

# BUILDING A PRODUCTION (PROSPEROUS) NATION

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# NIGERIA'S CURRENT SITUATION



# NIGERIA'S SCARCITY STATE

**Nigeria's scarcity is not a result of insufficient natural resources, for we are abundantly blessed. Egregious scarcity in the midst of abundance.**

Causes:

- Systemic factors such as political instability
- Human-induced insecurity, corruption
- Economic mismanagement
- Lack of social trust, basic infrastructure
- Distribution networks, and the credit system to facilitate production and short & long-distance trade.

**63%** of  
**Nigerians**  
(133 million)  
are  
**multidimensionally poor**

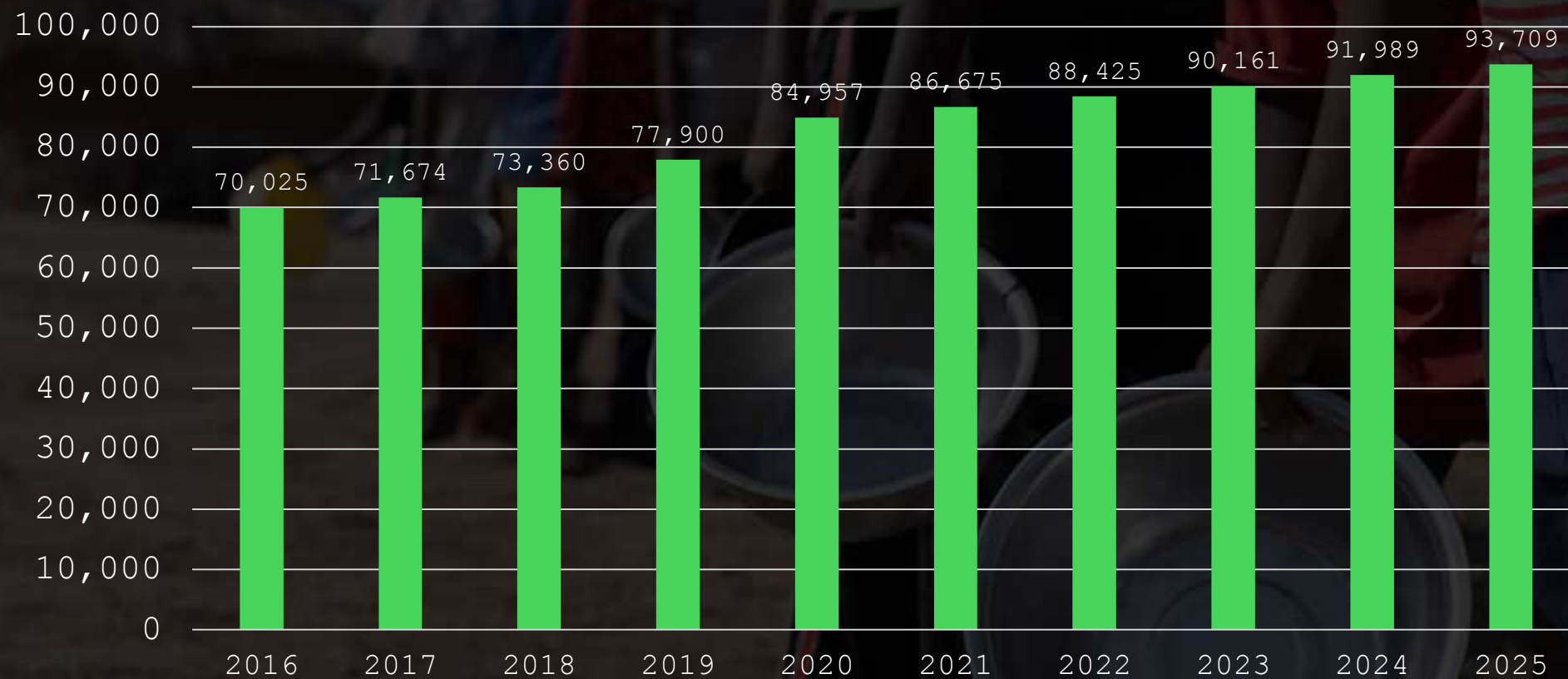
**Scarcity in Nigeria is  
reflected in acute food**

Multidimensional poverty is higher in rural areas, where 72% of people are poor, compared to 42% of people in urban areas.



## NUMBER OF PEOPLE LIVING IN EXTREME POVERTY IN NIGERIA FROM 2016 TO 2025

(in 1,000s)



Source: author's plot WDI

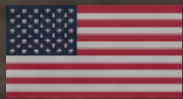


# FOOD SECURITY

According to the 1996 World Food Summit:

Food Security is when all people, always, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life //

In Nigeria, those who can afford food spend 60% of their income on it, the highest percentage globally.



