
STRATEGIC POSITIONING OF DIVERSIFICATION IN THIRD WORLD ECONOMIES: EVIDENCE FROM NIGERIAN SOLID MINERAL SUB-SECTOR

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ABSTRACT: This paper is an empirical investigation into the strategic directions of diversification in an emerging economy with Nigeria as the center of focus. The problems inhibiting diversification require strategic focus aimed at adequate utilization of the abundant natural resources of Nigeria particularly the solid mineral sub-sector. In the investigation, the ordinary least square is adopted in the result is respectable. The study advocates adequate utilization of the abundant natural resources with strategic directions in the diversification programme in order to derive the benefits thereof. A negation of this renders the diversification programmes of Nigeria a wasted effort and of course a tall dream.

KEYWORDS: Diversification, solid mineral, natural resources, government, strategic.

1. INTRODUCTION

Economic diversification the world over is viewed as one of the several political drivers of sustained economic growth. Political diversification is viewed as a twin sister of economic diversification and this justifies the rationale behind the great emphasis on this subject matter by different governments aimed at achieving economic stability and growth. Diversification in the Nigerian polity aims at making the country self-sufficient and an enabling environment provided by the government. Thus, it is a fundamental element of Economic Recovery Plan of the present Nigerian government. The strategic direction of diversification therefore, focuses on accelerating implementation of the Nigerian Industrial Revolution Plan (NIRP). The key activities include but are not restricted to providing incentives to support industrial hubs, Revitalize export processing zones by reviewing local fiscal and regulatory incentives, acquire sustainable premises for export processing zones and promote local content by sourcing raw materials and spare parts locally and promoting made-in Nigeria goods amongst others. Thus a peep into solid mineral sub-sector reveals that solid mineral is one of the most promising sub-sector of Nigeria. Despite the fact that contributions of this sub-sector to Nigeria is at the low ebb, the overall contribution to ADP growth was doubled in 2010 (N52. Billion) and N103 Billion in 2015 and continuing in 2018. Quarrying and other mining accounted for about 89 per cent of the sector. On the other hand, coal mining represented about 7 per cent while metal ores recorded 4 per cent with the economic recovery growth plan, Nigeria is poised to ensure growth of solid mineral to Gross Domestic product from the N103B of year 2015 and continuing in 2018 to N141 billion in year 2020. This is at an average annual growth rate of 8.54 per cent between 2017 to 2020. Another strategic policy direction is to facilitate the production of coal to fire power plants as well as provide geological maps of the whole country by 2020. This is with a view of integrating artisanal miners into the formal sector thereby encouraging, promoting and sustaining mineral processing and value addition to industries. Further strategies of achieving these strategic diversification targets are associated with the strategy of creating an enabling environment to enhance private investment as well as focus energy mineral in relation to iron/steel and gold. Major activities required in order to achieve these aims include but are not restricted to expansion of electromagnetic and gravity exploration to complete resource mapping: speed up the establishment of solid minerals development fund and also ensure that industrial and energy mineral strategies prioritize domestic utilization of assets. This paper is organized in seven sections with Introduction as section one. This is followed by solid minerals export with states in Nigeria and their mineral resources in section two Government strategies to promote non-oil export and export expansion grant scheme form the tenet of section three section four captures Nigerian Export- Import Bank and Nigeria' non-oil exports in relation to Export Processing Zones while Appraisal of Government strategies and problems of the non-oil Export sector constitute the basic components of section five section six contains the basics of methodological issues and related empirical evidence vis a vis strategic diversification modeling equations. The paper terminates with Advocacy and concluding remarks.

INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES RESEARCH (IJMSSR)

ISSN 2455-1422 (Online)

www.aarmssjournals.com

Volume: 09, Issue: 04 | 2023

2. SOLID MINERALS EXPORT

Nigeria is endowed with numerous mineral resources solid minerals exploits from Nigeria are Cassiterite, Coal, Columbite, Charcoal, Asbestos, processed iron ore and Marble (Usman, 2010). Coal: Coal is one of the oldest commercial fuels used in Nigeria but since oil was discovered, coal was given less relevance and became highly neglected. Moreover, with a reserve of over 2 billion metric tonnes, Nigeria produces not more than 200000 to 600000 tonnes yearly (Odularo and Okonkwo, 2009 in Inuwa, 2012). Coal is used to fuel power plants that produce electricity. It is founding the following Nigerian states - Enugu, Benue, Zamfara, Kebbi, Ondo, Plateau and Kogi. Nigerian coal is one of the most bituminous in the world owing to its low sulphur and ash content. There is also the potential for coal exports to countries such as China, Israel, Japan, Ghana, the U.S, Europa and India. Nigerian coal has been found suitable for boiler fuel, production of high calorific gas domestic heating, briquettes, formed coke and the manufacture of a chemicals including waxes, resins, adhesives and dyes (Inuwa, 2012). Columbite is the most widespread niobium mineral and makes for an important are of the industrially useful metal. Most of these solid minerals have international value and demands from USA, Italy. United Kingdom, and France. It is found in Plateau State, Osun, Nasarawa and Kwara State. It is used for producing special steels, ferro-alloys, electronics tube filaments in rocket and aircraft manufacture (Stephen, 2012). Marble is one of the industrial rocks that are presently gaining prominence in the manufacturing sector of the Nigerian economy. Marble is found in B Delta, Edo, Kastina, Kogi, Kwara, Oyo, Plaeteau, Rivers and Abuja states. Petrographical studies reveal that the marble contains calcite, dolomite, quartz. opaque mineral, actinolite, lead, feldspar and chlorite

Based on these characteristics, the marble is suitable as raw materials for manufacture of lime, drugs, toothpaste, paper and paint. It is also important in the production of livestock feed, electrical insulators, flooring tiles and terrazzo chips (Rornanus and Fredrick, 2012).

Limestone is a sedimentary rock composed primarily of calcium carbonate in the form of the mineral known as calcite. It is a basic raw material for manufacturing cement by cement production plants. It is also used for the production of glass and bricks works, gas purification and fertilizer production. It can be found in Abia, Akwalbom, Anambra, Bayelsa, Benue, Bomb, Cross Rivers, Edo, Enugu, Imo, Kogi, Nasarawa, Ogun and Sokoto state, It can be used in Glass making, ingredient in toothpaste, bread and cereals as a source of calcium, Making paper white, Sugar purification, Making brake pads, Preparation of wools and dyes, Climbing walls, Manufacturing of quicklime (calcium oxide) and slaked lime (calcium hydroxide), Manufacturing of steel, Lower water pH and Food preservation. Limestone has many other uses.

Usman (2010) stated that exports of solid minerals to the international market have from the time of independence had minimal in terms of their volume and share of the exports earnings. Prior to independence, the solid minerals export were to satisfy the demand from industrial base of the British imperialism. But after independence, the Nigerian government avoided direct participation in the mining of solid minerals due to large capital outlay involved, reoccurring flooding of mines and high risks intricate technology, instead mining was left to private firms. It is apparent that solid minerals have the capacity to contribute immensely to the economic development of Nigeria as in the pre-independence years. However, government still provided support as highlighted in (Usman 2010).

Recent policy reforms have brought the solid minerals sector to the fore. The, emphasis is on encouraging massive foreign investors' participation in this sector. NBS (2012) indicated that the solid minerals sector contributes less than one per cent to the country GDP, as against 9 per, cent of South Africa's GDP in 2011. The exploitation of minerals generally and solid minerals in particular is attributable to two interrelated reasons, namely, to enable the country to source raw materials for domestic industries and as exports for foreign exchange. Most of the mineral deposits in Nigeria have remained largely under exploited, due to the over reliance on crude oil for revenue generation though we have human resources capable of tapping these resources for industrial growth.

