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OIL AND NON-OIL SECTORS CONTRIBUTIONS TO THE PERFORMANCE OF NIGERIAN ECONOMY

(EMPIRICAL ANALYSIS OF THE NEED TO DIVERSIFY NIGERIAN ECONOMY)

Dr. C.U. Idoko.

Department of Economics, Kogi State University, Anyigba

E-mail:idokocle@yahoo.com

Tel: 08039548719

Wada E. O.

Department of Economics, Kogi State University, Anyigba

E-mail: wadadecobros@gmail.com

Tel: 08141802505, 08163568406

ABSTRACT

Nigerian economy is on the fence. This is due to the fact that the economic structure of Nigeria is monoculture in nature. Nigeria economy for long has depended on oil export for her major earnings in the economy. Many economists and policy makers in the country have for long advocated the need to diversify the productive base of the Nigerian economy but little or no success has been recorded. It is on this note that the study intends to examine the Contributions of Oil and Non-Oil Sectors to the Performance of Nigeria Economy. Four research questions and four objectives were stated to guide the study.Time series data on Real Gross Domestic Product was used as a proxy for the performance of the Nigerian economy which is the dependent variable; while the independent variables were oil export, non-oil export, oil import and non-oil import. Data for study were sourced from the Central Bank of Nigeria (CBN) Statistical Bulletin, periodicals and national bureau of statistics from1981- 2016. The technique of estimation employed in the study was Ordinary Least Square (OLS) regression analysis. The results showed that oil and non-oil export have significant positive impact on the performance of the Nigerian economy. On the other hand, oil and non-oil import shows that there is a significant negative impact as well as decline in service sector contributions to the performance of the Nigerian economy. Based on these results, the study recommended that Government should as a matter of urgency diversify the productive base of Nigerian economy since both oil and non-oil

export have significant impacts on the performance of the Nigerian economy. Hence, Nigerian government should broaden her horizon by shifting ground to expand the activities of the non-oil sectors such as agricultural, manufacturing, and industrial and the service sectors to boost the performance of the Nigerian economy.

Key words: oil export, non-oil export, oil import and non-oil import.

INTRODUCTION

The situation of the Nigerian economy has reached shocking magnitude, and this has become visible to the blind, audible and the deaf that for the past three decades or more, the growth performance of Nigerian economy from both external and internal sectors has been less than satisfactorily.

Nigeria is yet to attain the rank of a developed economy due to lack of structural changes and among other factors which are inimical to economic progress such as economic diversity which has caused the economy to rely heavily on crude oil for revenues as the major export commodity in the economy (Osuntogun et al, 1997).

Prior to 1970s, Nigeria's exports were predominantly non-oil commodities with agricultural commodities accounting for the lion share. However, in 1970s, when the price of crude oil in the international market sky rocketed, the share of non-oil exports began to fall and has remained low since and has resulted to shift in the productive base of the economy giving oil sector much attention to the non-oil sector of the Nigerian economy.

The performance of the non-oil export sector in the past three decades lives nothing to be desired in spite of the effort to promote non-oil export in Nigeria (Abogan et al , 2014).

Oil and non-oil exports play important roles in promoting economic growth through hung earnings and foreign currency that it supplies to support Nigerian budget which are used for improving infrastructure development and creating attractive investment climate in the country. Moreover, the earnings accruing from both oil and non-oil exports enables firms to increase their outputs and reduce their cost of production, which increases the productivity of these firms and achieve economies of scale vis-à-vis economic growth in Nigeria.

Besides, oil and non-oil exports play an important role in expanding the size of the local market and increasing the degree of competition that leads the country to improve her production and use new technology in its production process towards achieving sustainable growth in the economy (Pius, 2012).

For the growth of any society, the provision of basic infrastructure is quite necessary. This perhaps explains why the government shows great concern for a medium such as oil and non-oil exports through which funds can be made available to achieve their set goals for the society as well as to achieve a sustainable oil and non-oil exports earnings towards achieving economic growth (Fagbemi & Noah, 2010).

