

Assessment of Key Factors Influencing Apparel Production and Marketing in Lagos State, Nigeria

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Abstract

The main objective of the study is to assess factors influencing textile production in Lagos State, Nigeria. Specifically, the study aims to: Identify factors influencing apparel production in Lagos State, Nigeria; ascertain challenges facing textile firms in Lagos State, Nigeria and determine strategies employed by textile firms in coping with the challenges. Also, the study evaluate possible solutions to the problems facing the firms. Questionnaire was used for data collection as well as oral interview. Questions on factor influencing production, challenges facing the firms and coping strategies were found out from the managers. Secondary data was sourced from Journals and Annual publications of firms. The study also concludes that the identified factors such as inadequate power supply, government policies and smuggling are limiting the operations in Nigerian textile firms. The study also concludes that ban on importation of textile to strengthen local production, provision of adequate power and implementation of favourable policies are put in place the firms will be strengthened. In view of the above findings, the recommendations to increase the key factors influencing apparel production and marketing were given.

Keyword: Apparel Production, Factor influencing, Textile Industry,



1.0 INTRODUCTION

The textiles and apparel industry is ancient, dating as far back as 30,000 BC. During that time, most clothing comprised of prepared animal hides, with civilizations weaving together various animal and vegetable fibers to create unique clothes. The industry experienced relatively slow development and a lack of progress until the industrial revolution, when the production of textiles and apparel was significantly altered by technology, including the cotton gin and pedal-powered sewing machines (Adeyemi, 2018). The textile industry was among the first to be mechanized due to the high labour required to make a singular piece of fabric. Since then, there have been many technological advances on the textile side of the industry, which is heavily dependent on technology, mostly incorporating automation. The apparel side of the industry is still primarily done with human labour (humans operating sewing machines, etc.). This is the primary reason for the allocation of this industry to cheaper labour markets (Adeniyi, 2019).

The textile industry used to be Nigeria's largest employer and has long been a prominent component in the country's manufacturing sector. Before 1997, Nigeria had the second-largest textile industry in Africa, after Egypt, with over 250 active factories. According to Forster (2014), fabrics are irreplaceable for individual and family well-being as they serve the purposes of protection, body coverage and other household uses. The industry of textile production serves a major function in the field of employment generation for individuals, thereby increasing the general economic status of society, reducing national poverty levels and drastically reducing frequency of social vices. The industry also contributes to Gross Domestic Product (GDP) and foreign revenue due to its strong connection with furnishing, bagging, chemical and petrochemical industries (Diyalolu, 2019). According to Allwood *et al.* (2006) textile production is strategic to the nation's industrialization efforts because of its high absorptive capacity of engineering goods and services, manpower development and training.

A review of textile firms in Nigeria dates the earliest textile mill in Nigeria back to 1956, when the Kaduna Textile mills was established, followed by the Nigerian Textile Mills, which was established in 1962 (Jamie, 2007). This began Nigeria's era of industrialisation. Raw materials (mostly) are processed through spinning for production of yarn, weaving for the production of grey cloth, and dyeing, printing and finishing, for the production of finished textiles. The textile manufacturing sector produces different fabrics annually, ranging from African prints, shirting, embroideries, among other textile articles (Jetter, 2002). In 1975, textile mills involved in suiting, shirting, rugs, tarpaulin, jute, ropes, knitted fabrics and embroidered lace as their end products had 45 establishments. The number rose to 156 IN 1978 with spinning, weaving and finishing textiles having the largest number (Sunmonu, 2008; Olateju, 2011).

By a conservative estimate, about 200,000 persons were involved in textile industry in the 90's, but in 2015 the number dropped to as low as 24,000 in comparison with countries like India employing as much as 35,000,000 people (Gherzi, 2013). The industry was the largest employer of labour in the manufacturing sector and accounted for about 25% of total manufacturing employment between 1986 and 1991 due to improved capacity utilization (Modern Nigerian Textiles, 2007). Today, the number of textile firms in Nigeria has reduced drastically. The production capacity is low while the employment generation is far behind what it used to be. Gherzi (2013) revealed that between 2003 and 2008 the number of active textile mills



declined from 60 to 45 with a sharp drop in direct employment from 60,000 to 24,000. This is a serious economic issue in the nation. In these periods there was a steep fall in cotton lint production from about 90,000 tons to 60,000 tons. Export of textiles also declined. The major factors attributed to the decline of the industry performance were deterioration in supply of power and black oil as well as sharp escalation in influx of smuggled and counterfeit textiles. Viewed against this background, China's textile industry contributed about \$420 billion to the country's GDP (Olateju, 2011) while India accounts for 15% of world's total cotton crop production and records the largest production of silk. The performance indicators of Nigeria's textile industry (2005 – 2010) show that the capacity utilization in the industry is declining (IMF, 2012). The highest was recorded in 2006 (56%). In 2010, the value reduced to 32.5% which is a reflection of the state of the industry. Also, import of textiles increased from 24,267.0 tonnes in 2005 to 50,726.4 tonnes in 2010. Textile firms in Nigeria have not been able to make notable expansion in terms of facility and manpower. It therefore becomes imperative to assess factors influencing apparel production and marketing in Lagos state, Nigeria and examine possible solutions for the sustenance of the industry.

