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EXPORT DIVERSIFICATION AND BUSINESS DEVELOPMENT IN EVENT OF CHANGING FACE OF MANAGEMENT OF EMERGING ECONOMIES

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ABSTRACT: This paper examines the implications of Export Diversification and Business Development of Emerging Economies with particular focus on Nigeria. Export diversification is viewed as a crucial antidote for sustainable economic development. This study therefore serves as an outcome of a study aimed at fostering the economic recovery growth plan of Nigeria. The ordinary least square technique is adopted in the methodology with variables and the result reveals a significant linkage between export diversification and the Nigeria economy. The study advocates that government should double efforts so as to achieve the benefits of export diversification and macroeconormic stability.

KEYWORDS: Export Diversification, Development, Stability, Economy

1. INTRODUCTION

Nigeria at independence in 1960 had been adjudged as the fundamental producer and net exporter of primary products. As at then, the basic Agricultural product was groundnut, cocoa, palm oil, Rubber, cotton and palm produce. Agricultural produce and solid minerals constituted the major foreign exchange earner of Nigeria. This trend was truncated in the early 70s in view of the advent of oil which ushered in the regime of neglect of non-oil sector but total dependence on crude oil as the major contributor to the Gross Domestic Product as well as major Revenue Earner in the economy Since the emergence of Petroleum as the major export product and revenue earner, the Nigerian economy has been battling with the challenges of mono-product dependency Years of military Rule, political instability, Economic mismanagement, nascent democracy, corrupt practices with leakages in the macroeconomic framework vis-à vis bad governance and the politics of recession gave birth to constraints impacting on achieving stable nacroeconormic framework as well as desired strategic growth and business development in relation to sustainable export development. Thus export is viewed in all ramifications as the ungine of sustainable business development put simply, export diversification is a veritable engine of economic transformation. This has given birth to intellectual proper in the area of trade as to the extent which export diversification can contribute to and enhance business development.

Thus, export diversification is a crucial and basic element in the development process of an economy. This facilitates the macroeconomic performance of low income and emerging economies. Export diversification aside from excessive dependence on a single dominant sector or a few typically resource based commodities associated with increased complexity and increased quality of national output reduces the risk of narrow economic base. It facilitates the nation's ability to produce goods of merchantable quality which other nations may desire to procure. Thus one of the basic business development and export activities in an economic system has been the availability of potentials for export in both oil and non-oil sectors of the economy. Nigeria has a lot of potentials in natural resources in the areas of agriculture, Power, mining, solid minerals, transportation, manufacturing, education health and aviation, telecommunication, tourism and shipping as well as human capacity to promote business deve1oprnent. Irrespective of all these potentials the Nigerian non-oil export sector has been associated with challenges capable of hampering business development Prominent among these problems has been the overdependence on oil export as the largest contributor to GDP and a major foreign exchange earner to the neglect of non-oil export sector. The solid mineral sector among others is still not sufficiently developed and continue to contribute very little to GDP due to limited domestic and foreign investment coupled with inadequate access to investment capital. Actually, very little have been mined,

processed and marketed due to poor business environment leading to Nigeria having to import minerals that could be produced domestically. Nigeria has a comparative advantage in non-oil export goods, but low productivity has been a barrier to greater competitiveness due to inadequate mechanization and modernization coupled with low level of human capital development. Moreover, inability to exploit the potentials existing in Agricultural produce as a result of poor storage facilities and transportation problems in relation to areas of poor management, have limited export potentials thereby reducing the value added expectations demand for export market. Non-oil export sector remains huge but an untapped sector that Nigeria could massively harness to record huge mileage aimed at facilitating business development. This calls for new thoughts and initiative, which is the essence of this study. The study is in five sections. Section one is the introduction while theoretical framework and Empirical Review form the basis of section two. Section three is premised on non-oil Export sectorial growth performance as well as levels of business development. Analytical methodological issues and related statistics form the tenet of section four. The paper terminates with brief policy implications, advocacy and concluding remarks.

