

THE EFFECT OF NON-OIL EXPORT ON ECONOMIC GROWTH IN NIGERIA (1980-2013)

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF BACHELOR OF SCIENCE DEGREE (B.SC) IN ECONOMICS AND DEVELOPMENT STUDIES TO THE DEPARTMENT OF ECONOMICS AND DEVELOPMENT STUDIES, FACULTY OF THE SOCIAL SCIENCE AND HUMANITIES, FEDERAL UNIVERSITY, OYE-EKITI, EKITI STATE, NIGERIA.

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ABSTRACT

The study examined empirically the impact of non-oil exports on economic growth in Nigeria. Annual data on Gross Domestic Product, Non-oil export, degree of openness, and credit to non-oil sector, exchange rate, Real interest rate and inflation rate from 2014 Central Bank of Nigeria Statistical Bulletin covering the period 1980-2013 were utilized. The study checked for the time series properties of the variables that were used by adopting the Augmented Dickey-Fuller (ADF) test after which the Co integration test was conducted using the Johansen Co-integration test. The study adopted the multiple regression method to ascertain the long run effect of non-oil exports on economic growth in Nigeria between the study periods. The study went further to ascertain the short run dynamic effect of the variables of interest. The results shows that in the long run, non-oil export, inflation rate and exchange rate have significant positive effects on economic growth, while real interest rate, degree of openness and credit to non-oil sector exhibit an inverse relationship with economic growth in Nigeria. The study went further to conduct the short-run dynamic disequilibrium analysis to see if there is a short-run relationship among the variables. The result shows that there is no short-run relationship due to the fact that none of the variables were significant. Consequently, the study recommends that export led innovations should be encouraged in favour of non-oil commodities not only to increase their contribution to GDP but to also help cushion the effect of price shocks in the international oil market. Furthermore, oil explorers, producers and exporters should be persuaded to diversify their interests into non-oil commodities as well. Finally, incentives attached to non-oil exports should be continually reviewed and improved as well as strictly implemented.