

THE INVESTIGATION OF TRADE OPENNESS AND RESOURCES UTILIZATION ON ECONOMIC GROWTH: NIGERIA IN FOCUS

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ABSTRACT

The study centered on the examination of trade openness and resources use on economic growth of Nigeria from 1981 to 2014. Data for this study were sourced from Central Bank of Nigeria Statistical Bulletin (2009; 2012 & 2014); International Finance Statistics (IFS) various years, and Central Bank of Nigeria Annual Reports and Statement of Accounts various issues. The time series data was tested for stationarity using Augmented Dicky-Fuller (ADF) and confirmed with Phillip Peron (PP) test for stationarity. The method of ordinary least square was employed in data analysis. The findings revealed positive effects of trade openness and average manufacturing capacity utilization (proxy for resources use) on real gross domestic product (a proxy for economic growth), but only the former showed a significant impact. Exchange rate showed a negative relationship with real gross domestic product which was contrary to expectation but reflects the situation in Nigeria over the years. On the basis of the results among the recommendations made include: it is imperative to amicably settle and resolves the insurgency, militia operation and high level crime activity in Nigeria so as to effectively accommodate the trade partners, and equally encourage domestic investors; attention need be given to infrastructure and other capital overheads restructuring, specifically, the epileptic power and good water problem needs to be addressed urgently and there is the need to practically and unmyopically increase efficient resources distribution system and production diversification in Nigeria.

KEYWORDS: Economic, Growth, Openness, Resources, Trade