

INITIAL MSME ASSESSMENT

FOR

WARRI AREA

**Prepared by
Niger Delta Professionals for Development (NIDPRODEV)**

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1. INTRODUCTION

1.1 Introduction and Background

The Warri area experienced a mass exodus of businesses following the ethnically charged Warri Crisis of the 1990s and the heightened security measures of oil companies. In recent years, the economy has revitalized with a noticeably vibrant informal sector, constant construction activities, and an increasing number of residents. Development of industries and commercial activities in the Warri area can be stimulated by investment in electricity generation, good roads, accessible credit, and large scale introduction of modern practices in value chains, to name a few. Misuse of public funds by public officials is recognized as the largest impediment to development.

The Warri area has a reputation in Nigeria of being “rough” or backward. Pidgin English is widely spoken. Shouting followed by reconciliation and renewed harmony is a common feature of business and personal relationships. Excessive materialism, Pentecostal Christianity, and high promiscuity mingle together alongside commitments to familial responsibilities and respect for elders and position. The security environment of Warri is not as volatile as national media portrays it, although most locals are off the streets by 10 p.m. and “jungle justice” is still meted out to neighborhood robbers.

A culture of corruption in politics and businesses permeates through every level of society in the Warri area. Even family members distrust each other, particularly when it comes to money.

It is within this setting that owners of MSMEs strive to root and grow. The 2009 amnesty has stabilized the security environment. On its heels is the hope that business investment will follow, and the conditions for business growth will over-shadow the impediments.

Basic demographic information about the population that influences business behavior and potential for growth are as follows:

- a. Population size: approximately one million
- b. Dominant language: Pidgin English
- c. Religion: Christianity (in particular, Pentecostal “prosperity”-based teachings)
- d. Literacy: 50% of men and 42% of women can read well (2,407 Warri-area residents surveyed). Young men’s reading ability fell below older men’s reading ability in 9 of 30 communities surveyed by NIDPRODEV in 2010. Young women’s reading ability

fell below older women's reading ability in 4 of the 30 communities.¹ See "Demographics" section and "Public Services" section of Citizen Report Card from 120 Niger Delta Communities.

- e. Health: 14 of 30 communities surveyed by NIDPRODEV in November 2010 have some form of health facility. Of those 14 health facilities, 9 do not have any drugs available, 10 do not have medical equipment, and 10 are not visited by doctors. See "Public Services" section of Citizen Report Card from 120 Niger Delta Communities.
- f. Seasonal variation in weather: Rainy Season (May thru October), Dry Season (November thru April)
- g. Seasonal variation in financial hardship: January is identified as the most difficult financial period by the majority of 2,407 Warri-area residents surveyed by NIDPRODEV in November 2010. Hardship is caused by substantial (over)spending during the Christmas period and the need to purchase farming materials (January through March is planting season). As such, purchasing on credit by both buyers and sellers of goods is accentuated in January. Related to the Christmas period, robberies markedly increase in November and December.
- h. Public electricity: On average, Warri-area communities (and their businesses) receive 4 hours of public electricity per day, based on NIDPRODEV's survey of 30 communities. See "Public Services" section of Citizen Report Card from 120 Niger Delta Communities.

1.2 Assessment Overview

NIDPRODEV was contracted to conduct an initial assessment of the Warri-area MSME market. *Making Markets Work for the Poor (M4P)* was identified as the development approach adopted by the programme sponsors. Similar to the conventional market development approach, the first effort of an M4P approach is to identify the problems that people and businesses have. It then explores why the existing market system is not providing solutions to the problems and why the market system is not working for the poor, in particular. The purpose of this initial assessment is to identify MSME markets, provide a contextually rich understanding of the Warri-area business environment and culture, and highlight the growth opportunities and constraints of MSMEs, as expressed by business owners through focus group discussions and key informant interviews.

1.3 Objectives of the study: In accordance with the project proposal, the following objectives were identified:

¹ These figures are based on surveys in 30 Warri-area communities (2,407 participants) conducted by NIDPRODEV during November 2010 as part of a European Union project.

OBJECTIVE ONE: Identify the key non-oil-related industries or business activities in the Warri area.

OBJECTIVE TWO: Identify, through focus group discussions, each of the business sectors' (1) suppliers and consumers (value chain information); (2) beliefs about what is needed to expand or improve profit in their businesses; (3) specific challenges to business operations stemming from a) suppliers, b) consumers, c) competitors, and d) government (4) benefits that they receive from Association memberships; and (5) types of benefits or services that they wish they could receive to improve their businesses.

OBJECTIVE THREE: Identify and summarize through secondary source (online) research any information or data that would help illuminate a better understanding of the Warri-area business environment and culture and other efforts at supporting MSME growth.

2. Research Methodology and Approach

2.1 Primary Source Research:

a) NIDPRODEV first met with the President of the Warri Chamber of Commerce to gather his impressions of the Warri business environment, including challenges to business development, and identification of what he considers Warri's top income-generating business activities.

b) From the Chamber of Commerce findings, NIDPRODEV gathered contact information for Associations related to the top businesses activities. Interviews were conducted with representatives from 17 Associations in the Warri area. Basic information about the Association and its membership was gathered, as well as identification of members who owned and operated businesses and would be amenable to participating in focus group discussions.

c) Seventeen focus group discussions were held over a three-week period at locations conveniently close to the participants' business activity, so as to limit the amount of interference in the participants' livelihood efforts.

Several challenges arose during the above-efforts that are important to consider in future information-gathering efforts:

* Business Associations and business owners, in general, lack trust in NGO activities. Business associations were reluctant to participate in the project due to earlier experiences with groups/NGOs that visited them, asked questions, collected information, and never returned. They believe that "when something good comes out of this kind of exercise, it is usually the NGOs that pocket it." Business associations placed great emphasis on their belief that they should be empowered financially

through this process. Some focus group participants had expectations of considerable financial compensation for participation. Some left the discussion groups when they discovered otherwise.

* Having focus group discussions during business hours is a big challenge because many participants complained that they cannot leave their businesses alone, even for some minutes. Note: Given the pilot project's limited timeframe, the need to hold focus group discussions during business hours was unavoidable.

* Many traders (buyers and sellers) are illiterate.

d) The Focus Groups and Associations from whom NIDPRODEV collected information via semi-structured interviews and discussions are identified as follows:

Retail Sector

1. Delta State Shoemakers Association (Warri Chapter)
2. Fabric Sellers Associations:
 - a. Effurun Market Fabric Sellers Association
 - b. Main Market Fabric Dealers Association
 - c. Igbudu Market Fabric Sellers Association

Medical Sector

3. National Association of Patient Medicine Dealers (Warri South, Uhrobo Zone)

Agro-Business/Food Sector

4. Association of Table Water Producers of Nigeria
5. Association of Master Bakers of Nigeria, Warri
6. Food Stuff Sellers Association, Effurun Market
7. Goat Butchers Association, Igbudu Market
8. Vegetable Sisters (Sellers) Association, Effurun Market
9. United Ufoma Fish Farmers Association, Ekpan

Metal Working Sector

10. Corporate Welders Association, Warri

Timber Sector

11. Timber Dealers Association, Amubor

Construction

12. Cement Dealers Association

Mechanical / Transportation Sector

13. Motor Spare Parts Dealers Association
14. National Automobile Technician Association
15. Vulcanizers (Rubber/Tires) Association, Delta State, Uvwie Unit

2.2 Secondary Source Research:

- a) An extensive search of online material was conducted. Search efforts focused on the Warri business and cultural environment; federal, state and local efforts in support of MSME growth; and current business issues that appear relevant to the project objectives.
- b) Given NIDPRODEV's extensive experience in collecting data from Warri-area communities and working with a variety of government and non-governmental stakeholders, certain summaries of secondary source material is followed by a "note" section that adds the NIDPRODEV experience to the excerpt.

3. Findings

3.1 Findings from Primary Source Research

3.1.1 INTERVIEW WITH THE PRESIDENT OF THE WARRI CHAMBER OF COMMERCE, MINES & AGRICULTURE (WACCMA)

After recounting the large exodus of businesses following the 1997 Warri Crisis, the President of WACCMA emphasized that current economic instability is caused by lack of infrastructure, corruption and discontinuity in government. Specifically, he noted the lack of electricity, finance, training, technological support and technological knowledge; revenue collectors that violate the law by harassing people and imposing multiple taxation upon businesses; the squandering of public funds; and negative opinions about the informal business sector's ability to change.

It is the President's belief that all the challenges of the informal business sectors can be overcome in Warri if all the other challenges are met. Part of the solution is for all businesses to belong to the Chamber of Commerce. This requires that they have a registered Association (although individuals also can register as individual business members). Associations play many roles in the survival of businesses in Warri, particularly as advocates or mediators between government and Association members.

The President identified what he considers as the top revenue-generating business sectors in the Warri area that are not in the oil-producing industry:

1. Distributive trading (buying and selling)
2. Small-scale processing (packaging of sachet water and food stuff processing)
3. Fashion (clothing (dress-making), hair and beauty)
4. Fabricating (welding and aluminum fabrication)
5. Auto Mechanics (car care businesses)
6. Education (private schools)
7. Small-scale food vendors
8. Business centers with IT facilities (cyber cafes)
9. Saw milling
10. Furniture and cabinet making
11. Fish farming
12. Poultry farming

3.1.2 FINDINGS FROM FOCUS GROUP DISCUSSIONS AND INTERVIEWS WITH ASSOCIATION REPRESENTATIVES

1. Size of businesses

a. Those business activities dominated (almost exclusively) by *micro-enterprises* are:

- * Shoemaking
- * Fabric selling/ dress making
- * Patient medicine dealers
- * Motor spare parts dealers
- * Vulcanizers (tire repair)

b. Businesses that are exclusively *small enterprises* or *medium enterprises* are:

- * Table water producers
- * Bakeries

c. Timber dealers are all *medium enterprises*.

d. Business activities that are composed of *micro-enterprises*, *small enterprises* and *medium enterprises* include:

- * Food stuff sellers
- * Goat butchers
- * Vegetable sellers
- * Fish farming
- * Welding (metal working)
- * Auto Technicians

2. Number of businesses based on size (as estimated by Focus Groups)

BUSINESS ACTIVITY	ESTIMATED NUMBER OF BUSINESSES IN WARRI AREA (by type and size of business)		
	Medium Businesses (10 or more employees)	Small Businesses (3-9 employees)	Micro Businesses (1-2 people)
Shoemaking	0	0	1,000
Fabric Selling/ Dress-making (Effurun Market)	0	0	3,500
Fabric Selling (Main Market)	0	0	“uncountable” -- very many
Fabric Selling (Igbudu Market)		0	5,000 - 20,000
Patient Medicine Dealers (Warri South LGA)	0	100	1,900
Table Water Production and Sale	50 (more than 14 employees)	50 (8-14 employees)	0
Bakers	70	30	0
Food Stuff Sellers (within Effurun area only)	5	5	10
Goat Butchers	5	50	50
Vegetable Seller (Effurun Market only)	10	15	15
Fish Farming	750	450	1,800
Welding (Metal Working)	200	500	300

BUSINESS ACTIVITY	ESTIMATED NUMBER OF BUSINESSES IN WARRI AREA (by type and size of business)		
	Medium Businesses (10 or more employees)	Small Businesses (3-9 employees)	Micro Businesses (1-2 people)
Timber Dealers	too many to guess (but all employ more than 10)	0	0
Motor Spare Parts	0	0	uncountable number of auto mechanics
Auto Technicians	900	1,700	1,000
Vulcanizers (in Uvwie LGA only)	0	10	262

3. The Core of the Market System: Interface between consumers and suppliers.

The relationship between consumers and suppliers is often characterized by strong levels of distrust over price and the quality or authenticity of goods and services. In general, distrust among individuals, even among family members, permeates all public and private relationships. Individuals expect others to be self-serving and greedy.

In addition to the tension between consumers and suppliers at the point of sale, the lack of distrust also affects market access. For example, all vegetable sellers sell the same goods in the same location at the same time. The only variation among them is in price. As there is no price fixing in vegetable selling and no way for sellers to preserve products that do not sell in a single day, the selling price is often exceptionally low and often on credit. A pattern of selling on credit to consumers contributes to a pattern of buying on credit from suppliers. One suggestion given to women who sell vegetables and other products in market areas was to select a few women to take the goods of a number of women to distant markets to sell. The women stated that they trust no one else with their goods or their money.

4. Businesses in which prices are fixed by Associations. Although the following business activities are subject to Association-determined price fixing, focus group participants noted that one of their key challenges is the reduced prices of those who do not belong to Associations and Association members who deviate from the agreement on a fixed price.

* Shoe making

- * Fabric selling
- * Table water producers
- * Bakeries
- * Goat butchers
- * Vegetable sellers
- * Fish farmers
- * Welders
- * Vulcanizers

5. Businesses explicitly requesting business services. Without any prompting, focus group participants in the following business activities explicitly requested certain business assistance to help them expand or increase profits:

- * Fabric sellers (simple bookkeeping, business management)
- * Table water producers (business management, cost management, quality control)
- * Timber dealers (business management, simple bookkeeping)
- * Motor spare parts dealers (business management, simple bookkeeping)
- * Automobile Technicians (administrative skills, computer training, reading and writing skills)
- * Cement Dealers (business seminars)

6. Access to credit

All businesses identify the challenges posed by the lack of access to credit. For many, the lack of access to additional capital restricts their ability to purchase their business materials in bulk. If business materials can only be purchased in another city, the inability to purchase materials in bulk also increases a business owner's (a) transportation costs, (b) extortion fees paid to police and military at numerous checkpoints and "area boys," and (c) opportunity costs of not being present at their shops.

Solutions presented by Focus Groups (in the absence of credit availability):

- * Train businesses in simple bookkeeping (to better manage the money they have);
- * Train businesses in how to read and write contracts and business correspondence so they can create relationships with importers (and by-pass the middle men located in other cities);
- * Build depots or trade-specific business complexes that offer the sharing among businesses of certain business materials, tools, bulk-buying, and training, as well as protection again harassment by revenue collectors and thieves.
- * Convince government to open up or improve the Warri port to allow business materials to come into Warri, rather than have Warri business people travel to acquire business materials.

7. Details of Focus Group Discussions by Business Activity

(see next page)

SHOE MAKERS

(12 Focus Group Participants)

Shoemakers in the Warri area purchase their supplies from specialized Shoemaking Materials Dealers. Supplies include leather, gum, lining, soles, nura, macco, sewing and filing machines, laces, nylon, nails, scissors and hammers. Shoemakers operate their businesses from rented stores. They advertise their businesses by displaying their products and by recommendations from satisfied customers.

