes lost to smuggling when the government is going from pillar to post to mobilize revenue should be an eye opener.

### **Export expansion grant**

There is a crisis in the textile industry due to huge backlog of Negotiable Duty Credit Certificates (NDCC) accumulated over last two years. This has been caused by an arbitrary suspension imposed by the Federal Ministry of Finance on Utilization of the certificates issues by the same ministry, for duty payment. Textile manufacturers who exported their goods by factoring the grant in their price are facing a severe liquidity crisis.

### **CTG loan from BOI**

We commend the Federal Government for the intervention fund for the textile industry. But financing is just one out of the numerous challenges facing the textile industry in particular and manufacturing industries in Nigeria. Other key problems such as infrastructural inadequacy, raw

materials, electricity supply, smuggling, counterfeiting and faking among others which need to be urgently addressed by the government.

Most textile companies availed the Cotton Textile Garment (CTG) loan from BOI since 2010. The tenure of the loan matures in 2016. The textile companies are finding it difficult to pay the installments due to low capacity utilization and liquidity crisis caused by above problems and had appealed to the BOI for extension of the repayment period by ten years and flexibility to redeem the EEG certificates in lieu of loan installment.

### **High cost of production**

Cost of manufacturing textiles in Nigeria is high which allows room to cheap foreign goods to be imported. In particular the cost of energy is high. The price of gas has increased by 15% from January 2014 price and price of black oil remains high due to scarcity. Textile industry deserves concessional pricing like other industries such as cement however government response has lukewarm

### **New Textile Policy**

Federal Ministry of Industry, Trade & Investment has been working on a new textile policy, under the Nigerian Industrial Revolution Plan (NIRP) which is supposed to help in the revival of the sector. A stakeholder workshop was held at Abuja in February 2013. Unfortunately, nothing has been heard about it for the last one year.

### **Made in Nigeria**

There is a lack of patronage of made in Nigeria textiles due to lack of an effective policy enforcement. Most government ministries and agencies such as police, customs, immigration and army still prefer to use imported fabrics rather than source locally.

### **Experience of other sub-Saharan Countries-Lessons for Nigeria**

Other African countries have been highly supportive to their textile industry to improve their competitiveness. Nigeria should learn from their experience. Ethiopia has attracted FDI in the textile & garment industry in recent years. Employment has risen to 28,000 Ivory Coast has one large textile mill however government has taken effective steps to check imported counterfeit textiles to protect local industry.

Ghana has three large textile mills and allows imports of raw materials, dyes & chemicals and spare parts at 0% duty.  
Kenya continues to be a hub for readymade garment exports

Oladele Hunsu  
PRESIDENT

Issa Aremu, NPOM, mni  
GENERAL SECRETARY

April 12, 2015

## **TEXTILE WORKERS UNION CONGRATULATES KADUNA STATE GOVERNOR-ELECT MALLAM NASIR EL-RUFAI**

### **CONGRATULATION**

On behalf of the National Executive Members of the National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN), we congratulate the new governor elect of Kaduna state, Mallam Nasir El-Rufai on his victory at the Kaduna State Governorship elections held on Saturday April 11, 2015.

We commend his Excellency the executive governor of Kaduna state, Alhaji Muktar Ramalan Yero for conceding defeat and accepting the outcome of the state and governorship elections.

### **PEACE and SECURITY**

Given his antecedent in governing a cosmopolitan FCT, we have no doubt that the governor-elect Mallam Nasir El-Rufai will deepen the peace process in Kaduna traumatized through avoidable blood-letting in recent times. Peace process must go hand in hand with sustainable development which must start with urgent re-industrialization Kaduna state and mass employment of the army of the youths.

### **REVIVAL OF TEXTILE INDUSTRY**

We will partner with the incoming administration to take necessary steps to revive the ailing industries in Kaduna state especially the textile industries with a view of creating jobs for the mass of unemployed youths in the state.

### **PLEDGE OUR COOPERATION**

As a private sector union and affiliate of Nigeria Labour Congress (NLC) and a critical stakeholder in the development of the state and the country in general, we wish to pledge our support ,cooperation in the great task of moving Kaduna state and indeed Nigeria to a greater height.

Issa Aremu mni

May 12, 2015

## **HOW PRESIDENT ELECT GENERAL MUHAMMADU BUHARI AND GOVERNOR ELECT MALLAM NASIR EL RUFAI CAN REVIVE TEXTILE MILLS**

### **SALUTATION**

- We bring to you fraternal greetings from the generality of our members in the state.

### **NIGERIA IS A TEXTILE DESTINATION**

- With 170 million, Nigeria has the potential of producing 1.2 billion meters of cloth per annum at 6 meters per capital! When we factor the ECOWAS sub-regional market, Nigeria is a natural textile destination point in the world. the industry can employ direct jobs
- 26 out of the 36 states grow cotton of both long and short able lengths
- Sadly Nigeria has become a dumping ground for mostly smuggled fabrics and even second –hand banned unhealthy cloths.
- In the 70s and up to early 80s, Nigeria was the largest producer of different range of textile, garment and carpet products surpassed in production only by Egypt and South Africa.

### **KADUNA AS A TEXTILE CITY**

- The first textile mill in sub-Sahara started in 1957. It is Kaduna textile Limited (KTL) opened by the late premier, sir Ahmadu Bello. By 1990s Kaduna boasted of 10mills which had been reduced to two(2)
- This courtesy call shows our union is willing to partner with the new administration to reinvent this sector which has propelled newly industrialized countries in recent times such as china, India, Bangladesh and Indonesia among other.

### **CHALLENGES**

- Key problems facing the textile industry in particular and manufacturing industries in general are infrastructural inadequacy,

electric supply, smuggling, counterfeiting and faking, raw materials among others. All these problems call for strong government interventions

### **MEASURE TO REVIVE THE INDUSTRY**

- Between 30% and 35% of textile and garment manufacturing cost are energy related expenses
- Textile plants in the north have access to natural gas. Textile plants in the north use either diesel or low-pour fuel oil (LPFO) which is no more because of closure of refineries.
- Expansion of gas supply network from Ajaokuta to Abuja, Kaduna and Kano, will eventually deliver gas to northern Nigeria. We also suggest that textiles and garments companies procure natural gas from the NNPC at the same cost applied to power generating companies in Nigeria for a period of 3 years

### **STOP SMUGGLING AND PRODUCTS COUNTERFEITING**

- The major threat to the realization of the great potential of Nigeria in textile production is high influx of counterfeiting and smuggled goods. Over 90 percent of Nigeria huge market size is dominated by smuggled and counterfeiting goods. Killing local companies in Kano, Kaduna, Lagos, Gusau, Aba and port-Harcourt, and millions of direct and indirect associated local jobs.
- Importantly smuggling denies the government the much needed revenue in unpaid custom duties.
- We are happy with the reported seizure of large quantity of smuggled textile materials by the Nigeria Customs Service recently in Kano. As commendable as this action by the Nigeria Custom service, it is coming too late and too token.

### **PRESIDENTIAL TASK FORCE**

- To protect and strengthen our domestic textile industries and save Nigerian job, we hereby call on the president elect general Muhammadu Buhari to bring back the old presidential task force on destruction of seized textile materials which the governor elect,

Mallam Nasir el-rufai was the chairman under the Obasanjo administration.

### **LOCAL PATRONAGE**

- Governments at all level are good spender. Public procurement can stimulate demand for textile. All military and Para-military agencies and government schools should purchase only Nigeria made textile and garments for their own uniforms since the requisite standards are met. In Zaria we have Zaria industries limited (ZIL) which produce world class tarpaulin. In addition, the private sector (schools in particular) should be encouraged to source their materials locally.

### **SKILL DEVELOPMENT**

- 75% to 80% of people who work within the textile and garment industry are medium skilled workers. Skill training can therefore be done through the industrial training fund (ITF) and international agencies such as United Nations Industrial Development Organization (UNIDO) specifically to train youth for unemployment in medium and large scale textile plants
- We also suggest existing textile and garment training centers such as Nigeria Export Promotion Council (NEPC) garment processing center and ministry of industry's garment training center in Ikorodu should be resuscitated. There is also the need to review and reposition existing professional curriculum in four major institutions with textile and fashion courses namely Yaba college of Technology, ABU Zaria, Kaduna polytechnic and Auchi polytechnic.

### **PROTECT THE INDUSTRY.**

- All nations want to employ their youths, produce goods and services, overcome poverty and underdevelopment. To this extent every nation protects it own industry, whether the industry is in "infancy" or "adult hood". Nigeria cannot be different under becoming administration which has commendable raised expectations to fight unemployment and grow the economy.

## **GUARANTEE SECURITY FOR INDUSTRY**

- Adequate security be provided to protect the properties of the companies particularly in the light of criminal vandalism going on in some closed textile companies namely Arewa Textiles, KTL among others.

## **IMPLEMENTATION**

- We call for the implementation of the above strategies with an implementation team that include critical stakeholders namely the National union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN), Textile Manufacturers Association, the ministries of industry, finance, agriculture, the standards organization of Nigeria (SON), THE Industrial Training Fund (ITF), United Nations Industrial Development Organization (UNIDO), Nigeria Export Promotion Council (NEPC), THE Nigeria Customs Service (NCS) among others.

**Oladele Hunsu**  
**PRESIDENT**

**Issa Aremu, mni**  
**GENERAL SECRETARY**  
**DEPUTY PRESIDEN NLC**

**June 3, 2015**

**LABOUR COMMENDS CUSTOMS FOR RENEWED  
FIGHT AGAINST SMUGGLING; HOWEVER THE  
SEIZED CONTRABAND TEXTILES MUST BE BURNT  
IN ORDER TO MAKE SMUGGLING UNACCEPTABLE**

**ACKNOWLEDGEMENT**

The National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) hereby acknowledges the renewed activism of the Nigeria Customs Service (NCS) in the fight against smuggling. We are impressed by the recent discovery of 75 illegal warehouses in Kano where contraband textile materials worth about N319.9 billion were stored. We commend the customs for the reported seizure of the smuggled textile materials. We hope that this development is not another passing fad in line with the mood of the country for change but an enduring commitment of Nigeria Customs Service to do its job to protect local procedures and help the country to ensure sustainable jobs.

**SMUGGLING IS ECONOMIC TERRORISM**

The point cannot be overstated. The major threat to the realization of the great potential of Nigeria in textile production is high influx of counterfeit and smuggled goods. Over 90 per cent of Nigeria's huge market size is dominated by smuggled and counterfeit goods, killing local companies in Kano, Kaduna, Lagos, Gusau, Aba and Port Harcourt, and millions of direct and indirect associated local jobs. Remarkable too, smuggling denies the government the much needed revenue in unpaid custom duties. According to the Comptroller General of Customs, Alhaji Diko Abdullahi the duty value of the goods in one out of the uncovered 75 warehouses in Kano is N4.2bn. When we add the value duties of all the 75 warehouses, one will appreciate the enormous loss of the revenue to the government.

We are reassured by the Comptroller General of Customs' resolve to prosecute the smugglers including the reported four Chinese nationals linked with the seized contraband textile materials in Kano.

## **BURN SEIZED CONTRABAND TEXTILE MATERIALS**

However all the above efforts will end in vain unless the seized contraband textile materials are BURNT in public like seized drugs otherwise they would find ways to the market thereby defeating the ongoing efforts to curtail smuggling.

## **PRESIDENTIAL TASKK FORCE**

We once again call on President Muhammadu Buhari to reconstitute Presidential Task Force on destruction of seized textile materials once chaired by the current governor of Kaduna State Mallam Nasir El Rufai. The task force should include all critical stakeholders including labour. This is necessary in order to protect and strengthen our domestic textile industries and save Nigerians' job. If we combine the fight against smuggling with uninterrupted supply of electricity, long term cheap fund through the bank of industry (BOI) and government patronage of locally produced textile (school uniforms, police and customs uniforms) , there is no doubt that textile industry in the fullest of time will come back.

**Issa Aremu, mni**  
**GENERAL SECRETARY**

JUNE 28, 2015

## **PRESIDENT BUHARI SHOULD REMAIN FOCUSED ON ELECTORAL PLEDGES AND RESIST POLICY AMBUSH**

### **CAUTION**

Organized labour wishes to caution the new administration of President Muhammadu Buhari to be weary of policy dictatorship of some vested interests aimed at undermining his electoral promises of putting an end to mass poverty and transforming Nigeria economy and society to prosperity. This administration must resist the new emergency discordant voices pushing for twin evil policies of so called oil subsidy removal and further devaluation of the Naira. The two amount to policy dictatorship and policy ambush that had nothing to do with the ruling party's electoral promises which the masses overwhelmingly voted for.

### **NO TO FURTHER DEVALUATION**

NLC particularly rejects the call of the Managing Director and Chief Executive Officer of First Bank of Nigeria Limited, Mr. Bisi Onasanya for further devaluation of the Naira already in a free-fall 18 percent against the dollar in the past year. Market operators like Mr. Bisi Onasanya should not usurp the legitimate functions of the Central Bank of Nigeria (CBN) as the regulator through unhelpful policy dictatorship.

We hereby support the recently announced bold measures of Governor of CBN, Mr. Godwin Emefiele in managing the scarce foreign reserve through foreign exchange restrictions on some frivolous imports. CBN should reject the least resistance of unhelpful option of further Naira devaluation. The existing currency devaluation has further eroded wage income of millions of workers (many with unpaid monthly salaries). Devaluation has also increased the cost of domestic production, fueled price inflation and undermined the competitiveness of locally surviving industry leading to loss of existing few jobs.

The CBN ban on importers from using the foreign exchange market for some frivolous forty (40) items ranging from private jets to rice,

wheelbarrows and Indian incense, Geisha (canned fish) and toothpicks to even eggs is welcome and commendable.

## **TIME FOR CAPITAL CONTROL**

Nigeria more than any nation currently suffers huge capital inadequacy, with nation's foreign currency reserves sharply fallen by some 27 percent to \$29 billion since the end of last September. CBN measures aimed at capital application and capital control in line with its statutory objective will definitely enhance domestic production in place of unhelpful luxury imports. It will also save the nation the current capital flight averaging some 1.3 trillion naira (\$6.5 billion) a year, (almost half of national budget) on avoidable unnecessary job killing imports.

Central banks worldwide ensure public control of capital for development without which capital on the loose can finance underdevelopment, cocaine growing as well as finance terrorism as America painfully came to realize in the wake of 9/11

## **EXPAND THE RESTRICTIONS TO COVER AFRICAN TEXTILE MATERIALS**

Indeed CBN should include African prints textile materials in its foreign exchange restrictions. Nigeria has comparative advantage in production of African prints. It is bad enough to illegally lift the ban on its import but its worse that we spend scarce foreign exchange on what we can and must produce locally.

## **GOOD GOVERNANCE, NOT SUBSIDY REMOVAL**

What Nigerians look forward to are urgent fixing of the existing refineries, passage of PIB, reorganization and repositioning of the NNPC, reinvention of the downstream infrastructures of fuel production and distribution, an end to crude oil theft and mass decent jobs not outworn outcry of removal of so-called fuel subsidy.

As we have seen with good management of fertilizer subsidy in the last dispensation under former agriculture minister, Dr Adeshina Akinwunmi, there is nothing inherently bad with subsidy. The challenge of today more than ever before is domestic production of petroleum instead of unsustainable wasteful imports. The new administration should reject one-

cap fits all policy dictate. No substitute to good governance and employment generation.

Issa Aremu, mni

**GENERAL SECRETARY TEXTILE WORKERS' UNION AND  
DEPUTY PRESIDENT, NLC**

**August 15, 2013**

## **OUTSTANDING ENTITLEMENTS OF WORKERS IN CLOSED TEXTILE FACTORIES: THE STRUGGLE CONTINUES**

### **INTRODUCTION**

The union has recorded a giant stride in the effort to ensure settlement of entitlement of workers in closed textile factories with the commencement of the first installment of the terminal benefits of Nortex and Finetex Limited workers.

### **NORTEX/FINETEX LIMITED**

Both companies closed in September 2003 without settlement of workers gratuities amounting to N305,653,887, outstanding salaries before the unilateral closure amounting to N63,434,190 as well as outstanding union dues amounting to N7.6m. When all efforts by the union to bring the management to a round table discussion failed, the union resorted to legal action, a stiff measure to safeguard our members' interests so as to get justice and secure the payment of their terminal benefits. In reaction to the Union's petition, the management filed a counter petition on Friday February 25, 2005 through their defense counsel contesting the legality of the union to wind the company under Receivership.

On Monday February 28, 2005, His Lordship the Judge of the Federal High Court ruled in favour of the Union; that the Union has legal right to institute the action. The case was then adjourned to March 3, 2005.

The Union recorded another success on Thursday March 3, 2005 when the Judge again ruled in favour of the union granting the order for the winding- process of Finetex and Nortex Limited. In line with the ruling, the Union carried out the advertisement process successfully in the two national dailies and the National Gazette.

In reaction to the advertisement, the management of Finetex/Nortex on Tuesday March 22, 2005 filed another counter affidavit challenging the jurisdiction of the court to adjudicate the said petition, among others. On March 23, 2005, the case came up and other creditors filed their support to the union's petition.

At the hearing on December 8, 2005, the Presiding Judge advised that in order to avoid long argument on the matter, parties should go for out of court settlement, which both lawyers consented to. The matter was therefore adjourned to February 7, 2006 for parties to report back terms of settlement.

A meeting on the out – of – court settlement came up on Friday January 20, 2006. However, the meeting could not hold due to the absence of management representative. Management also did not turn up in subsequent meetings to discuss the terms for out-of-court settlement. The court further gave up to March 16, 2006 for parties to discuss and report back.

Another meeting was schedule to hold on 17th February at NBA Secretariat Kaduna. The union and other Creditors represented by their counsels were present but again, nobody from Management. It was agreed that if the meeting could not successfully take place before 10th of March 2006, out of court settlement would be assume to have broken down.

On the 16th of March 2006, parties reported the above position and the court process continued. Substantive hearing on the matter was fixed for Wednesday November 28, 2007. With the transfer of the Judge handling the matter, substantive hearing did not commence until March 29, 2010 and lasted till April 2011.

On Wednesday June 1, 2011, the Judge of the Federal High Court Kaduna, Justice M.L. Shuaibu gave his judgment and rule that a company under receivership cannot be sued. Instantly at the court premises, the union issued a press statement rejecting the judgment of the court and subsequently resorted to appeal against the judgment while also exploring out of court settlement.

On June 17, 2011 the union wrote to request audience through the Managing Director of the company to facilitate a meeting with the principal shareholders of the company most especially Alhaji Aminu Dantata. The Board wrote to the union on the formation of an ad-hoc committee on Nortex/Finetex to review the situation and the way forward for the two companies and noted the valuable understanding of the union towards the

plight of the workers and the company and the decision of the Board to revive the companies. This led to the tabulation and verification of the workers terminal benefits.

The union suggested a tripartite meeting between the management, union and workers on the matter. The meeting held on Wednesday March 21, 2012 at Hamdala Hotel Kaduna and was attended by the leadership of the union, a representative of the major shareholder (Alhaji Aminu Dantata) and other Board members as well as the management team and with lots of workers from the two companies. It was agreed that some of the workers should be co-opted into the ad-hoc committee to monitor the process.

On 8th, January 2013 a meeting with the management took place at NNDC building Kaduna where the union demanded to know the plans for the settlement of workers benefits and revival of the company. The management rolled out their blue print for the revival of the company and offer to pay the sum of N250m as the total and final payment for workers' entitlements. They hinged on the fact that only Alhaji Aminu Dantata is ready to bring in the money as other shareholders have backed out. The union promptly rejected the offer insisting on full payment of N305, 653,887 as gratuity and N63, 434,190 as outstanding four months salaries to the workers.

However after consultation, and given the workers' acceptance of the offer, the union wrote to the management accepting the offer of N250m as full and final settlement of their gratuities. The union clearly stated in the letter that nothing including the union dues should undermine the process of settling the N250m terminal benefits of workers.

Subsequently, the union continued the pressure including the visit to Alhaji Aminu Dantata in Kano on Friday 29th March 2013 by the leadership of the union led by the President, Comrade Oladele Hunsu and General Secretary, Comrade Issa Aremu mni to compel him to fast track the process of payment of the benefits of the workers.

As part of the enormous sacrifice, the union forfeited its legitimate outstanding union dues amounting to N7.6m to ensure payment of the workers benefits.

## **COMMENDATION**

We are happy with the success we have recorded. Workers of Finetex and Nortex limited have started receiving payment alerts from the first installments of N50m out of the N250m the Directors of the company offered to pay ad full and final settlement of retirement benefits of the workers. The N250m will be paid in five installment of N50m payable quarterly in line with the agreement reached with the Board of Directors.

We commend in particular, Alhaji Aminu Dantata for his singular effort to ensure the payment of the entitlements of the workers. We also commend our members in Finetex and Nortex for their patience and steadfastness since the past 10 years we have been on this matter.

The union is committed to seeing this process through as we also strive to get justice for our members in other closed textile companies namely Kaduna Textile Limited (KTL) and Arewa Textiles Plc, Kaduna.

## **KADUNA TEXTILE LIMITED**

The union since September 2005 obtained a court judgment for settlement of their entitlements of the workers amounting to N687, 073,346.00. Unfortunately, the management and owners of the company (19 Northern States) have remained insensitive to the plight of these workers inspite of repeated appeals, rallies and protests by the union.

As part of the union's struggle to ensure the payment of the terminal benefits of the workers, the union had held several protest rallies to Northern Governors' Forum (NGF) meetings in Kaduna and at the gate of the company. This is in addition to the several press statements issued and letters of appeal addressed to several individual Governors and other critical stakeholders including the Northern Nigeria Development Company (NNDC). As part of the struggle, we also participated at the Senate Public Hearing on Revival of industries (textile industries inclusive) on 16th and 23rd of July 2009.

On June 17 2011, the union wrote a letter to the management of KTL requesting an audience to know their plans towards the settlement of the workers' terminal benefits. The meeting held on July 6, 2011. During the meeting, the management appreciated the effort to ensure the settlement of the workers entitlements.

In March 2013, the Northern Governors' Forum (NGF) set up a committee of 5 Governors headed by His Excellency, the Executive Governor of Kwara state, Alhaji Abdulfatah Ahmed with Governors of Zamfara, Kano, Bauchi and Borno states as members. The Committee was mandated to look at KTL and proffer recommendation on the way forward.

The Union also visited the Chairman of the Board of KTL Gen. M.I.Wushishi (Rtd) in March 2013 on the way forward particularly with respect to settlement of the entitlements of the workers.

We have further proposed a meeting with the new Managing Director of NNDC, Dr. Ahmed M. Mohammed as well as the Chairman of the Board of Directors of the company, General Wushishi (Rtd) while we continue the pressure on the Northern Governors to settle the entitlements of the workers without further delay.

### **AREWA TEXTILES PLC**

Effort to also ensure payment of benefits of workers of Arewa Textile continues. A general meeting with the Ag. General Manager of the company held on Tuesday March 19, 2103. Issues arising from that meeting are being closely monitored. The Board of Directors of the company are in serious negotiation with the Receivers (Union Bank Plc) while also discussing with the Bank of Industry for possible facility to revive the company. Already the computation of the gratuities of workers have been concluded and submitted to the Board of Directors for Consideration. The union is hopeful of workers being paid their entitlements in no distant time if the current effort by all the parties is sustained.

## **CONCLUSION**

While we remain committed in our effort to get justice for our members in the closed textile companies, we call on our members to remain steadfast and law abiding inspite of the long provocation and should not allow themselves to be used by some disgruntled elements that are pursuing a different agenda entirely.

Issa Aremu mni  
GENERAL SECRETARY

27<sup>TH</sup> May 2017

**PRESS STATEMENT BY THE NATIONAL UNION OF TEXTILE  
GARMENT & TAILORING WORKERS OF NIGERIA (NUTGTWN)  
MINIMUM WAGE LONG OVER DUE FOR REVIEW**

As demonstrated by workers during the mayday in Abuja, Nigeria risks national industrial crisis except governments at all levels give due attention to the critical issue of compensation of workers. Hungry workers are legitimately angry workers. Nigeria workers are not only hungry but legitimately angry.

We commend both the senate and the House of Representatives for their facilitating roles to address the current issue of national minimum wage. However, the responsibility lies squarely with President Muhammadu Buhari ably being represented by the vice president Osibanjo.

**RULE OF LAW**

A minimum wage is the minimum amount of money an employer of labour is required to pay the lowest paid both in public and private sector. It should therefore not be tied to the vagaries of criminal delayed payment of salaries in some state and federal agencies. Some state governments and many private sector employers pay as at when due. Refusal of bad employers to pay cannot be an excuse to deny workers new minimum pay. It is about the rule of law. National minimum wage (Amendment) act 2011 which offers the current N18, 000 was for a 5year cycle due for review in 2015. The five year time limit is to avoid minimum wage stagnation and attendant seemingly increases that follow. In UK minimum wage is reviewed yearly. Today it is £7.5 per hour, about N37, 000 per day!

Long before the current recession, Nigerian Workers have long been in depression. With naira devaluation and high inflation, 2010 negotiated national minimum wage of N18, 000 which was about \$120 in 2010 has fallen to bellow \$50 in 2017 worsening income poverty. Nigeria cannot get out of recession with poorly paid work-force. The best way to reinflate the

economy is through wage increase linked with productivity improvement and prompt payment of existing salaries by states and local governments. President Buhari should therefore urgently constitute the tripartite committee on the review of the current national minimum wage within a short time-limit.

## **PROTECT THE PENSION ASSETS: STOP POLITICALISATION OF PENCOM**

As an affiliate of Nigeria Labour Congress (NLC) and a critical stakeholder in the Contributory Pension Scheme (CPS), we are concerned with recent developments in the pension industry.

The Nigeria pension industry risk avoidable crisis following the recent abrupt termination of the appointment of Mrs. Chinelo Anohu-Amazu former director general of PENCOM and appointment of Dikko Aliyu Abdulrahman as new director general by President Muhammadu Buhari subject to confirmation by the senate. Labour observes that the termination of a tenured appointment flouts the provision of the pension reform act 2014. President Buhari is an acknowledged respecter of due process as witnessed by the way he has managed to transmit delegation to acting President Osibanjo as required by the 1999 constitution. The health of pension assets is no less important than the health of the president. The presidency should therefore not casualise appointments of DG of critical pension institution like PENCOM.

## **AVOIDABLE CONTROVERSIES**

Controversies have continued to trail the termination of the appointment of the former director general and appointment of Mrs. Aisha Dahir-Umar as the Ag. Director General of the commission pending the confirmation of the director general designate Dikko Aliyu Abdulrahman by the senate.

We hereby call on President Muhammadu Buhari through the acting president, Prof Yemi Osibanjo and the national assembly to revisit the abrupt termination.

Pencom is a regulatory body established by the statute not extra ministerial departments and as such cannot be covered by the provision of S.171. of the constitution as canvassed by some section 19, 20 and 21 of the PRA 2014 deal with the conditions of appointment and removal of the chairman,

director general and commissioners . The federal government is expected to comply with the statutory provision.

The director general appointment was made via senate confirmation for a fixed term for the regulatory body. The director general was confirmed on September 30, 2014 for a five year term which is expected to end September 29, 2019. The DG's removal must therefore be done in accordance with the Pension Reform Act 2014.

### **LABOUR MUST TAKE CONTROL OF PENSION MANAGEMENT**

With this new development both the NLC and TUC must take urgent case for workers control of the country's pension industry. Indeed pension fund is workers capital and should not be a playground to reward failed politicians. What is at stake is the life of millions of working women and men after meritorious service to the nation.

Already following sustained interventions by PENCOM under the past Director General, the federal government has just released N58b for payment of pending accrued rights. This amount, which was cash backed on April 21, 2017 covers only January 2016 to august 2016. September 2016 to date is still outstanding. All stakeholders must join hands such that contributory pension scheme does not turn into the old moribund non-contributory scheme.

### **FIRST GUARANTEE PENSION LIMITED**

One of the key achievements of Pencom under both Mr. M.K.Ahmad and Mrs. ChineloAnohuAmazu was the regulatory intervention to save First Guarantee Pension Limited. First Guarantee Pension LimitedIs one of the registered pension Fund Administrators (PFAs) in the county following the enactment of the pension reform act 2004 as amended. The National Pension Commission (Pencom) in exercise of its power under the Pension Reform Act constituted the interim management committee (IMC) of First Guarantee Pension Limited in August 2011 following the removal of some directors of the PFA for unsound corperate governance practices which significantly undermined the pension assets under the management of the PFA.

