LEAD DEBATE ON RAW MATERIAL RESEARCH DEVELOPMENT COUNCIL ACT (REPEAL AND RE-ENACTMENT) BILL, 2018

Sen. Ahmad Lawan *(Yobe North-Senate Leader).*

Mr. President, Distinguished colleagues, I have the honor to lead the debate on the General Principles of the Raw Material Research Development Council Act (Repeal and Re-enactment Bill, 2018.

You will recall that this Bill was read for the first time on Tuesday, 20th February, 2018.

This Bill seeks to provide a legal framework for value-addition to natural resources through the application of technology. This is imperative for a competitive economy and attainment of sustainable development.

Mr. President, the main objective of this Bill is the issues of Nigeria's competitiveness, innovativeness and productivity enhancements. The country is at the lowest ebb of her economic cycle and requires stabilisation and quick but orderly recovery. The days of excess foreign exchange earnings and huge foreign exchange reserves with positive balance of payments position and strong currency exchange rates, are over.

Mr. President, my respected colleagues, it is globally accepted that, the ability of a Country to compete and prosper depends to a significant extent, more on the deployment of technological capacities and innovation than exploitation of natural resources, Nigeria is a very good case study of all what is wrong in mere exploitation of Natural resources without value addition.

Mr. President, my respected Colleagues, it is Pertinent to note that Nigeria, with over 170 million people, is a resource-based economy driven by the exploitation of natural resources, especially oil and gas. The country is also endowed with solid minerals, water and forest resources, as well as, rich soil and enabling climate for commercial agriculture. The large domestic market should serve as a further incentive for the emergence of a strong industrial base.

Although natural resources play a significant role in the development of the Nigerian economy, this role is already diminishing as the world economies become increasingly globalized, knowledge-intensive and technology-driven.

Distinguished colleagues, there is no gain saying that the Nigerian economy has grown substantially over the years with huge foreign earnings from oil and increased agricultural output. In recent times, the Services sector has also overtaken the industrial sector in terms of contribution to overall Gross Domestic Product (GDP).

In 2014, Services accounted for close to 60 per cent of Nigeria's GDP, a rise from about 53 per cent in 2011. This figure is comparable to those of other large economies in Africa (such as Tunisia) but lower than that for South Africa, where the sector accounts for close to 70 per cent of GDP.

In essence, to exploit the Natural resources Nigeria is abundantly endowed with optimally, technologies have to be developed which requires research and development (R&D); to add value to our resource and create value chains that would increase employment and increase forex earnings.

Mr. President, despite efforts made over the years to exploit the natural resources, very limited progress has been recorded in value-added manufacturing, including processing of agricultural resources, beneficiation of mineral resources, refining of petroleum, development of petrochemicals, and production of industrial machinery and equipment, etc.

Additionally, despite the growth recorded from 2010 to 2014, the country, by the end of 2015, had experienced sluggish economic growth with the rate dropping to an estimated 3.0 per cent in December 2015 (African Economic Outlook, 2016). This development led the government to adopt an expansionary budget in 2016 to stimulate the economy.

The sluggish growth is attributed mainly to a slow-down in economic activity, adversely impacted by inadequate supply of foreign exchange and aggravated by the foreign exchange restrictions targeted at a list of some imports, some of which are inputs for manufacturing and agro-industry. Among the effects are cuts in production and lay-off of labour in some sectors, including financial services. Nigerian enterprises are currently facing challenges in relation to the emerging developments in the economy which they perceived to be affecting the industrial sector and businesses negatively. In addition, the manufacturing sector is facing -- and will continue to face - increasing competition as trade liberalization and globalization intensify and progressively transform the world economy into a vast free-trading zone.

Mr. President, respected colleagues, At the regional and continental levels, they are facing growing competition as free trade agreements and economic partnership agreements are steadily being implemented. At the national level, increased competition is being experienced not only from industrialised countries, but from large industrializing countries & emerging economies such as China, India and Brazil.

It is important to reiterate that competitiveness evolved as a *"market mechanism which forces enterprises to measure up with each other in the production and distribution of goods and services at the best possible price and quality"*. Hence, it is believed that market mechanisms foster competition and efficiency in resource allocation, promote the survival of the fittest enterprises and eliminate the less-efficient ones. In essence, competitiveness can be enhanced by strengthening market mechanisms, building comparative advantages, fostering appropriate value systems and boosting innovation (RMRDC, 2009).

Mr. President, Distinguished Colleagues, it is in the light of the above argument that I consider it necessary to amend this Bill to allow for resources value chain to be created in such a way that that would allow for competitiveness. This in turn, will strengthen the hands of our industries and bring about great comparative advantage to our industries.

I thank you for your attention and therefore respectively urge you to give this Bill the necessary support for detailed consideration.

Thank you.