



Evaluation of Manufacturing Sector Performances and its Employment Creation in Nigeria

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Abstract

This study evaluates the performances of manufacturing sector and its effects on employment creation in Nigeria. Historical data relating to performance of some selected sectors of the manufacturing sector of the economy and employment were gathered. Secondary sources (Central Bank of Nigeria (CBN), Nigerian Economic Submit Group (NESG) and Manufacturing Association of Nigeria (MAN)) were explored for data used in this study. Data were analysed using descriptive approach. This study documented that performances of the sector has not been encouraging given its overall percentage contributions to growth of Nigeria economy. Poor performances of manufacturing sector have far-reaching negative effect on the employment generation and standard of living of the people. Therefore, to improve this sector, this study recommends the strengthening of the infrastructures especially energy, transportation, security system, reduction of interest rate and avoidance of imposition of multiple taxes as the major impediments to manufacturing performances in Nigeria.

Keywords: Manufacturing sector, Performances, Employment generation, Agriculture, Services, Oil and mining sectors.

JEL Classification: F1; F2; F4; F6.

Citation | Anna, N. Tizhe; Umar, S.S; Idris Abubakar (2022). Evaluation of Manufacturing Sector Performances and its Employment Creation in Nigeria. Growth, 9(1): 6-12.

History:

Received: 8 February 2022

Revised: 10 March 2022

Accepted: 25 March 2022

Published: 6 April 2022

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Publisher: Asian Online Journal Publishing Group

Funding: This study received no specific financial support.

Authors' Contributions: All authors contributed equally to the conception and design of the study.

Competing Interests: The authors declare that they have no conflict of interest.

Transparency: The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained.

Ethical: This study followed all ethical practices during writing.

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Contribution of this paper to the literature

The manufacturing sector of every economy plays a formidable role in employment creation. This study contributes to the literature of growth of industrial economics by fathoming impediments facing the manufacturing sector and suggesting areas of focus that are capable of promoting the performance of the sector drawing from Nigeria experience.

1. Introduction

Analyzing the performance of the manufacturing sector is in four parts (i) Employment (ii) production output (iii) source of raw material and (iv) capacity utilization. After experiencing phenomenal growth between the mid-1970s and 1980, the Nigerian manufacturing sector has witnessed stagnation, and for the most part, decline since 1983. This is due in large part to the collapse of the global oil market and consequent plummeting of oil prices. Government revenue and foreign exchange earnings were severely reduced in the wake of the crisis of the oil market, forcing government to institute sweeping austerity measures. Stringent trade controls like the rationing of foreign exchange, import restrictions via import licensing and import tariff hikes, as well as quantitative restrictions, were components of this regime. Manufacturing suffered from precipitous cut backs in raw materials and spare parts induced by these measures. This was translated into widespread industrial closures, extensive retrenchment of the work force and a massive drop in capacity utilization. Real output fell by 25 percent between 1982 and 1986, contrasting sharply with the annual growth rate of 15 percent recorded between 1977 and 1981. Much of the manufacturing growth up to 1981 stemmed from the expansion of investment rather than enhanced productivity. Correspondingly, the growth decelerations since then result largely from the substantial decline in gross investment—a feature of virtually all sectors of the Nigerian economy. The manufacturing sector produced a range of goods that included milled grain, vegetable oil, meat products, dairy products, sugar refined, soft drinks, beer, cigarettes, textiles, footwear, wood, paper products, soap, paint, pharmaceutical goods, ceramics, chemical products, tires, tubes, plastics, cement, glass, bricks, tiles, metal goods, agricultural machinery, household electrical appliances, radios, motor vehicles, and jewelry.

