Omodero, Cordelia Onyinyechi

Article

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Management dynamics in the knowledge economy

Provided in Cooperation with:
National University of Political Studies and Public Administration, Bucharest

This Version is available at:
http://hdl.handle.net/11159/4163

Nigeria's Economic Diversification with an Emphasis on Hospitality and Tourism Sector as a Necessity

Cordelia Onyinyechi OMODERO
Department of Accounting, College of Management Sciences,
Michael Okpara, University of Agriculture
Umudike, Umuahia, Abia State, NIG
cordeliaomodero@yahoo.com

Abstract. *The need for economic diversification as Nigeria's economic crisis heightens and the apparent neglect of the hospitality and tourism sector jointly motivate this study. The paper analyzes the contribution of the hospitality and tourism sector to Nigeria's national development. The study uses the Ordinary Least Squares (OLS) regression method to analyze the data which span from 1981 to 2017. The results show evidence of a positive and strong relationship between the contribution of the sector and real gross domestic product (RGDP) in Nigeria. Hospitality and tourism sector is estimated to contribute a total of 48.96% variation in RGDP between 1981 and 2017 in Nigeria. From the regression result, the contribution of the hospitality and tourism sector is having a significant positive impact on RGDP. The study is suggesting that the government ought to make an empowering situation for the area to thrive and affect more on national advancement. The examination suggests the arrangement of satisfactory foundations, financing, security, and good roads enhance patronage and accessibility to various tourism destinations in Nigeria.*

Keywords: hospitality and tourism sector; real gross domestic product; national development.

Introduction

Tourism and hospitality sector has over the years witnessed steady growth and is almost becoming one of the fastest growing economic sector and a key driver for socio-economic progression. The tourism business has proved in several countries to be a suitable tool for economic diversification. Many industrialized and developing countries have solved the problem of unemployment and economic crisis through tourism development especially nations that are very much concerned about poverty alleviation in their countries. Tourism and hospitality business is the best means to support a nation's effort in alleviating poverty and overcoming the scourge of joblessness. The hospitality industry is of incredible significance in our present-day global economy (Frechtling, 1999). It is one of the real single bosses and in numerous nations, it is the biggest administrations trading division, making a wonderful commitment to the parity of installments of the recipient nations (Papatheodorou, 1999). Twining-Ward and Shiels (2017) identify twenty reasons why tourism should be built into a country's economic development agenda. They recognize that tourism stimulates GDP growth, boosts international investment, drives infrastructure

development, increases international trade, supports low-income economies, creates jobs efficiently, promotes inclusive growth, strengthens rural communities, revitalizes urban areas, improves access to income through travel tech, benefits women who mostly find employment in them, bolsters artisans, facilitates conservation, raises climate change awareness, propels the blue economy, protects cultural sites, sustains intangible culture, spreads philanthropy, cultivates intercultural understanding as well as aiding post-conflict recovery (Twining-Ward & Shiels, 2017).

Tourism and hospitality business includes settlement, providing food, amusement, transport, and administrations for voyagers which fill in as the financial motor for created and creating economies all around (Rita, 2000). On the other hand, tourism is referred to as a gadget for general development and supportable monetary advancement. Since the 1990s, the travel industry has progressively added to Africa's development, work, and exchange (United Nations, 2017). Amid 1995–2014, universal traveler landings to Africa developed by a normal of 6 percent for every year and the travel industry send out incomes, 9 percent for every year (United Nations, 2017). The normal complete commitment of the travel industry to total national output (GDP) expanded from $69 billion of every 1995–1998 to $166 billion out of 2011–2014, that is from 6.8 percent of GDP in Africa to 8.5 percent of GDP (United Nations, 2017). Also, the travel industry created in excess of 21 million livelihoods all things considered in 2011–2014, which converts into 7.1 percent of all occupations in Africa. This implies over the period 2011–2014, the travel industry was supporting 1 out of each 14 livelihoods (United Nations, 2017).

Tourism is one of the world's driving industry with general monetary effect (immediate, circuitous and initiated) of over 8.2 trillion U.S. dollars in 2017 (Statista, 2018). Following the official opening of Room 50 Two Boutique Hotel located in one of the prime areas of Gaborone's Central Business District in Botswana, President Mokgweetsi Masisi mentioned that the government of Botswana has made a thoughtful resolution to establish the country as a tourism conference center as a way of diversifying the economy since tourism has the needed potential to attract international tourists and meeting delegates whose contribution to the economy will be enormous (Baleseng, 2018). Preceding the rise of less acclaimed nations (Angola, Burma, Cambodia, Cape Verde, China, Gabon, India, Montenegro, Namibia, Thailand, Vietnam and Zambia) from 2014 into the travel industry, so as to profit by the immense monetary open doors in the business, nations, for example, France and United States have for quite some time been the famous the travel industry goals of the world. In any case, the direct monetary commitment of the business around the world, including convenience, transportation, stimulation, and attractions was roughly 2.3 trillion and 2.6 trillion U.S dollars in 2016 and 2017 separately (Statista, 2018). Development of sustainable tourism project in Jordan from 2013 to 2014 is also another national move to diversify a nation's economy, boost GDP and create jobs for women and young people alike (USAID, 2014).

