

LEAD DEBATE

A BILL FOR AN ACT TO ESTABLISH THE NATIONAL COTTON, TEXTILE AND GARMENT (CTG) DEVELOPMENT COUNCIL TO PROVIDE FOR THE PROMOTION AND FACILITATION OF COTTON PRODUCTION, MARKETING AND STANDARDIZATION; INVESTMENT IN COTTON VALUE CHAIN, TEXTILES AND GARMENTS, AS A PANACEA TO ACHIEVING SELF – SUFFICIENCY IN COTTON, TEXTILES AND GARMENT INDUSTRY IN NIGERIA AND FOR OTHER RELATED MATTERS, (Hb 1003)

Sponsor: Hon Abubakar Husaini Moriki

BACKGROUND

Mr Speaker, Honourable Colleagues, let me start by appreciating your magnanimous gesture of allowing me to table this bill before this Honourable House. The long title of the bill is captioned above. You would recall that it was read at the floor of this House on 6th of April 2017.

Now, I am standing before you, to crave your indulgence to allow for its second reading, in line with the legislative rules and procedures of the House.

Mr Speaker, you would recall that towards the end of the year 2016, you charged Honourable members of this House to come up with bills and motions which would conceivably facilitate the economy of this great country to exit from recession and move it to the path of sustainable growth and development. It is in the context of that call, that I initiated this bill. Indeed, it is in realization of the critical role played by Cotton, Textile and Garments (CTG) industry in the economy and, realizing that it has virtually decayed, to the extent that, as a matter of concern, if nothing is done consciously and urgently, the Nation may find itself in a disturbing state of affairs.

Before I give you the structural layout of the bill, permit me to cast and reflect ourselves to where we used to be in the past, where we are now, and where do we head to. Indeed, conceivably, the development of any country's CTG Sector usually starts with cotton.

In Nigeria, the Cotton Marketing Boards (CMB) were established in the 70s as a policy designed to provide support for the development of cotton and sustainable marketing structure as a foundation for the existence and development of Textiles and Garment sub-sector.

This policy was on the path of achieving greatness. Indeed, many textiles, ginneries, garments outlets were established in the country. Investment in cotton value chain was at its peak, employment opportunities were massively evident. Beside this, farmers engaged in the production of cotton because of the dynamic marketing structures of the Cotton Marketing Boards (CMB). The country's production volume rose from 47,270 bales recorded in 1969/70 to about 503,640 bales recorded in 1969/70. Indeed, all the requirements of the domestic textiles were met and the country (Nigeria) was tagged and classified as a net exporter of cotton.

Regrettably Mr. Speaker, Honourable Colleagues the Cotton Marketing Board policy was abolished in 1986. This dissolution marked the beginning of the decay of the CTG Sector in Nigeria. Since then, farmers stopped cultivating cotton because of lack of organized marketing structures. This led to loss of confidence on the part of the farmers. The resultant effect of this discontinuance of the CMB Policy was catastrophic. Some of these consequences are as follows:-

- ❖ Dwindling investment in cotton value chain e.g. most of the ginning companies have closed down.
- ❖ The textiles sub-sector was massively affected. Many mills have closed and stopped production. Average National capacity utilization dropped from about 80-90 % to about 30%.
- ❖ Huge demand gap for textile products resulted in tremendous pressure on the domestic supply, giving rise to importation of textiles products.
- ❖ Fiscal measures introduced by the Government to check the situation, only succeeded in aggravating the menace of smuggling

- ❖ The policy also resulted in massive unemployment arising from the sack of many workers by the Textile Mills and Ginning Companies. The case of Zamfara Textile Ltd Gusau, where about 700 (seven hundred) workers were sacked in 2004 is still very much in our memory.
- ❖ Too much pressure have been exerted on the country's foreign exchange reserves, owing to the huge textiles importation bills that have to be settled, etc.

Mr. Speaker, Honourable Colleagues, without prejudice to other constraints associated to our CTG sector; such as problem of power, fuel, the menace of obsolete machineries etc., this is the scenario that we found ourselves as a Nation, largely as a result of the dissolution of the Cotton Marketing Boards.

REVIEW OF GOVERNMENT INITIATIVES AND / OR POLICIES ON COTTON, TEXTILES AND GARMENTS (CTG)

Several and series of initiatives, policies, interventions were put in place by successive Governments from 1986 when the CMB were abolished to date in order to resuscitate the CTG sector and put it on the path of sustainable growth and development. Some of these are as follows:

- 1) Establishment of *Cotton Consultative Committee (CCC)* and the Cotton Revolving Fund in 1994 consisting of both Public and Private Sector.
- 2) The FMITI in *1999* commissioned a *Study* to review the cotton sector to primarily address the issue relating to production and quality. Report was prepared, submitted and subjected for review by FMITI, FMARD, IAR, and private sector stakeholders. Regrettably, the report was not implemented to date

- 3) In 2002 the FMARD and FMITI, launched *NACOTAN - National Cotton Association of Nigeria* which was private sector driven, to collaborate with the Federal Government of Nigeria to provide support to implement Government programs for the improvement of cotton quality, output, marketing and other associated value chain activities as a step to strengthen and facilitate continued existence and functioning of our textiles and develop the CTG sector generally.

- 4) In 2003, a *CTG Sector-wide Assessment Study* unveiled the glaring decadence in the sector and caused the Federal Government Nigeria to immediately intervene and established the *Cotton Development Committee* which recommended for the establishment of a *N100b Cotton, Textile and Garment (CTG) Funds* were for up – grading and resuscitation of the country's textiles. The funds were domiciled with the Bank of Industries. Indeed, this was a presidential initiatives under the leadership of the former president – Late Umar Musa Yar'adua (May his soul rests in perfect peace).

