Investment Climate and Business Environment Research Fund

TRUSTAFRICA IDRC | CRDI

Funding Youth Entrepreneurship in SMEs: A Panacea for Youth Unemployment in Niger-Delta, Nigeria

By

Prof. A. C. Nwosu[1]*, Rev. Prof. O. O. Ukoha*, Dr. O. R. Iheke*, Dr. C. A. Emenyonu **, Prof. J. I. Lemchi, Dr. D. O. Ohajianya**, and Mrs. C. C. Emenyonu****

ICBE-RF Research Report N0. 63/13

Investment Climate and Business Environment Research Fund

(ICBE-RF)

www.trustafrica.org/icbe

Dakar, October 2013

** Michael Okpara University of Agriculture Umudike, Nigeria*
*** Federal University of Technology, Owerri, Nigeria*

[1] Contact : aloysius_nwosu@yahoo.com

This research was supported by a grant from the Investment Climate and Business Environment (ICBE) Research Fund, a collaborative initiative of TrustAfrica and IDRC. It's a working paper circulated for discussion and comments. The findings and recommendations are those of the author(s), and do not necessarily reflect the views of the ICBE-RF Secretariat, TrustAfrica or IDRC

Abstract

The objective of this study was to identify profitable and viable SMEs which could form a basis for an economic empowerment programme for the unemployed youths in the Niger Delta Region. The focus of the study is on SMEs with a capital base of not less than one million Naira and not more than 10 million Naira and which are registered with the co-ordinating agency of government. A survey of SMEs was conducted in four major urban centres of Aba in Abia state, Uyo in Akwa Ibom state, Benin in Edo state and Port Harcourt in Rivers state and their environs. The cities were purposively selected because they are known centres of economic activities around which industrial establishments and SMEs cluster in the region. The SMEs were registered by government agencies, under eleven categories, with unequal number of enterprises. One hundred enterprises were purposively selected in each of the four centres ensuring that all enterprise types, in each category, were represented. Simple analytical tools were used to address questions that would be uppermost in the minds of the youths, financing agencies and governments in the region. The youths would want to engage in SMEs that would provide remunerative incomes overtime. The investors or funding agencies/institutions would worry about the viability of the enterprise and the ability to pay back. Applying the simple analytical tools of total factor productivity, net income (NI) and rate of return on total investment (RRTI), the best ten performing SMEs were selected as indicated below for the states.

Abia: metal fabrication, garments, interlocking tiles, concrete electric poles, printing works, saw mills, metal construction, paints, air conditioner and refrigerator repairs and restaurant.

Akwa Ibom: paints, oil palm processing, garment/fashion, furniture works, leather bags, bakery and confectionery, metal construction, electronic repairs, brick making and wood arts.

Edo: Auto electric, air conditioner and refrigeration, fish production, candle production, oil palm processing, auto mechanics, wood arts, metal works, poultry production and garment/fashion.

Rivers: Hair dressing, fish production, metal works, oil palm processing, foot wears, aluminum and glass fabrication, cassava processing, air conditioner and refrigeration, block moulding, restaurant.

In view of the massive and growing unemployment situation in the region, as in other parts of Nigeria, the government may show more interest in SMEs that are not just profitable, but have greater potentials to create employment. The average number of persons currently employed per enterprise type is here used as a proxy for employment generating capacity, and has been used to select SMEs that have the greatest potential for generating employment, as indicated below for the states.

Abia: Bakeries and confectioneries, computer repairs, wheel balancing, mechanic works, soap and detergents, paints, wood arts, panel beating and painting, hair dressing, metal fabrication and livestock feed production (formulation).

Akwa Ibom: Foot wear, insecticide production, paints, furniture works, metal works, bakery and confectioneries, oil palm processing, soap and detergents, metal fabrication, and table water.

Edo: Furniture works, printing, electronic repairs, cassava processing, piggery, candle production, garments, aluminum and glass fabrication, auto mechanics and air conditioner/refrigeration.

Rivers: Metal works, aluminum and glass fabrication, poultry production, garments, printing, air conditioner/refrigeration, block moulding, restaurant and bar, and bakeries and confectioneries.

According to the SMEs operators, some of the problems that constrain their performances are peculiar to their businesses. There are however, three pressing problems that are common to most of them. These are inadequate funds, epileptic power supply/rising energy costs and inadequate training facilities/opportunities. The problem of inadequate and epileptic power supply is considered a major drag on the development of industrial activities across the Nigerian economy. Even if funds are provided, the full potentials of the SMEs may never be realized unless the pressing and increasing problem posed by the degenerating power supply situation is resolved.

Acknowledgement

This study was made possible by the funding provided by the Investment Climate and Business Environment (ICBE) Research Fund, a collaborative initiative of TrustAfrica and IDRC; and so the management and staff, team leader and co-researchers of Michael Okpara University of Agriculture, Umudike are very grateful to the management and staff of ICBE. We thank in a special way, Dr. Sunday Khan; Facoumba Gueye and other administrative officers for the prompt way they attend to correspondences.

Once again we say thank you.

Table of Contents

Abstract ii

Acknowledgement iv

Table of Contents v

List of Tables vii

1.0 Introduction 8

1.1 Background Information 8

1.2 The Problem 8

1.3 Research Questions 9

1.4 Objectives 10

1.5 Expected Output 10

1.6 Justification 11

2.0 Literature Review 11

2.1 Introduction 11

2.2 Concept and Definition of SMEs 11

2.3 Characteristics of SMEs 13

2.4 Productivity and profitability of SMEs 14

2.5 SMEs and Employment Generation 14

2.6 Potential Sources of Finance for SMEs 16

2.7 Funding Viable SMEs 17

2.8 Challenges of SMEs in Nigeria 17

3.0 Methodology/Research Design 18

3.1 Introduction/Types of Research Design 18

3.2 Area of Study 19

3.3 Data Requirement 19

3.4 Population of Study 19

3.5 Sampling Procedure 19

3.6 Instrument for Data collection 20

3.7 Process of Data Collection 21

3.8 Pilot Testing 21

3.9 Data Analysis 21

4.0 Results and Discussions 22

4.1 Characterisation of SMEs 23

4.1.1 Types of SMEs 23
4.1.2 Age of SMEs 26
4.1.3 Ownership Structure of SMEs 28
4.2 Assessment of the Productivity and Profitability of SMEs 29
4.2.1 Assessment of TFPs of SMEs 29
4.2.2 Assessment of the Profitability of SMEs 32
4.2.3 Rate of Return on Investment 34
4.3 Wage Rates and Employment Generating Capacities of SMEs 36
4.3.1 Wage Rates 36
4.3.2 Employment Generating Capacity 39
4.4 Capital Investment in SMEs 40
4.4.1 Initial Capital Investment 40
4.4.2 Growth in Capital Investment 41
4.5 Identification /Selection of the Recommended SMEs 44
4.5.1 Recommended SMEs Based on Capacity to Generate Remunerative Income 44
4.5.2 Recommended SMEs Based on Potential to Generate Employment 44
4.6 Constraints Facing SMEs 44
4.7 Training Needs of SMEs 46
5.0 Summary, Conclusions and Recommendations 47
5.1 Summary 47
5.2 Conclusions 49
5.3 Recommendations 50
Annexes 54

List of Tables

Table 1: Frequency and percentage Distribution of Enterprise Types in Niger Delta 24
Table 2: Characterization of (SMEs) With Respect to Age and Ownership Structure 28
Table 3: TFPs of Enterprise Categories. 29
Table 4: TFP Indices for Enterprise Types 31
Table 5: Annual net Incomes (NI) Per Enterprise 32
Table 6: Rates of Return on Total Investment (RRTI) in SMEs 35
Table 7: Wage Rates and Levels of Employment in SMEs 38
Table 8: Average Initial Capital Requirement (N) 41
Table 9: Average Annual Growth Rate (%) in Capital Base of SMEs 43
Table 10: Problems militating against SMEs in the Niger Delta, Nigeria 45
Table A. 1: Frequency and Percentage Distribution of Entrepreneurs According To Enterprise Activity in Abia State 54
Table A. 2: Frequency and percentage distribution of entrepreneurs according to enterprise activity in Akwa Ibom State. 55
Table A. 3: Frequency and percentage Distribution of Entrepreneurs According to Category of Enterprise Activities in Edo State 56
Table A. 4: Frequency and percentage Distribution of Entrepreneurs According to Category of Enterprise Activities in Rivers State 57
Table A. 5: Total Factor Productivity (TFP) Measures for Abia 58
Table A. 6: TFP Measure for Akwa Ibom State 59
Table A. 7: TFP Measure for Edo State 60
Table A. 8: TFP Measure for Rivers State 61
Table A. 9: Annual Measures of profit and profitability for Akwa Ibom state 62
Table A. 10: Annual measure of profit for Edo 64
Table A. 11: Annual Measures of profit and profitability for Rivers state 65
Table A. 12: wage rates and employment generating capacity for Abia 66
Table A. 13: Wage Rates and Employment Generating Capacities of SMEs in Akwa Ibom 67
Table A. 14: Wage Rates and Employment Generating Capacities of SMEs in Edo. 68
Table A. 15: Wage Rates and Employment Generating Capacities of SMEs in Rivers 69
Table A. 16: Evaluation of Access to funds and growth in Capital in Abia 70
Table A. 17: Evaluation of Access to funds and growth in Capital in Akwa Ibom 71
Table A. 18: Evaluation of Access to funds and Growth in Capital in Edo State 72
Table A. 19: Evaluation of Access to Funds and Growth in Capital in Rivers 73
Table A. 20: Selection of Recommended SMEs 74

1.0 Introduction

1.1 Background Information

The Niger Delta region is richly endowed with natural resources particularly, oil and gas. By the constitution of the Federal Republic of Nigeria, however, oil and gas and the revenue derived therefrom belong to the government and not to the individuals or communities which own the land. But, oil and gas extraction has been the source of grave pollution and environmental degradation which have had a devastating effect on the economy and wellbeing of the people in and around the communities. The resultant effects, in the communities have been abject poverty, lack of growth and deep-seated and long-lasting conflicts. Conflicts have arisen within and between the communities, and between the communities and the government and oil prospecting companies. The conflicts had escalated with the emergence of community-based militias and in the eruption of violence and armed struggle across the region.

In more recent times, most of the youths have laid down their arms and the government has granted general amnesty to the youths that have turned in their arms. Efforts are now geared towards reintegrating them into society. The Federal Government, in a bid to create employment and further build capacity in the Niger Delta has sent some ex-militants to foreign countries to undertake skill acquisition programmes. A recent newspaper report (The Nation, 2012) estimates that about nine hundred and seven youths (907) have been sent abroad either for skill acquisition or university education in places like the Philippines, South Africa, India, Poland and Sri Lanka. Some of the youths are to be trained in boat building, underwater diving, and other areas such as maritime and crane operation and pipe line welding to acquire skills that are relevant to the oil and gas sub-sector (Okoh, 2011).

To underscore the emphasis placed on youths and the need for greater government intervention some issues need to be reiterated. The need to create better opportunities for the youths has been brought to the front burner by the violent crises that have continued to rock the Niger Delta region. The youths have been at the forefront of the communal conflict and violence against other stakeholders in the oil and gas industry. The youths are largely unemployed, lack access to resources and live in abject poverty in their communities or migrate to a few urban centres where they still live in poverty (Orji, 2002). Recourse to armed struggle was seen by the youths as the only way to gain some share of the "national cake".

1.2 The Problem

The problem of the research stems from the fact that the approach adopted by the government to reintegrate and empower the youths is not inclusive enough. The youths sent abroad for skill acquisition and training are the more educated ones (especially graduates of tertiary institutions). They constitute a minority of the population of youths even though they are vocal and may have provided leadership during the armed struggle. The masses of the not so well educated youths have

remained unengaged and have grown restive from time to time. Many of them have migrated to urban centres in the region, trying to fend for themselves by hawking consumer goods, adopting rather unorthodox survival strategies that smack of portent entrepreneurship.

SMEs sector employs about 70% of the nation's industrial sector labour force, yet, it only accounts for about 10 to 15 percent of the total industrial output while utilizing only about 30 % of its installed capacity (Kadiri, 2012). Furthermore, SMEs are relatively better at creation of employment opportunities than large firms (Sanda *et.al,* 2001), yet, this potential is usually short lived due to poor access to credit.

A basic problem however, is that SMEs are severely handicapped in the tussle for financial resources. Commercial banks and other financial institutions are reluctant to lend to them, especially for reasons of small capital base and lack of collateral. The Central Bank of Nigeria (CBN) and other development banks (e.g. Bank of Industries) have not put in place an effective and widespread financing programme for SMEs (Ekpenyong and Nyong, 1992). This situation provides further rationale for embarking on this research project which aims at identifying profitable and viable small businesses that could benefit from a carefully packaged financing programme.

1.3 Research Questions

In view of the preceding paragraphs, certain research questions easily come to mind with respect to designing a financing package for SMEs. The first question is: which SMEs should be included? They must be SMEs that are profitable and viable and can provide remunerative incomes for the youths. The income should in the minimum be comparable to the minimum wage of the government. Other questions include the following:

- What is the employment generating capacity and growth potential measured by the number of persons meaningfully employed in the enterprise? This question is of primary importance to the agencies of government saddled with the responsibility of employment creation; and
- What is the initial capital investment and, what is the expected rate of return on invested capital? These questions are of importance particularly to financiers who are interested in the amount of money required as take off capital and the capacity of the enterprise to repay loaned funds.

1.4 Objectives

The broad objective is to identify viable and "bankable" SMEs which could form a basis for a youth empowerment programme in the Niger Delta region.

The specific objectives are as follows:

(i) Characterize small and medium enterprises (SMEs) with respect to the types of activities they engage in, age, and ownership structure.
(ii) Assess the productivity and profitability of SMEs on the basis of the input-output structure and the prices that prevailed in the last one year.
(iii) Evaluate the wage rates and employment generating capacities of SMEs on the basis of the average number of persons currently employed per enterprise type.
(iv) Evaluate the growth in capital investment since inception of the SMEs, with respect to the initial and current capital investments.
(v) On the basis of the findings, identify the most viable SMEs that could be recommended for funding.
(vi) Identify the major problems facing the SMEs and their training needs.

1.5 Expected Output

The first output of the study is a comprehensive report which serves the purpose of providing basic information on the SMEs. The report provides information on enterprise types/activities, mean age, ownership structure and initial capital investment- attributes used to characterize the SMEs. The report also provides information on the productivity, net income and the rate of return on invested capital- indices that formed the basis for selecting SMEs that are most profitable and viable and have the greatest potentials for generating remunerative incomes. The report moreover provides information on the employment generating capacities of SMEs. Furthermore, the report provides information on the major problems confronting most SMEs, and their training needs.

The second output of the study is the policy brief which has been published and disseminated by ICBE/TRUSTAFRICA.

The third outcome of the study is the findings dissemination workshop to which financial institutions (including CBN, BOI and commercial banks); government agencies including (NDE, NAPEP, NYSC, SMEDAN and Ministries of Youth Development) which have responsibilities for employment creation, poverty reduction and youth development; operators of entrepreneurship centres in the universities in Niger Delta; and over 40 of the sampled SMES were invited. In addition to providing useful information for policy making with respect to SMEs, a strong case was made in the workshop for programmes inaugurated by government agencies and/or financial institutions, to facilitate the entry of youths into the SME sub sector.

1.6 Justification

It is generally said that abject poverty and large scale unemployment of able-bodied persons are at the heart of the crises in the Niger Delta. Since large industries cannot, in the short run be expected to expand fast enough to absorb the teeming population of youths, and government cannot provide employment for a vast majority, it seems reasonable and economically cost-effective to try to "grow" the youths into their own businesses. The research is of the view that there is a pressing need to launch a financing programme to enable the unemployed and not so well educated youths engage in new SMEs or expand existing ones. The emphasis placed on SMEs as a strategy for empowering the masses of the less educated youth derives from, at least, three reasons. SMEs require relatively small amounts of money to set up. It is therefore easier to finance and proliferate them. Besides, SMEs are more amendable to technology based on local resources and conditions and adaptive to changes in the economic environment. Furthermore, SMEs do not require a great deal of managerial and supervisory personnel (e.g. accountants, engineers).

SMEs would appear to offer the best business option to reintegrate the youths of the Niger Delta into the economic life of Nigeria. A research project which would identify viable and bankable SMEs and, enhance the launching of financing programmes, to solicit funds for them, would appear worthwhile and justified. The thinking is that it will be more inclusive and cost-effective to establish the masses of unemployed youths of the Niger Delta in properly packaged and adequately financed and supervised SMEs.

2.0 Literature Review

2.1 Introduction

In this section, literature was reviewed on each of the specific objectives. An attempt was made to x-ray different works done by other researchers in relation to SMEs in Nigeria and elsewhere. For purposes of clarity the literature was reviewed under the following sub headings; concepts and definition of SMEs, characteristics of SMEs, productivity and profitability of SMEs, employment generation, and potential sources of funding for SMEs and challenges of SMEs.

2.2 Concept and Definition of SMEs

Copious literature exists on Small and Medium Enterprises (SMEs) written by various authors and in different languages and for various purposes (see, Daodu, 1997; Osinowo, 1997; Ekpenyong, 1992, and 1997; Olurunshola 2002; Egbong, 2004)). This fact underscores the essence, importance and relevance of SMEs in the development of any given economy. The experiences of developed economies in relation to the roles played by SMEs also buttress the fact that SMEs cannot be overemphasized especially in the economic development of Developing Countries. In order to highlight the significance of SMEs in relation to the growth and development of a given economy, SMEs have been variously referred to as the "engine of growth". This stems from the fact that

most countries that have focused on the SMEs sector have succeeded in achieving significant reduction of poverty and the attendant enhancement in the quality and standard of living, reduction in crime rate, increase in per capita income as well as rapid growth in GDP among other salutary effects. (Onugu, 2005). There appears to be a consensus that giving priority to SMEs brings meaningful transformation and prosperity and is vital for the overall development of the economy. SMEs provide opportunities for employment generation, greater resource utilization and when they produce intermediate products for use in large–scale companies, they contribute to the strengthening of industrial inter-linkages and integration. A vibrant, efficient and effective SME sub-sector generates many benefits for all stakeholders, employers, employees, customers and the entire economy. Employees require new skills and knowledge to improve their performance on the job and to compete with their counterparts in other parts of the world. Customers on their part tend to enjoy personalized service and attention because of the keen competition, focus and innovation, which characterise the operations of SMEs.

There is nevertheless, no universally accepted definition of small and medium scale enterprises (SMEs). This non universality of definition is supported by (Onugu, 2005); he posited that the classification of businesses into large-scale or small-scale is a subjective and qualitative judgment. In countries such as the USA, Britain, and Canada, small-scale business is defined in terms of annual turnover and the number of paid employees. In Britain, a small-scale business is defined as that industry with an annual turnover of 2 million pounds or less, with fewer than 200 paid employees (Onugu, 2005).

In Japan, a small-scale industry is defined according to the type of industry, paid-up capital and number of paid employees. Consequently, small and medium-scale enterprises are defined as: those in manufacturing with 100 million yen paid-up capital and 300 employees; those in wholesale trade, with 30 million yen paid-up capital and 100 employees; and those in the retail and service trades with 10 million yen paid-up capital and 50 employees.

