

**IMPACT OF TRANSPORTATION SECTOR ON ECONOMIC GROWTH
IN NIGERIA
(1970-2019)**

BY

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CERTIFICATION

I certify that this research project was conducted under my supervision by Daodu Precious Damilola (17020301013) at the department of Economics, Mountain Top University, Ibafo, Ogun State, Nigeria.

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DEDICATION

This project is dedicated to the Almighty God who helped me attain this academic position and He helped me through the completion of this project. I also dedicate this project to my family who encouraged me through the process of this research.

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ABSTRACT

This study examined the impact of transportation on economic growth in Nigeria. In furtherance, it analyzed the growth implication of road transportation and the impact of railway transportation on economic growth as well as the effect of airway transportation on economic growth and the impact of waterway transportation in Nigeria.

The study made use of annual time series secondary data. Data on real GDP, railway transportation, airway transportation, government expenditure, capital utilization, population, foreign direct investment, interest rate, exchange rate and inflation rate were sourced from the World Development Indicators (WDI). Road transportation was sourced from Transportation Index Database (TRID Database). Waterway transportation is gotten from National Bureau of Statistics (NBS) while investment rate is sourced from Central Bank of Nigeria (CBN) Statistical Bulletin. The data collected were analysed using tables and econometric techniques, particularly the Autoregressive Descriptive Lag (ARDL) model. The analysis performed are unit root test, using both Augmented Dickey-Fuller (ADF) and Phillip Perron (PP), the lag order of ARDL models using VAR, lag order selection criteria and bound test.

From the results obtained in the study, it was discovered that road transportation (ROT) has an insignificant but positive relationship with real GDP while railway transportation (RAT) has a significant but negative relationship with real GDP in Nigeria. However, airway transportation (AIT) has an insignificant but negative relationship with real GDP while waterway transportation (WAT) has a negative but statistically insignificant relationship with RGDP in Nigeria.

The study concluded that, of all transportation sector examined in this research, only road transportation has positive but insignificant impact on economic growth in Nigeria. Corruption in road contracts, lack of monitoring of contracts awarded, governance of road construction, among others were major hindrances to improvement of road transportation in Nigeria. However, for road

transportation to have a significant impact on economic growth, the government should increase investment. Road pricing strategy should be adopted in Nigeria because of its benefit of demand for road transportation. The government should also reduce transportation costs, minimize congestion and overcrowding, improve reliability and deliver benefits to the wider economy.