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Impact of Current Oil Price Drop on the Economic Growth and Development of Nigeria

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Abstract

Nigeria is essentially a monoculture economy, relying on crude oil for 80% of the GDP, 95% of exports and over 80% for government revenue. The sustained falling price of oil from $110 per barrel mid 2014 to $35 on the first week of February 2016 (oil glut) in the international market, led to dwindling oil revenue which adversely affects her survival. This development has since thrown the economy into turmoil, and many companies and agencies are finding it difficult to stay afloat, as government is the biggest spender in the economy. The falling price of oil has generated tension among oil workers who fear that they could be sacked as many oil companies are negatively impacted. Continued fall in the price of oil does not guarantee investment not to talk of old companies retaining their workers. As at last year, Schlumberger Limited lined up approximately 9,000 workers from its global operations for sack while Shell Petroleum Development Company and Chevron (MNOCs) planned to sack about 18,500 workers. The state governments have threatened to cut down the minimum wage or on the alternative, to retrench workers. The dwindling revenue from oil has also negatively affected the capacity of the FGN to implement some projects and payment of debt to contractors, leading to the laying off of workers by many contractors in the construction industry. Apart from retrenchment of workers, there is exchange rate volatility, savings stagnation, debt spiking and that capital expenditure is under threat. While oil companies are undertaking the retrenchment, the NUPENG and PENGASSAN have complained that a lot of labour laws have been violated by the MNOCs and they are going to call out their members on strike. It is concluded that the impact of the current oil price drop is too sour for Nigeria to swallow and it is hereby recommended that Nigeria should diversify her economy in order to develop other sources of revenue and to ensure a balanced growth and development of the nation.

Keywords: *Monoculture Economy, Exchange Rate Volatility, Savings Stagnation, Dwindling Revenue, Debt Spiking, Capital Expenditure*

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Background to the Study

As a result of the impact of crude petroleum on the Nigerian economy, Nigeria's GNP increased from N11billion in 1973 to N47billion in 1981. Between 1973 and 1980, oil accounted for not less than 95% of all goods and services the country exported. In fact, between 1979 and 1983, the country earned N48billion from crude oil sales alone. While the export bill in 1973 was N2.5billion, it rose to N13.5billion in 1980. Imports also increased as a result of the oil boom. In 1973, for example, total imports were N23.8billion.

Since the 1970s, Nigeria's economy has been oil-based. Crude oil production and exportation accounted for more than 80% of the GDP, more than 95% of the value of exports and 80% of government revenues. However, this overdependence on oil has created problems such as an imbalance in the development of the economy and the neglect of agriculture, which used to be the mainstay of the economy and a way of life of majority of Nigerians. The period from 1971 to 1977 was known as the oil boom era and after that, oil glut started to set in since no condition is permanent (Akande and Azika, 1997).

The oil boom era had its advantages and disadvantages. On the advantages side, it constituted the major source of foreign exchange earnings; it was the major source of government revenue; it was responsible for attracting foreign investment into the country; it generated a high income in the economy and is thus responsible for providing much funds required for the implementation of projects; it generated employment opportunity for the people; it facilitated infrastructural development in the country; it promoted a high level of manpower development in the country, and it generated some backward and forward industrial linkages in the country. On the demerit side, it has not improved our capacity for hard work as an average Nigerian worker is indolent; it has not improved our ability to repair or maintain our machinery; it has stifled some of our ingenuity to adapt and instilled an attitude of replacing instead of repairing and redesigning; it generated environmental pollution with its destructive effects; it gave rise to the false value of superfluous spending hedged on conspicuous spending; and finally, it helped to create an impression that money was not our problem thereby engendering corruption which has existed till this day (Akande, and Azika, 1997).

The problem necessitating this study is the current drop in the price of crude oil in the world market and its impact on the Nigerian economy. The paper tries to analyse the causes, scope and the impact of this problem. It is a library research type that reviews the works of at least, 22 authors. It is organized into 4 sections, namely; Introduction, Turbulence in the World oil Market, Impact on the Nigerian Economy, and lastly, Summary, Conclusion and Recommendations.

Literature Review

Price Turbulence in the World Oil Market

The international oil market is characterized by speculations. Abilities of producer nations, individually or under an organization to manipulate these forces, are contingent upon their share of the market. In a situation where the share forms are appreciable proportion of the total global supply, producers can influence demand through cutting supplies, especially in periods of glut and falling prices or an increase in a period of shortage and rising prices, all of which are geared towards maximizing their revenue earnings.

