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Interest and Inflation Rate: Its Effect on the Manufacturing Sector of Nigeria Economy

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ABSTRACT

The effect of interest and inflation rate on the manufacturing sector of Nigerian economy is to determine the nature of the relationship between interest rate and manufacturing sector of the Nigerian economy. The purpose of this study is to find out the present level of interest rate and inflation rate adopted in the manufacturing sector of Nigerian economy. The research instrument used a regression method which aims at assessing the effect of interest rate and inflation rate which helps to balance inflation and keep the economy stable and used to capture the causal relationship between globalization and the manufacturing sector of Nigeria. The study recommends that the manufacturing industry should give relief to manufacturer and improve infrastructure to restore the glory of the manufacturing sector in Nigerian economy.

Keywords: globalization, interest rate, inflation rate, manufacturing sector and economy

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INTRODUCTION

The central objective of macro-economic policies is to foster economic growth and to keep inflation on a low level. The word inflation rings bell in the market economics of the world. It is a problem that threatens all economies because of its undesirable effects. The problem of inflation surely is not a new phenomenon. It has been a major problem of the country over the years. Inflation is a household word in many market-oriented economics. Although several people, producers, consumers, professionals, non-professional, trade unionists, workers and the likes talk frequently about inflation, particularly if the affection has assumed a habitual character yet only selected few mechanisms and consequences of inflation [1]. Expansion has remained an interminable decrease of buying power demoralization of genuine speculation equalization of installment disequilibrium and joblessness. Swelling in Nigeria can be said to be an immediate consequence of a few arrangements of the administration to invigorate a quick rate of financial development and advancement since it was presented in 1959. The Nigerian economy appeared to have encountered moderate expansion before the approach of the Structural Adjustment Program (SAP) in 1986 [2]. The assembling area in Nigeria has gone through four clear phases of improvement which incorporates the main phase of the pre-freedom period, when fabricating was restricted of essential handling of straightforward purchaser things by outside multinational corporation. The second was the prompt past pioneer time of the 1960s described by more incredible import substitution and the start of decay for the fare situated preparing of crude materials. The third stage was the time of the 1970s. This was unexpecting result of the arrival of oil and gigantic assets it accommodated savage government to practice very nearly a total imposing business model in the accompanying sub-area's essential steel generation oil refining

petrochemicals, condensed flammable gas palatable salt machine instruments yeast liquor, composts and so on. The period was set apart by commencement of the indigenization programmed and consequently extraordinary financial action, yet poor outcomes since governments endeavor at expansion into non-conventional items, e.g., steels, petrochemicals, manure and vehicle get together yielded little achievement. The last stage was the time of the 1980s; here government income falls on account of genuine decrease of oil costs on the planet advertise. This prompted the selection of fare advancement technique and the SAP period starting from July 1986.

LITERATURE REVIEW

A great deal of research works has been completed which distinguished a few factors affecting assembling usage. Oladokun [3] recognized that control supply has positive and critical effect on limit usage while expansion rate and intrigue had negative effect on limit use. Eniola [4] detailed that swapping scale, expansion rate, import government capital consumption, outside direct speculation (FDI), and genuine advances represented 50% variables in limit use. Out of the six factors, just swelling rate had positive effect. This finding additionally uncovered that there was an exceptionally solid positive and huge connection between imported makers and limit use, demonstrating that Nigeria is a very essential ward.

Adigun [5] said the extent of work utilized in assembling has backed off incredibly which might be because of the under-use of limit. In the assembling division of the country, the limit usage in 1980 was 70.1, and by 2000, it has lessened definitely to 35%. There have been recommendations that high efficiency in the Nigerian assembling industry in important conditions for the part's recuperation, accomplishing intensity, boosting the country's GDP and elevating the ways of life of the general population require to assault the issues of low level of innovation, low level of limit use rate, low speculations, mind-boggling expense of profitability stay low contrasted, and other African assembling companies [6]. These incorporate whimsical power supplies, expense raw materials, specialized expertise of robotization, clamor contamination, word-related risks, insecurity in government approaches, attractiveness and a general predisposition, made the trust that mechanical part and [7–9] , specifically, the assembling subsector are in the core of any economy.

RESEARCH METHOD

A regression method of research design was adopted to ascertain the effort of interest rate and inflation rate on the manufacturing sector of Nigerian economy.