Statement of the Research Problem

A well-established textile industry contributes to the productivity and profitability of every society. Diyaolu (2017), highlighted the significance of the revenue generated through apparel exportation and local textile sales, how it boosts national Gross Domestic Product with its links to multiple industries. MNT (2007) revealed that the textile industry was the largest employment generation sector between 1986 and 1991, accounting for over 20% of total manufacturing employment. However, Gherzi (2013) showed the steep drop in productivity of the industry due to inadequate power supply and importation of textile, highlighting the decline in numbers of active textile mills from 60 to 45, with a significant drop in employment from 60,000 to 24,000, all between 2003 and 2008.

Various studies have been carried out on the Nigerian Textile industry, (Sunmonu, 2008; Makinde *et al*, 2015) have shown that importation of finished textiles from foreign countries and low technology in production are some of the factors responsible for the industry's current state while this study is centered on examining key factors influencing apparel production and marketing in Lagos State, Nigeria and examine possible solutions for the sustenance of the industry.

Conceptual Review

This section is on the review of concepts used in the study.

Apparel

Apparel refers to clothing items worn by individuals to cover, protect or decorate their bodies. These are all items of clothing and cloth produced by weaving, knitting and felting and it include: coveralls, footwear, linens and entrance mats.

Textile Industry

The textile industry is the platform or industry in which the development, production, processing, manufacture, and distribution of textile and fabric materials occur. A textile business



takes raw materials like wool and cotton and creates a yarn that is later used to make and create fabric.

Apparel Production

Apparel production is also known as garment production. It is the process of converting fabric into garments. When garments are manufactured in factory in vigorous quantity, the term apparel production is used. African clothing and fashion is a diverse topic that provides a look into different industries and cultures. Clothing varies from brightly colored textiles, to abstractly embroidered robes, to colorful beaded bracelets and necklaces. Since Nigeria is such a large and diverse country, traditional clothing differs throughout each culture and state. For example, many cultures in Nigeria have a "distinct regional dress styles that are the products of long-standing textile crafts in weaving, dyeing, and printing", but these traditions are still able to coexist with western styles (Idowu, 2020). A large contrast in Nigerian fashion is between rural and urban societies. Urban societies typically are exposed more to trade and the changing world, while it takes more time for new western trends to get to rural areas (Adebayo, 2017).

History of Nigerian Textile Industry

The Nigerian textile Industry represents a strategic non-oil industry being the 3rd largest in Africa after Egypt and South Africa in the mid-70s and 80s (Tolagbe & Burnip, 1987). In 2002 the industry was responsible for as much as 72% of textile exports to West Africa (WTO, 2003). However, over the last five years, its exports has declined consistently, despite the availability of favourable trade agreements like the AGOA (African Growth and Opportunities Act) and the potential for organic growth through imports of more advanced technologies, financed from revenues accrued in the sales of raw materials.

Some argue that the troubles of the industry date back to its inception in the 1920s when Nigerian textile industries employed and trained their factory staff on the job to satisfy the principle of workforce development. However, only expatriates (foreign experts) were usually allowed to man the sensitive sections of the industry to keep Nigerians away from understanding the secret and basic technological workings and operations of the industry to the advantage of the colonial masters (Ahmed, 2014). A similar situation persisted even after many decades of the Nigerian nation as a free state. The premier contemporary textile mill in Nigeria, Kaduna Textile Mill, in northern Nigeria which commenced operations in 1956, maintained a like administrative structure. This prevailed during the boom period of the industry, which grew in the 1980s to include 175 textile companies operating 716,000 spindles and 17,541 looms. Between 1985 and 1991, it recorded an annual growth of 67%, and as at 1991, it employed about 25% of workers in the manufacturing sector (Makinde *et al*, 2015).

The boom period experienced a burst cycle with the recession of the late 80s leading to the first contraction of the industry. By 1996, Nigeria had 134 industries, a total weaving capacity of 19,200 automatic looms and 70,000 operational spindles, a decline of 23% in industries and almost 90% of capacity when compared with the 80s; nevertheless, it still had premier position as the largest weaving capacity in Sub-Saharan Africa (Okeke, 2000).

