Factors Influencing Corporate FDI Decisions/ Investment Location and Activity in Nigeria

Okafor Uchechukwu Anthonia
Graduate of University of Uyo
anthoniauche43@gmail.com

Ajoma Godwin Agbeje
Graduate of University of Ibadan
Ajomagodwin@gmail.com
DOI 10.56201/ijebm.v10.no7.2024.pg41.65

Abstract

The study examined the factors influencing corporate Foreign Direct Investment (FDI) decisions and investment location and activity in Nigeria. The research was conducted using an OLS regression analysis approach, incorporating quantitative research methods. The study found that FDI has a significant relationship with market size (GDP), and insignificant relationship with exchange rate, inflation rate and degree of trade openness. The findings of the study revealed that several factors influence corporate FDI decisions and investment location and activity in Nigeria. These factors include market size and growth, political stability, infrastructure development, availability of skilled labour, legal and regulatory environment, economic policies, exchange rate, inflation rate and degree of trade openness. Furthermore, the study also highlighted the significant role of corruption in the country, which could deter foreign investors from investing in Nigeria. The research showed that the Nigerian government must address the issue of corruption to create an enabling environment for foreign investors. In addition, the study identified the importance of promoting sustainable investment practices and corporate social responsibility initiatives to enhance FDI inflows and promote economic development in Nigeria. The study recommended that addressing corruption and promoting sustainable investment practices and corporate social responsibility initiatives can enhance FDI inflows and promote economic development in Nigeria. This research provides a foundation for policymakers and investors to make informed decisions regarding FDI in Nigeria.

Keywords: *Corporate Foreign Direct Investment (FDI), Investment Location, Nigeria, Exchange Rate*

1. INTRODUCTION

Background of the Study

According to Crescenzi (2018), the decision of where to establish a new business is crucial and one of the most significant choices made by investors in the planning stage of their ventures. Both domestic and international firms face strategic challenges in making these locational decisions. It is generally accepted that Foreign Direct Investment, often known as FDI, is a key

source of finance, technological advancements, and management expertise that may assist to economic growth and development in poor nations (UNCTAD, 2020). The strength of foreign direct investment (FDI) as the cure for raising aggregate demand has recently come to the attention of emerging and developing countries, who are now vying for position as preferred investment destinations (World Bank, 2020). Nigeria is one of the major economies in Africa and a notable beneficiary of foreign direct investment (FDI), having attracted an average of $3.5 billion per year in FDI during the years of 2016 and 2019 (UNCTAD, 2021). Nevertheless, in spite of the significant amount of FDI that has been invested, Nigeria is still having trouble luring and keeping foreign investors.

The Nigerian government has implemented several policies and initiatives aimed at attracting

FDI to the country. These include the establishment of free trade zones, tax incentives, investment guarantees, and the creation of a one-stop-shop for investors (NIPC, 2021). However, these efforts have not yielded the desired results, as Nigeria ranks low in the ease of doing business and global competitiveness indexes (World Bank, 2021; World Economic Forum, 2021).

Understanding the factors that influence corporate FDI decisions and investment location and activity is crucial in developing effective policies to attract and retain foreign investors in Nigeria. The literature suggests that several factors influence FDI decisions, including market size, natural resources, political stability, infrastructure, labor force, and institutional quality (Borensztein, De Gregorio, & Lee, 1998; Li, Resnick, & Venkateswaran, 2020; Luo & Tung, 2018).

While many studies have investigated the factors that influence FDI decisions in general, few have examined the specific factors that influence corporate FDI decisions and investment location and activity in Nigeria. This study seeks to identify and analyze these factors to provide policymakers and investors with insights into the factors that affect investment decisions and help develop effective policies to attract and retain foreign investors in Nigeria.

Problem Statement

Foreign direct investment (FDI) has become an increasingly significant source of capital for many developing countries including Nigeria (Adegbite & Abayomi, 2016). Despite the significant inflow of FDI into Nigeria, the country is yet to realize the full potential of these investments due to several challenges facing foreign investors in the country (Oyinlola *et al*, 2019). In particular, the factors influencing corporate FDI decisions and investment location in Nigeria have not been thoroughly examined, despite their importance in shaping investment patterns and outcomes. Therefore, this dissertation aims to investigate the factors that influence corporate FDI decisions and investment location and activity in Nigeria, while focusing on relevant factors.

Research Aims and Objectives

The research aim is to identify the factors that influences the decisions of the foreign investors on the location and activities in Nigeria. The outcome of this research is to establish any existing trend of inflow and outflow of FDI in recent years, with recommendations on how to

attract more foreign direct investors in a bid to promoting sustainable economic development and increasing gross domestic product (GDP) of the country.

The research objectives of this study are:

- To determine the factors that affect corporate FDI decisions, investment location and activity in Nigeria.
- To analyze the trend of FDI inflow into Nigeria in recent years.
- To evaluate the determinants of FDI inflow into Nigeria in recent years.
- To analyze the impact of FDI on Nigeria's economy.
- To establish, if any, areas of interest for foreign direct investors to consider, explore/ exploit in the nearest future.

Research Questions

The research question includes;

- What are the factors that influence corporate FDI decisions, investment location, and activity in Nigeria?
- What is the trend of FDI inflow into Nigeria in recent years?
- Which factors significantly determine FDI inflow into Nigeria?
- What is the impact of FDI on Nigeria's economy?
- What areas of interest exist for foreign direct investors to consider, explore or exploit in the nearest future in Nigeria?

2. LITERATURE REVIEW

The concept of Foreign Direct Investment

Foreign Direct Investment, is crucial to the progress of economies still in the process of industrialisation. Foreign direct investment (FDI) is an acronym for the phrase "foreign direct investment," which refers to an investment made by a foreign corporation in a domestic economy with the intention of establishing a permanent presence there. According to the World Bank (2020), FDI is "a type of international investment reflecting an entity's goal of acquiring a lasting interest in an enterprise resident in another economy." The injection of fresh capital, the transfer of new technologies, the enhancement of managerial and technical expertise, and the production of new employment opportunities are just a few of the many benefits that are a direct outcome of foreign direct investment (FDI). One of the significant advantages of FDI is the provision of capital to the recipient country. FDI inflows can help bridge the investment

gap that exists in developing countries, leading to increased economic growth and development (Ajayi, 2016). Additionally, FDI can provide access to new technologies that may not be available locally. This transfer of technology can lead to an increase in productivity, which can help create jobs, increase output, and reduce poverty. Foreign direct investment may manifest itself in a variety of structures, such as greenfield investments, mergers and acquisitions, joint ventures, and strategic alliances. Greenfield investments include the formation of a new business venture in the destination nation, while mergers and acquisitions entail the purchase of an existing firm or the combination of two or more companies into a single entity. Joint ventures refer to the partnership between a foreign and local company to establish a new business, while strategic alliances involve the cooperation between two or more firms to achieve a common goal. FDI is a critical component of economic development, particularly in emerging economies (Akinkugbe, 2013). It provides the necessary capital, technology, and skills needed for growth and expansion, leading to job creation and poverty reduction. Therefore, governments should create an enabling environment that encourages FDI inflows and protects the interests of both the investor and the recipient country.