There are two major groups in the production and supply of crude oil to the world market which are: OPEC and non-OPEC producers. It should be noted that neither of them can effectively control the oil market by way of stabilising prices. The reason is that any attempt by either party, especially OPEC, to do so is employed by non-OPEC producers to increase their production and share of the market thereby bringing uneasiness to the market.

The OPEC Conference of December 7, 1987, to a large extent, brought to a head the market uneasiness that has been putting a downward pressure on crude oil price as a result of glut among other factors. At that Conference, members agreed to change their pricing and production policy from one of supporting price by retaining production to the policy of seeking a faire share of the market consistent with the necessary income for member countries' development. Consequently, spot prices of crude reached to the news in an erratic way. Two days afterwards, the price of West Texas' intermediate crude dropped by $3 a barrel to $25.20 from a peak price of $32 in late November 1985. In the European market, the price of the North Sea Brent crude fell as low as $22 a barrel at one point from a peak price of $30 in late 1984. There was sharp recovery during the second week of December 1985, but this was short-lived by the end of the month and thereafter with OPEC producing around 18 million barrels a day, crude prices have been on the downward trend. The climax came around the middle of February 1986 when crude prices plunged to its lowest level in fifteen years. In some cases like that of the New York market, prices dropped below $15.50 a barrel. In the European market, the price of the North Sea Brent, which is in direct competition with Nigeria's Bonny Light, fell to $15.05.

Undoubtedly, one glaring effect of the sharp fall in prices is a corresponding drop in revenue earnings of oil-producing nations, especially those of them that depend heavily on crude oil export as the major source of their foreign exchange earnings. As far as Nigeria is concerned, a large proportion of her foreign exchange earnings and total revenue is derived from the oil sector. In addition, the capital size including foreign exchange proportions of her budgets and development plans are usually dependent on crude oil prices. The prevailing turbulence in the global oil market is bound to affect the nation's revenue realization of her budgets and long-term plans in an adverse manner.

Regrettably, a continuous fall in oil prices which is currently being experienced is definitely not only against the interest of the country, but also against other oil producers among the developing countries, more especially those of them that are debtors. The reason is that it would affect their ability to service the debts they owe banks and governments in the advanced countries of Europe and America.

It should be noted that a sharp decline in oil price may not be beneficial to the developed countries for the following reasons:

(i) They have a high stake in a stable oil market. This is because most of the finances invested in the development of oil fields around the world flow from banks in the advanced countries. Without a stable market guaranteeing a steady revenue, they would be unable to amortise their investments.

(ii) The huge sums of money already invested in the development of alternative sources of energy would be money gone down the drain with the availability of very cheap crude petroleum.

(iii) Declining oil prices will also have a negative impact on international trade. The fall in the purchasing power of oil producing nations, resulting from a fall in their revenue would adversely affect international trade and aggravate the problem of international indebtedness and payments (Akande and Azika, 1997).

As a matter of fact, revenue from oil has declined in recent times because of the large-scale oil theft, vandalisation of pipelines leading to financial leakages and production in the United States, resulting in sustained cutbacks in the US imports of Nigerian crude. Also, the surge in renewable energy, an alternative to oil especially in the United States, has meant reduction in the purchase of Nigeria's crude oil and ultimately, a sharp drop in accruable funds for the country. From the second half of 2014, the price of crude oil tumbled. The Bonny Light which was $111.3 per barrel in the first six months, fell precipitously through $90.2 per barrel in the second half of the year to less than $30 (Egwaikide, 2016). This will leave very little money for the implementation of the budget and for meeting other macroeconomic objectives of the government.