The IMC was given the mandate to superintend over the affairs of the PFA under the direct supervision of the commission.

The Interim Management Committee has stabilized the operations of the PFA. It has added considerable value that has made First Guarantee Pension Limited one of the leading PFA in the country today.

The PFA had recorded steady growth. Indeed, from the summary of account of FGPL, it was clear that as at August 2011, the PFA recorded a loss of N422, 953,000.00. However, in April 2016, the PFA had recorded a profit of N1, 922,290,000.00. The Value of the RSA fund under the management of the PFA during the period grew from N32.7 billion to over N130 billion. We should not allow any PFA to fall into the hands of old scavengers and predators of pension funds.

The challenge lies in deepening the gains that have been recorded under the contributory pension scheme. The over 6 million workers already captured under the reform are commendable. But this number is a far cry from over 80 million potential workforces in Nigeria. The 6.7 trillion naira fund contributed so far can hardly meet the future income adequacy of retirees, which underscores the need for an intensified effort by the stakeholders.

## **CHIBOK GIRLS DESERVE OUR SYMPATHY NOT INHUMAN POLITIKING**

Our union, and IndustriALL Global Union, has identified with the struggle for the release of abducted Chibok school girls. The kidnapped are not just girls or mere statistics but future workers and mothers.

## **COMMENDATION**

We commend president Buhari for the release of additional 82 of the abducted Chibok school girls. President Buhari has recorded a great security feat by the further securing the release of more abducted Chibok girls. But the release of abducted girls who returned as unwilling mothers after 3 years of captivity cannot be Nigeria anniversary gift. In the first place, the school girl and many others held in captive out not to have been kidnapped. Secondly, nobody has held been held responsible for their abduction. So nothing really to celebrate but much to think over.

## **FAYOSE MUST BE CALLED TO ORDER**

We also commend in strong terms the silly doubt expressed by Governor Fayose about the abducted girls. Governor Fayose is increasingly devaluing the notion of statesmanship as the trivializes every serious issue. Former president Goodluck Jonathan under whose administration the girls were kidnapped in the first instance must dissociate himself from the silly comments of some of his party members on the abducted Chibok Girls. Girls/daughters of many of us since 2014 we have graduated from secondary and even move to universities. We should not turn the tragedy of parents of Chibok girls to cheap political fortune.

Let there be no political capital out of the agonies of the girls and their parents. We must all work to eliminate the root of tragedy in the North East through development and mass education.

## **MORE FACTORIES ARE CLOSING**

Despite the federal governments declared commitment to diversification and launching of Economic Recovery Growth Plan, the few remaining textile industries are closing down with loss of not less than 1000 direct and indirect jobs in the past one month. President Buhari through the acting president must quickly reconvene stakeholders meeting on textile with a view of combating smuggling and ensuring uninterrupted power supply to industry, failing which Nigeria risk permanent under-development and de-industrialization.

## **OKEKPE ROAD RACE 2017**

Affiliates of IndustriALL Global Union will be participating in the fifth edition of the Okpekpe international 10km road race scheduled to hold on Saturday May 13 in Okpekpe, Etsakor East local government area of Edo State from 6am to 9.00am as part of our advocacy, the organizers have agreed to allow members of affiliate unions of IndustriALL Global Union to participate in the race to promote union causes with respect to **fighting Precarious Work** for living wage and **Re-Industrialization in Africa**.

John Adaji  
**PRESIDENT**

Issa Aremu  
**GENERAL SECRETARY**  
**VICE PRESIDENT, IndustriALL**  
**Global Union**

**February 28, 2016**

**TEXT OF A PRESS RELEASE ON THE STATE OF THE ECONOMY  
BY COMRADE ISSA AREMU, mni General Secretary National Union of Textile,  
Garment & Tailoring Workers of Nigeria ( NUTGTWN) &  
Chairman, IndustriALL Global Union, Sub Sahara Africa**

## **THE STATE OF THE ECONOMY**

It is commendable that president Buhari plans a national dialogue on the state of the economy. As desirable as the dialogue is, the president must ensure it is all inclusive to include the working people, organized labour in particular. What Nigeria needs is a national consensus on the economy not another elite consensus that has proven to lead to nothing in the past but corruption and underdevelopment. To this extent as demanded by the Nobel Prize Winner, Wole Soyinka, this dialogue must involve organized labour represented by the NLC and TUC, manufactures association, MAN, NECA, women groups and youths among others.

## **TIME OF WORK THE ECONOMIC TALKS**

The proposed dialogue should be on how to implement existing tons of policy measures economic recovery not to reinvent new measures. Past Governments have organized countless conference, summits and debate with reports and recommendation in the past, many of which have not been implemented to redirect and diversify the economy. Some of the reports and recommendations that are presently gathering dusts include: the Abacha National Conference of 1995; Vision 2010; Vision 2020:20; NEEDS; the 2013 National Industrialization plan, 2014 National Conference Report, National Industrial Revolution plan each with different recommendations on the economy. Its time to implement these reports and recommendations and move Nigeria from potentials to actual in terms of development and prosperity. President Buhari must also send his economic teams to the National Institute for policy and Strategic Studies ( NIPSS) Kuru, Jos and draw on thousands of policy recommendations and implementable strategies on the economy.

## **NIGERIA NOT A DEBATING SOCIETY BUT A FUNCTIONING ECONOMY**

The 1999 Constitution of the Federal Republic ( as amended) envisages Nigeria as a functional productive economy not a debating society. Chapter Two of the Constitution, the Fundamental Objectives and directive principles of State state that " The primary purpose of government shall be the welfare of the people ." Nigeria has never been short of conferences, summits and debated. The point cannot overstated; president Buhari should be encouraged to implement some of these reports and recommendations. With the implementation of Treasury Single Account (TSA), Mr. President has already shown that where there is a will, there is a way out of the seemingly perpetual economic vicious cycles. The implementation of TSA has enhanced accountability and transparency in financial governance, the results of which we can see.

## **INDUSTRIALIZATION IS THE KEY**

The key to Nigeria development lies in industrialization. It is wrong to pitch oil and gas against non-oil sector. Nigeria needs all sectors through value adding activities. Oil and gas must be run as manufacturing value adding sectors not as extractive enclave. Its time to re-industrialize Nigeria.

However, there cannot be industrialization without electrification.

We are excited by President Buhari's commitment to revive the textile industry. All the administration needs is to immediately implement the Robust Recommendations of the 2015 Cotton, Textile and Garment ( CTG) policy. Some of the Key recommendations include the followings;

**Energy Supply-** Between 30% and 35% of Textile and garment manufacturing costs are energy related expenses; therefore, without addressing the industry's energy needs, the Nigeria CTG sector simply cannot develop.

**Stop Smuggling-** Nigeria needs a presidential task-force made up of ministry of Industry, Trade and Investment ( MITT), Budget Office of the Federation ( BOF), Nigeria customs Service ( NCS), Standard Organization of Nigeria ( SON), and Manufacturers Association of Nigeria ( MAN) to confiscate goods smuggled into the country.

**Local Patronage-** All military and para-military agencies and Government schools are to purchase only Nigerian made textile and garments for their uniforms once the requisite standards are met. In addition, the private sector ( schools in particular) should be encouraged to source their materials locally.

## **PRESIDENT'S FOREIGN TRIPS COMPLIMENTARY OF DOMESTIC TRIPS**

While we appreciate the forging trips being embarked upon by President Muhammadu Buhari, we call on the president to see foreign trips as compliments to governance tours at home. It is desirable looking for foreign investments, but we have a lot of idle domestic investment that if properly harnessed and necessary infrastructure put in place could accelerate national economic development. Seeing is believing; the president, governors and ministers of industry estates of the past with a view of reviving the closed industries and create mass jobs for millions of unemployed youths.

## **CONDEMU THE POLITICAL DEVELOPMENT IN UGANDA AND ZIMBABWE**

Let me use this opportunity to strongly condemn the sham election that took place in Uganda in which Yoweri Museveni was returned to office for the 5<sup>th</sup> term as president of Uganda after three decades in office. It is even unacceptable that he is planning to amend the constitution. Also in Zimbabwe, Robert Mugabe at the of 92 has remained in office since 1980 contrary to wishes and aspiration of the good people of Zimbabwe. All African democratic forces should frown at what is going on in Uganda and Zimbabwe. When citizens are demanding for change it is incumbent on their leaders to respect their wishes even when the constitutions have on lime limit. Bothe President Museveni and President Mugabe must learn from Nelson Mandela who did not even take the advantage of two terms but with Honour and dignity and service to humanity, remains a role model in global leadership. There is much honour when a leader voluntarily retires than when shamefully disgraced out of the office.

Issa Aremu, mni



July 21, 2016

## **INDUSTRIALL GLOBAL UNION COMMENDS ALIKO DANGOTE FOR HIS INVESTMENT PATRIOTISM IN AFRICA; URGES FOR UNIONISATION**

IndustriALL Global Union has commended the President and Chief Executive of Dangote Group for his investment patriotism in Africa. Speaking at a network meeting on unionization in Dangote group organized by IndustriALL Global Union Africa Region on Thursday July 21, 2016 at the headquarter of the Nigeria Union of Petroleum and Natural Gas ( NUPENG) Jibowu Yaba, the Africa Regional Chairman of IndustriALL Global Union, Comrade Issa Aremu commended Aliko Dangote for leading industrialization in the Africa continent. Aremu acknowledges the remarkable efforts of Aliko Dangote at re-industrialisation of the continent, stimulating the continent's growth and creating more jobs for its huge population.

The labour leader lauded the commitment of Dangote to sustainable industrial development and urges government to provide favourable environment for investment as well as improvement in infrastructural development. Dangote Group was commended for the strong network of branches across the Africa continent; Nigeria, Ghana, Cote d' Ivoire, Liberia, Sierra Leone, Senegal, South Africa, Zimbabwe, Zambia, Tanzania, Congo, Cameroun, Kenya, Ethiopia among others.

Comrade Aremu added that it was time Dangote group entered into mutually rewarding engagement with relevant unions with a view for unionization even as he called on trade unions to support business through improved proved productivity. According to him, "it is now time for Dangote group to ensure there is respect for minimum labour standard as subscribed by Nigeria by allowing all workers in Dangote group to freely belong to the unions." As partners in progress, Aremu pledges the support cooperation of IndustriALL Global to ensure business-friendly unionization of the Dangote workers.

IndustriALL Global Union with headquarters in Geneva, Switzerland represents 50 million workers in 140 countries in the cement, mining, energy and manufacturing sectors. IndustriALL is a force in global solidarity taking up the fight for better working conditions and trade union rights around the world.

Non-unionization of most workers in Dangote Group has been a general issue of concern within the organized labour in the Africa continent in particular and the global union in general. The meeting was part of the multi-national organizing campaign for unionization in Dangote companies. In attendance were the leadership and organizers of IndustriALL affiliate unions Nigeria; National Union of Textile Garment and Tailoring Workers of Nigeria ( NUTGTWN), Nigeria Union of Petroleum and Natural Gas ( NUPENG), Chemical and Non Metallic products Senior Staff Association of Nigeria ( CANMPASSAN), National Union of Chemical, Footwear, Rubber, Leather and Non Metallic Products Employees ( NUCFRLAMPE), Petroleum and Natural Gas Senior Staff Association of Nigeria ( PENGASSAN), Steel and Engineering Workers Union of Nigeria ( SEWUN), and National Union of Electricity Employees ( NUÉE). The Africa Regional Secretary of IndustriALL Global Union, Comrade Fabian Nkomo attended the meeting with a representative of Dangote Group.

**8<sup>th</sup> February 2016**

## **IMPROVED POWER SUPPLY, NOT TARIFF INCREASE**

The National Union of Textile Garment and Tailoring Workers of Nigeria ( NUTGTWU) hereby declares its total support for the planned picketing by labour and civil society allies of all offices of the electricity distribution companies ( DISCOS) Nationwide including Abuja today Monday February 8, 2016 to protest the unilateral and unlawful hike of electricity tariff. We commend NLC leadership for this mass action for improved power supply instead of incessant non-service charges.

President Muhammed Buhari should urgently revisit the report of the 2014 national conference and implement the holistic recommendation for the power sector instead of allowing the same unhelpful posting of tariff by underperforming generation and distribution companies. The point cannot be overstated; power/Energy is so strategic to the industrialization and the wellbeing of the people. Therefore the Federal government must urgently review the privatization contracts between the Federal government and GenCos and DisCos and give a two (2) year time-frame to firms in the Electric Power supply to allow them stabilize and provide efficient power supply to Nigerians before they can contemplate any tariff increase. There should also be more transparency in all future reform of the Nation's assets.

We reject the hike in electricity tariff and hereby call on our members across the country and all well meaning Nigeria's to come out and join NLC protest to drive home the fact that the unilateral and unlawful hike of electricity tariff is unacceptable.

### **IMPROVE POWER SUPPLY**

The Textile Union instead calls for improvement in power supply. The point cannot be overstated. Between 30% and 35% of Textile and garment manufacturing costs are energy related expenses. Without electrification

there can be no industrialization. The promise and expectation that President Muhammed Buhari will revive textile industry generally is not possible without electricity. Also its time for Buhari administration to critically review the power sector reform with a view of increasing public sector investment.

Issa Aremu,mni

**GENERAL SECRETARY, NUTGTWU**  
**CHAIRMAN, IndustriALL Global Union, Sub Sahara Africa**

**COMMUNIQUE ISSUED AT THE END OF THE 72<sup>ND</sup>**  
**CENTRAL WORKING COMMITTEE MEETING OF NATIONAL**  
**UNION OF TEXTILE GARMENT TAILORING WORKERS OF**  
**NIGERIA ( NUTGWN) HELD AT MOHAMMED BELLO HALL**  
**TEXTILE LABOUR HOUSE KADUNA**

**INTRODUCTION**

- The first Central Working Committee ( CWC) in 2016 held today 13<sup>th</sup> of January in Kaduna. CWC deliberated on the report of activities from the Zones and Area Council across the country. The discussed extensively to the economic and trade union rights of workers and the state of the Nation.
- In particular the CWC reviewed the current state of the Nigeria Textile industry and re-affirm its position that the government must provide the enabling environment for the revival of textile industry in Nigeria.

**FINETEX AND NORTEX; WORKER'S BENEFITS**

- CWC in session commended the union leadership for the dogged commitment to the defense of the rights of our members. It will be recalled that Finetex/ Nortex had closed in 2002 without paying the gratuity and closure benefit of the affected workers. The union had since engaged the management and the principal owner, Alhaji Dantata on the payment of the N250 million entitlement in five installments of N50 million each.
- CWC-in-session saluted the union leadership and expressed gratitude to Alhaji Dantata for living up to the spirit and content of the agreement by effecting and concluding the payment of N50 million each to as many as 1500 workers and tens of thousands of their dependents.
- Finally, CWC commended our members for their patience and sacrifice during the period.

- CWC in session reaffirms the commitment to get entitlements of workers of KTL, AREWA, Gaskiya and Asaba Textile respectively.

## **GOVERNMENT MUST PROVIDE ENABLING ENVIRONMENT FOR RAW MATERIALS**

The two largest plants in the country, Nichemtex Industries, Ikorodu and United Nigeria Textile plc Kaduna recently sent on compulsory leave close to 5000 workers arising from shortage of cotton. It was a difficult moment for the industry but the union remained steadfast in her campaign for supportive policy for the Nigeria textile industry.

It is heartwarming that the Federal Government under the able leadership of President Mohammed Buhari has resolved the issue of cotton supply and the two companies have resumed production.

CWC therefore urged President Buhari to embrace holistic implementation of the Textile Policy as contained in the National Industrial Revolution Plan. Textile Industry remains a critical plank for addressing the current unemployment challenge in the Country.

## **CWC COMMENDS GOVERNOR MALLAM EL-RUFAI**

- CWC in session commends the Executive Governor of Kaduna State, Mallam Nasir El-Rufai for the proactive steps so far taken on revival of Textile Industries in Kaduna. In particular the CWC salutes Mallam Nasir El-Rufai for the on-going efforts to reopen KTL and the support provided for other textile manufactures in the State Kaduna State governor has been an exemplar in the Nation's current effort at industrial revival as he assured manufactures of infrastructural support and Government patronage and we urge other state Government to follow this direction.

CWC in session commended the management of Arewa under the leadership of Dr. Nemile Achimugu for the current effort to resuscitate the

factory. We urge all stakeholders including Union Ban of Nigeria PLC to show understanding in the effort to revive the industry and create jobs. It is on record that over 3000 workers/ members in Arewa are yet to be paid their gratuity and closure entitlements. This is a very weighty sacrifice and we are hopeful that with the cooperation of all stakeholders and the support of the State and Federal Governments, Arewa will come back to full production. Then some of our members can return back, new ones recruited and others paid their benefits.

### **BUDGET 2016 AND REVIVAL OF TEXTILE INDUSTRY**

- Textile union commends President Muhammed Buhari on the expanded budget of about N6 trillion for 2016 compared to last year's N4.4 trillion. CWC however demands that the disbursement of this huge funds should help to revive local industry, reopen the closed factories and should not be spent to finance frivolous import and perpetuate unemployment.
- CWC calls on Federal government to patronize Made-In-Nigeria, revive closed factories and create mass decent jobs the president desired in 2016.
- CWC is however surprised that President Buhari who desired the revival of textile industry during his campaign, the first budget was silent on practical initiatives to revive the labour intensive industry.
- CWC hereby suggests to President Buhari to urgently convey a stakeholders meeting on revival of industries to realize budget promise of Import substitution. Our union will support President Buhari to realize the vision of Import substitution and jobs creation.
- CWC stresses that sustainable industrial policy development required an integrated approach which ensure policy coherence between the different arms of Government.

CWC appeals to the new Ministers of Industry, namely, Mr. Okechukwu Enelamah and Hajia Aisha Abubakr to visit both the closed and the remaining textile factories to appreciate the task at hand.

- CWC urges President Mohmmadu Buhari to give the necessary impetus to the holistic implementation of the National Industrial Revolution Plan ( NIRP) launched in February 2015.
- It is imperative that the Federal Government under President Muhammadu Buhari takes the necessary measures to address the twin challenge of smuggling and electricity supply among other critical infrastrucuturs issues. The Federal Government must also take the lead in the patronage of made in Nigeria goods. Government all over the World use public procurement for social engineering and economic development.
- CWC demands that all State government should compliment Federal Government's efforts through complimentary bold industrial policies that will revive closed factories in their localities such as provision of infrastructure, granting of genuine tax incentives and patronage of Made-in-Nigeria products.

## **NEW WAGE INCREASE; 43<sup>rd</sup> NATIONAL COLLECTINE ARGREEMENT**

- CWC in session salutes the entire members of the union across the country for keeping faith with the union in the face of daunting economic challenges .notwithstanding the current economic challenges and the peculiar operating challenges of the textile sub-sector, it is remarkable that union signed the 43<sup>rd</sup> national agreement in December 2015.
- The agreement significantly raised wage rate by 10 percent. This outcome is the result of focused leadership, support from our members and the cooperation of the employers.
- CWC in session commends the NCL under the leadership of comrade Ayuba Wamba for its support for the revival of industry as demonstrated at the last Africa industrialization Day through mass rallies for the revival of industry.

CWC also commends the NLC for vigorously defending the principle of National minimum wage and its renewed efforts to make sure that state governors must pay their workers as at when due.

CWC calls on the NLC to without further delay submit the proposal to the Federal government for an increase in the existing minimum wage of N18000.

## **NATIONAL AND GLOBAL SOLIDARITY**

The CWC in Session commended the union's role in national and global trade union affairs. At the national level, the CWC in session urged the union leadership to continue to facilitate the peace process and ensure the unity of the movement.

CWC in session commended the union leadership for active participation in the activities of the IndustriALL Global Union Federation.

## **11<sup>TH</sup> NATIONAL DELEGATES CONFERENCE OF THE UNION**

CWC –in-Session reports that the 11<sup>th</sup> Quadrennial National Delegates' Conference of the Union holds in March 2016 at a date and venue to be announced later.

## **CONGRATULATION**

CWC congratulates and wish all our members and entire Nigerian workers, Nigeria Labour Congress ( NLC), fraternal industrial unions, Textile Employers Association, governments at all levels, IndustriALL Global Union and its affiliate unions worldwide, the press and all well-wishers a happy and prosperous 2016.

Oladele Hunsu  
PRESIDENT

Issa Aremu, mni  
GENERAL SECRETARY

August 25, 2016

## **NIGERIAN TEXTILE INDUSTRY: GOVERNMENT SHOULD WALK THE TALK**

Organised labour has called on the Federal government to take urgent measures to revive the Nigerian textile industry in fulfilment of its promise to revive the industry and provide mass decent employment.

The General Secretary of National Union of Textile and Garment Workers and Chairman IndustriALL Global Union Sub-Saharan Africa Comrade Issa Aremu, mni made this call during the study visit of Group one, Senior Executive Course (SEC) 38 Participants of the National Institute for Policy and Strategic Studies (NIPSS), Kuru to Textile Labour House, National Secretariat of the Union in Kaduna on Thursday.

Comrade Aremu noted that textiles used to be Nigeria's foremost industry, being the second largest employer after government and utilising indigenous raw materials such as cotton. The prevailing unprecedented harsh environment has dealt a serious blow to the already fragile industry. According to him, "if urgent steps are not taken by the government to address key issues raised by the industry stakeholders, the ray of hope that had arisen from Buhari government initiatives may get extinguished."

Comrade Aremu who is also the Secretary General of the Alumni Association of the National Institute for Policy and Strategic Studies (AANI) noted that Nigeria currently spends over US\$4 billion annually importing textiles and readymade clothing when it has the potential to produce for the local market and even export to the ECOWAS market of over 175 million people, as well as to the developed world (e.g. the United States under AGOA and EU GSP scheme which Kenya, Ethiopia, Lesotho, Madagascar and a number of African countries are already exploiting).

Comrade Aremu decried the influx of smuggled goods in major textile markets in KantinKwari, Kano, Balogun and Oshodi, Lagos. This he noted

undermines the local industry, steal our jobs, deprives government of revenue and drains the country's foreign exchange reserves.

He called on the Federal government to emulate other developing countries that are investing heavily in their textile industry due to its high employment potential. Ethiopia has among the most competitive power tariff at 4 US Cents/Kwh, which is a fifth of the power cost in Nigeria. Recently, India, which is the second largest textile producer in the world after China, announced a \$ 1 bn incentive package for the textile & apparel industry to create 10 million jobs in 3 years.

Comrade Aremu listed some urgent measures that must be taken to revive the industry.

- Checking the influx of smuggled goods and action against counterfeit textiles which fake the Nigerian trade marks in an effective manner.

- Improve power supply for industrial use.

- Recapitalisation of Bank of Industry (BOI) and reduction of interest rate to the industry.

- Re-scheduling of the CTG loan facility by the Bank of Industry to 10 + 2 years.

- Reduction in the price of gas. The price of gas supplied to the local industry is pegged to the American dollar and was not reviewed after the drop in global oil and gas prices. The current domestic tariff at \$7.38 per MMSCF is 3 times the price of gas in international market. There is a need to review the tariff on gas supplied to the industry in Naira which should be affordable.

- Scarcity of black oil has crippled the operations of the textile mills in the north. There is a need to ensure availability of the fuel oil to the textile mills by way of direct allocation from Kaduna and other refineries.

- Consistent supply of certified seeds is required to ensure adequate supply of cotton to local textile industry

- Under the dual exchange rate policy being currently pursued, CBN should allocate forex at official rate for meeting the need for import of essential raw materials by the textile mills

- Local patronage: Government should persuade its MDA's to source all their uniforms from the local textile mills. The scheme for supply of free meals to school children should be extended to free uniforms to be procured by the government from local textile mills.

Issa Aremu, mni

**GENERAL SECRETARY, NUTGTWN**

**CHAIRMAN, IndustriALL Global Union, Sub Saharan Africa**

**Oct 17, 2016**

## **RETURN OF THE TEXTILE INDUSTRY?**

Thursday, 13th October in Abuja, the Federal Ministry of Industry, Trade and Investment in collaboration with the Bank of Industry convened an intensively rewarding one-day Cotton, Textile and Garment (CTG) stakeholders' forum. The Forum was to achieve the following: To stimulate patronage of locally made fabrics and made ups (tarpaulin) especially by the uniformed personnel including school, Institutions, nurses etc through linkage of fabric producers with Garment Manufacturers; to create domestic market by encouraging the patronage of locally made products by government ministries, government agencies, parastatals, the military, paramilitary and the private sector of the Nigerian economy; to ascertain quality and source of raw materials available locally to identify possible linkages of producers and end-users; and development of the garmenting sub-sector for more mass production. Thursday's forum was the largest gathering of stakeholders since similar forum was convened by the former president Olusegun Obasanjo in 2002.

Since the inception of democratic rule, from Obasanjo era to Jonathan era and the present Buhari administration, federal governments have demonstrated interest in reviving the industry, many thanks to the advocacy of the union. I recall that 2002 could very well be declared the year of textile revival. President Olusegun Obasanjo that year specifically devoted a whole weekend forum to 'TEXTILES'. The outcome was refreshingly optimistic and revolutionary in its proceedings, its revelations and its possible resolutions of the identified problems of textile industry. Faced with 'naked' statistics of factory closures then, by stakeholders, the President agreed as much the industry was on the verge of total collapse.

The President announced a number of policy initiatives that included temporary suspension of importation of all fabrics to the country. A new certification arrangement was put in place to ensure that imported fabrics meet certain Nigerian standard in terms of price, quality and health of the

citizenry. Genuine imports could only pass through two ports, namely, Apapa and Tin Can ports for verification by customs. Imports outside these ports were treated as contraband to be auctioned at 20 per cent of market value or be destroyed on account of sub-standard and harmful effects on human lives. The relevant agencies, namely Standard Organization (SON), Customs and FIIRO were to ensure compliance with the new policy.

There was a Presidential Task Force headed by the then no-nonsense FCT minister, Mallam El-Rufai charged with apprehending smuggled textile fabrics and burning them. All these measures helped in halting the factory closures and even improving the capacity utilization of the existing survived factories. The reopening of UNT Plc. in 2010 after three years of closure (with close to 1,500 direct jobs currently) was due to these cocktail of measures pushed by BOI, CBN and government. Will this historic forum make a difference in the official effort to revive the industry? The importance of industry cannot be overemphasised.

The key to real transformation, economic recovery and sustainable mass job creation lies in manufacturing, beneficiation and value addition. Abuja Forum, once again, stressed the significance of CTG to economic diversification. It was resolved that it was time for the sincerity of purpose on the part of government and all stakeholders. And it must start with the supply and pricing of basic inputs like gas. For instance prior to 2010 gas pricing was capped at 80% of equivalent LPFO price. The policy focused on Gas pricing to stabilize gas utilization for the domestic market (based industries, power, and commercial). The forum briefed by the NNPC Gas marketing unit resolved that Virtual gas pipelines (trucking) will be ready in two months to deliver gas to remaining surviving factories while efforts are being made to put in place physical pipelines in the long run. CBN Development Financing officer in attendance disclosed N50 billion loan earmarked for industry to facilitate the provision of facility including working capital. About N14 billion has been disbursed at interest rate of 4.5%. Loan amount is a maximum of N2 billion for a single obligor in respect of new facilities and N1 billion for refinancing. Clothing in Nigeria annually accounts for about \$6.3 billion.

There is therefore the urgent need for industrial visits (consumers) to establish quality and capacity of the remaining industries to meet domestic

requirements. Refreshingly it is the new initiative to combat smuggling. Nigeria Customs Services, (NCS) has developed e-platform to facilitate monitoring activities of smuggling. On the shortage of cotton, it was a scandal to discover that out of the 52 ginneries established in Nigeria, only 17 are working. Cotton can be grown in 26 states of the country. There is therefore the need for states to support cotton growth. There is need to introduce high quality yielding cotton seed. In all, the forum resolved that there will be stakeholders meeting on high gas pricing and unacceptable dollar pricing for domestic industries. Gas pricing has implications for industry and there is need for appropriate pricing. There is disconnect between the Public Procurement Act and the political will.

