

## **INFLUENCE OF AUTOMOBILE COMMERCIAL ACTIVITIES ON NNEWI URBAN DEVELOPMENT, NNEWI NORTH L.G.A, ANAMBRA STATE**

**Ezekeke C. J and Obienusi E. A**

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**ABSTRACT:** *This research work was based on the growth and impacts of emerged Automobile Commercial activities in Nnewi urban development. The research methods data collection were well structured questionnaires, oral interview and observation by the researcher. The data presentation was done using tables, pie chart and bar charts. Chi-square statistical technique was adopted in the analysis of the data. The study revealed that emerged Automobile commercial activities has a lot of impacts on Nnewi urban development. It was discovered development of Nnewi started with the establishment it. The urbanization of Nnewi as a result commercial and industrial activities has led to urbanization in Nnewi problems. This urbanization problems such increase in crime and insecurity, lack of infrastructures also affect the growth of economic activities in Nnewi. Based on the findings the researcher recommended that insecurity issues should be tackled, provision of infrastructures and proper urban planning should be done in Nnewi*

**KEYWORDS:** Automobile, Commercial Activities, Urban Development, Urbanization

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### **INTRODUCTION**

#### **Background of the Study**

There is great need to develop a dynamic system of urban development, which will foster sustainable socio-economic and environmental growth, promote effective urban development system, efficient service delivery and ensure improved standard of living and well being of all residents. Boladale (2006) noted that urban development involves a series of quantitative and qualitative changes occurring among a given urban population, whose convening effects indicate a sure rise in the standard of living and favourable changes in the way of life of the people concerned

The early lead Nnewi indigenes had in the transport business led to the establishment of the Nkwo motor spare parts in Nnewi, the market that grew to become one of the country's biggest for motor spare parts (Silvertein,1984, p 193).

Nnewi Automobile commercial activities started around 1952 and boosted up as a result of Biafran war in 1970. The few traders and transporters of Nnewi indigene came home and started the business after destruction of Onitsha Auto spare parts by the war (Alutu,1986).

Later , some of the traders moved into manufacturing which has made Nnewi Automotive industry the biggest in the West Africa. The Nnewi Automobile commercial activities which has led to establishment of industries has become growth pole in development of Nnewi, Anambra, and Nigeria in general. The town subsequently became a center for commerce and industry and has one of the largest Automotive spare parts markets in Africa. The development of this market propelled the fast development of the local economy.

As the result of this commercial and industrial activities, Nnewi has been undergoing very rapid and unplanned urbanization since the 1970s. A settlement officially credited with 27,000

people in 1953 and 44,000 in 1963 has since the turn of this 21<sup>st</sup> century been harbouring over a quarter of a million people (Onyemelukwe, 2008).

Today like older Nigerian cities, Nnewi is having urbanization problems such as inadequate infrastructure, deteriorating environment, erosion, inadequate basic services, sharp decline in environmental quality, population growth, pollution urban disjoined growth, urban traffic problems, urban waste management problem, and urban insecurity.

### **Statement of the Problem**

Nnewi has been undergoing rapid and unplanned urbanization since 1970's after the establishment of Automobile spare parts market. It has been observed as one of the fastest urbanizing native community without any governmental or huge multinational influence in Nigeria. Automobile Commercial and industrial activities in the areas attract of people from rural and other urban areas to Nnewi. As the result of this population growth, Nnewi has started having urbanization problems such deteriorating environment, inadequate infrastructure urban traffic circulation, etc. These problems affect the development of Nnewi and economic activities in the area. This work identified problems of Automobile commercial activities in Nnewi urban development. This research work also studies the impacts of establishment of Automobile market and its activities in Nnewi urban development.

### **Aim and Objectivities**

The aim of this research work is to determine whether the emergence of Automobile commercial activities affect the urban development of Nnewi. The following objectives have been formulated to help carry out the study;

1. To examine the areas and the location of Automobile commercial activities in Nnewi.
2. To determine the level of commercial activities in the Nnewi Automobile commercial area.
3. To determine the level of commercial development in the study area.
4. To examine the contributions of the Automobile commercial activities to local, national and global economy.
5. To examine the impacts of the Automobile commercial activities on urbanization of Nnewi.

### **Study Area**

Nnewi is located between longitude 06° 52'E - 06° 57'E. It is one of the major cities in Anambra 0.South Senatorial Zone of Anambra State .The city is located east of the Niger River ,and about 22 kilometers Southeast of Onitsha in Anambra state , Nigeria. Anambra State is one of 36 states in the Federation and one of five states in the south-east geo political zone of the country.

