

Causative Factors and Dynamic Effects of Oil and Non-Oil Exports on Economic Growth in Nigeria

Shina Joshua Adesanya

Department of Economics, Benson Idahosa University,
Edo State, Nigeria
Email: sadesanya@biu.edu.ng, shina_jos4luv@yahoo.com

Edward Perekebina Agbai

Department of MGMT, Emmanuel University,
Raleigh, NC, USA
Email: edwardagbai@gmail.com

Cynthia Momoh Adesanya

School of Post Graduate Studies, Benson Idahosa University,
Edo State, Nigeria
Email: omohcy25@gmail.com

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Abstract

This essay examines the complex link between oil and non-oil exports and its effect on Nigeria's economic development. Nigeria offers a fascinating case study to evaluate the dynamic interaction due to its large oil reserves and growing non-oil economy. Data for analysis spans the years 1986 to 2022. The estimated findings demonstrated that oil export has a favourable and considerable influence on economic growth in Nigeria. The dynamic ordinary least squares and the completely modified ordinary least square technique were used from the dynamic ordinary least square model. The findings also indicated that non-oil export had a favourable but little effect on Nigeria's economic growth throughout the time frame studied. The results for non-oil export were correctly signed but were determined to have little impact on Nigeria's economic growth. The outcome also demonstrated that gross fixed capital production had a negative and considerable influence on economic growth, contrary to a priori expectations. Similar findings were made with inflation, which indicated a negative influence on economic growth, contrary to a priori expectations. Although there was a favourable correlation between foreign direct investment and economic development, it was discovered that foreign direct investment has a little influence on economic growth. Thus, the report advises Nigeria to focus significant investment on non-oil export industries including mining and agriculture. This will have a multiplier impact and boost Nigeria's non-oil export productivity to support long-term economic growth. The results show that promoting long-term economic growth in Nigeria requires expanding the export base and minimizing reliance on oil.

Keywords: *Oil Exports, Non-Oil Exports, Economic Growth, Nigeria, Export Diversification*

Introduction:

Nigeria, a country endowed with a wealth of natural resources, has historically relied on oil exports as the main engine of its economic expansion. However, the fragility of this reliance on a single good has come to light more and more, particularly in light of the erratic global oil prices. As a result, the necessity to diversify the export base is becoming increasingly evident, with an emphasis on the expansion of non-oil industries as a method to ensure sustainable economic growth. In order to investigate the effects of oil and non-oil exports on economic growth in Nigeria, this article will present empirical data and discuss the possible policy ramifications of such a complex connection. In order to comprehend the chances for long-term economic growth in Nigeria, it is crucial to evaluate the unique contributions of these two export groups.

1.1 Background to the study

It is impossible to overstate the importance of export to a country's economic growth and development; export is a catalyst essential for the general expansion and development of any economy. In every economy, increasing economic activity, output, employment, and maintaining a favorable trade balance are the key goals of export policy. Therefore, export strategies should target industries where an increase in export demand will have a desirable and significant impact, giving rise to the idea of export led growth. It is hard to overestimate how important exports are to a nation's economic expansion and development; exports are a crucial stimulant for the overall growth and development of any economy. The fundamental objectives of export policy in any country are to boost economic activity, production, employment, and preserve a positive trade balance. Because of this, export plans should concentrate on sectors where rising export demand will have a positive and meaningful effect, giving rise to the concept of export-led growth. Export commerce continues to be a source of foreign exchange revenues since trade between nations is settled in foreign currency. One of the most significant sources of foreign exchange revenue that reduces the strain on the balance of payments and generates employment is exports of goods and services. Thikraiat and Ruba (2014). In general, exporting is thought to spur economic growth in a number of ways, including through connections between supply and demand and economies of scale brought on by bigger worldwide markets. According to this economic development approach, export growth plays a crucial part in a country's economic growth. Although practical evidence in support of export led growth may not be universal, it is widely acknowledged that carefully managed openness to trade through an export led growth can be a mechanism for achieving rapid growth, Giles and Williams, (2000).

Nigeria has been struggling with the economic realities of growth in addition to the political and social ones as a growing nation. Agriculture was the mainstay of the Nigerian economy and the largest source of foreign cash in the 1960s, accounting for 80% of all exports. The scenario turned in favor of oil in the 1980s, when it supplied 94% of all exports, making it the mainstay and the largest source of foreign cash for Nigeria's CBN economy (2010). Oil has been the main source of foreign cash for Nigeria's economy since the 1980s and continues to do so now. For instance, oil export was N10,680.50M as at 1980, rose to N106,626.50M in 1990 and continued in the same trajectory reaching 1,920,900.40 in 2000 and N11,300,522.12M in 2010. There was however a decline in oil export in 2015 with total oil

exports value of N8, 184,480.52. There was a resurgence reaching N11,058,151.8M in 2020 and N16,737,339.6M in 2021 (Central Bank of Nigeria, 2022). On the contrary, the non-oil sector has been experiencing a sluggish rise in the value of export and a drastic fall as a percentage of total export. For instance, the value of non-oil export stood at N342.80M in 1980, and N3,259.60M in 1990. It thereafter experienced a sluggish rise to N24,822.90M relative to oil export and N660,678.29M in 2015. Non-oil export reached an all-time highest of 3,207,099.74 in 2019 and then declined to 1,555,440.86 and 2,466,831.25 in 2020 and 2021 respectively (Central Bank of Nigeria, 2022).

Nigeria is vulnerable to the consequences of an oil price shock because to its economy's single-dynamic character. According to an IMF assessment, Nigeria's overreliance on oil has led to the nation's incapacity to manage its economy as a result of the worldwide decline in oil prices at the end of 2015, which has caused Nigeria's economy to enter a recession (2019). Therefore, the composition of export is crucial to the running of the economy in addition to the fact that export is necessary for an economy's existence. Due to its mono-static structure, the Nigerian economic system is in a precarious position to benefit from export commerce. First off, uncertain earnings and a reliance on borrowing as a source of finance for public development projects are caused by the volatility of the global oil market and the accompanying volatility of government revenue. Second, the fact that crude oil is an exhaustible resource renders it unreliable for the sustainable development of the Nigerian economy (Utomi, 2004). As a result, Nigerian trade policies since 1986 have been focused on achieving greater openness and integration with the global economy as well as liberalizing the economy. Thus, the policies cover everything from getting rid of marketing boards to establishing the Nigerian Export-Import Bank, different export expansion incentive programs, and the second-tier foreign currency market (SFEM). Nigeria has also negotiated bilateral, regional, and trade advantageous agreements with many nations in an effort to increase her market access. The government has signed treaties with France, Switzerland, the United Kingdom, the Netherlands, North Korea, China, and Turkey in addition to bilateral agreements with the Benin Republic, Bulgaria, Equatorial Guinea, Jamaica, Niger, Romania, Turkey, Uganda, and Zimbabwe (Ogunkola, 2003), all of which highlight the importance of export trade to the Nigerian economy.