The ratio of gross capital formation to gross domestic product (GDP), which was 18.5 percent in 1981, fell to 11.4 percent in 1983 and further to 3.7 percent in 1988. A large proportion of this drop occurred in the manufacturing sector and was reflected in the fall in imports of capital goods, e.g., machinery and transport equipment. The share of manufacturing in GDP rose from about 4 percent in 1977 (at 1984 constant prices) to a peak of 13 percent in 1982. It has since fallen to less than 10 percent today. A number of factors account for this. Chief among them is the inadequate access to raw materials and spare parts because of chronic foreign exchange shortages. The lack of vital industrial inputs negatively affected industrial capacity utilization, which fell from 70 percent between 1977 and 1981 to about 25 percent in the period of 1982–1986.

2. Review of Literature

To promote the performance of the manufacturing sector of the economy, the Nigeria government had imitated variety of policies which culminated into the introduction of structural adjustment programme (SAP), abrogation of import licenses, and reduction of tariff on imported machinery and allocation of greater foreign exchange to industrialists. These measures eased the supply constraints on imported input. Nevertheless manufacturing activities declined by 3.9 percent in 1986 as industries were adjusting to the realities of SAP (Central Bank of Nigeria, 1993). However; the index of manufacturing production shows consistent increase from about 75 percent at the start of SAP in 1986 to more than double by the year 1991. Since then, the index indicates a downward trend between 1992 and 1994. Some variations could be observed in the performance of the manufacturing sub-sectors. Domestic resource based industries, for example wood product, furniture, textiles, rubber, minerals, that sourced their raw material domestically, were said to be doing better (World Bank/Central Bank of Nigeria, 1990). In contrast, the import intensive and low domestic value added sub-sectors such as paints, electronics and vehicles assemblage did not perform well, largely because their survival had been dependent on an overvalued exchange rate (World Bank, 1990). Surveys by the World Bank and Manufacturing Association of Nigeria indicate consistent increase in capacity utilization especially in sectors that are domestic resource intensive, whereas low capacity utilization occurred in import intensive sub-sectors. According to the World Bank (1990) the high capacity utilization of 64–80 percent was found in textiles, rubber and non-metallic mineral produce while electronics and electrical enterprises had a much lower rate of 26 percent. Some of the factors that determine the performances of the manufacturing sectors to Akpan (2001) is the energy input demand.

Manufacturing growth under the adjustment period has been associated with significant reduction in import content of locally produced goods. A survey by UNIDO (1998) showed that 60 percent of the raw materials consumed in the sector were imported. However, a sample survey conducted by the Manufacturers Association of Nigeria in 1987 found that the use of imported raw materials had declined significantly, particularly in the consumer goods branches due mainly to the devaluation of the naira and the rapid increase in the cost of imported materials. It was noted, for example, that an average import cost rate rose by 47 percent faster than the cost of domestic raw materials input over the period January to June 1987. The import content of industrial input was especially higher in the intermediate and capital goods branches. It stood at 80.7 percent for electrical machinery in mid-1987 followed by industrial plastic and rubber (79.4 percent), vehicles (78.2 percent), paper product (60.1 percent), chemical and pharmaceuticals (55.8 percent); and lagged by the basic metal and fabricated metal products (50.3 percent). While the growing pattern of industrial growth may be based on domestic raw material, the overall post-reform pattern has not been significantly different from the pre-reform period. The shares of manufacturing output remained dominated by consumer goods. Although export of manufactures formed a major part of early manufacturing in Nigeria, as for example, in 1958, it accounted for half of industrial production (UNIDO, 1998). By 1986 they accounted for negligible 0.18 percent. The share of manufacturing export in total exports shows some marginal improvement after the trade policy reforms, especially when compared with the immediate Pre-SAP

