Government Exports and Economic Performance in Nigeria

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Abstract
This study investigated the effect of government exports on economic performance in Nigeria, focusing on oil and non-oil exports as explanatory variables and real gross domestic product (RGDP) as the key indicator of performance. The study employed annual time series data covering 1994–2024 sourced from the Central Bank of Nigeria Statistical Bulletin, and analysis was conducted using the Ordinary Least Squares (OLS) regression technique, complemented by diagnostic and stability tests. The descriptive results revealed a steady rise in exports and output over the years, albeit with fluctuations driven largely by oil price shocks and global market conditions. The inferential analysis showed that oil exports had a positive and statistically significant effect on RGDP, underscoring the continued dominance of the oil sector in driving Nigeria's growth trajectory. Conversely, non-oil exports had a positive but statistically insignificant effect, reflecting persistent structural weaknesses and low competitiveness in the sector despite ongoing diversification efforts. The post-diagnostic tests confirmed the reliability and stability of the model. Based on these findings, the study concludes that while oil exports remain central to economic performance, non-oil exports have yet to demonstrate significant contributions. It recommends targeted policy interventions to boost non-oil exports and deepen diversification to ensure long-term, inclusive, and sustainable growth.

Keywords: *Government exports, Oil exports, Non-oil exports, Real gross domestic product, Economic performance, Diversification, Nigeria*

1.0 INTRODUCTION

Economic performance is a multidimensional concept that encapsulates the overall health and progress of a nation's economy. It is traditionally measured by a suite of indicators including gross domestic product (GDP), which measures the total value of goods and services produced; employment rates; inflation; and the balance of payments (Mankiw, 2021). For developing nations like Nigeria, strong economic performance is synonymous with sustainable growth, poverty reduction, job creation, and improved standards of living. However, many such economies grapple with persistent challenges including volatile growth, overreliance on primary commodities, high unemployment, and widespread infrastructural deficits. These issues often stem from structural weaknesses within the economy, such as a narrow export base and susceptibility to external shocks, which hinder consistent and inclusive economic advancement (World Bank, 2023).

The persistent challenges to robust economic performance have intensified the search for reliable drivers of sustainable growth. One pivotal mechanism through which nations can stimulate their economies is by engaging in international trade, specifically through exports. Exports generate vital foreign exchange earnings, create employment opportunities, facilitate

the transfer of technology and skills, and encourage efficient production by exposing domestic firms to greater international competition (Dornbusch, Fischer, & Startz, 2022). Consequently, the role of government in orchestrating and promoting export activities becomes a critical area of policy focus. Government intervention, through strategic policies, incentives, and direct support for export-oriented sectors, is often deemed essential to harness these benefits and catalyse broader economic performance, especially in contexts where market failures are prevalent.

In the Nigerian context, government exports are predominantly characterised by the oil and gas sector. For decades, revenue from crude oil exports has been the fundamental pillar of the Nigerian economy, accounting for the majority of government earnings and over 80% of total export revenue (Central Bank of Nigeria, 2023). This reliance has made the nation's economic performance acutely sensitive to fluctuations in global oil prices, creating a cycle of booms and busts that complicate long-term fiscal planning and macroeconomic stability. The government's role in this sector is extensive, acting as the primary regulator and major stakeholder through the Nigerian National Petroleum Company (NNPC) Limited. Therefore, the performance of oil exports directly and profoundly influences key national economic indicators, including government budgets, foreign reserves, and the value of the national currency.

Recognising the vulnerabilities associated with oil dependency, successive Nigerian governments have initiated policies to diversify export earnings by promoting non-oil exports. This category includes agricultural products (e.g., cocoa, cashew nuts), solid minerals, manufactured goods, and services. Government efforts in this domain involve programmes offered by the Export Promotion Council (NEPC), financial incentives from the Central Bank of Nigeria, and improvements in trade infrastructure (NEPC, 2022). The development of a vibrant non-oil export sector is strategically viewed as a pathway to more stable and resilient economic performance. It promises to diversify revenue sources, create jobs in agrarian and manufacturing sectors, reduce the import burden, and insulate the economy from the volatility of the global oil market, thereby fostering more sustainable and inclusive growth.