Foreign Direct Investment (FDI) in Nigeria

Statista (2021) estimated Nigeria's cumulative FDI at $67.23 billion in December 2020. Since the early 1970s, Nigeria's economy has relied on foreign investment, hence the government has offered several incentives. The government tried to abolish foreign rule via an indigenization program and preferential lending for local enterprises. The 1972 Nigerian business Promotion order and 1977 second indigenization order limited foreign equity ownership in Nigerian firms at 60% and 40%, respectively. To promote economic zone growth, export processing zones (EPZs) were developed in 1991 (Samuelson, 2015). With the exception of the oil and gas industries, the 1995 Nigerian Investment Promotion Commission Act allowed foreign ownership of the economy. The Nigerian government launched the One-Stop-InvestmentCentre (OSIC) in March 2006 to attract FDI. However, government corruption and other institutional issues make Nigeria a high-risk working environment.

Types of Foreign Direct Investment

Foreign Direct Investment (FDI) can be classified into different types based on their underlying objectives. According to Dunning (1981), four primary types of FDI are asset seeking, resource seeking, efficiency seeking, and market seeking.

Asset-Seeking FDI

Asset-seeking FDI refers to investments aimed at acquiring valuable physical or financial assets, such as natural resources, infrastructure, and skilled labour (Dunning, 1981). In Nigeria, the oil and gas industry has attracted significant asset-seeking FDI, as the country is the largest oil producer in Africa. Corporate FDI decisions and investment location are influenced by several factors, including market size, infrastructure, political stability, and regulatory environment (Edozien, 1968). In Nigeria, the government has taken steps to improve the business environment by implementing economic reforms and improving infrastructure, which has led to increased FDI inflows. John Dunning's eclectic framework, also known as the OLI paradigm, provides a useful lens for understanding the determinants of FDI. The framework consists of three main factors: Ownership, Location, and Internalisation. According to

Dunning, firms invest abroad to exploit ownership advantages, locate in countries with favourable conditions, and internalize the benefits of their investments (Dunning, 1981).

In the case of asset-seeking FDI in Nigeria, ownership advantages refer to the possession of specialized knowledge, technology, and managerial expertise that allows firms to extract and process natural resources efficiently. Location advantages include the availability of natural resources, skilled labour, and supportive infrastructure, such as transportation and communication networks. Internalization advantages refer to the ability of firms to manage their operations efficiently and transfer knowledge and technology across borders (Aliyu and Amavilah, 2018). Several studies have applied the OLI framework to analyse FDI in Nigeria. For instance, Adeleke and Yusuf (2018) found that ownership advantages, such as advanced technology and managerial skills, are significant determinants of FDI in the oil and gas sector. They also noted that the availability of natural resources, political stability, and government support are important location advantages for attracting FDI in Nigeria. Similarly, Aliyu and Amavilah (2018) found that infrastructure, such as electricity supply and transportation network, significantly influences the location decisions of firms in Nigeria. They also noted that the regulatory environment and political stability are essential location advantages for attracting FDI.

Resource- Seeking FDI

Resource-seeking Foreign direct investment (FDI) is a generic term for investments that intend to acquire goods and services from a foreign country. Since Nigeria is one of Africa's leading oil producers, the sector has seen substantial resource-seeking FDI. Ownership advantages, such cutting-edge technology and capable management, are major factors in attracting foreign direct investment (FDI) in the oil and gas industry, as discovered by Emenike et al. (2020). Others pointed out that Nigeria's locational benefits include its natural riches, political stability, and government assistance. The regulatory environment, which includes the ease of doing business and the quality of institutions, is a major factor in the location choices of enterprises in Nigeria, according to Badejo and Olusegun (2017). Natural resource abundance was also cited as an important factor in attracting resource-oriented foreign direct investment.

Market- Seeking FDI

Market-seeking FDI refers to investments aimed at accessing new markets, expanding market share, and taking advantage of economies of scale. In Nigeria, market-seeking FDI has been driven by factors such as the size and growth potential of the Nigerian market, its strategic location, and its status as an economic hub in West Africa (Ndiyo, 2005).

Efficiency-seeking FDI

Efficiency-seeking FDI refers to investments aimed at improving production efficiency, reducing costs, and increasing competitiveness. In Nigeria, efficiency-seeking FDI has been driven by factors such as the availability of natural resources, low labor costs, and a large domestic market.

Several studies have applied the OLI framework to analyze FDI in Nigeria. For instance, Akinlo and Akinlo (2019) found that ownership advantages, such as advanced technology and managerial skills, are significant determinants of FDI in the manufacturing sector in Nigeria.

They also noted that location advantages, including access to raw materials and a large domestic market, are critical for attracting efficiency-seeking FDI in Nigeria. Similarly, Omojolaibi *et al*. (2021) found that the regulatory environment, including the ease of doing business and the quality of institutions, significantly influences the location decisions of firms in Nigeria. They also noted that access to natural resources, such as oil and gas, and a large domestic market are important location advantages for attracting efficiency-seeking FDI.

Corporate Foreign Direct Investment (FDI)

As per the findings of Omojolaibi et al. (2021), corporate foreign direct investment (FDI) refers to the investment made by a multinational enterprise with the objective of establishing a lasting presence within the Nigerian market. Nigeria's significance as a destination for foreign direct investment (FDI) has grown significantly in recent times. As per the report by the United Nations Conference on Trade and Development (2020), Nigeria has been identified as the third most significant beneficiary of foreign direct investment (FDI) in Africa for the year 2020, with an expected inflow of $2.6 billion. The aforementioned ranking was derived from the aggregate sum of foreign direct investment (FDI) acquired by the nation. The predominant source of this foreign direct investment emanates from multinational corporations, thereby implying that it will exert a substantial impact on the Nigerian economy. Edozien (1968) asserts that Nigeria's substantial and swiftly growing consumer market constitutes a key driver for foreign direct investment (FDI) in the country. Nigeria, boasting a population of over 200 million individuals, represents a significant opportunity for businesses seeking to expand their consumer base, given its status as the most populous nation in Africa. The Nigerian middle class is also growing rapidly, with an estimated 23 million people now classified as middle class (Statista, 2020). This presents a significant opportunity for companies in sectors such as consumer goods, retail, and finance. Another important factor driving corporate FDI in Nigeria is the country's abundant natural resources. Nigeria is one of the world's largest producers of oil, and it also has significant reserves of natural gas, coal, and other minerals. This presents a significant opportunity for companies in the energy, mining, and extractive sectors (Snieder, 1995).

Despite these opportunities, there are also significant challenges to doing business in Nigeria. These challenges include corruption, poor infrastructure, and a complex regulatory environment (Udo, 2006). However, the Nigerian government has taken steps to address these challenges, including the establishment of anti-corruption agencies and the implementation of reforms aimed at improving the business environment.

Factors Influencing Corporate FDI

Numerous factors influence corporate FDI, including political, economic, and social factors. This essay will explore some of the primary factors that influence corporate FDI and their implications for businesses in Nigeria.

