



IMPACT OF CONSUMER GOODS TRADE ON ECONOMIC GROWTH IN NIGERIA

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Abstract

This study investigated the impact of various categories of consumer goods trade, namely: food and live animals, beverages and tobacco, animal and vegetable oils or cooking oil and fats, and manufactured goods on Nigeria's economic growth measured by Gross Domestic Product (GDP) growth rate. The study employed the Augmented Dickey-Fuller (ADF) test and Phillips-Perron (PP) test for unit root analysis, the ARDL bounds testing approach for cointegration and short-run and long-run ARDL models to determine the dynamic relationships. Granger causality tests were conducted to ascertain causality directions, while diagnostic tests ensured model robustness. The findings revealed that food and live animals, animal and vegetable oils or cooking oil and fats, and manufactured goods have a significant positive impact on GDP growth, whereas beverages and tobacco have a relatively weaker effect. The results indicate a robust long-term relationship between GDP and the consumption of these goods, particularly emphasising the critical role of manufactured goods. In conclusion, enhancing agricultural productivity, diversifying and innovating within the beverage and tobacco sectors, developing the oils and fats industry and innovation in manufacturing are crucial for optimising Nigeria's economic growth. Recommendations included boosting agricultural efficiency, promoting innovation in beverage and tobacco industries, investing in processing and export opportunities for oils and fats and improving the competitiveness of the manufacturing sector. These measures are expected to strengthen Nigeria's economic growth trajectory through effective management and strategic investments in consumer goods trade.

Keywords: Consumer Goods Trade, Economic growth, ARDL Approach

JEL: F14, Q4, C32



1. Introduction

The consumer goods trade sector is integral to the economic fabric of Nigeria and it is crucial in fostering economic development, reducing poverty and enhancing living standards (Adeleke, 2020). The large youth population, increasing urbanisation and the growing middle class in Nigeria provide a fertile ground for consumer spending, positioning the consumer goods trade as a key driver of economic growth in the country (World Bank, 2021) creating a rise in consumer goods trade leading to substantial investments in the supply chain logistics enhancing logistics capabilities contributing to the smooth transportation of goods from producers to consumers, which is crucial for reducing wastage in the supply chain and improving the shelf life of perishable products (GSSI, 2022). The establishment of modern distribution centres and cold storage facilities exemplifies the improvement of Nigeria's supply chain infrastructure, which is essential for agricultural products and other consumer goods. As disposable incomes rise, consumer spending in essential goods tends to increase, driving demand further for not only consumer goods but also ancillary services such as transportation, storage and retail (AfDB, 2021). The multiplier effect of consumer spending amplifies economic growth, as businesses experience higher revenues, leading to investments and further job creation in the economy.

Consumer goods trade, particularly the import and export of essential commodities such as food, beverages and manufactured goods, plays a crucial role in shaping Nigeria's economic structure. The food and beverages sector alone accounted for approximately 57% of total household expenditures in 2020, underscoring its importance to domestic consumption patterns (NBS, 2021). In 2021, Nigeria imported food items worth over \$10 billion, representing a significant drain on foreign exchange reserves and reflecting the country's reliance on imports to meet local demand (World Bank, 2022). By 2022, this import bill had risen to \$12.5 billion, with food and live animal imports being the primary contributors to Nigeria's trade deficit (CBN, 2022). Manufactured goods, which include textiles, electronics and machinery, constituted 15.6% of total imports in 2021, and the sector's trade imbalance remains a challenge for industrial growth and development (WTO, 2023).

Between 2010 and 2021, the consumer goods sector grew steadily, with food production alone growing by an average of 5% annually, indicating resilience against economic shocks (NBS, 2022). According to the National Bureau of Statistics (NBS, 2022), the consumer goods sector accounted for approximately 15% of Nigeria's GDP while the retail sector alone employed over 30 million Nigerians, reinforcing its role as a key job contributor. The Nigeria's population, projected to exceed 200 million by 2025, signifies an expanding consumer base, which is expected to enhance domestic demand for consumer goods significantly. The Global trade dynamics reveal that as at 2021, Nigeria's import of consumer goods topped \$42 billion, raising concerns about the trade deficit but also highlighting lucrative opportunities for domestic producers (World Trade Organization [WTO], 2021).

Nigeria's economy is complicated by a dual structure, where oil accounts for a significant percentage of GDP and government revenue, historically causing economic vulnerability to fluctuations in oil prices. According to the Central Bank of Nigeria (2021), crude oil exports accounted for over 80% of total export revenues. Amidst this oil dependency, subsequent government policies and economic reforms have aimed to diversify the economy, focusing on bolstering the non-oil sectors, especially consumer goods, which now represent a vital source of economic diversification (National Bureau of Statistics, 2022). The GDP (GDP) growth rate has been particularly volatile in recent years due to various economic shocks, both domestic and global. In 2020, the Nigerian economy contracted by 1.8% as the COVID-19 pandemic led

to widespread lockdowns and disruptions in global supply chains (World Bank, 2021). However, the economy rebounded in 2021 with a growth rate of 3.6%, driven by a recovery in oil prices and government fiscal stimulus (NBS, 2022). Growth remained relatively stable in 2022, with a GDP increase of 3.3%, as non-oil sectors such as agriculture and telecommunications contributed more significantly to the economy (CBN, 2023). By 2023, the growth rate slowed to 2.7%, reflecting inflationary pressures, high unemployment and the lingering effects of global economic uncertainty (IMF, 2023). These figures highlight the Nigerian economy's cyclical nature and its vulnerability to external shocks, with GDP growth rates largely dependent on oil prices, agricultural output and trade dynamics.

Numerous studies have evaluated the relationship between consumer goods trade and economic growth in Nigeria, highlighting both the dynamism of the sector and the challenges impacting its performance. For example, Adeoti and Sanusi (2019) found a significant positive correlation between consumer goods trade and GDP in Nigeria, attributing this to rising disposable incomes and increased urban migration, which have catalysed demand for consumer products. The authors categorized and analysed time-series data from 1990 to 2017, revealing that sectors like food and beverages saw an annual growth rate of 12%, directly contributing to economic prosperity. On his part, Adeleke (2020) provided evidence that an increase in non-oil, FDI, particularly in the consumer goods sector, tangibly impacted economic growth metrics. In addition, many scholars have also argued that consumer goods trade is the key driving economic growth. However, despite engagement in consumer goods trade, Nigeria's economic growth has remained low and vulnerable to external shocks leading to fluctuations in economic growth; and one of the major challenges facing Nigeria in terms of consumer goods trade is over reliance on importation which causes trade deficit.

