

Capital Flow Components and Industrial Sector Performance in Nigeria

Olunkwa Chidi Ndubuisi
Shobande Olatunji Abdul
Department of Economics, University of Lagos
pchidex@yahoo.com

Abstract

The study focused on capital flow components and industrial performance in Nigeria for the period 1980 and 2016. Furthermore, VEC Model is used for the study, while granger causality test is employed to examine the causal link between capital flow components and industrial performance proxied with industry value added. The result affirm that long-run and short-run relationship exists between capital flow components and industrial performance, and no causality exist between workers' remittance, official development assistance and industry valued, although unidirectional causality exist between foreign capital inflow and industry value added. In addition, the paper recommend that for there to be sustainable improvement in the industrial sector, government have to urgently address the issue of insecurity and policy inconsistency so as to allow free flow of capital, workers' remittance and foreign investors confidence into the country.

Key words: Industry value added; foreign capital inflow, Workers' remittance, Official Development Assistance

J.E.L. classification: F24, F35, F36, L16

1. Introduction

Vibrant industrial sector in any emerging country has the ability of reducing the menace called unemployment and poverty. Also, to enhance productivity and reduce unemployment, the need for foreign investment is paramount. Basically, it is observed that the industrial sector comprising of the manufacturing sector, solid mineral sector and construction sector, have not been performing well despite all effort by government to revamp and resuscitate the sector. More so, it is evident that developing countries like Nigeria is facing series of problem such as rising unemployment, poverty, insecurity and erratic drop in industrial output, in spite huge sum of foreign capital inflow, foreign grants and aid from international financial organization. The aforementioned issue has been that, does capital inflow from foreign investor a panacea for industrial sector performance? If that is the case, at what degree has capital inflow and foreign aid enhanced growth and development of the industrial sector in Nigeria. In relation to this, studies have been done to examine the extent to which capital inflow can affect the performance of industrial sector (see Nkoro and Furo, 2012, p.2) and (see Aurangzeb and UI Haq, 2012, p.1450).

Shahzad et al (2016, p.179) in their study confirm that effective implementation of foreign capital in a healthy economies, can significantly instigate and propel growth and development, which can trigger a drastic reduction in the rate of unemployment. More so, access to foreign fund, coupled with good governance and better trade and monetary policies can help augment capital allocation, productivity and growth in recipient countries (Ahmed and Zlate, 2014, p.221). Furthermore, the study by Iheonu et al (2017, p.65) revealed that capital inflow represents additional resources a country needs to improve its economic performance as well as provide employment possibility in the country. In view of that, developing economies across the global especially Nigeria have come to the realization that local resources alone are not enough to finance investment and boost growth, as result lure foreign investors into investing in the country. The

challenge at this point has been that government on their own part has not been able to provide the enabling environment that can propel proficient foreign investors to actively invest in the country.

Evidently, government effort in ensuring that industrial sector is enhanced through attracting foreign investment has not been fruitful because of the lingering issue of corruption, insecurity and policy inconsistency. However, these challenges have resulted to the continuous decline in the inflow of foreign capital and performance of industries in Nigeria (Alfaro et al, 2004, p.89). In line with the issues the research intend to address, the objectives has to be, to examine the relationship between the components capital flow and industrial sector performance in Nigeria, and more so identify the link between components capital flow and industrial sector performance in Nigeria.

This paper is structured in five sections; section 1 encompasses the introduction and objectives of the study, the review of literatures is encrypted in section 2, while section 3 focuses on the comparative trend analysis of foreign capital inflow, industry value added and employment generation. Section 4 explains the theoretical framework and methods of analysis. Empirical results and discussion are presented in section 5 while concluding remarks and recommendations wrap up the paper.

2. Literature Review

2.1 Review of Theoretical Literature

Quite a number of foreign direct investment theories have been reviewed concerning the subject matter. Although, two of the theories that supports foreign direct investment and industrial sector is reviewed in the study. The External Capital Requirement Theory state that the degree to which foreign direct investment can be substituted for other forms of capital inflow differs amongst countries. These implies that differences could be accounted for by disparity in their economic structure, which comprises attractiveness to foreign investors as well as diversity in the existing macroeconomic policies which causes the need for capital inflows. The theory further explain that larger countries that are better endowed in resources and possess a dynamic industrial sector have the privilege to substitute foreign borrowing from international financial market for foreign direct investment. Furthermore, the theory according to Njimanted (2009, p.55) elucidate that countries having small internal market, relatively underdeveloped infrastructure and limited export potentials may have difficulties in attracting foreign inflow in substantial magnitude into their economies irrespective of any existing incentive schemes. In the same vein, the dependency theory holds that dependence on foreign investment is injurious to economic growth which imply that foreign direct investment might not positively impact on domestic firms rather might be favourable to foreign firms. For instance, Tsai, (1994, p.137) and Adams, (2009, p.939), in their study elucidate that developing countries are heavily dependent on foreign investors for foreign capital and as a results are deeply exploited by them. On the whole, foreign investors exploit the developing countries by insisting on the choice of project and development pattern which might not be compatible with local needs of the developing countries.

