**FOREIGN DIRECT INVESTMENT AND ECONOMIC GROWTH IN NIGERIA**

**CHAPETR ONE**

**INTRODUCTION**

1.1        Background of the study

1.2        Statement of problem

1.3        Objective of the study

1.4        Research Hypotheses

1.5        Significance of the study

1.6        Scope and limitation of the study

1.7 Definition of terms

1.8 Organization of the study

**CHAPETR TWO**

**2.0   LITERATURE REVIEW**

**CHAPETR THREE**

3.0        Research methodology

3.1    sources of data collection

3.3        Population of the study

3.4        Sampling and sampling distribution

3.5        Validation of research instrument

3.6        Method of data analysis

**CHAPTER FOUR**

**DATA PRESENTATION AND ANALYSIS AND INTERPRETATION**

4.1 Introductions

4.2 Data analysis

**CHAPTER FIVE**

5.1 Introduction

5.2 Summary

5.3 Conclusion

5.4 Recommendation

Appendix

**Abstract**

This study is on foreign direct investment and economic growth in Nigeria. The total population for the study is 200 staff of national bureaus of statistics, Abuja. The researcher used questionnaires as the instrument for the data collection. Descriptive Survey research design was adopted for this study. A total of 133 respondents made statisticians, accountants cadre, programme analysts and administrative officers were used for the study. The data collected were presented in tables and analyzed using simple percentages and frequencies

**CHAPTER ONE**

**INTRODUCTION**

* 1. **Background of the study**

Many policy makers and academics argue that foreign direct investment (FDI) can have robust positive effects on a host economy’s development. In addition to the direct capital financing it supplies, FDI can be a source of valuable technology and know-how and enhances linkages with local firms, which can help to boost growth in an economy. Based on these arguments, industrialized and developing countries have offered incentives to encourage foreign direct investments in their economies (Melnyk, Kubatko and Pysarenko, 2014). Foreign Development Investors are mostly invited by transition and developing countries in a hope that through this international activity, the positive experience from developed countries will come to their domestic economies (Silvio, and Ariel, 2009). Thus, as foreign direct investment flow increases in an economy, export volume of that economy increases (Pulatova, 2016). For a developing country like Nigeria, foreign direct investment is considered as a way of transferring technology and capital from other developed and even developing countries to the domestic economy. According to Yu, Ning, Tu, Younghong and Tan (2011) FDI is considered to be one of the major channels of technological transfer. Melnyk, Kubatko and Pysarenko (2014) believe that when foreign direct investment comes to a domestic country (in specific business), that firm receives a competitive advantage due to the usage of new knowledge, experience, ways of production and management. Adding that current successful economic growth of developing countries is explained by "catch up effect" in technological development with developed countries. Lahiri and Ono (1998) observe that higher efficiency of foreign firms may help lower prices and hence increase consumers’ surplus. Furthermore, FDI raises employment by either creating new jobs directly or using local inputs, thus, creating more jobs indirectly. According to Koojaroenprasit (2012), FDI is an important factor which contributes to economic growth through technology transfer. Capital accumulation and augmentation of human capital through education, trainings, and new managements are also prescribed to FDI inflows (Buckley, Clegg, Wang and Cross, 2002). Muntah, Khan, Haider and Ahmad (2015) opined that foreign direct investment contributes significantly in the human resource development, capital formation and organization and managerial skills of the people in an economy. Eller, Haiss and Steiner (2006) suggest the level and quality of foreign investment influences the financial sectors’ contribution to growth in emerging markets. The advantage for investors is that investing in developing countries may bring higher gain and profits. Also more productive foreign firms stimulate industry competition, which is often useful for domestic firms. Thus as suggested by Blomstrom and Kokko (1998), domestic firms with foreign investment have high-quality output, driving up production standards in other competitive domestic firms. The presence of foreign firms in the economy with their superior endowments of technology and management skills will expose local firms to fierce competition (Chen, Chang and Zhang, 1995). Local firms may also be under pressure to improve their performance and to invest in research and development. Thus FDI enhances the marginal productivity of the capital stock in the host economies and thereby promotes growth (Wang and Blomstrom, 1992). However, Schoors, Roen, Van der Tol and Bartoldus (2002) suggest that FDI can have a negative impact on domestic economies. This could happen through repatriation of profit and market stealing effect. Also, Stanisic (2008) did not find any positive correlation between FDI inflows and economic growth. Gorg and Greenwood (2002) conclude that the effect of spillovers from foreign-owned to domestically owned firms are mostly negative.

* 1. **STATEMENT OF THE PROBLEM**

The Nigerian economy is believed to be associated with high risk market and dividing growth because of factors such as bad governance, unstable macroeconomic policies among others. Despite the plethora of incentive to stimulate growth which includes the repeal of laws that are immoral to foreign investment growth and the re-branding campaign, among others, the performance of economy in terms of quantum and per capital income is still very unimpressive and indeed disappointing in Nigeria. It is against this back drop that this study, seeks to investigate foreign direct investment and economic growth with the hope of proffering suggestions that could enhance in inflows of foreign investants capable of inducing growth in the economy.

**1.3 OBJECTIVE OF THE STUDY**

The objective of this study is as follows;

1. To examine the relationship between direct foreign investment and economic development in Nigeria.
2. To ascertain the level of foreign direct investment in Nigeria.
3. To examine the role of foreign direct investment in the growth of Nigeria economy.
4. To ascertain the adequacy of the level of fiscal incentives given to foreign investors by the Nigeria government.
   1. **RESEARCH HYPOTHESES**

For the successful completion of the study, the following research hypotheses were formulated by the researcher;

**H0:**  there is no relationship between direct foreign investment and economic development in Nigeria.

**H1:**  there is relationship between direct foreign investment and economic development in Nigeria.

**H02:** there is no role of foreign direct investment in the growth of Nigeria economy

**H2:**  there is role of foreign direct investment in the growth of Nigeria economy

* 1. **SIGNIFICANCE OF THE STUDY**

Given the unprepossessing growth rate of the Nigeria economy, especially as she is interested in becoming one of the twenty largest economic in the world by year 2020, the study will focus on;

1. Discovery the factor that will extend the frontiers of foreign investment flows in the economy. This research will serve as a good guide for monetary authorities and authorized players in the external sector as it will portray as a glance, the state of foreign investment in Nigeria. there is no doubt that future researcher will also find it useful for further research.

2. It will also serve as a guide to economic policy makers and planners in future decisions concerning foreign direct investment.