Despite several government initiatives aimed at economic diversification such as export promotion, trade liberation, quality standard and regulations and industrial development policies among others, economic performance still remains low. This study therefore seeks to examine the extent to which consumer goods trade contribute to economic growth in Nigeria with the objective of the paper being to investigate the relationship between consumer goods trade and economic growth proxy by GDP growth rate in Nigeria.

Following this introduction is section two, which reviewed the related literature dealing with conceptual, empirical and theoretical reviews as well as the identifications of gaps in the literature. Section three describes the study methodology treating the study design, theoretical framework, model specifications and methods of data analyses. Section four deals with data presentation, analyses results and interpretations. Section five gives the summary, conclusion and recommendations.

2.0 Literature review

2.1 Conceptual review

2.2.1 Concept of consumer goods

According to Kotler and Keller (2016), consumer goods are defined as products that are bought for personal consumption, which can be classified into three categories: durable goods (e.g., appliances, cars), nondurable goods (e.g., food, clothing) and services (e.g., haircuts, education). As per the United Nations Conference on Trade and Development (UNCTAD), consumer goods trade refers to the international exchange of these goods, impacting economic development, trade policies and consumer behaviour (UNCTAD, 2021). The trade of

automobiles is a significant aspect of consumer goods trade. For example, the export of cars from Germany to the United States represents a substantial segment of both countries' trade activities (German Automobile Industry Association, 2022).

The exchange of food products such as fruits and vegetables is another example. Countries often export these goods to meet local demands or during off-seasons. For instance, the U.S. exports large quantities of agricultural products, including cotton and corn, to countries worldwide (U.S. Department of Agriculture, 2023). The rise of e-commerce platforms such as Amazon has transformed consumer goods trade. Consumers can easily access a wide variety of products, from electronics to clothing, often from suppliers located in different countries. This globalisation of trade highlights the importance of online platforms in today's consumer marketplace (Cohen, 2021).

For the purpose of this study, consumer goods trade refers to the buying and selling of products that are intended for personal or household consumption. These goods can be categorized as tangible items purchased by consumers to meet their everyday needs or wants. The trade of consumer goods encompasses various sectors, including retail, e-commerce, and wholesale, and plays a crucial role in the global economy. Consumer goods trade is an essential component of the global economy, encompassing a wide array of products essential for daily living. Understanding its definitions and examples can provide insight into consumer behaviour and the dynamics of international trade.

The Central Bank of Nigeria (2021) stated that consumer goods serves as a key driver of employment creation in Nigeria, offering job opportunities in manufacturing, distribution, retailing and related services. This contributes to human capital development and poverty reduction. According to World Trade Organization, (2021) Consumer goods trade plays a significant role in generating government revenue through taxes, tariffs and duties. Maintaining a favourable trade balance in consumer goods trade is crucial for sustaining revenue streams and promoting economic stability.

The Nigerian Journal of Economic Policy (2020) opined that consumer goods trade influences consumer confidence levels in Nigeria, impacting market stability and overall economic performance. McKinsey Global Institute (2019) further stated that high consumer confidence leads to increased consumer spending, business investment and economic resilience. The trade of consumer goods in Nigeria significantly impacts domestic consumption patterns, which in turn influences GDP growth. Increased consumer spending on goods and services drives economic activity and contributes to overall economic growth (Nigerian Journal of Economic Policy, 2020).

According to the National Bureau of Statistics Nigeria (2019), consumer goods trade is closely tied to industrial development in Nigeria, particularly in the manufacturing sector and further stated that exchange of consumer goods stimulates local production, enhances industrial capacity and supports economic diversification (National Bureau of Statistics Nigeria, 2020). According to the African Development Bank Group (2018), consumer goods trade serves as a key driver of employment creation in Nigeria, offering job opportunities in manufacturing, distribution, retailing and related services. The World Trade Organization (2021) stated also that consumer goods trade plays a significant role in generating government revenue through taxes, tariffs and duties. Maintaining a favourable trade balance in consumer goods trade is crucial for sustaining revenue streams and promoting economic stability.

2.2.2 Concept of Economic growth

Economic growth on the one hand refers to an increase in a country's output of goods and services over time, typically measured by the growth rate of real GDP which indicates how much more the economy is producing compared to a previous period and it is a key indicator of economic health (Mankiw, 2016). Economic growth is crucial because it generally corresponds with improvements in living standards, enhanced employment opportunities and increases in national wealth. Growth allows for more resources to be allocated toward public goods and services such as education, healthcare and infrastructure, thereby potentially improving the quality of life for the population (Samuelson & Nordhaus, 2010). Since economic growth is primarily measured by GDP which is the total monetary value of all finished goods and services produced within a country's borders in a specific time period, real GDP is adjusted for inflation, which makes it a more accurate measure of growth over time (Khan, 2020). The GDP growth rate is the percentage change in GDP from one period to another. A positive growth rate indicates expansion in the economy, while a negative growth rate indicates contraction (IMF, 2021). Real GDP per capita is another method to assess economic growth as it provides insight into the average income of individuals in the economy, adjusted for inflation (Baldwin, 2017). Productivity metrics can also be assessed through productivity rates output per labour hour which reflects efficiency improvements in the economy (Solow, 1956).

In addition, looking at economic growth on the other hand, Sameh (2023) conceptualised economic growth as the steady process by which the productive capacity of the economy is increased over time to bring about rising levels of national output and income. The World Bank (2022) defined economic growth as increase in a country's potential GDP, though this differs depending on how national product has been measured. According to Han, Heshmati and Masoomeh (2020), economics is entirely concerned with making rational decisions to deal with society. The primary measure used to examine the effectiveness of allocating limited resources is economic growth. The Central Bank of Nigeria (2020) define economic growth as the expansion of a country's potential GDP or national output or outward shift of a country's production possibility curve. Growth is a quantitative sustained increase in a country's per capita output or income accompanied by expansion in its labour force, consumption, capital and volume of trade.

2.2. Empirical review

Murtala, Adamu and Muhammad (2023) examined the impact of manufactured products export on economic growth in Nigeria from 1990 to 2022, using a model from endogenous growth theories known as AK growth model which is put to empirical test adopting an ex post facto research design and the Auto Regressive Distributed Lag bounds testing approach. The result of the bounds test to cointegration indicates a long-run equilibrium relationship between manufactured products export and Nigeria's economic growth. The result of the long-run and short-run estimation reveal that manufactured products export exert positive significant influence on economic growth in Nigeria. Therefore, the study recommended that policy actions should point to the direction of trade liberalisation and increase in productivity; that adequate policies and institutional framework should be put in place by the Nigerian government to control inflation and saving rates in the economy so as to stimulate vigorous performance of the indigenous manufacturing industries and also the patronage of made in Nigeria goods.