States in Nigeria and their Mineral Resources

States	Mineral Resources
Abia	Gold, lead/Zinc, Limestone, Oil/Gas, Salt
Adamawa	Bentonite, Gypsum, kaolin, Magnesite, Barytes, Bauxite
Akwalbom	Clay, lead/Zinc, Lignite, Limestone, Oil/Gas, Salt, Uranium
Anambra	Clay, Glass-Sand, Gypsum, Iron-ore, lead/Zinc, Lignite, Limestone, Phosphate, Salt
Bauchi	Amethyst (Violet), Gypsum, lead/Zinc, Uranium
Bayelsa	Clay, Gypisum, lead/Zinc, Lignite, Limestone, Manganese, Oil/Gas, Uranium
Benue	Barytes, Bauxite, Clay, Coal, Gemstone, Gypsum, Iron-ore, Lead/Zinc, Marble, Limestone, Salt, Oil/Gas
Borno	Bentonite, Clay, Diatomite, Gypsum, Ilydro-carbon, Kaolin, Limestone, Oil/Gas

INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES RESEARCH

(IJMSSR)

ISSN 2455-1422 (Online)

www.aarmssjournals.com

Volume: 09, Issue: 04 | 2023

Cross River	Barytes, Lead/Zinc, Lignite, Limestone, Manganese, Oil/Gas, Salt, Uranium
Delta	Clay, Glass-Sand, Gypsum, Iron-ore, Kaolin, Lignite, Marble, Oil/Gas
Ebonyl	Gold, Lead/Zinc, Salt
Edo	Bitumen, Clay, Dolomite Phosphate, Glass-Sand, Gold, Gypsum, Iron-ore, Lignite, Limestone, Marble, Oil/Gas
Ekiti	Feldspar, Granite, Kaolin, Syenites, Tantalite
Enugu	Coal, Lead/Zinc, Limestone
Gombe	Gemstone, Gypsum
Imo	Gypsum, Lead/Zinc, Lignite, Limestone, Maicasite, Oil/Gas, Phosphate, Salt
Jigawa	Barytes
Kaduna	Amethyst, Aqua marine, Ruby, Asbestos, Clay, Fluorspar, Gemstone, Gold, Graphite, Kaolin, Kyanite, Mica, Rock Crystal, sapphire, sillimanite, serpentine, Tantalite, Topaz, Tourmaline
Kano	Cassiterite, Copper, Gemstone, Glass-Sand, Lead/Zinc, Tantalite, Pyrochlore
Katsina	Kaolin, Marble, Salt
Kebbi	Gold
Kogi	Coal, Dolomite, Feldspar, Gypsum, Iron-ore, kaolin, Marble, Talc, Tantalite, Limestone, Gemstone, Bitumen,
Kwara	Cassiterite, Columbite, Feldspar, Gold, Iron-ore, Marble, Mica, Tantalite
Lagos	Bitumen, Clay, Glass-Sand, Stan tar, Oil/Gas,
Nassarawa	Amethyst (Topaz Garnet), Barytes, Beryl, Aquamarine and iolite, Cassiterite, Ilmenite, Chalcopyrite, Clay, columbite, Cooking Coal, Dolomite/Marble, Feldspar, Galena, Mica, Iron-ore, Limonite, Limestone, Sapphire, Talc, Tantalite, Tourmaline, Quartz, Zircon, Zircon
Niger	Gold, Lead/Zinc, Talc, Iron-ore
Ogun	Bitumen, Clay, Feldspar, Gemstone, Kaolin, Limestone, Phosphate
Ondo	Bitumen, Clay, Coal, Dimension Stones, Feldspar, Gemstone, Glass-sand, Granite, Gypsum, Kaolin, Limestone, Bauxite, Oil/Gas,
Osun	Columbite, Gold, Granite, Talc, Tantalite, Tourmaline
Oyo	Aqua marine, Cassiterite, Clay, Dolomite, Gemstone, Gold, kaolin, Marble, Sillimanite, Talc, Tantalite
Plateau	Barytes, Barites, Bauxite, Bentonite, Bismuth, Cassiterite, Clay, Coal, Emerald, Fluorite, Gemstone, Gold, Granite, Dolomite, Iron-ore, Kaolin, Lead/Zinc, Marble, molybdenite, Pyrochlore, Salt, Tantalite/Columbite, Tin, Wolfram
Rivers	Clay, Glass-Sand, Lignite, Marble, Oil/Gas
Sokoto	Clay, Flakes, Gold, Granite, Gypsum, Kaolin, Laterite, Limestone, Phosphate, Potash, Silica-Sand, Salt
Taraba	Lead/Zinc, kaolin
Yobe	Soda, Ash, Diatomite
Zainfara	Coal, Gold

Source: Akpan. O. (2011). *The Niger Delta question and Peace Plan* Ibadan, spectrum Books Limited.

