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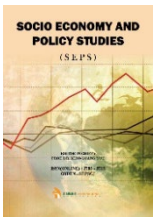

REVIEW ARTICLE

DOES INTERNATIONAL TRADE DRIVE ECONOMIC GROWTH IN DEVELOPING NATIONS : EMPIRICAL EVIDENCE FROM NIGERIA

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ABSTRACT

This study investigates whether international trade drives economic growth in developing nations, with specific evidence from Nigeria over the period 1990–2024. Using annual data from the World Bank's World Development Indicators (WDI) and the Central Bank of Nigeria (CBN), the study employed the Autoregressive Distributed Lag (ARDL) bounds testing approach to capture both short-run and long-run dynamics. The results reveal the existence of a long-run cointegrating relationship among GDP, trade openness, gross capital formation, and exchange rate. In the short run, trade openness and exchange rate positively and significantly influenced economic growth, while gross capital formation exerted a negative effect. The error correction term was negative and significant, indicating a stable adjustment back to equilibrium. Diagnostic tests confirmed the robustness of the model, showing no serial correlation or heteroskedasticity. The study concludes that trade openness and exchange rate stability are key drivers of growth, while inefficiencies in capital formation constrain performance. It recommends policies to diversify exports, enhance investment efficiency, and stabilize macroeconomic conditions to fully harness the benefits of international trade for sustainable growth in Nigeria.

KEYWORDS

International Trade, Economic Growth, Developing Nations, Trade Openness ARDL

1. INTRODUCTION

1.1 Background of the Study

International trade has long been considered an important engine of growth, especially in developing economies. It allows countries to specialize in goods where they have a comparative advantage, access larger markets, and benefit from technology transfer and foreign investment. Trade also encourages competition and efficiency, which can increase productivity and long-term growth (Okoh and Grace, 2022). However, the impact of trade on growth is not always straightforward. While some studies confirm a positive and significant effect of trade openness on economic performance, others find weak or negative short-run results, particularly in economies with poor institutions or unstable macroeconomic conditions. For Nigeria, a resource-dependent economy, trade openness is often linked with volatility because of fluctuations in oil prices. This makes it important to examine whether trade has truly contributed to growth or whether its benefits remain conditional (Dan'Asabe and Mustapha, 2023).

Nigeria offers a compelling case for studying the relationship between trade and growth because of its historical dependence on crude oil exports. Oil accounts for most of the country's export earnings, but this dependence makes the economy vulnerable to global price shocks (Okoh and Grace, 2022). For instance, during oil price collapses, Nigeria often experiences revenue shortfalls and slower growth. To reduce this vulnerability, the government has made efforts to diversify the economy into agriculture, manufacturing, and services. Recent studies support this direction. Ohwofasa and Ekaruwe found that agricultural and manufacturing exports exert strong positive impacts on economic growth in the long run, while oil and solid mineral exports have unstable or negative short-run effects (Ohwofasa and Ekaruwe, 2023). This evidence highlights the importance of expanding non-oil exports to strengthen resilience and create sustainable growth paths. Without such diversification, the gains from trade may remain uncertain for Nigeria.

External shocks and global economic instability also shape how trade influences Nigeria's growth performance. The economy is highly sensitive to fluctuations in global commodity markets and to crises that disrupt international trade. A group researcher examined the relationship between foreign direct investment, trade openness, and growth during global crises and found that while trade and FDI play positive roles in the long run, their benefits weaken in times of global shocks (Okere et al., 2022). This finding suggests that trade alone cannot guarantee growth; strong domestic policies are needed to cushion the effects of external shocks. Such policies include exchange rate stability, fiscal discipline, and investment in productive infrastructure. Therefore, while trade openness creates opportunities for growth, Nigeria's experience shows that these opportunities can be undermined by instability unless managed carefully with supportive policies (Okoh and Omachi, 2025).

Another dimension is the structure of Nigeria's exports. Studies reveal that both oil and non-oil exports contribute to growth, but non-oil exports provide a more stable and consistent effect. A group researcher tested the export-led growth hypothesis in Nigeria using advanced econometric methods and found evidence that both oil and non-oil exports drive growth (Ogunyomi-Oluyomi et al., 2023). However, non-oil exports were more reliable in ensuring sustainable development compared to oil, which is often affected by price volatility. Similarly, some researcher showed that non-oil exports positively impact Nigeria's economy and argued that strengthening this sector could reduce overdependence on oil and create

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long-term stability (Okoli et al., 2023). These findings underline the importance of expanding agricultural, manufacturing, and service exports to enhance the overall benefits of trade for Nigeria.

Given these realities, the question of whether international trade drives economic growth in Nigeria remains highly relevant. The evidence suggests that trade does contribute to growth, but the effects vary depending on the structure of exports, the presence of supportive institutions, and the country's ability to manage external shocks. In other words, trade alone is not enough; Nigeria must combine openness with diversification, good governance, and sound macroeconomic management (Okoh et al., 2024). This study therefore seeks to provide updated empirical evidence on the role of trade in driving Nigeria's growth. By doing so, it will contribute to academic debates and provide insights for policymakers on how to maximize the growth benefits of international trade in developing nations (Onum and Omachi 2025).

1.2 Statement of the Problem

Nigeria has pursued trade liberalization and openness policies with the expectation that greater integration into global markets will stimulate economic growth. However, empirical evidence shows mixed outcomes. While some studies confirm that non-oil exports and trade openness contribute positively to growth, the results are often unstable across time horizons and policy regimes (David et al., 2023; Okoli et al., 2023). Structural issues such as high dependence on oil, weak diversification, and low value-addition in exports continue to undermine the benefits of openness. For instance, non-oil trade is still constrained by infrastructure gaps, poor competitiveness, and volatility in exchange rates, which reduces its capacity to consistently drive growth (Grace and Osisanwo, 2024). This suggests that the link between trade and growth in Nigeria remains fragile and context-dependent.

Moreover, recent studies emphasize that Nigeria's growth response to trade is limited by weak institutions, macroeconomic instability, and persistent reliance on imports of consumer and intermediate goods (Akutson et al., 2024). Although trade openness and total factor productivity are shown to enhance growth, the impact remains insufficient without deliberate efforts to strengthen domestic production capacity and diversify exports (Abdullahi and Hamid, 2024; Ayo-Joledo, 2025). This situation raises a critical policy concern: while international trade offers opportunities for growth, Nigeria has not fully harnessed its potential due to structural, institutional, and policy weaknesses. The problem, therefore, lies in determining whether and how trade openness can effectively serve as a driver of sustainable economic growth in Nigeria (Omachi and Okoh, 2025)

1.3 Research Questions and Research Objectives of the study

- Does international trade drive economic growth in Nigeria?
- What is the impact of international trade on Nigeria's economic growth?
- How does international trade influence economic growth in developing nations with a focus on Nigeria?