According to (Abou-Strait, 2005), both oil and non-oil exports are catalyst necessary for the overall growth of an economy. Exportation is required by any economy to enhance revenue and usher in economic growth. It is therefore crucial for economic progress and this has informed the idea of export-led growth. Export promotion resulting to both oil and non-oil exports is a deliberate government policy undertaken to encourage and boost the production of commodities for exports, this is meant to diversify the export base so as to achieve a more favourable and desired level of economic growth (Dibbie, 2013).

The earnings through oil and non-oil exports over the years have helped in creating employment opportunities for the teaming population in the country. This is due to the fact that higher demand for both oil and non-oil exports will require more production which in turn leads to employment of willing and able bodied Nigerians towards achieving a sustainable increase in Gross Domestic Product (GDP) vis-a-vis economic growth in Nigeria (Osuntogun et al, 1997).

The fall in the global oil prices in the international market which began in June 2015, is posing a lot of threat to the country's economy. The dropped Oil prices by 12%, has resulted to the fall in the price of oil in the world market from $105 per barrel to about $92 (NBS, 2015). This flop in oil prices resulting from over-supplied of crude oil in the international market made prices to remain below $100 per barrel. The further fall in the global oil prices led to reduction in the fiscal shock absorber of the Nigerian economy.

Basically, the amount entering the Excess Crude Account (ECA) shrinks and this puts some pressures on the federal allocations, which often had to be supported with withdrawals from the Excess Crude Account. Nigeria's crude oil export declined by 41.6% in 2015, and this resulted to a fall in oil export revenue which was recorded as $77bn in 2014 to $32.3bn in the year 2015, and this led to fall in the growth of the Nigerian economy which was recorded in 2014 as 6.2% to 3.0% in the year 2015 (NBS, 2015).

In 2015, Non-oil exports from Nigeria continue to face mass rejection at entry points in many countries in Europe for failure by exporters to comply with standards specified by the countries. The rejected of exports were mainly in the food and beverage segment. Top on the list of food items banned from entering Europe till June 2016 and rejected by many other countries,were: Beans, Sesame seeds, Melon Seeds, Fried Fish, Meat, Peanut chips and Palm Oil. Cocoa and Cashew nuts.. The reasons for their rejection include the inability of exporters to adhere to global standards, poor packaging, and high level of chemicals, poor labeling, insufficient information on nutritional content, presence of high level of pesticide residue and presence of Mycotoxins. According to European Food Safety Authority, beans are expected to have maximum residue limit of 0.01mg\kg, but the commodity from Nigeria contains between 0.03mg and 4.6mg\kg of dichlorvos pesticide. This rejection resulted to decline in non-oil export revenue which was recorded as $3billion in 2013 to $1.6billion in 2015. It also resulted to decline in the growth of the Nigerian economy which was recorded in 2014 as 6.2% to 3.0% in the year 2015 (NBS, 2015).

In Nigeria, diversification of non-oil export is based on two categories, but in recent times, the service sector had never been thought in the choice to diversity the productive base of the Nigerian economy. As a matter of recollection to the activities of policy measures for diversification, the agricultural and manufacturing sector which have suffered from years of mismanagement, inconsistency, and poor government policy, lack of basic infrastructure and land tenure system has made the sectors to account for over 26.8% of Gross Domestic Product (GDP) in recent years and are considered as focal points and directions to diversity the Nigerian economy. The failure and neglect of agriculture is due to the increase rural-urban migration flowing the oil boom of 1970's. (Pius 2012). This has led to decline in economic growth and economic development..

