IMPACT OF INDUSTRIAL SECTOR AND FOREIGN DIRECT INVESTMENT IN ECONOMIC DEVELOPMENT OF NIGERIA

By
Comfort M. Amire. PhD
Department of Economics
Crawford University, Faith City, Km 8, Atan-Agbara Road,
Igbesa, Ogun State, Nigeria
amirecomfort1@gmail.com

Abstract
This work discussed the position of the present-day industrial sector and foreign direct investment (FDI) in presnt day Nigeria. This work targets an in-depth discourse on the influence of foreign direct investment on one of Nigeria's most potent economic sector, that is, the industrial sector visà-vis the country's economic trajectory and growth. Data employed in this work was analyzed with a hybrid method consisting of econometric and statistical tools. The Auto Regressive Distributed Lag (ARDL) model used herein typified data results and variables on the long-run and on the short run. The industrial sector served as the dependent variable while FDI, capital accumulation, gross domestic product (GDP) and export indices were the independent variables. The result showed that there was a positive connection between FDI and the industrial sector in Nigeria on the long and short run. Similarly, this work reveals that there is a connection between export and industrial output in Nigeria. It made the following recommendations among others: that it has become imperative for the government and other key stakeholders in policy formulation to boost the chances of foreign investors making direct investment in the economy. In addition, this work also opines that it is necessary for key governmental and non-governmental players to map out strategic policies for an enabled development atmosphere for both local and foreign investors to thrive
Key Words: Industrial Sector, Foreign Direct Investment, Economic growth and development

Introduction

Over the years, it has become noticeable that it is the goal of every economy to seek the prospect of attaining the status of growth and sufficiency. This is more of a reality in developing countries where the recognition of the foreign direct investment (FDI) takes center stage and steers policy approach. These developing countries often discover that FDIs are capable of increasing growth in multi-sectors where foreign businesses are practicable; resources like Information Communication and Technology, brands, capital, etc. are identifiable resources that FDI generates. These resources in turn accounts for the continuous development in some economic sectors which can ultimately lead to reduction in poverty in developing countries. Authors like Dutse, Okwoli and Kurfi (2011), submitted that developing countries do go as far as searching for expertise through FDIs in order to gradually boost long term economic prospect of their countries.

Still, there are serious concerns surrounding the industrial sector output in Nigeria; activity reports are not signifying growth and Industrial firms are facing the peril of de-industrialization which if things remain as they are, could generate serious adverse implication on the economy. There is no gainsaying that the industrial sector acts as a catalyst for economic growth in any country, while this is true, the implication is that the whole country will be looking up to the industrial sector for employment generation, promotion of business activities, diversification of the economy, and others. This accordingly justifies the in-depth look into FDI in Nigeria and a fact-finding discussion on the parameters for its inflow in the Nigerian industrial sector.

Due to her status as one of African largest economy, Nigeria economic records over the years showcases a considerable volume of FDI index. According to United Nations Conference on Trade and Development in 2015 (UNCTAD, 2015), foreign direct investment index stood between $193.2 million in 1986 to $1,874.04 billion in 2002. The period between 2003 to 2013 also was an increase in its index from $2005.4 billion to $5609 billion in line with the UNCTAD report. The index of FDI as a percentage of GDP was boosted from 0.93 percent in 1986 to 5.05 percent in 2009, though the index fell to 1.64 percent in 2010 and 1.07

percent in 2013. Nigeria witnessed its foreign direct investment index decline from 2010 to 2015 and also by 27% to $3.4 billion due to the fact that Nigeria, like other producing state, witnessed a sharp decline in oil prices; this puts the index figure at around 6% of the FDI into Africa and obtained roughly around 31% of the sub-regional total. Also, the oil and gas industry accounted for about 70% of the foreign direct investment index. This largely happened in Nigeria because one of the major FDI in Nigeria was in the Oil and Gas industry and the hit in this industry brought a low level of development in the industrial sector.

