



PALM OIL EXPORT AND ECONOMIC GROWTH OF NIGERIA (1980 – 2024)

BY

Igwemma Andrew A¹ Ogu, Callistus² and Igbokwe Reginald³

¹²³Department of Economics, Imo State University, Owerri,



Article History

Received: 25/07/2026

Accepted: 02/08/2026

Published: 05/08/2026

Vol – 2 Issue – 8

PP: -11-18

Abstract

This study evaluated the nexus between palm oil export and economic growth of Nigeria from 1990-2024. The independent variables are palm oil export value, export price, and exchange rate, while gross domestic product was the dependent variable. Autoregressive Distributed Lag (ARDL) model was adopted to explain short-run and long-run influences through time series data obtained from Central Bank of Nigeria (CBN) and World Bank. Three hypotheses were set and tested at 5% confidence interval to investigate whether export value of palm oil, export price of palm oil and exchange rate has significant influences on the growth of Nigerian economy. Findings indicate that in the short-run, only export price of palm oil shows significant and positive influence on Nigeria economic growth. On the contrary, both the export value and exchange rate of palm oil did not exert significant short-run effects. In the long-run, the exchange rate and export value of palm oil show negative and significant impact on economic growth. The export price of palm oil remains positive but insignificant in the long-run. Thus, this research concluded that palm oil sector has strong capacity of fostering Nigerian economic development through the establishment of consistent economic policies, exchange rate stability and value chain integration and provided recommendations that maintain exchange rate equilibrium through sound monetary policy management, enhance value addition through effective palm oil processing and exporting, and enforce policy for agricultural export diversification to minimise crude oil reliance.

Key words: Economic growth, export price, Nigeria, palm oil export value

1. INTRODUCTION

Nigeria's long but interrupted affair with its oldest exportable crop has a complex story – palm oil. From being the “world's number one” at a point to lagging even in terms of total world output, Nigeria's palm oil fortunes are cyclic. It is one of Nigeria's longest producing cash crops with a significant economic importance in the past, serving both the internal market and as a commodity on the world market. Prior to independence and in the colonial period, Nigeria recorded the highest output in the production of palm oil, with almost half the output for the entire world coming from the country in the early 20th Century (Ugbomeh, 2019).

Between 1980 and 2024, Nigeria has witnessed ebb and flow within the palm oil sub-sector ranging from a gradual modernization and recovery efforts in recent time to steep decline in output and value of sales in past time. History of production volume and trend on exports value on Nigerian palm oil can attest to its volatility. Nigeria's export market for palm oil has never been steady. Once the largest palm oil producer in the 1960s, the sector in Nigeria has experienced

ups and downs due to various policy issues and economic dynamics. Before the rise of crude oil, the value of sales from palm oil exports constituted approximately 43% of Nigeria's total export earnings (Shehu, 2024). This dominance waned when the nation stumbled upon commercial-quantity crude oil and attention was, accordingly, shifted from agricultural exports like palm oil (Efa, 2025).

However, with a view to diversify Nigeria's economy from the monolithic oil sector in recent years, there have been concerted efforts geared towards revamping the palm oil sector. According to National Bureau of Statistics (2023), palm oil exports contributed value about N153 billion to Nigeria's non-oil export revenue in 2022, representing 6.1 percent of total export value under the agricultural sector. The Central Bank of Nigeria (2022) report indicated that, total exports under agricultural sector have expanded by 17.1 percent which are attributed to the performance of agricultural commodities like oil palm, cocoa and sesame seeds. Nigeria still import close to 25% of palm oil in domestic demand mainly from Malaysia and Indonesia; a situation that poses a risk of depleting the nation's foreign reserve (Shehu, 2024).

*Corresponding Author: Igwemma Andrew A..



Internationally, world market for palm oil is still growing strong. Nigeria the former leading palm oil producer; the Food and Agriculture Organization (FAO, 2024), stated that the palm oil price globally recorded \$1,020.8/ mt in 2023 and a 11 percent increment compared to the price in 2022. Due to the volatility of price for this agricultural exportable, fluctuations have influenced Nigeria's export revenue and thereby affects overall economic growth. Nigeria's total export value could thus respond positively or negatively to fluctuations in international palm oil price and changes in exchange rate. The contribution to the overall GDP or export proceeds would definitely matter if the international palm oil prices fluctuate and the value of Nigerian Naira relative to other currencies rises or drops.

