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**DOES TRANSPORTATION SECTOR HAVE ANY IMPACT ON
ECONOMIC DEVELOPMENT? NIGERIA IN FOCUS**

Abstract:

The paper examined the effect of transportation network in Nigeria over the years using sub-sector output time series data (road transport, rail transport, air transport and water way) ranging from 1981-2009. We ascertain the impact of the sub-sectors outputs on the real gross domestic product, a measure of economic development. The time series property was ascertained using Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP) unit root tests. Almost all the variables were integrated of order two as shown by the ADF statistic, which led to the examination for long-run relationship using Johansen rank co-integration test. The outcome implies a long-run relationship. Ordinary least square approach was employed in the data analysis. The results revealed that only road transport impacted significantly on the real gross domestic product (RGDP). However, the joint effect of the variables on the economy was statistical significant based on the F-statistic. Hence, we made the following recommendations, among others: sufficient and consistent resources should be budgeted and allocated to transportation capital expenditure; private domestic and foreign investors can be contracted to establish transport infrastructure and given a period of time to recoup cost of investment and profit margin.

Keywords:

Economic development, impact, transport sector, infrastructure