ANALYSIS OF OIL PRICE, EXCHANGE RATE, AND ECONOMIC GROWTH NEXUS IN NIGERIA

[1]SHIEKUMA JOHN KAVKAV
Department of Economics, Faculty of Management Sciences, Nigeria Defence Academy, Kaduna
kavkavshiekuma@gmail.com; +2347034517194

[2]ILEMOBOLA SOLOMON OYEFABI
Department of Economics, Faculty of Management Sciences, Nigeria Defence Academy, Kaduna
is.oyefabi@gmail.com; +2347039045055

[3]KAFAYAT ADEBIMPE ADESHINA.
Department of Business Administration, Kaduna Polytechnic.
kafayatade@kadunapolytechnic.edu.ng; +2348033496677

[4]RAHMATU AHMAD TINAU.
Department of Business Administration, Kaduna polytechnic.
rahmatuahmad@kadunapolytechnic.edu.ng; +2348063957082

ABSTRACT
This study examines the nexus between oil price, exchange rate volatility, and economic growth in Nigeria using the Fully Modified Ordinary Least Squares (FMOLS) estimation technique. The findings reveal that exchange rate volatility has a statistically significant negative impact on economic growth, highlighting the adverse effects of currency fluctuations on macroeconomic stability. Inflation also negatively affects GDP, though its impact is statistically insignificant. Conversely, oil price movements exert a significant positive influence on economic growth, underscoring Nigeria's dependence on crude oil revenue. Interest rates also have a significant positive effect, suggesting that stable financial conditions contribute to economic expansion. However, trade openness does not significantly explain GDP variations. The Johansen cointegration test confirms the existence of a long-run relationship among these macroeconomic variables. Based on these findings, policymakers should prioritize exchange rate stabilization through sound foreign exchange policies, increased foreign reserves, and export diversification to mitigate the negative effects of currency volatility. Furthermore, the government should implement strategic policies for managing oil revenues by investing in critical sectors such as infrastructure, education, and healthcare to ensure long-term economic resilience beyond oil dependency. Institutional reforms aimed at improving governance, reducing corruption, and enhancing resource allocation efficiency are also essential for fostering sustainable economic growth.

Keywords: Oil price, exchange rate volatility, economic growth, inflation, interest rate, trade openness, FMOLS, Nigeria
**JEL Codes**: E31, E43, F31, F41, Q43, C22.

1. INTRODUCTION

The oil and gas sector remain the cornerstone of Nigeria's economy, accounting for approximately 90% of foreign exchange earnings and over 60% of total government revenue as of 2024 (CBN, 2025; World Bank, 2025). Despite efforts to diversify the economy, Nigeria's macroeconomic performance continues to exhibit strong dependence on global oil market dynamics. This dependence has heightened the economy's vulnerability to external shocks, particularly fluctuations in crude oil prices and exchange rates. Recent episodes of global oil

price volatility such as the 2020 COVID-19 pandemic-induced crash and the 2022–2023 Russia-Ukraine conflict-induced surge have had profound and asymmetric effects on Nigeria's economic performance, intensifying inflationary pressures, widening fiscal deficits, and weakening the naira (IMF, 2024; Iwueseter-Natu et al., 2025).

