



IMPACT OF NON-OIL EXPORT ON ECONOMIC GROWTH OF NIGERIA (1986-2017)

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Abstract

Non oil sectors like the agriculture and the mining sectors were known to have dominated Nigeria's exports in the past. This paper examined the impact of non- oil export on economic growth of Nigeria between 1986 and 2017. The aim was to analyse the extent non-oil export has impacted on economic growth in Nigeria. The data for this study were analyzed using both descriptive statistics and analytical tools. The estimated technique was Vector Error Correction Model. Other diagnostic tests conducted are ; the Augmented Dickey-Fuller (ADF) test, Lag Order Selection Criteria, Johansen Co-integration Test, Impulse-Response Analysis and Variance Decomposition. The result of the study revealed that the coefficients of AGEX, MSEX conformed to a priori expectation having the expected signs, implying that AGEX and MSEX have positive relationships with Real GDP. The coefficients of exchange rate and Manufacturing export do not conform to a priori expectation, with EXR having a positive relationship instead of postulating a negative relationship and MEX having a negative relationship instead of positive with Real GDP. Also, the study found that the coefficients of agricultural export, manufacturing export, mining and solid minerals export and exchange rate significantly influenced economic growth in Nigeria. However, AGEX and MSEX are the main determinants of economic growth in Nigeria. This paper concluded that non-oil exports significantly affect economic growth in Nigeria. However, the extent of impact differs as agricultural export and mining and solid minerals export affect economic growth positively while manufacturing exports affect economic growth negatively. Meanwhile, manufacturing exports account for the greatest proportion of shocks affecting economic growth in Nigeria. On the basis of these findings of the study, the following recommendation is hereby made: (i) that the government should prioritise the manufacturing sector giving the potentials it hold to become the major driver of the economy. The successes of most of the industrialised nations in the world have come from manufacturing.

Keywords : Agricultural, Manufacturing, Mining and Solid Mineral, Exports, Exchange Rate RGDP
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Introduction

Prior to the 1970s, Nigeria's exports were predominantly non-oil commodities with agricultural commodities accounting for the lion share. However, in the 1970s, when the price of crude oil in the international market sky rocketed, the share of non-oil exports began falling and has remained low ever since. This is majorly due to the money-spinning nature of oil exports which makes it more profitable to export oil and less profitable to export non-oil commodities. This has caused a rather heavy dependence on the oil sector and the proceeds from the exportation of crude oil. This

heavy reliance subjects the country to difficulties when the price of crude oil, the major export commodity, is low in the international market (Adenugba & Dipo, 2013).

Since the 1970s Nigeria has been a mono cultural economy, relying heavily on earnings from crude oil export for the growth of the economy. The oil sector is known to contribute more than 90% of export earnings to Nigeria (Onodugo, Marius, & Oluchukwu, 2013). More so they affirmed that the oil export earnings are concentrated in the hands of less than one percent of the Nigerian population

dominated by expatriates and members of the political class who control production and the proceeds respectively. Worse still, the sector is disconnected from other tiers and sectors of the economy and thus offers little or no linkage and multiplier effect to the economy as a whole. Akeem (2011) stated that this mono-culture situation has brought untold hardship on the people of the country. The Nigerian economy swung from the "oil boom era", as exemplified by the buoyant economy of the period with massive infrastructural development, the Udoji award and the neglect of the non-oil exports productive base to the "oil doom" period which arose from oil glut in the world oil market in 1981.

One major problem with the over reliance on oil export is the fact that its price often fluctuates, its therefore volatile. This implies that the dynamics of the Nigerian economy is at the whims and caprices of the price of oil (Aigbakhm, 2008). This means that any structural distortion in the foreign economies capable of causing change in oil price directly affects Nigerian economy.

On the side of the non-oil sector, available evidence points to noticeable increase in the contribution of the non-oil sector to the growth of the Nigerian economy over the last ten years (Soludo, 2007; Olayiwola & Okodua, 2010; Aigbakhm, 2008). Specifically, the growth in Nigeria's Gross Domestic Product (GDP) from 6.9 per cent in the third quarter of 2012 to 7.1 per cent in the fourth quarter of the same year was attributed to the increase in the contribution of the non-oil sectors, particularly the industrial sector (NBS, 2012). The non-oil exports receipts stood at ₦589.98 billion representing 24.4% of the total exports in Nigeria in 2012. The statistics also revealed that the non-oil sector grew at 9.07% in the fourth quarter of 2011 higher than the 8.93% increase recorded in the fourth quarter of 2010 (NBS, 2012). In light of this, the government has adopted various strategies to boost non-oil exports and stabilize the economy. In spite of these efforts, the performance and contributions of the non-oil exports sector has remained generally low. The sector has continued to perform below its full potential.

