ASSESSMENT OF PROBLEMS ASSOCIATED WITH SOME SELECTED LOCAL INDUSTRIES IN A DEPRESSED ECONOMY

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DECLARATION

I hereby declare that this research work entitled “Assessment of problems associated with some selected local industries in a depressed economy” has been performed by me in the Department of Business Administration. The Information derived from the literature has been duly acknowledged in the text and list of references provided. No part of this thesis was previously presented for another degree or diploma at any university.

Aminu, Habibu Sani ---------- ----------
Signature Date

DEDICATION

This project is dedicated to the memory of my late parents-: Mallam Aminu Niniola And Hajiya Amudatu Arinpe Niniola (May their gentle souls rest in perfect peace Ameen)

To my lovely wife, Hajiya Sherifat Asake Habibu, whose company's, encouragement and prayers contributed a lot to the success of my M.B.A. programme.

And finally, to my lovely kids-: Maryam and Abdulrazak. May Allah in his infinite mercy give us health and long life to reap the fruits of our labour (Ameen)

CERTIFICATION

This is to certify that this project titled “Assessment of problems Associated with some selected local industries in a depressed economy” written by AMINU, Habibu Sani meets the partial regulations governing the award of the degree of master of Business Administration (MBA) of Ahmadu Bello University, Zaria and it is therefore approved for its contribution to knowledge, and literary presentation.

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On the final note my special thanks goes to my God sent friends in person of Mr. Alphonsus S.D and Alhaji Jimoh Broimoh, May Allah rewards you all abundantly, Ameen.

ABSTRACT

Local industries are faced with many problems which make the sector perpetually uninteresting and undeveloped in the country. Among which are inadequate storage facilities, undeveloped infrastructure facilities, unstable political environment, not having access to credit facilities etc. This study is aimed at assessing the general problems associated with some local industries in a depressed economy, and to examine the problems facing Nigerian businessmen in establishing manufacturing industries. Data was collected through the use of questionnaires and extract from textbooks, journals, Newspapers, Official reports and documents and other relevant related work on the topic under study. To analyze the information collected, descriptive and discursive techniques of data analysis was adopted. Research findings revealed that local industries in Nigeria suffer financial weaknesses in setting up, management and sustenance of the enterprises. Lack of knowledge in marketing and competitions was another problem faced by local industries; others are high rates of wages in comparison with other larger companies, costly new materials and poor infrastructure facilities. To guide against the aforementioned problems, the following measures can be taken among others,

Government should make more funds available through financial assistance with low interest rates of not more than 2%.

Setting up of body to monitor the activities of business enterprises from Local, State and Federal level respectively, in addition, equity base of Nigerian Bank for commerce and industry should be increased.

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CHAPTER ONE

1.1 BACKGROUND OF THE STUDY

Adejo (1976) defined an industry as “any grouping of business that share a common method of generating profits, such as the “music industry”, the “automobile industry”, “textiles industry”, “food industry” etc. In the same vain,

Anyanwu et al (1997) defined an industry as a number of firms producing broadly similar commodities”.

A Local industry on the other hand, consist of many indigenous producers, home workers who are engaged in a task such as sewing, lace-making, agriculture, to large centralized factories, whose ownership, management, controls and source of raw materials are in greater percentage from the local environment. It is very common in the time when a large proportion of the population is engaged in agriculture, manufacturing and other related activities for the economic development of any society. (Websites Wikipedia, the free encyclopedia 2006). In Nigeria, the need to initiate and encourage development of local investment activities cannot be overemphasized. As rightly put by Adegoke (2001) “The failure of government dominated economic activities during the oil boom era indicated that sustenance of a developing mono-economy cannot depend on the vagaries of international market forces. The relegation of the agricultural sector of the economy to the background and the subsequent development and dominance of the oil sector over other facets of the economy created a false security and associated believe that government could be prime mover of economic activities. This led to government established and controlled large-scale industrial concern with high dependence on imported inputs inform of machinery and raw materials. And pockets of small industries co-exist with the government controlled large-scale industrial concern and other multinational

enterprises such as Unilever, John Holt, United African Companies etc. The obvious lack of coordinated policy to encourage and stimulate growth of indigenous industrial concern militate against adequate development of local arts and technology which would have formed the basis for development of virile small scale industry in Nigeria. Among the factors that keep local industrial sector perpetually uninteresting and undeveloped in the country are past government policies, shortage of capital, lack of managerial training, inefficient techniques and underutilization of equipment.

These combinations of factors, coupled with lack of proper guidance affect local industries from contributing to the economic development of Nigeria, as it makes figures on production costs and flexibility to adopt to productivity processes difficult.

1.2 STATEMENT OF THE PROBLEM

From the research work carried out by George (1989) It was discovered that local industries are faced with many problems in Nigeria and this militates against its contributing to the economic growth of the country. Some of the problems identified include the following:-

(i) Not having access to credit facilities,

(ii) Lack of adequate skilled/trained manpower

(iii) Inadequate knowledge of changing market trends for appropriate product modification.

(iv) Substandard product

(v) Inadequate storage facilities

(vi) Undeveloped infrastructural facilities

(vii) Unstable political climate

(viii) Unfavorable government policies.

The aforementioned problems have made it difficult for local industries from contributing to the economic growth of the country and have resulted in many of them folding up. It is in line with this that an analysis will be made on these problems, causes and possible solutions will be proffered. To carry out this analysis, research questions were drawn, and the answers to which shall serve as a guide towards suggesting possible solutions.

1.3 RESEARCH QUESTIONS

The following questions will serve as a guide in conducting this research work: -

(i) What are local industry and its characteristics?

(ii) What are the general contributions of local industries to the economic and social development of a nation?

(iii) What is a depressed economy?

(iv) What are the obstacles facing Nigerian businessmen in establishing Manufacturing industries?

(v) How can the identified problems be solved by authorities concern

1.4 OBJECTIVES OF THE STUDY

The main purpose of this study is to assess the general problems associated with some local industries in a depressed economy, with special reference to premeer seeds Nig. Plc Zaria, Mr. BIGGS Nig. PLC Zaria and Alheri Seeds Nig Plc Zaria. Other specific objectives include-

(i) To determine what is meant by local industry in a depressed economy.

(ii) To examine the problems facing Nigerian businessmen in establishing manufacturing industries.

(iii) To examine the general contributions of local industries to economic and social development of a nation.

(iv) To examine the role of government in providing supportive facilities to local industries and the shortcomings of these government agencies or institutions in the provision of these facilities.

(v) To examine and identify the problems facing Premeer Seeds Plc Zaria, Mr. BIGGS NIG PLC Zaria and Alheri Seeds NIG PLC Zaria.

(vi) Finally, to recommend possible opportunities to be exploited as well as improvement to be made by the government to encourage local industries in Nigeria.

1.5 SIGNIFICANCE OF THE STUDY

Research of this nature will contribute a lot towards enlightening our young enterprises as well as those aspiring to be one to have an insight on various problems facing local industries in Nigeria and possible solutions to this problems. Government and different agencies concern will be enlightened on various problems associated with local industries and how such problems can be eradicated. Also, this study will stimulate more studies on how our industrialists will improve on their management abilities for better economic development.

1.6 SCOPE AND LIMITATION OF THE STUDY

This study will look into the general problems facing local industries in a depressed economy, and that faced by food industries in Nigeria. Due to time, finances and getting vital information, this study will be limited to the management, staffs and customers of Premeer Seeds Nig. Plc Zaria, Mr. BIGGS NIG PLC and Ajheri Seeds PLC Zaria. Data will be sought from the management, staffs, and customers of premeer seeds Zaria, Mr. BIGGS NIG PLC and Alheri Seeds PLC Zaria.

1.7 DEFINITION OF TERMS

The following terms will be explained as used in the research work.

PROBLEMS-A problem is an obstacle that hinders achieving set objectives. It is a difficult situation that needs a solution

INDUSTRY- An industry is the aggregate of individual firms producing locally similar commodities etc. Food industry, which involves all firms engaging in the production and processing of foods and other, related items.

DEPRESSED ECONOMY- Is an economy that is witnessing a general decline in economic activities e.g. mass unemployment, falls in profits, wages, interest rates, consumption, expenditure, investment, bank deposit and loans.

LOCAL INDUSTRY- these are indigenous firms producing the same line of products whose ownership, management, control and source of raw material are in greater percentage from the local environment.

ASSESMENT- is the process of evaluating to ascertain the extent to which an item/situation is either bad or good using certain variables as a yardstick. It is to determine the worth or to appraise carefully.

VALUE ADDED- this is the rise in worth of goods at each stage of manufacturing and marketing.

DEVELOPMENT- It is a many sided process. It connotes a process of advancement, a situation of structural transformation and/or change. It also implies a progression from a lower and often undesirable state to a high and preferred state in a given society.

ECONOMIC DEVELOPMENT- It essentially means a structural transformation and or change in the means and modes of production. It means the mechanization and or integration of the vital key productive sectors of the economy. It implies an

improvement in the level of production, equitable distribution pattern and greater consumption capacity.

ENTERPRISE/FIRM- this refers to a privately owned business concern (own by individual or jointly) that engages in productive activity of any sort with the opportunity of making a profit.

SOCIAL DEVELOPMENT- It refers to any attempt made to improve the welfare and or the standard of living of the people in a given society through the provision of materials and immaterial facilities which enhances public well- being and which all members of the community have equal access to.

CHAPTER TWO

THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter, the researcher tries to bring the various views of different authors, scholars and learned people on the topic under consideration.

The chapter will look at Nigerian industrial policy, obstacles facing Nigerian businessmen in establishing manufacturing industries, various definitions of local industry, depressed economy and their characteristics. The contributions of local industries to the economic and social development of a nation plus other relevant and related topics to the problems under study will be reviewed.

2.2 THE NIGERIAN INDUSTRIAL POLICY

The need to initiate and encourage development of local investment activities in Nigeria cannot be overemphasized. As rightly puts by Adegoke (2001) “The failure of government dominated economic activities during the oil boom era indicated that sustenance of a developing mono-economy cannot depend on the vagaries of international market forces. The relegation of the agricultural sector of the economy to the background and the subsequent development and dominance of the oil sector over other facets of the economy created a false security and associated believe that governenment could be prime mover of economic activities in Nigeria. This led to government established and controlled large-scale industrial concern with high dependence on imported inputs in form of machinery and raw materials. Although pockets small industries co-exist with the government controlled large scale industrial concern and other multinat6ional enterprises such as Unilever, John Holt, United African Companies, Paterson Zochonis etc.. Adegoke (2001) observed that “

the obvious lack of coordinated policy to encourage and stimulate growth of indigenous industrial concern obviates adequate development of local arts and technology which would have formed the basis for development of virile small scale industry in Nigeria," Among the factors that keep local industrial sector perpetually uninteresting and undeveloped in the country are past government policies, shortage of capital, lack of managerial training, inefficient techniques and under utilization of equipment. These combinations of factors coupled with lack of proper guidance make figures on production costs and flexibility to adapt to productive processes difficult (Tokode, 2001)

The fall of the mono-economy occasioned by oil glut and the depressed global economy in the early 80s however, changed the perspective of the government and subsequently the economic scenario. Investment objectives were redirected and emphasis shifted from encouraging the establishment of large-scale industrial concerns to initiate and development of small and medium scale industrial activities. To give the necessary backing to local industry, import substitution licensing and trade by barter policies that dominated oil boom era was abandoned and structural adjustment programme (SAP) instituted.