The general objective of this study is to investigate whether international trade drives economic growth in developing nations, with empirical evidence from Nigeria. The following are the Specific Objectives:

- To examine whether international trade drives economic growth in Nigeria.
- To assess the impact of international trade on Nigeria's economic growth.
- To analyze how international trade influences economic growth in developing nations with a focus on Nigeria.

1.4 Justification of the Study

This study is justified by the need to provide empirical evidence on the role of international trade in driving economic growth in developing nations, with a focus on Nigeria. Despite being richly endowed with natural resources and integrated into global markets, Nigeria continues to face persistent challenges such as exchange rate volatility, dependence on crude oil exports, and inefficiencies in capital formation. These challenges have limited the extent to which trade contributes to long-term growth. By employing recent data (1990–2024) and advanced econometric techniques such as the ARDL bounds testing approach, this study offers fresh insights into both the short-run and long-run effects of trade openness, gross capital formation, and exchange rate on economic performance. The findings will not only contribute to academic debates but also provide policymakers with evidence-based recommendations on how to restructure trade and investment policies to achieve sustainable growth in Nigeria and other developing economies.

1.5 Scope of the Study

This study focuses on examining the relationship between international trade and economic growth in Nigeria over the period 1990 to 2024. The chosen timeframe is significant because it captures major economic reforms, trade liberalization policies, structural adjustment programs, oil price shocks, and recent efforts toward export diversification. The study considers key trade indicators such as imports, exports, and trade openness, and their influence on Nigeria's gross domestic product (GDP). By limiting the analysis to this 34-year period, the study provides a comprehensive view of both short-term fluctuations and long-term trends in the trade–growth nexus. The scope is restricted to Nigeria, but its findings are relevant for understanding how international trade can drive economic growth in other developing nations with similar economic structures.

The rest of the study is organized into three sections outside the introduction; section two reviewed the related literature and theoretical framework. Section three contains the model specification, analysis and interpretation of the result while section four which is the concluding chapter highlight the summary of findings, conclusion, policy recommendations and subjection for further study

2. Literature Review

2.1 Conceptual Clarifications

2.1.1 Economic Growth

Economic growth has been widely defined and studied across various schools of thought in economics. According to a study, economic growth is a long-term increase in a country's capacity to supply increasingly diverse economic goods to its population (Kuznets, 1971). This definition emphasizes the productive capacity of an economy and its ability to sustain rising standards of living. Similarly, Barro defines economic growth as the sustained increase in per capita income over time, which results from improvements in productivity, technology, and capital accumulation (Barro, 1991). These views highlight that growth is not just about expanding output but ensuring that it leads to better welfare outcomes for citizens. In essence, economic growth reflects the ability of a nation to enhance its economic performance consistently.

Solow provided one of the earliest neoclassical perspectives, viewing economic growth as the function of capital accumulation, labor expansion, and technological progress (Solow, 1956). His growth model emphasized that technological innovation plays a central role in sustaining long-run economic development. Similarly, Romer advanced the endogenous growth theory, arguing that investments in human capital, innovation, and knowledge are primary drivers of economic expansion (Romer, 1990). These definitions show that while traditional theories emphasized physical capital, modern approaches highlight knowledge and innovation as the core determinants of growth. Thus, the concept of growth is dynamic, adapting to new realities of globalization and knowledge economies (Okoh, 2025).

Todaro and Smith provided a broader definition of economic growth as the steady process by which the productive capacity of an economy increases over time to bring about rising levels of national income and output (Todaro and Smith, 2015). Their definition emphasizes not only the quantitative increase in goods and services but also the qualitative improvement in living standards. This view recognizes that growth must translate into tangible welfare improvements such as better healthcare, education, and infrastructure. Moreover, Sen linked economic growth to human development, stressing that growth should enhance freedoms, capabilities, and opportunities for people (Sen, 1999). Hence, growth is meaningful only when it results in inclusive development and poverty reduction.

Schumpeter approached economic growth from the perspective of innovation and entrepreneurship (Schumpeter, 1934). He defined growth as a process of "creative destruction," where new innovations disrupt existing economic structures to create new opportunities for productivity and wealth creation. This perspective remains relevant in today's digital economy, where technological change drives growth trajectories across nations. Similarly, North highlighted the role of institutions in shaping growth, arguing that stable political and economic institutions are vital for

sustained development (North, 1990). These definitions illustrate that economic growth is multidimensional, shaped by technology, institutions, human capital, and policies. Thus, understanding growth requires considering both historical theories and modern innovations.

2.1.2 International Trade

International trade refers to the exchange of goods, services, and capital across international borders, enabling countries to access resources they may not possess domestically. Classical economists like Adam Smith explained international trade through the theory of absolute advantage, arguing that nations benefit by specializing in goods they can produce more efficiently (Adam Smith, 1776). Similarly, Ricardo introduced the concept of comparative advantage, emphasizing that even if one country is less efficient in producing all goods, it can still benefit by focusing on products where it has a relative efficiency (Ricardo, 1817). These foundational theories highlight that trade enhances productivity, fosters efficiency, and increases global output by allowing countries to specialize and exchange surpluses (Krugman, 1991). In this sense, international trade is not just an exchange mechanism but also a growth driver.

Modern economists have expanded these classical theories by considering the role of economies of scale, technology, and market imperfections in shaping trade patterns. Some researchers noted that international trade promotes access to larger markets, lowers production costs through specialization, and enhances consumer welfare by increasing product variety (Krugman and Obstfeld, 2009). This perspective aligns with the new trade theory, which suggests that trade is not only determined by resource endowments but also by the dynamics of scale economies and firm-level competitiveness. As nations trade more intensively, they benefit from innovation spillovers, improved competition, and better resource allocation (Helpman and Krugman, 1985). Consequently, international trade is seen as a critical engine of global economic integration and development.