Theoretical Discourse and Empirical Review

This study is anchored on Eclectic Paradigm Theory by Dunning (1988), often referred to as EPT paradigm. Here eclectic paradigm is basically a synthesis of other theories of international production. Dunning considers two types of investment. The first one is related to economic activities that take place within national boundaries but related with goods and services directed towards foreign markets. The second has linkage with the activities of national economic agents that apply resources located in a variety of countries to produce gods and services so as to supply foreign markets. The former involvement falls within the conventional trade theory, the latter within the international production and Foreign Direct Investment (FDI) approaches. Dunning's approach is an attempt to analyze the whys and. where's of the firm's strategic decisions in relation to Ownership, Location and Internalization benefits. Ownership advantages are those that are unique to a particular firm and enable it to take advantage of investment opportunities abroad with Specific factors including: technology, trademark, production technique, process, name recognition and other core competencies. As popularized by Dunning, there are three categories of ownership advantages: The first is due to the ownership of particular, unique, intangible assets, firm-specific technology, knowledge of market and Research and Development (R & D), over new firms in the market. Following this is the second which is attributable to the collective ownership of complementary asset. An example is joint ability to create new technologies, usage of raw materials, access to market monopoly power and size. The third type of ownership advantage is, derivable from the firm's multinationality, that is, firms operating in many countries are likely to be in a better position than a national firm to take advantage of different business situations. Locational advantages are those which are specific to a country. It encompasses such things as transportation cost facing finished products and raw materials, government regulations and infrastructure factor, special taxes or tariffs. These types of advantages are especially attractive for foreign investors. Internalization advantages are the benefits that make it more profitable to embark on transactions within internal markets and that allow firms to bypass external markets and the costs associated with them. Dunning (1988) identifies some conditions for Foreign Direct investment (FDI). These include: The firm must have ownership-specific advantages vis-a-vis other competitors of other nationalities in the particular market it serves; must have benefits from internalizing the use of resources in which it has an advantage rather than selling them. These advantages are the internalization benefits. The global interests of the firm are served by creating advantage in a particular foreign location, assuming that conditions are satisfied. This offers the firm more advantages of the incentive to internalize and derive the existence of market imperfections. As mentioned above, the eclectic paradigm is a synthesis of other approaches that focus on trade or international production, on the possession of superior technology or on imperfect market structures. Thus, there is neither fast perspective on the competitive nature of international production, nor any consideration of collusion and/or market power. The eclectic paradigm has strong points which make it very successful. Depending on its resources, government policy, the organization of activity and the strategy of firms, configuration changes so as first to attract inward investment in resources based sectors such as, in manufacturing sectors, in trade and distribution, in transport, agricultural sectors and perhaps in solid mineral sector. Firms export goods and services from a production base in their home country whenever the location advantage of creating or utilizing their ownership specific advantages are greater than servicing the foreign markets from a foreign location. This theory provides guidance for determining huge market in non-oil export with particular reference to disaggregated agriculture: solid minerals and transport subsector which domestic and foreign investors must tap into in order to enhance business development and broaden export production base. Combing location specific assets or resource endowment with firm's own unique capabilities often require foreign direct investment to exploit such potential for mutual benefit.