Compare:  
8.2%.



6.4%

This highlights an emergency

32  
million

acutely short of food due to security challenges and reforms of the economy



# POOR PRODUCTION CAPABILITIES

IN NIGERIA

In 2023

**Nigeria spent \$10 billion** importing food, indicating inefficiencies in domestic production and processing.

- Yet Nigeria has:*
- **Africa's largest market**
  - **230 billion cubic meters of water; and abundant and reliable rainfall in over two third of its territory.**
  - **Some of the richest natural resources for agricultural production globally**

**40%**

of Nigeria's arable land remains **uncultivated**





# THE MOST STRIKING FEATURE OF AN INDUSTRIAL SOCIETY IS ITS CAPACITY TO MASS PRODUCE

NOT ONLY THE FINAL CONSUMER GOODS BUT ALSO ALL THE MEANS OF MASS PRODUCTION, SUCH AS RAW MATERIALS, INTERMEDIATE GOODS, MACHINERIES, ENERGY, AND TRANSPORTATION INFRASTRUCTURES



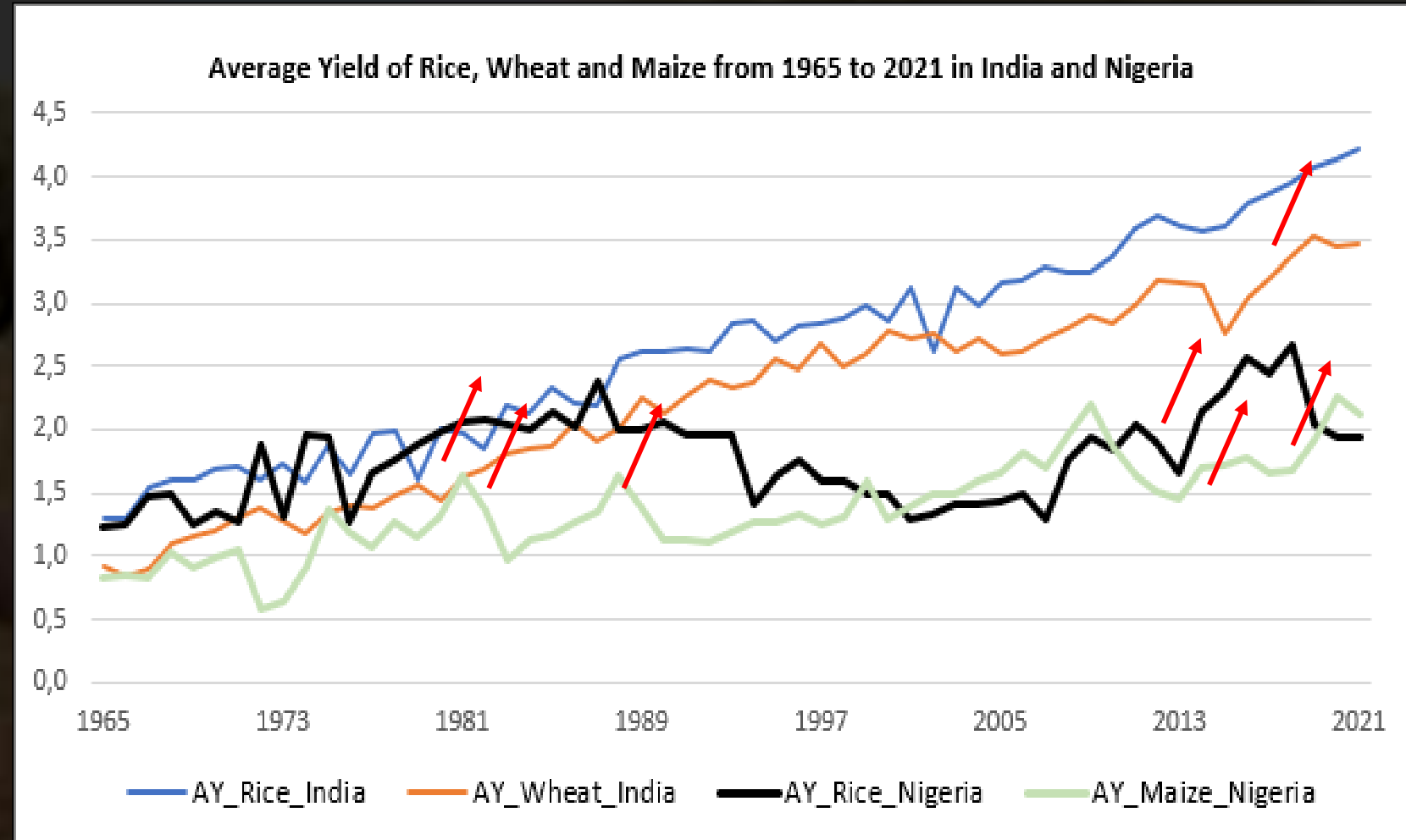
- Nigeria is a major exporter of raw cocoa, oil palm, cassava, and cashew. However, we remain absent in global value-added product markets.