Empirical research has increasingly focused on the interplay between oil price movements, exchange rate volatility, and economic growth in oil-dependent economies like Nigeria. Studies by Ojinnaka et al (2025) and Ibrahim (2025b) demonstrate that oil price shocks significantly impact exchange rate behavior and, by extension, macroeconomic stability. Similarly, Achilike et al. (2025) found that persistent exchange rate fluctuations exacerbated by declining oil revenues have undermined investor confidence and economic output in Nigeria.
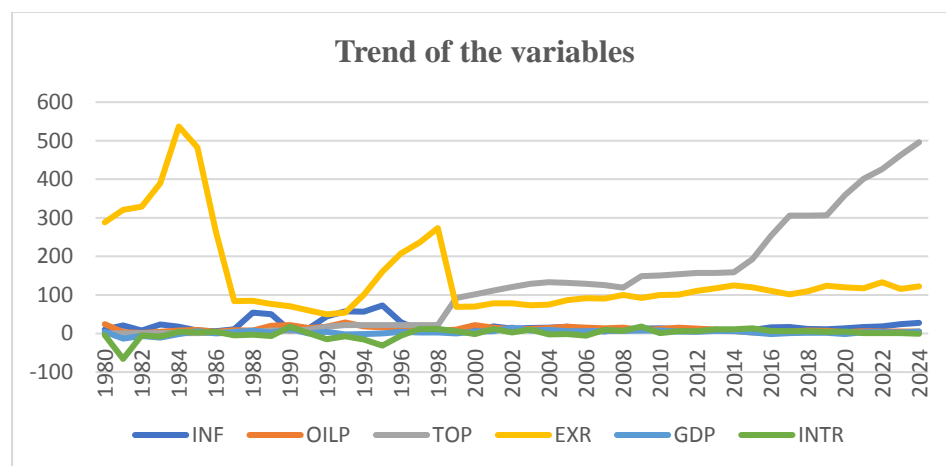
However, while several of these studies have explored bivariate or sector-specific relationships, there remains a methodological gap in capturing the long-run equilibrium effects of oil price volatility and exchange rate dynamics on overall economic growth using advanced cointegration techniques.

Moreover, with Nigeria's official exchange rate transitioning towards a managed float system and inflation averaging over 20% in 2024, the highest in two decades (NBS, 2025). Understanding the macroeconomic implications of external shocks has become even more urgent. The volatility of the naira against the U.S. dollar, coupled with global monetary tightening and fluctuating oil demand from China and India, further compounds the complexity of policy responses required to maintain economic stability.

Motivated by these developments, this study seeks to empirically examine the long-run relationship between oil price, exchange rate, and economic growth in Nigeria from 1980 to 2024. Specifically, it employs the Fully Modified Ordinary Least Squares (FMOLS) estimation technique to address cointegration among the variables. By employing robust econometric method, this research aims to contribute to the policy discourse on enhancing Nigeria's economic resilience in the face of global uncertainties.

The remainder of the paper is organized as follows: Section 2 presents the theoretical and empirical literature underpinning the study. Section 3 outlines the methodology, data sources, and estimation techniques employed. Section 4 discusses the empirical results and their policy implications. Finally, Section 5 concludes the paper and provides recommendations for policymakers and stakeholders.

2. LITERATURE REVIEW
2.1 Conceptual Review
According to Iwueseter-Natu et al. (2025), oil price refers to the international market value of crude oil, typically denominated in U.S. dollars per barrel, and is primarily influenced by global demand-supply dynamics, geopolitical tensions, and OPEC production decisions.

Ibrahim (2025b) explains exchange rate as a key macroeconomic variable that mediates the transmission of external shocks, particularly in countries exposed to oil price fluctuations.

As stated by Ojinnaka et al. (2025), economic growth is the expansion of economic activity measured by the rise in real output of goods and services, often driven by capital accumulation, labor productivity, and policy effectiveness.

2.2 Empirical Review
Empirical research has extensively explored the relationship between oil prices, exchange rate fluctuations, and economic growth across various economies. Achilike et al. (2025) examined the impact of crude oil price volatility on exchange rate movements and employment generation in Nigeria using the Autoregressive Distributed Lag (ARDL) model. Their findings revealed a strong link between oil price shocks and exchange rate fluctuations, which subsequently influence employment levels and economic stability. However, the study primarily focused on employment generation, leaving gaps in understanding the broader implications for economic growth.

Similarly, Anabori et al. (2024) analyzed the effects of oil price volatility on economic growth in Sub-Saharan Africa using the Generalized Method of Moments (GMM) estimator. Their results indicated that oil price fluctuations significantly drive exchange rate volatility, contributing to economic instability in oil-dependent economies. Nevertheless, their regional analysis did not account for country-specific policy measures that could mitigate these effects. Mwiya et al. (2024) assessed the impact of exchange rate volatility on Zambia's economic growth through ARDL and Nonlinear ARDL (NARDL) models. Their study demonstrated that exchange rate fluctuations influence economic performance in both the short and long run. While their methodology captured asymmetric effects, it did not consider external factors such as global oil price trends that could amplify exchange rate instability.