It is also noteworthy that the decline in FDI experienced in 2010 happened as a result of political unrest from a certain terrorist group identified as the "Boko Haram" in vital areas of Northern Nigeria; this unfavorable events is a drawback in terms of boosting FDI and improved investors welfare and security. Authors like Okoli &Agu (2015) noted that terrorists operating in Nigeria such as the Boko Haram sect largely hindered the course of development in Nigeria and thus requiring a total revamping of the whole system. The issues of insecurity, lack of economic growth, threat of capital loss and lack of expertise transfers, etc., are top issues that threatened and still threaten economic activities in Nigeria till date, preventing a smooth atmosphere for an enabled business environment and FDIs. No investor definitely wants his/her capital to be lost to factors associated with the above challenges; rather, investors will look away from any business prospect not minding how tempting the offer is.

This reveals that as long as an inheritor Nation like Nigeria develops a conducive macroeconomic atmosphere for investors, foreign direct investments can be helpful in refining the industrial sector. Findings revealed that in a lot of African countries, FDI index increased mostly in the primary sector due to reasons surrounding the huge natural resources that those countries possess. Thus, the consensus view is that FDI is mostly determined by market size and natural resources. This submission also aligns with the UNCTAD (2015) reports which reported that the major recipients of foreign direct investments are South Africa, Nigeria and Angola and other nations blessed with natural resources. Nigeria FDI has majorly centered on the extractive industries like the oil

and gas sector, though there has been some diversification into the industrial sector in recent years. With abundant potential aids that FDI has to offer, it is germane for the place and prospect of industrial sector and FDI in Nigeria to be evaluated.

Statement of the Problem

Like every other developing nation, importance is placed on the industrial sector by the government in Nigeria and this have generated a high level of urge or imperativeness to attract FDIs; however, instances abound where Nigeria has signed bilateral treaties which were products of being poorly negotiated agreements, excessive incentives and repressive environmental laws. Numerous procedural measures such as the stabilization measure of 1982, carrying with it the restrictive monetary scheme and severe measure of 1984, were implemented in Nigeria with the resolve towards correcting the issues related to the country's foreign income as a result of the fall in oil price, but not much was accomplished. The failed plan, among other factors, led to the adoption of another policy framework in 1986 called the Structural Adjustment Program (SAP) saddled with key aims such as curtailing the over-dependence on crude oil as the only major foreign exchange earnings through the promotion of other exportable items and produce especially home-made products. Definitely, non-oil exports contributed to the FDI index in Nigeria but was still not good enough.

The Nigerian industrial sector has been provoked by different challenges including but not limited to inadequate manpower, the expertise with the technical knowhow, capital development, poor growth of the ICT sector, inadequacies in power generation and supply system, lack of government funding for SMEs, insecurity, dual system of taxation that is gradually becoming oppressive, and poor strategies'. The promising effect of FDI index on the industrial sector's advancement hinge on the presence of skills that further the bringing inward of contemporary knowledge. It is also noteworthy that findings that the occasioning of an adverse FDI index may likely spell doom on a developing country like Nigeria, while occasioning a better effect on middle-income countries as an upshot of variations in the level of human capital skills. Also, the 2003 CBN Report on FDI activities in Nigeria

buttressed the position that ICT is the greatest difficulty limiting output efficiency in Nigeria's industrial sector as development in ICT and discoveries are the major forces of industrialization globally.

Theoretically, the connection that exist between FDI and industrial sector (as per the level of output and productivity) do often appear progressive, however, this connection among authors is far from being conclusive. Using econometric analysis, study conducted by Okoli and Agu (2015), Rasaq, Adijat and Abubakar (2017), revealed that foreign direct investment has a positive impact on the industrial sector in Nigeria. On the other hand, Orji, Anthony-Orji, Nchege, &Okafor (2015), Akpan& Eweke (2017) and Nwosa (2018) found that a negative connection exists between FDI and the industrial sector. Thus, the shortage of consensus as regards FDI spillover analysis is referenced as the key motivation to undertake this type of study. Using autoregressive lag distribution technique to observe the connection between foreign direct FDI and the industrial sector, with other variables such as exports, capital accumulation, gross domestic product, this work tries to examine the place and prospect of industrial sector and FDI in Nigeria.