The dominance of oil export not only led to the neglect of the non-oil export productive base but also brought about the unprecedented expansion on the volume of oil imports and non-oil imports of various categories by both the public and private sectors in Nigeria. This scenario has continued to bring about drastic decline in the growth of the Nigerian economy (NBS, 2014)

In Nigeria, crude oil is the major export because of the large revenue it generates for the economy. This made the economy to focus strictly on the oil sector neglecting other sectors such as agricultural, manufacturing and the service sectors which has resulted to fall in economic growth rate of the Nigerian economy for two consecutive quarters(CBN, 2016). Thus, the driving force of this study is to examine empirically the performance of oil and non-oil sectors in the Nigerian economy towards its diversification.

Research Questions

i. What is the contribution of oil sector on the performance of Nigerian economy?
ii. To what extent has the non-oil sector contributed to the performance of Nigerian economy?
iii. Does the service sector contribute to the performance of the Nigerian economy?
iv. What are the contributions of oil and non-oil imports to the performance of Nigerian economy?

Objectives of the Study

The main objective of the study is to empirically examine, Oil and Non-Oil Sectors Performances in the Nigerian Economy. However, the specific objectives of the study are:

i. To determine the contribution of oil sector to the performance of Nigerian economy.
ii. To ascertain the extent non-oil sector has contributed to the performance of Nigerian economy.
iii. To investigate whether service sector contribute to the performance of the Nigerian economy.
iv. To examine the contributions of oil and non-oil imports to the performance of Nigerian economy.

LITERATURE REVIEW

There is dearth of empirical literature on oil and non-oil exports on economic growth in Nigeria and the rest of the world. However, the following are the reviewed on previous studies.

Abogan (2014) examined the relationship between non-oil exports and economic growth in Nigeria using Ordinary Least Square on time series data sourced from CBN Statistical Bulletin. The result revealed that the relationship between non-oil exports and economic growth in Nigeria is positive and insignificant.

Adenugba (2013) examined the impact of non-oil exports on economic growth in Nigeria using Ordinary Least Square on time series data sourced from CBN Statistical Bulletin. The result revealed that non-oil exports have a positive effect on the economic growth of Nigeria, but it has performed below expectations..

Hosseini and Tang (2014) examine the casual relationship between oil and non-oil exports to economic growth in Iran using Granger causality test on time series data sourced from Iran database. The result of their findings revealed that there is a unidirectional causality relationship moving from oil and non-oil exports to economic growth, but oil export has a negative effect on the economic growth of Iran.

Akeem (2011) examined the relationship between non-oil exports and economic growth in Nigeria using Ordinary Least Square on time series data sourced from CBN Statistical Bulletin. The result revealed that the relationship between non-oil exports and economic growth in Nigeria is positive and insignificant..

Mehrabadi et al. (2012) examined the impact of oil and non-oil exports on economic growth in Iran using Ordinary Least Square on time series data sourced from Iran database. The result revealed that both oil and non-oil exports have positive effect on the economic growth of Iran.

Esfahani et al. (2013) examined the effect of oil revenues on the Iranian economy using Ordinary Least Square on time series data sourced from Iran database. The result revealed that both oil revenues have positive effect on the Iranian economy. Ifeacho et al. (2014) examined the impact of non-oil export on economic growth in Nigeria using Ordinary Least Square on time series data sourced from CBN Statistical Bulletin. Based on the result, it was revealed that non-oil export has a significant positive relationship with the economic growth of Nigeria, which indicates that the rise in the non-oil export leads to a significant improvement in the Nigerian level of economic growth. .

Merza (2007) examine the casual relationship between non-oil exports and economic growth in Kuwait using Granger causality test on time series data sourced from Kuwait database. The result of his findings revealed that there is a bidirectional causality relationship between oil exports and economic growth, and there is a unidirectional causality relationship running from non-oil exports to economic growth in Kuwait.

Aljarrah (2008) examined the impact of oil and non-oil exports on economic development in Saudi Arabia using Ordinary Least Square on time series data sourced from Saudi Arabia database. The result revealed that non-oil export has a positive effect on economic development in Saudi Arabia. Hence, the study recommended that government should increase non-oil exports in order to achieve economic development in Saudi Arabia.