period. But this has since dwindled and it remains at insignificant level of less than one percent. Thus, in spite of the significant reduction in anti-export bias following the SAP reforms there has been no desirable improvement in the export performance since 1986. However, official figures tend to under estimate export due to cross border trade, especially in textiles, fertilizer and petroleum products. Compared to the almost zero export of manufactures in the pre reform period, the incipient export growth of the reform period may be the beginning of export phase in Nigerian performance of manufacturing industries (2001 – 2002). [Ajayi \(2007\)](#) studied the trends and pattern in Nigeria's industrial development and revealed that the industrial growth pattern in Nigeria involved substantial artisanal crafts firms in the early stage which grow progressively as the years go-by to large-scale manufacturing industries. This describes the salient characteristics of a well-nurtured industry in a founded enabling business environment that full of positive expectations. Although contributing to export, in terms of its contribution to the non-oil export, the manufacturing sector's performance declined in the 1980s, from an average of 11.47 percent in 1975-1979 to 7.5 percent in 1985-1989. It significantly increased to 22.5 and 24.84 percent in the 1st and 2nd half of 1990 respectively. The relative share of the manufacturing in non-oil export had been below 3percent in 1987 and 1988. Just after the launching of SAP, manufacturers required time for technical adjustment to benefit from the effect of the policy intended to impact on production. A sharp fall in the value and share of manufacturing effort in 1996 to 1999 may be attributed to international relation crisis that Nigeria experienced between 1995 and 1998 under the Abacha regime. The poor performance of Nigerian manufacturing in part attributed to the backwardness in manufacturing technology which makes the quality of Nigerian product inferior to those from the western economies and even the newly industrialized Asian economies. This is a major reason for the poor penetration rate of Nigerian manufacturing exports. The low share of manufacturing in the total exports is also due to the drastic fall in capacity utilization in the manufacturing plants, which suffer from shortage in the supply of electricity and other infrastructure. These contribute to high cost of production and low rate adaptation to improving new technology and knowledge available to the competition abroad. [Fedderke and Bogetić \(2009\)](#) discovered a link between infrastructures and growth. their empirical investigation into the growth and productivity impact of infrastructures in south Africa showed that controlling for potential endogeneity of infrastructure measures render the impact of infrastructure capital not only positive but economically meaningful.

Another characteristic of manufacturing in Nigeria is low capacity utilization. The index of capacity utilization in the sector lies at about 42 percent average during 1981-1998. Many reasons have since been put forward to explain the low capacity utilization in the sector. Opinion converge on import dumping and the foreign exchange constraint: fall in domestic demand as a result of the adverse effect of SAP on income and employment, high cost of domestic borrowing and government withdrawal of physical and fiscal incentives. To understand the growth impact, [Dollar and Kraay \(2000\)](#) emphasised the importance of growth to the poor. They buttress this in their study when analysed the average income of the poorest quintile among 92 countries and documented that income of the poorest quintile does not vary systematically with average income, policies and institutions that explain growth rates of average income. Predominance of the consumer goods sub-sector explains the over-dependence of the industrial sector on imported capital stock and other inputs. Machinery and transport equipment account for 38.6percent of total input. Capital equipment and chemical jointly constitute an average of 53.5 percent of total import. Infrastructural products other than food, vegetable oil and tobacco, account for 85.5 percent of aggregate imports. As the sub-sector challenge it has also affected the penetration of the products from the sector into the international market. Manufactured exports from Nigeria consist of mostly consumable items. Performance indicators have shown the structural cost shares of factor inputs in manufacturing sector.

Table 1. Manufacturing GDP growth rate (Percentage) 1995-2009.

Years	Growth rates (Percentage)
1995	3.4
1996	3.8
1997	2.4
1998	2.7
1999	2.8
2000	3.2
2001	3.7
2002	3.9
2006	6.0
2007	6.5
2008	6.0
2009	7.0
2010	6.55
2011	7.17
2012	7.72
2013	8.93
2014	9.64
2015	9.43
2016	8.68
2017	8.74
2018	9.65
2019	11.52
2020	12.67

Source: Central Bank of Nigeria & Nigerian Economic Summit Group (NESG) Publishers.

3. Methodology

This study concerns with the evaluation of the performances of the manufacturing sector and its effects on employment creation in Nigeria. To achieve the objective of this study historical data relating to the performance of some selected sectors of the manufacturing sector of the economy and related employment created were gathered. Secondary sources (Central Bank of Nigeria (CBN), Nigerian Economic Submit Group (NESG) and Manufacturing Association of Nigeria (MAN)) were explored for the data used in this study. Data were analysed using a descriptive approach in order to facilitate the ease to grasping the performance of the manufacturing sectors and its overall contributions to employment generation in Nigeria.

