STEMMING NIGERIA'S OVER-RELIANCE ON OIL AND BANKING SECTORS: AN EMPIRICAL INVESTIGATION OF ALTERNATE INITIATIVES

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Abstracts

This Paper examined the impact of non-oil and non-banking initiatives as potent alternatives to Nigeria's overdependence on oil and banking sectors in gravitating the Nigerian economy. In the process, the agricultural, manufacturing and mining sectors stood out as dominant real sector components and proxied the alternative to oil sector; whilst the tax sector stood in as service sector alternative for the banking sector. Data were purposively sourced for the period spanning 1994 to 2020. Statistical tools were applied to cover descriptive, correlation and regression analyses. As a corollary, the test conducted for co-integration confirmed the existence of a long-run equilibrium among the variables utilized. The findings revealed that non-oil exports had a huge positive impact on the Nigerian economy. As a logical extension, this development suggests that a unit increase in non-oil export raises GDP considerably. It also underlines the importance of weaning the Nigerian economy off of its reliance on oil by promoting non-oil exports as significant drivers of foreign exchange profits in Nigeria.

Keywords: Banking sector, Agricultural sector, Manufacturing sector, Mining sector, Value-added tax (VAT)

1. INTRODUCTION

The simplest axiomatic understanding of comparative advantage portrays the fact that a nation is well- off where it emphasizes the production of resources that will optimize its earning potential. Similar logic holds true in the case of Nigeria, as an oil-producing nation. The significance of oil-related resources to the success of a developing economy such as Nigeria cannot be overstated. Of recent, in 2019/2020 fiscal year in Nigeria, oil contributed about $231 billion to Nigeria's economy; that which accounted for about 48 percent of Gross Domestic Product (GDP). Besides, the dominant proportion of Nigeria's foreign exchange earnings (up to 85 %) is realized from the oil sector. (CBN, 2021). Nonetheless, due to global price volatility, particularly from the second half of 2015, (when Nigeria suffered economic depression), oil income revenue has begun to drop – even to a 10 year low of $35 per Barrel in 2016! This trend (amongst many other related reasons) has provoked untold economic retrogression and engendered deeper consideration for non-oil exploitation in Nigeria. This line of thinking could be said to have galvanized the Asian tigers (like Japan, Malaysia Indonesia, etc.) into positive actions courtesy of the spell of down turns they experienced. Thus, more clearly stated, the spade of disturbances that have ravaged the economic entity called Nigeria could be said to have produced a side-effect of looking beyond the oil sector for Nigeria's survival.

As a result, a country whose primary source of income is oil has had to reconsider its economic diversification standpoint. This is particularly so for organization of Oil Exporting Countries (OPEC) like Iraq, Nigeria, Libya, and Saudi Arabia. The repeated collapse of oil prices and the covid-19 pandemic (of 2019-2020) period in Nigeria ignited a meltdown in socio-economic activities. These unwanted developments have prompted calls for a deviation from over-reliance on oil income to feed the expectations of government and its citizenry. It is pertinent to mention here that non-oil profits are profits made by investors other than oil producers. Instances in Nigeria includes (but not limited to) gas, agricultural, construction, industrial, trade sectorsNoula and Gwah, (2013),Anyanwu (2014), Olalekan, Afees, and Ayodele, (2016)**.**Patel. (2016)Nwite, Onwe, and Ogiji, (2019), Umeora, (2013), Uzonwanne (2020), Takumah, (2014), Ude,and Agodi, 2014). On other consideration, the Nigerian banking sector (also) has had its own fair share of considerable attention because it anchors Nigeria's socio-economic survival owing largely to its financial intermediation roles of bridging the surplus and deficit sectors.