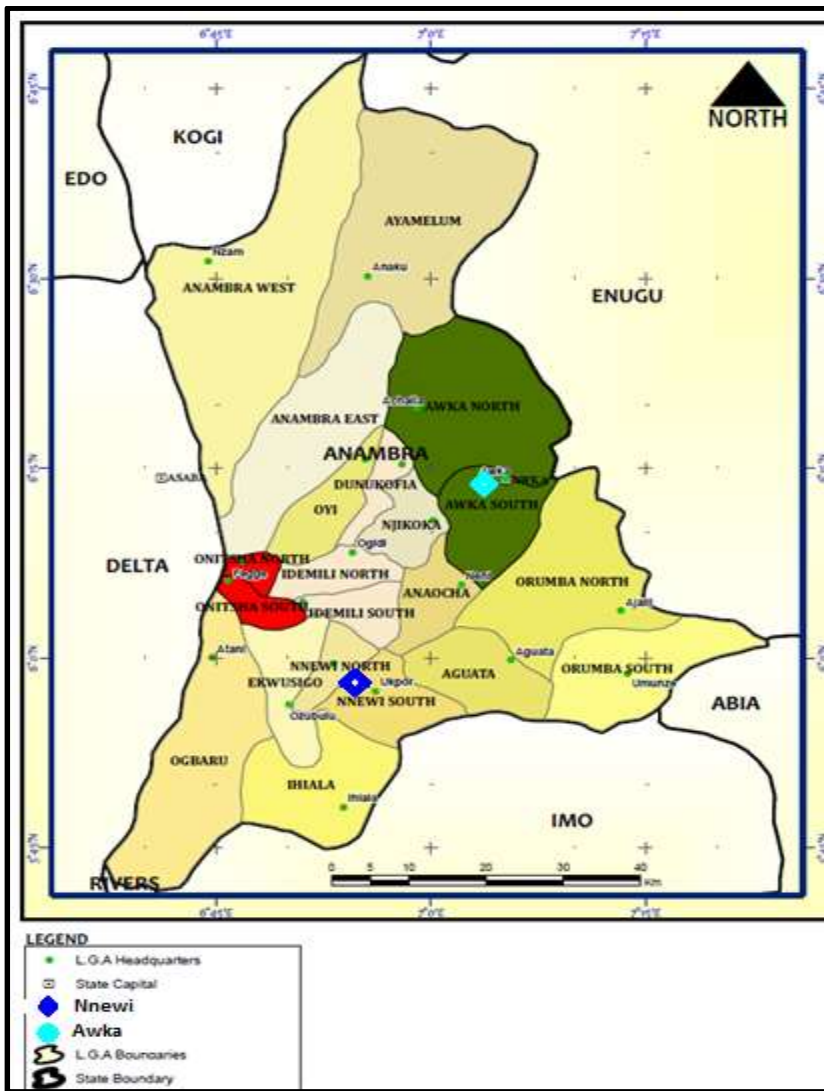


Fig 1(a): Map of Anambra showing Nnewi

source: Orjiakor J.C & Igbokwe I.J (2009)