Onya (2012) postulated that Nigeria has over 34 solid minerals in commercial quantities, quoting statistics from the Federal Ministry of mines and steel, he listed 9 of the solid minerals to be targeted for development, including Iron Ore, Coal, Tin Ore, Bitumen, Gold, Columbite-Tantalite, Lead/zinc, Wolframite and Industrial minerals while very few are being actually mined, processed and marketed. The remaining minerals, though in demand are untapped, which confirm that Nigeria has great potentials in the production of solid minerals for export. Nigeria has tremendous potential for a very

INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES RESEARCH (IJMSSR)

ISSN 2455-1422 (Online)

www.aarmssjournals.com

Volume: 09, Issue: 04 | 2023

Viable mining industry that can raise local and foreign earnings and increase employment in addition to encouraging foreign investment, these activities are Exploration, mining, processing, marketing, mineral testing and transportation. Prospecting licenses for investors (both local and foreign) to participate in the exploitation of the vast mineral resources for export in Nigeria is granted by the Federal Ministry of Solid Minerals development yet the domestic mining industry is underdeveloped, leading to Nigeria having to import minerals that it could produce domestically, such as salt or iron ore.

Government Strategies to Promote Non-Oil Exports

The Nigerian Government has shown determination over the years to grow the non-oil sector of the economy and therefore established various agencies and put various policies in place to improve the economic situation in order to increase the share of non-oil products in total exports. Some of these policies are:

Protectionism Policy - import substitution industrialization was aimed at expanding the industrial base, enhancing cash crop exports, encouraging farmers to expand their farms and increasing the production of cash crops. The ultimate goal was to protect domestic industries that were set up to produce import substitutes (Onodugo, et al 2013).

Trade Liberalization Policy - trade policies of this era was aimed at 'deregulation, commercialization, privatization and liberalization of the economy in order to achieve greater openness to and integration with the world economy: and to' tackle the challenges of imbalances in the economy and thereby pave way for sustainable economic growth and development (Onodugo, et al 2013).

Export Expansion Grant Scheme and Nigeria's Non-Oil Export

Export Expansion Grant (EEG) is a post-shipment export incentive scheme that is designed to encourage non-oil exporters whose minimum annual export turnover is N5 million. It is a scheme designed to assist exporters to expand their volume and value of non-oil exports, diversify 'export markets and make them more competitive in international markets. The export grant is given to exporters to cushion the impact of infrastructural disadvantages. faced by Nigerian exporters and to make our exports competitive in the international market. It was established by the Export (Incentives & Miscellaneous Provisions) Act of 1986. It is being administered by inter-ministerial committee made up of the Federal Ministry of Finance, Central Bank of Nigeria, Nigerian Custom Service, Nigerian Export Promotion Council, and the Special Assistant to the President Manufacturing Association of Nigeria and the private sector in general. EEG policy has been -in force since 2005 and exporters have deployed massive 'amounts of capital, resources and efforts in growing the non-oil export sector.

Nigerian Export-Import Bank and Nigeria's Non-Oil Export

Augustine (2013) reported that Nigerian Export-Import Bank (NEXIM) was established by Act 38 of 1991 as an Export Credit Agency with the broad mandate to promoting the diversification of the Nigerian economy and deepening the external sector, particularly the non-oil through the provision of credit facilities in both local and foreign currencies; risk-bearing facilities through export credit guarantee and export credit insurance; business development and financial advisory services etc. This is to give the economy a boost and encourage exporters to meet with the challenge of sourcing for required funds. In pursuit of its mandate of promoting export diversification and deepening the non-oil sector, the Bank's current strategic initiatives are targeted towards boosting employment creation and foreign exchange earnings in the Manufacturing, Agro-processing, Solid Minerals and Services (Tourism, Transportation and Entertainment) industries. It has initiated a working blueprint, spanning from 2010 to 2015, to propel the non-oil sectors of Nigeria's economy to a grand-level. The goal is to become the leading export development bank in Africa.

