



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

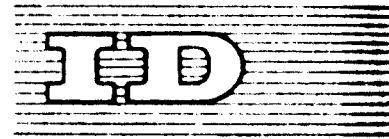
CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org



D00854



Dist.
LIMITED

ID/EG.53/5
10 April 1970

ENGLISH
Original: FRENCH

United Nations Industrial Development Organization

Training Workshop on Extension Services for
Small-scale Industry in the West African
Sub-region

Dakar, Senegal, 25 May - 4 June 1970

THE POLICIES OF THE GOVERNMENT OF NIGER
IN REGARD TO SMALL-SCALE INDUSTRY ^{1/}

by

Dankassou Bako
Chief of Division
Industry Service
Ministry of Foreign Affairs
Niamey, Niger

^{1/} The views and opinions expressed in this paper are those of the author and do not necessarily reflect the views of the secretariat of UNIDO.

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

Since the accession of Niger to independence, its people have faced up to the problems of an under-developed country and are seeking solutions to these problems in harmony and peace, endeavouring, with the help of countries which are already economically advanced, to combat under-development, with all its stultifying effects.

Such problems cannot be solved without a dynamic economic policy based on industrialization. This policy takes concrete form in a detailed national plan for industrialization. The investments indicated by the ten-year development forecasts as being required for the development of industry - the establishment of new industrial units or the expansion of already existing units in Niger - are substantial.

Where are the resources to be found for the achievement of the target fixed?

The Government considers that exports of our agricultural and livestock products must be increased, internal sources of savings must be expanded, public capital must be increased and, lastly, foreign capital must be attracted into the country.

Niger's industry is characterized by the fact that it accounts for a very low share of national productive activities. The share of the industrial sector in the gross domestic product is almost insignificant: 5-6 per cent in 1967 and 8.5 per cent in 1968, with a level of 13.5 per cent expected at the end of the ten-year period covered by the forecasts - in 1977. These figures give an indication of the under-developed state of industry in Niger.

The remainder of the gross domestic product is dependent on the primary sector (agriculture and the raising of livestock), in which almost the whole of the working population is employed. The Republic of Niger is thus strictly an agricultural and stock-raising country. Consequently, the industrialization process, which will lead gradually to the general transformation of economic and social structures under the impulse of industry, must begin with industrial activities enabling the living levels of the masses to be raised. During the first stage of industrial development, industries must be developed which will increase the productivity of the other economic sectors, agriculture and stock-raising, through the processing and utilization of agricultural raw materials and the production of fertilizers and simple agricultural equipment which can be purchased and operated by the peasant.

With regard to the policy of industrial expansion, investments are always welcome in Niger, and receive maximum facilities from the Government. The Industrial Expansion Office (Bureau d'expansion industrielle) of the Ministry of Economic Affairs, Commerce and Industry has the task of establishing good relations with the promoter. The promoter deposits with the Office a technical dossier on his intended industrial project. The Office studies this dossier and assesses the economic viability of the project and its value to the economy of Niger as a whole.

After approval by the Investments Commission, the project is carried out. The Development Bank of the Republic of Niger (Banque de développement de la République du Niger) as financing facilities and, through its "development" department, can grant assistance in the form of short-term or medium-term loans.

There are thus two governmental agencies devoted to the development of industry.

In the large towns of Niger, there are many small workshops intended solely to meet the needs of the districts or the town where they are situated, employing between one and five workers. The owners of these small workshops are frugal and reinvest their profits in their businesses.

The workshops have thus grown in importance, developing from strictly family businesses to businesses employing workers not belonging to the family. As time passes and the market expands, these workshops become small factories employing up to 20 or 30 workers and having a substantial turnover.

They consist of joiners' shops, most of which limit their activities to making doors and windows of metal or wood or wood and metal furniture (which can replace imports because newly developed wooden furniture products are often of higher quality than imports).

These celebrated businesses, to be found especially at Niamey, are in a position to develop further and diversify their production.