The direct and total contribution of travel and tourism to the global economy from 2006 to 2017 in trillion U.S. Dollars are as shown below:
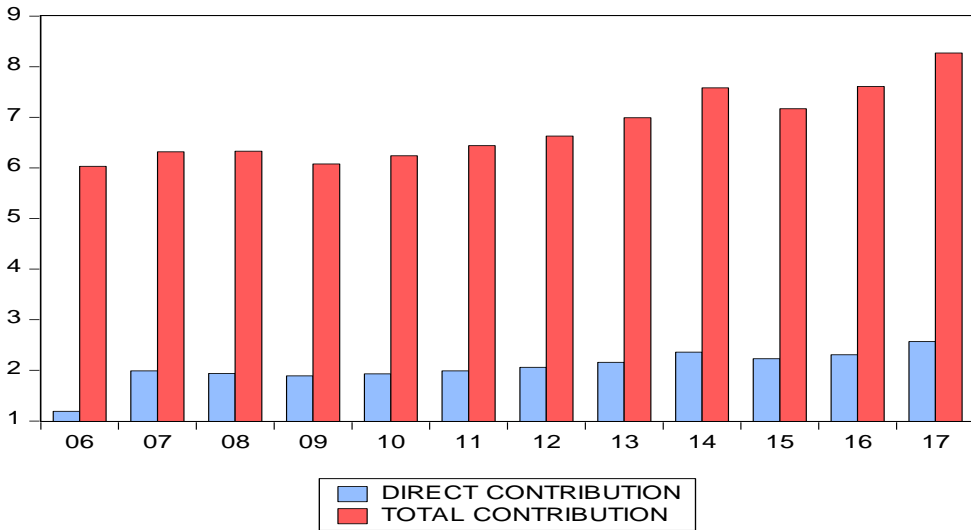
***Figure 1. The direct and total contribution of travel and tourism to the global
economy from 2006 to 2017 in trillion U.S (Statista, 2018)***

In Nigeria, the hospitality and tourism sector is an industry that combines both hospitality and tourism activities as a business of one particular sector. In this study, the contribution of the two activities is recognized as an input emanating from the same sector and adding value to national development. Therefore, hospitality contribution to national development includes all inflows from the tourism activities into the national income.

The Nigerian hospitality and tourism sector is yet to increase universal acknowledgment that can prompt significant and unmistakable financial advantages of the business. In any case, Nigeria has been honored with excellent the travel industry goals that could be figured with universally.

One out of the top 15 identified and captured in pictures by Trust (2017) is shown below (Figure 2).

Figure 2. Lagos State Eleko beach (Trust, 2017)

The hospitality industry in Nigeria contributed about 4.8% to Nigeria's total national output (GDP) and utilized about 1.6% of Nigerians in the year 2016 (Kushal, 2017). The Nigerian Tourism Development Corporation (NTDC) has noticed that religious goes for shows sorted out by super places of worship, for example, Mountain of Fire Ministries and Redeemed Christian Church of God yearly draw in not less 15 million individuals in the nation consistently (Bigportal, 2017). In any case, the poor execution of the business has been ascribed to the absence of sufficient foundations and precarious conversion standard (Kushal, 2017). In Nigeria, tragically the travel industry goals are not effectively open because of awful streets combined with exercises that don't meet the taste and desire for the clients (Uboegbulam & Bello, 2018). Different issues that influence the hospitality industry in Nigeria incorporates shaky power supply, poor upkeep of lodging settlement, poor subsidizing, poor correspondence system, weakness and other condition difficulties (Uwa & Akpaetor, 2018). Along these lines, the investigation looks to decide the effect of the commitment of hospitality and the travel industry area on genuine total national output (RGDP) in Nigeria and to propose methods for improving the business for appropriate national advancement.

Hypothesis **-** H01: Hospitality has not made a significant contribution to the real gross domestic product in Nigeria.

