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Trade Liberalisation and Deindustrialisation of the Textile Industry in Nigeria (1997-2000)

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ABSTRACT

In compliance with the spirit of trade liberalisation and the subsequent implementation of the World Trade Organisation (WTO) Agreement of which Nigeria was a signatory the Nigerian textile industry was adversely affected. To make matters worse, on the January 1, 1997, the nation was informed during the fiscal policy announcement that the ban on importation of textiles and some other items was lifted. Trade liberalisation became harmful to Nigerian textile industry because of the inadequacies of the local economy and bad infrastructure which leads to high cost of production. This article examines the relationship between trade liberalisation and the dwindling fortune of textile industries in Nigeria. In this direction, the researcher compares financial data of a period of four years before textile import was liberalised, and four years during the period of trade liberalisation. To achieve this, financial records of five most viable textile companies were analysed. The analysis involved data of four years before trade liberalisation 1993 to 1996. These financial data were compared with data of four years during the period of trade liberalisation 1997 to 2000. Through this analysis, a trend emerged which supported the argument of the devastating effect of trade liberalisation to the fortune of textile industry in the country. The study recognised that the adoption of the neoliberal policies by Nigeria brought about low sales, low profit, low dividend and share. The case of the textile industry in Nigeria as result of trade liberalisation is a case of deindustrialisation. The industry lacks the wherewithal to reap the gains of globalisation substantially. This paper is an effort to call on policymakers to create an enabling environment for the industry to recover from its huge and cumulative losses.

Keywords ***:*** Deindustrialisation, Industry, liberalisation, Nigeria, Textile, Trade.

INTRODUCTION

The African continent had suffered a devastating blow following a series of aggressive economic and political reform experiments (Harrison, 2013; Van de Walle, 2001). This profoundly devastating phenomenon could be traced to the surge of economic structural adjustment reforms inspired by the International Monetary Fund and the World Bank. The market doctrine introduced through the structural adjustments programme practically cut employment and public expenditures affecting economic, social and political sectors. Storr (2013) believed that the market would serve as an impartial arbiter in determining economic development in place of state handlers. The 1990s and beyond witnessed even more remarkable economic and political changes in sub-Saharan Africa. After colonial dislocation, the major challenge experience in textile production was as a result of trade liberalisation. The manufacturing industries were preoccupied with the problem of deindustrialisation as a result of unrestricted liberalisation.

The argument from Balogun (1997) and Aiyede (2003) is that Nigeria has experienced imperious governance from colonial period till date. They argued that colonial rule dislocated the economic system by reorganising the economy to suit the economic interests of the colonial power. The hitherto prosperous textile industry was stifled. This provided an avenue for foreign merchants to fully control economic activities. It became a zero-sum game where the stakeholder's control was quite high because the winners win all by controlling resources they use to entrench their authority. Hence, these stakeholders in an effort to control the gate resulted in the continuation of the chaos experience during the colonial period. Surely, the reforms pushed by these institutions in post-colonial Africa are disastrous and undermining the local economies. The 1980s neoliberal structural adjustment strategy christened 'Ronald Thatcherism' fully entrenched dependence, increase foreign debt and heavy reliance on aid (Were, 2001). SAP had adverse fallout on the state capacity and economic growth in the last three decades. Economic growth has been hampered in the past thirty years when the adjustment reforms are formally launched. Van de Walle (2001) insisted that structural reforms proved precarious.

The 1990s came to represent a decade in which the notion of failed liberalisation was widely upheld (van de Walle, 2001). The World Trade Organisation in 1995 implemented some policy adjustments on textiles products. Some of these measures are the removal of textile and clothing allocation among member countries. China was the principal benefiting country of the measure (Lola, Rasiah, Teng, Muhammad & Agboola, 2017). Because of these cheap exports from China, the Nigerian textile industry is among the textile producing states that are dying (Muhammad, Ahmed, Kafilah, Mikail, & Ale Ebrahim, 2017; Muhammad, Mukhtar & Lola, 2017). Nigeria used to be a major centre for the supply of quality Africa wax, known as Ankara. Sadly, counterfeit and fake copies of these items were manufactured and imported from Asia to Nigeria. These products are labelled Made as Nigeria or Made in Nigeria and dumped there. NUTGWTN (2014) indicated that China smuggled into Nigeria about N300 billion values of textiles and garments every year. These products are mostly imported without the payment of the required taxes and duties. More than 90 percent of the textile items sold in the Nigerian market is smuggled. A garment and clothing trader based in the Kantin Kwari market, Kano and Balogun or Awolowo markets, Lagos holds that China textiles dominate the Nigerian market, with a few imported from Europe, India, Dubai and Malaysia. The majority of the buyers prefer China materials because they are sold cheaply (Lado, 2015).