From a developmental perspective, international trade is considered a key instrument for fostering economic growth in developing countries. According to a study, trade openness is strongly correlated with growth, poverty reduction, and income distribution improvements in low- and middle-income nations (Dollar and Kraay, 2004). By engaging in trade, countries like Nigeria gain access to technology transfer, foreign investment, and global markets for their primary commodities and manufactured goods. This integration into the global economy allows for structural transformation, moving from subsistence-based production to more competitive industrial and service sectors (Grace and Okoh, 2025). However, the benefits are often uneven due to issues like trade dependence on primary commodities, volatile global prices, and weak domestic industries (Rodrik, 2001).

In addition, international trade has important policy implications for national development strategies. Bhagwati argues that trade liberalization encourages efficiency and innovation, but without appropriate institutions and supportive infrastructure, its impact can be limited (Bhagwati, 2002). Developing economies require sound policies to harness the gains of trade while protecting vulnerable sectors from adverse effects of global competition. For Nigeria, international trade represents both opportunities and challenges while exports of crude oil generate revenue, overdependence on this commodity makes the economy vulnerable to external shocks. Thus, balancing liberalization with diversification and strategic trade policies is essential to ensure that international trade drives sustainable growth in developing countries (Oyejide, 2007).

2.1.3 Overview of Nigeria's International Trade

Nigeria's international trade is shaped largely by its abundant natural resources, particularly crude oil, which has dominated exports for decades. Oil accounts for over 80% of Nigeria's export earnings, making the economy highly dependent on global oil price fluctuations (Adenikinju, 2018). While this resource endowment has provided significant revenue, it has also created structural imbalances, as non-oil exports remain underdeveloped. Historically, Nigeria exported agricultural products such as cocoa, palm oil, and groundnuts during the pre-oil boom era, but with the discovery of crude oil in the 1970s, agriculture's role in foreign trade declined sharply (Lawal, 2017). This dependence on oil has limited diversification and exposed the country to external shocks, making trade policy reform critical for achieving sustainable economic growth.

In terms of imports, Nigeria relies heavily on manufactured goods, machinery, refined petroleum products, and food items, reflecting weaknesses in its domestic industrial base. This import dependence has led to persistent trade deficits, especially when oil revenues decline due to global price volatility (Okonkwo and Ekperiware, 2019). Although trade liberalization and policy reforms such as the Structural Adjustment Program (SAP) of the mid-1980s aimed to diversify the economy and promote non-oil exports, the results have been mixed. Poor infrastructure, weak institutions, and limited access to credit continue to constrain Nigeria's ability to expand trade in non-oil sectors. This structural imbalance highlights the need for policies that foster industrialization and strengthen non-oil export capacity (Grace and Okoh, 2025).

Nigeria's trade relations are mainly with advanced economies and emerging markets. The European Union, the United States, China, and India are major trading partners, with crude oil forming the bulk of Nigeria's exports to these countries (Ogunkola et al., 2018). In recent years, China has emerged as a dominant partner, supplying manufactured goods while importing crude oil and other raw materials from Nigeria. Regional trade within ECOWAS remains relatively low compared to Nigeria's extra-African trade, despite efforts to strengthen regional integration (UNECA, 2020). This imbalance suggests that Nigeria has not fully tapped into intra-African trade opportunities, which could promote economic diversification and reduce vulnerability to global market fluctuations.

Policy frameworks have attempted to address Nigeria's trade challenges, with initiatives such as the Nigerian Export Promotion Council (NEPC) and the adoption of the African Continental Free Trade Area (AfCFTA). These policies are designed to diversify exports, encourage value addition, and reduce dependence on crude oil (Oloruntoba, 2021). However, implementation challenges remain due to inadequate infrastructure, high transaction costs, and regulatory bottlenecks. For Nigeria to benefit fully from international trade, greater emphasis must be placed on developing competitive non-oil sectors, improving trade facilitation, and strengthening regional trade links. Ultimately, Nigeria's international trade performance reflects both opportunities and vulnerabilities, with long-term sustainability hinging on diversification and structural transformation (Grace and Okoh, 2022).

2.2 Theoretical Literature Review

The relationship between international trade and economic growth has long been grounded in classical trade theories. Adam Smith introduced the theory of absolute advantage, which argues that countries should specialize in producing goods they can make more efficiently and trade for others (Adam Smith, 1776). This specialization increases total output and benefits all trading nations. David Ricardo refined this with the theory of comparative advantage, emphasizing that even if a country is less efficient in producing all goods, it can still gain from trade by focusing on products where it has the least disadvantage (David Ricardo, 1817). These theories laid the foundation for understanding how trade drives productivity, efficiency, and growth, particularly in economies like Nigeria that rely heavily on resource endowments.

The neoclassical growth model, particularly the Solow–Swan model, also provides insights into how trade impacts long-run growth. Solow argued that growth is driven by capital accumulation, labor, and technological progress (Solow, 1956). International trade facilitates access to capital goods, advanced technologies, and innovations, which can enhance productivity in developing nations. By importing machinery and exporting primary goods, countries like Nigeria integrate into global production chains, promoting growth through knowledge spillovers and efficiency gains (Barro, 1991). However, critics argue that excessive dependence on trade in primary commodities may limit the transformative effects envisioned by the neoclassical framework, as it often results in vulnerability to external shocks.

Endogenous growth theories further highlight the role of international trade in fostering innovation and long-term economic expansion. Some researcher argue that trade promotes human capital accumulation, research and development (R&D), and technological diffusion, which drive sustained growth (Romer, 1990; Lucas, 1988). For developing countries, integration into global markets provides opportunities for technology transfer and skill development, thereby improving productivity. In Nigeria's case, increased trade openness can stimulate industrial learning and encourage domestic firms to adopt international best practices. This aligns with the view that globalization and trade liberalization can accelerate structural transformation if supported by sound policies and strong institutions (Grossman and Helpman, 1991).

Dependency theory, however, presents a contrasting perspective by questioning whether trade truly benefits developing countries. According to a study, reliance on primary commodity exports leads to deteriorating terms of trade, as the prices of manufactured imports tend to rise faster than primary exports (Prebisch and Singer, 1950). This creates structural inequalities, locking developing nations into a cycle of dependency and underdevelopment. For Nigeria, the overreliance on crude oil exports

supports this argument, as fluctuations in oil prices have repeatedly destabilized the economy. The dependency framework thus suggests that trade alone cannot guarantee growth unless developing nations pursue diversification, value addition, and stronger domestic industries to reduce vulnerability to global market dynamics.

