

*Extraordinary*



# Federal Republic of Nigeria

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NOTICE OF APPROVAL FOR RE-CATEGORISATION OF THE TEXTILE  
MILLS FROM COMMERCIAL SECTOR TO INDUSTRIAL SECTOR  
BY THE PRESIDENCY



STATE HOUSE,  
ABUJA,  
NIGERIA

Reference : SH/OVP/DCOS/FMITI/041

31st May, 2017

HAJIYA AISHA ABUBAKAR  
Honourable Minister of State  
Federal Ministry of Industry, Trade & Investment (FMIT&I)  
Old Secretariat Complex  
Area 1, Garki  
Abuja.

Honourable Minister,

RE : REQUEST FOR REPORT OF THE COTTON, TEXTILE AND GARMENT  
(CTG) SPECIAL IMPLEMENTATION COMMITTEE

I am directed by His Excellency, PROF. YEMI OSINBAJO, SAN, Acting President, Federal Republic of Nigeria, to acknowledge receipt of your letter Ref. No. 1D1D/02/S.478/Vol. 1/ ..... dated 26th April, 2017, on the above stated subject and convey His Excellency's approval of your prayer in para. 6 (ii). I am also to draw your attention to steps already being taken via Executive Order 1 and 3, to give effect to the request.

2. Kindly communicate this approval to all relevant MDAs.

3. Please, accept the assurances of His Excellency, the Acting President's consideration and best wishes.

ADE IPAYE  
*Deputy Chief of Staff to the President  
Office of the Vice-President*



**FEDERAL MINISTRY OF INDUSTRY  
TRADE AND INVESTMENT  
OFFICE OF THE HONOURABLE MINISTER OF STATE  
OLD SECRETARIAT COMPLEX-GARKI-ABUJA**

**P.M.B. 88 GARKI  
Phone: 09-6718989**

**IDID/02/S.478/Vol. 1/.....**

**26th April, 2017**

**PROF. YEMI OSINBAJO, SAN, GCON  
Vice President of the Federal Republic of Nigeria,  
State House,  
Abuja.**

**Attention : Deputy Chief of Staff to the President**

**Your Excellency Sir,**

**RE : REQUEST FOR REPORT OF THE COTTON, TEXTILE AND GARMENT  
(CTG) SPECIAL IMPLEMENTATION COMMITTEE**

I write to refer to my letter Ref. No. IDID/02/S.478/Vol. 1 dated 31st October, 2016 on the above subject (copy attached) and to present an update on the action plan of the Special Implementation Committee on CTG.

2. Further to the presentation made by the Ministry on the Cotton, Textile and Garment (CTG) to your Excellency, you will recall the constitution of an Implementation Committee to fast-track progress in the sector. Your Excellency may also wish to note that the Implementation Committee was subsequently inaugurated with responsibilities shared amongst the respective members.

3. Arising from the above, the following key steps had been taken :

(i) The Committee embarked on a tour of some textile factories to assess status of the facilities ;

(ii) The Federal Ministry of Industry, Trade and Investment has initiated moves to engage the Ministry of Petroleum Resources on the issue of gas pricing and availability of Low Pour Fuel Oil (LPFO). This had been followed up by the National body of Textile Manufacturers Association) ;

(iii) The Ministry had also engaged the Comptroller-General of the Nigeria Customs Service on the issue of smuggling and counterfeiting ;

(iv) A meeting was held with the Honourable Minister of Agriculture and Rural Development to address the non-availability of cotton seeds and other relevant inputs to the farmers.

The outcome of the above are as follows :

(i) The industrial visits revealed that a number of the companies were fully equipped with modern machinery and equipment but operating at below 25% capacity ;

(ii) The factories visited have the capacity to produce locally used fabrics/prints and uniforms both for the armed forces, para-military and schools, towels, bedsheets, curtains, carpets, etc :

(iii) Some of the textile companies had large stocks of unsold fabrics, which had discouraged them from further production ;

(iv) The influx of cheaper textile products either due to smuggling or counterfeiting into the market affect the sale of Nigeria made products ;

(v) A number of staff of some of the textile mills have been disengaged or re-employed on part time basis as a result of low capacity utilisation ;

(vi) The cotton stocks were being kept in inappropriate sacks that affect the quality of the finished goods :

(vii) A meeting was held with the Ministry of Petroleum Resources who stated that gas had been concessioned to the private sector.

(viii) Engagement with the Nigeria Customs Service (NCS) revealed that there has been improved competitiveness especially in the textile sector due to the recent actions that had been taken by NCS to checkmate the influx of foreign textiles and other products :

(ix) The meeting with the Honourable Minister, FMA&RD, though very rewarding and promising, yielded no result as the funds required for funding the sourcing of cottonseeds was unavailable.

5. Furthermore, I wish to inform Your Excellency that the Implementation Committee organised and held a CTG Stakeholders' Forum on 13th October, 2016 that included and exhibition by the textile and garment manufacturers. His Excellency may wish to further note that there is adequate local capacity to provide uniforms for the para military, public schools and hospitals as well as the National Emergency Management Agency and other items (make ups) such as vests and tarpaulins etc. Communique issued on completion of the one-day Forum is attached for the consideration of His Excellency. Some of the highlights include the following :

(i) The need for more commitment of all stakeholders to grow the Cotton, Textile and Garment sector :

(ii) There is a disconnect between the Public Procurement Act and political will. There is an urgent need to patronise the locally made products as recommended by the PPA Act, 2007 ;

(iii) There is a need to direct the Central Bank of Nigeria (CBN) to release Forex for identified raw materials for sectoral growth and to ensure that adequate Forex is allocated to the CTG group to facilitate job creation :

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6. In view of the foregoing, Your Excellency is respectfully invited to note the following action plan to enhance the success of the implementation of the CTG policy and to direct :

(i) the relevant Ministries, Departments and Agencies (MDAs) using uniforms and make ups to patronise the local textile and garment manufacturers ;

(ii) the Ministry of Petroleum Resources to re-categorise manufacturers like the textile companies into the strategic industrial sector as against their present categorization in the commercial sector to reduce the cost of production and boost local manufacturing.

7. Please accept assurances of my highest regard as always.

AISHA ABUBAKAR

*Honourable Minister of State*



