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THE IMPACT OF NON-OIL REVENUE ON THE ECONOMIC GROWTH: EVIDENCE FROM NIGERIA

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Abstract
This study investigates the impact of non-oil revenue on the economic growth of Nigeria. Specifically, the study examined the effect of customs and excise duties on the GDP of Nigeria; evaluate the effect of value-added tax on the GDP of Nigeria, and ascertain the effect of company income tax on the GDP of Nigeria. An ex-post facto research design was employed, and the study made use of secondary data obtained from the Central Bank of Nigeria (CBN) statistical bulletins, spanning from 1993 to 2022. A sample regression (error correction model) analytical tool was employed. The error correction model technique was used in estimating all the models in order to investigate the relationship between the dependent variables and independent variables. A Unit root test was conducted to show whether a time series variable is non-stationary and possesses a unit root and to validate the data used in the study's analysis to prevent erroneous regression findings. This research concluded that company income tax has a significant effect on GDP in Nigeria, while value-added tax (VAT) and customs and excise duties have no significant effect on GDP in Nigeria for the period under review (1993–2022). The study recommends, among others, that the government should look for ways of introducing policies that will improve non-oil revenue, especially the value-added tax (VAT) and customs and excise duties (CED), in order to boost our gross domestic product.

Key Words: *Company Income Tax, Customs and Excise Duties, Gross Domestic Product, Non-Oil Revenue, Value Added Tax.*

Introduction
The rate of a country's potential economic growth is strongly correlated with how well it manages its financial resources. The best way for the government to raise income should be the top priority due to its enormous influence on the economy. Different sectors of the economy must generate enough revenue in order to guarantee the health of the economy as a whole. Nigeria's capacity to create money is essential to achieving both basic social and physical needs and macroeconomic objectives. The essence of revenue generation is to provide for the basic social and infrastructural needs of the citizens (Nakah, 2018). Prior to 1970, revenue generation in Nigeria was mainly dependent on the non-oil sector, including agriculture, and other mineral resources like coal, iron ore, tin, etc. The foreign exchange of Nigeria at that time was earned from the sales of different cash crops such as cocoa, coffee, palm oil, rubber, and groundnut, to mention but a few. This implies that

the non-oil sector accounted for a greater chunk of the total revenue earnings of the country.

Sadly, Nigeria's economic structure saw a significant shift following the country's oil discovery in the early 1960s. Because of this, successive governments began to show the non-oil industry extraordinary disregard. This culminated in a perceptible drop in the contributions of the non-oil sector to about 23%. By the year 2000, oil accounted for about 98% of total exports and about 83% of federal government revenue (Odularu, 2008). It should be noted that after Nigeria shifted its focus from non-oil revenue to oil revenue, Nigeria's growth and development have continued to decline with little hope of recovery (Chima, 2017). However, the dwindling oil revenue has thus provided the country another opportunity to look inward by diversifying into other sources of revenue that would catapult the country into quick economic development. Additionally, the provision of fundamental infrastructure is essential for any community to advance and flourish (Fagbemi & Noah, 2010). This is also the primary reason why governments search for alternate sources of funding and income. Additionally, governments require funding to carry out their social programs and offer public goods, such as infrastructure growth. According to Murkur (2001), the government must make significant investments to meet the diverse demands of society, and taxes are the most dependable source of funding for these expenditures.

Over the past forty years, Nigerian governments at all levels have placed a great deal of emphasis on the money and taxes generated by the petroleum industry, paying little regard to revenue and taxes from other sources. Data from the Central Bank of Nigeria's Statistics Bulletin 2016 show that, between 1981 and 2016, the federal government of Nigeria collected a total of N108.14 trillion, of which N79.60 trillion, or 74%, was derived from oil and N28.54 trillion, or 26%, from non-oil reserves. The fact that the Organization of Petroleum Exporting Countries (OPEC) manipulates both the price and supply of the commodity in the midst of other international trade politics makes it clear that the global oil trade is not market-driven, despite the uneven income stream. There appears to be a lack of consensus despite a number of empirical studies (Kawa, 2017; Anthony et al., 2015) on the impact of non-oil revenue on Nigeria's economic growth at different economic periods. Hence, this study fills the period gap by examining factors from 1984 to 2023, as previous research on non-oil revenue and economic development needs to be updated with respect to their timeliness and scope.