2.2 Empirical Review

Capital inflow has been identified in several economic empirical studies as an engine that propels and enhances growth and development. These studies were conducted to authenticate the significance of capital inflow on economic growth in Nigeria and other countries. On the other hand, few other studies have paid attention on the interrelationship between capital flow, financial development and domestic investment in Nigeria, but none have been able to link the components of capital flow to industrial performance in Nigeria. For instance, the study by Fambon (2013, p.124) for the period 1980 – 2008, in Cameroon, affirmed that domestic capital stock and foreign direct investment have positive and significant impact on economic growth, although, the effect was negative on labour force. On the other hand, Ekwe and Inyama (2014, p.103), also confirmed a positive and significant relationship between foreign capital flow and economic growth in Nigeria. However, studies by Sophannak and Darith (2017, p.128) and Musibau et al (2017, p.35) on the impact of foreign capital inflow and official development aid on economic growth in

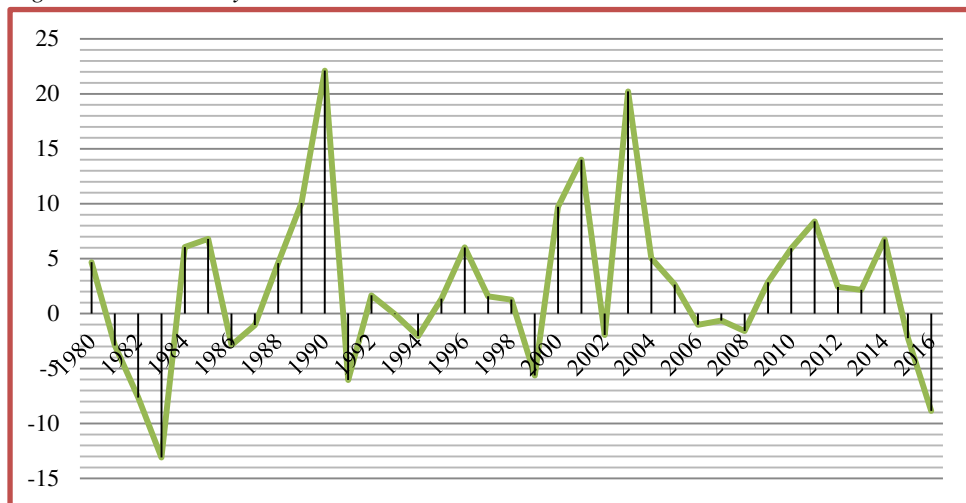
developing countries, follow suit by affirming that long-run positive relationship exist between capital flows and economic growth in selected West African countries. Furthermore, the study conducted by Obiechina and Ukeje (2013, p.71) on the impact of capital flow, exchange rate, and trade openness on economic growth in Nigeria, revealed that capital flow, exchange rate, and trade openness has negative impact on economic growth in Nigeria. This result is in line with the one obtained by Nkoro and Furo (2012, p.2). Additionally, study by Lane and McQuade (2014, p.218), confirmed that the impact of global liquidity and leverage cycle on international banking inflow can cause a negative relationship between capital inflow, domestic credit and economic growth.

In view of the empirical literatures reviewed, it is crystal clear that there have been no uniformity on the possible effect of capital flow on economic growth, while some claimed that capital inflow has a positive and significant impact on economic growth (see Obuchia and Ukeje, 2013; Fambon, 2013; Ekwe and Inyiama, 2014; Sophannak and Darith, 2017; Musibau et al 2017), others juxtapose that capital flow negatively and insignificantly impact on economic growth (see studies like Nkoro and Furo, 2012; Lane and McQuade, 2014). Therefore, since there is no agreement in the literature, this present study will expand the prospect by focusing on the sub-sector of economic growth which is industrial sector performance that is not considered in the previous studies to resolve the present inconsistencies. Furthermore, the inclusion of the components of capital flow will make it possible to determine the appropriate impact (positive or negative) of capital flows on industrial sector performance.