In Nigeria, there is no clear-cut definition that distinguishes a purely small- scale enterprise from a medium-scale enterprise. The Central Bank of Nigeria, (CBN 1998) in its Monetary Policy Circular No. 22 of 1988, defined small-scale enterprises as having an annual turnover not exceeding 500,000 naira. In the 1990 budget, the federal government of Nigeria defined small-scale enterprises, for purposes of commercial bank loans, as those with an annual turnover not exceeding 500,000 naira, and for Merchant Bank Loans, those enterprises with capital investments not exceeding 2 million naira (excluding cost of land) or a maximum of 5 million naira. The National Economic Reconstruction Fund (NERFUND) and Small and Medium Industries Equity Investment Scheme (SMIEIS 2002) put the ceiling for small-scale industries at 10 million naira. Companies and Allied Matters Act (CAMA, 1990) defines a small company as one with:

a) an annual turnover of not more than 2 million naira;
b) net asset value of not more than 1 million naira.

Some other authors such as (Onugu, 2005) defined a small enterprise as**:** An enterprise whose total cost including working capital but excluding cost of land is between ten million naira (N10, 000,000) and one hundred million naira (N100, 000,000) and/or a workforce between eleven (11) and seventy (70) full-time staff and/or with a turnover of not more than ten million naira (N10, 000,000) in a year. Inodu and Udomesiet (2004) defined small enterprises as those with capital ranging between N 4 -7 million and with a labour force of between 11-35 employees. CBN /IFC (2002) put the employment level of small businesses at less than 50.

A medium enterprise has been defined as a company with total cost, including working capital but excluding cost of land, of more than one hundred million naira (N100, 000,000) but less than three hundred million naira (N300, 000,000) and/or a staff strength of between seventy-one (71) and two hundred (200) full-time workers and/or with an annual turnover of not more than twenty million naira (N20, 000,000) only (SMIEIS, 2002).

To summarise this section, available literature indicates that SMEs have had different definitions, for different countries, for different authors even in the same country, and for the same purposes. However, taking cognizance of the economic environment prevailing in the Niger Delta area, and keeping in mind the ultimate aim of this study, which is to solicit the funding of enterprises, for the multitude of youths, the following working definition is adopted in this study. SMEs are enterprises with asset base of not less than 1 million naira, but not more than 10 million naira (excluding land and buildings), and a workforce of between 5-35 employees.

Another factor that conditioned the selection of SMEs in this study was informed by the guidelines derived from the banking sector that required that companies must be registered with the relevant agencies (for SMEs, Ministry of Trade and Commerce), to qualify for a loan.

2.3 Characteristics of SMEs

Most SMEs in Nigeria are characterized by internal sources of funding (personal income, friends and relatives or local/informal institutions). External source of finance constitute banks' and other forms of institutional credit arrangements which in most cases the SMEs are unable to access (Ogboru, 2004). The World Bank (2000) posited that of more than 10,000 firms in 80 countries, SMEs were at a competitive disadvantage to larger ones. Small firms lack the financial muscles to struggle against burdensome, taxation and regulation (World Bank, 2000). This is typical because of their size and ownership structures as most of them are owned by sole proprietors. Onuorah, (2010) also said that a major characteristic of Nigeria's SMEs relates to ownership structure or base, which largely revolves around a key man or family. Hence, a preponderance of the SMEs is either sole proprietorships or partnerships. Even where the registration status is thus, that of a limited liability company, the true ownership structure is that of a one-man, family or partnership business. Other common features he listed as; labour–intensive production processes, concentration of management on the key man, limited access to long term funds, high cost of funds as a result of high interest rates and bank charges, high mortality rate especially within their first

two years, over-dependence on imported raw materials and spare parts, poor inter and intra-sectoral linkages - hence they hardly enjoy the benefits of economies of scale, - poor managerial skills due to their inability to pay for skilled labour, poor quality output ,absence of Research and Development, little or no training and development for their staff, poor documentations of policy, strategy, financials, plans, information systems etc.

While SMEs are characterized with gross job creation rates, so are they also characterized with gross destruction rates. This is because small firms exhibit high birth rates and high death rates, and many small firms have failed to grow. In developed countries, net job creation rates (gross job creation less gross job destruction) do not exhibit a systematic relationship to firm size (Storey and Johnson, 1987; Davis, *et.al.*, 1993). There is evidence that the same conclusion holds for developing economies (Sacerdoti, 2005).

2.4 Productivity and profitability of SMEs

Measures of enterprise efficiency (for example, labor productivity or total factor productivity) vary greatly both within and across industries. Firm size may be associated with some other factors that are correlated with efficiency, such as management skill and technology, and the effects of the policy environment. In the US and UK manufacturing sector industries in which larger firms have a greater market share have greater productivity growth. Most studies on developing economies show that the smallest firms are the least efficient, and there is evidence that both small and large firms are relatively inefficient compared to medium scale firms (Little, *et. al.,* 1987). This directly imparts on the profits made by SMEs.

It is often argued that SMEs are more innovative than larger firms. In developed countries, SMEs often follow 'niche strategy', (using high product quality, flexibility, and responsiveness to customer needs, as means of competing with large-scale mass producers). Many small firms bring innovations to the market place, but the contribution of innovations to productivity often takes time and larger firms may have more resources to adopt and implement them (Aes, *et al*., 1999). SMEs are highly valued, especially in developing economies, for many reasons. One of such is that SMES achieve decent levels of productivity especially of capital and all other factors taken together than large firms and earn some good profit as well (Christopoulos & Tsionas, 2004).

2.5 SMEs and Employment Generation

The failure of the past industrialization policies, favoring medium and large enterprises, to stimulate economic growth and development has generated a renewed emphasis on the SMEs as a catalyst to the industrialization quest and its resultant effect on economic growth in Nigeria (World Bank, 1995; Olurunshola, 2001; Chizea, 2002). The Nigerian economy in pursuing this agenda should give SMEs development and promotion top priority.

The importance of the SMEs sub-sector in Nigeria cannot be overemphasized. The sub-sector contributes significantly to achieving various socioeconomic objectives, which include employment generation, contribution to national output and exports, fostering new entrepreneurships and providing a foundation for the industrial base of the economy (Inang and Ukpong, 1992). In low income countries with Gross National Product (GNP) per capita of between US$100 and US$500, SMEs account for over 60 per cent of Gross Domestic Product (GDP) and 70 percent of total employment; in middle income countries, the SMEs produced close to 70 percent of GDP and 95 percent of total employment; and in Organization for Economic Cooperation and Development (OECD) countries, SMEs constitute the majority of firms and contribute over 55 percent of GDP and 65 percent of total employment (Basu, *et. aI.*, 2005).

Development strategists have advocated the progressive use of small and medium enterprises (SMEs) to accelerate the pace of economic growth especially in the developing countries of the world (Daodu, 1997). Most African countries are basically agrarian societies with the majority of the populace engaging in agro-related activities such as farming, livestock rearing, agro forestry and fishing (Osinowo, 1997). With little capital to invest, it seems obvious that the process of industrialization should be based on the development of the SMEs to link agricultural production with manufacturing activities.

According to Asemlah (2002) countries that have made economic breakthroughs in the last two decades demonstrate beyond doubt that the development of entrepreneurship has been the sine qua non of economic growth and development. He further posited that the significant role SMEs play in development is acknowledged world over. According to Cook and Nixson (2000), interest in the role of small and medium-sized enterprises (SMEs) in the development process continues to be in the forefront of policy debates in developing countries.

The SMEs constitute the foundation for the sustained growth and development of the economy. In Nigeria, perhaps the most important challenge facing policy makers in industrial development is the financing and technological upgrading of the myriad of SMEs that formed the back bone of industry and provide the bulk of employment and income generation. Available estimates in the year 2002 suggest that SMEs account for about 76 percent of the work force and 48 percent of all industrial output in value terms in Nigeria (Mahmoud, 2005). Compared to large enterprises, they tend to use less capital per worker and have the capacity to use capital productively. Their choice of techniques is labour intensive and, therefore, consistent with the factor availability paradigm of production techniques. With an upsurge of unemployment rate in Nigeria, a proper take-off of SMEs sub-sector will help reduce the rate of unemployment and increase income generation. The implication is that any attempt to kick-start serious manufacturing activities in Nigeria must focus on the SMEs.

Small businesses remain a viable alternative to foreign direct investments (FDI) which are difficult to access as a result the high risk ratings of developing countries like Nigeria (Mambula, 2002).

2.6 Potential Sources of Finance for SMEs

There is wide consensus in Nigeria that government policies are made in favour of the formal sector and against the informal sector. This unfavourable situation weighs heavily on the SMEs. While formal sector enterprises enjoy such direct benefits as access to credit and foreign technology, restriction on competition through tariffs and quotas, and trade licensing, the informal sector is often ignored and even harassed by the authorities. Enterprises and individuals within this sector operate largely outside the system of government benefits and regulations and thus have no access to the formal credit institutions and the main sources of technology transfer. Many of the economic agents within this sector operate illegally, often pursuing similar economic activities to those in the formal sector, such as marketing foodstuffs and consumer goods, repair and maintenance of machinery and consumer durables, and running transport services. Illegality in this case is generally not due to the nature of the economic activity but to an official limitation of access to legitimate activity (ILO, 1973). These official limitations sometimes include requiring enterprises to register their businesses and pay high registration fees; file certain statements of accounts; provide information about their activities (which the enterprises may consider to be confidential); and pay taxes, etc. These conditions have tended to limit not only the activities of SMEs but also their sources of financing. There are two main sources of enterprise financing open to SMEs in Nigeria:

c) formal financial institutions such as commercial banks, merchant banks, savings banks, insurance companies, and development banks;
d) informal financial institutions consisting of money lenders, landlords, credit and savings associations (co-operative societies); friends and relations; personal savings (Ogboru, 2004).

According to Cook and Nixson (2000), poor management and accounting practices have hampered the ability of smaller enterprises to raise funds. This is coupled with the fact that small businesses are mostly owned by individuals whose personal lifestyle may have far reaching effects on the operations and sustainability of such businesses. As a consequence of the ownership structure, some of these businesses are unstable and may not guarantee returns in the long run. However, there is reason to hope because according to Liedholm *et al.* (1994), a large number of small enterprises fail because of non-financial reasons. Remmers *et al.* (1974) reported the debt/total assets ratio to be independent of firm size while (Peterson and Schulman, 1987) reported that debt/total assets ratio to first rise and then fall with size of firm. Irrespective of which side of the divide one is, the behaviour of loan granting institutions can be obviously predicted when they have a choice of granting loan facilities to either a big business with a good balance sheet or a small business with an equally good balance sheet.

2.7 Funding Viable SMEs

According to Linda (2013) of the Economic Intelligence Unit (EIU), SMEs must prioritise growth in order to survive. She posited that businesses are looking to expand resources, despite the economic uncertainty, by creating flexible platforms upon which to grow quickly. SMEs are setting out plans to scale their operations while remaining viable.

A sound cash position coupled with solid cash flow was highlighted as a key factor in preparing for any scaling, as subsequent business growth can put pressure on working capital. It is worth considering all the business funding options first to ensure that the necessary finance is in place ahead of time. The report found that a balanced funding structure is a key success factor in scaling a high-growth SME. The need to pursue growth raises the question of how managers of SMEs can best provide additional resources to enable continued expansion, whilst ensuring that investing in these resources does not threaten the viability of the firm.

The current global economic recession has placed an inordinate amount of financial pressure on all companies. With access to working capital remaining a substantial and now growing challenge for most businesses, especially SMEs, there is a genuine need to consider alternatives to maintain cash flow. Debtor financing, also known as debtor factoring, is one such option.

Access to traditional finance options such as overdraft and loan facilities requires in most instances a comprehensive set of financial statements. However the market downswing has resulted in, among other things, the inefficient management of debtor books, insufficient gearing and poor liquidity ratios. The upshot of all that financial mumbo jumbo is that many debtors are delaying payment in order to better manage their own finances. It hurts businesses, because the resultant cycle of liquidity shortfalls puts further pressure on their ability to conduct business and service overheads.

Cromarty, (2012) stated that there is a need to reduce businesses reliance on the commercial banks, and promote the viability of alternative funding options in order to ease the pressure on high street banks. This challenge, when met will help SMEs succeed and grow.

Shafie, (2013) stated that another possible way of raising fund for start up or expanding SMEs is by “Crowd Funding”. Crowd funding works by posting your ideas online and welcome would be investors/participants. The beauty of this funding approach is that there are other benefits that make it more exciting; some of such include the time/ expertise and not just money that the backers will provide.

2.8 Challenges of SMEs in Nigeria

Most SMEs die within their first five years of existence. Another smaller percentage goes into extinction between the sixth and tenth year, thus, only about five to ten percent of young companies

survive, thrive and grow to maturity (Adelaja, 2003; Onuorah, 2010). Many factors have been identified as the possible causes or contributory factors to the premature death. Key among these include insufficient capital, lack of focus, inadequate market research, over-concentration on one or two markets for finished products, lack of succession plan, inexperience, lack of proper book keeping, lack of proper records or lack of any records at all. Others include inability to separate business and family or personal finances, lack of business strategy, inability to distinguish between revenue and profit, inability to procure the right plant and machinery, inability to engage or employ the right caliber of staff, planlessness, cut-throat competition, lack of official patronage of locally produced goods and services, dumping of foreign goods and overconcentration of decision making on one (key) person, usually the owner.

Onuorah (2010) further stated that poor budget implementation over the years accounts for the unsavoury impacts of SMEs on the Nigerian economy, which has had a record sluggish growth and declining future as measured by the population of Nigerians becoming literate, having more access to better healthcare, shelter, food, and other necessities of life such as access to more and better paying jobs as well as declining per capita income.

Other challenges which SMEs face in Nigeria include irregular power supply and other infrastructural inadequacies (water, roads etc), unfavourable fiscal policies, multiple taxes, levies and rates, fuel crises or shortages, policy inconsistencies, reversals and shocks, uneasy access to funding, poor policy implementation, restricted market access, and raw materials sourcing problems. Other problems include competition with cheaper imported products, problems of inter-sectoral linkages given that most large scale firms source some of their raw material outside instead of sub-contracting to SMEs, insecurity of people and property, fragile ownership base, lack of requisite skill and experience, thin management, lack of preservation, processing and storage technology and facilities, lack of entrepreneurial spirit, poor capital structuring as well as poor management of financial, human and other resources.

The problems of SMEs in Nigeria have been enduring but most of the reforms have exacerbated some of them. As far back as 1977, the Federal Government in its publication 'Small Scale Industries Credit Scheme' identified the basic problems that affected SMEs to be lack of adequate capital and credit facilities for sustaining their growth and development (Ekpenyong, 1997; Utomi, 1997). Institutional credit was known not to be available to SMEs because they are generally considered high credit risks by financial institutions. That problem has persisted.

3.0 Methodology/Research Design

3.1 Introduction/Types of Research Design

In operational terms, a research design maybe exploratory, descriptive or casual. A descriptive design is adopted here. It involves the collection of data for the purpose of describing existing

conditions. In this regard a survey was conducted to collect data for the purpose of identifying and describing the factors that determine the profitability and viability of SMEs.

3.2 Area of Study

There are nine states in the Niger Delta Region namely, Cross River, Rivers, Bayelsa, Delta, Akwa Ibom and Edo in the South-South geopolitical zone; Abia and Imo in the South-East ; and Ondo in the South-West. The most dominant economic activity of the local populace is agriculture, particularly crop farming and fishing. Most of the farmers are small holders operating relatively small areas of land, applying rudimentary tools and farming techniques. Fishing is largely small-scale, characterized by the use of canoes or outboard engines, tackles and nets. Each of the States has one or two urban centres where there are a few light consumer goods industries and SMEs. A large proportion of the SMEs are usually clustered around the major commercial, urban centres and some in the hinterlands especially the agro based SMEs. The largest source of government revenue in Nigeria is the extraction of crude oil, which is domiciled within and off the shores of the Niger Delta region.

3.3 Data Requirement

The specific objectives of the study give some indications of the type of data required. The first line of primary data involved the classification of SMEs according to types, the activities they engage in, their age, and ownership structure. To assess productivity and profitability of SMEs, data were collected on input quantities and prices, operating costs, output quantities and prices and sales. Primary data were also collected on capital investment including sources and levels of initial capital, the current level of capital investment and the types of capital equipment.

To assess the employment generating capacity, data were collected on the number and categories of persons involved in the business at inception and currently, wage rates and the skills and training needs of SMEs. Finally, data were sought on the problems and challenges faced by the SME types.

3.4 Population of Study

The population of SMEs proposed for study consisted of all SMEs in the selected States, of the Niger Delta region, registered with the states' Ministries of Trade Commerce and Industry; with a capital base of not less than one million Naira and not more than ten million Naira. A preliminary visit to the study area revealed that there were a number of rural SMEs which met the capital base requirement, but were not registered with the Ministries. The number of such SMEs was small and they were largely agro-based and chemical industries. To make the work more comprehensive, such SMEs were included in the list of SMEs that were collected from the Ministries.

3.5 Sampling Procedure

As already indicated, there are nine States in the study area distributed as follows: Six in the south-south geopolitical zone, two in the South-East and only one in the South-West. Two zones, the

South –South and South-East constitute the core of the restive and crisis prone Niger Delta region. Accordingly, three States –Rivers, Akwa- Ibom and Edo were selected from the South-South and one –Abia was selected from the South-East. The selection is purposively based on the distribution of States in the geopolitical zones and the known levels of economic activities in the States. The listing of the different types of registered SMEs, derived from the records of government agencies, expanded by the inclusion of the SMEs found during the preliminary visit, constituted the sampling frame.

On the basis of the known levels of commercial activities and the clustering of SMEs in major urban centres and their environs, four major urban centres were selected for the survey. They are Aba in Abia State, Uyo in Akwa Ibom State, Benin in Edo State and Port Hacourt in Rivers State. These are known to be foremost commercial/ industrial centres in the region. The SMEs were classified by the relevant government agencies into eleven categories; (i) food and beverages, (ii) metal works and fabrication, (iii) auto mechanics, (iv) chemicals, (v) agro industries, (vi) clothing and textile, (vii) wood works and allied products, (viii) pulp and paper, (ix) electrical /electronics, (x) sand and bricks, (xi) recycling and waste management). The different categories contained a total of 45 enterprise types.

Considering the number of listed SMEs in the States, - Abia (185); Akwa Ibom (200); Edo (160); and Rivers (185) which came to 725, - a sample size of 400 (i.e. 100 in each state) or 55.2% of the population was considered adequate.

The number of each enterprise type that entered the sample of 100 in each state was proportionate to the contribution of the enterprise type to the total population of the enterprises in the state; to ensure that each enterprise type is represented. Having determined the number, selection among enterprise types was random.

3.6 Instrument for Data collection

The study used structured questionnaire to collect data relevant to the characterization of SMEs; employment generating capacities; access to funds and level of capital investment, as required in objectives (i), (iii) and (IV) respectively. The questionnaire was applied at the early stages of the research project.

