

# Export: Improving Nigerian Government Revenue Base and Economic Diversification

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**Abstract** In a country like Nigeria, where among scores of natural resources only one - crude oil accounts for over 90 percent of its total export trade, there is no other route to achieving a national sustainable economic growth other than to find the appropriate ways to diversify the export base. Since this paper regards every commodity exportable, emphasis on exports of non-oil products is not going to be only on the agricultural and mineral resources but in shipping products from across all economic sectors. The President Buhari's administration is being asked by many to boost the government revenue through taxes and tariffs, but the paper is going to demonstrate beyond doubt that exporting all exportable products, is the only way to improve the government revenue. The article will highlight the prospects and challenges in sourcing and provide export markets for commodities, products specialization and job creation from export and services industrial sector.

**Keywords** Export, Revenue, Base, Economy, Industry, Recession, Product, Sector, Diversify

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## 1. Introduction

Since the end of the oil boom in 1977, Nigerian had never achieved an economy growth rate in past 36 years; the economy has been suffering an unprecedented state of economic moribund till the present state of recession. The government and the people have been incapable of managing the abundant resources to achieve what many countries with far fewer resources have achieved in the same period. Who could believe that in 1979s to 80s it was much easier and costs less to have a landline telephone in Nigeria than in Italy and presently it is nowhere compatible to Italy in telecommunications?

The Ministry of Mines and Steel Development (MMSD), identified thirty-four types of minerals of high commercial value across the nation of which not even one contributes significantly to the revenue. The reason is that the various succeeding governments refused to develop and harness these sources of wealth for the income and all they did either to abandon existing activities like ADA Palm Oil Plantation abandoned for many years, handle to artisans or the regime's cohorts.

Nigeria has a very peculiar different vegetation zone, from the humid rain forest vegetation belt in the south to the drier savanna in the north. The influence of this vegetation on the country's 48% soil types Fluvisols, Regosols, Gleysols, acrisols, ferralsols, vertisols, alisols, which are

class four and five FAO's rating is suitable for agriculture.

The former regional governments had been the only governments in the history of Nigeria to have been able to work the vast fertile land area to create agricultural proficiency that the nation's economy depended on by the export of the agricultural products.

The success of the regional governments in agricultural export was mainly due to economic survival than revenue and economic growth development planning as they were forced to maintain the pre-colonial practice of trading in agricultural commodities for economic prosperity and to grow the revenue. For if crude oil export wealth was flooding the revenue then, they could have abandoned harnessing exportable agricultural products like their military successors.

The inability of the nation to become self-sufficient at least in basic foodstuffs such as rice since Nigeria is 2nd world consumer of rice after India, or diversify the economy is only due to lack of vision in the nation's economic planning team.

In Africa, Nigeria has the largest stocks of human resources for health, civil service, education technology, the administration even in production like finance, etc. to achieve a booming diversified, sustainable economy and prosperous Nigeria. The surplus in quantity and quality of human and natural resources, the right knowledge, experience, techniques and vocational skills are capable of leading the nation to an exceptional sustainable economic development advancement to benefit the masses. The paradox is that with such large stocks of human resources which could have been useful for the country, but the migration to foreign countries in the recent years has caused

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under production and inequitable distribution of workforce.

Irrespective of surplus resources, in health, civil service, education, technology, production and every other human resource, the capacity to possess and maintain the right quantity and quality of staff with the right knowledge, techniques and skill has been elusive because of the migration and lack of sense of nationalism among Nigerians. Without the right frame of mind and attitude among all Nigerians to contribute optimally to national goals and objectives, no matter the quantity of human and natural resources God has endowed it the economic diversification and revenue expansion will remain a national dream.

Nigerian should be alarmed of the present recession as whatsoever begins in Nigeria becomes endemic like corruption, arm robbery, petroleum subsidy and Nigeria's power problem. The government should do everything in its power to see that the economy is diversified and every human and natural resource contributes significantly to increase the revenue.

### **1.1. Objective of Paper**

Some experts think that the recovery from the present economic recession can come from rigorously taxing all enterprises to raise fiscal revenue; the paper shall highlight how a comprehensive export industrial development policy can improve the business environment to boost a diversified economy and the required export base. Non-oil exports stopped contributing to the Nation's economic growth rate in the 1970s when the debate on the need to diversify the economy began hence the paper will underscore the causes of the delay till date.