Statement of the Problem

Previous research provides a solid foundation for understanding the relationship between exports and economic performance. Globally, studies such as Autor, Dorn, and Hanson (2016) have shown how export shocks influence economic outcomes, while regional evidence in Africa confirms that exports often contribute positively to growth, though the strength of this effect differs across contexts (Ademola, 2021). In Nigeria, the oil–growth relationship has been extensively examined, with studies such as Odhiambo (2022) highlighting the strong connection between crude oil exports and GDP growth. However, a notable gap persists in comparative research that analyses the distinct contributions of oil and non-oil exports to Nigeria’s economic performance within a unified framework. Many studies either examine oil exports in isolation or focus narrowly on non-oil exports, while others rely on outdated data that do not capture the recent impact of government diversification strategies and global economic shifts. This creates a pressing need for research that examines both dimensions together and assesses their relative influence on real economic outcomes.

Furthermore, while international and regional evidence consistently suggests that export diversification strengthens growth and stability, Nigeria’s experience remains under-explored from a holistic perspective that incorporates both oil and non-oil exports alongside government policies aimed at enhancing export capacity. Recent local studies have shown that non-oil exports exert a significant positive effect on growth (Adetunji, Muktar, Chibundu, & Saheed, 2022), while oil exports continue to dominate Nigeria’s GDP performance (Omri & Tanzamado, 2024). Yet, the gap lies in the absence of an up-to-date, comparative assessment

of both export types using recent post-2022 data that reflect the outcomes of ongoing diversification initiatives. Additionally, limited attention has been given to how government export policies—in terms of incentives, infrastructure, and stability—mediate the relationship between exports and economic performance. This study therefore seeks to address these gaps by critically comparing oil and non-oil exports in relation to real GDP, thereby providing timely insights for policy and contributing to a more comprehensive understanding of Nigeria's export-driven growth dynamics.

Objectives of the Study

The main objective of this study is to examine the effect of government exports on economic performance in Nigeria. Specifically, the study seeks to:

1. Assess the effect of oil exports on real gross domestic product (RGDP) in Nigeria.
2. Examine the effect of non-oil exports on real gross domestic product (RGDP) in Nigeria.
3. Compare the relative contributions of oil and non-oil exports to Nigeria's economic performance.
4. Provide evidence-based policy recommendations on how government export policies can enhance sustainable economic growth in Nigeria.

Research Questions

In line with the objectives, the study will be guided by the following research questions:

1. What is the effect of oil exports on real gross domestic product (RGDP) in Nigeria?
2. What is the effect of non-oil exports on real gross domestic product (RGDP) in Nigeria?

Research Hypotheses

At a 5% level of significance, the following null hypotheses are formulated for testing:

- **H_o1**: Oil exports have no significant effect on real gross domestic product (RGDP) in Nigeria.
- **H_o2**: Non-oil exports have no significant effect on real gross domestic product (RGDP) in Nigeria.

2.0 LITERATURE REVIEW

Conceptual Review:

Government Exports

Government exports refer to the goods and services sold to other countries under the supervision, facilitation, or regulation of the state. They are considered an important driver of foreign exchange earnings, industrial expansion, and growth, especially in developing countries like Nigeria (World Bank, 2022). According to Krugman and Obstfeld (2018), exports form part of international trade that contributes significantly to national income by enabling countries to specialise in goods where they have a comparative advantage. For Nigeria, government exports involve not only oil-related products but also non-oil commodities such as agricultural goods, manufactured items, and solid minerals. The government plays a major role by creating policies, infrastructure, and incentives that influence the volume, structure, and competitiveness of exports (Adeleye, Ogundipe, & Ogundipe, 2020). Thus, government exports are a vital policy instrument that links domestic production to global markets and supports economic performance.

1. Oil Exports

Oil exports are the foreign sales of crude petroleum and refined oil products, which remain the backbone of Nigeria's economy. Since the discovery of oil in the late 1950s, Nigeria has relied

heavily on oil exports as its main source of revenue, accounting for more than 80% of foreign exchange earnings and a significant share of government revenues (CBN, 2023). As noted by Osakede and Ademoyewa (2021), oil exports provide a crucial lifeline for the country, but they also make the economy vulnerable to fluctuations in global oil prices. From a conceptual standpoint, oil exports are not only an economic activity but also a reflection of resource endowment and trade patterns in line with international demand. In Nigeria, oil exports have shaped fiscal policies, foreign reserves, and long-term growth trajectories (Bakare & Saka, 2023). Hence, oil exports represent a central dimension of government exports that directly affect the country's economic performance.

