



IMO STATE

INDUSTRIAL POLICY

MAKING INDUSTRIES WORK FOR ALL

• SEPTEMBER 2022 •



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ACRONYMS

AFMNE	African Multinational Enterprises
AFCFTA	African Continental Free Trade Agreement
DE	Digital Economy
ERGP	Economic Recovery Growth Plan
IGR	Internally Generated Revenue
IDF	Industrial Development Fund
ISIPA	Imo State Investment Promotion Agency
GDP	Gross Domestic Product
KII	Key Informant Interviews
MAN	Manufacturing Association of Nigeria
MDAs	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
MSMEs	Micro Small Medium Enterprises
NBS:	National Bureau of Statistics
NDP	National Development Plan
NGOs	Non-Governmental Organisations
NIRP	Nigeria Industrial Revolution Plan
SDG	Sustainable Development Goal
SID	Sustainable Industrial Development
UNIDO	United Nations Industrial Development Organisation



FOREWORD



Imo State is located in the South East of Nigeria, with Owerri as its capital city. The State is home to some of the most iconic cultural imprints of the Igbo people. It is rich in natural resources and boasts of significant investment opportunities, particularly in the areas of commerce, sustainable energy, agriculture, and industrial processing.

The State is also blessed with abundant human resources, with immense opportunity to become a leading economic hub in the region. The wealth of untapped opportunities in emerging sectors like renewables, digital economy, and technological innovation, presents attractive prospects to usher in real development in the State. Yet, the magnitude of these opportunities pales in significance to the enormity of setbacks that have hampered development over the years.

Successive administrations have attempted to promote economic growth and development, revitalise the real sector, and strengthen the capacity of the State to respond to its most significant challenges. However, the absence of a cohesive and sustainable industrialisation roadmap to stimulate the economy and accelerate shared prosperity has robbed the State of the opportunity to live up to its true potential. The perennial infrastructure deficit, unfavourable fiscal and regulatory environment, weak or non-existent primary markets, import dependency, and the lack of a home-grown development strategy are clear indicators of these unsuccessful efforts.

It becomes expedient, therefore, that my administration cannot toe the familiar path of previous governments, particularly in view of my commitment to reposition the economic architecture of the State for transformational growth. A framework that prioritises a fit-for-purpose and industrial development agenda for the Imo people is critical. For instance, this industrial policy aims to leverage public-private-partnerships to utilise the abundant gas resources in Imo State for powering existing industries, creating new ones (such as the petrochemical industry) and reducing gas flaring for a healthy environment. It will also use public-private-partnership models to resuscitate moribund industries in the State. Achieving these will not only empower the State to respond more decisively to its current challenges, like youth unemployment and insecurity, but it will also provide a long-term framework for deepening sustainable growth in the State.

The Imo State Industrial Policy has been carefully articulated to offer fresh, pragmatic, and actionable insights into the State's thinking and approach to industrialisation and place Imo State on the path to long-term economic renaissance.

The Imo State Government is committed to making this industrial policy work for all.

Senator Hope Uzodimma
Executive Governor, Imo State



PREFACE

Imo State has all it takes to lead the economic development of South-eastern Nigeria based on its vast agricultural, mineral resources, expansive tourism potentials as well as its rich and varied tertiary institutions, human capital base and public infrastructure, among others. The existing oil palm and rubber plantations in the State and its mineral wealth deposits, including oil and gas, provide the requisite raw materials for the industrial revolution of the State. In addition to the general constraining factors inhibiting inclusive and sustainable industrialisation in Nigeria, Imo State has been particularly incapacitated by its lack of an industrial blueprint or roadmap to guide the State's industrialisation process. The need for an industrial development roadmap is even more compelling today with the urgent need to address its social and economic challenges and resolve the hydra-headed insecurity problems exacerbated by high rates of unemployment and poverty in the State.

In the context of the global crisis instigated by the COVID-19 pandemic and in response to the socio-economic and insecurity challenges confronting Imo State, the current administration, led by H.E. Distinguished Senator Hope Uzodinma, Executive Governor of Imo State, is intensely pursuing the 3R agenda of reconstruction, rehabilitation and recovery towards the accelerated sustainable economic growth and development of the State. This industrial policy (IP) designed with the technical assistance of the United Nations Industrial Development Organisation (UNIDO) is complementary to the 3R and serves as the roadmap and blueprint for inclusive and sustainable industrial development in Imo State. The IP is unique as it is designed to drive Imo State's industrialisation through key existing and emerging subsectors that have been adjudged as economic catalytic engines that will help to drive the State's development plan for employment-generation and propel shared prosperity. The existing key industrialisation sub-sectors in the State are agroindustry and agribusiness, oil and gas, minerals processing, and tourism and hospitality while the emerging key subsectors are digital economy, fabrication, and renewable energy. The uniqueness of the IP is further rooted in its philosophy of people-centeredness. The IP is fit for purpose! Hence, the vision of the IP is to make industries work for all Imo State people.

One of the main missions of the policy is to guide the formulation and implementation of key strategies and promote programmes aimed at boosting inclusive and sustainable industrialisation and create



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PREFACE

sustainable entrepreneurial opportunities, quality jobs and trade surplus. The thrust of the IP is to utilise domestic resources in which Imo State has comparative advantage and competitiveness. The policy also aims to reduce the cost of doing business, promote inclusive and sustainable industrial development, sustainable entrepreneurial opportunities, quality job creation, massive local and foreign investments, and trade surplus. The IP has an overall objective of creating shared prosperity through inclusive and sustainable industrial development. To forestall identified pitfalls of previous policies in Nigeria, the State IP lays out its funding and institutional framework and monitoring and evaluation to ensure successful implementation in the State by playing an impactful role in the overall national development plan of the region and the entire country.

The IP, an interventionist approach, is gaining prominence globally. The argument for it hinges on the failure of the market and the need for a collective action of all stakeholders for the strategic governance and management of inclusive and sustainable industrial development (ISID) in the State. Hence, the IP has been crafted as a promoter and accelerator of ISID in Imo State. I recommend it to all industry stakeholders for effective use and implementation.

At this point, I wish to commend H.E. Distinguished Senator Hope Uzodinma, Executive Governor of Imo State, for his laudable sustainable development vision and related strategy on 3R and other initiatives aimed at bringing a transformative change to the economy and social stability of Imo State. The remarkable support of Professor Kenneth Amaeshi, Chief Economic Adviser to the Governor, which brought the IP process to a logical conclusion, is highly commendable. The initial IP draft, which provided the basic ingredients for the final IP document, was undertaken by Mr. Francis Alaneme, PhD and Mr. Chukwunenye Emekaraonye, UNIDO National Experts. I also wish to acknowledge the key role played by Mr. Anders Issakson, PhD and Ms. Smeeta Fokeer of the Research and Industrial Policy Advice Division, UNIDO headquarters and Mr. Reuben Bamidele, PhD, National Programme Officer, Regional Office Hub in Nigeria, in managing the IP formulation and completion process within UNIDO.

Jean B. BAKOLE
UNIDO Regional Director & Representative to ECOWAS



ACKNOWLEDGEMENT



The Imo State Industrial Policy was put together by rigorous efforts of stakeholders and professionals and we cannot do justice to this document without their merit mention.

First, I thank his Excellency the Governor of Imo State, Distinguished Senator Hope Uzodimma, for his determination to change the name tag on Imo State as a Civil Service State by initiating the first Industrial Policy for Imo State. Until recently many believed that Imo State is only a place for weekend relaxation. His Excellency's vision will change this narrative for the benefit of Imo State.

I also appreciate the contributions from Exco members, Heads of MDA's, Local Government Chairmen, Traditional Rulers, Academia, Civil Society Organizations, Non-governmental Organizations (NGO's) Organised Private Sector, Owerri Chamber of Commerce, Imo people in Diaspora and other stakeholders who contributed primary data and were involved in the initial review of the policy draft.

I thank in a special way the following people, first; The Chief Economic Adviser to the Governor, Professor Kenneth Amaeshi, for putting together a team of professionals who carried out final review of the draft and for his persistent work and push to ensure the completion of the task; second, the Technical Assistant to the Governor and Partner at Deloitte Nigeria, Dr. Mrs. Bola Adigun for her facilitation and organizational skills which she brought to bear on the project.

Finally, I thank the United Nations Industrial Development Organization (UNIDO) for providing necessary technical support in developing the industrial policy. I will immensely remain indebted to the Imo State Industrial Policy team members, namely; Barrister Raymond Ucheoma- Head of Service, Mrs Sabina Nwakauche- Permanent Sec Min of Agric, Mr Cyril Nwagu- Permanent Sec. Min of Livestock, Ms Uju Maureen Okorogu- DG Imo State Small and Medium Enterprises, and Mr Gilbert. E. Nnah - Permanent Secretary Ministry of Commerce and Industry.

Jude Nzeako LLB, LLM, MSc PhD, FCA, FCCA
Team Leader- Imo State Industrial Policy Committee
Director General, Imo State Investment Promotion Agency (ISIPA)



EXECUTIVE SUMMARY



Beyond the growth of businesses and the enabling environment required, there is a need for entrepreneurs and employers to create quality jobs and employment to enhance the overall well-being of Imo people.

The mainstay of Imo State is commerce and agriculture, which engage a significant proportion of the population. It is largely dominated by subsistence farming and Micro, Small, and Medium-sized Enterprises (MSMEs). However, the State hosts the famous Ada Palm Plantation – one of the biggest and most viable oil palm plantations in West Africa – as well as three plantations on Rubber Tree Development at Emeabiam in Owerri West, Obiti in Ohaji Egbema LGA and Umuekwune in Ohaji Egbema LGA.

In addition to agriculture, Imo State is believed to be the home of hospitality, housing several hotels, and serving as an incentive to prospective investors. The State is also home to the natural mystery of two water bodies flowing differently after the confluence of the brown coloured river known as the Orashi River and the blue Oguta Lake, which still maintain their distinct feature without being mixed.

There are also viable opportunities in solid minerals, and oil and gas. The State's mineral-based raw materials include crude oil and gas, limestone, clay, shale, kaolin, lead/zinc ore, gravel, lignite, gypsum black marble, glass sand, and other forms of clay mineral et cetera. Furthermore, mineral explorations and investigations in the State have revealed limestone at commercial quantities at Okigwe area and at Umuobom in Ideato South.

Nonetheless, these opportunities have over time been constrained by poor infrastructure, weak regulation, low manufacturing base, high cost of doing business, unemployment, and recently insecurity. Imo State will continue to face these challenges if appropriate measures are not taken to resolve them.

Beyond the growth of businesses and the enabling environment required, there is a need for entrepreneurs and employers to create quality jobs and employment to enhance the overall well-being of Imo people. To do this, it is important to focus on economic activities with great potentials for high quality jobs and employment. This is where industrialisation of the economy becomes very necessary. But the key question is: what sort of industrialisation does Imo State need?

Industrial policies can be driven by different strategic factors such as import substitution, export promotion, balanced development, local resources, and cluster development, amongst others. These strategic options are often investment-led. Their emphases are more on investors' needs, priorities, and interests than on jobs and shared prosperity. In such instances, jobs are seen as secondary outcomes of primary investments. This approach may work where jobs are abundant, and unemployment is low. This is not necessarily the case in Imo State given the scarcity of jobs and high level of unemployment.

Given the outlined challenges confronting Imo State – especially unemployment – It is expedient that the State pursues an inclusive industrialisation strategy that works for all. For this approach to be successful, it needs to draw from the people’s worldviews, peculiar realities, and circumstances. It literally needs to speak to their needs! As such, it is important that the industrial agenda of Imo State meets Imolites where they are, so that it can naturally inspire them to abundance and to greatness.

As such, for this industrial policy to be useful and meaningful, it must focus on job creation and shared prosperity. It is this thinking that makes this industrial policy employment-led instead of the conventional investment-led approach. However, it does not mean that investors are secondary and unimportant. Rather, we believe that a good investment is one that equally prioritises the interests of investors and the societies in which they invest. This is at the heart of the sustainable development agenda. In that regard, Imo State is keen to attract investors who are committed to creating quality jobs and promoting shared prosperity in line with the philosophy of Imo people and the strategic focus of the Imo State Government.

Therefore, following the tenets of Africapitalism – a new economic philosophy for the sustainable development of Africa – and the strategic interests of the Imo State Government, the vision for the Industrial Policy is articulated as: “Making Industries Work for All Imo People (aka Imolites)”. This approach ensures that inclusiveness is prioritised, shared prosperity is practically pursued, and appropriate mechanisms to guarantee access to local and international markets for goods and services are established.

To ensure industries work for all Imolites, the industrial policy considered and prioritised existing and emerging sectors respectively, especially based on their abilities to create jobs and shared prosperity. The following sectors emerged as the existing key industrialisation opportunities in Imo State: agroindustry/ agribusiness, oil and gas, minerals processing, and tourism/hospitality. Digital economy, fabrication, and renewable energy are the emerging key sectors.