3. Stylized Facts on Capital Flow and Industrial Performance in Nigeria

3.1 Trend of Industry Value Added and Foreign Capital Inflow in Nigeria between 1980- 2016

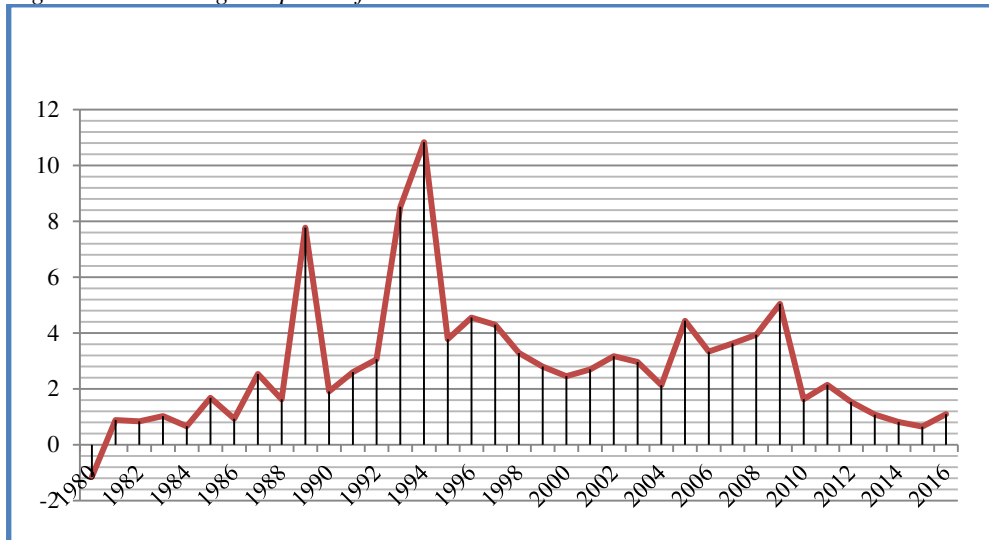
Figure no. 1: Industry Value Added Annual % Growth



Source: World Development Indicator (2017)

In Figure no. 1, the trend of industry value added in Nigeria shows that annual percentage growth in 1980 was 4.6% as against the of -15% in the trend of foreign capital inflow in Figure no. 2. The positive sign shows that in 1980, the industrial output in Nigeria grew owing to massive indigenous investment by both the private and public sector. Furthermore, as a result of this, foreign investors were moved to invest in Nigeria; they were convinced that the business environment was friendly and conducive for investment. Between 1981 and 1983, the country witnessed a drastic drop in sector's performance, seeing the figure declining from 4.6% in 1980 to -13.1% in 1983.

Figure no. 2: Foreign Capital Inflow



Source: World Development Indicator (2017)

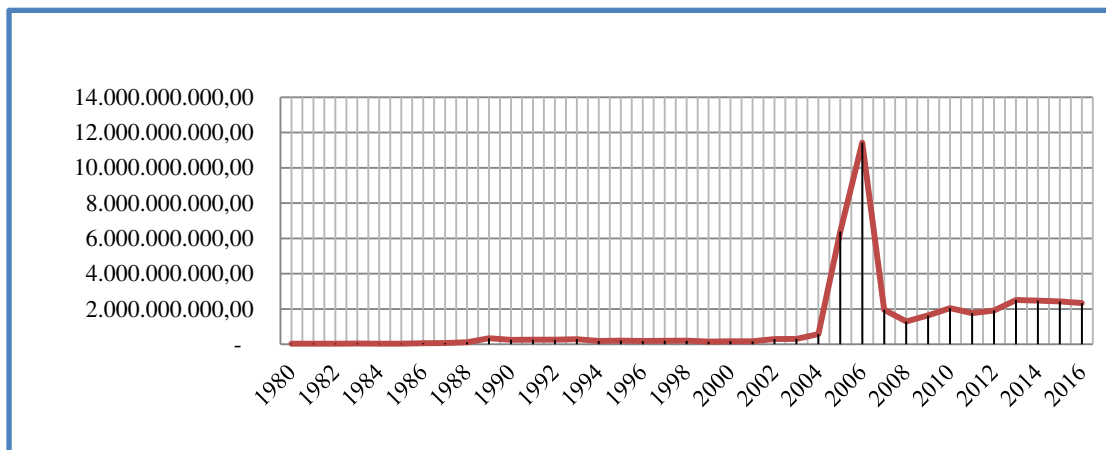
Despite the massive drop in industrial output and growth, as it can be seen in Figure 2, foreign capital inflow still increased from -1.15% in 1980 to 1.02% in 1983, meaning that in spite of the drop witnessed in the sector, foreign investors were also willing to cast their funds into the economy.

