NIGERIAN NATIONAL DEVELOPMENT PLANS AND MANUFACTURING SECTOR: A CASE FOR DIVERSIFICATION

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Abstract
Conscious and concrete efforts have been made by the Nigerian government to develop the manufacturing sector in other to diversify from a mono economy to a more vibrant and multi-facet economy. Therefore, this study focused on the impact various National Development plans Nigerian government has initiated and implemented on manufacturing sector development from 1960 to 2017. The study used annual data from Central Bank of Nigeria Statistical Bulletin of various years and adopted the analytical and trend analysis method to examine the impact of various National Development Plans on manufacturing sector development. The results of the study showed that manufacturing sector percentage contribution to real output recorded a low value below 10% over the years. Also the trend analysis revealed that manufacturing sector increased very marginally over the years. This implies that the sector improvement over the period under review is very low despite the reforms and developmental plans put in place. Therefore, the study recommended that the Nigerian Industrial Revolution Plan (NIRP) projected by Nigerian government to particularly solve the decline of manufacturing sector output share in real output should be judiciously implemented.
Keywords: Manufacturing, development plans, output and diversification

1. INTRODUCTION

Nigerian economy is bewildered by over-dependence on oil sector over the last 5 decades and this has adverse effects on other sector performance and their share in aggregate output (Onyejiuwa, 2016). Many a times Nigerian government has initiated plans and policies to diversify the economy form mono to a more vibrant and multi-facet economy (Chete, Adeoti, Adeyinka and Ogundele, 2014) through conscious efforts at various economic blue print of different government regimes. The focused has always been to develop either the agricultural or the manufacturing sector or both in order to boost output and growth. However, more importance has been attached to the manufacturing sector because of its huge antecedent economic viability on the industrial sector. As Ojo (2002) opined that one of the main conditions to indicate that a country is industrialised is when about 75% of the industrial output arises in the manufacturing sub-sector of the industrial sector. Szirmai (2012) also argued that industrialisation has become synonymous with economic development, wealth maximisation, political power, technological leadership and international dominance. Experiences of countries such as: China, Brazil, South Korea, Singapore and Malaysia have proven that over the past five decades manufacturing sector development has played critical role in transforming many less developing countries to middle-income countries.

Subsequently to the importance of manufacturing sector to economic growth and development, Nigerian Federal government over the years has introduced national development plans, industrial policies, initiatives, monetary and fiscal measures and sectoral developments to enhance the manufacturing sector (Chete, *et al*., 2014). These plans, policies and initiatives included different periods of effective control and management of the exchange rate market among other policies and plans such as Nigeria Economic Empowerment Development Strategy

(NEEDS), national industrial policy, privatisation policy, the creation of industrial estates in various cities in the country, establishment of Bank of Industry to provide cheap loans to Small and Medium Scale Enterprises and the national export strategy to improve competitiveness in the foreign market and create job(Ekpo, 2014). In addition, special policy measures directed towards supporting local (small-scale) industries in the manufacturing sector were also implemented. Road construction, rehabilitation of the railways, and other improvement in social amenities and social welfare packages towards alleviating poverty were other policy measures that were initiated to improve manufacturing sector in Nigeria. [Manufacturing Association of Nigeria, (MAN) 2015].

Considering the efforts of the government at different levels of governance and various National Development Plans targeted to diversify and improve the industrial sector, especially the manufacturing sector, one would expect the policies and programmes to yield positive results in increasing manufacturing sector output. However, when comparing Nigeria to Malaysia and South Africa, who were at the same level of economic development with Nigeria in the 1960s and the early 1970s, in terms of manufacturing sector share to GDP from 1986 to 2016 (Ekpo, 2005), the fact showed a contrary expectation. Averagely, Malaysia showed 60.4%, and South Africa made 19.3% while Nigeria recorded 7.9% [World Development Indicators (WDI), 2017]. Although, Malaysia and South Africa may not have the same economic plan or system with Nigeria, the economy of each of the countries in the past showed that they were classified as developing or middle income countries like Nigeria. But over time, they have shown considerable stages of economic improvements (Ekpo, 2014).