According to Isaiah, Zayone, Henneberry, and Radmehr (2020), efforts must be made to consider factors and important economic sectors that may either hinder or enhance export growth, taking into account the export's level of responsiveness to changes in the exchange rate and other export policies. This is because the export sector must significantly contribute to the expansion of the Nigerian economy. The study intends to critically evaluate how oil and non-oil exports affected the growth of the Nigerian economy from 1986 to 2022 to do this.

1.2 Statement of the problem

There is no doubt that Nigeria is a nation that is naturally endowed with many different types of resources, placing her among the top growing economies in the globe. Unfortunately, the country has not fully profited from or used the economic success anticipated of a country so wonderfully gifted. As a result, Nigeria has been continuously labeled as an economically backward state by respected international organizations, which has led to an extreme degree of suffering and poverty among the populace. For instance, Nigeria was placed 164th out of 197 countries in the UNDP's human development index in 2005 and 141st out of 197 countries with

"poor quality of life," respectively (World Bank Development report, 2010). Nigeria was designated as the world's poverty capital by the World Poverty Clock in 2020. This is because while Nigeria's population is expanding, the country's productivity has not kept pace with the burgeoning population. In other words, the population was expanding more quickly than the GDP.

But when seen from the standpoint of export, the Nigerian economy may be divided into two types of exports: oil and non-oil exports. She mostly earns money in foreign currencies from these sources (Mustapha 2010). Since the 1970s, when crude oil drilling first began, Nigeria's economy has been a mono-product economy. The Central Bank of Nigeria's (CBN) Annual Report 2020, which compares it to the prior year, demonstrates the dominance of oil as the country's main source of export revenue. In Nigeria, oil exports make up more than 90% of all exports, whereas non-oil exports make up less than 10% of all exports. Since the country's independence, Nigeria's non-oil export development has been obviously sluggish, falling from over 40% in 1979 to 5% in 2010. (John & Ogege, 2010). This general downward trend may have been caused by a variety of factors, but the nation's trade policy—which is mostly pro-oil—has frequently been blamed.

Nigeria has implemented a number of trade protection measures throughout the years in an effort to strengthen and improve her commercial position. Nigeria developed an import substitution trade strategy as soon as it gained independence, and later, as part of a structural adjustment program, an export promotion plan was introduced. Nigeria can manage its resources to generate adequate money, increase the quality of the economy relative to living standards, and also raise her global economic standing through, for example, the development of non-oil exports. A review of non-oil export-related elements is required in order to fully realize the immense potential that has, until now, mostly gone untapped in that key sector, according to an appraisal of Nigeria's export promotion plan (Ezike & Ogege 2012). Nigeria has implemented a number of trade protection measures throughout the years in an effort to strengthen and improve her commercial position.

Nigeria developed an import substitution trade strategy as soon as it gained independence, and later, as part of a structural adjustment program, an export promotion plan was introduced. Nigeria can manage its resources to generate adequate money, increase the quality of the economy relative to living standards, and also raise her global economic standing through, for example, the development of non-oil exports. A review of non-oil export-related elements is required in order to fully realize the immense potential that has, until now, mostly gone untapped in that key sector, according to an appraisal of Nigeria's export promotion plan (Ezike & Ogege 2012). It has become more concerning that despite the enormous revenue from oil export, it has not translated to an improvement in the problem of poverty, unemployment, low economic growth, and the incidence of rapid inflationary trend. Therefore, income earned through non-oil exporting will help to increase the level of demand within the economy and thus boost economic growth. Therefore, it stands to reason that shifting the economy's attention away from oil will better result in more growth, a decrease in poverty, and more employment opportunities.

A booming export sector will also help individuals find work, reducing the societal cost of unemployment in the process. Profits from non-oil exports will lessen the pressure on the balance of payments and perhaps even improve it, which has been unlikely thus far due to the lopsided structure of export business. An economy that was previously undeveloped can become prosperous with a strong export drive. For Usman (2010). A sound export policy and

plan must take into account how responsive these non-oil export commodities are to changes in price and other factors. When exports are supply-insensitive, increasing production cannot lead to a rise in export volume; similarly, pricing adjustments cannot result in an increase in export volume when exports are price-sensitive. In order to better understand how aggregate non-oil export and oil export influence Nigeria's economic growth, as well as the direction and size of their respective reactions, this study will examine these issues.

1.3 Research Questions

Based on the issues raised above, the following research questions have been put toward to guide the study:

- i. What is the impact of oil export on economic growth in Nigeria?
- ii. What relationship exists between non-oil export and economic growth in Nigeria?

1.4 Objective of the study

The study seeks to achieve the following objective;

- i. To determine the impact of oil export on economic growth in Nigeria.
- ii. To examine the relationship between non-oil export and economic growth in Nigeria.

1.5 Hypotheses of the Study

The following hypotheses were formulated for this study, and they are stated in their null form
H01: Oil export does not significantly impact on economic growth in Nigeria.

H02: There is no significant relationship between non-oil export and economic growth in Nigeria.

1.6 Significance of the Study

The study's results, which will cover the effect of oil and non-oil export on economic growth in Nigeria, will be important for economists, development planners, policy makers, researchers, and students. This would act as a point of reference to enable development planners and policy makers to put in place efficient machinery that would progress the nation's diversification agenda. The study's results will also be important to policymakers, who may use them to create better tools for implementing policy and to decide how to best support economic growth in Nigeria through export commerce.

Lastly, the study will be significant to researchers and students in the broad field of economics, as the findings of the study would not only serve as an addition to existing knowledge on the subject matter but would also help form the basis for further research in this area.

1.7 Scope of the study

The study is based on secondary data sourced from central bank of Nigeria statistical bulletin and the World development indicators (WDI) from 1986-2022. This period also showed substantive empirical evidence about how Nigeria has managed its oil revenue to achieve economic growth.