The paper will further highlight the significant challenges that are preventing the non-oil exports from emerging dominant against crude oil export. And will also propose analysis and recommendations, which anyone can put into practice as all hands must be on deck to engender great change in the nation's economy.

## **2. Conceptualizing the Weight of Tax and Export in the Government Revenue**

Nigerian revenue is a mixture of oil export and taxes, but because of income from oil, the government also neglected cash flow from tax and non-oil export commodities. The government has now realized the importance of the two sources to the treasure, and as such, should commit more to diversifying the non-oil export base.

### **2.1. Export Impacts More Than Tax on the Revenue**

The oil-dependence economy, endemic mismanagement and wrong economic reforms of the past decades have kept the country away from achieving any meaningful economic development.

Nigeria's non-oil export has a small impact on the

revenue just around 8% manufactured good and 92% primary production. The Nigeria government receives about 75% of its income from oil exports; the dependence on oil has rendered the economy vulnerable to commodity prices, causing problems in the budgets, devaluation of the currency thereby making non-oil exports uncompetitive in the domestic and international market. The falling oil prices are the primary cause of the present recession, which will lead to improvement in the economy. If, the masses can persevere and the governments engage in serious internal investments and sound policies to diversify the economy as is being seen in rice cultivation/ production in many parts of the country.

The National Tax Policy had only been structured to produce a tax system that grows internally generated revenue by exercising its powers and pressures on taxpayers who suffer multiple taxations by all tiers of government and bear a higher tax burden especially on SSBs very evident in Lagos state.

All the state governments use archaic laws and unskilled workforce to aggressively and unorthodoxly collect taxes from taxpayers by delegating the duty of revenue officials to third parties, only to accentuate corruption that causes lack of accountability of the amount gathered.

Categorically, the tax system needs a uniform Federal Government reform to expand the non-oil tax revenue, checkmate the politician's and bureaucrat's financial recklessness, and actively diversifying the economy by growing the non-oil export so as to develop steady, sustainable revenue generation for developmental projects.

### **2.2. Not Only Tax**

The immediate drop in oil prices should become a clarion call for random investments and participation in the agriculture, manufacturing, mineral resources sectors including crude oil and gas industry like in any nation that earnestly seeks to solve its economic woes borne from many years of reliance on oil revenue.

It is true that in Nigeria, crude oil is the major export because of the revenue it generates and this has led the economy to focus on the petroleum sector while ignoring the other areas as well as the potential revenue they can generate (Adenugba & Dipo, 2013).

It is so because of the spiritual myopic mentality of Nigerian policy makers and the various incentives regimes since the 1970s; it could not have been so if the policy maker were types that had the country's interest as a priority but in Nigeria, money is the priority of everyone.

A Lagos-based research/investment firm has wrongly affirmed that unlike revenue from oil and other sources, taxes have a very limited vulnerability to external pressure. Adding that it takes less time, effort and cost to improve tax collection than to implement other long-term development plans such as agricultural reformation, construction of refineries that are expected to contribute to the revenue, (Obinna, 2016). Nigeria is aware of the dodgy

managements, and lack of transparency surrounding tax and oil revenues, the improper accountability of their inflows to the government's accounts amounting to the uncontrollable dishonest disclosure of the money generates.

In as much it is evident that the government should strengthen the tax system, export remains the only formidable instrument for the stabilizing the economy because Nigeria must stop relying on oil revenue and diversify all the sectors of the economy, to let the country free of all its Dutch disease.

### 3. Exporting Enables the Economic Growth and Revenue Increase

Since the past governments did not invest the oil resources in areas that will be viable, Nigeria could hardly be able to survive without oil (Ohazurike, 2016).

President Obama's administration proved that the world's largest economy the USA is export revenue driven. As such Nigeria's only hope to end the current devastating but reversible economic doom, sustain the economy and increase the earning base is to use export competitiveness as an instrument of recovery for the economy, productivity, manufacturing, and employment. The potential of the non-oil sector of the economy is huge, as such, there is a need for an instant economic diversification in Nigeria, and the four tiers of governments have to prioritize on diversifying the country's export commodities as importation has collapsed.