Review of literature

Conceptual review. The concepts of hospitality and tourism

Tourism is comparatively a new area in the global economic trade which contributes to the foreign income sources of many nations, as a result the activities embedded in the tourism business are very crucial in determining the satisfaction of the guests and their tourism necessities which consequently affect all other areas of the economy (Kum, Aslan, & Gungor, 2015). Telfer (1996) noticed that the principal highlights of hospitality are sharing of sustenance, drink, and settlement to people who are not relentless individuals from a family. People here can be outsiders, neighbors, pariahs and so forth. Basically, it has given nourishment, drink, and sanctuary in their very own home and offer them with their visitors without worry for money related restitution (King, 1995). Under this setting with no business aim, friendliness can be portrayed as an exhibition of thoughtfulness through giving of nourishment, drink and safe house to outsiders, however for a brief span. As indicated by King (1995), the principal reason for giving friendliness is normally a private quality and liberality which therefore lead to an equivalent connection between the host and visitor. Consequently, the visitor has a social obligation to be a decent organization and to respond to the host here and there so as to improve the relationship. Lockwood and Jones (2000) stated that a visitor is not under any commitment to return friendliness to the hosts. Telfer (2000) distinguished the offering of nourishment, drink, and convenience with some desire for the consequent increase as Ulterior Motives Hospitality. It is assumed that the visitor has the ability to profit the host thus hospitality is offered as a method for picking up that advantage. For this situation, the business lunch or supper for the supervisor, or the customer, can be occurrences of neighborliness being offered with the point of making a positive impression, with the expectation that this will, in the end, benefit the host (Lashley, 2015).

Despite what might be expected, business hospitality industry alludes to the arrangement of nourishment, drink, and settlement for the trade of cash and benefit making (Lashley, 2000). Uwa and Akpaetor (2018) present that neighborliness industry is a monetary movement which gives administrations, for example, settlement in lodgings, motels, campgrounds and so on for a charge. In this way, the connection among host and visitor is corresponding in that the host has a commitment to convey the best administration and make the visitor feel fulfilled while the visitor reacts by paying for the administration he/she gets (Sienny, 2005). In a circumstance where the administration is never again attractive to the visitor, he/she is in every case allowed to pull back support (King, 1995).

The fundamental capacity of accommodation is to set up a relationship or to advance an officially existing one. In light of this perspective, Selwyn (2000) kept up that neighborliness changes over outsiders to familiars, adversaries to companions, companions to better companions, pariahs to insiders, and non-kinfolk to family. Lockwood and Jones (2000) recognized social/private accommodation and business neighborliness into certain attributes. They perceived highlights of Social/Private neighborliness to include: 1. Supply drove 2. Incidental 3. Little-scale 4. Self-managed 5. Non-committed offices 6. Interesting knowledge 7. Customized action 8. Social experience 9. Not for benefit. At that point, Commercial neighborliness highlights are 1. Demand-driven 2. Nonstop 3. Enormous scale 4. Regulated by others 5. Committed offices 6. Repeatable experience 7. Economies of scale 8. Administration experience 9. Budgetary manageability (Lockwood & Jones, 2000).

Kaspar (1976) characterizes the travel industry as the aggregate of relations and occasions that emerge from the movement and the eve of people when the spot of stay is neither the underlying and changeless habitation nor the typical work environment. The travel industry is likewise alluded to like the exercises related with movement far from an individual's standard condition and most nations of the world are keen on the effect of the travel industry on their economies (Frechtling, 1999; United Nations, 1994). The travel industry is worldwide and is gone up against worldwide difficulties (Ingram, 1995). Global the travel industry gives space for administration rivalry and clients rule (Gronroos, 1994). Along these lines, there is have to meet and surpass clients' dynamic desires so as to keep the business in business (Atkinson, 2000). National attributes are essential in creating the travel industry (Jayawardena, 1993). The travel industry has an enormous number of firms, couple of section hindrances and different highlights of a focused market (Karagiorgos, Drogalas, Pazarskis, & Christodoulou, 2008).

Theoretical review

Sustainable tourism theory

According to Bauer (2014), sustainable tourism theory supports tourism and hospitality business to make the best use of the resources in the environment by helping to preserve the natural heritage, conserve the vital ecological progressions as well as the traditional values of the host countries. Hospitality and tourism business is a dynamic and rapidly increasing business due to its interrelationship with other disciplines which include agriculture, education, economics, environment, finance,

health, immigration, society, transport and many others (Bauer, 2014). It a sector that affects all human endeavor and so requires sustainability. Sustainable tourism is one that considers the existing and future economic, social and environmental influences while ensuring that the concerns of all stakeholders (including the guests, the industry, host communities, and the business environment) are adequately addressed (Bauer, 2014). Therefore, sustainable tourism must guarantee stable employment, renders social services to the host communities, contributes to poverty reduction and establishes a longstanding economic process that will remain beneficial to all stakeholders.

