IMP ACT OF TRADE LIBERALIZATION ON NON-OIL SECTOR OUTPUT IN NIGERIA (1980-2020)

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Abstract

The study examines the impact of trade liberalization on non-oil sector's (agriculture, industrial and solid minerals) output in Nigeria using time series data spanning 1980-2020. The study employed Generalized Method of Moment (GMM) estimator for data analysis. The result of unit root test shows that data were stationary at level and first difference. The findings of structural breaks also show various years of break by the variables. The GMM estimates of the agriculture sector model show that trade liberalization had positive and statistically significant relationship with agriculture and industrial output. However, though significant, it is negatively related with solid minerals output. The degree of linkages among sectors is limited as agriculture seems to have linkages with industrial sector and neither of the sectors seems to relate with the solid mineral sector. The study then suggests that policy makers should as a matter of necessity fashion out policies that can harness the sectoral linkages and potentials in agriculture, industrial and solid minerals. Provide requisite infrastructure (hard and soft) required to tap into the productive activities of the sectors in this age of technology. Also policies that promote local production and discourage importation of certain essential products for trade are desirable in order to enhance the performance of the sectors and promote economic growth in the economy.

Keywords: Trade liberalization, Non-oil Sector, Generalized Method of Moment, Nigeria.

JEL Classification: F 18, 020, C50

INTRODUCTION

Trade liberalization has become a driving force of globalization and an important source of growth and development because of its potential spill-over effect on the economy. It is a channel through which export-led growth strategy has been pursued by emerging economies.

Whether regional, bilateral or multilateral agreements, trade liberalization has been recognized as a veritable engine of economic growth. This is because it creates a competitive environment, permits the diffusion of knowledge and transfer of technology, enhances competitiveness of export, increases access to international market, expands the domestic market and creates marketing networks. It provides managerial and technical skills, enhances the transformation of technology, promotes industrialization, improves productivity, creates jobs, enhances economic growth, and provokes the expansion of the export sector. Tubor & Michael (2018) observed that trade liberalization promotes efficiency by reducing cost of production, and increasing international confidence in market mechanism.

The phenomenal performance of East Asian economies that took advantage of trade liberalization holds great growth potentials for emerging economies like Nigeria. The fast industrialization and development in high-growth economies of Hong Kong, Taiwan, South Korea and Singapore tagged East "Asian Tigers", is attributed to gains or benefits of trade liberalization strategies. The economies of China, India, Malaysia and Mexico experienced faster economic growth than advanced economies because of their trade openness in the 1980s, whereas countries that pursued trade protectionist regime experienced deterioration in the trade balance according to Dollar & Kraay (2003).

Prior to the discovery of oil in commercial quantity in Nigeria, agricultural sector was the main stay of the economy providing food, employment and income for the populace, raw materials for the industrial sector, generating huge revenue for government, and foreign exchange earnings with an industrial sector emerging alongside. However, the discovery and subsequent oil boom of the 1970s led to growth distortion from a relatively prosperous agrarian and emerging industrial economy to a major exporter and now largely dependent on oil.

The performance of the Nigeria economy since the advent of the covid-19 pandemic has been abysmal. The real gross domestic product (GDP) growth rate in the first quarter of 2021 was 0.51%. Agriculture growth rate was 2.28% in the first quarter of 2021 compared to 3.42% in 2020. The manufacturing sector recovered from the recession, rising at a rate of 3.4%. Construction increased by 1.42% in the first quarter of 2021 compared to 1.21 % in 2020. Telecommunications and information services sector grew at a real-term pace of 6.47 % year over year. In addition, the industry contributed 14.91 % to aggregate real GDP in first quarter of 2021 compared to 14.07% in 2020. The mining and quarrying sector grew by -2.19% (year-on-year) in the first quarter of 2021. Its contribution to real GDP in the first quarter was 9.28%, lower than the rate of 9.54% in 2020 «NBS, 2021).

Thus, trade liberalization has the potential for long term growth and development in Nigeria. The government policies in the real sector like agriculture, manufacturing and solid mineral

(non-oil sectors) are yet to yield significant impact as seen in their contribution to GDP. This. study therefore seeks to investigate the impact of trade liberalization on non-oil output in Nigeria with focus on agricultural, manufacturing and solid minerals sectors. To achieve this, the paper is organized into five sections. Following the introduction in section one, section two is literature review, section three is methodology, section four is empirical results and discussion of findings while section five is conclusion and recommendations.

