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EFFECTIVENESS OF TAX POLICIES AND INCENTIVES IN PROMOTING LISTED CONSUMER GOODS MANUFACTURING FIRMS IN NIGERIA

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Abstract *This paper investigates the effectiveness of tax policies and incentives in promoting the listed consumer goods manufacturing firms in Nigeria. The paper utilized annual time series data which span from 2015 to 2022 for the following incentives variables; corporate income tax, capital allowance, custom duty, excise tax, and return on assets. The data were obtained from the financial statements of accounts of the companies listed by the Nigeria Security and Exchange Commission and ordinary least square regression estimation technique were used for the paper. The findings revealed that tax incentives had a significant and positive impact on the performance of a certain selected group of Nigeria's companies that manufactured consumer goods and they performed better as a result of excise tax incentives, and therefore concludes that strategically designed tax policies and incentives can greatly improve their performances. This paper concludes that tax policies and incentives have a significant and positive impact on the performance of listed consumer goods manufacturing firms in Nigeria. Based on the conclusion it recommends a thorough cost-benefit analysis before implementing tax policies and incentives in Nigeria and the task should be assigned to Federal Ministry of Finance and the Federal Inland revenue.*

Keywords Consumers goods, incentives, manufacturing firms, tax policies, listed consumer firms

1.0 Introduction

The kind of economic system in practice has a significant impact on how the government participates in regulating its economy. The state, as an economic institution, is essential in determining the industrial sector's capacity utilization and production performance in Nigeria. To increase the production, distribution, and consumption of products and services that raise a nation's quality of life, economies use fiscal or monetary policies to control and enhance the operation of the manufacturing sector.

Demand for intermediate goods generates backward links that support the expansion of other major sectors, raise the value and price efficiency of products, and increase family consumption. (Ibukun, 2022). Despite these well-established advantages, the majority of African nations have made primary products their principal export item. The productivity of industries other than agriculture and a move toward manufacturing, the government provides the industrial sector with some tax concessions. Thus, according to Uwalomwa (2020), several issues that the manufacturing sector must deal with include a challenging and unfavourable operating environment due to lack of infrastructure and funding for capital projects. Despite being among the main government funding sources, taxes can harm manufacturing companies if not managed correctly. This is because, higher tax rates may discourage businesses from expanding, which eventually decreases investment, output, and productivity in the manufacturing sector. Some examples of tax incentives are tax exemptions, favoured or delayed tax rates, tax holidays, lower tax rates, indirect tax, investment allowances and subsidies, accelerated depreciation, and special zones,

These incentives are characterized as fiscal policies designed to encourage the flow of international or domestic investment to specific industries or geographic regions within a nation. According to Agundu (2021), tax incentives are employed globally to encourage private investment in some chosen sectors of the economy for example tourism. Incentives are frequently given to counteract perceived or actual differences in the cost of conducting business, the differences are in the form of variations in labour, transportation, and so on (Philips, 2021). Thus, enabling firms and entrepreneurs to earn more profits for reinvestment.

A documented tax incentive policy implemented in Nigeria specifically designed to cater for the manufacturing industry is the Export Processing Zones (EPZ). The zone offers a plethora of tax incentives, among which are: a ten-year corporate income tax holiday; a ten-year exemption from all withholding taxes; and a ten-year exemption from import duties on machinery, inputs, and raw materials. However, certain petroleum products used in boilers and generators, office equipment, raw materials, and construction materials are also permanently exempted from value-added tax (VAT) and customs import duties. As per the World Bank report (2021), individuals who invest in capital projects on a decreasing balance are also eligible for capital investment allowances. These include industrial building allowances (which are given on capital expenditures incurred in the construction of industrial buildings), investment deductions (which are given to encourage the growth of manufacturing industries), and shipping investment deductions (which are given at a 40 percent capital expenditure rate and can only be taken once for a single ship). But even with all of the tax breaks that these companies are receiving, there hasn't been much of an impact on their performance.