As a matter of fact, activities at the wharfs is comatose even workers are calling the Wharfs "empty football fields." The state of the wharfs is a serious issue and an indicator of bad governance as such, all government agencies should wake up and work for the good of the masses.

A major stakeholder the Central Bank of Nigeria that is to manage the economy for the public is much distracted with Dasukigate and the recruitment scandal, not to mention the failure of forex policy by its politicized monetary and exchange rate decisions and its dire impact on the Nigerian economy and the public loss of confidence. These policies have bred nothing but corrupt arbitrage practices and unemployment, as factories and businesses are unable to access forex and shed jobs with declining productivity (Fayemiwo, 2016).

These are the distractions that had on many occasions in the last decades deterred the government agencies like NNPC, CBN, and NEPC from developing the major industrial sectors like Oil and Gas, creative, etc. hence all the Dutch diseases.

The significant role export can play in supporting the overall health of the economy cannot be quantified, every stakeholder including CBN should adopt the appropriate trading strategies that tend to pursue sustainable economic growth and market-oriented reforms derived from well-researched export development programs to stimulate

export. Categorically, should the stakeholders focus on expanding the export base it shall lead to economic recovery and avert present severe recession; as businesses will undoubtedly position themselves to take advantage of opportunities created through strategic thinking and planning.

### 4. Ways of Improving the Economy Significantly

Until last year (2014), Nigerian economy has enjoyed sustained economic growth for a decade, with annual real GDP increasing by around 7%; it was 6.3% in 2014. The non-oil sector has been the locomotive of the growth, with services contributing to about 57%, while manufacturing and agriculture, respectively added about 9% and 21%. The economy was thus diversifying and becoming more services-oriented, in particular through retail and wholesale trade, real estate, information and communication (AEO, 2015). Though the above facts were due to few individual efforts, Nigeria's export still revolves around the oil industry, after the economic reforms of 2005; the government has not made any concrete efforts to diversify its export base beyond the oil sector.

The present economic situation has taught the nation that the economic diversification has to be broad based to include the following sectors:

Primary industry: raw materials

Secondary sector: manufacturing

Tertiary sector: services

Quaternary sector: information services should also be given a good chance and researched (Wikipedia).

A typical broad base economic diversification can be that of Malaysia, a middle-income and oil producing country like Nigeria, has transformed itself since the 1970s from a producer of raw materials into an emerging multi-sector economy through a diversified export economy.

Like Nigerian, the Malaysian government is also trying to lessen its dependence on oil so as to achieve a truly diversified economy which it realized in 2013 by reducing the revenue from oil and gas sector's supply to about 32% from 46% in 2012. This economic policy has led the Malaysia central bank Negara to maintain healthy foreign exchange reserves and a well-developed regulatory regime that has limited Malaysia's exposure to riskier financial instruments and the global financial crisis (Malaysia, 2014), which the Nigerian CBN had not been able to achieve in its six decades of existence.

### 5. Vigorously Pursuing Export Markets

Seen, the struggling Nigerian economy, the nation has no choice other than to diversify the economy and spur technological innovation to avoid foreign exchange crunch

since the country cannot sustain itself anymore by only revenue derived from oil. The country needs to find long-lasting solutions since the oil revenue is dwindling as the population is ever increasing. Worse still, the oil and gas sector is disconnected from other tiers and sectors of the economy and thus offers little or no linkage and multiplier effect to the economy as a whole (Onodugo, Ikpe & Anowor 2013).

The multiplier effect can materialize by truncating the NNPC monopoly and liberalizing the sector which will attract rapid infrastructural developments and investments thereby providing entrepreneurial and job generating opportunities.

Furthermore, Nigeria has to adopt a comprehensive national economic plan that must designate export as its bedrock to pilot the country into a sustainable economic growth without which it will not attain the much-sought industrialization the like many Asian nations had through export.

Because of the abundant natural resources, God has endowed Nigeria with; the essence of the economic plan should be to convey the human capital towards channeled productive goals that would set the pace for the industrialization of the country much hindered by diffused mismanagements and corruption.