Objectives of the Study

The main objective of this research is to determine the effect of palm oil export on Nigeria's economic growth. The specific objectives are to:

1. analyze the extent to which value of palm oil exports have affected economic growth of Nigeria;
2. determine the effect of palm oil export price on economic growth of Nigeria;
3. ascertain the intervening effect of exchange rate in the palm oil export – growth nexus in Nigeria.

The critical research questions that are meant to further guide this research are as follows:

1. To what extent has palm oil export value affected economic growth of Nigeria?
2. What is the effect of palm oil export price on economic growth of Nigeria?
3. What is the intervening effect of Exchange rate in the palm oil export – growth nexus in Nigeria?

This research focuses on the period from 1990 to 2024. This period enables us to capture both pre- and post-economic reform dynamics. The scope covers three key variables: palm oil export value, palm oil export price, and exchange rate, as they relate to real GDP growth as a measure of economic performance. Geographically, the study is limited to Nigeria. Being an empirical research, the following hypotheses are tested:

H₀₁: There is no significant effect of palm oil export value on economic growth of Nigeria.

H₀₂: There is no significant effect of palm oil export price on economic growth of Nigeria.

H₀₃: Exchange rate has no significant effect on palm oil export – growth nexus in Nigeria.

2. LITERATURE REVIEW

Conceptual Review

Export is the process of selling and shipping goods-in this case, palm oil-to foreign countries for the purpose of profit. Exports are vital to national development, especially in developing nations with robust agricultural bases such as Nigeria. The earnings generated from exporting palm oil, which falls under Nigeria's non-oil export sector, boost

foreign exchange, promote employment, drive industrial growth, and help to diversify the Nigerian economy (Shehu, 2024). Palm oil price is the world market value for a metric tonne of palm oil whether refined or crude, of this product being bought and sold across the border.

Its fluctuation in the world market is influenced by international prices and also the international supply and demand, climatic events, and prices of oil in particular, and also its trade policies(FAO, 2024). The Exchange rate is the value of the currency of one country, expressed in the currency of other countries, and is also a function to that country. An increase in prices when the value of any such export falls vis-à-vis other countries or for all other countries or with a fall in its exchange rate (which depreciates the Nigerian naira relative to the international currencies, thus making Nigerian export cheap to purchasers of other countries), exchange rate plays some role on how Nigerian palm oil can compete internationally, that would further mean some export increased (Efa, 2025).

Theoretical Framework

The Export-Led Growth Theory states that a nation may achieve and sustain economic growth by expanding its exports. The theory further argues that once the exports increase, especially in a country that produces a competitive export good, the country stands to earn foreign exchange which subsequently facilitates greater increase in domestic production, allocative efficiency and also technological advancement resulting to increase in a nation's GDP and employment. Exports also result in sustainable and steady income to the country (Balassa, 1978). The export-led growth theory has application in this case; Nigeria had as its major export goods agricultural products, before the oil era in which its export product portfolio changed; palm oil, groundnut and cocoa were amongst these Nigerian traditional exports used as sources of foreign exchange before crude oil took its prime in Nigeria by the late 1950s (Efa, 2025).

The export-growth relationship based on the framework suggested by export-led growth theories had been put on hold and neglected when the attention of many Nigerians (and government policy) was drawn to crude oil. Using the export led-growth theory as the conceptual framework of analysis for the palm oil exports of Nigeria, if there is an increase in the volume and the value of Nigerian palm oil export, there would be increase in export income; which in turn would stimulate the productive capacity, strengthen foreign reserves, rural employment in the palm oil producing regions of Nigeria thereby increasing the value of National GDP ($GDP = C + I + G + \text{Net Export}$). The external sector should stimulate domestic economics (Krueger, 1980); export demand provides the stimulant necessary for the increase of the scale of operation which could improve productive capacities. The external sector serves the dual purpose of export drive and market which in turn stimulate efficient operation and improve technology of any firm in its trade, based on the export led-growth theory argument that the external market is vital for driving the domestic economic activity.

However, one major weakness of the export-led growth theory is that when global demand prices for the country's export product declines due to economic recession or fall in demand for this specific product (this was a major factor when the commodity price slump occurred); its export earnings may fall which would cause an upward impact on its GDP. This relationship for Nigerian palm oil exports is the focal point and is strengthened by two major factors examined in this study; price level of palm oil exports and fluctuation of the Nigeria exchange rate, (Efa, 2025).