Models Specification

The model used to explain the effect of interest rate and inflation rate on the manufacturing sector in Nigeria is presented as follows:

- MCU = F (INT, INF, RGDP)
- The functional form of the model could be presented explicitly as
- MCU = B0 + B, INT, B2, INT + B3 RGDP + U

where BO is the intercept of the regression line, B1, B2, B3 are the slopes of the regression line or behavior parameters, each representing the unit change in the dependent variable due to a unit change in each regressors. U is the stochastic O random error term that represents other independent variables that affect the model but were not captured in the model.

Data Presentation, Analysis and Findings

The data presented in Table 1 shall be applied in demonstrating the techniques of analysis based on multiple regression and vector auto-regression (VAR) estimates.

Data for this research work were collected secondarily from Central Bank of Nigeria Statistics and Nigeria Stock Exchange reports.

Data Analysis

Regression equation:

$$MCU = \beta 0 + \beta 1\ INF + \beta 3\ RGDP + N$$

$$MCU = 49.396 - 0.688\ INT - 0.068\ INF + 0.027 + RGDP$$

(6.812) (0.357) (0.107) (0.010)

$R^2 = 0.371$; Adjusted $R^2 - 0.301$; F-statistic = 5.315, Durbin–Watson (DW) = 0.479.

Table 1. *Data representation of the effect of interest rate on inflation rate.*

Year	Manufacturing capacity utilization	Interest rate	Inflation rate	Economic growth
	MCU	INL	INF	RGDP
1984	73.3	7.75	20.9	205.22
1985	63.6	10.25	7.7	199.69
1986	49.7	10	23.2	185.6
1987	43	12.5	39.6	183.56
1988	38.3	9.25	5.5	201.04
1989	38.8	10.5	5.4	205.97
1990	40.4	17.5	10.2	204.81
1991	42.4	16.5	38.3	219.88
1992	43.8	26.8	40.9	236.73
1993	40.3	25.5	7.5	267.55
1994	42	20.01	13	265.58
1995	38.1	29.8	44.5	271.37
1996	37.2	18.32	57.2	274.83
1997	30.4	21	57	275.45
1998	29.29	20.8	72.8	281.41
1999	32.46	19.74	29.3	293.75
2000	30.4	13.54	8.5	302.82
2001	32.4	18.29	10	310.89
2002	34.6	21.32	6.6	312.18
2003	36.1	17.98	6.9	329.18
2004	42.7	18.29	18.9	356.99
2005	54.9	24.4	12.9	433.2
2006	56.5	20.48	14	477.53
2007	55.7	19.15	10.1	527.58
2008	54.8	17.85	11.5	561.93
2009	53.3	17.3	8.6	595.82
2010	53.38	16.94	6.6	634.25
2011	53.84	15.14	15.1	672.2
2012	58.92	18.36	12.1	718.97
2013	55.82	17.59	11.8	775.52
2014	56.98	16.29	10.3	834.16

Sources: CBN Statistical Bulletin and Nigeria Stock Exchange Reports (Various Issues).

Table 2. *Analysis of variance of the effect of the interest and inflation rate on manufacturing sector.*

Variable	Coefficient	Standard error	*T* statistics	Probability	R^2	F_{cal}	DW statistics
Constant	29.396	6.812	7.252				
INT	−0.688	0.357	−1.926	<0.05	0.371	5.315	0.479
INF	−0.086	0.107	−0.806				
RGDP	0.027	0.010	2.822				

Source: Estimations from SPSS 15.0.

The data were tested at 95% degree of confidence (50% level of significant) using two-tailed tests. The coefficient of multiple determinations (R^2) is 0.371 (37.1%). This means that the explanatory variables, interest rate, inflation rate and real gross domestic product, accounted for 37.1% of the total change in the dependent variable (MCU). The remaining 62.9% is explained by another exogenous factor to the model. This is not a good fit. The adjusted R^2 of 30.1% shows that R^2 indicates a weak behaviour of the independent variable. Since the value of R^2 and adjusted R^2 are not greater than 0.5, we can infer that our estimate is insignificant degree of freedom: $N - K$, where N is the number of observed years and K is the number of parameters.

$N - K = 31 - 4 = 27$. For *T*-tabulated, we check against 0.025 on the T-table (N.R. Neave).
T-tabulated = 2.052.