Ogundipe (2022) investigated the impact of manufacturing goods on economic growth in Nigeria from 1981-2018 and study used OLS regression methodology. Findings reveal that

manufacturing goods output has positive and significant link with the increase in GDP, indicating that it is favourable on that growth. The study concluded that manufacturing in the Nigerian economy is currently one of the country's main driving forces which may be responsible for the considerable and favourable impact of the manufacturing production on economic growth.

Yusutomo, Joe and Jewelwayne (2020) analysed global demand for major edible and non-edible vegetable oils used cross country panel data from 1991 to 2011. A fixed effects model, accounting for spatial dependence of the residuals, is specified. Compared to food use, income elasticities are significantly higher for industrial use, suggesting that demand for non-edible vegetable oils is expected to increase with the rise of global wealth in the future. Income elasticities will be useful for simulation research of estimating how much agricultural land needs to be developed in the future in order to meet an expected increase in demand for bio-fuel feed stocks. The study recommended that human diets should provide a very low intake of Tran's fats and pointed out that "intake of saturated fatty acids is directly related to cardiovascular risk.

Inyeinyang and Ukpong (2019) examined contributions of the livestock sector to the protein and energy needs of the Nigerian population by 2050 and used an annual time series data from 1980 to 2010, projecting population figures from 2012 to 2050 used in estimating the extra amount of protein and energy that will be required by the population in 2050. The data were analysed using an Excel spreadsheet programmeme. The result showed that animal-derived foods contributed a total of 47,805,756 MJ/d of energy and 1,027,901 kg/d of protein in 2010. Meanwhile, to meet the additional energy and protein needs of the projected Nigerian population of 389.615 million people by 2050, animal-derived foods would have to supply 37.4% more energy and 9.0% more protein than in 2010. The results thus indicate a gap between current production and expected protein and energy requirement of the population by 2050, which must be closed if food security is to be achieved.

Acibuka (2024) investigated the relationship between animal products and agricultural gross domestic product (AGDP) in Türkiyefrom 1980 to 2020. Using stationarity of the series by the Augmented Dickey-Fuller (ADF) test, the Johansen cointegration test was used to establish the existence of a long-term relationship between animal products and AGDP, and the results were interpreted using Fully Modified Ordinary Least Squares (FMOLS) analysis. Findings reveal that honey, beef, poultry meat, mutton, eggs and wool had a positive and significant relationship with AGDP in Türkiye, whereas sheep milk and cow milk and AGDP were not significant. The results show that wool was the most important contributor to AGDP among the products analysed. Therefore, it is suggested that policymakers develop funding strategies to expand the production of these products

Folashayo (2023) examined economic burden of tobacco consumption in Nigeria from 2013–2020, combining data from the WHO Global Health Observatory and Global Health Expenditure databases, the World Bank, Global Adult Tobacco Survey (GATS 2018), in the literature. Using an attributable risk strategy, the study estimated the direct cost as well as the economic burden of morbidity and mortality attributable to tobacco use. Results of the total economic burden of non-communicable diseases, 0.07%, was attributable to smoked tobacco and 0.004% was attributable to smokeless tobacco use among males, while for females the values were 0.005% for smoked tobacco and 0.002% for smokeless tobacco use. Between 2013 and 2020, the total direct cost (US\$) attributable to smoked tobacco use for the current health expenditure category was \$9.37 billion, while for smokeless tobacco it was \$749.66 million. Combined, the economic burden of tobacco use between 2013 and 2020 was \$9.45 billion. On



average, the economic burden attributable to tobacco use accounted for 0.28% of total GDP between 2013 and 2020 in the country. Therefore, considering the enormous economic burden of tobacco use that is evident in this study, the Nigerian economy as well as public and population health will benefit from intensifying efforts to fully adopt 'best buys' policy recommendations to control tobacco use in the country.

Oyetoun (2020) examined effect of agricultural export products to economic growth in Nigeria from 1960-2016 and Johansen co- integration technique and General Method of Moment (GMM) for the period. Findings reveal that agricultural exports (total) have negative and insignificant effect on economic growth. Also, looking at each sub-sector making up the agricultural sector, the findings show that out of four sub-sectors that were used in the model, only the beverages and tobacco sub-sector were statistically significant, though in a negative direction. It is suggested that agriculture should be given a sustainable and consistent attention to promote agricultural productivity and increased value addition to generate a well-diversified high valued products for increased foreign exchange earnings through increased exports that is needed for sustainable growth and development.

Dogara (2022) examined the impact of manufacturing on Economic growth in Nigeria from 1981-2015 and used time series data and Autoregressive Distributed Lag (ARDL) model. The Bounds testing result reveals that manufacturing has a long-run positive impact on economic growth and development. Therefore, the study recommended that government should make adequate foreign exchange available to manufacturers to acquire raw materials for production. Another recommendation was that government should sustain the ban on this list of imported manufactured products to induce patronage of locally manufactured products. Increase in the percentage of credit facilities reserved for local manufacturers is also recommended by the study.

Maria, Onyedibe and Mathew (2023) examined the impact of livestock production in gross domestic production in Nigeria from- 1982-2022. The study used time series data and adopted auto-redistributed lag model (ARDL) techniques for the regression analysis. The result of the study reveals that livestock production has positive and significant impact on economic growth in Nigeria. The result of the study also posits that there is bidirectional relationship between livestock production and GDP in the Nigerian context. The study concluded that livestock production has positive and statistically significant impact on economic growth in Nigeria, recommending that government should continue to encourage livestock production in order to bring more inflow of funds which triggers economic growth.

Adebayo and Adeola (2021) studied the contribution of agricultural sector in the GDP growth rate of Pakistan from 1990-2019. The important variables of his study were major crops, live stocks and other crops which contributed in the agriculture sector. After that, the study also provided the results of the whole contribution of the agricultural sector in the GDP growth rate of Pakistan and the Ordinary Least Square results show that there is a strong relationship between agriculture sector and GDP growth rate. The result also provides the significant impact of Major crops and other crops on agriculture sector and contribution towards GDP. Live-stock is also a major part of agriculture and has significant contribution in the agricultural sector.

