African Journal of Economics and Sustainable Development
ISSN: 2689-5080
Volume 7, Issue 4, 2024 (pp. 295-306)
www.abjournals.org

NON-OIL SECTOR PERFORMANCE AND ECONOMIC GROWTH IN NIGERIA

Ozoh Joan Nwamaka[1*], Madueke Chinwe M.[2], Ezenwobi Ngozi F.[3],

Onwuka Nkechi I.[4], and Ezeife Agbachukwu O.[5]

[1]Department of Economics, Nnamdi Azikiwe University, Awka.
Email: jn.ozoh@unizik.edu.ng

[2]Department of Economics, Nnamdi Azikiwe University, Awka.
Email: cm.madueke@unizik.edu.ng

[3]Department of Economics, Nnamdi Azikiwe University, Awka.
Email: fn.ezenwobi@unizik.edu.ng

[4]Department of Economics, Nnamdi Azikiwe University, Awka.
Email: in.onwuka@unizik.edu.ng

[5]Department of Entrepreneurship, Nnamdi Azikiwe University, Awka.
Email: ezeifeagba@gmail.com

[*]Corresponding Author's Email: jn.ozoh@unizik.edu.ng

Cite this article:

Ozoh, J. N., Madueke, C. M., Ezenwobi, N. F., Onwuka, N. I., Ezeife, A. O. (2024), Non-Oil Sector Performance and Economic Growth in Nigeria. African Journal of Economics and Sustainable Development 7(4), 295-306. DOI: 10.52589/AJESD-TWPX4ZWY

Manuscript History

Received: 28 Sep 2024

Accepted: 8 Nov 2024

Published: 20 Nov 2024

ABSTRACT: *Most of Nigeria's public income comes from oil exports, making it vulnerable to global market crashes and instability. The economy is currently experiencing a downturn due to the 2014–2015 decline in the value of crude oil. To increase the manufacturing of non-oil product exports and generate external cash, the state government is nowadays met with the challenge of reorienting the economy to the non-oil sector. The study specifically considered the effect of non-oil sector performance, such as the output of the industrial, service, and agricultural sectors, on economic growth in Nigeria using yearly time series data from 1999 to 2022. The growth rate maximization theory was used in this investigation. The World Bank (2022) and the CBN Statistical Bulletin (2022) provided the data used in this analysis. Multiple regression analysis approaches were employed in the study. As the outcomes showed, the growth of the Nigerian economy is positively and significantly impacted by the output of the exchange rate, the manufacturing, service, and agricultural sectors; government spending has a negligible and negative effect on the growth of the economy. The research suggested that incentives should be created to support and expand Nigeria's manufacturing, service, and agricultural sectors to sustain the growth of the economy.*

KEYWORDS: Non-oil sector, economic growth, manufacturing output, service output, agriculture output.

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

African Journal of Economics and Sustainable Development
ISSN: 2689-5080
Volume 7, Issue 4, 2024 (pp. 295-306)

www.abjournals.org

INTRODUCTION

It is essential to recall that although crude oil makes up only 20 percent of the nation's Gross Domestic Product (GDP), it provides 90% of its foreign exchange profits and more than 80% of its government revenue. This suggests that Nigeria's economy follows suit when the world oil market sneezes (Osuntogun, Edordu & Oramah, 1997; Onuba, 2012). The price of oil on the worldwide market has dropped by more than 24%. Nigeria is just one of many nations whose economy has long been monocultural and solely dependent on the trade of crude oil to generate foreign cash. Sadly, despite the enormous wealth of oil, a large number of its people still live in poverty (Osuntogun, Edordu & Oramah, 1997; Onuba, 2012).