In the 1990s, the textile sector generated 67 percent annual growth (Aremu, 2015). 170 functional textile factories were registered with the Manufacturers Association of Nigeria, hiring more than a quarter of a million people through direct employment. Its industrial capacity in West Africa stood at more than 60 percent, dominating the geographical landscape of the Nigerian nation. Suddenly, the situation changed for the worse; the sector plunged into an industrial quagmire. From 170 flourishing factories, the figures dropped down to the lowest number, with no exception to big textile players, including United Nigerian Textile Company closing shop and sacking mass number of employees. This is because of the strain provided by the aggressive operating atmosphere. The industry is facing a plethora of difficulties, which affect investment. For significant transformation to occur, the government had to regulate and intervene to offer a probable industrial development plan. In the advanced countries where market institutions are better developed, they did not just emerge automatically. Alternatively, they often relied greatly on state actions and hence the role of laissez-faire economics has been tremendously overstated. The success recorded in the rise of the free market economy in Europe was practically the result of an excessive increase in continuous, centrally commanded and controlled interventionism that opened and kept open the free market doctrine (Muhammad, Ahmed, Kafilah, Mikail, & Ale Ebrahim, 2017). This measure is more common among countries that proceeded Britain industrialisation.

The study provides details on the growing Chinese dominance in the twenty-first century. This article deferred from previous scholarly works by discussing trade liberalisation and deindustrialisation of textile industry in Nigeria from 1997 to 2000. Moreover, the paper examined four years before full implementation trade liberalisation policies and after in the 1990s. The paper is presented in five sections. Introduction is presented in section one. Trade liberalisation and the Nigerian textile industry (1997-2000) were discussed in section two. Globalisation, trade liberalisation and the Nigerian textile industry was examined in section three followed by result and discussion in section four. While conclusion was in section five.

TRADE LIBERALISATION AND THE NIGERIAN TEXTILE INDUSTRY (1997-2000)

Olarewaju (2015), in a paper delivered at *Nigerian Textile Manufacturers Association (NTMA)* Conference stated that the possible consequence of unrestricted import of foreign fabrics is translated into dumping of finished good into the local market. Muhammad, Mukhtar & Lola, 2017 argued that hundreds of containers of fabric come into the country every month. Imported African print had taken over 60% of Nigerian market as at 2000. They sell below the local selling price and most of the designs were copied from the local manufacturer's products. Madugu (2015) asserts that the industry's average capacity had gone as low as 30%.

Moreover, second hand clothing, which was ban, comes in without hindrance; hence the garment industry in the country is virtually dead. According to Ahmad (2015) many companies have closed down, at the last count, we have about 35 closures between 1997 and now. Many of those that have not closed down have reduced their labour force to about 25% of what they used to employ. More than 100,000 employees have lost their jobs within that same period. Suleiman Isiyaku Umar Tofa (2015) the Chairman Manufacturers Association of Nigeria, Bompai branch claimed that even with the low capacity utilisation, producers and distributors carry a lot of unsold stock because they could not sell at a loss, as they cannot compete price wise with the foreign fabrics. There is no more expansion or new investments in the industry. There is a financial distress in the country whereby many companies could not fulfil their obligations to financial institutions. Some are already under receivership.

The stakeholders in the industry (the manufacturers, the senior staff association, the workers union and some distributors) reacted through the presentation of a protest to the government and advised that the government place a temporary ban for at least 4-6 years as provided for under article XiX of the GATT agreement 1994 (NUTGWTN, 2003). Aremu (2015) reaffirmed that rising cost of production due to various taxes, increase in labour cost, increase in cost of energy and water supply, high rate of foreign exchange affected the cost of imported raw materials which include dyes and chemicals, spare parts etc. On his part Madugu (2015) opined that massive smuggling and poor market situation due to low purchasing power of the average Nigerian could be listed among the many ills of trade liberalisation on the industry.

Moreover, devaluation of the French franc in the late 1990s made Nigerian made fabrics to be more costly in the West African sub-region which was absorbing 20-25% of fabrics produced in Nigeria. The National Union of Textile, Garment and Tailoring Workers of Nigeria (NUTGTWN, 2014) maintained that to be able to challenge these anomalies the intervention of government has to be sought on the establishment of the petro-chemical industry to reduce the industry’s dependence on the importation of dyes, chemicals and machineries. Furthermore, machine tool companies should be resuscitated to make for local sourcing of spare parts; all multiple taxes should be realigned; excise duty on textiles should be abolished; foreign exchange rate be harmonised to eradicate sharp practices in the foreign exchange market; government should come up with a textile policy and the ban on the importation of textiles be maintained while relevant government agencies effectively curtail smuggling.

The stakeholders in the industry claimed that free flow of foreign goods into the country with little or no restriction is a threat to the survival of the textile industry, which ranks as the first generation industry in the country (KASTU, 2013). In addition, it is equally a threat to employment of thousands of workers and their dependants in the labour intensive industry. It is a threat towards industrialisation of the nation and a threat to national interest, especially security on lifting the ban, the only restrictive measure put in place by the government was the imposition of 45% import duty on goods (NTMA, 2009). The industry has made special effort to embark on cost reduction measures by reducing wastes and being more efficient in its production processes. Quality was drastically improved but still domestic products could and cannot compete with foreign made fabrics in terms of price. As Ahmad (2015) put it, that a lot of the importers are involved in various malpractices, to sell at prices below the domestic cost of production. Since the problems of the industry were due to both international and national practices, pressure was being brought to bear on the government to provide a more conducive environment for the manufacturers. The government could still explore the possibility of placing temporary ban on the importation of textiles, even if not all types may be on African and wax prints in which the industry has enough capacity to satisfy the need of the domestic market. This is covered under GATT 1994, India, Indonesia and all those who come to dump the prints in the Nigerian market do not use them in their countries. They only produce for the Nigerian market.