The *T*-calculated for INT INF is lesser as compared with the tabulated value, while the *T*-calculated for RGDP is greater than the tabulated value. This implies that only RGDP is statistically to the model with the *T*-calculated value of 2.822.

Overall Test (*F*-test)
F-test was carried out to test for stability in the regression parameter co-efficient when the sample size increases as well as the overall significance of the estimated regression model from the result summary on the ANOVA TABLE, $F_{cal} = 5.315$.

To estimate F_{tab}:
$V_1 = k - 1 = 4 - 1 = 3$;
$V_2 = N - K = 31 - 4 = 27$; degree of freedom.
From the *F*-table 2, check V_1 against V_2.
Tab = 2.96 (by interpolation).

Decision Rule
$F_{cal} > F_{tab}$: rejects the null hypothesis and accepts the alternative hypothesis, and $F_{cal} < F_{tab}$ rejects the alternative hypothesis and accepts null hypothesis.

From the above analysis, F_{cal} (5.315) > F_{tab} (296), we reject the null hypothesis and accept the alternative hypothesis. We therefore conclude that interest rate and inflation rate are not significant, while GDP is significant. The entire regression is significant because of the overriding effect of GDP. DW-statistics of 0.479 implies some degree of positive autocorrelation. In fact, the autocorrelation is even strong because the DW value is closer to zero than two vectors.

The auto-regression estimates for this study adopt the following model**:**
MCU = *F* (MCU-1, MCU-2, INT-1, INT-2, INF-2, RGDP-1, RGDP-2, μt)
INT = (MCU-1, MCU -2, INT-1, INT-2, INF-2, RGDP -1,RGDP-2, μt)
INF = *F* (MCU-1, MCU-2, INT-1, INT-2, INF-2, RGDP-1, RGDP-2, μt)
RGDP = *F* (MCU-1, MCU-2, INT-1, INT-2, INF-2, RGDP-1, RGDP-2, μt)

The model specification used in the regression analysis contains the following variables: manufacturing capacity utilization, interest rate, inflation rate and gross domestic product to the Nigerian economy.

When
MCU = *F* (MCU-1, MCU-2, INT-2, INF-2, RGDP-1, RGDP-2 μt)
MCU = β0 +β2 MCU-1 + β2 MCU-2 + β3INT-1 + β4 INT-2 β5 INF – 1 + β6 INF-2 β7 RGDP-1 + β8RGDP-2 μt

MCU = 24.54204 + 0.5255758 MCU-1 − 0.054149 MCU-2 − 0.115764 INT-1 − 0.080860 INT-2 + 0.02060 INF-1 − 0.13590 INF-2 to 0.185203 RGDP-1 − 0.182367 RGDP-2 + μt.
R^2 = 0.939083; Adj. R^2 = 0.914716; *F*-statistic = 38.53948.

From our auto-regression estimates when MCU is used as a function of the lagged variable (MCU-1, MCU-2, INT-1, INT-2, INF-1, INF-2, RGDP-1, RGDP-2), MCU-1 has a positive 0.525758 relationship with the level of the explanatory variables that contributes to the Nigerian economy. This indicates a unit-change increase in the one-year-lagged MCU parameter which would lead to 0.52578 increases in the current MCU contribution to the Nigerian economy (MCU-2), which had a negative relationship −0.054149 with the level of MCU parameter that would lead to 0.054149 decreases in the current MCU contributing to the Nigerian economy.

Also, INT-1 when compared to MCU contribution on the Nigerian economy in the current year had a negative −0.115764 relationship with the current value of the MCU contribution to the Nigerian economy.

This means that is there is a unit in the level of INT, and then MCU of the economy will change by 0.020601. INF-2 shows that the relationship between MCU and INF is nominal as a change in the INF leads to a nominal 0.135905 change in the level of the contribution of the MCU to the Nigerian economy.

The *F*-statistics is used to test for the stability in the auto-regression parameter coefficient when sample sizes increase, as well as the overall significance of the estimated regression model. Thus, we compare the calculated *F** with the critical value of 5% level at $K - 1$ (4 − 1=3) and NK (i.e. 31 − 4 = 27) degree of freedom, respectively, where K is the number of parameters and N is the number of observed years.