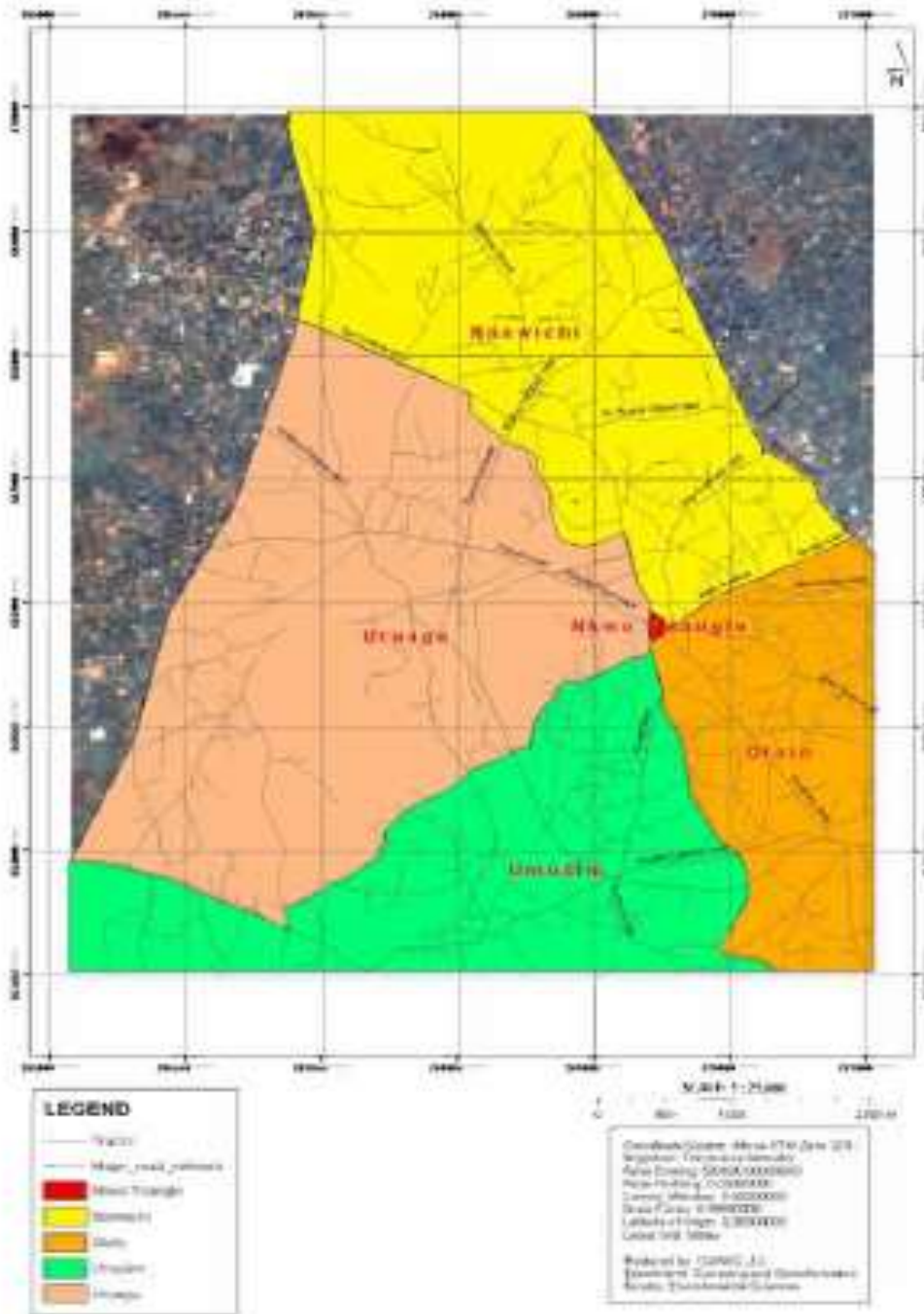


Fig. 1(b): Map of Nnewi

source: Orjiakor J.C & Igbokwe I.J (2009)

**Factors that affect Automobile activities in Nnewi****Educational Qualification of Respondents****Table 3.1: Educational Qualification of Respondents**

<b>Educational Qualification</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Tertiary	10	5%
Secondary	130	65%
Primary	60	30%
None	0	0%
<b>Total</b>	<b>200</b>	<b>100</b>

Source: *Researcher's Field Work, 2015.*

Table 3.1 above shows that majority of the traders attended secondary school who account for 65% of the respondents although from the oral interviewed conducted, most of them stopped at junior secondary schools. Some of them entered the business after primary school and when they saw the importance of education in their business, then started adult evening schools. The 30% of the sample population attended primary school only. Only 5% of the studied population attended university or other tertiary institutions.

From the interview, it was observed that these few group of people started the business after their secondary school. Later they saw the need for education in their business and went to tertiary institution. Some are still in the process while some told me that they are about to enter university to study under part time programme.

The bar chart below represents the percentage of educational qualifications of respondents in Nnewi automobile commercial area.