We hope that the technicians to be sent by UNIDO to study the industrial situation will also consider the possibility of diversifying the activities of these enterprises.

There are a number of indigenous heads of handicraft-type and small-scale concerns who are dynamic and keep on the watch for possibilities of technical, financial and administrative assistance made available by the Government.

The policy of the Government for promoting small-scale industry and handicrafts is embodied in the system of bringing together small industrialists and artisans in an area set aside for economic activity - the industrial estate.

The establishment of the first industrial estate at Niamey will be the first step towards organizing and developing small-scale industry, and training and furthering the advancement of heads of enterprises.

Project for the establishment of an industrial estate at Niamey

1. Geographical characteristics of the site

In the industrial zone at Niamey, beside the airport road, a tract of 8 hectares is reserved for small-scale industry and small-scale-type businesses. This site, selected by the Government, offers advantages for this category of industry.

2. Economic and political aspects of the project

The Government intends to promote small-scale industry through the establishment of industrial estates. By means of this policy, it will be possible to develop the private sector, to select and train heads of enterprises and to enable them to take their places in industry and to participate in the industrial development of Niger.

In view of the numerous difficulties encountered by the small industrialist to begin with, he often needs guidance, help and support in over-coming obstacles - in regard to administrative or financial formalities, everyday management techniques (accounting, supplies, marketing), technical know-how and the choice of machines and tools, the methods to be used in order to produce quality articles at competitive prices, etc.

To meet this need, it is intended to establish an Office for the Promotion of Small-scale Industry and Crafts (Office de Promotion des petites industries et de l'artisanat) with the purpose of helping to remove these obstacles.

It has been recognized that industrial estates offer a particularly effective means of encouraging and assisting the establishment, expansion and modernization of small-scale industries. This method seems to have produced satisfactory results in Senegal and in other African countries.

The Government is convinced that the adoption of such policy could, if successful, bring considerable advantages to our country. The establishment of new industrial production units would allow the replacement of some of our imports; secondly, new and more productive jobs could be created (with a consequent reduction in unemployment), and new indigenous entrepreneurs would be encouraged - hence the need to act quickly.

The project, to be carried out in stages over three years, involves:

The general preparation of the estate;

The construction of buildings for common services (administration; common warehouses; a mechanical, electrical, maintenance and repair shop, etc.);

The establishment of twelve factories in an allotted period of between two and three years.

3. Financial aspects of the project

The financing of the project, spread out over three years, would be effected as follows:

The final figure for the contribution of the United Nations Development Programme will probably be US\$135,000 broken down as follows:

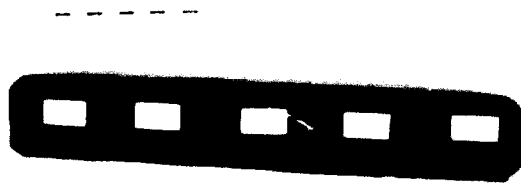
1. Experts	\$ 76,000
2. Fellowships and training	\$ 26,000
3. Equipment	\$ 33,000
Total	<u>\$135,000</u>