Furthermore, between 1999, 2002, 2006 and 2008, the performance of the industrial sector output growth declined as to compare to industrial output growth of 9.7% in 2000, 14.0% in 2001 and 20.2% in 2003, although declined positively 2.6% in 2005. Despite the dwindling effect of the industry performance in Nigeria, the country still witnessed tremendous increase in the inflow of capital from 2.8% in 1999 to 5.04% in 2009.

In addition, 2010, 2011 and 2014 shows that the industry has a positive growth of 5.9%, 8.3% and 6.7%, contrary to the marginal drop in the inflow of capital. The drop can be linked corruption by government officials, poor business environment and insecurity especially in the not North-East and part of South-South and South-East. Furthermore, the current drop in the inflow of capital has impacted negatively on industrial performance and employment generation, although the current administration is working assiduously in ensuring that they lure in more foreign investors to invest in Nigeria, especially in the agriculture and solid mineral sector.

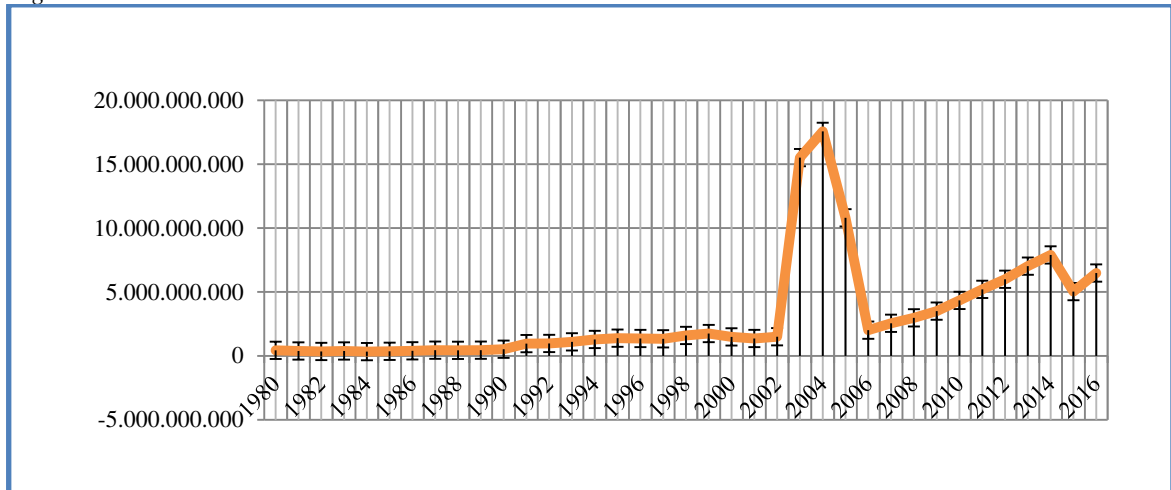
3.2. Trend of Net Official Development Assistance and Government Public Debt from 1980 to 2016