Non oil sectors like the agriculture and the mining sectors were known to have dominated Nigeria's exports in the past. On overall, Non oil exports accounted for more than 66% of Nigeria's total export and contributed immensely to the growth of Nigeria's economy in the 1960s (Ogunkola, Bankole, 2011 & Adewuyi, 2008).

This scenario therefore provided a justification to find out if non oil exports do contribute to economic growth in Nigeria. This paper therefore seeks to investigate the extent to which non oil exports

contribute to economic growth in Nigeria. The broad objective of this paper is to investigate the relationship between non-oil exports and economic growth in Nigeria. Apart from the introduction, the rest of the paper is organized into section 2, literature review, section 3, is the materials and methods used, section 4 is the data presentation and discussion of the results and section 5 is the conclusion and policy recommendations

Literature Review

Concept of Non-Oil Exports

Exports generally are goods and services given in exchange for income to other countries. In Nigeria, exports are broadly divided into oil exports which are made up of all the exported petroleum products and by-products of the petroleum sector of the economy, and the non-oil exports which comprises of all exported goods and services from the agricultural, manufacturing, other non-oil mineral and the services sectors of the economy. Non-oil exports comprise agricultural products, solid minerals, textiles, manpower, etc. it is made up of every other thing we export from Nigeria except petroleum products. "Manufactured exports consist of textiles, beer, cocoa butter, plastic products, processed timber, tyres, natural spring water, soap, detergent and fabricated iron rods. Agricultural export merchandise included cocoa, groundnut, palm oil, cotton, rubber (natural), yarn, palm products, fish and shrimps (Okoh, 2004).

According to Ajakaye (2007) non-oil export was defined by the federal government second development plan of (1970-1974) to include agricultural products namely: groundnut, cocoa, palm produce, cotton, rubber, hides and skins: also included are manufacturing produce, such as synthetic fabrics, soap, soft drinks and mineral like tin columbite and copper.

Adeyemi (2015) define non-oil export as the whole economy less mining (oil and gas sub-sector). He defines the sector to include industry, solid mineral (part of mining sub-sector) and part of service sub-sector.

Laterally, the non -oil exports can be defined to include all income other than revenue from oil exportation. This will include revenue from agriculture, industries, manufacturing, solid mineral export. The non-oil export has remained the most important sector of the economy in real term. Agriculture, which is one of the most important sub-sectors of the non-oil exports, has been referred to as the main stay of the Nigerian economy.

Non-oil exports include the exportation of non-oil products among which are agricultural, industrial, service and manufacturing outputs. According to Merriam Webster dictionary, non-oil means not

relating, containing or derived from oil. The non-oil sector of the Nigerian economy comprises groups of economic activities outside the petroleum and gas industry or business not directly linked to the oil sector (Abogan, Akinola, & Baruwa. 2014).

Non-oil export is therefore defined in this work as those commodities excluding crude oil (petroleum products), which are sold in the international market for the purpose of revenue generation.

Concept of Economic Growth

Jhingan (2007) defined economic growth as an expansion in output of one or more sectors of the economy without a change in its structure. According to Jhingan (2007) economic growth is related to a quantitative sustained increase in the countries per capita output or income accompanied by expansion in its labour force, consumption, capital and the volume of trade.

According to Essien (2003), economic growth simply means more output without a change in technical and institutional arrangement. This implies that Essien threads the path of Barro, since expansion of various systems is expected to bring more output. To Essian, the structure may change but the technical and institutional arrangement remains the same.

Ragen & Thomas (2003) described economic growth as the gradual long-run expansion of a nation's capacity to produce goods and services. It is concerned with the slope of potential GDP line—the growth of GDP under the conditions in which unemployment rate is maintained at the natural rate of unemployment. They viewed economic growth as the means by the nation's production possibilities' curve and aggregate supply curve are shifting rightward overtime. Economic growth is not concern with short-run business cycle conditions.