Motivation theory

Herzberg (1996) propounded inspiration hypothesis which underpins the improvement of the nature of administration of the workers in the accommodation business through inspiration. The entire parcel of the administrations that will make a visitor rehashes visit and even prescribes others to the inn or the travel industry goal relies upon the administrations and impression given to him/her by the representatives. Subsequently, if the physical offices, sustenance, drinks and so forth (potential dis-satisfiers) don't fulfill the client's guideline and desires, he/she will be disappointed. The presentation of the inn staff relies upon the measure of inspiration they get to be taking care of business in serving the visitors whose fulfillment will prompt an arrival visit.

Transformational theory

The travel industry gives explorers and an economy the chance to accomplish the required change regarding individual and financial advancement. From the outlook of transformational learning hypothesis, Resinger (2013) battles that movement is transformational as it includes the vast majority of the conditions/arranges that trigger and lead to individual and societal change. From the explorers' perspective, Ross (2010) trusts that one needs to carefully make plans to jump on a voyage that will rouse and potentially transformational. In all cases, it is hypothesized that when gone up against with conditions in which the present convictions, principles and ordinary human response never again work, at that point perplexity and confusion set in until the individual acclimates to the overall circumstance. Be that as it may, the adjustment, as a rule, includes profound transformational change including mental (more profound comprehension of self), convictional (convictions, values, world-see) and conduct changes (Nowaczek, 2013). From this point of view, certain movement conditions are fundamental to incite upheaval. In this way, such travel ought to be viewed as deliberate and self-deciding (Hottola, 2014).

Empirical review

Sheel (2008) explored the effect of subsidence on the US Tourism, Hotel, and Restaurant business. The downturn in the economy of the US provoked the examination. US GDP diminished by 6.2% in 2008 while the country's joblessness rate rose to 8.1% with a normal of 600,000 occupation misfortunes. In 2008, interest for US lodgings declined by 1.6%. Continuation of Reuters report in 2008, the examination further affirmed that some prominent US Restaurant petitioned for financial protection in 2008. Among them

were VICORP Restaurants Inc., Buffets Holdings Inc., and Metromedia Steakhouse and so forth. Because of the absence of credit for renegotiating, specialists completed a gauge that recommended more chapter 11 recording by some different US Restaurant Industry.

Ozturk and Acarava (2009) studied the long term association existing between international tourism and the Real Gross Domestic Product (RGDP) in Turkey from 1987 to 2007. The study used a Vector Error Correction Model (VECM) and an autoregressive distributed lag model (ARDL) to test tourism economic driven growth assumption. The results showed that there was no special long-run relationship existing between RGDP and International tourism which implies that International tourism is not likely to be the major driver of economic growth in Turkey. Sanni (2009) inspected the impact of the economy on the hospitality industry in Nigeria. The investigation utilized time arrangement information from CBN Statistical Bulletin (2017) which crossed from 1980-2006. The information was broken down utilizing straightforward relapse examination. The investigation gave proof that there is a positive relationship between the accommodation industry and the Nigerian economy. The consequence of the investigation demonstrated that a unit increment in GDP expanded the commitment of neighborliness industry to GDP by 0.003278, and it was noteworthy (0.0000) at 0.01 dimension of hugeness. The examination inferred that relentless ascending in the economy will effect on friendliness industry fundamentally and decidedly.

Mathur and Kumar (2013) examined the commitment of friendliness and the travel industry in the economy of India. Information was gathered on outside visitor entries (FTA) and remote trade profit (FEE) in India to quantify their commitments to the economy of India from 2000-2012. The information was examined utilizing diagrams and tables with the guide of MS-Excel. The discoveries uncovered that both FTA and FEE were on an unfaltering development and even got to the crest in 2012. The examination definitively communicated positive thinking that Indian Tourism and Hospitality could have a sound development in the coming years dependent on earlier years' result. Petrevska (2013) assessed the contribution of tourism to the economic development of Macedonia using a set of data that covered a period from 1997 to 2012. In order to evaluate the contribution of tourism to the national development, the assessment was carried out to determine the level of tourism contribution to the balance of payment, employment and Gross domestic product (GDP). The findings generally revealed a modest contribution of tourism to economic development in Macedonia.