The Asian economies come to Nigeria to collect samples of the prints, go back to copy the designs, produce and come to dump in Nigeria. While the ban subsists, government was implored to put in place measures including customs reforms with special attention to the fight against smuggling. Inspection of goods at origin and destination should continue. The industry be excluded from value added tax (both on input and output). The basic infrastructure in the country should be improved, as this would reduce cost of production. Provide cheap fund to enhance investment through the Bank of industry. The industry promise to get itself committed to the following, if the government evokes a temporary ban. To gear itself to meet the demand of the populace by stepping on producing and generate move employment; invest in modern machineries to reduce cost and improve quality; develop broader product base to meet the requirement of African growth and Opportunity Act (AGOA) and invest in existing and new ventures; especially in garment industry to take advantage of AGOA and other export markets.

Previously, textile companies in Nigeria were operating in a seller's market. This means whatever is produced is sold (Adhama, 2015). The companies produced whatever designs they feel right and dump into the market, which has little choice than to accept what is available. This leads to the textile companies charging whatever price they like, for any product quality they are able to produce. There was basically no marketing service whatsoever. Increased competition, coupled with eroding value of the consumer income combined to reduce the level of consumer demand for textile materials (CRD, 2012). This trend started during the structural adjustment period. The problem started manifesting in increased stock of finished goods in the warehouses, most of these finished goods are produced without orders from customers and so the textile companies have to find a way of disposing them, since the market is becoming hostile and competitive. Dealers started dictating to the manufacturers as to what quality they expect and at what price. Dealers later have a say in what design they can choose. They have the right to accept or reject badly finished goods (Adhama, 2015).

To survive increasing domestic and foreign competition many companies adopts various marketing strategies (Abdulrazak, 2015). The product in this regard is super print material and it is design to appeal to the lower income group in the textile market in Nigeria. The quality criterion includes, colour values, wash fastness, and light fastness and perspiration test. These quality values are identified and amplified for the customer to see and pay for. To achieve the above quality specifications, Kaduna textiles in particular, invested over N500 million in machineries to enhance the quality of the product. Other marketing strategies as regards the product include requesting customers were asked to submit any design of their choice, which the company develops for them. Previously, this service was not available. The company simply choose the design that it deems fit for the market and produce it and dump into the market which has no choice than to accept. All designs that are badly printed will be entitled to discount. Hitherto, this service was unavailable. All printed materials are graded into three categories A, B, and F grades and they are priced differently. All the above services were rendered to the dealers, which help in maintaining their loyalty to the company with all these the local companies could not survive the onslaught of liberalise imports.

Liberalisation of import on textile materials ensures influx of foreign textiles material, at a cheaper rate. The imported materials are of lower quality and these are sold at lower price. And since the demand is sensitive to price, imported goods tend to sell far more than the local print. To survive this situation, various strategies were introduced. Due to higher stock of finished goods, textile companies were force to sell on credit with all its attending problems. The granting of this facility help to push the sales of the companies, though at a high collection costs. Cash business was also encouraged through the payment of instant discount on payments. This ensures an easy cash flow for the company. In order to stimulate more sales, rebate system was introduced. In this case, customers were categorised into three groups purely based on their turnover. Different percentages of their turnover were given to them as commission on turnover. In addition, different types of price cutting strategy were used to help increase cash flow and keep the company going.

GLOBALISATION, TRADE LIBERALISATION AND THE NIGERIAN TEXTILE INDUSTRY

By the year 2000 government trade liberalisation policy on textile items has not yielded desired results. In spite of the imposition of 65% duty (which was 45% at the beginning) and the anti-dumping laws the industry suffered due to the healthy economic operating conditions prevalent in the country (Aremu, 2015; Muhammad, Buba, Agboola, & Lola, 2018). The imposition of the 65% duty was ineffective due to the fact that the people who are importing the fabrics into Nigeria are also the manufacturers of the product abroad (Adhama, 2015). As the importers and the sellers are the same, they manipulate the invoicing in such a way that the 65% tariff is rendered ineffective. In addition to this, greater portion of the products are also coming into the country through smugglings. It is therefore possible today to find cheap Asian fabrics selling at cheaper rate, whereas the cost of production of such fabric in the country is higher than that made in Asia.

Other economic conditions such as government increase of the minimum wage, increase in electricity tariff, higher fuel costs, water bills and other inputs required by the industry, badly affect the financial and performance conditions of the industry. Bank rate went up to 30%, import duty rate were also revised upward for spares and essential inputs (NTMA, 2009). The industry is also committed to the demand of the Standard Organisation of Nigeria who, at intervals, checks the manufactured goods for various quality parameters, such as colour values, wash fastness, light fastness, perspiration tests and so many other standard parameters to meet the international standard of textiles materials (Sodhi, 2013).