Since the main aim of the policy was to remove distortions associated with government dominance of economic activities, and the clogs brought by dependence on imports of machineries and raw materials, policy objectives placed specific emphasis on increased private sector participation in economic activities and on development and optimal utilization of locally available resources.

To encourage private sector participation in manufacturing activities, various incentives including tax breaks, tariff removals, pioneer status, hundred percent foreign participation and repatriation of capital were allowed. Also, financial

institutions such as National Economic Reconstruction Fund (NERFUND). Small scale Enterprises, and National Board for Community Banks (NBCB) among others were established to compliment the activities of the Nigerian Industrial Development Bank (NARDA) and host of others in the provision of loans to prospective small scale, medium and large scale industrialists.

The year 2005 budget of the Federal Government of Nigeria stated that the government will make available 15 billion naira as one of the initiatives to improve availability of credit to local enterprises and to compliment this, the stipulated order by federal government on the banking industry to contribute 10% of its profits to the sector as loans and equity as stipulated in the 2001 budget stands. The mandated capitalization and recapitalisation of 25 billion naira by the Central Bank of Nigeria to be met by the bakining industry, which led to the consolidation of banks, was a move to enable our baking industry to be strong to compete favorably with the rest of the world.

So far, Government focus on local industries has been to ensure the promotion of new, small, medium and large-scale industries and their survival and growth for them to make meaningful contribution to the overall economic development of the country and to catch up with the pace of globalization.

According to Jamodu (2001) the then Minister of Industries, the main objectives of the local industries policy reforms among others are-

i. Increase the role of private sector organization in small, medium and large-scale industries.
ii. Increase utilization of local raw materials, technologies and skills to enhance value addition.

iii. Increase the competitiveness of small, medium and large scale industries productions for domestics and export markets

Iv Promote modernization, collective, efficiency and linkages of industrial production.

v. To modernize traditional industries and crafts.

vi. Create employment opportunities and sustainable livelihood and dispersal of industries.

2.2.1 INDUSTRIALISATION AND THE STAGES OF DEVELOPMENT

Industrialization is a phenomenon in the development of nations, characterized by the growth of machined and power tools production, the growth of mechanical and technical skills (technology) required for industrial production with attendant large-scale production, all of which lead to changes in the social and economic organization of society.

Industrializations are process that increases the volume of production in industrial activities such as manufacturing, construction etc. As industrialization proceeds, the total output of the industrial sector as a percentage of national output increases (Anyanwuocho, 2004)

The industrial sector comprises industries such as the manufacturing, constructions, mining, electrical and the transport industry. For this study, the manufacturing industry is taken for emphasis.

2.2.2 THE GROWTH OF MANUFACTURING INDUSTRIES

Manufacturing sector of the Nigerian economy is one of the fastest growing sectors. Only that of the oil, mining and quarrying sectors, surpasses its rate of growth. But its contribution to both the Gross Domestic Product and the Gross National Product remains small (Ezugwu, 2003).

Types of manufacturing industries found in Nigeria and their stages of growth are –

i. TRADITIONAL CRAFT INDUSTRIES (Cottage Industries)

These include those that engage in pottery, basket making, mat-making, cloth weaving and metal work. These businesses carried out at the family level in the villages and cities before the coming of the Europeans.

ii. PROCESSING INDUSTRIES (Small and Medium industries)

These industries are the earliest modern industries to develop at the earliest stages of industrialization; a number sprang up which process available agricultural and mineral products for export. They included rubber, palm oil, and groundnut processing industries, sawmills, cotton gins etc.

iii. MODERN MANUFACTURING INDUSTRIES (Large-scale industries)

A number of modern manufacturing industries exist today in Nigeria despite the closure of many, such as the textile industry, iron and steel industries, BAT Zaria, Refineries etc.

There are certain stages also in the growth of such manufacturing industries.-

a. Import substituting industries- these are industries, which are established in a country to produce goods, which were previously imported. They include those that produces beer, soft drinks, cements, textiles, soap and detergent etc. This was out of the Nigerian Government policy of the mid 1960s.

b. Assembly industries- They include those that assemble cars and trucks, electronics equipment, farm machinery etc E.g. PAN Kaduna, Truck Manufacturers Kano, Mercedes Assembly Plant Enugu, the parts are imported and assembled locally, this helps in developing the indigenous technology.

c. Heavy Manufacturing Industries- They includes iron and steel and petrol-chemical industries. There is now an advocacy on intermediate and capital goods production.

d. Export Industries- This stage of industrial development witness the development of industries, which produce finished products for export. The export drive strategy which was re-enforced since the 1986 fiscal year is witnessing an improvement in this respect (Adebayo, 1979)

2.2.2.1 THE POSITION OF NEGERIA IN MANUFACTURING AND TECHNOLOGY

Manufacturing is generally described as the conversion of raw materials to finish or semi finished product, achieved through proper management of people, plant design, product processes, material energy and money.

The manufacturing functions begins with the design of a product and ends when the product is delivered to the consumer in an acceptable form (Ezugwu, 2003)

Manufacturing industries create wealth, jobs and promote high standard of living. All advanced industrialized countries in the world today have strong manufacturing base. Even the newly growing and dynamic information technology and services sector cannot easily displace manufacturing as the leading sector in industrialize economies.

Experiences have shown that only continents and countries with a strong manufacturing base can successfully reap opportunities which globalization offers.

In Latin America and the Caribbean, the industrial base is advance and export oriented, the contrary has been the case with Sub-Saharan Africa until recent times despite its richly endowed and vast human and natural resources, rain forest, fertile soil and conducive climate. Africa's weakness has in the absence of strong industrial infrastructures and a manufacturing base. During the 1980,s and 1990s, Africa's

share in the world trade declined, foreign direct investment in most countries remained at very low level. Experience has also shown that only countries with a strong manufacturing base can successfully reap the gains which globalization offers.

The manufacturing firms in Nigeria in particular face a great deal of challenges in meeting the over changing taste of consumers both locally and internationally. Here globalization imposes great responsibilities on manufacturers who can create innovative and high quality goods acceptable to consumers in the world market will have the capacity to survive. (Egila, 2006)

According to report of the technical committee for up date of audit on indigenous and emerging technologies for processing raw materials in Nigeria, it observed that Nigeria with its rich endowed agricultural, mineral and human resources, if well harnessed through; the use of appropriate technologies could transform the nation into an industrialized one.

There is no doubt therefore, that process technology, indigenous or foreign is central to manufacturing and consequently to the development of any economy. It is so crucial to the development and utilization of local reserved endowment. The committee came up with a finding that for the last fourteen years, it is evident that apart from the problem of dilapidated infrastructures, most of our research and development efforts are not market driven. Consequently, even research findings with high commercial, potentials have not been given adequate patronage by our industries. Thus, the linkage between industries and research institutions on one hand and engineering on the other is virtually absent.

The inability to develop our indigenous technologies is resulting in the establishment of new enterprises on import technologies for which the country has

no resources or research base. These imported/foreign technologies have therefore tended to be substitute for our indigenous technologies, which have been practiced for decades by our forefathers or recently developed by our local scientific research and development institutes.

In some cases where local research and scientific institutes have successfully developed the type of technology, which our local enterprises might need, there is also ways a strong tendency to use foreign version of the technology instead. Usually on the grounds that it is more likely to work than the local ones. It is a challenge to our research institutes to come up with the new and kind of technologies with a view to upgrading them into industrial scale to satisfy our small local industrialists to be able to compete favorably with the rest of the world in the area of raw material processing, only then can that gap be bridged.

2.3 OBSTACLES FACING NIGERIAN BUSINESSMEN IN ESTABLISHING MANUFACTURING INDUSTRIES

2.3.1 DEFICIENT MANAGEMENT ABILITY

A number of case studies have suggested that the failure of local industries can be traced to deficient management ability. One of such cases is a study of small business by the University of IOWA, in conjunction with the small business Administration, compared management policies and practices of 37 unsuccessful manufacturing firms with those of 53 successful companies in the same industries.

The purpose of the study was to determine points of contrast that might explain the failures. The contrasts were sharp and the evidence clearly shows managerial planning gap.

Regarding this, Broom and Longenecker of Baylor University, USA reached the same conclusion by saying thus-

"In small business especially, management seems to be the number one problem of the enterprises…often, the ostensible causes of failure, such as inadequate sales, excessive fixed assets, and poor location are merely reflections of owners inadequacy",

F.E. Onah and M.E. Okor of University of Nigeria Nsukka also conducted a research on local business failures in Nigeria and have 35% of business failures as due to managerial incompetence.

Table 2.1 Portrays obstacles facing Nigerian Businessmen in establishing manufacturing industries.

CAUSES OF FAILURES	NO GIVEN AS CAUSES OF FAILURES		PERCENTAGE
Luck		10	15.87
Insufficient Capital		12	19.05
Managerial incompetence -Lack of experience -Low level of Bus. Education -Lack of Bus. Connection -Insufficient Preparation -Lack of management ability	 6 5 15 6 3	35	55.55
Poor health		4	6.35
Other factors		2	3.18
Total		63	100

Source: Government and business in Nigeria department of economics, University of Nigeria Nsukka and Jos (1988).

Table 2.2 Portrays factors discouraging the setting up of local industries in Nigeria.

S. NO	FACTORS	AVERAGE RANK	POSITIONS
1.	Capital Shortage	1.227	1st
2.	Non availability of machinery	1.833	2nd
3.	Non availability of raw materials	1.90	3rd
4.	Non provision of infrastructural facilities	-	4th
5.	Labour shortage	2.25	5th
6.	Lack of experience in the line	2.33	6th
7.	Failure of other similar units	2.50	7th
8.	Non availability of a good site	2.60	8th
9.	Fear of trade unions	4.00	9th
10	Involvement in agriculture	-	10th
11.	Search for a paid job	4.00	11th
12.	Family members	-	12th

Sources; Research work carried out by Kado, Abubakar Ibrahim in (1994) on factors discouraging the setting up of local industries in Nigeria.

2.3.2 PROBLEMS RELATING TO PRODUCTION

He made an attempt to present the production related problems faced by local industries as follows-

i. Raw Materials; Without raw materials, there is no production and without production there is no organization. Therefore, local industries activities are solely dependent on availability of requisite materials. It shows that 40% of the units are using controlled raw

materials. The other 60% do not have any interference from government where raw materials used in concerned. The study also shows that local industries raw materials are locally not available and the reasons for such shortage are caused by artificial scarcity by suppliers and government, which normally affect their operation. And in some instances high costs of the materials.

ii. Technology; Technology is the base of all industries one of the handicaps of local industries has been the absence of the latest technology, which alone affects product quality and high rate of productivity. Better technology will enable the enterprise to lower the cost of production in order to pass on the benefits to the customers. A result shows that most local industries employ indigenous technology in their operation.

Iii Capacity Utilization; The capacity utilization is a percentage of the value of actual production with the installed capacity (the value of production which would have been produced with the available resources), for the purpose of the study, the under utilization lof the capacity is defined as the situation where the units utilize 40% or less of their total installed capacity. This shows that the remaining 60% of the units are underutilizing their factory assets, reasons include, lack of working capital and difficulty in purchasing raw materials as a result of government control or artificial scarcity created by suppliers.

