Effect of Non-Oil Revenue on Economic Growth of Nigeria

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Abstract

Research purpose: The broad objectives of study is to: examine the effect of non-oil revenue on economic growth of Nigeria while the specific objectives are to ascertain the effects of Agricultural revenue, transportation revenue and manufacturing revenue on real gross domestic product (RGDP) of Nigeria.
Methodology: Hypotheses were formulated in line with the objectives. The study used an ex post facto research design. Data were collected through secondary sources from CBN Statistical bulletin (1981-2022) which was analyzed using ordinary least squares (OLS) method and multiple regression with the help of E-view 10.
Findings: The study revealed that within the period of the study, the revenue from the agricultural sector and manufacturing sector's had a significant effect of P(0.0000 < 0.05) and P(0.0004 < 0.05) respectively on the real gross domestic product of Nigeria, while the transport sector's revenue instead had a non-significant effect of P(0.2976> 0.05).
Conclusion: The study affirmed that non-oil revenue has a positive and significant effect on economic growth and development in Nigeria except the Transportation sector.
Recommendations: It was recommended that the government should develop the agricultural sector by ensuring local production of goods and services and the extension of more credit facilities to local farmers. The transport sector should be developed by mass transit schemes and proper management of government owned systems. Moreover, the Government should create an enabling environment for our local industries by providing constant electricity and adopting minimal export tax, and regulate inflation rate so that the private sector patronizes local industries. In all, the government should make well planned, deliberate moves to turn to non-oil sources of revenue.

Keywords: *Non-oil Revenue, Economic Growth, Transportation Revenue.*

1.0 INTRODUCTION

The economic growth of any nation depends largely on the level of resource mobilization within that economy. That is perhaps why the issue of revenue generation is taken seriously by every government in power. The essence of revenue generation is to provide the basic social and infrastructural needs of the citizens (Nakah, 2018).

Prior to 1970, revenue generation in Nigeria was dependent mainly on the non-oil sector including agriculture, and other mineral resources like coal, iron-ore, tin, etc. Non-oil revenue is income or proceeds generated from the commodities that are sold in the local and international market excluding crude oil (petroleum product) Likita et al (2018). The foreign exchange of Nigeria at that time was earned from the sales of different cash crops such as Cocoa, coffee, palm oil, rubber, groundnut to mention but a few. This implies that the non-oil sector accounted for a greater chunk of the total revenue earnings of the country. However, with the discovery of oil in the early 1960s, there was a dramatic change in the structure of the Nigerian economy. Nigeria's non-oil export sector is structured into agricultural export, manufactured export, solid minerals export, company income tax and customs and excise duties (Kramtit Metal,2017).

The problem with Nigeria's economy is over-dependence on oil revenue which is now faced with numerous challenges. There is no doubt that petroleum (crude oil) has contributed substantially to Nigerian revenue since its discovery in 1956 and more especially, since 1970 when its price was on the upward trend (Uzonwanne 2015). Nigeria is over-dependent on oil revenue as a mono-economy. Economic growth is usually propelled by the amount of revenue generated by the various sectors of the economy to meet its stated objectives. Growth is usually attained when these revenues are properly directed towards providing basic social amenities and infrastructural needs of the citizens. However, the dwindling oil revenue has thus, provided the country another opportunity to look inward by diversifying into other sources of revenue that would catapult the country into quick economic development. This indeed, is the essence of the

"Economic Recovery and Growth plan (ERGP)" established by the Federal Government of Nigeria in 2017 which was subsequently endorsed by the international monetary Fund.

There are diverse views and mixed literature as to which of either oil or non-oil revenue will sustain the economy and bring about the even development and economic growth that a country aspires for in meeting up the constitutional obligations of its government. As envisaged in Central Bank of Nigeria (1998), in Aigbedion, and Iyayi (2007), that the oil sector has contributed more to the total federally generated revenue than the non-oil revenue sectors and should not be neglected but rather diversify it because the sector has grown steadily over the years such that in 1970 and 2020, earning from oil rose from 75.3% to a peak of 84.1% respectively. Other researchers are of the view that oil-based economy has not sufficiently sustained the nation since poverty level and unemployment rate is still on the increase and advocated for a sustainable means that is away from oil. It is based on these that the study examined the effect of non-oil revenue on Nigeria's Economic growth.