The majority of shoemakers operate alone. Of the 12 Focus Group participants, 9 operate their business alone and 3 employ one other person. In their estimate of 1,000 shoemaker businesses in the Warri area, all are micro-enterprises. To become a shoemaker, Focus Group participants either served in an apprenticeship for 4 years or learned the shoemaking trade from their father.

Government does not require shoemakers to have a special license to operate. Shoemakers are required to pay income tax to State Government and pay Trade and Occupation fees to Local Government. There are no government processes that shoemakers wish would be made easier to run their business.

The average monthly operating cost of a shoemaking business was estimated by the Focus Group participants at 40,000 to 45,000 Naira. The average monthly profit was estimated at 20,000 to 25,000 Naira. The busiest times for shoemakers are Easter, Christmas and other periods of festivities. Although participants believe that the business climate in Warri is good for shoemakers because a) Warri is highly populated and b) consumers appear to prefer the leather used in locally made shoes, business has become harder over the past year. Causes of hardship include:

- 1) A high influx into the Warri area of imported, fairly used shoes and Dubai inferior-made shoes and
- 2) Lower customer patronage, perhaps because of customers' attention to other family needs at this time.

Shoemakers, in theory, agree among themselves to have a uniformity of price and to maintain high standards of work and high respect for customers. To distinguish their business from other shoemaking businesses, they procure equipment that will enable one to produce higher standards of shoes and obtain a Certificate of Operation before establishing their business.

According to Focus Group participants, there are several options for expanding one's business or increasing profit as a shoemaker:

- 1) Acquire an industrial sewing and filing machine
- 2) Procure high quality leathers that can withstand any weather.

- 3) Purchase quality foreign materials.
- 4) Acquire training on a) how to handle modernized shoemaking equipment and b) how to sew

Ideally, said the participants, someone would build an industrial park or complex where small businesses, like shoemakers, could rent shops at an affordable rate and buy quality goods at a cheaper rate. The participants repeatedly highlighted the need for a source of better quality raw materials at a less expensive rate.

Specific challenges that shoemakers face in their businesses include:

- 1) suppliers providing them with fake materials or causing a delay in supply,
- 2) customers that reject their work and demand a refund
- 3) other shoemakers who usually bring down the price just for themselves to ensure that they sell their products (they can do so by using inferior materials in the production of their shoes),
- 4) the high cost of transportation,
- 5) their inability to access high quality material at a cheaper rate,
- 6) multiple forms of taxation from the Local Government Council, and
- 7) crimes of breaking and entering and stealing.

Shoemakers also are challenged by making sufficient profit to pay for children's school fees, feeding family members that are dependent upon them, and caring for aged parents at home.

The shoemakers joined a Shoemaker Association to a) improve on how they do their business and b) gain financial assistance from other members. Focus Group Participants wished their Association also would provide soft loans to purchase working equipment and improve their business operations.

FABRIC SELLERS

Focus Group: Effurun Market Fabric Sellers (17 Participants)

The fabric sellers purchase their fabrics from manufacturers and importers. Those who also engage in dressmaking require sewing machines, needles, scissors, industrial machines, tapes and lining materials. The Effurun Market fabric sellers purchase their fabric material from Onitsha, Aba, Benin Republic, and Ghana. They sell their fabric to individuals through stores that they own or rent in the Effurun Market. They advertise their products by displaying them and from recommendations of satisfied customers.

Focus Group participants believe that there is a lot of opportunity to earn a good living through fabric selling in the Warri area. They estimate an average monthly operating cost of 500,000 Naira, with an average monthly profit of 50,000 Naira. Easter, August and December are the busiest times for fabric sellers because of celebrations. Participants stated that it has been easier making a profit over the last year because they have invested money they borrowed from relatives.

15 of the 17 Focus Group participants operate their business by themselves. Two participants each hire one other person to assist them. The participants estimate that there are approximately 5,000 fabric sellers in the Warri area. Of these, 3,500 are micro-enterprises; 1,000 are small businesses, and 500 are medium businesses with 11 or more employees. Fabric sellers receive their business training through apprenticeships.

Government does not require fabric sellers to have a professional license; however, they pay “tickets” of 30 Naira monthly to the Local Government. Although Participants stated that there were no government processes that they wished were easier, they did complain that a) government rules on contraband “disturbs” fabric sellers from transporting their goods to their shops, and (b) police harass fabric sellers while transporting their goods.

In theory, fabric sellers agree among themselves to a) uniformity of prices and b) maintaining peace and order in the market. When asked how they distinguish themselves from other businesses, however, they stated that they sell at lower prices. They distinguish themselves through quality of goods, as well.

According to Focus Group participants, their ideas for expanding their business and increasing profits include:

1. Access credit
2. Build a fabric manufacturing industry in Warri
3. Build a depot in Warri where goods will be directly delivered from importers
4. Training on the operation of industrial machines
5. Training on accounting skills

The specific challenges that fabric seller face include:

1. the high cost of transportation and the stress of travel to obtain a supply of fabric,
2. pricing goods lower than cost price or allowing customers to buy on credit,
3. low capital leading to low profit,
4. spending on relations and its affect on business capital, and
5. customers stealing goods and occasional break-ins.

The Focus Group Participants estimate that approximately 1,000 fabric sellers belong to an Association. They join Associations to generate funds to help themselves. As members, they state that they can (a) easily get a loan at a lower interest rate from being part of an Association and (b) at the end of the year, they share the interest generated. A benefit that they do not receive that they wished they did was interest-free loans.

Focus Group: Main Market Fabric Sellers (30 Participants)

The Main Market Fabric Sellers (and Dress Makers) purchase supplies of fabric, sewing machines, weaving and knitting machines, scissors, needles, zip buttons, gum stay and other tailoring materials. Fabric is purchased from textile importers in Lagos and Kano Textile Company. The Focus Group participants sell their products to dress makers, individuals, groups, schools and to stores (whole sellers).

None of the Focus Group participants owns her own store. They rent their stores or use the balcony of other people's shops, such as a dress maker, because of the high cost of rent. The participants advertise their goods by displaying them, and through complementary cards, sign posts and recommendations from satisfied customers. Some fabric sellers often use television ads or radio jingles.

14 of the 30 Focus Group participants operate their business by themselves. 16 Participants employ 1, 2 or 3 other persons to work with them. Participants state that there are numerous fabric sellers in the Warri area, almost all are micro or small enterprises. None has more than 10 employees. Focus Group participants received their training from serving as apprentices, selling for a fabric dealer or working for a fashion designer, and learning from parents and relatives.

Although there are numerous fabric sellers and dress makers, participants state that the business climate is good because Warri is highly populated. They estimate an average monthly operating cost of 150,000 Naira with an average monthly profit of 200,000 Naira. They state that all the seasons are busy for their business because people in Warri greatly enjoy social functions.

There are no special rules or agreements among the fabric sellers at the Main Market. They distinguish their business from other fabric sellers and dress makers by:

- 1) Paying more attention to customer's needs and complaints
- 2) Obtaining training on how to make new styles of dresses,
- 3) Investing in quality fabrics that are durable or fabrics that are in vogue
- 4) Partnering with other fabric sellers,
- 5) Expanding the number of shops they operate, and
- 6) Employing more qualified people that know how to make all kinds of dresses.

Additional business skills that Participants believe would significantly improve their businesses include:

- 1) simple bookkeeping,
- 2) capacity building on how to make wedding dresses and French suits,
- 3) use of mechanized tailoring equipment, and
- 4) business seminars on how to effectively manage a business.

To expand a fabric selling or dress making business, the Focus Group participants suggested that one:

- 1) expand the number of shops one has and employ more qualified hands,
- 2) buy goods in quantity instead of “counting them,”
- 3) join importers and import goods into the country and distribute to other fabric sellers,
- 4) use more funds to go for high quality fabrics,
- 5) establish a textile weaving factory in Warri, and
- 6) Convince government to open the Warri seaport for easy entrance of goods

To make more profit in the fabric selling business, they suggest:

- 1) importing the fabrics all by themselves,
- 2) buying directly from the factory,
- 3) government financial mobilization,
- 4) soft loans, and
- 5) government should commission an already-completed market structure at Pesu so that those Fabric Sellers without shops could rent one.

Focus Group participants identified the specific challenges of their business operations as:

- 1) the high cost of bringing goods to Warri,
- 2) customers returning dresses to dressmakers,
- 3) custom officials and police agents exploitation of the transportation price,
- 4) high communication tariffs,
- 5) importation of fairly used clothes, and
- 6) government’s ban on the importation of foreign fabrics.

Participants said that they joined a Fabric Sellers Association for security and financial assistance in times of joy and sorrow. Additional benefits they wished they could receive are the a) provision of health care services within the market and (b) micro-credit loans. They would also benefit from fire hindrance services and the provision of mini-buses to ease transportation.

Focus Group: Igbudu Market Fabric Sellers (16 Participants)

This group of fabric sellers state that, in addition to meeting fabric importers in Lagos, they also go to Kore, China and Dubai to buy goods. In addition to fabric, the fabric sellers and dress makers need supplies of scissors, needles, zip buttons, good sewing machines and tailoring materials. The Focus Group participants sell their goods to dress makers, individuals, groups and schools.

Most of the participants operate their businesses from stores that they rent. They advertise their goods by displaying them and recommendations from satisfied customers. 6 of the 16 participants operate their businesses by themselves, while 10 employ one other person to assist them.

Participants estimate that there are at least 20,000 fabric selling businesses in the Warri area, all of which are operated by only one or two people. The average monthly operating cost of a fabric selling business is estimated at 100,000 Naira. The average monthly profit is estimated at 200,000 Naira.

Participants compete with other fabric sellers by:

- 1) bringing down the price,
- 2) giving customers gifts
- 3) investing in high quality, durable fabrics
- 4) partnering with other fabric sellers
- 5) acquiring more shops
- 6) employing more qualified people who know how to make all kinds of dresses

To expand their businesses and increase profits, Participants suggest that one:

- 1) expand the number of shops and employees
- 2) buy goods in bulk
- 3) become a fabric supplier (buying direct from Dubai and China) and sell to other fabric sellers
- 4) acquire soft loans from government
- 5) build one's capacity in effective business management, particularly simple bookkeeping

Participants' businesses are challenged by:

- 1) the high cost of goods and the high cost to transport those goods to Warri
- 2) harassment by Customs Agents
- 3) unbearable attitude of customers concerning price; customers returning dresses made specifically for them
- 4) inability to have a uniform price among fabric sellers

Participants joined an Association to gain social benefits, such as financial assistance for marriage and burial ceremonies. They desire the Association to help convince government to lift the ban on importation of fabrics and to caution custom agents.

Patient Medicine Dealers

(12 Focus Group Participants)

Patient Medicine Dealers are drug vendors that received a license from the Ministry of Health (and 5,000 Naira license renewal fee); they are not pharmacists. They obtain manufactured drugs directly from the manufacturers (or bulk distributors who import drugs from registered importers) based in Benin, Lagos and Onitsha. The Medicine Dealers sell the drugs to clinics, individuals, and stores in the geographically isolated riverine areas. They own or rent stores in Warri.

The market for drugs in the Warri area is large, as the population “does not compromise health,” according to the Focus Group Participants. Although participants state that there is never a downturn in business, they also remarked that their profits over the last year have been affected by the global economic meltdown. The Participants estimate that there are over 2,000 Medicine Dealers in the Warri area: 1,900 are micro-enterprises of one or two people and 100 are small businesses of 3 to 10 people. Four of the 12 Participants operate their businesses by themselves. One participant has 3 other employees to assist him, 3 Participants each hire 2 other employees, and 4 Participants hire one other employee. They estimate that the average monthly operating cost of a Medicine Dealer business is 500,000 Naira, while the average monthly profit is 50,000 Naira.

As members of a Medicine Dealers Association, the medicine dealers agree to unity, discipline and no quarreling among members, and quality product management.

None of the Focus Group Participants advertises his business because it is too expensive to do so. To distinguish their businesses from each other, they vary their prices and use their personal vehicles to distribute drugs.

To expand their businesses and profits, the Medicine Dealers state that they would establish themselves as a direct distributorship from the manufacturing companies, and they would figure out a distribution relationship with those in the transportation business. Participants also agreed that the business is capital intensive; the more they have to invest in their business, the larger their profit would be.

Focus Group Participants said that there is a need for them to receive training workshops on modern drug administration and prescriptions, or any type of training that could build or enhance their capacity as Patient Medicine Dealers.

The specific challenges that Medicine Dealers say they face include:

1. The repeated need to travel to Benin, Lagos or Onitsha to replenish their stock of drugs,
2. The lack of considerable funds to restock their supply of drugs,

3. Customers' demands for drugs when they have a limited supply due to financial constraints,
4. Competition fueled by certain medicine dealers reducing the price of drugs,
5. The high cost of transportation to buy products from Benin, Lagos and Onitsha,
6. The limited life span of some drugs (if they expire before sale, the dealer experiences a loss), and
7. Burglaries during times of crisis.

Participants were eager to share that “[w]e are always embarrassed and intimidated by the activities of members of the Pharmaceutical Society of Nigeria (PSN) who always insist that we are not qualified to sell drugs since we are not graduates. We would like this to stop as they would not be able to sell drugs if there are no middle men like us in the system.”

Participants say that they joined a Patient Medicine Association to assist themselves and to “control ourselves to the tune of government.” Association benefits are simple loans to members and financial assistance for marriage and burial ceremonies.

TABLE WATER PRODUCERS

The Table Water Industry is thriving in the Warri area given the high number of people and the poor quality of natural sources of drinking water. Business has become better over the past year, according to Focus Group Participants, “because Warri area has become more cohesive and vibrant resulting in effective price control.” Demand for treated drinking water is naturally higher during the dry season (October to March). The barrier to entry in this industry is the high monthly operating costs of a factory, which Focus Group Participants estimate at 2 million Naira. The average monthly profit is estimated at 250,000 Naira.

Table Water and Sachet Water Producers require an extensive amount of supplies to conduct their business. For table water, they need blowing machines, air compressors, bottling lines, labeling machines, coding machines, pet bottles, treatment plants and vehicles. For sachet water, they need self-sealing machines, sachet nylon, vehicles, filters, treatment chemicals and treatment plant, generators, packaging bags, storage tanks, boreholes, pumping machines, water distribution pipes, and ultra violet systems. Some of the supplies are provided by Lagos-based importers, while others are locally supplied. The Producers sell their products to individuals and businesses. Although the Focus Group Participants operate only in the Warri area, their products are sold beyond the Warri area. Their business operations are conducted in factories-- some rented, some owned. Unlike the majority of other medium-size businesses in the Warri area, Table Water Producers advertise using newspaper, television and radio advertisements, as well as post advertisements on vehicles.