LITERATURE REVIEW

Trade liberalization entails significant reduction in participation of governments in marketing, production, fixed rates abolition, export taxes abolition, foreign exchange and import regulations relaxations; and ensuring that private sector incorporation into the economy is strengthened (Anderson & Babula, 2008). Government aims at achieving and sustaining high growth rate (Manni & Afzal, 2012). In a globalized world, trade liberalization comes with incentives to attract trade and capital flows (Mufti, Nahar & Muhammad, 2018).

There are three strands of theories that explains the gains associated with trade liberalization for economies (Thindwa & Seshamani, 2014). These include theories of comparative advantage (David Ricardo), Heckscher-Ohlin (H-O) theory and the new growth theory or the endogenous growth theory (Romer, 1990; Grossman & Helpman, 1991 and Barro & Sala-i- Martin, 1997). David Ricardo's model of comparative advantage suggested that specialization by individual countries in the production of a commodity based on area of their comparative advantage is essential for trade gains (Salvatore, 2007). Effective use of resources can be enhanced through trade by allowing the importation of goods and services that would have been produced at a higher cost at home. The theory emphasized trade as fundamental for the attainment of static efficiency in production, improved access to market and international competitiveness that result in economic growth (Thindwa & Seshamani, 2014). Economic growth is enhanced through foreign exchange gain, new knowledge and technology, and increased labour productivity.

The Heckscher-Ohlin (H-O) theory builds on Ricardo's comparative advantage theory. It supports the idea that countries can participate in international trade by exporting commodities based on their comparative advantage. Furthermore, it sees comparative advantage from the perspective of factor endowment or abundance and intensity in a given economy. Thus, a nation has a comparative advantage if a particular resource is in abundance and has a high ratioin production (factor intensity) comparative to others in the economy. Salvatore (2007) observed that any resource in abundance and intensity that a country utilizes for production of a commodity has a comparative advantage. When countries specialize in production and trade on basis of endowment and intensity, it leads to improve living standard. Nigeria is a labour-abundant country with rich deposits of natural resources such as arable lands, crude oil, and

solid minerals like gold, bauxite, etc., which provides great advantage that Nigeria is yet to take advantage of.

The new growth theory according to Romer (1990) endogenises change in technology as important factor that explains growth. The theory postulates that economic growth results from innovation, knowledge and human capital investment which are considered as internal factors in an economy. Economies of scale stem from the development of human capital besides investment in research and development (R&D) (Thindwa & Seshamani, 2014). The reduction in price distortions according to the theory ensures efficient allocation of domestic resources across different sectors of the economy. Once advanced technology is deployed in the production process, externalities are generated leading to economic development (Howitt, 1998).

Relating these theories to the Nigerian economy indicates that Nigeria has the potential to gain from trade liberalization despite poor infrastructure. Nigeria has comparative advantage in agriculture and solid minerals both in endowment and factor intensity. The country needs to invest in R&D to drive innovation and capacity in the value chain. Adaptation of modem technology in production processes is required to gain according to the endogenous growth theory where learning-by-doing, access to technologies and better management practices lead to more efficiency gains (Romer, 1990; Lucas, 1988; Krugman, 1987).

The nexus between trade liberalization and non-oil sectors performance has been investigated across regions using different techniques with mixed results. For instance, Dao (2014) used panel data technique and pooled Ordinary Least Square (OLS) regression to examine the relationship between trade liberalization and growth for 71 countries for the period 1980-2010. The results showed that trade shares had a positive and significant link with growth. Qazi (2015) examined the effect of financial and trade liberalization on growth in Pakistan using ARDL covering the period 1971-2013. The findings revealed that capital stock, financial liberalization index (banking and stock market) and labour force representing skills were positively linked to economic growth. The results further revealed that de facto financial openness index and trade openness had negative impact on growth.