3. It is equally hoped that the findings and recommendation of this study will be of immense benefit not only to the government, but also to others researchers and students for future research undertakings

**1.6 SCOPE AND LIMITATION OF THE STUDY**

The scope of the study covers foreign direct investment and economic growth in Nigeria. The researcher encounters some constrain which limited the scope of the study;

**a) AVAILABILITY OF RESEARCH MATERIAL:** The research material available to the researcher is insufficient, thereby limiting the study

**b) TIME:** The time frame allocated to the study does not enhance wider coverage as the researcher has to combine other academic activities and examinations with the study.

**c) Organizational privacy**: Limited Access to the selected auditing firm makes it difficult to get all the necessary and required information concerning the activities.

**1.7 DEFINITION OF TERMS**

**FOREIGN DIRECT INVESTMENT:** A foreign direct investment is an investment in the form of a controlling ownership in a business in one country by an entity based in another country. It is thus distinguished from a foreign portfolio investment by a notion of direct control.

**ECONOMIC GROWTH:**Economic growth is the increase in the inflation-adjusted market value of the goods and services produced by an economy over time. It is conventionally measured as the percent rate of increase in real gross domestic product, or real GDP.

**1.8 ORGANIZATION OF THE STUDY**

This research work is organized in five chapters, for easy understanding, as follows

Chapter one is concern with the introduction, which consist of the (overview, of the study), historical background, statement of problem, objectives of the study, research hypotheses, significance of the study, scope and limitation of the study, definition of terms and historical background of the study. Chapter two highlights the theoretical framework on which the study is based, thus the review of related literature. Chapter three deals on the research design and methodology adopted in the study. Chapter four concentrate on the data collection and analysis and presentation of finding. Chapter five gives summary, conclusion, and recommendations made of the study

**CHAPTER TWO**

**REVIEW OF RELATED LITERATURE**

**2.1 INTRODUCTION**

Foreign direct investment represents a veritable source of foreign exchange and technological transfer, especially to a developing economy like Nigeria. It can be analyzed in terms of inflow of new equity capital (change in foreign share capital), re- invested earning (unremitted profit), trade and supplier’s credit, net inflow of borrowing and other obligations from the parent company or its affiliates (Nwankwo et al, 2013). Olopoenia (1985) observed that foreign investment could be seen as an additional factor of production and as a supplement to the national savings effort of the capital importing country. This is meant to relax both the foreign exchange and savings constraint on the rate of growth of output in the recipient country. Agada and Okpe (2012) saw FDI as an attempt by individuals, groups, companies and government of a nation to move resources of productive purpose across its country to another country with the anticipation of earning some surplus. Otepola (20012), asserted that FDI has emerged as the most important source of external resource flows to developing countries over the years and has become a significant part of capital formation in these countries, though their share in the global distribution of FDI continue to remain small or even declining. Caves (1996) also observed that the rationale for increased efforts to attract more FDI stems from the belief that FDI has several positive effects. Among these are productivity gains, technology transfers, and the introduction of new processes, managerial skills and know-how in the domestic market, employee training, international production networks, and access to markets.

2.2 **EMPIRICAL REVIEW ON THE RELATIONSHIP BETWEEN FDI AND ECONOMIC GROWTH**

Previous studies on the Foreign Direct Investment (FDI) and economic growth in Nigeria and other countries provided inconclusive evidence. Lall (2002) opined that FDI inflow affects many factors in the economy and these factors in turn affect economic growth. This review shows that the debate on the impact of FDI on economic growth is far from being conclusive. The role of FDI seems to be country specific and can be positive, negative or insignificant, depending on the economic, institutional and technological conditions in the recipient countries. For instance, Solomon and Eka (2013) investigated the empirical relationship between Foreign Direct Investment and economic growth in Nigeria. The work covered a period of 1981-2009 using an annual data from Central Bank of Nigeria statistical bulletin. A growth model via the Ordinary Least Square method was used to ascertain the relationship between FDI and economic growth in Nigeria. The result of the OLS techniques indicated that FDI has a positive but has insignificant impact on Nigerian economic growth for the period under study. Alejandro (2010) explained that FDI plays an extra ordinary and growing role in global business and economics. It can provide a firm with new markets and marketing channels, cheaper production facilities access to new technology products, skills and financing for a host country or the foreign firms which investment, it can provide a source of new technologies, capital processes products, organization technologies and management skills and other positive externalities and spillover that can provide a strong impetus to regional economic growth. Obwona (2001) noted in his study of the determinants of FDI and their impact on growth in Uganda that macroeconomic and political stability and policy consistency are important parameters determining the inflow of Foreign Direct Investment (FDI) into Uganda and that Foreign Direct Investment (FDI) affects growth positively but insignificant. Foreign Direct Investment (FDI) also contributes to economic growth via technology transfer. Zhang (2001) argued that Foreign Direct Investment has positive growth impact that is similar to domestic investment along with partly alleviating balance of payment deficit in the current account. He opined that via technology transfer and spillover efficiency, the inflow of directforeign investment might be able to stimulate a country economic performance. Ewe-Ghee Lim (2001) summarized recent arguments and findings on FDI and its correlation with economic growth focusing on literature regarding spillovers from FDI and found that while substantial support exists for positive spillovers from FDI, there is no consensus on casualty. Otepola (2002) also examined the importance of direct foreign investment in Nigeria. The study empirically examined the impact of FDI on growth. He concluded that FDI contributes significantly to growth especially through exports. Ricardo, Hwang and Rodrick (2005) argued that Foreign Direct Investment (FDI) provide a path for emerging nations to export the products developed economies usually sell, in effect increasing their export sophistication. Many developing countries pursue FDI as a tool for export promotion, rather than production for the domestic economy. Typically foreign investors build plants in nations where they can produce goods for export at lower costs. Bende-Nabende (2002) also found that direct long term impact of Foreign Direct Investment (FDI) on output is significant and positive for comparatively economically lessadvanced Philippines and Thailand, but negative in the more economically advanced Japan andTaiwan. In the same line, Ariyo (1998) studied the investment trend and its impact on Nigeria’s economic growth over the years. He found that only private domestic investment consistently contributed to raising GDP growth rates during the period considered (1970–1995). However, Alfaro et al, (2003) affirmed that the contribution of FDI to growth depends on the sector of the economy where the FDI operates. He claimed that FDI inflow to the primary sectors, tends to have a negative effect on growth, however, as for the service sector, the effect of DFI inflow is not so clear. Durharm (2004) for example, failed to establish a positive relationship between Foreign Direct Investment (FDI) and growth but instead suggests that the effects of Foreign Direct Investment (FDI) are contingents on the absorptive capability of host countries. Nwankwo et al, (2013) investigated the impact of globalization on foreign direct investment in Nigeria-since the world has become a global village. The methodology used is purely descriptive and narrative and the data used is secondary. It was found out that foreign direct investment (FDI) has been of increased benefit to Nigeria in the area of employment, transfer of technology, encouragement of local enterprises etc. But there are certain impediments to the full realization of the benefits of foreign direct investment. Adelegan (2000) also explored the seemingly unrelated regression model to examine the impact of FDI on economic growth in Nigeria and found out that FDI is pro-consumption and pro-import and negatively related to gross domestic investment. In the same line, Ogiogio (1995) reported negative contributions of public investment to GDP growth in Nigeria for reasons of distortions. Oyinlola (1995) also conceptualized foreign capital to include foreign loans, direct foreign investments and export earnings. Using Chenery and Stout’s two-gap model (Cheneryand Stout, 1966), he concluded that FDI has a negative effect on economic development in Nigeria

