

Impact of International trade on Economic Growth of Nigeria (1989 – 2018)

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Abstract

International trade plays a significant role in the economy of a country. It lets to fulfil the needs of the population of the country, stimulates the internal development. International trade is the exchange of goods and services between countries. The aim of this study is to investigate the impact of international trade on economic growth of Nigeria. It does so by employing the annual data over the period 1989 to 2018. The data used for the study was annual time series data collected from Central Bank of Nigeria (CBN) Statistical Bulletin, World Bank Economic Development Indicator for Nigeria on the internet covering the period of 1989 to 2018. Ordinary least square regression (OLS) estimation technique was employed in estimating the various component of international trade. The study showed that there is a significant effect of export on Nigeria economic growth and also reveal there is no significant effect of import on Nigeria economic growth. Therefore, the study recommends that For Nigeria to grow and have a high living standard, it must be ready to compete with the best in terms of production capacity, in today 's world, a country 's product must stand up to international competition if they are to survive. For Nigeria to gain access into the international markets, it must transform its raw materials into value-added products, improve quality and ensure consistency in its production capacity.

Key Words: *International Trade, Nigeria Economic Growth, Import, Export*

1. Introduction

Predominantly, in the world today, nothing can be done without an exchange of some value for value which involves money, ideas, product and technology. As a result of this there is direct effect on the economy of any nation, either positively or negatively. Trade can be traced back to the need for exchange, which evolved from the barter system to the money system. Trade in Nigeria, however, became