The policy document starts with an overview and current assessment of the economy of Imo State. It situates it within the global and national contexts, respectively, as well as the belief system of Imolites. Based on these, it identifies strategic sectors and articulates what each of the prioritised sectors needs to develop, thrive, and create shared prosperity. It also covers financing mechanisms (including the establishment of an Industrial Development Fund – IDF), governance infrastructure (including monitoring and evaluation), and necessary complementary policies to be developed (e.g., energy, agriculture, and education policies). These, constitutively, make the policy unique, fit for purpose, and novel.

We hope you find it useful and insightful.

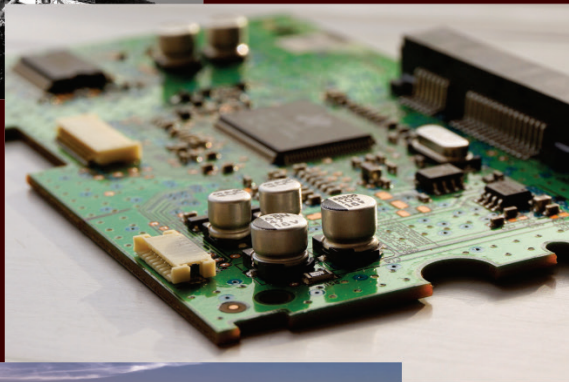


Professor Kenneth Amaeshi

- Chair in Sustainable Finance and Governance, European University Institute, Italy
- Chair in Business and Sustainable Development, University of Edinburgh, UK
- Visiting Professor, Financial Markets in Africa, London School of Economics, UK
- Chief Economic Adviser to the Imo State Government



The following sectors emerged as the existing key industrialisation opportunities in Imo State: agroindustry/ agribusiness, oil and gas, minerals processing, and tourism/ hospitality. Digital economy, fabrication, and renewable energy are the emerging key sectors.





01

Overview

Imo State is one of the five States in the South-East of Nigeria. Although the State's economy is mainly based on commerce and agriculture, its agriculture is predominantly subsistence. Imo State also has a sizable number of Micro, Small, and Medium Enterprises (MSMEs). Going by the 2017 National Survey of MSMEs, the number of MSMEs in Imo State was 1,402,868 employing 1,646,965 employees out of a total population of 5.4 million people. This clearly shows that the majority of the MSMEs belong to the micro category and unemployment is a major challenge in the State.

Apart from agriculture and commerce, other aspects of the Imo State economy include education, hospitality, tourism, solid mineral and oil and gas. After a careful examination of these existing sectors and their potentials (especially in relation to job creation and shared prosperity), as well as an assessment of global trends and the future of the Imo economy, opportunities were also identified in the digital economy, renewable energy, and fabrication sectors. As such, the State is determined to align with the existing and emerging sectors and take advantage of the opportunities they offer. This rethinking has necessitated this industrial policy, which encapsulates the industrial pathway for Imo State.

Anecdotal evidence suggests that prior to now, Imo State had mainly been associated with the industrialisation achievements of Chief Sam Mbakwe (1979-1983) in the Second Republic. Therefore, the need to lay out a clear policy direction for the State's industrialisation signifies a deliberate commitment towards developing and implementing an industrialisation agenda in alignment with the industrial development priorities of the State.

Although industrialisation is not neutral, it is context dependent. As such, it differs from place to place. Politics, culture, philosophy, and belief systems have always had a strong influence on how nations and societies approach industrial evolution.

“
Given the quest for inclusive society and economy, as well as environmental protection, sustainable development is another important consideration in articulating a contemporary industrialisation agenda.



In that regard, an industrial policy should be able to address the needs of the domestic economy and the people, first and foremost. This will entail a robust articulation of the underlying market philosophy that will help strengthen the factors required for industrial growth - i.e., human capabilities, market capabilities, resource capabilities, as well as other comparative and competitive capabilities. To achieve this, it is necessary to engage with all relevant stakeholder groups with the intention of understanding their issues and formulating a fit-for-purpose industrial policy.

Given the quest for inclusive society and economy, as well as environmental protection, sustainable development is another important consideration in articulating a contemporary industrialisation agenda. Therefore, the Imo State Industrial Policy has been developed with these considerations. In developing the policy, the philosophy of Africapitalism, the dominant worldview of Imo people, and the strategic focus of the Imo State Government, were employed, as they clearly align with the tenets of sustainable development.

The industrial policy starts with a current situation analysis of the Imo State economy in chapter 2. Based on the identified challenges of the State from chapter 2, the policy then explores the type of industrialisation suitable for Imo State and suggests one driven by job creation and shared prosperity in chapter 3. Chapter 4 considers the industrialisation opportunities in Imo State and offers a pragmatic action plan for the realisation of these opportunities. This is followed by chapter 5, which examines and discusses the ways and channels to access funding that will facilitate the development of the key action plans outlined by the industrial policy. Chapter 6 lays the institutional framework that will enhance the implementation of the policy. In chapter 7, the document outlines a Monitoring and Evaluation (M&E) framework for the policy to have a successful implementation. The policy document ends with a conclusion in Chapter 8.



02

SITUATION ANALYSIS

This chapter highlights some of the major characteristics and challenges of the Imo State economy, as it is today. The idea is to establish a baseline upon which a fit-for-purpose industrial policy can be explored, contextualised, customised, and launched.

2.1 Background

Imo State is in the South-East of Nigeria. It came into existence on February 3, 1976. The State is the Heartland of the Eastern Region of Nigeria, with a total land area of 5100 km. It consists of three (3) senatorial zones (Owerri, Okigwe and Orlu) and twenty-seven (27) Local Government Areas. It is bordered by Abia State on the East, River Niger and Delta State to the West, Anambra State on the North and Rivers State to the South. Owerri is the capital city and a strategic location for economic activities (See Map 1).

The population of Imo State is estimated to be about 5.38 million (NICPS, 2020). Underage population (0-14) represents 36% of the total population, the labour force or active population (15-64) represents as high as 60% of the population, while the aged population (65+) represents only about 4% of the entire population (NICPS, 2020). The population density of

27

LOCAL GOVT.
AREAS

5.38
million

(NICPS, 2020)

POPULATION

2.2.1 Agroindustry/Agribusiness

Agriculture is the major occupation of the rural population. It remains one of the State's primary sources of revenue. It is dominated by large and small-scale palm oil production. The State, however, is also significantly known for crops such as cassava, maize, cocoyam, and vegetables, in addition to other major permanent crops such as banana, plantain, and citrus.

The State hosts the famous Ada Palm Plantation – one of the biggest and most viable oil palm plantations in West Africa. The palm plantation started in 1963, as Ohaji Farm Settlement. It occupies about 4,310 hectares of land with over 640,000 palms. There are also other economically exploitable flora such as bamboo, rubber, and mahogany.

Imo State Agro-based Commodities Grown, Location and Potential MSME

S/No	LGA	HEADQUARTER	AGRO RAW MATERIAL	MINERAL	POTENTIAL MSME
1.	Ideato North	Urualla	Oil Palm, Cassava, Rice	-	Rice milling, Integrated oil mill.
2.	Ideato South	Dikenefai	Oil Palm, Cassava, Rice	Benonite	Integrated oil mill, Cassava starch production.
3.	Orlu	Orlu	Oil Palm, Cassava, Rice	Clay, Lead/Zinc	Integrated oil mill, Cassava starch production.
4.	Orsu	Awo-Idemili	Oil palm, Cassava	Clay, Lead/Zinc	Integrated oil mill, Cassava starch production.
5.	Onuimo	Okwe	Oil Palm, Cassava	Clay	Integrated oil mill, Cassava starch production.
6.	Okigwe	Okigwe	Cashew nut, Oil palm, Fruits	Limestone, Lead, Zinc, Gypsum	Cashew nut processing, Integrated oil mill, Fruit juice production.
7.	Nkwere	Nkwere	Cassava, Oil palm	Limestone, Lead, Zinc, Gypsum	Integrated oil mill, Cassava starch production.
8.	Oru West	Mgbidi	Cassava, Oil palm	Kaolin	Integrated oil mill, Cassava starch production.
9.	Oru East	Omuma	Cassava, Oil palm	Kaolin	Integrated oil mill, Cassava starch production.
10.	Njaba	Okwudor Nnenasa	Cassava, Oil palm	Kaolin	Integrated oil mill, Cassava starch production.

Source: **OLOP UNIT of SMEDAN**

Imo State Agro-based Commodities Grown, Location and Potential MSME (Cont'd)

S/No	LGA	HEADQUARTER	AGRO RAWMATERIAL	MINERAL	POTENTIAL MSME
11.	Isu	Umundugba	Cashew nut, Oil palm, Cassava, Fruits	Bentonite, Kaolin	Cashew nut processing, Integrated oil mill, Fruit juice, Bentonite processing, Kaolin processing.
12.	Nwangele	Amaigbo	Cashew nut, Oil palm, Cassava, Fruits	Bentonite, Kaolin	Cashew nut processing, Integrated oil mill, Fruit juice, Bentonite processing, Kaolin processing.
13.	Isala-Mbano	Umuelemai	Cashew nut, Oil palm, Cassava, Fruits	Clay	Cashew nut processing, Integrated oil mill, Fruit juice, Bentonite processing, Kaolin processing.
14.	Ehime-Mbano	Umuezeala	Cashew nut, Oil palm, Cassava, Fruits	Kaolin, Bentonite	Integrated nut processing, Integrated oil mill, Fruit juice, Bentonite processing, Kaolin processing.
15.	Oguta	Oguta	Oil palm, Cassava, Yam, Fish	Petroleum	Vegetable oil refining, Cassava starch production.
16.	Mbaitoli	Nwaoriobi	Cassava, Oil palm, Rubber	-	Vegetable oil refining, Cassava starch production.
17.	Ikeduru	Iho	Cassava, Oil palm, Fruits	Petroleum	Fruit juice, Vegetable oil refining.
18.	Ahiazu-Mbaise	Afo-Oru	Cassava, Oil palm, Fruits	Petroleum	Fruit juice, Vegetable oil refining.
19.	Obowo	Otoko	Fruits, Livestock	Sand	Fruit juice production.
20.	Ihitte-Ubama	Isinweke	Oil palm, Cassava, Rice, Fruits	-	Fruit juice production, Rice milling, Vegetable oil refining.
21.	Owerri-West	Umuguma	Oil palm, Cassava, Livestock	Petroleum	Vegetable oil refining, Cassava starch processing.
22.	Owerri Municipal	Owerri	Oil palm, Cassava, Livestock	Petroleum	Vegetable oil refining, Cassava starch processing.
23.	Ohaji Egbema	Mmahu	Cassava, Rubber, Oil palm, Fruits	Petroleum, Limestone	Vegetable oil refining, Fruit juice production.
24.	Owerri-North	Orie-Uratta	Oil palm, Cassava, Livestock	-	Integrated oil mill, Cassava starch processing.
25.	Aboh Mbaise	Aboh	Oil palm, Fruits, Cassava, Breed fruit	Petroleum/Limestone	Integrated oil mill, Cassava starch processing.
26.	Ezinihite	Itu	Oil palm, Fruits, Cassava, Breed	Petroleum/Limestone	Integrated oil mill, Cassava

Source: OLOP UNIT of SMEDAN

The State Government has three plantations on Rubber Tree Development at Emeabiam in Owerri West, Obiti in Ohaji Egbema LGA and Umuekwune in Ohaji Egbema LGA. They have a combined area of over five thousand (5,000) hectares, but they are not in full functional state. In addition, the State has many rivers including Orashi River, Oguta Lake, Abadaba Lake in Obowo LGA, Imo River, Otamiri River, and Nwangele River, amongst other water bodies located in the deltaic part of the State. Amongst these rivers, the Orashi River and Oguta Lake are the largest and are linked to the Atlantic Ocean. These rivers and water bodies provide a source for fish, shrimps, and other seafoods.

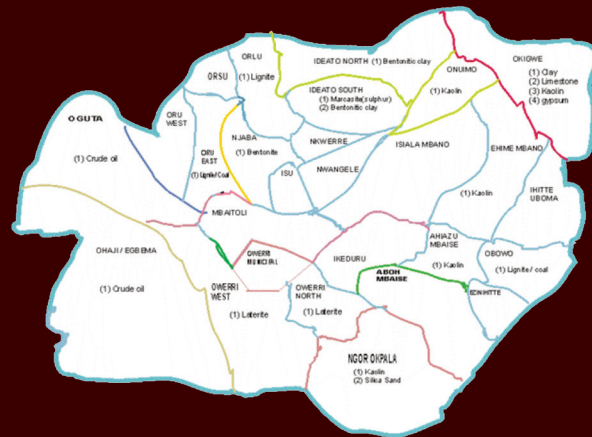
In sum, the key areas of agro-processing in Imo State are food processing, palm oil processing, and rubber products. However, they come with some shared challenges such as:

- **Weak aggregation capacity:** Imo State's agricultural sector is highly fragmented and dispersed. It is also dominated by small-holder farmers. These factors make it difficult to aggregate agro-products. They also increase the search and logistic costs of the agro-products, which make them uncompetitive.
- **Poor agro-input quality:** Agro-processors and industrialists in Imo State often complain of poor-quality input produce, which negatively affects production outputs.
- **Inadequate agro-value-chain infrastructure (e.g., storage, power, and transport):** Large and efficient agro-storage facilities are almost non-existent in Imo State. Poor power supply and inadequate road networks are also very prominent in the State. These factors have significant negative impacts on agro-product preservation, which in turn leads to avoidable leakages and wastages in the food system.
- **Other structural barriers:** These include a tough investment climate, high cost of funding and poor standards.