2. EMPIRICAL REVIEW

The contributions of Non-oil export on business development of Nigeria have been examined by different economists and policy makers using different econometric techniques. This work explored a range of empirical literature such as the work of Adesoji and Sotubo (2018) which examines the typology and extent of relationship that exist between exports of non-oil commodities such as agricultural and mineral resources. The study was for the period of 1981 to 2010. Frequency distribution and simple percentages were used for the descriptive analysis and least squares (LS) regression was used for the inferential statistics. Findings from the study revealed that non-oil exports have performed below expectations giving reason to doubt the effectiveness of the export promotion strategies that have been adopted in the Nigerian Economy. Onodugo. et al (2013) investigated the specific impact of the non-oil exports to the growth of Nigerian economy using data for the period of 1981 to 2017. The study adopted the Augmented Production Function (APF), employing the Endogenous. Growth Mode! (EGM) in its analysis. The conventional tests for mean reversion and co- integration were employed. Findings revealed a very weak and insignificant impact of non-oil export in influencing rate of change in level of economic growth in Nigeria. Awe and Ajayi (2009) determine the effect of the Non-Oil revenue on Economi Development. The non-oil sectors that were used for the analysis included agriculture, solid minerals and manufacturing. The analytical technique used was the co-integration analysis, which encompasses the use of unit root test and the error correction methodology. The findings from the study revealed that dynamic relationship exists between the revenue from the non-oil sector and economic development. Abogan, Akinola, and Baruwa (2014) investigated the impact of non-oil export on economic growth in Nigeria from 1980- 2017. Ordinary Least Square Method involving Error Correction mechanism, over-parametization and parsimonious techniques were adopted. The study revealed that the impact of non-oil export on he economic growth was moderate and not all that encourages as a unit increase in non-oil export impacted positively by 26 per cent on the productive capacity of goods and services in Nigeria during the period of study. Ibrahim and Aminat (2013) examined the linkage between economic growth and non-oil export using time series data for Nigeria over a period of 1970-2010. Employing both Simultaneous Equation Model (SEM) and a single equation model, results of SEM contradict the hypothesis while that of the single equation validates the hypothesis. Specifically, the growth equation in the SEM shows that non-oil export and agricultural performance are negatively associated with growth, though in other equations, this was not the case. It was also found that the industrial sector performance and population growth are good determinant of economic growth. Benedict and Emmanuel (2013) examined the impact of non-oil export credits on economic growth of Nigeria over the period 1984 to 2009. The methodology adopted was multiple linear regression analysis to capture the impact of non-oil export credits on economic growth of Nigeria, as well as Granger causality tests to determine the direction of causality between the variables. The results showed that banks credits for agriculture and forestry, mining & construction and nominal effective exchange rates have negative impact on non-oil GDP in Nigeria while banks credits for merchandise export, import & domestic trades, public utilities and services impacted positively. In the case of causality test, evidence of the result showed that there is a uni-directional causality running from GDP to agriculture and forestry and public utilities and services. Felix and Fatukasi (2012) analyzed the impact of non-oil export on the growth of the Nigerian economy. The ordinary least square (OLS) statistical tool was used to analyze the data. The findings revealed that non-oil export has positive effect on the growth of Nigerian economy during the period under review, though the performances in terms of output level and revenue generation was below expectation. Usman (2010) examined linear relationship between the non-oil Export and GDP using data set from Central Bank of Nigeria. Sources ranged from 1988 to 2008. The multi-linear regressions were employed. This study reveal that there was insignificant relationship between Economic Growth (GDP) and Non-Oil export as well as Exchange rate while the other variables have a significant relationship with economic growth. Emmanuel, et al (2012) examined the long-run behavioral relationship between industrial production, non-oil exports and economic growth in Nigeria using data from 1970-2007. The Vector Error Correction approach of co-integration has been applied to Granger test the causality between industrial production, non-oil exports and economic growth. The unit root test reveals that all the variables were stationary at first difference. These results further supported a stable long run relationship between non-oil exports and industrial production, and thus, yield evidence of a single co-integrating vector. Adebile and Amusan (2011) examined the contribution of Non-Oil export to the Nigeria economy and in particular the contribution of cocoa export of Nigeria from 1961 to 2009 as a viable facilitator to the transformation of the socio-economic activity of Nigeria for meaningful development. It emphasizes the immense opportunities and benefits that exist in Non-oil exports and the fact that Nigerian's dependence on the oil export as a major contributor to the country's GDP poses a threat to the continued sustenance of the GDP. It observes that investment in cocoa production is likely to boost the GDP and will also offer employment opportunities to the citizenry. Mustapha, Akinkuotu, Shiro and Yusuf (2018) examined the effect of non-oil export on the agricultural sector performance in Nigerian economy for the period of 1980 to 2017. Modern econometric analysis was used to validate if there is any relationship between non-oil export and sectorial performance. The result reveals an inverse effect between non-oil export growth and agricultural sector growth. Also, the result

shows that non-oil export commodities failed to enhance growth of the economy in recent findings, while agriculture, openness and exports promote' growth in both the short and long run. Oj-Okoro (2011) examined the contribution of agricultural sector to the Nigerian economic development using multiple regression analysis. They found that a positive relationship between Gross Domestic Product (GDP) vis a vis 'domestic savings, government expenditure on agriculture and foreign direct investment between the period of 1986-2007. It was also revealed in the study that 81 per cent variation in GDP could be explained by Domestic Savings, Government Expenditure and Foreign Direct Investment. Olajide (2012) analysed the relationship between Agricultural resource and economic growth in Nigeria. The Ordinary Least Square regression method was used to analyze the data. The result revealed a positive cause and effect relationship between gross domestic product (GDP) and agricultural output in Nigeria. Lawal (2011) verified the amount of Federal government expenditure on Agriculture in the thirdly-year period 1979-2007 using time series data. Significant statistical evidence obtained from the analysis showed that government spending does not follow a regular pattern and that the contribution of the agricultural sector to the GDP is in direct relationship with government funding to the sector. Abolagba, et al (2010) examined the factors that influence agricultural exports with specific reference to Cocoa and Rubber. Ordinary Least Squares regression (OLS) was adopted in analyzing the relevant data. The OLS findings revealed that rubber export is influenced significantly by domestic rubber production, producer price, exchange rate.

domestic consumption and interest rate. For cocoa, the OLS shows that cocoa output, domestic consumption and rainfall significantly influence cocoa export.

