



Changing Economic World



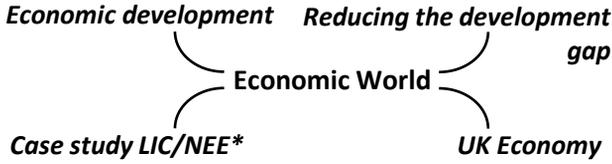
Nigeria's Changing Industrial Structure

read

quiz



The Big Picture



Key Terms



Industrial structure – The relative proportion of the workforce employed in different sectors of the economy (primary, secondary, tertiary and quaternary).



Economic Growth

Nigeria has the largest economy in Africa and one of the fastest-growing economies in the world. The graph below shows considerable growth in Nigeria's GDP from 2000 to 2022.



Despite this growth, Nigeria has a significant inequality gap. Wealth is typically found in the south, in and around Lagos. The north is exceptionally poor. Most people are poor, living on less than \$1.25 per day. Wealth is held by a small proportion of people in Nigeria.



Changing Industrial Sectors

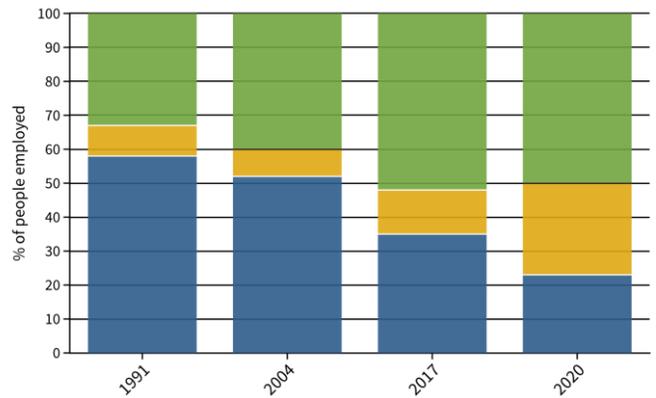
The structure of Nigeria's economy has changed significantly. Its economy has transformed from one mainly based on agriculture to manufacturing and services. Around 52% of Nigeria's GDP now comes from manufacturing and services. Mechanisation and rural-urban migration have led to a decline in employment in agriculture.

Foreign investment and a considerable growth in the service sector (mainly IT) along with its vast oil reserves has significantly changed Nigeria's economy. Manufacturing the the fastest growing sector, due to its cheap and plentiful labour and vast market.



Changing Structure

■ Agriculture ■ Industry ■ Services



Since 1991 there have been significant changes to Nigeria's industrial structure. Employment in agriculture has declined due to mechanisation, it's industrial and service sectors have grown.



Manufacturing

Nigeria's manufacturing industry was hindered by its dependence on exporting raw materials, mainly agricultural produce. Processing was mainly done abroad. However, now, manufacturing accounted for 27% of Nigeria's GDP, growing faster than oils, gas, and telecommunications. This is due to its rapidly growing home market, cheap labour forces, and improving infrastructure.



Economic Development

Economic development has been stimulated by manufacturing growth:

- A more secure income means increased demand for goods and services.
- Multiplier effect (other support industries grow)
- Increase in tax to spend on development
- Foreign investment