

***CHAPTER 12* MANUFACTURING INDUSTRIES IN NIGERIA**

Objectives

After studying this chapter, students should be able to:

- define manufacturing industries.
- classify the industries as primary, secondary and tertiary industries.
- locate the major industrial zones on a map of Nigeria.
- discuss the factors affecting the location of industries.
- identify problems of manufacturing industries.
- suggest solutions to industrial problems.

12.1 Types of Industry

Manufacturing industry involves the turning of raw materials or partly processed materials into new products by mechanical or chemical processes at home or in the factory. Industries can be classified into three:

1. **Primary industries:** These are industries that materials or resources are in their raw or natural form such as farming, mining, fishing.
2. **Secondary industries:** These industries process their raw or partly processed materials into final products thereby adding value to the material. They are the manufacturing industries.
3. **Tertiary industries:** These industries render services like banking, transportation, insurance, retailing, trading, etc.

On the basis of the materials used and output, industries can also be classified into two:

1. Local craft industries: Features of local craft industries include:

- (i) Production on a small scale and output is low.
- (ii) Few people (below ten) are employed.
- (iii) Simple tools which are not usually powered are used.
- (iv) Local crafts are produced at home or in small workshops.
- (v) Small capital investment is required.
- (vi) Limited floor space is required for workshop.
- (vii) Mostly, local raw materials are used.
- (viii) It involves great skill and artistry.

2. Heavy manufacturing industries: Features of heavy manufacturing industries include:

- (i) Production is on a large scale and output is high.
- (ii) Large number of people are employed.
- (iii) Heavy power driven machines are used.
- (iv) It takes place in specially built factories.
- (v) Huge capital investment is required.
- (vi) Both local and imported raw materials are used.
- (vii) It does not require artistry.

Examples include iron and steel.

Manufacturing industries started slowly in Nigeria because the colonial masters were not interested in setting up industries and lack of capital. After independence, industries were set up to produce goods which were formerly imported. Capital goods such as machines were imported for the production of consumer goods and assembly factories. Examples of consumer goods industries are cigarette factory, detergents, vegetable, oil

mills, textiles, cement, soft drinks, flour mills, motor car assembly and oil refineries.

12.2 Major Industrial Zones

Manufacturing industries are concentrated in four main zones. Some industries are located outside these zones called **industrial onthiers**.

1. South Eastern Zone: Towns in this zone include Enugu, Port Harcourt, Aba, Calabar, Nkalagwu and Onitsha.
2. North Central Zone: Industries are located in Kano, Kaduna, Jos and Zaria.
3. Western Zone: This zone has the highest number of industries which are located in Ibadan, Lagos, Abeokuta, Ewekoro, Osogbo, Ijebu Ode.
5. Mid Western Zone: Towns include Benin, Warri, Ughelli and Sapele.

12.3 Factors of Industrial Location

Factors which influence the location of industries are as follows:

1. **Availability of labour:** Industries are located in areas with high population where both skilled and unskilled labour can be obtained.
2. **Nearness to raw materials:** Industries which utilize heavy and bulky raw materials are located near the source of the raw materials to reduce the cost of transportation. Such industries are called raw material oriented industries e.g. iron and steel industry. Generally, there is high concentration of industries in areas with high amount of agricultural and mineral resources.
3. **Transport and Communication:** Efficient transport modes (roads, water, air) are necessary for the movement of raw materials to industries and finished goods to the market. Lagos and Port

Harcourt have high number of industries due to their proximity to the seaports where imported goods are discharged. Communication networks such as internet and cellular phones enhance transfer of information.

4. **Availability of capital:** Huge capital is required for the building of factories, purchase of raw materials and other inputs. Hence, large towns with banks and credit facilities attract industrial locations.
5. **Nearness to market:** Factories that produce bulky or perishable products are located near the market (high population areas) to reduce transport cost and risk of damage. They are called market oriented industries such as soft drink industries.
6. **Government policy:** Governments use incentives such as provision of infrastructures, reduced tariffs to attract entrepreneurs to locate industries in less developed areas. Government may directly locate industries in some areas to foster economic development of the area.
7. **Proximity of source of power:** Industries that require high electricity supply are located close to power stations such as aluminium smelting industries.