As a developing state, Nigeria has to deal with the civil, public, and fiscal challenges of growth. Nigeria's economy, which grew at the seventh-fastest rate in the world in 2009 at 6.9 percent, is currently graded as the 30th most significant economy in the world (CBN, 2011). Until recently, when oil unexpectedly gained substantial relevance in the global economy due to its supply-price nexus, a significant portion of Nigeria's external exchange incomes came from non-oil exports. Agriculture was the primary driver of imported exchange earnings and the backbone of the economy in the 1960s. Nigeria's exports are mostly its non-oil agricultural products. Up to 70% of the overall price of non-oil exports is made up of unprocessed farming products such as fish, shrimp, cocoa, groundnuts, palm produce, natural rubber, cotton, yarn, and fish. Solid minerals, services, and manufactured goods are additional non-oil export components. Agricultural products that have been processed, such as beer, textiles, cocoa butter, tin metal, beer, natural spring water, plastic, processed timber, detergent, and fabricated iron rods, are among the manufactured goods (CBN, 2011).

Between 1960 and 1970, the market for non-oil commodities saw a rise in exports. In 1980, when the global main commodities markets crashed and the terms of trade deteriorated, their fortunes began to erode as a result of the crash. The key cause of the upsurge in non-oil exports, primarily brought about by the measures implemented under the Structural Adjustment Program (SAP), was the rise in the export commodities' Naira prices. This was only temporary, though, as there was little appetite on the global stage for non-oil exports in Nigeria (Okoh, 2004). Nevertheless, by the middle of the 1970s, the oil industry had surpassed agriculture as the leading industry. Nigeria's export revenues underwent significant growth, rising from 216,000 USD in 1960 to 9 million USD in 1980. In the meantime, the price of non-oil exports has been dropping, and the Nigerian economy has become increasingly dependent on oil incomes, which account for above 90% of all foreign exchange earnings needed to finance various national development initiatives. Every time there is an increase or decrease in oil prices, Nigeria's economy inevitably sees a change in revenue. Nigeria saw a significant influx of wealth, mostly in the form of profits from the oil industry. The decision to revalue the naira was made possible by the significant oil revenue as well as the building of reserves in important foreign currencies (Adeyemi, 2004).

Despite Nigeria's efforts to encourage non-oil exports, the sector's performance over the last three periods has been little to nothing but satisfactory. Non-oil exports have always made up a very small portion of the nation's total export revenue—1% in 2008, to be exact (CBN, 2013). Therefore, the policymakers over the years have been focusing on increasing the exportation of non-oil products to diversify the export base of the country (Adedipe, 2004). There are several key reasons why Nigeria's economy needs to diversify. First, any case for export diversification is strengthened by the instability of the global oil market and the ensuing

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

instability of government income. Furthermore, Utomi (2004) argues that crude oil is an unpredictable resource due to its exhaustible nature and has an effect on the Nigerian economy which has an impact on sustainable development. Reevaluating the goals and substance of development programs and the pledges made to their implementation, is therefore critically necessary, given the non-oil sector's persistently poor performance and the external sector's susceptibility. If the Nigerian economy is to be put back on the path of sustainable development and external sustainability, a change in the industrialization strategy and policy focus are essential. Because crude oil is Nigeria's primary source of foreign cash, an exhaustible resource, and cannot be depended upon for sustainable development, the country must increase its non-oil exports. However, Nigeria's export revenue is vulnerable to the fluctuations of the global oil market due to the country's monocultural economy, which is why the oil glut is a sign of the economy's vulnerability. In 2009, Nigeria's non-oil exports, which increased by 8.61 percent, contributed to the country's remarkable economic and market growth, even though the country has yet to realize its immense potential in this area fully. As a result, this study looks at how Nigeria's economic growth is impacted by non-oil sectors such as manufacturing, agriculture, and services.