Al-Yousif . (2015), defined economic growth as how much more the economy produces than it did before and that if the economy is producing more, businesses are more profitable, and stock prices rise. That give companies capital to invest and hire more employees. As more jobs are created, incomes rise. Consumers have more money to buy additional products and services, driving higher economic growth. To him, all countries want positive economic growth which is measured by changes in the Gross Domestic Product (GDP), that is, a country's entire economic output for the past year. Hence, it takes into account all final goods and services that are produced in this country for sale, whether they are sold domestically or sold overseas.

To the researcher, economic growth means the annual increase or improvement in the income (GDP or output) of a country over a long period of time.

This is measured using annual real GDP which is the monetary value of all final goods and services at market prices in Naira with year 2010 as the base year.

Theoretical Framework

This paper is hinged on the export led growth theory. It is imperative and noteworthy to examine whether export growth can enhance growth to help curtail balance of payment deficit and to definitely establish whether if there is any causal relationship between exports and economic growth in a country such as Nigeria. According to Idowu (2005), Export-Led-Growth (ELG) hypothesis stipulates the expansion and promotion of exports as an important factor in nurturing long-run economic growth. This hypothesis has been put forward as the rationale for an efficient alternative to import substitution, which is an inward orientation strategy of development. Previously, developing countries had adapted inward oriented development strategies for enhancing industrial development that would translate into growth and development, which is designed to replace imported manufactures and merchandise with domestically produced merchandise in order to conserve foreign exchange and promote employment.

This strategy was prevalent in developing countries (DCs) that possess large domestic market, due to the large population size that characterized them, and that the supportive measures and incentives are not available to encourage producers to explore the export market. This policy strategy was resorted to by developing countries in the context of declining world markets for their primary commodities, rising balance of payments deficits on current account (Olorunshola. 2006.) as cited in Olurankinse and Bayo (2012). The major features of this strategy are that: (i) Production is carried out behind infant industries under protection of high tariffs and quotas on imports—an array of import measures is required to sustain the process. (ii) It is characterized by over-valued exchange rates. It should be noted that the extent to which a country pursues this strategy can stall efforts towards outwards orientation especially where large domestic manufacturers to be content with selling their products in the domestic market rather than exploring the export market. Since to them, it is an alternative to international market. Thus, though a large home market may aid growth, it in the side counters to the achievement of international competitiveness (CBN, 2009). As pointed out by Olorunshola (2006.) in Olurankinse and Bayo (2012), it is now widely recognized that export oriented strategy is more effective than import substitution in achieving a faster growth and structural upgrading of an economy. This theory seems to be the most suited to the explanation of the behavior of export growth in African countries

particularly Nigeria. As a result, this paper adopted this theory due to its relevance to Nigeria situation.

Empirical Review

Ekanayake, (2009) carried out a research on oil and non-oil export and economic growth in Nigeria 1970-2008. The study used ordinary least square (OLS). The finding shows that non-oil export is statistically significant and has positive effect on the Nigerian economy. The study recommends that, for Nigeria to generate more foreign investments, efforts should be made to encourage non-oil export. This is because from the empirical findings, beside the oil sector having higher trend in the economy, its contribution to economic growth is equal to non-oil sector. This could be because of economic interactions that took place in non-oil sector than the oil sector that is dominated by foreigner that repatriates profits. The study further suggests that in order to improve the economic climate in non-oil export in Nigeria, appropriate foreign policy has to be put in place like good technology transfer to enable Nigeria benefit fully from international knowledge to develop her economy as Malaysia did in the 1960s in her oil palm production.

Olurankinse & Bayo (2012) carried out a study on analysis of the impact of non-oil sector on economic growth (2000-2008). The crux of the investigation is to analyse the impact of non-oil export on the growth of the Nigerian economy. Data were obtained from secondary source mainly from Central Bank of Nigeria Statistical Bulletin, annual reports and statements of account. The Ordinary Least Squares (OLS) statistical tool was used to analyze the data. The findings revealed that non-oil export has positive effect on the growth of Nigerian economy during the period under review, though the performances in terms of output level and revenue generation was below expectation. The paper recommended the need to increase production in both agricultural and manufacturing sectors to ensure product availability for both local and export purposes. Also, there is need to complete the export processing zones in earnest to promote the establishment of export oriented firms that will produce solely for export market.