The broad objective of this study is to examine the effect of non-oil revenue on Nigeria's Economic growth. The specific objectives are to; ascertain the effect of agricultural revenue on real gross domestic product (GDP) in Nigeria, evaluate the effect of transport revenue on real gross domestic product (GDP) in Nigeria, assess the effect of manufacturing sector revenue on real gross domestic product (GDP) in Nigeria

2.0 REVIEW OF RELATED LITERATURE

Conceptual Review

Non-oil Revenue

Likuta, et al (2018), defined non-oil revenue as income or proceeds generated from the commodities that are sold in the local and international market excluding crude oil (petroleum product). Non-oil Revenue as opined by Ahmed (2010) is all amounts of money received by a government from external sources net of refunds and other transactions, proceeds from issuance of debt, sale of investment, agency or private trust transactions and intra-governmental transfers. In summary, non-oil revenues are revenues generated by the government from all other sources except oil. Non-oil exports are those commodities excluding crude oil which are sold in the international market for

the purpose of income generation. Nigeria's non-oil export sector is structured into agricultural export, manufactured export, solid minerals export, tax revenue (Kumtit et al (2017). The non-oil export products are unlimited as they include agricultural crops, manufacturing goods, solid minerals, entertainment and tourism services etc. (Abogan, Akinolo & Baruwa, 2014). Public revenue consists of taxes and other sources including oil revenue and other non-oil revenue. According to Salami, et al (2018), economic growth has been described as an increase in per capita national output or net national product over a long period of time. It implies that the rate of increase in total output must be greater than the rate of population growth. Economic growth being the growth in output per capita is an important objective of the government since it is associated with rising average real incomes and living standards.

Agriculture Revenue

Agriculture as defined by Eczema (2012) is the production of both food and cash crops for consumption of mankind. Agriculture can equally be seen as the science of making use of the land to raise plants and animals. It is also seen as the implication of nature's food webs and the rechanneling of energy for human planting and animal consumption. Agriculture is the predominant activity in most of the zones in Nigeria. Increases in agricultural output brings about by increasing land and labor productivity which will make food cheaper and of great benefits to both rural and urban poor people who spend much of their income on food. Orji (2018) expressed that agricultural development can promote the economic development of underdeveloped countries in four distinct ways by: increasing the supply of food for domestic consumption and releasing the labor force needed for industrial employment; enlarging the size of the domestic market for the manufacturing sector; increasing the supply of domestic savings; and providing the foreign exchange earned by agricultural imports. As Kuznets put it in his classical study of the role of agriculture.

Transportation Revenue

Transport which is also referred to as transportation was derived from the two Latin words 'trans' which means across and "portare" which means carry. Long man dictionary

of contemporary English defined transportation as a process or business of taking goods from one place to another. Good and Jebbin (2016) stated that transportation is a system of carrying passengers, raw materials and goods from one place to another both internally and internationally, often through power driven machines. It is commonly said to refer to movement of people and goods from one place to the other. Economic activity in a country requires easy movement of resources like manpower, raw materials, capital assets and other variable inputs from one point to the other. It equally includes evacuation of outputs and food items from point of production to both domestic and foreign markets; from place of abundance to place of scarcity and other points of need. Transportation involves motor transport with a good road network, railways with functional railway lines, water transport with well dredged water channels, and Airways with standard aviation facilities.

Manufacturing sector revenue

Udede et al. (2018), stated that the manufacturing sector is the engine of growth and development of any country. This is because the manufacturing sector has the potential in the production of goods and services, creation of massive employment opportunities and income generation. It is a critical tool for accelerating economic growth and development. According to Abdu and Anam (2018), manufacturing involves both handcraft of human activities and high technology through which raw materials are transformed into finished products. The resultant effect of manufacturing activities is income generation for economic growth (Olorunfemi et al. 2013). Increase in productivity has a direct effect on the standard of living of the citizens (Abdu & Anam, 2018). According to Chukwuedo et al. (2017), the manufacturing sector can play a significant role in the industrialization of the economy and this will in turn lead to economic growth.