Political Factors

Political factors such as government policies, regulations, and stability can significantly influence corporate FDI. Governments play a critical role in shaping the investment climate by implementing policies and regulations that can either attract or deter foreign investors (Seaman,

2019). Favourable policies and stable political environments can create a welcoming atmosphere for corporate FDI. For example, low taxes, subsidies, and other incentives can encourage companies to invest in foreign countries. However, unpredictable or unstable political situations can increase the risks associated with FDI and discourage companies from investing.

A study by Morck and Yeung (2013) found that political factors can significantly influence FDI inflows. They suggested that countries with stable political systems and clear property rights protection are more attractive to foreign investors.

Economic Factors

Economic FDI may also be affected by macroeconomic variables. These variables may include market size, labor costs, infrastructure, and natural resources. Foreign investors may be enticed to a nation because of its abundant natural resources, well-developed infrastructure, and pool of talented workers. Company FDI is also influenced by the size and development potential of the market. For instance, a large and expanding market may provide exotic commercial possibilities to outside investors. A study by Li and Resnick (2003) found that market size and growth potential were significant factors influencing FDI. They suggested that larger markets with greater potential for growth attracted more FDI.

Social Factors

Social factors such as cultural differences, education levels, and social stability can also influence corporate FDI. Cultural differences can create challenges for foreign investors as they may not understand local customs and practices. Education levels can also be a crucial factor in attracting FDI as a more educated workforce can be more productive and innovative (Abu *et al*, 2010).
A study by Xu and Shenkar (2012) found that social factors can significantly influence FDI inflows. They suggested that countries with high levels of social stability, education, and cultural compatibility are more attractive to foreign investors.

Macroeconomic Factors Affecting corporate FDI in Nigeria

Economic Growth and Size of the Market

The size of the market and economic growth are crucial factors in attracting FDI to a country. Nigeria has a large market size and has experienced relatively high economic growth rates, making it an attractive investment destination (Akinlo & Egbetunde, 2015).

Natural Resources

The availability of natural resources can significantly influence FDI decisions. Nigeria has vast natural resources, including oil, gas, and solid minerals, making it attractive to foreign investors (Ogundipe & Alege, 2020).

Fiscal and Monetary Policies

Fiscal and monetary policies play a critical role in attracting FDI as they affect the overall investment climate. Nigeria has implemented various policies to encourage FDI, including tax incentives, import duty exemptions, and repatriation of profits (Ayanwale *et al*., 2018).

Political and Legal Environment

The political and legal environment can significantly impact FDI decisions. Nigeria has experienced political instability and corruption, which have deterred foreign investors. However, the government has implemented reforms to improve the investment climate (Akinlo & Egbetunde, 2015).

Infrastructure Development

The level of infrastructure development can affect FDI decisions in Nigeria. The country has inadequate infrastructure, which increases transportation costs and production delays, reducing its attractiveness as an investment destination (Ogundipe & Alege, 2020). These macroeconomic determinants are crucial factors that corporations consider when making FDI decisions in Nigeria. A careful evaluation of these factors can help investors make informed decisions.

Problems of Corporate FDI Decision Location and Activity

Corporate Foreign Direct Investment (FDI) has the potential to create significant benefits for host countries, including job creation, transfer of technology and skills, and increased economic growth. However, there are also challenges associated with corporate FDI, particularly in developing countries like Nigeria. This essay will discuss some of the problems associated with corporate FDI in Nigeria.

Lack of Infrastructure

One of the significant challenges facing corporate FDI in Nigeria is the inadequate infrastructure. The country's infrastructure, including roads, railways, ports, and electricity, is not up to the standard required for attracting foreign investment. This lack of infrastructure can lead to higher transportation costs and delays in the movement of goods and services, making it difficult for foreign investors to operate efficiently (Nwankwo, 2016).

Political Instability

Nigeria has a history of political instability, with frequent changes in government and unrest in various parts of the country. Political instability can create uncertainty and risk for foreign investors, as changes in government policies can impact the business environment. Additionally, unrest and security challenges in some parts of the country can also impact foreign investors' ability to operate safely (Ibrahim *et al*, 2018).

Inadequate Legal Framework

Nigeria's legal system has been criticized for being inefficient, slow, and unpredictable. This can create significant risks for foreign investors as legal disputes can take a long time to resolve, resulting in increased costs and delays (Agarwal, 1980).

Theoretical Framework

Understanding the factors that influence corporate FDI decisions and investment location and activity in Nigeria is critical for policymakers and investors. In this paper, we will explore the theoretical framework of factors that influence corporate FDI decisions and investment location and activity in Nigeria.

Location-specific Advantages Theory

According to the location-specific advantages theory, firms invest in foreign countries to take advantage of location-specific factors that are not available in their home country (Hennart, 1982). Such factors include access to natural resources, cheap labour, and favourable business environments. Nigeria is endowed with abundant natural resources, including oil, gas, coal, iron ore, tin, and zinc, among others. These resources provide an attractive incentive for foreign investors ((Rugman *et al*., 2011). Additionally, Nigeria has a large pool of skilled and unskilled labour, which makes it an attractive destination for firms seeking low-cost labour. Furthermore, Nigeria has made significant improvements in its business environment, making it more conducive for foreign investors.

Internalization Theory

Internalization theory suggests that firms invest in foreign countries to internalize market transactions that would otherwise be carried out through the market. This means that firms invest in foreign countries to protect their proprietary technology, trademarks, and other intellectual property ((Dunning, 2001). In Nigeria, firms are attracted to the market because of its large consumer base. The country has a population of over 200 million people, making it the most populous country in Africa. This large market presents a significant opportunity for firms to sell their products and services ((Wadhwa, 2011). Additionally, Nigeria's growing middle class presents an attractive target market for firms that seek to expand their consumer base. By investing in Nigeria, firms can internalize market transactions and protect their proprietary technology and intellectual property.

3. METHODOLOGY

This study will make use of time series data gathered from both the World Bank and the Central Bank of Nigeria in order to conduct an exhaustive analysis of the factors that influence the decisions made by corporations about their foreign direct investment (FDI) in Nigeria, including their location and level of activity. The goal of this investigation is to identify the elements that have a role in the choices, activities, and locations of corporations regarding FDI. According to Bolt et al. (2012), the researcher made use of a descriptive design, which is a

framework that serves as a road map for the purpose of data collection and analysis. In addition, for the sake of future study, descriptive statistics might be utilized to describe and elaborate on the core aspect of data collection. This would be beneficial. A descriptive design is a good option for doing data analysis (Allen, 2017) owing to the fact that it helps researchers to compress, organise, and summarize the data that they have collected. A descriptive design, which takes a look at past data and explains its conclusions, is employed in this research rather than an exploratory approach since the topic of this study is not completely uncharted territory. In addition, considering that the vast majority of the data used in this investigation are quantitative, doing an in-depth examination of those statistics is obligatory; hence, using a descriptive design helps to simplify and expedite the completion of this work (Torres-Reyn, 2007).