2.2.3 Solid Minerals and the Oil and Gas

The State is rich in mineral resources. According to the Imo State Investment Promotion Agency (ISIPA), the State is blessed with solid minerals – mostly industrial minerals widely distributed across the different geographical areas or localities. The State's mineral-based raw materials include crude oil and gas, limestone, clay, shale, kaolin, lead/zinc ore, gravel, lignite, gypsum black marble, glass sand, and other forms of clay mineral, et cetera. Furthermore, mineral explorations and investigations in the State have revealed limestone at commercial quantities at Okigwe area and at Umuobom in Ideato South.

MINERAL MAP OF IMO STATE



Distributions of mineral raw materials in Imo State at Local Government Area (L.G.A) level



The State's mineral-based raw materials include crude oil and gas, limestone, clay, shale, kaolin, lead/zinc ore, gravel, lignite, gypsum black marble, glass sand, and other forms of clay mineral, et cetera.

SOME MINERALS RAW MATERIALS AND THEIR LOCATION IN IMO STATE

S/No.	MINERAL	LOCATION	INDUSTRIAL AND LOCAL USES
1.	Kaolin	Ehime Mbano, Ahiazu Mbaize, Orlu, Ngor-Okpala, Okigwe	Cement, ceramics cooking wares, potter, electrical insulations (conduct, sockets, insulators) Plumbing materials, bricks, manufacture of fertiliser, insecticide adhesives, paints, crayons, textiles, and cosmetics
2.	Glass sand	Ihiagwa, Obinze, Isu, Njaba, Obowo, Isiekenesi	Used in the production of various glass products, which include sheet glasses for windows, bottles, mirrors, optical instruments, chemical apparatus, electrical insulation and condensers, automobiles, and aircraft bodies etc.
3.	Bentonite	Orlu, Isu, Oru and Okigwe	Used in iron and steel foundries, as drilling mud in Oil & Gas industry, as cracking catalysts, bleaching agents, fillers as dissociating agents in petroleum refining and chemical industries.
4.	Limestone	Okigwe area, Umu-obom (needs further investigation)	Used extensively in cement production,
5.	Shale	All parts of Imo State, mainly in Okigwe, Etiti	Building and construction, fire bricks, plumbing materials ceramics, pottery
6.	Gravel, Grushed stones, laterite and sand	Okigwe, Oguta, Orlu	Construction and building Industries
7.	Black marble	Okigwe	Terrazzo, cement, ceramics, glass industries, Chemicals flux for Pharmaceuticals
8.	Petroleum (Oil and Gas)	Ohaji, Egbema, Oguta	Energy generating plants, Refinery, Petrochemical, cosmetics, Chemical, Pharmaceutical, fertiliser industries, Plastic industries, Manufacture of transformer oils, LNG plant

SOURCE: **Raw Materials Research and Development Council**

Crude oil production and sales are presently the mainstay of the Nigerian economy. Imo State is located in the Niger Delta, a petroleum-rich region of Nigeria. Presently, there are over 163 oil wells at over 12 different locations in the State. Imo State currently has seven oil-producing companies and 25% of gas production in Bonny is piped from Imo State. There are various Oil and Gas pipeline networks within the State.

2.2.4 Hospitality and Tourism

Imo State is believed to be the home of hospitality. There are several hotels in the State, which can be an incentive to prospective investors. The State is, also, home to the natural mystery of two water bodies flowing differently after the confluence of the brown coloured River known as the Orashi River and the blue Oguta Lake, which still maintain their distinct feature without being mixed. The Oguta Lake tourist site, which originated from a natural depression, is one of the foremost tourist sites. A host of other tourist sites along the banks of the 26km length Njaba River have continued to serve as hotspots for tourism in the State. The Orashi River at Dikenafai in Ideato South LGA is another tourist site to behold and a host of other cultural landmarks scattered throughout the State.

The Abadaba Lake is in Obowo LGA. It has very rich topographical and geographical features with surrounding forest and wildlife populations. It can become a tourist haven, allowing for the development of guest houses, parks, resorts, conference centres et cetera. It is in a serene environment ideal for academic and vocational activities.

The Nekede Zoological Garden, located in Owerri West LGA, is the most outstanding and functional gathering of wild animals in the southeast region of the country. It has been in existence for more than 50 years, as part of the Eastern Nigerian Development Corporation. It has been maintained by the State government and sustains a tourist traffic of over 2,000 people per month.

Some of the common key challenges of the hospitality and tourism sector in Imo State are:

- **Poor maintenance culture:** The tourist centres in the State are not maintained properly, thereby leaving them in deplorable states that are unattractive to tourists
- **Inadequate funding:** This sector is often neglected and not adequately funded, which often impacts maintenance processes, innovation, manpower development and the positive multiplier effects on the entire value chain, amongst others



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**No economy
can grow
with a limited
access to
power supply.**

- **Low awareness due to poor marketing:** Despite the enormous potential of the market, the absence of a coordinated destination marketing framework results in low awareness of the State’s abundant tourist sites.

2.3 What are the key revenue sources and base of the State?

The Imo Internally Revenue Service (IIRS) is a government agency empowered to assess, collect, and account for all taxes, fees and levies generated in the State. It is involved in the formulation of tax policies as well as the supervision of revenue collection due to the State. Its headquarters is at 76 Okigwe Road, Owerri, Imo State.

IIRS aims to boost the revenue of the State and has recently embarked on sweeping reforms to expand the tax net, as well as plug leakages. Some of the key reforms include personnel restructuring to boost efficiency, process review, and optimisation to automate the entire tax process of the State and engender transparency, staff audit review and target-driven performance for the enhancement of revenue growth.

The main revenue sources are taxes, rates, fees, levies, fines, and penalties, as well as gifts and grants.

2.4 Current Economic Challenges

The major challenge of Imo State is that it is yet to maximise its rich natural and human resources. This is due to the little or no value addition to these resources. Moreover, value addition comes at a very high cost due to a massive infrastructural deficit, which often compels investors to provide required infrastructure at their own expense. Other challenges include high cost of funds and dearth of long-term funding mechanisms, low technology base, dumping of imported goods, multiple taxation, frequent changes in government policies, low government patronage of Made-in-Imo State goods, et cetera. Some of these challenges are further explored below under the following themes: infrastructure, manufacturing capability, cost, and regulation.

2.4.1 Infrastructure

Infrastructure refers to those basic and primary services and systems essential in the practice of development whose accessibility and availability create positive effects in the lives of people, such as power, roads, hospitals, rail, et cetera. Evidence shows that these are not adequately developed in Imo State. For instance, Imo State has long been bedevilled with epileptic power supply due to poor grid and distribution network in the State. This is despite its grossly inadequate supply currently put at about 50MW



as against a load demand of about 500MW. No economy can grow with a limited access to power supply. The only grid network in the State is comprised of:

- 132kV substation at Egbu Owerri and the associated lines; and
- 3 additional 132kV substations located at Okigwe, Aboh Mbaise, and Ideato, with associated transmission lines covering the 3 senatorial zones under construction.

As such, available power is insufficient for industrial power generation. There is, therefore, a need to boost industrial power generation sources for the State. This can be done through the installation of gas-powered turbines in selected industrial hubs in the three senatorial zones namely: Owerri, Okigwe, and Orlu.



2.4.2 Manufacturing

Manufacturing is one of the main drivers of industrialisation as it is vital to both large-scale concerns and the micro, small and medium enterprises (MSMEs). Manufacturing plays a unique role because it has strong linkages with all other sectors of the economy and is the fundamental base for the economic health and security of the nation. Over the years, the manufacturing sector in Imo State has failed to undergo the critical structural transformation necessary for it to take a leading role in the economic growth and development of State, despite the State's energy potentials and natural resource endowment (e.g., in agriculture, solid minerals, oil and gas, Innovation and knowledge economy). This sector has experienced significant setbacks in the past decades due to poor infrastructure. The manufacturing sector, as a catalyst for industrial development, requires constant re-investment and adaptation to the latest changes in technology and demand, which have been largely non-existent in the State. However, with planned improvements in the policy environment and investments in infrastructure, manufacturing is expected to grow significantly in the next three years, creating numerous jobs and opportunities for the people of the State.

2.4.3 Challenges of Regulation

Evidence and engagement with stakeholders in the State reveal that the business environment is largely unfavourable. This hostility is demonstrated in the form of difficulties in obtaining construction permits, multiple taxation, the time and processes involved in resolving insolvency, inadequate protection of investors and registering property, et cetera. These add to the cost of doing business in Imo State. Entrepreneurs and/or investors are legally required to comply with the following registration processes:

- Cost of starting a business;
- Registering property;
- Dealing with construction permits; and
- Enforcing contracts

These activities involve a list of other costly procedures, such as cost and duration to:

- Procure a Certificate of Occupancy (C of O);
- Register, search, and inspect an average land; and
- Search for a prospecting title.

2.4.4 Jobs, Entrepreneurs, and Unemployment

According to the National Bureau of Statistics, Imo State had the highest percentage of unemployed people in Nigeria in Q4 of 2021, retaining a position it held in the Q2 of 2020. This points to the underutilisation of human capital for wealth creation. In addition, the high rate of unemployment and underemployment in the State has created an alarming degree of insecurity and criminality. Poverty level is high. Therefore, creating opportunities for the youths is critical.

2.5 What are the options for addressing these needs?

In view of the above, the challenges as well as prevailing factors that characterise the economy in the State need to be critically considered.

2.5.1 Improve business environment

Improving the business environment through the adoption of more favourable regulations will contribute significantly to economic development and encourage foreign direct investment. The private sector is vital to the economy, and it is the responsibility of the government to provide an enabling environment for private sector growth. There is the need to view the private sector in general, and the MSME sub-sector in particular from a more detailed perspective, recognising the unique features and requirements of the various enterprise lines within the sub-sector. No single size fits all. It is important to note that the Nigerian MSME sub-sector is not a homogeneous group as they exhibit variations in terms of size, industry/sector, ownership structure,



employment, and technology. Foreign Direct Investment (FDI) is key to critical infrastructure and economic development in Imo State. In that regard, policies on sector development must address the specific needs of the various categories of enterprises and investors' requirements.

2.5.2 Support the creation of high-quality jobs

Beyond the growth of businesses and the enabling environment required, there is a need for entrepreneurs and employers to create quality jobs and employment to enhance the overall well-being of Imo people. To achieve this, it is important to focus on economic activities with the greatest potential for high quality jobs and employment. This is where industrialisation of the State's economy becomes very necessary.



2.5.3 Partnership with the private sector

Industrial policy ultimately comes down to promoting investment by the private sector in the areas mapped out for intervention in consideration of new industrial capabilities and comparative advantages. One key principle the government should draw on is collaborative partnerships with interested private sector organisations who are willing to invest in areas that fit policy objectives.

2.5.4 Enable and promote sustainable industrialisation

Over the centuries and in different economic systems, industries have been recognised as a critical component of economic growth. However, recent evidence shows that not every economic growth – especially the type promoted by western economies – is sustainable, equitable, and inclusive (see Piketty, 2015²). Given the outlined challenges confronting Imo State – especially unemployment – it is expedient that the State pursues an inclusive and industrialisation strategy that works for all. For example, the government needs to intervene and channel or direct investment to sectors or local government areas with proven comparative advantage in terms of raw material, labour, and other resources. For this approach to be successful, it needs to draw from the people's worldviews, peculiar realities, and philosophy. It literally needs to speak to their needs and prevailing pain points!



...it is expedient that the State pursues an inclusive and industrialisation strategy that works for all.



²Piketty, T. (2015). *About capital in the twenty-first century*. *American Economic Review*, 105(5), 48–53.





03

What type of Industrialization does Imo State need?

This chapter situates industrialisation in history, highlights some of its excesses, and the role of indigenous philosophy and worldviews in creating and promoting inclusive industrialisation for shared prosperity. Based on this, it suggests an industrialisation anchored firmly on addressing socio-economic challenges confronting Imo State – particularly high unemployment and its consequent negative impacts.