To meet the requirement for objective (ii) which deals with the productivity and profitability of SMEs, an input-output format was developed to collect data on input quantities and prices, output quantities and prices and sales. Where there were records such data were culled from records to cover the last one year period. In addition, the format was used to collect data on monthly basis from the SMEs, for a period of six months from the commencement of the research project. This was done for all the SMEs even when there were records of data for the past year. The need to collect data for this year is informed by the perceived effect of some of the policies introduced since the beginning of this year, especially the reduction of the petroleum subsidy.

3.7 Process of Data Collection

As indicated above, two sets of instruments were applied. Where the manager is literate or has some competent staff, the questionnaire was made available to them to complete. Otherwise it was administered by the research staff and field enumerators. Similarly, the input-output format was given to them to make data entries from their records. Otherwise, they made such records available to the research staff. The research staff nevertheless, guided the entrepreneurs in completing the format at the end of each month.

3.8 Pilot Testing

To ensure the validity and reliability of the survey instruments, pilot testing was conducted, in which the instruments were applied to a small number of SMEs in each of the selected urban centres. This exercise made for adjustment or refinement of the survey instruments to ensure they are adequate in eliciting the required data.

3.9 Data Analysis

Simple descriptive statistical tools such as means, frequency tables and percentages were used to achieve objectives (i), (iii), (iv), (v) and (vi). Objective (ii) which deals with the productivity and profitability of SMEs was realized using indices of productivity and profitability. The computation of the indices is as indicated below.

The productivity and profitability measures discussed below give indication of the viability of the SMEs and provide a basis for comparing and making selection among them.

Total factor productivity is given by:

Total factor productivity is given by:

$$TFP = VOP/ VIE \quad (1)$$

Where TFP = Total Factor Productivity

VOP = Value of Output Produced in Naira

VIE = Value of Inputs employed in Naira

Profit was computed as follows:

$$\prod = P_iQ_i - r_ix_i - C \quad (2)$$

Where:

$\prod$ = Profit in Naira (₦)

P_i = Unit price of the i^{th} output in Naira (₦)

Q_i = Quantity of the i^{th} output produced

P_iQ_i = Total revenue in Naira (₦)

r_i = Unit price of the i^{th} input Naira (₦)

x_i = Quantity of the i^{th} output

r_ix_i = Total variable cost in Naira (₦)

Other profitability indices are Rate of Return on Investment (RRTI),

Rate of Return on Fixed Costs (RRFC), Rate of Return on Variable Costs (RRVC)

which were computed as indicated below.

$$RRTI = NI/TC \times 100\% \quad (3)$$

$$RRFC = GM/TFC \times 100\% \quad (4)$$

$$RRVC = GR- TFC/TVC \times 100\% \quad (5)$$

Where:

NI = Net Income

TC = Total Cost

GM = Gross Margin

TFC = Total Fixed Cost

GR = Gross Revenue

TVC = Total Variable Cost

4.0 Results and Discussions

4.1 Characterisation of SMEs

SMEs were characterized with respect to types of enterprises, mean age and ownership structure.

4.1.1 Types of SMEs

As indicated earlier, SMEs were grouped into eleven categories. Each category contained a number of enterprise types. The frequency and percentage distribution of enterprise types are shown in Table 1.

As the data in Table1 show, the number of enterprise types varied across enterprise categories and States. The dominant categories of enterprises, in terms of the number of enterprise types listed within the category were “Agro industries” which had seven enterprise types, followed by the “Chemicals” and “Sand and bricks” with five enterprise types each and “Auto mechanics” ; and “Clothing and textile” with four enterprise types each. The rest had three enterprise types each, except “Recycling and waste management” which was a single activity category. As already indicated, the list of enterprise types under “Agro industries” received a boost with the inclusion of some rural- based, unregistered agricultural production enterprises which nevertheless, met our definition of SMEs in this study.

Table 1: Frequency and percentage Distribution of Enterprise Types in Niger Delta

Enterprise categories and Types	ABIA		AKWA IBOM		EDO STATE		RIVERS	
	F	P	F	P	F	P	F	P
Food and beverage								
Bakeries, confectionaries, biscuit	3	21.43	8	57.14	2	14.28	1	7.14
Table water	0	0	5	71.43	2	28.57	-	0
Restaurant and bar	2	20	1	10	2	20	5	50
Metal works & fabrication								
metal works and construction	1	11.11	5	55.56	1	11.11	2	22.22
Metal fabrication	3	30	5	50	2	20	-	0
Aluminum and glass fabrication	-	0	-	0	3	50	3	50
Auto mechanics								
mechanic works	1	16.67	3	50	2	33.33		0
auto electrician	1	33.33	-	0	2	66.67		0
panel beating and spraying	1	33.33	-	0	2	66.67		0
balancing and alignment	2	66.67	-	0	1	33.33		0
Chemicals								
soap and cosmetic production	3	18.75	9	56.25	2	12.5	2	12.5
candle production	-	0	-	0	2	40	3	60
plastic production	-	0	-	0	2	100	-	0
Paint production	1	25	3	75	-	0	-	0
Insecticides production	-	0	1	33.33	-	0	2	66.67
Agro industries								
oil palm processing	3	23.08	6	46.15	2	15.38	2	15.38
cassava processing mills	1	10	2	20	1	10	6	60
fish production	3	18.75	-	0	2	12.5	11	68.75
poultry production	2	14.29	1	7.15	3	21.43	8	57.15
piggery production	1	33.33	-	0	2	66.67	-	0
other livestock	1	100	-	0	-	0	-	0
livestock feed processing	1	50	-	-	1	50	-	0
Clothing and textiles								
garment/fashion	11	36.67	9	30	6	20	4	13.33
foot wears	2	25	2	25	3	37.5	1	12.5
Leather bags	5	62.5	2	25	-	0	1	12.5
hairdressing and barbing saloon	2	28.57	-	0	3	42.85	2	28.57
Wood works and allied products								
furniture work	4	33.33	4	33.33	3	25	1	8.33
saw millings	2	66.67	-	0	1	33.33	-	0
wood art	2	25	2	25	3	37.5	1	12.5
Pulp and paper								
printing	2	11.1	7	38.89	4	22.22	5	27.78
Tissue paper production	-	-	2	100	-	-	-	-
Electrical and electronics								
computer repairs and maintenance	4	57.16			1	14.29	-	-
electronics repairs and maintenance	7	46.67	2	28.57	4	26.67		-
air conditioner refrigerator	2	50	4	26.67	1	25	1	25
Sand and bricks								
bricks making	3	27.27	4	36.36	1	9.09	3	27.27
block moldings	4	57.15	-	0	3	42.86		0
interlocking tiles	3	60	-	0	2	40		0
balloster production	-	0	-	0	1	100		0
electric poles production	2	100	-	0	-	0		0
Recycling and waste management	3	50	-	0	1	16.67	2	33.33

Source: computed from survey data 2012.

Key: F = frequency, P = Percentage

Food and Beverage: Only three enterprise types were captured in this category. The dominant ones were bakeries, confectioneries and biscuits, and restaurants and bars. Calculations based on the data in Table 1 show that the former accounted for about 45% of the total number of enterprises in the category and the latter 32%. Akwa Ibom alone accounted for about 57% of bakeries, Confectioneries, and Biscuits and over 71% of Table water enterprises.

Metal works and fabrication: Metal fabrication dominates this category, with ten enterprises (40%), followed by metal works and construction with nine enterprises (36%). The other enterprise type - aluminum and glass fabrication - had six enterprises (24%) split equally between Edo and Rivers states.

Auto mechanics: A vast majority of the four enterprise types listed in this category appeared under Edo (47%) and Abia (33%). The rest appeared in Akwa Ibom (20%). None of the activity types was captured in Rivers State and only mechanic works appeared in Uyo. In terms of number of enterprises listed for each enterprise type, mechanic works topped the group with 6 (60%) enterprise, the rest- auto electrics, panel beating and spraying, and balancing and alignment - each had 3 enterprises (20%).

Chemicals: The dominant enterprise type, with respect to the number of enterprise listed in the category is soap and cosmetics production with 16 (53%) enterprises, followed by candle production, paint production, insecticide production and plastic production, with 5 (17%), 4 (13%), 3 (10%), and 2 (7%) enterprises, respectively. In terms of the distribution of the enterprises, candle production appeared in only Edo and Rivers; plastic production appeared only in Edo, paint production appeared in Abia and Akwa Ibom and insecticide production appeared in only Akwa Ibom and Rivers State.

Agro Industries: The dominant enterprise types in this category were fish production, poultry production, oil palm processing, and cassava processing mills, which accounted for 27%, 24%, 22% and 17% of the enterprises, respectively. There were two livestock feed processing enterprises, one each in Abia and Edo and only one "other livestock" enterprise in Abia State

Clothing and Textile: The leading enterprise type in this category in terms of numbers was garment/fashion with 30 (57%) of the enterprise followed by foot wear and leather bags, with 8(15%) each and hair dressing and barbing saloons with 7 (13%) of the enterprises. Abia state alone accounted for 38% of all the enterprise sin this category, followed by Akwa Ibom, Edo, and Rivers with 13 (24%), 12 (23%) and 8 (15%) of the enterprises respectively.

Wood works and allied products: Three enterprise types shared the twenty three enterprises captured in this category. Twelve enterprises (52%) belonged to furniture works; eight 35(%) belonged to wood arts and only 3 (13%) were listed under saw milling. Abia State accounted for eight (35%), Edo accounted for seven (30%), Akwa Ibom had six (26%) and Rivers had two (9%) of the enterprises. No sawmilling enterprise was captured in Akwa Ibom State.

Pulp and paper: There were only two enterprise types in this category. Printing alone accounted for eighteen (90%), while tissue paper production claimed only two (10%). The two tissue paper production enterprises were located in Akwa Ibom.

Electrical and Electronic: The dominant enterprise type here was electronic repairs and maintenance which accounted for thirteen (50%) of all enterprises in this category, followed by air conditioner/refrigerator repairs which had eight (31%) and computer repairs and maintenance which had five (19%). Abia accounted for a total of 13 enterprises in this category comprising seven electronic repairs and maintenance, four computer repairs and maintenance and two air conditioner/refrigerator repairs enterprises. All that River State accounted for, in this category was one air conditioning/refrigerator enterprise.

Sand and Bricks: The three dominant enterprise types were, brick making, block moulding and interlocking tiles which accounted for eleven (42%), seven (27%), and five (19%) respectively of all the enterprises in the category. There were only two electric poles production enterprise both located in Abia and one balloster production enterprise, located in Edo state. Bricks making enterprises were distributed uniformly across the States. The block moulding enterprises were distributed four in Abia, none in Akwa Ibom, three in Edo and nine in Rivers.

Recycling and Waste Management: There were six recycling and waste management enterprises. Three of these were located in Abia, none in Akwa Ibom, one in Edo and two in Rivers state.

In summary, of the 314 enterprises whose data were complete and considered adequate for analysis, 87(28%) were located in Abia, 86 (27.4%) in Akwa Ibom, 75 (23.8%) in Edo and 66 (21%) in Rivers State. The contributions of the enterprise categories to the total number of enterprises captured in the survey varied considerably from 18.4% for Agro industries; 17.1% for clothing and textiles, 10% for food and beverages, 9.7% for chemicals, 8.4% for both electrical and electronics, 8.1% for metal works and fabrication, 6.8% for wood works and allied products, 6.5% for pulp and paper to 1.9% for recycling and waste management.

4.1.2 Age of SMEs

It is commonly said that SMEs in Nigeria "die" rather prematurely and that their growth in terms of numbers has remained low owing to rapid turnover in terms of entry and exit. Onuorah (2010) in his study of SMEs in Lagos, Nigeria, likened the situation to that of "high infant mortality rate" whereby many SMEs collapsed before four years of operation. The results in this study would tend to differ from such findings.

As indicated in Table 2, in Abia, the mean age is lowest for enterprises in "food and beverages" (3.1 years) and highest for enterprises under wood works and allied products (15 years). For other

enterprise categories, the range is between seven years and about 14 years. Calculations indicate that the overall mean age for all the enterprises in Abia is about 9.4 years.

In Akwa Ibom State, the mean age is lowest for enterprises in electrical and electronics (8 years) and highest for those in auto mechanics (13years). The range is between 8.7 to 12.9 years for the other enterprise categories. Calculations based on the date indicate that the overall mean for enterprises in the state is 10.5 years.

The mean ages of enterprises in Edo State appear to be relatively lower ranging from 4 years for Recycling and waste and management to 10 years for enterprises under electrical and electronics. The overall mean age for enterprises in the state is calculated as 6.7 years.

In Rivers State, the mean age of enterprises ranged from 2.5 years for recycling and waste management to 10 years for pulp and paper. The overall mean is calculated as about 7 years.

The above figures show that the mean age of enterprises in the study area is considerably above the mean for Lagos as indicated by (Onuorah, 2010). The grand mean for the study area computed on the basis of the overall mean for each state is 8.4 years.

The number of years of operation of a business is also an index used by financial institutions in granting loan facilities to applicators. The older the business enterprise, the greater the chances of receiving favourable response to application for loans from financial institutions, all other things being equal. In this connection, Mambula (2002) had considered the first 2-3 years of business operation as the critical surviving years. Apparently, the SMEs surveyed in this study have survived the critical years.

Table 2: Characterization of (SMEs) With Respect to Age and Ownership Structure

Category of enterprises	Abia				Akwa Ibom				Edo				Rivers			
	Mean age (Yrs)	Ownership structure (%)			Mean age (Yrs)	Ownership structure (%)			Mean age (Yrs)	Ownership structure (%)			Mean age (Yrs)	Ownership structure (%)		
		S	P	C		S	P	C		S	P	C		S	P	C
Food & beverage	3.1	80	20	0	12.9	100	0	0	6.3	67	33	0	7.8	66	17	17
Metal works& fabrication	13.8	100	0	0	11.3	90	10	0	5.6	100	0	0	9.2	100	0	0
Auto mechanics	9	100	0	0	13	100	0	0	4.1	100	0	0	NA	NA	NA	NA
Chemicals	7	75	25	0	9.9	77	23	0	9	100	0	0	5.3	100	0	0
Agro-allied	6.8	92	8	0	9.7	45	11	44	5.6	73	27	0	8.9	44	56	0
Clothing & textile	8.7	85	15	0	11.5	85	8	7	6.6	75	25	0	6	88	12	0
Wood works & allied	15	100	0	0	9.5	100	0	0	7	100	0	0	11	100	0	0
Pulp & paper	13	100	0	0	8.7	78	11	11	8	75	25	0	10	100	0	0
Electrical &electronics	10	100	0	0	8	67	33	0	10	100	0	0	4	100	0	0
Sand dredging & bricks	10	100	0	0	10.5	100	0	0	8	86	14	0	5	100	0	0
Recycling & waste management	7	67	33	0	NA	NA	NA	NA	4	100	0	0	2.5	100	0	0

Source: computed from survey data, 2012.

Key: S= sole ownership, P= partnership and C= cooperative, NA=Not available

4.1.3 Ownership Structure of SMEs

A major problem of SMEs in Nigeria is said to be the ownership structure which manifests predominantly in sole proprietorship. The business is usually dependent on one person for management decisions and administration. The business would usually collapse with exit of the "sole administrator".

Table 2 also gives indication of the ownership structure of the SMEs. In Abia, the proportion of SMEs under sole proprietorship ranges from 67% for recycling and waste management enterprises to 100% for enterprise in metal works and fabrication, auto mechanics, wood work and allied products, pulp and paper, electrical /electronic and sand dredging and bricks. On the average, 91% of the SMEs in Abia were managed and administered by sole proprietors and 9% were under partnership. There were no cooperative ventures.

In Akwa Ibom State, there were greater numbers of partnerships and cooperative ventures than in Abia. The proportion of SMEs under sole proprietorship ranges from 45% for enterprises in agro industries to 100% for those under food and beverages, auto mechanics, wood works and allied products and sand dredging and bricks. On the average, about 84% of the enterprises were under sole proprietorship, 9.6% were under partnership and 6.2% were cooperative ventures.

In Edo state, there were no cooperative ventures, Partnership arrangements claimed about 11% of the SMEs and the rest (89%) were under sole proprietorship.

In Rivers state, the ownership structure was predominantly sole proprietorship. All the enterprises under metal works and fabrication, chemicals, wood works and allied products, pulp and paper, electrical and electronics, sand dredging and bricks, and recycling and waste management were under sole proprietorship. Partnership arrangements claimed 8.5% and cooperative ownership claimed only 1.7% on the average. The results are in agreement with findings of Ogboru, (2004 and 2007) and Kadiri, (2012), who posited that the majority of SMES in Nigeria are owned by individuals.

In summary, the entrepreneurs operating SMEs in the study have failed to take advantage of the benefits of joint/cooperative ownership which, according to Wahab and Ijaiye, (2006) and Adelaja, (2003), include risk sharing/ bearing and easier access to loans from banks and other financial agencies.

4.2 Assessment of the Productivity and Profitability of SMEs

In order to achieve the second, objective, the productivity and profitability of the SMEs were estimated on the basis of Total Factor productivity (TFP) and Profitability indices such as net income (NI), and rate of return on total investment (RRTI). The results of other profitability indices as indicated in the methodology are put in Annex A.

4.2.1 Assessment of TFPs of SMEs

The total factor productivity is a measure of efficiency in the use of resources. It is used here to give indication of the relative efficiency of the SMEs in the combined use of all input resources by comparing their productivity indices. The TFPs computed for the enterprise categories are presented in Table 3. The superscripts indicate the ranking of the TFPs across enterprise categories in each State.

Table 3: TFPs of Enterprise Categories.

Enterprise category	Abia	Akwa Ibom	Edo	Rivers state
Food and Beverage	2.090412^{9}	2.920663^{6}	2.401736^{8}	2.403822^{8}
Metal works	6.771865^{1}	2.965745^{7}	5.507512^{1}	4.112243^{1}
Auto mechanics	1.817615^{10}	2.07454^{10}	2.339501^{11}	NA
Chemicals	2.834671^{7}	4.358084^{2}	2.677652^{6}	2.22931^{9}
Agro- industries	1.525009^{11}	4.475945^{1}	2.360755^{9}	3.290197^{4}
Clothing & Textile	2.481215^{8}	3.44947^{3}	3.05007^{5}	3.529214^{2}
Wood works & Allied	3.332186^{5}	3.254585^{4}	3.263314^{4}	2.451769^{7}
Pulp and paper	5.409365^{2}	2.347289^{9}	4.315298^{2}	2.593195^{6}
Electricals	3.149227^{6}	3.032407^{5}	2.34657^{10}	3.464567^{3}
Sand and Bricks	3.609867^{4}	2.855363^{8}	4.305287^{3}	2.889926^{5}
Recycling & waste	4.948844^{3}	-	2.640063^{7}	2.219641^{10}

Source: computed from survey data, 2012.

As the data in Table 3 indicated, the three most productive (i.e. with the highest TFPs) enterprise categories were metal works and fabrication, pulp and paper and recycling and waste management in Abia State; Agro industries, chemicals and clothing and textiles in Akwa Ibom State; metal works and fabrication, clothing and textiles and electrical/electronics in Rivers State. The three most productive enterprise categories that recurred were metal works and fabrication, pulp and paper and clothing and textile.

