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Exchange Rate Fluctuation and Economic Growth Nexus in Nigeria: An application of Autoregressive and Distributed Lag (ARDL) model

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Abstract

The study investigates the relationship between exchange rate fluctuation and economic growth in Nigeria using autoregressive and distributed lag model covering periods from 1960-2021. Finding reveals that exchange rate has a negative relationship with economic growth in both the short and long run. The study recommends that government should induce the foreign exchange rate by enacting positive economic reforms that will minimize the unfavorable effect of fluctuation of the exchange rate on the Nigerian economy with respect to trade flows and economic growth. Also, there is need for imposition of stern tariffs in other to discourage the over dependence of import goods and services. Lastly, an adequate and appropriate environment and infrastructural facility need to be in place so as to attract foreign investors. This will thereby lead to job creation and in the long-run, improve the people's standard of living.

Keywords: Exchange Rate, Economic Growth, Nexus, Nigeria, ARDL.

1. Introduction

Nigeria determinedly aspires to become the 12th largest economy by the year 2050 (CBN, 2009), and part of the indisputable means to attain the above-mentioned target is to quest after fast and sustainable economic growth and development through a well supervised policy of exchange rate. In realization of this role, Rodrick (2006) opines that a poorly managed exchange rate will be detrimental to the growth of the economy.

Exchange rate refers to the value of a nation's currency defined in terms of other nation's currencies. It determines the relative prices of domestic and foreign goods, as well as the strength of external sector participation in the international trade (Adeniran, 2014). Exchange rate is also the rate at which one currency is exchange for another, Jhingan (2012). The trend of real exchange rate (Naira to Dollar) can be seen on figure 1 below:

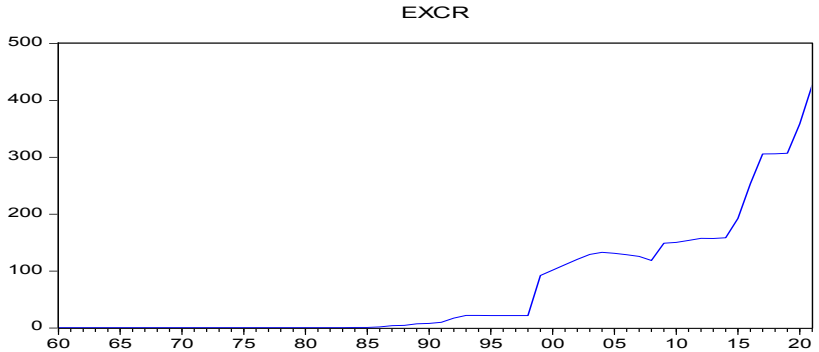

Figure 1.1: Trend of Real Exchange Rasste (Naira to Dollar)

Source: Author's computation using data obtained from WDI (2021).

Figure 1.1 depicts the direction of real exchange rate (Naira to Dollar) in Nigeria from 1960 to 2021. In 1960, the exchange rate was relatively stable up to 1986 when it begins to raise up to 1989. This was likely a resultant effect of the introduction of Structural Adjustment Program (SAP) by the Nigerian government. There was a little upward adjustment in the real naira exchange rate to dollar from 1990 to 1993. From then, the exchange rate remains stable and later keeps on increasing until it reaches the year 2005. However, the exchange rate keeps on fluctuating up to 2021.

On the other hand, economic growth in Nigeria have been fluctuating in almost a similar manner with the exchange rate as can be seen on figure 1.2 below:

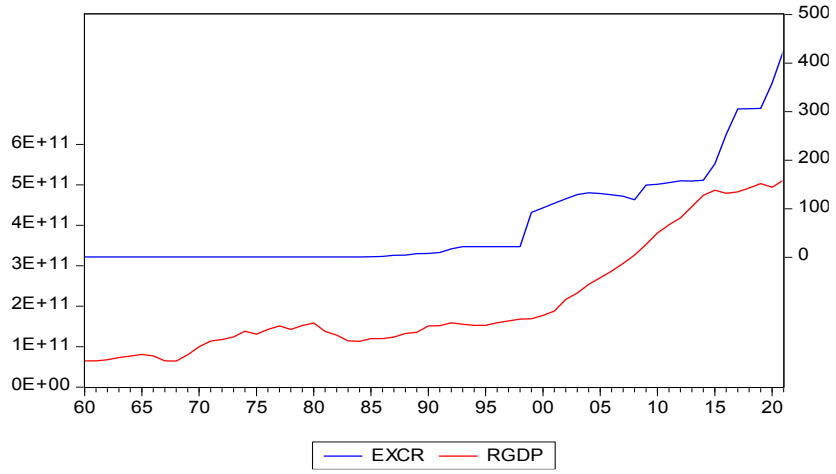

Figure 1.2: Trend of Nigeria's Exchange Rate and Economic Growth
Source: Author's computation using data obtained from WDI (2021).

