A REVIEW OF THE IMPACT OF NON-OIL EXPORTING FIRMS ON THE ECONOMIC DEVELOPMENT OF NIGERIA IN POST-COVID ERA

BY

[1,3]Abe, O.D, [1]Ogunjemilua, E. M & [2]Epetimehin, F. M.
[1]Department of Entrepreneurship, Joseph Ayo Babalola University, Ikeji-Arakeji, Nigeria.
[2]Department of Actuarial and Insurance, Joseph Ayo Babalola University, Ikeji-Arakeji, Nigeria.
[3]STANG Consulting Ltd.

Corresponding Author: olubusayodonald@yahoo.co.uk

Abstract

Nigeria is blessed with vast non-oil products. Non-oil export presents humongous opportunity for entrepreneurship growth along various value chains, employment generation, foreign exchange inflow into the country and enhanced economic stability. This study reviews the impact of non-oil exporting firms on the economic development of Nigeria from 2020 to 2025. In this scoping review, 282 papers were downloaded from different databases: Scopus, Web of Science, Google Scholar, ResearchGate, Elsevier, Taylor and Francis. Evidence synthesized from the reviews reveal that non-oil exporting firms have positively contributed to the economic growth of Nigeria but the contributions are largely insignificant. To enhance the performance of non-oil sector, the study recommends that government should provide better enabling environment, supply low cost funding and infrastructure that would accommodate and support the production of non-oil goods and services for increased exports.
Keywords: Impact, Non-oil Exports, Non-oil Exporting firms, Economic Development of Nigeria

Introduction

This study focused on the impact of non-oil exporting firms on the economic development of Nigeria from 2020 to 2025. The choice of 2020 as the base year is to review the effect of non-oil exporting firms on the economic development of Nigeria in the recent years, five years after COVID 19 pandemic affected various sectors of the economy. Shaibu (2025) reported that Nigeria's Export-to-GDP ratio is low at 9.2%, compared to Ghana 34%, South Africa 32.8%, Senegal 23%. The report emphasized the need to focus more on increasing our exports earnings. Non-oil sector accounts for only 10% earnings from aggregate exports in Nigeria (Onuegbu et al., 2022). Several attempts have been made in the past to diversify Nigeria economy from oil. Yet, revenue from oil still accounts for 90% of the nation's foreign exchange earnings. The country's reliance on oil has heavily subjected it to vulnerability of volatile international oil price uncertainties, which has resulted in boom, recessions and financial instability at different times in the past. Consequently, the country has experienced ups and downs cycles in its financial stability. A significant drop in global oil price will greatly impact on the country's revenue, often leading to economic recession.

As a country, Nigeria does not have control over the price it sells its oil but it can exercise a level of control to grow the non-oil export sector if it deliberately considers it a priority. Ideh, Okolo and Emengini (2021) and Moses, Titus and Chigoziem (2024) revealed that the expected support from the policy makers and regulators are not adequate to ensure optimal performance of the non-oil exporting firms. Emmanuel, Eleazar and Gamaliel (2017) and Akpan et al. (2017) reported that banks have important roles to play and show more support if the nation must achieve its desired

performance in non-oil exports. Non-oil sector, specifically agriculture and trade sectors alone have been reported to account for over 50% employment in the country while the oil sector offers jobs to only a few (NBS, 2024). Hezekiah & Osigbemhe, (2024) revealed that Nigerian economy has not made significant progress in ushering in, expected foreign exchange earnings and significantly leading to the country's continuous reliance on oil and gas exports. Foreign exchange volatility and unemployment are part of the major challenges facing Nigeria currently. An optimally performing non-oil exporting industry is expected to ameliorate these dual problems and generally contribute more to the economic development of Nigeria. The objective for this study is to review how non-oil exporting firms had impacted on the economic development of Nigeria. Specifically, it reviews the impact of non-oil exporting firms on the economic development of Nigeria from 2020 to 2025.

Theoretical Review

Harrod-Domar Growth Model

This idea holds that more investment means more opportunities for economic progress. These hypotheses hold that investment is an inherent part of the broader paradigm of economic growth. Output value is determined by a linear production function, which is given by capital stock (K) multiplied by a constant. The model predicts that investment increases the stock of capital, which in turn boosts the economy's productive capacity and helps to produce income (Omojolaibi et al. 2015).