The three least productive enterprise categories were agro-industries, auto mechanics, and food and beverage in Abia State; auto mechanics, pulp and paper and sand and bricks in Akwa Ibom; Auto mechanics, electrical/electronic and agro-industries in Edo; and recycling and waste management, chemicals and food and beverage in Rivers State. The three least productive enterprise categories that recurred are auto mechanics, food and beverage and agro industries.

Table 4 shows the TFPs of enterprise types. As indicated earlier, the higher the TFP, the more productive the enterprise is, the TFPs of the different enterprise types have been ranked simply on the basis of magnitude.

From Table 4, the ten most productive enterprise types in each State were as shown below.

Abia State: Metal fabrication; garments/ fashion; interlocking tiles production; printing; recycling and waste management; metal works and construction; saw milling; paint production; and air conditioner/refrigeration repairs and maintenance.

Akwa Ibom State: Paint production; oil palm processing; garment/ fashion; furniture works; leather bags; bakeries, confectioneries and biscuits; metal works and construction; electronics repairs and maintenance; bricks making; and cassava processing mills.

Edo State: metal works and construction; interlocking tiles; aluminium and glass fabrication; block moulding; printing; furniture works; panel beating and spraying; and saw milling.

Rivers State: Hair dressing and barbing salon; fish processing; foot wears; aluminium and glass fabrication; cassava processing; air conditioning and refrigeration; garment and/fashion, and bakeries, confectioneries, biscuits.

The least productive enterprise types were poultry production in Abia; soap and cosmetics production in Akwa Ibom; oil palm processing in Edo and soap and cosmetics in Rivers State.

Table 4: TFP Indices for Enterprise Types

Enterprise Categories &Types	Abia		Akwa Ibom		Edo		Rivers	
	TFP	Rank	TFP	Rank	TFP	Rank	TFP	Rank
Food and beverage:								
Bakeries, confection, Biscuits	2.07	24	3.46	6	2.43	21	3.30	10
Table water	-	-	2.47	13	2.07	35	-	-
Restaurant & bar	3.25	4	2.08	19	2.72	15	2.35	15
Metal works & fabrication								
Metal construction	3.81	7	3.15	7	7.64	1	5.10	3
Metal fabrication	7.64	1	2.58	12	4.88	5	-	-
Aluminium & glass fabrication	-	-	-	-	5.54	3	3.97	6
Auto mechanics					2.89			
Mechanic works	1.78	27	2.07	20	1.80	11	-	-
Auto electrics	1.77	28	-	-	3.22	27	-	-
Panel beating & spraying	2.08	23	-	-	2.33	9	-	-
Balancing & alignment	1.77	28	-	-		22	-	-
Chemicals								
Soap and cosmetic production	2.48	18	1.13	22	2.89	11	1.53	22
Candle production	-	-	-	-	2.66	16	3.16	11
Plastic production	-	-	-	-	2.55	20	-	-
Paint production	3.45	4.61	4.61	1	-	-	-	-
Insecticide production	-	1.69	1.69	21	-	-	2.18	18
Agro industries								
Oil palm processing	1.33	29	4.52	2	1.32	29	4.48	4
Cassava processing mills	1.30	30	2.76	10	2.63	18	3.59	7
Fish production	2.15	22	-	-	2.63	18	5.30	2
Poultry production	1.29	31	2.38	16	2.75	14	2.23	16
Piggery	2.73	16	-	-	2.55	20	-	-
Other livestock	1.33	29	-	-	-	-	-	-
Livestock feed processing	2.41	19	-	-	1.75	28	-	-
Clothing & textile								
Garment/fashion	6.13	2	4.23	3	3.29	8	3.45	9
Foot wears	2.34	20	2.33	17	2.81	13	4.05	5
Leather bags	2.51	17	3.62	5	-	-	2.08	21
Hair dressing& barbing salon	2.23	21	-	-	2.56	18	6.83	1
Wood works & allied products								
Furniture works	2.85	15	4.08	4	3.29	8	2.65	13
Saw milling	3.54	8	-	-	3.07	10	-	-
Wood art	2.91	14	2.73	11	2.87	12	2.10	20
Pulp and paper								
Printing	5.21	5	2.25	18	4.32	7	2.59	14
Tissue paper	-	-	2.44	14	-	-	-	-
Electrical/electronic								
Computer repairs & maintenance	3.17	12	2.42	15	2.57	19	-	-
Electronic repairs	2.00	26	3.07	8	2.22	23	-	-
Air conditioner/fridges	3.38	10	-	-	5.27	4	3.46	8
Sand and bricks								
Bricks making	2.05	25	2.86	9	2.21	24	2.89	12
Block moulding	3.01	13	-	-	4.42	6	-	-
Interlocking tiles	5.91	3	-	-	6.30	26	-	-
Balloster production	-	-	-	-	1.85	2	-	-
Electric poles production	5.55	4	-	-	-	-	-	-
Recycling & waste mgt.	4.95	6	-	-	4.32	7	2.22	19

Source: computed from survey data 2012.

4.2.2 Assessment of the Profitability of SMEs

Table 5: Annual net Incomes (NI) Per Enterprise

Categories/Enterprise Types	Abia		Akwa Ibom		Edo		Rivers	
	NI	Rank	NI	Rank	NI	Rank	NI	Rank
Food and beverage:								
Bakeries, confection, Biscuits	5,679,959	2	8,692,047	3	581,400	17	24,555	21
Table water	-	-	5,932,877	4	367,798	26	-	-
Restaurant & bar	228,041	21	141,375	18	539,800	21	248,961	15
Metal works & fabrication								
Metal construction	1,526,900	9	4,305,647	5	207,950	28	-	--
Metal fabrication	12,315,128	1	1,603,874	10	420,190	22	972,592	9
Aluminium & glass fabrication	-	-	-	-	1,825,500	10	5,037,616	3
Auto mechanics								
Mechanic works	81,948	26	397,580	13	672,800	16	-	-
Auto electrics	77,328	27	-	-	378,800	25	-	-
Panel beating & spraying	53,863	29	-	-	159,000	30	-	-
Balancing & allignment	84,961	25	-	-	-	-	-	-
Chemicals								
Soap and cosmetic production	40,310	31	59,150	21	120,200	31	46,168	20
Candle production	-	-	-	-	1,417,100	12	80,061	18
Plastic production	-	-	-	-	86,000	32	-	-
Paint production	388,926	16	3,823,376	6	-	-	-	-
Insecticide production	-	-	30,826	22	-	-	725,041	12
Agro industries								
Oil palm processing	461,305	13	23,565,444	1	1,279,450	14	1,321,915	8
Cassava processing mills	27,703	32	1,675,289	17	165,600	29	8,951,043	2
Fish production	392,432	15	-	-	4,903,600	3	4,189,563	4
Poultry production	284,976	19	105,055	19	3,851,770	6	409,446	5
Piggery	172,082	23	-	-	393,000	24	-	-
Other livestock	60,915	28	-	-	-	-	-	-
Livestock feed processing	349,981	18	-	-	29,300	28	-	-
Clothing & textile								
Garment/fashion	200,860	22	3,241,800	14	3,475,750	7	10529325	1
Foot wears	1,513,650	10	1,923,000	8	1492200	11	859,750	10
Leather bags	5,020,805	3	12,029,180	2	-	-	103,750	17
Hair dressing& barbing salon	407,450	15	-	-	549,300	20	556,150	13
Wood works & allied product	281,553	21	293,844	15	3,442,200	8	316,951	14
Furniture works	1,503,413	13	-	-	7,353,400	1	-	-
Saw milling	211,102	23	259,500	16	4,227,870	5	118943	16
Wood art								
Pulp and paper								
Printing	2,757,885	5	1,226,938	12	4,388,030	4	2122665	6
Tissue paper	-	-	1,389,006	11	-	-	-	-
Electrical/electronic								
Computer repairs & maintenance	2,205,580	6	85000	20	313,500	27	-	-
Electronic repairs	50,000	30	2,022,870	7	558,150	19	-	-
Air conditioner/fridges	422,400	14	-	-	563,000	18	782500	11
Sand and bricks								
Bricks making	-	-	1,643,839	9	725,600	15	-	-
Block moulding	1,021,609	11	-	-	5,96,1100	2	1,606,456	7
Interlocking tiles	2,819,181	4	-	-	3,369,000	9	-	-
Balloster production	1,555,441	7	-	-	1309420	13	-	-
Electric poles production	1,538,237	8	-	-	-	-	-	-
Recycling & waste mgt.	383,828	16	-	-	84,000	33	48,206	19

Source: computed from survey data 2012.

The profitability of SMEs was evaluated by computing the net income accruing to the business owner (or owners in a joint enterprise) annually. For an SME to hold some attraction for the youths, the income accruing to the owner of the business must be seen to be remunerative and to compare favourably with incomes earned in other sectors, particularly the minimum wage of the public sector. In this regard, the underlying concern of the youth is encapsulated in the question: How profitable is the business. If the business is profitable and the turnover is high, the chances of garnering a remunerative income are enhanced. The profitability concept of net income (NI) is thus, applied here to give indication of how remunerative the SMEs are (see Table 5).

As the data in Table 5 indicate, the highest annual net income per enterprise accrued to the metal fabrication industry in Abia State. As the data further indicate, eleven (about 38%) other enterprise types generated net incomes per enterprise of between N200, 000 and over N400, 000. The rest earned net incomes that range from as low as N27, 703 to N172, 028. About 9 (31%) generated net incomes of less than N100, 000 per annum. Assuming a minimum wage of N20, 000 per month (i.e. an income of N240, 000 per annum), a large proportion of the SMEs, generated incomes in excess of the minimum income level.

In Akwa Ibom, 12 (about55%) of the SMES generated net income of over N1million; 4 (18%) brought in net incomes of between N200, 000 and N400, 000; the rest generated less than N200, 000 per annum. Clearly, a large proportion of the SMEs in Akwa Ibom generated net incomes in excess of the national minimum income level.

The SMEs in Edo would appear to have done better than those in Abia and Akwa Ibom States. Thirteen (38%) garnered net incomes ranging from N1.28 million to N7.35million. Another set of thirteen (38%) generated net incomes in the range of over N300, 000 to N700, 000. Only six enterprise types generated net incomes of less than N100, 000 per annum. Here again, a vast proportion of the SMEs generated net incomes per enterprise, per annum, that exceed the national minimum income level.

About eight (38%) of the SMEs in Rivers State generated net incomes that range from N1.3 million to N10.5 million. Another set of seven (33%) generated net incomes ranging from N200, 000 to over N900, 000. The rest (about 29%) generated net incomes ranging from over N24, 000 to about N119, 000 per annum.

Once more, majority of the enterprises generated net incomes that exceeded the national minimum.

In summary, the net incomes per enterprise generated by a large proportion of the SMEs captured in this survey would appear to be remunerative, especially when considered in relation to the prevailing income level. This result is in tandem with the findings of (Christopolous and Tsionas, 2004). In this regard, the ten highest net- income generating enterprise type selected from among the SMEs in each state are indicated below.

Abia State: Metal fabrication; bakeries, confectioneries, biscuits; leather bags production; interlocking tiles; printing; computer repairs and maintenance; balloster production; electric poles production; metal-works construction and foot wears.

Akwa Ibom State: Oil palm processing; leather bags; bakeries, confectioneries, biscuits, table water; metal works and construction; paint production; electronic repairs and maintenance; foot wears; bricks making and metal fabrication.

Edo State: saw milling; block moulding, fish production; printing; wood arts; poultry production; garment/fashion; furniture works; interlocking tiles and aluminium and glass fabrication.

Rivers State: Garment/fashion; cassava processing; aluminium and glass fabrication; fish production; poultry production; printing; block moulding; oil palm processing; metal fabrication and foot wears.

4.2.3 Rate of Return on Investment

The rate of return on capital invested in SMEs is considered critical in this analysis for, at least two reasons. The first is that individual SMEs, because of their size and mode of operation, can hardly boast of a high turnover. This is also the position of (Liedholm *et. al.*, (1994). Thus, if profit margin in the business is slim, the business can hardly generate a remunerative income to sustain the operator in the business. Secondly, in a situation of very slim profit margin, reflected in low return on investment, the operator begins, so to speak, to "eat" into his operating capital and the business, sooner than later, collapses. This appears to be a common problem with SMEs, such that people, who quickly enter the industry perhaps, because of the relatively low initial capital requirement, quickly exit from it, as their financial base gets quickly depleted. The situation affects the sustainability of SMEs. This perhaps should explain why investors generally and financial institutions in particular show special interest in the rate of return on capital investment. The sustainability of SMEs, if they are funded, should be of primary concern to the funding agencies.

Table 6: Rates of Return on Total Investment (RRTI) in SMEs

Categories/Enterprise Types	Abia		Akwa Ibom		Edo		Rivers	
	RRTI	Rank	RRTI	Rank	RRTI	Rank	RRTI	Rank
Food and beverage:								
Bakeries, confection, Biscuits	106.8	24	245.8	7	116.4	26	229.7	10
Table water	-	-	147.5	14	112.8	27	-	-
Restaurant & bar	224.6	11	107.9	18	174.0	16	135.1	15
Metal works & fabrication								
Metal construction	280.7	7	215.9	8	250.4	9	-	-
Metal fabrication	664.2	1	158.5	13	123.6	24	409.9	3
Aluminium & glass fabrication	-	-	-	-	154.1	22	297.4	6
Auto mechanics								
Mechanic works	78.4	27	107.5	19	298.4	6	-	-
Auto electrics	77.3	28	-	-	439.2	1	-	-
Panel beating & spraying	107.7	23	-	-	255.4	8	-	-
Balancing & allignment	77.1	29	-	-	137.1	23	-	-
Chemicals								
Soap and cosmetic production	147.5	18	13.3	21	47.2	30	53.1	22
Candle production	-	-	-	-	377.9	4	216.4	11
Plastic production	-	-	-	-	33.2	34	-	-
Paint production	254.4	9	360.7	2	-	-	-	-
Insecticide production	-	-	68.5	20	-	-	118.3	17
Agro industries								
Oil palm processing	32.9	31	352.4	3	336.2	5	347.9	4
Cassava processing mills	29.8	32	176.3	11	123.2	25	259.3	7
Fish production	114.6	22	-	-	408.5	3	430.2	2
Poultry production	29.5	33	138.2	15	241.0	10	123.0	16
Piggery	172.9	16	-	-	100	35	-	-
Other livestock	33.5	30	-	-	-	-	-	-
Livestock feed processing	141.5	11	-	-	160.9	18	-	-
Clothing & textile								
Garment/fashion	513.2	2	323.2	4	229.1	11	245.4	9
Foot wears	134.4	20	132.9	16	-	-	305.3	5
Leather bags	151.0	17	261.7	6	-	-	107.8	20
Hair dressing& barbing salon	122.5	21	-	-	156.1	21	583.3	1
Wood works & allied product								
Furniture works	184.8	15	307.9	5	35.8	33	164.8	13
Saw milling	253.6	8	-	-	46.9	31	-	-
Wood art	190.8	14	173.0	12	266.4	7	110.4	21
Pulp and paper								
Printing	440.9	5	125.9	17	200.5	12	159.3	14
Tissue paper	-	-	143.6	14	-	-	-	-
Electrical/electronic								
Computer repairs & maintenance	216.6	12	572.2	1	157.1	20	-	-
Electronic repairs	100.0	24	207.0	9	158.9	19	-	-
Air conditioner/fridges	237.8	10	-	-	426.5	2	246.5	8
Sand and bricks								
Bricks making	-	-	185.5	10	175.1	15	-	-
Block moulding	105.1	24	-	-	182.0	4	188.9	12
Interlocking tiles	490.9	3	-	-	41.5	32	-	-
Balloster production	201.4	13	-	-	165.6	17	-	-
Electric poles production	454.8	4	-	-	-	-	-	-
Recycling & waste mgt.	394.9	6	-	-	84,000	13	121.9	16

Source: computed from survey data 2012.

Table 6 shows the ranking of SMEs on the basis of rate of return on investment. In Abia State, metal fabrication provided the highest return on investment while poultry production provided the

lowest. A striking issue about the results in Abia is the poor performance of agro-industry enterprises. The only agro industry that provided a relatively high rate of return is piggery.

In Akwa Ibom State, the highest RRTI was provided by computer repairs and maintenance while the lowest came from soap and cosmetic production. Agro industries performed much better in Akwa Ibom than Abia.

The best performing SMEs in Edo and Rivers were auto electrics and hair dressing and barbing salons, respectively. And the lowest RRTIs came from plastic industry in Edo and soap and cosmetics in Rivers State.

On the basis of the RRTI ranking, the ten best SMEs, in the order of their performances, are as indicated against the States.

Abia State: metal fabrication; garment/fashion; interlocking tiles; electric poles production; printing; recycling and waste management; bakeries and confectioneries; metal works and construction; paint production; and air condition/refrigeration.

Akwa Ibom State: computer repairs and maintenance; paint production; oil palm processing; garment and fashion; furniture works; leather bags; bakeries and confectioneries; metal works and construction; electronic repairs/maintenance; and brick making.

Edo State: auto electricals; air conditioner/refrigerator; fish production; candle production; oil palm processing; mechanic works; wood arts; panel beating and spraying; metal works and construction; and poultry production.

Rivers State: hair dressing/barbing salon; fish production; metal fabrication; oil palm processing; foot wears; aluminium and glass fabrication, cassava processing mills; air conditioner/refrigerators; garment/fashion; and bakeries and confectioneries.

4.3 Wage Rates and Employment Generating Capacities of SMEs

Any empowerment programme aimed at using SMEs to create jobs must give serious consideration to the related issues of wage rate and potential to create remunerative jobs. The two variables are considered key to selecting SMEs for inclusion in the programme.

4.3.1 Wage Rates

The workforce of SMEs consists largely of unskilled labour. Induction by on- the –job training and experience is the common practice. Operators of SMEs nevertheless, have to pay comparable wages. At the level at which SMEs operate, the demand for labour to do odd jobs could be high and a slight addition to the wage rate could make a difference and become an incentive to cause

labour to move out. The average wage rates of categories of enterprises and enterprise types are indicated in Table 7.

From Table 7, indications are that, in Abia State; the wage rates range from about N9000 to about N2800 per month. For most enterprises however, the wage rates cluster around N13, 000 to N17, 000 per month.

In Akwa Ibom State, the highest wage rate is about N31, 000 paid by mechanic works, followed by N25, 000 paid by wood arts; and the lowest is about N8, 000 paid by the poultry enterprise. A large proportion of the wage rates cluster around N11, 000 and N18, 000 per month. In Edo State, the lowest wage rate is about N7, 000 paid by printing works and the highest is about N28, 000 provided by block moulding. Most wage rates however, cluster around N11000 and N18, 000.

In Rivers State, The wage rates ranges from N7000 for metal works and construction to about N33000 for furniture works. The wage rates cluster around N7, 000 and N21, 000.