2.1.1 Concept of export

Exports are defined as the products and services produced in one nation and purchased by residents of another nation. Anything may be exported as a good or service. This exchange can be carried out by shipping, email, or private airplane bags. In essence, a thing is an export

if it is made domestically and sold outside. Exports are one aspect of global trade. The other component is imports, which are goods and services that nationals of a country buy that are produced abroad. The trade balance of the nation is influenced by both imports and exports taken together. A trade surplus exists whenever a nation's exports exceed its imports. On the other hand, a trade deficit occurs when imports exceed exports.

The World Bank estimates that trade increased its share of Nigeria's GDP from 26.3 percent in 2017 to 33.0 percent in 2018. According to World Bank Indicators' 2018 data, the nation primarily exports petroleum oils (82.3 percent of export revenues) and petroleum gas (11.1 percent), while importing petroleum oils (29.0 percent), light vessels (9.1 percent), wheat (3.2 percent), motor vehicles (2.8 percent), and motorcycles (0.8 percent) (1.6 percent). Nigeria's main trade partners are India, China, the United States, Belgium, Spain, the Netherlands, South Korea, South Africa and France. Nigeria signed trade agreements with a number of countries in Africa, the Caribbean, the Pacific and the European Union. There are currently 24 duty-free zones and 8 more under construction in Nigeria according to Nigeria export and Processing Zones Authority (NEPZA). According to World Trade Organization (WTO) as of mid-2018, Nigeria had one tariff measure in force. Lingering barriers to trade and investment persist in the country, mainly due to long bureaucratic delays. According to WTO, the fall in oil prices in 2016 hampered diversification efforts. Impaired by the drop in oil prices in production, the country's trade balance was negative for the first time in seven years in 2015-2016. However, in 2017 and 2018, the rise in prices and the recovery of exports allowed the balance to be positive again (USD 13.15 billion and USD 22.34 billion respectively).

2.1.2 Economic Growth

Economic growth, in contrast to development, is identified by a strict definition of rising national income per capita. It requires an in-depth examination of this procedure, especially in terms of numbers, and concentrates on the functional connections among endogenous variables. In a larger sense, however, it implies raising GDP, GNP, and NI and, as a result, national wealth, which encompasses the production capacity expressed in both absolute and relative terms, per capita, as well as economic structural changes (Jhingan, 2009).

Relationship between economic growth and international trade

Growing economic growth has been largely attributed to international commerce. The comparative advantage theory of David Ricardo, which advises nations to manufacture commodities at lower opportunity costs than other countries, best explains the relationship between neoclassical growth and international commerce. This took place during the neoclassical trade regime, in which nations were expected to raise their GDP by changing their capital and labor markets after implementing technology. The neoclassical production function, which includes imports and exports as extra production factors in addition to labor, capital, and technology, may be used to quickly analyze research on economic growth. Below is a summary of how this may be produced:

$$Y = f(L, K, EXP, IMP)$$

According to Sweezy (1940), who explains the pigous theory of unemployment, if it weren't for the fact that wage earners customarily stipulate for a rate of wages higher than the

"equilibrium" level of government expenditure, investment, and inflation, youth unemployment would not exist, aside from functional obstacles.

2.2 Theoretical Review

The three historical periods of international commerce theory are classical, neoclassical, and contemporary. According to conventional wisdom, free trade will benefit all nations' economies. The absolute advantage theory created by Adam Smith and the comparative advantage theory created by David Ricardo are the two most well-known classic theories. According to neoclassical views, nations can benefit from free trade by manufacturing items in which they are experts while using resources wisely. Heckscher-Ohlin Trade Theory is the most popular neo-classical theory (Usman, 2011).

The comparative advantage argument is supported by contemporary ideas that point to economies of scale as a significant driver of economic expansion (Berkum & Beijl, 1998; Usman, 2011). A mercantilism thesis that was created in the sixteenth century existed before Adam Smith. This idea contends that encouraging exports while limiting imports determines a nation's prosperity. ⁷ This idea opposed free trade and claimed that the level of wealth in the globe was fixed since different countries could not concurrently profit from commerce (Berkum & Beijl, 1998).

2.2.1 Absolute advantage trade Theory

Adam Smith first introduced the idea of absolute advantage in his book "The Wealth of Nations," which he used to show how countries can profit from trade by specializing in producing and exporting goods that they produce more efficiently than other nations while importing goods that other nations produce more efficiently. According to Adam Smith's theory of absolute advantage, free trade allows countries to produce and export goods and services that they could produce more efficiently than other countries, and to import goods and services that they could produce less efficiently, bringing benefits to all countries in the end. The capacity of a nation to produce a thing or service at a lower absolute cost than another nation that also provides the same good or service is known as an absolute advantage. According to this idea, labor is only a production element (Nyasulu, 2013; Smith, 1776, 1997).

2.1.2 Comparative advantage trade Theory

Adam Smith's idea raised the question of whether nations with or without absolute advantages in both products gain from international commerce. David Ricardo provided a solution to that query with his theory, according to which a country benefits from international commerce by exporting goods in which it has a comparative productivity advantage and importing those in which it does not. Labor and production technology are the factors of production according to this view. Even while other nations have a clear edge in certain items, a country can still benefit from international commerce by putting all of its resources into its most lucrative productions. Alternatively said, comparative advantage describes a country's capacity to create products and services at a lower opportunity cost (Berkum & Beijl, 1998; Nyasulu, 2013).

2.2.3 Hecksher-Ohlin Trade Theory

Early in the 20th century, two Swedish economists named Eli Heckscher and Bertil Ohlin focused their research on the notion that a country might gain a competitive edge by producing things using resources that were readily available locally. Their approach is based on the production components of a country, which comprise capital, labor, and land and offer the funding for investments in machinery and facilities. According to the H-O model, a country may import labor-intensive items and export capital-intensive goods (Nyasulu, 2013).

It goes without saying that the relative cost or product pricing differences between two countries serve as evidence of their comparative advantage. In any event, the question of what the primary cause of the differences in product values is remained unaddressed by the classical view. Swedish economists Eli Heckscher and Bertil Ohlin developed the theory for dissecting the example of international commerce in an effort to address this crucial topic.

2.2.4 Economies of scale

Another factor that allows countries to trade with one another is the existence of economies of scale. To explain commerce between counties with comparable features, this hypothesis is applied. According to this idea, nations use economies of scale to specialize in producing and exporting a small range of commodities (reduction of average cost as a result of increasing the output). In other words, economies of scale mean that more output may be produced at a cheaper cost when done on a big scale. If used efficiently, imports and exports may both increase the economy's rate of return and productivity as production factors (Nyasulu, 2013; Ram, 1990).