There is therefore need to patronize the locally made products. Federal and State Produce officers are to meet and synergize on the grading of cotton. There can be no industrialization without electrification. Therefore there is the need to ensure alternative sources of uninterrupted energy supply to industries. It was resolved that 60% of forex to be allocated by the CBN must go to the CTG sector. Finally, CBN is advised to monitor and enforce 60% of forex allocated to manufacturers. Are we about to witness the revival of the textile industries and creation of millions of sustainable jobs?

20 November 2016

## **Sustainable Industrial Development**

Africa Industrialization Day (AID) is marked on 20th November each year as declared by UNIDO. It is a day when Governments and other development organizations in African countries generate fresh ideas to stimulate and consolidate Africa's industrialization process.

Against the background of current economic recession and President Buhari's administration commitment to economic diversification, the union together with other affiliates under the auspices of IndustriALL Global Union in partnership with Friedrich Ebert Stiftung (FES) organized a Policy Dialogue on Monday November 21st 2016 as part of activities marking the 2016 Africa Industrialisation Day.

The day offers the affiliates of IndustriALL opportunity to advance the goal of the global union to ensure Sustainable Industrial development. The focus was on how to promote beneficiation and transform abundant agricultural and natural resources to finished manufactured goods through valued added production and massive job creation.

The global theme for 2016 Africa Industrialisation Day (AID) was **"FINANCING INDUSTRIALIZATION IN AFRICA: CHALLENGES AND WINNING STRATEGIES"**. The sub-theme was **BACK TO BASICS: REVIVAL OF BASIC INDUSTRIES (Textile, mining Iron and Steel, Oil and Gas) and CREATION OF SUSTAINABLE EMPLOYMENT.**

The policy dialogue held on Monday November 21, 2016 at Shehu Musa Yar'Adua Centre focused on examining the crafted roadmaps of Buhari administration for the revival of the key industrial sectors of the economy such as Textile, Garment, Oil & Gas, Steel, Engineering and Solid Minerals among others. This was preceded by a rally/road show on the streets of Abuja to make case for Africa's industrialisation. Like the 2015 Africa Industrialisation Day (AID), this year's AID was remarkable as it attracted Comrades from other African affiliates of IndustriALL namely, Angeline Chitambo, President Zimbabwe Energy Workers Union and Co-Chairman of IndustriALL Global Union, Sub Saharan Africa Region; Kwarko Mensah-

Gyakari, National Chairman, Ghana Mine Workers Union (GMWU) and Comrade Knowledge Siriva, National Treasurer of Zimbabwe Energy Workers Union. Details of these are contained in the report of Education/Research Department.

The General Secretary of the Union, Comrade Issa Aremu, mni together with Comrades Angeline Chitambo of ZEWU and Kwarko Mensah-Gyakari of GMWU featured in an NTA live programme (Good Morning Nigeria) on Tuesday November 22nd to make a case for re-industrialisation of the African continent.

IndustriALL Global Union has expressed commitment to partner with the union to make 2017 Africa Industrial Day a major IndustriALL regional campaign for sustainable industrial development in Africa.

## **CHAPTER SIX**

### **Education as a Tool for Advocacy**

For a long time, NUTGTWN annual education conference was a veritable platform for skill development and political engagement. Since 1989 when the union began to run her annual education conference, the key issue in focus has been the skill development of branch and zonal officers around the critical industrial relation issues like Collective Bargaining, Grievance Handling, Health and Safety.

During the brutal reign of General Sani Abacha, the education conference became a platform for engaging the issues of Democracy and National Development. However, there has been a big shift in focus with the perennial threat to the industry and the unabating loss of jobs. Since 2000, the theme of the conference has substantially been industry based. The forum itself has been critical platform for bringing the relevant agencies of government like Ministries of Customs, PHCN, SON etc.

The communiqués issued at the end of these conferences which document the critical issues as it affects the survival of the Nigeria textile industry are attached for further details.

**COMMUNIQUE ISSUED AT THE END OF A FOUR-DAY  
ANNUAL EDUCATIONAL CONFERENCE OF THE  
NATIONAL UNION OF TEXTILES, GARMENT AND  
TAILORING WORKERS OF NIGERIA HELD AT LADI KWALI  
CONFERENCE CENTRE, SHERATON HOTEL, ABUJA  
FROM 2<sup>ND</sup> TO 5<sup>TH</sup> JULY 2002**

**1. PREAMBLE**

Two hundred and ten (210) participants from 85 textile mills throughout the country attended the 14<sup>th</sup> national education conference of our Union. The theme of the conference was **Redefining Trade Liberalisation in a Democratic Dispensation**. In attendance are Obong Ufot J. Ekaette, Secretary to the Government of the Federation (SGF) represented by Dr. Goke Adegroye; Engineer Muhammed Abba-Gana, Honourable Minister of the Federal Capital Territory (FCT); Engineer Olusola A. Kayode, Deputy Director, (representing the Minister of Industry); Mr. Sidi Aliyu, Chief Trade Promotion Officer (representing Minister of Commerce); Mr. Adams Oshiomhole, President, Nigeria Labour Congress (NLC); Mr. Victor Eburajolo, Chairman, Nigeria Textile Garment and Tailoring Employers<sup>1</sup> Association (NTGTEA); Alhaji Nasir Lawal, President, NUTGTWN and Mr. Issa Aremu, Ag. General Secretary, NUTGTWN. Also present were Mr. J. P. Olarewaju, Executive Director, NTGTEA; Permanent Secretaries of Federal Ministries of Industry, Trade and Commerce; the Director-General, Customs and Excise Department; Mr. Tetteh Hormeku of Third World Network (TWN) Ghana; Mr. Andre Kriel, Deputy General Secretary of Southern African Clothing and Textile Workers Union (SACTWU) and Presidents/General Secretaries of other industrial Unions. Also in attendance are top leaders of the Union.

**2. TEXTILE INDUSTRY**

After four (4) days of extensive deliberations, the Conference

**NOTED**

- That the Nigerian Textile Industry is currently in deep crisis.

### **OBSERVED**

- That this crisis has led to 30 "factory closures with scores of others distressed. On the whole, as many as 35,000 jobs have been lost in the past few years.
- That while some of the companies face the problems of mismanagement and high production cost, the major factor in factory closures is the large scale dumping of finished textile goods and second-hand clothes occasioned by Nigeria's uncritical commitment to World Trade Organisation (WTO) rules and agreements,
- That this worrisome development calls for constructive engagement between the textile employers, workers and government aimed at protecting the industry.

### **WORLD TRADE ORGANISATION (WTO) NOTED**

- That WTO agreements were designed to favour technology-driven, capital intensive and export-oriented economies rather than agro-based, mono-cultural and import dependent economies like Nigeria. Which explains why seven (7) years after being member of WTO, Nigeria's productive capacity has been further eroded.

### **CONDEMNED**

- The large scale dumping and smuggling of textile fabrics from Asia.
- The unrestrained large-scale import of second-hand clothing into the country.

### **NOTED**

- That in view of the above, Nigeria should critically re-examine its membership of WTO, an organisation whose rules have inadvertently pushed Nigerian economy back to the era of colonialism in which we were exporter of raw materials and importers of finished goods from metropolitan Europe.
- That "in the alternative, if Nigeria political leadership lacks the political will to pull out of WTO, then Nigerian government must urgently push for reform of the multi-lateral agency.

## **THEREFORE**

- The existing WTO agreements should be reviewed in order to correct the imbalances, which work against African countries; and stop attempts at new rules aimed at uncritically opening up African markets and destroying local industries.
- Government should pursue with vigour the establishment of industrial development centres (IDCs) and the upgrading of institutional infrastructure such as NEPA and Tele-communication.
- Nigeria should apply the concessionary rules of WTO that allow a country with lower per capita income (less than \$1000) and country in deep economic crisis such as Nigeria, not to further expose its economy through wholesale removal of protection and reduction of tariff.

## **NEW PARTNERSHIP FOR AFRICAN DEVELOPMENT (NEPAD) OR NATIONAL ECONOMIC POLICY**

### **OBSERVED**

- That the New Partnership for African Development (NEPAD) though commendable continental economic initiative, is still NOT a substitute for urgently needed national economic revival.
- That Nigeria has a number of economic policies and legislation, if implemented, would help in reviving the industry and national economy in general.

### **DEMANDED THEREFORE**

- That Government in a democratic setting should be open to constructive engagement by stake-holders (employers and trade unions alike) so that government economic policy is dictated by national interest and not rules and dictates of international financial and trade institutions like IMF, World Bank and WTO.
- That Government should effectively fund the new Bank of Industry to provide fund for manufacturers at low interest rates compared to the existing prohibitive interest rates in the money market.

- That Government implements fully its policy on destination inspection and 100% inspection of containers.
- That the Standard Organisation of Nigeria (SON), NAFDAC, Department of Customs and Excise, Ministries of Commerce and Industry work together to ensure full compliance with existing tariff regimes, and other national legislation on trade.
- That the Customs Department be properly equipped and customs staff be properly remunerated to cope with the challenge of smuggling and other smart practices at our land borders and seaports.
- That the Federal Government, governments of African and other developing countries should insist that the developed countries also respect in full the rules of the WTO.

## **APPRECIATION**

- Registers its appreciation to all the invited guests who attended the Conference, particularly the Secretary of the Government of the Federation (SGF), ObongUfot J. Ekaette represented by Dr. Goke Adegoroye, Honourable Minister of Federal Capital Territory, Engineer Muhammed Abba-Gana who came in person; Permanent Secretaries of Federal Ministries of Industry, Trade and Commerce; Mr. Adams Oshiomhole, President, Nigeria Labour Congress (NLC); Mr. Victor Eburajolo, Chairman, Nigeria Textile Garment and Tailoring Employers' Association (NTGTEA); Mr. J. P. Olarewaju, Executive Director, NTGTEA; Mr. John Odah, General Secretary, Nigeria Labour Congress; the Director-General, Customs and Excise Department; the Deputy Director, Ministry of Industries; Mr. TettehHormeku of Third World Network (TWN) Ghana; Mr. Andre Kriel, Deputy General Secretary of Southern African Clothing and Textile Workers Union (SACTWU) and Presidents/General Secretaries of other industrial Unions present among others. Our appreciation also goes to our other invited guests/resource persons including Mr. Alumuna, Administrative/Personnel Manager, Finetex Limited; Mr. B. A. Ogungbemile, Deputy Comptroller General, Customs and Excise Department; Mrs. A. I. Oladipo, Director, Planning, Research and Statistics; Mr. J. A. Ogunfemi of Ministry of Commerce; Dr. Martins Ovberedjo of the National Action Committee on AIDS (NACA); Mr. S. O. Z.

Ejiofor, General Secretary of Amalgamated Union; Alhaji L. O. Shittu and Mr. A. B. Dania, both retired Senior Deputy General Secretaries of the Union and Mr. Boniface Isiguzoro, former President of the Union as well as others too numerous to be listed here.

ALHAJI NASIR A. LAWAL

ISSA AREMU

**PRESIDENT GENERAL SECRETARY**

**COMMUNIQUE ISSUED AT THE END OF THE 15<sup>TH</sup>**  
**ANNUAL EDUCATION CONFERENCE OF NUTGTWN HELD**  
**AT CHELSEA HOTEL, ABUJA- AUGUST 20, 2003**

**INTRODUCTION**

The 15th Education Conference of the National Union of Textile, Garment and Tailoring Workers of Nigeria (NUTGTWN) focused on the theme; **INDUSTRY AND LABOUR: CONSOLIDATING ON THE GAINS OF DEMOCRACY**. 172 participants drawn from 50 branches of the union across the country attended the Conference. The Conference was also attended by officials of the Nigeria Labour Congress (NLC), the Southern African Clothing and Textile Workers Union (SACTWU), the Nigeria Textile Manufacturers Association (NTMA) and the Nigerian Textile, Garment and Tailoring Employers' Association (NTGTEA). Resource persons were drawn from the trade union, academia, Standard Organisation of Nigeria (SON), Ministry of industry, the Department of Customs, National Agency for Food and Drugs Administration and Control (NAFDAC), Independent Corrupt Practices Commission (ICPC), the International Labour Organisation (ILO) and the National Electric Power Authority.

**INDUSTRY**

The Conference critically reviewed the Government policy on suspension of textile imports, the impact on the industry and workers, and the way forward. After extensive and thorough debates and discussions on all issues, the Conference resolved:

**THAT** the key to Nigeria's economic recovery, growth and development, employment generation lies in **industrialisation and wealth generation**.

**COMMENDED** Chief Olusegun Obasanjo for his passion **and commitment** to industrialisation as demonstrated by the commendable ban on import of African prints effective from September 1<sup>st</sup>, 2002.

**EXPRESSED** concern that in spite of the policy however, the list of closed and distressed factories is growing by the day. (see Appendix).

**DECRIED** a situation whereby relevant Ministers of Industry and Finance and Heads Customs, Standard Organisation of Nigeria (SON), Nigeria National - Corporation (NNPC) either decline to attend critical fora aimed at halting tragic decline of industry or attend by proxies via representatives that are either not informed or committed to the issues.

**PERCEIVED** the non-challant attitude of some of these government agencies and is inconsistent and at variance with the passion and patriotism of Mr. President the industry. If Mr. President could devote a whole **Saturday Forum** in find solutions to the problems of textile industry then **his Ministers of Finance, Labour and Productivity, Heads of Customs., SON and indeed Governors of textile producing States should at least spare a and time to save this first generation industry!** Anything short of this no betrayal of trust on the part of these relevant Federal and State agencies.**officials should get their priorities right by realising that re b empty without wealth generation, which is only possible through industrialization.**

**NOTED** concern that the biggest problem of the industry is the large scale g of textile products across Nigeria's land borders most often in connivance nit some top Custom officials.

**OBSERVED** that Nigeria's textile industry has only 27% of the local market due to of imports and smuggling, which leads to revenue loss to Government and job losses. In the last seven- (7) years, employment in the sector declined by 58%, further compounding the worsening unemployment situation in the country.

**WORRIED** about unabated closures of the textile industries and attendant job losses, in one year of the new policy on suspension of textile imports, about a factories have joined the list of the closed and additional close to 10,000 thrown into the unemployment market at a time other jobs have not been in other sectors of the economy.

**DEMANDED** that urgent steps be taken to halt the trend of closures and retrenchment. That security agencies should be empowered to seize and confiscate goods that have found their way into our markets. Smugglers

are economic saboteurs and must be treated accordingly. Enabling law should be enacted to prosecute and punish smugglers.

**DEMANDED** that a special Task Force of all stakeholders, inclusive of labour be set up monitor imports and smuggling activities and carry out seizures. The Task force should report directly to Mr. President.

**URGED** government NOT to succumb to the pressures by textile traders and other economic saboteurs to reverse the progressive policy of designating Apapa and Tin-CanPorts as the only ports of entry of textile materials legitimately imported into Nigeria.

**ACKNOWLEDGED** that ultimately the success and survival of the industry rests on ability of local manufacturers to produce quality and competitive textile fabrics depend on a number of factors in the immediate and in the long run.

- **A return to single digit interest rate;**
- **Access to long term loan facility to support industry;**
- **Regular supply of petroleum products at official price if not at a lower rate for industrial consumption;**
- **Strengthened Naira exchange rate;**
- **Investment in research, new technology and human capital development;**
- **Availability of locally fabricated spare parts;**
- **Constant and uninterrupted electricity supply, etc.**

**SUPPORTED and URGED** the Federal government to implement without delay the **BLUE PRINT** for the improvement of the textile and garment industry by United Nation Industrial Development Organisation (UNIDO) and the Federal Ministry of industry.

## **THE ROLE OF FEDERAL MINISTRIES OF INDUSTRY AND FINANCE**

**OBSERVED** the centrality of government in reviving the industry, especially in those critical areas of appropriate industrial policies, lowering

production costs, improving infrastructure (Power, fuel oil etc); raw materials (cotton) and exports (incentives).

**NOTED** the strategic importance of Ministries of Industry and Finance in particular in the revival of the industry.

**CONGRATULATED** both Honourable Ministers of Industry and Finance namely Mrs. NgoziOkonji Iweala and Alhaji-Magaji Mohammed for their respective appointments and **urged the ministers to resist the unpatriotic pressure of the forces of smuggling and imports to undermine the patriotic and commendable efforts of President Olusegun Obasanjo to revive textile industry,**

**CALLED on the two Ministers namely AihajiMagaji Mohammed and Mrs. NgoziOkonji Iweala NOT to reverse the existing policy which made Tincan Island and Apapa Ports as designated routes for legitimate textile imports.**

**CONDEMNED** the undue pressures on Honourable Minister of Finance, Mrs. NgoziOkonji Iweala by Abia State governor, Orji UzorKalu to reverse policy of designated routes by the President and Commander-in-Chief.

**URGED** Governor Kalu to join forces with the President in reviving textile mills including closed Aba textile mill (with 4,000 workers!) rather than in avertedly championing the cause of smugglers and importers.

**DEMANDED** that Bank of Industry (BOI) be properly and adequately funded for it to finance the recovery of industry.

**INSISTED** that there is co-ordination between Federal Ministries of Industry, finance and Commerce in which policies must complement each other aimed at protecting industry, investment and jobs.

## **INFRASTRUCTURE (NEPA & POWER SUPPLY)**

**HOTED** with some measure of satisfaction the progress made by NEPA in improving **apply**to textile industries across the country against the background of the funding **of the** power sector between 1999 and 2001.

**DELIGHTED** that NEPA is increasingly getting conscious of its role in industrialisation of the country as witnessed by the upgrading of distribution feeders no textile manufacturing companies from 11KV to 33KV, the commissioning of 60MVA and 40MVA transmission sub-stations in Kano, Kaduna South, Ikorodu, Funtua and Ilupeju, which are major locations for textile industry in Nigeria.

**EXPRESSED** worry about the decline in the funding of the power sector and government rationale that the problem of power generation and distribution will be solved by private sector participation.

**SUPPORTED the reform of the energy sector with the private sector participation but noted that this should be gradual and at every stage of the reform process, the social partners' involvement and government support are indispensable. Government should avoid the pitfall of overnight withdrawal of funding for NEPA, which will definitely undermine its existing modest gains in terms of improved generation and distribution.** If Nigeria spent 12 billion Dollars on Liberia war, it must be prepared to put an end to perennial energy crisis, which has not only claimed lives, but also undermined the country's economic recovery. Energy crisis is also a WAR that must be fought!

**CONVINCED** that there is no magic that: will be brought into the energy sector with a mere private sector participation. What is needed is consistent funding as we have seen in 1999 and 2001.

**COMMUNIQUE ISSUED AT THE END OF THE 19<sup>th</sup> NATIONAL  
EDUCATION CONFERENCE ORGANISED BY THE NATIONAL UNION  
OF TEXTILE, GARMENT AND TAILORING WORKERS OF NIGERIA  
(NUTGTWN) IN COLLABORATION WITH NIGERIAN TEXTILE  
GARMENT AND TAILORING EMPLOYERS' ASSOCIATION (NTGTEA)  
HELD AT THE FESTIVAL HALL OF CREST HOTEL AND GARDENS.  
JOS, PLATEAU STATE ON 4 - 6 SEPTEMBER 2007**

**PREAMBLE**

The 19<sup>th</sup> National Education Conference with the theme "Labour and Industry in a Transition Year" organised by the National Union of Textile, Garment and Tailoring Workers of Nigeria (NUTGTWN) in collaboration with the Nigerian Textile, Garment and Tailoring Employers' Association (NTGTEA) took place in the Festival Hall of Crest Hotels and Gardens-Jos from Tuesday 4<sup>th</sup> to Thursday 6<sup>th</sup> September 2007.

The conference attracted 136 participants from 47 textile mills spread across the country and the tailoring sector.

The 3-day Conference with the theme "Labour and Industry in a Transition Year" examined the current situation in the Nigerian Textile Industry and covered the following topical issues:

- Global Competitiveness and Challenge of Infrastructural Development
- Democratic Process, Labour and the Challenge of Good Governance
- Challenges of Industrial Depression: The Case Study of SACTWU
- • Building on Policy Gains for Industrial Development in a Period of Transition
- Labour, Industry and the Decent Work Agenda
- Protecting the Informal Economy Workers from Exploitation
- and Availing them Opportunities for Micro-Credit Finance and Capacity Building
- New Pension Scheme: The State of Compliance in the Private Sector
- Trade Union and the Leadership Challenge
- Mainstreaming Gender Issues in Trade Union Activities
- HIV/AIDS: Dealing with Stigma and Discrimination

- Global Competitiveness & the Challenge of Productivity Improvement
- Industrial Development and Sustenance in Nigeria
- Advocating Democratic Gains: The Role of NLC/TUC
- Labour and Civil Society Coalition in the Context of Socio-Political Change
- Meeting MDGs Challenges: The Role of Trade Union
- Privatisation in Nigeria: The Journey so far
- Understanding the Role of SERVICOM in Public Sector Service Delivery

The Resolutions after exhaustive deliberation are as follows:

## **INDUSTRY AND INDUSTRIALISATION**

**OBSERVED** that the Textile Industry maintains rapid decline inspite of government reform agenda. Direct employment has sharply declined from 137,000 in 1996 to about 25,000 whilst capacity utilization stands at abysmal low level of 30%. In effect about 112,000 direct jobs were lost to factory closures and redundancies occasioned by overall decline in capacity utilisation. Overall well over 500,000 jobs have been lost in the sector when other indirect jobs relating to service provision and supplies to the industry are considered.

**STRESSED** that notwithstanding the consolidation in banks, interest rate is still intolerably 2 digits. Industrial development cannot be achieved in an environment where interest rate is very high (above 20%). The exchange rate even though stable at between N125 and N127 to a dollar is still very low to assist a real sector that is dependent on imported in-puts. Nigeria needs to learn from industrial economies like Korea and Malaysia where interest rate is below 5% and particularly Japan that sets a zero per cent interest rate on loans for purchase of industrial machineries.

**NOTED** that inspite of power sector reform that gulped N300 billion electricity is still in a poor state. Poor state of infrastructure in general and the high cost of LPFO (black oil) and other industrial fuels are responsible for the uncompetitiveness of locally manufactured textile. Industry is still generator-driver with the attendant implication of prohibitive cost of production.

**STRESSED** the seemingly intractable problem of smuggling is a critical factor in declining fortune of local industries. Unchecked smuggling will further worsen market share of local fabrics currently put at only about 20% while imported/smuggled goods account for 80 per cent.

**ACKNOWLEDGED** the efforts of Customs Service (C.S.) to combat smuggling **but** noted that there is a limit to what Customs Service can do in a "Cargo economy" in which there is official predominant preference for imports. The challenge is to overcome the official mindset of import dependence to real sector domestic production.

**WARNED** that Vision 2020 which seeks to make Nigeria one of the strongest 20 economies in the world by year 2020 cannot be achieved if in 2007, just 13 years to 2020 industries particularly labour-intensive industries, like textiles are closing down on account of poor state of infrastructure, inconsistent and ineffective policies.

**ALARMED** that in spite of the official grandstanding and symbolic cheque presentations of N70 billion to textile manufacturers by the Obasanjo administration, one year after, no industry had been able to access the Textile Revival Fund.

**SHOCKED** that the revival Fund never existed in the first instance.

**IMPRESSED** that there is a new initiative to collaborate with local Banks to realise the objective of access to low interest credit through this special fund.

**URGED** Government to expedite action on the release of the N70 billion Naira Textile Revival Fund through the on-going arrangement with local financial institution such that the fund will be made available to manufacturers at an interest rate not exceeding 5% should be accelerated.

**CALLED** for a special interest rate policy for Industry as it is for Agriculture such that operating loans can be accessed from Banks at concessionary rates not exceeding 5%.

**URGED** the Federal Government to follow the example of Japan which assists industries to access loans to buy machineries at zero per cent and set up equipment purchase loan facility for industries particularly as most textile industries need to modernise operations to compete effectively in a liberalised market.

**ADVISED** government through the ministry of Industry and Commerce to partner with the union, textile manufacturers in introducing Label of Origin Legislation as it is done in South Africa.

This will require each and every garment and textile product being sold in the market to have a label that states where it was made. If it was imported, importer's company code must be stated on the label as well. This way, it will be easier for the Customs Service to chase some of these illegal imports to the market.

**URGED** President Yar' Adua government to come to terms with the challenge of China and work in conjunction with stakeholders to pursue with the WTO safeguard measures particularly for import from China. China should be encouraged to invest in Nigeria rather than seeing Nigeria as a trading post. Nigeria needs Chinese factories NOT 'China Towns' selling China-made-products.

**CALLED** for the strengthening of Government Procurement Policies in favour of locally manufactured textiles particularly as it relates to uniforms for agencies like Customs, the police and the military.

**URGED** government to include Low Pour Fuel Oil (LPFO) in the Petroleum Equalisation Fund (PEF) to ensure that the products get to manufacturers all over the country at the same rate.

**INSISTED** that one of the most useful ways to assist industries overcome prohibitive production cost is to subsidise the cost of LPFO currently selling above sixty (N60) by 50%. The expectation is that in the long-run, the cost of LPFO should substantially go down once the refineries in Port Harcourt and Kaduna return to normal production as LPFO like other petroleum products are currently imported-through the Lagos port.

.....  
Reginald Agulanna  
PRESIDENT

.....  
Issa Aremu mni.  
GENERAL SECRETARY

**COMMUNIQUE ISSUED AT THE END OF THE SECOND POLICY  
DIALOGUE FORUM ON THE NIGERIAN TEXTILE INDUSTRY  
ORGANISED BY NATIONAL UNION OF TEXTILE, GARMENT AND  
TAILORING WORKERS OF NIGERIA (NUTGTWW) IN  
COLLABORATION WITH FRIEDRICH EBERT FOUNDATION  
(FEF) AND THE SUPPORT OF BANK OF INDUSTRY HELD AT ABUJA  
TUESDAY 21<sup>ST</sup> SHERATON HOTELS AND TOWERS, JULY 2009**

## **INTRODUCTION**

In July 2009 the National Union of Textile, Garment and Tailoring Workers of Nigeria (NUTGTWN) in conjunction with Friedrich Ebert Foundation (FES) with the support of Bank of industry (BOI) convened the second policy dialogue meeting on the revival of the Nigeria Textile industry. The forum came up with far-reaching recommendations.

The policy dialogue meeting received inputs from the relevant government agencies like Customs, Standard Organisation of Nigeria (SON), Bank of Industry (BOI), Textile Manufacturers, United Nations Industrial Development Organisation (UNIDO) and Southern African Clothing and Textile Workers Union (SACTWU). The inputs provided basis for the discussions on the concrete strategies of action for the Revival of the Nigerian Textile Industry and indeed

After extensive deliberations the forum expressed relief and hope:

- That there is remarkable top level awareness and appreciation of the fact that Nigeria must move from extraction of crude oil and gas to value addition in Manufacturing, if we must be part of the 20 leading economies in 2020.
- That the President Alhaji Umoru Musa Yar'adua showed a deep appreciation of the challenges and the imperatives of the revival of industries. President YarAdua singled out Textile industry "as the largest manufacturing in this country that must be protected"
- That the Bank of Industry ably led by the activist [Managing Director, Ms Evelyn Oputu has commenced a process of structured and

sustainable institutional funding of the industry beyond the bogus prolonged promise of N70 billion Naira funding of the recent past

- That the new CBN Governor, Sanusi Lamido is for once conscious of the impact assessment of the Bank's monetary policies on the real sector of the economy. The much taunted bank consolidation has not led to lower interest rate. In fact, it was a failure of consolidation that explains the drive for intervention fund to save the industry.

That the Legislature has also commendably commitment to address the issues of industry. The Senate committees on Industry and Commerce as well as agriculture led by Senator KarnardeenAdedibu and Senator Wada on Thursday 16<sup>th</sup> July, 2009 had an unprecedented public hearing on the collapse of textile industry. The highlight of the senate proceedings is that Government **must have business in business** such that the sector that hitherto used to be the largest employer of labour after government must be rescued from total collapse.

Every stakeholder reaffirmed commitment to industrialization and wealth generation as opposed to poverty alleviation. Everybody agreed we must fix the energy sector if the industry would be competitive. The summit agreed that smuggling is real and must be frontally committed.

Given the diverse problems facing the industry, the summit calls for critical supportive roles of the government, investors, the banks, labour as well employers.