3.1 Introduction

Historians argue that the Industrial Revolution was second only to the Agricultural Revolution due to the impact of the former on human history. The Industrial Revolution marked a period of development in the latter half of the 18th century that transformed rural, agrarian societies in Europe and America into industrialised, urban societies. In essence, goods that had once been conscientiously crafted by hand started to be produced in mass quantities by machines. This was due to the introduction of new machines and techniques in textiles, iron making and other industries.

Driven by the game-changing use of steam power, the Industrial Revolution began in Britain and spread to the rest of the world, including the United States, by the 1830s and '40s. This is referred to as the First Industrial Revolution, which set it apart from the Second Industrial Revolution that took place from the late 19th to early 20th centuries and saw rapid advances in the steel, electric and automobile industries.

Historians argue that the Industrial Revolution was second only to the Agricultural Revolution due to the impact of the former on human history.



...the Industrial Revolution had a transformative economic, social and cultural impact, and played an integral role in laying the foundations for modern society,...



Britain underwent the world's first Industrial Revolution around 1760–1830. This transformed Britain's economy from one dominated by agriculture and trade to one fuelled by factories and fossil fuels. A host of other changes – such as urbanisation, expansion of markets, economic growth, and alterations in social relations – rode into the world along with industrialisation. As the essence of industrialisation evolved, it continued to be seen as the key to economic and social progress. Though the Industrial Revolution had a transformative economic, social and cultural impact, and played an integral role in laying the foundations for modern society, it equally brought significant challenges as overcrowded cities suffered from pollution, inadequate sanitation and a lack of clean drinking water. The poor and working class continued to struggle. It is therefore imperative to briefly discuss each of the industrialisation pathways, beginning from the first epoch.

3.1.1 First Industrial Revolution

The First Industrial Revolution began in the 18th century with steam power and mechanisation of production. This led to a situation whereby what had produced threads on simple spinning wheels produced eight times the same volume using the mechanised version. Though steam power was already known, its usage for industrial purposes was the greatest breakthrough for increasing human productivity. Instead of weaving looms powered by muscle, steam engines could be used for power. Developments such as the steamship or (some 100 years later) the steam-powered locomotive brought about further massive changes because humans and goods could move great distances in fewer hours.

3.1.2 Second Industrial Revolution

The Second Industrial Revolution began in the 19th century through the discovery of electricity and assembly line production. Henry Ford (1863-1947) took the idea of mass production from a slaughterhouse in Chicago: the pigs hung from conveyor belts and each butcher performed only a part of the task of butchering the animal. Ford carried over these principles into automobile production and drastically altered the narrative in the process. While in the past

one station assembled an entire automobile, now the vehicles were produced in partial steps on the conveyor belt - significantly faster and at lower cost.

3.1.3 Third Industrial Revolution

The Third Industrial Revolution began in the 1970s in the 20th century through partial automation using memory-programmable controls and computers. Since the introduction of these technologies, we are now able to automate an entire production process - without human assistance. Known examples of these are robots that perform programmed sequences without human intervention.

3.1.4 Fourth Industrial Revolution

We are currently experiencing the Fourth Industrial Revolution, characterised by the application of information and communication technologies to industry. Also known as "Industry 4.0", it builds on the developments of the Third Industrial Revolution. Production systems that already have computer technology are expanded by a network connection and have a digital twin on the Internet. These allow communication with other facilities and the output of information about themselves. This is the next step in production automation. The networking of all systems leads to "cyber-physical production systems" and therefore smart factories, in which production systems, components and people communicate via a network and production is nearly autonomous. When these enablers come together, Industry 4.0 has the potential to deliver some incredible advances in factory environments. Examples include machines, which can predict failures and trigger maintenance processes autonomously or self-organised logistics, which react to unexpected changes in production. And it has the power to change the way people work.

Industry 4.0 can pull individuals into smarter networks, with the potential of more efficient working. The digitalization of the manufacturing environment allows for more flexible methods of getting the right information to the right person at the right time. The increasing use of digital devices inside factories and out in the field means maintenance professionals can be provided with equipment documentation and service history in a timelier manner and at the point of use. Maintenance professionals want to be solving problems, not wasting time trying to source the technical information that they need. In short, Industry 4.0 is a game-changer across industrial settings. The digitalization of manufacturing will change the way goods are produced and distributed and how products are serviced and refined.

3.1.5 Industrialisation Today

In the face of these advances is a fundamental question: Will industrialisation that does not consider sustainable development lead to inclusive industrialisation?

The discourse on industrialisation is changing because of the growing trend to foster sustainability as an economic agenda and





ensure that as society continues to industrialise, it does so with the consideration that the environment and people do not suffer the negative externalities associated with it. This has engineered industrialisation to focus on businesses and practices that enhance inclusive prosperity and environmental sustainability. This thinking is relevant to Imo State. In essence, it helps set the context for Imo State industrial policy to ensure that the State's industrialisation agenda is aligned with the 2030 Agenda and its associated Sustainable Development Goals (SDGs) and the African Union (AU) Agenda 2063 (7 aspirations and 20 goals). An industrialisation agenda that speaks to inclusive development, preservation, and circularity in its consideration of the environment, society and people will uniquely position Imo State to unravel its local comparative and competitive capabilities for the global market investment interest. Therefore, the pathway for Imo State is to rethink the concept of industrialisation as Sustainable Industrial Development.

3.2 Sustainable Industrial Development

The concept of sustainable development is to enhance development that considers the environmental and societal needs of today and the future. Since industries have been accused of most sustainability issues (e.g., oil spillage by oil and gas firms), which have resulted in the degradation of livelihoods, among other negative impacts, it will be important that Imo State's path towards industrialisation considers industries that will enhance livelihoods, build human capability, and protect the environment. Poverty, poor healthcare, poor education, unemployment, underemployment, insecurity, and environmental degradation cannot be addressed with the same industrial thinking that led to the issues. Following these challenges and the need to drive industrialisation from the lens of sustainable development, it is important for Imo State to integrate the

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SDGs and AU Agenda 2063 to its industrial development agenda. In essence, the 2030 Agenda of the UN, AU Agenda 2063 and the Nigeria Industrial Revolution Policy will serve as the foundation of the Imo State industrialisation agenda. This will drive the investment required, industries needed, legal framework for industrialisation, incentivisation framework, et cetera.

Notwithstanding, industrialisation is not a neutral or isolated process. It is informed and shaped by the people's philosophy and way of life. The people's philosophy is reflected in their worldviews, values, preferences, and circumstances of the society in question. This accounts for why they are the way they are and why they act the way they do. It is the basis for their character, the ground of their inner motivation and the basis for their quest for self-realisation. The people's philosophy is reflected in their economic practices and pursuits and therefore should shape their industrial development agenda. As such, it is important that the industrial agenda of Imo State aligns with the people's dominant worldview, so that it can naturally inspire them to abundance and greatness.

3.3 Some of the Dominant Values and Worldview of Imo People

Like many Igbo people, Imo people are:

- **Industrious:** The average Imo person is hardworking. He is desirous to surpass his current limits and always keen to realise himself and make the best of the circumstances of his life. Today, the conventional terminology for industry among the people is 'hustling', which connects the nuances of sheer hard work, tenacity, risk-taking, courage, and the pursuit of success. The industry of Imolites is expressed in their tenacious commitment to excel, their resilience and ability to weather the most difficult challenges. It is a deep-seated desire to rise above the vicissitudes of one's fate. Idleness is

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An average Imolite connects with his community and takes special pride in that allegiance. Although each person applies himself to work for personal self-realisation...

often frowned upon, and beggars are rarely visible. We should not underrate this remarkable character of Imolites because that is what lies at the heart of their most renowned achievements as a people. Therefore, hard work and industry are essential ingredients of this industrial policy.

- **Egalitarian:** The average Imo person believes in equality and egalitarianism - an assuredness that in substance, he is equal in social consideration to another person. For this reason, he fights to be self-reliant and self-subsistent. Egalitarianism comes alive when an Imolite believes that he can do what other people do. An Imolite lives it out – both in deeds and how he sees and carries himself. This is often articulated and expressed in many ways in the life of an Imolite. For example, he will strive to pay his dues where other people do, conscious of his commitment to contribute his quota to the public good. This way he can assert his rights just like every other person. He has a say and enjoys the respect due to every man and woman. This philosophy of equality is equally captured in everyday Igbo language. For example, the common Igbo axiom that ‘Igbo- amaghi eze’ (The Igbos have no king), is an expression of the philosophy of equality – one that clearly underlines the sense of pride and a yearning for independence, self-actualisation, and emancipation from external control.
- **Communitarian:** An average Imolite connects with his community and takes special pride in that allegiance. Although each person applies himself to work for personal self-realisation, the sense of community and the connectedness it brings is strong. For an Imolite, being alone is good but being together is better. Therefore, Imolites understand that they can realise themselves better through communal efforts. Imolites have many projects owned and executed in common. The administration of Sam Mbakwe understood this ideology and leveraged it to build and develop industries. For instance, the Sam Mbakwe International Cargo Airport benefited significantly from contributions by indigenes. Similarly, many community development projects – e.g., schools, hospitals, rural roads, electrification, and other infrastructure – have

benefited from this mindset. The people contribute to a common purse so that the money can be used to execute projects that benefit everyone.

- **Homeness:** Despite their penchant for individualism, Imolites realise themselves through their identification with the community. This approach to life is embedded in the notion of 'aku-rue-ulo'. Whether in Lagos, Ibadan, Kano, America, London, et cetera, Imolites, just like other Igbo people, believe in connecting with home. Even in death, the body of the Imo man or woman must be brought home for burial. It is an abomination to be buried outside. True individual success is both recognised and shared in the company of others. This probably accounts for the desperation of the average Igbo person to be known and recognised in his community. It truly reflects the Ubuntu philosophy – I am because you are!
- **Democratic:** Closely linked with the egalitarian and equality philosophy is the fascination for democratic ideals by the average Imolite. For him, decisions should be the natural outcome of individual views. When there is no consensus, the tie is settled via votes, and the winner carries the day. People will then willingly bend themselves to the common will expressed through voting. And everything is changeable, if not today, then tomorrow. Nothing is cast in stone. Issues are often deliberated upon and the 'umunna' philosophy is equally discursive. This form of democracy makes it easy to avoid blind followership and encourages a culture that challenges authority, entrenches accountability and speaks truth to power. It encourages diversity of voices and people are bold to take a different stand because, being equal, nobody depends on another for sustenance – this is the thrust of "o ga akparam nri?" mentality.
- **Pro-market:** The market system is central in many Igbo communities. It is the same for the Imo people. Being pro-market means that they want each person to fend for himself, sell his labour, goods, or services or even properties on his terms. They also think and practice private property, which basically means that what you can raise by your labour or industry should be your own. This is why the market connects seriously with the industry and hard work of the Imo person because at the market he offers his goods, labour, services to the highest bidder and takes home the benefits accruing from it. In Imo there are rich people, the not-so-rich and the poor. Imolites believe that those who are stronger or better risk takers or more courageous are more likely to excel. Therefore, the free-market arrangement is not only attractive and defines their economic outlook, but also a rewarder of these virtues.





In line with the industriousness of the Igbo people, the market offers a space for buying and selling goods and services. The people organise their time and their lives around market cycles and movements. For instance, the four Igbo market days are Orié, Afor, Nkwo and Eke. This is a very important observation because the market in this sense is not only a calculative machine for goods, services, and money. It also counts time – something we appear to need in abundance because of our quest for immortality, as reflected in such names as Ahamefula, Uzoeshi, Amaeshi, et cetera.

However, our average time in the market and in everyday earthly existence is limited, hence the need to extend time to eternity through the gods. In that regard, each market is dedicated to a deity for governance and oversight. Therefore, the market becomes a space for sacred encounters and exchanges conducted before the attentive gaze of the gods. Whilst this traditional understanding of the market has largely been lost and overshadowed by the quest for Western capitalism, it is important for any industrialisation agenda in Igbo land to reconnect to this notion of the market, which tends to emphasise the market as a holistic experience of the individual with others. This view is different from the notion of the market as atomised self-centred encounters, which have come to characterise Western understanding of markets. It is in the reimagining of Western capitalism that Africapitalism comes, as a new economic and industrial philosophy for Africa, in general, and Imo in the context of this Policy.

3.4 What is Africapitalism?

Classical capitalism has not always worked for the interest of society as it should be. Capitalism is often framed to serve only the interest of the investor. But today there are a lot of efforts to re-align capitalism to societal needs (e.g., inclusive capitalism, progressive capitalism, responsible capitalism, sustainable capitalism, et cetera). Africapitalism is one of such indigenous efforts and connects directly, as the name suggests, to Africa. Africapitalism is a home-grown solution to modern free-market capitalism. According to Amaeshi and Idemudia (2015)³, it is underpinned by the following values and characteristics:

- **Sense of Progress and Prosperity:** Africapitalism promotes profitable businesses, returns on investment but at the same time incorporates the aspect of social wealth, which means that the wellbeing of other people and the society should be a central priority in any money-making venture.
- **Sense of Parity and Inclusion:** Africapitalism recognizes that the benefits of progress and prosperity from businesses and investments should be inclusive and widespread to all members of the society where the money is made.
- **Sense of Peace and Harmony:** The view that the simultaneous pursuit of profit and social wealth is primarily a quest for balance, harmony, and peace.
- **Sense of Place and Belonging:** An understanding of Africa primarily as a place (and not necessarily as a market) with meaning and value to people's identities; a form of entrepreneurship which seeks to meet Africa where the continent is in her development path.