Figure no. 3: Net official development assistance



Source: CBN statistical bulletin (2017) and compiled by Author

Figure no. 4: Government Public Debt

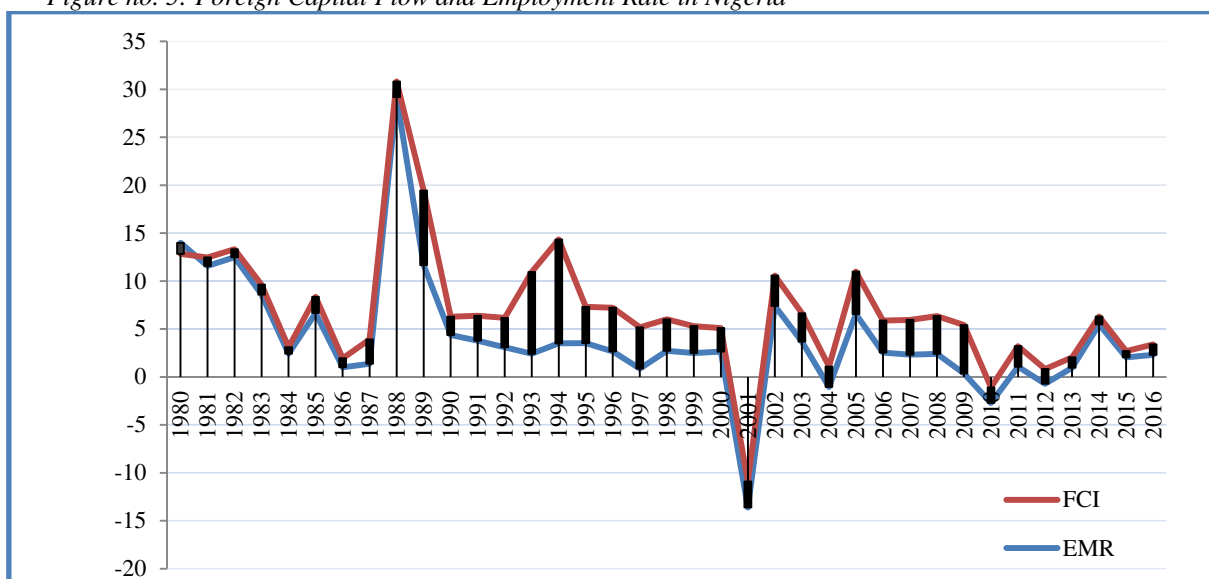


Source: CBN statistical bulletin (2017) and compiled by Author

Figure no. 3 shows that the disbursement of loans made on concessional terms and grants by official agencies of members of the development assistance committee (DAC), to promote economic development, increased from 34.4million dollars to 39.2 million dollars, as a result there was a marginal decline in government debt from 438.8 million dollars to 387.3 million dollars which indicate that part of the loans from official development assistance was used in servicing debt. Similarly, in 1986 and 1989, there was an increase grant and loan from 255.0 Million dollars to 288.4million dollars, in the same vein, government public debt also enhance from 521.1million dollars to 1.09billion dollars. This is an indication that as more dollars flows into the country, government siphons it into their private pocket without adequately investing it into the sector. In the period, 1990 to 1993, foreign capital inflow also declined as investors tends to withhold their capital from circulation. Furthermore, from 2013 to 2016 the official development assistant significantly dropped from 2.5billion dollars to 2.3billion dollars as well as government debt declining from 7.0billion dollars to 6.4billion dollar (WDI, 2017; CBN, 2017). The marginal drop in government debt could be linked to increase in debt servicing ratio and fight against corruption.

3.3 Trend of Foreign Capital Inflow and Employment Growth in Nigeria between 1980-2016

Figure no. 5: Foreign Capital Flow and Employment Rate in Nigeria



Source: World Development Indicator (2017) and Nation Bureau of Statistic (2017)

Figure no. 5 shows the trend of foreign capital inflow and employment in Nigeria from 1980 to 2016. The trend shows that from 1981 to 1987, there was an increase in the employment rate from 11.5% to 12.4%, as well as 0.88% and 0.83% in the inflow of capital in 1981 and 1982. Although from 1985 to 1987, there was slight drop employment rate as to increase inflow from 1.02% to 2.53%. Furthermore, in 2001, the rate of employment dropped to -13.6%, indicating massive unemployment in the country, however it was case in the inflow of capital as it tend to increase. The reason for the drastic decline in employment could be linked to poor management and improper channeling of the available fund into productive sector of the economy. Subsequently, in 2014 to 2016, employment rate further declined from 5.48% to 2.3%, indicating that the rate of unemployment has increase. This situation can as well be linked to inadequate power supply, dilapidated infrastructure, corruption and insecurity, which have caused many investors to leave the shores of country.

4. Methodology

The theoretical underpinning is based on the dependency theory which suggested that the transmission channel through which capital flow could possibly speed up the rate of industrialization on one hand but could be injurious to the growth. Justification for chosen this theory is built on the extent to which capital flow could sustain industrial performance without exposing the country to vulnerable risk.

This present study follows the work DeMello (1997, p.1-34), Akinlo (2004, p.627) and Fredderke (2006, p.738), to explain the effect of capital flow on economic growth. In analyzing the relationship between foreign capital inflow and industrial performance in Nigeria, the study employ Vector Error Correction Model following the (VECM). Following the authors' model, the model for the study is specified as:

$$ivaag = f(fci, noda, wrem, emr, pudebt) \dots \dots \dots (1)$$

In econometric form, the model can be written as:

$$ivaag = \alpha_0 + \alpha_1 fci + \alpha_2 noda + \alpha_3 wrem + \alpha_4 emr + \alpha_5 pudebt + \mu \dots \dots \dots (2)$$