Kalu and Okojie (2009) analyzed sectoral contribution of forestry to economic growth and development for the period of thirty year (1970-2000) using ordinary least square (OLS) technique. GDP was the dependent variables while the independent variables were forest product outputs, timber export, and price index of timber as well as inflation and exchange rates. The finding reveals that timber export and price index of timber actually contribute to economic growth and development. It recommends that the policy makers should pursue macroeconomic measure that will widen productive forestry base, expand plantation forestry and ensure sustainable management of forest resources.

Oyinbo and Rekwot (2013) examined the relationship between fishery production and economic growth with a view to drawing up relevant implications for sustainable economic development in Nigeria. Time series data on index of fishery production and real gross domestic product covering 1970 to 2011 were utilized in this study. Augmented Dickey Fuller (ADF) test, Vector auto regression (VAR) lag, order selection test and granger causality test were employed in the data analysis. The results indicated that fishery production does not granger cause economic growth and this implies that fishery production was not significant in influencing economic growth over the period under study. This was attributed to the low domestic fisheries output of Nigeria and considerable loss of foreign exchange earnings due to the growing fish importation to bridge the demand and supply gap.

Previous studies in this area have been undertaken by different scholars as depicted above. These previous studies did not recognize the need for disaggregated approach of the study. It is in recognition of the gap that this study seeks to bridge using disaggregated approach through the use of ordinary least square techniques. The essence of this study therefore is to adequately tap sectors of export development that have not been significantly addressed and by so doing contribute to the existing body of knowledge with a view of determining the exact contribution of these disaggregated sectors such as Agriculture - forestry, fishery, livestock and crops; Solid minerals - coal mining, metal ore and mining and quarrying; transport sector - rail and pipeline, road, water and air transport to export development. In the same vein, the contributions of these disaggregated subsectors are capable of broadening productive, revenue and export base of the economy thereby contributing largely to Nigeria's Gross Domestic Product as stated in the table below.

Table 1: Non-Oil Sectoral Contributions to Percentage of GDP (2008-2017)

Activity sector	Share in Total (%) 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Agriculture	42.13	41.70	40.84	40.19	39.2	38.35	39.00	43.0	47.5	40
(a) Crop Production	37.56	37.16	36.37	35.78	34.83	34.04	36.00	38	42.0	40
(b) Livestock	2.66	2.65	2.61	2.58	2.55	2.52	3.17	4.31	5.52	6.2
(c) Forestry	0.53	0.53	0.52	0.51	0.50	0.50	0.80	0.83	0.89	0.92
(d) Fishery	1.37	1.36	1.34	1.32	1.31	1.30	1.42	1.45	1.68	1.92
2. Solid Minerals	0.32	0.33	0.34	0.36	0.38	0.40	0.52	0.72	0.92	1.03
Transport	2.71	2.70	2.68	2.66	2.66	2.66	3.00	4.0	6.62	7.5

Source: National Bureau of Statistics (various issues)

The above table 1 shows that Agriculture alone accounted for 40.84 per cent of total GDP in 2010 as against 41.70 per cent in 2009. The agricultural sector activities comprising of crops production, livestock, forestry and fishing was considerable in 2008 and 2009 but de-accelerated from 2010-2013 as a result of production challenges. It increased to 45.00 in 2017. The sectors accounted for (41.70 per cent) of total value-added in 2009, compared with (42.13 per cent) achieved in 2008. The structure of agricultural production in Nigeria shows dominance of crops production which accounts more per cent than others up to year 2017. The contribution of the livestock, fishing sub-sectors however, decreased from 2008-2013 while the contribution of forestry de-accelerated from 2010-2013 and increased to 5.2 (2016) and 62 per cent (2017). Solid minerals production contribution to GDP is extremely modest. The sector's contribution to the overall real GDP accelerated marginally to 0.40 per cent in 2013 from 0.32 per cent in 2008 and increased to 0.92 per cent (2018) and 1.03 perc ent (2017).