Evidently, the present administration is struggling to better the nation through the process of fight against financial crime; yet, the economy is not growing, job creation and poverty alleviations are absent. Even the World Bank has confirmed that it was harder to do business in 2016 the President Buhari's reign started than it was in 2015. Mr. Kaushik Basu, of the World Bank, lamented that modern economies cannot function without regulations, and businesses cannot come to a standstill through inadequate and cumbersome regulations. He further added, "The challenge of development is to tread the narrow path by identifying regulations that are useful and necessary and shunning ones that thwart creativity and hamper the functioning of small and medium enterprises," (Udo, 2016).

Therefore, there is a need to expand the government revenue through export of mineral resources, raw materials, agricultural products, manufactured and processed goods electric power supply permitting.

## 6. Conceptualizing the Economic Sectors for Export in Nigeria

The paper will highlight the strength of non-oil sector in the Nigerian economy, given the country's enormous potential in agriculture, solid minerals, manufactures and creative industry for export.

Available data revealed that the solid metal and manufacturing sub-sector of the economy had never made any significant contribution to the nation's export revenue even before amalgamation as can be seen from below (F. D.

Lugard).

Colonial reports—annual. No\* 878\* Nigeria Reports for 1913 & 1914

	1913	1914
	Pound	Pound
Cocoa.	157,480	171,751
Cotton L	159,223	50,791
Hides and Skins	197,214	505,785
Ground-Nuts	174,716	179,219
Tin	568,428	706,988
Ore (t	(4,142)	(6,175)
Timber	106,050	86,522
Total	1,363,111	1,701,056
Palm oil	1,854,384	1,571,691

(Lugard, 1916).

The reason is that the colonial masters neglected solid metal and manufacturing export sectors for industrial raw materials for their domestic industries. Even after independence, poor infrastructure, lack of adequate finance, the high cost of production, and low market penetration due to poor quality control were factors constraining the development of manufacturing exports (Emerole & Edeoga, 2013).

Then, Nigeria becoming an oil-rich nation is not the only caused in decline of economic growth in all other industrial sectors.

One of the reasons is that the Nigeria politicians and bureaucrats who occupied the leadership position after independence which imbibed the colonial master's narrow-mindedness in structure and objectives and the colonial mentality of wealth acquisition for self-aggrandizement and self-superiority. Instead of working to improve a lot of the country, they became colonial masters in a "black man's skin" (Anazodo, Okoye & Chukwuemeka, 2012).

Then came the past incessant incentive military regimes that did not encourage economic developments nor investments in the country but became insatiable in self-aggrandizement perfecting beyond measures the arts of corruption to the nation's detriment.

This myopic way of governing the economic development and environmental management that has persisted since independence contributed immensely to lack of both economic progress and economic diversification of the export revenue in all sectors.

## 7. Potential Sectors for Export in Nigeria

Nigeria is said to be full of Dutch Disease, a name coined after Holland's poor management rating of its natural gas wealth in the 1960s which explains the weak economic growth of all the other sectors.

Nigeria has been in this same condition since the 1970s,

as it always has performed poorly in managing its non-oil economy because of many perverse fiscal and exchange rate policies. The federal government itself has become an added source of the economic turbulence with its entire overhead budget and National Assembly excesses, coupled with volatile oil prices and oil-fueled political instability in Niger Delta. The government is determined to earnestly tackle and solve these challenges that relate to the Dutch Disease for it is highly committed to the economic diversification of non-oil economy potential sectors for export in Nigeria.

### 7.1. Agricultural Export Potential

The people of Nigeria by nature are very keen traders and agriculturists. Means of communication are improved continuously, and increasing quantities of produce are absorbed in good prices in British markets. Local prices, which ruled flat for some months after the outbreak of war, were at the end of the year nearly as high as before the war, and German trade is now in the hands of British merchants (Lugard, 1916).

The colonial power was the first to recognize the potential sector for export in Nigeria and did all that is required to sustain the industry by harnessing and maximizing produce for the benefit of its Britain homeland.