The obvious question most observers asked is why can't Nigerian textile manufacturers compete with the imported materials in terms of price? Mr S. N. Venkatesan (2001) the former General Manager of Kaduna Textile Limited, opined that "in India and other Asian countries, the textile industry has had a mushroom growth over thousands years and some of the decentralised sectors operate in thatched sheds employing only extended family members and a few casual workers without boards and without corporate responsibility to government for tax and other revenues. They are not governed by any labour union, their cost of manufacturing cannot match even an Indian composite mills. In Nigeria, we do not have such decentralised sector and it will take years if we start today, to make progress. Such decentralised sector not being governed by any corporate laws can make goods at very cheap rate. So we cannot match their price in Nigeria".

The world comes into the new millennium accompanied by an economic transformation, which many believed could produce the circumstance and the means for Africa's revival. This economic transformation often referred to as globalisation has entered into a new chapter – shrinking of the world into a global village in part by advances in information and communication technologies (Aristide, 2002). Capitalist globalisation has also been influential affecting a transformation in all areas of social and economic life across the globe. It has made possible the incorporation of national system of production and finances which improves mobility means that borrowers, government or private entities must compete with each other for capital in global rather than national markets. These procedures have dampened industrial growth in those states that are incapable to compete. Africa is a typical case in this regard. While globalisation has multiplied the cost of Africa's capacity to compete, there are those who are of the view that the continent is on the entrance of economic affluence and poverty alleviation so long as the world integration is efficiently managed by Africans (Askouri, 2007; Asobie, 2001).

Toyo (1999) defines globalisation as a stage in the counter revolutionary, tripartite competition and neo-monopolistic propaganda offensive of imperialism. To him, the plan of globalisation is to heave the marketised state economies of developing countries open to the global free market that is seen as a global field for equal participants. According to him as far as the coercive powers are concerned, "equality means that the rules of general agreement on tariff and trade (GATT) operate for those not strong enough to defy them just as all currencies should be allowed to float clearly" (Toyo, 1999). Owolabi (1998) argued that "globalisation is thus nothing more than the process and hence culture to all corners of the globe on terms and conditions arranged by and favourable to leading capitalist countries, organisations, institutions and individuals capitalists." Globalisation has also been able to stir up emotions of the people who should be made to lose confidence in the state and to protect on the 'infallibility' of market forces in influencing economic, political and social activities. Many businesses these days are in the doldrums because of the policies of trade and commerce introduced by major imperialist powers and to which developing states are subjected.

Globalisation is determined that economic growth can only be achieved by liberalisation and deregulation of trade prices and labour. Deregulation of trade and prices is being followed under GATT and later WTO schedules while the structure for demands of the GATT and WTO is being offered by the IMF, WB, and governments of the developed capitalist states. Trade between imperialist conglomerates and the less developed states are not carried out on equal basis. A liberalised and deregulated economy in a condition such as this ends up making the third world countries worse and the imperialist better off. Ya'u (2004) argued that no country on earth could break out from the command of the imperialist embodied in the WTO. He further claimed that even nations like China and Japan were victims of the West in the uneven relationship. He however maintained that a country could at best try to defend its economy from the rapacious propensities of the imperialists.

Government lack of commitment to the industry's is also one of the factors affecting the industry. The industry has continued to face hash operating environment in the state due to lack of government drive and policy direction to produce an enabling environment for industrial development (Muhammad, Buba, Agboola, & Lola, 2018; Lola, Rasiah, Teng, Muhammad & Agboola, 2017). Specifically, extensive importation, most of which prohibited account for enormous percentage of the domestic market share, thus, threatening the survival of the domestic industry. The industry poor performance could be attributed to invasion of imported textile products from Asia. 'The large amount of poor quality import from Asian states to the disadvantage of local producers, it must be noted that the persistence of dumping of low-priced imports ultimately lead to near collapse of the sector in the country resulting in further unemployment and unproductive investments'.

It is a common knowledge that the huge warehouses of the textile firms are full of unsold products, tying down productive capital and leading to massive lay-off of workers and reduction of work hours leading to smaller pay packages. An industrialist and Chairman Manufacturers Association of Nigeria Bompai branch Kano, Alhaji Suleiman Umar Tofa (2015) explained that "our materials cannot compete with those coming in from Asia in particular because Asian countries sell cheaply to ensure evacuation of their products". According to him, in Lagos area alone, textiles materials valued at several billions of Naira are laying unsold in warehouses, partly because the Asia textile firms, have flooded the country with their cheap prints.

He alleged that in order to further frustrate the local textile industry, the Asian prints now carried the same colours and designs as the locally made ones, and they go for "ridiculously very low price". Tofa *(2015)* asserted that, attempts made by local textiles firms to break into the markets of the nation's neighbouring countries, had also not yielded much results, 'because these Asians are all over the African continent". At its meeting on the first week of October 2002, the federal executive council took two far reaching decisions on two major issues that had grossly affected the nation's economy (Baba, 2015). The issues were unbridled importation of textiles, which had compelled the closure of local textile firms, and rice, the importation of which gulped more than $600 million annually. Importation of textile materials continued unabated. The fortune of textile industry had dwindled so much that most of the factories have closed down and it will require a lot of investment to resuscitate.

RESULT AND DISCUSSION

Financial data of the five samples textile industries

This article proved that there is a strong relationship between trade liberalisation and the dwindling fortune of textile industries in Nigeria. The study compares the financial data of the period of four years before textile import was liberalised, and four years during the period of trade liberalisation. The figures below contained the financial data of the samples textile mills (United Nigeria Textile Plc, Afprint Plc, ENPEE Textile Plc, Asaba Textile Plc and Kaduna Textile Limited) under study. The data is analysed to establish the relationship in the variable under consideration.