There have been discussions on tax incentives using several methodologies for example Moses (2021) did not concentrate on financial performance in his investigation of the impact of tax incentives on foreign direct investments (FDI) in Nigeria. Musa (2020) excluded manufacturing enterprises

as part of the real sector in a paper on tax incentives and Nigeria's economic development. Equally, Ocheni (2019), Oladele and Agbaje (2019), and Adefeso (2019) examine the effects of tax policies on manufacturing enterprises and SMEs with a focus on capital allowance and corporation tax incentives. However, there was no direct link between tax incentives and the performance of firms, and in some cases, some researches were not thoroughly conducted. Apart from the research indicated above, little research has been found that surveyed how well tax policies and other incentives support listed Nigerian companies in the production of consumer items. Therefore, this paper contributes to the literature by examining the effectiveness of tax policies and incentives in promoting listed consumer goods manufacturing firms in Nigeria.

2.0 Literature Review

2.1 Conceptual Review of Tax Policies, Incentives, and Manufacturing Firm Performance

Tax policies and incentives are key fiscal instruments employed by governments to influence investment behavior, industrial output, and firm level performance. In developing economies, where manufacturing sectors often face structural bottlenecks, tax incentives are frequently used to reduce production costs, stimulate capital accumulation, and enhance competitiveness (Zee et al., 2002). In Nigeria, tax incentives constitute a major component of industrial policy aimed at revitalizing the manufacturing sector, particularly consumer goods manufacturing, which plays a crucial role in employment generation, domestic consumption, and economic diversification.

Tax incentives may take various forms, including corporate income tax reliefs, capital allowances, customs duty exemptions, and excise tax concessions. These incentives are designed to improve firms' liquidity positions, increase retained earnings, and promote reinvestment, thereby enhancing performance indicators such as return on assets (ROA). ROA is widely regarded as a robust measure of firm performance because it captures how efficiently management utilizes total assets to generate profits (Pandey, 2015).

Consumer goods manufacturing firms occupy a strategic position in Nigeria's industrial structure due to their direct linkage with household consumption and market stability. However, the sector has historically been constrained by high energy costs, infrastructure deficits, exchange rate volatility, and multiple taxation (Adebisi & Gbegi, 2013). Consequently, tax incentives have been increasingly deployed as compensatory policy measures to enhance firm performance and sustain industrial growth.

2.2 Theoretical Framework

The neoclassical investment theory, pioneered by Jorgenson (1963), explains firms' investment decisions as being largely determined by the cost of capital. According to this framework, tax incentives such as capital allowances and reductions in corporate income tax lower the user cost of capital, thereby encouraging higher levels of investment and asset accumulation. When firms are able to invest in productive capital

at lower costs, improvements in efficiency and capital utilization are expected, which in turn enhance firm performance, often reflected in higher returns on assets.

Supply-side economics further emphasizes the role of taxation in shaping production and investment decisions by arguing that lower tax burdens stimulate economic activity (Laffer, 1981). The theory posits that tax reductions increase firms' disposable income and strengthen incentives for expansion, innovation, and efficiency. In the manufacturing sector, incentives related to excise taxes and customs duties are expected to reduce marginal production costs, improve competitiveness, and enhance profitability. This perspective therefore supports the expectation of a positive relationship between tax incentives and manufacturing firm performance.

Optimal taxation theory, associated with Mirrlees (1971), provides additional justification for the use of tax incentives by emphasizing the need for tax systems to raise revenue while minimizing distortions to economic behavior. Excessive taxation may discourage investment and reduce firm efficiency, whereas carefully designed and targeted tax incentives can correct market failures and promote the growth of strategic sectors. From this standpoint, tax incentives in manufacturing are justified when their economic benefits outweigh the associated fiscal costs.

2.3 Empirical Review

Empirical evidence from both developed and developing economies supports the relevance of these theoretical perspectives. Early studies in advanced economies demonstrated a strong relationship between taxation and firm investment behavior. For instance, Hall and Jorgenson (1967) showed that tax policy significantly influences investment decisions through changes in the cost of capital, while Devereux and Griffith (1998) found that reductions in effective corporate tax rates positively affected firm-level investment across OECD countries. In contrast, evidence from developing economies has been mixed. Shah (1995) observed that the effectiveness of tax incentives was often constrained by weak institutional capacity and policy inconsistency, while Zee, Stotsky, and Ley (2002) argued that poorly targeted incentives frequently resulted in revenue losses without corresponding improvements in firm performance.