On studies that relate to African economies, Manwa (2015) examined the effect of trade liberalization on growth in five Southern African Customs Union (SACU) economies (Botswana, Namibia, South Africa, Swaziland and Lesotho) using ARDL Bounds testing method for the period 1980-2011. The study utilized fixed-effects panel data estimations as well for testing the strength of empirical findings among the five countries. The results revealed that in the case of Lesotho, Botswana, Swaziland and Namibia, liberalization of trade measured through trade ratios, tariffs, the real effective exchange rate and adjusted trade ratios exerted insignificant impact on growth. However, in South Africa, trade liberalisation had significant

impact on growth

Dabel (2016) used Autoregressive Distributed Lag (ARDL) method and data covering 1986-2015 to investigate the nexus between trade openness and growth in Ghana. The results indicated that Composite Trade Index (CTI) , and openness to trade had a positive and significant impact on growth. The real effective exchange rate, labour force, foreign direct investment, and capital stock had positive and significant effects on growth. The Granger causality test showed a unidirectional causality running from trade openness to growth. Moyo, Nwabisa, & Hlalefang (2017) investigated the long run relationship between trade openness and growth in Ghana and Nigeria using the ARDL model from 1980-2016. The results revealed that trade openness exerted a positive and significant effect on growth in Ghana but negative and insignificant in Nigeria. Moyo & Khobai (2018) examined the nexus between trade openness and growth in 11 Southern African Development Cooperation (SADC) economies over the period 1990-2016 using the ARDL Bounds test method and Pooled Mean Group (PMG) model. The findings showed that trade openness exerted a negative impact on growth in the long-run.

On studies that are specific to the Nigerian economy, Asongo & Jamala (2015) investigated the impact of trade liberalization on the performance of manufacturing sector in Nigeria covering the period 1989-2012 using OLS. It revealed that there is a positive relationship between domestic credit to private sector and the foreign private investment on the manufacturing output on one hand, and between the manufacturing output and openness product on the other hand. Kalu, Nwude & Nnenna (2016) examined the impact of trade openness on growth in Nigeria using Classical Linear Regression Model (CLRM) for the period 1991-2013. The results revealed that imports, exports and net export had positive and significant relationships with growth.

Ojeyinka & Adegboye (2019) examined the impact of trade liberalization on performance in the Nigerian economy, with special reference to the agricultural and manufacturing sectors. Simultaneous models were used to capture the joint effects of trade liberalization on the two sectors. The Generalized Method of Moment technique was used to estimate the impact of trade liberalization on sectoral performance. The study showed a significant positive impact of trade liberalization on the output of agricultural sector, while a negative but significant relationship exists between measures of trade liberalization and manufacturing output in Nigeria. The study also revealed that exchange rate exerts a positive but insignificant impact on agricultural output while the effect of inflation on agricultural output is positive and significant within the study period. Both exchange rate and inflation had negative impact on manufacturing sector's output. The study confirmed possibility of substantial economic linkage between the two sectors, as their magnitudes were positive and significant suggesting significant level of interdependence.

Elijah & Musa (2020) investigated the dynamic effect of trade openness on Nigeria's economic performance from 1980-2017 using Error Correction Model (ECM). The short-run and long-run results showed that trade openness hurt growth. Ajayi & Araoye (2020) used VECM to determine the impact of trade openness on growth in Nigeria for the period 1970-2018. The findings revealed that trade openness had a negative link with growth. Uchechukwu, Bartholomew, Friday, & Franklin (2021) examined the relationship between trade liberalization and economic performance in Nigeria covering the period 1981-2018. The study used the Autoregressive Distributed Lag Bounds technique to cointegration. The results showed that trade liberalization did not support growth in Nigeria. Furthermore, the results showed the presence of unidirectional causality from real GDP to trade liberalization in Nigeria.

This study differs from the previous works, especially on the Nigeria economy, for the following reasons. First, the impact of trade liberalization is often examined in aggregate form with a major focus on economic growth. However, this study attempts to examine the impact of trade liberalization in a disaggregated form, that is, at sectoral level including solid minerals sector. The role of trade liberalization on sectoral development in Nigeria has not received adequate attention. Hence, the study examines the effect of trade liberalization on the three leading non-oil sectors which are agriculture, industrial and solid minerals. In addition, the study adopts a different methodology compared to other studies. Specifically, linear simultaneous equation models were developed due to interdependence and joint effect among the three sectors. Such interdependence is formally estimated by linear simultaneous equation system (Ojeyinka & Adebgoye, 2019; Ullah, Khan, Ali & Hussain, 2012).