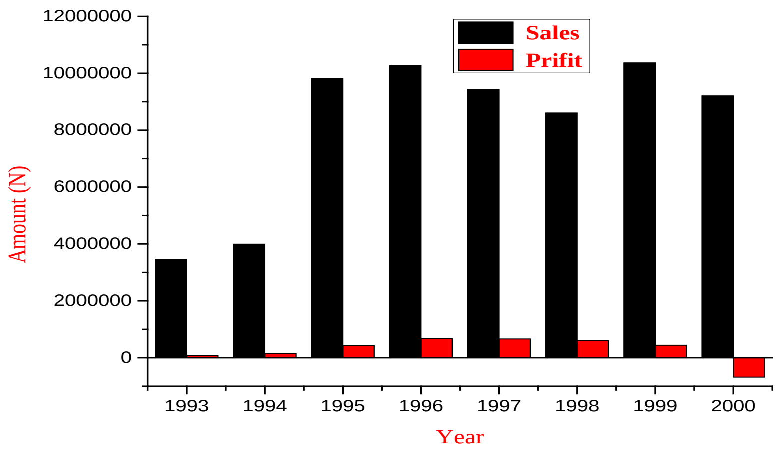

Fig. 1: United Nigeria Textile Plc sales and profit (1993-2000)

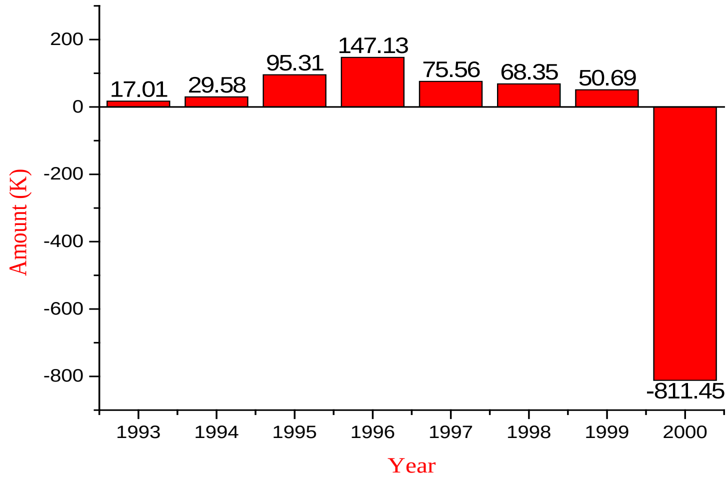

Fig. 2: United Nigeria Textile Plc Earning/share (1993-2000)

As can be seen from Fig. 1 and 2 United Nigeria Textile Plc sales is increasing steadily between the periods of 1993 to 1996 that is during protection period. World Trade Organisation institutional transformation and opening out gave it the thrust to exert remarkable authority in forcing states to unlock their borders and allow free access to the exchange of products. This reform in the mid 1990s is simply referred to as trade liberalisation. Trade liberalisation started to manifest its negative impact in 1997 the same year it was introduced in the country. The figure further indicated that sales nosedived and it continued to drop throughout the period of trade liberalisation under consideration (1997-2000). Other measures of performance, like profitability, dividend and earnings per share shows the same trend during this period. In fact, in the year 2000, UNTL PLC recorded a loss of over N682 million, as indicated in Figure 1 above. This is not unique to UNTL Plc alone; it affects all other textiles companies in Nigeria. One of the best known measures of performance in a company is the earnings per share. Figure 2 show that earning per share appallingly decline when protection was removed. As can be seen from the above, earnings per share rose steadily between 1993 and 1996 (protection period), it dropped rapidly between 1997 and 2000 (trade liberalisation period) to a negative figure in the year 2000.

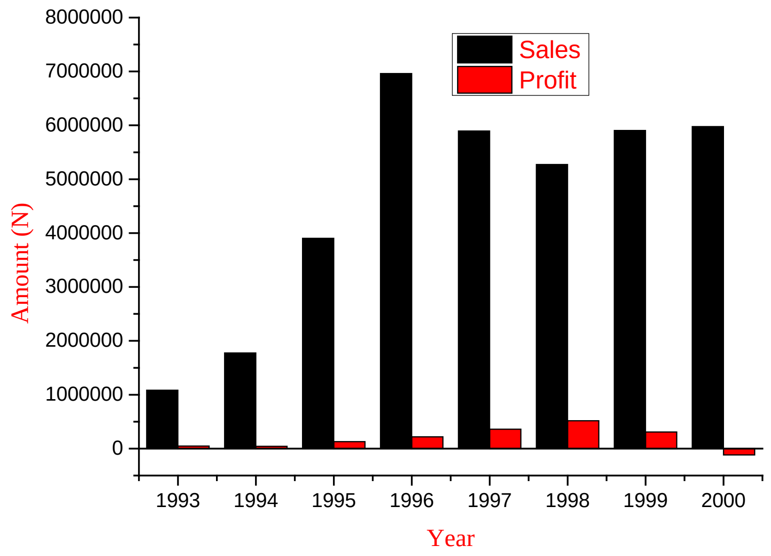

Fig. 3: Afprint Plc sales and profit (1993-2000)