Therefore, the focus of this paper is to critically examine the various National Development plans so far adopted in Nigeria in an attempt to diversify the economy and their possible impacts on the manufacturing sector development over the years. Specifically, to identify the efficacy of the industrial policies, identify their pitfalls as a guide for the future and suggest the importance of implementing the Nigerian Industrial Revolution Plan (NIRP) document

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2. Issues in Literature

Ekpo (2014) opined that manufacturing sector has the capacity to enhance the utilisation of productive inputs (labour, capital and raw materials), given the country's technology, to produce non-durable and durable consumer goods, intermediate goods and capital goods for domestic consumption, export or further production. Anyanwu, Oyefusi, Oaihenan, and Dimowo (1997) further explained that industrialization could be described as the process of transforming raw materials, with the aid of human resources and capital goods into (a) consumers goods, (b) new capital goods which allows more consumers goods (including food) to be produced with the same human resources. and (c) social overhead capital, which together with human resources provides new services to both individuals and business (Ekpo, 2005). Manufacturing sector has the capacity to change the structure of the economy through its chain mechanism. Kirkpatrick et al (1985) showed that a change in the composition of manufacturing sector output and its production techniques has the capacity to enhance other sectors in their production. The spill-over effect of manufacturing sector is also evident in the development of banking, construction, real estate and public sector (Obioma and Ozughalu, 2005).

The national development plans of most countries has a high concentration of industrial policy, which directly addressed the development of the productive sector, particularly, the manufacturing sector. Fore-Peck and Federico (1999) and Busari (2005) saw most of the development plans as industrial policy target, and broadly defined it as all forms of state

intervention for economic development. Ekpo (2014) discovered that during the implementation of Import Substitution Industrialization Strategy (ISI),which was the first development plan, a wide range of fiscal, monetary and infrastructural incentives were granted to private sector in the 1960s through 1970s to reduce business cost. These incentives, as identified by Ekpo (2014), include tax holidays, capital allowance and depreciation allowance for investment in equipment, income tax relief, spare parts, duty exemption on machinery, raw and intermediate materials for manufacturing.

As part of relieving industrialist from heavy capital cost, Industrial estates were established and let out to them. To provide the much needed capital to the industrialists, the Nigerian Industrial Development Bank (NDIB) was set up in 1963 by the Federal Government of Nigeria in partnership with the International Finance Corporation to provide loan to Nigerian incorporated companies in the industrial sector (FGN, 1970). In addition, the Federal Loan Board was also established to provide modest financial aid to industrialists. All these developmental polices were geared towards increasing the capacity of manufacturing sector. However, Ekpo (2014) found out that there had been high cost of production resulting in non-competitiveness of Nigeria's manufactured goods in both domestic and foreign market. Manufacturing production had concentrated on light consumer goods instead of capital goods which sustain industrialization, and the performance of industrial sector especially manufacturing, by all indications, had been far below expectation. He concluded that these policies have not helped to actualise Nigeria‟s industrialization aspiration.

Ibietan and Ekhosuela (2012) discovered that development plans in Nigeria is not plausible because of poor coordination and harmonization of programmes and policies both during the tenure of the government that initiated it and the problem of succeeding government abandoning the plans. Another important thing to note is the method of implementation which the government has been adopting over time. Ibietan and Ekhosuela (2012) found out that there was a poor articulation among sectors and this showed in the aspect of acquiring inputs from critical domestic sector, but, rather the manufacturing sector is starved in terms of capital and intermediate inputs from a viable domestic market, which we make the sector to rely on foreign markets.

Onah (2006) argued that for development planning to be effective and efficient, it must take into cognizance recent and past economic development stance, a projected evaluation of its possible development trend over the futuristic years and some indication of the nation's natural, physical, human and financial resources. This buttress the point that that development planning is a going concern process and must be seen as a means to an end and not an end in itself.

Uma, Obidike, Chukwu, Kanu, Ogbuagu, Osunkwo and Ndubuisi (2019) identified challenges restricting the efficacy of the development plans and industrial policies which is mainly poor implementation programme. They also discovered that the manufacturing sector low contribution to economic activities is due to lack of indigenous technology, excessive reliance on foreign raw materials and technical manpower, inconsistencies in programmes and policies, lack of linkages in production among sectors. Their study strongly advocates for viable industrial policies adopted by South Korea as a panacea to manufacturing sector development.

3. Methodology

The paper adopted the analytical and trend analysis approached to achieve the objectives. This approach helps to present the issues in more explanatory perceptive and show the direction of the trend pattern, whether it is positive over time or not. Graphs and tables were used to analyse the

data over time. The trend analysis is divided into time series analysis and time dummy analysis. The dependent variable is manufacturing sector percentage contribution to real GDP (MGDP). The time ranges from 1961 to 2017, which is expressed mathematically as

$$MGDP = f(time) \quad (1)$$

Thus, presenting equation 1 in an econometric form

$$MGDP_t = \alpha_0 + \alpha_1 time + \mu_t \quad (2)$$

The dummy variable is defined as post-SAP era =1, or 0 otherwise, and this is expressed in an econometric form as

$$MGDP_t = \beta_0 + \beta_1 dum + e_t$$

Where MGDP is manufacturing sector percentage contribution to real GDP, time is the number of years under review (1961 to 2017), dum is the dummy variable and μ and e are the respective stochastic term. α_0 and β_0 are the respective constant values and α_1 and β_0 are the coefficients of each model. Note, the post-SAP era is from 1986 to 2017