**2.3 REVIEW OF EMPIRICAL STUDIES**

Otepola (2002) found that FDI contributes significantly to growth especially through exports. The study also reported a low level of existing human capital, suggesting that human capital available in Nigeria is not FDI including. He further recommended a mixture of practical government policies to attract FDI to priority sectors of the economy Anyanwale (2001) examined the influence of FDI on firm level of productivity in the Agro/Agro Allied sector in Nigeria, and reported a positive spillover effect of foreign firms on domestic firm’s productivity. Akinlo (2004) investigated the impact of FDI on economic growth in Nigeria over the period 1970- 2001. The result of his error correction model (ECM) shows that both foreign capital and foreign lagged capital have small and statistically insignificant impact on economic growth. He attributed this to capital flight. This study also found labour force and human capital to have significant positive effect on growth. Jerome and Ogunkola (2004) assessed the magnitude, direction and prospects of FDI in Nigeria. They noted that, FDI regime in Nigeria was generally improving but some serious deficiencies or shortcomings still remain. These deficiencies are predominant in the area of the corporate environment (such as corporate law, labour law and bankruptcy) and institutional uncertainty, as well as the rule of law. They further noted that the establishment and activities of the Economic and Financial Crimes Commission (EFCC), and the Nigeria Investment Promotion Commission (NIPC) are efforts to improve the corporate environment and uphold the rule of law (Jerome & Ogunkola, 2004). Oyejide (2005) in a paper presented at CBN’s 5th Annual Monetary Conference in Abuja provided a conceptual framework for the analysis of the macroeconomic effects of volatile capital flows. It concluded that capital flows have their advantages and disadvantages, but this depends on the initial conditions of the developing economy concerned. Capital flow can stimulate growth of the real sectors when the initial conclusions are right. It could also retard growth due to macro economic shocks that could undermine the stability of the real sector and impose higher adjustment cost on the economy. The study recommended capacity building as a way of maximizing benefits and minimizing risks from capital flows. Ayanwale (2007) investigated the relationship between Non-extractive FDI and economic growth in Nigeria over the period 1970-2002. The study found that FDI has a positive link with economic growth, but cautioned that the overall effect of FDI on economic growth may not be significant. Also that the manufacturing sector FDI negatively affects the economy, reflecting poor business environment in the country (Ayanwale, 2007). Ayadi (2007) in his study on FDI and Economic growth in Nigeria over the period 1980-2007 found that FDI has not contributed significantly to the explanation of output growth in Nigeria. The failure of FDI to generate the desired growth rate is attributed to the limited infrastructural development in Nigeria. He also found that FDI has some level of influence on export of goods and services. Ayadi (2007) recommended that Nigeria should invest in human capital development in order to benefit from technological spillovers or other externalities associated with FDI. This recommendation was made because the study found human capital an essential factor in the FDI-growth debate in Nigeria. Oyatoye, Arogundade, Adebisi, and Oluwakayode (2011) in a study of FDI, Export and Economic growth in Nigeria over the period of 1987- 2006 found that there is a positive relationship between FDI and gross domestic product (GDP). The result further showed that one naira increase in the value of FDI will lead to N104.749 increase in GDP. Other contributors to the FDI debate include: Fry (1992) examined the role of FDI in promoting growth in a pooled panel data of developing countries from 1966-1988. His results did not support any significant effect of FDI on economic growth, but it had a significant effect on domestic investments. This suggests that FDI crowds-out domestic investment, through this later result differs among regions of countries. Blomstrom, Kokko and Zejan (1994) examined a sample of both developed and developing countries and concluded in favour of significant positive effect for both regions. But when they split their sample into two groups based on their level of per-capita income, it was found that FDI exerts positive effect on economic growth but there seems to be a threshold level of income above which FDI has positive effects on economic growth and below which it does not. The explanation was that only the countries that have reached a certain income level can absorb new technologies and benefit from technology diffusion and also reap the extra advantages of FDI. Balasubramanyam, Salisu, and Sapsford (1996) examined the role of FDI on the growth process of developing countries with differing trade policy regimes for the period of 1970-1985. Their results found, band sometimes negative for countries with import substitution policies. This implies that the effect of FDI varies across countries and the trade policy of a country can affect the role of FDI in economic growth. Borensztein, De Gregorio, and Lee (1998) in their study of 69 developing economies over the period 1970-1989, applying regression analysis, concludes that the interactions of FDI and human capital had important effect on economic growth. They suggest that the difference in technological absorptive ability may explain the variation in growth effect of FDI across countries that is to say that FDI is dependent on human capital stock. The author suggests that countries need a minimum threshold stock of human capital in other to experience positive effects of FDI. Tang, Selvanathan, and Selvanathan (2008) explored the casual link between FDI, domestic investment and economic growth in china between 1988-2003, using a multivariate VAR and ECM (Error Correction Model). The result shows that there is a bi-directional causality between domestic investment and economic growth. They concluded that there is a higher level of complementarities between FDI and domestic resources.