Empirical Review

Gideon and Charity (2023) gauged the contribution of the non-oil sector to the Nigerian economy and sought to address the question of what more can be done to diversify the economy and develop the non-oil sector to be of more value to Nigeria. Specifically, the study sought to determine the extent of the relationship between output of the manufacturing sector and the economy of Nigeria, and the extent to which output of the agricultural sector can be said to be related to the economy of Nigeria. The authors considered the ex-post facto research design to be most appropriate for this study. The authors sourced their data mainly from Central Bank of Nigeria statistical bulletin. The authors used the output of the manufacturing sector, agricultural sector, power sector, and total bank credit as proxies for the non-oil sector while using the GDP to represent economic growth. The authors used regression analysis (OLS) which the authors claimed to be simple and unbiased to test their hypotheses. The authors conducted their regression analysis using E-Views software version 8.0. The authors concluded that the manufacturing and agricultural sectors have positively impacted the Nigerian economy, the power sector has had no significant impact, and Bank credit has also had no substantial impact on the Nigerian economy. Hezekiah and Osigbemhe (2024) focused on the impact of Nigeria's commodity exports (aside oil) on Nigeria's economic growth. The study focused on the exportation of agricultural products and minerals. The study employed both descriptive and inferential statistics in the analysis and covered gross domestic product (GDP), non-oil exports and the currency exchange rate. The study's findings suggested that the non-oil export sector in Nigeria had evoked less economic concerns on how effective many of Nigeria's export promotions economically. The report noted that the Nigerian economy has not done greatly in attaining the expected foreign exchange net inflow, and significantly reducing the economy's reliance on oil and gas exports.

Ideh et al. (2021) examined Nigeria's sustainable economic growth measured through Real Gross Domestic Product (RGDP) and how the growth of Nigeria's non-oil sector represented by the contributions of solid minerals, agriculture, trade and service industry to RGDP, therefore, the analysis was conducted in the aforementioned fields. At different stages of the analysis, the authors employed the Augmented Docket Fuller (ADF) test, descriptive

statistics, the Granger causality test, and Multivariate Vector Autoregressive (VAR) Model analysis. For this study, the authors used annual time series data for the period 2000 to 2009. The results show that the estimated model exhibits long-run stability; RGDP is, in the short run, endogenously weak and in the long run, substantially, and this was established by the Vector Autoregressive and Variance Decomposition. In the long run, however, the non-oil sector does become endogenously substantial to RGDP; this is what the resultant analysis indicated. The suggested policy was the diversification of Nigeria's economy especially the service sector, solid minerals and agriculture, because these sub-sectors are expected to improve the long-run economic growth of Nigeria.

Udeh (2021) conducted empirical research on the effect of federal government non-oil and oil revenue and Nigeria's economic growth. The period of study was 1981 to 2015 (35 years) and thus time series annual data was employed. For analysis he conducted the ADF unit root test, parsimonious error correction model and the Johansen Cointegration test. The study shows that government earnings from both oil and non-oil activities are vital for economic growth in Nigeria and that there is a relationship between both the dependent and independent variables. It was suggested that policy production control over oil in Nigeria be given to local companies, such as NNPC, and the Nigerian government should modify its policy to make the non-oil sector more efficacious in generating revenue and achieving a more productive and diversified economy. Moses et al. (2024) examine the effect of the Nigerian non-oil sector on the country's growth and economic development, using an OLS linear regression method on a time series dataset from the Central Bank of Nigeria (CBN) Statistical Bulletin for the years 1980 to 2016. The authors conclude that the non-oil sector lacks the necessary contribution to the development of Nigeria. This places a challenge on policy makers to focus on the non-oil sector in the context of the Nigerian economy's need to diversify, taking into consideration the global oil price volatility and growth of the economy. It is vital to move away from reliance on oil to achieve sustained economic growth and development through the necessary strategies that should include an advancing non-oil sector. Another study was also done in Nigeria to explain how the diversity of the economy has affected the economic growth of the country.