The decision rule is to reject Ho, if $F^*_{cal} > F_{Tab}$ at 0.05 level of significance, but if, otherwise, we reject HA from the statistical table *F* (0.05) at (3.27) degree of freedom is 2.99, while the estimated *F** is 4.646103. Obviously, $F^*_{cal} > F_{Tab}$ at 0.05, thus we reject the null hypothesis and assert that the interest rate and inflation rate have a significant effect on the manufacturing sector of Nigerian economy.

INT = *F* (MCU-1, MCU-2, INT-1, INT-2, INF-2, RGDP-1,RGDP-2, μt)
INT = $\beta_0 + \beta_2$ MCU-1 + β_2 MCU-2 + β_3INT-1 + β_4 INT-2 β_5 INF – 1 + β_6 INF-2 β_7 RGDP-1 + RGDP-2 μt

INT = 12.31215 + 0.432679 MCU-1-0.0435612 MCU-2 + 0.130913 INT-1-0.400715 INT-2 + 0.071770 INF-1-0.111428 INF-2 + 0.039796 RGDP-1 + 0.035567 RGDP-2 + μt

Table 3 *T-test results of the effect of interest and inflation rate on manufacturing sector.*

	Intercept	MCU-1	MCU-2	INT-1	INT-2	INF-1	INF 2	RGDP-1	RGDP-2
	24.54204	0.5255758	−0.054149	−0.115764	−0.80860	0.020601	0.135905	0.185202	−0.182367
Standard errors	4.97938	0.21400	0.15714	0.150150	0.13469	0.04012	0.4131	0.05391	0.05689
Statistic	4.92873	2.45677	−0.34460	−0.76413	0.60035	0.51349	−3.29025	3.43533	−3.20544

Source: Estimate from E-view 7.0.

Table 4. *F-test results of effect of interest and inflation rate on manufacturing sector.*

	Intercept	**MCU-1**	**MCU-2**	**INT-1**	**INT-2**	**INF-1**	**INF 2**	**RGDP-1**	**RGDP-2**
	12.31215	0.432679	0.435612	0.130913	−0.400715	−0.111428	−0.111428	−0.039796	0.035567
Standard errors	5.85916	0.25181	0.18490	0.17827	0.15849	0.04721	0.04860	0.04860	0.06695
Statistic	2.10135	1.71824	−0.235595	−0.73437	2.52839	1.52026	−2.29262	−0.62733	0.53129

Source: Estimations from E-view 7.0.

R^2 = 0.650159; Adj. R^2 = 0.510223; *F*-statistic = 4.646103.

From our auto-regression estimates, when INT is used as a function of the lagged variable (MCU-1, MCU-2, INT-1, INT-2, INF-1, INF-2, RGDP-1, RGDP-2), INT-1 has a positive 0.130913 relationship with the level of the explanatory variables that contribute to the Nigerian economy. This indicates a unit-change increase in the one-year-lagged INT parameter which would lead to 0.130913 increases in the current INT contribution to the Nigerian economy. This indicates that a unit increases in the one-year-lagged INT parameter would lead to 0.400715 increases in the current INT contribution to the Nigerian economy.

Also, MCU-1 when compared to INT contribution to the Nigeria economy in the current year had a positive 0.432679 relationship with the current value of the INT contribution to the Nigerian economy. This means that there is a unit change in the level of MCU, then INT of the economy will change by an increase direction by 0.432679. Furthermore, the auto-regression estimate results when MCU-2 (manufacturing capacity utilization data lagged by two years) shows that the relationship between INT and MCU is inverse as a change in the MCU leads to an inverse 0.435612 change in the level of the contribution of the INT to the Nigerian economy.

INF-1 when compared to INT contribution to the Nigerian economy in the current year had a positive 0.071770 relationship with the current value of the INT contribution to the Nigerian economy. This means that if there is a unit change in the level of INF, then INF of the economy will change by 0.071770. INF-2 shows that the relationship between INT and INF is nominal 0.111428 changes in the level of the contribution of the MCU to the Nigerian economy.

The *F*-statistics is used to test for the stability in the auto-regression parameter coefficient when the sample size increase, as well as the overall significance of the estimated regression model. Thus, we compare the calculated *F** with the critical value of 5% level at $K - 1$ (4 − 1=3) and NK (i.e. 31 − 4=27) degree of freedom, respectively, where K is the number of parameters and N is the number of observed years.