Nigeria's Non-oil Sector Performance under Diverse Policy Administrations

Over the years, the Nigerian administration has demonstrated a commitment to expanding the economy's non-oil sector by implementing incentives and supportive policies. The goal of these programs has been to promote economic diversity. These policies fall into one of three categories: export promotion, trade liberalization, or protectionism. To examine the non-oil sector's growth pattern, I would like to discuss how the non-oil sector has done under certain policy administrations.

a. Protection Policy (1960 to 1986 Pre SAP Period): Import substitution industrial development was implemented, at this time, to grow the cash crop output, increase the export of cash crops, motivate farmers to expand their fields, and broaden the industrial base. Fertilizers in particular received subsidies for agricultural supplies, and the ultimate goal was to safeguard native firms established to manufacture import replacements. All exports had positive protection by 1982, except cotton and all food products (Oyejide, 1986). With external markets secured by marketing boards, changes were made to foreign exchange requirements, and the execution of trade barriers (import taxes and licensing regulations) to manage imports. The security of domestic industries set up to create import replacements was the ultimate objective. The structure of the customs tariff was blatantly slanted in favor of capital goods and raw materials, and discriminatory commodities classified as luxury items were subject to extremely high import duties or were placed on the list of commodities prohibited from being imported. Import limitations were lifted in 1974, signaling the end of protectionism. Declining oil proceeds and a drop in external exchange led to the 3rd National Development Plan (1981 to 1985) to ease trade rules.

b. Trade Liberalization Policy (1986 SAP Period): To encourage exports, the Export Inducement and Miscellaneous Provisions Decree of 1986 was issued. The economic, telecommunication, and agricultural sectors all saw notable growth as a result of the different policy supports (Analogbei, 2000). During this period, better openness and incorporation with the global economy were promoted by trade policies through deregulation, commercialization, privatization, and liberalization. In July 1986, the Structural Adjustment Program (SAP) was implemented to address economic imbalances and facilitate sustainable economic growth and

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

development. The policies included eradicating marketing boards, presenting the second-tier foreign exchange market (SFEM), implementing various export growth incentive schemes, and inaugurating the Nigeria Export-Import Bank.

c. Export Promotion Policy (Post SAP Period): Since 1999, government policies have focused on supporting small- and medium-sized enterprises (SMEs) to diversify the economy and Boost their export capabilities. One of the main initiatives to give exporters incentives is the Export Extension Grant (EEG) Scheme, which was created under the Export (Incentives and Miscellaneous Provisions) Act of 1986. This grant was intended to help offset the challengesfaced by Nigerian exporters due to infrastructure limitations and to improve the Competitiveness of our exports in the global market. According to Adeloye (2012), the EEG. Has been the most operational inducement in promoting the export of non-oil products exports. The administration of the policy is under the purview of the Nigerian Export Promotion. Council (NEPC). Acknowledging the policy's significance in advancing non-oil exports, the State modified the EEG policy in 2006, with the practical support of global experts, Price. Waterhouse Coopers. To increase the organization's effectiveness, it was simplified by categorizing export goods based on the level of value addition, processing, and rewarding Businesses that increase export development and attract new assets in export ability creation (Adeloye, 2012). According to information from the industry, non-oil exports increased from $1 billion in 2006 to $2.3 billion in 2010 because of the new measures introduced. Exporting Enterprises began forward integration and heavily invested in plant and equipment to enhance. The price of local commodities is in line with the EEG policy's importance on value addition. A. A noticeable pattern has been the export of items with value-added and processed. Goods (Adeloye, 2012).

THEORETICAL FRAMEWORK

Theory of Growth Rate Maximization: To present a balanced growth maximizing model of the enterprise, Robin Marris created the theory of growth rate maximization in 1964. The underlying premise of this approach is that price structure, production costs, and firm growth take precedence over product diversification. According to him, businesses want diversification primarily for financial reasons and economic expansion. Since diversification is viewed as an investment strategy, businesses with sufficient managerial and financial resources may readily expand into other industries, which would boost the nation's economic growth. Based on this idea, a country should export goods where it can produce more output per unit of input than other countries and import goods where it cannot compete with other countries in terms of productivity.