Ewetan, & Okodua, (2010) studied the impact of non-oil export on economic growth in Nigeria between 1980 and 2010. The study examines the significant role of non-oil export on economic growth which the previous studies might have ignored and the aggregate non-oil exports data used by them might bias their conclusions. In achieving the objectives of the study, Ordinary Least Square Methods involving Error correction mechanism, and parsimonious VAR were adopted. In testing for the time series properties, the evidence from estimated economic models suggests that all the variables examined are stationary at first difference I(1s) using

the Augmented Dickey- Fuller (ADF) and Phillips-Perron. Besides, Johansen Co integration test reveals that the variables are co integrated which confirms the existence of long-run equilibrium relationship between the variables. Thus, this suggests that all the variables tend to move together in the long run. The study revealed that the impact of non-oil export on the economic growth was moderate and not all that heartening as a unit increase in non-oil export impacted positively by 26% on the productive capacity of goods and services in Nigeria during the period. This was evident in the study that the policies on non-oil sectors during the period in Nigerian do not sufficiently encourage non-oil export, thus reduce their contributions to growth. This study therefore predicts an imminent collapse of the Nigerian non-oil sector in the nearest future if immediate remedial measures are not taken to strengthen the sector. The study among other things encourages the government to strengthen the legislative and supervisory framework of the non-oil sectors in Nigeria and diversify the economy to ensure maximum contributions from all faces of the sectors to economic growth of Nigeria.

Gap in Literature

From the reviewed empirical literature, available studies have failed to systematically investigate the effect of non-oil exports on economic growth in Nigeria in disaggregated form. The study takes the effects of the disaggregated sub-sectors from the non-oil sector. These include: agricultural exports, manufacturing exports and the mining and solid mineral exports. Previous studies have studied the impact of non-oil exports on economic growth in holistic framework. Thus, this study has made concerted efforts to fill these gaps by considering the impact of non-oil exports on economic growth in Nigeria.

Methodology

The kinds of data required for this study were secondary data. This study used time series data from Nigeria. The data required in achieving the objectives of the study are as follows: Agricultural Export (AGEX), Manufacturing exports (MEX), Mining and solid Mineral Exports (MSEX), Exchange Rate (EXR), Real Gross Domestic Products (RGDP)

The data were sourced from several publications of the Central Bank of Nigeria (2013 and 2014) particularly, the statistical bulletin and Nigeria Bureau of Statistics (NBS, 2012). World Bank (2010 and 2013) Others are ; International Journals, Reports and Related Text Books

The data were analyzed using both descriptive statistics and analytical tools. The analytical tools involved the use of the Augmented Dickey-Fuller

and 2017. The maximum exchange rate for Nigeria was ₦305.95 in 2017 while the minimum was ₦2 in 1981. RGDP recorded its maximum and minimum values in 2015 and 1986 which are found to be ₦69.02 trillion and 15.24 trillion respectively. On average the value of Real Gross Domestic Products in Nigeria is 36.02 trillion in the past 32 years.

The maximum value for AGEX was ₦1.9 trillion in 2017 and the minimum was ₦7.39 billion in 1986 while the average is ₦556 billion within the study period. Similarly, the highest manufacturing exports was in 2017 and the least was also in 1986 – ₦10.04 trillion and ₦38.65 billion respectively. It averaged ₦2.5 trillion within the study period. Mining and solid mineral exports has not been like agricultural exports and manufacturing exports with its highest being ₦126.03 billion and the least as ₦4.10 billion in 2017 and 1995 respectively averaging ₦32.52 billion within the study period.

The Jarque-Bera test of normality is conducted to determine the normality condition of the parameters under the assumption that the skewness has a value of 0 and kurtosis of 3. It is a necessary condition for the adoption of further testing to ascertain the statistical and econometric validity of the parameter estimates of the variables of interest. If $K < 3$, then it is platykurtic (flat or short-tailed), If $K > 3$ then it is leptokurtic (slim or long-tailed) and if $K = 3$, then

it is mesokurtic (normal distribution). Since these conditions are not met from the above values, there is a need for further testing. From the above computation; Agricultural Export (AGEX) and Real Gross Domestic Products (RGDP) are platykurtic while manufacturing exports (MEX), Mining and solid Mineral Exports (MSEX), Exchange Rate (EXR) are leptokurtic.

In addition, all the variables are positively skewed. The test of normality also indicates that exchange rate, real GDP and agricultural export, are normally distributed while mining and solid mineral exports and manufacturing exports are non-normally distributed.