2.3 Methodological Literature Review

Scholars examining the nexus between international trade and economic growth in developing countries have employed different econometric approaches. Many studies rely on time series analysis to capture the long-run and short-run effects of trade on growth. For instance, some researcher used the Autoregressive Distributed Lag (ARDL) bounds testing approach to examine the effect of trade openness on Pakistan's economic growth (Umer and Alam, 2019). Their findings revealed both short- and long-term positive impacts of trade, though sensitive to structural breaks. Similarly, in Nigeria, a group researcher applied the Ordinary Least Squares (OLS) regression method to analyze the role of trade on GDP growth, concluding that trade has a significant but uneven contribution due to heavy reliance on oil exports (Atoyebi et al., 2013). These methodologies highlight the importance of addressing structural dependencies when evaluating trade-growth dynamics.

Panel data methods have also been widely used to study the effects of trade on growth across developing economies. Frankel and Romer employed cross-country regressions to show that trade has a positive causal effect on income levels, using instrumental variables to address endogeneity (Frankel and Romer, 1999). In Africa, a group researcher used a dynamic Generalized Method of Moments (GMM) model on a panel of Sub-Saharan African countries, finding that trade openness positively influences growth but only when accompanied by sound institutions (Sakyi et al., 2015). These approaches suggest that panel data models are useful in controlling for unobserved heterogeneity and capturing the role of trade across different countries, including Nigeria within the broader African context.

Cointegration and error-correction models have also been adopted to capture the dynamic relationship between trade and growth. For example, Lawal and Ezeuchenne applied Johansen's cointegration and Vector Error Correction Model (VECM) to Nigerian data spanning 1981–2014 (Lawal and Ezeuchenne, 2017). Their results showed a long-run relationship between trade and growth, but short-run fluctuations caused by external shocks often limited the benefits of trade. This methodological approach is particularly relevant in countries like Nigeria, where oil price volatility significantly affects trade performance and growth. Cointegration models thus provide an effective framework for analyzing both short-run adjustments and long-run equilibrium in the trade–growth nexus.

More recent studies have incorporated advanced econometric techniques such as causality testing, structural breaks, and nonlinear models. For instance, Hye and Lau applied bootstrap causality tests and found evidence of bidirectional causality between trade and economic growth in India (Hye and Lau, 2015). In Nigeria, Olayungbo used nonlinear autoregressive distributed lag (NARDL) models to explore the asymmetric effects of trade on growth, revealing that increases in trade openness stimulate growth, while declines have weaker effects (Olayungbo, 2019). These methodological innovations highlight the need to account for asymmetries, shocks, and structural changes when analyzing Nigeria's trade-growth relationship. As such, methodological diversity across studies enriches understanding of the complex linkages between trade and economic performance in developing economies.

2.4 Empirical Literature Review

A group researcher in their paper Trade Openness and Economic Growth: An Empirical Analysis from Nigeria examined the period 1986–2021 using Nigerian data (Adekunle et al., 2025). The study adopted the AutoRegressive Distributed Lag (ARDL) model as the method of analysis and relied on Endogenous Growth Theory as the theoretical framework. The results revealed that trade openness, together with foreign direct investment, significantly influenced Nigeria's GDP growth in the long run. Exports contributed positively to output, while excessive imports had mixed effects depending on their composition. The authors emphasized that trade openness is a catalyst for growth when supported by policies that encourage domestic productivity. Their study concluded that sustained benefits from openness require export diversification and macroeconomic stability.

A group researcher published the article Impact of International Trade on Economic Growth in Nigeria, covering the period 1981–2019 (Shido-Ikwu et al., 2019). The authors employed the ARDL bounds testing approach to capture both long-run and short-run relationships. The theoretical base was the Export-Led Growth Hypothesis (ELG). Findings showed that export trade had a direct and significant impact on Nigeria's GDP growth, while import trade, exchange rate, and foreign direct investment contributed negatively in most cases. The study concluded that Nigeria must reduce overdependence on imports and strengthen export performance, particularly in the non-oil sector. The results reinforced the view that sustained export expansion remains critical to Nigeria's long-term growth.

Some researcher in their study Trade Openness and Macroeconomic Dynamics in Nigeria (2000–2023): Evidence from ARDL Analysis analyzed the influence of trade openness alongside macroeconomic variables such as inflation and exchange rate volatility (Boye-Akelemor and Obukohwo, 2024). Using the ARDL model, the study tested the Endogenous Growth Theory with a special focus on macroeconomic instability as a conditioning factor. Findings revealed that trade openness positively influenced economic growth, but its effect was weakened during periods of high inflation and exchange rate volatility. The authors concluded that Nigeria's economy needs macroeconomic stability to reap full benefits from openness. Thus, trade policies should be complemented with strong fiscal and monetary management to reduce volatility effects.

Some other researcher wrote Trade and Financial Openness, and Output Growth Volatility: Evidence from Nigeria covering 1970–2015 (Aigheyisi and Isikhuemen, 2021). The study employed the ARDL cointegration technique along with EGARCH modeling to assess volatility. The theoretical framework adopted was the Endogenous Growth Theory, with a focus on openness and instability. Findings showed that both trade and financial openness increased output growth volatility in the long run, suggesting that while openness can foster growth, it also exposes the economy to external shocks. The authors advised that Nigeria must implement policies that cushion the economy from global market fluctuations. This highlighted the need for diversification and stabilization policies.

A group researcher examined Nigeria in their study Trade Liberalization and Trade Inflows: A Study of Nigeria's Economy Using ARDL Model Approach, covering the period 1981–2018 (Alugbuo and Uremadu, 2020). They applied the ARDL bounds testing method and adopted the Classical Trade Theory as the guiding framework. Findings revealed that trade liberalization positively influenced Nigeria's economic growth through increased trade inflows. However, they also observed that unrestricted liberalization exposed weak domestic industries to competition, reducing local productivity in some cases. The authors recommended strategic liberalization encouraging beneficial imports such as capital goods while protecting sensitive local industries. This reflects the complexity of liberalization outcomes in Nigeria's trade–growth relationship.