Empirical Review

Studies on Nigeria's economic growth vis-à-vis the palm oil export price, and value abound. Uzoigwe and Adanma (2024), analyzed the contribution of agricultural export on Nigerian GDP growth (1990–2022). Their findings reveal from the estimation of autoregressive distributed lag (ARDL) technique that the value of palm oil export enhances GDP growth thus; export diversification can promote economic growth in Nigeria. Similarly, Efa (2025), tested the impact of currency on export commodities and its impact on Nigerian economic performance by employing Error Correction Models (ECM). He found out that value of palm oil exports improves the Nigerian economic growth during periods of price stability.

In another study, Shehu (2024), used Ordinary least squares (OLS) regression to analyze palm oil and export policies and its effect on economic growth of Nigerian economy. The empirical results showed that rising value of palm oil export had a positive effect on economic growth through forex availability to Nigerian economy as well as rural development and employment. Also, Maduiké, Ibeagwa, and Nwadike (2025), utilized survey-based econometric model to investigate the relationship between exportable agriculture commodity and growth of Imo State, Nigeria and concluded that palm oil is a strong commodity contributor towards economic growth in the state though challenged by infrastructural constraints.

In similar vein, Oluwatobi and Adeola (2023), examined causal relationships among Nigerian non-oil exports and GDP for the period of 1980-2017 using vector error correction models (VECM). Their finding indicates that there exists a unidirectional causality relationship between the value of palm oil export and economic growth, hence justifying the Export Led Growth hypothesis. Ikechi and Uzonwanne (2024), investigated the impact of Nigeria agro export on the growth of her economy using time series regression. They found out that value of palm oil export exerts a positive and significant long run effect on the growth of the economy though it shows variability in the short run.

Adetayo and Bello (2023), employ ARDL bounds testing to carry out an empirical analysis of the relationship between price of palm oil and Nigeria's agricultural gross domestic product. The result show that, palm oil prices do not significantly improve Nigeria's agricultural GDP in the short run but do in the long run. Similar to that, Oluwafemi and Hassan (2024), conducted analysis on exchange rates, export performance and economic growth of Nigeria using Granger

causality and cointegration models. Result shows that palm oil prices influence positively the Nigeria economy, though affected by the shocks of global oil price dynamics.

Using generalized method of moments (GMM), Ogunbiyi and Akinsola (2025), evaluated the macroeconomic effect of export price stability on Nigerian economy and provided empirical evidence that high and stable export prices enhance macro-economic performance of Nigeria. More broadly within a historical economic context, Ibrahim (2025), wrote a detailed study entitled 'Capitalism in the Colonies: African Merchants in Lagos, 1851–1931'. In this seminal research, he investigated the dynamic trade patterns and economic activities in colonial Nigeria focusing on the crucial role of palm oil. The methodology adopted included historical economic framework and trend regression analysis. The results highlighted that periods of sustained high palm oil export prices stimulated substantial expansion in trade and increased capital accumulation for local merchants which ultimately fostered localized prosperity and growth, especially when oil was Nigeria's primary export crop. In contrast, sharp declines in palm oil prices were directly linked to reduced trading volume, lowered individual incomes and economic contraction. Another study which used GARCH models

Ajide and Raheem (2023), assessed the impact of exchange rate volatility on agricultural export volumes in Nigeria and found that exchange rate volatility has a significant negative effect on palm oil export volumes thus weakening the export-led growth nexus. Similarly, Obadan and Okonjo (2024), conducted an investigation on exchange rate policy and export diversification in Nigeria using structural VAR models and concluded that naira depreciates the Nigerian economy in the short-run whereas high levels of depreciation of Nigerian currency deter long term investments on export agriculture sector.

Dynamic ordinary least squares (DOLS) has been applied by Onyema and Akpa (2025), to study the effect of exchange rate pass-through on agricultural exports of Nigeria. He found out that the stable exchange rate regime increases the degree to which Nigerian agricultural exports respond to changes in international commodity prices and this enhances economic growth in Nigeria. Also using autoregressive distributed lag (ARDL) method, Nwokoro, Eze, and Umeh (2025) analyzed the influence of exchange rate volatility on palm oil export performance and Nigerian economic performance from 1990 to 2023. Their findings revealed that exchange rate volatilities had a considerable impact on the amount of palm oil exports as well as forex inflow to the Nigerian economy.