2.2.5 New Trade Theories

Having been established in the 1980s, the New Trade Theory is now approaching middle age (Ethier 1982; Krugman 1984, 1986; Brander and Spencer 1985; Eaton and Grossman 1986; Grossman and Horn 1988; and Grossman and Helpman 1991). Generally speaking, these models endeavor to address the inadequacies of standard trade theory by managing a portion of the real factors of trade in a more mind boggling and refined way by consolidating a fuller scope of factors. Notwithstanding, they give not many unambiguous ends. Neo trade models join four advancements inside neoclassical economics: market flaws, strategic conduct and the new modern economics, new growth hypothesis and political economy contentions.

2.2.1 Harrod-Domar Growth Model

This is the economic mechanism by which more investment leads to more growth. This model argues that the country's economic growth is dependent not only on its savings rate but also on the extent to which it can minimize its current consumption levels and increase investments. 9 Investment creates income and augments the productive capacity of the economy by increasing the capital stock (Ray, 1998). In this case, economic growth is the direct

consequence of a country's ability to increase both its saving and the ratio of capital-output or GDP, as illustrated in the equation as; $\frac{\Delta Y}{Y} = \frac{s}{K}$

From the above formula Y represents national output (GDP) and ΔY represents the change in GDP, s is savings ratio, and k represents a capital-output ratio. The idea behind this model is that the more the country increases savings and invests a share of its GDP, the more it grows and vice versa.

2.2.3 Traditional (old) Neoclassical Growth Theory

By including a third technological variable and a second element, labor, to the growth equation, this model differs from the Harrod-Domar formulation. According to the conventional neoclassical growth theory, population expansion, education, advances in technology, capital gains from investments, and increases in labor supply and quality all result in increased production (Todaro & Smith, 2009). The theory also anticipates that additional factors, like as international commerce (exports and imports), may play a substantial role in growth in addition to the aforementioned ones.

The model claims that international capital and investment flows lead to trade-led GDP growth. Since the exportation of foreign capital generates returns on investment for the exporting country and the importation of foreign capital can increase the capital stock and boost productivity in the importing country, ceteris paribus, these capital movements in this case have the potential to affect growth on both the export and import sides (Ghattak, 1978).

2.2.4 Solow's neoclassical growth model

Solow's theory implies that the economy converges to a balanced growth path where the output per capita growth rate is determined by the rate of technological progress. Solow's model follows the neoclassical economic growth tradition by analysing economic growth (Y) as rising through production function containing factors namely labour(L), capital (K) and level of technology (A), by diminishing marginal returns on labour(β) and capital ($1-\beta$) concerning output (Solow, 1956). This function is summarized in the formula below: $Y=K^\beta (AL)^{1-\beta}$ This theory shows that foreign trade plays great importance in shoring up economic growth.

2.2.5 Endogenous Growth / New Growth Theory

A variation of the conventional neoclassical model that highlights the idea of declining marginal returns to scale of the inputs to the level of output is the endogenous model, sometimes referred to as the new growth theory. Since Solow's model's factors of production typically exhibit mostly constant marginal returns to capital formation and productivity, neoclassical growth theories fall short of identifying the root causes of the extreme disparities in national income levels between developing and developed countries.

The old neoclassical growth model had many people frustrated, which is why the new growth theory was developed. This model predicts that internal production processes enhance GDP (Dasgupta, 1998). Furthermore, endogenous models contend that capital transfers between developed and LDC nations account for the country's degree of technology (Todaro & Smith, 2009).

2.2.6 Export-led Growth School

The terms "export-led growth," "outward-oriented," "export promotion," and "export substitution" are all used to define policies of countries that have been successful in developing their export markets. Many countries, particularly LDCs, are inspired to engage

in export orientation because it encourages specialization which increases national output and decreases the domestic price level. Exports facilitate the utilization of resources in the economy to produce goods and services, and the surplus of them can be sold abroad to satisfy foreign demand while expanding also national output and generating foreign exchange revenue that can be used to finance economic development (Krueger, 1985; Lal, 1992).

2.2.7 Import-led Growth School

The relationship between economic growth and imports is thought negative mainly because most import expenditure decreases national income resources. However, economists generally approved that the impact of imports on GDP originates from the fact that imports enable a country to acquire productive factors it cannot generate by itself and within its geographical limitations due to the non-appearance of the needed technology, workforce, and skills and so on. Imports are the main diffusion channel in this international trade of capital and technology because imported foreign technical knowledge contains the potential to increase domestic production levels and imports help also in economic interactions between a country's citizens and their external counterparts (Grossman & Helpman, 1991; Ram, 1990). Coe et al., (1993) detected several conduits through which imports impact GDP growth.

2.3 Empirical Review

Uyiosa (2018) examined Nigeria's oil sector and GDP using Nonlinear Autoregressive distributed lag model with data from 1980 to 2015 and argued that the missing link between the oil sector and Nigeria's GDP growth is refining capacity. The study found that Refinery utilization in Nigeria fell to 14% in 2014, with global average capacity consumption of 90%. Restrictions on crude oil supply to Nigerian refineries and political intervention by the Nigerian federal government to increase Nigeria's refining capacity were pointed out. The study recommended that the possibility of refining can be the antidote to the so-called 'resource curse' in Nigeria.

Moreover, Awoke et al. (2019) used the auto regressive distributive lag method (ARDL) to examine the effects of non-oil export on economic growth in Nigeria for both long- and short-term relationships. The Central Bank of Nigeria (CBN), Statistical Bulletin, 2017 provided the information on Real Gross Domestic Product, Exchange Rate, Inflation, Non-Oil Export, and Trade Openness for the years 1981–2017. All of the variables have a tendency to move together over time, according to the ARDL results. Still, non-oil exports haven't had a big enough impact on Nigeria's economic growth to propel the nation to an unparalleled level during the study period. Therefore, it was recommended that Government should reduce the current exchange rate by 3%. Government should strengthen the current policy on non-oil export to ensure proper implementation and monitoring.

Olayiwola and Okodua (2015) in their research on foreign direct investment, non-oil exports, and economic growth in Nigeria: a causality analysis, examined the applicability of the export-led growth (ELG) hypothesis using empirical evidence from Nigeria using the Vector auto regressive model with data spanning 1990-2012. The Empirical evidence from available data failed to support the export-led growth hypothesis in Nigeria. The result of the variance decomposition revealed that, a unidirectional causality runs from FDI to non-oil exports using gross domestic product, foreign direct investment, and non-oil exports as variables. The study thus recommended that an enabling environment be created by government to attract foreign investment in the oil sector.