Ewa, (2011) opines that during the oil boom (1973 to 1979) and the period when agriculture accounted for more than 70% of Nigeria's GDP, the naira exchange rate was relatively stable. In July, 1986 Nigeria moved from firm to a flexible exchange rate regime where exchange rate is left completely to be determined by the market forces due to the adoption of SAP, as opposed to the previous system, where the Central Bank periodically intervene in the foreign exchange market to attain some strategic macroeconomic objectives (Mordi, 2006).

The priority of SAP was the determination of naira exchange rate trough the interplay of the market forces. This was the beginning of the exchange rate fluctuation in Nigeria; the Federal Government had to establish the second-tier Foreign Exchange Market (SFEM). This policy was embarked upon to attain a realistic and sustainable naira exchange rate through the inter-play of the market forces. To realize this goal, the government rolled on a "dual exchange rate" policy which enables two different exchange rates with Dutch Auction System (DAS) as the operational framework for the policy.

As a result of challenges posed by the DAS which resulted to the further depreciation of the Naira value, the government introduced Foreign Exchange Market (FEM) in July 1987; a unified exchange rate that harmonized both the 1st and the 2nd tier exchange rate markets. The system was designed to achieve equilibrium in the balance of payment, price stability, domestic liquidity and employment. The goals were to be realized via the adoption of a realistic exchange rate policy fused with the liberalization of the international trade

and payment system (CBN, 1993). However, FEM was infested with sharp practices which led to the continuous fluctuation of the exchange rate. Therefore, in 1989, FEM and the inter-bank were fused to form an enlarged Inter-Bank Foreign Exchange Market (IFEM) (CBN, 1990).

However, between 1986 and 2003, Nigerian government tried out various exchange rate policies which were changed prior to making a remarkable impact on the economy. This inconsistency in exchange rate policies led to unstable nature of the naira rate (Gbosi, 2005). Various administrations made several attempts to stabilize exchange rate in Nigeria. In 2017, Nigeria embarked on its recent Economic Recovery and Growth Plan (ERGP) which was a medium-term plan designed to cover the period between 2017 and 2020. Part of the targets of the plan was to achieve structural economic change among which there is stability in exchange rate by the year 2020.

Despite numerous attempts by various administrations since 1986 to stabilize the exchange rate, Naira continued to fluctuate. Rasaq (2012) opined that fall in Naira value has both domestic and foreign negative impact on the economy. Furthermore, the Nigeria's BOP account has continuously remained in deficit. Foreign receipts have decline and payments always increase. Moreover, inflation rises continuously, interest rate is increasing at alarming rate, hence discouraged investment. Unemployment rises at a very high rate and so on. On the other hand, Obadan, (2006) opined that other factors and such as low foreign capital inflow, instability in crude oil receipts and expansionary monetary and fiscal policies, resulted to the fluctuation of Naira exchange.

From the above, it can be noted that there have been different views on the cause and effect of poor exchange rate in Nigeria. In line with the above background, this study aimed to examine the nexus between exchange rate instability and Nigeria's economic growth.

2. Literature Review

There are quite a number of empirical studies conducted on the link between exchange rate fluctuation and economic growth. Danmola, (2015) examined the impact of exchange rate instability on macroeconomic variables in Nigeria using OLS method and a causality test. Results revealed a significant positive impact of exchange rate instability on economic performance.

In line with the findings of Danmola, (2015), other researchers such as: Eichengreen and Leblang, (2003); Danmola, Babandi, and Madaki, (2015); Eze and Okpala (2015); Gylych (2017); Adeyemi, (2016); and Mohamed, (2016) also found a positive and significant link between exchange rate and economic performance. This may likely be associated to the fact that exchange rate had similar trend with economic growth since 1960, particularly between 1995 and 2020 as shown on figure 2 above. Additionally, Nigeria as a lead exporter of crude oil in Africa is having the chances of realizing higher receipt from oil export when there is depreciation in the value of its currency, as the trading partner countries will explore that opportunity and buy more of the product at relatively cheaper price.