Economic growth

The concept of economic growth has to do with the increase in the output level of an economy which can also mean an increase in income level. Economic growth of a country can be determined in the productivity level, volume of trade, investment in both human and physical capital. Likuta et al (2018) defined economic growth as the quantitative and

sustained increase in the country's per capita output or income accompanied by expansion in labor force, consumption, capital and volume of trade. According to Anyanwu and Oaikhenan(1995), economic growth is simply defined as the increase overtime of a country's or an economic capacity to produce those goods and services needed to improve the wellbeing of the citizens in increasing numbers and diversity. It is conventionally measured as the percentage rate of increase in real gross domestic products (RGDP).

Theoretical Framework

The study is anchored on Neoclassical and Zimmerman Theories

The Neoclassical Growth Theory

The Neoclassical Growth Theory is an economic model of growth that outlines how a steady economic growth rate results when three economic forces come into play: labor, capital, and technology. Robert Solow and Trevor Swan first introduced the neoclassical growth theory in 1956. The theory states that economic growth is the result of three factors—labor, capital, and technology. While an economy has limited resources in terms of capital and labor, the contribution from technology to growth is boundless

The Zimmerman Theory

This study is anchored principally on this theory of economic development. This theory arose from the empirical study on the relationship between per capita income and the percentage of total labor force employed in non-agricultural activities. Developed by Eric Zimmerman in 1933, this theory is of the view that if economic development is to take place, there must be improvement in the non-agricultural sectors (manufacturing, services, commerce, recreation, etc) (Zimmermann, 1933). The above position does not however suggest that agricultural development does not bring about economic development, but it implies that the relevant types of agricultural development required would be the Commercial level of agriculture. In relating this theory to the study, it implies that the non-oil sector currently abandoned by Nigerians e.g. Agriculture,

Transportation/Services, Manufacturing, Commence, Taxation, Hospitality, etc, can go a long way to increase per capita income of the country.

Empirical Review

Ude and Agodi (2014) investigated the time series role of non-oil revenue variables on economic growth in Nigeria. Autoregressive distributed lag model was the main estimation technique applied. The time series data from 1980 to 2013 for the study on environmental sector revenue, information and communication technology sector revenue, financial sector revenue and real gross domestic product were secondarily sourced from the Central Bank of Nigeria's Statistical Bulletin. The non-oil revenue variables analyzed were agricultural revenue and manufacturing revenue. Results indicated that Agricultural and manufacturing revenue have a significant impact on economic growth.

Akwe (2014) studied the impact of non-oil revenue on economic growth in Nigeria from 1983 – 2012. Multiple Regression models were used to determine the relationship between economic growth and non-oil revenue. It was found that there exists a positive impact of non-oil tax revenue and economic growth.

Angahar ,and Abur (2022) conducted an assessment on Non- oil revenue on macroeconomic performance in Nigeria. The study employed secondary time-series data. The estimation techniques include Ordinary Least Square (OLS), standard error tests (SE) and analysis of variance (ANOVA) are used to test hypotheses.

Amadi and Amadi, (2013) examined public spending on transport infrastructure and economic growth in Nigeria. The study employed the Ordinary Least Square (OLS) regression method to analyze the data collected. The data analyzed showed that public spending on transport infrastructure is negatively related to growth and insignificant.

Okezie and Azubike (2016) evaluated the contribution of non-oil revenue to government revenue and economic growth in Nigeria from 1980 to 2014. Secondary data was used for the study. The data was analyzed using ordinary Least Square Regression. The result revealed a positive and significant contribution of non-oil revenue to economic growth.

Kawai (2017) evaluated the impact of Nigeria's non-oil exports as to whether they have been effective in diversifying the production base of the Nigerian economy from crude oil

as the major source of foreign exchange using annual data between 1980- 2016. The study adopted the Philip Perrom (PP), the Engle Granger Model (EGM) for cointegration. Findings revealed strong evidence of the cointegration relationship of non-oil exports in influencing rate of change in the level of economic growth in Nigeria.

Anthony and Salami, (2018), investigated the impact of non-oil revenue on economic growth of Nigeria using multiple regression of the Least Square analysis. The result showed that "there is a positive relationship between non-oil revenue and economic growth.