In addition, they indicate a significant negative effect in the short run and a favorable positive impact in the long-run while a stable and a moderately depreciated exchange rate could encourage palm oil exports and eventually boosts Nigeria's economy in long-term. Similarly, Adebajo and Yusuf (2024) employed both panel data analysis and generalized method of moments GMM, analyzing the determinants of export performance and competitiveness among some west African countries which include Nigeria, Ghana and Cameroon for the

period 1995–2022 and found that while exchange rate appreciation weaken export competition, slight depreciation improve export and boost economy of countries in the region.

Gap in Literature

A wide variety of studies exist in Nigeria that assess the relationship between agricultural exports and economic growth; nevertheless, there is scarcity of empirical studies focusing primarily on palm oil as a distinct commodity subsector and holistically incorporating export price, export value and exchange rate dynamic elements of this crop into a singular framework of analysis.

Also, most current literature emphasizes the short-term impacts of such variables on economic growth, consequently leaving a gap concerning long-term causal linkages analyzed with recent econometrics tools like the ARDL Model. Consequently, there is still a great void in the literature on how the variations in palm oil export price and value, combined with fluctuations in the country's exchange rate, cohesively shape the Nigerian economy. Filling this void with relevant evidence is indispensable in charting a more targeted and effective policy trajectory for the revitalization of the palm oil industry as a sustainable engine of non-oil-led development.

3. METHODOLOGY

The research carried out is based on ex-post-facto research design approach which is focused at the impact of palm oil exportation and Nigerian's economy. The ex-post-facto approach is being adopted for it studies cause-and-effect relationships of independent and dependent variables using secondary data from Central Bank of Nigeria (CBN) Statistical Bulletin data; data on real GDP growth, palm oil exportation value and the exchange rate figure for the corresponding periods is obtained. For the price, the information was from the World Bank Statistical Bulletin. Econometric methods will be utilized to analyze the secondary data, Descriptive statistics would be to explain, and understand the behavior of time series data, the augmented unit root test (ADF) test is being utilized to test stationarity of all time series variables while Bounds testing will be utilized to test for the cointegration which represents a long-run relation among variable and to estimate long-run coefficients, finally Auto-Regressive Distributed Lag (ARDL) Model is utilized to estimate impacts among the dependent and the independent variables are estimated. All test will be done

using Eviews Software and interpreted on 5% level of significance.

Model Specification

The functional relationship between the dependent and independent variables is specified as:

$$RGDP = f(POEX, POEP, EXR) \quad [1]$$

Where:

RGDP = Real gross domestic product

POEX = Palm oil export value

POEP = Palm oil export price (in naira terms)

EXR = Exchange rate

The econometric model for empirical estimation is expressed as:

$$RGDP_t = \alpha_0 + \beta_1 POEX_t + \beta_2 POEP_t + \beta_3 EXR_t + \varepsilon_t \quad [2]$$

Taking the natural log of the variables gives us the following linear expression:

$$\ln RGDP_t = \alpha_0 + \beta_1 \ln POEX_t + \beta_2 \ln POEP_t + \beta_3 \ln EXR_t + \varepsilon_t \quad [2]$$

Where:

α_0 = Intercept of the model

$\beta_1, \beta_2, \beta_3$ = Coefficients of the independent variables

ε_t = Error term, $\ln$ is the natural logarithm sign

Based on economic theory and prior studies, the expected signs of the coefficients are:

$\beta_1 > 0$: Increase in palm oil export value is expected to positively influence GDP growth.

$\beta_2 > 0$: Palm oil export price is expected to have positive effect on real GDP.

$\beta_3 > 0$: Exchange rate is expected to positively drive economic growth.

4. DATA ANALYSIS AND DISCUSSION

In order to ensure that the data are standardized and to avoid a spurious regression, the data were logged and the logged values were used in the analysis in Eviews.

Table 1: Results of ADF Unit Root Test

Variables	Level		First difference		Order of integration
	ADF Statistics	5% Crit. Value	ADF Statistics	5% Crit. Value	
Real GDP	-0.7527 [0.8192]	-2.9511	-2.9744 [0.0479]	-2.9540	1(1)
Palm Oil Export (POEX)	-0.0686 [0.9584]	-2.9511	-6.9539 [0.0000]	-2.9540	1(1)
Palm Oil Export Price	-5.8353	-2.9511	-6.5850	-2.9540	1(0)

(POEP)	[0.0000]		[0.0000]		
Exchange Rate (EXR)	-0.7631	-2.9511	-4.7391	-2.9540	1(1)
	[0.8167]		[0.0006]		

Source: Eviews Output

The stationarity or unit root test result in Table 1 revealed that real GDP, palm oil export and exchange rate were stationary at first differences 1(1). Only palm oil export price was stationary at level I(0). This gives mixed order of integration

at order 1(0) and 1(1). The condition to fit in an ARDL model to test for long run relationship is satisfied.