Research Paradigm

This research will follow the positivist paradigm since it seeks to test a hypothesis by analyzing quantitative data via conventional regression methods. Positivism focuses on whether or not there is a correlation between two or more variables, rather than on the nature of that correlation. Research Onion (Saunders et al., 2009) model advocates for the rationale behind the research philosophy. This is represented diagrammatically below:

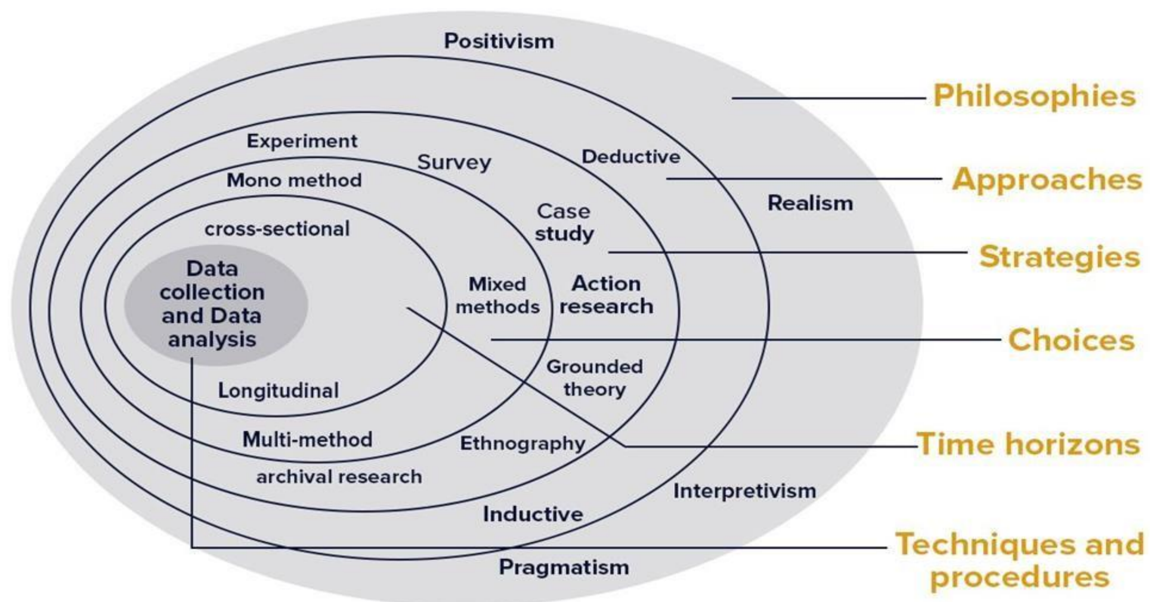

Figure: The Research Onion Model

Source: Saunders *et al* (2016)

Research Methods and Tools of Analysis Adopted

In order to process and analyze the data collected for the purpose of deciding the research, the study used a quantitative research approach (Simiyu, 2015). Each variable's skewness and kurtosis, as well as other descriptive statistics, will be used to determine whether or not the data are abnormally distributed around the mean (Flamini, 2009). To test for the existence of a significant linear relationship between two variables, the researcher will employ the statistical technique of correlation (Pearson's r) (Pradhan *et al*, 2018). This will allow to measure the strength of the link between FDI and factors influencing (Mukka, 2012). The purpose of the correlation study is to measure the strength of the connection between Corporate FDI and the variables affecting it in Nigeria. Market size, as measured by GDP, trade openness, as measured by import and export data, exchange rate, and inflation rate, as measured by the ease of doing business index, and FDI inflow will all be used as independent variables in a multiple linear regression of ordinary least squares analysis to determine the factors influencing corporate FDI. These applications are justified on the basis of the premises offered by researchers who have studied similar themes in the past (Adekanye and Ayodele, 2021; Oyinlola and Kazeem, 2019). They argue that OLS multiple regression provides the most reliable and exact results.

E-views will be used for statistical analysis since it is easier to use and gives more comprehensive results than other statistical programs. There will be some extra preliminary analysis done for this research using tools like descriptive statistics and diagnostic procedures. Following data collection, this study will offer an explanation of the findings and draw a conclusion based on the analysis.

Regression Model Specification

Due to the availability of more current time series data, the data spans from 1991 to 2021. Using a combination of dependent and independent variables, this quantitative data exemplifies the FDI of corporations and the factors that determine where and how much money is invested in Nigeria. We utilize a regression model analysis to look at the connection between two groups; in practice, a regression model is most useful when a research aims to look at the connection between two groups. OLS (Ordinary Least Squares) will be used for this purpose.
Multiple linear regression uses this technique to analyze the relationship between many variables. The selected a study to examine the statistical influence of the different facets of the latter in connection to the measures proposed in the review of empirical research because of the linear model used by (Bourke, 2012) and the following approach taken by (Dietrich et al, 2011). Before breaking down each dependent variable, a global regression equation between the dependent and independent variables is constructed. The following details the hypothesizing and hypothesis-testing regression model that will be used to solve the research problem.

Foreign Direct Investment

From Dunning's theory of foreign direct investment, it is possible to derive the factors that determine foreign domestic investment, also known as FDI.

When expressed in functional terms, FDI = f (OLI advantages). ------------------------- Eqn (1)

Due to the fact that this research discusses foreign direct investment (FDI), also known as the factors that determine the amount of investment that comes into the host nation.

Therefore, the solution to equation (1) is:

FDI equals f, which stands for location advantage. -------------------------------------Eqn (2)
Therefore, the second equation can be rewritten as follows:
The determinants of Foreign Domestic Investment (FDI) may be deduced from Dunning's theory of foreign direct investment.

$FDI_{flow} = \beta_0 + \beta_1 GDP + \beta_2 INF + \beta_3 EXCH + \beta_4 DOP + \varepsilon$ ------------------------Eqn (3)

Where FDI_{flow} is foreign direct inflow inflow while Gross Domestic Product (GDP), Inflation

(INF), Exchange rate (EXCH) and import and export data (DOP) these represents factors affecting corporate FDI in Nigeria while β0 is the intercept of the equation and β1 represents the slope of the independent variables in the equation and ε is the error term.

Hypothesis Test

The hypothesis will be tested in order to improve the reliability of the results that are generated by our regression model.

H_1: *There is a significant relationship between FDI and factors influencing FDI decision and activity in Nigeria*

H_0: *There is no significant relationship between FDI and factors influencing FDI decision and activity in Nigeria*

Data Collection Methods and Sample Size

Although the general public's thoughts are always important, their inclusion in this study is not necessary due to the focus of the investigation. For this reason, we decided to exclude survey and questionnaire data from our analysis. In addition, it is more challenging to collect primary data on the determinants impacting corporate FDI factors in Nigeria from 1991 to 2021, hence secondary data was used instead. This is due to the study's use of a descriptive research strategy, which allows the researchers to zero down on the specific statistical properties of each variable. World Bank database, also known as World Development indicators and CBN, will be mined for information that captures our macroeconomic variables, which include inflation, GDP, and exchange rate.