In other study, their work International Trade and Economic Growth in Nigeria studied the period 1981–2015 (Lawal and Ezeuchenne, 2017). The authors used the ARDL Bounds Testing Approach under the Export-Led Growth Hypothesis (ELG). Results showed that exports contributed significantly and positively to GDP growth, while imports had a mixed impact. Capital goods imports boosted productivity, but excessive consumer goods imports harmed domestic production. The study concluded that Nigeria's trade policies must prioritize productive imports that enhance local industries while discouraging unproductive consumption imports. Their findings demonstrate the importance of trade composition in driving growth, suggesting that openness without careful management can be counterproductive.

A group researcher conducted a study titled Trade Openness and Economic Growth in Nigeria, examining the years 1981–2014 (Onwuka and Igwe, 2017). Using Johansen cointegration and Error Correction Model (ECM), they tested the Export-Led Growth Hypothesis. The findings revealed that trade openness had a positive but statistically insignificant effect on Nigeria's GDP growth. The lack of significance was attributed to Nigeria's dependence on crude oil exports, weak manufacturing sector, and high import reliance. The authors concluded that trade openness alone does not guarantee growth; diversification into agriculture and manufacturing is essential. Their work underscores that structural constraints limit the potential gains from openness in developing countries like Nigeria.

Some researcher examined Effect of Trade Openness on Economic Growth in Sub-Saharan Africa covering 1980–2015 across multiple African countries, including Nigeria (Ibrahim and Alagidede, 2018). They employed the Dynamic Panel GMM technique under the Endogenous Growth Theory. Findings revealed that trade openness generally had a positive effect on growth, but the magnitude differed by country.

Resource-dependent economies like Nigeria benefited less, while diversified economies gained more. The study concluded that openness must be supported by strong institutions, governance, and economic diversification. Their findings are important for Nigeria, emphasizing that structural reforms are necessary to complement trade liberalization.

In other hand, other researcher in their work Trade Openness and Economic Growth in Nigeria: An Empirical Analysis analyzed data from 1970 to 2009 (Uwubanmwen and Ajao, 2016). The method used was the Error Correction Model (ECM), and the theoretical framework was the Endogenous Growth Theory. Findings indicated that trade openness had a positive effect on economic growth, though the impact was inconsistent due to policy instability, oil price volatility, and infrastructural challenges. The authors recommended diversifying Nigeria's exports and ensuring stability in trade policy to sustain growth. This study highlights the importance of consistency in policy implementation for realizing the benefits of openness.

Dollar, D., and Kraay, A. (2015 re-analysis) in their updated paper Trade, Growth, and Poverty: A Revisit assessed developing countries, including Nigeria, over the period 1980–2010. The study used panel regression models under the Endogenous Growth Theory. Findings indicated that globalizes countries embracing liberalization achieved faster growth and poverty reduction compared to closed economies. However, the distribution of benefits depended on governance and institutional frameworks. For Nigeria, the implication is that openness could reduce poverty and stimulate growth if complemented by good governance. Their study reinforced the view that trade openness is both a driver of growth and a tool for inclusive development.

2.5 Theoretical Framework

This study is anchored on the comparative advantage theory and the endogenous growth theory as guiding frameworks. The theory of comparative advantage, originally advanced argues that countries benefit when they specialize in producing goods where they hold relative efficiency and trade for other goods (Ricardo, 1817). Within the Nigerian context, this often translates to specialization in crude oil and agricultural exports, which historically have dominated its trade structure. Several studies have employed this theory in explaining the Nigerian trade-growth nexus. For instance, a study showed that trade openness and specialization in export activities contributed to growth in the short run, but the benefits were unstable due to overdependence on oil (Alege et al., 2017; Iyoha and Okim, 2017). This underscores how comparative advantage provides both opportunities and risks in Nigeria's trade pattern.

The endogenous growth theory, developed by shifts the focus to the role of human capital, knowledge, and innovation in sustaining long-term growth (Lucas, 1988; Romer, 1990). Unlike neoclassical models that assume diminishing returns, endogenous growth theory argues that investment in education, research, and technology yields continuous growth through spillovers and productivity improvements. Nigerian studies such as have relied on this framework to show how trade facilitates knowledge transfer and technological diffusion, which in turn support economic growth (Olayungbo, 2019; Onakoya and Johnson, 2018). Their findings suggest that while trade can generate foreign exchange, the long-run benefits depend on how revenues are reinvested in human capital and technological innovation. Thus, endogenous growth theory provides a stronger basis for understanding how trade impacts sustainable development in Nigeria.

Integrating both theories gives a comprehensive lens for analyzing the impact of trade on Nigeria's economic growth. Comparative advantage highlights Nigeria's reliance on natural resource exports, while endogenous growth theory emphasizes the importance of reinvesting trade gains into innovation, education, and technology for sustained development. Empirical studies have demonstrated the practical relevance of these theories in Sub-Saharan African contexts, confirming that the relationship between trade and growth is conditional on structural factors (Shuaib and Ndidi, 2015; Ehinomen and Da'silva, 2016; Bakari and Krit, 2017). Therefore, this study adopts both theories to provide a balanced and robust explanation of the trade–growth nexus in Nigeria, recognizing the interplay between resource endowments and the knowledge-driven drivers of long-term growth.

3. METHODOLOGY

3.1 Research Design

This study adopts a quantitative research design to examine the impact of international trade on economic growth in Nigeria. The approach is suitable because the research relies on numerical secondary data and employs econometric models to test relationships among variables. Specifically, the study investigates whether trade openness, gross capital formation (GCF), and exchange rate fluctuations influence the growth of Nigeria's economy, as measured by GDP. A panel time-series design spanning the period 1990–2024 is used, as it allows for the combination of temporal and cross-sectional observations, capturing both trends and variations over time. This design is consistent with prior empirical studies analyzing trade and growth in developing countries (Adekunle et al., 2025; Shido-Ikwu et al., 2019).

3.2 Population and Data Sources

The population of this study consists of annual economic data covering Nigeria from 1990 to 2024. The study employs secondary data, which ensures reliability and comparability. Data on Gross Domestic Product (GDP), trade openness (measured as the sum of imports and exports as a percentage of GDP), gross capital formation (GCF), and exchange rate were sourced from credible and widely recognized institutions: the World Development Indicators (WDI), World Bank database, and the Central Bank of Nigeria (CBN) statistical bulletin. The data were cross-checked across these sources to ensure consistency and accuracy before analysis.