Table 2: ARDL Bounds Test

Model		F-Statistic = 5.7675	
$RGDP = f(POEX, POEP, EXR)$		K = 3	
Critical Values	Lower Bound I(0)	Upper Bound I(1)	
10%	2.72	3.77	
5%	3.23	4.35	
1%	4.29	5.61	

Source: Computed by the researcher using E-Views

The bound test for co-integration in Table 2 shows the F-statistic value of 5.7675 which is higher than the upper and lower bound 5% critical values of 3.233 and 4.35. This

implies that the variables included in the model shared long-run relationships among themselves.

Table 3: Long-Run ARDL Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
POEX	-0.387093	0.173981	-2.224915	0.0112
POEP	0.949575	0.801628	1.184559	0.2461
EXR	-0.261509	0.031298	-8.355454	0.0278
C	2.127502	6.110149	0.348192	0.7303

Source: E-Views 9.

Table 3 represents the long run relationship between palm oil export and economic growth in Nigeria. The results suggest that the coefficient of palm oil export value (POEX) is negative and significant, (-0.387; p value is 0.0112). In long run term, higher export earnings from palm oil are expected to bring about declining economic growth. The coefficient of palm oil export price (POEP) is positive and not significant (-0.950; p value = 0.2461). However, a higher price is expected to lead to more growth; it did not lead to statistically significant growth.

Exchange Rate (EXR) has a negative and significant effect (-0.262; p value = 0.0278). Depreciation of exchange rate impacts negatively the economic growth because it increases the cost of imported goods and generally destabilizes macroeconomics. Value of constant is positive and not significant (C=2.127; p-value is 0.7303). It is not statistically significant indicating that there are other factors or variables not specified by the model that affect the growth of the Nigeria economy.

Table 4: Short-Run ARDL Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(POEX)	-0.027961	0.039662	-0.704976	0.4866
D(POEP)	0.094467	0.034842	2.711312	0.0113
D(EXR)	-0.018890	0.019669	-0.960398	0.3451
CointEq(-1)	-0.072233	0.013860	-5.211616	0.0276
R-squared	0.897249	F-statistic		20.29978
Adjusted R-squared	0.816758	Prob(F-statistic)		0.000000
S.E. of regression	0.027649	Durbin-Watson stat		1.773149

Source: Eviews Output

Change in palm oil export value: the coefficient is negative and is not significant (-0.028; 0.4866). Short-term changes in

export value did not appear to have a significant impact on Nigeria's growth rate.

Change in palm oil export price: the coefficient is positive and highly significant (0.094; 0.0113). This means increases in export price have short run effects that stimulate Nigeria growth. In general terms it is said that when prices increase or decrease Nigeria gain immediately.

Change in exchange rate: the coefficient is negative and not statistically significant (-0.019; 0.3451) the change in exchange rate did not seem to effect directly growth in the short run

The error correction term (CointEq(-1)) : the coefficient is negative and significant (-0.072; 0.0276) this means a long

run equilibrium relationship exists among variables and is likely to mean that approximately 7.2% of last period's disequilibrium is corrected toward stability each year .

The coefficient $R^2 = 0.897$ meaning it account for roughly 89.7 % variation in growth in the period. The F-statistic = 20.30 (0.0000) was the most important and it demonstrates that the joint hypothesis that all explanatory variable were equal to zero can be rejected and thus that the overall model is highly significant. Durbin-Watson is 1.77 shows that there is no serious autocorrelation problem on the model.

4.3 Test of Hypotheses

Table 5: Summary of Hypotheses Test

Hypotheses	t-stat (p-value)	Decision
H ₀₁ : There is no significant effect of palm oil export value on economic growth of Nigeria.	-2.2249 (0.0112)	Reject null hypothesis one (H ₀₁) since p-value is less than 0.05.
H ₀₂ : There is no significant effect of palm oil export price on economic growth of Nigeria.	1.1846 (0.2461)	Accept null hypothesis two (H ₀₂) since p-value is greater than 0.05.
H ₀₃ : Exchange rate has no significant effect on palm oil export – growth nexus in Nigeria.	-8.3554 (0.0278)	Reject null hypothesis three (H ₀₃) since p-value is less than 0.05.