Data Analysis of Long-Run Impact of Non-Oil Exports on Economic Growth in Nigeria
Unit Root Test

In order to avoid nonsensical regression estimates which may lead to spurious results, the data is subjected to unit root test to examine the stationarity of the data series. The unit root is used to examine the stationarity of the data series and since the data is time series, the ADF test is employed. It is important because it enhances validity of results and is also a prerequisite for further analytical tools. The result of the Augmented Dickey-Fuller (ADF) test is presented in table 4.2:

Table 2: Stationarity Test

Variables	ADF Test Statistic	1% Critical Value	5% Critical Value	10% Critical Value	Prob.	Order of Integration
AGEX	-4.18	-3.67	-2.96	-2.62	0.0066	I(1)
EXR	-4.84	-3.67	-2.96	-2.62	0.0005	I(1)
MEX	-4.79	-3.69	-2.97	-2.63	0.0080	I(1)
MSEX	-4.79	-3.68	-2.97	-2.62	0.0037	I(1)
RGDP	-4.09	-3.70	-2.98	-2.62	0.0025	I(1)

Source: E-views10 Output, 2019.

The ADF statistic values for AGEX, EXR, MEX, MSEX, and RGDP are -4.18, -4.84, -4.79, -4.79, and -4.09, respectively. The result also shows that, the ADF test statistic is less than the critical values at all significant levels at 1%, 5%, and 10% for all the variables, which is evidenced further by the low probability values. Thus, the variables attained stationary at first difference series.

Johansen Cointegration Test

The finding that the macro time series contains a unit root has spurred the non stationary time series analysis. Engle and Granger (1987) pointed out that a linear combination of two or more non stationary time series may be stationary. If such a stationary

linear combination exists, the non stationary time series is said to be co-integrated. The stationary linear combination may be interpreted as a long run equilibrium relationship between the variables. The Johansen system framework is employed to test for the presence of co-integrating relationships among the non stationary variables.

The Johansen co-integration is analysed via the Trace statistic and Maximum Eigen value. The decision rule is that if either is greater than the 5% critical value, we reject the null hypothesis of no co-integration among the variables. Their respective results are displayed in

Table 3: Co-integration Test

Null Hypothesis	Trace Statistic	0.05 Critical Value	Null Hypothesis	Max-Eigen Statistic	0.05 Critical Value
$r = 0^*$	115.57	69.82	$r = 0^*$	56.61	33.88
$r \leq 1^*$	58.96	47.86	$r \leq 1$	33.85	27.58
$r \leq 2$	25.11	29.80	$r \leq 2$	15.81	21.13
$r \leq 3$	9.30	15.49	$r \leq 3$	7.08	14.26
$r \leq 4$	2.22	3.84	$r \leq 4$	2.22	3.84

Source: E-views10 Output, 2019.

Note: Trace statistic is has 2 co-integrating equation while Max-Eigen statistic is has 1 co-integrating equation. * denotes rejection at 0.05 significance level.

The Trace test and Max-Eigen value test shows a long run equilibrium relationship between the variables. Thus, the null hypothesis of no co-integrating equation is rejected since their statistics are greater than their respective critical values for the co-integrating equations at 5% significance level. This implies a stationary linear combination, as such the non stationary time series are co integrated. The application of the VECM technique will therefore yield informative, non-spurious and dependable results.

Vector Error Correction Estimates

The long run relationship and its accompanying short run relationship are presented in Table 4:

The estimated model is given as;

$$RGDP = \alpha_0 + \alpha_1 EXR + \alpha_2 MEX + \alpha_3 MSEX + \alpha_4 AGEX + \mu \dots \dots \dots (4)$$

Table 4: Long and Short Run Error Correction Model

Variables	Coefficient	Standard Error	T statistics
Long Run Model			
AGEX (-1)	3.722300	(0.85653)	[-4.34579]
EXR(-1)	2.196603	(0.52346)	[-4.19632]
MEX(-1)	-5.922885	(0.91618)	[6.46477]
MSEX(-1)	0.808575	(0.31089)	[-2.60087]
C	-20.27861		
Short Run Model			
CoIntEq1	-0.032561	(0.00716)	[-4.54958]
D(AGEX (-1))	0.232209	(0.09501)	[-2.44394]
D(MEX(-1))	-0.111835	(0.05318)	[2.10314]
D(MSEX(-1))	0.053755	(0.03107)	[-1.72990]
D(EXR(-1))	0.049494	(0.03647)	[-1.35696]
C	0.089159	(0.02994)	[2.97795]

$R^2 = 0.85$, Adjusted $R^2 = 0.72$, F statistic = 6.56, $F_{0.05} = 2.36$

Source: E-views 10 Output, 2019.