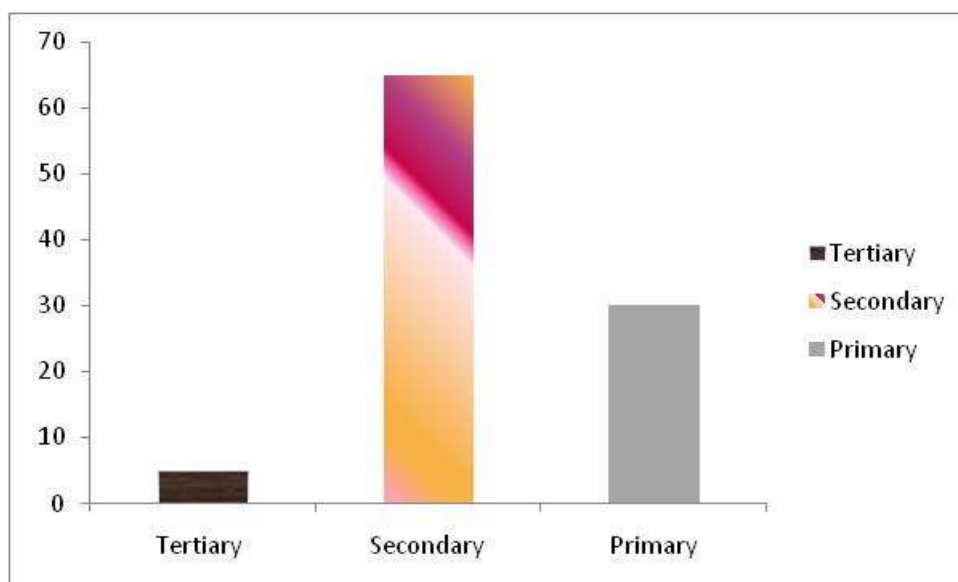


Figure 2: *Educational Level of Respondents*

**Views of Respondents on their level of Education.****Table 3.2: Views of the Respondent on the effect of their Level of Education**

<b>View</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Yes	200	100
No	0	0
Total	200	100

Source: *Researcher's Field Work, 2015.*

The table 3.2 shows that all the respondents agreed that their level of education highly affects their performance in the business. Almost all of them wish to further their education if they have the opportunity. Some of them told me that they are planning about it while some are into the process.

**Factors that affect the Automobile commercial activities in Nnewi****Table 3.3: Factors that affects Automobile Commercial Activities in Nnewi**

<b>Factors</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Cost of doing business	20	10
Lack of infrastructure like road, water supply, etc.	15	7.5
Government policy	80	40
Crime and insecurity	70	35
Power supply	15	7.5
Total	200	100

Source: *Researcher's Field Work, 2015.*

The table 3.3 above shows the factors that affect the Automobile commercial activities in Nnewi according to the respondents. 10% of the sample population stated that it is the cost of doing business; 7.5% stated that it is the lack of infrastructures that affects the business. 40% strongly stated that government policy affects their business, 35% stated that crime and insecurity highly affects their business while 7.5% of the respondent states power supply affects the automobile commercial activities in the area.

It was observed in the course of interview that issue banning of motorcyclist in some states and areas highly affect the motorcycles spare parts dealers. All the respondents lamented for it so much.

**Factors that affect the Importation and Exportation of Auto spare parts in Nnewi****Table 3.4: Factors that affect the Importation and Exportation of Auto Parts in Nnewi**

<b>Factors</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Tariff	40	20
Exchange rate	80	40
Corruption	30	15
Government policy	50	25
Total	200	100

Source: *Researcher's Field Work, 2015.*



Table 3.4 shows factors that importation and exportation of Auto spare parts in Nnewi. 20% of the respondents stated that tariff like import duties affects the business, 40% of the respondents stated that exchange rate is the highest factor that affects the business; 15% of them stated that corruption as the major impediment to development also affect their business while 25% of the respondent stated that government policy highly affect the importation and exportation of the Auto spare parts in Nnewi.

### Factors that are Impediments to Nnewi Urban Development

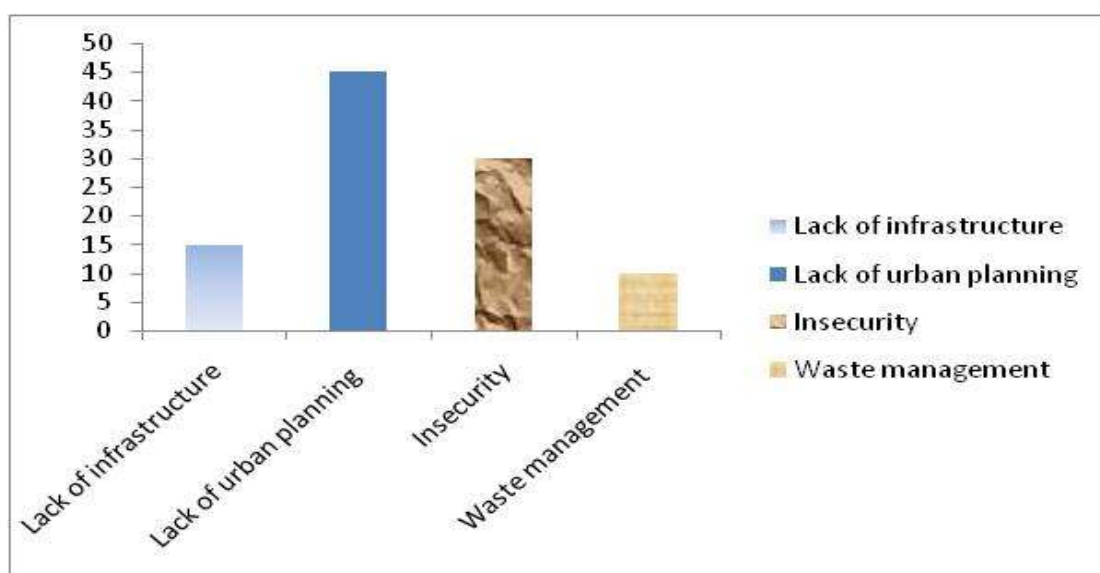
**Table 3.5: Factors that are Impediments to Nnewi Urban Development**