In Nigeria, Ibrahim (2025b) applied a Structural Vector Autoregression (SVAR) model to investigate the asymmetric impact of oil price shocks on GDP and exchange rate movements. The study found that negative oil price shocks exert a more severe adverse effect on the economy compared to positive shocks. However, it did not examine the role of monetary and fiscal policies in mitigating exchange rate volatility.

Also, Obi-Nwosu (2024) explored the impact of exchange rate fluctuations on economic growth in Nigeria from 2001 to 2022 using a Vector Error Correction Model (VECM). The study concluded that exchange rate instability discourages investment and dampens economic growth prospects. Despite these valuable insights, the research did not incorporate global economic trends that might influence exchange rate volatility in Nigeria.

Furthermore, Oladipo et al. (2024) investigated the influence of selected macroeconomic variables, including oil prices and exchange rates, on Nigeria's economic growth using a Panel Autoregressive Distributed Lag (PARDL) model. Their findings indicated that oil price volatility and exchange rate fluctuations significantly affect GDP growth. However, the study did not assess how different economic sectors respond to oil price and exchange rate shocks.

A notable methodological gap in the existing literature is the limited use of estimation techniques that effectively address endogeneity, serial correlation, and long-run equilibrium relationships between oil prices, exchange rate fluctuations, and economic growth. Many prior studies have relied on conventional regression models, ARDL, or NARDL, which may not

fully capture long-term interactions and potential feedback effects. To bridge this gap, this study will adopt the Fully Modified Ordinary Least Squares (FMOLS) approach, which provides efficient and unbiased estimates in the presence of cointegration, corrects for endogeneity, and ensures robust inference in analyzing the long-run dynamics between oil prices, exchange rates, and economic growth in Nigeria.

3. METHODOLOGY

3.1 Theoretical Framework

Several economic theories provide conceptual insights into the relationship between oil prices, exchange rate volatility, and economic growth. One of the most prominent is the Balance of Payments (BOP) Theory, which posits that fluctuations in oil prices significantly impact a country's current account and overall trade balance, thereby influencing the exchange rate and economic stability. In the context of Nigeria, where oil exports dominate foreign exchange earnings, rising oil prices typically lead to currency appreciation and improved macroeconomic performance, while falling oil prices cause currency depreciation and fiscal strain.

Another relevant theory is the Dutch Disease Theory, which explains how a boom in natural resource exports, such as crude oil, can lead to an appreciation of the real exchange rate. This, in turn, undermines the competitiveness of non-oil sectors like agriculture and manufacturing, resulting in deindustrialization and slower long-term growth. This theory is particularly applicable to Nigeria, where increased oil revenue has often coincided with neglect of the productive sectors.

The Terms of Trade (ToT) Theory also suggest that fluctuations in global oil prices can affect a country's terms of trade, the ratio of export prices to import prices which has direct implications for national income and exchange rate dynamics. For a commodity-dependent economy like Nigeria, a decline in oil prices worsens the terms of trade, weakens the exchange rate, and negatively affects economic growth.

Moreso, the endogenous growth Theory emphasizes the role of internal factors such as innovation, human capital development, and policy frameworks in driving long-term economic growth. It provides a broader view of how external shocks, such as oil price volatility and exchange rate movements, interact with domestic institutional quality and policy responses to influence the growth trajectory.

While all four theories offer valuable perspectives, this study is best anchored on the Balance of Payments Theory. This is because it provides the most direct link between oil price movements, exchange rate volatility, and macroeconomic performance, which aligns closely with the core objectives of this research. Given Nigeria's strong dependence on oil exports and the exchange rate's sensitivity to external shocks, the BOP framework serves as the most appropriate lens for analyzing the long-run dynamics among oil prices, exchange rates, and economic growth.