Emphasizing the current oil price drop, Uche-Okobi (2016) added that the sustained falling price of oil (from $110 per barrel mid 2014 to $35 in the first week of February 2016) in the international market, led to dwindling oil revenue. This development has thrown the Nigerian economy into turmoil and many companies and government agencies are finding it difficult to stay afloat. The falling price of oil has generated tension among oil workers who fear that they could be sacked any moment as many oil companies are negatively impacted. Evidence from past decades show that oil price per barrel rose from $25 in 2002 to $55 in 2005 and an outrageous $147 in mid-2008, and later on, declining sharply to $46. Persistent oil shocks such as this could have extensive effects on the macro-economy, thus inducing challenge for policy-making-fiscal or monetary-in both oil exporting and oil importing countries over the past forty years (Ogundipe and Ogundipe…)

Impact of the Fall in Crude Oil Price

According to a source culled from the internet on 13-02-2016 (source unknown), oil price has continued to fall and the implication for a Nigerian economy which runs on a single commodity is dire and we foresee the following as challenges:

1. Exchange Rate Volatility: 95% of foreign exchange earning is tied to oil and with shortened revenue in dollar terms, the Naira will be under continuous pressure. The Monetary Policy Committee has already devalued the Naira to N198 to the $1.00. Despite devaluation, Nigeria will earn less revenue from oil and gas exports and imports of household items will be more expensive, with the burdens passed on to Nigerians.
2. Savings Stagnation: With the Excess Crude Account (ECA) at $4.11bn at the end of 2015, declining oil price means that Nigeria might not be able to add additional revenue due to pressure from states who also run high recurrent expenditure. It might also be difficult for the federal government to save funds in the Sovereign Wealth Fund (SWF), considering the austerity measures of the time. Accretion to the external reserve is expected to show with falling crude oil.
3. Debt Spiking: Debt servicing will certainly rise, especially foreign debts and Nigeria will need more fund to cover budget deficit. With stagnated ECA, raising debt is the glaring alternative. The balance of the special accounts (ecology, stabilization and natural resources accounts) – which the federal government earlier borrowed N224bn from to augment a deficit – is currently unknown.
4. Capital Expenditure under Threat: The haste to spend on recurrent items will remain, as they are fixed charges, unless drastic reforms such as downsizing personnel and sharp cuts in overhead costs occur. Capital expenditure performance might be threatened by lower oil prices as government strives to keep its deficit within the limits of the Fiscal Responsibility Act while ensuring it meets its day-to-day obligations.
5. Employment: The public sector is still the largest employer of formal labour and with cut in government expenditure due to falling oil price, cuts in the number of new jobs will actually continue. The private sector will have to lead the way for employment opportunities in Nigeria but where it is affected by shortage of finance for expansion of production and other operations, it cannot perform this function.
6. Reduction in the price of oil has led to the depletion or decline in the country's reserve from $37.3bn in June 2014 to $28bn currently (Isibor, and Awele, 2016). This situation is very bad for Nigeria and does not support sustainable development because the CBN's monthly earnings have also dropped from $3.2bn to as low as $1bn. Depletion of external reserves leads to pressure on the Naira and to reduce this pressure, the CBN had to stop the sale of dollars from a list of 41 items mid last year, to prevent people from importing frivolous items.
7. According to Atojoko (2016), there is no denying the fact that the falling oil price is taking a huge toll on the Nigerian economy, precipitating a crisis worsened by a lingering fuel scarcity and falling Naira. The price of oil has since fallen from

$112 per barrel in July, 2014, to about $27 in early February, 2016. This has put the nation's resources into peril, two thirds of which come from oil. These are the challenges Budget 2016 of N6trillion is expected to address, if properly implemented.

8. The low price of crude oil will affect the implementation of the 2016 budget adversely. For one, the President fixed the benchmark price of oil at $38 when the price had already fallen to $27 as at early February. According to Anonso (2016), with the price of oil plummeting downwards, the government will look into other areas to raise money to fund the budget which means that Nigerians will pay more taxes and thus will lead to a decrease in disposable income. Low disposable income will lead to lower demands, which will adversely affect the industries and therefore a drop in employment.
9. Another impact of the current drop in oil prices is increased borrowing to be able to implement the federal budget. The estimated domestic borrowing this year is put at N900billion while external borrowing is put at N900billion, making a total of N1.884trn. There is nothing wrong with borrowing to execute capital projects which are income-generating but many things are wrong with borrowing to finance recurrent items.
10. Akabogu (2016) postulates that one impact of the oil price drop is that it presents an attractive opportunity for Nigeria to diversify and that failing do so will be suicidal. He postulates that if the price of crude oil continues to fall, no meaningful capital expenditure can take place except on paper because once oil price collapses, all else collapse equally as money from other sectors can hardly pay salaries not to talk of capital expenditure. The economy cannot sustain many projects for now without heavy borrowing and attendant excruciating interest rates.
11. The impact of the drop in crude oil has touched the financial sector also. Rewane (2016) had predicted that banks would commence massive retrenchment in the second quarter of this year and that state governments would also retrench a significant number of workers in the first quarter of this year as a result of the worsening business environment instigated by the dwindling oil price and depreciated Naira value. Adeola (2016) added that he envisaged possible shrinking in the number of local banks this year, as the banking industry is the most regulated sector in Nigeria in the past two years thereby affecting bank's performance. Manuaka (2016) added that bank's operations have been largely affected by dwindling oil prices which have also resulted in credit loan losses. The problem has also been compounded by stringent foreign exchange regime imposed by the CBN.
12. Atenaga (2016) confirmed that the operating environment has been very difficult for banks and noted that staff rationalisation is the next logical thing to do. He reported that First City Monument Bank (FCMB) laid off hundreds of its workers in the last week of January 2016. The exercise which is ongoing was said to be because of the harsh business environment. He noted that one or two international banks are pursuing acquisition in Nigeria and that if the