4. Results and Discussion

4.1. Pre-SAP National Development Plans

The manufacturing sector is seen as the main component and represented up to 70% of industrial sector (Ojo, 2002). Therefore, most of the policies targeted to diversify the economy from oil sector to manufacturing sector in Nigeria have always been referred to as 'Industrial policies'. The Nigerian industrial policies have been directed towards providing agricultural raw materials needs of the advanced economies, particularly of Britain at the period of political independence in 1960 (Ekpo, 2014). Available data showed that the level of manufacturing sector activities in the country was very low compared to agricultural sector in early 1960s. The contribution of manufacturing sector revealed in Table 1 stood at 4.58% in 1960 and increased to 7.02% and 7.53 in 1965 and 1970 respectively. However, these figures were lower than that of agriculture, industry, trade and services. During this period, manufacturing firms are mostly owned and run by foreign companies such as the John Holt, Peterson Zonhonis (PZ), United Africa Company (UAC) Ltd., Societe‟ Commerciale de I‟Quest Africain (SCOA), Compagnie Francaise de I‟Afrique Occidentale (CFAO) and the Union Trading Company (U.T.C). These companies involved mostly trade and commerce. Their commercial activities are mainly to import and distribute foreign manufactured goods during the post-independence and pre-SAP period.

The first National Development Plan between 1962 and 1968, the Import Substitution Industrialisation (ISI), was introduced to conserve foreign exchange by producing local products that were previously imported. Import duty relief, accelerated depreciation allowances, and easy remission of profits were introduced to attract foreign investors (Chete, *et. al.*, 2014). The main objective of the ISI strategy was to stimulate the start-up and growth of industries, as well as enhanced indigenous participation (Chete, *et. al.*, 2014). The benefits of ISI is evident in the increase in manufacturing sector contribution real GDP from 7.02% to 8.17% in 1969, even though it fell to 7.53 in 1970. During this Plan, energy projects such as the Kanji Dam and the Ughelli Thermal Plants, which provided a vital infrastructural backbone for emerging industries, were constructed.

After the experience of 1967 to 1970 Civil War, the government embarked on National rebuilding enshrined in the three R's namely: Reconstruction, Rehabilitation and Reconciliation in the Second National Development Plan (1970–1974). Chete, *et. al.*, (2014) identitfied that "the post-war economy was dominated by the oil sector, arising from the unprecedented increase in the price of crude oil in the international market". The huge revenue gotten from the oil boom

enabled the government to embark on expansion in infrastructure and manufacturing, most of which was aimed at achieving ISI of foreign consumer goods and consumer durables. The Second National Plan witnessed a fundamental shift in policy from private to public sector-led industrialisation (Ekpo, 2014), and in 1973 the value of the manufacturing sector contribution real GDP increased and stood at 7.42% in 1974.

Indigenisation policy was implemented in 1973 and 1978 during the Third National Development Plan (1975–80). The Plan laid more emphasis on public sector investment in industry, with the objectives of increasing the level of local managerial control, building local technological capability, and extending state ownership. During this plan, the government introduced subsidies for public companies and corporations to ease the burden of cost-push inflation. The Nigerian Enterprises Promotion Act of 1977 was enacted to further support Nigerian local manufacturing firms and businesses. Although the Third National Plan was not fully actualised, but its gains led to local industry ownership by Nigerians. Chete, *et. al.*, (2014) revealed that the oil sector became vibrant and prosperous during the same period. This resulted to huge income inflow into the economy and as a result propensity to imports were on the high side, which led to the failure of the Plan to advance the course of industrial development in Nigeria in a positive way. The outcome of the high import demands resulted to low demand for Nigerian domestic manufacturing produced goods. This invariably, led to low manufacturing sector contribution to real GDP which stood at 5.38% in 1977. Before the end of 1978, the value shows an improvement and rose to 7.42% and later increased tremendously to 11.05% in 1980 during the Austerity Period.

The Fourth National Development Plan (1981–1985) was coined to be “the Austerity Period”. It coincided with a global economic recession which generated declining foreign exchange earnings, balance of payment disequilibrium, unemployment, and accelerating inflation in the Nigerian economy, decline in real output, and an upward review of excise duties, interest rates, and prices of petroleum products. The decline in output was mostly seen in the manufacturing sector, with its attendant challenges. Its value in 1980 fell grossly to 5.19 in 1984 and 5.99 in 1985. Forrest, (1993) discovered a reduction in the aggregate index of manufacturing value, and it was observed to decrease by 26% between 1982 and 1983.