Literature Review

Foreign direct investment (FDI) connote a form of investment whereby a firm, corporate body or even a country, invests directly in production or in a particular business within another country. This direct cross-border business may take the form of buying an existing company in the target country or by seeking to expand operations of a standing business in that country (Danja, 2012). Foreign direct investment comes in different forms including but not limited to mergers and acquisitions, constructing new facilities, ploughing profits earned from overseas operations into the target business and intra-company loans. (Wikipedia, 2014). As part of the nationwide accounts of a country and especially with respect to the national income equation $Y = C + I + G + (X-M)$, the 'I' in the equation is investment plus foreign investment. FDI can therefore be described as the net inflow of investment (inflow less outflow) to acquire a long-term running interest (10% or more of voting stock) in a company or firm operating within an economy as distinct from the investor's country (World Bank, 2010).

FDI over the years have been discussed from different perspectives; while some opined that it is a strategic element of globalization, others view it as a boost to employment opportunities, technology transfer, output, and economic growth. FDI has shown that it has the competence to increase tax revenues and improve technology, and also labor skills in host countries as maintained by Hayami (2001) and, Todaro and Stephen (2003). In order to acquire these aids, countries tactically place themselves in enabling modes through a number of policies and regulations. The Organization for Economic Co-operations and Development (OECD) defined FDI as cross border ventures by a resident entity in one economy with the resolve to acquire a lasting interest in an enterprise resident in another economy. They emphasized that the lasting interest indicates the presence of an enduring connection between the foreign investor and the business and a substantial level of impact by the foreign investor on the management of the enterprise. Possession of at least 10% of the voting power, showing the influence of the investor, as the basic standard employed.

It is noteworthy that the noticeable advantage of FDI to Nigeria as a recipient state has been one of the major reasons why FDI has attracted the attention to each government in Nigeria. This has also spur reforms in policy according to various administration policy including but not limited to attempts at deregulation of the oil sector, the 1989 industrial policy, the founding of the Nigeria Investment Promotion Commission (NIPC) in 1995, and the execution of Two-sided Investment Treaties in the late 1990s. all these regulations were initiated by the Nigerian government at different times, for instance, in 2015, to help the government create an enabling atmosphere and ease in doing foreign business in Nigeria. These reforms were articulated in national plans, national budgets as including in the monetary and fiscal policies through which it attempted to influence indicators like inflation, interest rates, exchange rates and GDP growth rate. Still, the World Bank report noted that Nigerian administration's policy of economic deregulation and liberalization helped open way for series of industrial opportunity to all foreign investors hoping to invest in Nigeria's economy.

In view of this, one would have been able to say that Nigeria as a country have the constituents that can help it attain the height of an FDI enabler,

but this is still not the case. The current state of affairs can be attributed to other limiting issues unique to Nigeria. Similarly, the Nigerian market size and the available natural resources are two determinants among others, portraying the mechanisms that ought to make Nigeria a champion in foreign direct investment in Africa and a country ranking high among developing countries; these still are left un-harnessed

As for the nexus between FDI and the industrial sector, Thiam (2007) studied the connection that exist between the rate of FDI and outputs in the following sub-Saharan countries, to mention a few, Cote d'ivoire, Gambia, Ghana, Malawi, Benin, Senegal, Seychelles, Togo, Congo, Mauritius, Nigeria, Tanzania and Zambia. The author used the TodaYamamoto variant of the granger causality test to examine if FDI index spur or increased productivity. Also, Okoli and Agu (2015)

The result of their work suggests that an optimistic effect of FDI on the appraised the outcome of FDI rate on the performance of the industrial firms in Nigeria.

industrial output can only be probable in the long run.