Source: Eviews 9 output

From Table 5, the study concludes that there is significant effect of palm oil export value on economic growth of Nigeria. Also, exchange rate has significant effect on palm oil export – growth nexus in Nigeria. However, there is no significant effect of palm oil export price on economic growth of Nigeria.

Discussion of Findings

A look at long-run results from ARDL regression showed that palm oil export value and the exchange rate exerted a statistically significant impact on economic growth in Nigeria, while the value of palm oil exports did not have a similar influence. Increases in export value for palm oil in Nigeria had an adverse impact on economic growth as demonstrated by the negative and statistically significant palm oil export value coefficient. Though palm oil exports can make significant contributions to foreign currency earnings, such benefits are sometimes undermined by inefficient processes, poor integration within value chain, and leakages of revenue. This observation only partly concurs with Uzoigwe and Adanma (2024) and Shehu (2024) who identified a significant positive relationship between palm oil exports value and economic growth and hence a contradiction as this one demonstrated that the same effect had been negative in the long-run. Some possible reasons may include methodological discrepancies and use of exchange rate effects in this present study, which could highlight underlying systemic shortcomings in the oil sector, as observed by Efa (2025) who noticed that palm oil exports' contribution to GDP growth only under stable exchange rate circumstances; hence exchange rate instability would lead to a negative impact in the long-run as is shown by the present analysis.

The palm oil exports price had no statistically significant long-run effect as it was positive but insignificant. The argument was that price changes often affect economic growth in short run rather than long run, which is in line with Adetayo and Bello (2023) and Oluwafemi and Hassan (2024). It also stands contrary to the result found by Ogunbiyi and Akinsola (2025) on the negative contribution that palm oil prices had to macro-economic outcomes. However, the insignificance might stem from the fact that Nigerian palm oil sector is yet to achieve such level of export diversification or efficiency that it would benefit greatly from favorable price trends globally, whereas for instance Adetayo and Bello (2023), and Oluwafemi and Hassan (2024) had shown some significant relation. In other cases like in the case of Ajide and Raheem (2023) and Obadan and Okonjo (2024), exchanges rate volatility impacted export outcomes negatively and as such discourages investors. Similarly, as explained by Nwokoro, Eze, and Umeh (2025), while depreciation may affect long run exports negatively when excessive, a moderate depreciation is expected to promote export sustainability long run.

The exchange rate coefficient is thus negative and statistically significant in long-run that proves the study. The study did also find that within the ARDL framework only the palm oil export value had a negative statistically significant impact on economic growth and hence the rest of other variables were not significant. The result implies that in the short run fluctuations in palm oil price can indeed affect Nigeria's growth rate, due to her vulnerability to global conditions, which also finds support from Oluwafemi and Hassan (2024) and partly in Ibrahim (2025) on historical importance during Nigerian Colonial economy on its role on the aggregate

economic activities of the nation.. Adetayo and Bello (2023) found a long-run but not necessary in the short-term correlation. The outcome obtained also lends support partly from a study conducted by Ibrahim (2025), demonstrating that rises in palm oil exports helped to facilitate economic and trade growth during Nigeria's Colonial era and thereby indirectly boosts in economic growth.

5. Conclusion and Recommendations

The research concluded that only the palm oil export price has a statistically significant positive impact on the economy in the short term. This means that economic growth of Nigeria respond positively to an increase in palm oil prices in international markets. Also palm oil export volume and exchange rate do not have an immediate effect on the growth. This means that benefits accruing from palm oil exports volumes and exchange rate take time to reflect on the growth of Nigeria's economy. In the long run both the palm oil export value and the exchange rate have a statistically significant but negative impact on the growth of Nigeria's economy. This may be as result of the factors which hinder the growth of palm oil industry to effect economic growth: the country exchange rate regime instability, weak infrastructure supporting export, lack of efficiency in value chain management and among others. While the effect of palm oil export price on economic growth is not statistically significant even though positive in the long term, thus suggesting Nigeria's palm oil industry has yet to exploit the advantage in international price increases as much as it can do because of structural and other institutional bottlenecks.