The experience in the Fourth National Development Plan exposed weaknesses in Nigeria’s industrial planning and structure. These perceived weaknesses resulted to the adoption of the Structural Adjustment Programme (SAP) in 1986 (CBN, 2013). To reduce the high dependence of the economy on crude oil as the major foreign earner, by promoting non-oil exports, particularly manufactured goods was one of the main reasons for the introduction of SAP. Data showed that the contribution of the manufacturing sector to real GDP not only had declined, but lower than other real sector contributions to real GDP before the implementation of SAP. As a result, government introduced many other economic policies over time in different governmental regimes. Despite these efforts of the government to diversify, the performance of the manufacturing sectors is still low compared to other real sector.

TABLE 1: The Real Sector Percentage Contributions to Real GDP in Nigeria from 1960 to 1985

Year	Agriculture	Industry	Manufacturing	Construction	Trade	Services
1960	64.27	5.85	4.58	4.45	12.43	12.99

1961	62.12	6.89	5.10	4.63	12.43	13.92
1962	61.82	7.71	5.64	4.34	12.05	14.07
1963	61.50	8.10	6.02	4.19	12.80	13.41
1964	58.74	8.84	6.14	4.34	13.51	14.57
1965	55.36	11.78	7.02	5.15	13.30	14.40
1966	51.95	14.19	7.28	5.26	12.80	15.80
1967	53.73	14.00	7.52	5.37	13.18	13.72
1968	52.60	11.22	7.88	4.60	13.06	18.52
1969	47.45	16.27	8.17	5.20	12.76	18.33
1970	44.74	19.41	7.53	5.24	12.16	18.45
1971	42.10	21.46	6.53	6.62	11.55	18.28
1972	38.04	24.84	7.79	7.86	10.83	18.44
1973	34.06	26.68	8.90	8.09	10.84	20.34
1974	22.98	30.95	7.42	9.84	19.67	16.56
1975	28.11	27.47	4.37	7.11	21.05	16.26
1976	23.46	31.43	5.02	8.79	20.66	15.67
1977	23.48	30.46	5.38	9.49	21.48	15.09
1978	22.98	30.95	7.42	9.84	19.67	16.56
1979	20.15	36.28	8.68	9.28	19.31	14.99
1980	20.61	34.62	11.05	9.69	20.03	15.05
1981	28.26	43.40	6.74	4.08	13.92	10.34
1982	29.77	41.67	7.83	3.35	14.92	10.29
1983	31.79	38.78	5.82	3.17	15.66	10.59
1984	30.46	42.43	5.19	2.62	14.61	9.88
1985	32.70	42.33	5.99	1.65	13.87	9.45
1986	35.02	40.23	5.62	1.60	14.01	9.13

Source: The CBN Statistical Bulletin, 2009. Using 1990 constant basic prices.

4.2 Post-SAP National Development Plans

During the post-SAP era, more intensified effort we embarked by the government to diversify the economy. The implementation of SAP in Nigeria was between 1986 and 1993, after which the government adopted a policy of guided deregulation in the mid-1990s. Under this programme, attempts were made to curtail the extent of liberalisation under SAP and some of its setbacks. The issues of privatisation and commercialisation of public sector companies, especially industries built with the proceeds of oil sector in earlier 1970s and 1980s was given a closer look and new measures were suggested to improve the economy (Ekpo, 2014; Chete, *et. al.*, 2014). The trend in Figure 1 indicated that there is an improvement in the manufacturing sector contributiion to real GDP in 1986 with a value which stood at 9.01% in 1986 and slightly increased to 9.63% in 1989. This achievement was as a result of imposition of import bans on raw materials and encouraging import subsitutioin under the SAP (Nigeria Manufacturing Sector, 2014).

The change of governance from military to democracy in 1999 brought about a drastic policy reforms and structural change in the manufacturing sector and, generally, the economy. The role

of science and technology featured prominently between 1999 and 2007. Subsequently, The Bank of Industry (BoI) was established in 2000 to accelerate industrial development through the provision of long-term loans, equity finances, and technical assistance to industrial enterprises. The Small and Medium Industries Equity Investment Scheme was also set up to complement the developmental initiatives (Ekpo, 2014; Chete, *et. al.*, 2014). However, throughout the 1990s and 2000s, Nigeria continued to rely on the export of oil, allowing manufacturing sector to decline despite the policies, plans and programmes put in place. The value of the sector fell from 8.65% in 1990 to 6.05% in 2003. It slightly gained momentum in 2004 at 6.27% and continue to increase gradually. Before the end of 2014, it increased to 9.95% due to another strategic reformation, which was set up in 2004 under the National Economic Empowerment and Development Strategy (NEEDS).