Nevertheless, the sector is a potential driver of the growth of the economy, since the country is endowed with over 34 solid mineral varieties in commercial quantities. In terms of contribution to GDP growth, transportation activities accounted for 2.70 per cent in 2009 as against 2.71 per cent in2008 but declined slightly from 2009- 2013 . The less than impressive performance of transportation sector during the period could largely be attributed to the, poor state of transport infrastructure. The rail system had remained inactive for many years with obsolete tracks and equipment. The growth of road transport activities have been largely constrained by the poor state of roads. NPC (2010) reveals that at the end of sectoral activity are three small sectors that are practically dead: coal mining: rail and pipeline transportation and metal ores.

Dele (2013) opines that Non-oil export industry in Nigeria is a latent gold waiting to be explored. The potential of this industry at present is still largely untapped. The major players in the commodity export business in Nigeria are the Asians, while small and medium scale exporters are largely Nigerians.

Table 2: Non-Oil Export Sectoral Growth Performance (Percentage) (2008-2017)

Sector	Percentage	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1.	(%)	6.27	5.88	5.82	5.64	3.97	4.1	5.2	6.0	9.2	9.85
Agriculture	(%)	6.2	5.8	5.6	5.6	3.8	5.2	5.8	7.8	8.7	8.8
(a) Crop	(%)	6.9	6.5	6.5	6.2	5.5	6.5	7.1	7.8	8.0	9.01
Production	(%)	6.1	5.9	5.8	5.5	5.7	6.1	6.8	7.5	7.7	7.8
(b)	(%)	6.6	6.2	6.0	5.9	5.9	6.0	6.4	7.4	8.1	8.6
Livestock											
(c)											
Forestry											
(d) Fishing											
2. Solid	(%)	12.77	12.08	12.08	12.50	12.52	1.30	13.64	14.0	15.02	16.00
Minerals											
Transport	(%)	6.97	6.83	6.7	6.8	6.8	6.9	7.1	7.8	8.2	8.50

Source: *Central Bank of Nigeria Annual Report (various issues)*

From table 2 above Agriculture represents a growth rate of 5.88 per cent for 2009 compared with 6.2 per cent for 2008 followed by 4.1 per cent (2013), 60 per cent (2015). The trend growth rate shows a de-acceleration in growth to 5.64 per cent in 2011 and 3.97 in 2012 as against 5.82 per cent in 2010. Years 2016 and 2017 recorded appreciative percentage increases. The analysis of growth performance shows that solid minerals accelerated to 12.77 per cent in 2008 but de-accelerated to 12.08 per cent in 2010. The sectors grew strongly to 12.50 per cent, compared to 12.08 percent in 2010 to 12.52 per cent in 2012 and increased to 14.0 per cent in year 2015, 15.02 per cent (2016). This growth performance reflects the accelerated pace of building and construction, which draws raw materials from solid mineral subsector.

Levels of Business Development

Business development is a generic function that is as relevant for a big conglomerate as it is for the small entrepreneurial firm. Irrespective of size, industry or market, firms are increasingly dependent on building their business around partnerships. Business development can however be identified at three distinct levels: Corporate, Commercial: and, Product (The Unlimited, 2011 in Joe, 2011). At the corporate level, business development often centers on strategic decision-making regarding whether to cultivate an organizational competence organically or to buy acquire the needed competence. At the commercial level, business development decisions exist in three strata: Customer, Channel; and, Value Chain. At the product level, business development differs from firm to firm, it means developing a new product or technology, although the level of development can differ from firm to firm.

The Importance of Business Development

The main focus of business development is to identify opportunities for the business and stay up-to-date on current industry trends. It mainly helps firms identify and take advantage of new opportunities in the market. More specifically, it facilitates firms' ability to develop new markets; capture a wider share of customers within, existing markets; assess the fit or match between the firm's current assets with its need to maintain and/or expand the business; build and manage relationships with third parties or partners (Joe, 201 1).

The Road Map for Business Development

The blueprint for business development activities consists of the following sequenced activities: identification of the problem or opportunity that needs change or intervention by the firm; review ai4d evaluation of the firm's mission, visit objectives and strategy: monitoring and collection of data/information from the market and external environment; analysis and diagnosis of market place trends with the data collected and development of actionable opportunities; examination of the firm's strategic advantage factors by objectively assessing its assets and capabilities; prioritization of the actionable opportunities; and, actualization of the prioritized opportunities by negotiating and putting into action the programs designed to realize them (Joe, 2011).