4. Results and Discussion

4.1. Manufacturing Sector Employment

Table 1 presents the percentage change in the contributions of the manufacturing sector to the gross domestic product (GDP). However, a survey by the Manufacturers Association of Nigeria showed that in December 2001, there was loss of 115.660 jobs in the manufacturing sector. In the period 2002, there were 50.245 job losses. The worst affected area was the textile sector, which between January 2001 and December 2002 had reduced its workforce from 188.281 to 80.392. This translates to 107.889 job loss (see Table 2). This was due to the high rate of factory closures and de-investment witnessed in the sector. It is also interesting to note that despite the problem in the Electrical and Electronic Sector, the sector still managed to maintain minimal job loss, from 76.056 as at December 2001 to 76.000 by December 2002. The same could also be said of the Wood and Wood Product Sector, which also maintained minimal job losses. Food, Beverage and Tobacco sector had the highest work force of 372.209 as against Textile, Wearing and Garments Sector that had 80.392 jobs as at December 2002. Other sectors such as Domestic and Industrial Plastics and Foam; Basic Metal, Iron and Steel, and Pulp and Paper Sectors performed well on the average though there were few job losses in these sectors. Manufacturing employment within 2002 and 2003 recorded a marginal drop when compared with 2002. Aggregate employment between January – June 2002 and 2003 were 1.445.664 and 1.405.667 respectively showing a drop of 2.8percent. Similarly, aggregate employment between July-December 2002 and 2003 were recorded as 1.395.419 and 1.310.557 respectively giving a drop of about 6percent. The drop in employment has been linked to a fall in capacity utilization arising from weak demand for locally made goods occasioned by unchecked influx of cheap/substandard finished products. Consequently, many companies trimmed the size of their work force, while some companies left employment completely on hold.

Table 2. Manufacturing employment by sector for 2001 & 2002.

Sector	JAN-JUNE 2001	JULY-DEC 2001	JAN-JUNE 2002	JULY-DEC 2002
Food, Beverage and Tobacco	272.286	262.067	371.871	372.209
Textile Wearing and Apparel	188.281	156.185	99.856	80.392
Wood and Wood Products	165.026	166.359	167.541	165.814
Pulp Paper and Products	130.489	132.479	152.300	153.863
Chemical and Pharm	172.947	152.319	162.436	142.896
Non-Metallic, Mineral Product	86.905	79.059	100.231	94.038
Domestic and Industrial Plastic etc.	152.788	136.195	149.428	148302
Electrical and Electronics	78.121	76.056	75.136	76.000
Basic Metal, Iron etc.	111.644	90.152	99.650	87.149
Motor Vehicle Misc. Assembly	78.799	72.715	67.215	75.756
Total	1439246	1323586	1445664	1395415

Source: MAN (2010).

The survey therefore indicates a strong correlation between capacity utilization and employment. With the increased stock of unsold goods and reduction in capacity utilization, companies engaged in downsizing in order to break even. Consequently, the employment generation by manufacturers reduced from 1.310.557 in December 2003 to 1.172.410 in December 2004 representing 11percent reduction. Out of the above figure, 105.516 were professionals, 187.586 were non-professionals, and 433.792 were skilled while 445. 516 were unskilled. This again revealed that the employment ratio of unskilled labor was rated highest in the period under review, as companies were unable to pay the skilled personnel due to negative cash flow occasioned by high unplanned inventory.