The Focus Group Participants say that they need no special training to become Table Water Producers; they are simply men and women entrepreneurs. They need only a NAFDAC Registration License and to employ specialists in water production as full-time staff in their factories. All the Participants hire employees to work in their factories; the minimum number of employees cited in a factory was 8. Participants state that there are 133 registered water producers in their Association, of which 100 are functioning at present. Half of those businesses employ approximately 8 to 14 people. Fifty producers have more than 14 employees.

Participants are interested in additional training in:

- 1) Management Training
- 2) Cost Management Training
- 3) Quality Control Training

As Association members, they have agreed to price fixing and control, as well as financial obligations of members. They distinguish their businesses from each other through a) product branding, b) advertising, and c) good customer service.

For participants without a bottling line, they would need one to expand. For those with a bottling line, they need to expand their distribution network to increase their profitability as well as create permanent factory sites. In addition, participants state that their profits would increase if:

- 1) Gained patronage from Chevron Ltd.,
- 2) Self-production of sachet nylon and pet bottles,
- 3) Constant electricity (power),
- 4) Abolition of multiple government taxes,
- 5) Reduction in taxes, and
- 6) Access to newer vehicles.

Specific challenges to Table Water Producers include:

- 1) Suppliers' incessant hike in prices at random (which drops production because capital is now available).
- 2) Suppliers' substandard or fake products.
- 3) Transportation costs from suppliers to factories, which also contributes to supply delays.
- 4) Customers' purchase of water at outrageously reduced prices.
- 5) Customers' unhygienic handling of products.
- 6) Inability to supply customers with water during peak periods due to frequent vehicle breakdowns.
- 7) Customers do not value quality.
- 8) Language barriers in sensitizing customers about water quality issues.
- 9) Competitors sell water at reduced prices.
- 10) Competitors who are not Association members do not adhere to rules and regulations that create harmony in the industry.
- 11) Competitors intentionally damage others' products.
- 12) Delivery vehicles frequently break down, drivers are not properly trained, and cost of fuel is unpredictable in supply and high in cost.
- 13) High cost of NAFDAC registration.
- 14) Unnecessary delays in government registration processes (It takes over a year to get a registration certificate, which is good for two years. By the time we receive our registration certificate, we are required to pay the renewal fee).
- 15) Non-enforcement of effective NAFDAC laws.
- 16) Excessive taxation and multiple taxation.
- 17) Excessive electric bills.
- 18) Theft of products by some workers.
- 19) Extortion by "Area Boys" and illegal security agents, such as police and military
- 20) No time to spend with our families given the demands of the business.

The government fees imposed on Table Water Producers are quite extensive. The Participants through the Association have secured a court order temporarily stopping the multiple levies for now. The list includes:

- 1) Waste disposal fees (“We cannot remember the amount because it varies from one factory to another. This fees are paid to the Local and State Governments.”)
- 2) Effluent discharge fees paid to the Local and State Governments
- 3) Environmental Audit Fees paid to the Local and State Governments
- 4) Trade Fees paid to the State Government
- 5) Fire and Safety fees paid to the State Government
- 6) Hawking fees paid to the Local Government
- 7) Loading and offloading fees payable to the Local Government
- 8) Operational Permit fees paid to the Local Government
- 9) Liquor Permit fees paid to the Local Government
- 10) Niger Delta Permit fees paid to the Local Government
- 11) Advertisement permit fees also paid to the Local Government

It is the Participants’ opinion that Government should come up with a clearly understood taxation plan and grant tax waivers to producers of table water and other essential commodities.

The Participants joined the Association specifically to help them jointly resolve issues related to price control and to fight against multiple taxation. The Association also provides members with assistance in marriage and burial ceremonies. Activities or services that the Focus Group Participants wish the Association provided, in addition to cooperative benefits, include:

- 1) Business sustainability workshops
- 2) Plan to help tie profit to price control
- 3) Protection against external aggression
- 4) Other business-related trainings and seminars

The industries with which the Table Water Producers would appreciate assistance include those that provide electricity, fuel, and communication (call tariffs), in that order of preference.

MASTER BAKERS

(32 Focus Group Participants)

Focus Group Participants say that there is much opportunity for bakeries in the Warri area given the high population. Bakeries are busy throughout the year. Making a profit has been a bit harder over the past year due to increases in both baking materials and customer demands for lower prices for baked goods.

Master Bakers in the Warri area purchase baking supplies from local flour dealers, fabrication companies, printers, and bakery material sellers. They sell their products to individuals and stores in the Warri area, although their products are also re-sold in other areas. Many of the Focus Group Participants operate out of a large building while others own or rent stores. They advertise their businesses through sign posts, company cars with business information on them, and television.

All Focus Group Participants, some of whom learned as apprentices and others who went to catering school, employ others to assist them in their business. The average number of employees is 16. Participants estimate that there are over 100 bakeries in the Warri area: 30 are small (3 to 10 employees) and 70 are medium (employing more than 10 people). Average monthly operating costs are estimated at 1.5 million Naira. Average monthly profit is estimated at 150,000 Naira.

Government does not require any professional licensing for Master Bakers, although NAFDAC imposes laws on bakeries concerning the mechanization of the bakery process. Bakeries pay an annual fire service fee of 4,000 Naira to State Government and an annual revenue fee of 4,000 Naira to the Local Government.

The price and different sizes of bread are fixed by the Master Bakers Association. The businesses differentiate themselves by adding more ingredients to improve the quality of their products.

Business and profit expansion, according to Focus Group Participants, requires:

- 1) Investing capital into the purchase of more machines
- 2) Constant electricity from the power company
- 3) Subsidized baking materials

Master Bakers say they require training workshops on the use of standard bakery machinery.

Specific challenges to Master Bakers include:

- 1) The high cost of supplies and supplier-provided credit

- 2) Customer demands for lower prices and purchasing goods on credit (some of whom never repay)
- 3) Competitors not adhering to agreed-upon prices
- 4) Competitors with better access to capital make more profit
- 5) Problems with lack of machinery or machine maintenance
- 6) The need for land to build a bakery complex

The Master Bakers joined an Association to protect their collective interests and, according to Participants, the Association has helped them to increase the price of bread (“because we cannot do it on our own”) and to protect members from multiple taxation from the Local Government Area. Participants desire the Association to also provide credit and assist in acquiring bakery machines they can purchase through installment payments.

FOOD STUFF SELLERS

Food stuff sellers in the Warri area purchase from other food stuff businesses and from local farmers such products as tubers of yam; bags of beans, rice, semolina and semovita, cartons of tomatoes, spaghetti and indomie noodles, and sell them to local food vendors, hotels, and individuals. Their businesses operate out of rented stores. They advertise informally by displaying them and through customers' recommendations. Their competition is based on price of goods. Business in the Warri area is "seriously developing and the population is growing on a daily basis."

All the Focus Group Participants operate their businesses by themselves. They estimate approximately 20 Food Stuff sellers in the Warri area: 10 micro-enterprises, 5 small businesses, and 5 medium businesses. Most Food Stuff sellers entered the business by acting as sales representatives for family members' products. They view financial assistance as the only means by which they can improve their businesses. Participants estimate that the average monthly operating cost of their business is 80,000 Naira and the average monthly profit as 100,000 Naira.

The Focus Group Participants joined an Association to protect and help each other. At present, the participants are "nursing the intention of selecting 3 or 4 of our members and sending them to the North so that they can buy goods at a cheaper rate and supply to the rest of the members if there is no money." Association members also have benefited from the Association's cooperative, financial assistance for marriage and burial ceremonies, and welfare improvement, especially when members travel for business. Members desire the Association to provide a truck for transporting goods to Warri and to assist members in their relationship with the Banking Industry and the National Union of Road Transport Workers.

Specific challenges to Food Stuff Sellers include:

- 1) Buying from middle agents that are not farmers
- 2) Customers' inability to pay their debts after they purchase on credit
- 3) Food stuff hawkers usually sell their products at a very cheap price because they don't pay store rents (Participants consider this a serious challenge to food stuff sellers, who are then forced to sell their goods at the exact amount at which they purchased them from suppliers)
- 4) High cost of transportation

Food Stuff Sellers do not require a professional license. On a daily basis, they pay to the Local Government Area a "Council Ticket" of 30 Naira and a "Community ticket for land" fee of 20 Naira.

GOAT BUTCHERS

There is a high demand for quality goat meat in the Warri area. According to Focus Group Participants, there is no seasonal downturn in demand, although there is a surge in business related to Christmas and New Year's Eve. There is a seasonal downturn in supply of goat meat; goats are relatively unavailable in the Warri area during Muslim holidays as Muslims are the primary goat suppliers. Over the past year, inflation has affected profits, according to Focus Group Participants.

Goat butchers in the Ugbuwangue Market in Warri purchase goats from Hausa people from the North who bring the goats to the Ugbuwangue Market. Goat butchers also travel to Benin (1 hour drive from Warri) to buy from the Hausa people at the Aduwawa Goat Market. The goat butchers, who operate from rented shops, then sell the goat meat to hoteliers, eateries, and individual customers. Most goat butchers learned the craft through apprenticeships. Goat butchers primarily rely upon customer satisfaction to promote their businesses, although some purchase television advertisements. They also compete with each other based on price and quality of meat.

Goat butchering is a micro- and small enterprise, employing on average 2 to 5 people. The Focus Group Participants estimate 100 Goat Butchering businesses in the Warri area. The average operating cost of a goat butchering business is estimated at 110,000 Naira; the average monthly profit is estimated at 10,000 Naira.

Participants who have joined an Association agree a) not to slaughter a goat in the afternoon, b) not to steal or fight among members, c) not to smoke Indian hemp, and d) to discipline erring members. From the Association, they have received financial assistance in marriage and burial ceremonies, during sickness, and in the event of a cash "crump." They desire the Association to also consider soft loans to members, pensions for old members, and assistance in training members' children to become goat butchers.

For the Goat Butchering Industry to improve, according to Focus Group Participants, there is a desire to build a modern Abattoir where people from other locations will come to Warri to purchase the meat and to develop partnerships with companies or corporate organizations to purchase goat meat from them. Participants have an immediate need for government to ban unregistered goat meat sellers and to help reduce the price of goats. They also request training in Environmental Sanitation and how to use a gas cooker to roast meat. Hygiene is indeed a concern as the Focus Group Participants acknowledged that "[w]e wash our slaughtered meat in the unhygienic river and this is not good health wise. Government should provide us with a borehole so we can wash our meat with clean water, fly-treated nets, warehouses where we can keep our firewood for roasting meat, and a decent modern Abattoir."

Specific challenges to Goat Butchers pertain to the high cost of goats, the absence of cold storage to preserve the meat, and competition from street hawkers who are not registered with an Association and sell the meat at a reduced price. Recently, goat butchers also have suffered from indiscriminate increases in daily fees imposed by the Local Government and imposition of an annual levy imposed by State Government. In addition, butchers pay veterinary fees of 200 Naira per goat per day to the Local Government Area and a standard daily rate of 150 Naira per goat to the Local Government Area.

VEGETABLE SELLERS

(18 Focus Group Members)

Vegetable sellers in the Warri area purchase their food goods from local vegetable farmers, and their business materials from cutlery sellers, tarpaulin sellers, plastic sellers, and carpenters. They sell their products to businesses, hotels, restaurants and individuals. They operate their businesses from open areas that they rent.

Nine of the 18 Focus Group Participants operate their businesses alone; nine employ one other person to assist them. The Participants estimate that there are 40 vegetable sellers operating in the Warri area, all of which are micro-enterprises. The average monthly operating costs are estimated at 16,000 Naira. The average monthly profit is estimated at 10,000 Naira.

The Vegetables Sellers formed an Association that fixes the prices of vegetables for members and offers some social services, such as visiting sick members and providing financial assistance for marriage and burial ceremonies. Good customer relations is the only way in which vegetable sellers distinguish themselves.

Expansion of a vegetable seller's business requires more supplies of goods, which requires more capital. Focus Group Participants did not think that they needed additional training of any sort.

The specific challenges of Vegetable Sellers include a) the high cost of vegetables, b) scarcity of vegetables during the dry season, c) the lack of cold storage, which leads to the loss of perishables, and, most importantly, d) insecurity about the locations in which they can sell their goods. Vegetable sellers cannot expand their market access because they are excluded from other markets by unions, and Local Government has begun attempts to evict them from their open trading spaces on the basis of "illegal occupation." The vegetable sellers pay "ticket levies" of 30 Naira a day and "council tickets" of 20 Naira a day to Local Government.

FISH FARMERS

(16 Focus Group Participants)

Fish farming is a labor intensive, management sensitive business. It requires the purchase of local and foreign fish feed, fingerlings, hatcheries, lime and fertilizer, fish nets, water testing kits, pumping machines, fish supplements and drugs. Although most suppliers are local, the material is often imported. Fish farmers sell their products in the Warri area to hotels, eateries, marketers from neighboring states, companies and individuals. They promote their products through billboards and satisfied customers, and by placing information on farm vehicles.

The Warri area provides a “ready market” for fish farm products. The local industry has suffered over the last year due to oil spills that killed the fish and the increase in price of fish feed.

Focus Group Participants received their training as fish farmers through training at the School of Oceanography in Lagos and through seminars and symposiums held by multi-feeds and leads feeds suppliers. They state that they need additional training on preservation, processing, disease management, and hatcheries using a different breed of fish.

All Focus Group Participants have employees working with them on the fish farms. Four have 2-3 employees, six have 5 to 7 employees, and 6 have 10 to 25 employees. The Participants estimate that in the Warri area there are more than 3,000 fish farmers: 1,800 are micro-enterprises, 450 are small business of 3 to 10 people, and 750 are medium businesses with more than 10 employees. The average monthly operating cost of a small fish farm is estimated at 75,000 Naira. The average monthly profit is 50,000 Naira.

Focus Group Participants who are members of an Association agree to the Association’s price control in terms of products and labor, as well as the quantity of fish sold each day. They distinguish their businesses or compete with other fish farmers by a) the use of good feeds to enhance the taste of the fish, b) the size of the fish, which is determined by the quality feeds, quality fingerlings, medications, and quality fish management, c) close proximity of farms to markets, and d) affordable prices. The Participants joined a fish farming association to protect their common interests, including protection from community youths and from harassment by law enforcement agents.