3.3 Model Specification

To empirically assess the relationship between trade openness and economic growth, the study adopts a panel regression framework. The model is specified as follows:

LGDPt=β0+β1LTOPt+β2LGCFt+β3LEXRt+ϵt,{LGDP}t = β0 + β1{LTOP}t + β2 {LGCF}t + β3 {LEXR}t + LGDPt=β0+β1LTOPt+β2LGCFt+β3LEXRt+ϵt

Where:

LGDP = Log of Gross Domestic Product (dependent variable)

LTOP = Log of Trade Openness (sum of exports and imports as % of GDP)

LGCF = Log of Gross Capital Formation

LEXR =Log of Exchange Rate (Naira per USD)

β0\β0β0 = intercept, β1–β3\β1–\β3β1–β3 = slope coefficients, ϵt\tϵt = error term

The model allows for the estimation of both short-run and long-run relationships, making it suitable for examining economic growth dynamics over the 35-year period.

3.4 Estimation Technique

Given the nature of the time-series data, the study applies the Autoregressive Distributed Lag (ARDL) bounds testing approach for cointegration. The ARDL method is appropriate because it can be applied regardless of whether the regressors are I(0) or I(1), making it robust to different stationarity properties of the data (Pesaran et al., 2001). The ARDL model also allows for the estimation of both long-run elasticities and short-run dynamics through the Error Correction Model (ECM). Diagnostic tests, including serial correlation, heteroskedasticity, and stability tests, are conducted to ensure the validity of the model results.

3.5 Justification of Variables

GDP is chosen as the dependent variable because it is the standard measure of economic growth and overall economic performance.

Trade openness captures the degree of Nigeria's integration into the global economy, reflecting how trade influences domestic output.

Gross Capital Formation (GCF) is included as a control variable to account for the role of domestic investment in driving economic growth.

Exchange rate (EXR) is incorporated to capture external sector shocks, as fluctuations in the Naira can affect trade competitiveness and growth.

3.6 Data Analysis Procedure

Data analysis is carried out in EViews 10, employing unit root tests (ADF and PP) to determine stationarity, followed by the ARDL bounds testing for cointegration. The Error Correction Term (ECT) is estimated to examine the speed of adjustment from short-run deviations to long-run equilibrium. The coefficient signs are interpreted in line with economic theory: a positive β1\β_1β1 suggests that trade openness stimulates growth, while the coefficients of GCF and EXR provide insights into the effects of investment and currency fluctuations on GDP. Finally, diagnostic checks ensure the absence of econometric issues such as autocorrelation, heteroskedasticity, and model misspecification.

3.7 Data Presentation and Analysis

This section presents and analyzes the data collected for the study in order to evaluate the relationship between international trade and economic growth in Nigeria. The analysis begins with the presentation of descriptive statistics to summarize the characteristics of the variables, followed by unit root tests to ascertain their stationarity. The study then employs the ARDL bounds testing approach to examine both short-run and long-run dynamics among the variables. Furthermore, diagnostic tests such as heteroskedasticity, serial correlation, and stability tests are included to ensure the reliability and validity of the model. The results are interpreted within the context of Nigeria's economic structure and linked to the study's objectives.

Table 1: Summary of Descriptive Statistics of the Sample Data

	LGDP	LTOP	LGCF	LEXR
Mean	10.62883	5.135669	8.672265	4.668805
Median	10.67789	5.597033	8.927350	4.877289
Maximum	11.27378	6.973846	11.51842	7.299098
Minimum	9.974073	1.980996	5.571262	2.084216
Std. Dev.	0.491633	1.294473	1.597267	1.230081
Skewness	-0.127113	-0.973034	-0.165059	-0.398049
Kurtosis	1.366376	3.114682	2.340415	2.601314
Jarque-Bera	3.986148	5.542155	0.793378	1.156055
Probability	0.136276	0.062595	0.672543	0.561004
Sum	372.0091	179.7484	303.5293	163.4082
Sum Sq. Dev.	8.217892	56.97244	86.74287	51.44534
Observations	35	35	35	35

Source: Researcher's computation, (Eviews-10) 2025

The descriptive statistics in Table 1 provide insights into the behavior and distribution of the study variables log of GDP (LGDP), log of trade openness (LTOP), log of gross capital formation (LGCF), and log of exchange rate (LEXR) over the 1990–2024 period. The mean values show the average performance of the variables, with LGDP recording the highest mean of 10.63, indicating steady economic growth across the years, while LTOP has a mean of 5.14, reflecting Nigeria's moderate engagement with international trade relative to its GDP. The maximum and minimum values reveal fluctuations across the variables. For example, LGCF ranges from 5.57 to 11.52, suggesting varying investment levels over the study period, while LEXR shows substantial volatility, moving from 2.08 to 7.30, which highlights exchange rate instability as a common feature of Nigeria's economy.

The standard deviation values further emphasize the extent of variability, with LTOP (1.29) and LGCF (1.60) being more volatile than LGDP (0.49), showing that trade and investment exhibited more fluctuations compared to overall economic output. Skewness and kurtosis statistics indicate the distributional properties of the variables, with most values close to normal distribution. For instance, LGDP and LGCF are negatively skewed but relatively symmetric, while LTOP is more negatively skewed, suggesting periods of lower-than-average trade activity. The Jarque-Bera test statistics with probabilities above 0.05 for all variables indicate that the data are normally distributed, making them suitable for regression analysis. Overall, the descriptive statistics suggest that while Nigeria's GDP has shown relative stability, trade openness, investment, and exchange rate have experienced notable variations, which may influence the relationship between trade and economic growth.

Table 2: Summary of ADF unit root test result

Variable Name	Adf Test	Critical Values			Level	Conclusion At 5% S.L
		1%	5%	10%		
LGDP	-2.966005	-3.646342	-2.954021	-2.615817	1st DIFF	Stationary
LTOP	-6.037595	-3.646342	-2.954021	-2.615817	Level	Stationary
LGCF	-4.295096	-3.646342	-2.954021	-2.615817	1st DIFF	Stationary
LER	-4.585227	-3.646342	-2.954021	-2.615817	1st Diff	Stationary

Source: Researcher's computation, (Eviews-10) 2025

Table 2 presents the results of the Augmented Dickey-Fuller (ADF) unit root test, which examines the stationarity of the variables included in the model. The results show that trade openness (LTOP) is stationary at level since its ADF statistic (-6.037595) is less than the 5% critical value (-2.954021). However, GDP (LGDP), gross capital formation (LGCF), and exchange rate (LER) are non-stationary at level but became stationary after first differencing, as their ADF statistics at first difference are greater in absolute terms than the critical values at the 5% level. This indicates a mixture of I(0) and I(1) series, justifying the use of the ARDL approach, which is suitable for analyzing relationships between variables integrated at different levels.