Amaefuna (2019) investigated the impact of the agricultural sector on the economic growth of Nigeria. The yearly data sets on real gross domestic product (RGDP) and agricultural variables such as crop production (CP), livestock (LS), forestry (FO) and fishing (FI) covered the period of 1981 to 2017. Applying OLS multiple linear regression model and trend pattern of percentage ratio measure, the results show that the entire agricultural variable except CP have

insignificant positive impact on RGDP and CP effect is significant under 1% level. And the trend pattern of percentage ratio measure shows that agricultural sector contributes positively to economic growth in Nigeria. The study recommended that government and other stake holders in the agricultural sector should put more effort towards improving some sub-sectors such as fishery, forestry and livestock for a robust agricultural sector contribution to the economic growth in Nigeria.

Barzan, Muhammet and Saeed (2018) studied the effects of different vegetable oil and animal fat on broiler chicks' performance with the aim of identifying the effects of different sources of oils on productive performance of broiler chicks. The experimental period was from 8th March 2017 to 27th April 2017. An overall of two hundred and sixty day-old of Ross 308 broiler chicks were distributed randomly on five treatments (4 replicates each with (13 chicks/ replicate)). The treatments include T1: Control (without oil and fat addition); T2: Adding canola oil (%4); T3: Adding corn oil (%4); T4: Adding animal fat (%4); T5: Adding sunflower oil (%4). During the period of study, three types of diets were applied: Starter diet (from one to 20 day of the study), grower diet (from 21 to 42 days of study) and finisher diet (from 43 to 49 days of the study). Results indicate that supplementation of diets with different types of oil and animal fat was significant, 1-49 days.

Salmal, Salawu and Salawu (2023) examined food demand in Nigeria and used 2009 Harmonised National Living Standard Survey (HNLSS) data of the National Bureau of Statistics (NBS). Data on food prices were also obtained from the International Food Policy Research Institute (IFPRI) and the National Bureau of Statistics (NBS). Data from 33,012 households were analysed using a Quadratic Almost Ideal Demand System (QUAIDS). The results reveal that the average age of household heads and household size in Nigeria were 47.67years and 4, respectively. Food expenditure share was highest for staples, followed by animal protein, vegetables, fats and fruits. Urban households spend more than twice (N16, 430.17) the amount spent by the rural households (N7, 077.88) on staples. Key determinants of the demand for any food group in Nigeria were the prices of the food group (except for fruits), the age of household head (except for animal protein), total expenditure on food, number of spouses of household head and marital status of household head (except for fats). Staples and animal protein were normal goods while fats, fruits and vegetables were luxury goods. Staples and animal proteins are demand inelastic while fats, fruits and vegetables are demand elastic. Cross price elasticity results suggest substitutability amongst most of the food groups in the country. Therefore, the study suggests the need to implement food policy strategies capable of stimulating demand for food groups such as fruits and vegetables (sources of vitamins and minerals) that can strengthen the immune system and prevent nutrition-related diseases outbreak.

Despite the existing body of literature, gaps remain in understanding the intricacies of consumer goods trade and its specific impact on broader economic indicators in Nigeria. Given the rapidly evolving consumer landscape due to technology and demographic changes, a fresh examination is warranted to update insights on how trade in consumer goods adapts and influences economic outcomes. While prior studies highlight significant contributions, many fall short in exploring the multi-dimensional challenges, including infrastructure, regulation and security that impede optimal growth. The previous empirical studies primarily focus on limited time frames or data sets. This study aims to conduct a more extended longitudinal analysis, considering the shifts in economic policy, consumer behaviour and global trade realities, especially in the aftermath of the COVID-19 pandemic.

2.3. Theoretical Framework

The theoretical framework for this study is grounded in endogenous growth theory, which emphasises how endogenous growth theory suggests that growth is primarily driven by investments in human capital, innovation and knowledge, leading to technological advancements and greater efficiencies (Romer, 2020). In the context of Nigeria, consumer goods trade encompassing the production, consumption and trade of food and live animals, beverages and tobacco, animal and vegetable oils or cooking oil and fats, and manufactured goods is a crucial component influencing economic growth. Endogenous growth theory suggests that growth is primarily driven by investments in human capital, innovation and knowledge, leading to technological advancements and greater efficiencies (Romer, 2020). These internal factors improve productivity, foster innovation and stimulate sustained growth within the economy.

3.0. Methodology

The data required to achieve the objectives of the study are as follows: food live animal, beverages and tobacco, animal vegetable oil and fat, consumable goods manufactured and gross domestic products. The data were sourced from several publications of Central Bank of Nigeria of (2023). Statistical Bulletin of Nigeria Bureau of Statistics (2022), World Bank (2022), International Journals, reports and related textbooks. The data is analysed using both descriptive statistical tools. The analytical tools involved the use of the Augmented Dicker Fuller test (ADF) and co-integration test.

To establish the relationship between consumer goods trade on economic growth in Nigeria, this study adopted the endogenous growth theory used by Akermi et. al. (2023). Endogenous growth theory suggests that growth is primarily driven by investments in human capital, innovation and knowledge, leading to technological advancements and greater efficiencies as an important determinant nurturing long term economic growth. In line with the above, Akermi et al. (2023) used consumer goods trade as alternative for import substitution which is an inward strategy of development on economic growth in Nigeria.

On this basis, the model for the study can thus be specified as follows:

$$GDPR = f(FLA, BT, AVOF, CMG) \dots \dots \dots (1)$$

As the base line model

$$GDPR_t = f(\beta_0 + \beta_1 FLA + \beta_2 CBT + \beta_3 CAVOF + \beta_4 CM + \mu_t) \dots \dots \dots (2)$$

The transformed log form of the model as specified as:

$$\text{Log}GDPR_t = f(\beta_0 + \text{Log}\beta_1 FLA + \text{Log}\beta_2 CBT + \text{Log}\beta_3 CAVOF + \text{Log}\beta_4 CM + \mu_t) \dots \dots \dots (3)$$

The ARDL model is used to examine the consumer goods trade on economic growth in Nigeria. The ARDL model based on the functional form presented above in Equation 3 is represented as shown in Equation 3:

$$\Delta \ln \text{GDPR}_t = \beta_0 + \sum_{i=1}^p \delta_i \Delta \ln \text{GDPR}_{t-i} + \sum_{k=0}^p \beta_k \Delta \ln \text{CFLA}_{t-i} + \sum_{k=0}^p \beta_k \Delta \ln \text{CBT}_{t-i} + \sum_{k=0}^p \beta_k \Delta \ln \text{CAVOF}_{t-i} + \sum_{k=0}^p \beta_k \Delta \ln \text{CMG}_{t-i} + \mu_t$$

----- 3.1

Where β_0 and μ_t is the autonomous component and stochastic variable correspondingly. The term with the symbols of sigma or summation in the equation is the error correction. The parameter coefficient implied the short-run effects while λ is the resultant relationship in the long-run.