- 5) The immediate past administration under former president Goodluck Ebele Jonathan introduced the Agricultural Transformation Agenda, in which the *Cotton Value Chain (CVC)* plan was hatched. The plan recognized and acknowledged the cardinal role of sustainable development of cotton as a panacea to address the perennial decay of our textiles and garment sub-sector. Under the plan, the *Cotton Value Chain* initiative was integrated in the *Growth Enhancement Support (GES)* of the *Agricultural Transformation Agenda* of the Administration. Cotton Farmers were registered nation- wide, a data base for them was created and series of interventions were put in place, including provision of extension services, inculcation of best farming practices, enhancement of input supply, facilitation of cotton marketing dynamics etc.

- 6) In 2016, the present administration introduced the *Green Alternative Program*. Conceivably, it is a blend of the *Growth Enhancement Support (GES)* program of the previous administration, consolidation of the past initiatives and / or plans; with the aspiration of the new administration to give Agriculture the desired importance in the spirit Economic Diversification. Indeed, the position of Cotton, Textile and Garment Sector in the Green Alternative plan are still not too far different from that of the other crops grown in Nigeria.

Mr. Speaker, Honourable Colleagues, from this review of interventions, plans, strategies, programs etc, by different successive administrations from 90s to date, the followings are the serious concerns that are still with us, and regrettably will continue to be with us, if nothing far reaching is consciously done:

- a) Most of the plans or interventions were *not actualized*.
- b) Although, they appear laudable, in many instances they *contradict each* other and upon uncomplimentary.
- c) They *lack continuity* and therefore go with the initiating administrations.
- d) The recommendations contained therein them, were never or mostly not implemented, owing to *lack of funding*.
- e) The plans and /or interventions are usually characterized by *role conflict* between the implementing MDAs. The resultant effect of this, is evident constraint in realizing the desired results.
- f) Most of the policies, although laudable, but they lack legal framework and therefore short-lived.

OBJECTIVES OF THE BILL

Mr. Speaker, Honourable Colleagues, this bill is therefore conceived, initiated and sponsored by my good self to address all the inherent deficiencies, lacunas, vaccumes etc associated with the existence and operations of our Cotton, Textile and Garment Sector in this Country. The specific objectives of the bill are as follows:

- 1) Provide for the establishment of a parastatal to undertake and coordinate all the issues relating to cotton, Textiles and Garment industry in Nigeria.
- 2) Provide a Legal Regulatory framework for the establishment and operations of a Council to be charged with the responsibilities of regulating all issues relating to CTG sector in Nigeria.
- 3) To serve as a platform for integrating Nigeria in the global arena and facilitate its competing favorably on issues relating to CTG.
- 4) Facilitate placement of Nigeria on the path of sustainable economic growth and development through programs and policies geared towards achieving self – sufficiency in CTG and promote export.
- 5) Add value to the campaigning for patronage of Made-in – Nigeria goods as it affects CTG thereby enhancing sustainable existence of the Textile sector. Indeed, this bill is consistent with the aspirations and campaign for ‘grow what you eat’ and ‘eat what you grow’

STRUCTURAL LAYOUT OF THE BILL

It is divided into sixteen sections, three parts, and one schedule. These are as follows.

1. Establishment Clause

- the name of the Council
- status
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2. Governing Board of the Council

- Membership of the Board
- Appointment

3. Functions of the Council

4. Power of the Board:

- Advisory
- Approve policies of the Council
- Receive and approve annual reports of the Council

5. Tenure of the Chairman and Members of the Governing Board

6. Departments of the Council

- Number of departments
- HODs
- Status – Each HOD is a member of the Management Committee of the Council

7. Executive Secretary of the Council

- Appointment
- Qualification
- Status

8. The Management Committee of the Council

- Composition
- Functions

9. Staff of the Council and their remunerations

- Employees of the Council
- Staff remunerations and Allowances
- Salary and Allowances
- Salary and allowances review.

10. The Secretariat of the Council

- Location
- Status
- Other affiliates

11. Financial Provisions are set out in part III of the Bill and spelt out the followings:

- The Council's funds
- Domisilization of the funds with BOI
- Composition of the fund
 - ❖ Levies (10%)
 - ❖ Aids, Donation etc.

- Utilization of the fund
- 12. Power to borrow
- 13. Annual Estimates and Accounts
- 14. Annual Reports of the Council
- 15. Interpretation
- 16. Schedule – consisting of the supplementary provisions relating to the Board of the Council etc. primarily dealing with
 - Meeting quorum
 - Frequency of Board Meetings
 - Mode of Presiding
 - Appointment of Board Committees
 - Miscellaneous provisions
- 17. Explanatory Memorandum.

CONCLUSION

Finally Mr. Speaker, Honourable Colleagues, let me thank you for your patience, and to reiterate to you, that; in view of our long history of our corporate existence as a Nation, time has come that we behave pragmatically, Rationally by appreciating our strengths, face our challenges squarely and tackle our weakness with determination. The bill to establish the National Cotton, Textiles and Garment (CTG) Development Council which is before you now, is in tandem with our desire to diversify our economy, grow what we consume and consume what we grow; and thrive to export surplus. Indeed, short- lived, erratic, and seasonal policies and/or interventions would not take us to where we aspire to reach, of self-sufficiency in CTG- Cotton, Textiles, and Garments. I therefore solicit for your kind support and understanding to allow for the second reading of this bill.

Hon. Abubakar Hussaini Moriki
Member, Representing Shinkafi/Zurmi
Federal Constituency, Zamfara State