Objectives

The main objective of this study is to evaluate the impact of non-oil revenue on the economic growth of Nigeria. Specifically, the study aims to;

1. examine the effect of customs and excise duties on the gross domestic product (GDP) of Nigeria.
2. evaluate the effect of the value-added tax on the gross domestic product (GDP) of Nigeria.
3. ascertain the effect of company income tax on the gross domestic product (GDP) of Nigeria.

Hypotheses

The following null hypotheses were raised:

H_{o1}: Customs and excise duties has no significant effect on the gross domestic product (GDP) of Nigeria.

H_{o2}: Value-added tax has no significant effect on the gross domestic product (GDP) of Nigeria.

H_{o3}: Company income tax has no significant effect on the gross domestic product (GDP) of Nigeria.

Literature Review

Non-Oil Revenue

Undoubtedly, the non-oil industry plays a crucial role in the Nigerian economy. That's probably the reason Olusola and Siyanbola (2014) contended, using data from the World Bank in 2013, that the industry produced over 60% of Nigeria's employment potential, approximately 95% of her foreign exchange earnings, and roughly 56% of her gross domestic product before the country's oil was discovered. However, the tale has changed since then since the profitable industry has been shunned, overlooked, and abandoned in favor of "Black Gold." Nonetheless, Chima (2017) noted that the Federal Government of Nigeria's retained revenue for the second quarter of 2016 increased to N2.558 trillion, above the levels of N1.898 trillion recorded in the first half of 2016, according to the recently released Central Bank of Nigeria's (CBN) Financial Stability Report for December 2016. He claimed that non-oil revenue was mostly responsible for the retained revenue rise during the first half. This shows that the Nigerian Federal Government has indicated that it is prepared to progressively transition from relying on oil revenue to the non-oil economy. Adams (2013), referenced in Uremadu et al. (2020), states that company income tax, customs and excise duties, and value-added tax make up Nigeria's non-oil revenue sources. Other non-oil revenue streams that are worth mentioning in this study include manufacturing, solid minerals, tourism, entertainment, services, hospitality, sports, and information and communications technology.

Customs and Excise Duty

Customs duty, commonly referred to as import duty, was first imposed in 1860. Customs duties, which are paid by importers of specific commodities, are the Federal Government of Nigeria's primary source of income and the oldest type of contemporary taxation (Buyonge 2008). Customs duties are levied as a percentage of the value of goods or services imported into Nigeria or as a fixed amount depending on the quantity of products (unit tax) (Buba, 2007). Customs duties are taxes imposed on goods and services imported into Nigeria. In 1962, Nigeria implemented excise levies on a number of items in an effort to increase the country's income base (Buba, 2007). In 1962, Nigeria implemented excise levies on a number of items in an effort to increase the country's income base (Buba, 2007). Excise duty is a levy imposed on the sale or consumption of items produced locally, including but not limited to alcohol, tobacco, gasoline, and manufactured goods. Excise duties are levied by the government at varying rates on particular goods produced in a nation. These taxes, which are primarily levied in order to generate revenue, are applied to locally produced domestic commodities as opposed to imported ones. The primary distinction between the two taxes is that excise duty is

imposed by the government on commodities and products produced domestically in a nation, whereas customs duty is imposed on goods imported from overseas.

Value Added Tax (VAT)

This tax is applied to the value that is added to goods or services by the seller or supplier prior to sale. The government's desire to increase revenue from non-oil sources in response to swings in oil revenue brought on by the oversupply in the global market made the adoption of VAT necessary. When VAT Decree No. 102 of 1993 was enacted to replace the Sales Tax Act in the 1994 fiscal year, it was added to the Nigerian tax system. The Federal Inland Revenue Services is in charge of handling it, and the current rate is 7.5% (PWC, 2018) (value 261). A value-added tax is a multi-stage tax that is levied on the excess value of goods produced or services provided as they move through multiple production, distribution, and service stages. The final consumer bears the burden of value-added tax, which is collected at every stage of the production and service chain (Bird, 2005). Value-added tax, according to Umeora (2013), is a tax on the estimated market value added to a good or service at each stage of production or distribution. After additions are made, the goods and services are the ones that bear the tax liability or incidence since the tax paid on the consumption of goods and services cannot be recouped. The distinction between a company's sales (output) and purchases (input) from other companies represents the value contributed by that firm.

