

Fashion Industry In Nigeria



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About ACCI

Abuja Chamber of Commerce and Industry was established in August of 1986 as a Company Limited by Guarantee with the principal objective of promoting economic and industrial development within the FCT in particular and Nigeria in general.

It is a non-partisan, non-sectarian, member-funded Organisation solely representing the common interests of the business community in the FCT. The Chamber is privately funded by Corporations, Foundations and Members, therefore its energies are directed by the interests of the business community and the general public.

INTRODUCTION



The fashion industry in Nigeria holds great promise as employer of labor, contributor to God and wealth creator for collective prosperity. Linked closely with the entertainment industry, this sector is still not fully tapped into as Nigeria's share of Africa's worth of the industry is still very low.

The policy brief presents this industry as an area of interest for sub-national governments and budding entrepreneurs. The potentials are huge. We spotlight critical policy intervention areas.

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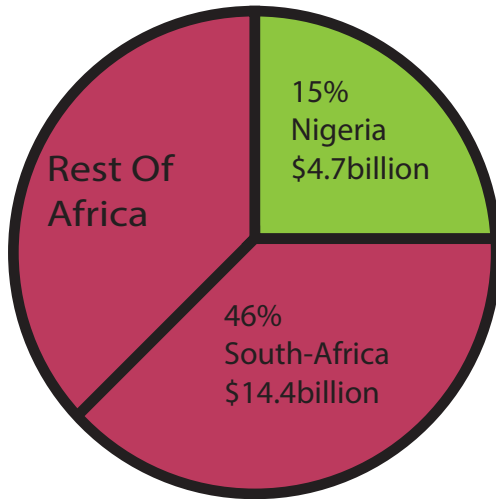


Context Brief

Over the last decade, the world has seen a rise in the demand for fashion outfits from various parts of Africa, and more specifically, Nigeria. This is directly connected to the emergence of the Nigerian entertainment industry (Music and Nollywood) as big players in the global space, thanks to technology that has allowed direct access to consumer distribution of music, music video, movies, and all sorts of content like never before.

According to a report by Stears Business titled “The State of the Nigerian Fashion Industry in 2019”, the global fashion industry is worth over \$2.5 trillion, with Africa’s share estimated at less than 1% of that amount. Digging further into that report, it also indicated that the Sub Saharan Fashion Industry is worth \$31 billion, with Nigeria accounting for 15% of that amount (\$4.7 billion). Those figures are low when compared to a country like South Africa, which has about 46% market share of the Sub Saharan Fashion Industry (\$14.4 billion).



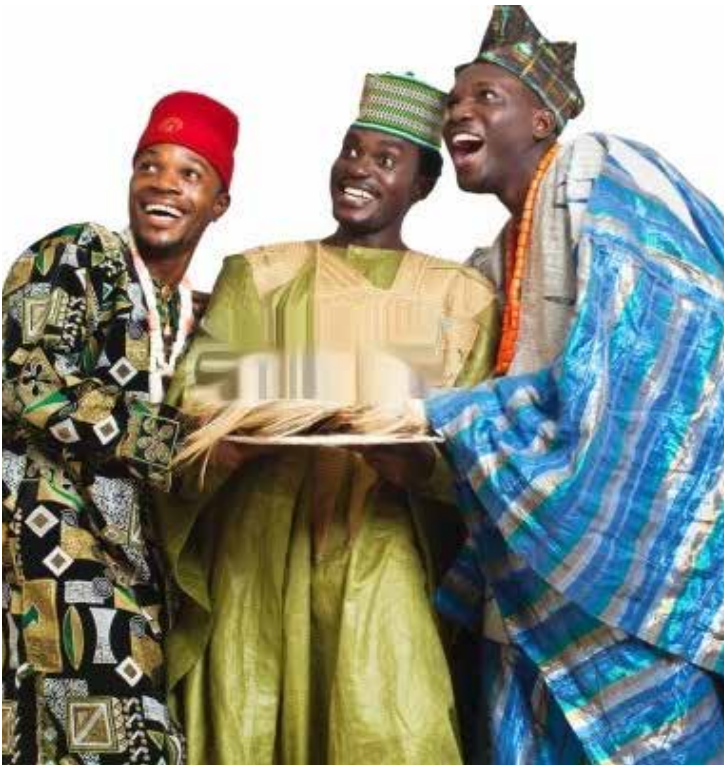


Market share of sub saharan Fashion Industry

Nigerian clothing usually revolves around casual attire. There is always traditional or formal attire which varies on the occasion.