In 2015, the trio of Orji, Anthony-Orji, Nchege, &Okafor (2015), employed the classical linear regression model while investigating the impact of FDI on the Nigeria industrial sector during the period between 1970 to 2010; their work showed that FDI produced a negative impact on the industrial sector. While Akpan and Eweke in 2017 used a Vector Autoregressive (VAR) framework to investigate the long-run relationship between FDI, Industrial Sector Output and GDP in Nigeria over a period of time and found out that there was a small positive impact of FDI on GDP with a negative relationship with the industrial Output at some periods in their study.

Nwosa (2018) examined the role of foreign direct investment in industrial sector growth in Nigeria. The work used the error correction modelling approach and found out that foreign direct investment had negative and significant impact on industrialization in Nigeria.

Theoretical Review

There are unalike views by scholars in economics on the theoretical groundwork for FDI. Among these theories are - Market Imperfection Theories (MIT), Life Cycle Hypothesis (LCH), Eclectic

Theory(EL), Currency Area Theory (CAT), all discussing the nexus between investment and FDI. However, the Accelerator Theory is found more suitable as the bedrock of this work. Accelerator theory of investment is an economic theory argued by John Maurice Clark in 1917. It is a theory in economics that clarifies the relation between output and capital investment. This theory posits that an increase or decrease in the demand for consumer products will lead to a superior increase or decrease in the call for machines required to make those goods. Put differently, there is an unswerving connection between the proportion of output of an economy vis-a-vis investment in capital goods. Here, venture varies with the degree of the change in income rather than the degree of interest. This makes ventures more unstable if output upsurge by 2% this can cause a rise in the sum of investment by 10%. When there is an increase in orders, businesses will have to invest in new production capacity. This induced investment depends on vicissitudes in revenue. Investment will rise when there is an increased evolution in the proportion of national income, while the same investment will be continued when the growth percentage is the same, while investment will be weakening if there is a fall in the development rate.

Methodology

In this work, annual time series data were gathered from the following sources; Central Bank Annual Report and Statement of Accounts, Central Bank of Nigeria Statistical Bulletins and National Bureau of Statistics for the period of 36years (1981-2017). The Clark's Accelerator theory of Investment which posits that there exists a direct link between the degree of output of an economy and the level of investment was used in this work. The theory further clarifies how growth in output attracts more investors which accelerate growth in the economy and helps fast increase in industrial output. Nevertheless, the theory maintains also that an upsurge in income quickens capital accumulation while a decrease in income accelerates capital depletion**.** This work also takes on the product life cycle theory hypothesized by Vernon. This theory emphasizes that where there is increase in the level of exported goods, it aids foreign direct investment into the country.

Vernon emphasizes the idea that the export market, which forms the core for FDI and the third stage of the product's life cycle, is vital for FDI indices because of low labor cost advantage.

As for the model, we assume a possibility that the industrial sector could be affected by other exogenous variables therefore Capital accumulation (CA), Gross domestic product (GDP), Export (EXPT) are incorporated as control variables into the model equation

According to the acceleration theory, Investment is a function of income and aggregate demand.

To get real income (disposable income), we have to deduct taxes from Income

Y = Y T..... (1)

From the accelerator theory above, Investment is a function of income and aggregate demand

I = f (Y + AD) ……... (2)

Also, according to the accelerator theory, industrial output is a function of investment and aggregate demand

INDOUT = f (I + AD)……..... (3)

Investment {I}in equation 3 represents Investment within the country, which is the capital accumulation while aggregate demand {AD}is GDP as substituted and written out below

INDOUT = f (CA + GDP)..... (4)

Vernon's product life-cycle theory explains industrial sector output as a function of Exports. An increase in the exports means a stronger industrial sector. This leads to growth within the economy which attracts FDI into the economy. Hence we arrive at equation 5

INDOUT =f (CA + GDP + FDI + EXP)..... (5)

The theoretical model can be expressed as

$INDOUT_t = \beta_0 + CA + GDP_1 \quad _{t\ 2} \quad _t + _3FDI_t + _4EXP +$ ……..….. $(6)_t$

Where,

INDOUT= Industrial sector output CA= Capital accumulation
GDP = Gross domestic product FDI = Foreign direct investment
EXPT = Export
B_1 - B_4 = represents the co-efficient of the explanatory variables U =Stochastic (error) term.