Factors	Number of Respondents	Percentage
Lack of infrastructure	30	15
Lack of urban planning	90	45
Insecurity	60	30
Waste management	20	10
Total	200	100

Source: Researcher's Field Work, 2015.

Table 3.5 above shows the factors that are impediment to Nnewi urban development. 15% of the respondent stated that lack infrastructures impedes the development of Nnewi as functioning urban area; majority of the respondents who account for 45% stated that lack of urban planning is the major impediment, 30% of them stated that insecurity is the major impediment to Nnewi urban development while 10% stated that waste management is the major impediment to Nnewi urban development.

Below is the bar chart showing the factors that are impediments to Nnewi urban development and prosperity.



**FIGURE 4: Factors that Impedes the urban Development of Nnewi**

## CONCLUSION

The result of the research has been analysed and discussed . The growth of Auto mobile commercial activities in Nnewi motivated this research. The research is to determine whether the emergence of Automobile commercial activities affect the urban development of Nnewi. The research findings disclosed that the computed value  $X^0_2(1.142)$  is greater than the theoretical value  $X^e_2(0.0039)$  from the chi-square distribution table.

Therefore,  $H_0$  which states that there is no significant relationship between Automobile commercial activities and Nnewi urban development was rejected while  $H_1$  which states that there significant relationship emerged Automobile commercial activities and Nnewi urban development was accepted.

Theoretical value  $X_e^2 = 0.0039$

Computed value  $X^0_2 = 1.142$

The analysis also revealed that more than half sampled population attended secondary school but did not finish their secondary education. Only few attended tertiary education in the course of their business. The analysis also revealed that educational level of the respondents affects their performance in the business.

It also observed that exchange rate and government policy are the major factors that affects the importation and exportation Automobile products in Nigeria. In Nnewi , it was also observed that the crime and insecurity is the greatest challenge or factor that affects the Automobile commercial activities .

Finally ,the analysis revealed that lack of urban development (45%) followed by insecurity (30% ) ,lack of infrastructures (15%) and waste management (10%) are the major impediment to the Nnewi urban development.

## RECOMMENDATION

It is in the light of the findings made from this research that the following recommendations are made. We recommend that Anambra state government should look into security issue in Nnewi in order to provide conducive environment for Automobile commercial activities.

The government should provide more infrastructural facilities like street roads, pipe borne water, constant electricity supply etc. The government should subsidizes the cost of building materials to enable individuals build more and better houses to reduce the house rent in Nnewi.

The parents should encourage their children to obtain at least Senior Secondary Certificate before entering business venture to help them do better in their life endeavours.

The Anambra State Urban planning Authority should try to make Nnewi be like urban area by creating street roads streets and streets in Nnewi.

The waste management in Nnewi should be improved. Provision of adequate number of refuse and dumping facilities within the urban area should be made particularly the commercial areas



where much refuse/cartage are daily generated and make provision for their prompt evacuation to the main refuse dumping site/s

## CONCLUSION

The emergence of Automobile commercial activities has made a lot of impacts on Nnewi Urban development. The establishment of Automobile commercial activities is the growth pole which has attracted a lots of other economic activities in Nnewi .Thus, it has led to the development of Nnewi as urban area.

Today Nnewi has become one of the fastest growing native town without government influence in Nigeria as the result of this commercial activities. The Automobile commercial activities has given birth to many industries both automobile and non- automobile.

However, economic development will not occur without increase in population. The increase population has both positive and negative impacts on the environments and infrastructure.

Nnewi is not exception to the Urbanization problems of the developing countries. Hence, it has started having urbanization problems such as crime and insecurity, inadequate infrastructure, environmental population lack of urban planning. All these urbanization problems directly and in directly affect the growth of economic activities in the area. Solution to these problems in Nnewi will accelerates the rate of the Automobile commercial activities in the area and lead to full development Automobile industries in Nnewi.

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