Tang and Tan (2013) used monthly data of 12 different tourism markets to explore the underlying association between tourism and economic growth from January 1995 to February 2009. The study applied a combination of Granger causality and co-integration test and established that tourists' arrivals from the tourism markets and co-integrated with Malaysia's economic growth. The outcome of the study confirmed that only 8 out of the 12 tourism markets could offer a largely steady backing for tourism-driven economic growth in Malaysia. Suresh and Senthilnathan (2014) applied the Granger causality test and error correction model to assess the causative correlation between tourism incomes and economic growth of Sri Lanka for a period covering 1977 to 2012. The results disclosed that there is uni-directional causality from economic

growth to tourism earnings. Tang and Abosedra (2014) verified the impacts of tourism, energy consumption and political instability on the economic growth of 24 countries in the Middle East, North African (MENA) countries using panel data from 2001 to 2009. The study found evidence that energy consumption and tourism had a significant positive impact on the economic growth of the countries in the MENA region which also provided backing for tourism growth driven postulation.

Kim and Kim (2015) investigated the economic impacts of the hospitality industry in the USA. The study found evidence that hotel industries impacted the state economy through job creation, boosting of finance and insurance industries as well as generating more labor income than accommodation industry. Mrema (2015) assessed the contribution of tourist hotels in socio-economic development in Mto wa Mbu Ward in Monduli District. Using a survey data obtained from various household through the administration of questionnaire survey instrument, discussion, interviews, and physical inspection, the found that the tourist hotels in the District provided employment for the people, carried out some socio-economic development projects such as school building, health centers and provision of safe drinking water. The findings also revealed that tourist hotels contributed about USD443,664 per annum to the economy and employed about 143 people consisting of 19% female workers. This implies that the expectation of sustainable tourism was met in Mto wa Mbu Ward in Monduli District in Northern Tanzania.

Kum et al. (2015) investigated the effect of tourism on the economic growth of the Next-11 countries using data collected from the World Bank Development Indicators for a period covering 1995 to 2013. The study employed dynamic ordinary least squares and fully modified ordinary least squares techniques for the analysis. The findings revealed that tourism arrivals had a positive effect on the GDP growth of the Next-11 countries. Ozturk (2016) examined the varying elements that influenced tourism sector in 34 emerging and advanced countries from 2005 to 2013. The variables the study found useful were energy consumption, air pollution, health expenditures, and economic growth. The study made used Fully Modified Ordinary Least Squares (FMOLS) and the results indicated that energy consumption had a negative relationship with the tourism indicators while the health expenditure and carbon dioxide emissions had positive associations with the tourism indicators in the selected countries.

Tang and Tan (2015) again employed annual time series data to advance the study on the causal relationship between tourism and economic growth of Malaysia from 1975-2011. In order to provide an empirical evidence for tourism growth driven hypothesis, the researchers applied the multivariate model obtained from the Solow growth theory and Granger causality test which revealed that tourism had a positive impact on the economic growth of Malaysia both in the long and short term. The study also found that tourism business Granger-caused economic growth of Malaysia. Further findings showed that tourism, economic growth, and other determinants were co-integrated. Yusuff and Akinde (2015) examined the contribution of the tourism sector to economic growth in Nigeria using time series data from 1995 to 2013. The study discovered a positive long term relationship between the tourism sector and economic growth of Nigeria thereby confirming that the tourism-driven economic growth hypothesis is also proven in Nigeria.

Sheresheva and Kopiski (2016) holistically evaluated the economic condition in Russia, the present institutional environment, the existing natural resources as well as the cultural heritage and the business space tourism and hospitality could fill in Russia. The study found that tourism and hospitality market could serve as a great source of improving the economy if only Russia would take advantage of networking prevailing in the experience economy. The findings disclosed that the network will help practitioners from other countries to understand the local environment and to successfully carry on hospitality and tourism business in Russia. In addition, the interest of the different stakeholders will be considered while the resources and technical know-how required to satisfy tourists should not be lacking. Mbagwu, Bessong, and Anozie (2016) carried out a study on the contributions of tourism to community development in the Cross River State of Nigeria using primary data obtained from responses on questionnaire instrument administered to 357 respondents, out of which were 101 community leaders and 256 tourism staff. The data were analyzed using t-test statistics for the test of hypotheses and the findings indicated that tourism attracted the banking and communication industries in the tourism host communities and the multiplier effect is that social development in the state has become rapid and is positively affecting all other economic sectors in the state.

Boora and Dhankar (2017) researched the effect of outside direct speculation (FDI) on the accommodation business in India. The significant job of FDI in redesigning innovation, aptitudes and administrative abilities in the friendliness business and in the economy of India by and large incited the investigation. The discoveries uncovered that friendliness industry in India is among the best 10 segments drawing in FDI inflows into the nation. The investigation further settled that, the area has pulled in around 7,441 million USD between January 2000 and August 2014. As at the season of this examination, the Hospitality Industry had about 3.28% offer of absolute FDI Equity inflows in India.