Participants believe that businesses and profits can expand, based on:

- 1) More capital investment
- 2) Packaging of fish

- 3) Floating a micro-finance bank where fish farmers can access loans (the Association is engaged in this effort)
- 4) Construction of a feed manufacturing industry in Warri
- 5) Subsidizing foreign feeds
- 6) Electricity for farms
- 7) Making the farm walkways “German” floored
- 8) Vehicles to convey products to markets and fish feeds to farms
- 9) Good roads.
- 10) Creation of a market outlet specifically for fish farmers.

The specific challenges that fish farmers in the Warri area are experiencing relate to:

- 1) High cost, yet short shelf life, of materials from suppliers
- 2) No credit offered by suppliers
- 3) Lack of quality fingerlings
- 4) Bad road network leading from farms to markets, or customers to farms
- 5) Customers who buy on credit but don't repay
- 6) Fish farmers who do not adhere to fixed price agreement
- 7) High cost of transportation
- 8) Non-enforcement of environmental laws, particularly pollution laws, by State Government
- 9) Theft of fish by community youths, who also harass and assault farmers

All the Participants are members of the Ufoma Fish Farmers Association, which has over 3,000 fish farmers and 6,000 ponds. The participants state that their Association is in need of 4 concrete bridges to be constructed inside the farm, the farms to be fenced for security, and vehicles to help transport the fish farmers' product to far distances to sell.

WELDERS

(12 Focus Group Participants)

Warri area welders rely upon local building material tool sellers, mechanical tool sellers, and steel companies to provide them with the supplies they need to provide the products and services that they deliver to individuals, companies, schools and churches. They advertise their work through displaying products, satisfied customers, and photos of previous work. According to Focus Group Participants, the Warri area provides a good living for metal workers, with no seasonal variation in demand for welders. The key challenge is access to capital to expand their businesses through the purchase of materials in bulk.

Four of the 12 Focus Group Participants operate their businesses by themselves; 8 Participants hire between 1 and 3 employees to assist them. The Participants estimate that there are 1,000 welding or metal working businesses in the Warri area: 300 micro-enterprises of 1 to 2 people, 500 small businesses of 3 to 10 people, and 200 medium businesses with over 10 employees. Metal workers receive their training through apprenticeships and technical schools. The Participants currently seek additional training on pipe welding and on Argon welding.

Welding businesses distinguish themselves from their competitors by making their work attractive, providing quick delivery on the job, and being honest and sincere in their work. The average monthly operate cost of a welding business is estimated at 200,000 Naira. The average monthly profit for a welding business is estimated at 30,000 Naira.

The Focus Group Participants joined an association to receive financial assistance for marriage and burial ceremonies, and to help one another through borrowing of equipment, when needed. Participants desire the Association to work towards acquiring a soft loan scheme.

For a welding business to expand or increase profit, according to Participants, it needs:

- 1) Financing to purchase more materials in bulk
- 2) Constant electricity

Specific challenges for those engaged in metal working include:

- 1) Scarcity of materials
- 2) Delay in the supply of materials
- 3) Rejection of work by customers
- 4) Customers not paying for work completed on credit
- 5) Competitors with access to more equipment

- 6) Harassment by police on the road when transporting their materials, finished products and equipment
- 7) Low pricing of work by other welders
- 8) Buying materials in bulk by competitors who have the capital
- 9) Theft of scrap metal from workshops
- 10) Multiple government taxation

The Local Government charges metal workers a) an annual “extension levy” of 2,500 Naira, b) an annual “occupation levy” of 2,500 Naira, and c) an annual sign post levy of 2,500 Naira, among other fees.

TIMBER DEALERS

(12 Focus Group Participants)

The business climate in the Warri area is good for timber dealers and others involved in the construction industry, although there are predictable seasonal slumps. The past year has been difficult for timber dealers due to Timber dealers' inability to deliver the quality of goods that customers are demanding, the high cost of transportation, and inflation. In the Warri area, they purchase wood, processing machines, and tools from a variety of local timber saw millers and building material sellers, as well as importers. They sell their products to individuals, hotels, schools and churches. Most of the Focus Group Participants rent stores for the operations, and display goods, provide complementary cards and rely on customer satisfaction for business promotion.

In the Warri/Effurun area, they are 8 timber-selling "quarters," with a number of timber sellers occupying space there. Timber Associations do not fix prices, so competition among timber dealers is characterized by price, quality of materials, and a business's possession of wood working machines and generators to power them.

Timber dealers believe that businesses can expand and make greater profit through:

- 1) Establishment of another timber-selling quarter in a remote village within Warri
- 2) Patronage by multinational oil companies
- 3) Ability to get contracts to supply woods and timber to hotels and larger organizations
- 4) Available financial assistance to purchase the goods that customers are demanding
- 5) Available vehicles to convey goods to customers' sites

Timber dealers also believe that they could benefit from business seminars and simply bookkeeping training.

Seven of the 12 Focus Group Participants state that they work alone, while five of the Participants state that they employ 2 or 3 people to assist them. This information does not meld with their estimates of the number of timber dealer businesses in the Warri area and the size of those businesses. They state that, although they cannot guess the number of timber dealers, that all the businesses are medium-sized businesses of more than 10 employees. Participants estimate that the average operating cost of a timber dealer business is 1 million Naira, while the average monthly profit is 100,000 Naira.

The specific challenges of timber dealers, according to the 12 Focus Group Participants, include:

- 1) High cost of goods

- 2) No access to credit facilities through suppliers
- 3) Payment of goods in advance of receiving supplies, followed by delays in receiving supplies
- 4) Inability to meet customer demands in terms of wood quantity (due to lack of sufficient wood working machines within the market), quality, and credit facility
- 5) High cost of transporting goods from suppliers to customers
- 6) Multiple taxation from local and state governments

Timber Dealers receive benefits from joining Associations in the form of financial assistance in marriage and burial ceremonies, advocacy to own landed property through the Association's cooperative meeting, and the purchase of more woodworking machines for members' use. Additional assistance desired is in the form of bank loans, supply of more woodworking machines by importers, and the services of transport companies.

CEMENT DEALERS

(27 Focus Group Participants)

Construction is going on daily in the Warri area, says Focus Group Participants, which is why there is a lot of opportunity for Cement Dealers. Due to the nature of their product and construction cycles, the dry season is the best season for getting business but the hardest time for getting cement materials from suppliers. Conversely, it is easy to get supplies during the rainy season, but not easy getting work. They estimate that their average monthly operating costs are 100,000 Naira, while their average monthly profits are 150,000 Naira.

Cement dealers require stores, trucks, and a bulk supply of cement products in their businesses. They obtain their supplies from local cement manufacturers and sell their products to individuals, retailers, and companies in the Warri area. They operate their businesses from stores (some own, others rent), warehouses and directly from their trucks. They advertise their businesses through sign posts and complimentary (business) cards.

All 27 focus group participants employ 3 or 4 others to assist them in their business. They estimate that there are approximately 450 cement dealers in the Warri area: 200 micro-enterprises, 150 small businesses of 3-10 people, and 100 medium businesses that employ more than 10 people.

Those who have become cement dealers either worked previously with someone who was in the business already or they had previous business experience in another type of business. The Participants stated repeatedly that they are in need of business seminars or workshops.

According to the Focus Group Participants, cement dealers agree among themselves to uniformity of trailer tickets and uniformity of off-loader prices. They distinguish their businesses from one another by using (a) distributors and (b) retailers who receive goods from the distributors.

For a cement dealer to expand his business, participants say that:

- 1) Producers need to reduce the price of the goods,
- 2) There should be high availability of supply so that distributors can meet up with demand,
- 3) There is a need for a cement dealers' depot where distributors will come and buy at a cheaper rate;
- 4) There is a mini-factory in all cement depots in Warri, and
- 5) One should acquire more trucks to increase the ability to supply more goods to customers.

The specific challenges of cement dealers include:

- 1) Suppliers use of an online payment system. For cement dealers, this practice increases their risk should something happen to the cement materials on their way to the cement dealers' businesses. In addition, the Focus Group Participants state that sometimes the suppliers delay providing cement dealers with the supply and use the payment money from the online payment account to supply other people first.
- 2) Customers who buy on credit have difficulty paying cement dealers after receiving the supply of goods.
- 3) Competition among cement dealers arises when a) some cement dealers have the opportunity to purchase cement materials cheaper from the depot, b) some have vehicles for distributing the goods, and c) some have a steady supply of cement in their stores.
- 4) Transportation issues arise that relate to a) fuel scarcity, b) not enough vehicles, and c) drivers who load their vehicles but stay on the road for more than 3 or 4 days before next reloading.
- 5) Communications issues arise that relate to network failures or the person decides not to answer calls.
- 6) Profit making is difficult when a) a cement dealer cannot reach a set target, b) there is low patronage due to the rainy season, and c) competitors bring down the price.
- 7) Revenue collection from the Local Government Area is usually expensive.
- 8) Armed robbery on the way to the bank.

Focus Group Participants also noted that there is a need for government to give Cement Dealers account numbers to which they would pay their fees to government, rather than government officials who send youths, who sometimes "molest" the Cement Dealers before they get money from them.

Personal challenges for Cement Dealers relate to:

- 1) School runs (dropping our kids at school and picking them up after school),
- 2) Domestic work for women,
- 3) Home financial demands, and
- 4) External financial demands.

All 27 of the Focus Group Participants belong to an Association. They joined "to know ourselves." They receive no other benefit from the Association. They desire for their supplier (Dangote Cement) to recognize the Association. They also desire assistance in obtaining loans from the Banking Industry, finding alternative supply sources from other building material dealers, and finding out more about the Cement Block Industry, in that order of preference.

MOTOR SPARE PARTS DEALERS

(14 Focus Group Participants)

Given the deplorable conditions of roads in the Niger Delta, motor spare parts dealers experience robust business activity in the Warri area, regardless of the season. Suppliers are those with stocks of heavy duty spare parts, Peugeot spare parts, Japanese car spare parts, old and new motor spare parts, and fairly used cars. Most of the suppliers are located in Onitsha, Nnewi, and Lagos. The importers of fairly used autos are in Cotonou, Benin Republic, Nnewi and Lagos. Motor Spare Parts Dealers sell their products and services to individuals, auto mechanics and companies. Focus Group Participants operate their businesses out of owned and rented shops and promote them primarily through sign posts, displaying their goods, and customer satisfaction.

Three of the 14 Focus Group Participants operate their spare parts businesses by themselves, while 11 Participants hire 1 to 3 employees to assist them. The Participants estimate that there are over 3,000 Motor Spare Parts Dealers in the Warri area, 3,500 of which are operated as micro-enterprises and 500 that are small businesses of 3 to 10 employees. The average operating cost of a Motor Spare Parts Dealership is estimated at 1.5 million Naira, while average monthly profits are estimated at 50,000 Naira.

No government license is required to become a motor spare parts dealers. They are required to pay to the Local Government a) an annual spare parts levy of 1,000 Naira and (b) an annual store levy of 500 Naira annually. Participants beg for government to assist them in stopping police from harassing their employees on the road while transporting goods to shops.

Owners of spare parts dealerships learned the business primarily through apprenticeships, sometimes up to 10 years. Focus Group Participants acknowledge that they need additional training in:

- 1) Business management
- 2) Simple bookkeeping

Associations composed of motor spare parts dealers do not set the price of goods and services, so businesses distinguish themselves from their competitors through price, authenticity of quality parts, and favorable customer reviews.

According to Participants, expansion of a spare parts business or profits depends upon:

- 1) Financial assistance
- 2) Importation of quality, foreign parts

3) Ability to secure contracts with companies

Specific challenges to Motor Spare Parts Dealers include:

- 1) No credit facility for Dealers to purchase materials on credit (and related delay in sending stock due to lack of credit)
- 2) Customers desire to pay on credit
- 3) Customers desire to purchase spare parts from dealers with large supply of stock
- 4) High cost of transport and transportation delays in delivering supplies

Focus Group Participants became members of an Association to a) assist in marriage and burial ceremonies and b) come to members' aid when they are arrested illegally. Participants desire the Association to also provide loans to members, or approach government about micro-credit, and to help members obtain a permanent site to conduct their business.

AUTOMOBILE TECHNICIANS

Given the poor road conditions and high dependency on transportation to obtain supplies and products elsewhere to deliver to the Warri area, Automobile Technicians have a steady demand for their services. There is a slight downturn in demand during the rainy season and a slight upturn during the Christmas and New Year holidays. That said, the Focus Group Participants stated that the last year has been more difficult for them to achieve a profit given the rising cost of living in the Warri area and the “economic meltdown.”

Several professions fall within the category of Automobile Technicians. These include mechanics, panel beaters, spray painters, electricians, and upholsterers. Most automobile technicians procure their supplies from local Motor Spare Parts Dealers. Most diagnostic machines are purchased through suppliers outside of Nigeria. Automobile technicians offer their products and services to individuals and businesses in the Warri area and beyond. Automobile technicians promote their work through media, such as radio and television; as well as through sign posts, bill boards, complimentary (business) cards, and customer satisfaction.

All Focus Group Participants employ others to assist them in their businesses. The average number of employees is 15. Participants estimate that in the Warri area there are approximately 3,600 automobile technician businesses: 1,000 are estimated to be micro-enterprises of 1 to 2 people; 1,700 are estimated to be small businesses of 3 to 10 people; and 900 are estimated to be medium businesses with over 10 employees. Participants estimate that the average monthly operating cost of a business is 160,000 Naira. Average monthly profit is estimated at 70,000 Naira.

Automobile technicians receive their training through technical colleges (PTI), vocational centres (NOIC), company on-the-job training (Mandilas, SCOA and John Holt), and apprenticeships with Master Teachers. Participants emphasized their desire for additional training in:

- 1) Administrative skills
- 2) Computer training
- 3) Reading and writing skills
- 4) Training on modern automobile mechatronics

For businesses to expand and profits increase, Participants recommended:

- 1) CAC business registration (federal level), to be able to partner with larger companies
- 2) More diagnostic equipment
- 3) Modern workshops

Specific challenges to Auto Technician businesses include:

- 1) Suppliers providing fake or substandard spare parts
- 2) Hostile customers (including those who refuse to pay and then bring police to arrest the Auto Technicians or use “Area boys” to intimidate)
- 3) High cost of transportation to buy parts, especially when going to Lagos
- 4) Landlord’s eviction without notice from rented workshops
- 5) Local Government’s multiple taxation, as well as community levies (including annual 35,000 Naira to LGA’s Ministry of Commerce and Industry)
- 6) Local Government’s demolition of workshops without prior notice (beautification policy)
- 7) Extortion by police
- 8) Burglary of workshops (they desire surveillance cameras)

Participants stated that they joined an Association to be a recognized technician and work together to solve challenges with government and companies. Additional benefits they desire the Association to provide include soft loans, training programs on modern mechatronics, and a social security package from the National Auto Technicians Association. They desire government to provide them with acres of land to serve as a Modern Mechanics Village.