Expectedly, plethora of research studies have already explored and (almost "sufficiently") concluded on the notion of states' engagement in non-oil as a potent remedy for alleviating the oil shock debacle. Most authors who spoke in this direction majorly opined and recommended that reviving the entire economy rather than just the oil sector would achieve the much needed solution. Those who mostly share the above position have accepted the invariable fact that crude oil is a finite commodity and as such exhaustible. More specifically, Onodugo, Amujiri, and Nwuba (2015), asserted that diversification is essential for the sustainability of the Nigerian economy. They argue that the prospects for changing an economy are limitless, and include agriculture, entertainment, industrialization, tourism, financial services, information and communication technology, mining, and many others. However, none of these laudable efforts have picked on the combined variables as undertaken in this study! This is because the most notable indices of selection hover around the twin notion of *testability* and *sustainability*. The inclusion of the

banking sector (albeit on overview basis) and taxation element shows the enduring legacy inherent in this model and can be attested to by reason that for any economy to survive the new millennium dispensation it would have to manage its financial intermediating pinnacle (the banks) and the most revenue generating (i.e. taxation system). A good number of studies have found a positive correlation between non-oil sector income and economic growth (Okezie and Azubike, 2016; Salami, Amusa, and Ojoye, 2018;), while others found a negative correlation (Noula, Sama and Gwah, 2013; Safdari and zaroki, 2012). This study examined the impact of the non-oil sector on the Nigerian economy from 1994 to 2020 adding a rather uncommon dimension. The study seeks to answer the following research questions:

  i.   How much influence does agriculture earnings have on the Nigerian economy?
 ii.   How much influence does the manufacturing sector have on the Nigerian economy?
iii.   How has the mining sector's revenue affected the Nigerian economy?
iv.   How much influence does value-added tax income have on the Nigerian economy?

In addition, the study hypothesized that: non-oil exports have no discernible positive influence on the Nigerian economy; agriculture revenue has no discernible positive impact on the Nigerian economy; revenue from the manufacturing sector has no positive and major impact on the Nigerian economy; mining industry revenue has no positive or significant impact on the Nigerian economy; the value-added tax has had no discernible positive influence on the Nigerian economy.

2. LITERATURE REVIEW

2.1   Conceptual Review
Banking Sector Debacle and the Nigerian economy
The banking sector occupies a very pivotal position in every economic dispensation and Nigerian financial system is no exception. By logical extension of the above reasoning, the banking institution remains the most regulated amongst all financial institutions in their primary role of connecting the "surplus" (depositors) unit to "deficit" borrowers who are mainly in need of loan-able funds for investment purpose. The pivotal role of the banking sector was however put to uncommon test courtesy of the post-2009 global melt down. The subprime (mortgage sector) crisis in the United States of America in August 2007 was the catalyst for the unprecedented financial and economic catastrophe that shook the world economy from 2007 to 2009. The USA, the pinnacle of contemporary economic progress, saw the collapse of numerous internationally recognized financial institutions (including Enron & WorldCom) as a result of this crisis. The ripple effect was also felt in Nigeria, where the economy collapsed and the banking system went through a severe crisis in 2009 as a result of the aforementioned international events. In 2008–2009, the stock market fell by 70%, which forced numerous Nigerian banks to seek rescue. As a result, the Central Bank of Nigeria (CBN) replaced the management of eight (8) troubled banks and injected a total of N620 billion in liquidity into the Nigerian banking industry in order to stabilize the system and restore trust to the markets and investors (Sanusi, 2010).

Agricultural Sector Revenue and the Nigerian Economy.
The role agriculture plays in developing the nation consistent to its contributions to economic growth. However, given that the rate of agriculture augmentation to GDP varies greatly over time, there are contradictions regarding the role it plays in economic expansion. This implies that Nigeria's agricultural sector though has become more fruitful over the immediate years, its significance has lessened in terms of the overall earnings. Nevertheless, suffice to stress that the current global trend has largely contributed to this unwanted development (Nwite, Onwe, and Ogiji2019). According to Ayunku and Etale (2015), the agricultural sector in Nigeria is crucial to the attainment of the intangible purpose of diversified earnings. Modern investigations have come to recognize mechanized agriculture as a key solution to the economic freedom of poor performing nations (Oluwatoyese, Applanaidu, and Abdul Razak, 2015). As a logical conclusion, The World Development Report (2007) proposed that agriculture may work in tandem with other sectors of the economy to implement sustainable economic growth, eradicate poverty, and ensure environmental subsistence.

