

Trade Liberalization and Sectoral Performance in Nigeria.

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Certification

This is to certify that this thesis titled "Trade Liberalization and Sectoral Performance in Nigeria" was carried out by Olajide Adewale, OGUNNAIKE with Matriculation number of LCU/PG/002616 in the Department of Economics, Faculty of Management and Social Sciences, Lead City University, Ibadan, under my supervision and that this work has not been previously submitted

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Dedication

This work is dedicated to Almighty God for his mercy and my entire family.

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Abstract

This study examines the relationship between trade liberalization and sectoral performance in Nigeria with special focus on agricultural, manufacturing and service sector. Nigeria, as a developing country, has embarked on trade liberalization measures in recent years to enhance economic growth and improve competitiveness. This study aims to analyze the impact of trade liberalization on various sectors of the Nigerian economy and evaluate their performance. The Autoregressive-Distributed Lag Method (ARDL) model framework was employed. The findings suggest that trade liberalization has had mixed effects on different sectors in Nigeria. While some sectors have significant and positive effect, others have faced challenges adapting to the new trading environment. The agricultural sector, for example, has increased in trade, resulting in improved performance indicators. In contrast, the manufacturing sector has encountered difficulties due to competition from cheaper imported goods, leading to a negative effect on labour. In addition, the exchange rate affects service sector performance negatively. For the agricultural sector, results showed reveals that in the long run, trade liberalization has a significant and positive effect. For the effect of trade liberalization on manufacturing sector performance in Nigeria, the short run analysis reveals that trade openness affect manufacturing sector performance. In the long run, trade openness also has a significant and negative relationship with manufacturing sector performance. In analyzing the effect of trade liberalization on the service sector performance, trade openness has no significant effect on service sector performance in both the short and long run periods. The study recommends that the government adopt an outward-looking trade strategy that promotes the exportation of domestically produced agricultural products, thus fostering an increase in agricultural output.

Keywords: Trade Liberalization, Agricultural sector, Manufacturing sector, Service sector, Human Capital.

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Acronyms

Abbreviation	Meaning
ARDL	Auto-Regressive Distributed Lag Method
AGRIC	Agricultural sector
MANU	Manufacturing sector
SER	Service sector
INF	Inflation
EXC	Exchange Rate
GFCF	Gross fixed capital formation
WDI	World Development Indicator
LAB	Labour Force
HC	Human Capital
PCAP	Physical Capital

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