Iv Initial Capital; Usually local industries have to rely on their own personal effort in securing the initial capital because of the fact that institutional lenders like banks and government financial corporations are generally reluctant to advance money to these industries, due to working capital problems of local firms. Reasons for this working capital shortage include inordinate delays in the payment of bills by large purchasers. And the insistence of bankers to firms repaying the previous arrears, which ultimately resulted in cancellation of order. Another reason is finding it difficult to secure a loan of the desired amount without sufficient collateral.

2.3.2 PROBLEMS RELATING TO MARKETING

The study shows that most of the local industries in Nigeria faces marketing problem through competition with more established firms either within or outside the country. This is as a result of their financial weaknesses; they lack marketing expertise, access to market intelligences, resources to undertake expensive marketing campaigns to advertise their products.

Another problems faced by Nigerian businessmen is labor problems, workers usually disagreeing with disciplinary action taken by the employer against incorrigible workers. They also find it difficult to secure and retain skilled workers.

According to Adegoke (2001) “Although efforts have been made by many successive governments, individuals and groups of individuals right from independence to date to promote indigenous firms in the industrialization process, the development of the sub-sector has been constraint by a number of factors, these include-

i. Unstable macro-economic environment
ii. Inconsistent character of policy measures
iii. Poor implementation and coordination of efforts on indigenous firms.
iv. Poor infrastructural facilities i.e. Good roads/rail systems, poor water supply electricity, telecommunication etc
v. Poor financial support from government and financial institutions.

In addition to the foregoing, local industries are also handicapped by the peculiar internal characteristics such as:-

i. Lack of equipment that is mostly imported at great cost with attendant risks of late or uncertain arrivals, and non-availability of spare parts and maintenance personnel.

ii. Lack of process technologies, design patents that may involve payment of royalties and technology transfer fees.
iii. Low level of technical skills in the forms of technical, managerial entrepreneurial and strategic capabilities.
iv. Inability to compete in domestic and export markets, either because of saturated markets, either because of saturated market with dumped goods and cheap, poor quality imported products or unfamiliarity with export market strategies and network.
v. Lack of productive resources especially finances.
vi. Lack of proper individuals and government patronage.

2.4 MEANING OF A DEPRESSED ECONOMY, A LOCAL INDUSTRY AND ITS CHARACTERISTICS

According to M.W. Lee, (1955) Recession merges into depression when there is a general decline in economic activity. There is considerable reduction in the production of goods and services, employment, income, demand and prices. The general decline in economic activity leads to a fall in bank deposits, credit expansion stops because the business community is not willing to borrow. Bank rate falls considerably.

According to Professor Esley, “This falls in active purchasing power is the fundamental ground of the fall in prices. That despite the general reductions of outputs characterizes the depression”. Thus, a depression is characterized by mass unemployment, general fall in prices, profits, wages, interest rate, consumption, expenditure, investment, bank deposits and loans, factories closedown, and construction of all types of capital goods, buildings, etc comes to a standstill. These forces are cumulative and self-reinforcing and the economy is at the trough.

A local industry in the same vain consist of many indigenous producers, home workers who are engaged in a task such as sewing, lace-making, agriculture, to a large centralized factories, whose ownership, management, controls and source of raw materials are in greater percentages from the local environment. It is defined as indigenous firms producing the same line of products whose ownerships, management, control and source of raw materials are in greater percentage from the local environment (websites wikipedia, the free encyclopedia 2006). It is very common the time when a large proportion of the population are engaged in agriculture manufacturing and other related activities for the economic development of any society. Thus, we can assert that it is easier to recognize indigenous enterprises in practice than to define it.

In an article drawn primarily on the findings of set of studies conducted jointly my Michigan State University and host country's scholars to uncover, describe and analyze indigenous enterprises in a chosen developing country's small and medium scale enterprises. They stated that certain parameters are used in defining local industry. Among the yardstick used are, Asset value, Turnover rates, numbers of employees and size within the industry. The committee found it difficult to agree on a single definition that will cover manufacturing, wholesaling and retailing industries. Thus, the committee used eight (8) definitions for varying industry groups, which ranged from;

"200 Employees for manufacturing",

Under 50,000 turnovers for retailing,

Vehicles or less for transport."

Another instances that can be equall y cited is the definiton given by the American agency for small and medium business administration (1973) which established upper limits as follows;

"Retailing $1- $5,000000 annual sales.

Wholesaling $5-$15,000000 depending on size of the industry.

Manufacturing, 250 or fewer employees."

Within Nigeria, probably due to differences in political focus, different government agencies apply various definitions, viz.

I. The central bank of Nigeria in its credit guideline to commercial banks states that indigenous enterprises are those with annual turnover not exceeding #500,000.

ii. The federal ministry of industry, in its credit guideline to NBCI (Nigerian Bank for Commerce and Industry) define it as enterprises with total cost not more than #500,000 (excluding the cost of land but including working capital)

iii. The center for Industrial Research and Development (CIRD) define local enterprises as those with total assets in capital equipment, plant and working capital not exceeding #250,000 and not more than full time workers.

iv. The Nigeria Industrial Development Bank (NIDB) defined it as enterprises with project cost (investment and working capital) not exceeding #750,000.

It could be observed that most of the above definition proves unsatisfactory. For instance if monetary terms are used in defining local industry. Sales/turnover, asset value/cost of project, price inflation will render the definition useless. Therefore, the need to be adjusted to reflect changes in money value.

Also, if number of employees is used, the definitions will tend to ignore the fact that some firms are purely capital oriented and therefore need very few employees and yet their sales, turnover and project cost may be high.

It is probably in view of the above deficiencies that the World Bank in its programme of #270,000000 loan to Nigeria's small and medium business enterprises after the introduction of SAP (Structural Adjustment Programme) recognize a group referred to

as MICRO-ENTERPRISES. These are enterprises with fixed assets plus cost of investment project (excluding land) below #400,000 in constant 1988 prices.

Equally, the definition given by the center for economic development (C.E.D) in the U.S.A can be considered to be suitable in solving some of the inadequacies above, the committee consider any business to be indigenous where at least two of the following characteristics prevail.

i. Individual/owner or small group of people provides capital.

ii. The area of operation is local.

iii. Size within the industry is relatively small.

iv. Ownership structure is highly family centered. The equity base of such enterprises is relatively small and its usually distributed over much smaller base than large firms. Thus, one individual or small group often holds ownership and management.

v. Less sharing of decision making; decision are more subjective (based less on analysis).

vi. Greater difficulty in attracting funds for expansions, They have special problem with respect to growth in corporate size

2.5 CONTRIBUTION OF LOCAL INDUSTRIES TO THE SOCIO-ECONOMIC DEVELOPMENT OF A NATION.

Prior to 1950, industrial activity in this country (Nigeria) was virtually insignificant. Today, industrial development in Nigeria has been achieved through the aid of the enterprises.

The following role can be attributed to our Nigerian local enterprises, which has from time immemorial improved the economy of our nation.

I. CREATION OF EMPLOYMENT OPPORTUNITIES;-

As rightly pointed out by Unife, (1972) “70% of industrial labor was employed in the local enterprises, and that the industrial sector of Nigerian economy engages about 20% of economically active population and about 70% of these are in the small and medium scale industries. Local industries in Nigeria have been providing employment to thousands of Nigerian and expatriates alike with more priority to the Nigerians, while expatriates providing simple specialize service. This has guaranteed Nigerian the basic means of subsistence, wages and salaries, shelter and security. In addition to these private business enterprises, have been training other people for self-employment purpose.

ii. IT SERVES AS AN ORIENTATION FOR CAREER MANAGERS

It enables suitable talented and motivated people to find an avenue to new type of enterprises and innovations as they serve as a nursery for training potential managers.

iii. **INCREASING FOREIGN EXCHANGE EARNING/SOURCE OF REVENUE**

This is through import savings and export promotion that local industries have contributed in the production of locally made goods like hide and skins, shoes which are exported to other countries, thus, boasting foreign

exchange earnings. Also since the existence in Nigeria, they have been a major source of revenue to the government. They include revenue in form of direct and indirect taxes from its employees, registered transporters, registered subsidiaries, distributors, and sales taxes, import taxes etc

Iv . MOBILIZATIONS OF LOCAL RESOURCES;-

The mobilization of capital resources like family savings that may otherwise remain un-utilized or channeled to unproductive ventures and luxury spending is made possible by the establishment of indigenous industries. In addition, it could lead to effective utilization of traditional craftsman skills either by the provision of training or the modernization of traditional craft.

v. **REGIONAL DISPERSAL OF INDUSTRIAL DEVELOPMENT AND A MORE EQUITABLE DISTRIBUTION OF INCOME**

As local enterprises are spread across all the locality of the country in the rural areas unlike the urban areas where there are large concentration of both local and multinational industries, because of basic infrastructures facilities and raw materials, the development of local industries in rural areas have made rural areas to feel the impact of industrializations. It has also been proved that the activities of the enterprises have reduced the accumulation of wealth in few individuals and areas, thereby making the less privileged people share part of national income.

vi. FOUNDATION FOR SOUND INDUSTRIAL TAKE-OFF

It is the activities of the enterprise and their development that start as a beginning point for large industrial growth. It is through the articulated policies

of local industries, its development, its experience and technicalities that expand gradually to become a very large organization.

vii. **PRESERVATION OF CULTURAL HERITAGE**

Most local enterprises have origin from traditional occupation or heritage, which reflect the culture and values of the society. For example, in cottage industry, weaving, pottery, agriculture are designed according to tradition value even though they have been developed in the modern way e.g. textile industry having inscriptions and logo rooted to our tradition and values.

ix. HELPING THE NATION FOR COMMERCIAL AND INDUSTRIAL GROWTH;- The existence of private plants and manufacturing industries has led to the establishments of various smaller scale and medium scale enterprises.

Some of these firms include blocks and bricks making firms, sacks making factories etc. And again private enterprises in Nigeria have been depending on indigenous suppliers and farmers for their supply of raw materials, these has developed and enhances those suppliers standard of living.

As their social contribution to the country, local enterprises have been helpful by sponsoring people from their immediate environment to various institutions of learning. They also do this by awarding scholarships to the children of employees who died while working for the organization concern.

They also provide social infrastructures like roads, boreholes, and community health services etc. This has enhanced their popularity and acceptance in their immediate environment.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

Research can be seen as a systematic process or method of discovery, acquiring and using knowledge. It is a formal and methodological search for solutions to problem. Research may be basic or applied.

Basic Research deals with relationship between two or more variables, the objectives being to develop a theory by identifying all the relevant variables in a particular phenomenon or field of study and making generalizations or proposition about their relationships. Most academic research is basic.

Applied research on the other hand tests the product of basic research findings, the objectives are to test the theories or model or concepts derived from basic research in real problem situations. Most business researches are of this nature.

In any research work, after the topic has been identified, the next thing for the researcher to do is to make plan of how the study can be conducted. This chapter will covers the methods and procedures to be followed in collecting all necessary information needed for this study.

3.2 RESEARCH DESIGN/METHOD.

This research is generally a descriptive as well as analytical study. Descriptive survey approach according to Wimmer et al (1983) is an “Attempt to picture or document current condition or attitudes, that is to describe what exists in the moment”.

Descriptive research as the name implies, aimed at describing an event. The researcher observes and describes what was observed. Essentially, scientific studies describe situation and event. (Shuaib 1996)

This study identify and examine the various problems associated with local industries in Nigeria, effort was made to limit the study to Premeer seeds Nig Plc. Zaria, Mr. BIGGS NIG PLC Zaria and Aljeri Seeds NIG PLC Zaria.

i. PRIMARY DATA; Primary sources of data are those in which the author directly observed, participated and collected first hand information. For this research, the primary data was collected through both field study and administered questionnaires.