The decision rule is to reject Ho if $F^*_{cal} > F_{Tab}$ at 0.05 level of significance but if otherwise we reject HA from the statistical table *F* (0.05) at (3.27) degree of freedom is 2.99, while the estimated *F** is 4.646103.

Obviously, $F^*_{cal} > F_{Tab}$ at 0.05, thus we reject the null hypothesis and assert that interest rate on the manufacturing sector of Nigerian economy does not have an effect.

INT = *F* (MCU-1, MCU-2, INT-1, INT-2, INF-2, RGDP-1,RGDP-2, μt)
INT = $\beta_0 + \beta_2$ MCU-1 + β_2 MCU-2 + β_3INT-1 + β_4 INT-2 β_5 INF – 1 + β_6 INF-2 β_7 RGDP-1 + RGDP-2 μt

INT = −11.06674 + 0.33909 MCU-1 + 0.577746 MCU-2 + 0.438170 INT-1 + 0.98475753 INT-2 + 0.552870 INF – 1-0.303104 INF-2 0.293304 RGDP-1 + 0.282816 RGDP-2 + μt).

R^2 = 0.557369; Adj. R^2 = 3.148044.

From our auto-regression estimates, when INF is used as a function of the lagged variable (MCU-1, MCU-2, INT-1, INT-2, INF-2, RGDP-1, RGDP-2), INF-1 has a positive 0.552870 relationship with the level of the explanatory variables that contributes to the Nigerian economy. This indicates a unit-change increase in the one-year-lagged INF parameter which leads to 0.552870 increases in the current INF contribution to the Nigerian economy. This had a negative relationship −0.303104 with the level of MCU contribution to the Nigerian economy. This indicates that a unit increases in the one-year-lagged INF parameter would lead to 0.303104 decreases in the current INF contribution to the Nigerian economy.

Also, INT when compared to INF contribution to the Nigerian economy in the current year had a positive 0.438170 relationship with the current value of the INF contribution to the Nigerian economy. This means that there is a unit change in the level of INF, then INT of the economy will change in an increase direction by 0.438170. Furthermore, the auto-regression estimate results when INT (interest rate data lagged by two years) shows that the relationship between INF and INT is significant to themselves as a change in the INT leads to a positive 0.984753 change in the level of the contribution of the INF to the Nigerian economy.

INF-1 when compared to MCU contribution to the Nigerian economy in the current year had a negative −0.339094 relationship with the current value of the MCU contribution to the Nigerian economy.

This means that if there is a unit change in the level of INF and MCU is positive as change in the INF leads to 0.577746 changes in the level of the contribution of the MCU to the Nigerian economy.

The *F*-statistics is used to test for stability in the auto-regression parameter coefficient when sample sizes increase, as well as the overall significance of the estimated regression model. Thus, we compare the calculated *F** with the critical value of 5% level at $K - 1$ (4 − 1=3) and NK (i.e. 31 − 4=27) degree of freedom, respectively, where K is the number of parameters and N is the number of observed years.

The decision rule is to reject Ho if $F^*_{cal} > F_{Tab}$ at 0.05 level of significance but if otherwise we reject HA from the statistical table F (0.05) at (3.27) degree of freedom is 2.99, while estimated F^* is 3.148044.

Table 5. *Auto-regression results of effect of interest and inflation rate on manufacturing sector.*

	Intercept	MCU-1	MCU-2	INT-1	INT-2	INF-1	INF- 2	RGDP-1	RGDP-2
	−11.06674	−0.339094	0.577746	0.438170	0.984753	0.438170	−0.303104	−0.293304	0.282816
Standard errors	25.2903	1.11400	0.81797	0.78863	0.70113	0.20885	0.21502	0.28064	0.29616
Statistic	−0.42695	−0.30439	0.70631	0.55561	1.40453	2.64725	−1.40969	−1.04514	0.95495

Source: Estimations from E-view 7.0.

Obviously, $F^*_{cal} > F_{Tab}$ at 0.05, thus we reject the null hypothesis and assert that interest rate on the manufacturing sector of Nigeria economy does not have an effect.
RGDP = *F* (MCU-1, MCU-2, INT-1, INT-2, INF-2, RGDP-1,RGDP-2, μt)

RGDP= $\beta_0 + \beta_2$ MCU-1 + β_2MCU-2 + β_3INT-1 + β_4 INT-2 β_5 INF – 1 + β_6INF-2 β_7 RGDP-1 + RGDP-2 µt.