VULCANIZERS (TIRE REPAIR)

(14 Focus Group Participants)

Given the horrific conditions of roads in the Niger Delta, tire repair is a business activity constantly in demand, although vulcanizers state that the rising cost of living in the Warri area has created financial hardships over the past year. Vulcanizers obtain their supplies, such as air compressors, tire pullers and changers, tire lifters, and tire tubes, from businesses in Onitsha, Lagos and Ibadan. They provide their products and services to businesses and individuals in the Warri area. They operate their businesses from rented stores, roadside stands, and gas stations, as well as doing “outside” work for businesses. They promote their businesses by displaying tires, tubes and vulcanizing engines where people can see them and through customer satisfaction.

Vulcanizers learn their trade through apprenticeships and relatives. No professional license is required to be a vulcanizer. Eight of the 14 Focus Group Participants operate their businesses alone, while six participants employ between 1 and 5 people to assist them. In the Uvwie Local Government, there are 272 vulcanizer businesses. Participants estimate that 262 businesses are micro-enterprises of 1 to 2 people and 10 are small businesses of 3 to 10 people. They estimate an average monthly operating cost of 30,000 Naira and an average monthly profit of 50,000 Naira.

The Vulcanizer Association for Uvwie LGA sets uniform prices to be charged for particular jobs. Businesses distinguish themselves from their competitors through customer satisfaction. Efforts to expand vulcanizing operations or increase profit would include:

- 1) Purchase of foreign standard equipment
- 2) Financial assistance
- 3) Inclusion of tire selling

As in other trades that must travel to purchase supplies, Vulcanizers would like a direct relationship with tire manufacturers and importers of vulcanizing tools.

The Association has provided members with soft loans, a pension scheme for older members, and financial assistance for marriage and burial ceremonies. Focus Group Participants desire the Association to also assist them in building houses and buying cars for members.

Specific challenges in the vulcanizing businesses include:

- 1) Scarcity of materials
- 2) High cost of tools
- 3) Rejection of work by customers (including argument over price, which is fixed by the Association)

- 4) Local Government's demolition of workshops and temporary structures identified as "illegal"
- 5) Local Government's multiple taxation

8. Details of Interviews with Association Representatives (by business activity)

(see next page)

Delta State Shoemakers Association

1 Adjomo Avenue
Warri, Delta State

Contact: Benks Obuh, 08056717310

Inception: 2004

Part of Larger Organization: No

Number of Members: 12

Geographical Area of Membership: Warri Area

Membership Dues: 200 Naira every 2 weeks

Frequency of Meetings: Every 2 weeks

Type of Services Provided to Members Through Membership:

- a. Defend one another against excessive and multiple taxation
- b. From dues collected, Association buys gifts at end of year with the greater part of it and shares to members
 - a. In 2009, each member received half bag of rice
 - b. In 2010, each member received full bag of rice

Government rules and regulations that apply to Shoemakers:

- a. LGA charges an "extension levy" of 2,000 Naira per month for putting up tarpaulin in front of their shops
- b. LGA charges an "encroachment levy" of 1,500 Naira per month for hanging wares outside the shop

Biggest challenges to shoemaker businesses operating in the Warri area:

- a. Non-availability of materials or supplies for shoemaking activity.
- b. Importation of fairly used shoes is giving local shoemakers difficulty.
- c. Imported Dubai shoes is causing a low demand for local shoemaker products.
- d. Nigerian-made soles are not durable.

Different Types of Businesses that are involved in Shoemaking Process:

- a. shoemaking material sellers
- b. sewing machine sellers
- c. polish sellers
- d. grounding machine sellers
- e. generator sellers
- f. filling stations

Revenue Trend in Shoemaking Business, according to Association Representative:

Revenue has fallen over the past year due to:

- a. Importation of fairly used shoes, which are cheaper than our products
- b. As we train more boys to establish their own business, the competition is becoming higher
- c. The importation of low quality Dubai shoes with lower market prices than our products is lowering our sales

Do you predict this revenue trend will continue?

“We do not pray for its continuation. We believe it will stop if government will do the necessary things like placing a ban on the importation of fairly used shoes and Dubai shoes.

Effurun Market Fabric/Dress Makers Association

E Line, Effurun Market
Effurun-Warri, Delta State

Contact: Mr. Moses Emabamidie, 08037225944

Inception: 1995

Part of Larger Organization: No

Number of Members: 2,500

Geographical Area of Membership: Uvwie Local Government Area

Membership Dues: 500 Naira per person

Frequency of Meetings: One time per month (first Thursday of each month)

Type of Services Provided to Members Through Membership:

- a. Security services
- b. Discipline of erring member
- c. Social services: Financial assistance to members during marriages and burial ceremonies

Government rules and regulations that apply to Fabric Sellers:

No idea.

Biggest challenges to fabric seller and dress-making businesses operating in the Warri area:

- a. Insecurity
- b. Lack of landing jetty
- c. Lack of funds

Different Types of Businesses that are involved in Fabric Selling Industry:

“We travel to Onitsha, Benin, Lagos, Kano, Cotonou and Dubai for those of us who are financially buoyant to buy fabric materials and then transport to Effurun market where retailers and whole sellers come to buy from us.”

Revenue Trend in Fabric Selling Business, according to Association Representative:

Revenue has grown over the past year. “It is due largely to the prevailing peace in the city. If there is assistance from government and other donors, the trend will continue to grow. But if there is no assistance, especially as we have other family responsibilities like caring for and feeding our children, the trend of growth of revenue will not continue.”

Additional Comments

“We need long-term loans with low interest to support us to do our business.”

Main Market Traders (Fabric) Association

67, Warri/Sapele Road, Warri

Contact: Chief Emmanuel Erihijivwo, 080847134

Inception: 1957

Part of Larger Organization: No

Number of Members: 1,000

Geographical Area of Membership: Warri South, Uvwie, Udu, Ughelli North and Okpe Local Government Area

Membership Dues: None

Frequency of Meetings: Weekly (every Wednesday)

Type of Services Provided to Members Through Membership:

- a. Security services
- b. Welfare Services: advocate to government to provide essential services, such as toilet facilities
- c. Provision of water and electricity (drilled a borehole)
- d. Assist members during social ceremonies such as marriages and burials

Government rules and regulations that apply to Fabric Sellers:

No idea.

Biggest challenges to fabric selling businesses operating in the Warri area:

- a. No access to loans from banks as a result of the reforms going on in the banking sector.
- b. Lack of funds.
- c. Excessive flooding during rainy season (we need a proper drainage system)
- d. Unavailability of a health centre
- e. Insecurity

Different Types of Businesses that are involved in Fabric Selling Industry:

“We have some dealers that go to Dubai, China, London, Thailand, etc. to buy fabric products and at very exorbitant prices to wholesale customers. Retailers also come and buy from these wholesale customers. Dress makers also buy from these dealers.”

Revenue Trend in Fabric Selling Business, according to Association Representative:

Revenue has fallen because “the cost of buying fabric materials is on the increase and it is telling much of us. If something like financial assistance is done, the trend will stop. If not, the trend will continue.”

Additional Comments:

“The Association is a legal body duly registered with the State Ministry of Youth and Social Development, Asaba. It was registered 3 years ago, though the association has been in existence since 1957. It was never registered.”

Igbudu Market Fabric Sellers Association

Igbudu Market
Warri, Delta State

Contact: Mrs. Maria Origbo, 07083926838

Inception: 2006

Part of Larger Organization: No

Number of Members: 105

Geographical Area of Membership: Igbudu Market, Warri

Membership Dues: 1,000 Naira Monthly

Frequency of Meetings: Twice each month

Type of Services Provided to Members Through Membership:

- a. Financial support to members during marriage and burial ceremonies.

Government rules and regulations that apply to your business sector:

“We are harassed by customs agents.”

Biggest challenges to businesses operating in your type of business in the Warri area:

- a. Custom agents’ harassment; their imposition of multiple taxes on us.
- b. High cost of transportation in moving our goods from Lagos to Warri.
- c. Inability to cross borders of the neighboring countries to get our goods at a cheaper rate.

Different Types of Businesses that are involved in Fabric Selling Industry:

- a. Fabric importers
- b. Textile manufacturing companies
- c. Dress makers

Revenue Trend in Fabric Selling Business, according to Association Representative:

Revenue has grown over the past year. “We are training our children in higher institutions of learning from what we earn from this business.” “Most of us have acquired plots of land and developed them through this business and still have a reasonable size of goods in our shops.”

Additional Comments:

“Our source of finance is usually through borrowing from cooperatives and monetary gifts from friends and relatives.

National Patient Medicine Dealers Association (Urhobo Zone)

Marpo Swamp Road, GRA
Warri, Delta State

Contact: Chief (Elder) Onumi Brume, 08051524906

Inception: 1965

Part of Larger Organization: Yes (National Patient Medicine Dealers Association)

Number of Members: 75

Geographical Area of Membership: Warri South Local Government Area

Membership Dues: 300 Naira for unlicensed members; 200 Naira for licensed members

Frequency of Meetings: One time per month (first Saturday) (Executive Meeting is first Thursday)

Type of Services Provided to Members Through Membership:

- a. Provide soft loans to members
- b. Assist members financially in case of fire disaster and other accidents
- c. Give certain amount of money to family on the death of a member
- d. Financial assistance to members during marriage or burial ceremonies

Government rules and regulations that apply to patient medicine dealers:

- a. National Drug Laws Enforcement Agency (NDLEA)
- b. National Agency for Food Drugs Administration and Control (NAFDAC)

Biggest challenges to patient medicine businesses operating in the Warri area:

- a. Unfriendly and uncooperative attitude of members of the Pharmaceutical Society of Nigeria (PSN). They always come to intimidate us that we are not qualified to deal on drugs because we are not graduates.

Different Types of Businesses that are involved in Patient Medicine Industry:

- a. We buy our products (drugs) from Onitsha every week. Some Cooperative Pharmaceutical companies from Benin, Ibadan and Lagos also supply us.
- b. Some of our suppliers give us credit incentives which we repay after sales.
- c. We sell to both retail and wholesale customers.
- d. Wholesale customers go to their various communities to sell to consumers. We also give credit incentives to our wholesale customers.

Revenue Trend in Patient Medicine Business, according to Association Representative:

Revenue has grown over the past year because “people do not compromise health for something else. Customers continue to patronize us and this enables us to make quick sales, resulting in the growth of revenue from the business. This trend will continue because since I started this business from my youthful days, the revenue from the business is on the increase year in year out. Again, so long as we have soft loans for members of the association, we invest in the business and it will continue to grow.

Additional Comments:

“We need financial empowerment from the Government or donor agencies to grow more than we are now. We can manage any fund or money given to us. Some of the members’ shops are with very few drugs. Due to the embarrassment from the graduate pharmacists, we are making sure that our children are trained to become graduate pharmacists. Therefore, we need financial assistance and scholarships for our brilliant children.”

Association of Table Water Producers

Oru Standard Hotel, Jakpa Road
Effurun, Delta State

Contact: Mrs. Susan Ogbechie, 08033974520

Inception: 2007

Part of Larger Organization: Yes

Number of Members: 105

Geographical Area of Membership: Warri, Delta State

Membership Dues: 2,000 Naira monthly

Frequency of Meetings: One time per month

Type of Services Provided to Members Through Membership:

- a. Ensure that the environment is conducive for members to operate
- b. Train members on the best way to process water for quality improvement
- c. Provide technical assistance to members to enhance production
- d. Regulate prices

Government rules and regulations that apply to Table Water Producers/Sellers:

NAFDAC regulations (National Agency for Food and Drug Administration and Control)

Biggest challenges to table water businesses operating in the Warri area:

- a. Inconsistency of power supply by PHCN
- b. Lack of funds to purchase new vehicles for the delivery of products
- c. Rising costs of vehicle and machinery maintenance
- d. Federal Government Policy on minimum wage of 18,000 Naira
- e. Youth restiveness
- f. NADAC has not done enough on the sensitization of the public on the quality of our products

Different Types of Businesses that are involved in Table Water Production/Sale Industry:

- a. Borehole drilling companies
- b. Water treatment chemical dealers
- c. Packaging machine sellers
- d. Maintenance companies
- e. Cellophane manufacturers
- f. Transport companies
- g. Power supply company
- h. Filling stations (for diesel and fuel)

Revenue Trend in Table Water Production/Sale Business, according to Association Representative:

Revenue has stayed at the same level because:

- a. The public is not agreeing to buy our product at the price that at least is favorable to us due to their myopic thinking that water is a free gift from God.
- b. High cost of maintenance.
- c. Irregular power supply for the production which leads to burning of fuel and diesel.
- d. Unhealthy competition among members.

Additional comments:

- a. We want our customers to know that we do treat the water they are consuming.
- b. NAFDAC registration fee is so high and scaring people. Many people find it difficult to register and join the Association.

Association of Master Bakers of Nigeria

Plot 132, Effurun Sapele Road Roundabout
Effurun, Delta State

Contact: Mr. Cyril Emanerame, 08032749897

Inception: 2000

Part of Larger Organization: Yes

Number of Members: 100

Geographical Area of Membership: Uvwie, Warri South, and Udu Local
Government Areas

Membership Dues: 500 Naira per month

Frequency of Meetings: One time each month

Type of Services Provided to Members Through Membership:

- a. Relate with regulatory bodies like NAFDAC on behalf of members
- b. Fixing of prices for the finished products
- c. Help one another in social events and burials

Government rules and regulations that apply to bakers:

- a. NAFDAC regulations
- b. Health Authority regulations from Local Government Areas
- c. LGA imposes levies.

Biggest challenges to baker businesses operating in the Warri area:

- a. "People jumping into the business without having formal experience of the industry causes them to lose their investment."
- b. The perish-ability of the products contributes to people incurring losses.
- c. Challenges of inflation and price fixing. It is not easy to fix prices and inflation is always affecting the price of the finished products.
- d. Baking is a SME but it is still very technical and most people do not have the training it takes to operate it.
- e. The differences in the cost of production between bakers.
- f. Manufacturers inflating prices of raw materials and this affects the price of the finished products.