4. RESULTS

Diagnostic Test

In empirical research, one of the most useful tools for investigating the connections between different variables is regression analysis. On the other hand, in order for a regression analysis to be trusted and objective, it is essential that both the data that are gathered and the model that

is used to interpret them be free of mistakes. Therefore, in order to guarantee a valid result, analysis, and recommendation that can be relied upon, it is necessary to carry out the appropriate tests on the collected data and model. Diagnostic testing, which is used to analyze observations that have a big and excessive effect on the analysis, is one of the most important tests in regression analysis. It is used to determine which observations have the most significant impact. The use of skewness and kurtosis, heteroskedasticity, and multicollinearity as error checks in regression analysis are all rather common. The purpose of these tests is to determine whether or not the regression model's assumptions have any substantial inaccuracies or gaps in its coverage. For the sake of this investigation, the E-views program was used in the running of these experiments so as to get the most reliable data. The findings of these tests can be seen in the table that is located above, and they demonstrate that both the data and the model that were used in this investigation do not include any flaws. In regression analysis, diagnostic testing is an essential phase that, among other things, serves to guarantee that the findings are valid and impartial. The fact that the data and model that were utilized in the analysis were found to be free from errors as a result of the tests that were carried out in this research bolsters the validity and reliability of the regression estimate.

4.1 Descriptive Statistics

The following table provides descriptive statistics for the variable under study, as established by the current study. Descriptive analysis allows for a concise description of the most salient features of the data used in this study, including foreign direct investment (FDI) inflow summaries, factors that affect FDI indicators, and sample data. The single most essential aspect determining the outcome of economic study is the availability of relevant data. This helped ensure the data was estimate-ready, which in turn reduced the likelihood of erroneous conclusions being drawn. As such, it was deemed instructive to provide a general overview of the origins, categories, and limitations of the data used in this study. It provides a rough idea of the kind of variables that may be used in a regression analysis. There is one independent variable and four dependent variables in this study's descriptive analysis. Foreign direct investment (FDI) factors in Nigeria include inflation, GDP, the exchange rate, and trade openness. Information from the World Bank's World Development Indicators database and the Central Bank of Nigeria will be used to illustrate these elements. To facilitate a critical examination of the investigation, the sample size for this empirical research will be set at 31 observations. The table emphasizes the descriptive analysis since it provides a glimpse into the range of variables available for use in a regression.

	FDI_FLOW	GDP	INF	EXCH	DOP
	FDI_FLOW	GDP	INF	EXCH	DOP
Mean	0.026155	0.096868	0.233865	0.060300	0.405774
Median	0.029000	0.027300	0.135000	0.007700	0.415000
Maximum	0.047100	0.945800	1.013100	0.587600	0.641000
Minimum	-0.010100	-0.201700	-0.012100	-0.203200	0.155000
Std. Dev.	0.015443	0.248554	0.235941	0.163668	0.156197
Skewness	-0.499115	1.444917	1.705120	1.846955	-0.173383
Kurtosis	2.214938	5.484000	5.352927	6.226604	1.634713
Jarque-Bera	2.083180	18.75680	22.17274	31.07226	2.562999
Probability	0.352893	0.000085	0.000015	0.000000	0.277621
Sum	0.810800	3.002900	7.249800	1.869300	12.57900
Sum Sq. Dev.	0.007155	1.853374	1.670045	0.803618	0.731923
Observations	31	31	31	31	31

Table1: Descriptive Analysis Result

Source: Authors Computation using E-views

Looking at the analysis output, it is worth noting that the mean FDI_FLOW is positive, indicating that, on average, there is a net inflow of foreign direct investment. The mean GDP is also positive, indicating economic growth. The skewness and kurtosis values for both variables suggest that the data is normally distributed. The EXCH and DOP variables also have positive mean.

4.2 Correlation Matrix

According to (Mukka, 2012), the purpose of correlation analysis is to analyze the degree of connection that exists between two variables. This may be done by looking at the strength of the relationship between the two variables. As a direct consequence of this, the analysis known as the Pearson Product-moment Correlation was used in order to do this job. Throughout the course of this empirical investigation, there were a number of variables that were considered to be dependent, and there were also a number of variables that were considered to be independent. The following matrix presents an illustration of the degree of correlation that exists between these two sets of variables. Through the utilization of the straightforward correlation analysis, we are able to arrive at an estimation of the level of linear connections that exist between the variables. The strength of the correlation coefficient might be described as either high, moderate, or weak. A robust connection is indicated by values in the range between 0.70 and 1. In addition, a correlation coefficient that ranges from 0.3 to 0.70 shows a moderate link, but a number that is less than 0.3 indicates a weak relationship. Additionally, the effects of a partnership can either be beneficial or detrimental. The results of the correlation analysis are listed in the table that can be seen below: The results of the correlation analysis are listed in the table that can be seen below:

	FDI_FLOW	GDP	INF	EXCH	DOP
FDI_FLOW	1.000000	0.451035	-0.628839	-0.036400	-0.101302
GDP	0.451035	1.000000	-0.228043	-0.245102	0.157403
INF	-0.628839	-0.228043	1.000000	-0.155354	0.196826
EXCH	-0.036400	-0.245102	-0.155354	1.000000	-0.396134
DOP	-0.101302	0.157403	0.196826	-0.396134	1.000000

Table2: Correlation Matrix

Source: Authors Computation using E-views

The findings of the correlation analysis give valuable information regarding the degree and direction of the association between the variables. These data may be utilized to detect patterns and trends, which can then be used to help make choices that are more informed. The findings of a correlation provide useful insights into the connection between pairs of variables. The degree and direction of the linear connection that exists between two variables may be determined by using a correlation coefficient. It may vary from -1 to +1, where -1 indicates a perfect negative correlation, 0 indicates that there is no connection, and +1 indicates that there is a perfect positive correlation.

Based on the correlation results, it can be observed that FDI_FLOW and GDP have a moderate positive correlation (0.451), indicating that as FDI_FLOW increases, GDP also tends to increase. Similarly, GDP has a moderate positive correlation with FDI_FLOW, which indicates that as GDP increases, FDI_FLOW also tends to increase. On the other hand, INF has a strong negative correlation (-0.629) with FDI_FLOW, suggesting that as inflation increases, FDI_FLOW tends to decrease. Additionally, EXCH has a weak negative correlation (-0.036) with both FDI_FLOW, indicating that as exchange rates decrease, FDI_FLOW tends to decrease as well. Finally, DOP has a very weak negative correlation (-0.101) with FDI_FLOW, which implies that as DOP decreases, FDI_FLOW also tends to decrease, but to a lesser extent.

Test for Multicollinearity

Econometric theory, as outlined by Menard (1995), provides a framework for understanding the nature and impact of multicollinearity in regression analysis. Multicollinearity refers to the occurrence where two or more independent variables in a regression model are highly correlated, resulting in a challenge in interpreting the coefficients accurately.

According to Menard (1995), an absolute value of R that is higher than 0.85 indicates strong multicollinearity. In other words, if the correlation between two variables is close to 1 or -1, it implies that these variables are highly correlated and this correlation may distort the interpretation of the regression results. Simple correlation analysis can be used to detect the presence of multicollinearity, and if found, a solution should be sought before regression analysis. From the table above, the results indicate that the study's data is free from multicollinearity, as there is no high correlation between any two independent variables. This

means that the study's regression estimation is valid, and the coefficients can be interpreted accurately without the fear of spurious or misleading results. The absence of multicollinearity ensures that each independent variable has a unique effect on the dependent variable, which is crucial for drawing meaningful conclusions from the regression analysis.