RGDP = 6.608629 + 1.388114 MCU-1 + 1.366592 MCU-2 + 0.358349

INT-1 + 0.357555 INT-2 + 0.346792INF-1-0.28421 INF-21.414171 RGDP-1 + 0.360249 RGDP-2 + μt

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

The research work investigated the effect of interest rate and inflation rate on the manufacturing sector of Nigerian economy. From the estimation equation from Table 1, the R^2 which is the coefficient of determination explains 37.1% of the total variation on the capacity utilization in the manufacturing sector as reflected in the above results meaning that the regression line does not give a good fit to the observed data Table 5 . The coefficient parameters of interest rate and inflation rate show a negative-sign relationship to the model. The implication of this result is that the increase in interest rate in the economy retards the capacity utilization of the manufacturing sector which in turns causes inflation rise in the economy.

Further analysis was carried out using vector auto-regression estimates to ascertain the effect of internal instability manufacturing sector in Nigeria and to review the speed at which the manufacturing sector is able to adjust to equilibrium once affected by economic stocks.

From the vector auto-regression estimates from Table 2, manufacturing capacity utilization is modeled against the lagged endogenous variables in this research work. The R^2 explains approximately 93.9% of total variation of the model, meaning that regression line gives a good fit to the observed data. The coefficient of parameters of interest rate for current year and lagged by two years had a negative-sign relationship to the model. The instability in economic growth causes the inflation rate parameter to have a positive- and negative-sign relationship to the model. The implication of this result is that the inconsistency of the economic growth of Nigeria will have a negative effect on the manufacturing sector in Nigeria, which is been reflected by the lagged endogenous variables of the current and preceding year.

Adj. R^2 = 0.995393; F-statistic = 757.1868.

Also, from Table 3, the interest rate is modeled against the lagged endogenous variables. The R^2 explains approximately 65.0% of the total variation of the model, meaning that the regression line gives a good fit to the observed data. The endogenous variable shows that inflation rate reflects a positive- and negative-sign relationship. The implication of this result is that increase in interest rate retards the capacity utilization which will adversely affect the economy state of the country.

Table 6:

	Intercept	**MCU-1**	**MCU-2**	**INT-1**	**INT-2**	**INF-1**	**INF- 2**	**RGDP-1**	**RGDP-2**
	6.608629	1.388114	−1.366592	−0.358549	−0.357555	0.346792	0.284212	−1.414171	−0.360249
Standard errors	23.5200	1.01084	0.74223	0.71560	0.63620	0.18951	0.19510	0.25465	0.26873
Statistic	0.28098	1.37232	−1.84121	−0.50077	−0.56202	1.82997	−1.45671	5.55341	−1.34055

Source: Estimations from E-view 7.0.

Also, form Table 4, inflation rate is modeled against the lagged endogenous variables. The R^2 explains approximately 55.7% of the total variation of the model, meaning that the regression line gives a good fit to the observed data. The endogenous variable shows that manufacturing capacity utilization has a negative- and positive-sign relationship with respect to the model. That is, inflation rate shows a negative-sign relationship to the model Table 6. The implication of this result is that consequent increase of interest rate in the manufacturing sector causes a rise of inflation value which in turns causes retardation in the manufacturing sector.

It is, therefore, concluded that interest rate and inflation rate have a negative effect on the manufacturing sector of the Nigerian economy within the period considered.

Conclusion and Recommendation

The sector remains weak due to some of the challenges including the poor state of the nation's infrastructure which imposes high cost of production, weak technological support and low levels of innovation which leads to production of low-quality products, lack of funding to ensure sustainable growth in the manufacturing sector of the Nigerian economy. The following recommendation should be ensuring:

(1) Government should give relief to manufacturer and improve infrastructure to restore the glory of the manufacturing sector.
(2) The manufacturing sector must be freed from multiple taxes and levies in order to encourage production.
(3) Aggregate demand of individuals should be raised to eliminate insufficient demand by increasing thepurchasing power of the individuals in Nigeria.

Therefore, all the above problems need to be addressed urgently to put the manufacturing sector of the economy back on the path of growth.

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