Company Income Tax

According to Ogbonna and Appah (2016), Companies Income Tax (CIT) is a tax levied on profits accruing in, derived from, brought into, or received in Nigeria from any trade or business, rent, premiums, dividends, interest, loyalties, and any other source of yearly profit (apart from profits from companies engaged in upstream operations). As a result, Ariwodola (2000) decided that Nigerian corporations' worldwide profits are subject to income taxation regardless of whether they are received or transported into Nigeria. A ten percent (10%) withholding tax rate is applied to the portion of foreign corporations' profits that come from their operations in Nigeria (dividends, interest, or royalties owed to foreign companies). The rate at which company income tax (CIT) is levied is 30% of the assessable profits of businesses. The Finance Act of 2021 restricted the amount of capital allowances that companies could claim in a tax year to two-thirds of assessable profits for businesses other than those involved in manufacturing and primary agricultural production/agro-allied businesses. Before that, companies could claim capital allowances on any qualifying capital expenditure (QCE) used for the generation of their taxable and non-taxable business income. Nevertheless, Section 9 of the Finance Act, 2021, has added a provision stating that QCE used to produce taxable and tax-exempt income will not be fully deductible (as capital allowances) against the taxable income of a company in cases where the percentage of non-taxable income exceeds 20% of the company's total income. Therefore, in the event that a QCE is used to generate both taxable and non-taxable income, the capital expenditure would be prorated, and only the portion related to the taxable income would be eligible for a capital allowance deduction once the non-taxable income proportion exceeded 20% of the company's total income.

Concept of Economic Growth

The concept of economic growth refers to an economy's ability to produce more, which in turn can lead to a rise in revenue. A nation's economic growth can be assessed by looking at its trade volume, productivity level, and investment in both human and tangible financial resources. According to Ochejele (2007), economic growth is "the quantitative and sustained increase in the country's capital, output, and income accompanied by expansions in labor force, consumption, capital, and trade volume." Therefore, Anyanwu and Oaikhenan (1995) defined economic growth as the gradual development in a nation's or an economy's capacity to create the commodities and services required to improve the well-being of its population in greater numbers and diversity. Measuring economic growth in terms of monetary expenditures leads logically to the gross domestic product (GDP). To gain an understanding of the productive output of the steel sector, for instance, a statistician should just keep track of the total dollar worth of all steel that was sold over a given time frame. Total production is the sum of the outputs from all industries, expressed in terms of money invested or spent. That was the theory, at any rate.

Empirical Review

Over the course of 37 years, from 1982 to 2018, Rath (2021) investigated the empirical relationship between the tax gap and infrastructure development in Nigeria. The study made use of secondary data from the Nigerian Central Bank throughout the time period it examined. The tax gap on corporate income tax and customs and excise duty tax is the independent variable, and the natural logarithm of government capital expenditure on economic services was used as a proxy for the dependent variable, infrastructure development. The descriptive characteristics of the data, including the mean, maximum and minimum, standard deviation, and Jarque-Bera, were ascertained using descriptive statistics. Additionally, unit root tests were employed to examine the research variable's time series properties. Tests for diagnosis were performed to determine their municipality. At the 0.05 level of significance, multiple linear regression was used to ascertain the potential association between the dependent and 277 independent variables. Regression test results showed a significant and positive correlation between government capital expenditure on economic services and the income tax gap for businesses. The study also showed that Nigeria's infrastructure development is significantly benefited by the tax difference between customs and excise duties.

Oboro and Aguwamba (2022) analyzed the data to determine the extent to which Nigeria's GDP growth between 1990 and 2020 can be attributed to non-oil exports. The Vector Error Correction Model (VECM) was the methodology employed in this study. As opposed to exports from industry and agriculture, the study's conclusions showed that non-oil export metrics had a far bigger impact on economic growth.

Olurankinse and Fatukasi (2020) looked into the impact of non-oil businesses on GDP growth using the ordinary least squares (OLS) method. The main factor supporting the growth of the Nigerian economy was found to be non-oil-related revenue during the course of the investigation. However, they criticize the subpar performance, which they believe falls short of expectations in terms of revenue mobilization and non-oil revenue

output level. Among other things, they advised Nigeria to make a paradigm shift from its outdated reliance on gas and oil to a more extensive and long-lasting non-oil revenue source.