Different Types of Businesses that are involved in Baking industry:

- a. Raw material sellers (flour millers, flour and bakery products dealers)
- b. Printers
- c. Cellophane producers
- d. Equipment fabricators/maintenance
- e. Firewood sellers

- f. Filling station operators
- g. Bread vendors who distribute to retailers in the shops and streets
- h. Electricity company

Revenue Trend in Baking Business, according to Association Representative:

Revenue has stayed the same because:

- a. The inflation in the system has really affected the raw materials. The price of raw materials has gone up in recent time.
- b. The non-uniformity of prices by bakers.

Additional Comments:

“Most of the bakers need financial help and they do not have the capacity to go for the normal loans in the banks.”

Food Stuff Sellers Association (Uvwie Unit)

No. 43, PTI Road
Effurun, Delta State

Contact: Mrs. Felicia Kpeninor, 0704519465

Inception: 1988

Part of Larger Organization: Yes

Number of Members: 45

Geographical Area of Membership: Uvwie LGA

Membership Dues: 50 Naira per month

Frequency of Meetings: Two times a month

Type of Services Provided to Members Through Membership:

- a. Welfare of members
- b. Financial Assistance to members during marriage or burial of relatives

Government rules and regulations that apply to Food Stuff Sellers:

None.

Biggest challenges to food stuff businesses operating in the Warri area:

- a. High cost of store rent
- b. Lack of funds to buy the quantity of required goods to satisfy our customers
- c. High cost of transportation
- d. Inability to access farm products within Warri Area
- e. Increasing cost of yam products in the market

Different Types of Businesses that are involved in Food Sellers Industry:

- a. Farmers

Revenue Trend in Food Stuff Business, according to Association Representative:

Revenue has grown over the past year. "We can say that this business is growing because most of us that are widows are able to feed and train our children from the business and even pay the costly Warri house rent from the business."

Goat Butchers Association (Igbudu Market)

40, Igbudu Market
Warri, Delta State

Contact: Mr. Nnajofofor Onah, 08034418462

Inception: 1973

Part of Larger Organization: Yes, National Goat Butchers Association

Number of Members: 70

Geographical Area of Membership: Warri South LGA and Uvwie LGA

Membership Dues: 300 Naira per goat

Frequency of Meetings: Once every 2 weeks

Type of Services Provided to Members Through Membership:

- a. Support services to members who are not financially solvent
- b. Financial assistance to members during marriage and burial ceremonies

Government rules and regulations that apply to Goat Butchers:

- a. Payment of daily slaughtering fee (200 Naira per goat) to the LGA
- b. Veterinary fee (100 Naira per goat)

Biggest challenges to Goat Butcher businesses operating in the Warri area:

- a. Exorbitant price of goats
- b. Competition from other slaughterers who are not members of the association
- c. Exorbitant Local Government and Veterinary charges
- d. Community interference in our operation
- e. Lack of slaughtering Abattoir
- f. Inadequate capital
- g. Lack of cold rooms (refrigeration)

Different Types of Businesses that are involved in Goat Butchering Industry:

“We buy goat from the Hausas who buy from the northern part of Nigeria and transport to Warri. At times we also travel to buy from Benin Market (Aduwawa) and then transport to Warri. The goats are then slaughtered and roasted before they are transported back to our market (Igbudu Market), where we sell to customers.”

Revenue Trend in Goat Butchering Business, according to Association Representative:

Revenue fluctuates. “If one is able to sell slaughtered goats in a day, there is a profit. But in the event of unsold meat, one is bound to make a loss as a result of the dwindling inflation and activities of hawkers, coupled with the fact that there is no electricity to

preserve unsold meat. If there is assistance and good economic policies from government, the trend will not continue.”

Additional comments:

“We appreciate your (NGO) coming. If there is any way you can assist us, please “make una help us” because we are not making any profit from this business. We are seriously in need of Abattoir because during the rainy season we cannot do business do to the rains. We have appealed to the Local Government severally without results. We do not have shops in the market. Some of us do roadside shielding under the rains and sun, and we have not benefitted from any micro-credit facilities. We just hear about it.”

Vegetable Sisters (Sellers) Association

Inside Effurun Market
Effurun, Delta State

Contact: Bridget Upi, 08071348102

Inception: 1983

Part of Larger Organization: No

Number of Members: 40

Geographical Area of Membership: Effurun

Membership Dues: 500 Naira per month

Frequency of Meetings: once a month

Type of Services Provided to Members Through Membership:

- a. We assist ourselves in time of need by providing financial assistance
- b. We provide provisions for any sick members

Government rules and regulations that apply to Vegetable Sellers:

- a. Environmental tickets of 50 Naira each week is paid to Local Government
- b. Council tickets of 20 Naira every day is paid to Local Government

Biggest challenges to vegetable sellers businesses operating in the Warri area:

- a. Lack of finance

Different Types of Businesses that are involved in Vegetable Sellers Industry:

- a. Vegetable farmers
- b. Hoteliers and restaurants
- c. Individual consumers
- d. Transport operators
- e. Cellophane manufacturers
- f. Manufacturers of sack bags
- g. Lemon grass growers
- h. Knife sellers
- i. Carpenters
- j. Plastic basin sellers
- k. Tarpaulin sellers

Revenue Trend in Vegetable Selling, according to Association Representative:

Revenue has grown over the last year because “people have realized the health benefits of vegetables and they are patronizing us more than ever before. Doctors are also recommending it to people now for their good health.

Additional Comments:

We need financial assistance in our business in order to expand.

United Ufoma Fish Farmers Association, Ekpan

No. 15 Itimi Close

Ekpan-Effurun, Delta State

Contact: Emubohwoyo Joseph Edade, 08032219803

Inception: 2006

Part of Larger Organization: Yes

Number of Members: 786

Geographical Area of Membership: Uvwie LGA and Warri South LGA

Membership Dues: 2,800 Naira annually plus 100 Naira each month

Frequency of Meetings: once a month

Type of Services Provided to Members Through Membership:

- a. Security of life and property
- b. Provision of market
- c. Regulation of market
- d. Protect interests of members
- e. Loan support to members
- f. Build capacity of members
- g. Social services (financial encouragement to members in time of joy and sorry)
- h. Source for external support from government and non-governmental organizations

Government rules and regulations that apply to Fish Farming Industry:

None.

Biggest challenges to fish farming businesses operating in the Warri area:

- a. Environment, oil spills from oil exploring companies' activities
- b. Access to soft loans
- c. Cost of fish feed
- d. Processing and marketing of our products
- e. No power supply on the farm

Different Types of Businesses that are involved in Fish Farming Industry:

- a. Hatchers
- b. Fingerling Sellers
- c. Chemical/Feed Sellers
- d. Fish growers (farmers)
- e. Fish sellers and processors

Revenue Trend in Fish Farming Industry, according to Association Representative:

Revenue has fallen over the last year due to:

- a. High cost of fish food (the cost of feed is going up on a daily basis)
- b. The effect of water and environmental degradation due to oil spills
- c. Poor production of fingerlings
- d. Lack of financial assistance from government and banking industry
- e. Poor pricing
- f. Unavailability of processing facilities
- g. Unavailability of power supply in the farm
- h. Fish thefts (lack of security)
- i. Fish disease and death
- j. The effect of water hyacinth which inhibits fish growth

Additional Comments:

At present in the farm, we have 3 species of catfish, which are Clarias, Heterobranchus and Hetro-Clarias (Hybrid). The water hyacinths are seriously affecting the growth of the fish.

Corporate Welders Association

64 Airport Road
Ugborikoko, Delta State

Contact: Felix Ikwue, 08063510804

Inception: 2009

Part of Larger Organization: No

Number of Members: 12

Geographical Area of Membership: Warri

Membership Dues: none

Frequency of Meetings: once a month

Type of Services Provided to Members Through Membership:

- a. We hire out equipment to members at no charge
- b. We contribute free will donations to members who are in dire need or are celebrating a wedding or burying a loved one

Government rules and regulations that apply to Welders:

- a. Tax clearance paid once per month to Local Government
- b. Occupation levy of 2,500 Naira paid yearly to Local Government

Biggest challenges to welding businesses operating in the Warri area:

- a. Lack of finance
- b. Lack of equipment and machinery
- c. High cost of space and accommodation

Different Types of Businesses that are involved in Metal Working Industry:

- a. Rod dealers
- b. Welding material (such as electrodes) sellers
- c. Welding machine shades
- d. Hammers
- e. House builders
- f. Electricians
- g. Plumbers
- h. Brick Layers
- i. Schools
- j. Bakers
- k. Hotels

Revenue Trend in Metal Working Industry, according to Association Representative:

Revenue has grown over the last year due to the cost of our raw material is relatively low now (although it may change at any time).

Additional Comments:

We have trouble with community youths interference and disturbances. They always want us to give them money whenever we go for outside work. If you don't give, they will break your equipment and do away with them.

Amunbor Timber Dealers Association

115, Effurun/Sapele Road
Effurun, Delta State

Contact: Mr. Boniface Efam, 08032524261

Inception: 2009

Part of Larger Organization: No

Number of Members: 15

Geographical Area of Membership: Uvwie LGA and Warri South LGA

Membership Dues: 200 Naira per month

Frequency of Meetings: once each month (second Wednesday of each month)

Type of Services Provided to Members Through Membership:

- a. Assist members when in trouble
- b. Provide welfare services to members
- c. Provide social services during marriages and burials

Government rules and regulations that apply to Timber Dealers:

- a. Revenue laws
- b. Beautification Laws of State Government (Painting all workshops with Delta State colors of blue and white)

Biggest challenges to timber businesses operating in the Warri area:

- a. Lack of finance
- b. Youth disturbance, intolerance and extortion
- c. Inconsistent power (electricity) supply
- d. Multiple taxation

Different Types of Businesses that are involved in Timber Industry:

“We buy already processed woods direct from the saw mills located in Sapele, Benin, and Ondo. Thereafter, we hire lorry (trucks) to convey them to Warri. On getting to Warri, customers patronize us and we sell them to those who use the wood to make furniture, buildings, doors, and windows.”

Revenue Trend in Timber Selling, according to Association Representative:

“The overall revenue from the business is the same, because we do not have enough money to invest in the business. Secondly, there is low patronage and we do not have machines for planing wood in the shops.”

Motor Spare Parts Dealers Association

KM 1 Effurun/Sapele Road (by Tools and Spare Parts Market)
Effurun, Delta State

Contact: Mr. Okolo Peter, 08035696659

Inception: 2006

Part of Larger Organization: No

Number of Members: 85

Geographical Area of Membership: Effurun/Uvwie

Membership Dues: 100 Naira per month

Frequency of Meetings: once a month (every last Friday)

Type of Services Provided to Members Through Membership:

- a. If a member has a police case that is not a criminal case, we usually see that the person is bailed immediately.
- b. We render financial assistance during marriage ceremony or burial of a relative
- c. We render financial assistance to any member who is sick or hospitalized

Government rules and regulations that apply to Motor Spare Parts dealers:

None for now.

Biggest challenges to spare parts businesses operating in the Warri area:

- a. Inability to secure a permanent site and put up permanent structures on it
- b. Transportation challenges (moving our goods from Lagos or Onitsha to Warri)
- c. Inability to access soft loans from government or any multinational organization

Different Types of Businesses that are involved in Motor Spare Parts Industry:

- a. Motor spare parts importers
- b. Auto mechanics

Revenue Trend in Shoemaking Business, according to Association Representative:

Revenue has grown over the last year because:

- a. Most of our members are able to acquire landed properties and develop them from the proceeds of the business
- b. Many of our members are able to buy a car from this business and at the same time train their children in higher institutions of learning
- c. "Some has done many other things money can do for a man."

Additional Comments:

- a. The market is usually flooded during the rainy season which usually scares customers away from the market. We are appealing that the market should be sand filled for us with the construction of a good drainage system.
- b. We lack proper sanitation facilities in the market (public toilet and borehole water scheme).

National Automobile Technician Association

27, Etuwewe Street, Off Deco Road
Warri, Delta State

Contact: Comrade Godwin T. Ebiyemi, 08027122997

Inception: 2001

Part of Larger Organization: Yes

Number of Members: 2,750

Geographical Area of Membership: Warri South LGA and Uvwie LGA

Membership Dues: 200 Naira per month

Frequency of Meetings: once a month (first Wednesday)

Type of Services Provided to Members Through Membership:

- a. The Association has not really been providing services to members. However, it has finalized a process to partner with the Nigerian Automotive Council to train members on the use of modern technology.
- b. The Association assists members socially during marriage and burial ceremonies.

Government rules and regulations that apply to Auto Technicians:

- a. The beautification policy of State Government has affected the businesses as the government has embarked on unsolicited demolition of workshops without prior notice or compensation after demolition

Biggest challenges to Auto Technician businesses operating in the Warri area:

- a. Inability to use modern technology
- b. Lack of funds
- c. Lack of space for workshops (need ultra modern workshops)
- d. Nonchalant attitude of the supervisory Ministry of of Labor and Productivity towards the certification of trainee graduates

Different Types of Businesses that are involved in Auto Technician Industry:

- a. Auto mechanics
- b. Spare parts dealers
- c. Compressor dealers
- d. Speciality auto part dealers, such as RT Briscoe and other in Lagos

Revenue Trend in Auto Technician Business, according to Association Representative:

Revenue has fallen because “we are incapacitated without modern equipment to work with. Customers no longer patronize us the way they use to. They now patronize big sectors like Mandilas, UTC and SCOA who have modern technologies.

Additional comments:

- a. It would be a good thing if the Association could partner with the Federal Road Safety Corps and Traffic Marshals so they could enlighten the Association on road safety measures.
- b. Government and companies should recognize Automobiles and Technicians with a view of giving them employment after learning the trade.

Vulcanizers Association, Delta State, Uvwie Unit

No. 6 Agric Road
Effurun, Delta State

Contact: Mr. Emmanuel Office, 08063415382

Inception: 1986

Part of Larger Organization: Yes

Number of Members: No idea of accurate number

Geographical Area of Membership: Uvwie LGA

Membership Dues: 200 Naira per month

Frequency of Meetings: once a month

Type of Services Provided to Members Through Membership:

- a. Render financial support to members to help them purchase working equipment (engine and tools), which they pay back in installments
- b. Ensures that members get proper medical care if they are involved in a work-related accident
- c. Provide financial support for marriage and burial ceremonies

Government rules and regulations that apply to Vulcanizers: None

Biggest challenges to vulcanizer businesses operating in the Warri area:

- a. Ability to purchase the necessary equipment
- b. Ability to execute contracts that come their way
- c. Competition from all filling stations in Warri area that have set up vulcanizing workshops

Different Types of Businesses that are involved in Vulcanizing (Rubber Tire) Process:

- a. Tire Dealers
- b. Tire Repair Equipment Sellers

Revenue Trend in Shoemaking Business, according to Association Representative:

Revenue has grown over the last year. "Most of us are using the resources from this business in training our children in higher institutions of learning and are able to own a car."