However, there are streams of literature that found a positive but insignificant relationship between exchange rate and economic performance. Adeyemi et al. (2014) studied the impact of exchange rate instability on the Nigerian economy between 1980 and 2015. Result reveals that exchange rate has a positive but statistically insignificant relationship with economic performance in Nigeria. In same vein, Ani et al. (2019) examined the relationship between exchange rate instability and

economic performance in Nigeria from 1986 to 2016 using Johansen cointegration technique. Findings revealed that exchange rate fluctuations had a positive but insignificant relationship with economic growth in the long run. The above findings are in line with that of Adeniran (2016); Chikeziem et al., (2016); Ismaila, (2016); Nwafor, (2018); and Ani et al. (2019),

The insignificance in the findings may likely be associated to the fact that most of the government policies aimed at improving economic growth with an emphasis on exchange rate, such as the structural adjustment program (SAP), could not give the planned outcome completely. And as such, it may likely be the reason why the impact though positive, but is insignificant, Adeyemi et al. (2014).

On the other hand, Oluwaseyi et al., (2015) studied the impact of exchange instability on investment and growth in Nigeria using the vector error correction (VECM) model. Findings show that exchange rate instability has a negative effect on growth. The finding is similar with that of Adedoyin et al. (2016); and Mike et al. (2018).

From the literature reviewed above, there are categories that found a significant positive relationship between exchange rate fluctuation and economic growth, whereas others found a positive but insignificant relationship. On the other hand, few found a negative relationship between exchange rate fluctuation and economic performance. Therefore, the relationship between exchange rate fluctuation and economic growth is among the contentious issues in macroeconomics with empirical literature finding mixed results. This study will therefore synthesize the three categories of findings and thus, come up with a robust finding using a robust time series methodology, and more recent data from Nigeria.

3. Methodology

Specifying an economic model is based on theoretical postulation and the availability of data (Sulaiman et al. 2018). This study takes its root from the endogenous growth theory developed by Arrow (1961). The endogenous growth theory describes how economic growth is achieved in the long-run, which is initiated from the internal forces of the economic system. For instance, the economic institutions, economic policies (in the case of this study, the exchange rate) and human capital investment amongst others.

The study utilized annual data which spans the period between 1960 and 2021. The data were sourced from World Development Indicators (WDI). The variables to be used are: real GDP as the dependent variable and real exchange rate, working age population, real import, and money supply (M2) as the independent variables. Mathematically, the model could be presented as:

$$RGDP = F(EXCR, POP, IMP, M2) \quad (1)$$

Where:

RGDP = Real Gross Domestic Product
EXCR = Real Exchange Rate (Naira to Dollar)
POP = Working Age Population
IMP = Real Import
M2 = M2 Money Supply

Equation (1) above is transformed into an econometric model by incorporating the disturbance term as follows:

$$RGDP_t = \beta_o + \beta_1 EXCR_t + \beta_2 POP_t + \beta_3 IMP_t + \beta_4 M2_t + \omega_t \quad (2)$$

Taking natural logarithms of the variables is a convenient way of transforming a highly skewed variable into an approximate form, (Kenneth 2011). As such, the model is transformed into a logarithm form as:

$$\ln RGDP_{t-1} = \beta_o + \beta_1 \ln EXCR_{t-1} + \beta_2 \ln POP_{t-1} + \beta_3 \ln IMP_{t-1} + \beta_4 \ln M2_{t-1} + \omega_t \quad (3)$$

3.1.1 Unit Root Test

The time series properties of the data will be tested using Augmented Dickey Fuller (ADF; 1981) and Phillips Perron (PP; 1988) t-statistics. Unit root test determines the order of integration of the variables, (Sulaiman & Abdulrahim 2018). However, sometimes, ADF and PP tests may give a biased result if there is structural break (drift) in the series (Sulaiman & Abdulrahim 2018). To obtain a reliable result, the researcher also used Zivot-Andrews (1992) unit root test.