Olurankinse and Bayo (2012) examined the impact of non-oil export on economic growth in Nigeria using Ordinary Least Square on time series data sourced from CBN Statistical Bulletin. Based on the result, it was revealed that non-oil export has a significant positive relationship with the economic growth of Nigeria, which indicates that the rise in the non-oil export leads to a significant improvement in the Nigerian level of economic growth. .

Ude and Agodi (2014) examined the impact of non-oil export on economic growth in Nigeria using Ordinary Least Square on time series data sourced from CBN Statistical Bulletin. Based on the result, it was revealed that non-oil export has a significant positive relationship with the economic growth of Nigeria, which indicates that the rise in the non-oil export leads to a significant improvement in the Nigerian level of economic growth.

RESEARCH METHODOLOGY

Economic growth is increase in Real Gross Domestic Product in an economy. In other words, it is increase in the level of real output in an economy. This study extends its tentacle by specifying the economic growth model in a multivariate structure. The aim here is to incorporate other relevant factors that lead to the performance of the Nigerian economy. Hence, the study intends to incorporate variables such as oil export, non-oil export, oil import and non-oil import as gap to be filled based on the previous studies carried out by Akeem (2011), Olurankinse and Bayo (2012), Adenugba (2013), Ude and Agodi (2014), Ifeacho etal (2014) and Abogan (2014) only considered the impact of non-oil export on economic growth in Nigeria. Hence, this study will utilize oil export, non-oil export, oil import and non-oil import as key indicators of the performance of the Nigerian economy towards its diversification.

Model Specification

The functional form of the model for the study is represented in Equation [1]

[1] ***RGDP=ƒ (OILEXP, NOILEXP, OILIMP, NOILIMP)***

The model in mathematical form is specified as represented in Equation [2]

[2] $RGDP = \beta_o + \beta_1 OILEXP + \beta_2 NOILEXP + \beta_3 OILIMP + \beta_4 NOILIMP$

The above model can also be stated in the stochastic or econometric form as represented in Equation [3]

[3] $RGDP = \beta_o + \beta_1 OILEXP + \beta_2 NOILEXP + \beta_3 OILIMP + \beta_4 NOILIMP + \mu$

Where:

RGDP= Real Gross Domestic Product (Proxy for the performance of the Nigerian economy).

OILEXP = oil export

NOILEXP = non-oil export

OILIMP = oil import

NOILIMP = non-oil import

β_o= Intercept or autonomous component of the regression model or plane

β_1= Regression coefficient of oil export

β_2= Regression coefficient of non-oil export

β_3= Regression coefficient of oil import

β_4= Regression coefficient of non-oil import

μ= Error or Stochastic term.

Type and Source of Data

The data used for this study is predominantly on the time series data (secondary data). The study used times series data which spans from 1986-2016. The Source of Data is from the Central Bank of Nigeria (CBN) Statistical Bulletin, 2016 and National Bureau of Statistics (NBS) Publication of various issues in Nigeria.

Method/Technique of Data Analysis

The study will utilize Ordinary Least Squares method of regression analysis (OLS) as its method or technique of data analysis and trend analysis using graph to explain the contribution of service sector to the performance of the Nigerian economy. We are sticking to this because the alternative econometric techniques like the Two Stage Least Square (2SLS), Three Stage Least Square, Limited Information Maximum Likelihood (LIML) and Full Information Maximum Likelihood (FIML) are more sensitive to specification error of auto-correlation than the Ordinary Least Square (OLS). The Ordinary Least Square (OLS) estimation possesses the BLUE properties known as the Best Linear Unbiased Estimator, which include efficiency, consistency and unbiasedness. The error term μ shows the stochastic nature of economic

phenomenon that captures other factors that determine the performance of the Nigerian economy order than oil export, non-oil export, oil import and non-oil import in Nigeria.

Results and Interpretation

From the regression results, Real Gross Domestic Product is the dependent variable as proxy for performance of Nigerian economy while oil export (OILEXP), non-oil export (NOILEXP), oil import (OILIMP) and non-oil import (NOILIMP) are the independent variables. The following results below were obtained.