Nakah, et al (2018) carried out a study on "the impact of non-oil revenue on economic Growth in Nigeria. The study employed time series data spanning the period 1981 – 2016. Statistical techniques used for analysis is multiple regression while E. view is the statistical package used. The study showed clearly that manufacturing revenue improved productivity, and standards of living of people in the country through the revenue gained from food production, animal farming, and incentive to farmers.

3.0 METHODOLOGY

Research Design

Ex-post facto design was adopted for the study. This is because already existing data (secondary data) were used. The researcher relied mainly on secondary data extracted from statistical bulletins of the Central Bank of Nigeria (CBN) and NBS. The data were used to establish a relationship between non-oil revenue and economic growth in Nigeria.

Sources of Data

The study relied mainly on secondary data extracted from various issues of statistical bulletin of the Central bank of Nigeria (CBN) for a sample of 1981-2022. Library materials and National Bureau of statistics (NBS) were equally used.

Model Specification

In analyzing the effect of Non-oil revenue on the economic development of Nigeria, the variables for this study are Non-Oil Revenue (NOR) as the independent variables while the Real Gross Domestic Product (GDP) serves as the proxy of dependent variables of the study. The formulated model for this study is as follows:

RGDP = f (Non-oil revenue) '

Analytical model

RGDP f (ARC, TRC, MRC) .....(1)

Thus linear equation (1) we obtained

RGDPt = β_0 + β_1ARCt +β_2 TRCt+ β_3MRCt+ Ut..... (2)

Where: β0 = The intercept or autonomous parameter estimate.

β_1 – B_3 are the slope of the coefficient of the independent variables to be determined

ARC = Agricultural Revenue Contribution

TRC = Transport Revenue contribution

MRC = Manufacturing Revenue contribution

RGDP= Real Gross Domestic Product

U = error term (stochastic term)

Apriori Expectation

On the a priori expectations, positive = β_0, β_1, β_2, β_3, depicts a direct relationship between GDP and ARC, TRC and MRC. It shows that on a priori basis, the GDP increased due to an increase in ARC, TRC and MRC.

4.0 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Presentation of Data

Table 4.1. Raw Data on Real Gross Domestic Product and Non-Oil Revenue in Nigeria, 1981-2022.

YEAR	RGDP o'ooo	AGSR o'ooo	TRSR o'ooo	MFSR o'ooo
1981	15,258.00	17.05	5.76	28.23
1982	14,985.08	20.13	5.92	30.31
1983	13,849.73	23.80	5.81	33.49
1984	13,779.26	30.37	5.85	29.42
1985	14,953.91	34.24	7.28	39.55
1986	15,237.99	35.70	7.48	41.63

1987	15,263.93	50.29	7.50	45.96
1988	16,215.37	73.76	7.89	66.34
1989	17,294.68	88.26	7.96	76.14
1990	19,305.63	106.63	8.94	87.96
1991	19,199.06	123.24	9.85	115.03
1992	19,620.19	184.12	13.54	159.95
1993	19,927.99	295.32	21.89	231.02
1994	19,979.12	445.27	41.10	370.16
1995	20,353.20	790.14	62.17	619.85
1996	21,177.92	1,070.51	79.70	780.48
1997	21,789.10	1,211.46	92.04	848.33
1998	22,332.87	1,341.04	116.87	838.53
1999	22,449.41	1,426.97	138.31	891.29
2000	23,688.28	1,508.41	154.39	984.08
2001	25,267.54	2,015.42	173.06	1,146.68
2002	28,957.71	4,251.52	216.48	1,358.53
2003	31,709.45	4,585.93	268.65	1,635.05
2004	35,020.55	4,935.26	428.43	1,968.56
2005	37,474.95	6,032.33	452.56	2,326.31
2006	39,995.50	7,513.30	519.93	2,689.08
2007	42,922.41	8,551.98	558.98	2,913.26
2008	46,012.52	10,100.33	565.86	3,263.82
2009	49,856.10	11,625.44	599.50	3,406.69
2010	54,612.26	13,048.89	694.77	3,578.64
2011	57,511.04	14,037.83	779.35	4,527.45
2012	59,929.89	15,816.00	917.32	5,588.82
2013	63,218.72	16,816.55	1,051.22	7,233.32
2013	67,152.79	18,018.61	1,197.44	8,685.43
2014	69,023.93	19,636.97	1,361.07	8,973.77
2015	67,931.24	21,523.51	1,573.52	8,903.24