Business Development

Business development comprises a number of tasks and processes generally aiming at developing and implementing growth opportunities (Sorensen, 2012). Business development may well be defined as the management of growth and competitiveness of an economic enterprise. When spliting business development into two parts, we have: 'Business' and 'development'. Business is: economics, finance, managerial activities, competition, prices, and marketing. All of these keywords clearly indicate the primary scope of the term business development. Development can be seen as a justifiable utilization of local resources for improved living condition of all and sundry in a community, state or nation. This means that development is for the people and it involves exploitation of natural resources. Therefore, development in Nigeria depends strongly on awareness and understanding of the extent and nature of the endowed natural resource as well as the method of exploitation. Generally, business development describes the identification and exploitation of new business opportunities by analyzing market trends and activities with a view to bringing in new customers, while retaining or expanding transactional relationships with the existing ones (Joe, 2011). it is therefore a process that involves prospection and development of a new products/services or technology (The Unlimited, 2007 in Joe, 2011). At its heart, business development is all about figuring out how the interactions of those forces combine together to create opportunities for growth. The strategic choice concerned with directions and methods for business development deals with strategies related to the ways in which businesses could further develop.

Identification and Analysis of Business Development Needs

Business development consists of all efforts directed at boosting the business of a firm (1-lubert, 2011 in Joe, 2011). Its key thrust is on identification, review and analysis of new or emerging market opportunities, and formulation of strategies for taking advantage of such opportunities. The business development objective is largely facilitated by cultivating or fostering, new relationships with potential clients, partners and other elements in the market, and maintaining currency with existing ones. These relationships are targeted at exploiting perceived opportunities' or creating totally new partnerships; new markets; new ways, of accessing the market; the delivery of new and more valuable products or services. The overall goal or aim of business development is to help secure a wider customer base and the delivery of the firm's products or services in the most profitable way.

Business development is a cross-cutting funcion 'that draws its resourcing from management, operations, marketing, sales, distribution and client relationship. In carrying out the business development function the person can become involved in a wide range or variety of activities from product development,' creation of marketing strategies, generation of sales leads to negotiating and closing business deals for the firm (Wet Feet, 2011 in Joe, 2011).

Analytical Methodological Issues and Related Statistics

The study on Export Diversification and Business Development of emerging economies with particular reference to Nigeria span from 1960 to 2018. Data were sourced from Central Bank of Nigeria statistical Bulletin, foreign trade summaries, Bureau of statistics, World Bank publications and allied financial publications.

Estimation Framework

The major focus of this study is Export diversification and Business Development of emerging economies with Nigeria as the centre of focus. In the equation for empirical modelling, the Ordinary Least Square (OLS) technique is adopted with the use of gret-l econometric package. This is justified by the fact that bias is avoided so as to obtain the appropriate association of values that are measured empirically. The log linear from makes provision for direct association, estimation and interpretation of the associated coefficient of the model and as such the equation is logged in this regard.

Model Specification

Implementing this study further, the control variables are Export (Exp), forestry product (FOR), fishery (FISHR), Livestock (LIVEST), Crops (CROPS), Economic Growth-Gross Domestic Product (GDP) and Investment (INV). These represent selected variables for the study.

The model then takes the form thus:

EXP = a (FOR, FISHR, LIVEST, CROP), GDP + INV + e_t ……..(1)

This can be econometrically modeled as follows:

EXP =

$a_0 + a_1 L\,FOR + a_2\,LFISHR + a_3\,LIVEST + a_4 LCROPS + a_5\,LGDP + a_6\,LINV + e_t$ ……..(2)

$(a_1, a_2, a_3, a_4, a_5, a_6 \geq 0)$ apriori sign

e_t represents stochastic term/error tean/white noise

$a_0 - a$ are parameter estimates

EXP	=	export
LFORP	=	log of Forestry
LFISHR	=	log of Fishery
LLIVEST	=	log of Livestock
LCROPS	=	log of Crops
LGDP	=	log of Economic Growth
LINV	=	log of Investment

Parsimonious Empirical Result and Related Statistics-Regression result on the Value Added by Agricultural Sector to Export Development and Diversification

Dependent Variable: EXP
Method: Least Squares
Sample: 1990 – 2018
Included observations: 24