2. Non-oil Exports

Non-oil exports encompass all exportable goods and services outside the oil and gas sector, including agricultural produce, manufactured goods, solid minerals, and services such as tourism and ICT. According to Nwakeze and Ndubuisi (2022), non-oil exports are essential for diversifying the economy, reducing dependency on petroleum revenues, and ensuring sustainable growth. Globally, countries that have strengthened non-oil exports tend to enjoy greater economic stability, as seen in many East Asian economies (Reinert, 2019). In the Nigerian context, non-oil exports such as cocoa, sesame seeds, leather, and processed foods have been identified as high-potential sectors for boosting foreign earnings and job creation (Eze & Mbah, 2023). Unlike oil exports, non-oil exports are less vulnerable to global commodity price shocks and can serve as a steady foundation for inclusive growth. Conceptually, non-oil exports represent a broader, more diversified trade base that can support Nigeria's long-term economic performance.

Economic Performance

Economic performance generally refers to how well an economy is doing in terms of growth, stability, and development. It is often measured by indicators such as gross domestic product (GDP), employment, inflation, trade balance, and investment flows (Mankiw, 2021). According to Blanchard (2021), economic performance reflects the capacity of an economy to generate goods and services that improve the welfare of its citizens. For developing countries like Nigeria, assessing economic performance is crucial for evaluating the impact of policies such as trade liberalisation, export promotion, and industrialisation. Studies show that strong export performance often translates into higher economic growth, improved productivity, and increased fiscal capacity (Adeleye et al., 2020). Thus, economic performance serves as both a measure of progress and an outcome of policy choices, particularly regarding the role of exports.

- **Gross Domestic Product**

Gross Domestic Product (GDP) is the total monetary value of all final goods and services produced within a country during a specific period, usually a year. It is the most widely used indicator of economic performance, reflecting the overall size and health of an economy (OECD, 2022). According to Mankiw (2021), GDP can be measured using three approaches: the production approach, the expenditure approach, and the income approach, all of which aim to capture national output. In Nigeria, GDP is a central benchmark for evaluating how government exports, both oil and non-oil, contribute to economic growth and stability (CBN, 2023). Oil exports, for example, directly influence GDP through foreign exchange earnings and government revenue, while non-oil exports enhance GDP through diversification and sectoral development (Bakare & Saka, 2023). Conceptually, GDP provides the most

appropriate indicator for assessing how exports affect economic performance, making it a key focus of this study.

Theoretical Review:

Export-Led Growth (ELG) Theory

The Export-Led Growth theory is one of the most prominent frameworks in international economics and development studies. It posits that increased participation in global trade, particularly through export expansion, acts as a key driver of economic growth. The central idea is that by exporting more goods and services, a country can take advantage of larger external markets, thereby generating higher foreign exchange earnings, improving balance of payments, and stimulating domestic investment (Krugman & Obstfeld, 2018). This theory also argues that exports help countries exploit economies of scale, enhance productivity, and facilitate technological transfer through exposure to international competition (Balassa, 1985). In the context of developing economies like Nigeria, the theory underscores how both oil and non-oil exports can serve as strategic instruments for stimulating output growth and reducing dependence on external aid.

In practice, the ELG theory has been supported by various empirical studies across different regions. For instance, evidence from East Asian economies demonstrates that strategic export promotion contributed significantly to their rapid industrialisation and sustained economic growth (Dollar & Kraay, 2004). In Africa, however, the evidence has been mixed, with countries like Nigeria showing heavy reliance on oil exports, which makes economic performance highly vulnerable to global oil price fluctuations (Osakede & Ademoyewa, 2021). This highlights the importance of diversifying exports to include non-oil sectors. The ELG theory therefore provides a useful lens for assessing how Nigeria's oil and non-oil exports influence real GDP growth, suggesting that the direction and strength of this impact depends on the structure and sustainability of export activities.

Keynesian Export Multiplier Theory

The Keynesian Export Multiplier theory builds on Keynesian macroeconomics, which emphasises the role of aggregate demand in determining economic output. According to this theory, an increase in exports generates a multiplied effect on national income, as export earnings feed into domestic consumption, investment, and government expenditure (Keynes, 1936; Jahan, Mahmud, & Papageorgiou, 2014). The multiplier effect occurs because the initial income received from exports does not stop with the exporter but circulates within the economy, stimulating further rounds of spending and production. For example, revenues from government oil exports can finance infrastructure, education, and industrial development, which in turn raise productivity and income levels. Similarly, non-oil export revenues can create new jobs and boost private sector growth.