2016	68,490.98	23,952.55	1,787.49	10,044.48
2017	69,810.02	27,371.30	2,328.37	12,455.53
2018	67,152.79	31,904.14	3,052.57	16,781.06
2019	69,023.93	37,241.61	2,639.77	19,539.55
2020	67,931.24	41,126.06	3,377.52	25,725.87
2021	68,490.98	37,241.61	2,639.77	19,539.55
2022	69,810.02	41,126.06	3,377.52	25,725.87

Source: CBN STATISTICAL BULLETIN, 2022

Where: AGSR = Agricultural Sector Revenue

TRSR = Transport Sector Revenue

MRC = Manufacturing Sector Revenue

RGDP= Real Gross Domestic Product

Table 4.2. Log Transformed Data on Real Gross Domestic Product and Non-Oil Revenue in Nigeria, 1981-2022.

Year	LNR GDP	LANGSIR	L&T RSR	LNHFSR
1981	9.6328	2.8362	1.7508	3.3403
1982	9.6148	3.0020	1.7788	3.4113
1983	9.5360	3.1695	1.7595	3.5113
1984	9.5309	3.4132	1.7660	3.3815
1985	9.6127	3.5333	1.9846	3.6774
1986	9.6315	3.5752	2.0119	3.7287
1987	9.6332	3.9177	2.0154	3.8277
1988	9.6937	4.3008	2.0650	4.1948
1989	9.7581	4.4803	2.0740	4.3329
1990	9.8681	4.6693	2.1903	4.4768
1991	9.8626	4.8140	2.2877	4.7451
1992	9.8843	5.2155	2.6056	5.0748
1993	9.8998	5.6880	3.0861	5.4425
1994	9.9024	6.0986	3.7159	5.9139

1995	9.9209	6.6722	4.1298	6.4294
1996	9.9607	6.9758	4.3782	6.6599
1997	9.9891	7.0995	4.5222	6.7432
1998	10.0138	7.2012	4.7611	6.7316
1999	10.0190	7.2633	4.9295	6.7926
2000	10.0727	7.3188	5.0394	6.8917
2001	10.1372	7.6085	5.1536	7.0446
2002	10.2735	8.3550	5.3775	7.2141
2003	10.3643	8.4307	5.5934	7.3994
2004	10.4636	8.5041	6.0601	7.5850
2005	10.5314	8.7048	6.1149	7.7520
2006	10.5965	8.9244	6.2536	7.8969
2007	10.6671	9.0530	6.3261	7.9770
2008	10.7366	9.2209	6.3383	8.0906
2009	10.8168	9.3609	6.3960	8.1334
2010	10.9080	9.4764	6.5435	8.1827
2011	10.9597	9.5495	6.6584	8.4179
2012	11.0009	9.6687	6.8214	8.6289
2013	11.0543	9.7301	6.9577	8.8864
2014	11.1147	9.7991	7.0879	9.0694
2015	11.1422	9.8851	7.2160	9.1020
2016	11.1262	9.9769	7.3610	9.0941
2017	11.1344	10.0838	7.4885	9.2147
2018	11.1535	10.2172	7.7529	9.4299
2019	11.1147	10.3704	8.0237	9.7280
2020	11.1422	10.5251	7.8784	9.8801
2021	11.1262	10.6243	8.1248	10.1552
2022	11.1344	10.5251	7.8784	9.8801

Source: AUTHORS COMPILATION,2023,

From the raw data. in Table 4.1

Where: LNAGSR = Log of Agricultural Sector Revenue, LN TRSR = Log of Transport Sector Revenue, LNMRC = Log of Manufacturing Sector Revenue, LNRGDP= Log of Real Gross Domestic Product

Test statistics and Analysis

Tests of Unit root using augmented dickey fuller

In an attempt to confirm the order of integration of the series under study thereby confirming their suitability for a linear combination in the form of a model, the unit root test following the form specified as augmented dickey fuller was used. Table 4 below represents a summary of the unit root result that was stationary.