Where IVAAG is industry value added annual percentage growth; FCI is foreign capital inflow; NODA is net official development assistance; WREM is workers' remittance; EMR is employment rate; PUDEBT is government public debt; and μ is the noise error term for the period 1980 to 2016. Reparametrization and taking lower case letters to denote natural logarithms and Δ to denote the difference operator provides the VECM specification as:

$$\Delta ivaag_t = \alpha_0 + \alpha_1 \Delta fci_{t-1} + \alpha_2 \Delta noda_{t-1} + \alpha_3 \Delta wre_{t-1} + \alpha_4 emr_{t-1} + \alpha_5 \Delta pudebt_{t-1} + ecm_{t-1} + \mu \dots \dots \dots (3)$$

Where $\alpha_1, \alpha_2, \alpha_3, \alpha_4$ and α_5 are interpreted as the various parameters and ecm_{t-1} is the short-run error correction coefficient.

Data for the study are sourced from the Central Bank of Nigeria (CBN) statistical bulletin, 2017 and World Development Indicator (WDI), 2017. The period of study covers between 1980 and 2016, base on data availability for the study.

5. Empirical Results and Discussion

Table no. 1: Augmented Dickey Fuller (ADF) Test

Variables	Levels			First Difference			Order of Integration
	ADF Test Stat.	1%	5%	ADF Test Stat.	1%	5%	
LIVAAG	-2.33	-3.62*	-2.95*	-7.81	-3.63*	-2.95*	I(1)
LEMR	-2.34	-3.62*	-2.95*	-8.46	-3.63*	-2.95*	I(1)
LFCI	-2.64	-3.62***	-2.95***	-10.03	-3.63*	-2.95*	I(1)
LNODA	-1.26	-3.62	-2.95	-5.49	-3.63*	-2.95*	I(1)
LPUDEBT	-1.29	-3.62	-2.95	-5.92	-3.63*	-2.95*	I(1)
LWREM	-2.03	-3.62	-2.95	-5.84	-3.63*	-2.95*	I(1)

Note: * significant at 1%, *** significant at 10%

Source: Computed by the Author using E-views

The Augmented Dickey Fuller (ADF) test result shows that the lag of annual growth of industry valued added, lag of employment rate, lag of foreign capital inflow, lag of net official development assistance, lag of government public debt and lag of workers' remittance are not stationary at level, although the lag of annual growth of industry valued added, lag of employment rate, lag of foreign capital inflow are significant but not stationary at 1%, and 10% level of significance, this implies that there is a unit root. On the other hand, it is identified that the lag of annual growth of industry valued added, lag of employment rate, lag of foreign capital inflow, lag of net official development assistance, lag of government public debt and lag of workers' remittance are stationary at first difference at 1% level of significant. This indicates that those incorporated series in the model have no unit-root at first difference with the implication that the series in their first difference are mean reverting and convergences towards their long-run equilibrium, that is, we apply VECM in order to evaluate the short run properties of the co-integrated series.

Table no. 2: Johansen Co-Integration Test

Hypothesized No. of CE(s)	Trace Test		Maximum Eigen value Test	
	Trace Stat.	Critical Val. 5%	Trace Stat.	Critical Val. 5%
None *	97.595	95.753	44.407	40.077
At most 1	53.187	69.818	21.898	33.876
At most 2	31.289	47.856	17.420	27.584
At most 3	13.868	29.797	8.320	21.131
At most 4	5.548	15.494	5.371	14.264
At most 5	0.176	3.841	0.176	3.8414

Note: Trace test and Max-eigenvalue test indicates 1 cointegrating eqn(s) at the 0.05 level * which denotes rejection of the hypothesis at the 0.05 level **MacKinnon-Haug-Michelis (1999) p-values.

Source: Author's Computation using E-views

The co-integration test revealed that long-run equilibrium relationship exists among variables that are considered in the model between 1980 and 2016 period. This further implies that the null hypothesis of no co-integrating is rejected at 5% level significance, which connote that further analysis could be done by employing VEC normalized Long Run Regression.

Table no. 3: VEC Normalized Long Run Regression Estimate

Dependent Variable: LIVAAG

LEMUR	LFCI	LNODA	LWREM	LPUDEBT
0.378	-0.552	-0.245	-0.023	0.424
(0.0003)	(0.03)	(0.198)	(0.857)	(0.118)

Source: Author's Computation using E-views

The analysis confirmed that components of capital flow have a negative impact on the performance industrial sector in Nigeria in the long-run. Further analysis revealed that the contribution of labour (employment rate) to the industry is positive and significant, but that of government public debt has a positive but insignificant impact on industries in Nigeria. In addition, the reduction in foreign capital inflow could be linked to some factors such as insecurity in some part of the country, unending corruption by the private and government, policy inconsistency, unfriendly business environment and policies which have pose a major trait to foreign investors coupled the inability of Nigerians in Diaspora to unleash and remit back to their country home.