Manufacturing Sector Revenue and the Nigerian Economy
The Oxford advance learner's dictionary espoused that, manufacturing is the act by a firm of providing goods in large numbers in factories. By extension, the manufacturing enterprise may also be viewed has the aggregate of industries whose activities are involved in the chemical, production, or environmental change of supplies, materials, or elements into a customer or manufactured assets, etc. According to Adediran and Obasan (2010), the manufacturing sector in Nigeria serves as a catalyst that quickens the structural transformation and economic diversification process, allowing a nation to take advantage of its factor endowments and rely less on imports of finished goods and raw materials. Along with fostering more extensive and productive linkages across other sectors of the economy, the manufacturing sector also generates investment capital more quickly than any other sector. The manufacturing industry is still developing in Nigeria (CBN, 2021).

Mining Sector Revenue and the Nigerian Economy
Mineral deposits are important to the growth of all nations- both rich and poor. They are gifts that can be used to encourage growth in any economy globally. Accurate extraction of these sediments will aid in the education and health operations and other forms of human and social capital (Olalekan, Afees, and Ayodele2016). Mining can generate possibilities for sustainable growth through improved income received from exports, job creation, education, skill and technology change, infrastructure requirement and social settings, etc. As mineral resources are physically limited, the wealth generated as a result of the extraction of mineral resources must be effectively extended across board. A solid and successful project needs the attention of not just the economic viability of mineral deposits, but acceptable plan estimates are also crucial. Mining can only gain approval if it develops its social, economic, and environmental augmentation with new and emerging governance practices in Nigeria. In Nigeria, the extraction industry is far from optimized; thus offering a huge avenue for further exploitations.

The Value-added Tax Notion and the Nigerian Economy.
The final consumer is responsible for paying VAT, which is a consumption tax assessed at every stage of the supply chain (FBIR Act, 2021). Keen and Lockwood (2006) further asserted that VAT is a money machine, especially in OECD member countries on which the research was based. Money machine infers that VAT completely produces revenue. Associations that were considered

in the study suggested to include VAT and GDP. The study by Lin (2007), on evaluating the VAT in china proposed a correlation between VAT and GDP. The value-added tax directly applied in Nigeria is at a flat rate of 7.5% levied on all vegetable goods and services.

All taxable individuals must charge and receive VAT at a fixed rate of 7.5% on all products and services under Nigeria's new Finance Act (2020). The VAT has been enacted as a consumption tax in numerous nations worldwide. It's simple to manage VAT, but challenging to avoid it.

The new tax structure includes a discount or respite mechanism that reduces the cascading effect of the direct sales tax. Due to the requirement to collect at each stage of the business, the input-output tax mechanism in VAT makes it self-policing. The government will collect the equivalent of the final purchaser's VAT refund. Even though VAT is a multi-stage tax, it has a distinct impact and does not increase customer demand beyond the specified rate (Ofe, Onyemachi & Caroline 2008). With respect to Nigeria, there is a wide taxable (but) unused window awaiting VAT exploitation.

2.2   Theoretical framework

The research is based on the blend of C*ost of service theory, the Benefit received theory and the Revenue productivity theory*. Supporting this, the researcher briefly discusses below the Summary of Theoretical Frame Work.

Cost of Service Theory

Adhering to the cost of service theory suggests co-operation. The hypothesis asserts that taxes and costs are equal. Consequently, no tax should be payable if a character does not use the help or service

Criticism(s): Government collaborations were limited by the cost of the service hypothesis, according to Jhingan (2009a). The government exists to provide assistance to those in need. Theoretically, the country will not provide welfare measures such as health care, education, and other social comforts. Estimating the per-person costs of the various services provided by the state organ would also be challenging. The idea as it was given was false since it went against what tax actually meant.

Benefit Received Theory

Modernization was indicated by the discrepancy in the cost of service hypothesis. This gave rise to the concept that taxes had benefits. This point of view contends that taxation should be based on the amount of assistance provided by the state. The notion indicates that the taxpayer and the state are interdependent.