In Nigeria, the Keynesian export multiplier is particularly relevant given the government's reliance on oil export revenues to finance public spending. However, this reliance has often created fiscal vulnerabilities, as fluctuations in oil prices directly affect public investment and macroeconomic stability (Adenikinju & Akanni, 2021). On the other hand, non-oil exports, if properly developed, could provide more stable and diversified sources of income, thereby creating a more balanced multiplier effect on the economy (Eze & Mbah, 2023). The Keynesian export multiplier theory thus suggests that the extent to which exports translate into economic growth depends not only on the volume of exports but also on how export revenues are utilised within the economy. This makes the theory especially useful for examining how government-managed oil and non-oil exports shape Nigeria's real GDP and broader economic performance.

Empirical Reviews

Adeleye et al., (2020) examined the effect of trade openness on Nigeria's economic growth over 1981–2018, with emphasis on whether liberalised trade has helped or hindered growth. Methods: The authors used time-series econometric techniques, notably the ARDL bounds testing approach, to capture short-run dynamics and long-run relationships. The study found a long-run relationship between trade openness and growth, but trade openness had a negative and significant effect on growth in Nigeria; the negative effect was linked to the composition of trade, which favours imports over export development. Conclusion: Simply opening borders did not translate into growth because Nigeria's trade structure remained import-dependent. The authors recommended policies to improve export capacity, prioritise value-adding non-oil exports, and couple liberalisation with measures that support domestic industries.

Okoli et al., (2023) investigated the impact of non-oil exports on Nigeria's economic growth between 1981 and 2021, employing the Autoregressive Distributed Lag (ARDL) bounds test and error correction model (ECM) to capture both short-run and long-run dynamics. Their findings revealed that non-oil exports significantly and positively influence real gross domestic product (RGDP), while terms of trade related to non-oil exports negatively affect growth. Importantly, the CUSUM test confirmed the stability of the positive non-oil export effect across the study period, indicating that its contribution to growth is not a temporary outcome. The study concluded that non-oil exports are a vital source of growth for Nigeria's economy, particularly in light of the volatility of oil exports. It recommended strengthening bilateral trade agreements, improving export quality standards, and focusing on high-potential export sectors to maximise the benefits of non-oil exports for Nigeria's sustainable growth trajectory.

The study by Olawale and Emeso (2023) examined the effect of non-oil exports on Nigeria's economic growth between 1980 and 2022. The objective was to determine whether non-oil exports contribute significantly to real GDP when compared with oil exports and other macroeconomic factors such as exchange rate and inflation. Using the Autoregressive Distributed Lag (ARDL) model and an Error Correction Model (ECM), the study analysed both short-run and long-run relationships. The findings revealed that oil exports and inflation had significant impacts on economic growth, while non-oil exports showed mixed results, with limited evidence of a positive and consistent effect. The conclusion drawn was that the benefits of non-oil exports are weakened by exchange rate instability and structural imbalances in the economy. It was recommended that government policies should not only promote non-oil exports but also ensure macroeconomic stability, particularly in exchange rate and inflation management, to maximise their growth effect.

Adetunji et al. (2023) investigated the impact of non-oil exports on Nigeria's economic growth from 1971 to 2021. The study aimed to evaluate the long-run relationship between non-oil export performance and real GDP growth, in the context of diversification strategies. The methodology adopted was the Bayesian Vector Autoregressive (BVAR) model, which enabled the authors to trace dynamic impacts of export shocks on growth. The findings revealed that non-oil exports had a statistically significant and positive effect on economic growth, with commodities such as cocoa and agricultural products contributing meaningfully. In contrast, overdependence on oil was associated with volatility and weak resilience. The study concluded that non-oil exports remain a viable driver of long-term growth and should be central to development policy. It recommended intensifying support for non-oil export sectors, strengthening value-addition strategies, and stabilising exchange rates to enhance the impact of non-oil exports on economic performance.

3.0 METHODOLOGY

This study adopted an ex-post facto research design using annual time series data covering the period 1994–2024 to examine the effect of government exports on economic performance in Nigeria. Data on oil exports, non-oil exports, and real gross domestic product (RGDP) were sourced from the Central Bank of Nigeria Statistical Bulletin, ensuring reliability and consistency. The dependent variable was economic performance, proxied by RGDP, while the independent variables were oil exports and non-oil exports, which jointly capture the role of government exports. The analysis involved both descriptive and econometric techniques. Descriptive statistics were employed to show the trend, central tendency, and variability of the variables, while the econometric analysis was carried out using the Ordinary Least Squares (OLS) regression method to estimate the relationship between government exports and economic performance. To validate the robustness of the results, diagnostic and stability tests were conducted, including tests for autocorrelation, heteroskedasticity, multicollinearity, and normality of residuals. The choice of OLS was guided by its efficiency in providing unbiased estimates when classical assumptions are satisfied, and the inclusion of diagnostic checks ensured that the model was well-specified and reliable. This methodological approach provided a solid framework for evaluating the differential contributions of oil and non-oil exports to Nigeria's economic performance and for deriving evidence-based policy recommendations.