Review of Empirical Literature

The connection between non-oil exports and economic expansion in industrialized and emerging nations has been the subject of numerous studies**.** Using ordinary least squares and co-integration analyses, Adesoji and Sotubo (2013) focused on the agricultural sector and mineral resources and found that non-oil exports performed below expectations, raising questions about the efficiency of the export promotion strategies implemented in the Nigerian economy. Onodugo, Ikpe, and Anowor (2013) found that non-oil exports have a very tiny and insignificant impact on how quickly Nigeria's economic growth rate changes. Nwachukwu (2014) found using regression analysis that tariffs and credit from commercial banks have a

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

favorable influence on the growth of the Nigerian economy, whereas infrastructure has an adverse link with GDP. Olabanji and Henri (2013) used the Granger causality test to find that to attract both foreign and private investment, the government needs to expand non-oil exports, diversify the economy's product base, and provide an effective service infrastructure. Abogan, Akinola, and Baruwa (2014) found that non-oil exports had a positive consequence on Nigeria's ability to produce crops and services during that time. Using Johansen cointegration, Onodugo, Ikpe, and Anowor (2013) demonstrated that non-oil exports have little bearing on the growth of the Nigerian economy. Adenugba and Dipo (2013) assessed the efficacy of Nigeria's export promotion policies in terms of diversifying the productive base of the nation's economy away from crude oil as its main source of external exchange. The study's conclusions cast doubt on the effectiveness of the export promotion tactics used by the Nigerian government as non-oil exports have underperformed compared to expectations.

The manufacturing and agriculture segments are the key drivers of growth in the economy in this globalization age. Numerous studies have examined the relationship between the manufacturing and agricultural sectors and economic growth. For example, Akinmulegun and Oluwole (2018) established that while Nigeria's manufacturing sector benefited from globalization, the sector's level of development was extremely small. This indicates that the manufacturing sector of the economy is not significantly impacted by globalization in terms of economic growth. In their 2019 study, Ayobami et al. investigated the roles that agriculture, forestry, and fisheries have played in the expansion of the Nigerian economy. They found that, over time, these industries have received little attention, and the productivity of these sectors has positively impacted the growth of the economy. Uzonwanne (2015) investigated the association between the non-oil sector and the growth of the economy. The report concluded that the nation has not progressed in its development despite having an abundance of natural resources, and recommended that the government create a diversified economy. Ezu and Osakwe (2023) found that the farm loan guarantee program fund favorably benefited real GDP growth in the long term. The findings also demonstrated that bank advances and loans to the agricultural sector have a favorable and noteworthy impact on Nigeria's real GDP development. At the five percent significance threshold, the impact of foreign aid to agriculture on real GDP growth was marginally significant, albeit favorable. Using ARDL, Ogunlokun, and Adeleke (2023) investigated how agriculture affected the financial sector's ability to grow sustainably in Nigeria. The outcome showed that, over time, the variables were co-integrated. The study came to the additional conclusion that agriculture considerably and favorably aided in the sustainability of the Nigerian financial sector. Bada (2017) looked into how Nigeria's economy was impacted by its manufacturing and agricultural sectors. The outcome established that Nigeria's manufacturing and agriculture sectors are significantly affected by bank credits. The association between government spending on agriculture and farming output was investigated by Austin and Okezie (2019). It was revealed that overall government expenditure on agriculture has a major consequence on crops in the short and long run.

Contribution to Knowledge

The majority of the study which deliberated on the non-oil sector's influence on economic growth did not break down non-oil sector exports into the agriculture, manufacturing, and service sectors. In light of Nigeria's declining oil sector revenue, this research was carried out to determine how well each sector's output contributed to economic growth. Although Mohammed, Abdurraifff, and Bukola (2020) attempted to include manufacturing, agriculture,

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

and solid minerals, this study included manufacturing and agriculture using more recent data and also recognized the significance of the service sector.