   The survey was conducted in order to know the contribution and problems faced by Nigerian local industries and those in food industries. While questionnaires will be administered to both the staff, management and customers of the selected organizations.

ii. SECONDARY DATA; Secondary sources of data are those in which the researcher is not a direct observer or participate. They are reports of others consulted. The secondary sources from which data were extracted includes textbooks, official reports and documents, journals,

Newspapers and other relevant related literatures in the form of thesis, past studies and related works on the subject under study.

3.3 POPULATION OF STUDY

There are different types of indigenous industries in Zaria, viz- manufacturing industry, food industry, merchandizing industry, processing industry and service industry. Their type varies from the activities they perform. Among these are Shaganlinku restaurant Zaria, Alheri Seeds Nig Plc Zaria, Premeer seeds Plc Zaria, Comrade cycle Chikaji Zaria, Emcon Nig Plc, Ijabah Pharmacy Ltd Tudun wada Zaria, Mr. BIGGS Nig Plc. St. Peter restaurant, Zaria Injection Manufacturing Industry Zaria to mention just a few. Due to time and financial constraints the study will only cover Premeer Seeds Nig Plc Chikaji Zaria, Mr. BIGGS Nig PLC and Alheri Seeds Nig. Plc Zaria. They have staff strength of 70, 80 and 55 respectively, with numerous customers spread all over the country and outside.

3.4 SAMPLING TECHNIQUES AND SAMPLE SIZE

In order to achieve a high degree of accuracy in a research of this nature, a sound basis for arriving at an accurate result is required. Consequently, the researcher employed the simple random sampling procedures for the study. The simple random sampling is a system that gives every member of the population equal chance of selection. With simple random sampling every member of the population has a known equal and independent probability of being included in the sample. It allows for statistical tests of significances and calculations of sampling error. Furthermore, it

eliminates subjective bias arising from personal choice. In other words, there is no room for manipulation through the researchers whims.

As a sample size, the researcher selected 3 out of the numerous local industries in Zaria, which was randomly selected. Questionnaires were administered to these 3-selected firms.

3.5 DATA COLLECTION INSTRUMENTS

Data collection instruments are items or aids used by he researcher in collecting all relevant information needed for the research work. These include,stop watches, Maps, Computers, Internet café, Charts, questionnaires, telephones etc.

For this research work, questionnaires, computer, café and telephone will be use extensively.

QUESTIONNAIRES- This contain set of both close and open-ended questions drafted by the researcher based on the research questions. The close ended questions consisted of list of alternatives answers out of which respondents are expected to indicates the ones that reflect their view while the open ended questions enabled respondents to freely and briefly express their opinion in the spaces provided. This method is fairly inexpensive and has greater reach ability.

COMPUTER- Are electronic device use in processing and storing information. The researcher made several visits to the Internet to browse for relevant information on the research topic. And an effort is made to collect relevant

information and booking of appointments with the respondents by the researcher.

3.5 ADMINISTRATION OF DATA COLLECTION INSTRUMENT-

The researcher drafted three sets of questionnaires containing both close and open ended questions that will be administered to the managing Director, Administrative manager, production manager, staff and customers of the 3 selected organization. It will be administered personally to the respondents to enable the researcher explain any likely difficult questions and for speedy retrieval of the questionnaires for analysis. Most of the secondary data were collected through the Internet, which were downloaded and stored in a personal computer of the researcher. Also, telephone was used in keeping appointments with the respondents and to collect necessary information as the may be.

3.6 METHODS OF DATA ANALYSIS

Ehilebo and Balogun (1994) observed that the choice of a technique for analyzing data collected of a study is dependent on the nature of the data for precision and ease of manipulation. Where quantitative data is involved, statistical method are used, and where variables are involved, relationship study necessitate the used of regression and correlation analysis. Particularly in this study, the descriptive methods or technique of data analysis are used as the nature of data collected suggest. These techniques involved a clear but precise and effective discussion of the findings. Data so collected are

discussed and interpretation of existing condition is made possible with the central purpose of discovery.

Finally, the use of descriptive and discursive technique of data analysis favored by the fact that it allows for easy, clear, fast and effective understanding of the findings by the reader. Such special skills and knowledge for statistical analysis are often not compulsory for an interested reader when descriptive method is used. (Osuala, 1987).

Also, descriptive technique eliminates ambiguity and misinterpretations of the findings. It also facilitates the interpretation of the existing condition for the; purpose of making important discoveries. (Okorie and Iheancho 1988).

Statistical techniques used in the analysis is simple percentage (%) technique was used. This was carried out using the following formula;

$$\frac{n}{t} \times \frac{100}{1}$$

Where n = Number of respondents to a particular side of a question

T = Total number of respondents to the whole questions (pop)

100 = Constant (%)

This gives the percentage of responsiveness to the research questions. The analysis is broken into parts with the use of tables on each question and responses of the sample.

CHAPTER FOUR

4.1 HISTORICAL BACKGROUND OF THE CASE STUDIES AND THEIR MISSION STATEMENT.

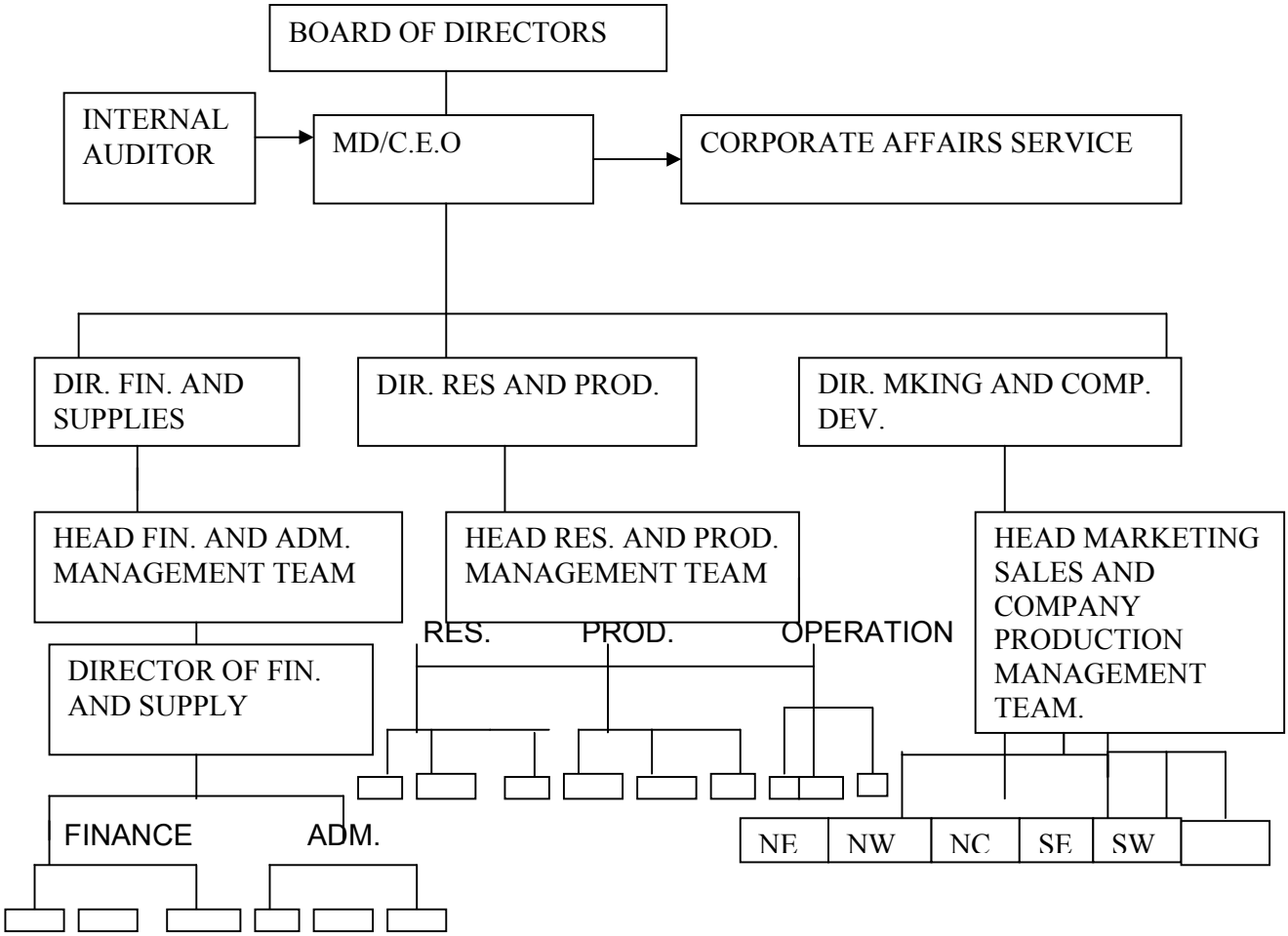
1. PREMEER SEEDS NIG LTD ZARIA

Premeer seeds Nig. Ltd, Zaria is the oldest, most reliable private seeds company in Nigeria, since 1984, they produce, process, package and market maize, Soya beans, sorghum, wheat, cotton, rice and cowpea seeds, they also package and market approximately 20 varieties of local and exotic vegetable seeds. The oldest name is Pioneer Hi-Bred seed (Nigeria) Limited, which is an international subsidiary of the American based pioneer seed operation in Nigeria, the new name is Premeer Seed Nigeria, with Headquarters product profile quality based production and international outlook the same.

MISSION STATEMENT OF PREMEER SEEDS NIG LTD

- To provide products and services which increase the efficiency and profitability of the world's farmers.
- Our core business is the broad application of the science of generics
- We will ensure the growth of our core business and develop new opportunities, which enhance the core business.

ORGANISATION CHARTS OF PREMEER SEEDS NIG LTD



2. HISTORICAL BACKGROUND OF Mr. BIGGS

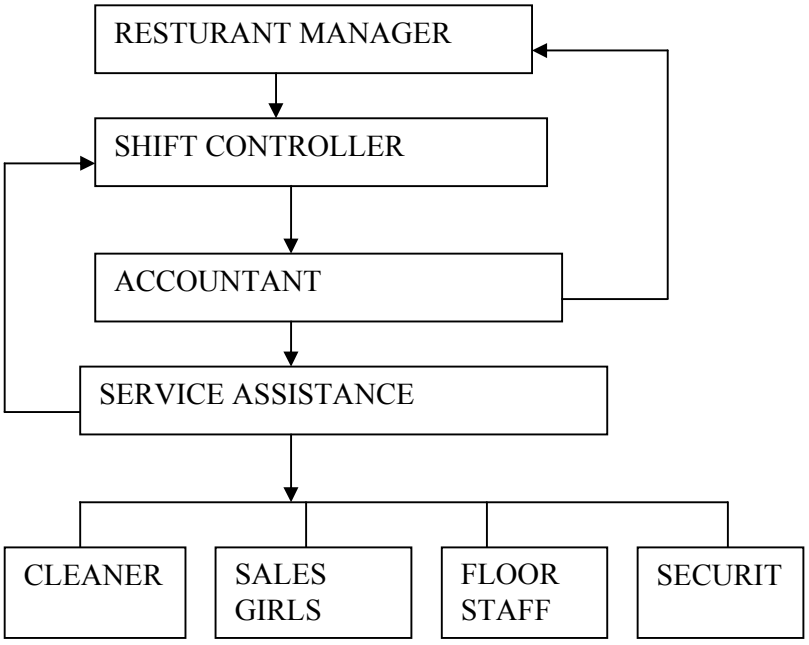
Mr Biggs has been in the QUICK Service Restaurants (QSR) business since 1986. The QSR business evolved from the coffee shops of the old Kings way Rendezvous, which was run by UACN (Parent company) from the early 1960s

Mr. Biggs Quick Service Restaurant business has enjoyed remarkable success and growth, expanding the number of location to 100 cities and still on more to be established. Mr. Biggs provide both rational and emotional benefit to our

customers. The overall strategy platform for Mr. Biggs is focused toward expansion, renovation, service improvement, through menu innovation and building equity through theme and scheme action. Mr. Biggs is represented in Major cities over; Nigeria and in Accra Ghana. The distinctive excellence for the Mr. Biggs Restaurant chain is as follows.