3.2 Model Specification

To empirically analyse the relationship among these variables, this study adopts the model of Amer et al 2024 stated as;

$$GDP_t = f(OILP_t, EXR_t, INF_t, INTR_t, TOP_t)$$

The choice of the model adopted from Amer et al. (2024) in this study is justified based on both theoretical soundness and empirical relevance to Nigeria's macroeconomic context. The model specifies a functional relationship between economic growth (GDP) and key macroeconomic variables: oil price (OILP), exchange rate (EXR), inflation (INF), interest rate (INTR), and trade openness (TOP). Each of these variables has been widely recognized in the literature as a significant determinant of economic growth, particularly in resource-dependent developing countries such as Nigeria.

This can be expressed in an econometric form as:
$$GDP_t = \alpha + \beta_1 OILP_t + \beta_2 EXR_t + \beta_3 INF_t + \beta_4 INTR_t + \beta_5 TOP_t + \varepsilon_t$$
where:
$$GDP_t = \alpha + \beta_1 OILP_t + \beta_2 EXR_t + \beta_3 INF_t + \beta_4 INTR_t + \beta_5 TOP_t + \varepsilon_t$$
GDP_t represents economic growth at time t
$OILP_t$ denotes oil price at time t
EXR_t represents the exchange rate at time t
INF_t is the inflation rate at time t
$INTR_t$ denotes the interest rate at time t
TO_t represents trade openness at time t
ε_t: Error term
α: is the intercept.
$\alpha, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ are the coefficients for each independent variable, capturing their respective impacts on economic growth.

3.2 Technique of Data Analysis
This study used the FMOLS to estimate the model. The Fully Modified Ordinary Least Squares (FMOLS) estimator, developed by Phillips and Hansen (1990), is particularly well-suited for estimating long-run relationships in cointegrated time series data. It offers several advantages over alternative approaches such as Dynamic OLS (DOLS), the Autoregressive Distributed Lag (ARDL) model, and traditional Ordinary Least Squares (OLS) regression, particularly in addressing the econometric challenges common in macroeconomic data.
FMOLS corrects for endogeneity and serial correlation by making semi-parametric adjustments to the OLS estimator. This is crucial in macroeconomic studies involving variables such as oil prices, exchange rates, and GDP, which often exhibit feedback effects and dynamic interactions. In contrast, traditional OLS and even ARDL models do not adequately address endogeneity in the presence of cointegration, potentially leading to biased and inconsistent estimates.

4. PRESENTATION OF RESULTS AND DISCUSSION OF FINDINGS
Table 1:
Result of the Unit Root

Variables	Level		First Difference		Status
	ADF Value	Probability	ADF Value	Probability	
GDP	-2.920903	0.0512	-12.35552	0.0000	I(1)
OILP	-1.655874	0.4458	-7.871757	0.0000	I(1)
EXR	-2.054077	0.2637	-4.611028	0.0006	I(1)
INF	-3.184435	0.0277	-6.196627	0.0000	I(I)
INTR	-4.866189	0.2402	-5.435026	0.0001	I(1)
TOP	3.631930	1.0000	-4.103307	0.0025	I(1)

Source: Authors' computation using EViews version 12, 2025

The unit root test results in Table 1 reveal the stationarity properties of the variables using the Augmented Dickey-Fuller (ADF) test. The findings indicate that all variables; GDP, Oil Prices (OILP), Exchange Rate (EXR), Interest Rate (INTR), Trade Openness (TOP), and Inflation (INF) are non-stationary at their levels, as their probability values exceed the 0.05 significance threshold. However, after first differencing, they become stationary, confirming that they are integrated of order one, I(1).

