

Economic Growth And Capital Market Development In Nigeria An Appraisal

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Abstract

This paper appraised the responsiveness of economic growth to capital market development in Nigeria. Specifically, the study sought to, (i) determine the impact of market capitalization on Real Gross Domestic Product (RGDP) (ii) ascertain the effects of value of shares traded in the capital market on Real GDP and (iii) find out whether the total number of issues in the capital market impact on RGDP in Nigeria. The researchers adopted time series data from 1995-2016 which were drawn from Central Bank of Nigeria Statistical bulletin and stock exchange review reports. The analysis of data was done using descriptive statistics and ordinary least square (OLS) regression Technique. The result of the study shows that market capitalization was found to have negative relationship with Real Gross Domestic Product (GDP) in Nigeria. The study also reveals that there is limited contribution of the capital market to the development of industrial sector. The study recommended that there should be improvement on the declining market capitalization by encouraging investors to invest in the sector.

Keywords: Capital Market, Value of Shares, GDP, Number of stock issued and Ordinary Least Square (OLS)



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