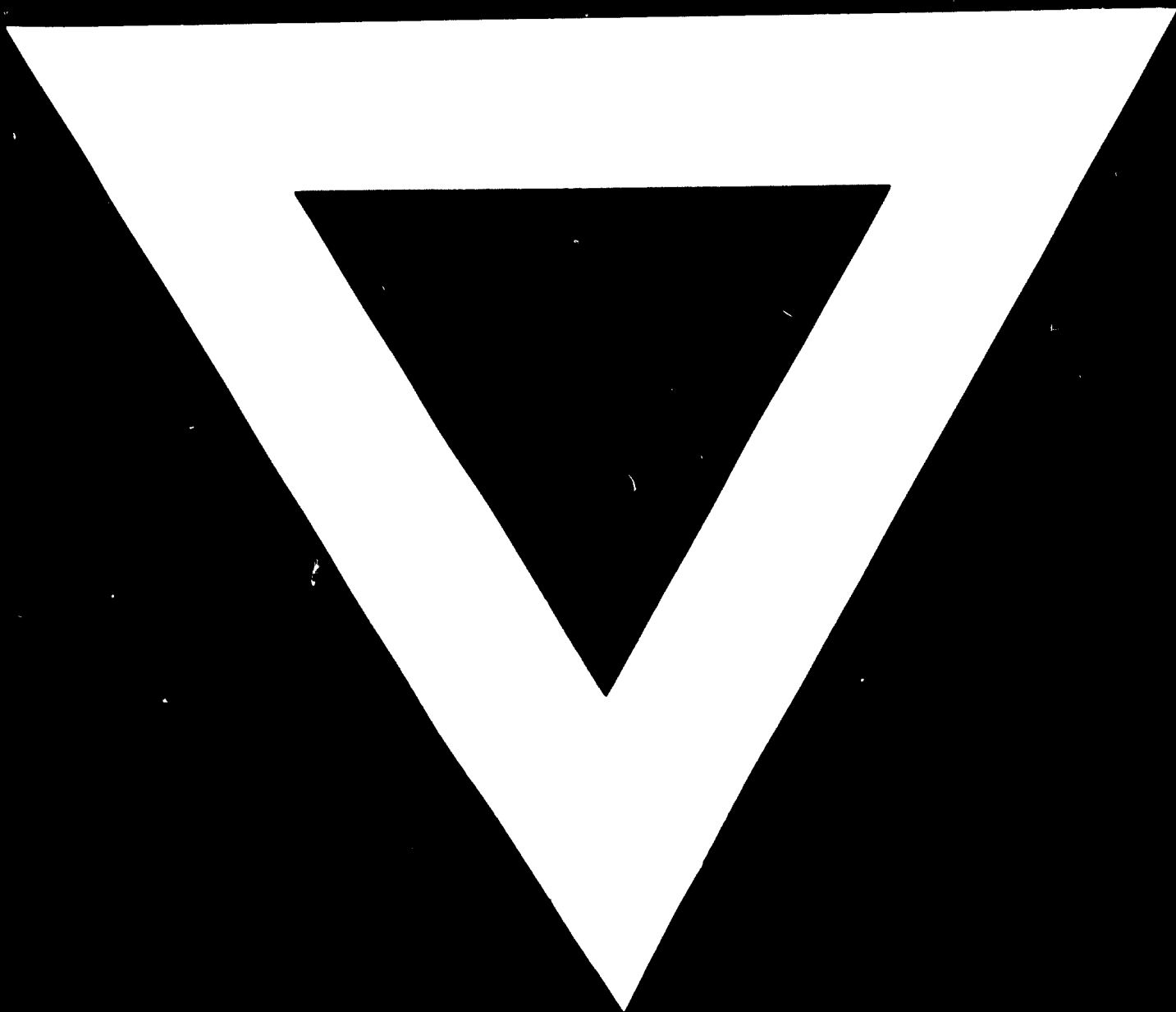
Niger's counterpart contribution would be about 32,410,000 CFA francs, made up as follows (in thousands of CFA francs):

	<u>1st year</u>	<u>2nd year</u>	<u>3rd year</u>	<u>Total</u>
Personnel	-	1,370	1,990	3,360
Miscellaneous	-	2,850	1,600	4,450
Site preparation	-	8,000	4,000	12,000
Construction	-	8,550	4,050	12,600
		<u>20,770</u>	<u>11,640</u>	<u>32,410</u>

A portion of these expenses which cannot yet be precisely evaluated will be charged to the industrialists who set up establishments in the estate, the remainder being paid by the Government.

The Government is interested in seeing this project succeed. Thus, for the final preparation of the project, it has just requested UNDP for the advance recruitment of two UNIDO experts: an industrial engineer to serve as project manager, for two years, and an industrial economist for a year and a half. Upon their arrival, it may be possible for the project to commence.





22 . 3 . 74