Model Specification

Following the framework of Okoli et al., (2023) who examined the effect of non-oil exports on economic growth in Nigeria using an Autoregressive Distributed Lag (ARDL) and Error Correction Model (ECM), this study adapts a simplified linear regression model to capture the effect of government exports on economic performance. In their study, real gross domestic product (RGDP) was expressed as a function of non-oil exports, exchange rate, and other macroeconomic variables. However, for the purpose of this research, the model is modified to focus exclusively on government exports, disaggregated into oil and non-oil components, as the key explanatory variables.

The functional form of the model is specified as:

$$RGDP_t = f(OILEXP, NONOILEXP) \quad (1)$$

Transforming into an econometric form gives:

$$RGDP_t = \beta_0 + \beta_1 OILEXP_t + \beta_2 NONOILEXP_t + \mu_t \quad (2)$$

Where:

- $RGDP_t$ = Real Gross Domestic Product at time *t* (proxy for economic performance)
- $OILEXP_t$ = Oil exports at time *t*
- $NONOILEXP_t$ = Non-oil exports at time *t*
- $\beta 0$ = Intercept term
- $\beta 1, \beta 2$ = Coefficients of oil and non-oil exports respectively
- μt = Error term capturing other factors affecting RGDP not included in the model

In line with economic theory and prior empirical evidence (Osakede & Ademoyewa, 2021; Adeleye, Ogundipe, & Ogundipe, 2020), it is expected that both β_1 and β_2 will be positive, indicating that increases in oil and non-oil exports contribute positively to economic performance in Nigeria.

4.0 DATA PRESENTATION AND ANALYSIS:

Table 1: Government export and economic performance in Nigeria

year	**Oil Export (OilExp) ₦, Million**	**Non-Oil Export (Non-OilExp) ₦, Million**	Real Gross Domestic Product (RGDP) **₦, Billion**
1994	200,710.20	5,349.00	21,897.47
1995	927,565.30	23,096.10	21,881.56
1996	1,286,215.90	23,327.50	22,799.69
1997	1,212,499.40	29,163.30	23,469.34
1998	717,786.50	34,070.20	24,075.15
1999	1,169,476.90	19,492.90	24,215.78
2000	1,920,900.40	24,822.90	25,430.42
2001	1,839,945.25	28,008.60	26,935.32
2002	1,649,445.83	94,731.85	31,064.27
2003	2,993,109.95	94,776.44	33,346.62
2004	4,489,472.19	113,309.35	36,431.37
2005	7,140,578.92	105,955.88	38,777.01
2006	7,191,085.64	133,594.99	41,126.68
2007	8,110,500.38	199,257.94	43,837.39
2008	9,861,834.43	525,859.18	46,802.76
2009	8,105,455.12	500,864.60	50,564.26
2010	11,300,522.12	710,953.75	55,469.35
2011	14,323,154.65	913,511.34	58,180.35
2012	14,259,990.90	879,335.23	60,670.05
2013	14,131,843.08	1,130,170.52	63,942.85
2014	12,006,965.05	955,061.79	67,977.46
2015	8,184,480.52	660,678.29	69,780.69
2016	8,178,817.96	656,793.95	68,652.43
2017	12,913,241.32	1,074,901.87	69,205.69
2018	17,281,953.13	1,425,374.30	70,536.35
2019	16,703,434.07	3,207,099.74	72,094.09
2020	11,058,151.84	1,555,440.86	70,800.54
2021	16,737,339.63	2,466,831.25	73,382.77
2022	24,221,595.93	3,029,976.46	74,752.42
2023	32,502,384.29	3,745,404.03	77,936.10
2024	40,783,172.66	4,460,831.60	74,752.42

Source: Central Bank of Nigeria (CBN) Statistical Bulletin

Table 1 presents the trend of government exports and economic performance in Nigeria from 1994 to 2024, measured by oil exports, non-oil exports, and real gross domestic product (RGDP). The data show that oil exports have consistently dominated Nigeria's export earnings, rising from ₦200,710.20 million in 1994 to ₦40,783,172.66 million in 2024, with significant growth after 2000. Non-oil exports, although lower in value, also recorded steady growth, moving from ₦5,349.00 million in 1994 to ₦4,460,831.60 million in 2024, showing the government's effort towards diversification. The RGDP equally reflects upward growth,

moving from ₦21,897.47 billion in 1994 to ₦77,936.10 billion in 2023, though slightly declining to ₦74,752.42 billion in 2024. These movements indicate that while oil exports remain a critical driver of economic performance, non-oil exports have gradually increased in importance, contributing to overall output. This suggests that both oil and non-oil exports play vital roles in shaping Nigeria's economic performance over time.