Olayungbo and Olayemi (2018) looked into the long-term relationship between economic development, non-oil revenue, and government spending in Nigeria from 1981 to 2015. The long-term analysis revealed a significant relationship between non-oil revenue and economic growth, while fiscal spending and economic growth were found to have a contrary relationship. The results of the causal test indicated that fiscal spending changes both non-oil revenue and economic growth, which is consistent with the Keynesian hypothesis.

Henry (2021) carried out a study to examine the manner in which revenue from both oil and non-oil sources impacts Nigeria's economy's growth. This analysis starts in 1981 and ends in 2015, for a total of 35 years. The information demonstrated that GDP was positively and significantly impacted by both oil and non-oil earnings. Olaoye and Alabadan (2022) investigated how government borrowing, value-added tax, and internally generated revenue affected Nigeria's budget implementation. The study's specific objectives were to determine how Nigeria's budget implementation was impacted by value-added tax, internally generated revenue, and government borrowing abroad. The Central Bank of Nigeria's Statistical Bulletin provided the data for the study for the years 1990–2020. The unit root test with the traditional augmented Dickey-Fuller on the research variables was used to validate the data. The Ordinary Least Squares (OLS)-anchored Multiple Linear Regression Model was used to assess research hypotheses at the 0.05 level of significance. Regression analysis results demonstrated that value-added tax has a large and beneficial impact on Nigeria's government budget implementation.

The relationship between tax revenue components and South Africa's economic growth was investigated by Pamba (2022). The aim of the research was to investigate the impact of tax revenue components on South Africa's economic growth. The South African Reserve Bank (SARB) provided time-series data over a 22-year period. Real GDP was utilized in the study as a stand-in for economic growth, and the independent variables included foreign direct investment, corporation and company income taxes, international trade taxes, income and profit taxes, capital gains tax, inflation, and gross savings. To find the stationary of the model variables, the Philips-Perron (PP) unit root test was utilized; in the meantime, autoregressive distributed lag (ARDL) was utilized to establish the long-run and short-run impacts. The findings of the ARDL tests showed that there is a positive long- and short-term relationship between South Africa's economic growth and corporate income tax, company income tax, and international trade taxes. Diagnostic testing revealed that the study's model lacks both autocorrection and heteroskedasticity.

Theoretical Framework

Resource Endowment Theory of Growth: Adam Smith was the major advocate of this theory (1776). Among other things, David Ricardo's "Comparative Cost Advantage" and "Absolute Cost Advantage" from 1817 contend that nations ought to focus on producing

and exporting goods in line with their comparative advantages. According to the theory of comparative advantage, a nation produces goods that are readily manufactured or abundantly available at a lower total cost than other nations, hence benefiting economically from this advantage. They gave this explanation for why certain nations produce commodities derived from agriculture and minerals while others manufacture industrial goods (O'Toole, 2007; Igbeasere, 2013).

Heckscher-Ohlin's (HO) theory of comparative advantage holds that nations produce and export goods that necessitate the intensive use of their plentiful production forces (Feenstra, 2004). This model involves two countries, two items, and two factors. It also assumes that the two countries have different factor endowments, unrestricted commerce in goods, and identical technology and tastes (Feenstra, 2004). The premise of this idea was that industrialized nations, such as the United Kingdom, Germany, Japan, and others, Classical Theory of Economic Growth: Developed by Solow (1956) and Mincer (1958) in the late 1950s, the classical and neoclassical growth models demonstrated that an economy's output increases in response to greater inputs of labor and capital (all physical inputs). These models do not account for non-economic elements like human capital or health indicators.

Methodology

This study employed an ex-post facto research design in obtaining, analyzing, and interpreting the data required for this study. The ex-post facto research design is used to foist a link between the dependent and independent variables, relying on already existing secondary data. The study made use of secondary data. The data for this study was obtained from the Central Bank of Nigeria (CBN) statistical bulletins. Using data over the period 1993–2022, and in tune with the model adopted in the study, gross domestic product (GDP) was used to measure economic growth. This was regressed on a variety of independent variables, including value-added tax, company income tax, and customs and excise duties.