As early, as 1913 a steam trawler was sent to Lagos by an English syndicate to supply affordable deep-water fish and plantations of rubber, cocoa, kola, oil and coconut palms were flourishing.

The Eastern Railway and other rail lines constructed to reach the different parts of the two provinces as recognition of the importance of export potential of the agricultural and fishery sector.

Even in fisheries today like then, the Nigerian Atlantic Ocean coastal location provides a significant potential of fish for domestic consumption and prospect for an export market valued by CBN over \$144 billion in 2014. The loss of such huge amount of revenue is a good example of the result of the Nigerian-Dutch disease which is very prominent in agriculture and fishery.

The oil spillage among others has prevented farming and fishing in the region where they matter most Niger Delta, and the magnitude of the economic, environmental and human-associated hazards are such that it shall take up 30 years to see fresh and clean environment to farm and fish according to United Nations Environment Program, UNEP

Agriculture, the second largest sector of the Nigerian economy, which once contributed 35% to GDP, is presently estimated to account for 22%.

Though the industry employs over 75 % in rural area and also contributes to food production, industrial inputs, and foreign exchange earnings even though agricultural exports are negligible and represent not more than 3% of total national exports, there is still tremendous potential to grow the sector for export.

In the past decade's many efforts to stimulate the

agricultural sector were not successful due to high currency interest rates, import competitiveness, poor infrastructure, and dependence on weather conditions as out Nigerian 73 million hectares cultivable less than 1% arable land have irrigation.

There is the question of non-investment in the sector; however, shortly, the few states and individuals who have started investing in agriculture shall soon reap the benefit of export.

### 7.2. Solid Mineral Export Potential

This sector requires significant considerations for Nigerians have never realized the prospect of the mineral resources export sector which is still at the colonial stage. Since independence, the solid mineral sub-sector has never contributed effectively to the Nigerian economy neither had its impact on the GDP nor its foreign exchange earnings to the revenue been significant.

Among the top export products of Nigeria, not a single solid mineral is mentioned portraying the myopic spiritual nature of the government's economic experts that had rendered this sector the most neglected of the economy. Nigeria has various kinds of mineral resources even the ad-hoc ministry has identified 34 types to develop and promote for export from a list of 40 defined by NEITI, even though the solid minerals and precious metals are widely spread across the nation and are in sufficient commercial quantities to earn foreign exchange profusely.

Though the paper has highlighted the slow development of the sector, the major factor is the ambiguous mining legislations in the country and the selfish and doggy management of the export sector by the governments through the godfathers who have the monopoly operating with impunity irrespective that Nigeria is in EITI.

That is the reason, 44 identified minerals of commercial production notably gold, iron ore; bitumen, etc. are laying waste and yielding nothing to the revenue in a country in recession.

Some reports show that over 7.5 million tons of barite deposits in Taraba and Bauchi States and 700 million tons of bentonite reserves in many states of the federation are unexploited.

Including, tons of iron ore, over 40 million tons of talc, deposits laying waste in the FCT, Niger, Osun, Kogi, Ogun, Kaduna, and Enugu States.

The government and its economic team should recuperate for the revenue the massive mineral deposits and hundreds of trillions of dollars of their commercial value lost to the treasure yearly; the sector needs a new legislation that would encourage investors in the exploitation of these resources and liberalize the export of the resources.

### 7.3. Manufacturing and Services Export Potential

The manufacturing sub-sector of the economy consists mostly of medium/small enterprises and artisan handicraft, however, the lack the foreign companies in the sector came

from legislation and restrictions to entering the domestic market, a negative repercussion of the indigenization decree of 1972.

In reality many local and foreign investors have the interest in the Nigerian manufacturing businesses like electronics, chemicals, vehicles, wood, and food, etc. but are restricted from coming into the industry by stringent regulations, excessive running capital and unskilled labor among other.

Many past Nigeria governments have shown willingness to promote and support the growth in the manufacturing sector, but the irreparable damages caused by past inappropriate government policies and over-reliance on oil for income as such the solutions lies in the economic diversification and reforming the 1972 indigenization decree.