Owan et al. (2020) conducted an analysis covering the period 1981 to 2016. The study considered export diversification, economy-wide diversification, investment, and exchange rate as independent variables. For the purpose of this study, the non-oil GDP served as a proxy for both export diversification and GDP diversification. The GDP growth rate represented economic growth, the dependent variable. For the study, the Ordinary Least Squares (OLS) estimation method was applied. The study results revealed that investment and non-oil exports are statistically irrelevant, but they are likely to stimulate Nigeria's economic growth. Moreover, non-oil GDP had a considerable positive influence on Nigeria's economic growth. The exchange rate was shown to have a negative yet significant impact during the study. Therefore, they recommended that for Nigeria to achieve economic growth, the country should implement appropriate exchange rate policies coupled with a greater degree of stabilization to stimulate productivity in the real sector. Using annual time series data covering the period 1980-2017, Zayone et al. (2020) analyzed the impact of exports in minerals, manufacturing, and agriculture on economic growth in Angola. They used the Autoregressive Distributed Lag Model in the estimation. Angola continues to experience economic growth as a result of its non-oil export sector, but the oil export sector continues to have the most major of these impacts. Rural transportation networks, education and related labor training, and credit and electricity shortages, all contribute to the complexity of the problem. Thus, they recommended, in addition to other actions, the creation of a more favorable climate for foreign direct investment in the non-mineral sectors of the economy. This is probably essential for achieving enduring economic equilibrium and lower oil revenue dependence.

Ayo-Joledo (2025) examined oil and non-oil exports in relation to Nigeria's economic growth. The analysis focused on time series data spanning from 1980 to 2019. Unit root testing suggested that the data were stationary at both the level and the first difference. The analysis also employed Ordinary Least Squares (OLS) and Autoregressive

Distributed Lag (ARDL) for computation of short-run and long-run coefficients, as well as the Granger Causality Test. With respect to short-run dynamicsThe Error Correction Mechanism (ECM) reveals the rate of adjustment (Weaver and Dickey 2019), as indicated by the coefficient associated with the error correction term. The coefficient of CointEq (-1) was -0.197580, meaning correction takes about 82 percent. Results from the limits test indicate that there is a long-term relationship among the variables examined. The results demonstrated that both oil and non-oil exports impact Nigeria's economic growth. However, the impact of non-oil exports was significantly smaller. Hence, manufacturing and export of non-oil products is necessary to reduce the negative effects of economic growth associated with an over dependence on oil exports. The government can offer better financing and infrastructure to support and improve the production of non–oil goods and services for domestic consumption and export. Ekeke and Uprasen (2020) conducted an empirical study on the impact of non–oil exports (independent variable) on the growth and development of Nigeria (dependent variable). The study covered the period of 1981–2017 on a time series basis. The researchers used the Autoregressive Distributed Lag (ARDL) Model and the Toda–Yamamoto Granger Causality Methods to analyze the long–run, short–run, and causal relationships among the variables. The results showed a positive and statistically significant relationship between the level of non–oil exports and the economic development of Nigeria. Specifically, a 1% increase in non–oil exports at a 1% significance level corresponds to a 0.48% increase in the Gross Domestic Product (GDP) of Nigeria. The Granger causality test shows that the causal relationship is unidirectional, whereby only non–oil exports enhance the economic growth of Nigeria.

Okoli (2023) examined the impact of non–oil exports on economic growth in Nigeria as an ex–post facto research study. In order to obtain a more comprehensive set of observations, a time range of thirty-three years (1986 - 2018) was selected. The data was obtained from the Central Bank of Nigeria (CBN) 2019 statistics bulletin. The models were estimated using the Ordinary Least Squares (OLS) estimation technique. The researcher used E - views 9.0 as the econometric software package. The results showed that the growth rate of real gross domestic product is not appreciably affected by the export of non-oil products, while the agricultural input into real gross domestic product is not appreciably affected by the export of non-oil products, even though the two variables are correlated, albeit positively, and this correlation is not statistically significant. The variation of Nigeria’s non-oil exports does not appreciably affect the utilized capacity of the manufacturing sector. Non-oil exports correlate positively with the utilized capacity of the manufacturing sector. Despite the different supportive strategies by the government, non-oil exports statistically did not influence the economy of Nigeria significantly.