Criticism(s): This theory's inconsistency stems from the neglect of items bought through government-run cooperatives (Ahuja, 2012).

Revenue Productivity Theory

The Revenue Productivity Theory is also employed in the study. Economic growth, according to Anyanwu and Oaikhenan (1995), is the capacity of a nation to generate goods and services in rising numbers and variety. Given the high expectations of its citizens, the Nigerian government has prioritized strategies to increase income sources. Ndekwu (1991) observed that many tax origins in Nigeria presently demand income optimization. In order to highlight this perfection, critics like David, Ricardo, and Mills divided public investment into three categories: revenue, spending, and public debt.

In order to determine a great tax strategy, the public finance authorities concentrated on financial performance (Okezie, 2003). This concept places a focus on creating a sizable tax base with effective tax administration. The taxes must be current and sufficient to meet the government's long-term investment requirements. Highly developed tax arrangements would encourage aggressive growth beyond market segments with high tax returns. A good tax policy and efficient use of public debt would support efficient governance and promote trade by lowering prices. Meanwhile, taxes and other income sources support basic "public goods" like government security and the "rule of law", thus improving income efficiency.

2.3   Empirical Review

Ajie, Uzomba, and Chukwu (2013) **r**eviewed the impact of exports other than oil on the expansion of the Nigerian economy from 1970 to 2010 using the Error Correction Mechanism (ECM) technique. The study shows that the consumer price index and non-oil export income both have a negative and considerable impact on Nigeria's economic growth. Ude and Agodi (2014) applied both co-integration technique and the Error Correction Model to examine the impact of non-oil factors on Nigeria's economic growth from 1980 to 2013 and discovered that agricultural, manufacturing revenues and interest rate had a significant influence on the economic growth of Nigeria. Ifeacho, Omoniyi, and Olufemi (2014) looked into the connection between Nigeria's economic growth and non-oil exports. The study employed multiple regression using the Ordinary Least Squares (OLS) method and their findings revealed a significant and favourable association between Nigeria's economic growth and non-oil exports.

The impact of taxes on the expansion of the Nigerian economy between 2003 and 2012 have been investigated by Onwuchekwa and Aruwa (2014) using the Ordinary Least Square method. They discovered that Value Added Tax (VAT) considerably increases government's overall revenue and Nigeria's economic growth. Using Granger-causality test, Mohsen (2015) analyzed non-oil commerce and GDP in relation to nations that export petroleum between 1975 and 2010, and their result revealed a two- directional Correlation between non-oil export income and GDP. Riti, Gubak, and Madina (2016) examined the expansion of Nigeria's non-oil sectors and their effects on the strength and diversification of the country's economy using a multivariate regression

method. The investigation showed that Nigeria's economic success was significantly boosted by the industries of agriculture and telecoms.

In spite various studies on the impact of oil and non-oil revenue on the economy, there is need to study the joint effect of agriculture, manufacturing, VAT, and mining revenue on the Nigeria economy.

3. METHODOLOGY

The study used time series analysis to apply secondary data. The National Bureau of Statistics (1994–2020) and the Central Bank of Nigeria's (CBN) Statistical Bulletins (2021) are the sources of the data. The real gross domestic product (GDP) of the Nigerian economy was regressed on a number of independent variables, including revenue from agriculture, manufacturing, value-added taxes, and mining, with the macro factors (inflation, foreign exchange, and interest rate) acting as the control variables.

Method of Data Analysis

In order to undertake a thorough analysis of the trend and effects of diversification through non-oil revenue on Nigeria's economic growth, the study includes four independent variables and one dependent variable. The shares of agriculture, solid minerals, trade, and value added tax in real gross domestic product, which serve as important independent variables, and real gross domestic product, which serves as an important dependent variable, both measure non-oil revenues. It was examined using E-Views 9.0 and SPSS 20.