Table 3 exhibits the manufacturing contributions to employment. Therefore, it was gathered that in the past six years (from 2001 – 2006), employment generation by the manufacturing sector had continued to record a decline. The story was different in 2007 as employment generation in absolute figure rose from 995.571 in the first half of 2006 to 1.057.980 in the first half of 2007 (increase of about 6.3percent).The Non-Metallic Mineral Products sector recorded the best performance from 146.683 employees recorded in the first half of 2006 to 159.256 employees in the corresponding period of 2007. The Textile, Wearing Apparel, Carpet, Leather and Leather Products recorded the least performance; though still better than the figure recorded in the first half of 2006 from 40.713 in June 2006 to 48,215 in June 2007. The slight boost in employment figure in the Textile, Wearing Apparel, Carpet, Leather and Leather Products Sector was reported from the Leather Tannery Sub-sector as a result of its improved performance in the export market. However, a critical view of these indicators showed that the Nigerian manufacturing sector is in a state of comatose as its capability to generate employment, create wealth, reduce poverty and contribute to GDP has been declining over the years.

For instance, Employment generation by the sector over the past few years has declined sharply from 2.841.083 employees in 2000 to 966.395 employees in 2001. Wealth creation has been on the decline. Wealth can only be created when the prospective investors find the business environment conducive and profitable to do business. In Nigeria, the operating environment is very harsh and not conducive: From lack of consistent power

supply to insecurity of lives and property as are presently seen in the Niger Delta and the Northern part of the country.

Table 3. Manufacturing employment 2004, 2007 and 2008.

S/No	Sector	2004					2007	2008
		Professional	Non-Profession	Skilled	Unskilled	Total		
1	Food, Beverage and Tobacco	22.909	40.728	94.183	96.729	254.549	242.527	264.018
2	Chemical and Pharmaceutical	5.902	10.493	24.265	24.921	65.581	48.215	33.929
3	Electrical and Electronics	7.859	13.972	32.310	33.184	87.325	70.886	70.000
4	Textile, Apparel and Footwear	5.169	9.189	21.251	21.825	57.434	63.132	49.497
5	Pulp, Paper Publishing	18.076	32.135	74.313	76.321	200.845	69.814	83.389
6	Wood and Wood Products	12.245	21.768	50.340	51.700	136.053	159.256	146.781
7	Non-Metallic and Mineral	9.415	16.738	38.706	39.752	104.611	135.527	161.381
8	Domestic/Ind. Plastics and Rubbers	9.611	17.086	39.510	40.578	106.785	104.726	87.863
9	Basic Metal, Iron and Steel	7.280	12.944	29.932	30.741	80.897	93.307	97.332
10	Motor Vehicle and Misc. Assembly	7.050	12.533	28.982	29.765	78.330	70.590	32.115
	Total	105.516	187.586	433.792	445.516	1,172.410	1,057.980	1,026.305

Source: Manufacturers Association of Nigeria.