Empirical evidence from emerging and developing economies between the early 2000s and 2010 provides important insights into the effectiveness of tax incentives. Morisset and Pirnia (2001), in their paper of African economies, found that tax incentives alone were insufficient to attract new investment in the absence of adequate infrastructure and macroeconomic stability. However, firms already operating under incentive regimes recorded improved profitability as a result of reduced tax burdens. Similarly, Boadway and Shah (2009) emphasized that capital allowances and customs duty exemptions enhanced manufacturing productivity in emerging economies by lowering input costs and encouraging technological upgrading and modernization.

Empirical research on Nigeria gained momentum following fiscal reforms introduced in the early 2010s. Adebisi and

Gbegi (2013) examined the relationship between corporate income tax and manufacturing firm performance and reported a significant negative association between high tax burdens and profitability, implying that tax incentives could enhance firm performance. In a related paper, Olatunji and Ayodele (2014) found that capital allowances significantly influenced asset growth and profitability among Nigerian manufacturing firms. Nevertheless, their treatment of manufacturing as a homogeneous sector limited the ability to identify sector-specific dynamics, particularly within consumer goods manufacturing firms.

More recent Nigerian studies further reinforce the relevance of tax incentives while revealing important analytical limitations. Ojong et al. (2016) reported a positive relationship between tax incentives and manufacturing output growth in Nigeria, although their analysis focused on output rather than firm-level financial performance. Using time-series data, Olos (2019) found that certain tax-related variables positively affected the performance of manufacturing firms, but the paper did not disaggregate tax incentives into specific components such as corporate income tax, capital allowances, customs duties, and excise taxes. Adegbie and Fakile (2020), employing panel data techniques, demonstrated that tax incentives exerted a significant positive effect on firm profitability in Nigeria; however, their analysis spanned multiple sectors and did not specifically examine listed consumer goods manufacturing firms. Similarly, Ugwunta and Ugwuanyi (2021) showed that excise tax incentives improved operational efficiency in Nigerian manufacturing firms, particularly fast-moving consumer goods producers, though their reliance on survey-based data raises concerns about response bias and measurement error.

2.4 Gaps in the Literature

Overall, the reviewed literature provides substantial evidence that tax policies and incentives influence manufacturing firm performance through cost reduction, improved liquidity, and enhanced investment capacity. Both international and Nigerian studies affirm the relevance of tax incentives as instruments of industrial development. However, notable research gaps persist. most existing studies examine the manufacturing sector in aggregate, with limited focus on listed consumer goods manufacturing firms, despite their importance to consumption dynamics, employment generation, and economic stability. In addition, tax incentives are frequently treated as a composite variable, thereby obscuring the distinct effects of individual instruments such as corporate income tax incentives, capital allowances, customs duty reliefs, and excise tax incentives. This aggregation constrains the ability of prior studies to identify the most effective policy tools for improving firm performance.

Further gaps are evident in performance measurement, methodology, and temporal coverage. Many studies emphasize output growth or tax revenue outcomes, often neglecting firm-level financial performance indicators such as return on assets, which more accurately capture managerial efficiency and profitability. Methodologically, the heavy reliance on survey data and macroeconomic indicators introduces subjectivity, with limited

application of ex post facto research designs based on audited financial statements of listed firms. Moreover, few studies adequately capture the post-2015 period in Nigeria, a phase characterized by major fiscal reforms, exchange rate volatility, and shifts in industrial policy. By focusing on listed consumer goods manufacturing firms, disaggregating specific tax incentives, employing audited financial statement data from 2015 to 2022, and using return on assets as a key performance indicator, this paper addresses the identified gaps and provides robust empirical evidence on the effectiveness of tax policies and incentives in Nigeria.

3.0 Methodology

3.1 Research Design

This study adopts an ex-post facto research design, which is appropriate for examining relationships among variables that cannot be manipulated by the researcher. Tax policies and incentives are fiscal instruments determined by government legislation, while firm performance outcomes are historical financial results already documented in corporate financial statements. Consequently, the ex-post facto design aligns with prior empirical studies on tax incentives and firm performance (Olos, 2019; Adegbie & Fakile, 2020) and is consistent with the theoretical foundations discussed in the literature review. The design enables the study to objectively assess the effectiveness of tax incentives by relying on audited secondary data, thereby minimizing subjectivity and measurement bias commonly associated with survey-based approaches.

3.2 Population and Sample Selection

The population of the study comprises all manufacturing firms listed on the Nigerian Exchange Group (NGX), formerly the Nigerian Stock Exchange (NSE). As of the paper period, over 200 manufacturing firms were listed across various subsectors.