Table 2: Descriptive Statistics

	RGDP	OILEXP	NON_OILEXP
Mean	49702.86	10109794	929937.0
Median	50564.26	8178818.	525859.2
Maximum	77936.10	40783173	4460832.
Minimum	21881.56	200710.2	5349.000
Std. Dev.	20247.30	9442747.	1212149.
Skewness	-0.102424	1.491695	1.561874
Kurtosis	1.412591	5.393946	4.442565
Jarque-Bera	3.309031	18.89914	15.29177
Probability	0.191185	0.000079	0.000478
Sum	1540789.	3.13E+08	28828046
Sum Sq. Dev.	1.23E+10	2.67E+15	4.41E+13
Observations	**31**	**31**	**31**

Source: Eviews 10

The descriptive statistics in Table 2 provide useful insights into the relationship between government exports and economic performance in Nigeria over the period. The average Real Gross Domestic Product (RGDP) was ₦49,702.86 billion, with values ranging from ₦21,881.56 billion to ₦77,936.10 billion, showing steady long-term growth. Oil exports had a much higher mean of ₦10,109,794 million, peaking at ₦40,783,173 million and a minimum of ₦200,710.2 million, confirming Nigeria's heavy dependence on oil revenues. Non-oil exports averaged ₦929,937 million, with notable growth from a minimum of ₦5,349.00 million to a maximum of ₦4,460,832 million, indicating progress in diversification but still much lower than oil. The standard deviation shows higher volatility in oil and non-oil exports compared to RGDP. Skewness and kurtosis reveal that both export series are positively skewed with heavy tails, while RGDP is near normal. The Jarque-Bera test confirms that oil and non-oil exports are not normally distributed ($p < 0.05$), unlike RGDP, which is normally distributed ($p = 0.191$). Overall, the results suggest that while exports—especially oil—have grown significantly, they exhibit fluctuations that could impact Nigeria's economic performance.

Inferential Statistics:

Table 3: Ordinary Least Square

Dependent Variable: RGDP
Method: Least Squares
Date: 09/15/25 Time: 20:57
Sample: 1994 2024
Included observations: 31

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	32767.83	3562.425	9.198182	0.0000
OILEXP	0.001455	0.000674	2.158274	0.0396
NON_OILEXP	0.002388	0.005253	0.454623	0.6529

R-squared	0.663081	Mean dependent var	49702.86
Adjusted R-squared	0.639015	S.D. dependent var	20247.30
S.E. of regression	12164.99	Akaike info criterion	21.74228
Sum squared resid	4.14E+09	Schwarz criterion	21.88105
Log likelihood	-334.0053	Hannan-Quinn criter.	21.78751
F-statistic	27.55295	Durbin-Watson stat	1.842982
Prob(F-statistic)	0.000000		

Source: Eviews 10

The Ordinary Least Squares (OLS) regression results in Table 3 show the relationship between government exports and economic performance in Nigeria, with Real Gross Domestic Product (RGDP) as the dependent variable. The constant term (C) is positive and highly significant ($p < 0.01$), suggesting that in the absence of exports, Nigeria's economy still maintains a baseline level of output driven by other factors. Oil exports (OILEXP) have a positive and statistically significant effect on RGDP (coefficient = 0.001455, $p = 0.0396$), implying that increases in oil export earnings contribute meaningfully to Nigeria's economic growth. Conversely, non-oil exports (NON_OILEXP) have a positive but insignificant coefficient (0.002388, $p = 0.6529$), indicating that while their contribution is in the right direction, they currently lack a strong measurable effect on RGDP. The model explains about 66% of the variation in RGDP ($R^2 = 0.663$), which shows a reasonably good fit, and the overall F-statistic is significant at 5% ($p = 0.000$), confirming the joint relevance of the explanatory variables. However, the results reveal that Nigeria's economic performance remains strongly tied to oil exports, while the potential of non-oil exports has yet to be fully realised.