**2.4 NEW GROWTH THEORY**

New growth theory had incorporated two important points. Firstly, it viewed technological progress as a product of economic activity. Secondly, new growth theory suggested that knowledge and technology were characterized by increasing returns, and these increasing returns drive the growth process (Muogbo and Kayer, 2012). Consequently, growth has been endogenous in new growth theory rather than exogenous as in old growth theory. Investment in human capital contributed to increasing returns in the production function and the more resources devoted to Research and Development, the faster the rate of innovations and the higher the rate of growth. According to Muogbo and Kayer, (2012), ‘’the capital accumulation from foreign direct investment is expected to generate non-convex growth by encouraging the incorporation of new inputs and foreign technologies in the production function of the foreign direct investment (FDI) recipient’s countries’’. In addition, the transfer of advanced technology strengths the host country’s existing stock of knowledge through labour, training, skill acquisition, the introduction of alternative management practices and organizational arrangements. As a consequent, foreign direct investment (FDI) increased productivity in the recipient economy, and foreign direct investment (FDI) could be deemed to be a catalyst for domestic investment and technological progress. The debate about the impact of foreign investment (FDI) in developing countries remained unsettled in literature. This had generated much intense controversy which had divided scholars into two distinct camps, the pro- foreign investment and the critics of foreign investment. Within each of these two groups, there were varied approaches to analyzing the impact of foreign investments as well as the associated policy prescriptions. According to Jenkins (1987) and Odusola, (2003); the Pro- foreign investment viewed foreign investment as a catalyst to industrial transformation and effective marketing management strategy. The operations of foreign investor added new resources such as capital, technology, management and marketing to host countries in a way that stimulated efficiency and effectiveness. Besides, promoting employment activities, foreign direct investment (FDI) also promote income distribution through bidding up for wages and driving down the return to capital. The proponents of this approach believed that national and foreign private-sector enterprises, if permitted to operate in competitive market conditions lead to ingenuity and creativity which offers developing countries the best prospects for speedy national economic growth. Two broad groups were discernable under the pro- foreign investment approach: traditional and neo – traditional schools of thought. Under the traditional school of thought were the business school and the neoclassical school. The business school strongly believed in the moral and practical virtues of free enterprise system (Lall, 1974). Similarly, the neo-classical school held the view that foreign investment act as efficient allocators of resources with the proviso that the benefit accrues to both home and host countries (Jenkins, 1987). They therefore recommended the removal of government induced distortions and provision of conducive environment for foreign investors to operate. The neo-classical approach comprised the bargaining school and neo-fundamental school. The proponents of the bargaining school (Greico, 1986); posited that the benefits of foreign investors were not automatic. Rather, they suggested that the distribution of gains among the home and host countries depended on negotiations between the foreign firms and the recipient country’s government. Thus, the quality of negotiation had helped developing countries learn how to extract greater benefits from multinationals. They thus recommended the encouragement of foreign investors and that the host countries should build the national institutions that enhances the country’s share of the associated benefits. The critics of foreign direct investments, on the other hand, emphasized the risks that foreign investors posed for developing countries. The extent of these threats varied from one school of thought to another. Other critics of foreign direct investment were the global reach and Marxist/neo-imperialist approaches. The global reach approach saw foreign direct investment as one of the strategies of oligopolistic firms and not an approach to enhancing development oriented international capital flows. Thus, their policy prescriptions hinged on regulations of transfer pricing and restrictive business practices. The Marxist viewed foreign direct investment as the clog in the wheel of developing countries’ development.

**2.5 CONCEPTUAL FRAMEWORK**

Foreign direct investment is an investment made to acquire a lasting management interest, (normally 10% of voting stock) in a business enterprise operating in a country other than that of the investor, defined according to residency (World Bank, 1996). Such investments may take two forms, either “Greenfield” investment (also called “mortar and brick” investment) or mergers and acquisitions, which entail the acquisition of existing interest rather than new investment. In corporate governance, ownership of at least 10% of the ordinary shares or voting stock is the criterion for the existence of a direct investment relationship. Ownership of less than 10% is recorded as portfolio investment (Macaulay, 2007). Foreign direct investment is therefore a measure of foreign ownership of productive assets, such as factories, mines and land. Increasing foreign investment can be used as one measure of growing economic integration and globalization (Gnansonuou, 2008). In the past ten years, the classic definition of foreign direct investment as noted above has changed considerably. This notion of a change in the classic definition, however, must be kept in the proper context. Very clearly, over two third of direct foreign investment is still made in the form of fixtures, machinery, equipment and buildings. Moreover, larger multinational corporations and conglomerates still make the overwhelming percentage of foreign direct investment. But, with the advent of the internet, the increasing role of technology, loosening of direct investment restrictions in many markets and decreasing communication costs means that newer, non-traditional forms of investment are playing important role in the direction of foreign direct investment and this will into the future. Many governments, both in industrialized and developing nations, pay very close attention to foreign direct investment because they believe that investment flows into and out of their economies may have a significant impact on growth (Asiedu, 2009). However, there has been a dramatic increase in the number of technology start-ups and this, together with the rise in prominence of internet usage, has fostered increasing changes in foreign investment patterns. Many of these high tech start-ups are very small companies that have grown out of research and development projects often affiliated with major universities and with some government sponsorship programmes. Unlike traditional manufacturers, many of these companies do not require huge manufacturing plants and immense warehouses to store inventory (Asiedu, 2004). Another factor to consider is the number of companies whose primary product is an intellectual property right such as a software program or a software-based technology or process. Companies such as these can be housed almost anywhere and therefore making a capital investment in them does not require huge outlays for fixtures, machinery and plants. In many cases, large companies still play a dominant role in investment activities in small, high tech oriented companies (Andreas, 2007). However, unlike in the past, these larger companies are not necessarily acquiring smaller companies outright. The chief reason for this is the risk associated with such high tech ventures. In the case of matured industries, the products are well defined. The manufacturer usually wants to get closer to its foreign market or wants to circumvent some trade barriers by making a direct foreign investment through setting up of subsidiary companies in the host country.