## **THE ROLE OF GOVERNMENT**

The role of Government is therefore broad and holistic and covers a wide range of issues which UNIDO in its recommendations has broken into three categories namely Immediate (2009),

Short term (2010), Long term (2011-2015) **IMMEDIATE** (2009)

1. Implement the UNIDO textile sector blue print 2009
2. Roll back the price of black oil from N64 to N25.40 per liter and make the product available via NNPC/PPMC

3. Implement the textile revival fund even on a pilot basis, say N10 billion to viable existing textile mills as per the interest subsidy mechanism as in the case of Agric Fund. The fund should be disbursed by September 2009 to enable procurement of cotton
4. Task customs/SON to check smuggling even by a token 15 to 20 per cent
5. Lodge an official complaint with the Chinese Government to check counterfeiting
6. Extend natural gas pipeline to the inaccessible areas of Ikorodu, Lagos where large textile factory is located, to save over 4000 jobs.

### **SHORT TERM (2010)**

7. Exempt local textiles from VAT
8. Exempt import of spare parts, machinery, dyes and chemicals imported by the textile industry from customs duty and VAT

### **LONG TERM (2011-2015)**

9. Improve infrastructure (power, roads, ports) to create an enabling environment for a competitive textile and garment industry
10. Sustain the Textile Revival Fund till 2015

## **STRATEGIES FOR IMPLEMENTATION**

### **1. FUNDING**

- On funding, the forum urged that Bank of Industry is sufficiently financed to make cheaper funds available to industries that are willing to modernize with clear cut **performance criteria that include labour absorption and job retention including payment of workers entitlements.**

- **Appropriation of more funds for the BOI by the national assembly under the upgrading of industries.**

- Commercial banks be encouraged through policies to provide on a routine basis funds for long term investment at single digit interest rate to manufacturing sector competitive. Government must be prepared to underwrite the difference between the preferred rate for industry and the prevailing market price.

- Government intervention is critical in salvaging a strategic industrial sector like the textiles just like Government all over the world is putting resources to salvage the crisis in the financial sector.

## **2. CURBING SMUGGLING EFFECTIVELY**

The immediate need to expand the market share of locally produced textile from the current meager 15 per cent to at least 30 per cent, requires series of efforts in the following direction:

- Re-activate the Presidential Committee on enforcement of the ban to include all other stake holders namely manufacturers, workers and civil society actors
- Government should consolidate efforts at curbing smuggling activities through:
  - Create a special budget allocation for the fight against illegal imports in clothing and textiles
  - Criminalize illegal importing, including asset forfeiture and prosecution of offenders including high profile cases
  - Establish dedicated ports for textile imports with capacity to check abuse
  - Increase the rate of container inspection and establish a minimum percentage for random inspections and 100 per cent inspection of goods from high risk importers
  - Establish a sector focused register of bona-fide importers and shipping agents with tougher licensing requirement on importers
  - Destruction of seized goods to be supervised by a special task force which should include the textile workers union
  - Sustain and strengthen current engagement with China on counterfeiting and faking
  - Government should introduce attractive incentives to officers and men of the Nigeria custom service
  - Government should stop granting waivers and enforce strict implementation of policies

## **3.ENFORCING QUALITY STANDARDS LOCALLY AND FOR IMPORTED GOODS**

Urged the Standard Organisation of Nigeria (SON) to step up its activities and collaborate with Customs to ensure that even for legitimate imports quality and standards are not compromised. The bulk of textile product imported from China and other **Asian** countries can not meet the quality standards of Made in Nigeria Textiles

#### **4.ENERGY AND INFRASTRUCTURE**

Urged PHCN to provide preferential supply to textile mills and industry in general with uninterrupted power supply and benchmark the power cost to reflect the going rate in other countries like South Africa, Indonesia and Malaysia.

Nigeria National petroleum corporation (NNPC) makes available fuel for power and steam generation (LPFO) at industry friendly prices subject to sanctions for diversion and general abuse.

Export of steam fuel, LPFO be discontinued as it is the case in Indonesia where there is a deliberate policy of lower input cost to make the industry competitive.

Urged Federal Government, NNPC and PPMC to revert to old price to enable Textile Industry survive or total collapse of textile industry is imminent,

The new electricity tariff should only apply after uninterrupted, steady and normal electricity supply is achieved.

Speed up the supply of Natural Gas to the few remaining Textile Mills to reduce energy cost.

#### **5. PROCUREMENT POLICY**

Government procurement should be used to assist industries that are in distress. It can help to maintain and increase employment and output levels.

Currently, the NYSC is working with three local firms namely, ATM Kano, Woollen and Synthetic, Lagos, and General Cotton Mill, Onitsha to develop materials for youth corps members, This is commendable, but there is a need to strengthen and expand such initiatives to other uniform agencies

like the military, police, customs, immigration, civil defence, Prisons and other uniform wearing agencies at all tiers of Government.

The current rebranding programme of the Federal Ministry of Information must necessarily have a buy made in Nigeria campaign component. This is to popularize made in Nigeria products and promote consumer preference for locally made textile materials.

## **6.INVESTMENT INCENTIVES**

The industry has benefited in recent past from Export Expansion Grant. We need to rethink and re launch incentives for industries both for export and local market. Even stronger Economies like South Africa have multiple streams of incentives for local manufacturers.

Comrade Reginald Agulana  
**PRESIDENTGENERAL SECRETARY**

Comrade Issa Aremu

**COMMUNIQUE ISSUED AT THE END OF THE 22<sup>ND</sup> ANNUAL  
NATIONAL EDUCATION CONFERENCE ORGANISED BY THE  
NATIONAL UNION OF TEXTILE, GARMENT AND TAILORING  
WORKERS OF NIGERIA (NUTGTWN) IN COLLABORATION WITH  
NIGERIAN TEXTILE, GARMENT AND TAILORING EMPLOYERS'  
ASSOCIATION (NTGTEA) HELD AT THE UNITY HALL OF HAMDALA  
HOTEL, KADUNA FROM TUESDAY 28<sup>TH</sup> TO WEDNESDAY 29<sup>TH</sup>  
SEPTEMBER 2010**

**PREAMBLE**

The 22<sup>nd</sup> National Education conference organised by the National Union of Textile Garment and Tailoring workers of Nigeria (NUTGTWN) in collaboration with the Nigerian Textile Garment and Tailoring Employers Association (NTGTEA) took place at the Hamdala Hotel Kaduna from Tuesday 28<sup>th</sup> – Wednesday 29<sup>th</sup> September 2010. The Conference attracted over 200 participants drawn from 29 Textile Factories and Tailoring Associations affiliated to the union across the Country.

The Conference with the theme: **Labour and Industry @ 50: Democracy, Good Governance and Industrial Development** reflected on Nigeria's Industrial Development and implication for Labour and economic prosperity. It also examined the impact of democratic governance on industries and workers and provided the platform for engaging the critical issues of electoral process and industrial revival.

**OPENING CEREMONY – ATTENDANCE**

At the opening ceremony of the conference were His Excellency, RT.Honourable Dimeji Bankole CFR, Alhaji Hassan A. Sunmonu, Secretary General OATUU, Accra, Ghana, Comrade Reginald Agulanna, President NUTGTWN and General Secretary NUTGTWN, Comrade Issa Aremu mni, Mr. J.P Olarewaju Director General Nigeria Textile, Garment and Tailoring Employers Association (NTGTEA) and Hamman Kwajaffa, Industrial Relations Manager Nigeria Textile, Garment and Tailoring Employers Association (NTGTEA), Professor Attahiru Jega Chairman INEC, Chief Boniface Isiguzoro and Alhaji Nasiru Lawal past Presidents of National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN), Engineer Mansur Musa President NUEE, Dr. John Olaoye representing Gidado Hamman President NURTW, Mr. Ola E.O, General Secretary NUBIFIE, Mr. Olawale Afolabi representing Comrade Elijah Okongbo, General Secretary of NUPENG and Comrade Ade Martins, President

NUBIFIE, Alhaji Umaru Mohammed ex–Senior Deputy General Secretary NUTGTW and Comrade Sijuade Sam Ola Assistant General Secretary representing Construction Union General Secretary.

Others were the Honourable Commissioner of Commerce and Industry, Abubakar D. Umar representing the Executive Governor of Kaduna State, Mr. Ibrahim Patrick Yakowa, the representative of Executive Governor of Ondo State, Dr. Olusegun Mimiko, Mr. Solomon Adeyemi Ajibola representing Honourable Minister of Labour and Productivity, Chief Emeka Wogu, Ms. Evelyn Oputu, Managing Director, Bank of Industry (BOI), Mr. Monday Ewang Assistant Director representing Director General SMEDAN, Dr. Festus Iyayi, University of Benin, Mr. Ibrahim Mohammed Lawal Jibia, Controller, Federal Ministry of Labour and Productivity, Mr. M.O. Adebayo NTMA, Ibrahim Olajide Babajide – NTA and Ahmed Suleiman representing Comrade Shehu Sani, among others.

## **RESOURCE FELLOWS**

The conference drew resource persons from Nigerian Textile and Tailoring Association (NTGTEA), Independent National Electoral Commission (INEC), Civil Society Organisation, the university, the Bank of Industries, the Trade Unions, The Federal Ministry of Labour and Productivity, Small and Medium Scale Enterprises Development Agency of Nigerian (SMEDAN) and the Organisation of African Trade Union Unity (OATUU).

## **SUBJECTS COVERED**

- Towards INEC/Labour Partnership for Free and Fair Election in 2011.
- Human and Trade Union Rights in a Democratic Dispensation
- Re inventing Labour Party
- The Development of the Nigeria Textile Industry in the last 50 years
- Sustainable funding for Industrial Development: issues and challenging.
- Power and Industrial Development
- Implement Minimum wage: Challenging Ahead
- Financing Industrial Development through support for EMEs
- Organising the Informal Sector worker.

- Worker Solidarity and International Trade Union Movement
- Gender Issues in Trade union.

## **THE CONFERENCE RESOLUTIONS**

### **INDUSTRY AND NATIONAL DEVELOPMENT**

**Expressed** concern that the vision and the initial commitment of our founding fathers across the regions for industrial development have suffered serious setback with virtual deindustrialization across the country.

**Worried** about the unabated decline of indigenous manufacturing industries in the country and negative impact on employment and poverty indices.

**Acknowledged** the Federal government's far reaching measures to revive the textile industry noting that a lot still needs to be done to create enabling environment for sustainable industrial development.

**Commended** the Leadership of the Bank of Industry under Ms Evelyn Oputu for the radical transformation in financing industrial development and particularly for the steady progress so far recorded in the disbursement of the 100 billion naira Cotton, Garment and Textile Intervention fund which has facilitated the reopening of UNT PLC, Kaduna and a few other textile industries.

**Noted** however that as part of the short term intervention for the revival of textile industries, BOI will need to speed up the current pace of disbursement of the CTG to fast track the recovery of many other comatose textile industries.

**Noted further** that apart from Kaduna State government, most State governments have failed to follow the foot-steps of the Federal

government to re-invent industries especially the textile industries in their locality. Textile industries are located also in Lagos, Kano, Rivers, Delta, Katsina, Abia, Anambra and Zamfara among others.

**Observed** that no elected government official apart from Arc. Namadi Sambo former Governor of Kaduna State and now Vice President of Nigeria has paid a symbolic fact finding study visit to the closed or distressed textiles which employed thousands of workers in their States.

**Demanded** that all State governments should compliment Federal government's efforts through complimentary bold industrial policies that will revive closed factories in their localities such as provision of infrastructure and granting of genuine tax incentives.

**Called** on 19 state governors in the North to urgently revive Kaduna Textiles Limited (KTL).

**Further Called** on the Federal Government to:

- Create a Textile department in the Federal Ministry of Commerce and Industry.
- Empower Nigeria custom service with necessary equipment to enable them fight smuggling activities.
- Provide necessary infrastructure particularly electricity.
- Ban the importation and check smuggling of second hand cloths.
- Encourage export by ensuring conducive operating environment and granting adequate export incentive to the operators.

**Finally urged** for the commitment of all stakeholders towards re-industrialization of the country.

Comrade Reginald Agulana  
**PRESIDENT GENERAL SECRETARY**

Comrade Issa Aremu

**COMMUNIQUE ISSUED AT THE END OF THE 25TH ANNUAL  
NATIONAL EDUCATION CONFERENCE OF THE NATIONAL UNION  
OF TEXTILE, GARMENT AND TAILORING WORKERS OF NIGERIA  
HELD AT THE MICHAEL IMOUDU NATIONAL INSTITUTE FOR  
LABOUR STUDIES, ILORIN, KWARA STATE FROM TUESDAY 24TH  
TO THURSDAY 26TH SEPTEMBER, 2013.**

**Preamble**

The 25th Annual National Education Conference of National Union of Textile Garment and Tailoring workers of Nigeria (NUTGTWN) took place at the Michael Imoudu National Institute for Labour Studies, Ilorin, Kwara State from Tuesday 24th – Thursday 26th September 2013. The Conference attracted over 400 participants drawn from textile factories and affiliated self-employed Tailors' Associations across the Country.

The conference commended the leadership of the union ably led by the National president, Comrade Oladele Hunsu, and the General Secretary, Comrade Issa Aremu mni, NAC, CWC, and NEC members of the union for purposeful leadership and sustaining the Educational Programme of the union. The participants also commended the immediate past General secretary and incumbent Governor of Edo State Comrade Governor Adams Aliyu Oshiomhole for initiating the Educational Programme of the union in 1989.

The conference attracted high level participation which includes - the National president, Comrade Oladele Hunsu, the General Secretary, Comrade Issa Aremu mni, NAC, CWC, and NEC members of the union, His Excellency, the Executive Governor of Kwara State, Alhaji Abdul Fattah Ahmed, Hon. Aminu Suleiman, Chairman House Committee on Education, Director General MINILS, Dr. John Olarewaju, Director General, Textile Employers Association, Mr JP Olarewaju, Barr. Femi Falana SAN, President SACTWU, Comrade ThembaKhumalo, Managing Director, Bank of Industry, Ms. Evelyn Oputu represented by Mrs Lola Kadasa, Director General, National Productivity Centre, Dr. Paul Bdliya, Dr. Joe Odumakin, President Women Arise and Campaign for Democracy, Comrade SOZ Ejiofor, Prof. Dafe Otobo, Comrade Hassan Sunmonu, Pioneer President NLC, Director General ITF, represented by Mr Simon GagaraZamba, Deputy Director Business Training and Development, ITF. Dr. OnaEkhomu President Association of Security Organisation of Nigeria, represented by Mr. ManduObot, Barrister Femi Aborishade, Honourable Kehinde

Bamigbetan Chairman Ejigbo LCDA, Captains of Industry, some President and General Secretary of Industrial Unions, ASUU President represented by Dr. Segun Ajiboye and others too numerous to mention.

It further resolved that in view of the country's dependence on Oil and Gas, and knowing that there are various discovery of new oil wells globally and the various attempt to find alternative to oil. That Nigeria should urgently diversify the economy and invest massively on Agriculture.

On the Conference Theme '**Towards Sustainable Industrial Development and Mass Decent Employment**', the Conference discussed the challenges facing the industry and the union and came up with far reaching resolutions to reposition the organization to serve the members better.

The Conference condemned the present situation where pipe lines are vandalized, and crude oil is stolen in barrels and refined illegally and the proceeds pocketed by individual is worrisome. Government should try and stop this illegality.

On Bank of Industry (BOI), the Conference commended the federal Government on the revival of Textile Industry through the use of Bank of Industry ably led by Ms. Evelyn Oputu. However the intervention fund alone is not enough panacea for the revival of the industry. We call on relevant agencies of the federal government such as Customs, Immigration, Police, etc to be alive to their responsibilities and prevent influx of substandard and counterfeit fabrics from entering the country. That energy supply is critical to the survival of the industry

The conference declared strong support for NLC on the retention of Minimum Wage on the Exclusive legislative list.

The conference condemned strongly the high level of insecurity in the country and across the globe most especially the killing of innocent lives in Nasarawa State Nigeria and recently the massacre of lives in Kenyan Shopping Mall. Conference urged the citizens to be security conscious.

The conference also resolved that the high level of unemployment is worrisome and constitute a problem to the security of life and property in the country. Therefore the government should address this issue through mass industrialization and decent work.

It was further resolved that in view of the growing skill gap among Tailors in the country, the Federal Government is urged to create a Tailoring Institute where tailors can be trained and retrained.

That government should re-orientate the populace on the use of made in Nigeria fabrics and total prohibition of all textiles materials for a period of four years.

It was resolved that workers should actively participate in partisan politics. On women, conference resolved that women should be actively involved in trade union activities and politics and should be supportive of each other.

On ASUU Strike, conference resolved that both parties should urgently return to the negotiating table and resolve all contentious issues.

The conference further commends the Executive Governor of the State of Osun, His Excellency Ogbeni Rauf Aregbesola on the establishment of a modern garment factory (Omoluabi Garment Factory) and in Oshogbo and recommended this to other governors in the country.

It was agreed that we should support and deepen democracy in the country.

The conference opposed the calls for sovereign National Conference. "United we stand".

On pension, the conference while supporting the concept, demands for total commitment, sincerity and effectiveness in discharging their obligation to the contributors at the point of maturity.

Our nation has become a debating society without result that is why our government at all levels has to do their tasks – Action is needed to move the nation forward.

Com. Oladele Hunsu  
National President

Com. Issa Aremu mni  
General Secretary

**COMMUNIQUE ISSUED AT THE END OF A 3-DAY WORKSHOP FOR UNION ORGANIZERS AND SELF-EMPLOYED TAILORS AND SMALL SCALE GARMENT MAKERS ORGANIZED BY THE NATIONAL UNION OF TEXTILE GARMENT AND TAILORING WORKERS OF NIGERIA (NUTGTWN) IN COLLABORATION WITH FRIEDRICH EBERT STIFTUNG (FES) HELD FROM WEDNESDAY 3<sup>RD</sup>- FRIDAY 5 SEPTEMBER 2014 AT MICHAEL IMODU NATIONAL INSTITUTE OF LABOUR STUDIES (MINILS), KWARA STATE**

## **INTRODUCTION**

A 3-day workshop for trade union organizers and self employed tailors and small scale garment makers was organized by the National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) In Collaboration with Friedrich Ebert Stiftung From Wednesday 3<sup>rd</sup>- Friday 5 September 2014 At Michael Imodu National Institute Of Labour Studies (MINILS), Ilorin Kwara State. More than 50 participants were drawn from the textile, garment and tailoring workers union including members from the informal sector made up of self-employed tailors and small scale garment makers across the states namely, Kwara, Ogun, Lagos, Kebbi, Katsina, Delta, Rivers, Benue, Imo, Edo and Cross River. Participants also came from co-affiliates of IndustriALL Global Union in Nigeria namely Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) AND Chemical and Non- Metallic Products Senior Staff Association of Nigeria (CANMPSSA).

## **THEME/OBJECTIVES**

The theme of the workshop is **CAPACITY AND SKILL DEVELOPMENT FOR TRADE UNION ORGANISERS**. The workshop provided the platform for participants to interact and reflect on the changing dynamics at work and imperative of refocusing union organizing, learn new ideas and skill for effective organizing of workers in formal employment and those who are self-employed. The workshop also provided opportunity to learn new ideas and strategies for effective union organizing, develop new orientation that is supportive of collaborative work on organizing among trade unions in Nigeria.

## **TOPICS/RESOURCE FELLOWS**

- Organizing as a core function of a trade union:

- Reflections on the changing situations at work/understanding
- Changing dynamics at work
- Organizing as a tool for building union power
- Communication skills for trade union organizers
- Organization skill: trade union campaigns
- Developing ideas and strategies to organize new members(formal and informal sectors)
- The role of trade union organizers in the context of change

Resource persons include the General Secretary of the Union and Vice President of Nigeria Labour Congress (NLC), Comrade Issa Aremu NPOM, mni Ag.Deputy General Secretary, Education/Research, NUTGTWN Mr. Ismail Bello, Dr Tajudeen Akanji , Associate Professor of Workplace Relations, University of Ibadan among others.

## **OPENING**

The workshop was declared open by the President of The National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN), Comrade Oladele Hunsu. Distinguished Guest include the general secretary of the National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN), Comrade Issa Aremu, NPOM, mni who is also vice-president of Nigeria labour congress (NLC), the chairman, NLC Kwara state council, Comrade Faruk Akanbi Represented by the Vice-chairman Comrade Bamidele P.okogbe, chairman Trade Union Congress (TUC), Kwara State council, comrade olumohkolawole, the comptroller of labour Kwara state Mr. Ola Babalola, special adviser to the governor of Kwara state on labour, comrade bisifakoyade represented by Mr. Yakubu kamarudeen, the director general , Michael Imodu National Institute Of Labour Studies (MINILS) dr. john Olarewaju represented by the director of trade union education (MINILS) Dr. Onaeko F.B. and the representative of FES NIGERIA Mrs. Juliana Anosile, special guest of Honour was Hon Justice Mustapha Akanbi,CFR retired president of the Nigerian court of appeal who also presented certificates to participants at the end of the workshop.

## **THE WORKSHOP RESOLVED AS FOLLOWS:**

### **1. ORGANISING AS A CORE FUNCTION OF TRADE UNIONS**

Noted that union organizing is all about workers coming together to collectively solve problems encountered at their workplaces. It is a process by which trade unions canvas, recruit, consolidate, seek recognition for formalizing into a unionized group, negotiate for, and manage as a bargaining unit. Organizing remains a core trade union activity. Without vibrant consistent organizing, a trade union is unlikely to grow to become economically sound and offer its membership good quality services and protection.

Further noted that trade union organizing covers a broad spectrum of activities including but not limited to the following: Education Negotiation, Building Structures, Policy Advocacy and Campaigns.

Recognized that discrimination (gender, ethnic, religion) lack of respect for human dignity, low wages, denial of benefits, inhuman treatment by supervisors, exclusion from decision making, unsafe working conditions, Casualisation/outsourcing, indiscriminate termination of employment and other unfair labour practices by employers are some of the problem workers frequently confront at work.

Noted that the right to organize as enshrined in section 40 of the 1999 constitutions of the Federal Republic of Nigeria and reaffirmed in several aspects of our Labour Laws and further strengthened by ILO conventions 87 and 98 on the right to freedom of association and protection of right to organize; right to organize and collective bargaining are critical to trade unions organizing.

Concerned that these laws and conventions are increasingly violated with impunity by employers particularly in the private sector as workers are denied the right to organize. These violations include increasing resort to unfair labour practices such as outsourcing, contract work and insertion of non-union clause in contract of employment, harassment of trade unions officials.

Worried that some employers like Sino PP limited Kano even engaged in open disregard for the law by refusing to honour the Judgment of the National Industrial Court (NIC) in favor of union after 10 years of laborious struggle to organize workers in the factory. Commended the union's effort,

commitment and resilience in the area of organizing and assert the right of workers to join the union.

Expressed delighted that the union has moved beyond organizing the workers to consistent struggles to save the industry. It is this union advocacy that led to some government interventions and subsequent reopening of some closed textile mills like United Nigeria Textile Limited (UNTL) Kaduna.

## **2. ORGANIZE TO REVIVE AND SAVE THE INDUSTRY**

Noted that union cannot successfully organize if there is no production. Union's organizing effort should go beyond organizing workers in the factory and organizing the unorganized to also include organizing ways to save the industry.

Commended the federal government for the intervention fund for the textile industry. But further noted that financing is just one out of the numerous challenges facing the textile industry in particular and manufacturing industries in Nigeria. Other key problems are infrastructural inadequacy, raw materials, electricity supply, and smuggling, counterfeiting and faking among others which need to be urgently addressed by the government.

## **3. THE NIGERIAN TEXTILE INDUSTRY**

Noted that the performance of the Nigerian textile industry remain at low ebb in the first half of 2014 due to lack of an enabling environment and inconsistency in government policy. There are 25 textile mills employing about 24,000 workers. The capacity utilization in the industry remains below 50% and the growth has been stagnant since 2012. The government had talked about a new textile policy in February 2013 however there has been no progress. Unless effective steps are taken by the government to revive the industry, gains achieved in 2010 will be lost and result in job losses, thus aggravating the unemployment situation.

### **Influx of smuggled goods**

Smuggled goods occupy over 90% of the market. It is estimated that Nigeria imported N300 billion worth of textiles and garments annually, most of which are illegally imported without paying any duties and taxes. The total amount of revenue loss on account of customs duty and VAT on

this volume is estimated at N75 billion. Such rampant evasion of taxes lost to smuggling when the government is going from pillar to post to mobilize revenue should be an eye opener.

### **Export expansion grant**

There is a crisis in the textile industry due to huge backlog of Negotiable Duty Credit certificates (NDCC) accumulated last two years. This has been caused by an arbitrary suspension imposed by the federal ministry of finance on utilization of the certificates, issued by the same ministry, for duty payment. Textile manufacturers who exported their goods by factoring the grant in their price are facing a severe liquidity crisis.

### **CTG loan from BOI**

Most textile companies availed the Cotton Textile Garment (CTG) loan from BOI since 2010. The tenure of the loan matures in 2016. The textile companies are finding it difficult to pay the installments due to low capacity utilization and liquidity crisis caused by above problems and had appealed to the BOI for extension of the repayment period by ten years and flexibility to redeem the EEG certificates in lieu of loan installment.

### **High cost of production**

Cost of manufacturing textiles in Nigeria is high which allows room to cheap foreign goods to be imported. In particular the cost of energy is high. The price of gas has increased by 15% from January 2014 price and price of black oil remains high due to scarcity. Textile industry deserves concessional pricing like other industries such as cement however government response has lukewarm

### **New Textile Policy**

Federal Ministry of Industry, Trade & Investment has been working on a new textile policy, under the Nigerian Industrial Revolution Plan (NIRP) which is supposed to help in the revival of the sector. A stakeholder workshop was held at Abuja in February 2013. Unfortunately, nothing has been heard about it for the last one year.

### **Made in Nigeria**

There is a lack of patronage of made in Nigeria textiles due to lack of an effective policy enforcement. Most government ministries and agencies

such as police, customs, immigration and army still prefer to use imported fabrics rather than source locally.

### **Experience of other sub-Saharan Countries-Lessons for Nigeria**

Other African countries have been highly supportive to their textile industry to improve their competitiveness. Nigeria should learn from their experience.

Ethiopia has attracted FDI in the textile & garment industry in recent years. Employment has risen to 28,000

Ivory Coast has one large textile mill however government has taken effective steps to check imported counterfeit textiles to protect local industry.

Ghana has three large textile mills and allows imports of raw materials, dyes & chemicals and spare parts at 0% duty.

Kenya continues to be a hub for readymade garment exports

## **4. PRODUCTIVITY IS THE KEY**

The workshop stated that Nigeria should urgently replace corruption agenda with development agenda.

Commended President Goodluck Jonathan for promoting productivity awareness in the country by reviving the railways to move mass of people and goods at cheaper rates and for reforming the power sector among others. All this transformation efforts can lower the cost of production and make our industry competitive.

## **5. CRUDE OIL THEFT**

Acknowledged the commendable efforts of the Federal government to reduce the rate of crude oil theft in Nigeria. However noted that as significant as this reduction is, it is still scandalous and unacceptable that the nation loses much crude oil to theft particularly for a country that borrows money to meet urgent security and health challenges. Billion of money lost through crude oil theft certainly cannot be available for electricity, building industries, road, hospital, schools, fighting insurgency and combating the spread of Ebola and other curable diseases like malaria, polio, etc. therefore what Nigeria and Nigerians desire is total zero-tolerance to oil theft of any kind.

## **6. DEMOCRACY ON TRIAL**

Noted that trade unions are democratic institutions. Trade unions cannot sufficiently carry out their core trade union functions if there is no sustained democracy. Acknowledged the fact that Nigeria has made progress in democratic renewal. However this democracy needs quality control. The nation is on trial.

Therefore we call on Nigerian politicians to put the interest of the country first and avoid unnecessary quarrels and statements capable of undermining the progress we have made in our democratic experience.

## **7. WE MUST PUT AN END TO BUTTERFLY POLITICS**

Noted that the current tension in political landscape is as a result of uncritical carpet crossing by politicians

Worried that political parties have sadly become hired vehicles to move from pillars to post in a desperate move to be in office for power and money rather than for public service. Defections, shameless carpet crossing exchange of diatribes and abuses by the politicians and non-issue based statements have become the order of the day. We must reinvent the political parties such that they are concerned with critical development challenges of our times such as insecurity, re-industrialization and poverty eradication. Politicians must stand for policies and programmes and stop falling for anything that only puts them in power even when they are under developing the country.

## **8. NATIONAL SECURITY**

Reaffirmed the need for urgent action to address the current intolerable state of insecurity in Nigeria.