Quality snack, meals, ice cream and drink, service that is prompt and efficient, clean and hygienic surrounding, value for money, friendly, courteous and enthusiastic staff, consistent emphasis on putting the customers first.

ORGANISATION CHART OF MR BIGGS NIG LTD



vii. HISTORICAL BACKGROUND OF ALHERI SEED NIG LTD

Alheri Seeds is a "Subsidiary of Deesham Farms Ltd". It is a seed company established in 1997, and has the backing and support of :

i. International Institute of Tropical agriculture (IITA) Ibadan.

ii. National Seed service, Federal Department of Agriculture Abuja.

iii. Some highly placed Agriculturally oriented Nigerians under the distinguish chairmanship of Major General J.M. Madaki. The head office is at No. 5 Sokoto Road (G.R.A) P.O. Box 472 Zaria.

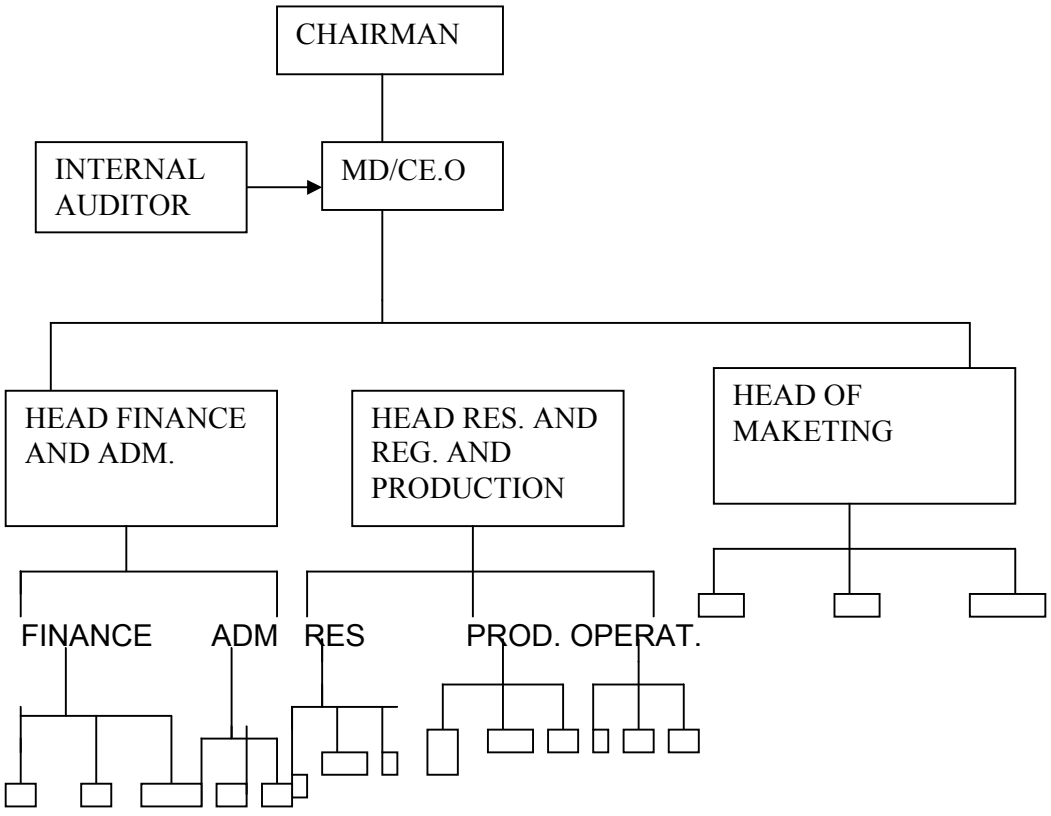
MISSION STATEMENT OF ALHERI SEED NIG LTD ZARIA

i. To produce and market high quality products that have consistent performance at multitude environments

ii. To expand the profit opportunities of Alheri customers.

iii. To contribute in making our country self sufficient in food production.

ORGANISATION CHART OF ALHERI SEED NIG LTD ZARIA



4.1.1 OPERATION AND PERFORMANCE OF THE SELECTED ORGANISATIONS

I. PREMEER SEEDS NIG PLC ZARIA

Premeer seeds Nig Limited make high quality yielding certified seeds readily available to farmers, provide dependable private sector seed service for Nigerian farmers, premeer seeds compliment national agriculture traits and seed improvement efforts, internal seed quality control to ensure high seed quality and high yield for the farmers. Compliance with the National Seed certification and quality control program, provide breeder, foundation and certified seed production for the benefits of farmers. Growing, harvesting, processing and marketing of improved seeds of both hybrids and operational varieties, provide farmers with high quality seeds for better harvest and bigger profits also assist farmers with advisory services and farmers feedback on use of improved seeds, private research efforts and investments for sup0erior market winning product. Premeer Seeds have head office in Zaria and branches all over the country. Their product profile they specialize in the production, processing and marketing of well tested high yielding quality seeds. Product profile include improved cultivars of maize, sorghum, rice, cowpea, soybeans, cotton and a wide range of vegetable seeds that is tomato, okra, onion, pepper, cabbage, cucumber, carrots, lettuce and egg-plant seeds etc.

Production schedules include special varieties and cultivars needed by farmers or government, prospects for production on contract basis. Their research is commercially oriented and it is aimed at producing superior, market winning

products. It is also a cornerstone for our growth, profitability and competitiveness. Their products also includes cultivars developed by IITA, ICRTISAT, National research Institute and our privately bred proprietary lines, they have their own private sector research farm (Zuba), Multi-locational tests, and collaborations with ADP and other on-farm demonstrations plots nation wide, produced reasonable quantities of high yield hybrid seeds to combat the downy mildew problem, undertake special seed production on requests and give attention to lodging, resistant strige tolerant droughts and early maturing cultivars. Invest and keep distinguished proven seeds men and other dedicated professionals committed to Nigerian farmers. They make adequate quantities of good quality seeds readily available to Nigerian farmers. They are Pioneers for sustainable viable commercial seed operation in Africa, In Nigeria and ECOWAS countries and for reputable export seed trade development.

(B) OPERATION AND PERFORMANCE OF MR. BIGGS

Mr. Biggs is a division of UAC of Nig. Plc. The overall strategy platforms for Mr. Biggs is focused toward, renovation and building equity through theme and scheme action.

The distinctive excellence for the Mr. Biggs Restaurant chain includes, Quality Snacks, meals, Ice cream and drinks. Service that is prompt and efficient, clean and hygienic surrounding, value for money, friendly, courteous and enthusiastic staff consistent emphasis on putting the customer first.

Mr. Biggs is the most convenient eating experience, offering affordable meals and fun for families, children and everyone. It is a great place to work for and place to be at.

(c) OPERATION AND PERFORMANCE OF ALHERI SEEDS NIG LTD ZARIA

Alheri high quality hybrid parent materials are developed and supplied by:

i. International Institute of Tropical Agriculture (IITA) Ibadan

ii. Other sources include- Institute of Agriculture Research A.B.U Zaria.

iii. National Cereal, Research Institute (NCRI) Badagi Bida.

iv. International Institute of Tropical agriculture Kano.

PROCESSING ALHERI HYBRID

Alheri Seeds has acquired a new modern seed conditioning plant that is why our customers (farmers) are always provided with seeds of different sizes to meet their needs. Our seeds are carefully sorted, conditioned and packaged in reliable attractive nylon bags, which have our logo on, and seed dressing warning boldly printed on them. The bags also have N.S.S certifications tags and other required gronomic information.

HYBRIDS TESTING

Alheri hybrids are always tested for viability, purity and vigor in our laboratory, while yield potentials are tested and confirmed from field demonstration and trial plots within the country. Alheri produces first-class high quality hybrids and streak resistant varieties, which are perfected by IITA. Ibadan.

Our hybrids have potentials, 5-10 tones/hectare with adequate management. Our hybrids are uniform, resistant to lodging and major diseases. In addition to quality hybrids, we produce and market improved high yielding varieties of sorghum, soybeans, cowpea, rice and cotton.

CROPS	VARIETY
Tomato	Roma VF and UC 82 B
Onion	Bombay Red
Carrot	Chanteny
Cabbage	Copenhagen
Okra	Yar Sokoto, Clemson Spindles
Green bean	Contender
Melon	Honey Dew

Hybrid Maize	Soya bean
JO-IF (White)	TGX-536-021
JO-(White)	TGX-1019-2B
JO-S-1 (Yellow)	Samsoy-2
JO—2 (Yellow)	

Sorghum	Cowpea
Short-Kaura-SK 5912	ITA-820-716
ICSH-89002NG	IR-48
ICSV-400	Kananado

4.1.2 THE SELECTED ORGANISATIONS SOURCES AND APPLICATION OF FUNDS

PREMEER SEEDS SOURCES AND APPLICATION OF FUNDS

The company normally source for money to finance some of his activities through borrowing from the chairman of the company in person of Chief Olusegun Obasanjo. These loans are normally paid back within a time frame with or without interest.

Loans from bank and overdraft, The company operates a current account with Union Bank Zaria, Intercity Bank Zaria and Lagos branch and overdraft to the company when the need arises, especially during lean period of the company that is when production is halted because it is a seasonal production.

- Retained Profit: - for the past five years with improvement in net profit, the company have make it as a policy to keep 10% of it as retained profit for future expansion programmes
- Credit facilities from the suppliers: - The company as a seed multipliers normally engages the services of growers who normally helps in the mass production of these hybrid seed. They sometimes helps in advancing loan to the company especially the family, friends of the chairman and the company's executives and sometimes provide this services on credit sales made on processed and packaged seeds form the greatest part of company's sources of funds. Other sources of income are grains and Assets disposal.

APPLICATION OF FUNDS IN PREMEER SEED

To procure packaging materials, money realized are normally expended in the purchase of materials use in packaging the seeds examples, sacks, leather, nylon etc.

To procure chemicals/fertilizer.- Chemicals are needed to treat the seeds for protection against infection by pest, also fertilizers are needed in the growing of seeds by the growers.

Payment of Growers-; Growers are engaged in the mass production of hybrid seeds and are paid for theses services.

Payment of salaries and wages: -The company have a total of 250 staff of different level in their payroll which normally gulp a greater part of their revenue, Running expenses like overhead expenses e.g. Vehicle maintenance allowance of both the management staffs and company cars.

Funds are also provided for the maintenance and expansion of Assets (Depreciation).