Export Processing Zones

World Bank (1996) defined Export processing zones (EPZ) as fenced, industrial estates specializing in manufacturing for exports, which offer firm free trade conditions and liberal regulatory environment. EPZ is normally set up for manufacturing concerns producing mainly for the export market without, being subjected to the normal customs duties. They are areas within which goods may be landed, handled, manufactured, or configured, and re-exported within, the intervention of customs authority. Firms operating within the zone are normally exempted from industrial regulation applying within the domestic economy, especially with regards to foreign ownership of firms, repatriation of profits, employments of nationals; access of foreign exchange (Afeikhana, 1996 in Adesoji and Sotubo, 2013). EPZ are generally treated precisely to attract foreign firms because domestic firm are not capable to compete internationally and not able to generate enough foreign exchange needed to boost the economic growth. This was established by the decree no. 34 of 1991 and is organized around major seaports, international airports, and areas with many geographical advantages for trade.

There are formally 24 EPZs today, of which 11 are operational to some extent, while 10 are under construction and 3 have merely been declared stagnating.

Operational Export processing zones in Nigeria

S/N	Names of EPZ Zones	Locations	Status	Fed. Govt
1	Calabar free trade zone	Cross River State	Operational	Fed. Govt
2	Kano free zone	Kano State	Operational	Fed. Govt/Private
3	Onne oil & Gas free	River State	Operational	Private/Public
4	Tinapa free zone	Cross River State	Operational	State
5	Maigatar Border free zone	Jigawa State	Operational	Private
6	Snake Island Integrated	Lagos State	Operational	Private
7	Ladol free zone	Lagos State	Operational	Private
8	Airline service EPZ	Lagos State	Operational	Private
9	Alscon Export zone	Akwa Ibom	Operational	Public/Private
10	Ogun Guangbong free trade	Ogun State	Operational	Public/Private
11	Sabore farm Export zone	Adamawa State	Operational	Private

Source: Babatunde, A. A. and Muttaqa Yusha'u (2012). The state of trade unionism and industrial relations practice in Nigeria's Export Processing Zones Nigeria, ILO Cataloguing in Publication Data.

Above table shows 11 operational EPZs in Nigeria, 2 are owned by the Federal Government, 1 by a state Government, 5 by private enterprise, 1 by Federal government! Private and 2 are "public-private" initiative.

INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES RESEARCH (IJMSSR)

ISSN 2455-1422 (Online)

www.aarmssjournals.com

Volume: 09, Issue: 04 | 2023

The primary goals of EPZ are:

- To provide foreign exchange earnings by promoting non-traditional exports.
- To provide jobs to alleviate unemployment problems in the country.
- To attract foreign direct investment and promote transfer of technology, knowledge spillover and demonstration effects that would act as catalysts for domestic entrepreneurs to engage in production of non-traditional products. To develop export-oriented industries.

Engman *et al* (2007) stated that one of the potential benefits of an EPZ is transfer of technology from foreign companies in the zone of domestic companies. Technology transfer may be through FDI serving as a role model for domestic companies, backward linkages, personnel transfer from one company to another, or through the import of capital goods and inputs on a duty free basis. Successful Export processing zones have demonstration effects that act as catalysts for domestic entrepreneurs. Rhee and Belot (1990) suggest that this catalyst and demonstration aspect of EPZ renders them quite valuable to business development of host countries.

The presence of EPZ also goes a long way to promote business development through backward linkage to host firms as this allows these host firms to step in as suppliers to EPZ firms in the medium to long run. EPZ several factors are responsible for the adoption of Free Zones Scheme in Nigeria, amongst which are the diversifications of the revenue base of the economy, employment generation and to encourage export through local production.