opportunities arise for banks to pursue further consolidation, we could see two or three banks remaining. Last year, Zenith Bank had laid off hundreds of workers as part of its cost-cutting measures which were attributed to the implementation of the Treasury Single Account, (TSA). Also, prominent banks like Union Bank, Access Bank, Eco Bank, Skye Bank, Diamond Bank and the three nationalised banks namely Mainstream, Keystone and Enterprise Bank (now Heritage Bank) have planned their own downsizing.

13. In short, the main problem strangulating the banks is the falling oil price which has negatively affected banks' earnings because of their huge exposure to the energy sector which is also groaning under the effect of continuous downward movement which has been the mainstay of Nigeria's revenue source. It has also been the mainstay of Nigeria's revenue source. It has also been revealed that most of the oil firms are heavily indebted to banks and they have not been able to service the loans, a situation that has worsened the liquidity problem of the banks (Uffot, 2016). With the dwindling oil price and the slide in Naira value, banks that borrowed foreign denominated currencies would be forced to restructure their debts which would cause them sourcing more money to repay the debt.

14. Indeed, the liquidity crisis affecting the industry at the moment runs contrary to claims by the CBN, that none of the 25 banks in the country was distressed. Investigations revealed that about six commercial banks are in need of recapitalisation or would have to enter into merger if they are to stay in business this year. Stakeholders are worried that the liquidity crisis in the banking sector would have a boomerang effect on the real sector since most banks may be unable to meet loan demands of big manufacturers and small scale enterprises (Uffot, 2016). According to Ifurueze (2016), the falling price of crude oil has 80 percent effect on the capital market, impacting on market capitalisation, All Share Index (ASI) and share prices.

15. The impact of the slide in oil prices has been felt by the FGN which has been unable to bear some financial responsibilities. In 2015, it was only able to allocate 60% of its third quarter financial obligations to the National Assembly, provoking protest from disgruntled staff whose October salaries were not paid. Even allowances of senators and members of the House of Representatives were not paid for many months.

16. According to Uche-Okobi (2016), as at last year (2015), Schlumberger Limited, American multinational oil service firm, lined up approximately 9,000 workers from its global operations for sack due to lower oil price and the expected cut-backs in exploration and production spending in the course of the year. The company has set aside $296million charge associated with the lay offs. Shell Petroleum Development Company (SPDC) and Chevron have concluded plans to sack 18,500 workers from their global operations. When it became clear in 2015 that some oil company workers would lose their jobs, the Petroleum and Natural Gas Senior Staff of Nigeria (PENGASSAN) raised an alarm, warning that it would not tolerate indiscriminate sack of its members under the guise of

falling oil prices. This would cause a round of labour unrest which could destabilise the economy.

17. The downturn of the oil sector spells bad news to government, particularly, state governments, many of which depend heavily on revenue from the federation account for survival. Their allocations have equally reduced over time, making many of the states to be unable to meet their obligations to workers. According to Uche-Okobi (2016), in Edo State, for instance, government has sacked all the 10,000 people working for the Youth Empowerment Scheme (YES). In Imo State, reports have it that 2,000 civil servants have been booted out. With the threat by state governors to cut down the minimum wage or on the alternative, retrench workers, it is likely that the list of the unemployed would further increase within the year.