Uboegbulam and Bello (2018) led an exploration on predecessor the travel industry fascination improvement and the travel industry fascination advancement and the travel industry return to goal. A contextual analysis of Ibom Topicana Center in Akwa Ibom State, Nigeria. The essential information utilized were broke down utilizing Spearman Rank Order Correlation while the theories were tried at 5% dimension of importance. The discoveries uncovered among others that, the real fascination of the travel industry focuses to clients who keep up the support and return to goals are the travel industry luxuries, the reasonableness of merchandise and ventures in the travel industry focuses and openness of the travel industry goal. This examination is an affirmation that foundations, upkeep and government support in financing and checking ecological and security difficulties will help neighborliness industry in Nigeria to support national advancement.

Omodero, Azubike, and Dandago (2019) analyzed tourism sub-sector in Nigeria as key to the hospitality industry for accelerated national development using human development index (HDI) as a measurement of national development. The study's application of HDI was based on the fact that the index captures the performance of the major economic development indicators such as education, health and income level of the entire populace in a nation. Therefore, the secondary data used were analyzed using the ordinary least squares technique and the findings revealed that hospitality

impacted positively and significantly on HDI which implies that if the industry is focused on, it promises Nigeria a positive economic turnaround in the future.

Gap in the literature

Observational examinations around there of research are still rare, in any case, this momentum thinks about endeavors to fill the hole by gathering information on the commitments of accommodation industry to the RGDP in Nigeria and estimating them against the absolute RGPD to build up the degree of the effect on the national improvement. Sanni (2009) completed a comparable report in Nigeria, yet the examination secured 1980-2006 and concentrated on how the economy (GDP) was influencing friendliness industry's commitment to the Nigerian economy. Yusuff and Akinde (2015) also did a similar study but covered a period from 1995 to 2013. Omodero et al. (2019) extended the study from 2003 to 2017 by assessing the contribution of hospitality and tourism sub-sector to national development and using the human development index as a proxy. This present examination is from 1981-2017 and focused on the commitment of friendliness industry to RGDP. The need for economic diversification and the needed attention to hospitality and tourism sector in Nigeria are the major drivers of this present study. Nigeria economy right now requires expansion into different segments so as to accomplish national advancement. Accordingly, to accomplish this corporate target, neighborliness industry is a segment of the economy that should be reinforced. Along these lines, the discoveries of this examination could give observational confirmations that would prompt better basic leadership by the strategy creators in Nigeria. Therefore, it will be more sufficient to assess the contribution of hospitality and tourism business in Nigeria to the RGDP despite its numerous challenges and to find adequate bases to recommend to policymakers the need to enhance the performance of the industry through the infrastructural provision and satisfactory funding.

Methodology

The examination embraced causal research structure which permits the utilization of officially existing information. The information utilized in this exploration was from 1981-2017 and were gotten from the Central Bank of Nigeria (CBN) Statistical Bulletin 2017 version. Information was gathered on the Hospitality industry commitment to RGDP (HOSP) as the indicator variable and real gross domestic product (RGDP) as the response variable. Augmented Dickey-Fuller was employed to carry out unit root test while Johansen Co-integration test was run to establish long/short run co-integration. Investigation of information was finished utilizing Ordinary Least Squares (OLS) relapse system.

The model to the research work was adopted with modification from Sanni (2009).

The model is specified as below:

RGDP   =   f (HOSP)
LOGRGDP   = $\beta_0 + \beta_1 LOGHOSP + \mu$
Where:
RGDP   -   Real Gross Domestic Product

HOSP	-	Hospitality Industry Contribution to RGDP
β	-	Co-efficient of explanatory variable
μ	-	Error term.

A Prior Expectation: β_1 >   0
Hospitality Industry contribution to RGDP is expected to be greater than zero which implies a positive increase on the RGDP.