***Nigeria must focus on **processing** its agricultural products domestically, creating more jobs and earning foreign exchange.***

# LOW PRODUCTIVITY

- The average annual income of a cereal farmer in **India** is **US\$2,168 per annum** and **average yield is 4.0 tons per hectare** in 2022.
- The annual income of a cereal farmer in **Northern Nigeria** in **2022** is **US\$489 per annum** and **average yield is 1.7 tons per hectare** in 2022
- Nigerian farmers are back where Indian farmers were in the **early 1970s**. Low productivity is a major cause of rural poverty.







# **WE MUST END POVERTY ACCOMMODATION**

*We are stuck in “Destitution  
Equilibrium”*



# INTRODUCING

# SAPZ

**Special Agro-industrial Processing Zones**





# STRUCTURE: SPECIAL AGRO-INDUSTRIAL PROCESSING ZONES

SAPZs are designed to concentrate agro-processing activities within areas of high agricultural potential.

They enable agricultural producers, processors, aggregators and distributors to operate in one vicinity reducing transaction costs and sharing business development services for **increased productivity** and competitiveness.





# SAPZ KEY GOALS AND OUTCOMES

## KEY GOALS

### ENHANCE PRODUCTIVITY

Increase yields through the use of modern technologies (improved seed, fertilizers, mechanization, digitization, irrigation)

### REDUCE POST-HARVEST LOSS

Link farmers to markets, develop primary processing facilities

### REDUCE COST OF OPERATIONS

Share facilities and economies of agglomeration

### INCREASE VALUE ADDITION

Use modern processing to increase value to all value chain actors especially farmers and consumers



Agriculture Value Chain Development

## KEY OUTCOMES

1. Reduce food imports
2. Assure food security/nutrition, at low and stable prices
3. Boost Revenue from Agricultural exports
4. Create wealth for rural farming communities
5. Create new sustainable jobs, especially for the youth
6. Enhance 'hope', reduce restlessness and crime
7. Boost rural livelihoods and rural-urban drift
8. Revival of stranded public and Private sector funded Assets