Model Specification

The study adopted a modified form of Zuvekas (1979) model that is functionally expressed as :

$$RGDP = f\,(NOE, ASR, MSR, MNR, VTR) \hspace{4cm} (1)$$

The expanded equation (bearing the three macro catalysts) is then presented in econometrics form,

$$RGDP = \beta_0 + \beta_1 NOE + \beta_2 ASR + \beta_3 MSR + \beta_4 MNR + \beta_5 VTR + \beta_6 INF + \beta_7 INT + \beta_8 FX + \mu \hspace{1cm} (2)$$

Where:
RGDP = Real Gross Domestic Products
NOE = Non-Oil Export
ASR = Agricultural Sector Revenue
MNR= Manufacturing Sector Revenue
MSR = Mining sector revenue
VAT = Value-added tax revenue
INF= inflation
FX= foreign exchange
INT= interest rate
$\beta_0 \ldots \beta_4$ = regression coefficients of the parameter estimate.

4. RESULT AND DISCUSSION

Descriptive statistics is summarily stated. It is thus presented in Table 4.1 below:

Table 4.1. Descriptive statistics

	LOGRGDP	LOGNOE	LOGMSR	LOGMNR	LOGASR	LOGVAT
Mean	5.770741	5.233704	0.240000	1.046667	0.830000	2.312222
Median	5.720000	5.300000	0.181000	1.000000	0.660000	2.490000
Maximum	6.330000	7.270000	0.730000	1.320000	3.930000	2.990000
Minimum	5.440000	3.730000	0.061000	0.820000	0.580000	0.910000
Std. Dev.	0.270013	0.771976	0.191088	0.147074	0.630476	0.584474
Skewness	0.490716	0.356509	1.078838	0.489058	4.639415	-0.706813
Kurtosis	1.973940	3.230385	3.117406	2.055255	23.35218	2.400387
Jarque-Bera	2.268009	0.631656	5.253020	2.080413	562.8465	2.652609
Probability	0.321742	0.729185	0.072330	0.353382	0.000000	0.265456
Sum	155.8100	141.3100	6.480000	28.26000	22.41000	62.43000
Sum Sq. Dev.	1.895585	15.49463	0.949378	0.562400	10.33500	8.881867
Observations	27	27	27	27	27	27

Source: Results obtained from data analysis using the E-Views statistical software package 2021

The Table 4.1 above reveals the report of the variable's descriptive statistics. It shows wide disparities in the variables constituting the values of the mean for the period, 1994 to 2020. Here stated are the values of the mean (5.770741), median (5.720000), and standard deviation (0.270013) of the Log of gross domestic products. The Jarque-Bera value of all the variables is obtained in the model. It is used to test whether the time series is normally distributed. If a regularly distributed series is represented as a bar chart, a comparable residual in the Gaussian distribution can be seen. A 95% confidence level was the standard for the study. Additionally, the Jarque-Bera probability value is less than 5%. The residuals' normal distribution suggests that a crucial variable may be absent from the model. Many of the reported probabilities for the variables and the Jarque-Bera statistics do not follow a normal distribution. Because the chance is lower than 5%, this is an exception for the log of agricultural sector revenue. It proves that the time series are evenly spaced out.

Presentation of Empirical Results
Augmented Dickey-Fuller (ADF) Test
The analysis determines whether the econometric inquiry is reliable. As a result, the research prevents the occurrence of unintended consequences. The usage of Augmented Dickey-Fuller (ADF) tests was required. Table 4.2 below provides the ADF test statistical results. It displays the series' starting points and levels between 1994 and 2020.

Table 4.2. Results of ADF test statistics

Variables	ADF	Critical Values	Order of Integration
D(LOGASR)	-6.444114	-3.004861**	1 (II)
D(LOGMNR)	-8.156816	-2.991878**	I (II)
D(LOGMSR)	-7.690983	-2.998064**	I (II)
D(LOGNOE)	-4.973584	-2.998064**	I (II)
D(LOGRGDP)	-6.220907	-2.998064**	I (II)
D(LOGVAT)	-7.611843	-2.991878**	I (II)

Note: * Indicates stationary at the 1% level, and ** Indicates stationary at 5% level.
Source: Computed from E-view 9.0, 2021.