Heteroskedasticity

To account for the possibility of heteroskedasticity, all variables would be recorded if the chisquared of the heteroskedasticity test residuals is less than 0.05 (Hale, 2008). The following tabular data illustrates the study's models. All the residuals have chi-squared values over 0.05, hence the models are both homoscedastic and devoid of heteroskedasticity. To determine whether a regression model is heteroskedastic, the Breusch-Pagan-Godfrey test may be used. This test determines whether the residual variance in the model is constant or if it changes consistently as a function of the independent variables. Here, the absence of heteroskedasticity serves as the null hypothesis.

The test results show an F-statistic of 0.988941 with a corresponding probability of 0.4310, indicating that there is no evidence of heteroskedasticity at the 5% significance level. The other two probabilities, 0.3935 and 0.1120, are for the chi-square distribution and are associated with different ways of calculating the test statistic. These probabilities are higher than the significance level of 0.05, which further supports the conclusion that there is no evidence of heteroskedasticity in the model.

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.988941	Prob. F(4,26)	0.4310
Obs*R-squared	4.093659	Prob. Chi-Square(4)	0.3935
Scaled explained SS	7.493077	Prob. Chi-Square(4)	0.1120

Table3: Heteroskedasticity Test

Source: Authors Computation using E-views

4.3 Empirical Results

This study employed ordinary least square regression analysis to address the research questions; the regression findings are shown below. The outcomes of our regression model estimate will be shown and analyzed in this research. For full comprehension, we will additionally detail the effect of the study's dependent variables in light of the macroeconomic factors.

4.3.1 Regression Analysis

The regression results for this study and is implications are stated below;

Dependent Variable: FDI_FLOW
Method: Least Squares
Date: 04/30/23 Time: 10:52
Sample: 1991 2021
Included observations: 31

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.035982	0.006984	5.151857	0.0000
GDP	0.019771	0.009300	2.126046	0.0432
INF	-0.036231	0.009701	-3.734726	0.0009
EXCH	-0.006851	0.014690	-0.466338	0.6449
DOP	-0.007040	0.015180	-0.463746	0.6467

R-squared	0.501468	Mean dependent var	0.026155
Adjusted R-squared	0.424771	S.D. dependent var	0.015443
S.E. of regression	0.011713	Akaike info criterion	-5.909604
Sum squared resid	0.003567	Schwarz criterion	-5.678316
Log likelihood	96.59886	Hannan-Quinn criter.	-5.834210
F-statistic	6.538289	Durbin-Watson stat	0.794240
Prob(F-statistic)	0.000883		

Table4: Ordinary Least Squares (OLS) Regression

Source: Authors Computation using E-views

The impact of various macroeconomic factors on foreign direct investment (FDI) is a topic of interest for policymakers and investors alike. One commonly used method to analyze this impact is regression analysis, where FDI_FLOW is the dependent variable, and independent variables such as GDP, inflation (INF), exchange rate (EXCH), and Degree of trade openness (DOP) are considered. The objective of this study is to analyse the impact of these variables on FDI_FLOW using regression analysis.

The results of the regression analysis show that GDP has a positive coefficient of 0.019771. This indicates that as GDP increases, FDI_FLOW also increases. This result is consistent with economic theory, which suggests that a larger economy provides a larger market and better investment opportunities, making it more attractive for foreign investors. In contrast, inflation has a negative coefficient of -0.036231 but is statistically significant, indicating that as inflation increases, FDI_FLOW decreases. This result is also in line with economic theory, which suggests that inflation creates uncertainty and reduces the purchasing power of investors, making the economy less attractive for foreign investors.

The coefficients for EXCH and DOP are both negative, but not statistically significant, suggesting that these variables do not have a significant impact on FDI_FLOW. The exchange

rate reflects the value of a country's currency in relation to other currencies, while the DOP reflects the value of the country's currency relative to its own economy. The lack of statistical significance for these variables suggests that other factors may be more important in determining FDI_FLOW.

The R-squared statistic is used to determine how well an independent variable can explain the behavior of the dependent variable. Its values may vary anywhere from one to zero, with larger values suggesting that the independent variables provide a better explanation for changes in the dependent variable. With an R-squared value of 0.501468, it seems that the independent variables may explain approximately 50% of the variance in the FDI_FLOW variable. This result suggests that the model has a moderate amount of explanatory power, and it is possible that additional variables that were not included in the model might potentially impact FDI_FLOW.

The result of the model's modified R-squared, 0.424771, shows that the model fits the data in a satisfactory manner. This figure takes into account the total number of independent variables that are accounted for by the model, which results in a measurement of the model's accuracy that is more precise. The F-statistic for the regression model is 6.538289, and its p-value is 0.000883. This suggests that the model exhibits statistically significant results. The fact that this result was obtained implies that the independent variables utilized in the model have a considerable influence on FDI_FLOW, which provides more evidence for the validity of the regression analysis.

Finally, the results of the regression analysis suggest that GDP and inflation have a significant impact on FDI_FLOW, while exchange rate and Degree of trade openess do not. The R-squared and adjusted R-squared values indicate that the model has moderate explanatory power, but other factors not included in the model may also influence FDI_FLOW. The statistically significant F-statistic indicates that the model provides valuable insights into the relationship between macroeconomic factors and FDI_FLOW. These findings can be useful for policymakers and investors seeking to understand the impact of macroeconomic factors on FDI_FLOW and make informed decisions based on these insights.

5. DISCUSSION

The results of this study shed light on the influence that different economic variables have on the flow of Foreign Direct Investment (FDI) in Nigeria. In particular, the purpose of this research was to investigate the connection that exists between FDI_FLOW and the following four independent variables: GDP, the inflation rate (INF), the exchange rate (EXCH), and DOP. According to the findings, there is a considerable connection between GDP and FDI_FLOW. This suggests that as Nigeria's GDP rises, so does the amount of FDI the country receives. This conclusion is in line with the findings of prior study carried out by Edwards (1990), who discovered a positive correlation between increasing GDP and increasing FDI influx.

However, the study's results on the relationship between inflation rate and FDI inflow were expected. The study found significant association between the two variables, which suggests that inflation rate may be a significant determinant of FDI inflow in Nigeria. This finding is inline with the economic a priori conclusion that higher inflation rates improve FDI inflow. Additionally, Campos and Kinoshita (2003) found a significant relationship between inflation

rate and FDI inflow, which is supported by the results of this study. These findings highlight the linearity of the relationship between inflation and FDI inflow.

The study also found no significant association between exchange rate and FDI inflow. This finding suggests that FDI inflow may not be significantly influenced by exchange rate fluctuations in Nigeria. This result is consistent with the findings of Asiedu (2002), who identified currency rate as the primary factor that deters international investment. Additionally, Akinkubbe (2003) found that exchange rate was the first consideration for foreign companies when investing in a nation. The results of this study align with these findings, further emphasizing the importance of exchange rates in determining the flow of FDI.

Finally, the study found no significant association between Dop and FDI inflow. This finding contradicts the findings of Ibrahim and Onikosi-Alliyu (2008), who observed a positive correlation between the two variables. This discrepancy in findings may be due to differences in the data sets and analytical methods used in the two studies. Nonetheless, the findings of this study suggest that Dop may not be a significant determinant of FDI inflow in Nigeria.