Table no. 4: Vector Error Correction Model

	D(LIVAAG)	D(LEMR)	D(LFCI)	D(LNODA)	DLWREM	D(LPUEBT)
	-0.175	-0.055	-0.001	0.055	0.100	-0.009
ECM	(0.006)	(0.043)	(0.046)	(0.037)	(0.049)	(0.013)
	[-3.011]	[-0.949]	[0.029]	[-2.226]	[2.083]	[-0.318]
	0.098	-0.156	-0.229	0.177	-0.307	-0.002
D(LIVAAG(-1))	(0.684)	(0.445)	(0.008)	(0.053)	(0.085)	0.984
	[0.413]	[-0.777]	[-2.947]	[2.047]	[-1.807]	[-0.021]
	0.015	-0.408	0.098	-0.052	0.307	-0.785
D(LEMR(-1))	(0.950)	(0.047)	(0.302)	(0.599)	(0.100)	(0.075)
	[0.063]	[-2.109]	[1.057]	[-0.534]	[1.717]	[-1.871]
	0.069	-0.608	-0.601	0.269	-0.549	-0.002
D(LFCI(-1))	(0.890)	(0.143)	(0.0003)	(0.162)	(0.139)	(0.992)
	[0.139]	[-1.519]	[-4.307]	[-0.446]	[-1.535]	[-0.011]
	-0.367	-0.091	-0.117	0.276	-0.095	-0.165
D(LNODA(-1))	(0.400)	(0.809)	(0.486)	(0.102)	(0.777)	(0.377)
	[0.858]	[-0.245]	[0.708]	[1.705]	[-0.287]	[-0.903]
	-0.413	-0.376	-0.069	-0.056	0.106	-0.028
D(LWREM(-1))	(0.128)	(0.104)	(0.520)	(0.609)	(0.619)	0.815
	[-1.580]	[-1695]	[-0.654]	[-0.519]	[0.504]	[-0.237]
	0.623	-0.105	-0.142	0.523	-0.255	0.113
D(LPUEBT(-1))	(0.241)	(0.819)	(0.493)	(0.008)	(0.535)	(0.624)
	[1.204]	[-0.231]	[-0.697]	[2.929]	[-0.631]	[0.498]
	0.031	-0.114	-0.061	0.085	-0.189	0.109
CONSTANT	(0.891)	(0.552)	(0.479)	(0.335)	(0.264)	(0.251)
	[0.138]	[-0.604]	[-0.719]	[0.986]	[-1.146]	[1.180]
R-Square	0.543	0.502	0.652	0.629	0.498	0.437

Source: Author's Computation using E-views

The VECM model is employed when all variables are stationary at first difference. Also, VECM is used to determine the short-run relationship among variables that are analyzed in the model. The VEC model affirmed that the variables tested conform a priori, since they are negative and significant. This empirically connotes that the divergence of the variables from their long-run path is temporary and that the short-run variable will return back to their long-run path. Furthermore, the co-efficient for the Error Correction of the four systems are 17.5%, 5.5%, 0.1% and 0.9%, indicating that the percentage corrected for immediate past periods of shock. In addition, the speed of adjustment towards equilibrium state for industry value added and employment rate is faster than that of foreign capital inflow and government public debt. Importantly, a negative and significant coefficient of the ECM indicates that any short-term fluctuations between the independent variables and the dependant variable will give rise to a stable long run relationship between the variables.

To find out how long it will take to fully correct distortion in the long-run, will simply mean dividing each of the coefficients of ECM by 1. For industry value added, it will take 5years for full adjustment to take place after a shock has occurred, likewise for employment it will take 18years for full adjustment to take place after a shock has occurred. The coefficient of determination; R-Square of these significant systems are considerably good.

Table no. 5: Granger Causality Test

Unidirectional		No Causality	
LFCI	→ IVAAG	LNODA	→ IVAAG
		LWREM	→ IVAAG

Source: Author's Computation using E-views

The analysis confirms the existence of unidirectional causality between foreign capital inflow and industry value added annual percentage growth. This implies that foreign capital inflow granger cause industrial growth, meaning that increase in capital inflow can stimulate growth and enhance industrial performance. On the other hand, no causality exists between workers' remittance, official development assistance and industry value added in Nigeria within the period of study.