The results of the ADF test are shown in Table 4.2 above. The conclusion suggests that not all of the variables are level-dependently non-stationary. However, after applying the first difference, the variables showed stationary behavior. In light of Harris (1995) and Gujarati (2009)'s investigations, they ought to be put to additional testing. It leads to the reason for the next section's goal. Thus, the application of the Johansen co-integration experiment is covered in the next section. The purpose of the experiment is to determine whether there is or is not a long-term correlation between the variables.

Johansen Co-integration Test

The researcher prefers to use the Johansen methodology. The choice of Johansen technique is a consequence of its various advantages associated with co-integrating vector. Table 4.3

Table 4.3.Johansen co-integration

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.933847	150.9080	95.75366	0.0000
At most 1 *	0.747177	83.01347	69.81889	0.0031
At most 2 *	0.621157	48.63682	47.85613	0.0421
At most 3	0.459617	24.37102	29.79707	0.1852
At most 4	0.265729	8.984073	15.49471	0.3668
At most 5	0.049233	1.262153	3.841466	0.2612

Trace test indicates 3 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

Co-integration testing employing the results of the Johansen co-integration, an empirical definition of the long-term relationship between a given set of variables is sought, in order to find the stochastic drift among the variables (to determine whether the variables move together). Using the trace and Eigen value test, we presum all study variables are endogenous. The outcome contradicts the null hypothesis that there is no co-integration among some of the variables with a probability less than the 5% critical probability as well as at the "At most 1" co-integration estimate. The outcome demonstrates that there is a long-run equilibrium relationship between the variables used. The outcome implies a long-term connection between real gross domestic product and non-oil export. Nigeria's real gross domestic product is likely to improve as non-oil exports rise.

Table 4.4: Regression Analysis showing relationship between Non-Oil Export and RGDP in Nigeria

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOGNOE	0.250605	0.099215	2.525887	0.0196
LOGMSR	-0.258390	0.236108	-1.094372	0.2862
LOGMNR	-0.314802	0.626659	-0.502349	0.6206
LOGASR	0.112835	0.043368	2.601787	0.0167
LOGVAT	0.042751	0.214978	0.198861	0.8443
C	4.658149	0.853089	5.460330	0.0000
R-squared	0.797153	Mean dependent var		5.770741
Adjusted R-squared	0.748856	S.D. dependent var		0.270013
S.E. of regression	0.135315	Akaike info criterion		-0.969290
Sum squared resid	0.384514	Schwarz criterion		-0.681326
Log likelihood	19.08541	Hannan-Quinn criter.		-0.883663
F-statistic	16.50524	Durbin-Watson stat		1.508220
Prob(F-statistic)	0.000001			

Source: Researcher's computation, 2021.

The equation below can be used to demonstrate the type and magnitude of effect:
According to the aforementioned study, β_0 = 4.658149, β_1 = 0.250605, β_2 = 0.112835, β_3 = -0.258390, β_4 = -0.314802, and β_5 = 0.042751.

Therefore, the linear regression equation obtained from the data is;
RGDP = 4.658149+ 0.250605NOE + 0.112835ASR + -0.258390MSR + -0.314802MNR + 0.042751VTR + μ

According to the findings in Table 4.4, agricultural sector revenue and non-oil exports have a statistically significant 5% impact on Nigeria's real gross domestic product. The results showed that the other variables' t-statistics are not significant at 5% (p>0.05). The MSR (t= -1.094372 p=0.2862>0.05), MNR (t= -0.502349 p=0.6206>0.05), and VAT (t= 0.198861 p=0.8443>0.05) all appear to have made negligible contributions to Nigeria's real gross domestic product during the time period under review. In a similar vein, the R-square value and modified R show how well the independent variables explain the data. This indicates that the model's variables explained around 0.797153, or 80%, of the variation in the dependent variables. This was seen as being high enough to assess the coefficient of determination's statistical significance. Because the F statistics value of 16.50524 is significant at 5% (p=0.0000), it is also clear from the F-statistics that the model fits the estimation well. Additionally, the model is compelling since the Durbin Watson statistics value of 1.51 shows that there is no autocorrelation.