Called on President Goodluck Jonathan to address the country through the National Assembly on the state of the nation and the road map on addressing insurgency and insecurity in Nigeria. Nigerians need presidential assurance about the unity of our great country. The president should offer leadership for all Nigerians regardless of their callings for a national resistance against the invasion of our country.

Also called on the members of the national assembly to demonstrate national sensibility and quickly return back from their break to address the

twin crisis of Ebola epidemic and insurgency in the North East. Recent development task the sense of responsibility and accountability of all elected officials to the people of Nigeria.

Called on the security agencies particularly the military to rise up to defend effectively the nation's territorial integrity. We must return to the good old days Nigeria territorial integrity was effectively defend with extended support to other African countries. President Goodluck Jonathan must implement the National Conference report as if affects national security especially in appointing key critical security positions based on merit and sense of patriotism.

## **9. EBOLA EPIDEMIC**

Commended the efforts and measures so far taken by the Federal and all state government to curtail the spread of Ebola disease in Nigeria. Noted that it is not enough for President Goodluck Jonathan to declare Ebola a national emergency.

Called on the president to also address the nation through the national assembly on the issue of Ebola and other diseases and what the administration is doing to curb its spread in Nigeria.

Noted it is a continental and regional shame that president Barack Obama of the United States of America is the one addressing West Africans on the dreaded Ebola virus. This shows absence of leadership in Africa.

Noted that the first victims of Ebola are workers. Therefore commended the union for organizing series of workshops to enlighten members about the disease and ways to prevent it.

## **10. APPRECIATION**

Expressed appreciation to FES headed by the Country Resident Representatives, Mrs. SeijaSturies for the collaborative support to the workshop. Commended FES for the long passion and commitment for organizing and support for workers education

Oladele Hunsu  
PRESIDENT

Issa Aremu, NPOM, mni  
GENERAL SECRETARY

**COMMUNIQUE ISSUED AT THE END OF THE POLICY ROUNDTABLE ORGANISED BY INDUSTRIALL GLOBAL UNION FEDERATION, NATIONAL COUNCIL, NIGERIA IN CONJUNCTION WITH FRIEDRICH EBERT FOUNDATION ON THURSDAY 19TH NOVEMBER, 2015 AT THE YARADUA CENTER, ABUJA.**

**THEME: COMBATING SMUGGLING, MEETING THE FINANCIAL AND ENERGY NEEDS OF LOCAL INDUSTRIES.**

**INTRODUCTION**

The Africa Industrialisation Day is an occasion to examine ways and means to stimulate Africa Industrialisation for economic growth, creation of mass jobs and eradication of poverty. It focuses on mobilizing the commitment of the critical stakeholders and the international communities to the industrialization of African countries.

This year's Policy Roundtable provided distinguished stakeholders and participants the opportunity to critically examine the challenges confronting manufacturing Industries in Nigeria and the way forward for industrial development in Nigeria.

The roundtable received inputs from the Nigeria Customs Service. The Federal Ministry of Industry, Trade and Investment, Nigeria Electricity Regulatory Commission, Nigeria Textile Manufacturers Association, UNIDO and other critical stakeholders in Industry focusing on immediate practical policy options for quick and sustainable industrial revival in Nigeria.

**After extensive deliberations the roundtable made the following observations and recommendations.**

The roundtable stressed the importance of manufacturing and value added activities in the agriculture and mineral sectors. It urged the Federal Government of Nigeria and other African States to accelerate the revitalization of local industries and promote value adding processes in agriculture as a way of addressing the high level of unemployment and poverty in the continent.

**Reaffirmed** that industrial revival, remains the key to overcoming the twin challenge of unemployment and poverty

**Observed** that the non-implementation of National Industrial revolution plan launched in February 2015 has impacted negatively on industrial development in the Country

**Concerned** that industrial development in the country has suffered from inconsistent policy harmonisation and implementation

**Stressed** that sustainable industrial policy development requires an integrated approach which ensures policy coherence between the different arms of Government

**Appealed** to the new Ministers of Industry, Mr Okechukwu Enelamah and Hajia Aisha Abubakr to visit both the closed and the remaining factories to appreciate the task at hand. Manufacturing which once contributed as much as 24 per cent of GDP now contributes less than 4 per cent.

**Urged** President Muhammadu Buhari to give the necessary impetus to the holistic implementation of the National Industrial revolution plan.

It is imperative that the Federal Government under President Muhammadu Buhari takes the necessary measures to address the twin challenge of smuggling and electricity supply among other critical infrastructure issues. The Federal Government must also take the lead in the patronage of made in Nigeria goods

**Demanded,** that all State governments should compliment Federal Government's efforts through complimentary bold industrial policies that will revive closed factories in their localities such as provision of infrastructure, granting of genuine tax incentives and patronage of Made in Nigeria products ranging from textile, iron and steel, Aluminium, chemical and non-metallic products among others.

## **CURBING SMUGGLING AND COUNTERFEITING**

The roundtable expressed renewed hope in the capacity of the Nigeria Customs under the leadership of the new Comptroller-General of the Nigeria Customs Service, Col. Hameed Ali (rtd) in reinventing the Nigerian economy through vibrant sustainable anti-smuggling campaigns and aggressive revenue generation.

The expectation is that effective anti - smuggling campaigns will help to boost the market share of locally produced goods. For instance the Nigerian textile market is dominated by smuggled, counterfeit and second hand clothing controlling about 90 per cent of market share. To reverse the trend, Government must take decisive steps to stop the influx of imported materials and safeguard local industries.

It is imperative that the Federal Government firm up regulatory controls on smuggling and dumping of sub standard goods.

The Nigerian Customs service should be equipped with sophisticated weapons and communication gadgets and be motivated to curb smuggling.

Expressed support for the anti-smuggling orientation campaigns in border communities across the Country

Further the roundtable recommended prosecution and jailing of smugglers to serve as deterrence to others.

It was also recommended that the Nigeria Customs Confiscate and burn textile materials to ensure that seized materials do not find way back to the market.

We commend the standard organisation for raising the bar of quality for locally produced goods by raising the quality parameters. But we are worried that the Country is flooded with poor quality and substandard products such as textiles and aluminium products. SON must work in tandem with the CUSTOMS to enforce standards to curtail the influx of substandard products into the Country.

## **MEETING ENERGY NEEDS OF LOCAL INDUSTRIES**

Manufacturing industry as a whole generates around 72 per cent of its own energy needs at a greater cost. But operating with generators greatly increases the cost of manufacturing goods making it difficult for Nigerian goods to compete with cheaper imports.

The roundtable therefore called for concessionary tariff rates for manufacturing Industry as is applicable to agro allied industries.

Further, the conference urged for dedicated electricity supply to industrial clusters across the country.

In the immediate, it is important that the Federal Government review downward the rates for gas supply to local industries as it is currently dollar denominated. The Federal Government must also fast-track the revival of local refineries to ensure adequate supply of bye products such as black oil at concessionary rates for industrial use.

## **PATRONAGE OF MADE IN NIGERIA PRODUCTS**

Nigeria and indeed Africa must produce what it consumes and consumes what it produces and in the process create decent jobs. This must start with the Nigeria's oil and gas industry, the textile and garment industry, the iron, steel and auto industries, the chemical and non-metallic, food and beverage among others.

In fact, the fortune of the Nigerian Manufacturing Industry can be dramatically changed through consistent patronage by Governments and individuals. Important also that Government at all levels take the lead in patronage of made in Nigeria products.

The roundtable recommended that the local content act prioritise the procurement of goods that are produced locally.

The roundtable also urged the Federal Ministry of Information and the National Orientation Agency to work with the relevant stakeholders on Public Advocacy for Patronage of Made in Nigeria Products.

## **MEETING FINANCIAL NEEDS OF LOCAL INDUSTRIES**

The roundtable recognised the critical role of the Bank of Industry (BOI) in providing long term funding for industry at single digit interest rate, noting that such funding has helped to stabilize the Nigerian textile industry in the last one year. But beyond funding and infrastructural issues we need a clear cut industrial policy that will provide supportive framework and intervention as we have seen in the financial services sector in Nigeria in recent years. It is a fact that all Nations including developed economies in Europe and America and developing economies in Asia provide support and patronize their local manufacturers.

### **TECHNOLOGY UPGRADE AND SKILL DEVELOPMENT**

Nigeria population comprise of over 50 per cent young people, potential labour force for agriculture and industry. But these young people need to be trained and developed as skilled workers. There is also an urgent need to improve on the technology and the skills of the workers in the different sectors of the economy to be able to produce products that are competitive and meet global standards.

The roundtable therefore tasked the ITF, SMEDAN, NDE and the technical and vocational institutions to develop synergy in their work and build linkages with manufacturing industries to identify the skill gaps and fill them through human capacity development programmes.

**The roundtable further noted** that the manufacturing sector in Nigeria require a holistic policy to accelerate revival. It therefore urged the Federal Government to consider the recommendations contained in the National Industrial Revolution Plan for immediate implementation.

### **DANGOTE: INDUSTRIALISING AFRICA**

The future of Africa lies in adding value to its abundant raw materials and creation of sustainable jobs. We hereby commend the efforts of Dangote group to industrialize the continent and in the process creating jobs.

Dangote Group of industries is changing the narrative of the continent from that of 'resource curse' and corruption to resource

beneficiation, value addition and mass employment through industrialisation.

African labour movement is excited about the bold corporate decision of the Dangote Group to open new plants in Cameroon, South Africa, Zambia and Congo, Ethiopia and Tanzania. The challenge is for the unions to organize the workers in these plants with a view of making the jobs decent.

Sustainable industrial development is about creating conditions under which companies can operate in order to make sustainable contribution to society.

### **APPRECIATION**

Our policy advocacy is truly African and global this year. Appreciation goes to the pioneer General Secretary of 50 million-member Industriall Global Union, Jyrki Raina, Fabian Nkomo, Regional Secretary of Industriall, Africa Region, Jenny Holdcroft, Head of Industrial Policy and Policy Director, IndustriAAL, the General Secretary of NUM of South Africa, Sipunzi Kolekile David, National Chairman, Ghana Mine Workers Union (GMWU), Kwarko Mensah-Gyakari. The issues are the same. South Africa and Ghana produce gold and diamonds, yet the countries import trinkets and necklaces from abroad with lower end jobs of poorly paid miners.

**COMMUNIQUE ISSUED AT THE END OF THE 11<sup>th</sup> NATIONAL DELEGATES' CONFERENCE OF THE NATIONAL UNION OF TEXTILE, GARMENT AND TAILORING WORKERS OF NIGERIA (NUTGTWN) HELD AT MEENA EVENT CENTRE, KANO FROM WEDNESDAY 16<sup>TH</sup> TO FRIDAY 18<sup>TH</sup> MARCH 2016**

**PREAMBLE**

The 11<sup>th</sup> national delegates' conference of the National Union of Textile Garment and Tailoring workers of Nigeria (NUTGTWN) took place at the Meena Event Centre, Lodge Road, Kano, Kano State from Wednesday 16<sup>th</sup> – Friday 19<sup>th</sup> March 2016. The Conference attracted over 600 delegates and observers drawn from textile factories and affiliated self-employed Tailors' Associations throughout the Country and many invited guests. The host was the National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN).

The Conference was preceded by National Administrative Council (NAC) and National Executive Council (NEC) meetings on Wednesday March 16, 2016.

**OPENING CEREMONY**

The 11<sup>th</sup> Delegates Conference was declared open by the Vice President of the Federal Republic of Nigeria, His Excellency, Professor Yemi Osinbajo, SAN, GCON represented by the Permanent Secretary, Federal Ministry of Industry, Trade and Investment, Aminu Aliyu Bisalla. Special Guests include the host Governor, His Excellency, Executive Governor of Kano State, Dr. Abdullahi Umar Ganduje ably represented by the Deputy Governor, Professor Hafiz Abubakar; the President of Nigeria Labour Congress, Comrade Ayuba Wabba, mni and Presidents and General Secretaries of Industries Unions affiliated to the NLC. The Royal Father of the Day was His Highness, Muhammad Sanusi II, CON, Sarkin Kano, the Emir of Kano represented by the MagajinRarfin Kano, Alhaji Shehu Mohammed. Elder statesman, Alhaji Dr. Yusuf Maitama Sule also addressed the opening ceremony on the unity of Nigeria.

**CONFERENCE THEME**

The Conference theme was: ***Labour and Industry; Back to Basics***. The conference compliments President Muhammadu Buhari's campaign promise with respect to re-industrialization, textile revival and job creation.

The key highlight of the Conference was the election of new National Officers to run the affairs of the Union in the next four (4) years. However, the Conference also discussed the state of the economy and the nation and took far reaching

resolutions on the critical areas of union work namely collective bargaining, health and safety, workers' education, Gender, National and global solidarity and the strengthening of the union's campaign for the revival of textile industry.

## **ELECTIONS**

The President, Zimbabwe Energy Workers Union, Comrade Angeline Chitambo led the team of Returning Officers that include representatives of the Nigeria Labour Congress (NLC) namely Chairperson, National Women Commission, Comrade Lucy Offiong and Comrade Rita Goyit. Comrade Abdul-MoominGbana, Deputy General Secretary, Ghana Mine Workers Union was among the Returning Officers.

### **The following officers were elected to run the affairs of the union for the next four years:**

1. John Adaji  
(from Unitex Ltd Kaduna) - President
2. Issa Aremu, mni - General Secretary
3. Abdul Adamu  
(From ABC Polymer Ltd Kano) - 1<sup>st</sup> Deputy President
4. Babatunde Yusuf  
(From Cotsyn Nig. Ltd. Lagos) - 2<sup>nd</sup> Deputy President
5. Lawal Haruna  
(From Funtua Textiles Ltd) - National Treasurer
6. Aminu Suleiman - Deputy Gen. Secretary
7. Sylvester Chimezie - Deputy Gen. Secretary
8. Ismail Bello - Deputy Gen. Secretary
9. Dele Ojo - Deputy Gen. Secretary
10. Angela Ashi Ilabor - National Trustee

(From Spintex Mills Lagos)

11. Usman Gambo - National Trustee  
(From Nig. Spinners & Dyers Ltd. Kano)
12. Martins Kundi - National Trustee  
(Chellco Industries Ltd. Kaduna)
13. Frank Francis Michael - National Trustee  
(Dangote Agro Sacks, Ibese, Ogun State)
14. Saibu R. Kadiri - National Auditor  
(From Sunflag Nigeria Ltd. Lagos)
15. Onabanjo O. Lateef - National Auditor  
(From Nichemtex Nig. Ltd. Ikorodu, Lagos)

### **VISIT TO THE PALACE**

As part of the activities for the Conference, Delegates and Officers led by the leadership of the Union visited the Palace of the Emir of Kano, His Highness, Muhammad Sanusi II, CON, Sarkin Kano on Wednesday March 16, 2016. The Emir gave his words of support for the revival of the textile industry. The Emir was represented at the opening ceremony of the Conference by the MagajinRarfin Kano, Alhaji Shehu Mohammed.

### **RESOLUTIONS**

After exhaustive deliberations on couple of issues, the Conference resolved as follows.

### **INDUSTRY: BACK TO BASICS**

- **Expressed** concern that low crude oil prices had impacted negatively on economic performance in recent time leading to a sharp fall in GDP growth rate.

- There is also rising inflation occasioned by the depreciating value of the Naira and declining industrial performance as a result of rising cost of in-puts and infrastructural challenges.

- **Observed** that with the price of crude oil falling below 40 dollars, Nigeria has a new opportunity to diversify and industrialize the economy, create jobs and move the people out of poverty.

- **Stressed** that what Nigeria needs is to turn abundant raw materials, namely crude oil, limestones, cotton, diamond, gold, groundnuts, cocoa, tomatoes, into finished processed manufactured goods.
- **Urged** that Nigeria take advantage of the multiple benefits of crude oil by fixing existing local refineries, exploring local refining capacity and building petrochemical and gas plants.
- **Condemned** the recent statement credited to the Minister of State for Petroleum Resources, Dr. Ibe Kachikwu that "It's cheaper to import petrol than refine locally".
- **Called** on the Minister to withdraw this unhelpful statement failing which we demand he should resign.
- **Noted** with regret that Nigeria spends as much as \$10bn annually on importation of petroleum products.
- **Expressed** support for Dangote Refinery said to be the biggest private Refinery in the world with proposed 650,000 barrels per day in the Lekki Free Trade Zone (LFTZ) Lagos to costing about \$11 billion!
- **Reaffirmed** that Industrialization is the key to economic recovery. The advantages of industrialization include lessening of dependency on imports, thus saving scarce foreign exchange. Where the economy is diversified, industrialization serves as a source of foreign exchange. It also serves as a source of employment for greater number of the population and invariably reduces income poverty.

## **ENERGY AS CATALYST FOR INDUSTRIALISATION**

- **Noted** that energy is critical to industrial development.
- **Acknowledges** that there is a great challenge of power poverty in Nigeria with less than 5000 megawatts to a population of 170 million people. The current energy output of about 1, 500 is a reflection of the perennial energy crisis that is yet to be addressed.
- **Noted** that experiences across countries have shown that Nigeria cannot end power poverty with privatization of power generation and distribution.

- **Stressed** that it is critical that the Federal Government invest massively in power generation and distribution infrastructure as part of the efforts to create enabling environment for re-industrialisation.

- **Called** on the Ministry of Power to concentrate on generating more electricity for domestic and industrial needs instead of increasing electricity tariff.

## **TEXTILE INDUSTRY**

- Urged President Buhari to urgently convene stakeholders meeting on textile with a view of implementing the Nigeria industrial Revolution Plan (NIRP) and the National Cotton, Textile and Garment policy, under the Chairmanship of the Vice President of Nigeria.

## **LABOUR: BACK TO BASICS**

- **Noted** there cannot be labour when there are no jobs.

- **Frowned** at the rate of unemployment in Nigeria and call on President Buhari to declare emergency in employment.

- **Observed** the increasing violation of workers' rights particularly the right to freedom of Association and Collective Bargaining.

- The Conference supports the NLC position that the right of workers to belong to the union is a settled issue. Even the 2014 National Conference endorsed it.

- **Reaffirmed** that the right to belong to the trade union is a fundamental human right and guaranteed by the 1999 Constitution of the Federal Republic of Nigeria and ILO Conventions 87 and 98 which Nigeria is a signatory.

- **Condemned** the attempt by the Kaduna State Government to make membership of union conditional through filling of forms by the workers in the ongoing workers verification exercise. This is illegal and unacceptable.

- **Insisted** that workers right to belong to union is unconditional.

- **Expressed** support for any decision by the NLC to defend the workers of Kaduna State and entire workers in Nigeria.

- **Stressed** that NUTGTWN will work with other affiliates of IndustriALL, the NLC and TUC to strengthen the STOP Precarious Work Campaign and defend the rights of workers to join the union and collective bargaining.

- **Commended** the prosecution of former Minister of Interior, Abba Moro over the NIS recruitment exercise.

## **PENSIONS**

- **Commended** the Director General, National Pension Commission (PenCom) Mrs. Chinelo Anohu-Amazu for the success recorded so far in the implementation of the Contributory Pension Scheme (CPS).

- **Urged** PenCom to accelerate the development of the framework for the participation of the Informal Sector in the scheme.

- **Frowned** at the issue of pension arrears under the contributory pension scheme. Noted it is a dangerous development capable of undermining the new pension scheme.

- **Called** for adequate funding of pension by the Federal government.

- **Rejected** the call by the Honourable Minister of Power, Works and Housing, Babatunde Fashola for the utilization of pension fund for infrastructure development. The Conference noted that priority should be for payment of pensioners. Conference insisted that no decision on pension fund must be taken without the in-put of the stakeholders notably organized labour.

## **LABOUR UNITY & NATIONAL SOLIDARITY**

- Commended the spirited effort of the highly respected veterans led by Alhaji Hassan Sunmonu, founding President of NLC and Comrade Governor Adams Oshiomhole who have worked tirelessly and selflessly to ensure unity within the NLC. Commends in particular the NLC President, Comrade Ayuba Wabba, mni for building on the efforts of the veterans to consolidate the reconciliation and rebuilding process of the NLC.

- Reaffirmed commitment and support for the Nigeria Labour Congress (NLC)

## **THE STATE OF THE UNION**

- Noted that the Union witnessed tougher times with continued closure of Textile factories, redundancies and attendant loss of members.

- Stressed that in spite of these intimidating conditions, the Union remained focused and committed to the aspiration of pioneer textile workers who desired strong but democratic organization of workers in the Nigerian Textile Industry

capable of defending the rights and interests of workers at work and in the society.

- Affirmed that the Union has remained steadfast and proud of steady progress in core areas of Union activities; Collective bargaining and improvement in working conditions, Defense of workers' rights, Health and safety and general working conditions and Unionizing the unorganized amongst others

- Beyond these, the Union remains committed to workers education and the campaign and policy advocacy programme on revival of industries.

- Acknowledged that the Union has also made appreciable progress in recruiting and organizing new members. Over \*3000 new members were recruited into the Union within the last four years.

### **INTERNATIONAL SOLIDARITY**

- Recognized that the struggle for workers' rights and good governance is global. NUTGTWN needs to consistently intensify its international solidarity with IndustriALL Global Union and its affiliates particularly across the Sub-Saharan Africa Region.

### **WOMEN AND GENDER ISSUES**

- Noted that the challenges confronting the union notwithstanding, women participation has assumed special importance in the union.

- Recognized the enormous potential for increased women membership participation in the union through mass recruitment of self-employed tailors across the country.

- Stressed the need for macro-economic policies that will assist the development of the real sector of the economy and guarantee job creation for women.

- Reaffirmed commitment for the education and capacity development of female members.

### **CORRUPTION**

- Commended President Muhammadu Buhari for his commitment to the three point Agenda namely Economy, Security and Anti-Corruption.

- Noted with delight the progress so far recorded in the fight against corruption and the war against insurgency in Nigeria.

- Reaffirms commitment and support for the anti-corruption campaign of President Buhari administration.

- Supports the struggle of EFCC and ICPC to recover all the looted funds.

- Noted that stolen funds cannot be made available to revive the industry, provide electricity and other infrastructural development.

## **DEMOCRACY AND GOOD GOVERNANCE**

- Reaffirmed commitment to democratic governance as an enduring path to sustainable development.

- Condemns the new dangerous attack on democracy – events in Rivers, Kogi, etc.

- Harped on the need to deepen our democratic process through constructive engagement with government and promoting action that ensures unity and national development

- As a democratic trade union, reaffirmed support and commitment to democracy and good governance in Nigeria and Africa in general.

- Called on INEC under the Chairmanship of Professor Mahmud Yakubu to live up to its brief by conducting free and fair elections

## **APPRECIATION**

**Expressed** appreciation to the Vice President, Professor, Yemi Osinbajo, GCON for honouring the union's invitation as Special Guest of Honour. Special appreciation to the host Governor, His Excellency, Dr. Abdullahi Umar Ganduje, Executive Governor of Kano State, the Royal Father of the Day, His Highness, Muhammad Sanusi II, CON, Emir of Kano, Alhaji Dr. Yusuf Maitama Sule, Danmasanin Kano, the President of Nigeria Labour Congress (NLC), Comrade Ayuba Wabba, mni; First President, Nigeria Labour Congress (NLC), Alhaji Hassan Sunmonu and Elder statesman, His Excellency, Alhaji Dr. Yusuf Maitama Sule, Danmasanin Kano. Others dignitaries include The Comrade Governor of Edo State, Comrade Adams Oshimhole, represented by Comrade DidiAdodo; Honourable Minister of State, Ministry of Industry, Trade and Investment, Mrs. Aisha Abubakar represented by Engr. TanwaAwoboku, Director, Industrial Development and Inspectorate; Permanent Secretary, Federal Ministry of Labour and Employment, Dr. Clement Illoh represented by Comrade Salau O. Abubakar, Controller of Labour, Kano State and Chairman, House Committee on Education

(Tertiary) Comrade Aminu Suleiman; Presidents and General Secretaries of industrial unions, top employers and captains of Industry, representatives of Bank of Industry (BOI), National Pension Commission (PenCom), Fredrich Ebert Stiftung (FES), Trustfund Pension Plc, Nigeria Social Insurance Trust Fund (NSITF), National Productivity Center (NPC), Standard Organisation of Nigeria (SON) and Michael Imoudu National Institute for Labour Studies (MINILS) among others.

Special thanks to Comrade Fabian Nkomo, Regional Secretary, IndustriALL Global Union, Sub Saharan office Johannesburg, South Africa, Comrade Angeline Chitambo (Mrs.) President Zimbabwe Energy Workers Union and Comrade Abdul-MoominGhana, Deputy General Secretary, Ghana Mine Workers Union for honouring our invitation.

Special appreciation to the Kano State Government; Mr. Godwin Emefiele, Governor Central Bank of Nigeria; Mr. Waheed A. Olagunju, Ag. MD/CEO Bank of Industry (BOI), Mrs. ChineloAnohu-Amazu, Director General, National Pension Commission, Mrs. Helen Da-Souza, Managing Director/CEO, Trustfund Pensions Plc, Ismail Mohammed Agaka, Acting MD/CE Nigeria Social Insurance Trust Fund (NSITF), the Management, First Guaranty Pensions and the Management, Nichemtex Limited, Ikorodu Lagos for the support and collaboration.

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**John Adaji**  
**PRESIDENT**

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**Issa Aremu, mni**  
**GENERAL SECRET**

**COMMUNIQUE ISSUED AT THE END OF THE 28th ANNUAL NATIONAL EDUCATION CONFERENCE OF THE NATIONAL UNION OF TEXTILE, GARMENT AND TAILORING WORKERS OF NIGERIA HELD AT IMAGUERO COLLEGE HALL, SAPELE ROAD, BENIN CITY, EDO STATE FROM THURSDAY 15TH TO SATURDAY 17TH AUGUST 2016.**

**THEME: LABOUR AND INDUSTRY: BACK TO BASICS IN THE ERA OF CHANGE.**

**PREAMBLE**

The Conference attracted over 500 participants drawn from textile factories and affiliated self employed Tailors' Associations across the Country.

The conference attracted the participation of the Comrade Governor of Edo State, and Comrade Adams Oshiomhole of Edo State and the APC Governorship Candidate MR Godwin Obaseki. The opening session attracted critical stakeholders in the textile industry including relevant institutions and agencies of Government and the Nigeria Textile Manufacturers Association of Nigeria.

The Conference discussed current challenges facing the industry focusing on the Cotton, Textile, and Garment policy document and strategies for effective implementation.

The conference also received inputs from the Honourable Minister of Industry, Trade and Investment, Nigeria Textile Manufacturers Association, Nigeria Customs Service and other critical stakeholders in Industry focusing on immediate practical policy options for quick and sustainable revival of textile industry in Nigeria.

**After extensive deliberations the conference made the following observations and recommendations:**

**Expressed concern about the current state of the economy. The Nigeria economy is in a state of recession with negative implications for industrial performance and living conditions of workers.**

**Demanded** immediate and holistic response to the current crisis in the economy.

**Stressed that industrial revival and value added in agriculture remain the key for addressing the current recession in the economy and building a sustainable diversified economy that will generate jobs and improve the overall well being of the citizenry.**

**Urged** the Federal Government to accelerate the implementation of the CTG policies addressing issues such as energy supply, Smuggling and counterfeiting, patronage of made in nigeria textile, supply of cotton and other inputs, sustainable funding for industrial revival and in particular textile revival.

**Expressed concern about the high cost of gas supplied to textile industries at 7.38 dollars per cubic meter and the unending scarcity of cotton for textile factories In Nigeria.**

**Urged that President Buhari Take immediate action on the high cost of gas and in particular for gas in dollars. Further urged the present administration to give priority attention to aggressive local production of cotton to ensure steady supply for local production of textile and avert further closure of factories**

**Recalled the avoidable closure of factories across States such as Lagos, Kano, Rivers, Delta, Katsina, Abia, Anambra and Zamfara among others.**

**Demanded** that all State governments initiate complimentary bold industrial policies that will revive closed factories in their localities such as provision of infrastructure, granting of genuine tax incentives and patronage of Made in Nigeria Textile Materials for schools, hospitals and other uniform agencies in their respective states.

## **CURBING SMUGGLING AND COUNTERFEITING**

The Nigerian textile market is dominated by smuggled, counterfeit and second hand clothing controlling about 90 per cent of market share. To

reverse the trend, Government must take decisive steps to stop the influx of textile materials and safeguard local industries.