18. The dwindling revenue from oil has also negatively affected the capacity of the federal government to implement some projects, construction industry and many of their workers have deserted the sites. The lull in the industry, which has about 130 registered members of the Federation of Construction Industry (FOCI), follows the huge debts they incurred from bank loans to execute projects, for which government at all levels have failed to honour the terms of the contracts. For examples, the FGN owes Setraco over N80billion; it owes Julius Berger N70billion; and it owes S&M Nigeria Limited N800million. As at 2015, the FGN was reported to have owed the construction industry a whooping N600billion. Since the construction companies cannot pay salaries and allowances to their workers, the logical thing is the massive retrenchment of workers, skilled and unskilled (Bello, 2016).

19. Indeed, Bello (2016) reported that there is no sector of the Nigerian economy where workers are not threatened. The implementation of the Treasury Single Account (TSA) which mandates all Ministries, Departments and Agencies (MDAs), to remit revenue into a single account to checkmate leakages in government organisations and other policies; unleashed a chain of reactions now threatening the jobs of many workers in the private sector. At least, N1.2trillion was transferred from the vaults of the banks to the CBN, and over 20,000 accounts of the MDAs with the banks were closed. The significant depletion of the banks left them no choice than to embark on mass sack.

20. On the second week of February, there were reports that the FGN's policy on foreign exchange might affect the jobs of those who work at different bureau de change (BDC) outfits across the country. Despite the lifeline given to the BDC operators recently by the CBN which said they could source forex from oil companies and the Nigerian National Petroleum Corporation (NNPC), the 2,786 operators in the country might still sack their workers nationwide. The development followed CBN's stoppage of direct sale of forex from banks to the BDC operators. When MTN Nigeria, a major mobile network provider, acquired Visafone in early January, it laid off about 2,000 workers of the acquired company. The company would have retained at least 50 percent of the sacked workers if the economy were clement.

21. According to Ekpo (2016), the sharp decline in oil prices resulting in a drastic erosion of the country's reserves necessitate the CBN to delist 41 items as non-eligible for government's forex widow. Subsequently, the CBN stopped the sales of forex to BDCs. This policy was in order as only Kenya and Nigeria were selling forex to BDCs. Kenya stopped the policy in 2006. The response to the CBN's measures was quick, throwing up, as it did, scarcity of forex, speculative activities and uncertainties in the foreign exchange market with adverse implications for the wider economy.
22. The drop in crude oil price has a very direct impact on the federation account. Ekwere (2016) reported that the statutory allocation to the three tiers of government from the federation account in January stood at N370.388billion, representing a decrease of N17.383billion distributed in the previous month. Nduka (2016) reported that allocation from the federation account available for sharing this month by the three tiers of government reduced by N17.38billion compared with what was shared last month. The allocation for December 2015, distributed in January 2016, was N387.77billion. The drop in the revenue available was attributed to the drop in oil prices from $43.4 per barrel to $39.04 per barrel which resulted in revenue loss amounting to $22.55million.
23. The falling crude oil price has implications for Nigeria's economic management and some important sensitive economic indicators such as revenue, sovereign risk, foreign exchange resources, sovereign wealth fund, budget implementation; and has resulted in a shrink of the Excess Crude Account (ECA). This squeeze is having downwards risks to fiscal management and a balance in the ECA has been downward (Tule and Johnson, 2016). Worse still, the current level of external reserves is capable of supporting only about 7 months of import commitments, which is too poor for the nation.

Summary, Recommendations and Conclusion

Summary

Nigeria is Africa's most populous nation with a population of over 170 million people and the biggest economy on the continent based on the rebased Gross Domestic Product (GDP) figure of about N80.2trillion ($510billion). The country is the largest producer of crude oil in Africa and the sixth largest oil exporter in the world. Before independence in 1960, the economy was characterized by agricultural exports and commercial activities and there was no industrial sector. After independence, agriculture continued to be the mainstay of the economy and contributed about 65% to GDP and represented almost 70% of total exports. It provided the foreign exchange that was utilized in importing raw materials and capital goods as the peasant farmers produced enough to feed the entire population.