This downward slide in capacity continued, and seven years later, in 2003, there were only 50 companies operating, which further slid by 60% to 20 by 2007 (Okeke, 2000). This



diminution in capacity was not found to be regional but even across the federation; for example, in 1980, Kano had 40 textile factories, but as of 2003 they were less than 10, and in February 2008 only Chelco Textile Industry was in operation (Muhammad, 2010). Accompanying this downturn was unemployment, as 180,000 workers had lost their jobs from 1987 to 2003 leaving an inadequate number of approximately 25,000 workers.

Theoretical Review

This section is on the reviews of theories used in the study.

Production theory states that the production function of an enterprise is an association between inputs utilised and output manufactured by an enterprise Jean (1803). This refers to how businesses decide the quantities of output to produce in response to demand. The resources firms use in production are called the factors of production, and they are also known as inputs. Factors of production are the resources firms use in production.

Factors of production are economic terms that describe the inputs used in the production of goods and services to make an economic profit. These include any resource needed for the creation of a good or service. The factors of production are land, labour capital and entrepreneurship.

Empirical Review

Various studies on Nigeria Textiles Industry (Sunmonu, 2008; Makinde *et al*, 2015) revealed that importation of finished textiles from foreign countries and low technology in production are hampering the operations in the industry. Unfavourable government policies and low profit margins have the highest mean of 1.00 in table 2. ILO (2016) reported that the textile sector today is characterised by high volatility, low predictability, and generally low profit margins. Unfortunately, government policies on importation of foreign textiles are dumped into the country at the expenses of local ones.

The World Trade Organization's agreement implies a cross-border exchange of goods and items between member countries. The textile firms are not favoured by this agreement because Nigeria as a country fails to protect her own local industry, a neglected aspect in the agreement. Most of the textiles imported are relatively cheaper due to low labour cost. If the nation can curb smuggling or enforce payment of necessary dues on imported goods, it will relieve our local industry. The issues of energy needed for production is also a perennial challenge in the industry. Most of the firms rely on generator plants to run the multifaceted operations in the firms because of epileptic power supply. Wong (2009) also stated that the situation of the textile industry has persisted to be very difficult due to continued smuggling of textile product and ever-increasing production cost. Nigerian currency is also rated low compared to other nations. Efforts and cost of purchasing raw materials also constitutes serious bottleneck in the firms as well as regulations on standards.

Cooper R.G (1987) opined that new product development can be a strategy employed in production. The study identified strategies adopted by the firms that have made them resilient despite the challenges. It is generally accepted that consumers will still appreciate quality products and will want to pay for it. Those who adopt customisation of products only produce



on request. This implies that those who have occasions like political rally, religious programmes burial etc. Will bring their order and that product will be designed only for the occasion and not for mass consumption.

Methodology

Study Area: The study was carried out in Lagos. This is because Lagos State is where most textile firms are located in Nigeria (Nigeria Textile Manufacturers Association, 2014). Some of the firms are International Textile Industry, Lagos; Afprint Nigeria Plc; Atlantic Textile Manufacturing Company Ltd; Femro 3 Nigeria Ltd; MH textile industry. They are involved in carding, weaving, spinning, printing and dyeing of fabrics. The industries produce cotton prints, school uniforms, rugs yarns, ropes and polypropylene sack.

Data presentation /Analysis

Population: The population of the study consists textile manufacturing firms in Lagos State. There are 33 existing industries in the textile subsector in Lagos State, Nigeria (Akarakiri, Irefin & Olateju, 2023).

Sample and Sampling Technique: Some of these firms in Lagos State were selected for this study. These include 5 firms in Lagos State. Purposive sampling technique was used to select 1 General Manager and 2 management staff from each firm. The researcher used a sample size of 18 people using the Taro Yamani formula. The General Manager and 2 management staff were in better position to give required information.

Instrument for Data Collection: Questionnaire was used for data collection as well as oral interview. Questions on factor influencing production, challenges facing the firms and coping strategies were found out from the managers. Secondary data was sourced from Journals and Annual publication of the firms. Using the APA format, a total of 18 questionnaires were distributed in the course of this research study and a total of 18 respondents returned the questionnaires successfully, which has been used in carrying out this study successfully.

Method of Data Analysis: Results were analysed using descriptive statistics.

Result

Table 1: Profiles of Textile Firms in Lagos State, Nigeria

Characteristic	Frequency	N=18 Percentage
Age(Years)		
<10	1	5.6
10-20	1	5.6
21-30	2	11.1
31-40	7	38.9
41-50	6	33.3
<50	1	5.6
Total number of Employee		



<500	12	66.7
500-1000	3	16.7
1001-2000	3	16.7
*Major Operations		
Ginning	1	5.6
Carding	5	27.8
Spinning	10	55.6
Weaving	16	88.9
Dyeing	12	66.7
Printing	9	50.0
Knitting	3	16.1
Fishing	16	88.9
*Sources of Raw Materials		
Local	1	5.6
Imported	1	5.6
Local and imported	16	88.9
*Sources of Capital Investment		
Personal savings	2	11.1
Loans from family and friends	1	5.6
Government support	1	5.6
Loans from banks	15	83.3
Internally generated revenue	4	22.2

Table 1 shows the age distribution of the firms. Most of the firms (38.9%) were established between 31-40 years ago. Majority (66.7%) have employee less than 500. This was not the case in time past when the industry employed large workers. Majority (88.9%) rely on local and imported raw materials such as dyestuff and divers. Also, majority (88.9%) are involved in weaving while dyeing and spinning are carried out by 66.6% and 55.6% respectively.

