



TOWARDS THE COMPETITIVENESS OF NIGERIA'S INDUSTRIAL SECTOR: THE ROLE OF LEARNING ENABLERS

BACKGROUND

- ▶ Industrial competitiveness entails the ability of an economy to produce quality goods and services that meet domestic and international market demands.
- ▶ Achieving industrial competitiveness remains a major challenge in Nigeria.
- ▶ This challenge is rooted in several factors such as poor infrastructure, inadequate human capital, low access to finance, high transaction costs and poor business environment.
- ▶ The challenge of non-competitiveness of Nigeria's industrial sector is further demonstrated in limited contribution to aggregate output and low capacity to absorb the country's teeming labour force.

APPROACH

- ▶ To achieve economic transformation and competitiveness, Nigeria needs to break into and remain in the global market.
- ▶ The study explored the role of learning enablers (financing, international political economy, standards, regulations and inspection regimes) in engendering industrial competitiveness.
- ▶ Quantitative and qualitative analyses were conducted on data obtained from the World Bank Enterprise Survey, firm-level survey and in-depth interviews.



PROBLEM

This unimpressive performance of the industrial sector has:

- ▶ Earned Nigeria undesirable positions in notable international ranking. (see Table 1 & Figure 1)
- ▶ It has also constrained Nigeria's global competitiveness.

KEY FINDINGS

- ▶ Industrial competitiveness in Nigeria requires the production of high-quality, globally standardized goods.
- ▶ Exporting firms exhibit higher innovation and productivity.
- ▶ Tradable services firms face constraints in accessing export financing schemes.
- ▶ Nigeria's limited international presence hampers firms' capacity to learn by exporting and learn to export.
- ▶ Non-compliance with global standards for many Nigerian products is a barrier to competitiveness. (See Figure 2)

RECOMMENDATIONS

- ▶ Invest urgently in learning capabilities through research, training and Development (upskilling).
- ▶ Expand government export subsidies, with explicit conditions favoring high-tech young firms in manufacturing and tradable services.
- ▶ Enhance international negotiation efforts and diplomatic ties for global trade policies in line with national interests.
- ▶ Simplify export regulations, especially for firms in clusters like export processing zones (EPZs), without compromising international product quality standards.

Table 1: Nigeria's Ranking in International Competitiveness

Year	Global Competitiveness Index	Ease of Doing Business	Global Innovation Index
2015	124/140	170/189	128/141
2017	115/138	146/190	119/127
2018	115/140	145/190	118/126
2019	116/141	146/190	114/129
2020	N/A	131/190	117/131

Source: Global Competitiveness Index (2019), Ease of Doing Business Report (2019, 2020) and Global Innovation Index (2019)

Figure 1: Performance of the Industrial Sector

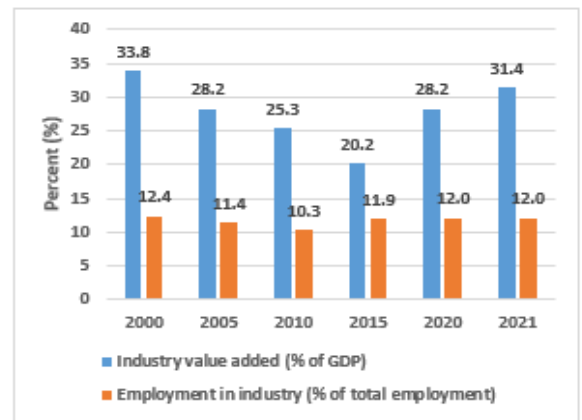


Figure 2: Key Findings