In the present Nigerian circumstances, manufacturing sector can still have high export potential because of the huge internal population and the neighboring countries that depend on of on the little productions from Nigeria for their sustenance, and good examples are Aba and Lagos manufacturing industries that flourish because of the neighboring countries.

Fortunately, at least some multinational companies are still operating and surviving in Nigeria, because of their high financial muzzle and unlike their local counterpart they employ skilled labor coupled with their productivity which most of the time are potential for export example Nigerian Bottling Company Plc, GUINNESS Nigeria and some food stuff companies.

The textile industry was once very efficient, and sources labor intensive export in the countries, but now a comatose big font of exporting if the government could guarantee the sector adequate financial resources, management, planning and investment in production technology process with the goal to sustain export.

Nigeria should also strive to get to the stage that its trade-related policies can enhance the competitiveness of industry within the country and stimulate quality controlled of the products so as to penetrate the international export market and at the same time be appreciated domestically.

Should this happen, all the problems and limitations that are hindering the growth of the manufacturing and services sector in the country such as poor infrastructure, lack of manufactured goods, unskilled labor, difficulty in sourcing financial resources for businesses, over-reliance on oil revenue, etc. will become things of the past.

#### **7.4. Nigerian Cultural Exports Potential and Others**

Categorically, Nigerian economy has much great potential untapped and anytime the government or some individuals take the right step and act effectively by making use of the population count, natural and human resources, ambitious and hard-working nature of the people the result is always excellent. These are what boosted the economic potentials in the telecommunications, oil and gas, energy,

Church and creative sectors just to mention a few.

Nigeria and Nigerians are emerging strongly in the areas as stated earlier; the gas industry is flourishing internally and internationally, Nigeria exports energy to neighboring countries irrespective of the domestic energy problems, many local churches are going global and are bringing foreign exchange into the countries.

However, it is in the creative sector that the ideal economic diversification and the most substantial revenue earning are materializing. The Nigeria entertainment and creative industry revolution, with its estimated \$500 Million per annum to the revenue; could be compared to the Indian “pink – revolution” of buffalo beef meat which became within five years the second largest Indian export after rice, dominating the world's meat export market.

By early 90s when Nollywood first went into a creative blaze no one could imagine it could have become one of the most dynamic economic sectors in the world, operating with some of the finest trade- related policies in Nigerian economy that are having a high significant impact on the economy and the revenue.

Nigerian cultural exports Potential are gaining global favorable Partnership arrangements and recognitions from film production to art through music to fashion.

The pioneers of the Nigerian creative industries that overcame the initial challenges through their personal efforts for the present success must apply the same efforts in production as globally the tide in the sector is turning towards social media Platforms to continue the course of benefiting the nation's economy.

## **8. Benefits of Export on the Overall Economic Development of the Nation**

Export trades are an instrument or better a catalyst for sustainable economic growth and development of any country's economy. As a catalyst export trading will serve well Nigeria so richly blessed with all kinds of natural resources, which till date have had no impact on the people lives. Nigeria has all it needs to manage her enormous human and natural resources so as to create wealth, employment, improve the economy and still be a force in global market and technology by being export oriented.

Export trading will inevitably produce a substantial amount of occupation opportunities because the direct relationship between increase/decrease in the nominal value of exports sales empirically is proved. Exporting all type of products across industrial sectors and export markets are the only means to achieve acceptable sustainable economic development; therefore, making export the bedrock of the economy is vital to achieving employment generating opportunities and industrialization. No nation can sustain manufacturing without first developing its export market which is necessary for the existence and survival of any society. Furthermore, export is a sure means for Nigeria to

earn foreign exchange, increase the revenue base, consolidate economic diversification, avoid consistent trade deficits and move the economy out of the recession.

## 9. Impediments to Promoting a Diversified Export Base

The problem of this country ab initio of the independence had been governance issue borne from, greed, corruption, lack patriotism and love for the country.

The Nigerian-Dutch Disease is not only caused by dependence on oil revenues that makes the economy vulnerable whenever oil prices fall but also by the heartbreaking and unjust distribution of the nation's wealth. In a country, where millions of people cannot afford 3 square meals a day, yet an oil block owner proudly confessed not knowing what to do with millions of USD in his possession.

