

COMMUNIQUE ISSUED AT THE END OF THE NATIONAL CONFERENCE ON TYRE VALUE CHAIN IN NIGERIA WITH THE THEME “STRATEGY FOR RESUSCITATING THE TYRE INDUSTRY IN NIGERIA” HELD AT TAHIR GUEST PALACE, KANO ON THE 17TH APRIL, 2018.

1.0 PREAMBLE

Nigeria imports large quantity of tyres annually as the production of tyres is almost non-existent, survey shows that there are over 20 million tyres consisting of 120 different brands imported annually. The various challenges faced in tyre manufacturing, the trend of massive importation and open sales of foreign used tyres have prevented the resuscitation of the collapsed tyre industry in Nigeria. Industry professionals believe that the lowering of import duties among other things has led to a not loss of \$133 million by manufacturers and the loss of over 30,000 jobs when the companies folded up. Worried by the ugly trend of development in the tyre industry, NADDC convoked this conference with the theme “**Strategy for Resuscitating the Tyre industry in Nigeria**”. This was part of the efforts to implement the Nigeria Automotive Industry Development Plan (NADP).

The conference had the following objectives among others:

- (i) Bringing together all major stakeholders in the tyre industry in Nigeria to discuss the prospects and problems facing the industry;
- (ii) To highlight economic and investment potentials inherent in the tyre industry in Nigeria.
- (iii) To proffer solutions and ways forward for the growth and development of the tyre industry in Nigeria.

After exhaustive discussions on the papers and extensive deliberations on the state of affairs of the tyre industry in Nigeria, the workshop rose with the following observations and recommendations as its resolutions:

- (a) Government, through its agencies should redouble efforts in the enforcement of safety standards and regulations in the importation, distribution, sales and usage of tyre in Nigeria;
- (b) Public-private sector collaboration should be pursued and encouraged with a view to creating the necessary synergy for tyre industry to grow and prosper;
- (c) Both the Government and the organized private sector should invest maximally in tyre industry because of its huge economic potentials and contributions to Gross Domestic Products (GDP);
- (d) The conference observed that the revalidation and resuscitation of tyre industry is critical to automotive development in Nigeria and enjoined government to encourage local production of tyres through policy initiatives and deliberate incentives;
- (e) The conference urged the OEMs who had earlier stopped production in Nigeria to reverse their decisions as some of the challenges they faced in the past are being addressed and the environment is now conducive for them to grow and thrive;
- (f) The conference called for continued stakeholders collaboration, engagement and advocacy for tyre industry to thrive in Nigeria;
- (g) The conference equally called for strict enforcement of ban on used and sub-standard tyres in Nigeria. The existing collaboration between NADDC, SON, Federal Ministry of Finance, Nigeria Customs Service and FRSC should be reinvigorated to ensure that fake and sub-standard tyres do not find their ways into Nigeria any longer;
- (h) The Conference urged government to, through policy interventions, protect the tyre industry from the vagaries of unwholesome competition from abroad. Specifically, Government should engender the resuscitation of Michelin and Dunlop, the prime players in the industry and equally encourage others to come in;

- (i) The conference noted that Nigeria has strategic comparative advantage in tyre production especially in the West African Sub-region because of the abundance of necessary raw materials for tyre production;
- (j) The conference noted that the size of the Nigerian market for tyre production is about 6 million tyres annually; consisting of 4 million cars and 2 million trucks with a market value of about \$1 billion and this provides a huge opportunity for local manufacturing;
- (k) The conference urged Government to improve tyre manufacturer's access to gas at reasonable price backed with reliable supply;
- (l) The conference equally called on government to intensify efforts in solving the problem of power supply which is the most critical infrastructure for tyre production;
- (m) There should be periodic monitoring and evaluation of the implementation of NADP by auto assembly plants, auto dealers/franchise owners, Nigeria Customs Service, Ministry of Finance, SON and NADDC to ensure compliance;
- (n) The conference noted that the resuscitation of tyre industry in particular and the manufacturing sector in general require tremendous political will on the part of Government;
- (o) The conference also called for adequate and long-term plan for the resuscitation of tyre industry as it is long term in nature;
- (p) The conference urged government to empower SON to confiscate any sub-standard and second-hand tyres in Nigeria;
- (q) The conference equally enjoined state governments to be part of the efforts to resuscitate and develop the tyre industry;
- (r) The conference called for a policy framework for the tyre industry and this policy framework should be legislated upon to avoid policy summersault in future. The will boost investors' confidence;

- (s) The conference called on Government to establish a finance scheme for the tyre industry preferably accessible at single digit interest rate; and
- (t) The conference agreed that NADDC should set up a stakeholder committee as a matter of urgency to work on Nigerian Tyre Policy as was done in cement industry. The committee should equally serve as working group for the implementation of this communiqué.

2.0 CONCLUSION

Stakeholders and participants were unanimous in commending NADDC and other stakeholders for organizing this important conference. However, they urged the Council and other relevant government agencies to ensure that the recommendations made here are implemented. The communiqué was adopted through a motion moved by Col. (Rtd) Alope Dutt of Infinity Tyres Ltd and seconded by Olu Tikolo of Kia Motors Nig. Ltd.