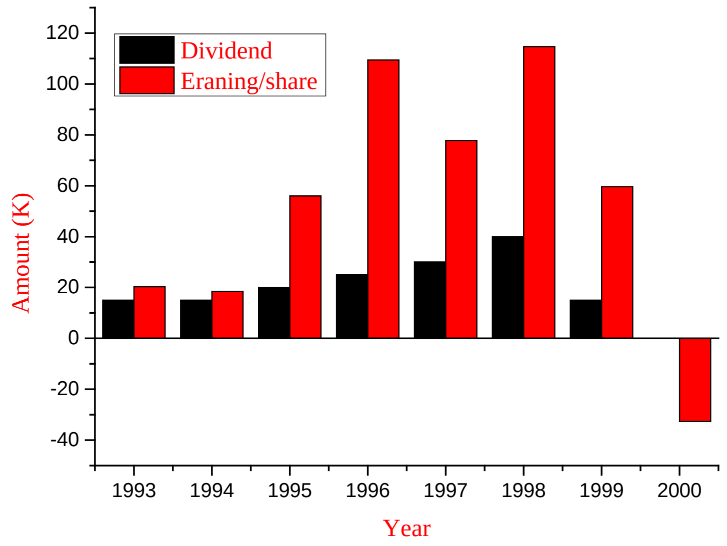

Fig. 4: Afprint Plc dividend and Earning/share (1993-2000)

The sales performance of Afprint reflects the same behaviour exhibited by data analysed from UNTL in Figure 1. Sales Figure continue to grow steadily between 1993 and 1996 (protection period) while it dropped sharply in the period of 1997 to 2000 (trade liberalisation period). As in sales the same patterns apply to profit, dividend, and earnings per share. These measures of performance exhibited the same behaviour during the period under consideration. UNTL Plc and Afprint Plc represent the giants in the textile industry in the country; whatever happens to the two is expected to cut across the industry. At the other extreme, the study discussed other companies like Enpee Plc and Asabatex Plc.

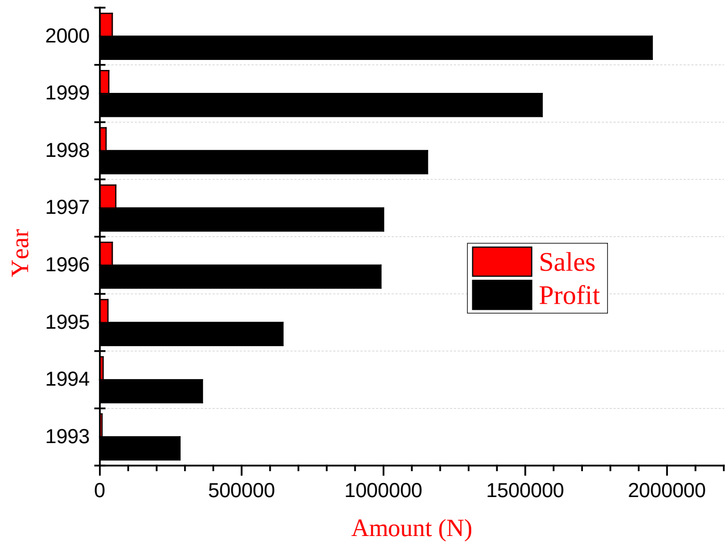

Fig. 5: ENPEE Textile Plc Sales and Profit (1993-2000)

As can be seen in Figure 5, sales in ENPEE Textile Plc showed steady growth pattern between 1993 to 1996 (protection period), even though sales continue to grow during the trade liberalisation period. For example, while sales increased by about 250% between 1993 and 1996 protection period, it only increase by about 94% during the period of 1997 and 2000 (period 1997 to 2000), the increase is not proportional to what is obtained in the period of trade liberalisation. Looking at the profit figure of this company, it will be noticed that it increase rapidly during the period of protection that is 1993 to 1996 while it started to decline during the period of trade liberalisation. For example while the company makes a turnover of N990,827,000 in 1996 (protection period) the company declared the profit of N43,470,000. Now compare this result with the turnover of almost 2 billion in the year 2000 and a profit of N43,529,000 trade liberalisation period.

In a more explicit term, the company in 1996 achieved 4.4% profit of its turnover. However, in 2000, it recorded just 2.2% profit to its turnover. When we consider the earning per share of this company during protection period and compare it to the earning per share during the period of trade liberalisation a clear picture will emerge.