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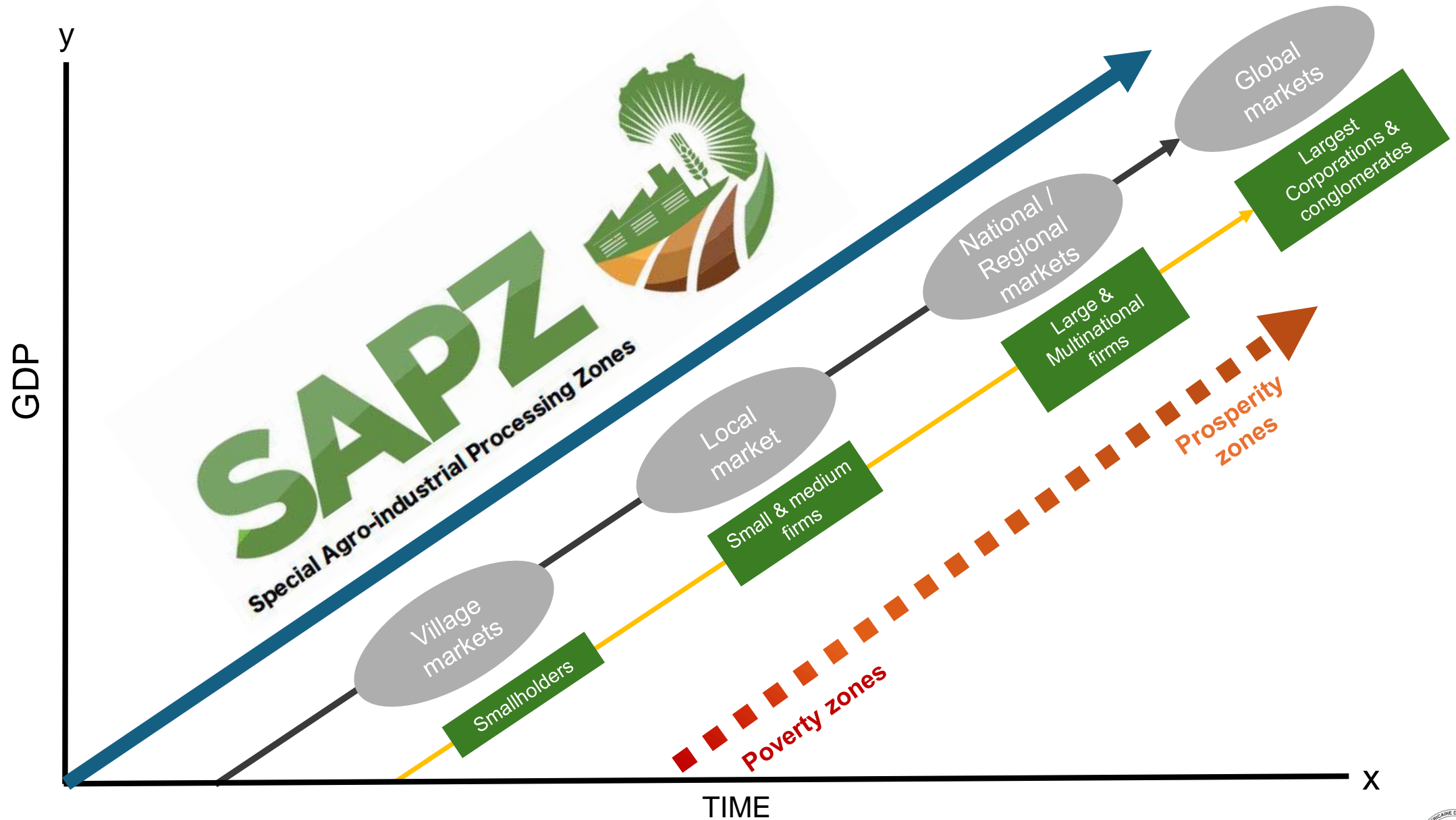
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# HOW SAPZ DRIVES MARKET EVOLUTION



Source: BANJI OYELARAN-OYEYINKA (2024)



# CREATING MARKETS

## THOUGH SPECIAL AGRO-INDUSTRIAL PROCESSING ZONES

### GOVERNMENT'S CRITICAL ROLE IN INDUSTRIALIZATION

- **Political Stability and Security:** Government must ensure law and order in rural areas, so that farmers and industries can thrive without fear of banditry or insecurity.
- **Infrastructure Investment:** The government must invest in roads, utilities, and other essential infrastructure to make rural industrialization feasible.
- **Policy Framework:** Development of policies that support rural industrialization, including tax incentives, access to finance, and education for rural populations.



# TRANSITIONING FROM SCARCITY TO SECURITY





# LEARNING FROM EXAMPLES

- Before industrialization, rural UK, Japan, and the USA had many small-scale production firms making consumer goods for local and long-distance trade.
- In China, post-1978 reform saw township-village enterprises (TVEs) in rural areas, driving rural industrialization.
- In the 1980s, village industries in China thrived as farmers sought extra income.
- Large-scale factory systems evolved from early light industries like textiles, food processing, toys, and furniture.
- All nations begin by exploiting their comparative advantage based on organized but cheap labour.



*Nigeria can replicate this by developing industries that use local raw materials, particularly textiles, and scaling them for export.*





# FORGING NIGERIA'S PATH

Nigeria's Dual Economy operates mainly between the Village and National Markets, not participating in the Global Economy, which fuels mass poverty.



## INDUSTRIAL SECTOR OUTPUT CONTRIBUTION:

- 15.6% (1971-1980 average)
- Declined to 5.7% and remains under 10% today .



This indicates premature de-industrialization since the 1970s.

*Structural transformation of the economy is slow / non-existent.*

## ***Industrialization efforts failed due to:***

- Neglecting Rural Industrialization, leaving a large population in poverty.
- Governance and leadership shortcomings leading to the collapse of major industrial initiatives.

*Manufacturing, the “engine of growth,” lost momentum, stalling economic progress.*



An aerial photograph of a city, likely Lagos, Nigeria, showing a wide river with several large ships, a bridge, and a dense urban area with many buildings. A semi-transparent dark rectangle is overlaid on the center of the image, containing the title text in yellow.