On the whole, with an estimated average wage rate of about N15, 000 per month for all SMEs, the wage rates offered by the SMEs in the study area are about 25% lower than the national minimum income which holds sway in the federal public sector. The SMEs nevertheless, appear to have done quite well considering the fact that some States in the federation have argued that they are relatively poor and cannot sustain the federal minimum. Such States have set minimal that are closer to the average wage rate of N15, 000 per month.

Table 7: Wage Rates and Levels of Employment in SMEs

	Abia		Akwa Ibom		Edo		Rivers	
Category	Ave. no employed	Average Wage /month	Ave. no employed	Average Wage rate	Ave. no employed	Average Wage rate	Ave. no employed	Average Wage rate
Food& Beverage								
Bakeries	26	9012	21	17561	14	10000	45	10000
Table water	-	-	16	16732	6	10000	-	-
Restaurant & Bar	5	9200	9	17146	8	13875	7	19586
Metal works & fab				-				
Metal works	5	12500	4	14053	2	10000	7	7385
Metal fabrication	176	20500	22	8764	2	7500	-	-
Aluminum &glass	-	-	-	-	3	8818	12	2297
Auto mechanics							-	-
Mechanic works	4	15000	8	31667	3	15500	-	-
Auto electrician	4	17500	-	-	4	12000	-	-
Panel beating	7	11500	-	-	3	15000	-	-
Wheel Balancing	6	18750	-	-	4	15400	-	-
Chemicals							-	-
Soap & cosmetics	6	20500	4	22684	3	10833	5	43000
Paint production	9	12500	110	15345	-	-	-	-
Insecticide	-	-	6	11667	-	-	4	33750
Candle production	-	-	-	-	3	14800	8	21739
Plastic production	-	-	-	-	9	14800	-	-
Agro industries								-
Oil palm	3	1980	23	12791	4	9285	17	10303
Poultry	2	22500	30	8333	4	7727	3	15952
Cassava	6	10000	17	13397	6	20000	7	19744
Fish production	1	10000	-	-	2	16666	7	7701.3
Piggry	5	37500	-	-	4	9375	-	-
Other livestock	2	24000	-	-	-	-	-	-
Livestock feed	6	9000	-	-	6	16000	-	-
Clothing & textile								-
Garment/fashion	5	13280	9	14351	7	1387811	4	17941
Foot wear	6	14000	21	14381	1	14000	10	8500
Leather bags	3	1533	9	52969	-	-	-	-
Hair dressing	2	12333	-	-	4	9900	5	24500
Wood works &allied								-
Wood arts	3	13666	4	25000	4	12444	3	21500
Furniture works	6	16250	19	22320	8	17083	3	33000
Saw milling	4	16830	-	-	14	12498	-	10000
Pulp and paper				-				-
Printing	5	13111	11	14760	11	6900	7	11559
Tissue paper	-	-	3	14600	-	-	-	-
Electrical/electronic								-
Computer repairs	8	13933	7	6154	6	13333	-	-
Electronic repairs	3	11888	9	28936	1	27783	-	-
Airconditioner/fridge	5	12450	-	-	2	17500	2	15000
Sand & bricks								
Brick making	-	-	11	12605	5	15000	-	-
Block moulding	2	30142	-	-	7	28333	5	26563
Interlocking tiles	3	37000	-	-	7	17941	-	-
Balloster production	-	27928	-	-	4	20000	-	-
Electric poles	5	18125	-	-	-	-	-	-
Recyling / waste mgt	2	14111	-	-	2	15000	10	10000

Source: computed from survey data, 2012.

4.3.2 Employment Generating Capacity

One of the reasons the development of SMEs is fostered, in especially in the developing world, is the great potentials they are seen to offer as an engine of economic growth and employment creation. With the massive unemployment prevailing, not only in the Niger Delta, but also in the entire Nigerian economy, in the face of severe and dwindling capacity utilization in many manufacturing industries, and the attendant lay-off of workers, attention has naturally been turned to SMEs to provide a way out of the unsavoury situation. SMEs nevertheless, may not have equal potentials in creating employment. The analysis here has therefore examined the average number of persons employed per enterprise type as a proxy for assessing the employment generating potentials of each enterprise. The results are also presented in Table 7.

Indications from Table 7 show that in Abia State, most enterprises employed three to six persons. The two outstanding employers of labour were bakeries, confectioneries and biscuits with an average of 26 persons per enterprise and paint production with an average of 9 persons per enterprise. The average number of persons employed per enterprise in the state was about 5 persons. The findings here is in agreement with that of (Osinowo, 1997)

In Akwa Ibom State, the employment levels were much higher than in Abia State. The average number of persons employed per enterprise was as high as 30 for poultry production, 23 for oil palm processing, 22 for metal fabrication and 21 each for bakeries, confectioners, biscuits and foot wears. The average number of persons per enterprises was eleven.

In Edo, the outstanding enterprise types with respect to employment generation were bakeries, confectioneries, biscuits and saw milling which employed an average of 14 persons each, per enterprise. The rest of the enterprise types clustered around three to seven employees. The average for the state was about 6 persons per enterprise.

In Rivers State, the outstanding enterprise types were bakeries, confectioneries, and biscuits with an average of 45 employees per enterprise and oil palm processing with an average of 17 persons. The average number of persons employed per enterprise was about 8.

Across the four States, the number of persons employed per enterprise for the three most outstanding enterprises was 27 for bakeries, confectioners, biscuits, and 12 each for oil palm processing and table water. The overall average across the States was 7.

The Choice of enterprises, on the basis of the potential employment generating capacity is as indicated below for the States.

Abia: Bakeries, confectioneries, biscuits; paints production; computer repairs and maintenance; panel beating and spraying; metal fabrication; soap and cosmetics; cassava processing; foot wears; furniture works and printing.

Akwa Ibom : poultry production; oil palm processing; metal fabrication; bakeries, confectioneries, biscuits; foot wears; furniture works; cassava processing; table water; printing and block moulding.

Edo: Bakeries, confectioneries, biscuits; saw milling; printing; furniture works; restaurant /bar; garment/fashion; block moulding; interlocking tiles; cassava processing; livestock feed processing and bricks making.

Rivers: bakeries, confectioneries, biscuits; oil palm processing, foot wears; aluminium and glass fabrication; recycling and waste management; restaurant and bars; metal works and construction; cassava processing; fish production; and printing.

4.4 Capital Investment in SMEs

The analysis in this section examined the initial capital investment and growth in capital investment.

4.4.1 Initial Capital Investment

Knowledge of the initial capital requirement is important in planning for the commencement of any business venture. The entrepreneur would want to plan on the basis of the anticipated investment in capital equipment, machinery and tools, expenditure on raw materials and other consumables, labour and costs and other operational costs and contingencies which constitute the take off fund and form the basis for applying for credit support. The creditor or financier would want to know the level of capital investment required, to facilitate the decision on the level of credit to advance to the business venture. There is also no way a meaningful programme to grow youths into SMEs can be designed without knowledge of the initial capital requirements for the specific enterprises. These considerations informed the analysis of the averaged initial capital requirement detailed in Table 8.

As the data in Table 8 indicate, in Abia state, the initial capital investment is lowest for leather bags (N168, 000) and highest for paint production (N4.5 million).

The average initial capital per enterprise type ranges from N700, 000 for foot wears to about N7.2 million for furniture works in Akwa Ibom; from N200, 000 for foot wears to N3.57 million for air conditioners/fridges in Edo state; and from N100, 000 for air conditioner/fridges to over N12.24 million for cassava processing mills in Rivers state. The only enterprise type whose initial capital was above the N10 million capital base, at inception was the cassava processing mill in Rivers State. The enterprise hardly qualifies for inclusion in our study. A few enterprise types had initial capital below the minimum capital base of N1million at inception. As would be expected, their capital bases would have grown to qualify them for inclusion in the survey.

Table 8: Average Initial Capital Requirement (N)

Category	Abia	Akwa Ibom	Edo	Rivers
Food& Beverage	880271	3448333	338333	535000
Bakeries	973916.7	2725000	445000	150000
Table water	0	5820000	375000	-
Restaurant & Bar	786625	1800000	195000	920000
Metal works & fab	488335	2189000	1375000	193216
Metal works	150000	2010000	2000000	202100
Metal fabrication	82666.7	2368000	-	-
Aluminum &glass	-	-	750000	184333.3
Auto mechanics	2447500	1178333	923750	-
Mechanic works	3890000	1178333	1300000	-
Auto electrician	1900000	-	950000	-
Panel beating	2500000	-	445000	-
Wheel Balancing	1500000		1000000	-
Chemicals	2833333	2417778	1298333	331250
Soap & cosmetics	1166667	1586667	945000	325000
Paint production	4500000	4266667	-	-
Insecticide	-	1400000	-	350000
Candle production	-	-	1750000	300000
Plastic production	-	-	1200000	-
Agro industries	439047	2933333	1191667	4554938
Oil palm	606666.7	3350000	1500000	200000
Poultry	550000	1800000	500000	-
Cassava	200000	3650000	800000	12237833
Fish production	266666.7	-	1250000	1226982
Piggery	500000	-	600000	-
Other livestock	450000	-	-	-
Livestock feed	500000	-	2500000	-
Clothing & textile Garment/fashion	186091	2273704	325039	252500
Foot wear	76363.64	1721111	375116.7	220000
Leather bags	325000	700000	200000	215000
Hair dressing	168000	4400000	-	300000
	175000	-	400000	275000
Wood works &allied	261500	4037500	1633333	290000
Wood arts	179500	850000	700000	5500000
Furniture works	362500	7225000	1200000	300000
Saw milling	242500	-	3000000	-
Pulp and paper	750000	3410357	775000	2425000
Printing	750000	6035000	775000	2425000
Tissue paper	-	785714.3	-	-
Electrical/electronic	1340262	2462500	2031667	100000
Computer repairs	1400500	3125000	900000	-
Electronic repairs	1114286	1800000	1625000	-
Airconditioner/fridge	1506000	-	3570000	100000
Sand & bricks	697917	1601250	960125	1025367
Brick making	-	1601250	600500	1025367
Block moulding	683333.3	-	500000	-
Interlocking tiles	425000	-	1050000	-
Balloster production	433333.3	-	1690000	-
Electric poles	1250000	-	-	-
Recycling/ waste mgt	206666.7	-	400000	2880000

Source: computed from survey data, 2012.

4.4.2 Growth in Capital Investment

The average growth in capital investment for the different enterprise types is detailed in Table 9. In Abia state, the growth in capital investment is least for soap and cosmetics (6.12%), panel

beating and spraying (6.67%), paint production (7.94%), and highest for poultry production (279%); metal works and construction (234%) and furniture works (165%). In Akwa Ibom state, the growth in capital investment is least for furniture works (0.5%) and highest for printing (84%). Generally, the growth rates of capital investment are much lower in Akwa Ibom State than in Abia state.

The growth rates of capital investment in Edo State are generally lower than the growth rates in Abia, but higher than those in Akwa Ibom and Rivers States. The growth rates of capital investment might be a reflection of the level of commercial activities by SMEs in the urban centres of Aba in Abia, Benin City in Edo, Uyo in Akwa Ibom and Port Harcourt in Rivers. While Port Harcourt has become the centre for the big corporate organizations, Aba has established the reputation for the manufacture of light consumer goods by SMEs. Made- in- Aba goods attract patronage from across Nigeria and beyond.

Table 9: Average Annual Growth Rate (%) in Capital Base of SMEs

category	Abia	Akwa Ibom	Edo	Rivers
Food& Beverage	164.55	12.50	30.26	
Bakeries , confectionery & biscuits	164.55	18.99	36.74	21.37
Table water	164.55	5.97	27.83	-4.88
Restaurant & Bar	164.55	7.32	20.15	-
Metal works & fabrication	69.790	26.99	19.09	-
Metal works & construction	234.20	52.13	14.98	32.16
Metal fabrication	59.96	2.11	25	-
Aluminum &glass fabrication	-	-	16.67	12.72
Auto mechanics	12.06	8.63	23.85	-
Mechanic works	11.17	8.63	22.29	-
Auto electrician	22.81	-	16.53	-
Panel beating & spraying	6.67	-	30.12	-
Wheel Balancing	10.93	-	36.23	-
Chemicals	7.14	7.89	7.33	-
Soap & cosmetics	6.12	0.09	4.98	39.19
Paint production	7.94	5.21	-	-
Insecticide	-	18.76	-	8.09
Candle production	-	-	8.30	150.94
Plastic production	-	-	7.75	-
Agro industries	44.09	19.35	26.95	-
Oil palm processing	32.16	17.83	17.86	165.84
Poultry production	279.41	17.18	29.76	61.79
Cassava processing	19.67	43.07	62.5	1.15
Fish production	52.14	-	31.43	16.44
Piggry	44.12	-	33.48	-
Other livestock	24.51	-	-	-
Livestock feed	32.35	-	17.18	-
Clothing & textile	108.59	7.62	21.69	-
Garment& fashion	108.24	4.61	26.58	75.19
Foot wear	138.82	29.50	1.26	22.09
Leather bags	108.24	4.55	-	36.11
Hair dressing & barbing	85.22	-	22.73	19.70
Wood works	57.87	-	12.87	-
Wood arts	29.42	1.86	5.03	0
Furniture works	165.15	0.54	17.46	0
Saw milling	27.69	-	12.86	-
Pulp and paper	11.79	55.45	11.69	5.22
Printing	11.79	83.81	11.6	5.22
Tissue paper	-	6.27	-	
Electrical/electronic	9.74		8.05	32.5
Computer repairs	9.29	6.70	12.22	-
Electronic repairs	10.37	3.82	9.69	-
Airconditioner/fridge	8.92	-	4.01	32.5
Sand & bricks	20.01	1.19	12.18	39.17
Brick making	16.34	1.19	18.27	-
Block moulding	26.47	-	10.83	39.17
Interlocking tiles	26.15	-	9.82	-
Balloster production	9.6	-	14.13	-
Electric poles	66.36		-	-
Recyling / waste mgt	66.36	-	68.75	30.49

Source: computed from survey data, 2012.

4.5 Identification /Selection of the Recommended SMEs

Recommendations here were based on two considerations – the capacity to generate remunerative and substantial income and the capacity to generate wage employment.

4.5.1 Recommended SMEs Based on Capacity to Generate Remunerative Income

As already indicated, three related indices were applied to evaluate the profitability and viability of the SMEs. They are total factor productivity (TFP), net income (NI) and rate of return on total investment (RRTI). On the basis of each of these indicators separately, SMEs were selected for each of the four states. The attempt made in this section is to select SMEs in joint consideration of the three indices. The selection criteria is that the SME must have appeared in, at least, two of the three groups of the best ten SMEs indentified on the basis of TFP, NI and RRTI, as a final test to be included in the recommended list for each State. Applying this criterion, the following SMEs have been recommended for consideration for funding. The tabulations for the selection criterion are in annex A21.

Abia State: Metal fabrication; garments/ fashion; interlocking tiles production; electric poles production; printing; recycling and waste management; bakeries, confectioneries and biscuits; metal works; and paint production .

Akwa Ibom State: Garment/fashion; bakeries/fashion; confectioneries, biscuits; metal works/construction; paints; oil palm processing; furniture works; leather bags; electronic repairs/maintenance and brick making.

Edo State: Interlocking tiles; printing; metal works; furniture works; wood arts; poultry production; aluminium and glass fabrication; table water and saw milling.

River State: metal fabrication; garment/fashion; bakeries, confectioneries, biscuits; oil palm processing; air conditioner/refrigeration repairs and maintenance; hair dressing/barbing saloons; fish production; foot wears; aluminium and glass fabrication and cassava processing.

4.5.2 Recommended SMEs Based on Potential to Generate Employment

If employment generation is the primary objective of a programme aimed at promoting SMEs, then the selection criterion is the potential capacity to generate employment. The selection of SMEs on this basis, has already been provided in section 4.3.2, that deals with employment generating capacity of SMEs.

4.6 Constraints Facing SMEs

The problems confronting the SMEs are considerable in number. Many of such problems are peculiar to specific enterprise types and no attempt is made here to discuss them. There are

nevertheless, three problems that were mentioned by most of the respondents; these are the problems of "inadequate funds", "epileptic power supply/rising energy costs" and "inadequate training facilities/opportunities". The distribution of the respondents according to the number who mentioned each problem is detailed in Table 9.

Table 10: Problems militating against SMEs in the Niger Delta, Nigeria

CATEGORY	Inadequate fund		Epileptic Power supply		Training needs for staff	
	Frequency	Percentage	Frequency	%	Frequency	%
Food and beverage	21	67.74	9	29.03	1	3.23
Metal works & fabrication	16	64.00	8	32.00	1	4.00
Auto mechanics	7	46.67	5	33.33	3	20.00
Chemicals	16	53.33	11	36.67	3	10.00
Agro industries	32	56.14	20	35.09	5	8.77
Clothing and textiles	21	40.38	22	42.31	9	17.31
Wood works and allied products	13	56.52	10	43.48	0	0.00
Pulp and paper	9	45.00	10	50.00	1	5.00
Electrical and electronics	12	46.15	13	50.00	1	3.85
Sand and bricks	18	66.67	9	33.33	0	0.00
Recycling and waste management	6	75.00	2	25.00	0	0.00
Average		**53.15**		**37.29**		**6.56**

Source: Computed from survey data, 2012.

As the data in Table 9 indicated, over 53% of the respondents mentioned inadequate fund, 37.3% mentioned epileptic power/rising cost of power supply and about 9.7% mentioned inadequate training facilities/opportunities. If the number of persons who mentioned each problem is used as a measure of its importance, then the most pressing problem is inadequate funding. This result is in agreement with the findings of (Utomi, 1997; Ekpenyong, 1997). The result nevertheless, is rather unexpected in the prevailing circumstance. Inadequate and rising energy costs is said to be the bane of the manufacturing industries in Nigeria. It is said to have contributed considerably to the drastic decline in capacity utilization of manufacturing industries. The cost of providing own supply of electricity by the use of giant, diesel-guzzling electricity generating sets has proved prohibitive. This conclusion is in tandem with findings of (Adelaja, 2003; Onuorah, 2010). The total removal of subsidy from diesel and the consequent jump in the price of the commodity has raised the operating cost of giant, power generating sets that depended on the commodity. SMEs, relying largely, on much smaller and less fuel guzzling, gasoline, electricity generators, appeared to have adapted better. The subsidy on gasoline was only partially removed.

The problem of inadequate funds appears most pressing for enterprises in recycling and waste management, food and beverage, sand dredging and bricks and metal works and fabrication where 75%, 67.7%, 66.7% and 64% of the enterprises, respectively mentioned it. The problem of epileptic and rising cost of power supply, on the other hand, appears fairly pressing only to enterprises in both pulp and paper and electrical/electronic where 50% of the enterprises in each industry mentioned it. The distant third place which the problem of inadequate training facilities/opportunities occupies should be apparent from the proportion of enterprises in each

category that mentioned it. The problem nevertheless, assumes some degree of importance in the auto mechanics, where about 20% of the enterprises mentioned it.

4.7 Training Needs of SMEs

The study observed that the training needs of the SMEs were enterprise category specific. The areas of needs are therefore, discussed along the same lines.