Table 2: Mean Responses on Factor Influencing Textile Production

Challenges	Mean	Std.deviation
Smuggling	0.94	0.23
Lack of adequate energy	0.94	0.23
High cost of labour	0.39	0.50
Lack of modern machines	0.33	0.49
Use of old technology	0.55	0.51
High cost of foreign raw materials	0.72	0.46
Insufficient technical man power	0.28	0.46
Foreign exchange system	0.83	0.83
Unfavourable government policies	1.00	0.00
Low profit margin	1.00	0.00
Political imbalance	0.67	0.48
High interest rate on government loans	0.67	0.48
Poor patronage	0.50	0.51



Table 2 shows that low profit margin and unfavourable government policies are common factors influencing production in all the firms. Majority (94.4%) also affirmed that smuggling and lack of adequate energy in production are threats to the firms. Others include foreign exchange system (88.3%), high cost of foreign raw materials (72.2%), high interest rate on loans (66.7%), as well as use of old technology (55.6%). Other key challenges in the firm include political imbalance (mean = 0.66). And high interest rate on loans (mean = 0.66). It is noteworthy that policy can be influenced by change in government in the nation.

Table 3: Percentage Responses on Strategies Employed by Textile Firms

Strategies	Frequency	Percentage
Product differentiation	14	77.8
Low cost	6	33.33
High quality product	17	94.4
Diversification into other products	4	22.2
Continuous innovation	3	16.7
Medium term strong planning	1	5.6
Customization	3	16.7
Brand production and leadership	1	5.6

Table 3 shows that a high percentage (94.4%) reported the production of high quality fabric. Others (77.8%) adopt product differentiation. Low cost strategy (33.3%), diversification into other products (22.2%) as well as customisation of product (16.7%) was also adopted

Table 4: Percentage Responses on Suggestion to Revamp the Textile Firms in Lagos state

Suggestions to Revamp the Industry	Frequency	Percentages
Ban on importation of textile	11	61.1
Adequate power supply	18	100.0
Adoption of new technology in production	10	55.6
Adoption of new machines	8	44.4
Favourable government policies	18	100.0
Improve production of local raw materials	14	77.8
Low interest rate and loans	17	94.4
Encouraging the purchase /use of Nigerian fabrics	15	83.3
Advertisement to change mentality of Nigerians	14	77.8

Table 4 shows various suggestions were made to revamp the textile industry in Nigeria. Prominent among these are adequate power supply (100%) as attested to by all the firms, Favourable government policies (100%), low interest rates on loans (94.4%) and encouraging the purchase and use of Nigerian fabrics (88.3%).



Discussion of Findings

The findings of this study are in tandem with the studies of Cooper (2009); Adeyemi (2018). The studies revealed that adequate power supply, government policies and high interest rates are determinants of an effective textile industry in both Nigeria and in other developed economies. In other words, the determinants have a direct relationship with the textile industries in Nigeria. However, the findings are inconsistent with the work of Adenuga (2015); Sola (2013).

Summary of Findings

The following are the summary of findings of the study:

1. Use of sophisticated equipment and access to credit facilities are factors that influence apparel production in Nigeria.
2. Inadequate power supply, Government policies and high interest rates are factors influencing apparel production in Nigeria.
3. Sourcing for funds and provision of alternative power supply by entrepreneurs are some of the strategies used in coping with the challenges.
4. Ban on importation of textile to strengthen local production and implementation of favorable policies are possible solutions to the problems facing textile firms in Nigeria.

Conclusion

The study concludes that the identified factors such as inadequate power supply, government policies and smuggling are limiting the operations in Nigerian textile firms. The firms, however, devised strategies to produce quality products, customisation as well as differentiation of products, (it is believed that if the suggestions such as ban on importation of textile to strengthen local production, provision of adequate power and implementation of favourable policies are put in place, the firms will be strengthened. These will resuscitate the industry and enhance employment generation and overall family well-being).

Recommendations

The following recommendations are made based on the findings of the study:

- I. The Federal government should review the current policy surrounding textile production in Nigeria. Policies on importation and smuggling are germane to textile firms.
- II. Adequate and constant power supply for the energy demanding industry.
- III. Institutional support from research institutes for new innovation in the industry.



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