



THE IMPACT OF INDUSTRIALIZATION ON ECONOMIC GROWTH:  
THE NIGERIA EXPERIENCE (2000-2013)

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ABSTRACT

The work focused on the Impact of Industrialization on Economic Growth: The Nigeria Experience (2000-2013). The study sets three major objectives, which include investigating the effect of fiscal and monetary policy on Gross Domestic Product (GDP), determining the relationship between government spending and industrial development and to determine the effect of budget on investment or employment generation. The study only utilized secondary data from the 2011 Central Bank of Nigeria Statistical Bulletin and the Nigerian National Bureau of Statistics. The study specified a workable model, which has GDP as the dependent variable while industrial output, foreign direct investment, interest rate, foreign exchange rate and inflation rate were independent variables. Ordinary least square (OLS) technique, F-test was used as analytical techniques. The study revealed that industrialization has a negative impact on economic growth in Nigeria in the long run. This was confirmed by the F-test value (559.02). The study recommends amongst others, that the government should redirect its industrial and investment policy so as to increase output of the domestic production (RGDP), flexible exchange rate and control inflation rate since that showed that increase in exchange and inflation rate, decreased output, industrial and investment policy should be flexible on infant industries so as to encourage productivity and improve GDP.

*Keywords:* Industrialization, Growth, Nigeria, GDP

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