The Conference commended the effort of the Comptroller of Customs, Colonel HameedAlli (Rtd) in curbing smuggling of Textile Materials.

Further the conference-in-session recommend prosecution and jailing of smugglers to serve as deterrence to others.

It was also recommended that the Nigeria Customs Confiscate and burn textile materials to ensure that seized materials do not find way back to the market

### **ELECTRICITY SUPPLY**

In spite of the challenge of global competition the manufacturing industry as a whole generates around 72 per cent of its own energy needs at a greater cost.

The conference in session urged stakeholders including the union, employers and the ministry of industry, trade and investment convoke a stakeholders Dialogue with the Honourable Minister of Power, Mr BABATUNDE RajiFashola SAN on provisioning of reliable and affordable electricity for Industrial production.

### **PATRONAGE OF MADE IN NIGERIA TEXTILES/GARMENT**

Nigeria produces an array of textile materials ranging from African prints, to suiting, shirting, school uniforms, bed sheets and tarpaulin capable of meeting the needs of individuals and institutions. The fortune of the industry can be dramatically changed through consistent patronage by Governments and individuals. Important also that Government at all levels take the lead in patronage of made in Nigeria products.

The conference in session recommends that the Local Content Act prioritise the procurement of goods/textile materials that are produced locally. In this light, the conference Supports the Buy naija campaign and urged it is properly funded to promote patronage of Made in Nigeria textiles.

### **FUNDING**

**The Conference in session recognises** that Bank of Industry (BOI) funding has helped to stabilize the Nigerian textile industry in the last one year. But beyond funding and infrastructural issues we need to fast track a clear cut industrial policy that will provide supportive framework and intervention as we have in the financial services sector in Nigeria in recent years. It is a fact that all Nations including developed economies in Europe and America and developing economies in Asia provide support and patronize their local manufacturers.

### **CREATION OF A TEXTILE DEPARTMENT IN THE FEDERAL MINISTRY OF INDUSTRY, TRADE AND INVESTMENT**

Successful Textile and Garment Producing Countries like India and Pakistan have Departments of textile that help to coordinate policies and programmes for the development of the sector and help to monitor and evaluate them. Nigeria is in a crisis situation with regards to textile manufacturing, we require a special approach that will help to fast track development of the sector.

**The conference further noted** that the textile and garment sector in Nigeria will benefit from the immediate implementation of the CTG policy recommendations. It therefore urged the committee set up by Vice President Professor Yemi Osinbajo, to fast track its work and assist the process of recovery with quick interventions particularly in the areas of affordable gas supply. Structured intervention in cotton production and supply to local textile industry, application of textile levy to expend existing financing framework of Bank of Industry and to stimulate patronage of made in Nigeria textile through the Made in Naija Campaign.

### **APPRECIATION**

Expressed profound appreciation to all the invited guests and resource persons that honoured our invitation particularly;

His Excellency, Comrade Governor Adams Oshiomhole, Executive Governor of Edo State, the Honourable Minister of State for Industry, Trade and Investment, Hajia Aisha Abubakar represented by Mr Barnabas Jatau, Director General Textile Employers, Mr Hamma Kwajaffa, Director General, National Productivity Center, Alhaji Kassim Akor, represented by Mr Olumuyiwa Thomas, Director General National Pension Commission

MrsChineloAnohuAmazu represented by Mr Polycarp Anyanwu, Head of Micro Pension.

John Adaji  
**PRESIDENT**

Issa Aremu, mni  
**GENERAL SECRETARY**

**COMMUNIQUE ISSUED AT THE END OF THE POLICY DIALOGUE ORGANISED BY INDUSTRIALL GLOBAL UNION IN COLLABORATION WITH FRIEDRICH EBERT STIFTUNG (FES) ON THE OCCASION OF AFRICA INDUSTRIALISATION DAY ON MONDAY 21<sup>ST</sup> NOVEMBER, 2016 HELD AT THE SHEHU MUSA YAR'ADUA CENTER, ABUJA**

**THEME: BACK TO BASICS: REVIVAL OF BASIC INDUSTRIES AND CREATION OF SUSTAINABLE EMPLOYMENT**

**BACKGROUND**

Africa Industrialization Day (AID) is marked on 20th November each year as declared by the United Nations Industrial Development Organisation (UNIDO). It is a time when Governments and other development organizations in many African Countries discuss ideas for stimulating Africa's industrialization process for economic growth, creation of mass jobs and eradication of poverty. It focuses on mobilizing the commitment of the critical stakeholders and the international community to the industrialization of Africa.

For affiliates of IndustriALL in Africa, it is an opportunity to further Unions' campaign for sustainable industrial policy with the focus on how the abundant agricultural products and mineral resources benefit from valued added production.

**POLICY DIALOGUE**

Against the background of current economic recession and Buhari's administration commitment to economic diversification, Nigerian workers under the auspices of IndustriALL Global Union in partnership with Friedrich Ebert Stiftung (FES) organized a Policy Dialogue on Monday November 21<sup>st</sup> 2016 as part of activities marking the 2016 Africa Industrialisation Day.

**MATCH FOR INDUSTRIALISATION**

The Policy Dialogue was preceded with a rally/match by the workers together with their counterparts in Ghana (Ghana Mines Workers Union) and Zimbabwe (Zimbabwe Energy Workers Union) on the streets of Abuja to make case for Africa's industrialisation.

The policy dialogue focused on examining the crafted roadmaps of Buhari administration for the revival of the key industrial sectors of the economy such as Textile, Garment, Oil & Gas, Steel, Engineering and Solid Minerals among others.

The objective of the policy dialogue was to raise awareness on the challenges and opportunities in financing for industrialisation, taking into consideration recent success stories and elaborating on how to further galvanize support for promoting Africa's industrialisation.

The roundtable received inputs from the Federal Ministry of Industry, Trade and Investment, Nigeria Textile Manufacturers Association, Nigeria Customs Service, UNIDO, Trade Unions from Nigeria, Ghana and Zimbabwe, captains of industry, Civil Society Activists and other critical stakeholders in Industry focusing on immediate practical policy options for quick and sustainable revival of basic industries in Nigeria.

**After extensive deliberations the roundtable made the following observations and recommendations.**

## **INDUSTRIALISATION**

- **Emphasized** on the importance of industry for national development. Noted that the key to real transformation and economic recovery lies in adding value to abundant natural resources of the continent through manufacturing.
- **Highlighted** the great potential of Africa Countries for economic growth and development given the vast agricultural and mineral resources in virtually all Countries of Africa.
- **Observed** that Africa cannot develop except it gives priority to manufacturing and value added activities in agriculture and mineral sectors. It urged the Federal Government of Nigeria and other African States to accelerate the revitalization of local industries and promote value adding processes in agriculture as a way of addressing the high level of unemployment and poverty in the continent.

- **Reaffirmed** that economic diversification and the beneficiation and transformation of abundant agricultural and natural resources to finished manufactured goods through value added production remains the key to overcoming the twin challenge of unemployment and poverty in Nigeria and indeed Africa.
- **Expressed** concern that industrial development in the country has suffered from inconsistent policy harmonisation and implementation.
- **Further Concerned** that Manufacturing which once contributed as much as 24 per cent of GDP now contributes less than 6 per cent compared to 38.2 per cent in India and 49.5 per cent in China.
- **Stressed that** sustainable industrial policy development requires an integrated approach which ensures policy coherence between the different arms of Government.
- **Urged** President Muhammadu Buhari to use the occasion of the Africa Industrialisation Day to implement the Nigeria Industrial Revolution Plan (NIRP) launched in February 2014.

## **TEXTILE AND GARMENT**

- **Acknowledges** the progress that has been made with the N100 billion CTG intervention fund and the additional N50 billion recently provided by the Central Bank of Nigeria (CBN) to boost local manufacturing.
- **Emphasized** that part of the conditions for the loans must include that beneficiaries must be those that fulfill their obligations to their workers.
- **Commended** the Central Bank of Nigeria under the leadership of Mr. Godwin Emefiele and the Bank of Industry (BOI) for the commitment to boost industrialisation in Nigeria.
- **Noted** that the situation in the industry would have been worst if not for the cocktail of interventions over the years.

- **Noted** that beyond funding there are several challenges bedeviling the textile sector in Nigeria. Some of these include unstable electricity, smuggling, counterfeiting of textiles and high cost of inputs occasioned by the high exchange rate. In recent times, the critical challenges confronting the textile sector also include inadequate supply of cotton and the increasing cost of electricity and Gas supply.
- Called for immediate implementation of the Cotton, Textile Garment (CTG) Policy Document in order to consolidate recovery and promote growth in the textile sector.
- **Urged** the Northern States Governors to pull resources together to revive KTL and other public companies in the North to remedy the current high rate of unemployment and avert youth restiveness, violence, kidnappings and other social vices Urged also that the FG provide additional support to states to further promote value added activities in agriculture and Industries.

## **OIL & GAS**

- **Expressed** optimism that the entry of Dangote Refinery into the Oil and Gas sector provides opportunity for deriving maximum benefits from crude oil production which Nigeria has been denied over the last two decades.
- **Called** on the government to consolidate the process of local refinery through Turn Around Maintenance (TAM) of existing public refineries in Warri, Port Harcourt and Kaduna.
- **Noted** that in solid minerals, Oil and Gas, it is important to engage the current processes aimed at stimulating local production. For the identified sectors and other areas of local manufacturing, the roadmaps developed by the respective ministries for the revival of these sectors need to be engaged by the critical stakeholders to promote industrialization and sustainable employment in Nigeria.

- **Emphasized** that the Petroleum Industry Bill (PIB) is a comprehensive instrument for the oil and gas sector development and diversification from crude oil to other product lines and by product. The forum therefore called for the quick passage of the PIB by the National Assembly without further delay.

## **STEEL AND ENGINEERING SECTOR**

- **Noted** that Nigeria is endowed with abundant deposit of iron ore and the Ajaokuta Steel Company established in the 80s is an important foundation for Nigeria's industrial development.
- **Called** for the immediate resuscitation of the Ajaokuta steel plant.
- **Further called** on the Minister of Solid Minerals to take practical steps for the immediate resolution of all issues already in arbitration in London to allow new core investors to take over the plant.
- **Urged** the Federal Government to learn from the previous mistakes of concessioning the steel plants based on political patronage and return the plant to the original builders who are familiar with the technical history of the plant for utmost efficiency.
- **Commended** the enormous sacrifice and patriotic act of the Workers of Ajaokuta Steel Plant in ensuring that the machinery and equipments are protected.
- **Noted** that many of the privately owned steel mills including the privatized Osogbo steel rolling mills have not been functioning optimally on account of unchecked influx of steel products into the country. The forum therefore called for a raise in the tariff for imported steel to encourage local production and keep Nigerians at work.
- **Called** on the Federal government to firm up regulatory controls on smuggling and dumping of sub-standard goods.

## **MEETING ENERGY NEEDS OF LOCAL INDUSTRIES**

- **Noted** that there cannot be industrialisation without electrification.
- **Observed** that at 5000 mw of electricity, Nigeria suffers from “power poverty”.
- **Further observed** that the hope for improved and cost effective electricity supply promised by privatisation is yet to be fulfilled. It is therefore imperative to revisit the privatisation of power plants and ensure proper funding of power infrastructure. As a result of the precarious state of power generation and distribution, manufacturing industry as a whole generates around 72 per cent of its own energy needs at a greater cost. MAN estimated annual spending of N500 billion by Manufacturers fuelling, running and maintenance of power plants. But operating with generators greatly increases the cost of manufacturing goods making it difficult for Nigerian goods to compete with cheaper imports.
- **Called** for concessionary tariff rates for manufacturing Industry as is applicable to agro allied industries.
- **Urged** for dedicated electricity supply to industrial clusters across the country.
- **Called** on the Federal Government to urgently review downward the rates for gas supply to local industries as it is currently dollar denominated and considered extremely expensive at 7.38 dollars.

## **PATRONAGE OF MADE IN NIGERIA PRODUCTS**

- **Stated that** Nigeria and indeed Africa must produce what it consumes and consumes what it produces and in the process create decent jobs. This must start with the Nigeria's oil and gas industry, the textile and garment industry, the iron, steel and auto industries, the chemical and non-metallic, food and beverage among others.

- **Observed that** the Nigerian Manufacturing Industry can be dramatically changed through consistent patronage by Governments and individuals. Important also that Government at all levels take the lead in patronage of made in Nigeria products.
- **Commended** the Senate President, Dr. Bukola Saraki over the recent passage of the Local Content Act which prioritise the procurement of goods that are produced locally.
- **Urged** the Federal Ministry of Information and the National Orientation Agency to work with the relevant stakeholders on Public Advocacy for Patronage of Made in Nigeria Products.

### **MEETING FINANCIAL NEEDS OF LOCAL INDUSTRIES**

- **Acknowledged** the critical role of the Bank of Industry (BOI) in providing long term funding for industry at single digit interest rate.
- **Noted** that such funding has helped to stabilize the Nigerian textile industry in the last one year. But beyond funding and infrastructural issues we need a clear cut industrial policy that will provide supportive framework and intervention as we have seen in the financial services sector in Nigeria in recent years. It is a fact that all Nations including developed economies in Europe and America and developing economies in Asia provide support and patronize their local manufacturers.
- Called on State governments to compliment Federal Government's efforts through complimentary bold industrial policies that will revive closed factories in their localities such as provision of infrastructure, granting of genuine tax incentives and patronage of Made in Nigeria products ranging from textile, iron and steel, Aluminum, chemical and non-metallic products among others.
- **Noted** that the manufacturing sector in Nigeria requires a holistic policy to accelerate revival. It therefore urged the Federal Government to consider the recommendations contained in the National Industrial Revolution Plan for immediate implementation.

## **CONGRATULATION**

- The Forum Congratulates Comrade Issa Aremu, mni General Secretary of National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) on his election as a Vice President of IndustriALL Global Union representing Africa at the recently concluded 2<sup>nd</sup> World Congress of IndustriALL held in Brazil.

## **APPRECIATION**

- Expressed appreciation to Comrade Angeline Chitambo, Co-Chairperson, Industriall Global Union and President of Zimbabwe Energy Workers Union; Comrade Kwarko Mensah-Gyakari, National Chairman, Ghana Mine Workers' Union (GMWU) and Comrade Knowledge Siriva, National Treasurer of Zimbabwe Energy Workers Union (ZEWU) for their active participation in the 2016 Africa Industrialisation Day activities. The issues are the same.
- Also expressed appreciation to the Honourable Minister of State for Industry, Trade and Investment, Hajia Aisha Abubakar represented by the Permanent Secretary, Alhaji Aminu Bisallah, the Honourable Minister of Information and Culture, represented by the Director, Mr. SeyiWomiloju, The President Nigeria Labour Congress (NLC), Comrade Ayuba Wabba, mni, the Director General, National Pension Commission, Mrs.ChineloAnohuAmazu, the Chairman, Zamfara Textiles Limited, Senator WalidJibrin, the Director General, Textile Employer Association, Mr. HammaKwajjaffa, the Comptroller General of Customs Colonel Hammed Alli (rtd) represented by the Deputy Comptroller General Mr. Sabo A.H, the President of Alumni Association of the National Institute (AANI) Maj. General (Rtd) Lawrence Onoja, CFR, mni; Resident Representative FES, Mr. Ulrich Thum; Mr. Reuben Bamidele of UNIDO, Chief Eric Umeofia, Chairman Erisco Foods Ltd represented by the General Manager, Abiodun Aremu, Coordinator, Joint Action Front (JAF), Akpoti H. Natasha, MD/CEO Legend Ark Group, Dr.Mrs. Sarah Jibrin among others who participated in the Policy Dialogue.
- Expressed profound appreciation to Friedrich Ebert Stiftung (FES) for the partnership.

Ismail Bello  
**SECRETARY, IndustriALL Global Union**  
**Nigeria Council**

**TEXT OF INDUSTRIAL MANIFESTO ON**  
**INDUSTRIALIZATION AND DIVERSIFICATION OF**  
**AFRICAN ECONOMIES FOR SUSTAINABLE DECENT**  
**EMPLOYMENT FOR AFRICA WORKERS BY AFFILIATES**  
**UNIONS OF INDUSTRIALL GLOBAL UNION IN AFRICA ON**  
**MONDAY NOVEMBER 20 2017**

**GREETINGS**

Comradely Greetings on behalf of the Executive Council (NEC) of the IndustriALL Global Union Africa. Industriall global organizes 50 million manufacturing workers along the global value chains in 140 countries in over 700 trade unions. **Sustainable industrial policy** is one of the 5 critical success goals of our global union. Other strategic 4 goals of IndustriALL Global Union endorsed by its 2016 Congress in Rio de Janeiro Brazil are; **1. Build Union Power, Confront Global Capital, Defend Workers' Rights: and Fight Precarious Work.**

**HAVING** held 6 policy dialogues and series of engagements with our governments on critical issue of industrialization and development in the past 10 years, affiliates of Industriall in Africa resolve as follows;

**GIVEN** the impact on national development, employment, climate and living standard of the citizens, Industrialization and industrial policies are too important to be left to governments and businesses alone.

**RESOLVED** to constructively engage with our governments, businesses, investors and employers as well as development institutions CBN, BOI, UNIDO on all issues aimed at promoting Industrialization and beneficiation in Africa.

**OBSERVED** that Industry is a key driver of sustainable jobs and development for national economies and the foundation of good living standards.

**NOTED** that It does not matter whether it is first industrial revolution, (Industry 1.0), Second Industrial Revolution (2.0) Third Industrial Revolution (Industry 3.0) or the Fourth Industrial Revolution (Industry 4.0), Africans must make what we wear (gold, rings and necklaces, clothes and textile), what we ride, (automobiles), what fuel our cars (petroleum products) what we build with (iron and steel), soaps we bath with (chemicals and allied products) and generate energy we consume.

**DEMANDED** that Africa must stop exporting raw cottons, crude oil, mineral resources, gold and diamond only to be importing finished goods from China, Europe and America. With large small or medium scale enterprises, Africa must consume products it produces not imported or smuggled as it is the case in Nigeria.

**REALIZED** that United Nations Industrial Development Organization (UNIDO) had over the years had shown that

manufacturing industry in Sub-Saharan Africa (SSA) lags behind other developing regions of the world.

**OBSERVED FURTHER** that there are three leading economies in Africa namely Nigeria which worths some \$406 billion, Egypt \$332.3 billion and South Africa \$294.1billion.

**HOWEVER** in terms of manufacturing value added South Africa at 25 per cent is the highest, followed by Egypt at 20 per cent and Nigeria with less than 5 per cent. Ghana is even more industrialized at 6 per cent manufacturing value added (MVA).

**CONSCIOUS THAT** in 2015 Africa had as many as 1.2 billion population. Millions of youths join the labour market annually without jobs making them voluntary slaves to Europe and America after three hundreds Africa put an end to forced slavery.

**CONCLUDED** that only industry can provide sustainable jobs and living wages and necessary revenues for government to provide the needed infrastructure for development.

**INDEED** for Africa to meet the Sustainable Development Goal 2030, especially SDG 9 dealing with industry and innovation Africa continent must innovate and industrialize. Africa must copy China's industrialization

drive which has within 20 years moved over 250 million people out of poverty through manufacturing and industrialization. Africa must make what it consumes, otherwise it will be consumed by the rest of the world.

## **AFRICAN GOVERNMENTS MUST WORK THE TALK**

**OBSERVED** that many African countries commendably have put in place robust documents and policies on industrialization and diversification, but capacity utilization is still very low with few existing industries closing down with mass job losses. It's time South Africa, Nigeria, Senegal, Ghana! Zimbabwe, Sudan walked/worked the policies and add value to the continent abundant raw materials.

**ACKNOWLEDGED** and commend the Federal Government of Nigeria for launching the Economic Recovery and Growth Plan. Together with the existing National Industrial Revolution Plan, the Plan can promote revival of industries and creation of mass decent jobs.

**HAILED** a number of commendable initiatives by African governments in promoting wealth generation and reviving the industry, such as Buy-Africa campaign in South Africa

and Buy Made-in-Nigeria campaign. Vice President of Nigeria has assigned three unprecedented Executive Orders mandating Government agencies to spend more of their budgets on locally produced goods and services. These orders would help in the recovery of many factories in Nigeria

**HAILED** Edo states government for establishing industrial parks as part of the industrialization drive. We also commend, Sokoto and Cross River States for initiating the setting up of garment factories.

**OBSERVED** that there can be no industrialization without electrification. Stop any action plan that will further give monies to non-performing Privatized electricity distribution companies (Discos) in Nigeria while we call on all African governments to massively invest in energy mix of hydro, solar and nuclear to drive Industrialization .

**COMMENDED** the ERGP for setting the target of reducing petroleum products imports in Nigeria by 80 per cent in 2018. That's the way to create jobs, decent and sustainable jobs in the petroleum sector.

**RESOLVED** to develop a Sustainable Industrial Policy on Digitalization and Industry 4.0 and to campaign against any transformation that does not further much needed social justice and include a Just Transition for affected workers.

**DEMANDED** that Sustainable industrial policy must be based on an assessment of how to steer towards a destination we desire as a society, rather than a destination that is favourable to only a few.

**ASKED** for a future of work that embraces the positive impacts that Industry 4.0 may bring for all of society while making sure that workers aren't left to pay the social debts of companies, with governments unwilling to make this transition socially responsible.

**DEMANDED** that the benefits of industrialization should not be privatized while the costs to be socialized.

**DEMANDED FURTHER** that the benefits of digitalization and advanced technologies should be to all; employers and governments, and workers, and to society at large. We must make technology work for us and not simply allow Industry 4.0 to define a new wave of intensified work and more precarious work.

**INSIST** that whatever forms of Industrialization, 1st or fourth industrial revolution there must be decent sustainable jobs for the workers with job security, living wages and living pensions. Businesses and owners of capital are employing robots, Machines and computers to replace workers in order to maximize profits and lower

wages or even deny pay all together. Yes technology makes work easier, but they also could lead to job losses.

**DEMANDED** that for there to be JUST transition to 4th Industrial revolution , there should be education and re-training for the workers. Employers and governments should not criminalize skill gabs as a result of digitalizations of production. The Fourth Industrial Revolution calls for the need to develop skills and know-how by workers to work with digital technologies, because they will be increasingly presented in our life and work.

### **APPRECIATION**

Profound appreciation to INDUSTRIALL Global Union for the material and organizational support for this year's campaign for sustainable industrial policy in Africa. All national councils of INDUSTRIALL Africa and their organizers are hereby commended for rising up to the challenges of beneficiation just as they have risen to confront global capital and precarious work.

COMRADE ISSA AREMU, mni

**VICE PRESIDENT, INDUSTRIALL GLOAL UNION**

**19<sup>TH</sup> NOVEMBER, 2017**

**TEXT OF PRESS CONFERENCE BY INDUSTRIALL GLOBAL UNION, AFRICA AS PART OF ACTIVITIES MARKING THE 2017 AFRICA INDUSTRIALISATION DAY, SUNDAY 19<sup>TH</sup> NOVEMBER, 2017**

**GREETINGS**

Comradely Greetings on behalf of the Executive Council (NEC) of the IndustriALL Global Union Africa. This to formally inform all that arrangement has been concluded by all the affiliates of IndustriALL global union in Africa to mark the 2017 Africa industrialization Day (AID) tomorrow in Abuja.

**AFRICA INDUSTRIALISATION DAY (AID)**

Africa industrialization Day (AID) is a significant day declared by United Nations Industrial Development Organisation (UNIDO). It is an annual platform for Governments, businesses and organized labour linked to industrial development to examine ways and means to stimulate Africa industrialization process. The broad theme for 2017 Africa Industrialisation Day (AID) is **"AFRICAN INDUSTRIAL DEVELOPMENT: A PRE-CONDITION FOR EFFECTIVE AND SUSTAINABLE CONTINENTAL FREE TRADE AREA"**.

**MASS RALLY FOR INDUSTRIALIZATION IN AFRICA**

Together with the officials of UNIDO, Federal Ministry of Trade and Investment, manufacturers, relevant stakeholders, members of African affiliates of IndustriALL will march for beneficiation and Industrialization of African economies from Eagle Square to Yar' Adua Centre. Last Friday 17th of November, as part of the labour's activities to mark the day, we organized 6th Policy Dialogue which extensively focused on the **FOURTH**

# **INDUSTRIAL REVOLUTION (INDUSTRY 4.0): IMPLICATIONS FOR AFRICA.**

## **THE OBJECTIVE**

The objective of the Policy Dialogue was to critically examine the opportunities for Africa to diversify its economy, promote mass decent employment with respect to workers' rights within the context of digital/smart manufacturing (Industry 4.0). Our dear Brother Brian Kohler, Director, Health, Safety and Sustainability, IndustriALL Global Union, Geneva, Switzerland ably led this discussion as he did at IndustriALL Global Union's World Conference on "**Industry 4.0: Implications for Trade Unions and Sustainable Industrial Policy**" in Geneva, Switzerland between 26 –27 October 2017.

## **APPRECIATION**

Profound appreciation to INDUSTRIALL Global Union for the material and organizational support for this year's campaign for sustainable industrial policy in Africa. All national councils of INDUSTRIALL Africa and their organizers are hereby commended for rising up to the challenges of beneficiation just as they have risen to confront global capital and precarious work.

## **SIGNIFICANCE**

Industrialization and industrial policies as well as national development are too important to be left to governments and businesses alone. Indeed promoting sustainable industrial policy is one of the critical success goals of our global union.

## **INDUSTRY IN AFRICA**

In Africa, promoting sustainable industrial policy assumes a special importance. Industry is a key driver of sustainable jobs and development for national economies and the foundation of good living standards. It does not matter whether it is first industrial revolution, (Industry 1.0), Second Industrial Revolution (2.0) Third Industrial Revolution (Industry 3.0) or the Fourth Industrial Revolution (Industry 4.0), we as Africans must make what we wear (gold, rings and necklaces, clothes and textile), what we ride, (automobiles), what fuel our cars (petroleum products) what we build with (iron and steel), soaps we bath with (chemicals and allied products) and generate energy we consume. We must stop exporting raw cottons, crude oil, mineral resources, gold and diamond only to be importing finished goods from China, Europe and America. It does not matter whether it is small or medium scale enterprises, Africa must consume products it produce not imported or smuggled as it is the case in Nigeria.

UNIDO over the years had shown that manufacturing industry in Sub-Saharan Africa (SSA) lags behind other developing regions in almost all measures of economic development, namely income per head, industrialization and agricultural productivity. The distribution of manufacturing activity in SSA, measured by the dollar value of manufacturing value added (MVA), is highly skewed.

There are three leading economies in Africa, Nigeria which worths some \$406 billion, Egypt \$332.3 billion and South Africa \$294.1billion. However in terms of manufacturing value added South Africa at 25 per cent, Egypt at 20 per cent are ahead of Nigeria with less than 5 per cent. Ghana is even more industrialized at 6 per cent manufacturing value added (MVA).

**ONLY INDUSTRY CAN ENSURE SUSTAINABLE JOBS**

In 2015 Africa has as many as 1.2 billion population. Millions of youths join the labour market annually. Only industry can provide sustainable jobs and living wages and necessary revenues for government to provide the needed infrastructure for development. For Africa to meet the Sustainable Development Goal 2030, especially SDG 9 dealing with industry and innovation our continent must innovate and industrialize. Africa should stop being romantic and clapping for China through uncritical importation of goods and services. Rather Africa must copy China's industrialization drive which has within 20 years moved over 250 million people out of poverty through manufacturing and industrialization. Africa must make what it consumes, otherwise it will be consumed by the rest of the world.

### **AFRICAN GOVERNMENTS MUST WORK THE TALK**

Many African countries have robust documents and policies on industrialization and diversification, yet few existing industries are closing with mass job losses. It's time South Africa, Nigeria, Senegal, Ghana! Zimbabwe, Sudan walked/worked the policies and add value to the continent abundant raw materials. Today we acknowledge and commend the Federal Government of Nigeria for launching the Economic Recovery and Growth Plan. Together with the existing National Industrial Revolution Plan, it can promote revival of industries and creation of mass decent jobs.

### **HAIL TINUBU ON INDUSTRIALIZATION**

We support last week advise of the chieftain of the ruling party Asiwaju Bola Ahmed Tinubu that ***"No populous nation has ever attained prosperity without first establishing a robust industrial capacity."*** Nigeria and Africa must industrialize now or perpetually remain in poverty and living on aid and credits.