Additional Comments:

"We usually deal with multinational oil companies in the course of doing our job. Most of the companies have industrial equipment like trailers, tractors and cranes. All of

these equipment make use of tires. Most of the time they give us contracts to supply tires or repair the equipment. Most of us find it difficult to carry out the contracts due to financial constraints.

3.1.2 FINDINGS FROM SECONDARY SOURCE RESEARCH

1. The broadly stated challenges of Nigeria as a whole are reflected in Warri:

- * lack of the cultural, philosophical and technological foundation for policies
- * lack of social capital, i.e., trust, between Stakeholders who can drive development
- * lack of legitimate economic governance because of corrupt practices
- * lack of well-rooted professional and institutional think tanks with focused objectives and adequate resources for performance
- * lack of faith in oneself, in government, in institutions, in country and above all, the missing spirit of voluntarism and professionalism ²

NOTE: In the Warri environment, all the above challenges are manifested in behaviors that, from a non-Nigerian perspective, are paradoxical or irrational, although they are quite rational from a local one:

- * **All transactions are business transactions** (the boundary between personal and business is collapsed).
- * **Business focus is on finding more business agreements and financial infusion** (often to the detriment of quality performance or complete fulfillment of existing agreements).
- * **Oga culture or “Big Manism” permeates the Warri environment.**
 - * **Whoever is at the top of the organization (political or business) takes unabashedly as much as he can while he can from the organization**, while those below him “will find their level” in terms of making do with the little that they receive. In “finding their level,” it is assumed that those below the top will find ways to take something “small, small” for themselves from the business and justify it by their observations of the Oga taking “large, large.” In the same regard, political Ogas extraction of considerable public funds for personal consumption is used by those in lower political positions to justify taking “small, small.” Warri society expects corruption: if a political or business Oga does not build for himself a huge estate while he is in office or in control of business assets, people believe that there must be something mentally wrong with him. The “spread of (dis)information that everybody is corrupt creates an atmosphere of corruption; people who believe they are living in a climate of corruption get corrupted themselves.”³

² Ishola Williams, Executive Secretary, Pan African Strategic and Policy Research Group (PANAFSTRAG), accessed at

³ Bardhan, Pranab (1997) “Corruption and Development: A Review of Issues”, Journal of Economic Literature, Vol. XXXV (September), pp. 1320-1346.

* **Oga status requires constant infusion of additional resources.** Standard displays of Oga or Big Man status include land, buildings, vehicles, and, in many cases, multiple female companions. Displays of increased wealth to receive the social status benefits of Oga-ness also attract the attention of immediate and extended family members. Generally speaking, as businesses acquire more contracts, Ogas extract more funds for personal displays of wealth, which attracts more familial requests for their share of the wealth, which leads to more extraction from businesses for personal rather than business reasons. **Capital accumulation for business expansion in Warri is complicated by the demands of Oga-ness.**

2. Corruption and mistrust are prevailing norms in both private and public life in Warri. It is suspected, if not expected, that individuals will act opportunistically in any exchange relationship. “Social capital links individuals in a network of obligations that both increases and reduces their individual freedom.” What one sees as an illicit transaction or stealing from a source that one has no right to take from, the doer interprets the action as “relationship building.”⁴ In the Warri environment, even when one has been “wronged” by another in a business or personal transaction, there is almost an immediate “righting” of the relationship to harmony, at least superficially. In the Warri environment, which is racked with economic insecurity and individual’s intense desire for material wealth and social status, one must hold onto all relationships in case they might be useful in the future. Interestingly, in the Warri environment, those who engage in unethical acts are not villainized; those who bring to public light the unethical acts are. Therefore, there is an incentive in the Warri mindset to silently look the other way.

There is a “need for more explicit analysis of corruption when analyzing interaction and relationships in business markets.”⁵ This point is especially important to consider when developing the project’s M&E indicators. If “income” or “profit” are chosen as indicators, changes in income or profit might be attributed to business owners’ reduction or increase in unlawful recordkeeping rather than the project’s activities. It is suspected that the majority of business owners in the Warri area, as a regular practice, participate in:

- * The establishment of off-the-books accounts
- * The making of off-the-books or inadequately identified transactions
- * The recording of non-existent expenditures
- * The entry of liabilities with incorrect identification of their objects

⁴ Asta Salmi, “Corruption: Do we skip unpleasant issues of business interaction?”, accessed at

⁵ Asta Salmi, Center for Markets in Transition, “Corruption: Do we skip unpleasant issues of business interaction?”, accessed at

* The use of false documents”⁶

“SMEs pay much higher percentages of annual revenues in bribes to public offices, and make additional payments to get things done much more frequently than large companies.”⁷ Corruption also creates a disincentive for businesses in the informal economy to join the formal one due to the financial cost of regulatory compliance and dealing with bureaucratic obstacles, arbitrary decisions and frequent requests for bribes.

3. Markets, unions, and associations are ethnically segregated. Prior to the Warri Crisis of the 1990s, many markets were ethnically mixed. Security concerns caused by the Warri Crisis has led to ethnic segregation. For example, Ijaw, Itsekiri, and Urhobo run their own fish markets, and exclude anyone from another ethnic group or a non-member of the market union, which is also ethnically segregated, to rent a stall. **Market activities are segregated by gender.** Only women sell products in the market.⁸ The project should be sensitive to any perceived ethnic bias when working with market areas, unions, and associations.

4. Value Chain Analysis. New Nigerian Foundation was contracted by the MSME Project sponsored by the Federal Government of Nigeria and the World Bank to carry out a value chain analysis for six commodities in Abia, Kaduna and Lagos States, and to identify strong potentials for industry-focused Business Development Service (BDS) assistance. The 2006 final report of New Nigeria Foundation is not available online for NIDPRODEV to consider whether the findings are applicable to the Warri-area context and what local contextual issues might influence the MSME program strategies suggested by the final report.

5. Micro Credit Programmes to MSMEs. There is an abundance of articles and blurbs that attest to an acceleration in micro-lending programs: from Federal government’s decision to require commercial banks to set aside 10% of pre-tax profits for investment in smaller businesses to Delta State Government’s no-interest micro-lending scheme. During the first week of February 2011, Delta State won, for the 3rd consecutive year, the Central Bank of Nigeria’s award for best state in supporting micro-credit financing.⁹ Dr. Antonia Ashiedu, Delta State Commissioner for Special Duties, Micro-Credit, received the Governor’s praises. [NOTE: NIDPRODEV interviewed Dr. Ashiedu on 11 June 2010 about the Delta State Micro Credit Programme. The

⁶ UNIDO, *Corruption Prevention to foster small and medium enterprise development*, Vienna, 2007, p4.

⁷ UNIDO, p. 7. Note: An SME, according to UNIDO, is a company of 1 to 49 employees.

⁸ Chris O. Ikorukpo, “Ethnicity and Social Networks in a Fish Marketing System, Warri, Nigeria,” accessed on 17 January 2011 at www.pak-nigeria.org/pdfs/19-chapter2.pdf. This publication offers valuable insight into the value chain of the fish markets (from village to markets).

⁹ See “Deja vu as Delta State wins grassroots award,” accessed on 5 February 2011 at <http://microfinanceafrica.net/tag/delta-state-micro-credit-programme/>

government evaluates the success of its program based on the number of loan recipients, not on loan repayment or the success of the business. Dr. Ashiedu was unable to provide any data relating to the program beyond stating that since 2008, 51,186 people have received micro credit through the Delta State Micro Credit Programme (DMCP). The full content of the interview is attached to this report as Appendix A. NIDPRODEV also has been approached by the Chairman of one of the micro-lending banks to co-write a grant proposal to evaluate the effectiveness of their loans. From the interview with Dr. Ashiedu and the bank chairman, as well as its discussions with community people, it is clear that there is no institutionalized M&E framework established for micro-credit programmes in the Warri area.]

6. **“Business development services** are lagging behind projected potential in rural areas. “MSME growth rates are being affected by lack of entrepreneurial knowledge, especially the ability to identify rewarding business opportunities. The World Bank’s top five priorities for assisting Nigeria’s MSMEs are: (1) enhancing the breadth and depth of finance available to MSMEs, (2) creating markets for development services, (3) providing technical and capacity-building support, (4) resource allocation for access to global best practices, and (5) funding for execution, review and monitoring of individual projects.”¹⁰ UNDP engaged in studies of Small and Medium Size Enterprises, through the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in 2006. The findings of those studies conducted in Abia, Borno, Kano, Lagos, and Rivers States are not readily available online. [NOTE: None of those interviewed in this assessment mentioned the availability, or their use, of any Business Development Service. NIDPRODEV is not aware of any business development service beyond those offered at Internet cafes or rudimentary business centres, which focus primarily on public use of basic office equipment.]

7. **Government-sponsored Private Sector Development Programmes:** The attached Excel spreadsheet identifies Federal and State Programmes and Approved Budgets (2009-2012) to assist MSMEs in (a) increased access to renewable energy sources, (b) development and/or expansion of value chains in agriculture and agro-based industries, and (c) expansion of MSME services.

8. **Overly-competitive Micro Enterprises.** Massive markets in the Warri area are the principal loci of trade. They are cluttered with hundreds of small stalls, but little differentiation in goods sold. Profit margins are forced down by extreme competition. Businesses are unwilling to borrow funds at excessive interest rate levels; the cost of finance is too high.

9. **Incentives for private sector investment** in commerce and industry in Niger Delta Region. The Ministry of Niger Delta Affairs, in a presentation on investment

¹⁰ Peter Osalor, “Entrepreneurship and MSME--The Engine for Economic Growth and Wealth Creation,” accessed on 27 December 2010 at <http://www.articlesbase.com/entrepreneurship-articles/entrepreneurship-and-msme-the-engine-for-economic-growth-and-wealth-creation-3015539.html>

opportunities in Agriculture, Commerce, and Industries in the Niger Delta, identified the following as investment incentives offered through the Ministry:¹¹

- * possible public-private partnership arrangements
- * zero tariff rate on importation of agricultural machinery and chemicals
- * duty free important on some spare parts of processing machines
- * bank guarantees through the Agricultural Credit Guarantee
- * risk cover by Nigerian Agricultural Insurance Corporation
- * provision of a legal framework for the protection of investment in Nigerian economy
- * ban on the importation of some agricultural products

[NOTE: In its experience at the grassroots level in Delta State, not many MSMEs are aware of what is available to assist them in their businesses, whom to contact for assistance or information, or how to write correspondence or contracts to take advantage of incentives that are offered. The presentation referenced in this section also identified Songhai Agriculture Centre in Delta State as a education centre for agriculture training. NIDPRODEV has conducted programmes at Songhai. The facility is under pressure to become independent of State Government funding. The programmes currently being offered have assisted many agricultural efforts. The property is also large enough to offer training programmes for MSMEs based on local crafts and entrepreneurship. It appears that the Centre itself could greatly benefit from business management and marketing assistance.]

10. Gospel of Materialism -- Pentecostalism in Warri area. “Unapologetic emphasis on the acquisition of wealth at all costs (as part of a spiritual salvation)” is a dominant feature of the massively present Pentecostal Mega-Churches, the Christ Embassy Church, and the Winners’ Chapel in the Warri area.¹² Combined, these churches have been described as liberal market Christianity. Prosperity messages are key components to services. The Churches themselves should be considered among the largest businesses in the Warri area, experienced in generating significant weekly revenue and capable of stimulating local economic growth, if leadership mindset shifts toward that end. Pentecostal churches have educated, media-savvy leaders and understand and use marketing through print and electronic media, as well as through their purchase of television and radio broadcasting stations.

11. MEDIA’S REPORTING OF BUSINESS NEWS

Articles related to Warri that were posted in the *Vanguard Online Edition* from 1 January 2010 through 31 January 2011 were reviewed. In 13 months, only 11 articles were

¹¹ Alh. Shehu Abdul-Rahaman, “Investment Opportunities,” accessed on 29 December 2010 at http://www.cbglobal.org/CBCG_Library/Presentation.

¹² Dr. Olusegun Fakoya, “The Gospel of Materialism,” accessed on 2 January 2011 at <http://www.nigeriavillagesquare.com/articles/dr-olusegun-fakoya/the-gospel-of-materialism-nigerian-pentecostalism-and-hypocrisy-part-1.html>

posted that were business-related (one of which reported Chevron's PIND program). Summaries of the remaining 10 articles are provided below, in the order in which they appeared online:

N100 billion Warri Industrial and Business Park Master Plan for unveiling February 18 (9 February 2010)

Delta State Government, in its efforts to “diversify Delta State economic base, attract new businesses into the oil city and stimulate return of businesses that left previously” entered into a public private partnership with Archo Petrochemical to develop in Warri a 100 billion Naira “first class infrastructure in the park for private sector operators to take advantage of.” A government spokesman said that the park will be a “hub for the convergence of high, medium and small-scale industries and businesses, especially in areas where the state has comparative advantages” beyond oil and gas.

The Joint Venture Memorandum of Understanding was signed in 2008. Presumably between 2008 and 2010, the Joint Venture worked to develop a feasibility study and a Master Plan, which were to be revealed to prospective park users at a upcoming unveiling.

The project, dubbed the Warri Industrial Business Park, is to be completed by 2014. Delta State government has an initial 80% stake in the joint venture, with intentions of divesting into lower equity as more private sector participants buy-in.

Warri Industrial Business Park a post amnesty tool to ease youth unemployment (22 February 2010)

The Delta State governor met with journalists to talk about the Warri Industrial Park.

On the issue of business investors: Investors are attracted to areas with infrastructure, including constant electricity. In addition to a national effort at power generation, Delta State government is embarking on its own independent power plant, which should supply an initial 100 megawatts of power. Government will then continue to add modulars of 50 megawatts to reach 450 megawatts.

On the issue of **transportation**: Airports, roads, railways, and sea ports are federally regulated. Delta State Government, however, has begun construction of Asaba Airport, on the other side of Onitsah, which is a large economic zone. The Warri Industrial Park will be using the Asaba Airport. At the Osubi Air Strip in Warri, government intends to construct a second runway to handle larger planes.