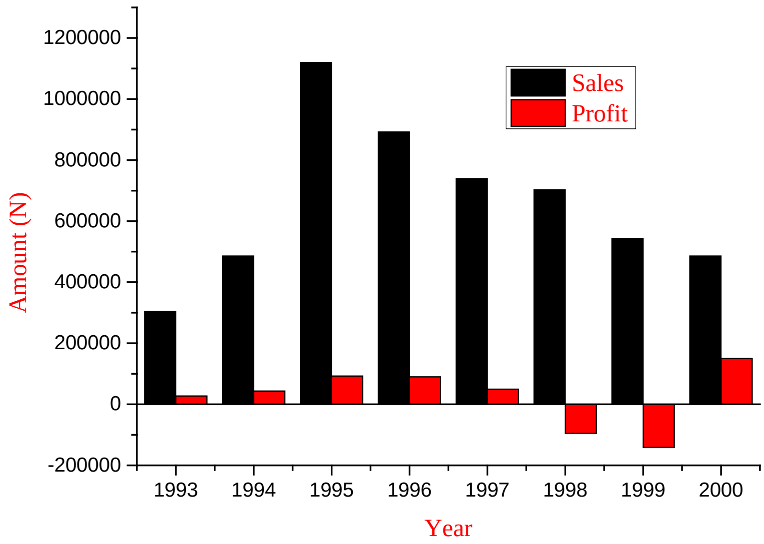

Fig. 6: Asaba Textile Plc Sales and Profit (1993-2000)

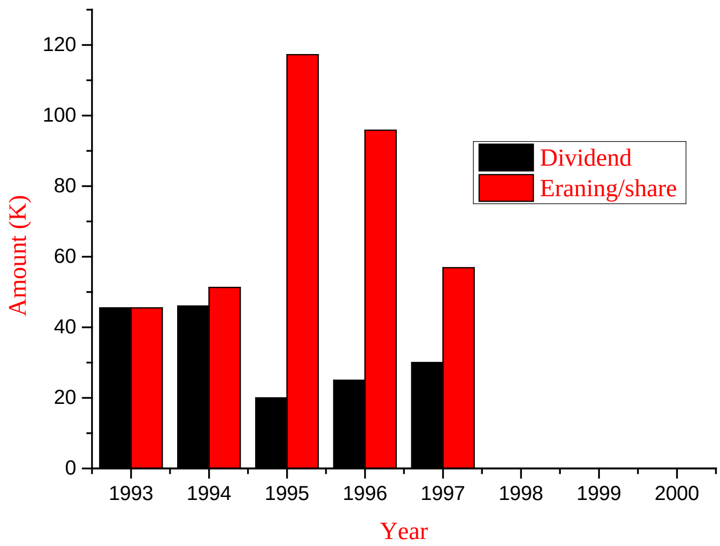

Fig. 7: Asaba Textile Plc Dividend and Earning/share (1993-2000)

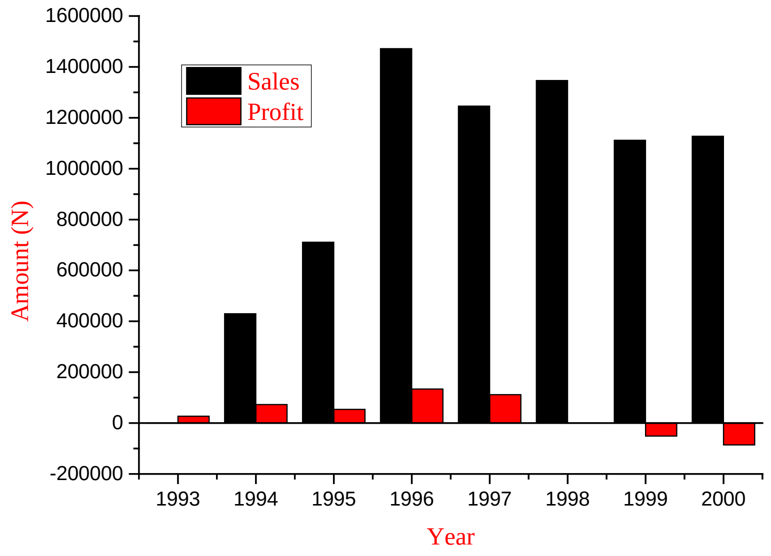

Fig. 8: Kaduna Textile Limited Sales and Profit (1993-2000)

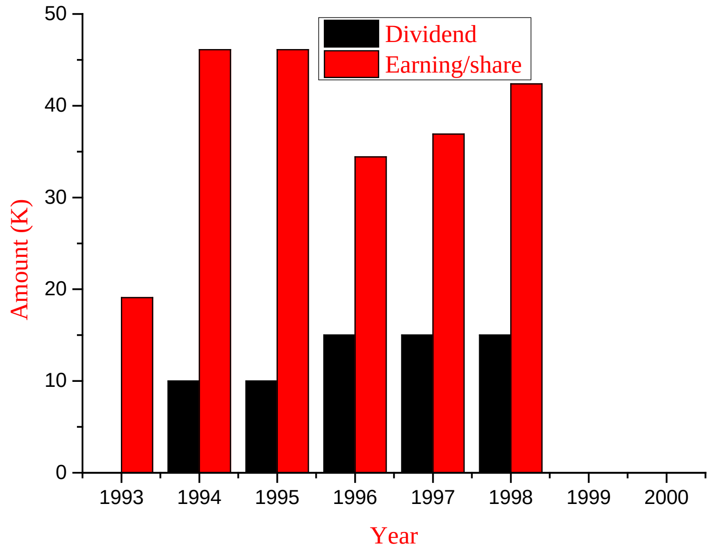

Fig. 9: Kaduna Textile Limited Dividend and Earning/share (1993-2000)

Profitability Analysis

Profitability, being one of the important measures of performance has suffered great deal under the period of trade liberalisation. The profits of the textile factories under study rose steadily during the periods of protection (1993 to 1996) and decline during the period of trade liberalisation (1997 to 2000). All factories under study except ENPEE declare looses in the year 2000. Consequently, during this period of looses, no investment in fixed asset is undertaken hence no growth will be recorded.