Ogunsanwo et al. (2020) stated that non-oil export trade positively influenced Nigeria's economic growth, both in the short and long run. They analyzed data from a period of 33 years (1986 - 2018) and conducted empirical analysis. Variable analysis of the possible impacts of economic growth in Nigeria revealed that only inflation rate failed to impact growth. They recommended that the Nigeria government focus on non-oil sector marketing. For data estimation, they used the ADF test for Unit Roots, PECM, and the Johansen Cointegration test. Zoramawa et al. (2020) conducted an empirical analysis to examine the economic growth pathways in Nigeria from the perspective of the non-oil sector for the period 1981- 2019. They used Autoregressive Distributed Lag (ARDL) Bound for their analysis. The analysis indicates that in the long run, there exists an economically and statistically significant negative relationship between economic growth and non-oil exports from the solid mineral and industrial sectors of Nigeria. In terms of exports and economic growth, the findings showed that there is a bidirectional causal relationship, thus, in the same period there is a cause and effect relationship between economic growth and non-oil exports. They, therefore, suggested that the relevant stakeholders support the capacity of Nigeria’s non-oil sector to become, sustain, and grow, a competitor and a strategically active player in the global market.

Lawali et al. (2020) analyze the Nigerian economy’s growth from the perspective of the non-oil sector (1981-2019). The particular study examines the disparate dependencies using the ARDL bound test for cointegration. From the

analyses, the relationship between non-oil exports (NOE) and Nigeria's economic growth (RGDP) was negative with MANX and SOLX exports, barring AGRO. During this time, there was a bidirectional causation for non-oil exports and economic growth in Nigeria. Tunde-Bello and Baidoo (2022) analyze Nigeria's economic growth and the relevant non-oil exports. The research goal was complemented using econometric analysis, including the Ordinary Least Squares method, the Johansen co-integration method, and the Granger causality test for the years 1981-2019, using the annual records of the variables GDP, non-oil exports, FDI, government spending, exchange rate, inflation, and trade openness. The model was statistically relevant, and several regular hypotheses were made on the relationships between the dependent and independent variables. According to the study, there exists a statistically relevant relationship between non-oil exports and economic growth in Nigeria. As per the findings, the significance level of 1% pointed to a 0.21 rise in GDP growth with a 1% rise in non-oil exports. The Granger Causality test validates the existence of a short-termed causative relationship that confirms non-oil exports cause growth in the Nigerian economy. This means non-oil exports help in diversifying the productive structure of the Nigerian economy. This also validates the export-led growth theory in the context of Nigeria.

With the inclusion of the CUSUM stability test, Okoli et al. (2023), have studied the impact of Nigeria's non-oil exports and the Real GDP from 1981 to 2021 using the Auto Regressive Distributed Lag (ARDL) bound test. The study outcomes recorded a short and long-run relationship of the four variables: the dependent and independent variables in both model forms. The ECM Engel-Granger indicated that Nigeria's economic growth is influenced positively by non-oil exports, but the non-oil-export-bound ARDL test suggested the opposite concerning Nigeria's economic growth. The CUSUM stability test positively and steadily attributed economic growth to non-oil exports in Nigeria, whereas the non-export growth of Nigeria's economy was negative and unstable. The study found that non-oil exports reflect, optimally, an important and valuable economic asset, especially considering Nigeria's economic potential. Okoli et al. (2023) focused on the impact of non-oil exports on the economic growth of Nigeria from 1981 - 2021. The author uses the ADF test, Engel-Granger correction model, and ARDL methods to assess the impact of solid minerals, energy, agriculture, and manufactured goods exports (these are understood as non-oil export proxies-indep. variables) on economic growth (dependent variable). Using Engel-Granger Error Correction Model and ARDL bound test, they identified that non-oil exports promote economic growth in Nigeria (this is what ECM indicated), whereas non-oil export terms of trade, according to ARDL, adversely affect Nigeria's economic growth. Based on this, they stated that on average, non-oil exports are, economically speaking, of a positive value, to partially solve the economic issues Nigeria is facing, given that the systemic potential is sufficiently utilized. Akpa, Onuh, Kabuk, and Sanni, examine the relationship between revenue earned from non-oil exports and economic growth in Nigeria. This study utilized an ex-post factor design. They obtained their data from the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS), and National Export Promotion Council (NEPC) from the years 1990-2021. They analyzed the relationship between the dependent variable (GDP) and the independent variable (NOEXP) using the Ordinary Least Square (OLS) Method. They concluded that they found a significant positive relationship between NOEXP and GDP in Nigeria.