Dependent variable: RGDP (Proxy for the performance of Nigerian economy)

Table 1: Regression Results

Variables	Coefficients	Standard error	t-statistics	Probability
C	223.4009	1558.487	0.143345	0.8872
OILEXP	2.217333	0.774869	2.861560	0.0084
NOILEXP	24.43019	13.23547	1.845812	0.0768
OILIMP	-4.534751	5.427443	-0.835523	0.4113
NOILIMP	-9.089949	1.234967	-7.360481	0.0000
R^2 = 0.966065		**F-Statistics)= 177.9261**		
Adjusted R^2=0.960635		**Prob(F-Statistic)= 0.000000**		
D.W Statistic=1.512585		**N=30**		

Source: Author's Computation using E-Views 9.5 Version

The intercept of the regression model on the table 1 above is 223.4009. All things being equal, it represents the value of Real Gross Domestic Product (RGDP) if oil export (OILEXP), non-oil export (NOILEXP), oil import (OILIMP) and non-oil import (NOILIMP) are individually equal to zero.

The regression coefficient of oil export (OILEXP) is 2.217333. It shows that a unit increase in oil export (OILEXP) will bring about 2.217333 units increase in Real Gross Domestic Product (RGDP) in Nigeria. It is positive showing a direct relationship between oil export (OILEXP) and Real Gross Domestic Product (RGDP) in Nigeria. Hence, oil export (OILEXP) contributed positively to the performance of the Nigerian economy within the study period.

The regression coefficient of non-oil export (NOILEXP) is 24.43019. It shows that a unit increase in non-oil export (NOILEXP) will bring about 24.43019 units increase in Real Gross Domestic Product (RGDP) in Nigeria. It is positive showing a direct relationship between non-oil export (NOILEXP) and Real Gross

Domestic Product (RGDP) in Nigeria. Hence, non-oil export (NOILEXP) contributed positively to the performance of the Nigerian economy within the study period.

The regression coefficient of oil import (OILIMP) is -4.534751. It shows that a unit increase in oil import (OILIMP) will bring about 4.534751 units decrease in Real Gross Domestic Product (RGDP) in Nigeria. It is negative showing an inverse relationship between oil import (OILIMP) and Real Gross Domestic Product (RGDP) in Nigeria. Hence, oil import (OILIMP) contributed negatively to the performance of the Nigerian economy within the study period.

The regression coefficient of non-oil import (NOILIMP) is -9.089949. It shows that a unit increase in non-oil import (NOILIMP) will bring about 9.089949 units decrease in Real Gross Domestic Product (RGDP) in Nigeria. It is negative showing an inverse relationship between non-oil import (NOILIMP) and Real Gross Domestic Product (RGDP) in Nigeria. Hence, non-oil import (NOILIMP) contributed negatively to the performance of the Nigerian economy within the study period.

The coefficient of determination is 0.966065. The estimated result shows that about 96% of the total variation in Real Gross Domestic Product is caused by the independent variables i.e. oil export, non-oil export, oil import and non-oil import while the remaining 4% are unexplained by the changes in other factors which are not included in the model but captured by the error term or stochastic variable. Since the R^2 is close to one, we can conclude that the model is a good fit and robust for forecasting or predicting future performance of the Nigerian economy using the regression model.

If D.W statistic is less than 2, we will conclude that there is positive autocorrelation, if D.W Statistic is greater than 2, we will conclude that there is a negative autocorrelation and lastly, if D.W is equal to 2, we will conclude that there is no autocorrelation. Since the D.W statistic = 1.512585**,** we can therefore conclude that there is no autocorrelation in the model since the D.W is approximately equal to 2.