The Seven Point Agenda (SPA) introduced by the government in 2007 complimented the NEEDS. The Agenda extended on the progress made by NEEDS and itemised seven specific sectoral targets for which the agenda of NEEDS are to be achieved in an articulated development planning framework foreseen to make Nigeria one of the 20 largest economies in the world by the year 2020 (Chete, *et. al.*, 2014; NPC 2009). Similarly, the current economic policy has been anchored on the Nigeria Vision 20:2020, which embraces elements of science, technology, and innovation (STI), and also in accordance with the Sustainable Development Goals (SDGs).

The trend in Figure 2 showed that the manufacturing sector contribution to real GDP was below most of the real sector output contributions to real GDP, except construction. The movement of manufacturing sector contribution to real GDP was below 10% over the period. This indicated that the sector has not been able to harness its potentials in productivity and innovation despite all these plans and reforms. From the argument of Verdoorn's law of manufacturing productivity, Verdoorn (1949), the low contribution of this sector is virtually as a result of low productivity in the sector. Figure 3 further showed that manufacturing growth rates has not been optimal. The sector recorded a recesssion between 1992 and 1998. In 1992 the growth rate stood at -3.87%, while in 1998 it was -12.26%. The recesion in the sector was also recorded between 2015 and 2016 with a growth rates of -2.16 and -4.32% respectively. The data clearly showed that diversification efforts by the government is not eivident in the extent manufacturing sector contributes to real sector.

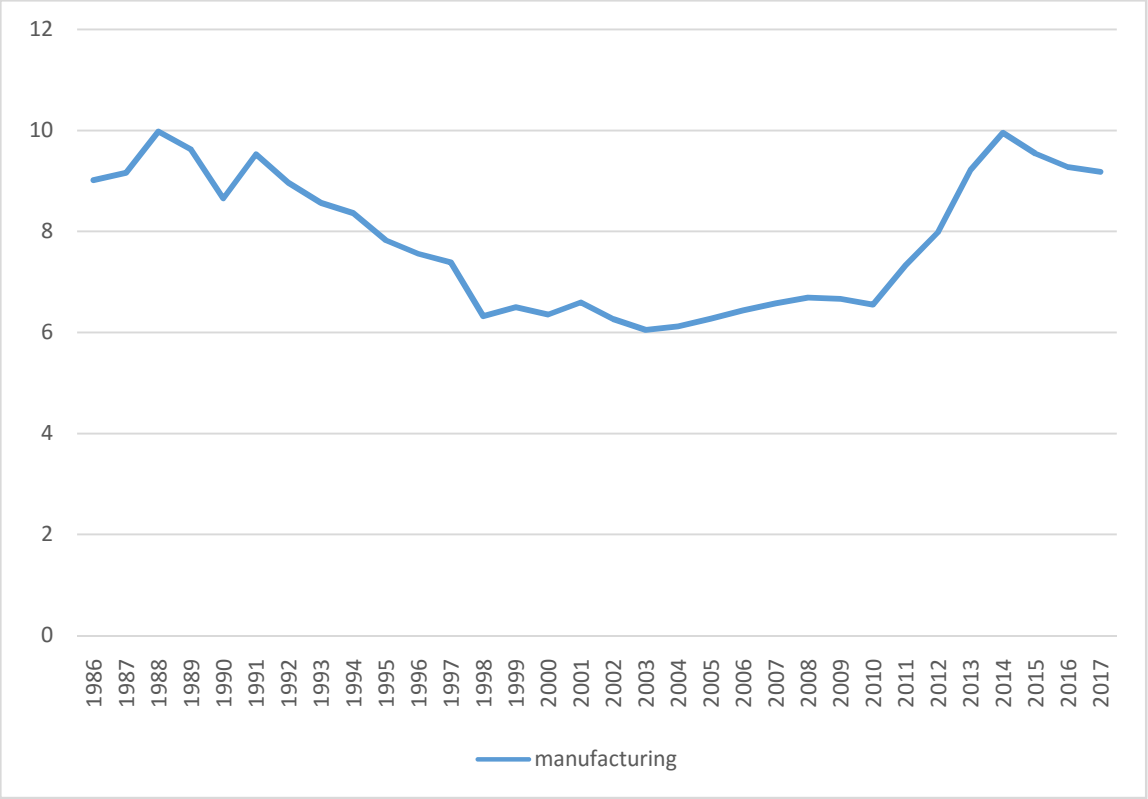
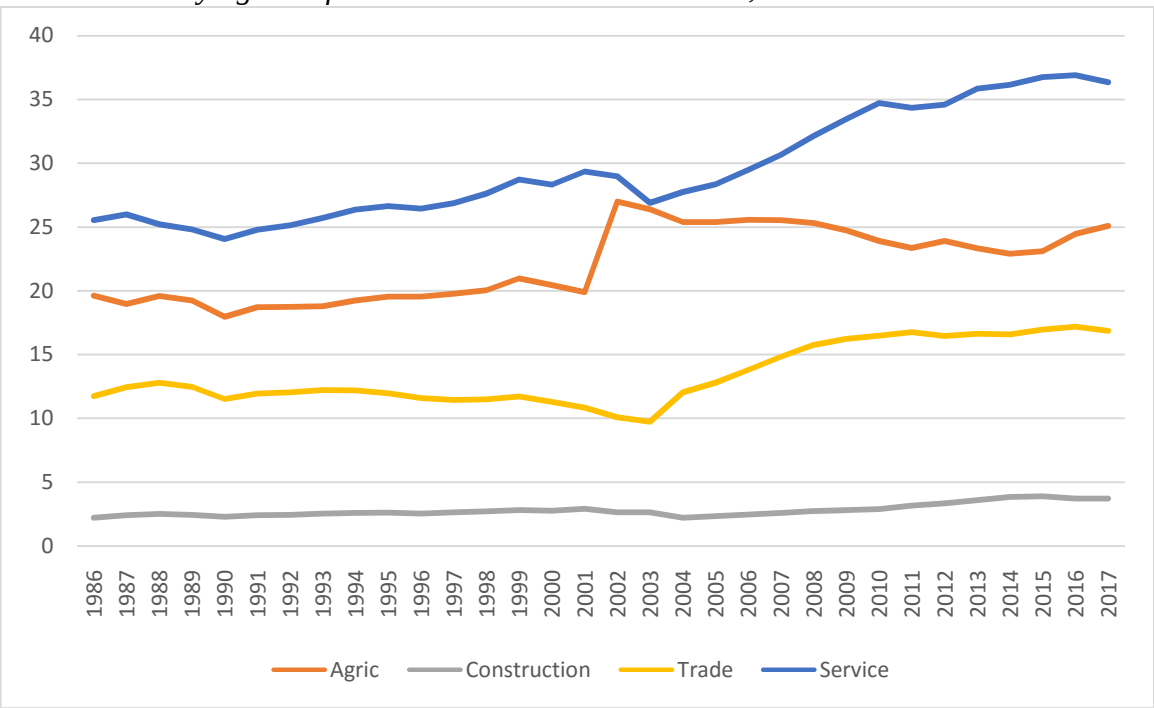