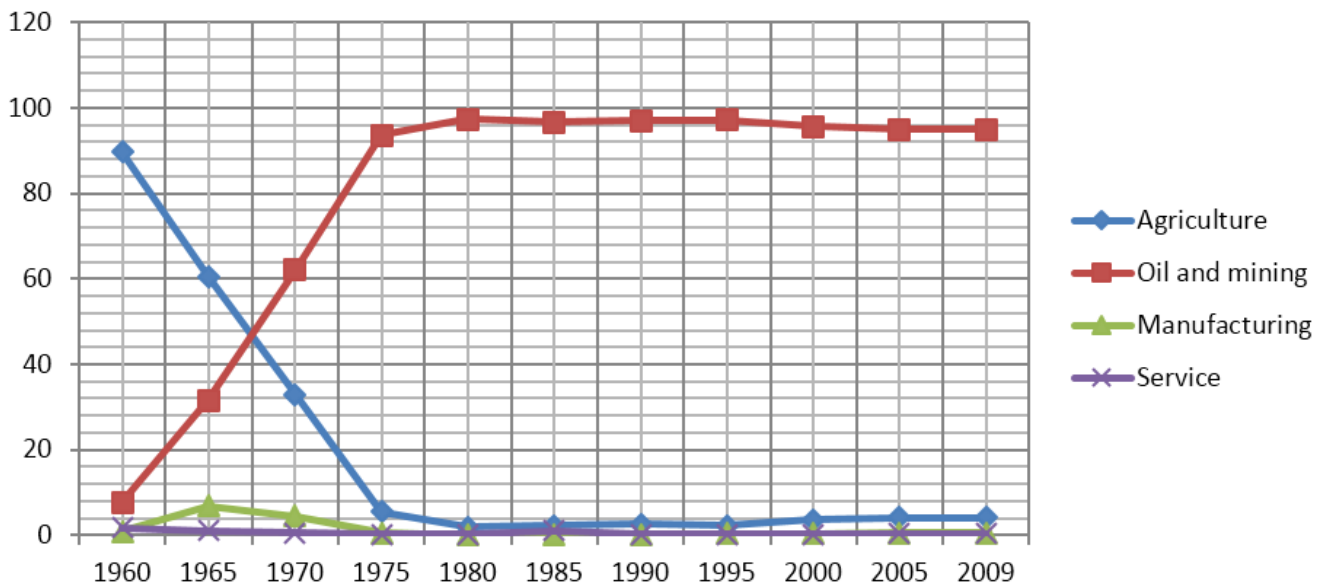


Figure 1. Export by economic sector in selected years (%).

Figure 1 demonstrates the contributions to export by various sectors within the manufacturing sectors of the economy. It was observed that in 2003, the manufacturing sector accounted for some 4.7 percent of total GDP. Nigeria has a fairly diversified manufacturing sector. It has been noted above that the main subsectors (excluding petroleum refinery) produce plastic products, textiles, beverages, tobacco products, chemical products, pottery, earthenware, food products, electrical machinery, fabricated metal products, non-metal mineral products, paper and paper products, and transport equipment, and that about 96percent of the enterprises are small (less than 100 employees) or medium-sized (less than 300).

Growth and even sustenance in the sector remain estranged by various factors that affect the competitiveness. The most important here is paucity of electricity power. The plethora of incentives that have been put in place to attract investment to the sector include provision for manufacturing firms to benefit from various governments funded financial assistance schemes aimed at alleviating the dearth of conventional commercial credit available to them. Tariff changes geared towards increasing the rates of effective protection to promote sustenance and growth of the sector have tended towards lower tariffs on intermediate goods and higher tariffs on final goods. In 2003 the average MFN applied tariff rate for manufactured goods (ISIC, Division 3) was 28percent. This shows a raise from 24.4percent in 1998. Import bans are also in place on several finished manufactured goods in pursuit of the goals.

Figure 2 demonstrates the contributions agricultural, oil and mining, manufacturing and service sectors to the gross domestic product (GDP) of the economy. It was observed that from the figure that from 1965 to 2009, the manufacturing sector was seen to perform poorly less than service, oil and mining and agriculture. In the period 1960 to 1980, agriculture appears the most performing sector with little fluctuation between 1980 to 1999. In 2007 to 2009 the oil and mining sector remains the most performing sector of the economy. This implies that the manufacturing sector faces several obstacles.