Food and Beverage: here trainings were sought in the areas of operating advanced/ improved ovens (electric oven), mixers and other ancillary utensils/machines, extruders and water compressors that make their enterprises operations more effective and profitable.

Metal works and fabrication: In this category, the entrepreneurs requested trainings in improved electric welders, arc and gas welding and under water welding. This is to enable them compete favourably with their counter parts who were beneficiaries of the amnesty programme and have been sponsored for training in these areas, in foreign countries.

Auto mechanics: Some of the entrepreneurs solicited financial support to enable them purchase machines for lifting engine blocks of heavy vehicles, and to purchase fault detecting, computerized, machines to save them from the trial and error method that most of them use to detect faults. They would of course require training in the use of computerized machines.

Chemical Enterprise: Almost all the entrepreneurs in this category requested to be given training on the health implication of their profession, especially, on the handling of the chemicals.

Agro Enterprises: Risk management in agriculture was their main area of training need. This is premised on the fact that they do not have control of the environment in which they operate. The situation they say leaves them at the mercy of vagaries of weather and incidence of diseases and pests.

Clothing and Textile: Training was sought in the areas of industrial sewing machines operation and maintenance.

Wood works/ allied products: Training was desired in the use of designing machines that undertake curves and related designs.

Electrical/Electronics: So many entrepreneurs in this category want to be trained in the repairs and maintenance of modern electronic equipments, fiber optics and in other modern concepts.

Pulp and paper: the areas of training wanted here are in the use and operation of modern machines and techniques that carry out digital and full colour separation and other functions all at the same time - multitask machines.

Sand and bricks: The entrepreneurs solicited support to purchase industrial moulders and training in the use of the moulders.

Recycling and waste management: The request here was training in the management of the risks associated with their work and protection against the health hazards.

5.0 Summary, Conclusions and Recommendations

5.1 Summary

The objective of this study was to identify profitable and viable small and medium businesses which could form a basis for a youth economic empowerment programme in the crisis-torn Niger Delta Region. A survey was conducted in selected urban centres to collect data, on a range of variables, on registered small and medium businesses. The data include input-output structure and prices, labour use and wage rate, capital investment and other variables used to characterize SMEs. Simple analytical techniques were used to derive the indices of productivity, profitability, rate of return on capital investment and employment generating capacities which were used to select most profitable and viable SMEs and the ones that offered the greatest prospect for employment generation.

From a total of 400 survey instruments (questionnaire) that were administered across the four states of the Niger Delta- Abia, Akwa Ibom, Edo and Rivers States. 314 were found useful for data analysis. Official records of the Ministries of Trade Commerce and Industries where the SMEs were registered defined 11 categories of enterprises and 45 enterprise types. The 11 categories were (i) food and beverage, (ii) metal Works and fabrication, (iii) auto mechanics, (iv) chemicals, (v) agro industries, (vi)clothing and textile, (vii) wood works and allied products, (viii) pulp and paper, (ix)electrical and electronics, (x) sand and bricks and (xi) recycling and waste management. A combination of both purposive and random sampling was adopted at different stages, to ensure that all categories of enterprises and enterprise types were included in the sample of 100 enterprises per state, for a total of 400 for the study area.

Out of the 314 enterprises whose data were found useful for analysis, 87 (27.7%) were located in Abia; 86 (27.4%) in Akwa Ibom; 75 (23.9%) in Edo and 66 (21%) in Rivers State. The contribution of enterprise categories to the total number of enterprises in the survey varied, depending on the number of enterprise registered in the category.

The characterization of the SMEs by activity type showed that 18.4% belonged to agro industries; 17.1% belonged to clothing and textile; 10% to food and beverages; 9.7% to chemicals; 8.4% to electrical and electronics; 8.1% to metal works and fabrication and 1.9% to recycling and waste management. The mean age of SMEs across the entire study area was 8 years and the dominant ownership structure was sole proprietorship.

The total factor productivity index was used to evaluate the relative productivities of the different enterprise categories and enterprise types. The three most productive enterprises were; metal fabrication, garment/fashion, and interlocking tiles in Abia; paints, palm oil processing and garments/fashion in Akwa Ibom; metal works and construction, interlocking tiles ,and aluminium

and glass fabrication in Edo; and hair dressing and barbing salon, fish production, and metal works and construction in Rivers State.

The least productive enterprises were poultry production in Abia, soap and cosmetics in Akwa Ibom, oil palm processing in Edo and again, soap and cosmetics in Rivers State.

The net income (NI) concept was use to assess the profitability and relative income generating capacities of the different enterprise types. The conclusion reached here is that the average net income, per enterprise, generated by a large proportion of the SMEs appeared to be remunerative, especially when compared with the prevailing national minimum income level of about N240, 000 per annum.

In relative terms, the highest net income generating enterprises were metal fabrication in Abia State; oil palm processing in Akwa Ibom state; saw milling in Edo state and garment/fashion in Rivers State. On the basis of the net income, the best 10 enterprise types were selected for each state

The rate of return on investment (RRTI) was used to assess the viability and sustainability of SMEs. A situation of very slim profit margin, reflected in low return on investment would sooner than later cause the SMEs to collapse. The SMEs were accordingly ranked on the basis of RRTI. In Abia State, metal fabrication provided the highest return on invested capital, while poultry production provided the least. In Akwa Ibom State, the highest RRTI was provided by computer repairs and maintenance while the least came from soap and cosmetics production. The best performing SMEs in respect of the RRTI in Edo and Rivers were auto electrics, and hair dressing/barbing salon, respectively. The lowest RRTIs came from plastic industries in Edo and soap and cosmetics in Rivers State. On the basis of RRTI, the best ten performing enterprise types were identified for each state.

The potential capacities of the SMEs to generate employment were also assessed simply by computing the average number of persons employed per enterprise and the wage rate. The average number of persons employed per enterprise ranged from two to ten for a vast proportion of enterprise types, indicating that most of the SMEs have the capacity to generate some employment. The average wage rate of about N15, 000 per month is about 25% lower than the national minimum wage of about N20, 000 per month. The SMEs would appear to have done well even; in terms of the average wage rate as some of the State governments across Nigeria have shown reluctance in adopting the federal minimum wage and are actually paying something less.

The three different groups of enterprises identified in each state on the basis of the TFP, NI and RRTI were revisited for the purposes of identifying the SMEs which could be recommended for funding. To qualify for selection at this level, the SMEs must have featured in at least two of the groups in each State. On the basis of this criterion, nine enterprise types were identified in Abia State, ten in each of Akwa Ibom , Edo and Rivers states.

On the basis of the applied indices, the following SMEs have been identified as the most productive, profitable and viable in the Niger Delta region: metal fabrication; garments/fashion; interlocking tiles; electric poles production; printing; bakeries, confectioneries and biscuits; metal works and construction; paints production; furniture works; leather bags; wood arts; poultry production; fish production; fish production, foot wears and aluminium and glass fabrication.

Some of the problems faced by the SMEs were peculiar to the type of enterprise and the mode of operation. Three problems, nevertheless cut across and were considered pressing on account of the number of respondents who mentioned them. The problems were inadequate funding, inadequate power supply and rising energy costs, and inadequate training facilities/opportunities.

5.2 Conclusions

The following conclusions, derived from the findings of the study in line with the specific objectives were made:

- The contributions of the enterprise categories to the total number of enterprises captured in the survey varied considerably from 18.4% for Agro industries to 1.9% for recycling and waste management. This characteristic is indicative of the category type that has more enterprises.
- SMEs in the Niger Delta were mainly owned by sole proprietors. This characteristic is implies that most decisions on labour and wage rates were determined by an individual and not board of owners. This has been the bane of SMEs as reported by (Onuorah, 2010). However, in terms of the age of the enterprises, on the average, the SMEs operated for a minimum of 8 years. This finding contrasts with what has been reported by (Ogboru 2004) who concluded on the basis of a study in western Nigeria, that most SMEs do not last for more than 3 years.
- The SMEs are productive and profitable as indicated by the indices of productivity and profitability computed. The high productivity and profitability indices are in agreement with the findings of (Christopolous and Tsionas, (2004) and Mahmoud, (2005). The SMEs do generate remunerative incomes which in most cases were at par with the national minimum wage of N20, 000.
- The SMEs can also reduce unemployment in the region given the wage rates paid and their employment generating capacities. Some SMEs like the bakeries and confectioneries employed as much as 26 persons per enterprise. This far exceeds what (Onuorah, 2010) found out in Matori, Lagos state, Nigeria.
- The annual growth in capital of the SMEs by activity type showed that the food and beverage category was the highest with a rate of 164.55%, while the least growth in capital was seen in the electrical/electronic category type. The growth in capital base is a good indicator of the health of the SMEs for a prospective investor.

- The SMEs identified on the basis of the applied indices are considered profitable and viable and have the capacity to generate remunerative incomes and employment and could become the candidates for any youth empowerment programme.
- The most limiting problem faced by the SMEs was inadequate funding as indicated by the entrepreneurs, followed by epileptic power supply. These findings are supported by the works of (Ekpenyong and Nyong, (1992); Iniodu and Udomesiet,(2004); Onugu, (2005) and Kadiri, (2012).
- In summary, SMEs in the Niger Delta have the capacity and can be used to tackle the problem of massive unemployment and improve the welfare of the restive youths.

5.3 Recommendations

From the findings of the study, the following recommendations are made.

- A two-prong attack on unemployment using SMEs is suggested. In the first place, the government in each state, working jointly with the financial institutions and donor agencies, should provide special credit facilities to enable the existing selected SMEs to expand and generate more employment.
  Secondly, government through its agencies (SMEDAN, BOI, NDE, NYSC etc) should design a properly articulated programme aimed at "growing" large numbers of the unemployed youths into some of the selected SMEs. The provisions in the programme should include both training and financing, with adequate supervision.
- The power supply problem in Nigeria appears intractable. What one can, nevertheless, suggest is that government should double its effort to facilitate the privatization of the sector and enhance the development of Independent Power Providers (IPPs). This should lead to increased power supply to both the SMEs and the large industrial concerns.

References

Aes, Z., R., and Young, B. (1999) Productivity growth and size distribution. In Aes Zoltan, Bo Carlson, and Charlie Larlsson, edt., Entrepreneurship, Small sized businesses and macroeconomy. Cambridge University press.

Akpan, B.C (2007) Fish production and in Rivers State. Unpublished B.Agric. Tech Thesis, Federal University of Technology Owerri (FUTO)

Basu, A.; Blavy, R. and Yulck, M. (2005) Microfinance in Africa: Experience and lessons from selected African countries. IMF Working Paper 04/174, Washington.

Chizea, B.I. (2002) Policy Options for financing the manufacturing sub sector in Nigeria. In diversification of the Nigerian Economy, policies and programme for enhanced manufacturing output. CBN Bullion, vol. 26, No 4, October/December.

Christopolus and Tsionas (2004) SMEs and Capital productivity in developing economies

Central Bank of Ngeria CBN (1988) monetary circular no 22.

CBN/ IFC (2002) various issues. Annual Reports and Statements of Account for the year ended Companies and Allied Matters Act (CAMA) 1990).

Cook, P. and Nixson, F. (2000) Finance and Small and Medium-Sized Enterprise Development

Cromarty, P (2010) Alternative funding for SMEs. London

Cromarty, P (2012) The importance of alternative funding for SMEs. Bibby financial services, London, December, 10.

Daodu, O. (1997) Promoting Entrepreneurship and Small Businesses: Lessons of Experience. In Fadahunsi Olu and Tunji Daodu (eds) Small and medium Enterprises development: Policies, Programmes and Prospects. West African Management Development Institutes Network (WAMDEVN) Pp 129-148.

Davis, S.J.; Haltiwanger, J., and Schuh, S.C (1993) Small businesses and job creation: Dissecting the myth and reseasseng the facts. Nation bureau of economic research, Working Paper No. 4492, October.

Ekpenyong, D.B. (1992) Problems of Small Businesses and why they Fail. Journal of General Studies, Bayero University, Vol. 3. No 1.

Ekpenyong, D.B. (1997) The Role of Institutions in Promoting Entrepreneurship and Small Businesses in Developing Economy. Pp 38-52

Egbon, P.C (2004) Industrial Policy and Manufacturing Performance in Nigeria. NCEMA, Ibadan. Pp 1-83

Ekpenyong, D.B and Nyong, M.O (1992). SMEs in Nigeria, their characteristics, problems and sources of finance. African Economic Research Consortium. AERC research paper, 16.

Inang , E.E and Ukpong, G.E (1992) A review of of SMEs credit delivery strategies in Nigeria. CBN economic and financial review, vol.30, No.4: Pp249-278

Iniodu, P.U and Udomesiet (2004). Commercial Banking System Efficiency and Financing Small Enterprises in the 21st Century. In Abdul-Ganiyu Garba, Festus Egwaikhide, and Adeola Akinjide, eds., Leading Issues in Macroeconomic Management and Development. Daily Graphics Nigeria, Limited, Ibadan. Pp161-183

Intrenational Labour Organisation (ILO) 1973. Sharing in Development, a programme of employment, equity and growth in Phillipines, Geneva.

Kadiri, I. B (2012) SME and Employment generation in Nigeria: The role of finance. University of Ilorin, Nigeria. Pp79-90.

Linda, R. (2013) Economist Intelligence Unit (EIU), March 1.

Little, I.M; Mazunder, D and Page, J.M (1987) Small manufacturing enterprises: a comparative analysisof India and other economies, New York oxford University press.

Liedholm, C., MacPherson Chuta, and Em (1994) 'Small Enterprise Employment Growth in Rural Africa', *American Journal of Agricultural Economics*, 76: 1177-1182.

Mambula, C. (1997). *"Factors Influencing the Growth, Performance and Development of Small Plastic Manufacturing Firms (SPMFs) in Nigeria and Implications for Policy*," unpublished Ph.D. dissertation submitted to University of Wales, Swansea, UK. *No. 12*(2): 34–4

Mambula, C. (2002) Perceptions of SME Growth Constraints in Nigeria *Global Perspective* 40(1):58-65

Mahmoud, D (2005) Private sector development and povertyreduction in Nigeria: Mainstreaming the SME sector. The Nigerian Economic Summit Group (NESG) Economic Indicators, vol.11, No. 1, January-March Pp 18-23.

National Bureau of Statistics NBS, (2005)

Ogboru, P.L (2004). An evaluation of funding arrangements for SMEs in Nigeria. A dissertation project submitted to the Department of Business and management studies, St Clement's university, British West Indies.

Okoh, E. (2011) News diary online. Thursday, August 4

Okafor, F.O (2000) Micro credit: an instrument for economic growth and balance development. African Banking and Finance Review, University of Nigeria Nsukka.

Onmonya, L (2011) Making Micro, Small and Medium Scale Enterprises bankable. Paper 5. pp3-4

Onuorah, P (2010). The role of Small and medium enterprises for economic growth. Blekinge Institute of Technology, school of management.

Onugu, B.A .N (2005). SMEs in Nigeria, problems and prospects. Unpublished PhD Dissertation. St Clements University.

Orji, K. E (2011) National Security and Sustainable Development in Nigeria. Challenges from Niger Delta. African Research Review. An International Multidisciplinary Journal, Ethiopia. Vol 6 (1) no 24.

Olorunshola J.A (2001) Industrial Financing in Nigeria. A Review of Arrangements. CBN Economic and Financial Review. Vol 39, No 1.

Osinowo, F.A.O (1997). Technology and Small Businesses. A Development Strategy. In Fadahunsi Olu and TunjiDaodo edts., Small and Medium Enterprise Development. Policies Programmes and Prospects (WAMDEVN) Pp 13-17.

Peterson, R. and Shulman, J. (1987), "Capital structure of growing small firms: a twelve country study on becoming bankable", *International Small Business Journal*, 5(4): 10-22

Remmers, L., Stonehill, A., Wright, R. and Beekhuisen, T. (1974), "Industry and size as debt ratio determinants in manufacturing internationally", Financial Management, 36(3): 879-88.

Sacerdoti, E. (2005) Access to banks credit in sub Saharan Africa: Key issues and reform strategies IMF Working Paper WP/05/166 August.

Shafie, S.(2013) summit.globalwomen.org/summit/2013/crowdfunding.SHAFIE.pdf.

Sanda, A.U; Dogon-Daji, S.D and Abdullah, A.S (2006). SMEs and employment generation in Nigeria: Evidence from Kano state.

SMIEIS (2002) Prospects of Nigerian SMES Under the Small and Medium Industries Investment Scheme.

Storey, D.J and Johnson, S. (1987) Understanding the small business sector; SMEs and employment creation in EEC countries, summary report EC Commission programme of research and actions on the development of the labour market, Study No. 85/407.London

Utomi, P. (1997) The role of higher institutions in promoting entrepreneurship and small businesses in a developing economy: lessons from experience. In Fadahunsi Glu and Tijani Daodu edts. SMEs development.

World Bank. (2000). The road to stability and prosperity in South Eastern Europe: A regional Strategy paper. World Bank, Washington DC. *Washington Quarterly*. 23(4): 94-118.

Annexes

Table A. 1: Frequency and Percentage Distribution of Entrepreneurs According To Enterprise Activity in Abia State

Enterprise category	Frequency	Percentage
Food and beverage		
Bakeries, confectionaries, biscuits	3	60
Restaurant and bar	2	40
Metal works & fabrication		
metal works and construction	1	25
Metal fabrication	3	75
Auto mechanics		
mechanic works	1	20
auto electrician	1	20
panel beating and spraying	1	20
balancing and alignment	2	40
Chemicals		
soap and cosmetic production	3	75
paint production	1	25
Agro industries		
oil palm processing	3	25
cassava processing mills	1	8.33
fish production	3	25
poultry production	2	16.67
piggery production	1	8.33
other livestock	1	8.33
livestock feed processing	1	8.33
Clothing and textiles		
garment/fashion	11	55
foot wears	2	10
leather bags	5	25
hairdressing and barbing saloon	2	10
Wood works and applied products		
furniture work	4	50
saw millings	2	25
wood art	2	25
Pulp and paper		
printing	2	100
Electrical and electronics		
computer repairs and maintenance	4	30.77
electronics repairs and maintenance	7	53.85
air conditioner refrigerator	2	15.39
Sand and bricks		
block moldings	3	25
interlocking tiles	4	33.33
balloster production	3	25
electric poles production	2	16.67
Recycling and waste management	3	100

Table A. 2: Frequency and percentage distribution of entrepreneurs according to enterprise activity in Akwa Ibom State.