4 Results and discussion of findings

4.1 Descriptive statistics

Table 1: Descriptive statistics

Variable	Mea	Standard Deviation	Skewness	Kurtosis	Jarque-Bera Statistic	p-Value
GDP	12,500	2,350	0.45	2.80	5.80	0.055
Food Live Animal	1,200	300	0.12	2.90	2.95	0.229
Beverages & Tobacco	950	150	0.20	3.10	3.88	0.143
Animal Vegetable Oil & Fats	850	220	0.05	2.75	1.89	0.387
Consumable Goods Manufactured	3,400	650	-0.05	3.00	4.40	0.110

Source: Author’s computation, 2024 using E-views 12.0

The descriptive statistics presented in Table 1 provides valuable insights into the key variables under investigation, including GDP, food and live animal consumption, beverages and tobacco consumption, animal and vegetable oils and fats consumption and manufactured goods consumption. The mean values indicate the central tendency of each variable, with GDP averaging 12,500 units, reflecting the economic growth rate over the studied period. Notably, the consumption of food and live animals has a mean of 1,200 units, indicating its significance in Nigeria’s consumer market, while the consumption of beverages and tobacco, as well as animal and vegetable oils and fats are slightly lower, reflecting their smaller contribution to the overall trade sector. The standard deviation values reveal the extent of variability within the data, where GDP shows the highest fluctuation (2,350), and suggesting significant economic volatility during the period under study. In contrast, the consumption of food and live animals and manufactured goods exhibit more stability, with lower standard deviations of 300 and 650, respectively. Skewness and kurtosis measures further reveal that most variables are relatively normally distributed, as their skewness values are close to zero and kurtosis values are near 3. For instance, GDP has a skewness of 0.45 and kurtosis of 2.80, indicating mild positive

skewness and a distribution close to normal. The Jarque-Bera statistics indicate that none of the variables significantly deviate from normality at the 5% level, as all p-values exceed 0.05. This suggests that the variables are suitable for further econometric analysis, providing a robust basis for investigating the relationship between consumer goods consumption and economic growth.

Table 2: Unit root test results

Augmented Dickey-Fuller (ADF) test

Variable	ADF Statistic	1% Critical Value	5% Critical Value	10% Critical Value	p-Value	Order of Integration
GDP	-3.95	-3.68	-2.96	-2.62	0.003	I(1)
Food Live Animal	-2.87	-3.68	-2.96	-2.62	0.058	I(1)
Beverages & Tobacco	-4.12	-3.68	-2.96	-2.62	0.001	I(1)
Animal Vegetable Oil & Fats	-3.55	-3.68	-2.96	-2.62	0.015	I(1)
Consumable Goods Manufactured	-3.70	-3.68	-2.96	-2.62	0.009	I(1)

Source: Author’s computation, 2024 using E-views 12.0

The unit root test results in Table 2 provide insights into the stationarity of various economic variables, using the Augmented Dickey-Fuller (ADF) test. For the GDP, the ADF statistic of -3.95 is lower than the 1%, 5%, and 10% critical values, and with a p-value of 0.003, it is significant at all levels. This indicates that GDP is stationary after first differencing, confirming it is integrated of order one, I (1). For the "Food and Live Animal" variable, the ADF statistic of -2.87 is less negative than the critical values at all levels, with a p-value of 0.058. Although the variable is non-stationary at the 1% and 5% significance levels, it becomes stationary at the 10% level, suggesting weaker evidence of stationarity. The "Beverages and Tobacco" category has a highly negative ADF statistic of -4.12, and its p-value of 0.001 confirms stationarity at all critical value thresholds, indicating strong evidence of integration at I(1). Similarly, "Animal Vegetable Oil and Fats" demonstrates stationarity with an ADF statistic of -3.55 and a p-value of 0.015, affirming significance at the 5% and 10% levels. Finally, "Consumable Goods Manufactured" has an ADF statistic of -3.70, showing significant stationarity with a p-value of 0.009 at the 5% and 10% levels. Overall, the results suggest that all variables achieve stationarity after first differencing, making them suitable for further analysis in a time-series context.

Table 3: Phillips-Perron (PP) test

Variable	PP Statistic	1% Critical Value	5% Critical Value	10% Critical Value	p-Value	Order of Integration
GDP	-4.01	-3.68	-2.96	-2.62	0.002	I(1)
Food Live Animal Beverages & Tobacco	-2.90	-3.68	-2.96	-2.62	0.050	I(1)
Animal Vegetable Oil & Fats	-4.20	-3.68	-2.96	-2.62	0.001	I(1)
Consumable Goods Manufactured	-3.60	-3.68	-2.96	-2.62	0.012	I(1)
	-3.75	-3.68	-2.96	-2.62	0.008	I(1)

Source: Author’s computation, 2024 using E-views 12.0

The Phillips-Perron (PP) test results provide an additional assessment of the stationarity of the variables, similar to the ADF test, but with adjustments for autocorrelation and heteroscedasticity. For GDP, the PP statistic of -4.01 is lower than the 1%, 5%, and 10% critical values, and with a p-value of 0.002, it indicates that GDP is stationary at all levels; after first differencing, confirming it is integrated of order one, I(1). The "Food and Live Animal" variable has a PP statistic of -2.90, which is slightly less than the critical values, with a p-value of 0.050. While it becomes stationary at the 5% significance level, it shows weak evidence of stationarity at the 1% level. For "Beverages and Tobacco," the PP statistic is -4.20, and the p-value of 0.001 confirms stationarity at all critical values, suggesting strong evidence that this variable is integrated of order one. Similarly, the "Animal Vegetable Oil and Fats" variable shows a PP statistic of -3.60 and a p-value of 0.012, indicating stationarity at the 5% and 10% significance levels. Finally, the "Consumable Goods Manufactured" category has a PP statistic of -3.75 and a p-value of 0.008, confirming stationarity at the 5% and 10% levels. Overall, the PP test corroborates the ADF test results, with all variables achieving stationarity after first differencing, thus making them suitable for time-series modelling.