Africapitalism is arguably an imaginative articulation of a possible face of capitalism in Africa and its other sub-units like Nigeria, Imo, et cetera. It is an idea which will ultimately change the practice of capitalism in Africa. Positioned as such, Africapitalism becomes an aspiration for Africa's renaissance – i.e., a force for change. It challenges the status quo – i.e., capitalism in Africa – which has not transformed Africa. The problem here is not necessarily the spirit of capitalism, as the harbinger of human freedom and economic emancipation, but the inherited form of capitalism practised in Africa, which is often at variance with the socio-economic development needs of the continent. This misalignment invariably creates lopsided outcomes – e.g., economic banditry, corruption, inequality, poverty, et cetera –, which are what the Sustainable Development Goals (SDGs) seek to address.



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³Amaeshi, K. and Idemudia, U. (2015). *Africapitalism: a management idea for business in Africa?* *African Journal of Management* 1(2): 210–223



In that regard, Africapitalism is a call for the private sector in Africa, especially the Multinational Enterprises, to contribute to the realisation of the SDGs, by taking into considerations the unique circumstances of the continent.

In Imo State today, there is a desire to ensure that the dividends of democracy are widespread and that the benefits of sound economic policies are not limited to a few in society. The question then is, in what ways can we ensure that everyone in Imo State partakes in the economic prosperity created by the government? What kind of structures should be put in place, that are currently non-existent or that need to be reinforced, to enable the State realise shared prosperity and inclusiveness?

These are very important questions. It therefore follows appropriately that the vision for the Industrial Policy is articulated as: **“Making Industries Work for All”**.

3.5 Connecting local philosophy to emerging national, continental, and global agenda

3.5.1 National industrial strategy

In 2014, the Nigeria Industrial Revolution Plan (NIRP) was developed. Though Nigeria has had the Economic Recovery and Growth Plan (ERGP) 2016-2020 and very recently the National Development Plan (NDP) 2021-2025, which are basically socio-economic plans, the NIRP remains the dominant industrial planning framework in Nigeria. However, there are plans by the federal government to review and update the NIRP in line with local socio-economic realities and global trends. This could include consideration for Africa Continental Free Trade Agreement (AfCFTA), Africa Union (AU) 2063 Agenda, Sustainable Development Goals (SDGs) and the impacts of Climate Change.

The NDP 2021-2025 is aimed at accelerating sustained, inclusive and private sector-led growth. To enhance this, a robust macroeconomic framework was developed for the plan. This enabled the projections in the areas

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of real sector, fiscal, monetary, and external sectors. This framework recognises that sectors have different potentials for growth and therefore identified those sectors with the highest potentials for stimulating the growth of the Nigerian economy. The Plan is meant to achieve:

- a) A broad-based real GDP growth rate of about 5% on average during the plan period
- b) Increased employment generation of about 21 million jobs
- c) An inclusive growth in lifting 35 million people out of poverty over the set period.

The assumption is that excluding negative domestic and external shocks, and with macroeconomic stability and effective implementation of policies, programmes and projects, the Plan will result in sustainable economic growth, enhanced employment generation, poverty reduction, improved welfare and living standards of the citizens.

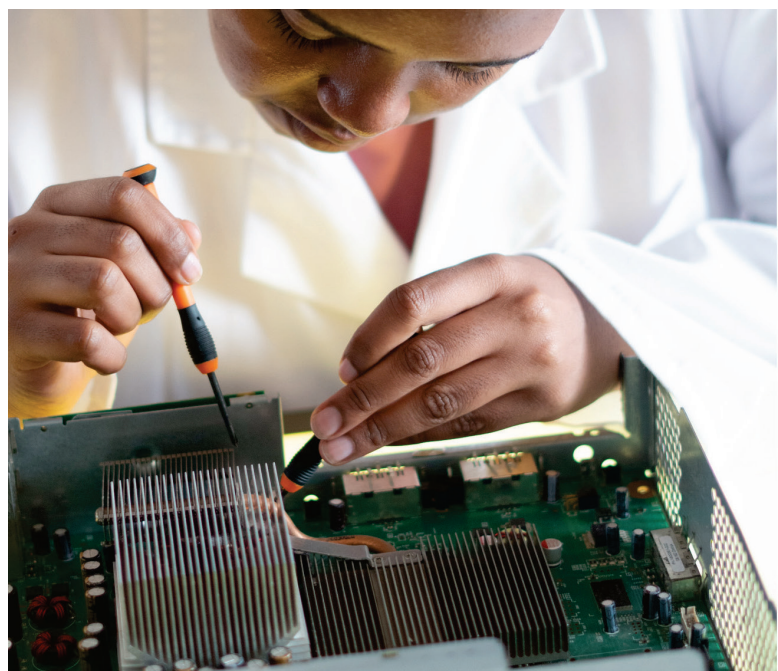
As such, the Plan is structured around the following seven cluster areas:

- a) Economic growth and Development
- b) Infrastructure
- c) Public administration
- d) Human capital development
- e) Social development
- f) Regional development
- g) Plan Implementation
- h) Communication
- i) Financing
- j) Monitoring and Evaluation.
- K) Foreign Direct Investment Promotion

Each cluster area focuses on the different areas of the Nigerian economy. These areas include Agriculture and Food Security, Integrated Rural Development, Manufacturing, Oil and Gas, the holistic Business Environment, Women and Gender Equity, Poverty Alleviation, Governance, Defence and Security, Environment and Climate Change, the Sustainable Development Goals (SDGs), et cetera.

3.5.2 Continental affairs

At the continental level, the African Union is keen to promote economic development in Africa. One way it has chosen to do this is through the creation of the African Continental Free Trade Area (AfCFTA), which is simply a mechanism to dismantle trade barriers and bottlenecks and enhance intra-continental trade. AfCFTA is made up of 54 out of 55 member countries in Africa and is "...the largest trade area in the world in terms of participating countries since the formation of the World Trade Organization". This intra-continental trade primarily assumes that African countries are able to source locally and produce most of the things they need. This assumption also implies that the necessary businesses and entrepreneurs – especially African businesses and entrepreneurs – are standing by to exploit the opportunity. We have to study the dominant products and





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Many of the Multinational Enterprises (MNEs) in the world today have been supported by governments and nation states.

However, African Multinational Enterprises (AFMNEs) are very few in a space where number and size count.



value-chains and then see where Imo State comes in the chain, from the point of view of their strengths.

As has been recognised by the African Union, AfCTA requires some big indigenous businesses (AfroChampions) to be effective. This is not a completely new approach. Many of the Multinational Enterprises (MNEs) in the world today have been supported by governments and nation states. However, African Multinational Enterprises (AFMNEs) are very few in a space where number and size count. That is why the African Union is keen to promote the AfroChampions Initiative, which has been described as “a project that seeks to mobilise investment funds (about USD1tr by 2030) to help give rise to African economic champions”.

According to The Africa Report, the AfroChampions Initiative, co-chaired by former South African President Thabo Mbeki and Nigerian businessman Aliko Dangote, brings together a range of businesses and political figures. Other proponents of this movement are Togolese Gervais Djondo, co-founder of Ecobank and founder of Asky Airlines; former Nigerian President, Chief Olusegun Obasanjo; Mali’s Samba Bathily, the CEO of Africa Development Solutions, an industrial and financial group, Egyptian Naguib Sawiris, Chairman of Orascom; Cameroonian Paul Fokam, Chairman and CEO of Afriland First Group; Jean-Louis Billon, former CEO of Ivorian industrial group SIFCA and former Minister of Commerce of Côte d’Ivoire.

It is anticipated that the AfroChampions will be big, stable and able to create enabling ecosystems to support and orchestrate the emergence of Small and Medium-sized Enterprises (SMEs) that are known to be

major contributors to sustainable socio-economic development through employment and other value creation activities.

Given the goal of the African Union to promote and support businesses that would contribute to sustainable socio-economic development in Africa, it only makes sense to ensure that these businesses also adopt and play by an economic philosophy that fits this agenda. It is one thing to promote these businesses, and another thing to ensure they are not modelled after inappropriate economic and selfish pursuit of profit to the detriment of the continent. In other words, these businesses need to be underpinned by socially beneficial values and be steered in such a way that they take their role in and their relationship with Africa beyond the limits of rhetoric and lip service.

Nonetheless, a key question is: Can Imo State attract some of them to help inspire and catalyse economic activities through supply chain demand and supply? If Imo State can attract some of them, it will be an economic boost and a key solution to high unemployment in the State and its negative societal consequences.

3.5.3 Key Emerging Global Trends

In addition to these continental level agenda, energy transition and the digital economy are two of the key emerging global trends.

- Energy transition is central in the call to rethink the use of fossil fuels because of their significant negative impacts on climate change and the ecosystem. COP 26, for instance, ended in Glasgow with strong commitments from different large and small economies and businesses to net-zero carbon emissions. Whilst many emerging and developing

“

Energy transition is central in the call to rethink the use of fossil fuels because of their significant negative impacts on climate change and the ecosystem.





The digital economy is the new normal, especially with the pervasiveness of the information and communication technologies.



economies, like Nigeria, are low emitters, they are being encouraged to adopt sustainable pathways to avoid the energy mistakes of the developed economies. Moreover, as the world strategically moves away from the use of fossil fuels, it will have significant negative implications for economies like Nigeria, that are heavily dependent on fossil fuel consumption and export. At the moment, the financial fortune of Imo State is closely tied to that of Nigeria. As such, it makes every sense for Imo State to rethink its dependence on oil and gas and start to create alternative pathways for a sustainable energy future. This definitely has implications for the State's industrialisation and energy policies.

- The digital economy is the new normal, especially with the pervasiveness of the information and communication technologies. This ubiquity has enabled the digital economy to upturn traditional high growth industrial sectors – such as oil and gas and manufacturing. Today, digital firms and businesses are amongst the richest entities in the world. Nonetheless, everything today can be easily digitised– from agritech, fintech, to peacetechnology. The digital economy is extensive and therefore, allows for new services and products with far-reaching potentials to emerge. It is significantly powered by the knowledge economy and is particularly appealing to the youth population. Given its unlimited potentials, it offers a myriad of opportunities to address unemployment and enhance shared prosperity in Imo State through entrepreneurship and job creation.

These key emerging global trends will challenge Imo State in a good way. The question then is how can the State successfully tap into these opportunities?





04

How do we get there?

The previous chapters show that Imo State has a lot of opportunities and potential to grow. It has also been established that industrialisation is a feasible option for the continued socio-economic development of Imo State. The next question to be considered after laying the foundations and contexts is the most important one: how do we get there? This chapter considers the industrialisation opportunities in Imo State and offers a pragmatic action plan for their realisation.

4.1 What industrial strategy does Imo State need⁴?

Industrial policies can be driven by different strategic factors such as import substitution, export promotion, balanced development, local resources, and cluster development, amongst others. These strategic options are often investment-led. Their emphases are more on investors' needs, priorities, and interests than on jobs and shared prosperity. In such instances, jobs are seen as secondary outcomes of primary investments. This approach may work where jobs are abundant, and unemployment is low. However, this is not the case in Imo State, given the scarcity of jobs and high level of unemployment.

As such, for this industrial policy to be useful and meaningful, it must focus on job creation and shared prosperity. It is this thinking that makes this industrial policy employment-led instead of the conventional investment-led approach. However, it does not mean that investors are secondary and unimportant. Rather, the Policy recognises that a good investment is one that equally prioritises the interests of investors and the societies in

⁴Both qualitative and quantitative approaches were utilised in generating the relevant data/information that aided the articulation of the industrial policy. The qualitative approach utilised involved Key Informant Interviews (KII) with key stakeholders such as representatives of Manufacturing Association of Nigeria (MAN), Imo State Chapter; representatives of the Nigerian Association of Chamber of Commerce, Industry, Mine, and Agriculture (NACCIMA), Imo State Chapter et cetera. To deepen the quality of information that fed into the policy document, stakeholders' consultative meetings were also organised that had relevant stakeholders such as captains of industry, local government chairmen, commissioners, trade associations, chamber of commerce, professional associations, traditional rulers, et cetera in attendance. In addition to the presentation made by each local government representative, structured questionnaires were administered to gather more data/information. Similar stakeholders' meetings were also held virtually for Imo State citizens in diaspora to ensure inclusiveness irrespective of distance. A quantitative approach was equally adopted in gathering the relevant secondary data/information such as published industrial policy related data/information as well as reports which were quite helpful for desk review.