3.1.2 The ARDL Methodology

The study employed the autoregressive and distributed lag model (ARDL) proposed by Pesaran, Shin and Smith (2001) to estimate the relationship between the variables. The model is specified in unrestricted error correction form to test for cointegration relationship as follows:

$$\Delta \ln RGDP_t = \alpha_o + \sum_{i=1}^{k} \psi_i \Delta \ln RGDP_{t-i} + \sum_{i=0}^{k} \varphi_i \Delta \ln EXCR_{t-1} + \sum_{i=0}^{k} \lambda_i \Delta \ln POP_{t-1} + \sum_{i=0}^{k} \phi_i \Delta \ln IMP_{t-1} +$$

$$\sum_{i=0}^{k} \partial_i \Delta \ln M2_{t-1} + \theta_1 \ln RGDP_{t-1} + \theta_2 \ln EXCR_{t-1} + \theta_3 \ln POP_{t-1} + \theta_4 \ln IMP_{t-1} + \theta_5 \ln M2_{t-1} + \omega_t ... (7)$$

The inference here is that, if the calculated F-statistics is higher than the upper bound I(1) critical value at 5%, there is cointegration. While if the calculated F-statistics is less than the lower bound I(0) critical value at 5%, cointegration does not exist. However, if the calculated F-statistics lies between the I(1) and I(0) critical values, then the inference is inconclusive. If the evidence of cointegration relationship exists, the long-run model would be specified as:

$$\ln RGDP_t = \alpha_o + \sum_{i=1}^{k} \psi_i \ln RGDP_{t-i} + \sum_{i=0}^{k} \varphi_i \ln EXCR_{t-i} + \sum_{i=0}^{k} \lambda_i \ln POP_{t-i} + \sum_{i=0}^{k} \phi_i \ln IMP_{t-i} +$$

$$\sum_{i=0}^{k} \partial_i \ln M2_{t-1} + \omega_{1t}$$

Similarly, the short-run (ECT) model would be estimated to test the short-run dynamics of the variablesss in the model as:

$$\Delta \ln RGDP_t = \alpha_o + \sum_{i=1}^{k} \psi_i \Delta \ln RGDP_{t-i} + \sum_{i=0}^{k} \varphi_i \Delta \ln EXCR_{t-1} + \sum_{i=0}^{k} \lambda_i \Delta \ln POP_{t-1} + \sum_{i=0}^{k} \phi_i \Delta \ln IMP_{t-1} +$$

$$\sum_{i=0}^{k} \partial_i \Delta \ln M2_{t-1} + \theta ECT_{t-1} + \omega_{2t} ..... (9)$$

Where the error correction term (ECT) is defined as:

$$ECT_t = \ln RGDP_t - \alpha_o - \sum_{i=1}^{k} \psi_i \ln RGDP_{t-1} - \sum_{i=0}^{k} \varphi_i \ln EXCR_{t-1} - \sum_{i=0}^{k} \lambda_i \ln POP_{t-1} - \sum_{i=o}^{k} \phi_i \ln IMP_{t-1} - \sum_{i=o}^{k} \partial_i \ln M2_{t-1}$$

Lastly, diagnostic tests for serial correlation, heteroscedasticity, normality, and functional form were conducted to test the reliability of the model. In addition, the study regards the suggestion by Brown et al. (1975) by conducting cumulative sum of recursive residuals (CUSUM) and cumulative sum of squares of recursive residuals (CUSUMSQ) to also validate the stability of the model along the sampled periods.

4. Results and Discussion

Table 4.1: Unit Root Test Result Using Augmented Dickey Fuller (ADF) and Phillips Perron (PP).

Variables	ADF Test Statistics				PP Test Statistics			
	Constant		Trend		Constant		Trend	
	Level	First difference	Level	First Difference	Level	First Difference	Level	First Difference
lnRGDP$_t$	-0.467	-4.726	-2.072	-4.686	-0.061	-4.741	-1.570	-4.655
	(0.889)	(0.000)***	(0.549)	(0.002)***	(0.948)	(0.000)***	(0.792)	(0.002)***
lnRIMP$_t$	-2.283	-7.788	-2.264	-7.720	-2.304	-7.788	-2.284	-7.720
	(0.180)	(0.000)***	(0.445)	(0.000)***	(0.174)	(0.000)***	(0.435)	(0.000)***
lnEXCR$_t$	0.560	-5.874	-1.903	-5.951	-0.304	-5.883	-1.992	-5.963
	(0.987)	(0.000)***	(0.639)	(0.000)***	(0.976)	(0.000) ***	(0.592)	(0.000)***
lnM2$_t$	-2.389	-6.727	-2.680	-6.665	-2.538	-6.733	-2.680	-6.655
	(0.149)	(0.000)***	(0.248)	(0.000) ***	(0.112)	(0.000) ***	(0.248)	(0.000)***
lnPOP$_t$	-2.068	-1.934	-1.062	-4.159	-2.263	-2.626	-1.397	-3.081
	(0.257)	(0.314)	(0.925)	(0.010)***	(0.187)	(0.093)*	(0.0851)	(0.120)