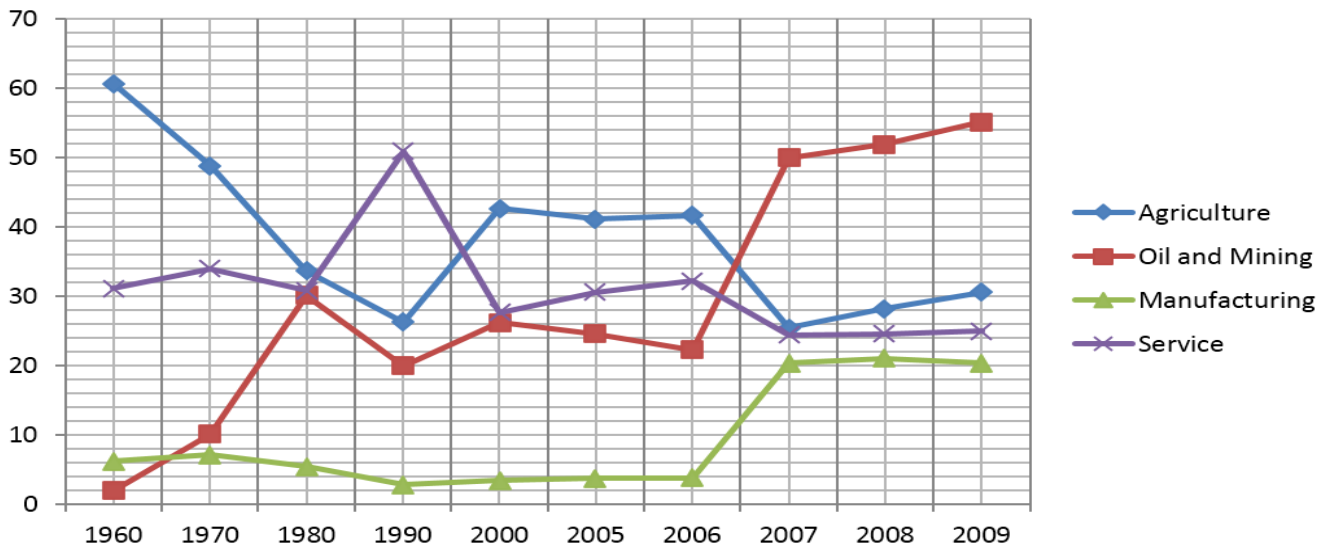


Figure 2. Sectoral contribution to GDP.

In a 1999 World Bank survey, a number of Nigeria's manufacturing companies identified, in order of importance, showed lack of infrastructure, access to finance, and uncertainty and inability to plan due to instability in government policies which was the biggest challenge. The most serious infrastructure obstacle was the insufficient supply of electricity to the firms. This was identified by 73.8percent of the respondents (Central Bank of Nigeria, 2006). Access to finance is hindered by high interest rates and collateral requirements. Long-term access to finance is rare. Larger firms are most likely to receive loans and SMEs are marginalized. The main sources of business uncertainty were identified to be the unstable macroeconomic environment and exchange rate volatility. The regulatory environment was also a source of concern due to high degree of bureaucracy and corruption in obtaining various permits from public institutions; and arbitrary and capricious manner of administering certain regulations. Other factors that affect the sector include: slow port operations and increasing higher costs of imported inputs due to persistent depreciation of the Naira. These factors render Nigeria's manufacturing sector very uncompetitive.

4.2. Performance of the Industrial Sector in Nigeria

Nigeria has a fairly diversified manufacturing sector. The subsectors, other than petroleum refinery, produce plastic products, textiles, beverages, tobacco products, chemical products, pottery, earthenware, food products, electrical machinery, fabricated metal products, non-metal mineral products, paper and paper products, and transport equipment. About 96percent of the enterprises are small (with less than 100 employees) or medium-sized (with less than 300) (MAN, 2010). Firms in the sector are largely privately owned. However, government has ceded the ownership of sugar, cement, newsprint, automobile, agric-processing, and steel industries to private individuals in line with privatization policy. The sector remains constrained by various factors that affect its competitiveness, most importantly the lack of electricity supply. A plethora of incentives are in place to attract investment to the sector. Manufacturing firms also receive various government intervention funds to alleviate the dearth of credit available to them. Tariff changes in the sector has been geared towards increasing the rates of effective rate of protection.

Table 4. Total employment in industries and businesses (1999-2005).