A sample regression (error correction model) analytical tool was employed. The error correction model technique was used in estimating all the models in order to investigate the extent of the relationship between the independent variables, value-added tax (VAT), company income tax (CIT), customs and excise duties (CED), and gross domestic product (GDP) in Nigeria for the period under study. This study adopted the model used in the work of Likita, Idisi, and Mavenke (2018) on the effect of non-oil revenue on economic growth in Nigeria, in which economic growth proxy by gross domestic product (GDP) is expressed as a function of value-added tax (VAT), company income tax (CIT), and customs and excise duties (CED). The model is thus specified as

GDP = *f* (VAT, CIT, CED)

The regression model was specified as follow:

$GDP_{it} = \beta_{0it} + \beta_1 VAT_{it} + \beta_2 CIT_{it} + \beta_3 CED_{it} + \mathcal{E}_{it}$ ……3.1

Where:

GDP=Gross Domestic Product

VAT=Value Added Tax

CIT=Company Income Tax

CED=Custom and Excise Duties
β_0=Constant Variable
β_1 - β_3=Slope/Coefficient
$\mathcal{E}$=Error terms/stochastic variable.

Data Analysis and Results Interpretation

Table 1. Descriptive Statistics Results

Variables	GDP	VAT	CIT	CED
Mean	0.098465	0.768765	0.096687	0.099655
Median	0.076365	0.856437	0.067345	0.093567
Maximum	0.267531	0.887631	0.278653	0.204673
Minimum	0.000987	0.506003	0.009843	0.009762
Std.Dev.	0.066548	0.098075	0.069840	0.066755
Jarque-Bera	11.90873	33.85625	12.51376	6.567512
Probability	0.004374	0.000000	0.003987	0.036865
Observations	30	30	30	30

Source: Authors' Computation, (2024)

Table 1 shows the results of the descriptive analysis. Thus, the mean of gross domestic product (GDP) is 0.098465, implying that, on average, economic growth has a performance of 9.85%. The average value of value-added tax (VAT) is 76.87% (0.768765), meaning that 76.87% of the total non-oil revenue makes up value-added tax. The Jarque-Bera value of 33.85625 with probability values of 0.0000 means the variable is not normally distributed. The mean percentage of Company Income Tax (CIT) to total non-oil revenue is 9.67% (0.96687), implying that 9.67% of total non-oil revenue is made up of Company Income Tax (CIT). The Jarque-Bera value of 12.51376 with probability values of 0.003987 indicates the unlikelihood of an outlier in the data series. The average proportion of customs and excise duties (CED) to total non-oil revenue is 9.97% (0.99655), indicating that 9.97% of non-oil revenue consists of CED. The Jarque-Bera value is 6.567512, with probability values of 0.036865 indicating the unlikelihood of an outlier in the data series.

Table 2: Unit Root Test.

Variable	t-statistic	Probability
GDP	26.7864	0.0046
VAT	61.9835	0.0000
CIT	25.7864	0.0048
CED	55.0786	0.0000

Source: *Authors' Computation, (2024)*

The unit root test results in Table 2 display that the t-statistics value of Gross Domestic Product (GDP) is 26.7864, and its probability is 0.0046, implying that the data is stationary and has no unit root. Also, the t-statistics value of value-added tax (VAT) is 61.9835; its probability is 0.0000, thus no unit root exists. The company income tax's t-statistic is 25.7864; its probability is 0.0048, indicating that the data is stationary at level and has no unit root. The t-statistics value of Customs and Excise Duties is 55.0786, and the probability value of 0.0000 means Customs and Excise Duties is stationary at level

and has no unit root. Therefore, from the results above, all the time series data at level 1 have no unit roots.

Regression Analysis

Table 3: Pooled Least Squares Result
SERIES: GDP, VAT, CIT, CED.

Method: Pooled Least Squares Sample: 1993 2022 Total pool(balanced)observations: 30				
Variables	**Coefficient**	**Std. Error**	**t-Statistic**	**Probability**
Constant	-0.064090	0.059457	-0.471337	0.9143
VAT	0.016785	0.004502	2.897045	0.0040
CIT	0.941569	0.019274	48.94275	0.0000
CED	-0.074632	0.023400	-3.183078	0.0016
R-squared	0.865439			
Adjusted R-squared	0.895467			
Durbin-Watson	1.676523			
Pesaran CD	33.7862 (p=0.863)			
WaldHetero. Test	X^2 =18.634, p=0.267			