6. Concluding Remarks and recommendation

The study investigate the impact capital flow components on industrial performance in Nigeria between 1980 and 2016, employing the Johansen co-integration techniques and Vector Error Correction Model (VECM) to determine the speed of adjustment of variables to their long run equilibrium state. The analysis further shows that a long run relationship exists among the variable considered in the model. The error correction mechanism is negative and significant for four models indicating the speed of adjustment of the variables to their equilibrium annually. By implication a short-run relationship equally exists among the components of capital flow and industry value added, which implies that there is urgent need for government to provide encouraging environment to attract foreign inflows, particularly, foreign capital inflow and remittances so as to enhance the industrial sector and create employment opportunities in Nigeria. Also, action should be taken by government to revamp and resuscitate the needed infrastructure especially the revamping power sector and ensure that the existing infrastructures are properly maintained. More so, proper and sound macroeconomic policies including fiscal and monetary policies should be implemented by government to support both local and foreign investors in the country.

7. References

- Adams, S., 2009. "Foreign direct investment, domestic investment, and economic growth in Sub-Saharan Africa". *Journal of Policy Modeling*, 31(6), 939–949.
- Ahmed, S., Zlate, A., 2014. "Capital flows to emerging market economies: a brave new world?" *Journal of International Money and Finance*, 48, 221–248.
- Akinlo, A.L, 2004. "Foreign Direct Investment and Growth in Nigeria. An Empirical Investigation". *Journal of Policy Modelling* Vol.26, No 5 pp. 627-639.
- Aurangeb, and Haq, A., 2012. "Impact of Foreign Capital Inflows on Economic Growth in Pakistan". *European Journal of Economics, Finance and Administrative Sciences*, ISSN 1450-2275(46).
- De Mello, L., 1997. "Foreign Direct Investment in Developing Countries and Growth: A Selective Survey". *Journal of Development Studies*, 34 (1): 1-34.
- Ekwe, M. C., and Inyama, O. I., 2014. "Foreign Capital Flows and Growth of the Nigeria Economy: An Empirical Review". *International Journal of Economics and Finance*, 6(4), 103.
- Fambon, S., 2013. *Foreign capital inflow and economic growth in Cameroon*. UNU-WIDER Working Paper # 124/2013.
- Fredderke, J.W. and Romm, A.T., 2006. "Growth impact and determinants of foreign direct investment into South Africa, 1956-2003". *Economic Modeling*, 23, 738-760.
- Iheonu, C. O., Ihedimma, G. I., and Omenihu, M. C., 2017. "A Pooled Mean Group Estimation of Capital Inflow and Growth in sub Saharan Africa". *Romanian Economic Journal*, 20(65).
- Lane, P. R., and McQuade, P., 2014. "Domestic credit growth and international capital flows". *The Scandinavian Journal of Economics*, 116(1), 218-252.
- Musibau, H. O., Mahmood, S., and Hammed, A. Y., 2017. "The Impact of Foreign Capital Inflows, Infrastructure and Role of Institutions on Economic Growth: An Error Correction Model". *Academic Journal of Economic Studies*, 3(4), 35-49.
- Njimanted, G. F., 2009. "Foreign Direct Investment and Economic Performance in Cameroon". *International Review of Business Research Papers* Vol.5 No. 1 January 2009 Pp.55-69
- Nkoro, E., and Furo, A. O., 2012. "Foreign capital inflows and economic growth in Nigeria: An empirical approach". *Academic Journal of Interdisciplinary Studies*, 1(2).
- Obiechina, M.E and Ukeje E.U., 2013. "Economic Growth, Capital Flows, Foreign Exchange rate, Export and Trade openness in Nigeria". *International Journal of Economics and Management Sciences*, 2(9).pp. S71-S102.

- Shahzad, S. J. H., Zakaria, M., Rehman, M. U., Ahmed, T., and Fida, B. A., 2016. "Relationship between FDI, terrorism and economic growth in Pakistan: pre and post 9/11 analysis". *Social Indicators Research*, 127(1), 179-194.
- Sophannak and Darith, 2017. "The Impact of Foreign Capital Inflow on Economic Growth in Developing Countries". *Journal of Finance and Economics*, Vol. 5, No. 3, 128-135
- Tsai, P., 1994. "Determinants of Foreign Direct Investment and Its Impact on Economic Growth," *Journal of Economic Development*, 19(1), 137-163.