Table 1: Profitability Analysis (NTMA, 2009)

Profit Year	1993	1994	1995	1996	1997	1998	1999	2000
UNTL	226,472	290,486	821,201	1,012,663	706,362	780,141	769,560	(629,640)
Afprint	47,741	42,951	128,241	217,523	359,708	518,039	308,170	(116,075)
ENPEE	7708	11,500	28,167	43,470	56,081	21,773	31,059	43,529
Asaba	27,231	43,277	92,812	89,885	49,464	(95,285)	(141,070)	(100,111)
KTL	26,997	72,853	53,549	133,531	111,683	100,648	(51,098)	(50,356)

Investment in Fixed Asset

Between 1993 and 1996, investment in fixed asset more than double, it rose from N2,418,820 to N5,466,864. Now compare this trend to what happens during the trade liberalisation period of 1997 to 2000, where investment in fixed asset dwindled and diminished. In 1997, UNTL value of fixed asset was N5,315,176,000 in 2000, the value of fixed asset reduced to N5,006,003,000. This shows us a reduction in its fixed asset and thus a reduction in investment and growth that is why most of this companies collapse from 2000 to 2015 (Muhammad et. al. 2017). Formerly the textile industry was the lead sector of the Nigerian economy and one of the main earner of foreign exchange income and the second largest employer of labour in the country. Conversely, from this healthy state, the industry decline as a result of the operational introduction of trade liberalisation in the country which came into operation in 1990s through reforms in WTO (Muhammad, Ahmed, Kafilah, Mikail Usman, & Ale Ebrahim, 2017).

Afprint more than tripled it investment in fixed assets between 1993 and 1996. In 1993, its value of fixed asset was N469,257,000 while in 1996, the value have more than tripled to N1,567,775,000. This represents a significant investment and growth during the period of protection. In 1997, the value of Afprint fixed asset stood at N2,216,091,000 while in 2000, the value increased to N3,903,444,000 about 76% increase. Though significant, it may not be compared to the increase recorded during the protection period. Asaba Textile Plc was one of the leading producers of African print material. During the period of protection, the value of the companies fixed assets increased fromN42,668,000 to N176,717,000 in a period of four years. This represents an investment in fixed asset of about 314% and it add to the growth of the company. In 1997, the value of fixed asset stood at N336,039,000 while in the year 2000 it decreased to N328,254,000.

Kaduna Textile Limited wholly devoted to the production of African print material has as its total fixed assets in 1993 as N20,009,000 while in 1996, the figure jumped to N55,633,000, showing a significant investment and growth of about 178%. During the period of trade liberalisation there are some growths though not as significant as that of the period of protection. The analysis so far indicated that while most of the companies under consideration invest in growth during the protection period, the story is different during the period of trade liberalisation. There was dearth of investment during the period when trade in textile material was liberalised. The difference is very striking when the two periods were compared. Lack of investment stipples growth and ultimately leads to closure of most of the textile companies.

CONCLUSION

This research highlighted the devastating effect of trade liberalisation to the affluence of textile industry in Nigeria. To achieve this objective financial data which include sales data; dividend; share; profitability; return on investment and investment on fixed asset and growth were analysed. The study shows that all the above performance indicators were doing fine during the protection period but the indexes nosedived during the period of trade liberalisation. The study therefore ascribes the causes to the influence of trade liberalisation.

From the financial data of the five textile companies analysed sales of all the five sample companies' shows steady growth during the protection period while sharply dropping during the period of trade liberalisation. A significant drop in sales revenue ultimately affects revenue generation and leads to distress in the company, thereby affecting investment and growth. Analysis of profitability of all the five subjects under study shows that profit earnings per share return on investment are all growing steadily year after year during the protection period. However, these indexes dropped rapidly during the period of trade liberalisation. The introduction of trade liberalisation measures weakened the promotion and protection of local factories.

The decline in earnings continues until the year 2000 when all, except one of the big five textile companies declare losses. No profit-oriented company can continue to sustain losses year after year. For this reason, there was dearth of investment with consequence on growth. This ultimately leads to the closure of many of the textile companies, example among our sample are Asaba textile and Kaduna textiles. Analysis of data on fixed assets both before and during the period of trade liberalisation also shows a substantial decline on investment in fixed assets. All the five subjects under our consideration shows decline in this regard and this is bound to affect growth of the industry.

The study recommends that government should increase surveillance on the porous border to eliminate or reduce drastically the incidences of smuggling. Government should setup machinery at the port of entry to ensure that all imported textile goods are correctly valuated and taxed accordingly. The government may also explore the provision of article xix of WTO agreement which provides that "if as a result of unforeseen developments and of the effects of the obligations incurred by a contracting party under the GATT agreement, including tariffs concessions, if any product is being imported in increasing quantities and such conditions as to cause or threaten to cause serious injury to domestic producers, the contracting party shall be free in respect of such product to suspend the obligation in whole or in part" especially at this critical time when most of the textile factories suffered the most.

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