Appraisal of Government Strategies

The various institutions, strategies and policies that have been adopted by the government to boost non-oil exports have produced results which revealed that a lot has been done by government towards reviving the non-oil sector in terms of policy packages and incentives. It can be seen that the state of development has been adversely affected by government policies. However, these results have been less than satisfactory because assessment of the trend and patterns of activities in the non-oil sector have been below its full potential. Ogunkola *et al* (2006) In Adesoji and Sotubo (2013) observed the proportion of oil to total exports and concluded that since crude oil accounted for over 90.0 percent of total export therefore all efforts directed at diversifying export from oil to non-oil products are yet to materialize.

Problems of the Non-Oil Export Sector

An assessment of the trend in the non-oil sector of Nigeria reveals that despite the various policies, strategies and reform programmes, the contributions of these sub-sectors to Nigeria economy has been dismal and below its full potential. The following are some of the problems the sector is faced with highlighted in a recent CBN and NEXIM in (Usman, 2010).

▪ Inadequate and Decaying Infrastructure

Nigeria's infrastructural base has remained inadequate to meet the needs of the economy. Since the entire non-oil exports are domestic commodities from industries within Nigeria, they are affected by shortage of public infrastructure which is aged old, decaying and lacking maintenance. Most industries have to provide for themselves basic infrastructure to enable them operate, this makes cost of doing business in Nigeria high.

▪ Funding/financing Constraints

The banking services industry is not adequately supporting business in non-oil export due to high risk of export business and unavailability of foreign loans from these banks.

Also Manufacturers of export merchandise cannot access modern equipment and spares that will aid the Competitiveness of their commodities.

- Ineffective Implementation of Export Incentives and Support Programme Export schemes and incentives initiated by the government are not being administered by agencies statutorily empowered to implement them. There are observed rigidities in trade Procedures, delays in completion of export documentation and excessive use of discretionary powers by desk officers of various agencies facilitating posing constraints on export activity.
- Near total reliance of banks of NEXIM for export finance resource the banking industry has so far only shown preference to financing import activities rather than providing sufficient financial support to export. Rather banks have continually relied on the NEXIM for funds in order to financially support business in export trade of non-oil merchandise.
- Over regulation of the non-oil export: An environment where exporting firms have to be subjected to enormous paper work and drilling inspection not only constitute an unnecessary stress but a disincentive to exports.

INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES RESEARCH (IJMSSR)

ISSN 2455-1422 (Online)

www.aarmssjournals.com

Volume: 09, Issue: 04 | 2023

- Policy instability and inconsistency: The country is, not lacking in good policies but the problem is with the effectiveness of the policies which has been undermined by policy instability and inconsistency over time. Policy inconsistency constitutes a veritable hindrance to growth in Nigeria.

Usman (2010) asserted that agriculture is still characterized by low productivity. This stems from parcel of land with crude and outdated farm implements. Farmers lack access to credit facilities, production machinery and inputs because of inadequacies of their provision. Moreover, farming in Nigeria is well-nigh-rain-fed, lacking power water irrigation. NPC (2010) opined that farming activities consists largely of traditional land production of root crops and grains for local markets, supplemented by nomadic rearing of livestock, as well as fish farming which has become prevalent in recent years. Production of crops for export has also been hampered by economic policy uncertainties of the past years. Artisanal fisheries lack access to infrastructure (docks, boat repair, and cold storage facilities) available to the semi-industrial and industrial fleet. The solid minerals or mining sector has no Concrete policy except until 2005, which is coming at a late period. It is still being hampered by a comprehensive database of necessary information pertaining to Nigeria's solid mineral wealth. Business engaged in mining need concessions and incentives because mining involves huge capital outlay and investment. Now access to this is not well encouraging, some mining firms still use outdated mining technology and obsolete equipment. The current mining sector is dominated by small-scale operations, working below their full potential and literally scratching the surface as a result of inadequate access to investment capital. There also lies the problem of illegal mining to be curtailed (Usman, 2010).

NPC (2009) asserted that transport infrastructure, vital for all facet of development, is grossly lacking in the rural areas. Many rural areas with high agricultural potentials, abundant natural resources and other. Rural enterprise remains cut off due to inadequate or unreliable transport facilities and services.