Data Analysis and Results Unit Root Test (Stationary test)

The Augmented Dickey-Fuller (ADF) and Phillips-Perron tests were employed to ascertain the stationarity of variables used in the work. The results are as presented:

Table 1: Augmented Dickey-Fuller test statistic

Variables	T. Statistics	Prob.	Order of Integration	Decision Criteria Prob.< 5%
INDOUT	-6.471592	0.0000	I(1)	Stationary
FDI	-8.210701	0.0011	I(0)	Stationary
CA	-8.210701	0.0064	I(1)	Stationary
RGDP	-8.210701	0.0031	I(1)	Stationary
EXPT	-8.021222	0.0000	I(1)	Stationary

Sources: Computation from E-view (version 10)

Table 2: Phillips-Perron test statistic

Variables	T. Statistics	Prob.	Order of Integration	Decision Criteria Prob.< 5%
INDOUT	--8.095432	0.0000	I(1)	Stationary
FDI	-5.894321	0.0311	I(0)	Stationary
CA	-3.786312	0.0018	I(1)	Stationary
RGDP	-3.897653	0.0120	I(1)	Stationary
EXPT	-6.864363	0.0000	I(1)	Stationary

Sources: Computation from E-view (version 10)

The above empirical test shows that all the variables were stationary at 1st differentials for ADF Test except FDI (Foreign Direct Investment) which is stationary at level of the test statistics at the 1%, 5% and 10% level of significance shown in Table 1. Also, Phillips-Perron test shown in Table 2 found that all variables in the model were stationary at 1st differentials except FDI (Foreign Direct Investment) which is stationary at level. In co-integration analysis, choosing a suitable technique is dependent on the level of integration of the carefully chosen time series variables. If the variables are integrated at different levels, conventional co-integration tests cannot be applied. The Auto Regression Distributed Lag (ARDL) model advocated by Pesaran, Shin, and Smith 2001, prevails over this issue and can be applied to the variables integrated at I(0) and I(1). However, auto regressive distributed lag (ARDL) technique does not accommodate I(2) variables, owing to the fact that the bound test is based on the assumption that the variables are either I(0) or I(1).

The purpose of this study is to investigate the effect of Foreign Direct Investment on the Nigerian industrial sector over the study period. The existence of unit root as explained by the ADF test above incited the investigation of long run influence among variables, followed by the bounds test to show if the variables are co-integrated.

The existence of co-integration among the selected variables is established by using the ARDL bound test. Table 3 exhibits the Fstatistics and critical bounds, the F-statistic value 6.830962 is greater

than I (1) values at 1%, 5% and 10% percent level of significance verifies the existence of co-integration.

Table 3: Result from Long Run and Bound test for co-integration

F-statistic	SIGNIFICANCE	I(0)	I(1)
6.830962	10%	2.45	3.52
	5%	2.86	4.01
	2.5%	3.25	4.49
	1%	3.74	5.06

Source: Author's Computation using Eviews 10

Table 4: Impact of Foreign Direct Investment on Industrial Sector ARDL

Table 9: Summary of OLS Result				
Dependent Variable: LINDOUT				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LFDI	0.015477	0.008099	1.911094	0.1356
LCA	0.061074	0.015587	-3.918258	0.1287
EXPT	-0.003952	0.001273	-3.103191	0.0042
LEXPT(-1)	0.067543	0.036147	1.674353	0.0365
LGDP	-0.058789	0.051987	-1.130839	0.2671
C	1.613228	0.390078	4.135655	0.0003
R-squared			0.956332	
Adjusted R-squared			0.949054	
Durbin-Waston Statistics			2.050949	

Source: Author's Computation using Eviews 10

in industrial sector output (INDOUT). Also a ₦1m increase in the capital From the table 4 above, our *apriori* expectation were varied. FDI sector. A ₦1m increase in gross domestic product (GDP) leads to 0.05m (foreign direct investment) shows the expected positive sign, also CA (Capital accumulation) shows a positive sign, while GDP (gross domestic product) shows the unexpected negative sign. Although EXPT (exports), shows a negative sign instead of the expected positive sign,

EXPT (-1) shows the expected positive sign. This indicates that in the last one year exports had an impact on industrial sector.