VISION

Make industries work for all Imolites!

MISSION STATEMENT

The mission is to formulate and implement policies and programmes in Imo State to boost inclusive and sustainable industrialisation and create sustainable entrepreneurial opportunities, quality jobs, and trade surplus.



The current reality of Imo State and the dominant values and worldview of Imolites earlier identified suggest this inward–outward outlook to industrial development.

which they invest. In that regard, Imo State is keen to attract investors who are committed to creating quality jobs and promoting shared prosperity in line with the philosophy of Imo people.

In view of this commitment, the policy option to be adopted for Imo State industrial development will weigh more towards the inward-driven, inclusive, employment and wealth generation, as well as a bottom-up approach, than the externally focused approach that has largely emphasised the attraction of external investments for large scale industrialisation.

The current reality of Imo State and the dominant values and worldview of Imolites earlier identified suggest this inward–outward outlook to industrial development. This approach encourages the development of the industrial sector from the current situation, capabilities, and endowments of the people in their different clusters particularly in the areas of comparative advantage. This approach ensures that inclusiveness is prioritised, shared prosperity is being practically pursued and appropriate mechanisms to guarantee access to local and international markets for goods and services are established.

POLICY THRUST

The thrust of Imo state Industrial policy is focused on the utilisation of domestic resources in which the State has comparative advantage and competitiveness. The policy aims to reduce the cost of doing business and promote inclusive and sustainable industrial development, sustainable entrepreneurial opportunities, quality job creation, investments, and trade surplus.

OBJECTIVE OF THE POLICY

The **central objective** of the policy is to create shared prosperity through inclusive and sustainable industrial development. The **specific objectives** of the policy are to:

- Transform the Imo State manufacturing sector into a dynamic and virile sector of the State's economy;
- Make Imo State an attractive destination for investors with a huge source of consumer markets for locally and internationally produced goods and services;
- Revive the manufacturing sector in the State and place it on a sound footing to be able to take full advantage of favourable business environment, globalisation and technological advances;
- Sensitise the MSMEs for ethical and green business practices and empower the State Manufacturing sector to become a major player in the global value chain;
- Revive the ailing industries in the State and promote new investments;
- Significantly drive the economy through increased productivity, expansion of value addition, sufficiently competitive in the supply of finished goods to domestic markets and surplus for export to regional and global markets; and
- Accelerate the profitable expansion of existing MSMEs along the value chains, and ensure that transitions from micro to small enterprises, small to medium enterprises and medium to large enterprises are smooth, thereby enabling them to increase their contribution to GDP and employment generation.

The **strategic objectives** of Imo State Industrial Policy are focused on attaining the following:

- Creation of a conducive business environment for the private sector to thrive through infrastructural development, safety and security, et cetera;
- Making Imo State a leading business hub in Nigeria and Africa by attracting investors to the State;
- Promotion of inclusive growth through integrated rural development, balanced growth and development of the State; and
- Increase in local content and linkages with other sectors of the economy.





The Imo State's major industrial policy priorities are to tackle unemployment, diversify the State's economy, enhance climate resilience, and boost the living standards of Imolites.

POLICY PRIORITIES

The underlying philosophy is to build the State's competitive advantage, to broaden the scope of industry, and to accelerate expansion of the manufacturing sector. The policy shall adopt both direct and indirect approaches to promoting industrialisation. The direct approach identifies sectors where the State can truly win and dominate, based on an assessment of the State's comparative advantage, while the indirect approach establishes cross cutting interventions that address competitiveness of the entire manufacturing sector in Imo State (i.e., regardless of sector); acknowledging that it is sometimes difficult to predict where free market forces will lead industry and which sectors will be transformational winners. These indirect interventions create a broad and favourable **ecosystem** for manufacturing to thrive, while private capital determines which sectors will grow.

The Imo State's major industrial policy priorities are to tackle unemployment, diversify the State's economy, enhance climate resilience, and boost the living standards of Imolites. It will also focus on promoting efficiency, harmony, and collaboration amongst Agencies involved in advancing the industrial agenda of the State. The State Industrial Policy focuses on addressing the infrastructural challenges and high cost of operations faced by Industries in order to improve growth and competitiveness in the sector. This Policy will provide a framework that is not only enabling, but also supportive of Industrial businesses. Where necessary, incentives/subsidy provisions are also specified and made available. The essence is to achieve international competitiveness and long-term viability of the manufacturing sector.

4.1.1 What are the industrialisation Opportunities in Imo State?

Imo State, like Nigeria, cannot continue to depend on export of raw materials and jobs as an end in itself. Emphasis must be placed on adding value to its commodities, local market expansion, and job creation. As much as the State attempts to address its present needs, it also needs to be futuristic in outlook, approach and character. As such, it is important for any industrial strategy for Imo State to:

- Prioritise job creation by focusing on high labour utilisation industries;
- Stimulate local market demand (i.e. local patronage) and deepen industrial capacity of local firms, as a first step, before going regional and global;
- Build up core base industries that are essential for other more advanced industries to thrive and strategically use key manufacturing subsectors as technology drivers of the present and future economy; and
- Reflect the values, philosophies, and worldviews of Imo people.

Based on these necessary conditions, the criteria in the table below were used to assess and prioritise possible industrialisation opportunities in Imo State.

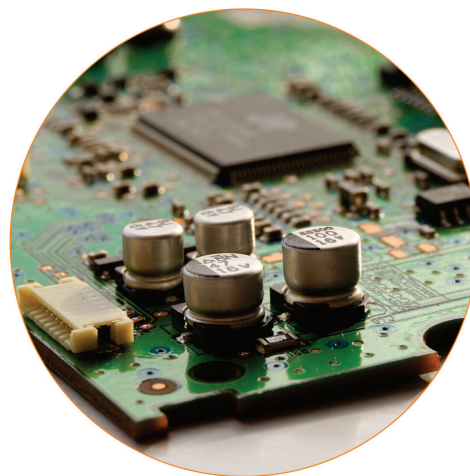
Prioritisation criteria

The prioritisation indices below are not arbitrary. They are largely informed by the dominant values of Imo people and Africapitalism – as earlier explored in Chapter 3. They are:

Criteria	Descriptions
1. Timeframe	The time it will take Imo State to develop the necessary conditions and capabilities to support an industry to yield the expected results of job creation and shared prosperity. Timeframe is divided into: Short term (0-3 years), mid-term (3-5 years) and long term (5+ years). The longer it takes to meet these conditions, the lower a sector is scored
2. Manufacturability	The ability of a sector to <i>manufacture</i> products and effectively utilise factories and workhouses. This is important because of the creation of employment. A sector with high manufacturability has high potential for job creation and labour engagement and is scored high in the prioritisation exercise.
3. Serviceability	The ability to create new (and or extend) services. This also aids job creation. A sector with high serviceability potential scores high on the prioritisation scheme.
4. Scalability	The potential for the sector to be scaled up and have no upper limit in both wealth and job creations. Scalable sectors have the potential to expand the State's economy and enhance shared prosperity. The more scalable a sector is, the higher the prioritisation score
5. Revenue generation	This specifically refers to a sector's ability to contribute to Internally Generated Revenue (IGR). The higher the revenue generation potential, the higher the prioritisation score.
6. Sustainability	While it is important for a sector to bring in much revenue, it is equally important to align with the Sustainable Development Goals (SDGs). The more sustainable, the higher the prioritisation score.
7. Political attractiveness	This has to do with how attractive a sector is to dominant political actors. Political will and buy-in are important for an industry to achieve its full potential, which would have implications for wealth and job creation. The higher the attractiveness, the higher the prioritisation score.
8. Connectedness	This refers to the ability of a sector to connect with local and international markets – i.e., the ability of a sector to connect the Imo economy to neighbouring States and the world at large. The higher the connectedness, the higher the prioritisation score.
9. Inter-dependability	The ability of a sector to create and facilitate interdependencies with other sectors for enhanced shared prosperity. The higher the inter-dependability, the higher the prioritisation score.

Criteria	Descriptions
10. Energy intensity	Energy is a crucial factor of industrialisation. Given the low supply of energy in Imo State, sectors that are less dependent on energy will thrive better than those heavily dependent on energy consumption. Hence, it is important to weigh the level of dependence each sector has on energy. The lower the energy intensity, the higher the prioritisation score.
11. Shared prosperity	Shared prosperity measures the extent to which economic growth is inclusive by focusing on household consumption or income growth among the poorest population rather than on growth in the average. The higher the propensity for shared prosperity, the higher the prioritisation score.
12. Local appeal	This is the ability of a sector to unleash local support, encouragement, privilege, or financial aid from the locals. The higher the local appeal, the higher the prioritisation score.
13. Financial Cost	This refers to how capital intensive (i.e., how expensive) each sector is. The lower the financial cost, the higher the prioritisation score.
14. Skills Requirement	This refers to the sophistication of skills needed to competently operationalise a sector. The lower the sophistication, the higher the prioritisation score.
15. Investment Attractiveness	This refers to how attractive a sector is to investors and the potential for them to be scaled in this area. The higher the attractiveness, the higher the prioritisation score.

We considered existing and emerging sectors, respectively. The following sectors emerged as the existing key industrialisation opportunities in Imo State: agroindustry/agribusiness, oil and gas, minerals processing, and tourism/hospitality. Digital economy, fabrication, and renewable energy are the emerging key sectors. These sectors will be compared on a scale of 1-5, 1 being the lowest and 5, the highest on each criterion.



Imo Industrial Sectorial Prioritisation								
Criteria Grouping	Criteria	Agroindustry/ Agribusiness	Fabrication	Oil and Gas	Tourism and Hospitality	Minerals	Digital Economy	Renewables
HUMAN DEVELOPMENT	Shared Prosperity	5	4	3	3	2	5	3
	Skill technicality	3	5	1	3	2	3	2
RESOURCE EFFICIENCY	Energy Intensity	4	3	5	3	2	4	4
	Financial cost	4	4	2	3	2	4	3
	Timeframe	5	4	3	4	2	4	3
PRODUCTIVITY	Manufacturability	5	5	4	3	3	3	3
	Revenue generation	4	3	4	3	3	4	3
	Scalability	4	4	4	4	4	5	4
	Serviceability	2	3	3	5	3	5	4
CONNECTEDNESS	Connection	3	3	5	4	3	5	3
	Inter-dependability	4	5	4	3	4	5	4
STAKEHOLDER APPEAL	Political attractiveness	5	4	4	4	5	5	3
	Attractiveness to investors	4	4	4	5	3	4	4
	Sustainability (SDGs)	3	3	1	4	2	3	5
	Local appeal	4	3	4	4	4	4	4
	TOTAL	59	57	51	55	44	63	52

The charts above provide a comparison between the sectors and how they can be prioritised based on their final points.

Priority Table			
Sector	Nature	Score	%
Digital Economy	Emerging	63	84
Agriculture	Existing	59	79
Fabrication	Emerging	57	76
Tourism and Hospitality	Existing	55	73
Renewables	Emerging	52	69
Oil and Gas	Existing	51	68
Minerals	Existing	44	59

4.2. Key sectors and their action plans

EXISTING SECTORS

4.2.1 Agroindustry/Agribusiness Sector (Score: 79%)

Agriculture is a key sector in Imo State with a strong competitive advantage. To be specific, the Agriculture/Agro-Allied sector offers Imo State significant opportunities in production, processing, branding, distribution, and export of branded products. These opportunities will equally contribute to wealth creation and employment opportunities. However, to realise their potential, some key actions are necessary:

Key Action Points

- **Facilitation and promotion of bulk buying schemes:** The fragmented nature of this sector and the large number of dispersed smallholder farmers, make it necessary to facilitate and promote private sector-led investors and bulk buyers of agro products, to bridge the gap between smallholder farmers and large industrial buyers, processors, and producers.
- **Enhancement of industrial standards for Agro products:** Standardisation and quality matter. Therefore, it is important to create reliable platforms for large industrialists and buyers of the agro-products to engage large, medium, and smallholder farmers and emphasise on the standard needed at manufacturing level. It is also important to set up a forum for key agro-products to actively engage at State and Local Government levels on standards for the products made in those areas.
- **Facilitation of the provision of quality inputs (i.e., improved crops, seeds, and animal breeds) to enhance outputs:** To enhance the quality of manufacturing inputs, quality inputs can be sourced locally or imported and distributed to small-scale farmers to improve the quality of their produce.
- **Facilitation of the creation of factories and workhouses:** It is important to support the building of factories across the value chain to solve the problems of production, processing, and storage infrastructure.
- **Facilitation of the establishment of Integrated Agro Industrial Parks (IAIPs):** IAIPs make provision for rural collection or aggregation centres where the produce/commodity is aggregated, sorted and given minimum processing/preservation before it goes to the off-takers.