METHODOLOGY
Model Specification
This study is premised on the Hescher-Ohlin and New growth model theoretical frameworks. Basically, the theories postulate that the expansion of trade is beneficial to all trading partners on the basis of factor endowment and intensity, and capacity to use knowledge and innovation to improve trade capacities. The implication of the theories is that overall economic growth and development would be optimised when an economy allows for free trade with other economies by removing trade barriers with trade partners (Kazungu, 2009). The study adopts the model from the work of Ojeyinka & Adebgoye (2019). To capture the effect of trade liberalization on the performance of the three sectors (agriculture, industrial and solid minerals), we formulate simultaneous equation system as follows:

AGRQ = (TRDL, FDI, EXR, INFL, INDQ, SDMQ)   -   -   -   -   *1*
INDQ = (TRDL, FDI, EXR, INFL, AGRQ, SDMQ   -   -   -   -   *2*
SDMQ = (TRDL, FDI, EXR, INFL, AGRQ, INDQ)   -   -   -   -   *3*

Where: AGRQ is agricultural output or productivity (contribution of Agriculture to GDP); INDQ is industrial output or productivity (contribution of industrial sector to GDP); TRDL is trade liberalization used as degree of openness proxied by ratio of total trade (import plus export) to GDP; FDI is foreign direct investment as ratio of GDP; EXR is real exchange rate; INF is inflation proxied by consumer price index (CPl).

Specifically, models 1-3 can be explicitly presented as:

$$AGRQ = \beta_0 + \beta_1 TRDL + \beta_2 FDI + \beta_3 EXR + \beta_4 INFL + \beta_5 INDQ + \beta_6 SDMQ + \mu_{1t} \quad 4$$

$$INDQ = \delta_0 + \delta_1 TRDL + \delta_2 FDI + \delta_3 EXR + \delta_4 INFL + \delta_5 AGRQ + \delta_6 SDMQ + \mu_{2t} \quad 5$$

$$SDMQ = \lambda_0 + \lambda_1 TRDL + \lambda_2 FDI + \lambda_3 EXR + \lambda_4 INFL + \lambda_5 AGRQ + \lambda_6 INDQ + \mu_{3t} \quad 6$$

Where μ_{1t}, μ_{2t} and μ_{3t} in the models are the stochastic (error) terms that capture unobservable variables. The variables are transformed into log linear form to moderate their magnitude except variables in rates, the above equations become:

$$lnAGRQ = \beta_0 + \beta_1 lnTRDL + \beta_2 lnFDI + \beta_3 EXR + \beta_4 INFL + \beta_5 lnINDQ + \beta_6 lnSDMQ + \mu_{1t} \quad 7$$

$$lnINDQ = \delta_0 + \delta_1 lnTRDL + \delta_2 lnFDI + \delta_3 EXR + \delta_4 INFL + \delta_5 lnAGRQ + \delta_6 lnSDMQ + \mu_{2t} \quad 8$$

$$lnSDMQ = \lambda_0 + \lambda_1 lnTRDL + \lambda_2 lnFDI + \lambda_3 EXR + \lambda_4 INFL + \lambda_5 lnAGRQ + \lambda_6 lnINDQ + \mu_{3t} \quad 9$$

The impact that trade liberalization would have on performance of agriculture, industrial and solid minerals sectors are respectively captured in equation (7), (8) and (9).

Apriori expectation

Model 1: $\beta_0 > 0; \beta_1 > 0; \beta_2 > 0; \beta_3 > 0; \beta_4 <> 0; \beta_5 > 0; \beta_6 > 0$

Model 2: $\delta_0 > 0; \delta_1 > 0; \delta_2 > 0; \delta_3 > 0; \delta_4 < 0; \delta_5 > 0; \delta_6 > 0$

Model 3: $\lambda_0 > 0; \lambda_1 > 0; \lambda_2 > 0; \lambda_3 > 0; \lambda_4 <> 0; \lambda_5 > 0; \lambda_6 > 0$

Estimation Techniques

The Generalized Method of Moment (GMM) is the estimation technique used in the study. The GMM estimator was adopted in order to deal with potential endogeneity bias due to omitted variables, simultaneity and measurement error usually associated with simultaneous equation, in which the exogenous variables are interdependent and jointly determined. The basic principles in the application of GMM show that it avoids the need to specify distributional assumptions such as normal errors; it provides a unifying framework for the analysis of many familiar estimators such as ordinary least squares (OLS), other instrumental variable *(N)*, etc; and it affords the opportunity to specify an economically interesting set of moments believed to be robust to misspecifications of the economic or statistical model (Gujarati,2004).