Economic Activity	1999	2000	2001	2002	2003	2004	2005	Total
Agriculture	76.540	79.926	80.702	81.254	88.386	109.513	123.761	640.083
Manufacturing and Processing	1.916.781	1.835.130	1.905.077	1.849.207	1.944.024	1.987.518	1.912.906	13.350.641
Building and Construction	290.574	307.896	476.454	409.933	398.798	431.731	459.023	2.774.410
Hotels, Restaurant and Tour	537.067	509.664	572.039	556.216	544.291	538.214	520.556	3.778.047
Transport	154.693	158.178	179.180	192.873	203.266	189.142	241.354	1.318.688
Communication	17.409	28.342	193.682	198.897	315.039	325.047	467.260	1.545.674
Education Services	8.228	8.857	12.444	18.402	20.394	21.887	25.781	115.993
Mining and Quarrying	56.137	18.737	18.737	19.934	31.940	33.697	35.867	215.050
Utilities	14.896	14.510	14.565	14.841	15.172	15.448	14.896	104.326
Banking	28.263	17.111	24.274	24.896	24.453	25.312	29.883	174.192
Distributive Trade	146.577	145.501	162.478	177.094	183.549	190.948	196.511	1.202.658
Private Professional Services	7.047	8.449	7.639	7.797	8.804	9.594	10.206	59.536
Real Est. and Business Services	75.004	77.810	85.552	92.982	94.203	93.996	103.348	622.896
Health	305.880	301.616	318.367	346.082	347.300	355.726	330.042	2.305.012
Finance	24.108	28.164	28.189	28.747	25.350	26.846	52.398	213.802
Total	3.659.203	3.539.891	4.079.381	4.019.156	4.244.968	4.354.617	4.523.792	28.421.008

Source: Manufacturers Association of Nigeria.

Table 4 presents economic activity in terms of employment creation between the periods 1999 to 2005. It was observed from the table that the manufacturing sector contributed the most of employment with total number of

13.350.641 employees. This was followed by Hotels, Restaurant and Tour with total employees of 3.778.047 employee. The least number of employees of 59.536 was recorded in the private professional services.

Table 5. Real growth rate of employment in industries and businesses (2000-2005).

At Constant 1999 Level						
Economic activity	2000	2001	2002	2003	2004	2005
Agriculture	4.42	0.97	0.68	8.78	23.90	13.01
Manufacturing and Processing	-4.26	3.81	-2.93	5.13	2.24	-3.75
Building and Construction	5.96	54.75	-13.96	-2.72	8.26	6.32
Hotel, Restaurant and Tourism	-5.10	12.24	-2.77	-2.14	-1.12	-3.28
Transport	2.25	13.28	7.64	5.39	-6.95	27.60
Communication	62.80	583.38	2.69	58.39	3.18	43.75
Education Services	7.65	40.50	47.88	10.82	7.32	17.79
Mining and Quarrying	-66.62	0.00	6.39	60.23	5.50	6.44
Utilities	-2.59	0.38	1.89	2.23	1.82	-3.57
Banking	-39.46	41.86	2.56	-1.78	3.51	18.06
Distributive Trade	-0.73	11.67	9.00	3.64	4.03	2.91
Private Professional Services	19.89	-9.58	2.07	12.91	8.97	6.38
Real Estate and Business Services	3.74	9.95	8.69	1.31	-0.22	9.95
Health	-1.39	5.55	8.71	0.35	2.43	-7.22
Finance	16.82	0.09	1.98	-11.82	5.90	95.18
Total	-3.26	15.24	-1.48	5.62	2.58	3.88

Source: Manufacturers Association of Nigeria.

Table 5 presents annual growth rate of employment in the industries and businesses. It was observed that agriculture and communication industries maintained a consistent positive employment growth rate between 2000 to 2005. On the other hand the rest of other industries showed mixed results (negative and positive) growth rate of employment. This position the communication industries as one of the most vibrant industries in the economy.

5. Conclusion

This study over the periods of analysis documented that the manufacturing sector has contributed poorly to the growth of the economy leading to low employment generation compared to other sectors (agriculture, service and oil and mining) of the economy. This was evidenced from the fur sectors performances from 1960 to date. Agriculture and service sectors remain dominant but between 1980 through 1990s the service sector contribution to gross domestic product (GDP) rose to the peak making it the most performing sector in the economy. However the agricultural sector again took over the lead of the economy from the 1990s to 2007 when the oil and mining sectors that occupied the third position rose to number one and representing the most performing sectors of the economy since then. This study therefore, concluded that the manufacturing sector performances has not been encouraging to improve it, it recommends the strengthening of the infrastructures especially energy, transportation, security system, reduction of interest rate and avoidance of imposition of multiple taxes as the major impediments to manufacturing performances in Nigeria.

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