According to Tule and Johnson (2016), since the emergence of the oil industry in the late 1960s and its rapid build-up in the 1970s, it has become the main revenue source for Nigeria. The discovery of oil is believed to have contributed in stagnating growth of Nigeria's economy as it has overheated the economy and fuelled inflation. It led to many liabilities including the syndrome of policy changes, price distortions and the overvalued exchange rate that undermined the traditional industry and domestic agriculture. Nigeria's poor records of corruption, mismanagement, socio-economic instability, are traced to the perverse effects of the oil sectors. The authors of this paper support the diversification of the Nigerian economy to enhance balanced growth and development and ensure a multicultural economy.

Conclusion

It is true that Nigeria depends largely on oil receipts that make up 95% of foreign exchange earnings and 70% of government revenue. The pulse of the economy is determined by happenings in the international oil market where the vagaries of demand and supply, coupled with socio-political influences, determine the price of oil and the size of sale inflows and external reserves position. The economy is largely a monoculture one and predominantly import-dependent, remaining unhealthily dependent on the volatile oil sector. The economic situation is biting so hard that the federal and state governments' monthly allocation from the federal allocation have sharply declined. Consequently, some of the states can no longer meet up with their financial obligations. Some FGN agencies are not faring any better in this respect. The private sector is also not totally immune to the gloomy economic reality in the country as it has impacted negatively on the Naira. With the diminishing value of the Naira, local industries are facing serious challenges that have already led to downsizing of workers. The undiversified structure of the economy is one major factor that exposes the country to external shocks, especially, changes in oil prices. This situation has compelled the government to pursue tighter fiscal and monetary policies that have slowed down economic growth, reduced income and infrastructural development.

Recommendations

1. It has been found out that the petroleum sector is a leading sector with its dominant macroeconomic contributions, but with relatively low employment impact and very limited transmission of technical advances. A developing country, like Nigeria, should aim at generating more domestic employment and income by vertically moving up to external trade in mainly refined petroleum products have a history of very stable (and even rising) prices internationally. The economy would gain from the price stability of its refined products and also, extra employment and real income created both in higher stages of production in the petroleum sector and in the growth of allied and ancillary sector or industries (Ekpo, Ndebbio, Akpakpan and Nyong, 2004). The authors of this work believe in the efficacy of the postulation of the erudite professors of Economics.
2. One way of overcoming the problem of monoculture economy currently facing Nigeria is to revamp the country's agriculture sector. Government needs to really appreciate the potential of the sector as a catalyst for economic and industrial transformation. Consequently, government needs to recreate a modernized professional and commercial farming sector, supported by

improved infrastructure and research into high performance seeds and livestock.

3. Improving tourism could also be a boost to the economy. Tourism is a veritable instrument for socio-economic transformation. It impacts directly on the economy through the provision of resources and income that could be deployed to enhance economic growth, accelerate development and reduce poverty. The two recommendations above are the views of Ogunbiyi in Jacobs (2016). The authors of this paper tacitly support the views of Ogunbiyi.
4. Policies should be initiated and implemented that encourage investment, especially, immediately after oil price shock so that it can translate into growth in real output. The study reveals that oil price shocks significantly affect savings and savings affect investment, thus policies that would encourage savings especially during periods of oil boom is essential for improved performance of the economy. Incentives should be provided by the government to enhance savings and investment culture. These incentives include favourable savings and lending rates, reliable financial institutions, and protection of infant industries from foreign competition, among others.
5. Excess funds from positive shocks (boom) should be invested wisely, so that it would help the economy to grow. Competent and efficient managers should be placed in charge of the funds so that they are not mismanaged or embezzled as is usually the case in this country (Ogundipe and Ogundipe ...). The two prescriptions above are the views of Ogundipe and Ogundipe (…) which these authors subscribe to.
6. Diversifying Nigeria's economy away from its over-dependence on crude oil is the only strategy to revive the economy. Apart from the effects of declining crude oil prices, the country should begin to make preparations to survive the impact of cheaper renewable energy on oil and gas demand. The country should apply a strategic mind-set in utilizing its oil revenues to finance the diversification of its economy, assessing comparative advantages and building, and launching into new industries that are destined to grow in the 21st century. The diversification should take advantages of efficient linkages between oil and related industries such as petrochemicals, aluminium, steel production, fertilizer and bioelectronics (Oteh, 2016). The authors of this paper accept that diversifying the economy is only way to ensure a balanced growth and development, generation of employment, poverty reduction and varied sources of revenue.

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