METHODOLOGY

The E-views software version 12.0, multiple regression analysis was employed in this study to estimate the model. The study made use of Time series data that covered from 1999 to 2022 derived from the report of the National Bureau of Statistics (NBS), the Central Bank of Nigeria (CBN) statistical bulletin, and the World Bank. Real Gross Domestic Product; government spending; exchange rates; production from the manufacturing, service, and agriculture sectors; and government expenditure are the variables used in the study.

Model Specification

Based on the theoretical framework, the adopted model, and the specific objective, the model for this research in its functional form is stated thus:

RGDP = f (AGS, MFS, SVS, , GEXP, LNEXR)

Where:

RGDP = Real Gross Domestic Product

AGS = Agricultural sector output

MFS = Manufacturing sector output

SS = Service sector output

GEXP = Government expenditure

LNEXR = Exchange rate

The mathematical form of the model is:

$RGDP = \beta 0 + \beta 1AGS + \beta 2MFS + \beta 3SS + \beta 4GEXP + \beta 5EXR$

The Econometrics form of the model is:

$RGDP = \beta 0 + \beta 1AGS + \beta 2MFS + \beta 3SS + + \beta 4GEXP + \beta 5LNEXR + \mu t$

Where:

$\beta 0$ = Constant term or intercept of the model

$\beta 1$ = Coefficient of partial regression for the production of the agriculture sector

$\beta 2$ = Coefficient of partial regression for manufacturing sector output

$\beta 3$ = Coefficient of partial regression for service sector output

$\beta 4$ = Coefficient of partial regression for government expenditure

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

β5 = Coefficient of partial regression for exchange rate

μt = Error term or stochastic term.

RESULTS AND DISCUSSION OF FINDINGS

The precise goals and outcomes of the study are estimated and summarized in this section. To assess the data features and prevent erroneous results, the study used multiple regression analysis along with several residual tests, including the Ramsey Reset Test, the Histogram Normality Test, and the Heteroskedasticity Test.

Test of Stationarity

Unit root's result using the ADF test is displayed below:

Table 1: Augmented Dickey-Fuller (ADF) Unit Root Test Results

LEVEL			**1st** Difference		
5% Critical			5% critical		
Variables	**ADF Test**	**Values**	**ADF Test**	**Values**	**Remarks**
RGDP	-4.380755	-2.998064	-	-	1(0)
AGS	-6.953510	-3.020686	-	-	1(0)
MFS	-	-	-3.476873	-3.004861	1(1)
SS	-	-	-3.878758	-3.632896	1(1)
GEXP	-	-	-6.412625	-3.004861	1(1)
LNEXR	-	-	-3.882641	-3.004861	1(1)

Source: *Authors' Computation Using Eview 10*

From the results above, the unit root tests show that Manufacturing Sector (MFS), Service Sector (SS), government expenditure (GEXP), and exchange rate (LNEXR) are static at first difference while the real gross domestic product (RGDP) and AGS are stationary at level. It is then concluded that the model is static. Hence, none of the variables is integrated into order two (Pesaran et al., 2001).

Cointegration Test

The study applied the Johansen cointegration test to establish whether a long-run relationship exists among the variables or not.

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.978441	206.2411	95.75366	0.0000
At utmost 1 *	0.922342	121.8280	69.81889	0.0000
At utmost 2 *	0.792078	65.60837	47.85613	0.0005

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

At utmost 3 *	0.544925	31.05529	29.79707	0.0356
At utmost 4	0.464075	13.73483	15.49471	0.0905
At utmost 5	0.000549	0.012085	3.841466	0.9123

Trace test indicates 4 cointegrating eqn(s) at the 0.05 level
* indicates elimination of the hypothesis at the 0.05 level
** MacKinnon-Haug-Michelis (1999) p-values

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.978441	84.41312	40.07757	0.0000
At utmost 1 *	0.922342	56.21963	33.87687	0.0000
At utmost 2 *	0.792078	34.55308	27.58434	0.0054
At utmost 3	0.544925	17.32046	21.13162	0.1574
At utmost 4	0.464075	13.72274	14.26460	0.0608
At utmost 5	0.000549	0.012085	3.841466	0.9123

The max-eigenvalue test indicates 3 cointegrating equations at the 0.05 level.