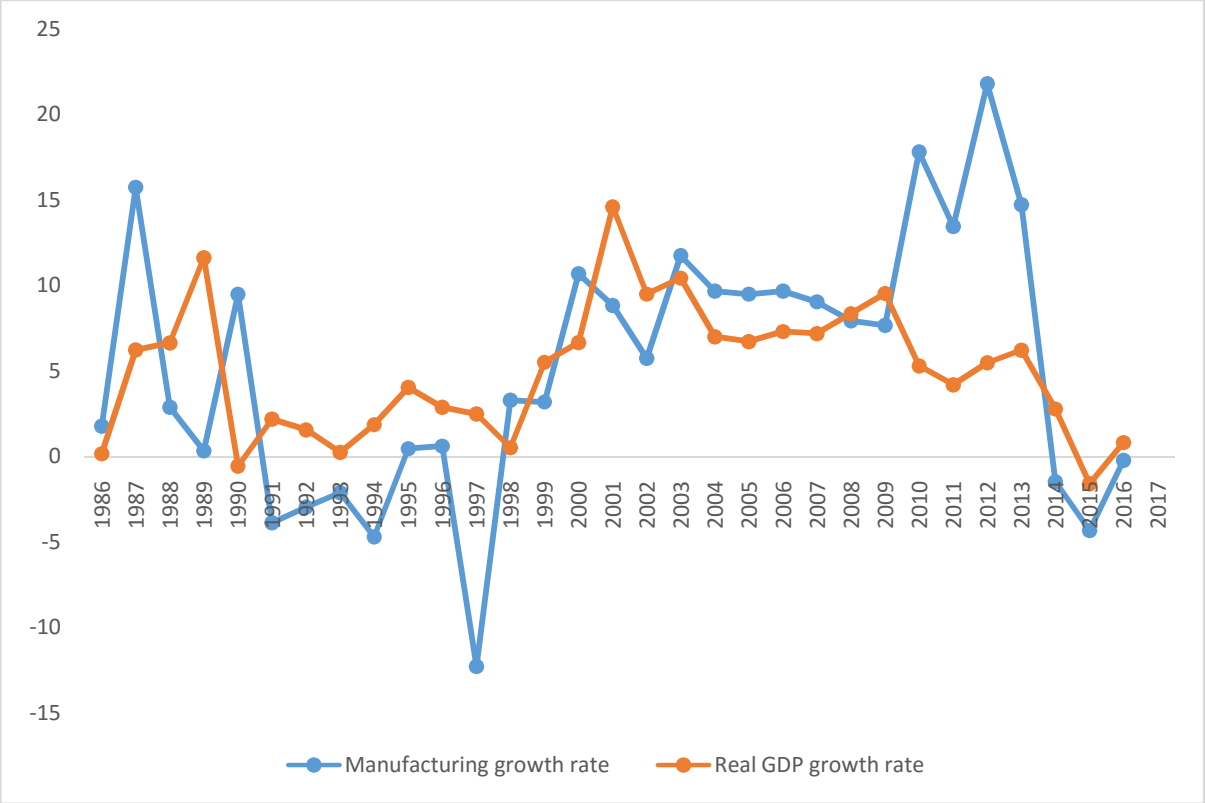
Figure 1: The Manufacturing Sector Percentage Contributions to Real GDP in Nigeria from 1986 to 2017