A 1m increase in foreign direct investment (FDI) leads to 0.01m increase in the industrial sector output in Nigeria; in essence a multiplier effect. While a 1m increase in exports (EXPT) leads to 0.06m increase accumulation (CA) leads to 0.06m increase in the Nigerian industrial decrease in the industrial sector output in Nigeria.
Evidence from the result also shows that when all the model parameters (foreign direct investment, gross domestic product, exports, and capital accumulation) are constant industrial output in Nigeria would increase by
1.6m from the intercept coefficient.
Table 4 above shows that Export (EXPT), Capital accumulation (CA) is significant at 5% and 10%. This means that Export (EXPT), Capital accumulation (CA) are important variables that explains variations in the Nigerian industrial sector. While that of foreign direct investment (FDI) is significant at 10%, gross domestic product (GDP) is insignificant at 5% and 10%.

From the table above Adjusted R^2value of 0.956332 indicated that the model satisfied the requirements for goodness of fit. The computed statistics showed that 95% of the total variation in the Nigerian industrial sector (INDOUT) is accounted for by the explanatory variables: foreign direct investment (FDI), export (EXPT), capital accumulation (CA), gross domestic product (GDP) and 5% of the changes in the industrial output are attributable to the influence of other factors not included in the regression equation. The DW (Durbin-Wastson) has the value of 2.050949 which indicates the absence of auto correlation among the residuals.

Nigerian domestic investment as well as capital accumulation has not been increasing as expected, this may be due to low public investment in the country, heavy debt service payment, bureaucratic government among others Macroeconomic indicators revealed the poor performance of domestic investment in Nigeria; between 2001 and 2010, the ratio

amounted to 13%; it reached its peak at 16.2% in 2002 but again plummeted to 15.2% in 2015 (CBN, 2017).

Exploring the contribution of foreign direct investment into the industrial sector in Nigeria

Data from Table 6 shows that the industrial sector has been fluctuating over the years. In 1981, the value was 20.26371; the value fell to 19.99372 in 1995. In 2013, it increased from 8.928929 to 10.741993 in 2017. On the other hand, foreign direct investment into the sector rose from 542.3 in 1981 to 657.3 in 1985. Also from the year 2013, it rose from 193089.72 to 375163.2 in 2017. The increase in foreign direct investment index into the sector checked against industrial output data values reveals that the index of foreign direct investment has a significant effect on the Nigeria's industrial sector, as it positively improves output and effective in improving the performance of the industrial sector in Nigeria for the period under review.

Assessing the impact of foreign direct investment on the industrial sector in Nigeria

In so doing, this work applied the ARDL co-integration technique advocated by Pesaran et al. (2001). The selected variables for the model were the independent variables; foreign direct investment (FDI), Gross domestic product (GDP), export (EXPT), capital accumulation (CA) and the dependent variable which is industrial sector output (INDOUT)

A long-run relationship was found to exist between foreign direct investment and industrial sector output (INDOUT) as depicted in Table 3. This is consistent with the study of Okoli and Agu (2015). The short-run dynamic result shows that the coefficient measures of foreign direct investment have a positive relationship with industrial sector as reported in Table 4. The findings that Foreign direct investment contribute positively to the Nigerian's industrial sector is consistent with the findings of Anowor, Ukweni, Ibiam &Ezekwem (2013) but contrary to the findings of, Orji, Anthony-Orji, Nchege, &Okafor (2015). This disparity could be as a result of differences in the range covered in the study.

Furthermore, foreign direct investment has a weak significant relationship with industrial sector as reported in Table 4. This in line

with the position of Ayanwale (2007), which revealed that though the effect of FDI may be a positive one, he cautioned that the overall effect of FDI may not be as significant on industrial sector growth.