- **Investment in skills, research, and development:** Following the inadequate human capital characteristic of this sector, critical skills are necessary for its development. There is a need to rally both public and private investments in skills, research, and development in this sector. Institutions like the University of Agriculture Umuagwu, as well as Imo State University, the Federal University of Technology Owerri, and the Federal Polytechnic Nekede, amongst others, should be supported to contribute to this effort through high quality research and industry engagements. There is also an opportunity for the private sector to make significant contributions in this area. Such efforts should be equally encouraged and incentivised.



4.2.2 Hospitality and Tourism (Services) Sector (Score: 73%)

Over the years, the hospitality and tourism sector has organically developed in Imo State, lacking the necessary support to maximise its potential. This shows that the State has a competitive advantage in this area. To consolidate on this, it is suggested that the government:

Key Actions

- **Establishes and empowers a cross-ministry/department/agency entity** to grow the hospitality and tourism sector in the State and address their challenges such as poor publicity, possible multiple taxation, insecurity, and inadequate infrastructure to support the sector like good road networks and steady power supply.
- **Creates (and re-packages existing) annual festivals, sport tourneys and cultural carnivals** to drive inbound tourism to the State with their potential impact on driving hotel stays, local patronage, and intercultural exchanges.
- **Optimises the Imo State Tourism Board and leverages collaboration with tour operators, airlines, hotels, and local and international cultural organisations** to develop and implement destination branding initiatives.
- **Creates a fully immersive and culturally themed virtual tourism hub, using virtual reality.** The VR experience would allow Imo State curate, distil and tell a compelling story of the Igbo people through the lens of Imolites.

Over the years, the hospitality and tourism sector has organically developed in Imo State, lacking the necessary support to maximise its potential.



4.2.3 Oil and Gas Sector (Score: 68%)

Oil and gas sector is another area where Imo State has competitive advantage. However, the global oil and gas sector is undergoing a tremendous change driven by concerns of the negative impacts of fossil fuel exploration and consumption on the climate and the environment. As such, there is a constant pull towards clean and renewable sources of energy. This is at the heart of the global energy and sustainability transition. Nevertheless, it is still the major source of energy for many countries and developing the sector in Imo State has its potential. Whilst Imo State can benefit from the existing oil and gas resources in Nigeria to power her industries, there is a need to do so with an eye on the long term. This will certainly have implications on how this sector develops and how industrial energy infrastructure is designed and developed in the State.

Key Actions

- **Development and implementation of a robust sustainable energy policy:** Given the complexity and fast paced nature of the oil and gas sector, locally and globally, it is important to understand how to make it work for Imo State. It is therefore important to develop and implement a robust sustainable energy policy for the State. The policy will set the strategic direction of the sector based on emerging trends and scientific evidence.

- **Strategic but cautious Investment in Upstream Petroleum:** To maximise its stake as an oil producer, Imo

State can buy stakes in existing oil fields and partner with private sector actors to maximise such opportunities.

- **Building of Refineries and tank farms:** To meet local demand in the short term, Imo State can build refineries and tank farms – either independently or through partnership.
- **Creation of an Oil and Gas Free Zone built on a strong sustainability base and viable public-private-partnership approach** to further attract sustainable and impactful investments into Imo State
- **Effective utilisation of the abundant gas resources in Imo State** to stimulate the creation of formidable petrochemical industries in the State.

In all this, sustainable development should be prioritised and there should be a quick and timely intervention in terms of recovery and environmental repair in the event of an oil spill.

4.2.4 Mineral Processing Sector (Score: 59%)

According to the provisions of the Nigerian constitution, natural minerals belong to the Federal Government. As such, it is suggested that the Imo State Government explores creative options to participate in and benefit from these natural endowments. Similar to the oil and gas strategy, the State can co-invest and/or establish her own companies. In addition, there are some critical steps in the short term. For instance, the State may want to:

Key Action points

- **Prove-up Mineral Resources:** Improve key mineral deposits to international measurement standards. Engage existing downstream steel players on investment packages to link proven-deposits to their existing operations.
- **Create Steel Clusters:** Medium to longer term plan to situate new steel players coming into the market. This will ensure infrastructure is shared to lower operating costs.
- **Create incentives (e.g., tax holidays)** to attract local and foreign investors

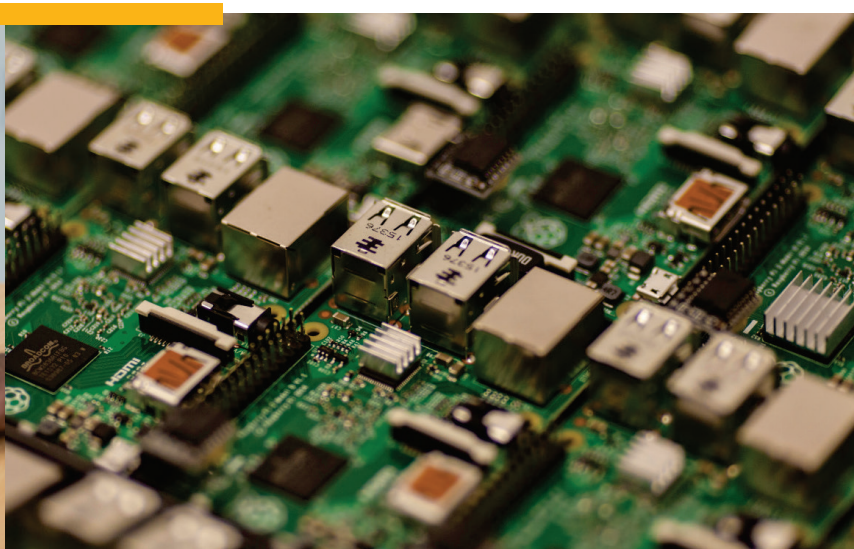
EMERGING SECTORS

4.2.5 Digital Economy Sector (Score: 84%)

The digital economy is a treasure-chest of opportunities. It is also the future. The digital economy is taking shape; it is fast paced and is changing conventional notions about how businesses operate; how firms interact with each other; and how consumers consume products. A lot of Imo youths are tech savvy. The digital economy provides new and varied opportunities for job creation and shared prosperity. To take advantage of the opportunities presented by the digital economy, it is important for the State to do the following:

Key Actions

- **Facilitate the creation of a robust telecoms and energy infrastructure for the digital economy:** This infrastructure is very critical, as it serves as the backbone of the digital economy. The State can develop this in partnership with the private sector.
- **Skill-up the youths and SMEs:** To participate in the global digital economy requires innovative skills and competencies. Although the youths are tech savvy, they need to be trained to not only see the digital space as a fun place, but a space for real business and wealth creation.
- **Stimulate enabling tech-ecosystems:** Technology is a situated practice. As such, it requires an enabling ecosystem of support and knowledge to thrive. The government can create incentives for the higher institutions in the State to contribute to and grow a thriving tech-ecosystem in Imo State. This will also require the active participation of the private sector - i.e., technology firms, as



well as financial institutions, and venture capitalist firms. Given that the digital economy has transcended place and time, the ecosystem can also be stretched to include Imolites in Diaspora.

- **Facilitate the development of an Imo State Tech Hub:** There is a need to create a tech hub that will complement the development and training of ICT skills among the youths. It will be a hub where developers and tech enthusiasts will be groomed and connected to the larger market to draw back revenue for the State. The State can act as a credible facilitator here.
- **Incentivise technology firms:** It is suggested that the government creates smart incentives to encourage technology start-ups and attract established technology firms to the State. The incentives should aim to reduce both operational and administrative burdens faced by new and established technology companies, thereby encouraging investors and increasing their success rates by creating a suitable business environment.
- **Stimulate demand through government procurement:** The government, as a consumer, should stimulate demand for digital solutions by such activities as:
 1. Retraining or empowering all civil and public servants, political appointees and key government functionaries with digital skills.
 2. Networking all government offices, ministries and agencies for resource sharing.
 3. Developing simple digital service portals and platforms for effective service delivery.
 4. Insisting that all its customers utilise digitally centered business model or portals to process requirements.
 5. Investing in e-learning platforms for all schools, colleges, and universities.
 6. Subscribing to database cloud system to support all learning institutions.

4.2.6 Fabrication Sector (Score: 76%)

The fabrication sector consists of the processing of materials which are then fabricated into finished products. While the sector is not new in the country, it is an emerging reality in Imo state. The sector is one that promises job creation due to the level of manpower needed. It will also aid inter-trade with other States and countries. This can also position the State as a hub for this brand of production, which will ultimately drive sales and help to expand market share.





Given the level of artisanal activities and clusters in fabrication, Imo state has the potential to organise and develop this sector to produce and brand goods for both local consumption and export. Some key actions to take are:

Key Actions

- **Formalisation of the fabrication sector:** there is a need to organise the artisans in this sector and incentivise them to formally register their businesses for adequate support and development;
- **Provision of adequate technical and vocational capacity building support:** the sector can be further professionalised through adequate capacity building support, especially in hard and soft skills. These can easily be done through the existing technical and vocational schools in the State. Where these institutions are not functional, they should be revitalised;
- **Attracting private investors:** the sector will need inflow of finance and expertise. This can be done by attracting investors and key players in the industry to set up factories in Imo State. It will also entail supporting existing players in the sector and incentivising both existing and potential players to create jobs and transfer skills and technologies.

4.2.7 Renewable Energy Sector (Score: 69%)

Although not an entirely new sector in Nigeria, renewable energy has not been explored to the fullness of its potential. Nigeria uses hydropower as her main renewable energy source, while the rest of its power generation comes from non-renewable sources like crude oil. But as the economy expands, the need for more renewable energy is amplified. Although capital intensive, more renewable energy sources promise a more sustainable energy supply and a cleaner ecosystem.

Renewable energy is beneficial mostly because of its unlimited supply as it is obtained from natural sources. This policy emphasises four major sources of renewable energy prevalent in Imo State: solar, wind, biomass, and small hydro power.



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This policy emphasises four major sources of renewable energy prevalent in Imo State: solar, wind, biomass, and small hydro power.

- Solar energy is the most basic form of renewable energy and the most accessible due to the readily available sunlight. Solar energy has lots of potential in Nigeria and Imo State due to the country's geographical and climate settings. Due to the nation's abundant sunlight, there is hardly going to be a lack of supply of energy once the right infrastructure to harness this energy is present.
- Wind energy is generated by harnessing the energy produced by moving air, which is mostly done by turbines and windmills. Wind energy is most beneficial in areas with high wind speed. The south east has been a topic of research and has been confirmed to be a potential farm to harvest wind energy and companies like Hybrid in Enugu State have put a foot forward to undertake the project.
- Biomass energy holds a great potential for renewable energy generation in Imo State. Biomass energy uses agricultural residues/wastes as feedstock thus creating a strong link between the agricultural and industrial sectors in the State.
- Small Hydro Power (SHP) is generated from moving water and is harvested through infrastructure like dams, waterfalls, and flowing rivers with sufficient head. Hydropower still has a long way to go to reach its full potential in the country and with the right investment and infrastructure, it can generate more than enough power for Imo State as there is hardly any community without a water body that can be harnessed for SHP development.

Key Actions

- **Develop and implement a robust sustainable energy policy for the State.** The policy will set the strategic direction of the sector based on emerging trends and scientific evidence.
- **Incentivise local and foreign investors that already deal in renewable energy** to set up a site in Imo State.

TARGETS

Considering the significance of the promotion and growth of industries in the State and the development and productivity of the economy, specific projects and programmes will be implemented for a number of special target areas. Targeting will be aligned to the performance experiences and challenges of the different sub-sectors. The strategy will support well-performing enterprises or subsectors to fully realise their growth and competitiveness potentials, while also addressing ailing and poor-performing enterprises or subsectors with remedial measures. Emerging industries will also be given necessary support, incentives, and attention to realise their potentials.

Considering the significance of the promotion and growth of industries in the State and the development and productivity of the economy, specific projects and programmes will be implemented for a number of special target areas. Targeting will be aligned to the performance experiences and challenges of the different sub-sectors.



05

Funding and Institutional Framework

This chapter discusses the ways and channels to access funding that will facilitate the development and implementation of the key action points outlined in this policy document.

5.1 Funding:

The availability and access to affordable and appropriate funding is critical to the acceleration of any industrial development agenda. Without adequate financing provided at reasonable costs, the industrial sector cannot grow, expand, or modernise.

The decentralisation of funding and financial services is also important to ensure equitable geographic access by enterprises. The different levels of enterprises, that is large, medium, small, and micro, have unique financial needs. The realisation of sustainable and meaningful industrial development in the State requires access to affordable long-term finance and credit facilities.

Though the financial sector in Nigeria is relatively well-developed, the limited access to formal financial products and services, particularly for long-term financing, has inhibited the competitiveness and growth of the industrial sector. These financial institutions have helped increase access for the lower end of the market, particularly for the entrepreneurial poor engaged in micro trade or other income generating activities. However, commercial banks have traditionally avoided lending to the MSMEs sector due to their relatively high transaction costs, difficulties assessing and managing risk, and the inability of most small businesses to provide the required financial documentation and collateral.