To pay Government tax and to provide for future growth (retained earning)

MR BIGGS SOURCES AND APPLICATION OF FUNDS

SOURCES

- Sales made by Mr. Biggs and contributions from its parents body UACN. Because Mr. Biggs is a self sustaining organization
- Other incomes inform of Asset disposal and Income accruing from stocks, bonds and deposits.
- Income from partners like ACCTIS, which is a UK, base firm.

APPLICATION OF FUNDS OF MR BIGGS

Salaries

Maintenance of Building, Menu Boards etc.

Remittance to UACN

To provide for future growth (Retained Profit)

To pay government tax

Payment of interest on loan and overdraft.

SOURCES AND APPLICATION OF FUNDS OF ALHERI SEEDS

SOURCES

- Sales of product
- Grains and Assets Disposal
- Loans from banks
- Contribution from the chairman

APPLICATION OF FUNDS OF ALHERI SEED

To pay employees (Salaries and wages)

Payment of interest on loan and overdraft.

Provide for maintenance and expansion of asset (Depreciagtion0

Payment of tax

Plough ting back of profit.

4.2 PRESENTATIONS AND ANALYSIS OF FINDINGS

Having gained an understanding on the theoretical framework on the subject matter of this research project, the need arises for a practical application.

The practical aspect of the study is based on data and information obtained from the field of study through examination of records and documents, Administration of questionnaires on the management, staff and customers of Premeer seeds Nig Plc, Mr. Biggs Nig Plc and Alheri Seeds Plc Zaria

The breakdown is as follows-:

Managements Staff----------9 questionnaires

Customers----------13 questionnaires

Staffs----------20 questionnaires

The presentation and analyses will equally be in that order.

RESPONSES FROM THE MANAGEMENT STAFF

Table 1 On whether the organization looses customers as a result of the present economic situation

Table 4:1; Loosing Customers because of Economic situation

Options	Frequency	Percentage
Yes	4	44.4%
No	5	55.6%
Total	9	100

Source: Field survey, September 2006

Based on the data above, 55.6% of the respondent confirmed that the present economic situation does not affect their customer's patronage; this they said is attributed to the products quality and needs for such products by customers

Table 2 on the contribution of the company to the economic development of Nigeria to be ranked according to priority

Table 4.2: Contribution to Economy

Options	1st	2nd	3rd	4th	5th
Orientation for career managers		3	2	2	1
Revenue generation to the government	3	3	2		
Increasing foreign exchange earning		1		2	2
Creation of employment opportunities	5	1	2		
Preservation of cultural heritage			2	1	1

Sources: Field survey, September 2006

From the above information, it could be deducted that the organizations are contributing to the economic development of Nigeria through creation of employment opportunities with 5 of the respondents ranking it in the first position; 3 people ranked Revenue generation to the government 1st and 2nd position. It also serves as an avenue for orienting career managers which was ranked 2nd also by 3 respondents,

Table 4. 3: Origin of the Business

Options	Frequency	Percentage
Bought	3	33.3%
Inherited	-	-
Started Up	6	66.7%
Total	9	100

Sources: Questionnaire

Table 3 indicated that the businesses were started up as new ventures with 66.7% of the respondents testifying to that. This was attributed to the fact that most of the organization started up as a result of high customers demands for their products, creativity and self-motivation of the entrepreneur and availability of the needed raw materials.

Table 4. 4: Age of the firm

Options	Frequency	Percentage
5 years or less	-	-
6-10 years	3	33.3%
Over 10 years	5	55.6%
Over 20 years	1	11.1%
Total	9	100

Source: Field survey, September 2006

Table 4. 5: Class of industry

Class	Frequency	Percentage
Service	1	11.1%
Music	-	-
Food	5	55.6%
Agriculture	3	33.3%
Others	-	-
Total	9	100

Sources: Questionnaires

From above data, this research was conducted on some selected local firms specifically those in the food industry and most of them have being in business for

more than 10 years, this could be attributed to their high product quality, meeting customers demands which resulted in high patronage and availability of raw materials.

Table 4. 6: Encouraging factors when setting up the company, to be ranked according to priority.

Options	1st	2nd	3rd	4th	5th
Availability of labour			5	2	
Availability of raw materials	5	4			
High demands for the products	4	5			
Government incentives			4	5	

Sources: Questionnaires

Based on data above, factors that encourages the 3 selected organization when setting up their business are availability of raw materials which was ranked 1st by 5 respondents, while high demands for their product was ranked 2nd by 5 respondent and 1st by 4 respondents, Availability of Labor and Government incentives was ranked 3rd and 4th position respectively. The selected organizations have abundant raw materials for their production in the local community they are sited as mentioned by the management.

Table 4.7: Discouraging factors when setting up the company, to be ranked accordingly.

OPTIONS	1ST	2ND	3RD	4TH	5TH	6TH	7TH
FAMILY MEMBERS				2	1		
Non-provision of infrastructural facilities	2	4	1	2			
Non-availability of machines		3	4	1			
Capital shortage	4		3				
Non-availability of raw material			1	3	1	2	
Non-availability of a good site	3	1		1		4	
Labour shortage		1		1	3		3
Others							

Source: Field Survey, September 2006

Tables 7 above shows that capital shortage ranked first with 4 respondents, non provision of infrastructural facilities came 2nd while non-availability of machine for production ranked 3rd. Indicating that most of the industries faces the problem of initial capital as they rely on friends and relatives in getting their capital, and most of the areas this industries are located have problems of infrastructure like good roads, water, telephone, electricity etc. And finally, most of the machines needed for productions are costly and have to be imported.

Table 4. 8: Problems relating to production

On whether there is availability of raw materials

OPTIONS	FREQUENCY	PERCENTAGE
Regular supply	5	55.6
Delayed	4	44.4
Locally not available	-	-
Others	-	-
Totals	9	100

Source- Field Survey, September, 2006

Without raw materials there is no production. And without production, there is no organization. In the course of this study, sample units were asked questions regarding raw materials availability. The information supplied indicates that 5 (55.6%) of the respondents are having regular supply of raw materials, while 4(44.4%) stated that their raw materials supplies are delayed.

Table 4. 9: Reasons for shortage of Raw materials

Reasons	1st	2nd	3rd	4th
Government regulations and control	4	1	3	
Changing technology	1	1		5
Higher costs	1	4		
Artificial scarcity by suppliers	2	1	2	
Others	-	-	-	-

Source- Questionnaire

On reasons for occasional delays in supply of raw materials, table 9 above revealed that Government regulation and control and higher cost of raw materials are the main reasons for raw materials shortage. 4 respondents ranked government regulations and control 1st while higher costs are ranked 2nd by 4 respondents. These are mostly on raw materials that are under government control and interference.

Table 4. 10: Effect of shortage/availability of raw materials

Options	Frequency	Percentage
Production never affected	5	55.6
Production sometimes affected	-	-
Production always affected	3	33.3
Others	-	-
Indifferent	1	11.1
Total	9	100

Source: Field Survey, September 2006

Table 4. 11: Problems relating to marketing, to be ranked according to priority

Problems	1st	2nd	3rd	4th	5th	6th
Due to competition	2					
Poor quality						2
Lack of knowledge in marketing		2				
Financial weakness			1	1		
Poor bargaining power			1	1		

Sources-: Questionnaires

Table10 above shows that production was never affected, as they always have regular supply of raw materials, with 55.6% of the respondent testifying to this, while

33.3% of the respondents that have raw materials shortage always experience production stoppage. On marketing problem as indicated in table 11 above, majority testify that they have no marketing problem with 5 of the respondent ranking it in 1st position while poor knowledge in marketing and competition among the industries are equally advanced as some of the marketing problems.

Most of the industries that collected loan from commercial banks receive no any subsidy from the government to encourage.

Table 4. 12: Types of labor employed

Types	Responses	Percentage
Only skilled	3	33.3
Only unskilled	-	-
Both	6	66.7
Total	9	100

Table 4. 13: Sources of recruitment

Options	Responses	Percentage
Schools	1	11.1
Relatives and friends	-	-
Advertisement	6	66.7
Unsolicited application	2	22.2
Total	9	100

Table 4. 14: Types of technology

Types	Responses	Percentage
Only indigenous	-	-
Only foreign	4	44.4
Both	5	55.6
Total	9	100

Sources-: Questionnaires

The local industries combines both foreign and local technology in their production process, They uses both imported and machines produced locally in their factories, as indicated in table 14 with 55.6% of the respondents testifying to that and they employ the services of both skillful and unskilled personnel in their organisation. And their sources of staff recruitment is through advertisement, in which only qualified staff will be recruited for the available job in the organization as indicated by 6 out of the respondents.

Table 4. 15 Sources of initial capital to be ranked accordingly

Sources	1st	2nd	3rd	4th
Loans from friends and relatives	4	1		1
Government aids		1	1	2
Local money lenders	1		2	
Loan from banks	3	3		

Sources- Questionnaires

Most of the industries sources of initial capital as indicated above is from friends and relatives as loans, with 4 of the respondents ranking it in 1st position, this could be attributed to high demands of commercial banks for collateral securities for any loan

demanded by these local industries. The only few with such collaterals and connection succeeded in getting the loan, as indicated by 3 respondents ranking it in the 1st and 2nd position respectively.

Table 4. 16: factors considered as major handicapped to their performance as an organization in order of priority

Handicaps	1st	2nd	3rd	4th	5th	6th
Lack of managerial skills					2	2
High rates of wages in comparison with other larger companies		5	2			
Costly new materials	4		3			
Inefficiency of labor				2	2	
Poor infrastructures facilities	5	3				
Labor dispute and labor problems				2		2

Source- Questionnaires

Data above indicated that most of the local industries faces the problem of infrastructures like constant power supply, water, good roads etc as most of them have to provide these facilities by their selves thus, increasing their capital expenditures and over head expenses, 5 respondents ranked this in 1st position, Costly new materials was equally ranked 1st by 4 respondents, this could be attributed to the currently inflationary trends in the country, In addition to this, workers of this industries demands high pay as obtainable in other larger organization which always result in frequent production stoppage and high labor turnover in the organization as indicated above by 5 respondents ranking it in the 2nd Position.

RESPONSES FROM CUSTOMERS

Table 4.1.1: How long have you been doing business with the organization?

Options	Responses	Percentage
Less than 1 year	3	23.1
1-4 years	4	30.8
4 years and above	6	46.1
Total	13	100

Source- Questionnaires

Most of the customers enjoy doing business with the organizations, as indicated by 46.1% of the customers doing business with them for 4 years and above, this was attributed to the prompt delivery of orders, quality products of the organizations.

Table 4.2.2: how does the company ensure their satisfaction?

Options	1st	2nd	3rd	4th	5th
Effective distribution and allocation	2	5	4		
Price discount	1	1		6	
Regular supply	2	3	4		
Improved product quality	8	2	1	1	1

Source- Questionnaire

Customers of the selected organization enjoyed product quality from their suppliers organization, which resulted in their continuous loyalty to the organization, as presented by 8 respondents ranking it 1st. Effective distribution allocation is another reason why customers maintain their loyalty the organization with 5 of the respondents ranking it in the 2nd position, while Regular supply of the product was ranked 3rd by 4 respondents

Table 4.3 3: Average times taken to deliver goods by the company

Time	Responses	Percentage
24 hours	6	46.2
3 days	5	38.5
1 week	2	15.3
Total	13	100

Source- Questionnaire

Table 4.4 4: whether the present economic depression affects their business with the company?