Conclusions

This work examined the impact that foreign direct investment (FDI) has on the industrial sector in Nigeria. This study propounded that FDI has a noticeable impact and positive connection on the industrial sector in Nigeria. From the findings herein, it can also be deduced that there are long-run positive impacts of FDI into the industrial sector in Nigeria. Thus, this work further deduces that considering the continuous desire for FDI to boost government revenues in Nigeria for long term development schemes, policy makers in the industrial sectors should look for and apply policies that aid and support the industrial sector in order to advance productivity and exports.

Recommendations

Based on the noted findings in the work, the following recommendations are advanced:

* There is no gainsaying that the industrial sector is a pathway that can be used to increase the national output in a developing economy and further that FDI comes with different distinct benefits vital for economic transformation. Thus, this work established that FDI inflows into the economy positively impact productivity growth in industrial sector. Consequently, government policies must be such that will motivate foreign investors for direct investment. It is also imperative for government to make plans that would promote and boost foreign direct investments, like creating enabled business platforms, ease of doing business among others.
* Government must increase and boost the development of non-oil export products; this can aid and improve the rate of export and help the country to be less dependent on crude oil and allied products.
* Additionally, the government must be ready to take steps to create enabling business forum for FDI and these steps should be

institutionalized and free of adverse political influence. Government must be ready to work on Ease of doing business in Nigeria by removing red-tapes in business registrations, terminating unfair quota systems, providing visas speedily on merit, among others. Also, basic infrastructural provisions should be made available like power supply, good roads, etc., to reduce the cost of doing business.

* It is also important for the government to expand the reach of FDI into all possible sectors of the Nigeria economy. This will allow for competition, increase foreign participation and exchange of technology across board. This will in turn help reduce unemployment and ensure increased productivity.

References

Akpan, E.S. and Eweke, G.O. (2017) Foreign Direct Investment and Industrial Sector Performance: Assessing the Long-Run Implication on Economic Growth in Nigeria. Journal of Mathematical Finance 07(02):391-411

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

Dutse, A.Y , Okwoli. A.A and Kurfi. A.K (2011); Promoting FDI related Technology spillover in Nigeria's industrial sector: Active firms targeted policy approach- international conference on sociality and economic development, vol.10.

Hayami, Y (2001) Development Economics: From the Poverty to the Wealth of Nations. Oxford University Press, US.

Nwosa, P.I. (2018) Foreign Direct Investment in Nigeria: Its Role and Importance in Industrial Sector Growth. Acta Universitatis Danubius. Economica vol.10, No 2

Okoli, T. T. & Agu, O. C. (2015). Foreign direct investment flow and industrial sector performance in Nigeria. International Journal of Economics, Commerce and Management, 3 (7) 413-428

Orji, A., Anthony-Orji, O. I., Nchege, J. E. &Okafor, J. (2015). Industrial output and foreign direct investment in Nigeria: a new evidence. International Journal of Academic Research in Economics and Management Sciences, 4(3), 16 28.

Pesaran M. H., Shin, Y., and Smith, R. J. (2001) "Bounds Testing Approaches to the Analysis of Level Relationships". *Journal of Applied Econometrics*, 16(February 1999). pp. 289326

Phillips P.C.B., Perron P. (1988) Testing for a Unit Root in Time Series Regression. Biometrika 75: 335-34

Rasaq, A. D., Adijat, O. O. & Abubakar, W. A. (2017). The impact of foreign direct investment on the Nigeria industrial sector: A time series analysis. European Scientific Journal, 13 (31).

Thiam, H.N. (2007); Foreign Direct Investment and productivity; Evidence from Sub Saharan Africa; Research and Statistics Branch UNIDO.

Todaro, MP, Stephen SC (2003) Economic Development. Pearson Education Limited, London, UK

UNCTAD (2015). World Investment Report. Investors Nationality: Policy Challenges, 1-232.