Table 2:
Result of Johanson Cointegration Test

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.817612	175.4131	95.75366	0.0000
At most 1 *	0.584198	102.2436	69.81889	0.0000
At most 2 *	0.511209	64.50909	47.85613	0.0007
At most 3 *	0.372951	33.72879	29.79707	0.0168
At most 4	0.175588	13.65937	15.49471	0.0928
At most 5 *	0.117128	5.356728	3.841465	0.0206

Trace test indicates 4 cointegrating eqn(s) at the 0.05 level
 * denotes rejection of the hypothesis at the 0.05 level
 **MacKinnon-Haug-Michelis (1999) p-values
Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.817612	73.16956	40.07757	0.0000
At most 1 *	0.584198	37.73449	33.87687	0.0165
At most 2 *	0.511209	30.78029	27.58434	0.0188
At most 3	0.372951	20.06943	21.13162	0.0699
At most 4	0.175588	8.302640	14.26460	0.3488
At most 5 *	0.117128	5.356728	3.841465	0.0206

Max-eigenvalue test indicates 3 cointegrating eqn(s) at the 0.05 level
 * denotes rejection of the hypothesis at the 0.05 level
 **MacKinnon-Haug-Michelis (1999) p-values

The Johansen cointegration test results in Table 2 indicate that the Trace statistic identifies four cointegrating equations at the 5% significance level, confirming the existence of a long-run relationship among the variables. This implies that despite short-term fluctuations, the variables move together over time. The rejection of the null hypothesis at multiple levels further reinforces the presence of strong cointegration.

Similarly, the Maximum Eigenvalue statistic detects three cointegrating equations at the 5% significance level, supporting the existence of long-run equilibrium relationships, though with slightly fewer cointegrating equations compared to the Trace test.

Both tests validate the presence of a long-run association among oil prices, exchange rates, inflation, interest rates, trade openness, and GDP. These results justify the application of the Fully Modified Ordinary Least Squares (FMOLS) technique, as it effectively captures the long-term equilibrium dynamics among cointegrated variables.

Table 3:
Result of FMOLS

Variable	Coefficient	Std. Error	t-Statistic	Prob.
EXR	-0.015388	0.006727	-2.287558	0.0278
INF	-0.059292	0.045117	-1.314192	0.1967
INTR	0.161164	0.051239	3.145321	0.0032
OILP	0.271878	0.132719	2.048519	0.0475
TOP	0.004575	0.005527	0.827704	0.4130
C	3.106499	2.766317	1.122973	0.2685
R-squared	0.753402	Mean dependent var	3.095347	
Adjusted R-squared	0.748060	S.D. dependent var	5.206328	
S.E. of regression	3.902801	Sum squared resid	578.8106	
Long-run variance	13.77139			

Source: Eviews version 12, 2025

The results from the Fully Modified Ordinary Least Squares (FMOLS) estimation presented in Table 3 provide insightful evidence on the long-run impacts of key macroeconomic variables—exchange rate, inflation, interest rate, oil price, and trade openness on Nigeria's economic growth (GDP). The analysis highlights both the direction and strength of these relationships, offering policy-relevant implications.

The exchange rate coefficient is negative (-0.015388) and statistically significant at the 5% level (p = 0.0278), indicating that depreciation of the naira adversely affects economic growth. This aligns with theoretical expectations, particularly in a heavily import-dependent economy like Nigeria. A weaker exchange rate increases the domestic cost of imported capital goods, raw materials, and intermediate inputs, thereby raising production costs and discouraging investment. Furthermore, exchange rate instability creates uncertainty in trade and investment decisions, undermining long-term economic planning. The significance of this finding reflects Nigeria's structural vulnerability to exchange rate volatility, particularly in the post-2020 period when oil price shocks and capital flight intensified pressure on the foreign exchange market.

Inflation, with a negative coefficient (-0.059292), is consistent with the view that rising price levels erode purchasing power, reduce real incomes, and increase production costs. However, its statistical insignificance (p = 0.1967) suggests that inflation does not exert a strong long-run effect on GDP, possibly due to Nigeria's long-standing inflationary environment where businesses and households may have adapted through informal hedging mechanisms. Moreover, the central bank's accommodative monetary policies in recent years might have reduced the transmission effect of inflation on real output, at least in the long run. Nonetheless, the persistent nature of cost-push inflation driven by fuel subsidies removal and food price volatility should not be ignored, as it can indirectly affect welfare and productivity.