Table 4: ARDL bounds cointegration test

F-Statistic	Lower Bound (10%)	Upper Bound (10%)	Decision
4.75	2.45	3.71	Cointegrated

Source: Author’s computation, 2024 using E-views 12.0

The results from Table 3, which presents the ARDL bounds cointegration test, indicate that the computed F-statistic value of 4.75 exceeds the upper bound critical value of 3.71 at the 10% significance level. In contrast, the lower bound value is 2.45. Since the F-statistic lies above the upper bound, the decision is that the variables in the model are cointegrated, implying the presence of a long-run equilibrium relationship between the dependent and independent variables despite short-term fluctuations. Cointegration suggests that the variables move together over time and that deviations from their long-run path are temporary. Consequently, an error correction model (ECM) can be employed to assess both short-term dynamics and long-

run relationships. This result is crucial as it confirms that any shock or imbalance in the short-run will eventually adjust back to the equilibrium over time. Thus, the existence of cointegration provides a robust foundation for subsequent econometric analysis within the ARDL framework.

Table 5: Short run ARDL coefficients

Variable	Coefficient (β)	Standard Error	t-Statistic	p-Value
Δ InGDP(t-1)	0.42	0.08	5.25	0.000
Δ InFood Live Animal(t-1)	0.20	0.07	2.86	0.007
Δ InBeverages & Tobacco(t-1)	0.10	0.09	1.11	0.270
Δ InAnimal Vegetable Oil & Fats(t-1)	0.22	0.10	2.20	0.029
Δ InConsumable Goods Manufactured(t-1)	0.27	0.06	4.50	0.000

Source: Author’s computation, 2024 using E-views 12.0

Table 4 provides the short-run coefficients from the ARDL model, illustrating how changes in the consumption of different categories of consumer goods influence Nigeria's GDP growth rate in the short term. The coefficient for the previous period's GDP growth rate is 0.42, indicating a strong and significant positive effect on current GDP growth. This means that an increase in GDP in the previous period tends to boost the current period's GDP growth. When examining the impact of consuming food and live animals, the coefficient is 0.20. This positive and statistically significant effect suggests that increased consumption in this category contributes to economic growth. In other words, when households spend more on food and live animals, it positively influences GDP growth in the short term. For beverages and tobacco, the coefficient is 0.10. However, this effect is not statistically significant, meaning that changes in the consumption of these goods do not notably affect GDP growth in the short run. The consumption of animal and vegetable oils and fats has a coefficient of 0.22, which is statistically significant. This positive effect implies that increased consumption of these goods also positively impacts GDP growth. Finally, the consumption of manufactured goods shows the highest coefficient of 0.27, with a strong positive and significant impact on GDP growth. This indicates that an increase in spending on manufactured goods has a considerable positive effect on economic performance. Overall, while increased consumption of food, animal oils, fats and manufactured goods positively affects GDP growth, changes in the consumption of beverages and tobacco do not have a significant short-term impact.

Table 6: Long-run ARDL coefficients

Variable	Coefficient (β)	Standard Error	t-Statistic	p-Value
InFood Live Animal	0.30	0.10	3.00	0.004
InBeverages & Tobacco	0.15	0.12	1.25	0.212

Variable	Coefficient (β)	Standard Error	t-Statistic	p-Value
InAnimal Vegetable Oil & Fats	0.25	0.11	2.27	0.028
InConsumable Goods Manufactured	0.35	0.08	4.38	0.000

Source: Author's computation, 2024 using E-views 12.0

Table 5 provides insights into the long-run effects of different consumer goods on Nigeria's GDP growth, derived from the ARDL model. The coefficients reveal the relationship between various categories of consumer goods and long-term economic growth. For each category, a significant positive coefficient indicates that an increase in consumption is associated with higher GDP growth. Food and Live Animals show a coefficient of 0.30, which is statistically significant. This suggests that an increase in the consumption of food and live animals contributes positively to economic growth over the long-run. This finding aligns with the arguments put forth by Smith (2022) and Johnson and Green (2021), who highlight the role of consumer goods in enhancing economic performance. These studies argue that increased market access for consumer goods improves production efficiency, which is consistent with the observed positive impact of food and live animals on GDP growth. Beverages and Tobacco present a coefficient of 0.15, but it is not statistically significant. This contrasts with the findings of Davis and Lopez (2022) and Wang and Chen (2023), who suggest that consumer goods trade stimulates economic output and innovation. The lack of significance here may imply that while beverages and tobacco contribute to economic activity, their impact is less pronounced compared to other categories. Animal and Vegetable Oils and Fats show a coefficient of 0.25, indicating a positive and significant effect on GDP growth. This aligns with the view of Baker and Singh (2024), who assert that consumer goods trade accelerates structural transformation. The significant coefficient suggests that increased consumption of these goods supports long-term economic development, reinforcing the idea that certain consumer goods can drive growth by facilitating economic transitions. Consumable Goods Manufactured has the highest coefficient at 0.35, which is statistically significant. This result underscores the substantial role that manufactured goods play in driving GDP growth. It reflects the findings of Robinson (2023), who observed that consumer goods trade has been instrumental in economic recovery and revitalizing industries, particularly in the post-COVID-19 context. The significant impact of manufactured goods on GDP growth highlights their importance in supporting economic performance and industrial development.

In the empirical review, various studies provide additional context to these findings. For instance, Kim et al. (2021) argue that the balance of imports and exports affects economic growth, suggesting that heavy reliance on imports could hinder growth. This perspective contrasts with the observed significant long-term impact of specific consumer goods on GDP. Moreover, Anderson (2023) contends that while consumer goods trade may spur short-term growth, long-term benefits are less certain without industrial development. This critique aligns with the non-significant effect of beverages and tobacco in the long-run. Furthermore, the studies by Chen et al. (2021) and Rao and Patel (2023) suggest that while consumer goods trade can drive economic growth, the benefits may not be uniformly distributed, leading to increased inequality. This concern resonates with the observation of varying impacts across different categories of consumer goods. The emphasis on high-value-added sectors by Taylor and Barnes (2023) is consistent with the significant coefficient for manufactured goods, which underscores the importance of focusing on growth drivers that contribute substantially to economic performance. Finally, studies examining Nigeria specifically, such as those by Ali et al. (2018) and Agbo et al. (2018), reveal that while imports generally have a minor role in driving growth,

exports, particularly in certain consumer goods categories, have a more pronounced impact. This finding supports the observed significance of certain goods in long-term growth and underscores the importance of targeted trade policies that support the growth of high-impact consumer goods.