From table 4.5, the results showed that in the long run, the coefficient of AGEX reveals that a 1% change will cause RGDP to increase by 3.72% with EXR, MEX and MSEX held constant. Similarly, as MSEX increases say, by 1%, Real GDP will increase by 0.81%. Similarly, RGDP will increase by 2.19%, holding other variables constant, as exchange rate increases by 1%. Conversely, as MEX changes by 1%, RGDP will decrease by 5.92% other things being equal.

The result further reveals that the coefficients of two of the explanatory variables – AGEX, MSEX conform to a priori expectation having the expected signs, implying that AGEX and MSEX has a positive relationship with Real GDP. The coefficients of exchange rate and Manufacturing export do not conform to a priori expectation, with EXR having a positive relationship instead of postulating a negative relationship and MEX having a negative relationship instead of positive with Real GDP. Also, the result shows that the coefficients of

MEX, AGEX, MSEX and EXR are statistically significant (i.e. $\frac{1}{2}b_1 > S.E.$).

From the results of the short run estimates of the VAR model in the table above, the coefficients of all the variables conform to the results of the long-run model postulating similar relationships with Real GDP. Unlike the long run model which shows four significant variables, only the parameter estimates of AGEX and MEX are statistically significant in the short run. The result also reveals that in the short run, a 1% change in AGEX in the previous year will lead to an increase in Real GDP by 0.23%. Similarly, a 1% change in MSEX and EXR in the previous year will improve Real GDP by 0.05% and 0.04% respectively. Conversely, a 1% change in MEX in the past year will lead to reduction in Real GDP by 0.11%.

The error correction parameter is statistically significant and is also negative as expected. The magnitude of the co-integration term indicates that

if there is any deviation, the long run equilibrium is adjusted slowly where about 3% of the disequilibrium may be removed in each period. This shows that the speed of adjustment to where Real GDP will equilibrate even when there is initial disequilibrium is at the rate of 3%.

The adjusted R² value of 0.72 means that about 72% of the variations in Real GDP is explained by AGEX, MEX and MSEX. This is high and shows that our regression line strongly fits the data due to the fact that the maximum value of R² can at most be 1. The study also finds out that AGEX, MEX, MSEX and EXR are jointly significant. The F statistic shows the overall significance of the estimated model. The result reveals that the likelihood of obtaining an F value of as much as 6.56 or greater is simultaneously less than zero, leading to the rejection of the hypothesis that together AGEX, MEX, MSEX, and EXR have no effect on exchange rate in Nigeria. This buttresses the overall goodness of fit of the models. Thus, the overall prediction power of the econometric model is statistically significant.

The study evaluated the impact of non-oil exports on economic growth in Nigeria. Five variables were used to estimate this relationship and they are: real gross domestic product, agricultural export, manufacturing export, mining and solid minerals export and exchange rate. Agricultural export, manufacturing export, mining and solid minerals export were expected to have a positive relationship with Real GDP while exchange rate is expected to have a negative relationship. The result further reveals that the coefficients of two of the

explanatory variables – AGEX, MSEX conformed to a priori expectation having the expected signs, implying that AGEX and MSEX has a positive relationship with Real GDP. The coefficients of exchange rate and Manufacturing export do not conform to a priori expectation, with EXR having a positive relationship instead of postulating a negative relationship and MEX having a negative relationship instead of positive with Real GDP.

Also, the study found that that the coefficients of agricultural export, manufacturing export, mining and solid minerals export and exchange rate significantly influences economic growth in Nigeria. However, AGEX and MSEX are the main determinants of economic growth in Nigeria

Conclusion and Recommendations

This paper concluded that non-oil exports significantly affect economic growth in Nigeria. However, the extent of impact differs as agricultural export and mining and solid minerals export affect economic growth positively while manufacturing exports affect economic growth negatively. Meanwhile, manufacturing exports account for the greatest proportion of shocks affecting economic growth in Nigeria.

On the basis of these findings of the study, the following recommendation is hereby made: (i) that the government should prioritise the manufacturing sector giving the potentials it hold to become the major driver of the economy. The successes of most of the industrialised nations in the world have come from manufacturing.

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