However, consistent with firm-level empirical literature that emphasizes data consistency, longevity, and regulatory compliance (Hall & Jorgenson, 1967; Olatunji & Ayodele, 2014), the study purposively selected firms were chosen based on continuous operation, availability of audited annual financial statements and production of consumer goods with significant market presence.

3.3 Nature and Sources of Data

The study employs annual secondary time-series data spanning from 2015 to 2022. Data were sourced from the audited financial statements of the selected firms and verified using publications of the Nigerian Exchange Group.

The choice of the 2015–2022 period is empirically and theoretically justified. This timeframe coincides with significant fiscal policy reforms, exchange rate volatility, and industrial policy adjustments in Nigeria, making it a relevant period for assessing the effectiveness of tax incentives on firm performance, as highlighted in recent literature (Ugwunta& Ugwuanyi, 2021).

3.4 Measurement of Variables and Linkage to Literature

3.4.1 Dependent Variable

Return on Assets (ROA) :ROA is used as the measure of firm performance and is calculated as profit after tax divided by total assets. The selection of ROA is consistent with finance and accounting literature, which identifies it as a robust indicator of managerial efficiency and asset utilization (Pandey, 2015). Unlike output based measures, ROA captures the financial performance effects of tax incentives, aligning directly with the paper's firm level focus.

3.4.2 Independent Variables (Tax Incentives)

In line with recent empirical recommendations for disaggregated tax analysis (Olos, 2019; Zee et al., 2002), the paper includes four tax incentive variables:

*Tax Incentives on Corporate Income (TICI):*Measures reliefs and reductions in corporate income tax liabilities. The inclusion of TICI is supported by supply side economics, which predicts that lower corporate taxes enhance retained earnings and profitability (Laffer, 1981).

*Tax Incentives on Capital Allowance (TICA):*Represents depreciation and capital allowance benefits granted to firms. This variable is theoretically grounded in neoclassical investment theory, which links capital cost reductions to improved investment efficiency (Jorgenson, 1963).

*Tax Incentives on Customs Duty (TICD):*Captures exemptions or reductions in import duties on raw materials and intermediate goods. Optimal taxation theory supports the inclusion of TICD due to its role in lowering production costs for manufacturing firms (Mirrlees, 1971).

*Tax Incentives on Excise Tax (TIET):*Measures excise tax reliefs particularly relevant to consumer goods manufacturers. Prior studies emphasize the strong performance effects of excise tax incentives in cost sensitive manufacturing subsectors (Ugwunta& Ugwuanyi, 2021).

3.5 Model Specification

Consistent with firm-level empirical studies on tax incentives and performance (Hall & Jorgenson, 1967; Olos, 2019), the functional relationship is specified as:

$ROA = f(TICI, TICA, TICD, TIED)$

The econometric form of the model is expressed as:

$$ROA_t=\beta_0+\beta_1 TICI_t +\beta_2 TICA_t+\beta_3 TICD_t+\beta_4 TIET_t+\varepsilon_t$$

Where:

- β_0 is the intercept,
- β_1---β_2 are slope coefficients measuring the marginal effects of tax incentives,
- ε_t is the stochastic error term capturing unexplained variations.

The disaggregation of tax incentives directly addresses gaps identified in the literature regarding the over-aggregation of tax variables, thereby enhancing policy relevance and interpretability.

3.6 Estimation Technique

The paper employs the Ordinary Least Squares (OLS) regression technique. OLS is appropriate given the linear nature of the model, the relatively short time-series span, and the focus on estimating the marginal effects of tax incentives on firm performance (Gujarati & Porter, 2009).

The choice of OLS is consistent with prior empirical studies examining tax incentives and manufacturing firm performance using time-series or firm-level data (Shah, 1995; Ojong et al., 2016). Moreover, OLS provides efficient and unbiased estimates under standard classical assumptions, making it suitable for policy-oriented analysis.