***, ** and * Denotes 1%, 5% and 10% significance level respectively.

Result on table 4.1 indicates that all the variables are stationary at first difference, I(1) using both ADF and PP tests.

Table 4.2: Unit Root Test Result based on Zivot-Andrews

Variables	Level				First difference				
	Constant	Break point	Constant and trend	Break point	Constant	Break point	Constant and trend	Break point	Inference
lnRGDP$_t$	-4.486	1981	-3.170	1998	-5.136**	1975	-4.867**	1982	I(1)
ln*RIMP$_t$*	-4.473	1981	-3.527	1985	-5.056**	1986	-4.049	1982	I(1)
ln*EXCR$_t$*	-3.855	1986	-2.188	1972	-6.946**	2001	-6.594**	1988	I(1)
ln*M2$_t$*	-4.981**	1981	-3.601	2003	-7.198**	1981	-6.708**	1982	I(0)
ln*POP$_t$*	-2.753	1971	-3.574	1982	-4.994**	1987	-2.919	1995	I(1)

Note: ***, ** and * are significant levels at 1%, 5% and 10% respectively.

From table 4.2 above, the results of Zivot-Andrews unit root test reveals that all the variables are stationary at 1st difference form I(1) except money supply (M2) which is stationary at level I(0). This indicates that there are mixed orders of integration, i.e.,

I(0) and I(1). The results of the Zivot-Andrews also made the use of ARDL model justifiable.

Having justified the applicability of ARDL model based on the unit root test results, the optimum lag selection test was conducted and the result is presented on table 4.3.

Table 4.3: Optimal Lag Selection Based on Akaike Information Criteria (AIC)

Lag	LogL	LR	FPE	AIC	SC	HQ
0	6.670	NA	6.47e	-0.061	0.122	0.009
1	366.256	639.262	2.70e	-12.453	-11.348*	-12.027*
2	399.586	53.081*	2.03e*	-12.762	-10.736	-11.981
3	425.829	36.933	2.06e	-12.808	-9.861	-11.672
4	453.887	34.293	2.09e	-12.921*	-9.054	-11.430

Note. * indicate lag order selected by the criterion.

The Akaike information criterion (AIC) was used to determine the optimal lag length as shown on table 4.3 above, which suggested lag 4 as the optimal lag.

Table 4.4: Bounds Test Result

				Bounds critical values [Unrestricted intercept & no trend]	
Model	F-stats	Lag	Level of significance	I(0)	I(1)
($lnRGDP_t$|$lnEXCR_t lnPOP_t lnIMP_t lnM2_t$)	**4.628**	**4**			
			1%	4.4	5.72
			5%	**3.47**	**4.57**
			10%	3.03	4.06
			2.5%	3.89	5.07

The Critical values are obtained from Narayan (2005) table case III. The boldness indicates the level of significance at which the F-statistic exceeds the upper bound.

Findings on table 4.4 above shows that the calculated F-statistic 4.628 is greater than the upper bound critical value 4.57 at 5% significance level. This indicates the presence of long-run relationship among the variables and hence, we could conclude that cointegration exists among the variables in the model.

After finding the evidence of cointegration among the variables, the long-run ARDL estimation was conducted and the results are presented on table 4.5 below:

Table 4.5: **Estimated Long-run Coefficient Result**

Dependent variable, lnRGDP

Regressors	Coefficient	T.ratio (p values)
LnEXCR	-0.101	-1.949 (0.059)*
LnPOP	6.101	2.914 (0.006)**
LnIMP	0.068	0.935 (0.355)
lnM2	0.290	1.951 (0.059)
C	-1.453	-0.170 (0.865)

***, **, and * are significant level at 1%, 5% and 10% respectively.

The result from Table 4.5 reveals that exchange rate has a negative and statistically significant (at 10%) impact on the Nigerian economic growth in the long-run. The result is similar with the findings of other researchers in Nigeria such as: Adeyimi et. al (2014); Adeniran (2016); Chikeziem, F., (2016); Ismaila et. al (2016);

Chukwunaekwu (2018); and Ani et al. (2019).