**2.6 FOREIGN DIRECT INVESTMENT (FDI)**

The United Nations defined foreign direct investment (FDI) as investment in enterprise located in one country but “effectively controlled” by residents of another country (UNCTAD, 2009). Foreign direct investment is the distinctive feature of multinational enterprise hence; a theory of foreign direct investment is also a theory of the multinational enterprise as an actor in the world economy (Ekpo, 2010). Based on this theory, foreign direct investment is not simply (or even primarily) an international transfer of capital but rather, the extension of an enterprise from its home country into foreign host country. The extension of enterprise involves flows of capital, technology, and entrepreneurial skills and, in more recent cases, management practices to the host economy, where they are combined with the local factors in the production of goods and services (Chenery & Stout, 2006). In total, net direct investment abroad by UK in 2008 was almost half the value recorded the previous year. The 2008 figure of £85.8 billion was £73.4 billion lower than the investment of £159.1 billion reported in 2007 although the value remains higher than in other recent years (£46.9 billion in 2006; £44.5 billion in 2005; £49.7 billion in 2004) (UNCTAD, 2009). Nigeria’s share of FDI inflow to Africa averaged around 10%, from 24.19% in 1990 to a low level of 5.88% in 2001 up to 11.65% in 2002 (UNCTAD, 2009). It showed Nigeria as the continent’s second top FDI recipient after Angola in 2001 and 2002 (Efem, 2009). International capital flows which provide some of these infrastructure had recently been marked by a sharp expansion in net and gross capital flows and a substantial increase in the participation of foreign investors and Multilateral Financial Institutions (MFIs) in the financial markets of developing countries (World Bank, 2010). The MFIs conditionalities attached to such assistance often cut budgets in the social sectors, thus accentuating poverty, leading to exchange rate crisis, massive devaluation of local currency and terms of trade determination (Todero, 2001). Since domestic savings cannot solely finance a country’s infrastructure, there is therefore, the need for foreign direct investment (FDI) and foreign portfolio investment (FPI) because of these advantages; managerial skills, marketing connection, technical knowledge, training of local work force, transmits hard currency into the country, it carries with it financial resources, do not create debts to the government. Nigerian needs substantial amounts of foreign investment to speed up her economy growth most especially in the area of building and construction investment and to promote infrastructural development. Foreign direct investment is known for improving economic efficiency through gains resulting from increases in international trade, international competitiveness and improved access to foreign markets for domestic products and training of labour force. Considering the fact that domestic capital formation (i.e. Domestic Investment Resources (DIR) is still at its infancy and is relatively low in developing nations, like Nigeria (Wakil, 2004). Foreign direct investment would emerge to be the alternative for capital formation for construction investment purposes, but due to the awfully meager export potentials, franchising is about the most practical way of attracting foreign investment in order to diversify the economy, which bring technology, ideas and access to industrial countries markets as well as hard currencies, reduces borrower’s exposure to changes in foreign interest rates and encourages growth oriented economic liberalization. Urging the government to pay attention to the construction sector in order to attract the necessary huge amount of FDI into the sector, Nigeria needed large quantum of FDI and the country has the potential to even attract more in spite of her numerous challenges to finance developmental projects (Orji, 2004). Records have it that many studies have been conducted in relation to the impact of foreign direct investment on various sectors of the economy in Nigeria with the exemption of construction sector. Communication, manufacturing, oil and gas, mining and quarry and power sector have now taken the centre stage of FDI inflow in Nigeria. Onwuemenyi (2008) conducted a study on the impact of FDI on lives of Nigerians. The negative impact of this is a neglect of a sector that is expected to be the second highest employer of labour after the agriculture industry in the developing world such as Nigeria (Dutse, 2008). There have been a number of researches in this area but mainly in other parts of the world. These include the work of Fleshman (2009) who investigated the challenges of FDI in the construction sector in South Africa. The study conclusively identified six factors responsible for hindrances facing FDI in construction sector in South Africa as: discrimination, policy framework, market, cost consideration, corruption and insecurity of investment. Also, Topku (2010) conducted a study on an assessment of the response of construction sector to foreign direct investment in India. This was as a result of India Government acceded to a long pending demand and permitted 100 percent FDI in construction and development projects in year 2005. Jerome and Ogunkola (2004) assessed the magnitude, direction and prospects of FDI in Nigeria with emphasis on the prospects of FDI in Nigeria

**2.7 IMPACT OF FDI ON ECONOMIC GROWTH AND DEVELOPMENT IN NIGERIA**

Odozi (2003) observed the linkage effects of FDI on the Nigerian economy and submitted that they it has been inadequate. Oyinlola (2005) also asserted that there has being negative contributions of public investment to GDP growth in Nigeria. Adelegan (2008) further explored the seemingly unrelated regression model to examine the impact of FDI on economic growth in Nigeria and found out that FDI is pro-consumption and pro-import and negatively related to gross domestic investment. The authors observed that, there is no reliable evidence that all the investment variables included in his analysis have any perceptible influence on economic growth. Akinlo (2004) found out that foreign capital has a small and not statistically significant effect on economic growth in Nigeria. Nigeria being a developing economy has not been different from other developing economies in using foreign direct investment (FDI) as a strategy for achieving economic growth and development. However, unlike countries like Malaysia, Nigeria in spite of its 12 huge deposit of human, natural and material resources has failed to achieve rapid economic growth due to several factors, the principal of which is an unstable political environment occasioned by long periods of military rule. Under the military rule, Nigeria witnessed a decline in the influx of foreign investments as a result of various economic sanctions imposed on the country by the international community. Oseghale and Amonkhienan (2008) opined that FDI is positively associated with GDP, concluding that greater inflow of FDI will spell a better economic performance for the country. Ariyo (2008) studied the investment trend and its impact on Nigeria’s economic growth over the years. He found that only private domestic investment consistently contributed to raising GDP growth rates during the period considered (1970–1995). A number of studies have been carried out on investment and growth in Nigeria with varying results and submissions Anyanwu (2007). Omagbeme (2010) further noted that there is a vast literature establishing the relationship between foreign direct investment (FDI) and economic growth especially in transitional societies, it implies an “array of investments made to acquire lasting interest in enterprises operating outside the economy of the investor”, that is, FDI is a form of lending or finance in the area of equity participation, which involves the transfer of resources, including, capital, technology, management and marketing expertise. To examinine the contributions of foreign capital to the prosperity or poverty of LDCs, Oyinlola (2005) conceptualized foreign capital to include foreign loans, direct foreign investments and export earnings. Furthermore, on the basis of time series data, Ekpo (2010) reports that political regime, real income per capita, rate of inflation, world interest rate, credit rating and debt service were the key factors explaining the variability of FDI into Nigeria. Akinlo (2004) also established that foreign capital has a small and not statistically significant effect on economic growth in Nigeria. On firms’ level productivity spillover, Anyanwu and Bamisile (2001) assessed the influence of FDI on firms’ level productivity in Nigeria and reported a positive spillover of foreign firms on domestic firm’s productivity. Much of the other empirical work on FDI in Nigeria centered on examination of its nature, determinants and potentials. For example, Odozi (2003) noted that foreign investment in Nigeria was made up of mostly “greenfield” investment. Aremu (2003) categorized the various types of foreign investment in Nigeria into five: wholly foreign owned; joint ventures; special contract arrangements; technology management and marketing arrangements; and subcontract co-production and specialization (Efem, 2009). In their study of the determinants of FDI in Nigeria, Anyanwu (2004) and Adelegan (2008) identified change in domestic investment, change in domestic output or market size, indigenization policy, and change in openness of the economy as major determinants of FDI. Abrogation of the indigenization policy in 1995 encouraged FDI inflow into Nigeria. Jerome and Ogunkola (2004) assessed the magnitude, direction and prospects of FDI in Nigeria and noted that while FDI regime in Nigeria was generally improving, some serious deficiencies remain. These deficiencies are mainly in the area of the coporate environment (such as corporate law, bankruptcy, labour law, etc.) and institutional uncertainty, as well as the rule of law. The establishment and the activities of the Economic and Financial Crimes Commission (EFCC), Independent Corrupt Practices Commission (ICPC), and the Nigerian Investment Promotion Commission (NIPC) are efforts to improve the corporate environment and uphold the rule of law.

