

**AN ANALYSIS OF THE IMPACT OF IMPORTATION ON DOMESTIC
CONSUMPTION IN NIGERIA FROM 1981-1995: IMPLICATIONS FOR PUBLIC
RELATIONS.**

A

PROJECT REPORT

BY

OKEKE, TITUS CHUKWUEMEZIE
PG/MSc/98/45858

**SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR
THE AWARD OF MASTER OF SCIENCE (MSc) DEGREE IN
(MARKETING) PUBLIC RELATIONS.**

**PUBLIC RELATIONS PROGRAMME
DEPARTMENT OF MARKETING
FACULTY OF BUSINESS ADMINISTRATION
UNIVERSITY OF NIGERIA
ENUGU CAMPUS**

MAY, 2000.

ABSTRACT

This project is an Analysis of the Impact of Importation on Domestic Consumption with Implications for public Relations. It covers a period of fifteen years from 1981 to 1995.

Imported products have created a peculiar kind of taste in Nigeria with a notable mistrust and disbelief in goods made in Nigeria. The study was therefore necessitated by the need to analyze the structure of the Nigeria products market.

Accordingly, the objectives of the study are:

- To attempt to determine the size and structure of the Nigerian products market for the period under study;
- to determine the trend of the various components of domestic supply/structure of the products market;
- to attempt to find out the income and expenditure pattern of Nigeria consumers/households; and
- to outline public relations roles in creating awareness about critical issues of consumption and development among others.

Both the historical and survey method of research design were employed for the study. For the survey research, questionnaire was used to elicit information from consumer respondents on the products they buy and their reasons for buying them. Oral interviews were also conducted among public relations officials to find out what they do in creating awareness for consumption and in supporting marketing. For historical analysis/research, which is the main trust of the project, data were sourced from the Federal Office of Statistics and Central Bank of Nigeria. The products studied were grouped into four: foods, beverages and tobacco; manufactured goods; chemicals, soap and detergents; and machinery and transport equipment. For these four groups of products, data were gathered on domestic

production, import and export. From these, total domestic supply and domestic consumption were computed for the fifteen years. Imports as percentage of total domestic consumption was also computed for each of the years.

Trend analysis was employed against the figures of import and domestic consumption. For the foods, beverages and tobacco, the beta coefficient from the analysis is 0.109238. This means that with a N1000 million increase in domestic consumption, import will increase by N109 million. This also means that this group of products is approximately 11 percent import dependent. The analysis also shows that domestic consumption of manufactured goods is 62 percent import dependent while, the consumption of chemicals, soap and detergents; and machinery and transport equipment are 96.7 percent and 99.9 percent import dependent respectively.

Imported goods have been raised to the level of status symbols and are also responsible for the significant decline in capacity utilization in the manufacturing subsector. Imports should supplement domestic production and not supplant it.

There is need for public relations to engage in serious and continued research to support the consumption of locally made goods alongside imported ones. Again, public relations should serve to marshall national resources and help in strengthening cultural identity and national independence. Most importantly, public relations using communication and research as its tools should assist in redirecting marketing efforts more productively.

One major purpose of development is to achieve macro economic stability. Based on this, trade liberalization and macro economic interactions: a relational analysis is recommended as an area for further study.