Test of Hypotheses

(A) Standard Error Test

Table 2: Summary of the Standard Error Test

Variables	**Parameters**	**Standard error**	**½(coefficient)**	**Decision**	**Conclusion**
OILEXP	β_1	0.774869	1.100667	Reject H_0	Significant
NOILEXP	β_2	13.23547	12.21510	Reject H_0	Significant
OILIMP	B_3	5.427443	2.267376	Reject H_0	Insignificant
NOILIMP	β_4	1.234967	4.544975	Reject H_0	Significant

Source: Author's Computation using E-Views 9.5 version

The standard error test on table 2 shows that the coefficients of all the independent variables oil export, non-oil export, non-oil import are statistically significant because their standard errors are less than half of their absolute coefficients except the oil import that is insignificant because its standard error is greater than half of its absolute coefficients. Hence, we can finally deduce from our findings that oil export, non-oil export, non-import contributed significant to the performance of the Nigerian economy except oil import.

(B) Probability Test

If p-value > 0.05, accept the Ho and reject the H_1 and conclude that the estimated parameter is not statistically significant. On the contrary, if the p-value ≤ 0.05 reject the H_0 and accept the H_1 and conclude that the estimated parameter is statistically significant and vice versa. Hence, this is analyzed below.

Table 3: Summary of the Probability Test

Variables	Parameters	P-values	Level of significance	Decision	Conclusion
OILEXP	β_1	0.0084	0.05	Reject H_0	Significant
NOILEXP	β_2	0.0768	0.05	Reject H_0	Significant
OILIMP	B_3	0.4113	0.05	Reject H_0	Significant
NOILIMP	β_4	0.0000	0.05	Reject H_0	Significant

Source: Author's Computation using E-Views 9.5 version

The probability value of oil export is 0.0084. Since, the p-value is less than 0.05, we accept the alternative hypothesis and reject the null hypothesis, and conclude that oil export has significant contribution on the performance of the Nigerian economy.

The probability value of non-oil export is 0.0768. Since, the p-value is less than 0.05, we accept the alternative hypothesis and reject the null hypothesis, and conclude that non-oil export has significant contribution on the performance of the Nigerian economy.

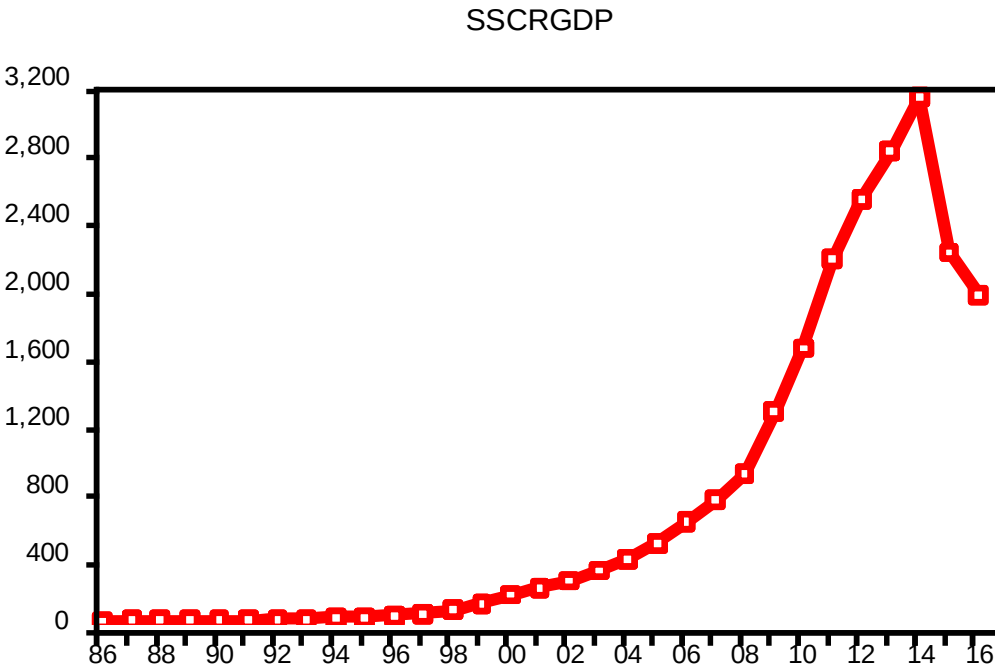
The probability value of oil import is 0.4113. Since, the p-value is greater than 0.05, we reject the alternative hypothesis and accept the null hypothesis, and conclude that oil import has insignificant contribution on the performance of the Nigerian economy.