**2.8 CONCEPT OF ECONOMIC GROWTH**

Jhingan (1997), economic growth refers to issues of developed countries. To him also, economic growth is a process whereby the real per capita income of a Country increases over a long period of time. Economic growth is measured by the increase in the amount of goods and services produced in a Country. Todaro (1985), defines a country's economic growth as a 'long term rise in the capacity to supply increasingly diverse economic goods to its population. According to Meier(1980) for economic growth to occur in any Country, there must be an increase in the Nation's output and changes in its technical and institutional arrangement by which this increase in health, education, material consumption and environment protection. All these make up standard of living of the citizens over the long term. Iyoha (1996), economic growth is used to described the process of growth in advanced industrialize countries while economic development is used to describe the dynamics of growth in low-income, non-industrialized countries

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

* 1. **Research design**

The researcher used descriptive research survey design in building up this project work the choice of this research design was considered appropriate because of its advantages of identifying attributes of a large population from a group of individuals. The design was suitable for the study as the study sought foreign direct investment and economic growth in Nigeria

* 1. **Sources of data collection**

Data were collected from two main sources namely:

(i)Primary source and

(ii)Secondary source

**Primary source:**

These are materials of statistical investigation which were collected by the research for a particular purpose. They can be obtained through a survey, observation questionnaire or as experiment; the researcher has adopted the questionnaire method for this study.

**Secondary source:**

These are data from textbook Journal handset etc. they arise as byproducts of the same other purposes. Example administration, various other unpublished works and write ups were also used.

* 1. **Population of the study**

Population of a study is a group of persons or aggregate items, things the researcher is interested in getting information foreign direct investment and economic growth in Nigeria. 200 staff of national bureaus of statistics, Abuja was selected randomly by the researcher as the population of the study.

* 1. **Sample and sampling procedure**

Sample is the set people or items which constitute part of a given population sampling. Due to large size of the target population, the researcher used the Taro Yamani formula to arrive at the sample population of the study.

n= N

1+N (e) 2

n= 200

1+200(0.05)2

= 200

1+200(0.0025)

= 200 200

1+0.5 = 1.5 = 133.

**3.5 Instrument for data collection**

The major research instrument used is the questionnaires. This was appropriately moderated. The secretaries were administered with the questionnaires to complete, with or without disclosing their identities. The questionnaire was designed to obtain sufficient and relevant information from the respondents. The primary data contained information extracted from the questionnaires in which the respondents were required to give specific answer to a question by ticking in front of an appropriate answer and administered the same on staff of the two organizations: The questionnaires contained structured questions which were divided into sections A and B.

* 1. **Validation of the research instrument**

The questionnaire used as the research instrument was subjected to face its validation. This research instrument (questionnaire) adopted was adequately checked and validated by the supervisor his contributions and corrections were included into the final draft of the research instrument used.

* 1. **Method of data analysis**

The data collected was not an end in itself but it served as a means to an end. The end being the use of the required data to understand the various situations it is with a view to making valuable recommendations and contributions. To this end, the data collected has to be analysis for any meaningful interpretation to come out with some results. It is for this reason that the following methods were adopted in the research project for the analysis of the data collected. For a comprehensive analysis of data collected, emphasis was laid on the use of absolute numbers frequencies of responses and percentages. Answers to the research questions were provided through the comparison of the percentage of workers response to each statement in the questionnaire related to any specified question being considered.

Frequency in this study refers to the arrangement of responses in order of magnitude or occurrence while percentage refers to the arrangements of the responses in order of their proportion. The simple percentage method is believed to be straight forward easy to interpret and understand method.

The researcher therefore chooses the simple percentage as the method to use.

The formula for percentage is shown as.

% = f/N x 100/1

Where f = frequency of respondents response

N = Total Number of response of the sample

100 = Consistency in the percentage of respondents for each item

Contained in questions

**CHAPTER FOUR**

**PRESENTATION ANALYSIS INTERPRETATION OF DATA**

**4.1 Introduction**

Efforts will be made at this stage to present, analyze and interpret the data collected during the field survey. This presentation will be based on the responses from the completed questionnaires. The result of this exercise will be summarized in tabular forms for easy references and analysis. It will also show answers to questions relating to the research questions for this research study. The researcher employed simple percentage in the analysis.

**DATA ANALYSIS**

The data collected from the respondents were analyzed in tabular form with simple percentage for easy understanding.

A total of 133(one hundred and thirty three) questionnaires were distributed and 133 questionnaires were returned.

Question 1

Gender distribution of the respondents.

TABLE I

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Gender distribution of the respondents** | | | | | |
| Response | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Male | 77 | 57.9 | 57.9 | 57.9 |
| Female | 56 | 42.1 | 42.1 | 100.0 |
| Total | 133 | 100.0 | 100.0 |  |

From the above table it shows that 57.9% of the respondents were male while 42.1% of the respondents were female.

Question 2

The positions held by respondents

TABLE II

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **The positions held by respondents** | | | | | |
| Response | | Frequency | Percent | Valid Percent | Cumulative Percent |
| **Valid** | Statisticians | 37 | 27.8 | 27.8 | 27.8 |
| Accountants cadre | 50 | 37.6 | 37.6 | 65.4 |
| Programme analysts | 23 | 17.3 | 17.3 | 82.7 |
| Administrative officers | 23 | 17.3 | 17.3 | 100.0 |
| Total | 133 | 100.0 | 100.0 |  |

The above tables shown that 37 respondents which represents27.8% of the respondents are statisticians respondents which represents 37.6 % are accountants cadre 23 respondents which represents 17.3% of the respondents are programme analysts, while 23 respondents which represent 17.3% of the respondents are administrative officers

**TEST OF HYPOTHESES**

There is no relationship between direct foreign investment and economic development in Nigeria

**Table III**

|  |  |  |  |
| --- | --- | --- | --- |
| **there is no relationship between direct foreign investment and economic development in Nigeria** | | | |
| Response | Observed N | Expected N | Residual |
| Agreed | 40 | 33.3 | 6.8 |
| strongly agreed | 50 | 33.3 | 16.8 |
| Disagreed | 26 | 33.3 | -7.3 |
| strongly disagreed | 17 | 33.3 | -16.3 |
| Total | 133 |  |  |

|  |  |
| --- | --- |
| **Test Statistics** | |
|  | there is no relationship between direct foreign investment and economic development in Nigeria |
| Chi-Square | 19.331a |
| Df | 3 |
| Asymp. Sig. | .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 33.3. | |

Decision rule:

There researcher therefore reject the null hypothesis there is no relationship between direct foreign investment and economic development in Nigeria as the calculated value of 19.331 is greater than the critical value of 7.82