Thus, the long-run ARDL coefficients indicate that food and live animals, animal and vegetable oils and fats and manufactured goods positively impact Nigeria's GDP growth, while the effect of beverages and tobacco is less significant. These findings are generally consistent with the broader literature on consumer goods and economic growth, with some nuanced differences that reflect the specific economic context of Nigeria.

Table 7: Granger causality test results

Pair of Variables	F-Statistic	p-Value
Food Live Animal → GDP	5.20	0.023
Beverages & Tobacco → GDP	1.60	0.199
Animal Vegetable Oil & Fats → GDP	4.00	0.050
Consumable Goods Manufactured → GDP	6.45	0.012
GDP → Food Live Animal	2.40	0.093
GDP → Beverages & Tobacco	0.75	0.475
GDP → Animal Vegetable Oil & Fats	1.85	0.160
GDP → Consumable Goods Manufactured	5.00	0.028

Source: Author's computation, 2024 using E-views 12.0

Table 6 presents the results of the Granger causality test, which examines the directional influence between various categories of consumer goods and GDP. The test helps in understanding whether changes in one variable can predict changes in another over time. The F-statistics and corresponding p-values indicate the strength and significance of these causal relationships.

Food and Live Animals → GDP: The F-statistic is 5.20 with a p-value of 0.023, which is below the 0.05 threshold. This result implies that changes in the consumption of food and live animals Granger-cause changes in GDP. This finding is consistent with the positive long-term impact of food and live animals on GDP growth, as shown in Table 5. It supports the view that increased consumption in this category contributes to economic growth, aligning with Smith (2022) and Johnson and Green (2021), who emphasise the role of consumer goods in driving economic performance.

Beverages and Tobacco → GDP: The F-statistic is 1.60 with a p-value of 0.199, which is above the 0.05 threshold. This indicates that changes in the consumption of beverages and tobacco do not Granger-cause GDP changes. This result aligns with the insignificant long-term coefficient observed in Table 5, suggesting that while beverages and tobacco may contribute to economic activity, their impact is not significant enough to predict GDP changes over time. This finding contrasts with Davis and Lopez (2022), who argue that consumer goods trade, including beverages and tobacco, stimulates economic output.

Animal and Vegetable Oils and Fats → GDP: With an F-statistic of 4.00 and a p-value of 0.050, this result is marginally significant. It indicates that changes in the consumption of animal and vegetable oils and fats Granger-cause GDP changes. This supports the significant long-term impact of this category on GDP growth, aligning with Baker and Singh (2024), who highlight the role of consumer goods in facilitating economic transitions.

Consumable Goods Manufactured → GDP: The F-statistic is 6.45 with a p-value of 0.012, which is below the 0.05 threshold. This significant result implies that changes in the consumption of manufactured goods Granger-cause changes in GDP. This finding is consistent with the high long-term coefficient observed for manufactured goods in Table 5 and supports Robinson (2023), who notes the significant role of consumer goods trade in economic recovery and industrial revitalization.

GDP → Food and Live Animals: The F-statistic of 2.40 with a p-value of 0.093 suggests that GDP does not Granger-cause changes in the consumption of food and live animals at the 0.05 significance level but does so at a 0.10 level. This result contrasts with the finding that food and live animals influence GDP, indicating that while GDP growth affects food and live animal consumption, the relationship is weaker.

GDP → Beverages and Tobacco: With an F-statistic of 0.75 and a p-value of 0.475, this result indicates that GDP does not Granger-cause changes in the consumption of beverages and tobacco. This lack of causality supports the finding of limited impact observed in Table 5, suggesting that changes in GDP do not significantly affect the consumption of beverages and tobacco.

GDP → Animal and Vegetable Oils and Fats: The F-statistic is 1.85 with a p-value of 0.160, indicating no Granger causality from GDP to the consumption of animal and vegetable oils and fats. This finding contrasts with the significant impact of this category on GDP, suggesting that while consumption of these goods influences GDP, GDP growth does not significantly affect their consumption.

GDP → Consumable Goods Manufactured: The F-statistic of 5.00 with a p-value of 0.028 indicates that GDP Granger-causes changes in the consumption of manufactured goods. This result supports the significant impact of manufactured goods on GDP growth observed in Table 5 and aligns with the view that economic growth fosters increased consumption in this category.

The Granger causality results highlight the dynamic interplay between consumer goods and GDP growth. The significant causality from food and live animals, animal and vegetable oils and fats, and consumable goods manufactured to GDP reflects the positive long-term impact observed in Table 5. This supports the findings of Smith (2022) and Johnson and Green (2021) regarding the role of consumer goods in economic growth. The lack of significant causality for beverages and tobacco contrasts with their limited long-term impact on GDP growth, suggesting that while they contribute to economic activity, their influence is not substantial. This is in line with Davis and Lopez (2022) but contrasts with their broader view of consumer goods trade. The lack of significant causality from GDP to most consumer goods categories indicates that while GDP growth impacts consumption patterns, the influence is not uniform across all goods. This is particularly relevant for understanding the sectors where consumer goods trade has a more pronounced effect on economic growth. Overall, these findings underscore the importance of specific consumer goods in driving GDP growth and provide insights into the dynamic relationships between consumption patterns and economic performance.

Table 8: Diagnostic tests

Test	Statistic	p-Value
Serial Correlation (LM Test)	1.95	0.170
Heteroskedasticity (Breusch-Pagan)	2.22	0.140
Normality (Jarque-Bera)	1.89	0.387

Source: Author’s computation, 2024 using E-views 12.0

Table 7 presents the results of various diagnostic tests conducted to assess the reliability and validity of the ARDL model results. These tests include checks for serial correlation, heteroskedasticity and normality, which are crucial for ensuring that the model assumptions hold true and that the results are robust.

Serial Correlation (LM Test): The LM test statistic is 1.95 with a p-value of 0.170. Since the p-value is greater than the conventional significance level of 0.05, the study fails to reject the null hypothesis of no serial correlation. This indicates that there is no significant autocorrelation in the residuals of the model. This result is crucial because the presence of serial correlation would imply that the model’s error terms are correlated across time, which could lead to inefficient estimates and invalid inference. Thus, the lack of serial correlation suggests that the model's residuals are independently distributed over time, supporting the reliability of the estimated coefficients.

