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An Empirical Analysis of the Impact of the Nigerian Capital Market on Her Socio-economic Development

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KEYWORDS Capital Market. Market Capitalization. Gross Domestic Product. New Issues

ABSTRACT The objective of this study was to empirically analyze the impact of the Nigerian capital market on her socio-economic development from 1981 to 2008. The socio-economic development was proxy by the gross domestic product (GDP) while the capital market variables considered included market capitalization, total new issues, volume of transaction and total listed equities and Government stock. Using the ordinary least square it was found that the capital market indices have not impact significantly on the GDP. The government is therefore advised to put up measures to stem up investors' confidence and activities in the market so that it could contribute significantly to the Nigerian socio-economic development.