Ekeke and Uprasen (2020) examine the relationship between economic growth and non-oil exports (NOE) in Nigeria from 1980-2021 using a disaggregated macroeconomic model and an error correction mechanism (ECM). Before estimating the model, they conducted a unit root test and a co-integration test to determine the stationarity and the long-term characteristics of the variables involved. Analysis from the Augmented Dickey-Fuller (ADF) unit root test suggested that all the time-series became stationary, after the first differencing. The results from the Johansen co-integration test indicated that the variables share a co-integration relationship implying a long-term, steady-state relationship among the variables involved. The ECM results indicated that, although the components of NOE had a generally positive impact on Nigeria's economic growth in the short and long run, the impact remained largely insignificant. It was suggested that Nigeria's export development strategy be reconfigured and reinforced in

order to address the supply capacity constraints that exist in multiple NOE sectors. The impact of Nigeria's non-oil sector export on economic growth was studied by Ekeke and Uprasen (2020) focusing on a quarterly dataset from the Nigerian National Bureau of Statistics (NBS) (2022) for the period of the first quarter of 2016 to the fourth quarter of 2021. While earlier studies relied on aggregate datasets of Nigeria's non-oil exports, this paper is based on disaggregate datasets which subdivide non-oil exports into four categories, namely, manufactured exports, agricultural exports, solid mineral exports, and exports of raw materials. Using the Autoregressive Distributed Lag (ARDL) model, the researchers found that short-run coefficients for aggregates of the non-oil sectors of the studied economies were negative and statistically insignificant. In contrast, the coefficients were positive and statistically significant only in the export of raw materials in the case of long-run. This means, that even though short-run non-oil exports have no direct economic growth contributions, in the long-run, they will. This means that the other exports do not significantly contribute to economic growth. Between the other exports, the only sector that significantly contributed to Nigerian economic growth during the period of this study is the export of raw materials.

Akobundu et al. (2024) researched the impact of service exports and agricultural raw materials on the economic development of five Sub-Saharan African countries between 2012 and 2022. The analysis of the impact of agricultural raw materials (aexp) and service exports (sexp) on the GDP of the selected countries and identification of the most appropriate model using the Hausman test will be conducted using multiple regression techniques. The study sought to establish the relationship between agricultural raw materials exports, service exports, and economic growth of the selected countries based on GDP data available as of 2023. In order to provide three different estimators and robust results, the researcher used the Hausman test, which revealed that the fixed effects model is the most appropriate for addressing the concerns of independent variables that are present and negatively, but very little, affect GDP. The study revealed that, although service exports have a positive effect, the effect is statistically insignificant. The study also has similar results for agricultural raw materials. The positive and robust relationship implies that the GDP of the selected Sub-Saharan African countries will increase with an increase in service exports and agricultural raw materials. Shehu et al. (2024) studied the effect of these non-oil exports on the economy of Nigeria. The study encompasses data covering the years 1989 to 2022. The main data analysis tool in this study is the Autoregressive Distributed Lag (ARDL) cointegration approach. However, in order to provide more depth to the data analysis, the study also considered the Error Correction Model (ECM) and Granger causality. In the long-run analysis, the study showed that manufacturing exports have a negative effect on economic growth, and the effect is statistically insignificant. On the contrary, food exports have a positive effect on economic growth, and the effect is statistically significant. The study showed that merchandise exports have a positive effect on economic growth, but the effect is statistically insignificant. Additionally, the study showed that the export of primary commodities (excluding oil) has a negative effect on economic growth, and the effect is statistically insignificant. The study showed that trade openness has a positive effect on economic growth, and the effect is statistically significant, meaning that trade openness is beneficial for economic growth. The results of the bound testing revealed co-integration, meaning that the dependent and independent variables have a long-term relationship. For Granger Causality, the results showed that there is a gap in the short-run relationship for the variables. In this case, the independent variables (export of manufacturing, food, merchandise, primary commodities except oil, and trade openness) Granger cause the dependent variable (economic growth). Agha et al. (2024) assessed how inflation owing to the persistent Naira depreciation affects the foreign exchange market and economic growth in Nigeria. The study used a qualitative approach. Data in this study was secondary and obtained from the Central Bank of Nigeria's Statistical Bulletin. The author used multiple regression in the data analysis. The study established that inflation negatively affects GDP. On the other hand, the cost of loans positively affects GDP. Besides, exchange receptiveness negatively affects GDP. The report calls for greater economic diversification, particularly in non-oil exports, more effective strategies to increase domestic production of certain consumables, and the export of primary goods where the country has a comparative advantage.