Options	Responses	Percentages
Yes	8	61.5
No	2	15.4
Indifferent	3	23.1
Total	13	100

Source- Questionnaire

Table 4.3. 3 shows that as a result of constant demand from their customers, they organization maintain a 24 hours regular supply of their products with 46.2per cent of the customers testifying to that, while 38.5% received their supply in 3 days, And 15.3% said they get their supply in 1 week after order, which they said affect their business as most of their customers normally shift to competitors product.

Again the economic depression in Nigeria affects the customer's transaction with their supplier's organization with 61.5% of the respondents testifying to this. They stated that affects them due to exorbitant price of fuel, which affects production costs at long run resulted in high prices of their products, this discourage customers from patronizing them. Also lack of funds to embark on intensive production as a result of

Inadequate supply of power lead to increase prices of their product, which affect the customer's rates of purchase

Table 4.5.5: what are the contributions of your supplier's organization to the socio-economy of Nigeria. To be ranked accordingly.

Contributions	1st	2nd	3rd	4th	5th
Providing sources of livelihood for many Nigerians	10	1			
Providing quality product	2	2	5		1
Donation to charity homes				2	2
Revenue to the Government		7	3		
Provision of infrastructures to community			2	4	

Source- Questionnaire

To get an insight on the socioeconomic contribution of these local industries to Nigeria, Source of livelihood for many Nigerians was rated 1st position by 10 of the respondents because many unemployed Nigerians are employed by these organization, while 7 of the respondents ranked sources of revenue to the government as 2nd and finally, provision of quality products was ranked 3rd position as indicated in table 5 above, provision of infrastructures to the local community was ranked 3rd and 4th by only 2 and 4 respondents respectively.

Table 4.6. 6: what is the company's products position in the market?

Options	Frequency	Percentage
Very Low	-	-
Moderately	5	38.5
Occupying market leadership position	8	61.5
Total	13	100

Source: Field Survey, September 2006

The local industries products occupies market leadership position competing with the foreign products, this could be attributed to availability of raw materials, dedicated and specialize staff couple with highly sophisticated machines used in production, as indicated by 61.5% of the respondents, while 38.5% said the company's products position in the market is moderate.

Table 4.7. 7: Possible problems affecting the organization in its operation as viewed by the customers in order of priority.

Options	1st	2nd	3rd	4th	5th
Financial weakness	9	1			
Competition	1		3	2	1
Poor quality product		1	2	2	2
Lack of knowledge in marketing	1	3	2	1	1
Management problems		3	1	2	2

Source: Field Survey, September 2006

Financial weakness form the main problems of these organization as indicated in the table above, with 9 of the respondents ranking it in the 1st position, while lack of

marketing knowledge and management problems was ranked 2nd by 3 respondent each, while competition came 3rd in the ranking by 3 respondents.

RESPONSES FROM STAFF

Table 4.1.1: Qualifications of staff

Options	Responses	Percentage
WAEC	2	10
OND	8	40
HND/BSC	9	45
Others	1	5
Total	20	100

Table 4. 2.2: Dept/Section

Department	Frequency	Percentage
Account	7	35
Marketing	4	20
Admin	1	5
Production	8	40
Total	20	100

Table 4.3.3: Years of working with the organization

Years	Responses	Percentage
Less than 1 year	9	45
1-4 years	6	30
4-8 years	-	-
8 years and above	5	25
Total	20	100

Source- Questionnaire

From data collected, local industries employ qualify staff, most of whom are graduates and Diploma holders with 45% and 40% respectively of the respondents attesting to this. And information sought from staff across different department of the organization with majority in the production and Account department.

Data collected also revealed that most of the staff are newly employed by putting in less than 1 year in the service of the organization, this could be attributed to the organizations policy of recruiting experienced and qualify staff, contrary to their previous practice of employing unqualified and casual staffs. Refers to table 3 and 2 above.

Table 4.4.4: what are the contribution 0f your organization to the socio economic growth of Nigeria?

Contributions	1st	2nd	3rd	4th	5th
Efficient service provision	7	1	1	1	
Highly subsidies product	2	4	6	3	
Provision of employment	9	4	3	1	1
Revenue generation to Government		9	9	4	2
Preserving local heritage	1		4	2	4
Others	-	-	-	-	-

Source- Questionnaire

Table 4.5.5: what are the social contributions of your organization to Nigeria. To be ranked accordingly.

Contributions	1st	2nd	3rd	4th	5th
Provision of Social amenities	8		1		
Helping the less privileges	1	2	6		
Public philanthropic donations	5	6	1		
Sponsoring pilgrimages				3	

Source- Questionnaire

On the contribution of local industries to the socioeconomic development of Nigeria, majority of the staff indicates that employment generation is the most important contribution lof their company to Nigeria, with 9 respondents ranking it 1st, efficient service provision was also ranked by 7 respondents, while revenue generation was

ranked 2nd by 9 respondents, in 3rd position by 6 respondents is provision of highly subsidies products to the economy.

On social contribution to the economy, 8 respondents ranked provision of social amenities like boreholes, culverts constructions, recreation facilities etc at the 1st position on the list, while 6 respondents equally ranked philanthropic donations to motherless baby homes, places of worships etc was ranked 2nd, finally, helping the less privilege was ranked 3rd by 6 respondents

Table 4.6.6: has any of government policy affects the company's operations?

Options	Frequency	Percentage
Yes	14	70
No	5	25
Indifferent	1	5
Total	20	100

Source: Field Survey, September 2006

Table 4.7.7: Does the present economic depression have any setback on the company's profit margin?

Options	Frequency	Percentage
Yes	19	95
No	-	-
Indifferent	1	5
Total	20	100

Source- Questionnaire

As indicated in table 4.6.6 above Government policies like the Ban on importation of frozen chickens, machinery, flour, wheat has brought untold hardship on the bakery and confectionary industries. There was also the poverty alleviation programme and

Doubling of maize programme introduced by this regime aimed at increasing food production through highly improved hybrid parent seeds to the industries. There was also increase in interest rate, which reduces the lending capabilities of the organizations, coupled with the increase in fuel prices which jerked up the operational cost, thus increasing the prices of their product to break even.

Due to aforementioned policies of the Federal Government, and hard economic situation facing the country, local industries experience a drastic reduction in their profit margin, this is as result of increase in operational cost which have to be borne by the consumers through price increases.

Table 4.8.8: Superior/subordinates relationships, how free are you with your superiors

Options	Frequency	Percentage
Not very free	-	-
Somewhat free	2	10
Quite free	13	65
Very free	4	20
Indifferent	1	5
Total	20	100

Source- Questionnaire

Table 4.9.9: Are subordinates involved in decision related to; their work?

Options	Frequency	Percentage
Almost never	-	-
Occasionally consulted	11	55
Generally consulted	6	30
Fully involved	2	10
Indifferent	1	5
Total	20	100

Source: Field Survey, September 2006

Table4.10.10: How often are subordinates ideas sought and used in decision-making.

Options	Frequency	Percentage
Seldom	-	-
Sometimes	11	55
Often	6	30
Very frequently	2	10
Indifferent	1	5
Total	20	100

From figures above, the subordinates are quite free to meet and discuss any problems affecting them and the organization with 65% of the respondent indicating so. And on seeing and using their ideas on decisions related to their work, they are occasionally consulted as indicated by 55% of the respondents, this shows that the management of this selected organization do not consult and use ideas from their subordinates which, meaning they are autocratic in their management style.

4.3 ANSWERS TO THE RESEARCH QUESTIONS BASED ON DATA PRESENTATION AND ANALYSES

Based on data collected, local industries are indigenous firms producing the same line of products whose ownerships, management, control and source of raw materials are in greater percentage from the local environment. These can be seen from the 3 selected industries, that is, Alheri Seeds, Premeer seeds and Mr. Biggs are all indigenous organization whose ownership, management, control and sources of raw materials are in greater percentage from Nigeria.

The general contributions of local industries to the economic and social development of Nigeria are through: Creation of employment opportunities for our teaming unemployed graduates, suppliers, growers, distributors and unskilled labors.

Local industries also generate revenue for the government through payment of taxes like company's tax, income tax, VAT etc., Young up-coming career managers are giving opportunity to showcase their managerial abilities, thus, serving as a stepping stone for better career prospect, they also provide quality products to the consumers i.e. efficient service provision, especially for those in the fast food business like Mr. Biggs.

Local industries as part of their social contribution to Nigeria, provide social amenities like boreholes, culverts, recreational facilities, donation to motherless baby homes, sponsoring people on pilgrimages every year, so also is Premeer seeds Plc that sponsor the children of some of its deceased staff in schools.

Nigerian businessmen face a lot of obstacles when setting up their industries as presented by the management staff of the selected organization as follows.

- Capital shortage, as most of them have to resort onto borrowing from friends and relatives, as most of the banks insisted on collateral securities before such loans are given.

- Non availability of infrastructure facilities like telephone services, power supply, water, good roads to and from the organization etc. most have to provide this facilities which is cost intensive,. High power machines needed for production have to be imported or source around which is capital intensive, couple with qualified technicians or engineers to install and maintained this machines when faulty.
- Good site is another problem faced by local entrepreneurs in establishing an industry. Where to situate the industry taking into consideration access to raw materials, personnel, infrastructural facilities, which are not easy to come bye, except private arrangement is made to provide such facilities, which is capital intensive.

4.4 SUMMARY OF FINDINGS

4.1.1 MANPOWER

An organization may have a sound financial and potential marketing opportunity, but without a qualify manpower to ensure optimum utilization of resource,; the organization is bound to fall. The survey indicates that the industries employ both skilled and unskilled labors which are done through proper screening to ensure that only qualify person is employed. Graduates are more in the payroll of these firms.

4.1.2 BACKGROUND OF THE FIRMS

From the survey, 66.7% of the respondents indicated that the business was started up newly and most have been in business for over 10 years especially Premeer

seeds Zaria and Mr.Biggs which is an offshoot of UACN subsidiaries, and are all in food industry.

4.1.3 PROBLEMS OF LOCAL INDUSTRIES

These are discussed under the following headings-;

1. When setting up the company- Survey shows that when setting up local industries, entrepreneurs faces the problem of capital shortage, non provision of infrastructural facilities, and machineries for production and good site for the industries

2. Raw Materials- Majority of the respondents indicated regular supply of raw-materials which are in abundance locally, while those that experience delayed in supply (44.4%) of the respondents attributed it to government regulation and control on such raw materials e.g. chemicals used in preserving foods items, and higher costs of such materials affect their operation.

3. Subsidies from Government- The present Government is not encouraging local industries, as most subsidies like loans, tax rebates, import duties concession that suppose to be given to indigenous industries are not being put in place.

3. Initial Capital- Information collected revealed that personal savings, loans from friends and relatives is the highest source of finance for this local industries. Most of them have no access to bank loans because of artificially created barriers by banks. These barriers include demand for collateral security and high interest rate. Bank should always consider the viability of a project than collateral security.

4.1.4 CONTRIBUTION OF THE FIRMS TO THE SOCIOECONOMIC DEVELOPMENT OF NIGERIA

Data collected revealed that this firms offers job opportunities for our teaming populist, as many are employed on causal, full-time workers, as suppliers, distributors growers etc. They also, generate revenue to the both the Federal, state

and local government through payment of different taxes like income tax, VAT, they offers our young managers opportunities to exhibit their potentials. As part of their social contribution to the country, social amenities like boreholes, culverts, recreational facilities, donation to charity homes and sponsoring children of their deceased workers in schools.