The interest rate coefficient is positive (0.161164) and highly significant (p = 0.0032), suggesting that higher interest rates contribute positively to economic growth. This may appear counterintuitive in traditional Keynesian models where higher rates dampen investment. However, in the Nigerian context, this result may reflect improved financial intermediation, where rising rates enhance savings mobilization, deepen the financial system, and channel funds to productive investment. It may also capture recent regulatory efforts by the Central Bank of Nigeria (CBN) to improve credit access and reduce inefficiencies in the banking sector, which in turn supports private sector-led growth.

The oil price coefficient is strongly positive (0.271878) and statistically significant (p = 0.0475), reaffirming Nigeria's structural dependence on crude oil exports as a growth driver. Higher global oil prices increase government revenue, foreign exchange earnings, and public investment—factors that directly stimulate GDP growth. This finding is consistent with recent periods of economic recovery post-COVID-19 and during the 2022–2024 oil market rebound, when elevated crude prices helped ease fiscal constraints and supported infrastructural development. However, this heavy reliance on oil poses long-term sustainability concerns, especially in light of the global energy transition and Nigeria's challenges in diversifying its economic base.

In contrast, trade openness shows a weak and statistically insignificant effect on GDP (coefficient = 0.004575, p = 0.4130), indicating that liberalized trade has not translated into significant long-run economic gains. This could be attributed to structural barriers such as inadequate infrastructure, poor export diversification, and weak competitiveness of Nigerian products in global markets. Despite trade reforms and regional integration efforts (e.g., AfCFTA), the country's trade regime remains characterized by high import bills, especially for consumer goods, without corresponding export growth. This imbalance limits the growth-enhancing potential of open trade.

The model's R-squared value of 0.7534 and adjusted R-squared of 0.7481 indicate strong explanatory power, confirming that the selected macroeconomic variables jointly explain over 75% of the variations in Nigeria's GDP. This reinforces the robustness of the model and the relevance of these indicators in shaping the country's economic trajectory.

When compared with existing literature, the findings resonate with Obi-Nwosu (2024), who emphasized the negative impact of exchange rate depreciation on output. The strong positive role of oil prices corroborates the studies by Achilike et al. (2025) and Anabori et al. (2024), highlighting oil's centrality in macroeconomic performance. However, the insignificant inflation effect challenges Oladipo et al. (2024), who posited a substantial inflation-growth trade-off. The positive impact of interest rates contrasts with Ibrahim (2025b), who found that high rates discourage investment; this divergence may reflect institutional improvements in Nigeria's financial markets or differences in data coverage and methodology.

The weak role of trade openness, though divergent from classical growth theories, is plausible in light of Nigeria's trade inefficiencies and suggests that mere liberalization without structural reforms is insufficient for promoting growth. The results thus underscore the need for holistic trade, fiscal, and monetary policies aimed at addressing macroeconomic volatility, deepening financial markets, and diversifying the production and export base.

Post Estimation Diagnostic Test
Figure 1. Result of Normality Test
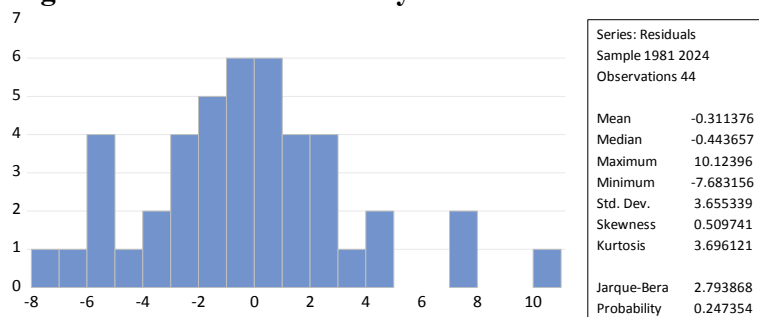
Source: Eviews version 12

Since the p-value (0.2474) is greater than 0.05, we fail to reject the null hypothesis of normality. This suggests that the residuals of the model are normally distributed, implying that the model satisfies one of the key assumptions for valid statistical inference in regression analysis. The

histogram also visually supports this conclusion, as it appears roughly symmetric with a bell-shaped pattern.