* represents rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

The result indicates 4 and 3 cointegrating equations at the 0.05 significant level for trace statistics and Max-eigenvalue. Both of them are more than the critical value and we accept the null hypothesis. Therefore, there is a long-run relationship between the dependent variable and independent variables.

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

African Journal of Economics and Sustainable Development
ISSN: 2689-5080
Volume 7, Issue 4, 2024 (pp. 295-306)

www.abjournals.org

Regression Analysis Result

The non-oil sector and economic growth in Nigeria were evaluated using multiple regression analysis.

Table 2: Estimated Result for the Non-oil Sector and Economic Growth

Variable	Coefficient	Std. Error	t-Statistic	Prob .
C	0.451863	0.051597	8.757475	0.0000
AGS	0.177491	0.009691	18.31483	0.0000
MFS	0.337666	0.017964	18.79687	0.0000
SS	0.468919	0.008309	56.43652	0.0000
GEXP	-0.000877	0.003717	-0.235985	0.8161
LNEXR	0.016071	0.002134	7.529981	0.0000

Note: R-squared = 0.999904, Adjusted R-squared = 0.999878,
Durbin-Watson stat = 1.562651, Prob(F-statistic) = 0.000000
Source: *Author's Computation from Eview 10*

The above results indicate that the Agricultural sector (AGS), manufacturing sector (MFS), service sector (SS), and exchange rate (LNEXR) had a positive and statistically significant impact on Nigeria's economic growth, while government expenditure (GEXP) was the mere factor that had a negative and insignificant effect on economic growth. Consequently, a 1% increase in the AGS and MFS would result in approximately 0.18% and 0.34% rise in the growth of the Nigerian economy respectively. Moreover, a 1% increase in the service sector (SS) and exchange rate (LNEXR) would result in a 0.47% and 0.016% increase in the growth of the economy in Nigeria respectively, whereas a 1% increase in government expenditure (GEXP) would have an adverse and insignificant effect on that nation's economic growth by a decline of -0.00%.

R-squared values of 0.999904 show that the model is fit and it is established to be 99% fit by the Adjusted R-squared value of 0.999878. This shows that the variables account for 99% of the RGDP's inconsistency and this reveals that 1% of GDP variation is due to external factors. Moreover, the F-statistics value of 37572.83 (prob. 0.0000) shows that the individual and combined effects of all the variables used in the study are both significant. Finally, D-Watson statistics of 1.562651 show that the model does not include autocorrelation.

Post Estimation Test

Table 4: Heteroskedasticity Test: Breusch-Pagan-Godfrey

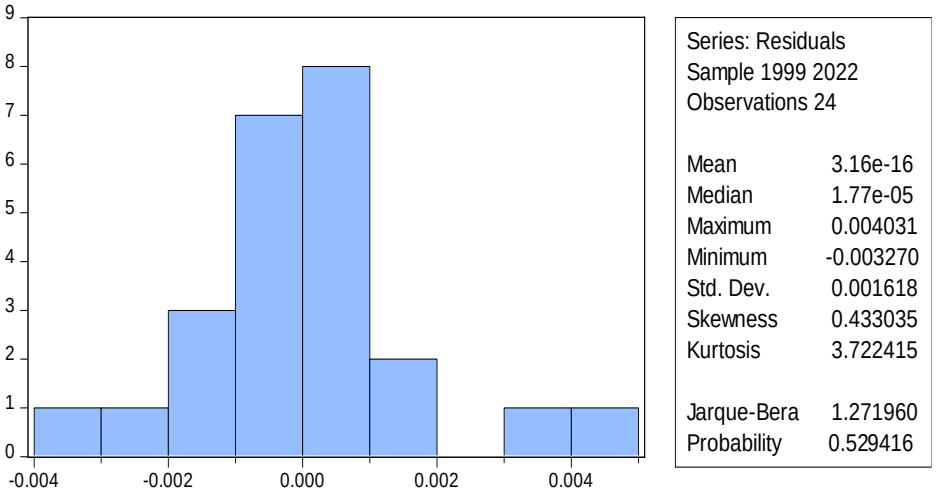
F-statistic	2.463918	Prob. F(5,18)	0.0722
Obs*R-squared	9.751787	Prob. Chi-Square(5)	0.0826
Scaled explained SS	5.200076	Prob. Chi-Square(5)	0.3920