## **HAIL STATES GOVERNMENTS SET TO INDUSTRIALIZE THEIR STATES**

Beyond politics as industry some states have commendably taken to development and industrialization. Such as EDO industrial parks, Sokoto and Cross River States garment factories.

## **WE HAIL THE NEW EXECUTIVE ORDERS**

There are scores of commendable initiatives by African governments on promoting wealth generation and reviving the industry. Such as **Buy-Africa campaign** in South Africa and **Buy Made-in-Nigeria campaign**. Vice President of Nigeria has also signed three unprecedented Executive Orders mandating Government agencies to spend more of their budgets on locally produced goods and services. These orders would help in the recovery of many factories in Nigeria.

## **BUT WHY MALAYSIANS NOT AFRICA?**

However it is not clear whether this will be the reality. Just last week the Federal Government of Nigeria hired some consultants from Malaysia to help the Federal Ministry of Budget and Planning set up three focused labs in the country. The cost of hiring the Malaysian consultants will be N458 million (\$1.5 million), an official said. The Minister of Budget and Planning, UdomaUdoma, said the setting up of the labs is part of the government's implementation strategy for the Economic Recovery and Growth Plan, ERGP. Are we saying we cannot get Africans to provide these services? How can we pay huge amounts of budgets to Malaysians in implementing a document that talks of patronizing made in Nigeria?

## **LET THERE BE LIGHT**

There can be no industrialization without electrification. Stop any action plan that will further give monies to non-performing Privatized electricity distribution companies (Discos).

## **FIX THE REFINERIES**

It is commendable that the ERGP sets to reduce petroleum products imports by 80 per cent in 2018. That's the way to create jobs, decent and sustainable jobs in the petroleum sector.

## **INDUSTRIALIZATION; THE LABOUR DIMENSION**

Whatever forms of Industrialization, 1st or fourth industrial revolution there must be decent sustainable jobs for the workers with job security, living wages and living pensions. Businesses and owners of capital are employing robots, Machines and computers to replace workers in order to maximize profits and lower wages or even deny pay all together. Yes technology makes work easier, but they also could lead to job losses. All unions should have audit of effects of the 4th Industrial revolution, of all workers.

## **TRAIN AND RE-TRAINING OF THE WORKERS**

Certainly there should be education and re-training for the workers. Employers and governments should not criminalize skill gabs as a result of digitalizations of production. The Fourth Industrial Revolution calls for the need to develop skills and know-how by workers to work with digital technologies, because they will be increasingly presented in our life and work. Otherwise the majority of African workers will be relegated to the bottom of the technology and education chain. In South Africa all inclusive workers training is needed because workers with advanced skills and resources – largely members of the white population and a small sprinkling of black and African middle classes - will do better than those without.

But union's are not helpless if we are willing to engage with our governments and businesses. Example of NUMSA

Volkswagen Body Shop Introduced more than 200 robots in the year 2016/17.

Management undertook skills audit of current artisans in Body shop.

Management claimed that the skills of more than 40 artisans did not match the needs of the highly automated body shop

They claimed that the new Body shop require electricians which these artisans did not have the electrical skills. Artisans were issued with retrenchment letters

NUMSA disagreed with the retrenchment and took the matter to CCMA for facilitation and after lengthy negotiations an agreement was reached.

All those electricians are now being re-trained on electrical skills so that they can be trade tested this means two things; that their jobs are safe and they will also get a second trade.

### **SOME CHALLENGES FOR THE FUTURE**

Workers should not be left behind because of a lack of education and training.

- .They should be educated for the jobs of the future.
- .Reskilling and upskilling of workers
- .We should Defend collective agreements that are in place.
- .Develop a list of future skills for future work
- .We need to know and do things that machines cannot do well.

- .We have to define how we can work with these machines - Human machine partnership.
- Defending and improve workers' remuneration, benefits and working conditions
- Job security and other workers' rights
- .Preserve and expand the number of jobs
- .Strengthen the union capacity
- .Engagement with Government on new areas of job creation

ALL THE ABOVE CALL FOR UNITY AND SOLIDARITY OF ALL AFFILIATES OF INDUSTRIAL IN AFRICA

COMRADE ISSA AREMU, mni

**VICE PRESIDENT, INDUSTRIALL GLOBAL UNION**

## CHAPTER SEVEN

**AUGUST 27, 2010**

### **THE STRUGGLE OF ELECTRICITY WORKERS TO LEGITMITATE, PRESIDENT JONATHAN MUST ALSO IMPLEMENT THE NATIONAL MINIMUM WAGE NOW**

#### **SALUTE TO ELECTRICTY WORKERS**

We commend the National Union of Electricity Employees (NUEE) for the recent industrial action over on-payment of monetization arrears to electricity workers amounting to N52 billion by the federal government. The fact that the National Union of Electricity Employees (NUEE) promptly called off the action once the federal government commenced payment of the age-long arrears shows that the strike was triggered in the first instance by the complacency and insensitivity of the government.

The federal government should take urgent measure to give effect to the agreement reached with the workers' union to the effect that the said arrears would be paid to the workers within one week effective from august 26, 2010 and save the economy from the negative impact of another industrial action in the power sector. President Goodluck Jonathan should know that power sector roadmap leads to nowhere unless it factors critical labour issues such as decent employment and adequate remuneration.

#### **PRESIDENT JONATHAN SHOULD IMPLEMENT MINIMUM WAGE**

The industrial action by energy workers underscores the urgent needs for speedy implementation of the new National Minimum Wage. General work-stoppage by all the Nigerian workers over the National Minimum wage and eventual national shutdown is clearly avoidable. President Jonathan should use his good office to make the national assembly pass the N18, 000 minimum wage bills today.

Alhaji Ahmed Yayale CFR, secretary to the government of the federation (SGF) as directed by late president Musa Yar'Adua inaugurated national minimum wage committee on 14<sup>th</sup> July 2009. The presidential committee was headed by Justice S.M.A Belgore, GCON. The tripartite committee made up of Nigeria Labour Congress (NLC), Trade Union Congress (TUC) organized priced sector, state governments and federal government agreed on a new minimum wage of N18, 000 per month. Well over a year after,

president Jonathan has a moral duty to make minimum wage for poverty-ridden Nigerians workers without another national shutdown. Workers compensation crisis should be seen as a national crisis.

Issa Aremu mni

GENERAL SECRETARY, NUTGTWN/VICE-PRESIDENT  
NIGERIA LABOUR CONGRESS AND MEMBER  
NATIONAL MINIMUM WAGE COMMITTEE

July 2, 2013

## **ASUU STRIKE; GOVERNMENT MUST RESPECT SANCTITY OF COLLECTIVE AGREEMENT**

As an affiliate of Nigeria Labour Congress (NLC), we hereby register our solidarity with the nationwide strike action embarked upon by the Academic Staff Union of Nigerian Universities (ASUU) to compel the federal government to respect the Agreement signed with ASUU since 2009 to pay lecturers their earn allowance.

Once an agreement is signed, it becomes binding on the two parties, in this case, the federal government and the Academic Staff Union of Universities (ASUU). Acting contrary to the terms of collective agreement as done by the federal government is a violation that is injurious to the industrial relations process. ASUU strike is a legitimate move to enforce an agreement freely entered into with the federal government four (4) YEARS AGO.

We therefore call on the Federal government to urgently put an end to the strike action through immediate implementation of the agreement reached with ASUU. The Honourable Ministers of Education, Prof. Ruqayyatu Ahmed Rufa'i and Labour, Chief Emeka Wogu must be on duty to urgently resolve the lingering issues with ASUU.

### **NUPENG STRIKE**

We also support the 3-day warning strike by the Nigeria Union of Petroleum and Natural Gas Workers (NUPENG) that started on Monday July 1, 2013 to press home its demand for an end to unfair labour practices by some international oil companies (IOCs) notably Shell Petroleum development Company (SPDC), Chevron Nigeria Limited and Nigeria Agip Oil Company toward its members. The Nigerian oil and gas sector is one sector noted for precarious jobs by some exploitative employers. International oil companies dubiously engage in unfair labour practice through casualisation of Nigerian workers and outsourcing of workers, among other issues; contrary to ILO conventions and recommendations on decent jobs.

The Federal government through the Minister of Petroleum biezani Alison-Madueke and the Minister of Labour, Emeka Wogu must urgently intervene to ensure the issues are resolved as quickly as possible to spare the nation from unnecessary fuel crisis capable of paralyzing industrial and commercial activities in the country.

Issa Aremu mni  
GENERAL SECRETARY, NUTGTWN  
Vice President. NIGERIA LABOUR CONGRESS  
(NLC)

January 19, 2015

## **REDUCTION IN PUMP PRICE OF PETROL: SIGN OF GOOD GOVERNANCE**

As an affiliated of Nigeria Labour Congress (NLC), we commend the Federal government of Nigeria for the recent reduction in the pump price of petrol from N97 per litre to N87 per litre as announced by the Minister of Petroleum Resources, Diezani Alison-Madueke at a press conference at the presidential villa, Abuja, on Saturday. The new price regime takes effect today Monday January 19, 2015.

The Nigeria Labour Congress (NLC) and Trade Union Congress (TUC) have been in the forefront demanding that federal government should reduce pump prices of petroleum products in line with falling crude oil prices in the international market as has been done by other countries.

This singular gesture on the part of the government is a sign of good governance. Late President Yar'Adua commendably reduced the pump price of petrol from N75 to N65 in June 2007 when there was similar drop in international price of crude oil.

To the extent that labour and civil society did not initiate mass protests and strikes before this reduction, President Goodluck Jonathan has demonstrated sensitivity which is in line with the best government best practice in other countries lie Tanzania, Ghana, South Africa, Vietnam, Pakistan, China, India, USA and UK among others that have reduced the prices of petroleum products.

It is commendable Nigeria has joined this global trend.

We call on the Federal government to reduce downwards the prices of diesel, LPFO (black oil), kerosene and other petroleum products in line with global trend. Indeed the reduction of petrol price should be far reaching and lower than N87 per litre.

## **FIX THE RIFENERIES**

We call on government to pass the Petroleum Industry Bill (PIB) and fix the refineries. With functioning local refineries, prices of petroleum products should be lower than the current price.

We also call on the Petroleum Product Pricing Regulatory Agency (PPPRA) and the Department of Petroleum Resources (DPR) to ensure strict compliance with the new pricing regime by the oil marketers and ensure Nigerians reap the benefits of the reduction in prices.

Issa Aremu, mni

**GENERAL SECRETARY, NUTGTWN**  
**VICE PRESIDENT, NLC.**

**June 3, 2015**

**LABOUR COMMENDS CUSTOMS FOR RENEWED FIGHT AGAINST SMUGGLING; HOWEVER THE SEIZED CONTRABAND TEXTILES MUST BE BURNT IN ORDER TO MAKE SMUGGLING UNACCEPTABLE**

**ACKNOWLEDGEMENT**

The National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) hereby acknowledges the renewed activism of the Nigeria Customs Service (NCS) in the fight against smuggling. We are impressed by the recent discovery of 75 illegal warehouses in Kano where contraband textile materials worth about N319.9 billion were stored. We commend the customs for the reported seizure of the smuggled textile materials. We hope that this development is not another passing fad in line with the mood of the country for change but an enduring commitment of Nigeria Customs Service to do its job to protect local procedures and help the country to ensure sustainable jobs.

**SMUGGLING IS ECONOMIC TERRORISM**

The point cannot be overstated. The major threat to the realization of the great potential of Nigeria in textile production is high influx of counterfeit and smuggled goods. Over 90 per cent of Nigeria's huge market size is dominated by smuggled and counterfeit goods, killing local companies in Kano, Kaduna, Lagos, Gusau, Aba and Port Harcourt, and millions of direct and indirect associated local jobs. Remarkable too, smuggling denies the government the much needed revenue in unpaid custom duties. According to the Comptroller General of Customs, Alhaji DikkoAbdulahi the duty value of the goods in one out of the uncovered 75 warehouses in Kano is N4.2bn. When we add the value duties of all the 75 warehouses, one will appreciate the enormous loss of the revenue to the government.

We are reassured by the Comptroller General of Customs' resolve to prosecute the smugglers including the reported four Chinese nationals linked with the seized contraband textile materials in Kano.

**BURN SEIZED CONTRABAND TEXTILE MATERIALS**

However all the above efforts will end in vain unless the seized contraband textile materials are BURNT in public like seized drugs otherwise they

would find ways to the market thereby defeating the ongoing efforts to curtail smuggling.

### **PRESIDENTIAL TASK FORCE**

We once again call on President Muhammadu Buhari to reconstitute Presidential Task Force on destruction of seized textile materials once chaired by the current governor of Kaduna State Mallam Nasir El Rufai. The task force should include all critical stakeholders including labour. This is necessary in order to protect and strengthen our domestic textile industries and save Nigerians' job. If we combine the fight against smuggling with uninterrupted supply of electricity, long term cheap fund through the bank of industry (BOI) and government patronage of locally produced textile (school uniforms, police and customs uniforms) , there is no doubt that textile industry in the fullest of time will come back.

**Issa Aremu, mni**  
**GENERAL SECRETARY**

June 17, 2015

## **LABOUR URGES FOR PATRONAGE OF MADE-IN-NIGERIA; CALLS FOR IMPROVED FUNDING FOR NIGERIA CUSTOMS SERVICE (NCS) IN THE RENEWED FIGHT AGAINST SMUGGLING**

### **LOCAL PATRONAGE**

The National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) has urged the Nigeria Customs Service to patronize local textile industries for their uniforms as part of measures to revive the textile industry. This is contained in the statement by the General Secretary of the Union and Deputy President of Nigeria Labour Congress (NLC), Comrade Issa Aremu, mni at the 1-day Interactive Forum between the Nigeria Customs Service (NCS) and stakeholders in the textile industry held at the NCS Command and Staff College, Gwagwalada on Tuesday June 16, 2015.

The union also called on all military and Para-military agencies, Government and private schools to purchase only Nigerian made textile and garments for their uniforms once the requisite standards are met.

### **RENEWED FIGHT AGAINST SMUGGLING**

The union commended the Nigeria Custom Service (NCS) under the leadership of Alhaji Diko Abdullahi CFR for the commitment to protect local producers and help the country to ensure sustainable jobs through renewed fight against smuggling of sub standard textile materials.

The General Secretary of the Union, Comrade Issa Aremu noted that the major threat to the realization of the great potential of Nigeria in textile production is high influx of counterfeit and smuggled goods. 90 per cent of Nigeria's huge market size is dominated by smuggled and counterfeit goods, killing local industries and millions of direct and indirect associated local jobs. Remarkable too, smuggling denies the government the much needed revenue in unpaid custom duties.

### **IMPROVED FUNDING FOR NCS**

Comrade Issa Aremu called for improved funding for the Nigeria Customs Service (NCS) to effectively and efficiently carry out its statutory duties that include anti-smuggling operations.

### **JOB CREATION**

He decried the rate of unemployment in the country and called for urgent measures to revive labour intensive textile industries with a view of protecting existing jobs and create more decent jobs for the teeming unemployed in the country. He noted that the root of insurgency is also unemployment.

### **COOPERATION AND COLLABORATION**

The Union commended the Nigeria Customs Service (NCS) for the good initiative in organizing the Interactive Forum with Textile Value Chain Stakeholders and called for greater cooperation and collaboration by all the stakeholders to support the Nigeria Customs Service (NCS) in the fight against smuggling.

Issa Aremu, mni

**GENERAL SECRETARY**

JUNE 28, 2015

## **PRESIDENT BUHARI SHOULD REMAIN FOCUSED ON ELECTORAL PLEDGES AND RESIST POLICY AMBUSH**

### **CAUTION**

Organized labour wishes to caution the new administration of President Muhammadu Buhari to be weary of policy dictatorship of some vested interests aimed at undermining his electoral promises of putting an end to mass poverty and transforming Nigeria economy and society to prosperity. This administration must resist the new emergency discordant voices pushing for twin evil policies of so called oil subsidy removal and further devaluation of the Naira. The two amount to policy dictatorship and policy ambush that had nothing to do with the ruling party's electoral promises which the masses overwhelmingly voted for.

### **NO TO FURTHER DEVALUATION**

NLC particularly rejects the call of the Managing Director and Chief Executive Officer of First Bank of Nigeria Limited, Mr. Bisi Onasanya for further devaluation of the Naira already in a free-fall 18 percent against the dollar in the past year. Market operators like Mr. Bisi Onasanya should not usurp the legitimate functions of the Central Bank of Nigeria (CBN) as the regulator through unhelpful policy dictatorship.

We hereby support the recently announced bold measures of Governor of CBN, Mr. Godwin Emefiele in managing the scarce foreign reserve through foreign exchange restrictions on some frivolous imports. CBN should reject the least resistance of unhelpful option of further Naira devaluation. The existing currency devaluation has further eroded wage income of millions of workers (many with unpaid monthly salaries). Devaluation has also increased the cost of domestic production, fueled price inflation and undermined the competitiveness of **locally** surviving industry leading to loss of existing few jobs.

The CBN ban on importers from using the foreign exchange market for some frivolous forty (40) items ranging from private jets to rice, wheelbarrows and Indian incense, Geisha (canned fish) and toothpicks to even eggs is welcome and commendable.

## **TIME FOR CAPITAL CONTROL**

Nigeria more than any nation currently suffers huge capital inadequacy, with nation's foreign currency reserves sharply fallen by some 27 percent to \$29 billion since the end of last September. CBN measures aimed at capital application and capital control in line with its statutory objective will definitely enhance domestic production in place of unhelpful luxury imports. It will also save the nation the current capital flight averaging some 1.3 trillion naira (\$6.5 billion) a year, (almost half of national budget) on avoidable unnecessary job killing imports.

Central banks worldwide ensure public control of capital for development without which capital on the loose can finance underdevelopment, cocaine growing as well as finance terrorism as America painfully came to realize in the wake of 9/11

## **EXPAND THE RESTRICTIONS TO COVER AFRICAN TEXTILE MATERIALS**

Indeed CBN should include African prints textile materials in its foreign exchange restrictions. Nigeria has comparative advantage in production of African prints. It is bad enough to illegally lift the ban on its import but its worse that we spend scarce foreign exchange on what we can and must produce locally.

## **GOOD GOVERNANCE, NOT SUBSIDY REMOVAL**

What Nigerians look forward to are urgent fixing of the existing refineries, passage of PIB, reorganization and repositioning of the NNPC, reinvention of the downstream infrastructures of fuel production and distribution, an end to crude oil theft and mass decent jobs not outworn outcry of removal of so-called fuel

Subsidy. As we have seen with good management of fertilizer subsidy in the last dispensation under former agriculture minister, Dr Adeshina Akinwunmi, there is nothing inherently bad with subsidy. The challenge of today more than ever before is domestic production of petroleum instead of unsustainable wasteful imports. The new administration should reject one-cap fits all policy dictate. No substitute to good governance and employment generation.

Issa Aremu, mni

**GENERAL SECRETARY TEXTILE WORKERS' UNION AND DEPUTY PRESIDENT, NLC**

May 16, 2016

## **NEW PUMP PRICE OF PETROL IS UNACCEPTABLE**

We hereby condemn and oppose the recent arbitrary and outrageous increase in the price of petrol from N86.50 to N145 per litre by the Federal government as announced by the Minister of State for Petroleum, Dr Ibe Kachukwu under the guise of subsidy removal. We support the struggle by the Nigeria Labour Congress (NLC), Trade Union Congress (TUC), members of the civil society organizations and all well meaning Nigerians for the immediate reversal of this policy and a return to the old price of N86.50 per litre.

The point cannot be over-stated. Just within 24 hours after government's announcement of the removal of fuel subsidy and the green light to oil marketers to source foreign exchange to import petrol into the country at an autonomous exchange rate of N298 to the dollar, prices of goods and services went up due to Naira devaluation.

## **INCREASE IN FUEL MEANS MORE FACTORY CLOSURES**

The increase in pump price of petrol coupled with the recent increase in electricity tariff added to unstable power supply will lead to more factory closures and job losses.

## **PRESIDENT BUHARI SHOULD KEEP TO HIS PROMISE**

President Muhammadu Buhari and his ruling party never promised Nigerian voters about subsidy removal if elected. On the contrary, as Vice President Osibanjo rightly observed "President Muhammadu Buhari is one of the most convinced pros subsidy advocates despite him calling subsidy a fraud while he was an ordinary citizen". President Muhammadu Buhari has repeatedly and commendably maintained that subsidy was non-existent and that increase in the products prices would negatively affect the costs of living of the poor masses. The latest policy reversal as contained in the template announced by Minister of State, Petroleum, br. Ibe Kachikwu therefore amounts at worse to a "policy coup" and at worst "policy corruption". Only the President who paradoxically is the Petroleum Minister has the final say on the new shock therapy policy that informed

astronomical price jump with all the attendant implications for inflation and poverty, the very negative impact the president has long loathed. In the absence of this clarity, what we have is serial policy distortion and indeed policy corruption.

## **GOOD GOVERNANCE, NOT FUEL INCREASE**

The point cannot be overstated that there is no substitute for good governance, what Nigerians ask for its products availability at affordable prices not serial black mail by oil marketers. Marketers are in business to make profits which they would do through padded price fuel template or blatant products diversions as revealed not long ago by Minister of State, Petroleum, Dr. Ibe Kachikwu. However the government is there to ensure the prosperity of the nation and the welfare of the citizens.

So far the government officials are eager to address the plight of the marketers rather than prosperity of the nation and welfare of all. The challenge facing the petroleum downstream sector goes beyond pricing. The fundamental issue is sustainable domestic supply which can only be made possible through reinvention of the existing domestic refineries and building of more. Unfortunately Nigerians have not seen much activism on the part of the government in this direction. Getting “appropriate pricing” for imported fuel pushes Nigeria into permanent dependency making the economy vulnerable to vagaries of foreign exchange fluctuations. Nigeria must take advantage of the multiple benefits of crude oil by fixing existing local refineries, exploring local refining capacity and building petrochemical and gas plants. Minister Ibe Kachikwu once said embarrassingly that “It’s cheaper to import petrol than refine locally”. Nigeria spends as much as \$10bn annually on importation of petroleum products, almost the same amount to build Dangote Refinery, the biggest private Refinery in the world with proposed 650,000 barrels per day in the Lekki Free Trade Zone (LFTZ) Lagos! Nigeria should move from policy distortions, policy corruption to a coherent sustainable policy on petroleum downstream sector.

We call on President Muhammadu Buhari led Federal government to comply with the directive to reverse the pump price of petrol to N86.50 within the deadline of the notice by the Nigeria Labour Congress (NLC) and the Trade Union Congress (TUC) failing which we will mobilize our

members to join the national strike action/protest on Wednesday May 18, 2016.

Issa Aremu, mni  
CHAIRMAN,  
IndustriALL Global Union, Sub  
Saharan Africa

Monday February 8, 2016

## **IMPROVED POWER SUPPLY, NOT TARIFF INCREASE**

The National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) hereby declares its total support for the planned picketing by labour and civil society allies of all offices of the electricity distribution companies (DISCOS) nationwide including Abuja today Monday February 8, 2016 to protest the unilateral and unlawful hike of electricity tariff.

We commend NLC leadership for this mass action for improved power supply instead of incessant non-service charges. President Muhammadu Buhari should urgently revisit the report of the 2014 national conference and implement the holistic recommendations for the power sector instead of allowing the same unhelpful posting of high tariff by underperforming generating and distribution companies. The point cannot be overstated: Power/Energy is so strategic to the industrialization and the wellbeing of the people. Therefore the Federal government must urgently review the privatization contracts between the Federal government and GenCos and Discos and give a two (2) year time-frame to firms in the Electric Power Sector to allow them stabilize and provide efficient power supply to Nigerians before they can contemplate any tariff increase. There should also be more transparency in all future reform of the Nation's assets.

We reject the hike in electricity tariff and hereby call on our members across the country and all well-meaning Nigerians to come out and join NLC protest to drive home the fact that the unilateral and unlawful hike of electricity tariff is unacceptable.

## **IMPROVE POWER SUPPLY**

The Textile Union instead calls for improvement in power supply. The point cannot be overstated. Between 30% and 35% of Textile and garment manufacturing costs are energy related expenses. Without electrification there can be no industrialization. The promise and expectation that President Muhammadu Buhari will revive textile industry generally is not possible without electricity. Also its time for Buhari administration to critically review the power sector reform with a view of increasing public sector investment.

**Issa Aremu, mni**  
**GENERAL SECRETARY, NUTGTWN**  
**CHAIRMAN, IndustriALL Global Union, Sub Sahara Africa**



**May 3<sup>rd</sup> 2016**

## **UNION DEMANDS FOR IMMEDIATE IMPLEMENTATION OF REPORT OF THE NLC RECONCILIATION COMMITTEE**

### **LABOUR UNITY**

The National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWU) hereby calls on labour unions affiliated to Nigeria Labour Congress (NLC) to critically use the occasion of May Day to get united for a vibrant labour movement. We regret that as we point two accusing fingers at bad governors and bad employers, the remaining three fingers point at us too who are unacceptably divided against ourselves rather than united against common class enemy.

The current on the work force such as delayed payments of salaries, diversion of bail-out funds are made possible because comrades are not united bad employers and bad governors. Its time we closed ranks to ensure we have “an NLC that commands the confidence of workers, be trusted by the public, respected by the government and employers.”

To this extent our union calls on NLC leaders at all levels to immediately implement the report of the NLC Reconciliation Committee under the Chairmanship of Alhaji Hassan Sunmonu aimed to resolving the avoidable crisis arising from 11<sup>th</sup> Delegates Conference last year.

Textile Union is not happy that NLC could not have a common May Day inspite of the joint resolutions of all the parties to put the past behind. We commend Comrade Adams Oshiomhole, Alhaji Hassan Sunonu, Comrade Ayuba Wabba and Joe Ajaero for the signed resolutions. It is however time we all implemented these resolutions with sincerity of purpose. They include;

- That current members of the NLC NAC, who have retired from service should automatically lose their membership of NAC. The National Executive Council of the NLC should , on behalf of the National Delegates Conference, fill those positions.
- All the cases in court arising from the 11<sup>th</sup> National Delegates Conference should be unconditionally withdrawn based on these resolutions, and

- That the Process of appointing the current General Secretary of the NLC which did not confirm with the criteria laid down by the NLC be corrected.
- The speedy resolution of the problems confronting Nigerian workers and people should be given top priority by the NLC and its leaders, among others.

We need a united NLC to fight the issue of unpaid salaries, the struggle for improved minimum wage, the war against corruption, revival of industries and creation of mass decent employment among others. If we operate separately, we will be defeated separately but if we are united we shall overcome. We must stop “comrades-on comrades” quarrels.

### **HAIL GOVERNORS BEN AYADE OF CROSS RIVER STATE AND ADAMS OSHIOMHOLE OF EDO STATE**

We commend both the Governor of Cross River State, Professor Ben Ayada and Gov. Adams Oshiomhole of Edo for their distinguished pronouncements in restoring the dignity of labour during the 2016 May-Day celebrations nationwide. At a period when not less than 22 states default in payment of salaries of the workers, Ben Ayade of Cross Rivers State announce the payment of May salaries of workers in the employment of the State government while Edo governor , Adams Oshiomhole on Sunday announce the increment of the National Minimum Wage from N18,000 to N25,000 with immediate effect, for employees in the State Public Service.

The two governors have by their pronouncements demonstrated that the crisis of non-payments of salaries in most states is contrived, artificial, self serving on the part of the defaulting governors. It is not the lack of means and resources to pay their workers, but sheer lack of willingness to abide by the spirit and content of 1999 constitution which says that the primary function of the government is the security and welfare of the citizens. It is a class war the defaulting denial of wages. In a decent country , there is always enough for the needs of all, including workers, but not enough for the greed of rulers, some governors inclusive.

We commend both Governors of Edo and Cross River for breaking ranks with the gang of insensitive greedy governors who assign little resources to labour as critical factor of development, but throw scarce resources to phoney projects by ghost contractors in the garb of infrastructural Development. With respect to Edo, Comrade governor has also shown that wage payment is not just a function of

ability to pay but willingness to muster the ability to motivate the work force for productivity and development.