Source: Underlying data from the CBN Statistical Bulletin, 2017.



Source: Underlying data from the CBN Statistical Bulletin, 2017.

Figure 2: Other Real Sector Percentage Contributions to Real GDP in Nigeria from 1986 to 2017



Source: Underlying data from the CBN Statistical Bulletin, 2017.

Figure 3: Growth Rates of Manufacturing Sector and Real GDP in Nigeria from 1986 to 2017

4.3. Manufacturing Sector Share to Import and Export

The manufacturing sector contribution to import and export is shown in Table 2. In 1961, the manufacturing sector accounted for 5.5% of merchandise export and 74.4% of merchandise import. This implies that about 74% of import are manufactured products and this is inimical to the growth of the sector, which also has serious negative implication to attain diversification. In 1966 the sector share of merchandise import declined by 4% and it continued to decline till 1996. In 2010, the manufacturing sector accounted for 6.7% of merchandise export, the increase was as a result of the targets of the post SAP periods policies and national plans in the aspect of reducing dependence on import and promotion of local value-added and diversifying exports.

However, the manufacturing sector import share in merchandise import increased from 74% in 1961 to 83% in 1970, although declined marginally from 83% in 1970 to 71.9% in 2006. The value rose again to 86.4% in 2010 and reduced drastically to 51.6% in 2017. The reduction in manufacturing sector import share in merchandise import does not improve its export neither. The data further revealed the country's high taste for foreign product, which has contributed to the low manufacturing sector contributions to real GDP over the years has shown in table 3. Another implication of this data is that local industries will be less competitive both locally and globally. The table reveals generally that the manufacturing sector contributes very little to exportation in the economy and more manufactured goods are been imported.

The summary of the manufacturing sector contribution to real GDP indicates further that manufacturing sector over the years has not gained any significant improvement despite the

effort of the various governments to strengthen its production in an attempt to achieve diversification. Table 3 showed that the pre-SAP (1961 to 1985) era value is 6.81%, while the SAP era (1986 to 1998) is 8.53% and the post-SAP/NEEDS/Vision 20:2020 Periods is 7.35%. among these the SAP era recorded the highest and this is due to the fact that manufacturing import was drastically reduced to give indigenous manufacturing firms more leverage. Additionally, the early stage of SAP implementation yielded positive outcome which improve the productivity of manufacturing sector (0nyejiuwa, 2019).

Table 2: Manufacturing Sector Share in Foreign Trade from 1961 to 2017

Year	Manufacturing export (% of merchandise export)	Manufacturing import (% of merchandise import)
1961	5.56408	74.40567
1966	1.273417	83.04793
1970	0.723893	83.09339
1974	0.194539	82.08792
1978	0.171715	81.50889
1983	0.02533	73.32906
1991	0.697193	66.84454
1996	1.111913	77.22251
2000	0.206996	75.01965
2006	1.33796	71.87647
2010	6.685777	86.44984
2017	2.159326	51.57113

Source: World Development Indicators, 2017.