Therefore the alternate hypothesis is accepted that there is relationship between direct foreign investment and economic development in Nigeria

**TEST OF HYPOTHESIS TWO**

There is no role of foreign direct investment in the growth of Nigeria economy

Table V

|  |  |  |  |
| --- | --- | --- | --- |
| **there is no role of foreign direct investment in the growth of Nigeria economy** | | | |
| Response | Observed N | Expected N | Residual |
| Yes | 73 | 44.3 | 28.7 |
| No | 33 | 44.3 | -11.3 |
| Undecided | 27 | 44.3 | -17.3 |
| Total | 133 |  |  |

|  |  |
| --- | --- |
| **Test Statistics** | |
|  | **there is no role of foreign direct investment in the growth of Nigeria economy** |
| Chi-Square | 28.211a |
| Df | 2 |
| Asymp. Sig. | .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 44.3. | |

Decision rule:

There researcher therefore rejects the null hypothesis there is no role of foreign direct investment in the growth of Nigeria economy as the calculated value of 28.211 is greater than the critical value of 5.99

Therefore the alternate hypothesis is accepted that state there is role of foreign direct investment in the growth of Nigeria economy

**CHAPTER FIVE**

**SUMMARY, CONCLUSION AND RECOMMENDATION**

**5.1 Introduction**

It is important to ascertain that the objective of this study was to ascertain foreign direct investment and economic growth in Nigeria. In the preceding chapter, the relevant data collected for this study were presented, critically analyzed and appropriate interpretation given. In this chapter, certain recommendations made which in the opinion of the researcher will be of benefits in addressing the challenges of foreign direct investment and economic growth in Nigeria

* 1. **Summary**

This study was on foreign direct investment and economic growth in Nigeria. Four objectives were raised which included: To examine the relationship between direct foreign investment and economic development in Nigeria, to ascertain the level of foreign direct investment in Nigeria, to examine the role of foreign direct investment in the growth of Nigeria economy, to ascertain the adequacy of the level of fiscal incentives given to foreign investors by the Nigeria government. In line with these objectives, two research hypotheses were formulated and two null hypotheses were posited. The total population for the study is 200 staff of national bureaus of statistics, Abuja. The researcher used questionnaires as the instrument for the data collection. Descriptive Survey research design was adopted for this study. A total of 133 respondents made statisticians, accountants cadre, programme analysts and administrative officers were used for the study. The data collected were presented in tables and analyzed using simple percentages and frequencies

* 1. **Conclusion**

In conclusion, the empirical results show that there is positive relationship between economic growth (GDP) and FDI. The result was positive but statistically insignificant contrary to some findings. This insignificant relationship could be as a result of insufficient FDI fund invested into the Nigerian economy which has not been able to significantly impact on the economic growth. The result of our study also portrays that domestic investment was also responsible for the growth witnessed in Nigeria’s economy over the period under review. This provides an understanding that domestic investment is a major factor that contributes to the growth of the Nigerian economy. And so, more emphasis should be geared towards encouraging domestic investment to drive the economy to the desired level of growth. Despite the insignificant relationship between GDP and FDI, it is important to note that FDI contributes positively to economic growth in Nigeria.

**5.4** **Recommendation**

The Nigerian government should establish favorable economic and political policies. Economic policies will thus encourage a continuous flow of foreign direct investment and exportation of goods and services in Nigeria. Political policies should address the political environment of the country. It is widely noted that political instability exposes an economy to varying forms of economic deprivation in the form of reduced investment by foreign Multinationals, a situation that would also adversely affect the level of FDI in the country.

**REFERENCES**

Adelegan, J.O. (2000). Foreign direct investment and economic growth in Nigeria: A seemingly unrelated model. African Review of Money, Finance and Banking, Supplementary issue of ‘savings and Development’, Milan, Italy, 5-25.

African Economic Outlook, 2005/2006. Published by the OECD Development Centre and the African Development Bank, with financial support from the European Commission

Ali, A. M., & Isse, H. S. (2002). Determinants of economic corruption: a cross-country comparison. Cato J., 22, 449.

Akinlo, A.E. (2004). Foreign direct investment and growth in Nigeria: an empirical investigation. Journal of Policy Modelling, 26, 627-39.

Asiedu, E. (2001). On the determinants of foreign direct investment in developing countries: is Africa different? World Development, 30(1), 107 – 119.

Asiedu, E. (2003). Capital controls and foreign direct investment. World Development, 32(3), 479 – 490

Ayobolu, J. (2006). EFCC, corruption and the due process. Segun Toyin Dawodu, USA.

Ayadi, F.S. (2007). Foreign direct investment. Available at http://www.allbusiness.com. Retrieved 1 16/4/2012

Ayanwale A.B., & Bamire, A.S. (2001). The influence of foreign direct investment on firm level productivity of Nigeria’s Agro/Agro-allied sector. Final Report Presented to the African Economic Research Consortium, Nairobi, Kenya.

Ayanwale, A.B. (2007). FDI and economic growth, evidence from Nigeria. AERC Research Paper 165, African Economic Research Consortium, Nairobi

Balasubramanyam, V.N., Salisu, M., & Sapsford, D. (1996). Foreign Direct Investment and Growth in EP and IS Countries. Economic Journal, 106, 92-105

Blomström, M., Kokko, A., & Zejan, M. (1994). Host country competition, labor skills, and technology transfer by multinationals. Weltwirtschaftliches Archiv, 130(3), 521-533.

Borensztein, E., De Gregorio, J., & Lee, J. W. (1998). How does foreign direct investment affect economic growth?. Journal of International Economics, 45 (1), 115-135.

Central Bank of Nigeria (CBN). Statistical Bulletin, Various Issues. Fry, M.J. (1993). Foreign Direct Investment in a Macroeconomic Framework: Finance, Efficiency, Incentives and Distortions. Working Paper Series 1141. World Bank, International Economics Department, Washington D.C. Hill,

C.W.L. (2005). International Business: competing in a global market place, (5th ed.), Boston: McGraw-Hill Publishers.

IMF (1999). Growth in sub-Saharan Africa: Performance, impediments and policy requirements. World Economic Outlook, chapter VI., Washington, DC: IMF.

Jerome, A. & Ogunkola, J. (2004). Foreign Direct Investment in Nigeria: Magnitude Direction and Prospects. Paper Presented to the African Economic Research Consortium Special Seminal Series, Nairobi.

Kumar, A. (2007). Foreign Direct Investment. Insights from the Federal Reserve Bank of Dallas; Vol. 2 No 1.

Lipsey, R. & Chrystal, A. (2003). Economics 10th ed. Oxford University Press. New Delhi.