On the other hand, working age population has a positive and significant link on with economic growth. The result it reveals that a unit changes in the working population influences the Nigerian economic growth by 6.1%. The result suggested that the working age population was responsible for an increase in economic performance of the Nigeria. This also shows that, Nigeria is a labour driven economy. Result also reveals a positive but insignificant relationship between import and money supply with economic growth.

However, this is obvious because when there is an increase in the population, it is expected that labor will be cheaper and many people will be employed which will in the long-run increased the productive capacity of the economy, and also leads to economic growth.

After obtaining the long-run coefficients, the short-run model was estimated to obtain the short-run coefficients. This result is shown on table 4.6 below:

Table 4.6: The Estimated Short-run Coefficient

Dependent Variable, $\Delta lnRGDP_t$

Regressors	Coefficients	T-ratio (p value)
$\Delta lnEXCR_t$	-0.051	-1.653 (0.107)
$\Delta lnPOP_t$	7.523	1.336 (0.190)
$\Delta lnPOP_{t-1}$	2.044	0.201 (0.841)
$\Delta lnIMP_t$	0.034	0.972 (0.337)
$\Delta lnIMP_{t-1}$	0.077	2.459 (0.019)**
$\Delta lnM2^t$	0.072	1.204 (0.236)
$\Delta lnM2_{t-1}$	-0.151	-2.241 (0.031)**
ECT_{t-1}	-0.505	-4.363 (0.000)***
Trend	0.024	3.359 (0.001)***

* **, **and* Denotes 1%,5% and 10% significance level respectively.

The short-run results on table 4.6 above denote that exchange rate has a negative but insignificant relationship with Nigerian economic growth. The findings also reveal that the working age population has a positive but insignificant relationship with the Nigerian economic growth. This suggests that the working age population does not determine economic growth in the short-run.

Furthermore, importation of goods and services also has a positive but statistically insignificant link with economic growth in Nigeria, while the lag one reveals a positive and significant relationship in the short-run. It suggests that as level of import increases, the performance of Nigerian economic growth will also increase by 2.459 in the short-run.

Moreover, supply of money has a positive but insignificant relationship with economic growth while the lagged one reveals a significant negative relationship.

The ECT depicts 50% speed of adjustment to the long-run equilibrium, i.e., it shows 50% of deviation from the equilibrium will be corrected annually in the long-run. The ECT satisfies the theoretical requirement, that is, being negative, less than one in absolute value and significant. It also confirms the cointegration relationship among the variables.

To recap everything, in the short-run virtually all variables (exchange rate, population, real import and money supply) were insignificant in defining economic growth of Nigeria, while the lagged coefficient of real import and that of money supply were statistically significant in

determining the economic growth in Nigeria. To show the goodness of fit of the model, R-square, DW-statistic and F-statistic were all reported on table 4.7 below:

Table 4.7: Goodness of fit

R-square	0.653
DW-statistics	2.05
Prob(F-satistic)	3.368 (0.000)***

* **, **and* Denotes 1%,5% and 10% significance level respectively.

From Table 4.7 above, the R^2 value (0.653) revealed that about 65% of the proportion of the regress and has been jointly explained by the regressors. This shows that the model is good fit. The DW statistics (2.05) shows that the model is free from first order serial correlation as it falls within the range of 1.5 and 2.5. Also, the p-value of the F-statistics is less than 5% i.e. (0.000<0.05), which means the regressors are jointly significant in influencing the regressand (RGDP).

To ensure the reliability of the estimates, diagnostic tests were conducted and reported on Table 4.8

Table 4.8: Diagnostic Test

Test Statistics	F Version
A. Serial Correlation	F(2,32) = 0.221 (0.802)
B. Functional form	F(1,33) = 0.872 (0.3570)
C. Normality	1.718 (0.423)
D. Heteroskedasticity	F(19, 34) = 1.047 (0.439)

Findings on table 4.8 above reveal that the model is free from serial correlation, heteroscedasticity, functional form and normality problems. Hence, model could be reliable for macroeconomic policy.