12.4 Problems of Local Craft Industries

1. **Inadequate capital:** Most of the people do not have the collateral with which to borrow from banks, hence input and output is low.
2. **Use of simple tools:** Since simple tools which are not powered are used, thus, output is low.
3. **Lack of international patronage:** Demand for local crafts is limited within the country. There is a low demand for the products outside the country. This limit the income that can be generated from sales of craft products.

12.5 Problems of Manufacturing Industries

- 1. Erratic power supply:** Unstable power supply has caused entrepreneurs to generate power at high cost thereby reducing their profits.
- 2. Inadequate raw materials:** Raw materials required in industries are not readily available hence they are imported at high cost.
- 3. Inadequate capital:** Very few people and organizations can afford the high capital required to establish industries. This limits the number and growth of industries.
- 4. Inadequate skilled labour:** Skilled workers are few within country. As a result, foreign workers are employed at high cost.
- 5. Political instability:** This hinders industrial growth since no investor will establish an industry in a political unstabled areas.
- 6. Low purchasing power:** Since most Nigerians have low income, they cannot afford to buy manufactured goods at high cost. This reduces demand for products.
- 7. Inadequate transportation and poor road network:** Poor road development and port inefficiency affects the movement of goods to the market and raw materials to industries.
- 8. Unfavourable government policies:** Government policies on importation of goods and foreign policies affect industrial activities.
- 9. Poor management:** Some industries are poorly managed in terms of funds.
- 10. Competition with foreign goods:** Foreign goods are competing with home goods. This reduces the demand for home goods.

Solutions

- 1. Local sourcing of raw materials**
- 2. Good government policies**

3. Provision of loans at low interest rate
4. Organization of management courses
5. Training of labour force
6. Building and maintenance of infrastructural facilities

12.6 Contribution of Industries to Nigeria's Economy

1. Source of foreign exchange
2. Source of revenue to government
3. Provides employment to workers
4. Source of raw materials to industries
5. Growth of towns
6. Development of infrastructure
7. Growth ancillary industries
8. Diversification of the economy
9. Conservation of foreign exchange
10. Improvement in trade balance
11. Stimulation of other sectors e.g. mining, agriculture, etc.
12. Provision of assorted goods

Summary

- Manufacturing industry involves the turning of raw materials or partly processed materials into new products by mechanical or chemical processes at home or in the factory.
- Manufacturing industries can be classified into primary, secondary and tertiary industries.
- On the basis of materials used, the size of industries can be classified into craft and heavy manufacturing industries.
- Manufacturing industries started slowly in Nigeria because the colonial masters were not interested in setting up industries and lack

of capital.

- Major industrial zones are south-east, north-central, western and mid-west zones.
- Industries are very important to Nigeria's economy as they provide income and goods consumed in the country.

Objective Questions

1. Which of the following is not a primary industry?
 - A. farming
 - B. mining
 - C. trading
 - D. fishing
2. Which of these is a tertiary activity?
 - A. manufacturing
 - B. mining
 - C. farming
 - D. retailing
3. Consumer goods industries include all EXCEPT
 - A. vegetable oil mills
 - B. motor car assembly
 - C. textile
 - D. flour mills
4. Which of these towns is not an industrial town?
 - A. Abuja
 - B. Port Harcourt
 - C. Lagos
 - D. Kano
5. Which of these factors best explain the location of oil refineries in Kaduna?
 - A. Availability of raw materials

- B. Government policy
 - C. Availability of capital
 - D. Presence of skilled labour
6. Which of these is not a product of local craft industries?
- A. raffia work
 - B. ornamental doors
 - C. bags
 - D. cement
7. Which of these is not a market-oriented industry?
- A. soft drinks
 - B. cigarette
 - C. vegetable oil mills
 - D. oil refinery
8. Which of these towns is not a centre of production of metal works?
- A. Ibadan
 - B. Kano
 - C. Bida
 - D. Benin
9. Which of the following is not a problem of industrial development in Nigeria?
- A. Inadequate raw materials
 - B. Presence of seaports
 - C. Erratic power supply
 - D. Government policy
10. Cement factory is usually located near
- A. source of capital
 - B. source of labour
 - C. source of raw materials
 - D. the market

Essay Questions

1. Mention and explain the types of industries.
2. State five differences between craft and manufacturing industries.
3. On a map of Nigeria, locate and name three industries and state two towns in each zone.
4. Explain four problems of industries and suggest solutions to the problems.
5. Highlight four contributions of industries to Nigeria's economy.