Because the p-value for the Breusch-Pagan-Godfrey test is higher than the 0.05 level of significance, the result indicates that heteroskedasticity is not taken into consideration by the model. The model does not show heteroskedasticity and therefore, we agree with the null

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

hypothesis. The residuals have a constant variance because this model does not contain heteroskedasticity, which gives the researcher confidence in the study's overall conclusions.

Histogram Normality Test



Based on the preceding result, the graph from the histogram normality test indicates that the model is normally distributed. This is accurate considering that the model's distribution is normally distributed with a p-value greater than 0.05 and that the result is not statistically significant at the 5% level. This suggests that the conclusions drawn from the data will be reliable and helpful. It also implies that the data used for analysis or estimation have a normal distribution.

Table 5: Ramsey Reset Test

Stability Test: Ramsey Reset Test

	Value	df	Probability
t-Statistic	1.977420	17	0.0644
F-statistic	3.910188	(1, 17)	0.0644
Likelihood ratio	4.968556	1	0.0258

The result above shows that the model is stable and well-specified because the p-value is greater than the 0.05 level of significance. This implies that there is a nonlinear relationship between the dependent variable and independent variables.

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

CONCLUSION AND RECOMMENDATION

Nigeria has traditionally relied on oil as its main source of income; therefore, its non-oil performance and economic growth have been intricate and varied. But to promote sustainable economic growth, focus has recently been placed on diversifying the economy and strengthening the non-oil sectors. To attain inclusive growth, this will help Nigeria's balance of payments, foreign exchange revenues, poverty rate, and employment all go down.

According to the analysis, the exchange rate, the manufacturing, the service, and the agricultural sectors all significantly and favorably affect the growth of the Nigerian economy. Additionally, state expenditure has a negligible and unfavorable effect on economic expansion. The recommendation that follows is based on the findings.

The government should be very aware of this and implement long-term, sustainable policies that will boost and expand the manufacturing, service, and agricultural sectors by lowering taxes and encouraging investment in these areas. Additionally, government funds should be allocated to the regions that are most in need, particularly the expansion of the agricultural sector, since this will have a positive effect on agricultural output and accelerate growth in the economy.

REFERENCES

Abogan, O.P., Akinola, E.P., & Baruwa, O.I. (2014). Non-oil export and economic growth in Nigeria (1980 – 2011). *Journal of Research in Economics and International Finance*, 3(1), 1-11. doi. 10.14303/jrief.2013.045

Adeloye, L.(2012). Non-oil exports: role of incentives and challenges. Punch 24 February 2012.

Adenugba, A.A., & Dipo, S.O. (2013). Non-oil exports in the economic growth of Nigeria: A study Of agricultural and mineral resources. *Journal of Educational and Social Research*, 3(2), 403-405. doi. 10.5901/jesr.2013.v3n2p403

Adesoji, A. A. & Sotubo, O. D..(2013). Non-oil export and economic growth in Nigeria: A study Of agricultural and mineral resources. *Journal of Educational and Social Research.* 3(2), 403. Doi:10.5901/jesr.2013v3n2p403

Adeyemi, O.T. (2004). Oil exploration and environmental degradation: The Nigeria experience.*Environmental Informatics Archives*, 2,387-393.