Table 4.3: Summary of Unit Roots Test Results

Variable	P P STAT	Critical Values @ 5%	Probability Value	Inference
LNRGDP	-3.4988	-2.9350	0.0130	i(1) stationary
LNAGSR	-4.4057	-3.5236	0.0058	i(1) stationary
LNTRSR	-4.3903	-3.5236	0.0061	i(1) stationary
LNMFSR	-4.9457	-3.5236	0.0013	i(1) stationary

Source: Author's e-view 10 output with data in Log transformed.

From the result of Philip and Peron unit root test results as contained in above, Considering that the variables are all integrated at i(1) the Ordinary Least Square Regression model was used All the variables used in this study were all log transformed so as to bring down the data size and maintain linearity.

Basic Descriptive Statistics/ Standard tests for Normality

The statistical properties of the data sets are seen as vital determinants of their behaviors when used in econometric analyses. On the basis of this, the researcher presented in this section, the basic descriptive statistics called Normality test of the variables under study.

Table 4.4: Basic Descriptive Statistics/ Standard tests for Normality:

	LNRGDP	LNHFSR	LNTRSR	LNAGSR

Mean	10.36955	6.935498	5.032184	7.452681
Median	10.27359	7.214158	5.377502	8.355032
Maximum	11.15353	10.15525	8.124896	10.62440
Minimum	9.530920	3.340367	1.750139	2.836278
Std. Dev.	0.596857	2.184081	2.234930	2.570946
Skewness	0.102436	-0.293284	-0.243928	-0.449199
Kurtosis	1.412700	1.824157	1.605869	1.776132
Jarque-Bera	4.589343	3.093614	3.908709	4.129742
Probability	0.100795	0.212927	0.141656	0.126835
Sum	445.8908	298.2264	216.3839	320.4653
Sum Sq. Dev.	14.96200	200.3488	209.7863	277.6100
Observations	43	43	43	43

Source: Author's e-view 10 output

Table 4.3 has to do with the measures of central tendency, spread and variations that were calculated on the various series of dataset used in the study. The mean of the distribution measures the aggregating tendency of the data. Most of the variables are negatively skewed to the left evidencing the degree of their departure to the line of symmetry. Skewness is the relationship arising from the mean and median of the data series. When the variables are tending towards 3 or slightly above 3 which is the sign of Mesokurtic showing they are slightly peak. So when the skewness of between (0-3) and kurtosis of tending towards 3 or above 3, the variables are said to be normally distributed. Jarque-Bera statistics is of particular interest which is a test for normality. The Jarque-Bera statistics is important because it shows that all the variables are tending to 3 which are signs of Mesokurtic .

The formulated hypotheses were tested using the ordinary least square Model to test these hypotheses.

Test of Hypothesis One

H_o Agriculture sector revenue does not have any significant effect on real gross product in Nigeria.

H_1: Agriculture sector revenue has a significant effect on real gross product in Nigeria.

Table 4.5 OLS Regression Analysis of Non-Oil Revenue and Real Gross Domestic Product in Nigeria 1981-2022.

Dependent Variable: LNRGDP

Method: Least Squares

Date: 06/12/23 Time: 19:48

Sample (adjusted): 1982 2022

Included observations: 42 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.470421	0.251950	1.867122	0.0698
LNAGSR	0.109965	0.017386	6.324767	0.0000
LNTRSR	-0.022437	0.021240	-1.056369	0.2976
LNMFSR	-0.089806	0.022986	-3.906953	0.0004
LNRGDP(-1)	0.949701	0.027653	34.34353	0.0000

R-squared	0.997763	Mean dependent var	10.38709
Adjusted R-squared	0.997521	S.D. dependent var	0.592769
S.E. of regression	0.029514	Akaike info criterion	-4.096535
Sum squared resid	0.032231	Schwarz criterion	-3.889670
Log likelihood	91.02724	Hannan-Quinn criter.	-4.020711

F-statistic	4125.289	Durbin-Watson stat	1.782732
Prob(F-statistic)	0.000000		

Source: Author's E-view 10.0 output with data in table 4.2.