Abogan et al. (2014) investigated the impact of non-oil export on economic growth in Nigeria between 1980 and 2010, using error correction mechanism, over-parametization and parsimonious. Gross domestic product, non- oil export, inflation rate and exchange rate were used in their analysis. According to the study, non-oil exports had a moderate and uninspiring effect on economic growth; for every unit increase in non-oil exports, Nigeria's productive capacity for goods and services increased by 26% during that time. The report suggested that in order to boost domestic non-oil sector output, the government should invest more.

Using the fully modified ordinary least squares approach, Adenugba, & Dipo (2013) investigated the effect of non-oil exports on economic growth in Nigeria. The study's conclusions cast doubt on the efficacy of the export promotion tactics used by the Nigerian government since non-oil exports have underperformed compared to expectations. Additionally, the study showed that Nigeria's economy is still far from diversifying away from the export of crude oil, maintaining the status of the crude oil subsector as the most significant economic sector. Hence, the study recommended that the economy should endeavour to diversify to other sectors of the economy including agriculture.

Furthermore, Ibrahim & Ahmad (2019) also used a VAR-based approach to examine the dynamic effect of comparing combinations of oil and non-oil exports on Nigerian economic growth. The dataset was experimentally tested on the 1975-2015 time series. The variables used are GDP, oil exports, non-petroleum exports, gross fixed investment and trade openness. The oil export and non-oil export variable were measured in terms of the monetary value of goods exported during the year. The Vector Error Correction Model (VECM), a finite VAR approach, was used to study the short- and long-run dynamics of oil and non-oil export compositions. However, it is selected based on basic unit root test and cointegration analysis. The results suggest that the composition of oil exports will have a significant impact on Nigeria's economic growth in the short term and that the composition of non-oil exports will have a significant positive impact in the long term. External shocks on petroleum and non-petroleum composition also produced a positive GDP response. The study thus, encouraged export of non-petroleum products and liberalize trade to encourage export diversification efforts.

Idowu (2017) examined the impact of both oil and non-oil exports on the Nigerian economy from 1981 to 2015. The study's analysis made use of the Granger causality test, variance decomposition (VD), and impulse response functions (IRF). Short-term unidirectional causality from oil export to GDP is shown by the Granger causality test. Additionally, there are long-term unidirectional causal relationships extending from non-oil export to GDP and bidirectional relationships between GDP and oil export. The study's findings show that while non-oil exports have a positive relationship with economic growth, oil exports have an inverse

relationship. Therefore, the study recommended that since non-oil exports contribute more to economic growth, they should receive greater attention.

Aladejere and Abdulwahab (2014) examined impact of aggregate non-oil sector and its determinant on economic growth from 1980 to 2012. The ARDL approach was explored to examine the long and short run effects of the non-oil export and its ensuing determinants. The findings indicate that non-oil exports have a major impact on economic growth in both the short and long terms. It was suggested to implement policies aimed at increasing the volume and importance of non-oil exports.

The economic effects of oil exportation on the Nigerian economy from 1970 to 2012 were also studied by Awujola et al. (2015). In addition, impulse response and VECM were used to examine the long-term relationships between the variables. The result obtained shows that there exist a long run relationship between the dependent variable and the explanatory variables. The recommendation of the study was that Exports should not be promoted at all cost, but rather the utilization and allocation of the physical resources and labor complement of the country in the most advantageous combination as between production for the local and foreign markets and that diversification should be seen as an economic management strategy aimed at ensuring stability of incomes.

Okocha (2014) examined the impact of crude oil export on economic growth in Nigeria (1970-2010). Time series data were employed using Ordinary Least Square (OLS) estimation techniques. The finding reveals that there exists a negative relationship between growth rate of RGDP and growth rate of crude oil export revenue in Nigeria. Crude oil export has a negative not significant relationship with RGDP growth. The study recommend that diversification of the economy is a crucial step towards development and that corruption in the system should be reduced to the minimum.

2.3 Gaps in literature

The examination of the literature revealed that studies have been done on the effects of oil and non-oil exports on economic growth, notably in established and some emerging nations, including Nigeria. However, most empirical research has revealed inconsistent and varied conclusions among local researchers. A fresh investigation into the effects of oil and non-oil export on economic growth in Nigeria has been called for because of the non-homogenous findings and advice from these scholars. More specifically, Idowu (2019) found in his study that oil export has an inverse relationship with economic growth in Nigeria, whereas Ibrahim and Ahmad (2019) found in their empirical analysis that oil export has a positive relationship with economic growth in Nigeria, the opposite of the earlier findings. Otherwise, according to Adenuga & Dipo (2013), there is no statistically significant link between oil export and economic development. These findings were also corroborated by Awoke et al. (2019), while Abogan et al. (2014) discovered a positive and very significant correlation between oil export and economic growth, Okocha (2014) discovered a completely opposite correlation between crude oil export and economic growth. As a result, determining the influence and significance of oil commerce, particularly the export component of its transaction, to the growing performance of the economy has proven difficult. As a result, the objective of this study is to harmonize the disparate viewpoints and conclusions of the many studies listed above. Additionally, the majority of studies either analyzed crude oil export as a separate research or non-oil export as a separate study. This study, however, will address the gap by taking into account both components in a single equation model. Finally, the resurgence of COVID-19 led

to a significant change and distortion in the economic cycle of several economies, sending Nigeria, for example, into recession. Therefore, a study of the effects of oil and non-oil export after COVID-19 would be relevant.

3.1 Theoretical Framework

This study is based on the factor endowment hypothesis proposed by Heckscher-Ohlin in 1933. This well-known theory of commerce was created by Eli Heckscher (1919) and Bertil Ohlin (1933) and is based on the Ricardian concept of comparative advantage. The model states that the distribution of domestic production components affects international commerce and production patterns. The H-O model highlights that commerce happens because of disparities in the relative costs of the inputs of production across different countries.

Within the nation, these two factors—labour and capital—are either in excess or inadequate. As a result, it has become essential for countries to export items for which they have a competitive manufacturing factor or factors and to import raw materials or products that are in short supply domestically (Blaug, 2002). The H-O hypothesis goes on to claim that factor endowments are stationary across countries and that countries use different combinations to generate a wide range of goods. In trading nations, the output is likely to have equal elements, consistent returns to scale, and production functions.