Akanimo, E. A, Wasiu, A. Y, & Bartholomew O. N. (2020). Nexus between non-oil sectoral Contribution and economic growth in Nigeria 1981-2018. *The Economic and Finance Letters.* 7(1), 13-22. Doi: 10.18988/journal29.2020.71.13.22

Analogbei, F, C, (2000). Trade Reforms and Productivity in Nigeria, In Proceedings of the ninth conference of the zonal research units of the CBN, titled Productivity and capacity Building in Nigeria, pp159-185. Lagos: CBN.

Austin, N. N., & Okezie, A. I. (2019). Total Government spending on agriculture and its output Growth in Nigeria. *American Based Research Journal*. 8(2), 28-40. Https://doi.org/10.5281/zenodo.3456734

Bada, O. T. (2017). Effect of banks credit on the development of manufacturing and agricultural Sectors of Nigeria's economy. International Journal of Advanced Studies in Economics and Public Sector Management, 5(1), 114-130

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY

Central Bank of Nigeria, (2011), Annual Reports and Statement of Accounts, Central Bank of Nigeria Statistical Bulletin, Abuja.

Ezu, G. K., & Osakwe, C. I. (2023). Effect of the non-oil sector on the growth of Nigerian economy(1990-2021*). International Journal of Research and Innovation in Social Sciences.* 7(3),163-173 . Doi: 10.47772/IJRISS

Mohammed, Y.,Abdurrauf B., & Bukola , C. A.(2020). Assessment of the impact of non-oil export on economic growth in Nigeria: 1990-2018. *Al-Hikmah Journal of Economics* (AJEC), 1(1), 1-19.

Nwachukwu, P. O. (2014). The impact of non-oil export strategies on economic growth in Nigeria (1970-2013*). Journal of Economic and Sustainable Development*, 5, 65-69.

Ogunlokun A. D, & Adeleke, K. O. (2023). Effect of Agriculture on Sustainable Financial Sectors Growth in Nigeria. *JEFMS Journal*, 6(9), https://doi.org/10.47191/jefms/v6-19-09

Okoh, R. N.(2004a). *Global integration and the growth of Nigeria's non-oil exports*. A paper presented at the Centre for the Study of African Economies, African Conference 2004, on growth, poverty reduction and human development in Africa,21st to 22nd March 2004, Oxford, UK,pp1-30

Olabaniji, O.E.,& Henri, O. (2013). Econometric analysis of export and economic growth in Nigeria. *Journal of Business Management and Applied Economics*, 2,1-14.

Onodugo, V. A., Ikpe M.,& Anowor, O. F. (2013). Non-oil export and economic growth in Nigeria: A time series econometric model. *International Journal of Business Management and Research, 3*(2),115 -124.

Onodugo,V.A., Ikpe , M., & Anowor, O.F.(2013). Non-oil export and Economic growth in Nigeria: A Time series econometric model. *International Journal of Business Management and Research*, 3,115-124

Onuba, I. (2012).112.5 million Nigerians live in poverty. The Punch. https://www.punchng.com/business/business-economy/112.5 million-nigerians-live - in-poverty-NBS

Osuntogun,A., Edordu,C.C.,& Oramah , B. O.(1997). Potentials for diversifying Nigeria's non-Oil exports to non-traditional markets.*African Economic Research Consortium*,68.

Oyejide, A.(1986).“The effect of trade and exchange rate policies on agriculture in Nigeria. October, 1986.

Utomi, P. (2004). “*The curse of oil’*. A paper delivered for Heinrich Bo11 Foundation Oil Conference by Lagos Business School, May.

Uzonwanne, M.C., 2015. Economic diversification in Nigeria in the face of dwindling oil Revenue. *Journal of Economics and Sustainable Development*, 6(4): 61-67.

Article DOI: 10.52589/AJESD-TWPX4ZWY
DOI URL: https://doi.org/10.52589/AJESD-TWPX4ZWY