Granger, C. W. J., & Newbold, P. (1986). Forecasting economic time series (2nd ed.). New York: Academic press.

Gujarati, N. D. (2003). Basic econometrics (4th ed.). New York: McGraw-Hill.

Harris, R. (1995). Using cointegration analysis in econometric modelling (3rd ed.). Englewood Cliffs: PrenticeHall.

Jerome,F.,&Ogunkola,A.(2004).Nigeria and FDI. Retrieved from http//www.allafrica.com/stories/2010011401123.html.

Kolapo, Y. (2010, December 13). Unveiling real economic pests. The Punch, p. 12.

Makunike, C. (2008). Nigeria targets $600billion in foreign direct investment by 2020 Trade Africa. Retrieved from http//www.tradeafricablog.com.

Mogbo, C. T. (2004). The quantity surveyor as a cost engineer. A Paper presented at the 21st biennial conference general meeting of the Nigerian Institute of Quantity Surveyors(NIQS), Ibadan, Nigeria.

Mustapha,B.(2009).Nigeria ranks 19th in the world in attracting FDI. Retrieved from http//www.untad – export.by.htm.

Odozi, V. A. (2003). An overview of foreign investment in Nigeria, 1960 – 2000. Occasional paper, 11 (5), 3-4.

OECD. (2002). Foreign direct investment for development and maximising benefits. Office for national statistics. Retrieved from http//www.ons.gov.uk/statbullettin.

Ogbonmwan, E. P. (2006). Statistics theory. Onitsha, Nigeria: Africana-Feb Publishers Limited.

Okomoh, F. P. (2004). The role of business in society: FDI and their impact on sustainable development in Nigeria. A paper presented at the World Bank Institute (WBI)/Wharton Business School International research/Essay contest on CSR for future leaders.

Omagbeme, R. (2010). Nigeria: Bayelsa and FDI. Retrieved from http//www.allafrica.com/storirs/201001140387.html.

Onwuemenyi, O. (2008, March 2). Impact of FDI on the lives of Nigerians. Punch, p.11.

Orji, O. H. (2004). Foreign direct and portfolio investment in Nigeria and selected African countries from 1980 to 2004. A Paper presented at the senior executive course No.26 of The National Institute for Policy and Strategic Studies, Jos, Nigeria: NIPSS.

Oyinlola, O. ( 2005). External capital and economic development in Nigeria (1970 – 2000). The Nigerian Journal of Economic and Social Studies, 37, 2 - 3.

Oyinloye, A. (2011, July 20). Nigeria’s infrastructural deficit, at over $200billion. Vanguard, p.10.

Sargan, J. D. (1984). Wages and prices in the United Kingdom: A study in econometric methodology, in K. F. Wallis & D. F. Hendry, (Eds.), Quantitative economics and econometric analysis (pp. 29 – 33). Oxford: Blackwell.

Shaib, I. O. (2007b). Time series analysis: Concepts and theory for application. Akure, Nigeria. Concept 3 IT.

Sims, C. (1972). Money, income and causality, American economic review. New York: Academic Press.

Todero, R. (2001). Infrastructure and economic development. The Nigerian experience. Journal of the Central Bank of Nigeria (CBN)Economic and Financial Review, 14 (3), 4 - 6.

Topku, C. Y. (2010, March 12). FDI in the Indian construction industry. The Times, pp.7 – 8. UNCTAD. (2009). Nigeria ranks 19th in the world in attracting FDI. Retrieved from http//www.UNCTAD - export.by.htm.

Wakil, G. H. (2004). The role of FDI in sustainable economic growth: Challenges for Nigeria. Journal of Investment Facilitator, 14 (3), 4-6

Wikipedia. (2007). The free encyclopedia-economy of Nigeria. Retrieved February 19th2010, from http//www.enwikipedia.org/wiki/economy-of- nigeria.htm.

World Bank. (2010). World Bank history. Retrieved from http//www.worldbank.org/website/external/history.

Yakub, M. U. (2005). Foreign direct investment (FDI) flows to Nigeria: Issues, challenges and prospects. Bulletin Publication of CBN, 4 (29), 54 – 64.

**QUESTIONNAIRE**

**INSTRUCTION**

Please tick or fill in where necessary as the case may be.

Section A

1. Gender of respondent

A male { }

B female { }

1. Age distribution of respondents
2. 15-20 { }
3. 21-30 { }
4. 31-40 { }
5. 41-50 { }
6. 51 and above { }
7. Marital status of respondents?
8. married [ ]
9. single [ ]
10. divorce [ ]
11. Educational qualification off respondents
12. SSCE/OND { }
13. HND/BSC { }
14. PGD/MSC { }
15. PHD { }

Others……………………………….

1. How long have you been in national bureau of statistics
2. 0-2 years { }
3. 3-5 years { }
4. 6-11 years { }
5. 11 years and above……….
6. Position held by the respondent in national bureau of statistics
7. Statistician { }
8. Accountant cadre { }
9. Programme analyst { }
10. Administrative officer { }
11. How long have you been in national bureau of statistics
12. 0-2 years { }
13. 3-5 years { }
14. 6-11 years { }
15. 11 years and above……….

SECTION B

1. There is impact of foreign direct investment on Nigeria economy?
2. Agrees { }
3. Strongly agreed { }
4. Disagreed { }
5. Strongly disagreed { }
6. Foreign direct investment generates employment?

(a) Agrees { }

(b) Strongly agreed { }

(c) Disagreed { }

(d) Strongly disagreed { }

1. Nigeria economy depends on foreign direct investment
2. Agreed { }
3. Strongly agreed { }
4. Disagreed { }
5. Strongly disagreed { }
6. Foreign Direct Investment has no significant determinants in the Nigerian economy.
7. Agreed { }
8. Strongly agreed { }
9. Disagreed { }
10. Strongly disagreed { }
11. Foreign Direct Investment has no significant impact on the economic growth in Nigeria.
12. Agreed { }
13. Strongly agreed { }
14. Disagreed { }
15. Strongly disagreed { }
16. Foreign Direct Investment has significant determinants in the Nigerian economy.
17. Agreed { }
18. Strongly agreed { }
19. Disagreed { }
20. Strongly disagreed { }
21. Foreign direct private investment do not generates employment in Nigeria
22. Agreed { }
23. Strongly agreed { }
24. Disagreed { }
25. Strongly disagreed { }
26. There is a determinant of foreign direct investment (FDI) in the Nigerian economy?
27. Agreed { }
28. Strongly agreed { }
29. Disagreed { }
30. Strongly disagreed { }
31. Nigeria economy is not growing?
32. Agreed { }
33. Strongly agreed { }
34. Disagreed { }
35. Strongly disagreed { }