International commerce is explained in large part by differences in natural resource endowments and unequal geographical distribution between nations. Traditional trade theory stresses that nations specialize and export certain items or services where they have a competitive advantage due to variations in factor endowments. The "gains from trade" result from this process include an improvement in global social wellbeing and a more effective use of resources. The conventional form of the Heckscher-Ohlin theory of international commerce is based on relative disparities in nations' resource endowments. This asserts that a country will import the good whose manufacture needs the intense use of the country's relatively scarce (and therefore expensive) factor and export the good whose production requires the intensive use of the country's relatively plentiful (and thus cheap) element. This covers situations where a natural resource is exported directly (with a limited degree of processing) as opposed to being a component of another item that is subsequently sold on the global market.

As a result, endowments of fixed and scarce natural resources may serve as a source of comparative advantage that directs the structure of global commerce. According to Leamer (1984), the relative quantity of oil causes net exports of crude oil, while the relative abundance of coal and minerals causes net exports of raw materials. Similar findings are made in regard to the trading of items that need a lot of resources by Trefler (1995). the static profits associated with trading in commodities that incorporate a resource, even if many of the paper concentrates on trade in natural resources (water).

3.2 Model Specification

In order to achieve the objective of this study, the model from the work of Adenugba, & Dipo (2013) who investigated the impact of non-oil export on economic growth of Nigeria was adopted with modifications.

The functional form of the model is specified as thus:

$$RGDP = f(OLX, NOLX)$$

The dynamic ordinary least squares (DOLS) econometric specification is given below along with other control variables to avoid the problem of specification bias:

$$RGDP_{t-1} = \beta_0 + \beta_1 OLX_{t-1} + \beta_2 NOLX_{t-1} + \beta_3 GFDCF_{t-1} + \beta_4 INF_{t-1} + \beta_5 FDI_{t-1} + \sum_{j=-q}^p d_1 \Delta OLX_{t-1} + \sum_{j=-q}^p d_2 \Delta \beta_2 NOLX_{t-1} + \sum_{j=-q}^p d_3 \Delta GFDCF_{t-1} + \sum_{j=-q}^p d_4 \Delta INF_{t-1} + \sum_{j=-q}^p d_5 \Delta FDI_{t-1} + \varepsilon_{t-1}$$

The fully modified ordinary least square is specified in its mathematical form giving allowance for the serial correction and endogeneity correction as thus:

$$\beta^+ = (Y_2' Y_2)^{-1} (Y_2' y_1^+ - T \delta^+)$$

Where

$$y_{1t}^+ = y_{1t} - \delta_{21}' \sum_{22}^{-1} \Delta y_{2t}$$

$$\delta^+ = \Delta \left[\begin{matrix} 1 \\ \sum_{22}^{-1} \delta_{21} \end{matrix} \right]$$

Fully modified test statistics that are based on β^* are constructed in the usual way as shown above.

3.3 Estimation Process

For model estimates in this work, the Dynamic Ordinary Least Squares and the Fully Modified Ordinary Least Squares will be used. The three research goals will be evaluated using this method. Pre-test analysis of the time series data, which included unit root and cointegration tests as well as descriptive statistics, correlation analysis, and other methods, was carried out to confirm the time series data features.

3.4 Sources of Data

The data used for this study were extracted from the Central Bank of Nigeria (CBN) Statistical Bulletin 2021, World development indicators (WDI) as well as American energy information administration (EIA). Annual time series of the dataset obtained spanned from 1986 - 2022.

4.1 Descriptive Statistics

Table 4.1 Descriptive Statistics

	GGR	OLX	NOLX	INF	GCFC	FDI
Mean	4.115860	6018199.	489372.4	19.35648	8268.579	2.75E+09
Median	4.212993	3741291.	100366.2	12.71577	4284.977	1.88E+09
Maximum	15.32916	17281953	3207100.	72.83550	44187.03	8.84E+09
Minimum	-2.035119	8368.500	552.1000	5.388008	108.8652	1.93E+08
Std. Dev.	3.939505	5936076.	739850.0	17.59492	10426.95	2.60E+09
Skewness	0.518953	0.517465	2.041163	1.745940	1.873247	1.040331
Kurtosis	3.297007	1.808377	7.183008	4.713484	6.229524	2.856225
Jarque-Bera	1.748192	3.736571	51.24442	22.69388	36.69906	6.524744
Probability	0.417239	0.154388	0.000000	0.000012	0.000000	0.038297
Sum	148.1709	2.17E+08	17617406	696.8332	297668.8	9.90E+10
Sum Sq. Dev.	543.1894	1.23E+15	1.92E+13	10835.34	3.81E+09	2.36E+20

Observations	36	36	36	36	36	36
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Source: Authors computation using Eviews 10; (2023)

The Mean, Median, Maximum and Minimum data as well as Standard Deviation of all variables are given in Table 4.1 above. The results show that all variables (GGR, OLX, NOLX, INF, GCFC and FDI) are positively skewed which imply that the data have a long right tail. From the value of the kurtosis, the results revealed that GDP growth rate (GGR) is mesokurtic with kurtosis value of approximately 3, Oil export (OLX), and foreign direct investment (FDI) are a platykurtic distribution with kurtosis value of less than 3 while non-oil export (NOLX), inflation rate (INF) and Gross fixed capital formation (GCFC) were leptokurtic distribution with kurtosis value of greater 3. The Jarque-Bera as well as their respective probability value indicated GGR and OLX are normally distributed given a probability value of greater than 0.05, while NOLX, INF, GCFC and FDI were not normally distributed.

Table 4.2 Correlation Matrix

	GGR	OLX	NOLX	INF	GCFC
GGR	1				
OLX	-0.01283678	1			
NOLX	-0.18872414	0.8469512	1		
INF	-0.30565847	-0.4114661	-0.2744503	1	
GCFC	-0.25506966	0.79069909	0.89493339	-0.3042539	1
FDI	0.28622434	0.64438161	0.27130045	-0.30950004	0.24365793

Table 4.2 provided the Pearson’s correlation matrix of the variables in the model. The results showed that the pairwise Pearson’s correlation coefficients ranged from -0.0128 to 0.847. This indicated that all the pairwise Pearson’s correlation coefficients were less than 0.9. The implication is to expect an absence of multicollinearity among regressors in the estimated regression model. This supports the assumption of no multicollinearity in the estimated model.

4.3 Test for Stationarity

The stationarity test precedes any form of time series estimation. To be able to rely on the estimation output, it is important to know whether the statistical properties of a time series change over time or not. The Augmented Dickey Fuller (ADF) test is applied in this analysis to test for a unit root in the time series.