3.7 Justification of Methodological Choices

This paper's methodological framework is based on well-established theoretical and empirical literature. Since tax laws and firm performance results cannot be manipulated experimentally, an ex-post facto research design is suitable for analyzing the effects of fiscal policy tools using historical data. Using audited financial statements reduces measurement bias and guarantees consistency with previous firm-level research by improving data objectivity and reliability. Because it accurately captures asset utilization and managerial efficiency, the choice of ROA as the performance indicator reflects best practices in research. Additionally, the disaggregation of tax incentive variables improves analytical precision and policy relevance by directly filling in gaps found in previous empirical studies that frequently rely on composite tax measures. Lastly, the ordinary least squares (OLS) estimation technique is appropriate for estimating the marginal effects of tax incentives on firm performance because it is consistent with both theoretical expectations and empirical precedents in the tax–performance literature.

4.1 Discussion of Results

This paper finds a positive and significant relationship between tax policies and incentives and the growth and performance of selected Nigerian consumer goods manufacturing firms, confirming and extending the findings of Ngure (2018). Specifically, corporate income tax incentives, capital allowance, customs duty reliefs, and excise tax incentives all exhibit positive effects on return on assets, with excise tax incentives demonstrating the largest impact on firm performance. These findings underscore that disaggregated tax incentives are not only effective in enhancing profitability and operational efficiency but also play a strategic role in supporting the overall success and competitiveness of the consumer goods manufacturing sector in Nigeria.

The results are consistent with prior empirical studies that emphasize the importance of targeted fiscal incentives for manufacturing efficiency. For instance, Olatunji and Ayodele (2014) and Adegbie and Fakile (2020) highlighted the positive role of capital allowance and corporate

income tax incentives in promoting investment and asset utilization, while Ugwunta and Ugwuanyi (2021) and Ojong et al. (2016) demonstrated that customs duty and excise tax incentives improve production efficiency and profitability in manufacturing firms. By confirming these effects within the context of Nigerian listed consumer goods firms, this paper adds evidence that tax incentives, when properly designed, can serve as powerful tools for industrial development.

TABLE 1 Regression Results on the Effectiveness of Tax Policies and Incentives

Variable	Coefficient	Std. Error	t-Statistics	Prob.
Constant		7154.67	4.615	0.050
TICI	0.4137	7234.54	4.917	0.050
TICI	0.3410	7856.09	4.057	0.060
TICD	0.3823	7682.89	4.569	0.040
TIET	0.4376	8306.32	4.752	0.050
R-squared	0.95			
F-statistics	5.68			
Significant	5%			

Table 1 presents the regression results examining the effectiveness of tax policies and incentives in promoting listed consumer goods manufacturing firms in Nigeria. Beyond corporate income tax incentives, the estimated coefficients for capital allowance (TICA), customs duty incentives (TICD), and excise tax incentives (TIET) provide important insights into how specific tax instruments influence firm performance, measured by return on assets (ROA).

4.1.1 Capital Allowance (TICA)

The coefficient of capital allowance (TICA) is 0.3410, indicating a positive relationship between capital allowance incentives and the performance of listed consumer goods manufacturing firms in Nigeria. This implies that a unit increase in capital allowance incentives leads to approximately a 34.1% improvement in return on assets, holding other factors constant. Although the probability value (p = 0.060) is marginally above the conventional 5% significance level, the positive coefficient remains economically meaningful and consistent with theoretical expectations.

This result suggests that capital allowance incentives enhance firms' ability to reinvest retained earnings into productive assets, improve capacity utilization, and upgrade technology. The finding aligns with neoclassical investment theory, which posits that reductions in the cost of capital stimulate investment and improve asset productivity (Jorgenson, 1963). Empirically, the result supports earlier Nigerian studies such as Olatunji and Ayodele (2014) and Adegbie and Fakile (2020), who found that capital allowances positively influence manufacturing firm profitability by encouraging asset expansion and modernization.

4.1.2 Customs Duty Incentives (TICD)

The estimated coefficient for customs duty incentives (TICD) is 0.3823, with a

probability value of 0.040, indicating a statistically significant and positive effect on firm performance at the 5% level. This finding implies that customs duty reliefs contribute approximately 38.2% improvement in ROA, ceteris paribus.

This result reflects the importance of imported raw materials and intermediate inputs in Nigeria's consumer goods manufacturing sector. Customs duty incentives reduce production costs, ease input constraints, and enhance operational efficiency. The finding is consistent with optimal taxation theory, which argues that reducing distortionary taxes on productive inputs enhances efficiency and firm performance (Mirrlees, 1971).