Data analysis and interpretations

Data trend and analysis
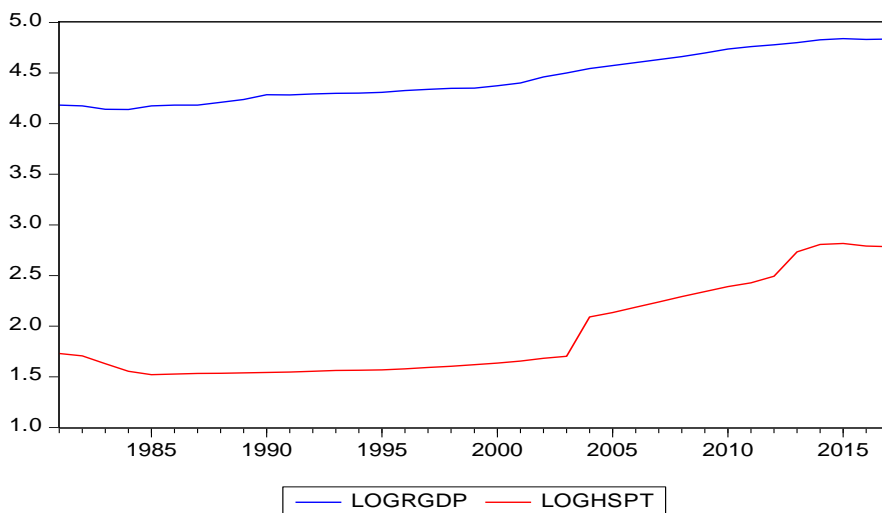
Figure 3. The trend of RGDP and Hospitality/Tourism from 1981-2017 (CBN Statistical Bulletin, 2017)

Figure 4 shows the contribution of the hospitality/tourism industry in Nigeria to RGDP. From the graph, the industry has maintained a steady growth and have been added value to the RGDP. There was a remarkable growth in 2015 and a little drop in 2017. However, the industry requires government support and funding to harness its potentials that could foster economic growth and development.
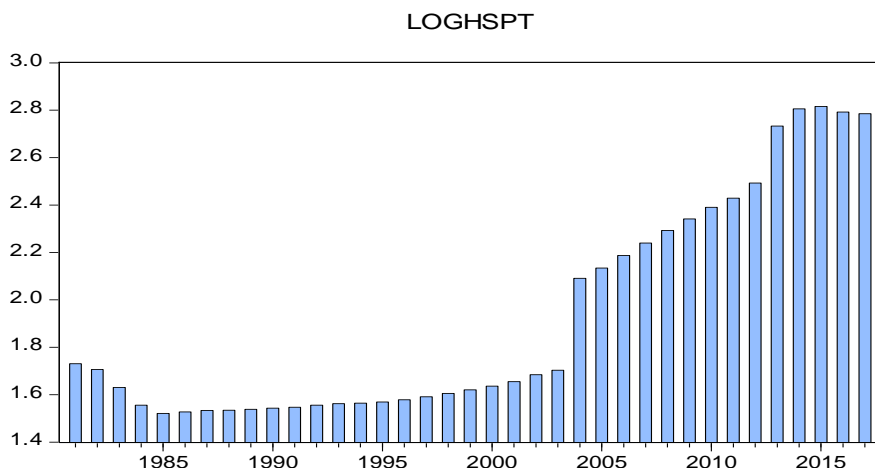
Figure 4. The trend of Hospitality from 1981-2017 (CBN Statistical Bulletin, 2017)

Figure 4.2 depicts the growth of the hospitality industry from 1981-2017. The year 2015 marks the peak while the lowest in terms of contribution to RGDP is 1985.

Table 1. Summary Table. ADF Unit Root Test and Order of Integration

Variable	ADF T-Statistics	Mackinnon Critical Value at 5%	P-Value	Order of Integration	Remarks
RGDP	-3.339751	-2.948404	0.0205	I(1)	STATIONARY
HOSP	-4.466401	-2.948404	0.0011	I(1)	STATIONARY

Table 1 shows a summary of the unit root test conducted on the data to establish stationarity. The result of the test reveals that all the data set are stationary at first difference.

Table 2. Johansen Cointegration Test

Date: 08/31/18 Time: 12:33				
Sample (adjusted): 1983 2017				
Included observations: 35 after adjustments				
Trend assumption: Linear deterministic trend				
Series: LOGRGDP LOGHSPT				
Lags interval (in first differences): 1 to 1				
Unrestricted Cointegration Rank Test (Trace)				
Hypothesized		Trace	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.**
None	0.276947	12.12410	15.49471	0.1511
At most 1	0.021888	0.774574	3.841466	0.3788

Trace test indicates no cointegration at the 0.05 level		
* denotes rejection of the hypothesis at the 0.05 level		
**MacKinnon-Haug-Michelis p-values		

Table 2 shows that there is short-run co-integration of the data sets, hence the choice of normal Least Squares for analysis.