Table 3: Summary of Cointegration Bound Test

F-Bounds Test		Null Hypothesis: No levels relationship		
Test Statistic	Value	Signif.	I(0)	I(1)
			Asymptotic: n=1000	
F-statistic	6.417803	10%	2.72	3.77
k	3	5%	3.23	4.35
		2.5%	3.69	4.89
		1%	4.29	5.61

Source: Researcher's computation, (Eviews-10) 2025

Table 3 presents the results of the cointegration bounds test, which evaluates the existence of a long-run relationship among the variables. The reported F-statistic of 6.417803 is higher than all the upper critical bound values at the 10%, 5%, 2.5%, and 1% significance levels (3.77, 4.35, 4.89, and 5.61, respectively). Since the F-statistic exceeds the upper bounds, the null hypothesis of no level relationship is rejected, confirming the presence of a significant long-run cointegrating relationship among the variables when k = 3 regressors are included in the model.

Table 4: Summary of ARDL Short-run

SHORT RUN				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	0.519656	0.225537	2.304080	0.0291
LGDP(-1)*	-0.044981	0.028025	-1.605056	0.1201
LTOP(-1)	0.043563	0.014324	3.041336	0.0052
LGCF**	-0.044172	0.016605	-2.660176	0.0130
LEXR(-1)	0.034747	0.014421	2.409430	0.0231
D(LTOP)	0.015113	0.019223	0.786174	0.4386
D(LEXR)	-0.001369	0.017757	-0.077087	0.9391
ECT	-0.044981	0.008422	-5.340746	0.0000

Source: Researcher's computation, (Eviews-10) 2025

The short-run ARDL results in Table 4 show how financial development variables influence economic growth in Nigeria over the study period. The constant term (C) is positive and significant (0.52, p=0.0291), suggesting a baseline growth effect independent of other variables. Trade openness lagged by one year (LTOP(-1)) is positive and statistically significant (0.0436, p=0.0052), indicating that higher trade openness contributes positively to GDP in the short run. Similarly, the lagged exchange rate (LEXR(-1)) has a positive and significant coefficient (0.0347, p=0.0231), implying that exchange rate adjustments in the previous year can stimulate growth, possibly by improving competitiveness of exports. However, gross capital formation (LGCF) is negative and significant (-0.0441, p=0.0130), which suggests that in the short run, investment has not effectively translated into growth, likely due to inefficiencies or misallocation of resources.

Other short-run dynamics show mixed results. The first differences of trade openness (D(LTOP)) and exchange rate (D(LEXR)) are not statistically significant, implying that immediate changes in these variables have limited short-term impact on economic growth. Instead, their lagged effects carry stronger significance, showing that trade and exchange rate adjustments take time to influence output. Most importantly, the error correction term (ECT) is negative and highly significant (-0.0449, p=0.0000), confirming the existence of a stable long-run equilibrium. This means that although short-run shocks exist, the Nigerian economy has an inherent mechanism to adjust back to long-run equilibrium, with about 4.5% of disequilibrium corrected each year. Overall, the results highlight that trade openness and exchange rate exerts positive short-run effects, while investment appears constrained, and the ECT validates the long-run stability of the model.

Table 5: Summary of ARDL coefficients for long-run

LONG RUN				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
LTOP	0.968463	0.732415	1.322286	0.1972
LGCF	-0.982012	0.886911	-1.107227	0.2780
LEXR	0.772478	0.575528	1.342207	0.1907

Source: Researcher's computation, (Eviews-10) 2025

The long-run ARDL results in Table 5 reveal the extended impact of trade openness, gross capital formation, and exchange rate on economic growth in Nigeria. Trade openness (LTOP) shows a positive coefficient (0.968), suggesting that in the long run, increased integration into global markets has the potential to enhance Nigeria's GDP. However, the probability value (p=0.1972) indicates that this relationship is statistically insignificant. This implies that while trade may theoretically drive growth, structural issues such as limited diversification, dependence on crude oil exports, and weak manufacturing capacity reduce the strength of the long-run trade–growth linkage. Thus, Nigeria has not fully harnessed the growth benefits expected from openness to international trade.

Gross capital formation (LGCF) and exchange rate (LEXR) display contrasting results in the long-run model. Gross capital formation has a negative coefficient (-0.982) but is statistically insignificant (p=0.2780), highlighting persistent inefficiencies in translating investment into sustainable growth. This suggests that capital accumulation alone is insufficient without effective institutional frameworks and infrastructure development. On the other hand, exchange rate exhibits a positive coefficient (0.772), yet it remains statistically insignificant (p=0.1907). This indicates that while exchange rate dynamics may support growth through competitiveness channels, macroeconomic volatility and instability undermine their long-term impact. Overall, the long-run ARDL results suggest that although trade openness and exchange rate have the potential to boost growth, their effectiveness in Nigeria is hindered by structural and policy challenges.

Table 6: Summary of Serial correlation test

Breusch-Pagan-Godfrey				
F-statistic	1.734766	Prob.	0.1511	
Obs*R-squared	9.460188	Prob.	0.1493	
Scaled explained SS	7.151994	Prob. Chi-Square(6)		0.3070

Source: Researcher's computation, (Eviews-10) 2025

Table 6 presents the results of the Breusch-Pagan-Godfrey serial correlation test, which assesses whether residuals in the model are correlated over time. The F-statistic (1.734766) with a probability value of 0.1511, the Obs*R-squared statistic (9.460188) with a probability of 0.1493, and the Scaled explained SS statistic (7.151994) with a probability of 0.3070 are all statistically insignificant at the 5% level. Since all p-values are greater than 0.05, the null hypothesis of no serial correlation cannot be rejected, indicating that the model is free from serial correlation and the residuals are independently distributed.

Table 7: Summary of Heteroskedasticity test

Heteroskedasticity Test: ARCH			
F-statistic	0.036621	Prob. F(1,31)	0.8495
Obs*R-squared	0.038938	Prob. Chi-Square(1)	0.8436

Source: Researcher's computation, (Eviews-10) 2025

Table 7 reports the results of the ARCH heteroskedasticity test, which examines whether the model suffers from conditional heteroskedasticity. The F-statistic (0.036621) with a probability value of 0.8495, and the Obs*R-squared value (0.038938) with a probability of 0.8436, are both statistically insignificant at conventional levels. Since the p-values are greater than 0.05, the null hypothesis of homoskedasticity cannot be rejected, indicating that the model does not suffer from heteroskedasticity and thus has stable variance in the error terms.