The probability value of non-oil import is 0.0000. Since, the p-value is less than 0.05, we accept the alternative hypothesis and reject the null hypothesis, and conclude that non-oil import has significant contribution on the performance of the Nigerian economy.

(C). F- Statistic Test

The calculated F-statistic is 26.90989. The tabulated F-statistic is 2.76 at 25 and 4 degrees of freedom and at 5% level of significance. The calculated F-statistic is greater than the tabulated F-Statistic. Therefore, we reject the null hypothesis and accept the alternative hypothesis and conclude that the overall regression model is statistically significant at 5% level of significance.

Trend Analysis showing the Contribution of Service Sector to the Performance of Nigerian economy using Service Sector Contribution to RGDP as a Proxy to measure its performance in the Nigerian economy.



Source: Eviews Version 9.5 Output

From the graph above, we can infer that there has been a steady increase in service sector contribution to Real Gross Domestic Product (RGDP) within the timeframe of 1986-2013. This steady increase did not continue between 2014-2016 and this accounted for poor contribution of service sector contribution to RGDP towards its contribution to the performance of the Nigerian economy.

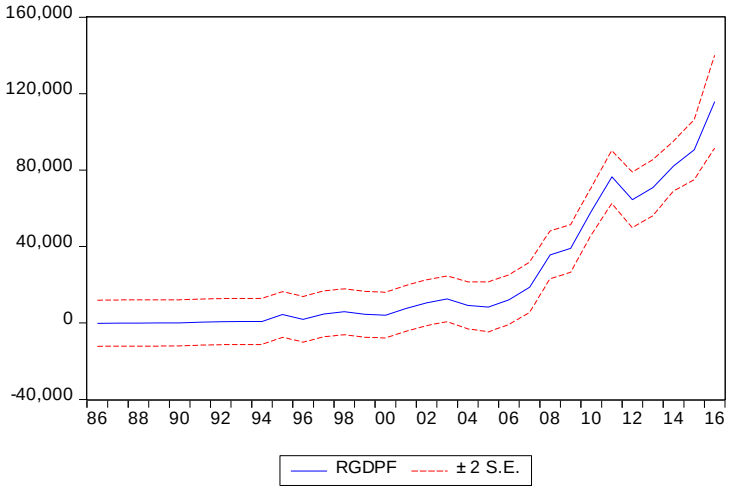
4.1.5 Forecasting for the RGDP (Proxy for the performance of Nigerian economy)

4.1.5.1 Forecasting Power of the Model

More so, to further evaluate the stability and forecasting power of the model, the Theil's inequality criteria were used. Theil's inequality coefficients are used in studying the accuracy of a forecast. The coefficient of Root-Mean Square Error (RMSE) should be between 0 and 1. The smaller the value, the better is forecast. The bias proportion and variance proportion should have a value of 0 while, the covariance proportion should be equal to

From Fig 2.0 below the model satisfied all the conditions of Theils's Inequality criteria for stability and forecasting power. Therefore, it can be used for policy formulation. The plot shows that Real Gross Domestic Product (RGDP) will continue to increase overtime towards a better performance of the Nigerian economy in the nearest future.