Variable	Coefficient	Std. Error	t-Statistic	P-Value
ΔC	-28630.63	10089.29	-2.8377724	0.0105
ΔFORP	1.245094	1.187886	1.048159	0.3077
ΔFISHR	-3.574178	1.222303	-2.924135	0.0087
ΔLIVEST	1.486918	0.485677	3.061538	0.0064
ΔCROPS	0.046542	0.021786	2.136325	0.0459
ΔGDP	0.06781	0.585681	3.079243	0.0010
DINV	1.724111	1.2225413	2.941222	0.0140
R-squared	0.976439	Adjusted R-squared		0.971479
F-statistic	196.8559	Durbin-Waton stat		1.192852
Prob (F-statistic)	0.000000			

Source: Regression result using gret-L Econometric Packages

The above reveals the value Added by Agricultural Sector to Export Diversification

The regression result of the value added by management of agricultural sector to export development and diversification in Nigeria with particular reference to forestry, fishery, livestock and crops and investment is as under. The result reveals an R^2 of 0.976439. This implies that the model explains about 97 per cent of variations in Export diversification in Nigeria. The coefficient of constant term has a negative sign. The associated t-statistic is statistically significant at 0.01 per cent. This is in conformity with a priori expectations. The co-efficient of forestry assumes a positive relationship and the associated t-statistic is not statistically significant at 0.31 per cent level. This is not surprising as most of the forestry products are locally consumed.

Nevertheless, Kalu and Okojie (2009) affirm that forestry has the potential to contribute substantially to Nigeria's economy as it serves as an engine of growth that propels economic activities especially for a nation that is endowed with abundant forest resources. The co-efficient of fishery records a negative sign indicating an inverse relationship between non-oil export and fishery. This was attributed to the low domestic fishery output of Nigeria which indicates a huge loss of foreign exchange earnings due to the growing fish importation to

bridge demand-supply gap. This is in conformity with Akeem (2011) who opines that we have a lot of potential and resources capable of producing fish that could feed the world but we spend huge resources on fish importation but Nigerians through fish farming can reduce the gap between fish demand and supply by making farmed fish available to Nigerians for local consumption at affordable cost and for export. The t-statistic is statistically significant at probability value of 0.01 per cent level.

The co-efficient of livestock has a positive relationship and t-statistic is statistically significant at probability value of 0.01 per cent, which implies that increase in livestock production will lead to subsequent increase in non-oil export as well raise the growth rates of both exports and domestic output. This is in line with the findings of Nuru 1986 in Ifeani and Olayode (2008) who reveal that livestock industry is a key contributor to economic growth and development of any nation. In addition to having the capacity for earning revenue for the governments, it provides employment, food, farm energy, manure and transport. The co-efficient of crops has a positive sign indicating positive relationship with non-oil export. The associated t-statistic is statistically significant with probability value of 0.05 per cent level. This implies that increase in crops yield subsequently leads to increase in non-oil export proceeds of the economy thereby justifying apriori expectations. This is in conformity with NBS (2012) which opines that Nigeria has an agrarian economy where over 80 per cent of its domestic food production comes from the household, particularly crop, production and forestry while fishery and livestock activities are largely supported by imports. In the same vein Olayide and Essang (1976) in Abolagba, et al (2010) observes that Nigeria's export earnings from major agricultural crops contributed significantly to the GDP. The R' is 0.976439 which implies that the independent variables can adequately explain 97.6 per cent of the variability in the dependent variable while the remaining 2.4 per cent unexplained was captured by the stochastic variable. This implies a good fit for the model. Thus the explanatory variables are good explanations for the persistent rise in non-oil export earnings. The F-statistic (196.8559) shows a test of overall significance of the model and the value of DW of 1.19 greater than R is acceptable hence suggesting absence of severe spurious regression.

Policy Implications, Advocacy and Conclusion

This study is associated with revelations regarding export diversification and business development of Nigeria. The significant linkage between export diversification and non- oil export contribution to the economy is established. The econometric model developed in this regard has high predictive power in the model and is meaningfully relevant. The implication is that export diversification in Nigeria fosters business development and efficient performance of the economy. A responsible government should focus strategically on the principles and strategic direction of the Economic Recovery Growth plan so as to derive the benefits thereof. This paper advocates that government should multiply efforts in the diversification programme so as to achieve efficiency, stability of the economy through Export diversification. Conclusively, Nigeria has all the abundant national resources hence export diversification therefore is adjudged as a bedrock for stronger economic recovery programme and stability.

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