There are other factors, the mismatch in political and civil service appointments, even the economic challenges and security issues the country is facing now come from the delay and high amount of ministerial mismatch in the present administration's key Ministries like Finance, Economic Management, and National Planning.

Then comes the notorious policies such as the 1972 indigenization decree, 1986, the Structural Adjustment Program (SAP), stringent foreign exchange regulations, repatriation of dividends/profits decrees and import prohibitions; all these infamous policies still reflect the hand works of incompetents also contributed to the Nigerian-Dutch Disease and daunted economic diversification.

A practical example of the effect of Nigerian-Dutch Disease is the power sector where the failure to use its human and material resources to nurture and keep an efficient and dedicated workforce, has turned Nigeria into the world's biggest importer of generators (Musa).

The paper views electricity as the second leading cause of Nigerian-Dutch Disease after reliance on oil, for no nation can achieve sustainable economic growth and developments nor industrialization through economic diversification and export-led growth to override the absolute reliance on the crude oil sales with such an endemic energy supply crisis as that of Nigeria.

Industrialization is a utopia for Nigeria that has one of the lowest net electricity consumption per capita rates in the world unless the government implements the various reforms in the power sector made by the successive governments, employ skilled workforce and carry out the many privatizations without favoritism.

Nigeria should pursue an import substitution industrialization strategy, this time no more policies to protect already comatose domestic manufacturing industries, or import restrictions and high import duties but to promote a full export diversified sustainable development growth to create enterprises, employments, expand revenue and spur

individual's well-being and peace within the multi-ethnic nation.

## 10. Export as an Instrument for Economic and Development Growth

It is evident that the economic and social infrastructural development in place does not reflect the revenue derived from the crude oil export because of NNPC and the past government's mismanagements.

Therefore the challenges can only be overcome by putting the right people in the right position to do the right thing.

Then the government has to invest on the right the people who can produce and work with sound economic policies to realize the economic diversification and the export expansion base.

The best of a man emerges in trying times, MTN dominating the telecommunication market started in early 2000 at the debut of mobile cellular services in Nigeria.

While the other operators were bent on recovering the capital spent on license fees; the South African MTN was working to dominate the sector by constructing masts, buying 100s vehicles, creating 100s jobs and appointed a personality much grounded in domestic market know-how Mr. Pascal Dozie of the Diamond Bank to chair the MTN Nigeria.

The success of MTN in Nigeria and that of the pioneers of Nollywood are similar in that they did not mind the immediate challenges as both exploited each one's entrepreneurial opportunity and applied personal efforts for its success.

Nigeria is full of Dutch Disease because government officials do not manage projects with the same spirit of entrepreneurship for achievement demonstrated in the above two sectors.

A good example is the Ajeokuta steel complex which after five decades of wastes of huge budgets is still at an almost nascent stage because civil war sentiment was the basis of the contract award.

As a norm, a country does not build Iron and Steel Industry in another country; and strange enough the Nigerian governments have not yet understood the fact that nations protect their technology. The construction of the Lagos-Kano and Lagos-Calabar the rail routes projects about to start is going meet the same faith of Ajeokuta steel complex for the reasons stated above and much more because such projects are not feasible in a country like Nigeria which cannot manufacture a train wheel what more train parts for maintenance.

It is better for Nigeria to export than to import even high-tech as such the government should recognize that there is no sourcing of revenue increase better than from a diversified export base and tap into the abundant potential sectors for export in Nigeria.

## 11. Guides to Exporting Products or Services

The central bank of Nigeria and the Nigerian Export Promotion Council (NEPC) as stakeholders have always conducted the public with export promotion policies aimed to provide incentives, security, and opportunities that would encourage participation in exporting commodities to generate foreign exchange earning and create individual wealth and for the treasure.

On different bases, it is important that first timers should avoid unfamiliar products, unknown markets, unreliable principals and do adequate research before contacting potential clients.

All of the above primary requirements must be at the disposal of the exporter. Otherwise, the risk of losing customer, time, money and reputation as the key to success in export is doing proper marketing research and adequate preparations; fortunately, there is an abundance of products available in the country.