The findings of this study provide light on the influence that economic variables have on the flow of foreign direct investment (FDI) in Nigeria. According to the data, there is a statistically significant positive link between GDP and FDI inflow. On the other hand, there was no statistically significant association identified between FDI inflow and the inflation rate, exchange rate, or Dop. These findings highlight how critical economic development and exchange rates are to Nigeria's efforts to attract foreign direct investment (FDI). The surprising results regarding the inflation rate, on the other hand, shed light on the intricacy of the link between economic conditions and FDI influx, as well as the need of doing more study in this field.

6. CONCLUSION

The country's large market size and abundant natural resources, as well as the government's efforts to attract foreign investment, are some of the factors that make Nigeria an attractive destination for FDI.

However, Nigeria's investment climate is also characterized by challenges, such as corruption, weak infrastructure, and political instability, which have negatively impacted FDI inflows. In addition, Nigeria's complex regulatory framework and lack of transparency in policy implementation have created barriers to entry and increased the cost of doing business for foreign investors. Nonetheless, Nigeria remains an important destination for FDI in Africa, and the government has taken steps to address some of the challenges facing foreign investors. The country's continued economic growth, large consumer market, and vast natural resources make it a compelling destination for investment, particularly in the extractive and manufacturing sectors.

Finally, while Nigeria has its share of challenges, it presents a compelling opportunity for foreign investors willing to navigate the country's unique investment environment. The government's efforts to improve the business climate, coupled with the country's strategic location and abundant resources, make Nigeria a potential powerhouse in the African market.

Recommendations

Based on the findings of this research, several recommendations can be made to enhance Nigeria's attractiveness to foreign investors and increase FDI inflows into the country.

The development of infrastructure is an essential aspect of economic growth and development in any country. In Nigeria, the lack of adequate infrastructure has been a major hindrance to business growth and investment. Therefore, the Nigerian government must prioritize infrastructure development in order to improve the country's economic prospects. One of the critical areas where infrastructure development is needed is in transportation. The Nigerian government should focus on improving the road network, rail system, and port facilities to enhance the movement of goods and services within the country and across borders. This would make it easier and more cost-effective for businesses to transport their products and raw materials, leading to increased competitiveness and growth. Another crucial area of infrastructure development is power supply. The Nigerian government should invest in the generation and distribution of electricity to reduce the cost of doing business and improve the quality of life for its citizens. This would attract more investors to the country and create a more conducive environment for business growth. To finance the development of infrastructure, the Nigerian government can explore the use of public-private partnerships (PPP). PPPs allow private sector investment in public infrastructure projects, which can help to reduce the burden on government resources while promoting accountability and efficiency in project implementation. The government should provide an enabling environment for PPPs to thrive, including the establishment of clear regulations and guidelines for private sector participation in infrastructure development.

Secondly, the government should continue to implement policies and programs that promote political stability, security, and transparency in the country. This would create a more predictable and stable environment for businesses to operate and attract more foreign investors to the country. The government should also increase its efforts to address corruption and improve the rule of law.

Thirdly, the government should promote the development of human capital by investing in education and skills development. This would increase the availability of skilled labor and improve the competitiveness of Nigeria's workforce. Additionally, the government should support research and development activities to promote innovation and technology transfer.

Fourthly, the government should review its tax policies and regulations to ensure they are investor-friendly and not overly burdensome. The government should also provide incentives such as tax holidays, customs duty waivers, and investment guarantees to encourage foreign investment.

Fifthly, the Nigerian government should prioritize the development of non-oil sectors such as agriculture, manufacturing, and services. This would diversify the country's income sources, reduce its reliance on oil revenues, and provide more investment opportunities for foreign companies. The government should also promote the development of special economic zones and industrial parks to attract more foreign investors.

Sixthly, the Nigerian government should improve its investment promotion efforts by establishing a dedicated agency to promote the country's investment opportunities and provide

support services to foreign investors. The agency should work closely with the private sector to identify potential investors and facilitate their entry into the Nigerian market.

Seventhly, the Nigerian government should strengthen its partnerships with other countries and international organizations to promote investment and trade. This would increase Nigeria's visibility and attractiveness to foreign investors and create opportunities for technology transfer and knowledge sharing.

Lastly, Improving the ease of doing business is crucial for Nigeria's economic growth and development. The government can achieve this by reducing bureaucracy, streamlining procedures, and eliminating unnecessary regulations. By doing so, businesses will be able to operate more efficiently and at a lower cost, which will make Nigeria a more attractive destination for foreign investors. Bureaucratic bottlenecks, such as excessive paperwork and lengthy approval processes, can discourage businesses from investing in Nigeria. Streamlining procedures and eliminating unnecessary regulations would reduce these barriers and create a more business-friendly environment. This would also make it easier for Nigerian entrepreneurs to start and grow businesses, which would create jobs and boost economic growth.

The factors that influence corporate FDI decisions and investment location and activity in Nigeria are complex and multifaceted. However, by implementing the recommendations outlined above, the Nigerian government can create a more conducive environment for foreign investment and increase FDI inflows into the country. This would contribute to the development of Nigeria's economy, the creation of jobs, and the improvement of the standard of living for its citizens.

REFERENCES

Ajayi, S. I. (2016). The determinants of foreign direct investment in Africa: A survey of the evidence. In Ajayi, S. I. (Ed.), *Foreign direct investment in sub-Saharan Africa: Origins, targets, impact and potential* (pp. 11-32). Nairobi: African Economic Research Consortium (AERC).

Ahmet, N. K. (1960). The determinants of the inflows of Deutsche Mark banknotes into the Turkish economy. *The Central Bank of the Republic of Turkey Discussion Paper*, No. 9618.

Anyanwu, J. C. (1998). An econometric investigation of the determinants of foreign direct investment in Nigeria. *Annual Conference, Nigeria Economic Society*.

Aremu, J. A. (1997). Foreign private investment: Issues, determinants and performance. Paper presented at a workshop on Foreign Investment Policy and Practice, Nigeria Institute of Advanced Legal Studies, Lagos.

Anwuka, C. O. (2019). The role of government policies in attracting foreign direct investment in Nigeria. *International Journal of Economics, Commerce and Management*, 7(7), 200-211.

Agarwal, J. P. (1980). Determinants of foreign direct investments: A survey. *Well witchafthches Archives*, 35, 106-124.

Akinkugbe, O. (2013). Flow of foreign direct investment to hitherto neglected developing countries. *World Institute for Development Economics Research (WIDER) Discussion Paper*, 2, 1-22.

Adegbite, E. O., & Abayomi, O. (2016). Foreign direct investment (FDI) in Nigeria: An empirical analysis of its effect on economic growth (1980-2013). *Mediterranean Journal of Social Sciences*, 7(4), 123-133.

Adesola, W. (2019). Impact of infrastructure on foreign direct investment in Nigeria. *Journal of Economics and Sustainable Development*, 10(11), 89-101.