Decision criteria

Accept Ho: if the probability value of the coefficient is > 5%, otherwise reject Ho and accept Hi .

Given that the probability value of the t-statistic of 0.00 <0.05 which is significant, it shows that it is statistically significant: Taking a decision on the rejection or acceptance of the Null or Alternate hypothesis. Result reveals that Agriculture sector revenue is statistically significant, the studies accept the alternate hypothesis and reject the null hypothesis thereby concluding that Agriculture sector revenue had a significant effect on real gross domestic product in Nigeria.

Test of Hypothesis two

Step I: Restatement of the hypotheses in null and alternate form.

H_o Transport sector Revenue did not have any significant effect on real gross product in Nigeria.

H_1: Transport sector revenue has a significant effect on real gross product in Nigeria.

Decision criteria

Accept Ho: if the probability value of the coefficient is > 5%, otherwise reject Ho and accept Hi. Given that the probability value of the Transport Sector Revenue sector of 0.2976 > 0.05 which is non-significant, it shows that it is statistically non-significant: Taking a decision on the rejection or acceptance of the Null or Alternate hypothesis. Result reveals that Transport sector revenue is statistically insignificant, the studies accept the null hypothesis and reject the alternate hypothesis thereby concluding that Transport sector revenue had a non-significant effect on real gross domestic product in Nigeria.

Test of Hypothesis three

Step I: Restatement of the hypotheses in null and alternate form.

H_o Manufacturing sector Revenue did not have any significant effect on real gross product in Nigeria.

H_I: Manufacturing sector revenue has a significant effect on real gross product in Nigeria.

Decision criteria

Accept Ho: if the probability value of the coefficient is > 5%, otherwise reject Ho and accept Hi.

Given that the probability value of the Manufacturing sector Revenue sector of 0.0004 < 0.05 which is significant, it shows that it is statistically significant: Taking a decision on the rejection or acceptance of the Null or Alternate hypothesis. Result reveals that manufacturing sector revenue is statistically significant; the studies rejected the null hypothesis and accepted the alternate hypothesis thereby concluding that manufacturing sector revenue had a significant effect on real gross domestic product in Nigeria.

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

The findings from the specific objective of this study are as follows:

Agricultural sector revenue had a significant effect on real gross domestic product in Nigeria, within the period of the study. Transport sector Revenue had a non-significant effect on real domestic gross product in Nigeria, within the period of the study. Manufacturing sector Revenue had a significant effect on real gross domestic product in Nigeria, within the period of the study. The implication of the result reveals that non-oil revenue has a significant effect on the economic growth of Nigeria within the period of this study.

Conclusion

This work studied the effects of non-oil revenue on real gross domestic product in Nigeria. The theoretical and empirical issues' concerning real gross domestic product

activities help to increase the financial industry and also the financial system. Undoubtedly, non-oil revenue variables in Nigeria strongly affect the country's financial development and play a significant role in the development of the financial system and economic growth. Agricultural sector Revenue helps to provide growth in the financial outlet, development in money and capital market and increase in the level of economic growth. Knowledge of the review summary in the study attempts to fill the gap of the study by studying the effects of non-oil sector Revenue on real gross domestic product in Nigeria. It was concluded that non-oil sector Revenue variables in Nigeria had a serious positive and significant effects on real gross domestic product in Nigeria

Recommendations

In line with the specific objective of the study, the following are the recommendations:
That government should employ every tactics such as local production of goods and service, extension of more credit to Agricultural sector .Also, monetary authorities should endeavor to combat constructively the effect of inflation, regulate inflation rate so that private sectors will
patronizes private sector investment that will influence private sector policies effectively. Transport sector development such as mass transit schemes and adequate management of government owned packs will go a long way to contribute more to the economy. More efforts should be on desk to improve our economy through adequate regulation of interest rate and controlling of its volatility so as to boost manufacturing sector capacity utilization.

Contribution to knowledge

Many people concentrated on the impact of oil revenue to the economy but this study deviated from the above to concentrate on the effect of non- oil revenue to the economy. This forms a major contribution to literature.

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