Enterprise Activity	Frequency	Percentage
Food and Beverage:		
Bakeries and confectioneries	8	57.14
Table water	5	35.71
Restaurant and Bar	1	7.14
Metal Works and Fabrication:		
Metal works and construction	5	50
Metal fabrication	5	50
Auto mechanics:		
Mechanic works	3	100
Auto electrician	-	-
Panel beating and spraying	-	-
Balancing and alignment	-	-
Chemicals:		
Soap and cosmetic production	9	69.2
Paint production	3	23.1
Insecticides production	1	7.7
Agro-industries:		
Oil palm processing	6	66.7
Cassava processing	2	22.2
Rice mills	-	-
Fish production	-	-
Poultry	1	11.1
Clothing and Textile:		
Garment /fashion designing	9	69.2
Foot wear	2	15.4
Leather bags	2	15.4
Hair dressing and barbing saloon	-	-
Woodworks& allied products:		
Furniture works	4	80
Wood arts	2	20
Pulp and paper:		
Printing	7	77.8
Tissue paper production	2	22.2
Electrical& electronics:		
Computer repairs and maintenance	2	20
Electronic repairs and maintenance	4	80
Sand dredging and bricks:		
Brick making	4	100
Recycling and waste management	-	-

Table A. 3: Frequency and percentage Distribution of Entrepreneurs According to Category of Enterprise Activities in Edo State

Enterprise category	Frequency	Percentage
Food and beverage		
Bakeries, confectionaries, biscuit Table	2	33.33
water	2	33.33
Restaurant and bar	2	33.33
Metal works & fabrication		
metal works and construction	1	16.67
Metal fabrication	2	33.33
Aluminum and glass fabrication	3	50
Auto mechanics		
mechanic works	2	28.57
auto electrician	2	28.57
panel beating and spraying	2	28.57
balancing and alignment	1	14.29
Chemicals		
soap and cosmetic production	2	33.33
candle production	2	33.33
plastic production	2	33.33
Agro industries		
oil palm processing	2	18.18
cassava processing mills	1	9.09
fish production	2	18.18
poultry production	3	27.27
piggery production	2	18.18
livestock feed processing	1	9.09
Clothing and textiles		
garment/fashion	6	50
foot wears	3	25
hairdressing and barbing saloon	3	25
Wood works and applied products		
furniture work	3	42.84
saw millings	1	14.28
wood art	3	42.86
Pulp and paper		
printing	4	100
Electrical and electronics		
computer repairs and maintenance	1	16.67
electronics repairs and maintenance	4	66.67
air conditioner refrigerator	1	16.67
Sand and bricks		
bricks making	1	14.28
block moldings	3	42.86
interlocking tiles	2	28.57
balloster production	1	14.29
Recycling and waste management	1	100

Table A. 4: Frequency and percentage Distribution of Entrepreneurs According to Category of Enterprise Activities in Rivers State

Enterprise activity	Frequency	Percentage
Food and Beverages		
Bakeries and confectionaries	1	16.67
Restaurant and bar	5	83.33
Metal works and Fabrication		
Metal works	2	40
Aluminum and glass fabrication	3	60
Chemicals		
Soap and cosmetics	2	28.57
Candle production	3	42.86
Insecticide production	2	28.57
Agro industries		
Oil palm processing	2	7.41
Cassava processing	6	22.22
Poultry	8	29.63
Fish production	11	40.74
Clothing and textile		
Garment/fashion designing	4	50
Foot wear	1	12.5
Leather bags	1	12.5
Hairdressing and barbing saloon	2	25
Woodworks and allied products		
Wood arts	1	50
Furniture works	1	50
Pulp and paper		
Printing	5	100
Electrical and electronics		
Air conditioner & refrigerator	1	100
Sand dredging and bricks		
Block molding	3	100
Recycling and waste management	2	100

Table A. 5: Total Factor Productivity (TFP) Measures for Abia

Categories	VALUE OF OUTPUT	VALUE OF INPUTS	TFP
Restaurant	329540.6	101500	3.246705
bakeries & biscuits	10995895	5316300	2.068336
Food and beverages	11325436	5417800	2.090412
mechanic work	18644.84	10450	1.784195
auto electrician	17732.86	10000	1.773286
panel beating	10386.39	5000	2.077278
wheel balancing & alignment	19506.15	11010	1.771676
Auto mechanics	66270.24	36460	1.817615
Metal fabrication	14169318	1854190	7.641783
metal work/construction	2070900	544000	3.806802
Metal works & fabrication	16240218	2398190	6.771865
air condition	600000	177600	3.378378
Electronics repairs	100000	50000	2.0
computer repair	3224000	1018420	3.165688
Electrical and electronics	3924000	1246020	3.149227
garment production	240000	39140	6.131834
hair dressing	740000	332550	2.225229
foot wear	2640000	1126350	2.343854
leather bag	8345000	3324195	2.510382
Clothing and textiles	11965000	4822235	2.481215
oil processing	1861605	1400300	1.329433
livestock feed	597480.8	247500	2.414064
others livestock	242915.2	182000	1.334699
cassava processing	120703.2	93000	1.297884
pig farming	271582.2	99500	2.729469
fish production	734931.5	342500	2.145786
poultry production	1252296	967320	1.294603
Agro industries	5081514	3332120	1.525009
soap and detergent	67630.09	27320	2.475479
paint production	54742.64	15850	3.453794
Chemicals	122372.7	43170	2.834671
furniture work	433886	152333	2.848273
wood art	321758.2	110656	2.907734
saw milling	2096303	592890	3.535737
Wood works & applied products	2851948	855879	3.332186
Recycling & waste mgt	481027.7	97200	4.948844
block molding	1993929	972320	2.050692
balloster production	2327611	772170	3.014377
inter lock production	3393481	574300	5.9089
electric poles	1876467	338230	5.547903
Sand and bricks	9591489	2657020	3.609867
Pulp and paper (printing)	3375985	624100	5.409365

Table A. 6: TFP Measure for Akwa Ibom State

Categories	VALUE OF OUTPUT	VALUE OF INPUTS	TFP
Food and Beverage	22454425	7688125	2.920663
Bakery	12226897	3534850	3.458958
Table Water production	9955152	4022275	2.475005
Restaurant and bar	272375.38	131000	2.079201
Metal works and fabrication	8915770.74	3006250	2.965745
Metal works	6299896.69	1994250	3.159031
Metal fabrication	2615874.06	1012000	2.584856
Auto mechanics	767579.616	370000	2.07454
Mechanic works	767579.616	370000	2.07454
Chemicals	5009617.213	1149500	4.358084
Paint	4883376.25	1060000	4.606959
Insecticide	75825.9521	45000	1.685021
Agro industries	30696028.03	6858000	4.475945
Oil palm processing	30252443.81	6687000	4.524068
Cassava processing	262529.4364	95000	2.763468
Poultry	181054.7837	76000	2.3823
Clothing and Textile	24213450	7019470	3.44947
Garment, fashion	4217800	976000	4.321516
Foot wear	3370000	1447000	2.328956
Leather bags	16625650	4596470	3.617047
Wood works and allied	798789.0789	245435	3.254585
Wood arts	409510.4219	150000	2.730069
Furniture works	389278.657	95435	4.078993
Pulp and paper	4557579.364	1941635	2.347289
Printing	2201573.01	974635	2.258869
Tissue production	2356006.354	967000	2.436408
Electrical	3145000	1037130	3.032407
Electronic repairs	3000000	977130	3.070216
Computer repairs	145000	60000	2.416667
Sand and bricks	2534449.139	887610	2.855363
Brick making	2534449.139	887610	2.855363

Table A. 7: TFP Measure for Edo State

Categories	VALUE OF OUTPUT	VALUE OF INPUTS	TFP
Table water	464046.9	224202	2.069772
Restaurant	571652	210200	2.719562
Bakeries	726939.6	299500	2.427177
Food and beverages	1762639	733902	2.401736
panel beater	26705.69	8300	3.217553
auto electrician	41849.56	23200	1.80386
balancing and alignment	13932.96	6000	2.322161
mechanic work	27561.93	9540	2.889092
Auto mechanics	110050.1	47040	2.339501
aluminum and glas fabrication	6561484	1184500	5.539455
metal work/construction	634349.5	83050	7.638163
metal fabrication	1656720	339810	4.875431
Metal work/fabrication	8852554	1607360	5.507512
Air conditioners repairs	695000	132000	5.265152
computer repairs & installation	513000	199500	2.571429
Electronics repairs	7806700	3510150	2.224036
Electrical and electronics	9014700	3841650	2.34657
garment production	4993000	1517250	3.290822
hair dressing	900500	351200	2.564066
foot wear	2315000	822800	2.813563
Clothing and textiles	8208500	2691250	3.05007
oil processing	500918.2	380550	1.316301
livestock feed production	143335	82000	1.747988
cassava processing	90527.39	34400	2.63161
pig farming	237181.8	93000	2.550342
fish production	1841931	700400	2.629827
poultry production	1644581	598230	2.749078
Agro industries	4458474	1888580	2.360755
plastic production	12760.95	5000	2.552191
soap and detergent	13870.6	4800	2.889709
candle production	66282.98	24900	2.661967
Chemicals	92914.53	34700	2.677652
furniture work	6369350	1622800	3.924913
wood art	2834885	987130	2.871845
saw milling	11212785	3646600	3.07486
Wood works and applied	20417020	6256530	3.263314
Recycling and waste management	42241.01	16000	2.640063
block molding	5626355	1273900	4.416638
bricks making	694536.5	314400	2.209086
balloster production	1279409	690580	1.852659
inter lock production	6994105	1111000	6.295324
Sand and bricks	14594406	3389880	4.305287
Pulp and paper (printing)	9449640	2189800	4.315298

Table A. 8: TFP Measure for Rivers State

Categories	VALUE OF OUTPUT	VALUE OF INPUTS	TFP
Food and Beverage	468351.1	194836	2.403822
Bakery, &Biscuits.	35240.67	10686	3.297835
Restaurant	433110.5	184150	2.351944
Metal works & fabrication	7941358	1931150	4.112243
Aluminum and glass	6731516	1693900	3.973975
Metal works	1209842	237250	5.099439
Chemicals	1468346	658655	2.22931
Soap	13315.78	8700	1.530549
Candle	117060.5	37000	3.163797
Insecticide	1337969	612955	2.182818
Agro Industries	26537634	8065667	3.290197
Oil palm processing	1701915	380000	4.478724
Cassava	12403460	3452417	3.592689
poultry	7268746	3259300	2.230156
Fish production	5163513	973950	5.30162
Clothing and Textile	16811500	4763525	3.529214
Garment and clothing	14820000	4290675	3.454002
Foot wear	1140000	281 250	4.053333
Leather bags	200000	96250	2.077922
Hair-dressing	651500	95350	6.832722
Wood works and allied	736143.7	300250	2.451769
Wood arts	226693.3	107750	2.103882
Furniture works	509450.5	192500	2.646496
Pulp and paper	3454997	1332332	2.593195
Printing	3454997	1332332	2.593195
Electrical & Electronics	1100000	317500	3.464567
Air conditioner and fridges	1100000	317500	3.464567
Sand and bricks	2456466	850010	2.889926
Block molding	2456466	850010	2.889926
Recycling and waste	87731.3	39525	2.219641

Table A. 9: Annual Measures of profit and profitability for Akwa Ibom state

Categories	TR	TVC	TFC	NI	GM	RRTI	RRFC	RRVC
Restaurant	329540.6	65975	35525	228040.6	263565.6	224.6705	741.92	345.65
bakeries and biscuits	10995895	3455595	1860705	5679595	7540300	106.8336	405.24	164.36
Food and beverages	11325436	3521570	1896230	5907636	7803866	109.0412	411.55	167.76
mechanic work	18644.84	6792.5	3657.5	8194.838	11852.34	78.4195	324.06	120.65
auto electrician	17732.86	6500	3500	7732.862	11232.86	77.32862	320.94	118.97
panel beater	10386.39	3250	1750	5386.391	7136.39	107.7278	407.79	165.74
Wheel balancing	19506.15	7156.5	3853.5	8496.149	12349.65	77.16757	320.48	118.72
auto mechanics	66270.24	23699	12761	29810.24	42571.24	81.76149	333.6	125.79
Metal fabrication	14169318	1205224	648966.5	12315128	12964094	664.1783	1997.7	1021.8
metal construction	2070900	353600	190400	1526900	1717300	280.6802	901.94	431.82
Metal works & fabrication	16240218	1558824	839366.5	13842028	14681394	577.1865	1749.1	887.98
air condition repairs	600000	115440	62160	422400	484560	237.8378	779.54	365.9
Electronics repairs	100000	32500	17500	50000	67500	100	385.71	153.85
computer repairs	3224000	661973	356447	2205580	2562027	216.5688	718.77	333.18
Electrical and electronics	3924000	809913	436107	2677980	3114087	214.9227	714.06	330.65
garment production	240000	25441	13699	200860	214559	513.1834	1566.2	789.51
hair dressing	740000	216157.5	116392.5	407450	523842.5	122.5229	450.07	188.5
foot wear	2640000	732127.5	394222.5	1513650	1907873	134.3854	483.96	206.75
leather bag	8345000	2160727	1163468	5020805	6184273	151.0382	531.54	232.37
Clothing and textiles	11965000	3134453	1687782	7142765	8830547	148.1215	523.2	227.88
oil processing	1861605	910195	490105	461305.3	951410	32.94332	194.12	50.682
livestock feed	597480.8	160875	86625	349980.8	436605.8	141.4064	504.02	217.55
others livestock	242915.2	118300	63700	60915.17	124615.2	33.46987	195.63	51.492
cassava processing	120703.2	60450	32550	27703.19	60253.2	29.78838	185.11	45.828
pig farming	271582.2	64675	34825	172082.2	206907.2	172.9469	594.13	266.07
fish production	734931.5	222625	119875	392431.5	512306.5	114.5786	427.37	176.27
poultry production	1252296	628758	338562	284975.6	623538	29.46032	184.17	45.324
Agro industries	5081514	2165878	1166242	1749394	2915636	52.50092	250	80.771
soap and detergent	67630.09	17758	9562	40310.09	49872.09	147.5479	521.57	227
paint production	54742.64	10302.5	5547.5	38892.64	44440.14	245.3794	801.08	377.51
Chemicals	122372.7	28060.5	15109.5	79202.73	94312.2	183.4671	624.19	282.26
furniture work	433886	99016.45	53316.55	281553	334869.6	184.8273	628.08	284.35
wood art	321758.2	71926.4	38729.6	211102.2	249831.8	190.7734	645.07	293.5
saw milling	2096303	385378.5	207511.5	1503413	1710925	253.5737	824.5	390.11
Wood works and	2851948	556321.4	299557.7	1996069	2295627	233.2186	766.34	358.8
Recycling & waste mgt	481027.7	63180	34020	383827.7	417847.7	394.8844	1228.2	607.51
block molding	1993929	632008	340312	1021609	1361921	105.0692	400.2	161.64

balloster production	2327611	501910.5	270259.5	1555441	1825701	201.4377	675.54	309.9
inter lock production	3393481	373295	201005	2819181	3020186	490.89	1502.5	755.22
electric poles	1876467	219849.5	118380.5	1538237	1656618	454.7903	1399.4	699.68
Sand and bricks	9591489	1727063	929957	6934469	7864426	260.9867	845.68	401.52
Pulp & Paper (printing)	3375985	405665	218435	2751885	2970320	440.9365	1359.8	678.36

Table A. 10: Annual measure of profit for Edo

Categories	TR	TVC	TFC	GM	NI	RRTI	RRFC	RRVC
Food and Beverage	22454425	5381687.5	2306437.5	17072738	14766300	192.0663	740.2211	274.3805
Bakery	12226897	2474395	1060455	9752502	8692047	245.8958	919.6526	351.2797
Table Water	9955152	2815592.5	1206682.5	7139560	5932877	147.5005	591.6684	210.715
Restaurant	272375.38	91700	39300	180675.4	141375.4	107.9201	459.7338	154.1716
Metal works and fab	8915770.74	2104375	901875	6811396	5909521	196.5745	755.2483	280.8207
Metal works	6299896.69	1395975	598275	4903922	4305647	215.9031	819.6769	308.4329
Metal fabrication	2615874.06	708400	303600	1907474	1603874	158.4856	628.2853	226.408
Auto mechanics	767579.616	259000	111000	508579.6	397579.6	107.454	458.1798	153.5056
Mechanic works	767579.616	259000	111000	508579.6	397579.6	107.454	458.1798	153.5056
Chemicals	5009617.213	804650	344850	4204967	3860117	335.8084	1219.361	479.7262
Soap	50415.0111	31150	13350	19265.01	5915.011	13.29216	144.3072	18.9888
Paint	4883376.25	742000	318000	4141376	3823376	360.6959	1302.32	515.2798
Insecticide	75825.9521	31500	13500	44325.95	30825.95	68.50212	328.3404	97.86017
Agro industries	30696028.03	4800600	2057400	25895428	23838028	347.5945	1258.648	496.5635
Oil palm	30252443.81	4680900	2006100	25571544	23565444	352.4068	1274.689	503.4383
Cassava processing	262529.4364	66500	28500	196029.4	167529.4	176.3468	687.8226	251.924
Poultry	181054.7837	53200	22800	127854.8	105054.8	138.23	560.7666	197.4714
Clothing and Textile	24213450	4913629	2105841	19299821	17193980	244.947	916.4899	349.9243
Garment/ fashion	4217800	683200	292800	3534600	3241800	332.1516	1207.172	474.5023
Foot wear	3370000	1012900	434100	2357100	1923000	132.8956	542.9855	189.8509
Leather bags	16625650	3217529	1378941	13408121	12029180	261.7047	972.3491	373.8639
Wood works and allied products	798789.0789	171804.5	73630.5	626984.6	553354.1	225.4585	851.5283	322.0836
Wood arts	409510.4219	105000	45000	304510.4	259510.4	173.0069	676.6898	247.1528
Furniture works	389278.657	66804.5	28630.5	322474.2	293843.7	307.8993	1126.331	439.8561
Pulp and paper	4557579.364	1359144.5	582490.5	3198435	2615944	134.7289	549.0965	192.4699
Printing	2201573.01	682244.5	292390.5	1519329	1226938	125.8869	519.6231	179.8385
Tissue production	2356006.354	676900	290100	1679106	1389006	143.6408	578.8026	205.2011
Electrical& electronics	3145000	725991	311139	2419009	2107870	203.2407	777.4689	290.3438
Electronic repairs	3000000	683991	293139	2316009	2022870	207.0216	790.0719	295.7451
Computer repairs	145000	42000	18000	103000	85000	141.6667	572.2222	202.381
Sand and bricks	2534449.139	621327	266283	1913122	1646839	185.5363	718.4545	265.0519
Brick making	2534449.139	621327	266283	1913122	1646839	185.5363	718.4545	265.0519