Methodological Issues and Related Empirical Evidence

This section aims at driving the work to a logical end by the use and application of the control variables. These variables are:

Export (Exp), coal (COALM) metal ores (Meto) mining and Quarrying (M and Q). the equation is as stated below:

Strategic Diversification Equation

$$Exp = b_0 + b_1 COALM + b_2 METOR + b_3 LM\&Q + b_4 LSALT + b_5 LLIMES + b_6 LB1t + b_7 LMAR + b_8 LHYDC + e_t \dots\dots\dots(1)$$

In its full estimation econometrically we have:

$$Exp = b_0 + b_1 COALM + b_2 METOR + b_3 LM\&Q + b_4 LSALT + b_5 LLIMES + b_6 LB1t + b_7 LMAR + b_8 LHYDC + e_t \dots\dots\dots(ii)$$

Where:

e_t white noise/disturbance/stockastic term

b_0-b_8 represents parameter estimate

Exp. Represents strategic diversification provided by Export

LCOALM	=	log of coal and mining
L METOR	=	log of metal ores
L M&Q	=	log of mining and quarrying
L SALT	=	log of salt production
L LIMES	=	log of limestone
L BIT	=	log of Bitumen
L MAR	=	log of marble production
LHZDC	=	log of hydrocarbon

Strategic Diversification Equation

Method of estimation = ordinary least squares

Dependent variable: Exp

Current sample: 1990-2018

Number of observation: 27

Mean of dep. Var. = 15.0886 LM het. Test = .779561 [.377]

Std. dev. Of dep. Var.=1.95345 Durbin Watson=1.45978 (00.6,277)

Sum of squared residuals=2.60787 Jarque-Bera test=503095 (778)

Variance of residuals = 096588 Ramsey's RESET2 = 199374 (659)

Std error of regression = 310789 F (zero slopes) = 299.437 (000)

R-squared 77955 log likelihood = 5.29079

INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES RESEARCH (IJMSSR)

ISSN 2455-1422 (Online)

www.aarmssjournals.com

Volume: 09, Issue: 04 | 2023

Variance	Estimated coefficient	Standard Error	T-statistic	P-value
ΔC	33.7875	03.4163	532788	[0.599]
$\Delta LEXP$	-6.90529	2.18621	-560195	0
$\Delta L COALM$	7767	1.633076	2.010895	[0.1991]
$\Delta L METOR$	054903	447989	2.057916	[0.00]
$\Delta M\& Q$	3.41947	0.19415	1.644397	[660]
$\Delta SALT$	6.1360	3.40986	2.23282	[034]
$\Delta LIME$	6.28722	2.38711	2.92134	[104]
$\Delta LBIT$	5.37789	1.99861	1.32413	[0.000]
$\Delta LHYDC$	7.32711	2.89242	2.046321	[0.01]

Source: GretL - package

The above regression result presents the linkages between export vis-a-vis strategic diversification and growth of the polity with particular reference to solid mineral sub- sector. The equation represents export on coal and mining sub sector. The estimated coefficient is strategically significant at 0.1 percent. The estimated coefficient of metal and ores is statistically significant at 0.01 percent. In regressing export on salt and limestone, the estimated coefficient is 3.40956 (salt), 2.387 for limestone while both are statistically significant at 0.3 and 0.1 respectively.

The linkages and regression of export on Bitumen and Hydro carbon are equally statistically significant at better than 0.1 percent and at 0.01 percent. The DW in 1.45978 greater than R of 97.5 percent thereby exporting a good for the model. Generally, with the above result, it is clear that strategic areas of diversification with selected natural resource endowment are capable of transforming the economy for good.

Concluding Remark

This paper examined strategic directions and diversification in an emerging economy with particular reference to Nigeria with empirical evidence. Nigeria has been blessed with abundant natural resources to facilitate the economic diversification programme and the solid mineral sub sector plays a significant role in this economic recovery and growth plan. This paper advocates that government should provide enabling environment devoid of security challenges so as to achieve benefit derivable from the programme. A negation of this the paper argues renders the Nigeria industrial revolution plan an illusion and a waste of human resources.

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INTERNATIONAL JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES RESEARCH (IJMSSR)

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