In 2010 the Governors forum under the chairmanship of Governor Rotimi Amaechi was vehemently opposed to the signing of the 18,000 minimum wage even when crude oil sold for \$83 per barrel, and state were wastefully sharing excess crude. Only comrade governor supported the struggle of labour for wage increase showing that the refusal of most governors to pay is more of ideological reasons and the low value they assign to human resources than any fiscal reason. If excess crude did not translate into adequate living wage for the workers in recent year of oil boom, it is clear that the current fiscal challenge is just a subterfuge to deny workers their legitimate right to pay, some even criminally diverted bail outs funds given to them by President Muhammadu Buhari.

### **LEADERS SHOULD RESPECT LABOUR**

We also commend all Governors who honored May Day rallies. Those who did not attend are absentee governors who have lost all moral authority to demand for discipline on the part of their workers after May Day. As number one workers in their respective states, by boycotting the May Day manifestations and represented by proxies, these governors were not on duty to dignify their work-force, which is unacceptable.

We expect President Buhari to offer leadership regard. There is no reason whatsoever to justify the absence of President Muhammadu Buhari at the maiden May Day a year in office. We recall the participation of the President as the candidate of APC at the NLC 11<sup>th</sup> delegates conference last year. President Buhari should not give an impression that he only sees workers as voting cows. Workers are the source of national wealth that must be motivated, encouraged and dignified at all times, especially during May Day manifestations with presidential presence. In spite of the crisis of division in the Congress of South Africa Trade Union (COSATU), President Zuma of South Africa favours a star protest at COSATU May Day rally in South Africa. What is good for South African workers, is good for Nigerian workers.

John Adaji  
**PRESIDENT**

Issa Aremu, mni  
**GENERAL SECRETARY &  
CHAIRPERSON, IndustriALL  
Sub Sahara Africa**

**LABOUR COMMENDS CUSTOMS FOR RENEWED FIGHT AGAINST SMUGGLING; HOWEVER THE SEIZED CONTRABAND TEXTILES MUST BE BURNT IN ORDER TO MAKE SMUGGLING UNACCEPTABLE**

**ACKNOWLEDGEMENT**

The National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) hereby acknowledges the renewed activism of the Nigeria Customs Service (NCS) in the fight against smuggling. We are impressed by the recent discovery of 75 illegal warehouses in Kano where contraband textile materials worth about N319.9 billion were stored. We commend the customs for the reported seizure of the smuggled textile materials. We hope that this development is not another passing fad in line with the mood of the country for change but an enduring commitment of Nigeria Customs Service to do its job to protect local producers and help the country to ensure sustainable jobs.

**SMUGGLING IS ECONOMIC TERRORISM**

The point cannot be overstated. The major threat to the realization of the great potential of Nigeria in textile production is high influx of counterfeit and smuggled goods. Over 90 per cent of Nigeria's huge market size is dominated by smuggled and counterfeit goods, killing local companies in Kano, Kaduna, Lagos, Guzau, Aba and Port Harcourt, and millions of direct and indirect associated local jobs. Remarkable too, smuggling denies the government the much needed revenue in unpaid custom duties. According to the Comptroller General of Customs, Alhaji Diko Abdullahi the duty value of the goods in one out of the uncovered 75 warehouses in Kano is N4.2bn. When we add the value duties of all the 75 warehouses, one will appreciate the enormous loss of revenue to the government.

We are reassured by the Comptroller General of Customs' resolve to prosecute the smugglers including the reported four Chinese nationals linked with the seized contraband textile materials in Kano.

## **BURN SEIZED CONTRABAND TEXTILE MATERIALS**

However all the above efforts will end in vain unless the seized contraband textile materials are BURNT in public like seized drugs otherwise they would find ways to the market thereby defeating the ongoing efforts to curtail smuggling.

## **PRESIDENTIAL TASK FORCE**

We once again call on President Muhammadu Buhari to reconstitute Presidential Task Force on destruction of seized textile materials once chaired by the current governor of Kaduna State Mallam Nasir Ahmed El Rufai. The task force should include all critical stakeholders including labour. This is necessary in order to protect and strengthen our domestic textile industries and save Nigerians' job. If we combine the fight against smuggling with uninterrupted supply of electricity, long term cheap fund through the bank of Industry (BOI) and government patronage of locally produced textiles (school uniforms, police and customs uniforms), there is no doubt that textile industry in the fullest of time will come back.

Issa Aremu, mni

**GENERAL SECRETARY**

**December 19, 2017**

## **Labour Hails FG public service sector reform**

Organized labour has hailed Buhari administration for initiating unprecedented far reaching public sector reforms without retrenchment of the workforce and at the same time unleashed opportunities for mass decent employment. A member of the National Salaries, Incomes and Wages Commission (NSIWC) Comrade Issa Aremu made this observation in Kaduna at the reception for the members of the Board of the Commission at Textile Labour House on Tuesday. Comrade Aremu said with the "seamless adaptation" of Treasury Single Account (TSA) across the MDAs, Efficiency unit as a cost saving measure, Zero-Based budget approach and Bank Verification Number (BVN) Buhari administration has shown that reform does not necessarily be "a war of attrition" or "shock therapy" resulting in mass job losses as it was in the past. He said contrary to popular impression that reform means additional burden for the workforce, critical policies initiatives such as Executive Orders mandating government agencies to patronize local goods, Anchors Borrowers programme by CBN and Growth Enhancement Support Scheme had opened opportunities for more job creations.

Comrade Aremu also hailed President Buhari and his Vice President Yemi Osibanjo for facing up to the challenges of what he called the "crisis of compensation and salary administration" in line with the mandate of the National Salaries, Incomes and Wages Commission (NSIWC). Commending the Federal government for mainstreaming wages and salary, and helping defaulting states to pay salaries, comrade Aremu urged state governors and employers of labour in both private and public sectors to emulate both President Buhari and Vice-President Yemi Osibanjo in appreciating the linkage between good pay for workers and national economic recovery. The labour leader described Salaries and Wages Commission as the most important labour market institutions, adding that the commission under the leadership of its Chairman, Chief Egbule is fulfilling its mandate as advisor of government on remuneration in general adding that equitable income policy is indispensable for good governance and economic development.

The Board of the National Salaries, Incomes and Wages Commission was inaugurated in September by the Acting Secretary to the Government of the Federation (SGF), Mrs. Habiba Lawal, on behalf of President Muhammadu Buhari. The board, is chaired by Chief R. O. Egbule, appointed for a term of five years, renewable at the discretion of the President for another term not more than five years. The commission has three part time commissioners including, Ekpo Nta, Alhaji DaudaYahaya and Hon. Garba Musa Gulma. The part time commissioners are; Victoria NnennaChukwuani, GeofferyYilleng, Chief E. O. WoleIro-Aye and Ahmed Mahmud Gumel. The Permanent Secretary (Estab.), OHCSF, Permanent Secretary (Fed. Min. of Labour & Productivity, Comrade Issa Aremu and Chuma Nwankwo are the members.

The National Salaries, Incomes & Wages Commission (NSIWC) was established by Act 99 of 1993. Its creation was based on the recommendations made at various times by ad-hoc Commissions or Panels set up by Government from time to time since 1960, to deal with issues relating to salaries and wages of Nigerian workers. The Commission is the agency of government that is saddled with all matters relating to wages and salaries of Nigerian workers.

The End

## **Labour Commends President Buhari over Intervention Funds to States to Settle Accumulated Workers' Salaries**

### **INTRODUCTION**

On behalf of the National Executive Council (NEC) of the union, we hereby express our delight on the recent approval by President Muhammadu Buhari for the release of N713.7 billion intervention funds for states. The bail-out was part of a three-pronged relief package to settle backlogs of workers' salaries. The President had earlier described a situation where federal and state workers were not being paid salaries as a disgrace to the nation.

### **COMMENDATION**

We commend President Muhammadu Buhari for his sensitivity to the plight of the Nigerian workers through release of intervention funds to states to settle accumulated salaries of workers nationwide. Beneficiaries of the relief package include workers in Federal Ministries, Departments and Agencies (MDAs) who have remained unpaid for several months.

The comprehensive relief package to States apart from putting an end to the lingering crisis of unpaid workers' salaries in the country is also designed to boost purchasing power of Nigerians, especially average and low-income earners.

Labour truly commends the President for his deep concern about the plight of the workers who have been unpaid for many months.

### **INTERVENTION FUNDS MUST BE USED JUDICIOUSLY**

We call on the Governors of the states of the federation as well as the Federal government Ministries, Departments and Agencies to deploy the intervention funds appropriately through prompt settlement of the outstanding salaries of their workers and by ensuring that subsequent salaries are paid as at when due.

Labour will certainly reject further attempt by either the states or the MDAs to impoverish the workers through prolonged delay in payment of salaries.

Issa Aremu, mni  
GENERAL SECRETARY, TEXTILE WORKERS UNION

**September 12<sup>th</sup> 2016**

## **ECONOMIC RECESSION; NIGERIA NEEDS WAGE LED RECOVERY**

Organised labour believes that prompt payment of the existing salaries by states and local governments and urgent wage increases in both the private and sectors linked with productivity improvement are the smartest and quickest ways to stimulate the nation's economy. Nigeria needs wage led economic recovery. Recent CBN report on the economy and to a large extent the latest report of National Bureau of Statistics observe that weak demand for goods is one factor responsible for low capacity utilization of many private sector companies. So to overcome the economic crisis, workers whose wages buy basic goods and services must not only be paid on time but their wages must be increased. Nigeria cannot overcome recession with the existing miserable pay of workers and pensioners. To this extent President Muhammadu Buhari must urgently constitute the tripartite committee on the review of the current national minimum wage. Nigerian workers have long been in depression, not just recession going by the crisis of compensation manifesting in salary arrears and collapse of wages caused by massive Naira devaluation and price inflation of close to 20 percent. There is wage income poverty that cannot help economic recovery.

### **NIGERIAN WORKERS POORER THAN TEN 40 YEARS AGO**

Minimum wage was N125 (\$240) in 1981. Then we had stable strong exchange rate and lower inflation. In real terms, workers in 1981 earned more than the current N18,000.00 minimum wage. The 2010 negotiated national minimum wage of N18,000 was about \$120 in 2010. With Naira devaluation, it has unacceptably fallen to less than \$45 in 2016, a quarter of its nominal value in 2016 and less than 1 per cent of its value in 1981 about 40 years ago worsening income poverty. For Nigerian economy to recover, there must be massive public spending in reconstruction and significantly mass spending by working people through improved wages. You also cannot fight corruption from below with poorly paid work force. Poorly paid worker is not only hungry but rightly angry and even vulnerable to corrupt practices.

Issa Aremu, mni  
GENERAL SECRETARY, National Union of Textile Garment Workers and NEC  
Member, NLC

**January 24<sup>th</sup> 2018**

## **LATEST UNEMPLOYMENT FIGURE SHOWS CRISIS OF GOVERNANCE**

### **THE PROBLEM**

**The latest figure by the National Bureau of Statistics (NBS) which says 7.53 million out of Nigeria's labor force of 85.08 million are unemployed ("absolutely doing nothing") once again confirms the crisis of governance and underdevelopment in Nigeria. If we had the army of underemployed, the crisis of unemployment has assumed tragic proportions in forms of various mass crimes as restless youths swell the ranks of kidnappers and insurgent. All tiers of government must rise to promote development through re-Industrialization, uninterrupted electricity supply and war against smuggling which had made the products of local industries uncompetitive.**

**It is worrisome that the few employed are in subsistence farming and informal sector.**

### **SOLUTION**

**There is an urgent need for a bipartisan employment drive in the country. Sustainable jobs can only come from industry and massive public infrastructural development such as railways, roads construction, reinvention of public schools and hospitals. Mass unemployment means value-subtraction for Nigeria at a time when there is much work to be done and the nation is begging for growth and development. All the issues in unemployment crisis are governance issues which task the responsibilities and sensitivities of the Federal as well as State Governments of the Federation.**

**Issa Aremu mni  
General Secretary Textile workers union**

Jul 26, 2016

## **LABOUR HAILS GOVERNORS THAT MEET THEIR OBLIGATIONS TO THEIR WORKERS, CALLED ON MINISTRIES, AGENCIES TO REMIT CONTRIBUTORY PENSION OF WORKERS**

Organized labour has hailed state governors that "promptly pay" monthly salaries of workers and pensions of retirees as it charges defaulting governors to put an end to what it calls "crisis of workers' compensation" in their respective states. Comrade Issa Aremu, General Secretary, Textile Workers' Union and member NEC of NLC in a statement in Kaduna at the weekend commended the renewed energy of NLC leadership to ensure public employees in states are paid as at when due. Comrade Aremu also backed the joint Nigeria Labour Congress (NLC) and Trade Union Congress (TUC) 30-day ultimatum issued to Kogi state Government to pay 7month outstanding workers salaries failing which the state faces total labour protests as he also urged government ministries at Federal and State levels to remit contributory pensions of their workers to Pension Fund Administrators (PFAs).

Comrade Aremu singled out state governors namely Mr. Akinwunmi Ambode of Lagos State, Comrade Adams Oshiomhole of Edo State, Alhaji Abdulfatai Ahmed of Kwara State and Malam Nasir El Rufai of Kaduna State as "labour-friendly" state governors who pay salaries, pensions, promotion increments and yearly increments of their civil servants. According to the labour leader "the greatest assets of states are their employees" saying governors can only demand for discipline and improved productivity from their employees if their workforce are well motivated.

Comrade Aremu observes that nothing including declining oil revenue could justify delayed or non-payment of workers' salaries adding that payments of salaries and pension are legitimate entitlements and mark of corporate responsibility of any employer and urged governors to reorder their resources in such a way that labour is seen as a critical factor of development before anything else. "Who ever employs must pay the working man or woman as at when due" he said. He likened non-payment of salaries to what he called "economicide", which he describes as "a systemic destruction of lives of workers on account of lack of means of

livelihood adding that many workers have died due to non-payment of salaries that were never adequate even when promptly paid".

Meanwhile Comrade Aremu also urged Governors who regularly pay their core civil servants to ensure their local government employees and teachers are also regularly paid. He said "state workers are not divisible" when it comes to compensation just as when it comes to workers' service delivery and productivity to the state. He said governors can only be certified "labour friendly" if all workers in their states, private and public sectors, local and state employees are equally dignified with prompt salaries payment.

### **HAILS PRESIDENT BUHARI**

While hailing President Buhari for bailing out debtor states in meeting the pay obligations to their workers, he said state governors must apply same principle to debtor- local governments adding that 1999 Constitution says that the primary duty and responsibility as well as the primary purpose of government is the security and welfare of the people which can only be made possible with "suitable and adequate shelter, suitable and adequate food, reasonable national (minimum) living wage, old age care and pensions, and unemployment, sick benefits and welfare of the disabled".

### **WAGE-LED ECONOMIC RECOVERY**

As the economy is officially acknowledged to be in recession, the labour leader urged Buhari administration to intensify move towards reindustrialization through diversification and what he called "wage-led economic recovery". He observed that Manufacturers Association of Nigeria (MAN) had raised the alarm about low demand for locally produced goods, leading to high inventories and low capacity utilization. "Nigeria can only diversify its economy if workers as consumers are well paid to patronize locally produced goods and services". He also observed that Anti-corruption campaign cannot be sustained when workers do not receive adequate salaries on time. "A hungry worker is not only angry but vulnerable to graft. There is a link between economic growth and wage payment" he noted.

Jan 25, 2017

## **NEW ELECTRICITY TARIFF: TEXTILE UNION COMMENDS THE SENATE**

### **COMMENDATION**

The Textile Union hereby commends the National Assembly led by the Senate President, Dr. Bukola Saraki and Speaker of the House of Representatives, Rt. Hon. Dogara Yakubu for the prompt intervention following the nationwide protest against the increase in electricity tariff by the Nigeria Labour Congress (NLC) led by Comrade Ayuba Wabba, Trade Union Congress (TUC) and civil society allies. We particularly commend the Senate for the directive to the Nigeria Electricity Regulatory Commission, NERC, Federal Ministry of Power and Electricity Distribution Companies, DISCOs, to suspend forthwith the implementation of the 45 per cent increment on electricity tariffs and revert to the status quo.

With this singular exhibition of prompt oversight responsibility Nigerian 8<sup>th</sup> National Assembly has shown the parliament is a vent for public grievances.

### **OBEY THE SUSPENSION ORDER**

We call on the authorities particularly the generating and distribution companies to obey the legislative order and revert to the old tariff. Also we call on the stakeholders to take the advantage of the proposed public hearing to bring to the fore all the issues dealing with the value chains in the power sector. The point cannot be overstated; Nigeria should move from power poverty to power prosperity and the solution lies in increased public investment in generation and distribution. The regulatory commission must also be equitable to all stakeholders and look at the bigger picture of national Development. There cannot be industrialization without uninterrupted cheaper industry inspired electrification.

As an affiliate of Nigeria Labour Congress (NLC), we are readily available to mobilize our members for any further action by the Nigeria Labour Congress (NLC) and its civil society allies if the directive by the Senate is not obeyed.

We thank the Senate for courageously identifying with the Nigerian masses on this matter.

Issa Aremu, mni

**GENERAL SECRETARY, NUTGTWN**

**CHAIRMAN, IndustriALL Global Union, Sub Saharan Africa**

Sep 6, 2017

## **Nigeria Economy: No Recovery Until Labour/Productivity/Wage Issues Are Addressed**

Organized labour watches with keen interest the positive numbers from National Bureau of Statistics (NBS) indicating that Nigeria is exiting from recession with positive growth of 0.55 per cent compared to the negative contraction of 1.6 per cent in 2016. It's a case of a big blind economy (BBC) in which a ray of dimmed eye sight excites all of us. It's time Nigeria got ambitious in its quantitative and qualitative growth and development numbers. The Federal government Economic Recovery and Growth Plan ERGP (2016-2020) envisages 4.6 per cent restoration real GDP growth in 2017. The recent token positive growth of 0.55 per cent is therefore a far cry from the planned target. So it's not yet Uhuru.

Nigeria economy would have moved closer to recovery not just exiting recession, if the Federal and states' governments had put an end to current persistent crisis of compensation of the working class manifesting in criminal non-payment and delayed payments of salaries by many states governments despite serial Federal government bail outs in trillions of Naira. Nigeria can only recover from recession with enhanced purchasing power which is only possible through prompt and adequate payments of over 10million employed workforce.

The key to sustainable development is labour productivity in both public and private sectors which is only possible with motivated paid workers at work and after work through quality pensions. The federal government must therefore urgently address the crisis of compensation in education sector and come to terms with ASUU strikes by paying all outstanding allowances while ensuring service delivery on the part of academic workforce. Nigeria economic recovery is elusive with constant avoidable work stoppages and loss of human hours in an economy trying to exit recession. The Federal government must ease the cost of doing business as much as it must ease the cost of living of the working people through prompt payments of wages and pensions.

Issa Aremu, mni

**General Secretary, Textile Workers Union and NEC/CWC member  
of NLC**

## **RETENTION OF MINIMUM WAGE ACT ON THE EXCLUSIVE LEGISLATIVE LIST**

We commend distinguished delegates of the National Conference for the unanimous resolution to retain Minimum Wage on the Exclusive Legislative List. This courageous resolution reaffirms the legitimate demand of both the Nigeria Labour Congress (NLC) and Trade Union Congress (TUC) for Minimum Wage and other labour matters to be retained on the exclusive legislative list.

The importance of labour as a critical factor of production cannot be overemphasized. Countries concerned about development appreciate that labour issues such as labour productivity and motivation, minimum wage, health and safety at work, conflict resolution, social security and pensions are better coordinated nationally with proper regulation and federal legislative framework. Previous constitutions of Nigeria from Independence recognized this fact and retained labour on the exclusive legislative list. This has greatly helped to manage labour relations over the years and sustained the development of the country.

We call on the National Assembly to emulate the sense of purpose of the National Conference.

### **PETROLUM INDUSTRY BILL (PIB)**

Petroleum Industry Bill (PIB) is another exclusive legislative matter that calls for urgent attention by all the stakeholders. Petroleum Industry Bill (PIB) is one of the most important legislative bills in the history of the country due to the critical role of the petroleum sector in the Nigerian economy. The bill aims to restructure and redirect the oil and gas industry towards achieving sustainable development of the country.

We call for the quick passage of the Bill by the National Assembly incorporating all the concerns of critical stakeholders particularly organized labour as articulated by the key Industrial Unions in the oil and gas sector namely Nigeria Union of Petroleum and Natural Gas Workers (NUPENG) and Petroleum and Senior Staff Association of Nigeria (PENGASSAN). Some of the issues include the need for transparency and good corporate governance, employment and job security, health and safety, respect for

workers' rights and labour membership of Institutions, Boards and Committees under the PIB among others.

Issa Aremu, mni

**GENERAL SECRETARY, NUTGTWN**

**VICE PRESIDENT, NIGERIA LABOUR CONGRESS (NLC)**

## **LABOUR HAILS MINISTER OF LABOUR AND EMPLOYMENT DR. CHRIS NGIGE ON PROPOSED STAKEHOLDERS' SUMMIT OVER MASS RETRENCHMENT IN THE BANKING SECTOR**

Organised labour has said it was in order that the Honourable Minister of Labour and Employment, Senator (Dr.) Chris Ngige intervened to save jobs with a view of ensuring job retention in the banking sector. A member of the National Executive Council of Nigeria Labour Congress (NLC) and Chairman, IndustriALL Global Union Sub Saharan Africa, Comrade Issa Aremu, mni in a statement in Kaduna said Minister's intervention was consistent with the mandate of the Ministry of Labour to promote productive employment policies and programmes for employment generation.

He also decried the "negative unhelpful" reaction of the Director General of the Nigeria Employers' Consultative Association (NECA) Mr. Segun Oshinowo to the legitimate directive of the Federal Government to banks and other financial institutions to suspend further retrenchment of workers pending the proposed stakeholder's summit. The unionist observed that employers of labour who often depend on government for favorable government policies for businesses to thrive cannot "cry foul" when the same government tries to intervene to create favourable atmosphere for industrial fairness and industrial harmony.

According to him, at the best of economic times, it was an open knowledge that the banking sector has always been "a haven" for gross violations of Nigerian labour laws and ILO conventions on freedom of association and collective bargaining. "Most banks" he said "thrive on precarious work treating workers as slaves."

He charged NECA which he hailed as "the best Employers' Association in Africa" to promote industrial relations in the banks not to dogmatically defend bad practices from some of their members.

Aremu who is also Secretary General of the Textile Workers' Union said NECA as an active participant in ILO cannot be celebrating "throw-away" labour force as solution to corporate mismanagement and corporate corruption in some banks.

Comrade Aremu commended Dr. Chris Ngige for his sensitivity to the plight of the workers in the banking and financial sector, adding that he has shown that he is committed not only to creating jobs but to retain existing jobs in the country. "All labour market actors namely, employers and labour need good governance to create level playing field in the world of work" he observed.

Comrade Aremu said during the last fuel strike, purposeful intervention of the Honourable Minister brought about a mutually acceptable solution also favoured by NECA, adding that the principle is the same to promote industrial harmony and justice. "Employers cannot pick and choose government's role when it only favours them" he noted.

Comrade Issa Aremu, mni

**NEC Member, Nigeria Labour Congress (NLC)**

**Chairman, IndustriALL Global Union, Sub Sahara Africa**

## **LABOUR SALUTES DANGOTE GROUP, THE AFRICAN CONGLOMERATE FOR RE-INDUSTRIALISING AFRICA THROUGH THE TERM LOAN AGREEMENT SIGNING FOR DANGOTE REFINERY/PETROCHEMICAL/FERTILIZER AT OKLNG FREE TRADE ZONE**

African organized labour and working people are excited about the bold corporate decision of the Dangote Group, the African conglomerate for blazing the trail in Re-industrializing Africa through an unprecedented investment of \$9billion in oil refinery and petrochemical complex in Nigeria.

It is significant that the refinery located at the Olokola Liquefied Natural Gas (OKLNG) Free Trade Zone in Nigeria will be Nigeria's first private and Africa's largest petroleum refinery, with a projected daily production output of 400,000 barrels a day, the same capacity of the combined 4 Nigerian government-owned refineries in Port Harcourt, Warri and Kaduna which we all know they operate at less than 30% of their capacity.

Millions of private sector workers organized in national and global unions in Africa identify with the investment, the singular patriotism and pan Africanism of the President/Chief Executive of Dangote Group of industries, Alhaji Aliko Dangote, GCON.

Africa is a resource rich continent yet it has low levels of industrialization, with materials being exported in its raw form. Labour is excited that Dangote Group of industries is changing the narrative of the continent from that of 'resource curse' to resource beneficiation, value addition and mass employment through industrialization and internal articulation of African economy. Industrialization is it for Nigeria if it must be part of the leading economies of the world, get millions of youth to work out of violence and crime and above all out of poverty. We commend Aliko Dangote for working the talk that a shift is needed; that natural resources of Africa should be for the welfare of all Africans, not the profits of a few, mostly foreign capitalists. This refinery will definitely decrease Nigeria's scandalous unacceptable dependence on oil imports.

It is refreshing to note that this historic signing of investment patriotism is made possible because the Federal government under President Goodluck Jonathan promotes backward integration policy. This means government has business in business through appropriate policies to protect domestic industry and provision of infrastructure notably uninterrupted electricity supply.

Issa Aremu mni

Vice President, Nigeria Labour Congress (NLC)

Chairman, IndustriALL Global Union, African Region representing 50 million workers worldwide in extractive, manufacturing and processing industries

## **REDUCTION IN PUMP PRICE OF PETROL: SIGN OF GOOD GOVERNANCE**

As an affiliate of Nigeria Labour Congress (NLC), we commend the Federal government of Nigeria for the recent reduction in the pump price of petrol from N97 per litre to N87 per litre as announced by the Minister of Petroleum Resources, Diezani Alison-Madueke at a press conference at the presidential villa, Abuja, on Sunday. The new price regime takes effect today Monday January 19, 2015.

The Nigeria Labour Congress (NLC) and Trade Union Congress (TUC) have been in the forefront demanding that federal government should reduce pump prices of petroleum products in line with falling crude oil prices in the international market as has been done by other countries.

This singular gesture on the part of the government is a sign of good governance. Late President Yar'Adua commendably reduced the pump price of petrol from N75 to N65 in June 2007 when there was similar drop in international price of crude oil.

To the extent that labour and civil society did not initiate mass protests and strikes before this reduction, President Goodluck Jonathan has demonstrated sensitivity which is in line with the best government best practice in other countries like Tanzania, Ghana, South Africa, Vietnam, Pakistan, China India, USA and UK among others that have reduced the prices of petroleum products.

It is commendable Nigeria has joined this global trend.

We call on the Federal government to reduce downwards the prices of diesel, Ipfo (black oil), kerosene and other petroleum products in line with the global trend. Indeed the reduction of petrol price should be far reaching and lower than N87 per litre.

### **FIX THE RIFENERIES**

We call on government to pass the Petroleum Industry Bill (PIB) and fix the refineries. With functioning local refineries, prices of petroleum products should be lower than the current price.

We also call on the Petroleum Product Pricing Regulatory Agency [PPPRA] and the Department of Petroleum Resources [DPR] to ensure strict compliance with the new pricing regime by the oil marketers and ensure Nigerians reap the benefits of the reduction in prices.

Issa Aremu, mni  
**GENERAL SECRETARY, NUTGTWN**  
**VICE PRESIDENT, NLC**

## **CONCLUSION**

### **Kudos from Textile Employers**

The relationship between labour and management is often conflictual and at best adversarial. But NUTGTWN has demonstrated that labour/management relationship could be mutually beneficial.

Victor Eburajolo, one time Executive Secretary of the Nigeria Textile Garment and Tailoring Employers Association (NTGTEA) once stated that "*it is better to relate with workers with strong union than a group of workers without union.*" NUTGTWN has

demonstrated that responsible unionism does not amount to unprincipled compromise.

The campaign for the survival of the industry is a cause which the union has taken with a patriotic zeal as a vehicle for protecting members' jobs and a sensible economic pursuit for the welfare of members and the nation's quest for employment generation.

Union's effort is not just reflected in the commitment to the series of campaigns, rallies, policy meetings aimed at focusing attention on the challenges facing the industry but also in terms of a robust workers education that focuses on economic issues and the imperative of productivity improvement.

In spite of its reputation as a strong union that is uncompromising on the issues of workers rights and welfare, NUTGTWN received commendation from the Governing Council of the Nigeria Textile, Garment and Tailoring Employers Association dated 15 September 2009 for its resilience and innovations in sustaining the campaign and advocacy for the revival of the Nigeria textile industry.

For the union, the struggle for the revival of Nigeria textile industry continues.