In terms of road widening (dualization), Delta State Government has started the Asaba-Ughelli dualization and the Warri-Port Harcourt dualization.

State Government is working to entice Onitsha market traders (the country's big importers), to use **Warri Port** rather than going through other ports, then transporting from Benin to Warri by road. This would require that government proceed through dualization of road systems to make Warri Port more attractive. Government is already working on dualization of the Igbudu-Koko Road (from Benin to Sapele) to improve transport of goods.

In terms of **concentration of industries**, State Government is designating areas with an entire infrastructure in place so that the "investor will just come like carrying their brief case literally and establishing their business." Warri Industrial Business Park is one of the industrial clusters that State Government envisions. Consultants from Singapore designed the Master Plan. KPMG conducted the feasibility study.

In terms of **project funding**, KPMG was still working on the cost. If State Government does not have the "cash because of competing needs, we will source for the funds. The CBN governor is working on an arrangement that will ensure long-term funding in the financial service sector for infrastructure."

In terms of **tenants**, approximately 34 companies have shown an interest in the Industrial Park. The anchor tenant appears to be a fertilizer plant, which will benefit from the nearby availability of gas.

Udughan plans mechanic villages for Warri, Effurun (13 March 2010)

In the Effurun-Warri area, road widening along major roadways and city beautification efforts have led to evacuation of certain business trades that operate in open areas along roadsides, such as automobile mechanics, who also pour engine oil and empty cans into drainage systems.

The Delta State government announced plans to provide mechanic villages for displaced mechanics. The plan requires the cooperation of Warri South LGA and Uvwie LGA to secure places for the modern mechanic villages "where drivers and car owners can relax while their vehicles are being repaired."

NOTE: Cooperation between State Government and Local Government is considered quite low. LGAs complain that State Government does not provide it with the funds it requires to fulfill its public obligations. State Government complains that LGAs prefer complete autonomy and resist state government involvement in LGA affairs. One example experienced by NIDPRODEV was its introduction to the representative of the Delta State Ministry of Women's Affairs in the Isoko South LGA (one hour away from Warri). State Government placed the woman in the Secretariat compound to assist the

LGA in community development related to women's issues. The woman was given an office; however, in the 5 years that she has been sitting in the LGA, the LGA Chairman has never invited her to any event or meeting. In addition, she receives no funds for programs from Delta State Government. Her salary is augmented by her running the daycare center inside the Secretariat compound.

Delta fish farmers to set up micro-finance bank (15 June 2010)

In his inaugural speech as newly elected President of the United Ufuoma Fish Farmers Association, Rufus Ekwale disclosed that the Association would be attempting to establish a micro finance bank to support its members' financial needs. The occasion was also used to highlight the heavy dependency of local fish farmers on importation of fish protein (75% imported) and the need for all farmers to become better organized so that they can move beyond basic subsistence levels of living.

[Note: The Ufuoma Fish Farmers Association was interviewed during this PIND pilot study and members were represented in the fish farmers Focus Group Discussions. As of January 2011, the Association had yet to fully create a micro finance bank for its members.]

Price war rages in Warri computer village (22 June 2010)

Robson Village is considered the major telecom and computer market in Warri. Lingering tension exists between "big time dealers and small operators" over the loss of patronage to small operators due to larger dealers' lower prices and mass media campaigns. Ninety percent (90%) the dealers in Robson Village are considered small operators.

According to reports, large GSM dealers from Lagos and Port Harcourt recognized the high consumer demand in Warri. They rented shops in Robson Plaza, initiated their media campaign, offered considerably lower prices than small retailers, and won considerable patronage as a result. Some smaller dealers closed their business, some changed businesses, and others are attempting to weather through. The Market Association has done nothing to interfere with the competition.

"A trader in the complex who pleaded anonymity said that the sellers in times past have had to content with many factors in order to stay in business, including multiple taxation by government agencies, robbery and thefts, fraudulence, harassment by community and area boys, including exorbitant NEPA [public electricity] charges and erratic power supply but that the present happening was the worst of them all."

Diamond Bank boosts MSMEs with another N5bn (22 June 2010)

In a partnership with IFC entered into in 2009, an estimated 10 billion Naira will have been loaned to MSMEs by the end of 2010. In addition to hosting seminars for existing and potential MSME customers, Diamond Bank's retail manager also disclosed that the bank had begun plans to set up a business club and produce fact sheets to assist customers, as well as conduct monthly seminars. Topics of past seminars include: strategic planning for SMEs, team building, customer relations, and four ways to grow business and achieve maximum results.

Shell trains over 2,500 Niger Delta Youths in 10 years (26 June 2010)

Shell (SPDC) entered into an 18-million Naira Joint Venture (JV) for vocational training and commissioned its first SPDC/JV-sponsored Industrial Tailoring Program for youths in Delta State in June. It used the occasion to also announce that over the last 10 years, over 2,500 Niger Delta youths have benefited from SPDC-sponsored capacity training welding/fabrication, electrical installation, fashion design, catering, automobile repairs, computer repairs, secretarial studies, and other vocations.

The Industrial Tailoring Programme "brought together some fashion designers to form a cooperative in order to grow their business; the best 10 fashion designers were selected and they went through a 3-month capacity building training with experienced designers in the fashion industry."

[NOTE: For PIND program designers, it is important to recognize that when local people read these articles, their underlying belief is that there is bias in the selection process for these types of programs. In the comprehensive communications strategy that the PIND program creates, it is important to integrate a communications structure that can bypasses "community leadership bottlenecks" that prevent widespread communication of services and trainings. These bottlenecks are readily observable in programs offered by the few functioning Skills Acquisition Centers. Community people rarely have any understanding that the centres exist, and if they exist, what programs are being offered and how can they get on a list to benefit from the programs. Selection for participation in *any* benefit is part of the tools of *Oga-ness* used to maintain *Oga* status (without requiring the Oga to spend personal money).]

MTN launches HYPNET internet service (18 June 2010)

In a bid to "aid Small and Medium Enterprises and Small Offices/Home Offices that cannot afford the broadband acquired by a big business," MTN Nigeria launched a new

product in the Warri area: “a superfast broadband internet, with up to 1mbps download speed” and a modem that allows connectivity within 50 meters radius of it.

Re: Made in Nigeria products (17 October 2010)

The article was primarily a collection of responses from readers about the preference of Nigerians, and those in Warri, for foreign-made products. “Many Nigerians have been conditioned to think that whatever is produced in this country can never be of good quality.” Inferior products from China are preferred over Nigerian-made. American made products are deemed to be of the highest quality. [Although not mentioned in the article, it should also be noted that those in the Warri area do not trust capacity-building efforts by locals either. In many communities, although efforts are made to train locals to deliver trainings to their communities, community members beg for a non-local to deliver the information or training (so that communities will believe what is being said).]

It is worth pasting below several samples of readers’ responses to illuminate business issues related to consumer attitudes, government-affiliated monopolies, import restrictions, and inflated prices for raw material imports and, thereby, consumer prices:

“Madam, it’s easy to say we should patronize Made In Nigeria goods, but what are the manufacturers doing to see that their goods are up to international standards, or, close to it? Nothing.”

“Manufacturers in this country are a lazy bunch who want to be pampered. Instead of doing their best to improve what they manufacture, they want similar products banned by the government so that they can have sole monopoly.”

“What do they expect us to do? We have to buy smuggled goods which are either better in quality, or cheaper. If we must buy products made in this country, the manufacturers have to sit up and decide to please the consumers.”

“Sister Helen, I agree with you that our manufacturers don’t have our interests at heart, but if we’re not patriotic enough to buy their stuff, several things will go awry. These industries will fold up and the workers, who are Nigerians mostly, will be thrown into the unemployment market. Do you know what those young men and women will become? Robbers and prostitutes, or even worse.”

“Things are bad as they are now, with able-bodied graduates roaming the streets looking for work. If our manufacturers don’t find a market here, their home-ground, they will close shop. I understand your concern about the quality of the goods they make, but that shouldn’t make us turn our backs on them. The regulatory bodies should get to work and enforce standards. – Thanks, Halima, Zaria”

“Fake drugs from abroad has been responsible for many deaths and maiming in the country. Look at some of the electrical goods got from the Far East. Dangerous, to say the least.”

“We need to inject money into our local industries and encourage them further by buying their goods. If you say that supervision of production is slack, well you’re right there. The government should make the Standard Organization of Nigeria (SON) and NAFDAC do their work well, so that the citizens of this country will stop finding foreign goods attractive. – Bob, Owerri.”

If you stick strictly to quality, the goods would be priced out of the reach of the man on the street who are the main patrons of these goods. With lower import duties on raw materials and equipment, goods produced in this country would be of very high quality, and the prices would be right for most citizens. – A self-employed.”

“Many people don’t think in terms of quality, but just the fact that it’s made abroad. Just look at the thrash that is allowed into the country! Those outfits made in the Far East, cannot survive more than two or three washes.”

“The shoes don’t fit well, and the shapes are not healthy for the feet. Our shoe factories which we inherited from our colonial days have been forced to shut down. In those days, our shoes compared favourably well with imported ones.”

“My advice is that our local shoes and textile industries should be revived. The government should give them a life-line so that the production lines can start rolling again. The move will help create employment, and we can begin to export to the sub-region. Industries need government support to survive and serve the people well. – Josiah, Warri.”

“Those high-ups are in the import business, so, how do you expect them to support the local industries? Business is that much easier when you import than when you set up factories and have to face all sorts of challenges. The government knows what to do if they really want us to prefer locally made goods to their imported versions. Thanks.” – Ronke, Agege, Lagos.

CNEF battles CMAN to force down cement price (21 October 2010)

The Cement New Entrants Forum (CNEF) is protesting what it believes to be government collusion with members of the Cement Manufacturers of Nigeria (CMAN) to selectively grant cement import licenses while setting the stage for the cancellation of import licenses to others. CNEF argues that no CNEF member received a new license while 85% of the CMAN members received licenses, as well as Letters of Credit to import cement.

CNEF also argues that the collusion of government officials with CMAN members and the exclusion of new entrants keeps the factory gate price of a 50 kg bag of cement at an unfair price of 1,300 Naira, “instead of N500 which the same bag of cement is sold in China, Taiwan, Spain, Egypt, Iran, Turkey, and Japan.” CNEF states that, without government collusion in the cement industry, the factory gate price of a 50KG bag of cement should not be above 700 Naira.

An African export market for Nigerian cement, which has been touted by members of the cement industry, cannot be realized, according to CNEF, because of the inflated cost of 1,300 Naira per bag. Nigerians are forced to purchase the cement based on a monopoly orchestrated by government officials. The price is unattractive to other African countries: “the retail price of 50 kg bag of cement in Ghana is N1, 100, N900 in Liberia, N800 in Cameroon, N800 in Democratic Republic of Congo (DRC), all these prices are for imported cement into these countries.”

11. Online Business Directories. Only two online Warri Business Directories appear active.

Warri Business Portal (www.warribusiness.com)

Contact Information: Mitobe Global Resources
Suite U5, Elim Plaza, Off Ogunu Road
Warri, Delta State
053 - 820737

Warri Business Directory (www.warri.com.ng)

Contact Information: Warri Business Directory
#30, Airport Road, by Rennes Fast Food
Warri, Delta State
080-32112476

Business service providers were searched for in both of these directories. In addition to cyber cafes and basic business centres, one business management consulting firm was identified: Clearwater Consultants Limited (08037908485) specializes in management consultancy services, manpower development and supply.

APPENDIX A

Interview with Delta State Micro Credit Programme Director

Activity Report: Meeting with Delta State Micro Credit Programme

11 June 2010

Contact: Antonia Ashiedu (08037141656)

The DMCP has two windows in which they operate. The first window is for the distribution of micro loans (loans totaling less than N1 million). The second window is targeted towards small and medium enterprises (SME) and consists of loans over N1 million).

The first window of micro loans is distributed by the DMCP through indigenous banks in the particular LGA. While the Microfinance Bank may have their own micro loans packages available to customers, the unique feature of the DMCP micro loan is that it is distributed to the customer free of interest. The DMCP pays the interest of the loan (along with other administrative fees) to the indigenous microfinance bank. The micro finance banks are considered eligible to distribute DMCP loans if they are registered with the Central Bank of Nigeria.

The DMCP loans are not distributed towards individuals, but rather are granted to groups consisting of 10-25 members in both rural and urban areas. The group, which does not need to be registered cooperatives, consists of both men and women (although they can be composed of entirely men or women) who share the same livelihood (i.e. plantain farmers, petty traders, soap makers, etc.). The group is to select a President, Secretary, and Treasurer to represent the group and help ensure the loan is repaid. No collateral is required, however, the group structure helps create pressure amongst the members of the group to make payments. The group must repay the loan within 3-15 months in order to be considered to receive a larger loan.

The group presents a very simple business plan or explanation of how they would use the loan. The indigenous microfinance bank assesses that they are, in fact, involved in the livelihood in which they plan to make use of the loan before making a recommendation to the DMCP, who makes final approval for loan disbursement.

In addition to loan disbursement, the DMCP is also involved with community outreach by accompanying the indigenous microfinance banks (or occasionally on their own) to communities to explain the micro credit scheme and explain how members of the community might access the loans. She acknowledged that they have just begun to offer training on basic bookkeeping alongside the information sessions for those involved in aquaculture and says that they have proven beneficial for the recipients.

When asked how the DMCP measures the success of these micro credit loans, she responded that they look at the number of people who have been recipients of the loans.

Since 2008, they report that 51,186 people have received micro credit loans through the DMCP scheme.

The loans are target towards the poor and disadvantaged in both urban and rural communities. While not singled out for loans, roughly 65% of loan recipients are women. Activities targeted by the loan include agricultural production and processing, cottage industries, petty trading, and the service industry.

The second window, targeted towards SMEs, is a program co-sponsored and funded by Oceanic Bank Plc. These loans carry a 15% interest rate and require that 20% of the loan be supplied by the recipient to be placed in an interest bearing account (4% per annum). Under the Central Bank of Nigeria's Trust Fund Programme, upon repayment of the loan (which should be completed within two years through monthly installments) 40% of the interest rate will be returned to the recipient. Like the micro loans, the SME loans are targeted towards small groups.

When asked specifically on the DMCP's activities in Isoko South, she was hesitant to provide specific information on the amount of loans dispersed or how much funding has been allocated to that LGA. She did identify IC Global Microfinance Bank as their partner in that area.