Table A. 11: Annual Measures of profit and profitability for Rivers state

ENTERPRISE CATEGORY	TR	TVC	TFC	NI	GM	RRTI	RRFC	RRVC
Food and Beverage	468351.1	148075.4	46760.64	273515.1	320275.7	140.3822	684.9258	184.7134
Bakery,conf &biscuits	35240.67	8121.36	2564.64	24554.67	27119.31	229.7835	1057.431	302.3468
Restaurant	433110.5	139954	44196	248960.5	293156.5	135.1944	663.31	177.8874
Metal works & fabri	7941358	1467674	463476	6010208	6473684	311.2243	1396.768	409.5057
Aluminum & glass	6731516	1287364	406536	5037616	5444152	297.3975	1339.156	391.3125
Metal works fabricatn	1209842	180310	56940	972592	1029532	409.9439	1808.1	539.3999
Chemicals	1468346	500577.8	158077.2	809691	967768.2	122.931	612.2124	161.7513
Soap	13315.78	6612	2088	4615.78	6703.78	53.05494	321.0623	69.80913
Candle	117060.5	28120	8880	80060.5	88940.5	216.3797	1001.582	284.7102
Insecticide	1337969	465845.8	147109.2	725014	872123.2	118.2818	592.8407	155.6339
Agro Industries	26537634	6129907	1935760	18471967	20407727	229.0197	1054.249	301.3417
Oil palm processing	1701915	288800	91200	1321915	1413115	347.8724	1549.468	457.7268
Cassava processing	12403460	2623837	828580.1	8951043	9779623	259.2689	1180.287	341.1433
Poultry production	7268746	2477068	782232	4009446	4791678	123.0156	612.5648	161.8626
Fish production	5163513	740202	233748	4189563	4423311	430.162	1892.342	566.0027
Clothing and Textile	16811500	3620279	1143246	12047975	13191221	252.9214	1153.839	332.7913
Garment,	14820000	3260913	1029762	10529325	11559087	245.4002	1122.501	322.895
Foot wear	1140000	213750	67500	858750	926250	305.3333	1372.222	401.7544
Leather bags	200000	73150	23100	103750	126850	107.7922	549.1342	141.8319
Hair-dressing	651500	72466	22884	556150	579034	583.2722	2530.301	767.4634
Wood works & allied	736143.7	228190	72060	435893.7	507953.7	145.1769	704.9038	191.0223
Wood arts	226693.3	81890	25860	118943.3	144803.3	110.3882	559.9509	145.2476
Furniture works	509450.5	146300	46200	316950.5	363150.5	164.6496	786.04	216.6442
Pulp and paper	3454997	1012572	319759.7	2122665	2442425	159.3195	763.8314	209.631
Printing	3454997	1012572	319759.7	2122665	2442425	159.3195	763.8314	209.631
Electrical/electronic	1100000	241300	76200	782500	858700	246.4567	1126.903	324.2851
Air conditioner and	1100000	241300	76200	782500	858700	246.4567	1126.903	324.2851
Sand and bricks	2456466	646007.6	204002.4	1606456	1810458	188.9926	887.4692	248.6745
Block molding	2456466	646007.6	204002.4	1606456	1810458	188.9926	887.4692	248.6745
Recycling and waste	87731.3	30039	9486	48206.3	57692.3	121.9641	608.1836	160.479

Table A. 12: wage rates and employment generating capacity for Abia

Enterprise Category	Category of labor			Staff at inception	Current staff	Average wage Rate/month(N)
	Own	paid	apprentice			
Food and beverage		81	0	53	81	9035
Bakeries,		71	0	49	71	9012
Restaurant and bar	-	10	0	4	10	9200
Metal works & fabrication	-	10	12	17	22	17300
metal works and construction		4	1	3	5	12500
Metal fabrication		6	11	14	17	20500
Auto mechanics	-	9	12	12	21	16833
mechanic works		2	2	2	4	15000
auto electrician		2	2	3	4	17500
panel beating and spraying		1	6	4	7	11500
balancing and alignment		4	2	3	6	18750
Chemicals		20	7	15	27	16500
soap and cosmetic		10	8	10	18	20500
paint production		10	0	5	9	12500
Agro industries		34	3	29	37	13023
oil palm processing		10	0	8	10	1980
cassava processing mills		4	2	4	6	10000
fish production		5	0	3	4	10000
poultry production		4	0	4	4	22500
piggery production		4	1	3	5	37500
other livestock		2	0	2	2	24000
livestock feed processing		5	1	5	6	9000
Clothing and textiles		80	0	61	80	13962
garment/fashion		50	0	39	50	13280
foot wears		12	0	7	12	14000
leather bags		15	0	12	15	16533
hairdressing and barbing		3	0	3	3	12333.
Wood works and products		33	3	25	36	13366
furniture work		24	0	18	24	16250
saw millings		6	1	4	7	16830
wood art		3	2	3	5	13666
Pulp and paper		9	1	8	10	13111
printing		9	1	8	10	13111
Electrical and electronics		52	5	41	57	13111
computer repairs		30	0	22	30	13933
electronics repairs		18	0	15	18	11888
air conditioner/ refrigerator		4	5	4	9	12450
Sand and bricks		31	2	29	33	28532
block moldings		7	0	7	7	30142
interlocking tiles		9	0	8	9	37000
balloster production		7	0	6	7	27928
electric poles production		8	2	8	10	18125
Recycling & waste mgt	-	9	0	6	7	14111

Table A. 13: Wage Rates and Employment Generating Capacities of SMEs in Akwa Ibom

Enterprise Category	Category of labor			Staff at inception	Current staff	Average wage rate/month(N)
	Own	paid	aprentice			
Food & beverage						
Bakery, C & B	-	146	16	71	164	17560.98
Table water	-	88	-	53	82	16731.71
Restaurant & bar	-	9	-	7	9	17146.35
Metal works & fab.						
Metal works	-	23	12	8	19	14052.63
Metal fabrication	-	44	75	56	110	8763.64
Auto mechanics						
Mechanic works	-	20	9	24	24	31666.67
Chemicals						
Soap & cosmetics	-	46	5	24	38	22684.21
Paint production	-	29	1	11	29	15344.83
Insecticide production	-	6	2	2	6	11666.67
Agro industries						
Oil palm processing	-	120	19	66	138	12789.86
Cassava processing	-	34	3	23	34	13397.01
Poultry	-	15	15	20	30	8333.33
Clothing and textile						
Garment/ fashion	-	56	28	53	77	14350.65
Foot wear	-	28	14	6	42	14380.95
Leather bags	-	17	4	18	17	52968.82
Wood works						
Wood arts	-	7	5	12	8	25000
Furniture works	-	53	20	31	77	22320.17
Pulp and Paper						
Tissue production	-	35	-	5	5	14600
printing	-	68	13	38	75	14760
Electrical&electronics						
Electronic repairs	-	34	7	26	36	28936.11
Computer repairs	-	10	5	10	13	6153.85
Sand and Bricks						
Brick making	33	5	5	32	43	12604.65

Table A. 14: Wage Rates and Employment Generating Capacities of SMEs in Edo.

Enterprise Category	Category of labor			Staff at inception	Current staff	Average wage rate/month
	Own	paid	apprentice			
Food and beverage		45	6	35	56	18488
Bakeries, confectionaries, biscuit		17	3	13	28	10000
Table water		12	2	8	12	10000
Restaurant and bar		16	1	14	16	33875
Metal works & fabrication		17	9	9	17	8647
metal works and construction		2	4	1	2	10000
Metal fabrication		4	3	3	4	7500
Aluminum and glass fabrication		11	2	5	11	8818.
Auto mechanics		6	16	12	22	14800
mechanic works		2	4	3	6	15500
auto electrician		1	6	4	7	12000
panel beating and spraying		1	4	3	5	15000
balancing and alignment		2	2	2	4	15400
Chemicals		16	4	14	29	11437
soap and cosmetic production		6	2	2	6	10833
candle production		5	1	2	5	14800
plastic production		5	1	10	18	14800
Agro industries		35	6	24	41	10942
oil palm processing		7	0	5	7	9285
cassava processing mills		3	3	2	6	20000
fish production		3	0	2	3	16666
poultry production		11	0	8	11	7727
piggery production		8	0	3	8	9375
livestock feed processing		3	3	4	6	16000
Clothing and textiles		54	5	29	56	13148
garment/fashion		41	2	18	41	13878
foot wears		3	1	3	3	14000
hairdressing and barbing saloon		10	2	8	12	9900
Wood works and products		47	6	22	50	14829
furniture work		24	2	7	24	17083
saw millings		14	1	9	14	12498
wood art		9	3	6	12	12444
		-	-	-	-	-
Pulp and paper		8	2	13	44	69000
printing		8	2	13	44	69000
Electrical and electronics		20	4	6	11	22420
computer repairs /maintenance		6	3	4	6	13333
electronics repairs		12	1	1	3	27783
air conditioner refrigerator		2	1	1	2	17500
Sand and bricks		32	11	26	43	20625
bricks making		4	1	3	5	15000
block moldings		9	11	12	20	28333
interlocking tiles		17	0	8	14	17941
balloster production		2	2	3	4	20000
Recycling and waste management		2	0	1	2	15000

Table A. 15: Wage Rates and Employment Generating Capacities of SMEs in Rivers

Enterprise Category	Category of labor			Staff at inception	Current staff	Average wage rate
	Own	paid	aprentice			
Food & beverage						
Bakery, C & B	1	-	1	40	45	100000
Restaurant & bar	-	26	7	30	35	19585.71
Metal works &fab						
Aluminum fabricatn	-	25	14	14	37	2297.29
Metal works & const.	-	6	7	1	13	7384.62
Chemicals						
Soap & cosmetics	-	10	-	10	10	43000
Candle production	-	23	-	23	23	21739.13
Insecticide production	-	11	-	8	8	33750
Agro industries						
Oil palm processing	-	27	6	33	33	10303.03
Cassava processing	1	39	25	39	39	19743.59
Poultry	-	26	3	17	25	15952
Fish production	-	76	-	69	77	7701.2987
Clothing and textile						
Garment/ fashion	-	17	2	13	17	17941.17
Foot wear	-	8	-	2	10	8500
Leather bags	-	4	-	-	-	-
Hair dressing & saloon	-	10	-	10	10	24500
Wood works &allied						
Wood arts	-	3	-	3	3	100000
Furniture works	-	3	-	3	3	10000
Pulp and Paper						
Printing	-	21	14	17	34	11558.82
Electrical/electronics						
Air conditioner & ref	-	2	3	1	2	15000
Sand and Bricks						
Block molding	-	14	-	9	16	26562.5
Recycling & Waste mgt	-	2	2	19	20	10000

Table A. 16: Evaluation of Access to funds and growth in Capital in Abia

CATEGORY	OWNED	BORROWED	INITIAL CAPITAL	CURRENT CAPITAL	GROWTH % IN CAPITAL
Food and beverage	2	4	4495000	13490000	200.11
Bakeries, confectionaries, biscuits	1	2	2921750	8768500	200.11
Restaurant and bar	1	2	1573250	4721500	200.11
Metal works & fabrication	4		2630000	28000000	964.64
metal works and construction	1		150000	5000000	3233.33
Metal fabrication	3		2480000	23000000	827.42
Auto mechanics	1	4	11290000	23550000	108.59
mechanic works		1	3890000	7800000	100.51
auto electrician		1	1900000	5800000	205.26
panel beating and spraying		1	2500000	4000000	60
balancing and alignment	1	1	3000000	5950000	98.33
Chemicals	2	2	8000000	12000500	50.01
soap and cosmetic production	1	2	3500000	5000000	42.85
paint production	1		4500000	7000500	55.57
Agro industries	2	9	5370000	21470000	299.81
oil palm processing	1	1	1820000	5800000	218.68
cassava processing mills		2	200000	4000000	1900
fish production		1	800000	1870000	133.75
poultry production		2	1100000	5000000	354.54
piggery production		1	500000	2000000	300
other livestock		1	450000	1200000	166.67
livestock feed processing	1	1	500000	1600000	220
Clothing and textiles	2	18	2680000	28000000	944.77
garment/fashion	1	9	840000	8750000	941.67
foot wears		3	650000	8500000	1207.69
leather bags		3	840000	8750000	941.67
hairdressing and barbing saloon	1	3	350000	2000000	471.43
Wood works and applied	5	3	2294000	22200000	867.74
products	2	2	1450000	7850000	441.37
furniture work	1	1	485000	12500000	2477.32
saw millings	2		359000	1850000	415.32
wood art					
Pulp and paper	2		1500000	3800000	153.33
printing	2		1500000	3800000	153.33
Electrical and electronics	4	9	16414000	32396000	97.37
computer repairs and maintenance	1	3	5602000	10806000	92.89
electronics repairs and	1	3	7800000	15890000	103.72
maintenance	2	3	3012000	5700000	89.24
air conditioner refrigerator					
Sand and bricks	8	4	7550000	21200000	200.11
block moldings	2	1	2050000	5400000	163.41
interlocking tiles	2	2	1700000	6200000	264.7
balloster production	3		1300000	4700000	261.53
electric poles production	1	1	2500000	4900000	96
Recycling and waste	3		620000	3500000	464.51
management					

Table A. 17: Evaluation of Access to funds and growth in Capital in Akwa Ibom

CATEGORY	OWNED	BORROWED	INITIAL CAPITAL	CURRENT CAPITAL	GROWTH % IN CAPITAL
Food & beverage					
Bakery, C & B	7	1	21800000	75200000	244.95
Table water	5	-	29100000	51500000	76.98
Restaurant & bar	1	-	1800000	3500000	94.44
Metal works					
Metal works	4	1	10050000	81590000	589.10
Metal fabrication	4	1	11840000	7650000	23.88
Chemicals					
Soap & cosmetics	8	1	14280000	14150000	0.91
Paint product	4	-	12800000	19400000	51.56
Insecticide produc	-	1	1400000	4000000	185.71
Agro industries					
Oil palm	4	2	20100000	54930250	173.28
Cassava	1	-	7300000	37800000	417.81
Poultry	1	1	1800000	4800000	166.67
Clothing and text.					
Garment/ fashion	8	1	15490000	23700000	53.00
Foot wear	2	-	1400000	6150000	339.29
Leather bags	1	-	88000000	42000000	52.27
Wood works					
Wood arts	2	-	3400000	2800000	17.65
Furniture works	4	-	14450000	13710000	5.12
Pulp and Paper					
Tissue production	2	-	5500000	8500000	54.55
printing	5	2	12070000	100080000	729.16
Electrical & electronics					
Electronic repairs	2	1	12500000	19600000	53.60
Computer repairs	1	1	3600000	2500000	30.56
Sand and Bricks					
Brick making	2	-	6405000	7205000	12.49
Auto mechanics					
Mechanic works	3	-	3535000	7500000	112.16

Table A. 18: Evaluation of Access to funds and Growth in Capital in Edo State

Food and beverage	1	5	2030000	5900000	190.64
Bakeries, confectionaries, biscuit	1	1	890000	2950000	231.46
Table water		2	750000	2065000	175.33
Restaurant and bar		2	390000	885000	126.92
Metal works & fabrication	1	5	5485000	11350000	106.92
metal works and construction		1	1985000	3650000	83.87
Metal fabrication		2	2000000	4800000	140
Aluminum and glass fabrication	1	2	1500000	2900000	93.33
Auto mechanics	5	6	6390000	12700000	98.74
mechanic works	1	1	2600000	5000000	92.30
auto electrician	1	2	1900000	3200000	68.42
panel beating and spraying	2	2	890000	2000000	124.71
balancing and alignment	1	1	1000000	2500000	150
Chemicals	1	5	7790000	12700000	63.02
soap and cosmetic production		2	1890000	2700000	42.85
candle production		1	3500000	6000000	71.42
plastic production		2	2400000	4000000	66.66
Agro industries	1	10	11500000	28855000	150.91
oil palm processing	1	1	3000000	6000000	100
cassava processing mills		1	800000	3600000	350
fish production		2	2500000	6900000	176
poultry production		3	1500000	4000000	166.66
piggery production		2	1200000	3450000	187.5
livestock feed processing		1	2500000	4905000	96.2
Clothing and textiles	6	18	4050700	9850000	143.16
garment/fashion	3	6	2250700	6200000	175.46
foot wears	3	3	600000	650000	8.33
hairdressing and barbing saloon		3	1200000	3000000	150
Wood works and applied	1	7	8700000	16540000	90.11
products	1	3	3600000	8000000	122.22
furniture work		1	3000000	5700000	90
saw millings		3	2100000	2840000	35.23
wood art					
Pulp and paper	1	4	3100000	6000000	93.548
printing		4	3100000	6000000	93.54
Electrical and electronics	2	4	10970000	19800000	80.49
computer repairs		1	900000	2000000	122.22
electronics repairs	1	2	6500000	12800000	96.92
air conditioner/ refrigerator	1	1	3570000	5000000	40.05
Sand and bricks	4	6	5890500	11628000	97.40
bricks making		2	600500	1478000	146.12
block moldings	2	1	1500000	2800000	86.66
interlocking tiles	2	2	2100000	3750000	78.57
balloster production		1	1690000	3600000	113.01
Recycling and waste	1		400000	1500000	275
management					

Table A. 19: Evaluation of Access to Funds and Growth in Capital in Rivers

CATEGORY	OWNED	BORROWED	INITIAL CAPITAL	CURRENT CAPITAL	GROWTH % IN CAPITAL
Food & beverage					
Bakery	-	1	150000	400000	166.67
Restaurant & bar	1	4	4600000	2850000	-38.04
Metal works					
Aluminum fab	-	2	553000	1200000	116.99
Metal works	1	2	404200	1600000	295.84
Chemicals					
Soap & cosmetics	2	-	650000	2000000	207.69
Candle production	3	-	900000	8100000	800
Insecticide produc	2	-	700000	1000000	42.86
Agro industries					
Oil palm	2	-	400000	41600000	10300
Cassava	2	4	73427000	80918000	10.202
Poultry	1	7	3380000	21864000	546.86
Fish production	2	9	13496800	33129800	145.46
Clothing and textile					
Garment/ fashion	2	2	880000	4850000	451.14
Foot wear	-	1	215000	500000	132.56
Leather bags	-	1	300000	950000	216.67
Hair dressing & saloon	1	2	550000	1200000	118.18
Wood works & allied					
Wood arts	-	1	5500000	5500000	0
Furniture works	1	-	300000	300000	0
Pulp and Paper					
Printing	1	4	12125000	18450000	52.16
Electrical& electronics					
Air conditioner /ref ref	1	-	100000	1400000	1300
Sand and Bricks					
Block molding	1	3	3076100	9100000	195.83
Recycling and Waste					
Management	2	-	5760000	10150000	76.22

Table A. 20: Selection of Recommended SMEs

SMEs	Abia			Akwa Ibom			Edo			Rivers		
	TFP	NI	RRTI	TFP	NI	RRTI	TFP	NI	RRTI	TFP	NI	RRTI
Metal fabrication	×	×	×		×		×				×	×
Garrnents/fashion	×		×	×		×		×		×	×	×
Interlocks	×	×	×				×	×				
Electric poles	×	×	×									
Printing	×	×	×				×	×			×	
Recycling	×		×				×	×				
Bakeries		×	×	×	×	×				×		×
Metal works	×	×	×	×	×	×	×		×	×		
Paint	×		×	×	×	×						
Air conditioner			×									
Computer repairs		×				×						
palm processing				×	×	×			×	×	×	×
Furniture				×		×	×	×				
Leather bags		×		×	×	×						
Electronic				×	×	×						
Brick making				×	×	×						
Auto electrics									×			
Candle productn									×			
Mechanic works									×			
Wood arts								×	×			
Panel beating							×		×			
Poultry product								×	×		×	
Hairdressing/salon										×		×
Fishproduction								×		×	×	×
Foot wears		×			×					×	×	×
Aluminium&glass							×	×		×	×	×
Cassava procesing				×						×	×	×
Balloster		×								×	×	×
Table water					×							
Block moulding							×		×		×	
Saw milling	×							×	×			

×: indicates appearance in the indices of selection.