Data Source and Measurement

The study used annual time series spanning 1980-2020 for Nigeria. Specifically, data on agricultural output (AGRQ), industrial output (INDQ), solid mineral output (SDMQ), trade liberalization (imports plus exports) and foreign direct investment (FDI) were obtained from World Development Indicators of World Bank (2020 Edition). Exchange rate and inflation rate (CP1) were obtained from Central Bank of Nigeria's Statistical Bulletin (2020 Edition). All variables were taken as ratio of GDP except the ones in rates (EXR and IFR). The choice of the period is to cover the pre and post trade liberalization era in Nigeria.

EMPIRICAL ANALYSIS AND DISCUSSION OF RESULTS

Unit Root Test Results

The unit root tests statistical properties of all variables employed were obtained using the Augmented Dickey-Fuller (ADF) test to identify the stationarity or otherwise of variables. The results of the unit root show that two of the variables solid minerals output and exchange rate are stationary at level and thus 1(0). Other variables such as lnGRQ, lnINDQ, lnTRDL, InFDl and INF are stationary at their first difference indicating that they are 1(1) variables (Table 1).

Table 1: Unit Root (Stationarity) Test (ADF)

Vartables	Level		First Difference		Order of Integration
	Test statistics	Crttical value	Test statistics	Crttical value	
InAGRQ	-3.412	-D.673	-3.412	-3.675*	1(1)
InlNDQ	-3.556	-2.457	-3.554	-5.821 ***	1(1)
InSOMQ	-3.556	-4.901**	-3.556	-9.005**	1(0)
InTRDL	-3.556	-1.674	-3.556	-7.483***	I(II
InFOI	-3.556	-3.866	-3.556	-6.516**	Ull
EXR	-3.554	-5.D34*	-3.554	-11.229*	IlOl
INF	-3.553	-2.689	-3.554	-4.608**	Il11

***Source:** Authors' Computation;*
Note: ***, **, and * are significant at 1%, 5% and 10% respectively

To account for Structural break or policy changes, the study adopted the structural break unit root test proposed by Zivot and Andrew (1992) as presented in Table 2. The result is similar to that of Table 1 showing the unit root without structural break. The break dates as presented in the last column show different dates for break.

Table 2: Unit Root with Structural Breaks

Series	Level		First Difference		Order of Integrati	Break Date
	Test statistics	Critical value	Test statistics	Critical value		
InAGRQ	-3.452	-5.423 .	-5.723**	-5.423	\(1)	1998
InlNDQ	-4.136	-5.423	-6.895***	-5.423	1(1)	2003
InSDMQ	-4.894	-5.423	-8.167*	-5.346	1(11	2015
TRDL	-7.675*	-4.458	-9.597*	-4.457	1(01	2000
FOI	-4.028	-4.458	-5.990**	-4.457	1(1)	2004
EXR	-4.910***	-5.348	-7.251 *	-5.423	IlO1	2010
INF	-4.741	-4.458	-6.634**	-5.423	1(11	1999

Source: Authors' Computation; Note: respectively Note: ***, **, and * are significant at 1%, 5% *and 10% respectively*

Empirical Results of GMM Techniques

The estimates of the three models using GMM approach is presented in Table 3 in which column 1 is the regression results for agriculture output; column 2 presents estimated results for industrial output; and column 3 presents results for solid minerals output. From the agriculture output mode (lnAGRQ), the coefficient of trade liberalization (degree of openness) was positive and statistically significant. It shows that a unit increase in trade openness leads to approximately 2.80% increase in agricultural output in Nigeria. This is in conformity with apriori expectation and the work of Ojeyinka & Adcbgoye (2019) for Nigeria, De'Silva, Malaga and Johnson (2014) for Sri Lanka, and Ullah, Khan, Ali & Hussai (2012) for Pakistan. However, it is in contrast to the findings of Anowor, Ukweni & Martins (2013). The exchange rate is negative and statistically significant.

However, the coefficient of industrial output and solid minerals are positive but not statistically significant. This shows lack of linkage or synergy among sectors of the economy. This may not be unconnected with the high dependence of the economy on advanced economies for capital goods and some raw materials. A well-developed industrial sector has potential to promote agricultural sector's productivity and solid minerals, whereas agricultural sector and solid minerals can provide raw materials for industrial sector.

