



**BABCOCK**  
**UNIVERSITY**

ILISHAN-REMO, OGUN STATE, NIGERIA

# COLLEGE OF POSTGRADUATE STUDIES

## 2022/2023 PhD Thesis Abstract

### Department of Economics

**RFN:** Sebastine ARINZE

**RD:** Economics

**RS:** Veronica Adeleke School of Social Sciences

**RE:** arinze0111@pg.babcock.edu.ng

**RAE:** sabarinze@yahoo.com

**RP:** 08022242529

**RT:** Dynamics of Import Tariff Changes, Macroeconomic Performance and Household Welfare in Nigeria

**MS:** Prof. Adegbemi ONAKOYA

**ME:** onakoyaa@babcock.edu.ng

**SP:** 08035550124

**CS:** Prof. Akin IWAYEMI

**CE:** akiniwayemi@hotmail.com

**CP:** 08023468751

**AB:** High levels of household welfare and good macroeconomic performance are important for economic development. Despite several trade policies precisely on import, Nigeria still faces the challenge of poor macroeconomic performance such as low industrial production, low gross domestic product and high commodity import as well as low welfare levels. Few studies have examined the effect of import tariff on the economy using an economy-wide impact analysis. Therefore, the study examined the effect of import tariff changes on macroeconomic performance (General Price Level (GPL), Government Income (GI), Real Gross Domestic Product (RGDP), Gross Investment (GI), Gross Domestic Savings (GDS), Commodity Import (CI), Government Tariff Revenue (GTR), Industrial Production (IP)) and household welfare (Household Income (HI), Household Consumption (HC)) in Nigeria.

The study adopted the *ex-post facto* research design. Data for the study were sourced from the Social Accounting Matrix (SAM) 2019. The SAM which represents flows of all economic transactions (payments and receipts) that took place within the economy in the base year provides a detailed representation of the Nigerian economy. Data were analyzed using the Computable General Equilibrium (CGE) modeling technique. The model considered four scenarios of tariff changes such as 50% and 20% tariff reduction and a tariff increase of 50% and 100% over the base year value.

The findings revealed that given a base year import tariff value of 12.37%, a 50% reduction in import tariff caused GPL, GTR and GI to decline by 13.1%, 27.8% and 18.1% respectively while IP, CI, RGDP, GDS, HI and HC increased by 11.9%, 56.6%, 13.4%, 35.5%, 43.1%, 35.1% respectively. A 20% reduction in import tariff led to a 7.1%, 11.4% and 9.7% decline in GPL, GTR and GI respectively and a 20.6%, 28.7%, 10.8%, 26.0%, 35.2%, 9.0% and 19.9% rise in IP, CI, RGDP, GDS, HI and HC respectively. A 50% increase in import tariff caused GPL, IP, GTR, GI, CI, RGDP, GDS, HI and HC to rise by 8.1%, 34.0%, 24.9%, 15.8%, 18.5%, 8.9%, 12.9%, 16.4%, 23.6%, and 17.1% respectively. A 100% increase in import tariff led to a 17.1%, 77.5%, 26.3%, 10.7%, 1.4%, 8.3%, 2.7%, 45.7%, 17.9% and 13.2% rise in GPL, IP, GI, CI, RGDP, GI, GDS, GTR, HI and HC respectively.

The study concluded that changes in import tariff determine macroeconomic performance and household welfare in Nigeria. The study recommended that relevant policy making institutions should focus on determining appropriate import tariffs towards improving macroeconomic performance and household welfare.

**Keywords:** Computable general equilibrium, Government tariff revenue, Household welfare, Import tariff, Macroeconomic performance

**Word Count:** 401

*Abbreviations: RFN: Researcher's Full Name, RD: Researcher's Department, RS: Researcher's School, RE: Researcher's Email, RAE: Researcher's Alternate Email, RP: Researcher's Phone Contact, RT: Registered Title, MS: Main Supervisor, ME: Main Supervisor's E-mail Address, SP: Main Supervisor's Phone Contact, CS: Co-Supervisor, CE: Co-Supervisor's E-mail Address, CP: Co-Supervisor's Phone Contact, AB: Abstract*

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