# Strategic Pillars For Nigeria's Rural Industrialization





# PILLARS OF NIGERIA'S RURAL INDUSTRIALIZATION STRATEGY

## 1. Develop a Peri-urban Industrialization and structural economic transformation Strategy

- Boost agricultural commercialization, productivity, and farmers' income.
- Use local advantages and develop value chains.
- Expand into foreign markets for higher earnings.

## 2. Put in place Endogenous Rural Social Protection System

- Social protection systems: social insurance, social welfare, health insurance
- Empower the poor to actively participate in economic activities
- Reduce economic dependency on the wealthy few

## 3. Increase agricultural productivity

- Boost agricultural productivity with improved inputs: fertilizer, seed varieties, mechanization (tractors, irrigation)
- Enhance output and income while driving economic diversification through manufacturing-agriculture synergy
- Address three decades of stagnating agricultural productivity to significantly increase food production





# PILLARS OF NIGERIA'S RURAL INDUSTRIALIZATION STRATEGY

## 4. Promote Non-agricultural Value-added activities

- Invest in rural infrastructure: roads, communication, irrigation, and processing technologies
- Enhance Nigeria's agrifood processing sector with targeted investments in technology, skills, and financing
- Remove barriers to machinery for small-scale producers and improve credit access through risk guarantees

## 5. Invest in rural Productive Infrastructure

- Roads, communication, irrigation, and processing technologies
- Target investments in processing technologies, skills, and financing for Nigeria's agrifood sector
- Remove barriers to machinery and technology for small-scale producers
- Improve credit access through credit enhancements and risk guarantees

## 6. Invest in creating bigger market size

- The "size of market" refers to the purchasing power of rural smallholders, not just geographical reach
- Rising incomes lead to savings, investment, and farm growth, transitioning away from subsistence
- Empower the poor through cooperatives and microfinance to boost market participation and growth
- Bring the excluded poor into the regional consumer market, projected to reach \$2.5 trillion by 2030. The agribusiness sector is expected to be worth \$1 trillion by 2030





### 7. Make Rural Industrialization a spatial solution for Sustainable Urbanization

- Use Rural Industrialization and SAPZs as a spatial solution for sustainable urbanization
- SAPZs in peri-urban areas help address rural underdevelopment and reduce rural-urban migration
- Urbanization is rapid and unsustainable; half of Africa's population will live in cities by 2030
- SAPZs with infrastructure (roads, utilities) and employment opportunities transform rural poverty into prosperity







# **NIGERIA'S TEXTILE AND GARMENT INDUSTRY**

## **contrasts sharply with China's rapid industrialization**

- The sector was once vibrant, exporting to Africa, growing 70% annually, and employing 25% of manufacturing workers (over one million) from 1960 to the late 1980s.
- In 1999, the industry's capacity was valued at N420 billion with \$3 billion in investments.
- By 2007, only 26 companies remained, employing about 24,000 people.
- The decline coincided with the rise of Asian producers, particularly China.
- In 2020, China's export value for garments was around \$266.41 billion.
- The decline involved increased Chinese imports, Chinese representatives entering Nigeria, and Nigerian traders importing textiles from China.

***They produce, we purchase and consume.***

**China got richer; Nigerians got poorer. We need to retrace our steps and become a Production Nation. But we must bring back the CTG to lead our rural and urban industrial revitalization.**



# SUCCESS KEYS



## POLITICAL STABILITY

The government should maintain political stability and security at all costs.



## RE-FOCUSING EFFORTS

Industrialization efforts should re-focus on the grassroots while we recover stranded industrial assets, invest massively in raising educational, vocational and basic agribusiness knowledge of rural dwellers.



## INFRASTRUCTURE SUPPORT

Provide government support for infrastructure buildup; follow a dual-track system of government/private ownership but with minimum government ownership and management.





# CALL TO ACTION

**We need:**

- ✓ **Shift from Consumption to Production:** Nigeria must move away from its reliance on consumption and focus on production, especially in agro-industrial sectors.
- ✓ **Leadership and Governance:** Strong leadership is required to ensure stability, security, and effective policy implementation.
- ✓ **Public-Private Partnerships:** The government should partner with the private sector to scale SAPZs and accelerate industrialization.





**WE MUST END THE PATHETIC LABEL OF A  
CONSUMPTION NATION.**

**WE MUST BECOME A  
PRODUCTION NATION.**

SAPZ will create a transformed, higher income society. It is the battle axe to **break the Poverty Equilibrium** and **turn rural mass poverty into an arena of mass employment and mass markets!**





**#Alliance@EndHunger2026**



**GOD BLESS  
NIGERIA**



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# MAKING A DIFFERENCE



AFRICAN DEVELOPMENT BANK GROUP  
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