Source: *Authors' Computation, (2024)*

In Table 3, The R2 result shows that gross domestic products (GDP) account for 86.54% (0.865439) of changes in value-added tax, company income tax, customs, and excise duties. The adjusted R2 is 89.55% (0.895467), which implies that even if other variables accounted for in the error term were included in the model, the explanatory variables would still account for an 89.55% increase in the gross domestic product (GDP) in Nigeria. Also, the coefficient of value-added tax is positive (0.016785) and significant (P = 0.004502<0.05), meaning that a unit increase in VAT will increase the gross domestic product (GDP) in Nigeria by 1.68%. The beta value of CIT is positive (0.941569) and significant (P = 0.000<0.05), implying that a unit increase in PIT will increase the GDP by 94.16%. The beta value of CED is negative (-0.074632) and significant (P = 0.016<0.05), indicating that a unit increase in CED will decrease the GDP by 7.46%. The Peseran CD test result for cross-section dependence shows a statistical value of 33.7862 and a probability value of 0.863. The null hypothesis of no correction of the fundamental error in the significant level used is accepted, meaning that the variables used are valid. The Wald test result for heteroskedasticity (hetero) with an X2 value of 18.634 and a p-value of 0.267 accepts the null hypothesis that there is no hetero.

Table 4: Fixed Effect Model Result
SERIES: GDP, VAT, CIT, CED

Method: Panel Least Squares Periods included:30 Cross-sections included:1 Total panel(balanced) observations: 30				
Variables	**Coefficient**	**Std. Error**	**t-Statistic**	**Probability**
Constant	-0.016541	0.239851	-0.645621	0.5043
VAT	0.033782	0.039811	1.038712	0.3026
CIT	0.956432	0.052881	21.20198	0.0000
CED	-0.082196	0.050912	-1.657636	0.1062
R-squared	0.935348			
Adjusted R-squared	0.875238			
Durbin-Watson	1.761392			
Pesaran CD	30.17245 (p=0.762)			
WaldHetero. Test	X^2 =18.673, p=0.361			

Source: Authors' Computation, (2024)

In Table 4, The R2 result shows that gross domestic products account for 93.53% (0.935348) of changes in value-added costs, company income tax, customs, and excise duties. The adjusted R2 is 0.875238, implying that even if other variables accounted for in the error term were included in the model, the explanatory variables would still account for an 87.52% increase in the gross domestic products in Nigeria. Also, the coefficient of value added tax is positive (0.033782) and insignificant (P = 0.3026 > 0.05), meaning that a unit increase in VAT will increase the gross domestic product in Nigeria by 3.4%. The beta value of company income tax is positive (0.956432) and significant (P = 0.000<0.05), implying that a unit increase in company income tax will increase the gross domestic product by 95.64%. The beta value of customs and excise duties is negative (-0.082196) and insignificant (P=0.1062>0.05), indicating that a unit increase in customs and excise duties will decrease the gross domestic product by 8.23%. The Peseran CD test result for cross-section dependence shows a statistical value of 30.17245 and a probability value of 0.762. The null hypothesis of no correction of the fundamental error in the significant level used was accepted, meaning that the variables used are valid. The Wald test result for heteroskedasticity (hetero) with an X2 value of 18.673 and a p-value of 0.361 accepts the null hypothesis that there is no hetero.

Table 5: Random Effect Model Result
SERIES: GDP, VAT, CIT, CED

Method: Panel EGLS (Cross-section random effects) Periods included:30 Cross-sections included:1 Total panel(balanced)observations:30 Swamy and Arora estimator of component variances				
Variables	Coefficient	Std. Error	t-Statistic	Probability
Constant	−0.017349	0.026751	−0.698712	0.6542
VAT	0.032072	0.037697	1.065128	0.3053
CIT	0.964328	0.049123	22.98743	0.0000
CED	−0.84519	0.058711	−1.667534	0.11

R-squared	0.867834	
Adjusted R-squared	0.883132	
Durbin-Watson	1.765983	
Pesaran CD	30.34198 (p=0.765)	
WaldHetero. Test	X^2 =17.765, p=0.394	

Source: Authors' Computation, (2024)

In Table 5, The R^2 result shows that gross domestic product accounts for 86.78% (0.867834) of changes in value-added cost, company income tax, customs, and excise duties. The adjusted R^2 is 88.31% (0.88123), implying that even if other variables accounted for in the error term were included in the model, the explanatory variables would still account for an 86.78% increase in the gross domestic product in Nigeria. Also, the coefficient of value added tax is positive (0.032072) and insignificant (P = 0.3053 > 0.05), meaning that a unit increase in value added tax will decrease the gross domestic product in Nigeria by 3.21%. The beta value of company income tax is positive (0.964328) and significant (P = 0.0000<0.05), implying that a unit increase in company income tax will increase the gross domestic product by 96.43%. The beta value of customs and excise duties is negative (-0.84519) and insignificant (P=0.1059>0.05), indicating that a unit increase in customs and excise duties will decrease the gross domestic product by 84.52%. The Peseran CD test result for cross-section dependence shows a statistical value of 30.34198 and a probability value of 0.765. The null hypothesis of no correction of the fundamental error in the significant level used was accepted, meaning that the variables used are valid. The Wald test result for heteroskedasticity (hetero) with an X2 value of 17.765 and a p-value of 0.394 accepts the null hypothesis that there is no hetero.