Methodology

Research Design

This study adopts an empirical review research design to synthesize existing empirical and conceptual evidence on the effect of non-oil exporting firms on the economy of Nigeria. An empirical review is appropriate because it allows for a comprehensive aggregation of fragmented evidence across multiple sources, highlighting trends, gaps, and contextual nuances that relate to non-oil exports contribution to Nigeria economy.

Eligibility Criteria

To ensure relevance and quality, specific inclusion and exclusion criteria guided the selection of literature. Eligible studies must directly examine the relationship between non-oil exporting firms/small and medium enterprises and economic development of Nigeria and comparable economies. Acceptable study types included peer-reviewed journal articles, institutional working papers, policy reports, and reputable consultancy analyses published between 2020 and 2025. Only studies written in English were included. Studies focusing exclusively on oil-sector, macroeconomic banking reforms without firm-level impact analysis, or purely theoretical discussions without empirical grounding were excluded. Publications had to present measurable or qualitative evidence relating non-oil exports and impact on the nation's economy. 272 studies through electronic databases, along with 10 additional articles obtained from other sources, totaling 282 records. After a rigorous de-duplication process, 130 duplicate records were removed, leaving 152 articles to be screened. From the initial screening, 117 records were excluded for not meeting the eligibility criteria or methodological requirement. The remaining 35 full-text articles were assessed for eligibility. Following a more detailed appraisal, 13 of these were also excluded. In total, 22 studies were selected for inclusion in the empirical review.

Information Sources

To capture both global and local perspectives, multiple information sources were empirically explored. Major academic databases such as Scopus and Web of Science were used for peer-reviewed articles. Additional searches were conducted in Google Scholar, Research Gate and *Elsevier.*

Search Strategy

A structured search strategy was developed using a combination of relevant keywords and Boolean operators to maximize retrieval of pertinent studies. Search terms included phrases such as "non-oil exporting firms and economic development of Nigeria", "non-oil exports and economic development of Nigeria", "non-oil exporting SME's and economic development of Nigeria", "service exports and economic development of Nigeria". Filters for publication year (2020–2025) and English language were applied to narrow results. Citation chaining was used by manually scanning the reference lists of key articles to identify additional relevant studies not captured through database queries.

Discussion of Findings

The roles of non-oil exporting firms on the economic development of Nigeria is multi-layered. The reviews by Adenugba & Dipo (2020); Ideh, Okolo and Emengini (2021); Udeh (2021); Moses et al. (2024); Zayone, et al.

(2020); Ekeke and Uprasen (2020) ; Okoli (2023); Ogunsanwo, et al (2020); Zoramawa, et al (2020); Shehu et al. Muhammad (2024); Akobundu et al. (2024); Ekeke, and Uprasen, (2020); Akpa et al. (2022); Okoli et al. (2023); Tunde-Bello and Baidoo (2022); Okoli et al. (2023) revealed that non-oil export sectors, such as agriculture, trade, manufacturing, and services have positively contributed to the economic development of Nigeria. The studies by Akobundu, Adenomon and Maijama (2024); Zoramawa, et al (2020); Okoli (2023); Ekeke, and Uprasen, (2020); Okoli (2023); Zayone et al. (2020); Owan et al. (2020); Moses, Titus and Chigoziem (2024); Ideh et al. (2021); Hezekiah & Osigbemhe, (2024) reported that the contributions are however insignificant. Ekeke and Uprasen (2020) and Ayo-Joledo (2025) on the other hand revealed that non-oil exports have significantly contributed to the economic development of Nigeria but the common denominator in virtually all the findings is that sector has capacity to contribute significantly more to the growth of Nigeria considering the humongous opportunities in the sector.