Table 3: GMM Estimated Results (1980-2020)

Indenendent Variables	Denendent Variables		
	InAGRQ	InlNDQ	InSDMQ
Intercept	-2.5201***	0.1563**	-1.0067
	(-2.983)	(3.834)	(-0.905)
InTRDL	2.8032*	0.6124***	-1.2258***
	(2.756)	(2.097)	(-4.643)
InFO!	0.0045	0.9426**	0.0013
	(1.213)	(2.754)	(0.219)
EXR	-2.3721 ***	-0.0348*	0.0008
	(-4.563)	(-6.021)	(0.733)
INF	2.8947	-1.7838	0.1056
	(1.007)	(-3.264)	(1.032)
InAGRQ	-	0.0408**	1.7879
		(2.653)	(1.516)
InlNDQ	0.2953	-	-0.0645**
	(1.714)		(3.834)
InSDMQ	0.0049	0.0728	-
	(0.273)	(1.112)	
R-Square	0.9745	0.9832	0.9446
Adjusted R-Square	0.9319	0.9407	0.9168
Durbin Watson Stats	1.9216	1.9310	1.9241
Prob (j-Statistics)	0.5021	0.5143	0.5009

Source: *Authors' Computation; Note: respectively Note: ***, **, and * are significant at* 1%, 5% *and 10% respectively*

The industrial output model (INDQ) estimation is presented in column 2 in Table 3. The estimate suggests that a positive and statistically significant relationship exists between trade liberalization and industrial growth. A unit increase in degree of openness would generate an increase of 0.61 o/~in industrial sector's output. This result contradicts the findings of the study by Ojeyinka & Adebgoye (2019) and Tubor & Michael (2018). The impact of agricultural sector's output was positive and statistically significant (0.04%). The variable of FDI was positive and statistically significant (0.94%), while EXR was negative and statistically significant (0.03%). The finding suggests linkage between agriculture and industrial sectors as source of raw materials and food.

The solid mineral output model (SDMQ) estimation is presented in column 3 in 'fable 3. The estimate suggests that negative and statistically significant relationship exists between trade liberalization and solid minerals growth. A unit increase in degree of openness would generate a decrease of solid mineral output by 1.22%. The industrial sector also has a negative and statistically significant relationship with solid mineral output. A unit increase in degree of openness will retard solid minerals growth by 0.06%. This finding suggests that there is robust linkage among agriculture, industrial and solid mineral sectors in Nigeria. The inflow of FDI

has not also benefitted the sector.

Diagnostic Test

The Hansen J-test is the most commonly used diagnostic in GMM estimation to assess the suitability of the model (Buam, 2006). It tests the null hypothesis of correctness of model specification and validity over identifying restriction. As estimated in Table 3, the Hansen test of over identifying restrictions does not reject the null hypothesis at the level of significance (p-value = 0.5021, 0.5143 & 0.5009) for model, 2 & 3 respectively. Therefore, it is an indication that the three specified models have valid instrumentation. Furthermore, the value of Durbin Watson (DW) statistics suggests absence of serial correlation in the three models. The test of goodness of fit measured by R -square is validated in addition to the fact that GMM is robust for autocorrelation and heteroscedasticity which further validates the regression results.

CONCLUSION AND POLICY RECOMMENDATION

The study indicates that trade liberalization has potential to spur growth in the economy because of its impact on sectoral output in the economy, especially the productivity for exports in the non-oil sectors. This shows great potential for job creation, income generation, poverty reduction, revenue generation and economic growth. The positive and significant impact of trade liberalization on agricultural output and industrial output suggests that through trade openness Nigeria can boost output in the sectors. However, the solid mineral sector does not seem to have benefitted from trade openness despite factor abundance and intensity.

The study suggests that policy makers must as a matter of necessity be proactive in implementing industrial policies that promote value addition in agricultural and solid minerals productivities for exports to take advantage of global markets. Government should provide requisite infrastructure requisite skills, social capital and quality education (hard and soft) required to tap into the productive activities of the sectors in this age of technology. Also policies that promote local production and discourage importation of certain essential products for trade are desirable to enhance performance of the sectors and promote economic growth in the economy.

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