Post-Analysis Test:

Table 4: Residual Diagnostic and Model Stability Test

Date: 09/15/25 Time: 21:05
Sample: 1994 2024
Included observations: 31

Autocorrelation	Partial Correlation		AC	PAC	Q-Stat	Prob
. |*** |	. |*** |	1	0.368	0.368	4.6272	0.081
. | . |	. *| . |	2	0.044	-0.107	4.6943	0.096
. | . |	. | . |	3	0.027	0.057	4.7209	0.193
. |* . |	. |* . |	4	0.188	0.190	6.0630	0.194
. | . |	. *| . |	5	0.005	-0.167	6.0639	0.300
. *| . |	. | . |	6	-0.077	-0.009	6.3059	0.390
. | . |	. | . |	7	-0.040	0.006	6.3745	0.497
. |* . |	. |* . |	8	0.158	0.153	7.4911	0.485
. |* . |	. |* . |	9	0.202	0.132	9.3971	0.401
. | . |	. *| . |	10	-0.000	-0.135	9.3971	0.495

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	2.438274	Prob. F(2,28)	0.1056
Obs*R-squared	4.598201	Prob. Chi-Square(2)	0.1003
Scaled explained SS	3.368339	Prob. Chi-Square(2)	0.1856

Variance Inflation Factors
Date: 09/15/25 Time: 21:02
Sample: 1994 2024
Included observations: 31

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	12690871	2.658456	NA
OILEXP	4.55E-07	17.95615	8.219867
NON_OILEXP	2.76E-05	13.21906	8.219867

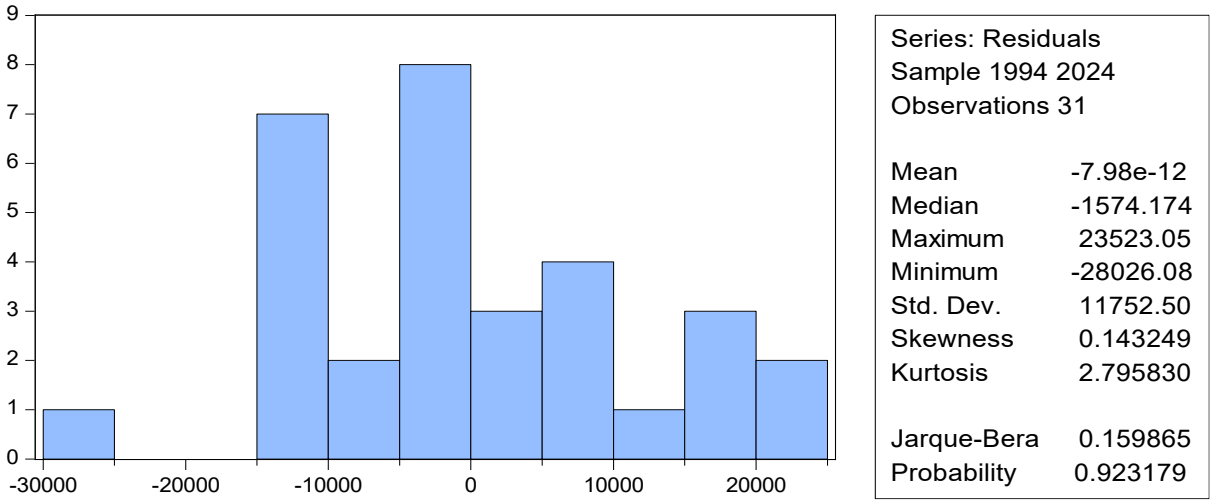

Fig 1: Histogram Normality Test

The post-analysis test results in Table 4 and Fig 1 provide insights into the reliability, stability, and validity of the estimated model linking government exports to economic performance in Nigeria. The autocorrelation test (Q-statistics) shows that the residuals are not serially correlated, as all probabilities are above the 5% significance level, confirming that the model is free from serious autocorrelation problems. The Breusch-Pagan-Godfrey heteroskedasticity test further indicates homoskedasticity, with p-values (F-statistic = 0.1056; Obs*R^2 = 0.1003) greater than 0.05, meaning the error terms have constant variance. The Variance Inflation Factor (VIF) results, though moderately high for OILEXP and NON_OILEXP (around 8.22 when centred), remain below the conventional threshold of 10, suggesting the absence of severe multicollinearity between the explanatory variables. In addition, the Jarque-Bera normality test (JB = 0.159865; p = 0.923179) confirms that the residuals are normally distributed, supporting the validity of the OLS assumptions. Taken together, these diagnostic and stability tests show that the model is statistically sound, reliable, and well-specified, providing a strong foundation for interpreting the causal effects of government exports on Nigeria's economic performance.