Okoli et al. (2023); Tunde-Bello and Baidoo (2022); Okoli et al. (2023); Owan et al. (2020); Moses et al. (2024); Udeh (2021); Ideh et al. (2021) discovered that non-oil export can significantly impact on the country's economy in terms of economic diversification, foreign exchange earnings, job creation, economic stability and entrepreneurial development in Nigeria if the right and consistent policy are in place and the needed support are provided. Ideh, Okolo and Emengini (2021), Moses et al. (2024); Zayone et al. (2020); Ayo-Joledo (2025); Zoramawa, et al (2020) submit that policy makers, banks, CBN needs to do more. Government should create more enabling environment and shoukd supply low cost funding and infrastructure that would accommodate and support the production of non-oil goods and services for domestic use and exports. There have been complaints from the destination markets that the country's products do not meet international standard. In spite of various regulatory bodies such as NAFDAC, SON etc to ensure the that only quality products are allowed to be exported out of the country, a number of Nigeria products are repeatedly rejected at destination countries thereby affecting the reputation of the nation and its export sustainability in some international market. Hindi (2021) itemised poor production method and handling as the reasons that made United States, European countries reject foods exported from Nigeria. Olusola (2025) reported that Nigeria loses $363 Million Annually as European Union (EU) ban on Beans Exports from the country persists over pesticide contamination. Non-oil export sector presents vast opportunity for economic development. Poor infrastructure, such as bad roads, unstable power if there are sources of power where the firms operate, lack of storage system etc, have limited growth in this sector. Multiple agencies (legal and illegal) undertaking similar roles along non-oil export value chain thereby prolonging export process, several road blocks on the way to the land border and sea ports, high interest rate and stringent loan conditions are few of the factors that are affecting growth in non-oil export.

Conclusion

The non-oil exporting firms have made positive contributions to Nigeria economy but the segment's contribution compared to oil has not significantly impacted on the nation, considering the huge opportunity that are available in this sector. Non-oil exporting firms play a critical role in the development of Nigeria by enhancing economic diversification, foreign exchange earnings, job creation, and investments. Despite the recognized potential of non-oil exports to drive inclusive and diversified economic growth, the regulatory roles, policy frameworks and current banking practices fall short of supporting firms in a volatile business environment and ultimately achieving the country's goal for increased diversification. The recurring issues of high interest rate, collateral rigidity, poor product customization, and policy inconsistency continue to leave many exporters underperforming and

uncompetitive in global markets. These realities reinforce the urgency of rethinking how public policy align with the broader goals of non-oil export diversification in Nigeria. There are urgent needs to address these challenges that are hindering the non-oil export sector from reaching its full potentials in Nigeria for the benefit of Nigerians.

Recommendations

Government should create better enabling environment that is rid of corruption, provide low cost funding and on-lending loan through commercial banks at a single digit, develop infrastructure that would accommodate and support the production of non-oil goods and services for increased exports. Non-oil exporting firms in Nigeria where MPR is 25.5% cannot adequately compete in the same global market with exporting firms from other countries that have access to cheaper funds to execute their international trade. The Central Bank of Nigeria should urgently consider the re-introduction and enhancement of its export stimulation facility as on-lending loans to exporters through deposit money banks. This loan should offer single digit interest facility with comparably flexible credit terms to the exporting firms. Further studies should be on primary research that will involve the direct participation of non-oil exporting firms, deposit money banks, and relevant policy makers and executors such as the Central Bank of Nigeria to unravel the lived experiences, challenges, and institutional dynamics that are affecting non-oil exports sector in Nigeria. There are several secondary data and econometric models that provide useful information on non-oil exports, there is need to capture the complex interplay between policy, finance, and compare with global best practices in this sector. There is a pressing need for firm-level case studies and interviews that will explore the credit application process and loan terms for non-oil exports, examine the impact of various government policy and assesses the role that non-oil export counterparties play in enhancing performance in this sector.

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