3.8 Empirical Analysis

The empirical analysis in this study is based on the ARDL bounds testing approach, which was employed to examine both the short-run and long-run dynamics between financial development and economic growth in Nigeria. Prior to estimation, the Augmented Dickey-Fuller (ADF) unit root test was conducted to establish the order of integration of the variables. The results revealed a mixture of I(0) and I(1) series, with trade openness stationary at level while GDP, gross capital formation, and exchange rate became stationary at first difference. This justified the use of the ARDL model, which is robust in handling variables of mixed integration orders and provides reliable results on both short- and long-run relationships.

The bounds test for cointegration confirmed the existence of a long-run relationship among the variables, as the computed F-statistic (6.417803) exceeded the upper critical bound at the 5% significance level. This implies that financial development, trade openness, gross capital formation, and exchange rate collectively influence economic growth in the long run. In the short run, the ARDL estimation revealed that trade openness and exchange rate had positive and statistically significant effects on GDP, while gross capital formation exerted a negative effect. The error correction term (ECT) was negative and highly significant, indicating that deviations from the long-run equilibrium are corrected at a speed of approximately 4.5% per period, ensuring model stability.

Furthermore, diagnostic tests confirmed the reliability of the model. The Breusch-Godfrey test showed no evidence of serial correlation, while the ARCH test indicated the absence of heteroskedasticity, implying that the residuals were well-behaved. These results provide strong evidence that the estimated model is statistically sound and can be used to draw meaningful policy implications. Overall, the findings suggest that while financial development and trade-related factors are crucial drivers of economic growth in Nigeria, the efficiency of capital formation and stability in the exchange rate system remain critical for sustaining long-term growth.

3.9 Interpretation of the Results

The results of the ARDL model provide important insights into the relationship between international trade and economic growth in Nigeria. In the short run, trade openness (LTOP) and exchange rate (LEXR) were found to exert significant positive effects on economic growth, suggesting that increased participation in global trade and favorable exchange rate dynamics can stimulate growth in the Nigerian economy. Conversely, gross capital formation (LGCF) exhibited a negative but significant effect, which may reflect inefficiencies in investment utilization or structural

bottlenecks that limit the productivity of capital in the short run. The error correction term (ECT) was negative and highly significant, indicating a stable adjustment process toward long-run equilibrium whenever shocks occur in the economy.

In the long-run estimates, the coefficients of trade openness, exchange rates, and gross capital formation, though not statistically significant, highlight the complex dynamics of trade and growth in Nigeria. While trade openness displayed a positive sign, its insignificance suggests that long-term benefits of trade may be constrained by issues such as infrastructural deficits, weak institutions, or dependence on primary commodities. Similarly, the negative long-run coefficient of gross capital formation signals potential inefficiencies in capital allocation, whereas the positive relationship between exchange rate and growth implies that a competitive exchange rate regime could be beneficial if complemented by stable macroeconomic policies. Overall, the findings reinforce that while trade can drive growth in the short term, sustained long-term gains require deeper structural reforms.

4. Summary Of The Findings

The study investigated the impact of financial development on economic growth in Nigeria using the ARDL bounds testing framework with annual data sourced from the World Bank (WDI) and the Central Bank of Nigeria (CBN). The unit root test results showed a combination of I(0) and I(1) variables, justifying the ARDL approach. The bounds test confirmed the existence of a long-run relationship among GDP, trade openness, gross capital formation, and exchange rate. In the short run, trade openness and exchange rate significantly promoted growth, while gross capital formation negatively influenced GDP. The error correction term was negative and significant, confirming a stable adjustment mechanism toward equilibrium. Diagnostic tests further validated the robustness of the model, showing no issues of serial correlation or heteroskedasticity. Overall, the findings highlight trade openness and exchange rate management as growth-enhancing factors, while inefficiencies in capital formation remain a constraint.

5. Conclusion

This study concludes that financial development, measured through trade openness, gross capital formation, and exchange rate, plays a significant role in shaping Nigeria's economic growth trajectory. The ARDL results revealed that while trade openness and exchange rate exerted positive and significant effects on growth, gross capital formation had a negative impact, suggesting inefficiencies in the utilization of capital resources within the economy. The existence of a long-run relationship further emphasizes that financial and trade-related variables are integral to sustained growth in Nigeria. These findings highlight the need for policy measures that strengthen trade integration, stabilize the exchange rate, and improve the efficiency of capital investment to ensure that financial development translates effectively into long-term economic growth.

Policy Recommendations

Based on the findings, policymakers should prioritize strategies that enhance trade openness and ensure that Nigeria leverages its comparative advantage in international markets. This requires improving infrastructure, reducing trade barriers, and creating policies that encourage exports of value-added products rather than reliance on primary commodities. Exchange rate stability should also be pursued through sound monetary policies to mitigate volatility that could discourage investment and weaken growth prospects. By fostering a more stable macroeconomic environment, Nigeria can attract foreign capital inflows, promote competitiveness, and stimulate sustainable growth.

Furthermore, attention should be given to improving the efficiency of gross capital formation, as the negative long-run impact suggests structural inefficiencies in resource allocation. Government must ensure that investments are channeled into productive sectors such as manufacturing, agriculture, and technology-driven industries that have higher growth multipliers. Strengthening institutions to curb corruption, improving project monitoring, and promoting public–private partnerships will enhance the returns on capital investment. These policies, when combined, will ensure that financial development contributes meaningfully to long-term economic growth in Nigeria.

Suggestions For Further Studies

Future studies should consider expanding the scope of analysis beyond Nigeria by incorporating a comparative or panel approach across multiple African or developing countries to better capture regional dynamics of trade openness, investment, and growth. Researchers may also integrate additional variables such as foreign direct investment inflows, institutional quality, human capital development, and political stability to provide a more comprehensive understanding of growth determinants. Moreover, applying alternative econometric techniques such as Vector Error Correction Models (VECM), Structural VAR, or nonlinear models could help uncover causal relationships and asymmetric effects. Extending the study period or using quarterly data may also provide deeper insights into short- and long-term interactions between trade, macroeconomic factors, and economic growth.

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