Figure 1.0 Graphical Representation of Forecast of RGDP

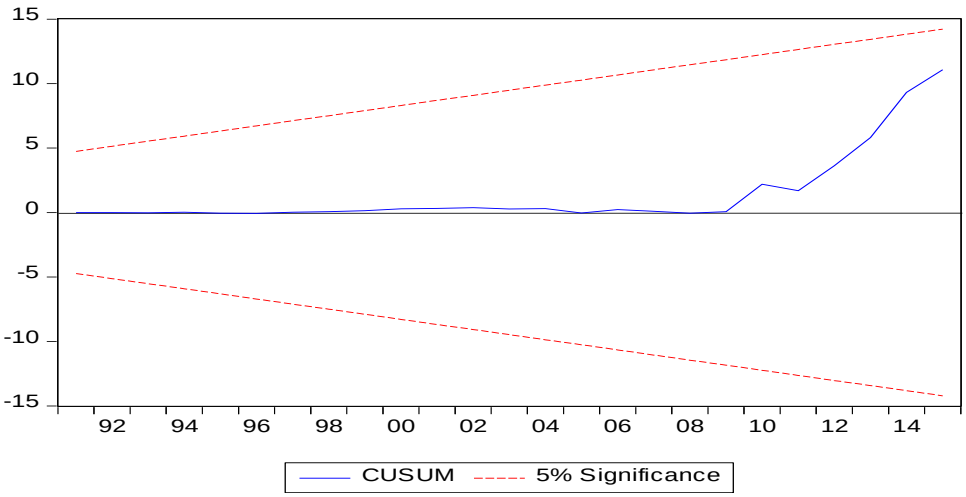


Forecast: RGDPF	
Actual: RGDP	
Forecast sample: 1986 2016	
Included observations: 31	
Root Mean Squared Error	5329.801
Mean Absolute Error	3511.177
Mean Abs. Percent Error	45.80036
Theil Inequality Coefficient	0.075203
Bias Proportion	0.000000
Variance Proportion	0.008631
Covariance Proportion	0.991369
Theil U2 Coefficient	1.837428
Symmetric MAPE	56.73583

From figure 2 above, the forecast for the Real Gross Domestic Product (RGDP) indicates constancy throughout the sample period. This is because it stayed within the plus and minus two standard errors (2 S.E Line).

Stability Test

Figure 2.0



The CUSUM test presented in figure 2.0 shows that the parameters of the model are relatively stable over the study period. This is evidence as the cumulative sum does not go outside the area between the two critical lines. From the results of the diagnostic test, we therefore conclude that the specified regression model in equation [3] is correctly specified with the appropriate variables.

CONCLUSION

The main objective of this study is to examine the contributions of oil and non-oil exports on the performance of the Nigerian economy. From the research findings, the following conclusions were drawn. The increase in the oil export led to increase in the performance of the Nigerian economy. The increase in non-oil export has contributed positively to the performance of the Nigerian economy. The increase in oil import has led to decline in the performance of the Nigerian economy within the study period. Finally, the increase in non-oil import also led to decline in the performance of the Nigerian economy

RECOMMENDATIONS

Based on the findings, the study therefore recommends the following:

i. Nigerian government should still bear it in mind on the average to promote oil export in order to improve the performance of the Nigerian economy in terms of its level of economic growth often measured by the amount of Real Gross Domestic Product (RGDP).
ii. Government should make put into effect non-oil export policies towards reviving the failing non-oil export sector in Nigeria so as to encourage non-oil export promotion in order to recover a better performance of the Nigerian economy.
iii. Government should also ensure that the activities of the sector must be put into consideration whenever the need to diversify the productive base of the Nigerian economy arises so as to kick-start a just performance of the Nigerian economy on the average.
iv. Nigerian government should impose a moderate level of import tariffs on imported goods in order to control excess imports arising from both oil import and non-oil import so as to encourage infant industries in order to boost the performance of the Nigerian economy.
v. Government should see the need to diversify the productive base of the Nigerian economy since both oil-export and non-oil export have significant impacts on the performance of the Nigerian economy. Hence, Nigerian government should broaden her horizon by shifting ground to expand the activities of the non-oil sectors such as agricultural, manufacturing, industrial and the service sector order than the oil sector so as to boost the performance of the Nigerian economy.

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