Table 4:
Result of Autocorrelation

Autocorrelation	Partial Correlation		AC	PAC	Q-Stat*	Prob
.*|. |	.*|. |	1	-0.196	-0.196	1.8079	0.179
. |*. |	. |. |	2	0.081	0.044	2.1212	0.346
. |*. |	. |*. |	3	0.133	0.164	2.9981	0.392
.*|. |	.*|. |	4	-0.198	-0.157	4.9918	0.288
. |. |	. |. |	5	0.042	-0.049	5.0817	0.406
. |. |	. |. |	6	-0.029	-0.020	5.1277	0.528
.*|. |	. |. |	7	-0.099	-0.064	5.6632	0.580

*Probabilities may not be valid for this equation specification.
Source: Eviews Version 12

Table 5
Heteroskedasticity Test (White Test - No Cross Terms)

Test Statistic	Value	Df	Prob.
F-statistic	2.129	(6, 28)	0.0814
Obs*R-squared (LM stat)	10.357	6	0.1103
Scaled explained SS	9.876	6	0.1307

Source: Eviews Version 12

heteroskedasticity test indicates that the residuals are homoscedastic (Obs*R-squared (LM stat) p-value = 0.1103 > 0.05) satisfying one of the key assumptions for reliable inference in the FMOLS regression. Therefore, the coefficient estimates and their standard errors are likely valid and robust.

5. CONCLUSION AND POLICY RECOMMENDATION

This study examined the long-run effects of exchange rate, inflation, interest rate, oil price, and trade openness on Nigeria's economic growth using the Fully Modified Ordinary Least Squares (FMOLS) method. The results reveal that exchange rate and inflation have negative impacts on GDP, though only the exchange rate effect is statistically significant. Interest rate and oil price exhibit significant positive effects on economic growth, while trade openness shows a statistically insignificant relationship. The Johansen cointegration test confirms the existence of a long-run equilibrium relationship among the variables, justifying the FMOLS estimation approach.

Based on the findings, several policy recommendations are proposed to enhance Nigeria's macroeconomic performance. First, since exchange rate depreciation negatively affects economic growth, the Central Bank of Nigeria (CBN) should implement policies aimed at stabilizing the naira through transparent and strategic foreign exchange interventions. This effort should be complemented by the Federal Ministry of Finance and the Nigerian Export Promotion Council (NEPC) through initiatives that promote non-oil exports and reduce overreliance on crude oil earnings.

Second, given the positive influence of oil prices on GDP, it is essential that the Nigerian National Petroleum Company Limited (NNPC Ltd.) and the Revenue Mobilization Allocation

and Fiscal Commission (RMAFC) strengthen accountability in the management of oil revenues. The Federal Government should also channel oil windfalls into strategic investments in infrastructure, healthcare, education, and renewable energy through effective planning by the Ministry of Budget and National Planning. Enhancing the operations of the Nigeria Sovereign Investment Authority (NSIA) will ensure prudent savings and intergenerational equity.

Third, the significant positive relationship between interest rates and economic growth suggests that Nigeria's financial sector plays a vital role in development. Therefore, the CBN should continue to design interest rate policies that encourage savings and channel credit into productive sectors. In collaboration with the Bankers' Committee and the Nigerian Deposit Insurance Corporation (NDIC), policies should be pursued to deepen financial inclusion and improve access to finance for small and medium enterprises (SMEs).

Fourth, to ensure long-term macroeconomic stability, institutional reforms are urgently needed to improve governance and reduce corruption. The Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC) should intensify efforts to combat financial mismanagement, while the National Assembly must enhance its oversight responsibilities to ensure effective utilization of public resources. Ministries, departments, and agencies (MDAs) should prioritize transparency and accountability in resource allocation and implementation.

Finally, since trade openness appears to have a limited impact on long-term GDP growth, the Federal Ministry of Industry, Trade and Investment should work with the Nigerian Customs Service to address inefficiencies in trade facilitation and review existing trade policies. Nigeria must also take full advantage of the African Continental Free Trade Area (AfCFTA) by addressing domestic supply-side constraints, improving logistics infrastructure, and strengthening the competitiveness of local industries.

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