Test of Hypotheses

$H_0$1: Oil exports have no significant effect on real gross domestic product (RGDP) in Nigeria.

The OLS results show that oil exports (OILEXP) have a positive coefficient of 0.001455 with a t-statistic of 2.158 and a p-value of 0.0396. Since the p-value is less than the 5% significance level, the null hypothesis is rejected. This indicates that oil exports have a positive and statistically significant effect on RGDP in Nigeria. In practical terms, this means that increases in oil exports are associated with growth in real GDP, reflecting the dominant role of the oil sector in driving Nigeria's economic performance.

$H_0$2: Non-oil exports have no significant effect on real gross domestic product (RGDP) in Nigeria.

The OLS results reveal that non-oil exports (NON_OILEXP) have a coefficient of 0.002388, with a t-statistic of 0.455 and a p-value of 0.6529. The p-value is greater than the 5% significance level, which means we fail to reject the null hypothesis. Therefore, non-oil exports do not have a statistically significant effect on RGDP in Nigeria within the study period. Although the coefficient is positive, suggesting a potential growth-enhancing role, the lack of significance implies that non-oil exports have not yet contributed strongly enough to real GDP growth, possibly due to structural constraints, limited diversification, and weak export capacity in non-oil sectors.

Discussion of Findings

The findings from the OLS estimation reveal that oil exports exert a positive and statistically significant effect on real gross domestic product (RGDP) in Nigeria. With a coefficient of 0.001455 and significance at the 5% level, the result indicates that increases in oil export earnings are associated with higher levels of economic performance. This outcome aligns with prior studies such as Odhiambo (2022) and Osakede and Ademoyewa (2021), which documented the critical role of oil exports in sustaining Nigeria's macroeconomic stability. The implication is that the oil sector continues to dominate the export structure of the economy, providing the bulk of foreign exchange earnings and fiscal revenues that support growth. However, while this underscores the importance of oil to Nigeria's development trajectory, it also reinforces the vulnerability of economic performance to oil price volatility and external shocks, a concern widely acknowledged in the literature (Adeleye, Ogundipe, & Ogundipe, 2020).

In contrast, the analysis shows that non-oil exports, though positive, do not exert a statistically significant effect on RGDP during the study period. The coefficient of 0.002388, with a high p-value of 0.6529, suggests that the contribution of non-oil exports to overall growth remains weak and inconclusive. This finding is consistent with earlier works by Nwakeze and Ndubuisi (2022) and Igwe, Onyekezi, and Ugwueze (2022), who argue that despite policy rhetoric on diversification, the non-oil export base remains underdeveloped and constrained by structural bottlenecks such as infrastructure deficits, limited global competitiveness, and policy inconsistency. The implication of this result is that Nigeria has not yet succeeded in translating non-oil export potential into significant growth outcomes, even though government initiatives have targeted sectors like agriculture and manufacturing for expansion.

Taken together, these findings highlight a dual reality in Nigeria's export-growth nexus. On the one hand, oil exports continue to sustain the economy's performance, affirming the resource-driven growth path. On the other hand, the insignificant role of non-oil exports underscores the limited success of diversification policies, echoing the conclusions of Bakare and Saka (2023) who emphasised the urgent need to strengthen the non-oil sector for more inclusive and stable growth. This imbalance in export contributions suggests that Nigeria's economic performance remains tied to the oil sector, leaving little room for resilience against global oil price fluctuations. The results therefore not only validate previous literature but also reinforce the necessity of targeted policies that enhance the capacity, productivity, and competitiveness of non-oil export sectors.

5.0 CONCLUSION AND RECOMMENDATIONS

Conclusion

The study concludes that government exports play a significant role in shaping Nigeria's economic performance, with oil exports exerting a strong and positive influence on real gross domestic product (RGDP). However, non-oil exports, though positive, remain statistically insignificant in contributing to growth, underscoring the limited success of diversification policies. This reinforces Nigeria's dependence on oil exports as the main driver of economic performance while highlighting the urgent need to reposition the non-oil sector as a viable contributor to sustainable and inclusive growth.

Recommendations

Based on the findings, the following recommendations were made:

1. Government should intensify efforts to strengthen non-oil export sectors such as agriculture, manufacturing, and services by providing supportive infrastructure, competitive financing, and trade facilitation policies that will boost their global competitiveness and contribution to GDP.
2. Export diversification strategies should be deepened through effective policy implementation, particularly by incentivising value-added processing and industrial exports, in order to reduce overdependence on oil revenues and build a more resilient economy.

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