The Agbada is an attire which is commonly paired as a 3-piece set; an open-stitched full gown, a long-sleeved shirt, and Sokoto (trousers that are slim along the ankle) that is mostly worn in the North & Western part of the country.

The Isiagu is a top that is patterned with some lion heads embroidered in the clothing and worn with trousers and traditional striped hats can be found in the eastern part of Nation.





Current State Of The Industry

The Nigerian fashion industry is very vibrant at the moment and is able to cope with national demand. A lot of designers and tailors are inundated with requests for clothes and some have their unique styles. But looking at the industry from the angle of international standard or best practice, it is still underdeveloped and exports are lagging behind, which should be a major source of income for the country.

Nigerian fashion industry has experienced a downturn in the projected growth that came out of interests that the global market expressed especially after movies such as Black Panther and The Queen of Katwe where African fashion was strongly showcased and illustrated.

The industry challenges have been long running even before the advent of Covid-19 and the aftermath of the pandemic will only create more deficit in the system. The industry is in dire need of funding as government prefers to fund other projects where they believe they can yield the most revenue. The lack of power supply to make cost of production relative cost effective to the near collapse of the textile industry which serves as raw materials and the lack of skilled labour has limited the ability of the industry to compete globally given its known potentials.



Policy Instrument For Implementation

The outbreak of the coronavirus pandemic has affected billions of people worldwide and it is also having a growing impact on the global economy. This event has shed more light on the Nigerian Fashion Industry potentials of becoming one of the main drivers of the economy in the not too distant future, especially given Federal Government plans to increase Nigeria's non-oil export. With the government having recently made Creative Industry eligible for Pioneer Status Incentive (a tax holiday of up to five years) it will go a long way in repositioning the sector.

To further spur growth of the industry, there's a need to firmly address some lingering legal issues which includes:

POWER

Power in Nigeria is a huge challenge for most industries including the fashion industry. The costs of fueling generators outweigh the retail prices of the piece of clothing or material to be sold. However due to this major challenge, fashion designers have to run generators for a long period of time thereby spending excess money on fuel and slows down the production hub.

FUNDING

The artisanal business support grant by government for businesses which also includes the fashion industry should be seen more often in the sector as these initiatives help boost businesses especially those in the SMEs category and it should be well publicized.

REVITALIZATION OF THE TEXTILE AND COTTON INDUSTRY

The textile and cotton industry in Nigeria should be given a phase lift considering the year of neglect. They serve as the platform where raw materials are produced for usage in the fashion industry. The announcement by the central bank to end importation of textile and cotton material by adding them on list of items ineligible for foreign exchange in order to encourage local production is a welcomed development



ESTABLISHMENT OF RETAIL OUTLETS

The importance of Retail outlets in the industry cannot be over emphasised. It helps in the expansion of a Designer's business, it increases the popularity and local credibility of a designer, some consumers prefer to patronise stores that are unique and a part of their community, and it makes purchasing goods convenient where stores are located close to consumers.

INTELLECTUAL PROPERTY RIGHT (IPR)

Designers in Nigeria face a complex landscape when it comes to protecting their Intellectual rights. The National Intellectual Property Offices should be continually strengthened in order to establish effective synergies with various ministries and government agencies, such as the Ministries of Trade and Industry and Culture and Tourism, in formulating national policies incorporating the fashion design industry.

TRAINING AND RE-TRAINING OF DESIGNERS

Training seminars on the value-added benefits of in the fashion industry should be organized to sensitize designers on the best practice to adopt when conducting their business especially the use of technology to boost their businesses.



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