1. The results show that export-led growth theory in general applied on Nigeria palm oil exports applies to Nigeria partially. This means that its potential can be underdeveloped due to the country "policy inconsistencies", lack of funding for processing and logistics in value chain, and macroeconomic instability in the country. Hence to put Nigeria palm oil to the leading sector that would contribute for the sustainable economic development in Nigeria country, government, stakeholders and etc. could possibly apply these recommendations
2. Government and private partnerships should address processing, refining and packaging of palm oil, as these will enhance the export value.
3. Nigeria needs specific export diversification strategies to stabilize non-oil exports by reducing the reliance on oil commodity, and strengthen Institutions for trade facilitation like NEPC and ensure adherence to quality assurance procedures on export, so as to compete globally and have sustained long-run growth of economy.

References

1. Adebajo, T. A., & Yusuf, L. M. (2024). Exchange rate dynamics and palm oil export competitiveness in West Africa: A panel data approach. *Journal of International Trade and Economic Policy*, 14(3), 212–229.
2. Adetayo, A. O., & Bello, M. L. (2023). Price dynamics of palm oil and agricultural GDP growth in Nigeria. *African Journal of Economic Policy*, 30(1), 75–93.
3. Ajide, K. B., & Raheem, I. D. (2023). Exchange rate volatility and agricultural export performance in Nigeria. *Journal of African Economic Studies*, 18(3), 245–262.
4. Central Bank of Nigeria. (2022). *Statistical Bulletin, Volume 33*. Abuja: CBN.
5. Efa, E. G. (2025). Analysis of currency fluctuations and selected agricultural export commodities in Nigeria. *Journal of Economics and Allied Research*, 10(2), 404–418.
6. Food and Agriculture Organization. (2024). *FAO Food Outlook: Biannual Report on Global Food Markets*. Rome: FAO.
7. Ibrahim, A. O. (2025). *Capitalism in the Colonies: African Merchants in Lagos, 1851–1931*. The Journal of Development Studies, Taylor & Francis. <https://doi.org/10.1080/00220388.2025.2568302>
8. Ikechi, M. C., & Uzonwanne, M. C. (2024). Agro-export performance and GDP growth in Nigeria: An econometric investigation. *Nigerian Journal of Development Economics*, 9(2), 102–120.
9. Maduikwe, A. I., Ibeagwa, B. O., & Nwadike, P. C. (2025). Survey of exportable agricultural commodities in Okigwe Agricultural Zone, Imo State, Nigeria. *Current Agriculture Research Journal*, 13(1), 45–59.
10. National Bureau of Statistics. (2023). *Foreign Trade in Goods Statistics (Q4 2023)*. Abuja: NBS.
11. Nwokoro, C. A., Eze, R. O., & Umeh, K. I. (2025). Exchange rate volatility and agricultural export performance in Nigeria: Evidence from the palm oil sector. *African Journal of Agricultural and Resource Economics*, 20(1), 67–84.
12. Obadan, M. I., & Okonjo, F. A. (2024). Exchange rate policy and export diversification in Nigeria. *Central Bank of Nigeria Economic Review*, 61(1), 32–49.
13. Ogunbiyi, A. A., & Akinsola, O. D. (2025). Export price volatility and economic growth in Nigeria: A GMM approach. *Journal of Economic Dynamics and Control*, 48(2), 301–320.
14. Oluwafemi, A. T., & Hassan, M. L. (2024). Palm oil prices and economic growth in Nigeria: Evidence from Granger causality and cointegration analysis. *Journal of Agricultural Economics and Development Studies*, 12(2), 101–118.
15. Oluwatobi, S. O., & Adeola, F. A. (2023). Non-oil exports and economic growth nexus in Nigeria: A VECM approach. *African Development Review*, 35(4), 562–579.
16. Onyema, P. I., & Akpa, E. C. (2025). Exchange rate pass-through effects on agricultural export performance in Nigeria. *International Journal of Financial Studies*, 13(1), 88–106.

17. Shehu, S. (2024). *The effectiveness of palm oil policies in Nigeria: An experience from Malaysian palm oil policies*. *International Journal of Oil Palm*, 7(2), 15–28.
18. Uzoigwe, C. N., & Adanma, E. K. (2024). *Agricultural exports and economic growth in Nigeria: Evidence from non-oil commodities*. *Nigerian Journal of Development Economics*, 9(1), 55–73.