Babatunde, M. A., & Olurinola, I. O. (2016). An empirical analysis of the determinants of foreign direct investment in Nigeria. *International Journal of Economics, Commerce and Management*, 4(6), 87-98.

Bevan, A., & Estrin, S. (2000). The determinants of foreign direct investment into European transition economies. *Journal of Comparative Economics*, 28(3), 445-466.

Brau, J. C., & Woller, G. M. (2004). Microfinance: A comprehensive review of the existing literature. *Journal of Entrepreneurial Finance and Business Ventures*, 9(1), 1-26.

Brown, L. D. (2016). International business and corruption: An overview of the challenges and the role of corporate social responsibility. *International Journal of Economics, Commerce and Management*, 4(2), 8-16.

Central Bank of Nigeria (CBN). (2021). Retrieved from http://www.cbn.com

Dunning, J. H. (1993). *Multinational enterprises and the global economy*. UK: Addison-Wesley.

Dunning, J. H. (2000). The eclectic paradigm as envelope for economic and business theories of MNE activity. *International Business Review*, 9, 163-190.

Dunning, J. H. (2001). The eclectic (OLI) paradigm of international production: Past, present and future. *International Journal of the Economics of Business*, 8(2), 173-190.

Dunning, J. H. (2002). *Global capitalism, FDI and competitiveness* (Vol. 2). Edward Elgar Publishing.

Dunning, J. H., & Lundan, S. M. (2008). *Multinational enterprises and the global economy*. UK: Edward Elgar.

Edozien, E. C. (1968). Linkages, direct foreign investment and Nigeria's economic development. *Nigerian Journal of Economic and Social Studies*, 10(2), 119-203.

Edwards, S. (1990). Capital flows, foreign direct investment and debt-equity swaps in developing countries. *National Bureau of Economic Research Working Paper*, 3497, 112-123.

Ekpo, A. H. (1997). Determinants of foreign direct investment in Nigeria: Evidence from time series data. *CBN Economic and Financial Review*, 35(1), 59-78.

Elijah, O. K. (2006). Determinants of foreign direct investment in Kenya. *Institut African de Developpment Economique et de Planification Publication*, Dakar.

Eiteman, D. K., Stonehill, A. I., & Moffett, M. H. (2010). *Multinational business finance* (12th ed.). Boston: Pearson Prentice Hall.

Elbadawi, I., & Megwa, F. M. (1997). Regional integration and FDI in sub-Saharan Africa. *AERC Working Paper*. Nairobi: African Economic Consortium.

Goldberg, L. S., & Kolstad, C. D. (1995). Foreign direct investment, exchange rate variability and demand uncertainty. *London Inter Economic Review*, 9(1), 55-71.

Gorg, H., & Greenaway, D. (2004). On whether domestic firms benefit from foreign direct investment? *World Bank Research Observer*, 19(2), 171-197.

Grant, R. M. (2010). *Contemporary strategy analysis* (7th ed.). Italy: John Wiley & Sons Ltd.

Gottschalk, R. (2001). Lenders and investors' international portfolio allocation decisions: What do we know? *Institute of Development Studies*, Sussex.

Idris, A. M., Awe, Y. M., & Ibrahim, H. A. (2017). The impact of foreign direct investment on economic growth in Nigeria. *International Journal of Economics and Financial Research*, 3(1), 1-6.

Ijeoma, C. A., & Olatunji, D. O. (2016). Foreign direct investment, trade and economic growth nexus: Empirical evidence from Nigeria. *Journal of Economics and Sustainable Development*, 7(22), 8-17.

Iyoha, F. O., & Oriakhi, D. E. (2015). The impact of corruption on foreign direct investment in Nigeria. *Journal of Business and Economic Policy*, 2(4), 134-144.

Kambhampati, U. S. (2007). The economic determinants of inward foreign direct investment: Evidence from the emerging market economies of South Asia. *The Journal of Developing Areas*, 40(2), 109-123.

Khodadad Kashi, F., & Vahabi, M. (2015). The impact of infrastructure on foreign direct investment in developing countries. *International Journal of Economics, Commerce and Management*, 3(6), 38-47.

Kolawole, O. O., & Adebisi, A. O. (2017). The impact of corruption on foreign direct investment inflows in Nigeria. *Cogent Business & Management*, 4(1), 1288278.

Kornecki, L., & Kubiak, K. (2019). Determinants of foreign direct investment in Nigeria: Analysis of selected macroeconomic variables. *Entrepreneurship and Sustainability Issues*, 7(3), 1913-1929.

Li, S., & Resnick, A. (2003). Reversal of fortunes: Democratic institutions and foreign direct investment inflows to developing countries. *International Studies Quarterly*, 47(3), 385-399.

Menard, S. (2008). *Applied logistics regression* [Online]. New York: Sage Publishers.

Mukaka, M. (2012). Statistics corner: A guide to appropriate use of correlation coefficient. *The Journal of Economist Association of Malawi*, 24(3), 69-71.

Makioka, R. (2017). The determinants of foreign direct investment in Nigeria: An empirical analysis. *International Journal of Economics, Commerce and Management*, 5(9), 155-167.

Mariussen, A. (2013). *Foreign direct investment in Nigeria: Policies and performance*. Routledge.

Oyinlola, M. A., & Ajayi, C. A. (2019). The impact of foreign direct investment on economic growth in Nigeria. *International Journal of Economics, Commerce and Management*, 7(2), 52-69.

Onyeukwu, I. C. (2018). Foreign direct investment and economic growth in Nigeria: The role of institutional quality. *Journal of Economics and Sustainable Development*, 9(1), 54-62.

Rugman, A. M., Verbeke, A., & Nguyen, Q. T. (2011). Fifty years of international business theory and beyond. *Management International Review*, 51(6), 755-786.

Samuelson, P. A. (2015). *Economics* (10th ed.). Tokyo: McGraw-Hill.

Schall, L. D., & Haley, C. W. (1986). *Introduction to financial management*. Singapore: McGraw-Hill.

United Nations Conference on Trade and Development (UNCTAD). (2021). *World investment report*. New York: UNCTAD.

United Nations Center on Transnational Cooperation (UNCTC). (1991). *The impact of trade-related investment measures on trade and development*. New York: UNCTC.

UNCTAD. (2020). *World investment report: Investing in a low-carbon economy*. New York and Geneva: United Nations Conference on Trade and Development.

UNCTAD. (2021). *World investment report: Regional trends: Africa — Investing in a low-carbon economy*. New York and Geneva: United Nations Conference on Trade and Development.

Vernon, R. (1974). The location of economic activity. In J. H. Dunning (Ed.), *Economic analysis and the multi-national enterprises* (pp. 89-114). London: Allen and Urwin.

Vernon, R. (1966). International investment and international trade in the product cycle. *The Quarterly Journal of Economics*, 80(2), 190-207.

Wadhwa, K. (2011). Foreign direct investment into developing Asian countries: The role of market seeking, resource seeking and efficiency seeking factors. *International Journal of Business and Management*, 6(11), 219.

Wheeler, D., & Swain, N. (1992). International investment location decisions: The case study of US firms. *Journal of International Economics*, 33, 57-76.

World Bank. (2021). *World development report*. New York: Oxford University Press.