Hypotheses Testing

Invariably, a common denominator in the mode of research acceptance is the rejection of null hypothesis upon testing against set criteria. This manifests in this research as follows:

H_{01}: The Nigerian economy has not significantly benefited by non-oil exports.

According to model estimation, the non-oil export coefficient is 0.250605NOE. This suggests a beneficial effect, with a unit rise in non-oil export predicted to result in a 25.06 unit increase in the real gross domestic product of Nigeria. The t-statistics, however, is 2.525887, and the probability value is 0.0196. We reject the null hypothesis since the p-value is less than 0.05 level of significance. The analysis came to the conclusion that non-oil export has a large beneficial influence on the Nigerian economy in accordance with the specified choice criterion.

H_{02}: The Nigerian economy does not significantly benefit from the agricultural sector's revenues.

Revenue from the agricultural sector as estimated by the model has a coefficient of 0.112835ASR. This suggests a beneficial relationship, with an increase in income for the agricultural sector (measured as a unit) projected to result in a rise of 11.28 percentage points in the real gross domestic product. The t-statistics, on the other hand, is 2.601787 with a probability value of 0.0067. We reject the null hypothesis because the p-value is below the threshold of significance of 0.05. The study therefore came to the conclusion that the real gross domestic product is positively and significantly influenced by the revenue generated by the agricultural sector, in accordance with the specified choice criterion.

H_{03}: Manufacturing sector revenue does not have a positive and significant influence on the Nigerian economy.

Manufacturing sector revenue from model estimation has a coefficient of -0.258390MSR. This suggests a negative correlation, with a unit increase in revenue from the manufacturing sector projected to result in a 25.84 percentage point decline in the real gross domestic product. The t-statistics, however, is -1.094372 and the probability is 0.2862. We reject the null hypothesis since the p-value is not less than 0.05 level of significance and agree with the alternative theory. The study thus came to the conclusion that manufacturing sector revenue has no positive and significant impact on the Nigerian economy, in accordance with the stated decision criterion.

H_{04}: Mining sector revenue does not have a positive and significant influence on the Nigerian economy.

The mining sector's revenue estimation model's coefficient is -0.314802MNR. This suggests a negative correlation, with a unit rise in mining sector income projected to result in an increase of 0.78 percent in real GDP domestic product. The t-statistics, however, is -0.502349 and the likelihood is 0.6206. We do not reject the null hypotheses because the p-value is greater than or equal to 0.05 at the level of significance. According to the given decision criterion, the study therefore came to the conclusion that revenue from the mining sector had no appreciable impact on the Nigerian economy.

H₀₅: Value-added tax has no significant positive impact on the Nigerian economy.

Value-added tax coefficient calculated using model estimation is 0.042751VTR. This suggests a beneficial impact, with a unit rise in the value-added tax predicted to result in an increase of the real gross domestic product of 4.28 percent. The t-statistics, however, is 0.198861 with a probability value of 0.8443. We do not reject the null hypotheses because the p-value does not fall below the 0.05 level of significance. The analysis came to the conclusion that the value-added tax had no discernible effect on the Nigerian economy in accordance with the given decision criterion.

Granger Causality Test
The long-run equilibrium between the variables was confirmed by the co-integration test, but this does not indicate which variable is the cause of the other (Granger, 1969). The Granger causality test aids in establishing the causal relationship between two variables. Table 4.5 displays the results of the Granger causality test between the variables.
Table 4.5 shows the findings of the Granger Causality tests of non-cointegrating variables. A detailed examination of these results shows that a unidirectional causality exists from the log of real gross domestic products in Nigeria to log of non-oil export. Also, log of non-oil export to the log of Mining sector revenue. That is, there is a Granger causality from log of non-oil export to log of value added tax and log of Mining sector revenue to log of Manufacturing sector revenue. Finally, there is Granger causality from log of Manufacturing sector revenue to log of value added tax and log of Agricultural sector revenue to value added tax at a 5% level of significance.