Table 3. Descriptive statistics

	LOGRGDP	LOGHSPT
Mean	4.449360	1.924940
Median	4.351205	1.655021
Maximum	4.839000	2.815721
Minimum	4.139226	1.521041
Std. Dev.	0.238413	0.460760
Skewness	0.393016	0.833533
Kurtosis	1.696231	2.138636
Jarque-Bera	3.573061	5.428300
Probability	0.167540	0.066261
Sum	164.6263	71.22279
Sum Sq. Dev.	2.046264	7.642793
Observations	37	37

From table 3 above, the standard deviation of the data sets shows a lower spread than the mean which suggests that the distribution of the data clusters around the mean. The result of the skewness reveals that the data sets are all positively skewed while the kurtosis shows that the distribution is not above the normal distribution of 3.

Table 4. Regression result

Dependent Variable: LOGRGDP				
Method: Least Squares				
Date: 08/31/18 Time: 12:28				
Sample: 1981 2017				
Included observations: 37				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOGHSPT	0.489590	0.028304	17.29748	0.0000
C	3.506928	0.055982	62.64410	0.0000
R-squared	0.895273	Mean dependent var		4.449360
Adjusted R-squared	0.892281	S.D. dependent var		0.238413
S.E. of regression	0.078248	Akaike info criterion		-2.205317
Sum squared resid	0.214299	Schwarz criterion		-2.118241

Log-likelihood	42.79837	Hannan-Quinn criter.		-2.174619
F-statistic	299.2028	Durbin-Watson stat		0.198650
Prob(F-statistic)	0.000000			

From table 4, the outcome gives proof of a solid and positive connection between the hospitality industry (HOSP) and the RGDP. The relationship (R) esteem is 94.6% (Square base of R-Squared) demonstrates an exceptionally solid relationship between the ward and the free factor utilized in this investigation. The R-Squared of 89.5% shows the degree to which HOSP could clarify the progressions in RGDP which infers that about 10.5% could be authorized to different impacts the model did not mull over. The F-measurement is 299.20 with a p-estimation of 0.0000 < 0.05%. Subsequently, the model is a solid match and factually critical.

Test of hypothesis

The examination prior estimated the friendliness business does not have a huge effect on RGDP. The theory is tried utilizing the t-measurement. In this way, from the relapse result on table 4.4, the t-measurement is 17.297 while the p-esteem is 0.000 < 0.05, thus the invalid hypothesis is therefore dismissed and the elective which states generally acknowledged. This outcome meets the earlier desire that friendliness industry adds to national improvement and it likewise bolsters the discoveries of Mathur and Kumar (2013) who found an unfaltering development of accommodation in India as estimated by outside vacationer landings and remote trade income between the times of 2000-2012. The investigation similarly concurs with the investigation of Sanni (2009) which uncovered that the commitment of accommodation/the travel industry to GDP in Nigeria is noteworthy.

Discussion on findings

Hospitality has natural responsiveness as well as a commercial arrangement capable of affecting national advancement in each country. All nations on the planet have their social quirks and societies that could intrigue people and explorers from different spots to come and watch. Created nations found the need to upgrade their economy through this medium while the creating nations have as of late begun exploiting the business openings innate in the business. Be that as it may, Nigeria isn't abandoned despite the fact that the business is yet to be all around advanced regarding subsidizing and infrastructural arrangements. From the outcome that rose in this investigation, clearly, the business contributes essentially to the RGDP notwithstanding the limitations and poor subsidizing.

Conclusions and recommendations

From the prior, the investigation infers that the accommodation industry can aid the national improvement of the nation if enough subsidized and appropriate foundations set up. In this way, the investigation is suggesting that the administration ought to guarantee legitimate subsidizing of friendliness industry in Nigeria. The yearly spending plan should catch it as a major aspect of government venture that needs

impressive dedication. The legislature ought to guarantee harmony and security in the travel industry goals and in the nation on the loose. Visitors can't belittle nations with security challenges and where the loss of lives and properties make no difference to the administration. Each person has appropriate to wellbeing and security. The administration owes everybody in the nation this commitment whether outsider or resident.

The investigation additionally prescribes openness of the travel industry focuses and moderateness of the merchandise and enterprises. Clients ought to have the motivation to keep up the support and have returned to aims. This is the place the hypothesis of inspiration of laborers apply since the administration's clients get to become a deciding element for return to and notwithstanding when the transformational need of an individual emerges. There ought to be assortments in the exercises completed in the travel industry goals. Such exercises ought to energize and of worldwide guidelines, yet not an all-out deviation from the one of a kind society of the country which generally draw in the travelers.

Concentrates here should catch explicit commitments of the accommodation focuses to the national advancement of the nation and recommend territories of progress. Their particular difficulties ought to be ordered and medicinal advances recommended to support the business.

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