It is proper to train and keep updated in the export matter such as export business plan, pricing strategy, products and services requirements, export documentations, finance sourcing, methods of payment and the use of Letters of Credit (L/Cs) to mitigate sales risk.

In August 2015, European Food Safety Authority suspended some Nigerian agricultural products from entering into the EU members' countries until June 30, 2016.

According to the Authority, the Nigerian dried brown beans contained unacceptable dichlorvos pesticide levels of 0.03mg per kilogram to 4.6mg/kg above the acceptable limit of 0.01mg/kg.

In fact, many products in agricultural sector contain dangerous substances for human consumption a good exporter must possess a sound knowledge of the stuff so as to be able to comply with the minimal risk levels for hazardous substances of the destination countries.

Furthermore, a good exporter must be grounded in matters like Nigerian export control plan and trade agreements between Nigeria and other countries example the Economic Partnership Agreement (EPA) between the EU and ECOWAS.

Exporters should not make the common mistake of focusing only on EU and USA markets but should expand scope by exporting across all industrial sectors across Africa; eventually, it may be more convenient and profitable to do business in Africa because of many favorable trade agreements and logistics.

## 12. Conclusions

It is evident that the security issues in the country, and the lack of growth and performance of all the country's economic sectors were due to the Nigeria over reliance on the oil industry and fluctuations in the international crude

oil prices.

Some, successive governments since the 1970s had tried in vain the structural changes, but various perverse exchange policies and the high oil revenue that always raises exchange rates never allowed balancing the budget and had all the time increased the fear of risking investments in the non-oil economy, hence the root of Nigerian "Dutch-Diseases."

And the present economic recession which started as the oil output slumped from 2.18m to 2.11 barrels per day because of the insurgency in the oil-producing Niger Delta region collapsed all economic sectors finance, manufacturing and agricultural, etc. a typical Dutch-Diseases case.

Generally in the past importation could have been the only option left for the whole nation but the present administration addressed this anomaly wisely by banning imports, and everyone has learned that Nigeria can become an exporter of rice in few years time seen the amount of rice cultivation all over the country.

Furthermore, the federal government of Nigeria has come up with sound policies that are encouraging other tiers of governments, individuals, the formation of corporations and organizations like World Bank's Fadama projects.

The Federal Government of Nigeria (FGN), is encouraging more and more private sector participation in every sector of the economy such as agriculture, energy, transport, and creativity, etc. proving the government's commitment to diversify and development the non-oil economy.

The steady diversification of the economy in the non-oil sector shall result in a continued expansion of the revenue base by accelerating the development, growth, and performance of every potential export sectors in Nigeria.

## 13. Recommendations

In light of the need for Nigeria to expand its sources of foreign exchange earning through diversifying its economy from oil the present government, economists, exporters, etc., have to eradicate the effect of Nigerian- Dutch Disease and break loose from the bite of current economic recession as the paper recommends the following;

1. The first step is that the government should endeavor to commit the right human resources and subsidies into the diversification process of some of the economic sectors to render the possible areas for export more productive.
2. One of the urgent panaceas for Nigerian-Dutch Disease is dealing with the Niger Delta environmental and human issues such as oil spillage, bunkering, illegal oil refining, unemployment and lack of possibility to farm or fish.
3. The government should also put a stop to the oil industries self-regulating by enacting strong legislations that will extend financial unemployment



allowance or pension payment according to the age of everyone male and female in the area.

4. In 1986 second-tier foreign exchange market (SFEM) policy proved disastrous to the then economic revival named "austerity measure," again in 2016, the same model pushed the country into recession. Then for Nigeria to survive the menace of Dutch disease and has success in the ongoing economic diversification process, CBN has to change and make the current exchange rate policy conducive for Nigeria business environment.
5. Many years of massive oil wealth in Nigeria, have not impacted significantly on the lives of people instead lots of misguided policies and decrees have damaged the economy, which had adversely affected the populace as such the masses should put interest in the economic diversification and benefit from every potential sector for export in the country.
6. The government should take into considerations worldviews on the economic diversification of the country to resolving the challenges the process may face because the non-oil economy in Nigeria is complex and has an enormous potential to become a healthy and vibrant economy and free Nigeria from reliance on the oil revenue.

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