5.   CONCLUSION

This research sought to ascertain the impact of non-oil exports (and, thus, non-banking earnings) on Nigeria's economic growth from 1994 to 2020. Since non-oil export and non-banking are not the main drivers of economic growth, additional variables were introduced to the process. Analysis revealed that while non-oil export revenue and agricultural sector revenue are significant, manufacturing sector revenue, mining sector revenue, and value-added tax revenue are not (which should not be the case - hence the need to broaden the tax base to bring in more taxable revenues into the drag-net). On the basis of the empirical findings, conclusions and suggestions are given regarding how to increase the non-oil exports' contributions to Nigeria's Gross Domestic Product (GDP). Finally, a judgment is made in light of all the data. The study's findings and conclusions show that non-oil exports and GDP are positively correlated and statistically significantly so. A few years ago, the non-oil export sector in Nigeria was significantly impacted and had the potential to become even more so in the future. As a result, there is a rise in gross domestic product, economic growth, and foreign income. In order to lessen dependency on the oil industry and imports, Nigeria must sufficiently boost non-oil exports and grow the productive component of the economy.

Recommendations
The following recommendations for policy are offered in light of the study's conclusions and findings:
   i.   The government should provide more funds to boosting and promoting non-oil exports by working with the NEPC to make non-oil export administrative incentives more effective.

ii.   ii. The emphasis should be on agricultural exports, with financial incentives to encourage poor Nigerian farmers to begin exporting their products or it would not only arrive on time in foreign markets, but will also help to alleviate poverty.

iii.   Infrastructure development projects should be heavily subsidized in order to foster an enabling business environment for manufacturing in Nigeria.

iv.   iv. The government should formulate a unified plan to foster an environment that would encourage private sector investment in the mining (solid minerals) sector, enforce adherence to mining rules and regulations, and monitor compliance with mining laws and regulations so that the mining sector can be used to generate employment and prosperity for the country, as well as diversify the Nigerian market..

v.   Government offices, businesses and ministerial agencies are encouraged to be firm, disciplined and judiciously appropriate public reserves obtained from VAT by implementing infrastructural means required to develop the economic actions of Nigeria and thus increase the gross domestic products.

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APPENDIX

Year	RGDP	NOE (M'#)	ASR	MNR	MSR	VAT
1994	5.44	3.73	0.99	1.32	0.098	0.91
1995	5.45	4.36	0.96	1.30	0.101	1.31
1996	5.47	4.37	0.96	1.28	0.087	1.51
1997	5.48	4.46	0.83	1.28	0.079	1.67
1998	5.49	4.53	0.82	1.24	0.078	1.58
1999	5.49	4.29	0.80	1.21	0.07	1.68
2000	5.52	4.39	0.76	1.14	0.073	1.78
2001	5.55	4.45	0.75	1.14	0.062	1.96
2002	5.64	4.98	0.74	1.07	0.062	2.04
2003	5.68	4.98	0.73	1.08	0.061	2.12
2004	5.72	5.05	0.72	1.04	0.106	2.21
2005	5.75	5.03	0.68	1.00	0.198	2.28
2006	5.78	5.13	0.66	0.95	0.352	2.37
2007	5.8	5.30	0.65	0.92	0.531	2.49
2008	5.63	5.39	0.65	0.91	0.56	2.60
2009	5.86	5.46	0.64	0.89	0.315	2.68
2010	5.91	5.60	0.64	0.82	0.609	2.75
2011	5.97	5.60	0.64	0.86	0.73	2.82
2012	5.58	5.64	0.63	0.89	0.443	2.85
2013	5.58	5.70	0.63	0.95	0.398	2.90
2014	6.01	5.73	0.62	0.98	0.274	2.79

2015	6.11	5.74	0.61	0.97	0.175	2.82
2016	6.13	5.78	0.61	0.94	0.197	2.91
2017	6.33	5.80	3.93	0.94	0.231	2.93
2018	6.21	7.27	0.59	0.98	0.231	2.99
2019	6.06	6.40	0.58	1.06	0.181	2.77
2020	6.17	6.15	0.59	1.10	0.178	2.71

Source: Central Bank of Nigeria (2021)