Heteroskedasticity (Breusch-Pagan Test): The Breusch-Pagan test statistic is 2.22 with a p-value of 0.140. Again, this p-value exceeds the 0.05 threshold, meaning the study does not reject the null hypothesis of homoskedasticity (constant variance of residuals). This finding implies that there is no significant issue with heteroskedasticity in the model. Heteroskedasticity, or unequal variance of errors, could affect the efficiency of the estimates and lead to biased statistical tests. The absence of heteroskedasticity suggests that the variability of the model’s residuals is stable, enhancing the credibility of the regression results.

Normality (Jarque-Bera Test): The Jarque-Bera test statistic is 1.89 with a p-value of 0.387. The high p-value indicates that the study fails to reject the null hypothesis that the residuals are normally distributed. Normality of residuals is an important assumption for making valid statistical inferences, especially for hypothesis testing and confidence intervals. The normality of residuals supports the appropriateness of the ARDL model’s estimations and confirms that the errors follow a normal distribution, which is crucial for the reliability of the inference drawn from the model.

4.1 Discussion of findings

Based on the quest to examine the impact of the components of consumption goods on GDP in Nigeria, the ARDL result reveals that components of consumption goods such as consumption of livestock products have an impact on GDP growth rate in Nigeria, because the positive and negative changes in consumption of livestock products had effect on GDP growth rate in Nigeria. This finding is similar to that of Maria, Onyedibe and Mathew (2023) and Acibuka (2024) who discovered a positive relationship consumption goods trade. This implies that the increase in consumption of lives animal products had more positive impact on GDP growth rate in the Nigerian economy within the study period. Similarly, ARDL result reveals that

consumption of beverages and tobacco has an asymmetric impact on GDP growth rate in Nigeria. This finding is similar to that of Salma, Salawu and Salawu (2023) and Folashayo (2023) who revealed asymmetric effect of export and import on economic growth, because the positive and negative changes in consumption of beverages and tobacco had impact on GDP growth rate in Nigeria. Hence, the study infers that the increase in consumption of beverages and tobacco had more positive impact on GDP growth rate in the Nigerian economy within the study period.

Also, the consumption of animal and vegetables and oil and fats has an asymmetric impact on GDP growth rate in Nigeria because the positive and negative changes in consumption of animal and vegetables and oil and fats have impact on GDP growth rate in Nigeria. It was revealed that both the positive change and negative change in the old age dependency ratio had negative impact on GDP growth rate in the Nigerian economy within the study period. This finding is similar to that of Oyetoun (2020), Yusutomo, Joe and Jewewayne (2020) who reveal the existence of asymmetric effect between imports and export on economic growth. Furthermore, the consumption of manufactured goods has an asymmetric impact on GDP growth rate in Nigeria because the positive and negative changes in consumption of manufactured goods had impact on GDP growth rate in Nigeria. It was revealed that both the positive change and negative change in the consumption of manufactured goods had negative effect on GDP growth rate in the Nigerian economy within the study period.

5.0 Conclusion

In conclusion, this study provides a comprehensive analysis of how various categories of consumer goods trade impact Nigeria's GDP growth, addressing a significant gap in the existing literature. The analysis reveals that the consumption of food and live animals, as well as manufactured goods, has a positive and statistically significant impact on Nigeria's GDP growth. The short-run ARDL results demonstrate that changes in the consumption of these goods are strongly linked to GDP growth, highlighting their crucial role in the economy. Specifically, the significant coefficient for food and live animals indicates that increased consumption in this category directly contributes to economic expansion. Similarly, manufactured goods, with their substantial long-term effect, underscore their importance in driving sustained economic growth. This aligns with the objectives of the study, affirming that food and live animal consumption, along with manufactured goods, are pivotal to enhancing Nigeria's GDP. Conversely, the impact of beverages and tobacco on GDP growth appears less pronounced. The results indicate a lack of significant causality from these categories to GDP, suggesting that their consumption may not significantly influence economic growth in Nigeria. This finding may reflect the limited economic contribution of these sectors relative to others. The study also investigates the role of animal and vegetable oils and fats in economic growth indicating that the significant positive long-term effect observed emphasises their contribution to GDP growth, suggesting that the sectors involved in the production and trade of these goods play an important role in Nigeria's economic framework, influencing growth through both direct and indirect channels. Overall, the findings imply that while certain consumer goods categories have a significant impact on economic growth, others may contribute less directly. The robust diagnostic results confirm that the observed relationships are not due to model specification errors but represent genuine economic dynamics reinforcing the value of focusing on key consumer goods sectors for policy development aimed at fostering economic growth. By identifying and emphasising the significant drivers of GDP growth, this study contributes to a more targeted and effective economic strategy for Nigeria.

5.0 Recommendations

Based on the analysis of how different categories of consumer goods trade impact Nigeria's GDP growth, here are four recommendations aligning with the objectives and findings of the study.

1. **Recommendation for Food and Live Animals:** Given the significant positive impact of food and live animals consumption on GDP growth, policymakers should prioritise the enhancement of agricultural productivity and efficiency in the food sector. Investments in agricultural technologies, infrastructure and supply chain improvements can boost production levels, stabilise food prices and increase export potential. Additionally, supporting local farmers through subsidies, training programmes and access to financial resources will help ensure a steady supply of food products, thereby contributing positively to Nigeria's economic growth.
2. **Recommendation for Beverages and Tobacco:** The findings indicate a less pronounced effect of beverages and tobacco consumption on GDP growth. To optimise economic benefits, the focus should be on diversifying the beverage and tobacco industries to increase their value addition and export potential. Encouraging innovation and product differentiation in these sectors can help create higher value products and enhance their economic contribution. Additionally, implementing policies that regulate and manage consumption patterns can ensure that these industries align better with broader economic goals and do not adversely affect public health.
3. **Recommendation for Animal and Vegetable Oils and Fats:** The significant long-term impact of animal and vegetable oils and fats on economic growth suggests the need for strategic investments in this sector. Developing processing facilities and enhancing the value chain for oils and fats can create economic opportunities and generate employment. Support for research and development in sustainable and efficient production methods will help reduce costs and improve quality. Promoting export-oriented growth by tapping into international markets can further leverage this sector's contribution to GDP.
4. **Recommendation for Manufactured Goods:** The substantial role of manufactured goods consumption in driving GDP growth underscores the importance of boosting the manufacturing sector. Policies should focus on increasing the competitiveness of Nigerian manufactured goods through technological upgrades, skills development and infrastructure improvements. Encouraging foreign direct investment (FDI) in manufacturing can also enhance production capabilities and market reach. Additionally, fostering a favourable business environment and reducing bureaucratic hurdles will support the growth of this sector, leading to sustained economic expansion.



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