4.1.5 EFFECTS OF THE PRESENT ECONOMY DEPRESSION ON THE FIRMS

61.5% of the respondents who are customers of the organization testified that the economic situation affects their purchasing capabilities due to persistent increase in prices of the products. It also revealed that the economic situation affects their profit margin a great deal

4.1.6 BUSINESS MANAGEMENT

Based on data collected, subordinates are not always consulted when taking major decisions, and their ideas are not being sought when making decisions that affect them, their work and the organization. All the 3 selected organizations products occupy market leadership position. This could be attributed to their highly dedicated and experience staff and availability of high quality raw materials which are always available.

4.1.7 GENERAL PROBLEMS

The respondents identified financial weaknesses, lack of knowledge in marketing and competition to be the most serious problems facing local industries in Nigeria, Others include demand for high rates of wages in comparison with other larger companies by the workers, costly new materials and poor infrastructures.

CHAPTER FIVE

5.0 SUMMARIES, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

The study is carried out to Assess problems associated with some selected local industries in Zaria.

Chapter one of the study gave a general background of the study in which the researcher explaining the need for development of local investment activities for the economic development of any society and how government established and controlled large-scale industrial concern with high dependence on imported inputs inform of machinery and raw materials. The obvious lack of coordinated policy to encourage and stimulate growth of indigenous industrial concern militates against adequate development of local industries. It also discussed the research questions, objectives of the study, significance of the study, scope and limitation of the study and defines some technical terms, which might be found in the study.

In the second chapter, presentation is made of various write-ups on Nigerian industrial policy, comprising the growth of manufacturing industries in Nigeria and, industrialization and the stages of Development. It also stated the position of Nigeria in manufacturing and technology. The researcher also in this chapter examined obstacles facing Nigerian industries, meaning of a depressed economy, and local industry and its characteristics, their contribution to the socio-economic development of a nation are critically examined in this chapter.

Further more, in analyzing the problem associated with some selected local industries in a depressed economy like Nigeria. The statement on the methods of

data collection, population of the study, sampling techniques and size, data collection instruments, method and techniques of analyzing data were clearly stated.

In the final analysis, it was found that financial weaknesses, lack of knowledge in marketing and competitions was number one problems associated with local industries, others are High rates of wages in comparison with other larger companies, costly new materials and poor infrastructural facilities.

5.2 CONCLUSION

Certainly a developing country like Nigeria needs individual effort to help government-realize its economic objectives, which is the economic transformation process and vast indigenous industrialization. Developments Banks, Government and private sectors are suppose to play a vital role in the industrialization of our dear country, particularly in the development of indigenous enterprises. It is important to note that a country who want to be highly developed that is, changing from her present economic position to a more better one need to embark on capital project and it is with this aim that the opportunities of the enterprises are established in any country, such opportunities are government assistance, bank loans and other schemes made available for the enterprises to and their various activities.

In view of the country rural economy and socio-political value, efforts should be geared towards the establishment and development of the enterprise. This will stimulate economic activities and even distribution of industrial development. Although local industries in Nigeria are faced with a lot of problems among which are financial, weaknesses, poor infrastructural facilities and management skill but it still have advantage over other forms of business because of its closeness to the customers, employees, suppliers and also maintain good relationship with the environment.

5.3 RECOMMENDATION

After carefully analyzing problems associated with some selected local industries and their socio-economic development of Nigeria. I, the researcher have some useful recommendations, which are designed to improve the activities of local enterprises in Nigeria. These are as follows:

i) Since most indigenous firms are financially handicapped, the government should make more funds available to undertake some viable projects such financial assistance should be adequately made available with low interest rate of not more than 2%

ii) Local industries should be given import license to import spare parts and machineries with relatively low import duties to be paid so that their product and services will be of high quality with low price.

iii) Indigenous enterprises need to undertake research and development programme in order to widen their knowledge to discover new business opportunities from time to time.

iv) The government should set up a body to monitor the activities of business enterprises from local, state and federal government level respectively. The essence is to regulate profit-making process for existing industries as well as ensure that their products and services are up to standard required.

v) Local firms should be encouraged to improve their technological know how and increase their managerial manpower.

vi) The Federal government should increase the equity base of Nigeria Bank for commerce and industry and to also encourage the participation of wealthy

individuals in the country to purchase shares of the bank. This will allow more funds to be made available to indigenous firms

vii) The Federal government should set up and fund industrial development canters throughout the country so as to employ qualified personnel who will provide technical and managerial assistance to enterprises throughout the country.

Finally local enterprises have been identified as the bedrock of industrial development of any economy. However, it will be good if both individual enterprises and all tiers of government and her accredited agencies should come to a negotiating table to dialogue towards achieving a common goal to the benefit of the society.

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APPENDIX ONE

DEPARTMENT OF BUSINESS ADMINISTRATION,
FACULTY OF ADMINISTRATION
AHMADU BELLO UNIVERSITY,
ZARIA

Dear Sir/Madam,

QUESTIONNAIRE FOR THE MANAGEMENT STAFF (M. D. ADMINISTRATIVE MANAGER, AND THE PRODUCTION MANAGER)

This questionnaire is intended to solicit information for a research topic "Assessment Of Problems Associated with some selected local industries in a depressed Economy"

This survey is purely for academic purposes and shall be treated as such. Please be Assured that any information elicited from you will be treated with strict confidence. Please answer the following questions as objective as you can by marking the Alternatives Give details were necessary.

Q1. Looking at the situation of the economy do you loose customers? YES/NO

Q2. How has your company contributed to the economic development of Nigeria?

<u>To be ranked according to priority</u>

Orientation for career managers, revenue generation to the government, increasing foreign exchange earnings, creation of employment opportunities, preservation of cultural heritage, others to be indicated.

Q3. Origin of the Business

a) Bought b) Inherited c) Started up

Q4. Age of the firm.

a) 5 years or less b) 6 to 10 years c) over 10 years

Q5. Class of industry.

a) Service b) Music c) Food d) Agriculture e) Others

Q6. Encouraging factors when setting up the company to be arranged according to priority.

Availability of cheap labor; Availability of raw materials; High demands for the product; Government incentives.

Q7. Discouraging factors when setting up the company, to be arranged according to priority.

Family members; Non-provisions of infrastructures facilities; Non-availability of Machinery; Capital shortage; Non availability of raw materials; Non availability of a good site; Labor shortage. Others.

Q8. Problems relating to production

Availability of Raw materials.

a) Regular supply b) Delayed supply c) Locally not available

d) Others.

Q9. Reasons for shortage/availability of Raw materials, to be arranged according to priority.

Government regulation and control; Changing technology; Higher costs; Artificial scarcity by suppliers, others.

Q10. Effect of shortage/availability of raw materials on production.

a) Production never affected

b) Production sometimes affected

c) Production always affected

d) Others to be indicated.

Q11. Problems Relating to Marketing, to be arranged according to priority

Due to – Competition; Poor quality; Lack of knowledge in marketing; No marketing problems, financial weakness, poor bargaining power.

Q12. Are there any Government subsidy for any loan given by the commercial Banks?

Yes No Indifferent

Q13. Nature of subsidy given if any ……

Q14. Types of labor Employed.

a) Only skilled b) Only unskilled c) both

Q16. Types of Technologies.

a) Only indigenous b) Only foreign c) Both

Q17. Sources of initial capital, to be arranged accordingly.

Loan from friends and relative, Government aids, local money lenders, loan from banks.

Q18. Factors considered as major handicap to your performance as an organization in order of priority.

Lack of managerial skill, High rates of wages in comparison with other larger companies, costly raw materials, inefficiency of Labor, Poor infrastructure, labor disputes and labor problems.

APPENDIX TWO

DEPARTMENT OF BUSINESS ADMINISTRATION,
FACULTY OF ADMINISTRATION
AHMADU BELLO UNIVERSITY,
ZARIA

Dear Sir/Madam,

QUESTIONNAIRE FOR STAFF

This questionnaire is intended to solicit information for a research topic "Assessment Of problems Associated with some selected local industries in a depressed Economy".

This survey is purely for academic purpose and shall be treated as such. Please be Assured that any information elicited from you will be treated with strict confidence. Please answer the following questions as objectively as you can by marking the Alternatives. And give details where necessary.

SECTION A (PERSONAL DATA)

Qualifications

a) WAEC b) OND c) HND/B.Sc., B.Ed d) others

Department/Section

a) Account b) Marketing c) Admn d) Production

SECTION B

Q1. How long have you been working with your organization?

a) Less than year b) 1-4 years c) 4-8 years

d) 8 years and above

Q2. What are the contributions of your company to the economic growth of Nigeria?

To be arranged according to priority.

Efficient service provision, Highly subsidies product, Provision of employment, Revenue source to government preserving local heritage, others to be indicated.

Q3. What are the social contribution of your company to Nigeria? To be arranged accordingly.

a) Provision of social amenities, Helping the less privileges, Public Philanthropic, donations, others.

Q4. What type of training do you receive?

a) On-the job only b) on-the-job and off the job

c) Off-the-job only d) others to be mention

Q5. Have you ever been given loan? Yes No Indifferent

Q6. What type of loan were you given?

a) Car loan b) furniture loan c) housing loan d) others

Q7. Has any of government policy affects the company's operations? YES NO

Q8. Identify any of such policies ……

……..

……..

Q9. Looking at the present economy depression, has the company witness any set back in its profit margin? YES No

Q10. Who are your major competitors? …….

……..

……..

Q11. What thread do you encounter? ……

……..

……..

Q12. How free are you to talk to your superior about job?

a) Not very free b) some what free c) Quite free

d) Very free

Q13. Are subordinates involved in decision related to their work?

a) Almost never b) occasionally consulted

c) Generally consulted d) fully involved

Q14. Where is responsibility fail for achieving organizations goals?

a) Mostly at top b) Top and middle

c) Fairly general d) at all levels

Q15. How often are subordinates ideas sought and used constructively?

a) Seldom b) sometimes c) often

d) Very frequently

APPENDIX THREE

DEPARTMENT OF BUSINESS ADMINISTRATION,
FACULTY OF ADMINISTRATION
AHMADU BELLO UNIVERSITY,
ZARIA

Dear Sir/Madam,

QUESTIONNAIRE FOR CUSTOMERS

This questionnaire is intended to solicit information for a research topic "Assessment Of problems Associated with some selected local industries in a depressed Economy".

This survey is purely for academic purpose and shall be treated as such. Please be Assured that any information elicited from you will be treated with strict confidence. Please answer the following questions as objectively as you can by marking the Alternatives. And give details where necessary.

Q1. How long have you been doing business with this organization?

Less than 1 year

1 – 4 years

4 years and above

Q2. Which ways does the company ensures your satisfactions? To be arranged according to priority?

Effective distribution and allocation, Price discount, Regular supply, Improved product quality, others not mentioned.

Q3. What is the average time taken to deliver your goods by the company?

a) 24 hours b) 3 days c) 1 week

Q4. Does the present economic depression affect your business with the company? YES No Indifferent

If YES, how?……...

……..

……..

……..

Q5. How does the company's products complete in the market?

a) Very low b) Moderately c) occupying market leader position

Q6. What is the contribution of your supplier organization to the socio-economy of Nigeria? To be numbered according to important. Provision source of livelihoods to many Nigerians, Providing quality products. Donation to charity homes, generating revenue to the government, provision of infrastructures to local community.

Q7. What are the possible problems affecting the organization in its operation. To be arranged accordingly.

Finally weaknesses, competition, poor quality product, lack of knowledge in marketing, management problem.