Table 4.3 ADF Unit Root Test

Variables	Levels		First Difference		Remarks
	ADF Stats	5% Critical value	ADF Stats	5% Critical Value	
GGR	-3.809990	-2.948404			I(0)

OLX	-0.519722	-2.948404	-6.108007	-2.954021	I(1)
NOLX	0.079998	-2.981038	-4.479998	-2.981038	1(1)
INF	-3.402491	-2.951125			I(0)
GCFC	3.094387	-2.957110	-6.943688	-2.957110	I(1)
FDI	-1.554966	-2.948404	-6.910763	-2.951125	1(1)

The test for unit root is presented in table 4.3 above. The results of the unit root test for stationarity in the table above using augmented Dickey Fulley shows that the variables (GGR and INF) were found to be stationary at level form which implies they are I(0) variables while the variable OLX, NOLX, GCFC and FDI were found to be stationary at first difference indicative of I(1) variable. Since the variables were stationary at different order of integration, the study proceed to carry out cointegration test to ascertain if a long run relationship exists among the variables.

4.4 Cointegration Test

To determine whether multiple time series have a long-term relationship, a cointegration test is utilized. The idea created in 1987 by Engle and Granger. When two or more non-stationary time series are integrated together so that they are unable to long-term deviate from equilibrium, cointegration tests are used to find these situations. The Johansen test for cointegration was used in the study. Based on the notion that estimating the rank of provides information about the number of these cointegrating relationships and whether cointegration occurs, Johansen's methodology was developed. Table 4.4 Johansen-Fisher co-integration Test Results: Unrestricted Co-integration Rank Test showing Trace and Maximum Eigen Value

Hypothesized No. of CE(s)	Eigen Value	Trace Statistics	Prob**	Max-Eigen Statistics	Prob.
None	0.751154	112.2127	0.0023*	47.29135	0.0065*
At most 1	0.631365	74.92139	0.0155*	33.93023	0.0493*
At most 2	0.346335	30.99116	0.6670	32.45543	0.0299*
At most 3	0.240530	16.53573	0.6741	9.354560	0.8028

Trace test indicates 2 co-integrating eqn(s) at 0.05 level

***denotes the rejection of the hypothesis at the 0.05 level**

The result of the co-integration test is presented in table 4.4 above, the Trace statistics indicates the existence of 2 co-integrating equations while the Maximum-Eigen statistics confirms the presence of 3 co-integrating equations each among the variables of interest at 5% level of significance. Since the variables are co-integrated, this satisfies the convergence requirement, hence, hence we proceed to estimate the dynamic least squares and the fully modified least squares model.

4.2 Estimation Technique

4.6 Optimal Lag length

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-364.6194	NA	118.3897	21.80114	22.07050	21.89300
1	-232.0554	210.5428*	0.418728*	16.10561*	18.00641*	16.76392*
2	-195.7954	44.79174	0.508580	16.12091	19.60726	17.29978

The optimal lag length for this model is 1. This is decided based on the recommendation of the on the criteria with reference to akaike information criterion (AIC).

Table 4.7 Dynamic Least Squares (DOLS)

Dependent Variable: GGR				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LNOLX	6.009843	3.021888	1.988771	0.0700
LNNOLX	0.567394	2.662775	0.213084	0.8348
LNGCFC	-10.56759	5.866804	-1.801252	0.0968
INF	-0.450142	0.109359	-4.116164	0.0014
LNFDI	0.854024	2.174540	0.392738	0.7014
C	-19.49579	26.53625	-0.734685	0.4766
R-squared	0.853154	Mean dependent var		4.359087
Adjusted R-squared	0.608411	S.D. dependent var		4.010213
S.E. of regression	2.509475	Sum squared resid		75.56956
Long-run variance	6.535496			

The estimated result with GDP growth rate as a proxy for economic growth is presented in Table 4.1. The Dynamic Ordinary least square selected the lead one and lag one based on the recommendations of Akaike information criterion. The process was quite impressive and had a good fit. The R-squared value of 0.85 and adjusted R-square of 0.608 showed that 85 percent of the fluctuations in industrial output were explained by the explanatory variables.

The results showed that estimated coefficient of log of oil export (LNOLX) was positive and statistically significant at the 10 percent level. The positive value of the coefficient indicated that a 1 percent increase in OLX led to a 6 percent increase in GDP growth. Thus, there was a positive and significant relationship between oil export and economic growth in Nigeria over the period.

Furthermore, the estimated coefficient of log of non-oil export (LNNOLX) has a positive relationship with GDP growth. This coefficient was however non-significant at 5 percent level. This implies that on the average, a 1 percent increase in non-oil export would translate to 0.57 percent increase in GDP growth rate. This outcome suggested that non-oil export and economic growth has a direct relationship but not statistically significant.

Estimated coefficient of gross fixed capital formation was negative but significant at the 10 percent level which supports the apriori sign expectation. The coefficient value implied that, ceteris paribus; a 1 percent increase in domestic investment led to 10 percent decrease in GDP growth. This therefore suggested that there was a negative and significant relationship between domestic investment and economic growth in Nigeria during the period under study.

Inflation rate had a negative and significant impact on GDP growth rate during the period under study. Its estimated coefficient value implies that holding all other variables constant, a 1 percent increase in inflation rate led to 0.45 percent decrease GDP growth. This further implied that inflation rate was impeded on economic growth in the period considered.

Finally, the coefficient of foreign direct investment was positive and not significant even at the 5 percent level. The result indicates that a 1 percent increase in FDI led to a 0.85 percent increase in GDP growth. FDI thus has a positive and non-significant relationship with economic growth in Nigeria.

Table 4.6 Fully Modified Least Squares (FMOLS)

Dependent Variable: GGR				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LNOLX	3.038769	1.366269	2.224136	0.0341
LNNOLX	0.140571	1.083580	0.129728	0.8977
LNGCFC	-4.742343	2.073616	-2.286992	0.0297
INF	-0.102128	0.036863	-2.770509	0.0097
LNFDI	0.823260	0.842217	0.977492	0.3364
C	-18.87877	13.00604	-1.451539	0.1574
R-squared	0.384642	Mean dependent var		4.231714
Adjusted R-squared	0.278546	S.D. dependent var		3.934304
S.E. of regression	3.341737	Sum squared resid		323.8489
Long-run variance	9.688768			

The result of the fully modified least squares (FMOLS) is presented in table 4.6 above. The FMOLS is a non-parametric estimation and acts as a confirmatory estimation in this case. The

outcome of the estimation was basically similar to that of the dynamic ordinary least squares especially in terms of sign and significance. The results basically indicate that while oil export was positive and significant at the 5 percent level of significance, non-oil export has a positive impact on economic growth with a non-significant t-statistics and its corresponding probability value. Further, the result again indicate that gross fixed capital formation and inflation rate were negative and has a statistically significant impact on economic growth while foreign direct investment has a positive but non-significant relationship with economic growth in Nigeria during the period considered.