TABLE 3: Summary of National Development Plans and Policies and Manufacturing Contribution to Real GDP at Different Periods

Period	Policies	Objectives/Targets	AVMG
1960-1985	Pre-SAP Periods policies and plans. E.g. Import Substitution Industrialization (ISI), 2nd, 3rd and 4th National Plans	⁾ Overvalued exchange rate system-fixed peg; ⁾ Non-tariff barriers to trade. e.g. import licensing and implicit foreign exchange rationing; ⁾ Active government involvement in manufacturing industries; and ⁾ Low and Stable inflation and interest rate.	6.81%
1986-1998	Structural Adjustment Period (SAP)	⁾ liberalization into manufacturing sector; ⁾ Bilateral trade agreements; ⁾ Elimination of quantitative trade restriction and exchange rationing; ⁾ Privatisation of State-Owned enterprises; ⁾ Introduction of Export processing zones; ⁾ Liberalization of the financial sector and interest rates; and	8.53%

		⁾ *Period devaluation of the local currency and* liberalization of interest rates.	
1999-2017	Post-SAP/NEEDS/Vision 20:2020 Periods	⁾ Promotion of local value-added and diversifying exports; ⁾ Imposition of high import tariffs on finished goods; ⁾ Gradual Liberalisation trade policy regime; ⁾ Promotion of science, technology, and innovation (STI) ⁾ Diversification of the economy ⁾ Reduce he dependence on imports; ⁾ Improve the economy generally.	7.35%

Source: computed by author based on data from Central Bank of Nigeria statistical Bulletins of various issues. *AVMG means Average Manufacturing sector output % contribution to GDP.*

4.4. Trend Analysis Results and Discussion

Table 4 presented the time series and the time dummy analyses. The coefficient of the time series (0.02) showed a positive and significant relationship with manufacturing sector % contribution to real GDP (MGDP). The result indicate strongly that MGDP increases over the years. However, the low coefficient value suggest that the positive trend movement is very minimal. That is, MGDP increase every year on the average of 0.02%. Therefore, in 100 years, MGDP would have added just 2% despite the huge efforts of government. The slow pace of significant improvement of MGDP is a clear indication that diversification attainment through these national development plans and policies is yielding results in a very minute way. Considering the time dummy analysis, the results revealed that policies and programs during the post-SAP era is more effective than the pre-SAP era. A positive and significant dummy coefficient value of 0.93 showed a strong positive relation of post-SAP era with MGDP. This suggest strongly that the national plans and policies during this era is more effective than the latter and should be given more attention.

Table 4: Trend Analysis of Manufacturing Sector Contribution to Real GDP

Variables	Time series Results	Time Dummy analysis
Time	0.02* (1.81)	
Dummy		0.93* (2.46)
Constant	-34.53 (-1.49)	6.90* (24.32)
F-statistic	3.3*	6.04*
R^2	0.06	0.1
Durbin-Watson	0.6	0.6

*Source: Eviews 10. * denotes significant at 5 % level, while values in parenthesis are t-statistics.*

5. Nigerian Industrial Revolution Plan (NIRP)

Historically, development is anchored on industrialisation in most developed countries. For instant, Great Britain industrial revolution led to the transit of their economy from low production to increase in production. Nigeria on several occasion has made attempt to industrialising her economy with different development plans. However, the failure of this plans

gave rise to the Nigerian Industrial Revolution Plan (NIRP) which was proposed in 2014 during President Goodluck Jonathan's administration. The NIRP is a 5-year plan designed to develop industrial capacity within Nigeria. The plan aims to increase manufacturing contribution to GDP from 4% in 2015 to 6% by 2015 and finally 10% by 2017. The plan is set to drive intense industrialisation in sectors where Nigeria has comparative Advantage such as agro-allied sectors, metals and solid minerals related sectors: as well as construction, light manufacturing and services.

The plan is expected to drive the following: Job Creation, Economic and Revenue Diversification, Import Substitution, Export Diversification, and Broadened government tax bases

Unfortunately, as comprehensive and holistic as the plan seems, it has not been implemented since its inception in 2014. However, the present government set up a committee in consideration of its relevance to industrial development in January 2019 in order to look at possible implementation of the plan. Nevertheless, the implementation has been delayed.

6. Conclusion

The various National Development Plans has showed in the study that its benefit has not been fully enhanced and its impact on manufacturing sector is low. The paper revealed that the extent manufacturing sector contribute to real economic activity in Nigeria is very minimal and over the years it value is below 10%. The drive to achieve diversification through this plans and policies has not be achieved and many factors has been argued to be the impeded cause. More so, delay in policy implementation is one of the serious challenges that lead to non-viable development programs and plans in Nigeria that would have driven the attainment of diversification to more productive sector. Therefore, implementation of the NIRP document has huge enhancing capacity to develop the manufacturing sector. Thus, the conscious effort by the government to transform the sector through viable industrial policy will definitely yield its return in high propensity and diversify the economy. Hence, this study strongly recommend that the NIRP document should be judiciously implemented. Additionally, the government to adopt a multi-sector approach to planning and implementation of development plans, programmes and policies, through harmonisation of planning initiatives in order to reduce the problems associated with plan implementation.

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