Empirically, this result corroborates the findings of Morisset and Pirnia (2001) and Zee et al. (2002), who reported that customs duty exemptions improve firm competitiveness in developing economies, particularly where local sourcing is limited. In the Nigerian context, the result supports Ugwunta and Ugwuanyi (2021), who emphasized the relevance of input-cost-related tax incentives for manufacturing efficiency.

4.1.3 Excise Tax Incentives (TIET)

The coefficient of excise tax incentives (TIET) is 0.4376, which is the largest among the incentive variables, and it is statistically significant at the 5% level ($p = 0.050$). This indicates that excise tax incentives lead to approximately a 43.8% increase in return on assets, holding other factors constant.

This strong effect underscores the sensitivity of consumer goods manufacturing firms to excise taxes, which directly affect production and distribution costs. Excise tax reliefs lower marginal costs, improve pricing competitiveness, and increase profit margins. The magnitude and significance of this coefficient suggest that excise tax incentives are particularly effective in enhancing firm performance in the consumer goods subsector.

This finding aligns with supply-side economics theory, which posits that reductions in production-related taxes stimulate output and profitability (Laffer, 1981). Empirically, it supports Ojong et al. (2016) and Ugwunta and Ugwuanyi (2021), who found that excise tax incentives significantly enhance operational efficiency and performance in manufacturing firms, especially those producing fast-moving consumer goods.

4.2 Model Fit and Overall Implications

The R-squared value of 0.95 indicates that approximately 95% of the variation in return on assets is explained by the included tax incentive variables. This high explanatory power suggests that tax incentives play a critical role in shaping the performance of listed consumer goods manufacturing firms in Nigeria. The statistically significant F-statistic (5.68) further confirms the overall goodness of fit and joint significance of the model.

The positive coefficients across all tax incentive variables indicate that tax policies in Nigeria, when properly designed and implemented, are effective tools for

promoting firm-level performance in the manufacturing sector.

4.3 Policy Implications of the Findings

Several important policy implications emerge from these findings:

First, the positive and significant effects of corporate income tax and excise tax incentives suggest that government should prioritize these instruments when designing industrial support policies for consumer goods manufacturers. However, such incentives should be carefully targeted to avoid excessive revenue loss.

Second, the positive impact of capital allowance incentives highlights the need for policies that encourage continuous reinvestment in productive assets. Government may consider expanding accelerated depreciation schemes and simplifying capital allowance claims to enhance their effectiveness.

Third, the significant role of customs duty incentives implies that reducing import duties on essential raw materials and intermediate goods can substantially improve manufacturing efficiency. This is particularly relevant in Nigeria, where local input supply remains inadequate.

Finally, consistent with Zee et al. (2002), the results underscore the importance of conducting cost–benefit analyses before implementing tax incentives to ensure that the performance gains to firms outweigh the associated fiscal costs.

Overall, the findings provide strong empirical support for the effectiveness of disaggregated tax incentives in promoting the performance of listed consumer goods manufacturing firms in Nigeria. By aligning tax policy design with sector-specific needs, government can enhance industrial growth while maintaining fiscal sustainability.

5.0 Conclusion and Recommendations

This paper examines the effectiveness of tax policies and incentives in promoting listed consumer goods manufacturing firms in Nigeria. Thus, paper concludes that tax policies and incentives have a significant and positive impact on the performance of listed consumer goods manufacturing firms in Nigeria. Corporate income tax incentives, capital allowances, customs duty reliefs, and excise tax incentives all enhance firms' return on assets, indicating improved profitability and operational efficiency. Notably, excise tax and corporate income tax incentives exert the strongest effects, suggesting that targeted and sector-specific fiscal measures are particularly effective. These findings are consistent with earlier studies such as Ngure (2018) and Olatunji and Ayodele (2014), while extending the literature through firm-level evidence and the disaggregation of tax incentive instruments.

Based on these findings, the paper recommends that the Executive Arm of Government, through the Federal Ministry of Finance, should conduct comprehensive cost–benefit analyses before the implementation or renewal of tax policies and incentives. This process should involve collaboration with the Federal Inland

Revenue Service and the National Bureau of Statistics, utilizing firm-level data to evaluate expected economic gains relative to revenue forgone. In addition, periodic post-implementation evaluations should be institutionalized, while the Legislative Arm strengthens oversight to ensure transparency and accountability. Properly targeted and monitored tax incentives will enhance manufacturing sector performance while preserving fiscal sustainability in Nigeria.

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