4.7 Test for Hypothesis

The null hypotheses stated earlier in this study were evaluated in this section. The evaluations were based on the results obtained and presented above.

H01: Oil export does not significantly impact on economic growth in Nigeria.

From the Dynamic ordinary least square model, the estimated results showed that oil export has a positive and significant impact on economic growth in Nigeria. The null hypothesis was therefore rejected in favour of the alternative hypothesis. Thus, it can be stated that oil export has a significant positive impact on economic growth in Nigeria.

H02: There is no significant relationship between non-oil export and economic growth in Nigeria.

From the results, non-oil export has a positive but non-significant impact on economic growth in Nigeria during the period considered. The second null hypothesis was thus accepted against the alternative hypothesis. Hence the study concludes that non-oil export does not significantly impact economic growth in Nigeria.

4.8 Discussion of Findings

From the estimated results, it was established that oil export has a significant positive impact on economic growth in Nigeria. This truly reflects the apriori expectation as well as the current scenario of the Nigerian economy as the economy depends heavily on oil export for its revenue. This finding supports those of Idowu (2017) who stated that there is a bidirectional long run causality relationship between oil export and GDP. However, the findings negate that of Okocha (2014) who revealed that there exists a negative relationship between growth rate of RGDP and growth rate of crude oil export in Nigeria. This study also found that non-oil export has a positive but statistically non-significantly impact on economic growth in Nigeria. The findings of this study were in consonance with those of Awoke, Iwouha and Awoke (2019) who asserted that the impact of non-oil exports on economic growth in Nigeria was not significant enough to take the country to an enviable level. The findings were like that of Adenugba and Dipo (2013) and Awujola et al. (2015) who all established a positive but non-significant impact of non-oil export on economic growth in Nigeria. The findings of this study reflect the position of Nigeria since primary products constitute the major non-oil export basket of the Nigerian economy, hence it does not possess the quality to result to possible economic growth.

4.9 Policy Implication

From the results of the Dynamic ordinary least squares, all the variables (OLX, GCFC and INF) were found to be of huge relevance as shown by the t-ratios. The implication of this is that, for the desired level of economic growth to be realized in Nigeria, due recognition must be given to these variables captured in the study. This denote that, the growth of the Nigerian economy is predicated on the performance and policies that affects factors such as oil export, gross fixed capital formation and inflation regarding the designing of macroeconomic policies targeted at improving the growth of the economy.

5.1 Summary of findings

The aim of the study was to examine the impact of oil, and non-oil export on the Nigerian economic growth. Various preliminary analyses were carried out on the data which ranged from 1986 to 2022 with the dynamic ordinary least squares and the fully modified ordinary least square utilized as the methodology. From the Dynamic ordinary least square model, the estimated results showed that oil export has a positive and significant impact on economic growth in Nigeria. These findings were in line with apriori expectation that oil export has a significant positive impact on economic growth in Nigeria. The results also showed that, non-oil export has a positive but non-significant impact on economic growth in Nigeria during the period considered. The findings for non-oil export was correctly signed but found insignificant to cause economic growth in Nigeria. Against apriori expectation, the result also showed that gross fixed capital formation has a negative significant impact on economic growth. A similar result was found for inflation; showing that inflation negatively and significantly impact on economic growth as indicated by apriori expectation. Lastly, it was found that foreign direct investment does not significantly impact on economic growth even as a positive relationship was manifested between foreign direct investment and economic growth during the period evaluated.

5.2 Policy Recommendations

Based on the of findings of this study, it is expedient that meaningful deductions be made to further support or advice policy makers and government on the best way(s) to handle policy issues and programmes. In the light of this, the following policy recommendations and suggestions are germane to ensure progress and growth of the Nigerian economy.

- i. Nigeria should direct heavy investment in the non-oil export productive sectors such as agriculture and mining. This will create a multiplier effect and increase the productive capacity of non-oil export for sustainable economic development in Nigeria.
- ii. Based on the results of this study, Nigeria government should diversify her export from oil to non-oil because this will make the economy more robust. Also, government should ensure that all the refineries are working up to date so that the country can depend less on the importation of finished product this would drastically increase the earning realized in oil trade.
- iii. The federal government should re-visit existing policies on the solid mineral sector since neglect of the solid mineral sub-sector is one of the pieces of evidence of overdependence on the oil sector. Again, there is need for the Nigerian government to address the various challenges which currently contributed to the Nigerian solid mineral

sub-sector; hence, the non-oil sector for not contributing significantly to the growth of the Nigerian economy.

- iv. The non-oil import of Nigeria's economy should be harnessed by making policies that will encourage import substitution. This will enhance economic growth in Nigeria.

5.3 Conclusion

With the current slow-down of economic activities caused by severe fiscal imbalances coupled with the mono-cultural nature of the Nigerian economy which forced the Nigerian economy into unplanned economic recession in 2015 and 2019 there is a need to develop non-resource-based sector whose export capacity is parallel with the windfall of natural resource revenues. The non-oil sector has the capacity of generating huge employment for the teeming unemployed youths of the country. Unfortunately, Nigerian policymakers ever since the exploration of crude oil for commercial purposes in the 1970s, failed to explore this potential of the sector. Based on this submission, the present study critically investigated the impact of both the oil and the non-oil export on the growth of the Nigerian economy. Having painstakingly considered the effect of nonoil exports as it relates to the growth of the Nigeria economy, we conclude that all non-oil export exerted a positive statistical effect on economic growth but this effect was not sufficient to cause a surge in economic growth. The study further concludes that even though the non-oil sector has the potency to increase economic growth; thus far, the impact has been non-significant. Consequently, the study contributes to the glaring evidence of the impact of oil export on the Nigerian economy by concluding that oil export indeed does significantly impact on the economic growth of the Nigerian.

5.4 Contribution to Knowledge

The study aimed at providing empirical evidence of the impact of oil and non-oil export on economic growth in Nigeria. The study; thus, contributed to the dearth of literature as well as gave clear cut explanations to issues which are widening the confine of non-oil export and economic growth. The study is more recent, robust, and comprehensive than every other study on the subject matter since we extended the time scope to 2022. The study would also pave way for the full enactment of the economic or export diversification policy in Nigeria.

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