As suggested by Chindo et. al (2018), CUSUM and CUSUMSQ tests for stability of the model were conducted. Figure 4.1 and 4.2 depict the results. Figure 4.1 shows that the residual lies within the critical bounds at 5% level of significance. This confirms that the model is stable. While figure 4.2 shows that the residuals do not lies within the critical bounds at 5% level of significance, which does connote the stability of the model.

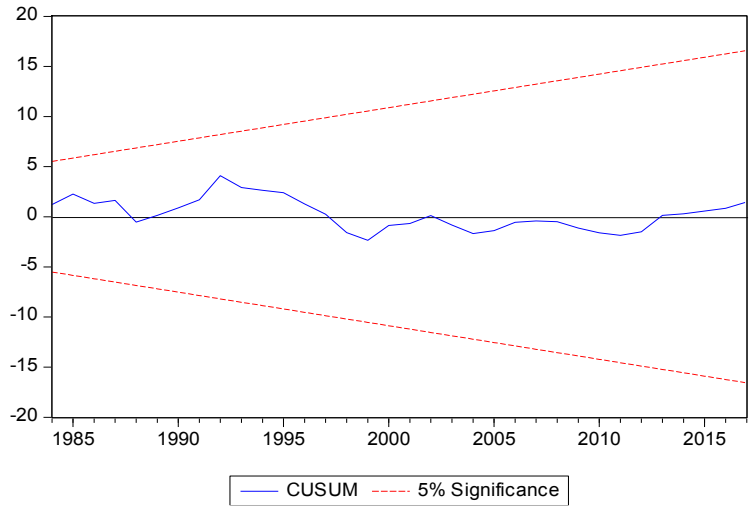

Figure 4.1 Plot of cumulative sum (CUSUM) of recursive residual.

The straight lines represent critical bounds at 5% significance level.

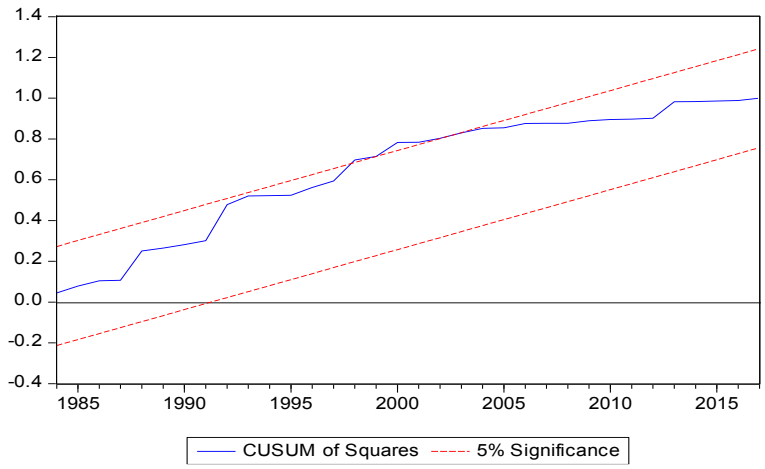

Figure 4.2 Plot of cumulative sum of squares (CUSUMSQ)recursive residual.

The straight lines represent critical bounds at 5% significance level.

5. Conclusion and Recommendations

5.1 Conclusion

Findings from the study show clearly that exchange rate fluctuation was not a good determinant of economic growth over the study period. In general, it is imperative to plan for effective exchange rate control in Nigeria. The Central Bank and the National Assembly must be well-coordinated to prevent unnecessary monetary expansion. Though exchange rate determines economic growth in simple economic theory, but it affects the Nigerian economy negatively. It is worthy to sustain exchange rate stability as a prerequisite for stable domestic prices. Diversification of the economy is also fundamental for economic growth and development. This can be

achieved through efficient and effective regulation of foreign exchange rate and political stability, which are a very volatile in Nigeria.

5.2 Recommendations

In view of the above conclusion, the study recommends that government should embark on tight foreign exchange control policies in order to help in appropriate determination of the exchange rate. There is also need to induce the foreign exchange rate by enacting positive economic reforms that will minimize the unfavorable effect of exchange rate volatility on the Nigerian economy with respect to trade flows and economic growth. This will in the long run help to strengthen the exchange value of Naira.

There is also need to embark on policies that will encourage exportation of goods and services via ensuring the growth of local production of goods and services. High dependence on import needs to be discouraged by impositions of tariffs and non-tariff barriers. This will help in protecting the domestic and infant industries and increase the production capacity of the economy, the balance of payment and a favorable exchange for the country.

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