To address the large gap in the middle, inroads can be made by assisting Micro Finance Institutions (MFIs) to move upward and commercial banks to move downward. The heavy collateral requirements that commercial banks impose to help manage risk, serve to screen out the vast majority of MSMEs. Hence, in addition to improving MSMEs access to commercial loans, it will be necessary to help them meet the various financing needs for MSMEs. Furthermore, the Development Finance Institutions (DFIs) have not been able to adequately fund the industrial sector due to lack of resources. There is therefore the need for the State Government to foster a strategic alliance between financial institutions and entrepreneurs, particularly those of the MSMEs.

5.1.1 Government initiatives for funding the Industrial Sector

In recognition of the challenges of funding towards industrialisation, the government needs to deliberately create initiatives to spur industrial activity. This is in accordance with the structuralist approach which assumes a far greater role for the State in promoting industrial development. The structuralist approach clearly makes the most practical and appropriate framework option for the Imo Industrial Policy for a number of compelling reasons.

First, the approach considers the fact that the State's industrial strategy must be rooted in the overarching development and industrial plan for the nation. This is because industrial development cannot be viewed simply as the outcome of enterprises responding to cost pressures and market opportunities.

Secondly, many of the policy instruments which impact on industrial development are the exclusive competence of national government, although there are sufficient 'concurrent functions' of industrial strategy that can be performed by more than one organ of Government to make the development of a sub-national industrial strategy viable. These include provision of infrastructure and logistics, industrial upgrading and recapitalization, skills development incentives (albeit limited), research and development, investment facilitation, financial support, as well as coordination and compacting (and clustering).

Importantly, the role of sub-national industrial strategy can greatly enhance the quality of implementation and impact of national policy initiatives and the extent to which (national) support measures and incentives can be leveraged for the State.

Imo State, though a relatively old State but with a weak private sector, makes the paternal and developmental role of the State crucial as well as imperative. On a more technical level, an industrial strategy becomes a necessary component of economic planning and development because of the existence of market failures

– supply and demand conditions do not always produce socially optimal outcomes, thereby requiring varying degrees of intervention.

Some of the deliberate interventions the Imo State Government will adopt to stimulate appropriate funding for industrial activity include the following:

1. **Direct Government Expenditure** to support the industrial sector through capital expenditure that seeks to support economic and social development such as roads, power, markets, schools, hospitals, security and appropriate regulation and budgetary allocation. It is important to emphasise that the bulk of the State’s capital expenditure should be devoted to areas that will stimulate economic and industrial activity. This will in turn translate to improved independent income in form of IGR and levies, which depend on the economic base of the State.
2. **Encouraging Public-Private Partnerships (PPPs) arrangements** to support infrastructure development through a combination of various approaches that include; Build and Transfer; Build- Operate- Transfer (BOT); Corporatisation; Lease and/or Management Contracts and Concessions. The PPP has been identified as one of the strategies for development. Therefore, the State Government will commit to promoting and facilitating PPP agreements and legislation which are expected to strengthen the legal framework for public and private sector investment. This will offer an opportunity for the State to attract enhanced private sector participation in financing, building and operating infrastructure services and facilities, among others. In addition, effective collaboration between the Government and the private sector exists thus making it conducive to attracting investments.
3. **Facilitating access to special intervention and pooled funds** made available by development finance institutions to support the development of the priority sectors. Notable examples in this regard are the initiatives by the Central Bank of Nigeria (CBN) usually managed or facilitated by the Bank of Industry (BOI), the Development Bank of Nigeria (DBN) and other commercial banks. Examples include:

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- a. CBN Micro, Small and Medium Enterprises Development Fund, (MSMEDF);
- b. CBN Agribusiness Small and Medium Enterprise Investment Scheme (AGSMEIS);
- c. CBN Real Sector Support Financing (RSSF);
- d. CBN Tertiary Institution Entrepreneurship Scheme (TIES);
- e. CBN National Youth Investment Fund (NYIF);
- f. CBN Anchor Borrowers Programme (ABP)
- g. CBN Creative Industry Financing Initiative (CIFI);
- h. CBN Maize Aggregation (MAS); and
- i. Bank of Industry Women (BOI Women).

4. **Facilitation of access to funding available in the financial value chain.** This will be done by closely monitoring the defined actions which are structured along the Nigerian Financing Value-Chain. (The Financing Value Chain Interventions include – Venture Capital, Private Equity (Growth Equity), Revolvers\Overdraft, Term Debt, Private Equity (Late Stage\Buyouts), Public Equity, Public Debt, Corporate Mergers & Acquisitions.) Specific initiatives include the need to:

- Increase access to venture funding;
- Mobilise risk capital (equity) for real sector

development;

- Mobilise affordable long-term debt for real sector development;
- Facilitate more liquidity financing for industries;
- Enhance access to funding through equity and debt capital markets;
- Enhance existing structures for corporate acquisitions and divestitures; and
- Address unique sectoral needs on financing e.g., SME financing, large industrial\infrastructure projects, etc.

5. **Stimulate the creation of pooled funds** that can be used to:

- a. Encourage Cooperatives and Pension funds to invest in industrial development;
- b. Provide incentives to encourage Imo people in the Diaspora to invest in industrial development in the State; and
- c. Establish an Industrial Development Fund (IDF) or fully explore and partner with existing national Industrial Development Fund to provide appropriate funding mechanisms for strategic industries and joint ventures as well as to improve mechanisms for provision of appropriate equity loans to strategic industries for sustainable industrial development.

The Imo State government will establish an Investment Management and industrialisation Funding Vehicle to explore alternative but complementary sources of funding the industrial as well as the economic development of the State.

6. **Proactive Pursuit of Development Support and Grants/Loans from International Development Agencies.** International Development Agencies provide access to development assistance, grants, and facilities to subnational entities through the Federal Governments in areas that are critical to their objectives in achieving sustainable development. They also foster improved financial management and accountability which are often prerequisites for other funding along with characteristics such as long-term, moratorium and low interest funding for development projects involving infrastructure. They also facilitate access to private-public-partnerships social projects with commercial potential.
7. Establishment of an Investment Management/Industrialisation Funding Vehicle to support Industrial Development. The Imo State government will establish an Investment Management and industrialisation Funding Vehicle to explore alternative but complementary sources of funding the industrial as well as the economic development of the State. Apart from mobilising capital for transformation projects or businesses, the funding will also serve to manage the investments of the State by mobilising the interests under one umbrella and ensure that the interests of the State in these investments are adequately protected.

The Vehicle, which could be established as a development company or investment holding company, will operate on commercial or private sector guidelines but significantly owned by the State Government. The vehicle will have the ability to independently raise funds for economic development, infrastructure and social development. It could also warehouse the savings and investments of the State from the surplus resources that could be generated from normal government operations in the fashion of a 'future generations fund' or a 'general reserve fund' which could be invested in appropriate diversified, global, high returns investments capable of achieving desired capital returns in the short or long-term.

A necessary starting point is the mobilisation of all the intangible and tangible investments of the State under this umbrella. Some of the intangible investments are the shares held by the State in quoted companies of which appropriate investment management strategies will be adopted to provide active portfolio management for better liquidity and opportunities.



The tangible investments will, through dynamic financial advisory services, engage in various restructuring involving revitalisation or commercialisation and other divestment proceeds from the various companies of Imo State that are in various stages of financial or operational health. The rationale will be to optimise returns on the investments without compromising the vision of sustainable development in the State. Options that will be considered include but not limited to non-divestiture i.e. leases, concessions, management contracts or divestiture approaches (full or partial privatisation or winding up).

This vehicle will, given its quasi-government nature, work with other organs of government to establish and mobilise social financing and pool capital into vehicles such as microfinance, mortgages, and cooperatives funding to support the cottage businesses, associations, cooperatives and establish business networks and ecosystems that support entrepreneurial development.

The project management and advisory responsibility of the vehicle will involve investment in non-recourse or limited recourse projects which cuts across the priority industrial sectors as well as real estate, tourism,



and technology. This could be carried out in partnerships with other local or international institutions. Where a special purpose vehicle has to be created because of the participation of private players, the level of involvement will determine the associated company or subsidiary nature of the enterprise.

5.2 Institutional Framework for Implementation

This section highlights the governance framework necessary for the actualisation of the industrial policy.

5.2.1 The Role of the State Governor

The actualisation of the policy is ultimately the responsibility of His Excellency, the Governor of Imo State. He is the final authority, approver, and decision maker. For effective coordination, however, an Imo State Industrial Development Authority (ISIDA) will be established.

5.2.2 Imo State Industrial Development Authority (ISIDA)

The ISIDA will be set up by law to ensure continuity and sustainability. That way, the policy will be shielded from the vagaries, complexities, and dynamics of politics and powerplay. The key roles of ISIDA will, amongst others, include the need to:

- i. Ensure the implementation is consistent with the policy's "Vision and Goals";
- ii. Secure funding for the development and operation of projects;
- iii. Manage material project operational issues and risks;
- iv. Engage and manage different stakeholders (especially investors.); and
- v. Review and update the industrial policy based on informed trends, evidence, and priorities.



06

Monitoring and Evaluation

6.1 Framework for Monitoring and Evaluation

The Imo Industrial policy document recognises the importance of initiating an effective Monitoring and Evaluation (M&E) system for the policy to be successfully implemented.

The guiding principles for the implementation will: aim at quarterly programme targets; detailed identification of new investments, sectoral expansion, employment rate, success based on key companies, plant improvements and the investment flow.

The aim of monitoring and evaluation is to track progress in the implementation of the policy, ensure transparent collection and reporting of the results of the implementation strategies.

A monitoring and evaluation team will be created to collaborate with the policy's implementers to ensure constant progress in execution.

6.2 Suggested Performance Metrics

No	Metric	Description
1	Employment rate	Track employment rate and level of inclusiveness.
2	Progressive revenue	Tracking of progress of corporate revenues of the local companies in each sector.
3	Plant Improvements	Tracking and reporting the plant development levels of the top local companies in each sector
4	Sectoral Expansion Plans	Track the major expansion over time of the top local companies in each sector
5	New Investments	Track major new investments and announcements in each sector
6	Trade Balance	Track growth in exports from largest players in each sector and monitor imports trends for key products in each sector

6.3 Interface with other development plans

The Imo Industrial Policy recognises the development plans at the National Level that are complementary to its goals. Of direct linkage to the State's Industrial Policy is the Nigeria Industrial Revolution Plan (NIRP) which also interfaces with the National Development Plan. The Implications of these plans on Imo State will have to be identified, adapted, and developed for the State through consultation with the relevant State and National Agencies. The identified plans are as follows:

No	Plan	Relevant Ministry
1.	2050 Vision	Federal Ministry of Finance, Budget and National Planning
2.	Infrastructure Master Plan	Federal Ministry of Finance, Budget and Nation Planning
3.	Gas Master Plan	Oil and Gas Ministry
4.	National Asset Mapping Exercise	Chief Economic Advisers Office
5.	Transport Strategy	Transport Ministry
6.	Solid Minerals Policy	Solid Minerals Ministry
7.	National Trade Policy	Ministry of Industry, Trade and Investment
8.	Job Creation	Office of the Vice President
9.	Digital Economy Development Plan	Ministry of Communications and the Digital Economy



07

Conclusion

This industrial policy proposes an industrialisation model that is triggered by the public sector but led by the private sector and is people-centred.

The policy makes recommendations that are anchored on the central objective of the policy to achieve economic growth and diversification through inclusive and sustainable industrial development in line with national priorities. To increase the local content of industrial output, manufacturing parks and clusters will be strategically located to foster the optimal utilisation of local resources.

The strategic action plan is designed for short term, medium term and long term strategic goals while the strategic direction focuses on attracting domestic and international investors; support MSMEs to create jobs and achieve inclusive growth; catalyse local private investment; leverage the Diaspora input to drive industrialisation of the State; unlock public capital for investment, etc. This policy document recognises the importance of initiating an effective Monitoring and Evaluation (M&E) system for successful implementation.

The guiding principles for the implementation will: aim at quarterly programme targets; detailed tracking of new investments, expansion, jobs created, success based on identifiable companies, plant improvements and investment flow. In addition, it will have an inclusive institutional and implementation framework to facilitate effective implementation. The goal of the monitoring and evaluation structure is to track progress in implementation, identify gaps and develop potential focal areas for further implementation.

With this policy, Imo State industries are expected to assume an internationally competitive status and thoroughly empowered to engender shared prosperity for the State. Perhaps we are about to see a quiet, but fast and noticeable economic revolution in Imo State, powered by a vibrant small business sub-sector.



The actualisation of the policy is ultimately the responsibility of His Excellency, the Governor of Imo State. He is the final authority, approver, and decision maker.

With technical support from the
United Nations Industrial Development Organization