Test of Hypotheses

Hypothesis One

H_{o1}: Customs and excise duties have no significant effect on the gross domestic product (GDP) of Nigeria.

The coefficient of customs and excise duties is negative (-0.84519) and insignificant (P=0.1062>0.05), thus the null hypothesis is accepted, indicating that a unit increase in customs and excise duties in Nigeria will negatively affect Gross Domestic Product (GDP) by 84.52%.

Hypothesis Two

H_{o2}: Value-added tax has no significant effect on the gross domestic product (GDP) of Nigeria.

Based on the fixed effect model result, the coefficient of value added tax is positive (0.032072) and insignificant (P=0.3053>0.05), thus the null hypothesis is accepted, meaning that a unit increase in value added tax in Nigeria will reduce gross domestic product (GDP) by 3.21%.

Hypothesis Three

H_{o3}: Company income tax has no significant effect on the gross domestic product (GDP) of Nigeria.

The beta value of company income tax gross domestic product (GDP) is positive (0.964328) and significant (P = 0.000<0.05), thus the null hypothesis is rejected, implying that a unit increase in company income tax in Nigeria will boost the gross domestic product (GDP) of the country.

Discussion of Results

This study examined the impacts of non-oil revenue on economic growth in Nigeria. The post-estimation test results supported the fixed effect model as the most appropriate estimator. Also, the results of the descriptive analysis showed that gross domestic product (GDP) performed 9.85% in the period under review. The result also reflected that, on average, 76.87% of non-oil revenue was derived from value-added tax: 9.67% of the non-oil revenue was realized from company income tax and 9.97% on customs and excise duties. This implies that the total proportion of non-oil revenue was realized from value-added tax. Findings from the study disclosed that value-added tax has a positive but insignificant effect on the gross domestic product (GDP) in Nigeria. This study's results imply that a unit increase in value-added tax will decrease the gross domestic product (GDP) by 3.21%. The result confirmed the null hypothesis that there is no significant effect of value-added tax on the gross domestic product (GDP) of Nigeria. Findings from this analysis also show that company income tax has a positive and significant effect on the gross domestic product (GDP) in Nigeria. This study's outcomes mean a unit increase in company income tax will increase the gross domestic product (GDP) in Nigeria by 96.43%. The result served as a basis for rejecting the null hypothesis that company income tax does not affect the gross domestic product (GDP) of Nigeria.

Furthermore, the study found that customs and excise duties have a negative and insignificant effect on the gross domestic product (GDP) in Nigeria. This study's results mean that a unit increase in customs and excise duties will reduce the gross domestic product (GDP) by 84.52%. The results accepted the null hypothesis of no significant effect of customs and excise duties on the gross domestic product (GDP) of Nigeria.

Conclusion and Recommendations

Overview of how value-added tax (VAT), company income tax (CIT), and customs and excise duties (CED) affect the gross domestic product (GDP) in Nigeria. This research concluded that company income tax has a significant effect on gross domestic product (GDP) in Nigeria, while value-added tax (VAT) and customs and excise duties have no significant effect on gross domestic product (GDP) in Nigeria for the period under review (1993–2022). This study concludes that there is still a strong need for strong attention for the exploitation and development of the non-oil sector. The government should look for ways of introducing policies that will bring about improvements in the non-oil revenue, especially the value-added tax (VAT) and customs and excise duties (CED), in order to boost our gross domestic product and realize an economy that can be regarded as one of the advanced nations of the world, which is the desire of every developing country. To increase our gross domestic product, the government should make sure that the money

collected from value-added tax, customs, and excise duties is used wisely to expand other non-oil revenue sources. For a sustainable gross domestic product, the government should raise value-added tax income by adding a large number of additional items to the value-added tax net. This will grow the value-added tax base.

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