AN ANALYSIS OF THE IMPACT OF FOREIGN DIRECT INVESTMENT ECONOMIC GROWTH AND EXPORT PERFORMANCE IN NIGERIA (1970 – 2013)

*Mustapha Adamu ZUBAIRU, ** Hadiza Nasir IRO, *** Maryam Rabiu ZAKARIYYA

*Department of Economics and Development Studies, Federal University, Dutse, Nigeria
**Department of Management Sciences, College of Arts, Sciences and Remedial Studies Kano Nigeria
***Department of Management Sciences, College of Arts, Sciences and Remedial Studies Kano Nigeria

ABSTRACT

This study examined the causality between foreign direct investment (FDI) and export performance in Nigeria from 1970-2013. The study employed secondary annual time series data which was obtained from various publications of the Central Bank of Nigeria (CBN) for the period 1970 – 2012. The presence of unit root was tested using the Phillips-Perron (PP 1998) and Kwiatkowski, Phillips, Schmidt, and Shin (KPSS, 1992) tests. Johansen-Juselius and vector error correction (VEC) procedure was performed to trace cointegration relationship between the variables. The study found the presence of a cointegration relationship among the variables. Also the VEC model traced a long-run equilibrium relationship in the variables under study without having any significant short-term causal flows among the series, except for the FDI. However, the study did not trace any significant relationship between GDP, EXR, TOP and exports. The study recommends the authority concern to come up with policies that would make FDI inflow into the real sector favorable for investors which would surely improve the level of level of output for both domestics and exportation in the long run.

Keywords: Foreign Direct Investment, Economic Growth, Export Performance, and Nigeria

INTRODUCTION

The contribution of FDI and Export to economic growth has been an issue that generated heated debate over the years among economists and policy makers all over the world. Policy makers especially in the developing nations are of the opinion that foreign direct investment (FDI) plays an important role in promoting export and economic growth of an economy (Sharma, 2000; Erdilek, 2005). FDI in particular promotes exports of the host countries by increasing host country's productivity, productive capacity, capital stock, transfer of technology, managerial skills and upgrading the skills of the local work force through training (Adewumi, 2006). Export is considered as the most important source of foreign exchange that is required by developed and Less Developed Countries (LDCs) to ease their balance of payments problems and reduce unemployment through creating job opportunities as well as integrating a with the rest of the world (Okeagu, 2010). This has not only made economists to stress the vital role of exports and FDI as the two engines of economic growth but also engaged the attention of researchers and

243

policy makers in that direction. Foreign direct investment is seen as a major source of getting the required funds for investment, hence most African countries offer various forms of incentives to lure FDI inflow into their respective economies (United Nation, 2005).

There has been a deliberate effort by the Nigerian government since the 1980s and 1990s towards attracting FDI into the country with the aim of improving export and economic performance without much success. For instance some of the policies taken to attract FDI includes: structural adjustment programmes (SAP 1986), export processing zones decree (1991), Nigerian export import bank (1991) and investment promotion commission (1995) among others.

Though as good as it may sound, several studies on the causality of FDI on GDP and FDI on exports have emerged with conflicting results ranging from positive evidence of long-run relationships, insignificant impact, contradictory results, bidirectional causality, unidirectional causality and no causality. Therefore, there is no unilateral answer for the causality direction between the two variables. For instance some studies that found evidence of long-run positive relationship between FDI and export are Meerza (2012), Turkan and Sayguli (2011), Sultan (2009), Pham (2008), Achandi (2006), Lopez (2005), Dritsaki and Adamapolous (2004), Shawa and Yashen (2013), Njong and Raymond (2011), and Jorda'an and Eite (2007). Agrawal (1997), Kumar and Siddharthan (1994) and Pant (1993), reported insignificant impact and no evidence of long run relationship between the two variables. Wacker (2011), Miankhe, Thangavelu and Kilirajin (2009), Johnson (2006) Metwally (2004), Soliman (2003), Khan and Leng (1997) all found contradicting result between the causality of FDI and export.

Using causality test, Pham (2008), Won et al (2008), Lopez (2005), Lui et al (2002), Biliarmoune Huzt (2004), Sampath and Anwar (2000) discovered a bi-directional causality in their respective studies. While Unidirectional causality was reported from the work of Shawa and Yashen of Meerza (2012), Sultan (2009), lee (2007) and Johnson (2006), Dritsaki and Adamopoulos (2004), Khan and Leng (1997). Evidence of no causality was reported by Adhikary (2012), Rahman (2007), and Khan and Leng (1997).

From the studies above, we could therefore infer that the debate on the causality between FDI and export is far from been watered down. Therefore, this study finds it imperative to fill this literature gap through adding new empirical evidence to the existing literature on the causality relationship between FDI on GDP and FDI on export. The study will help the policy makers in the formulation and implementation of relevant policies that will improve FDI GDP and exports in the country. Apart from that, the study will likely open new avenues for feature researches in the area

The rest of the paper is organised as follows: section two is the literature review, section three contains the methodology, section four presents' results and discussion and section five concludes the paper.

LITERATURE REVIEW

Previous studies in the reviewed literature examine the causality between FDI and export. Even though most of the studies used similar method, however, they emerged with different results. The single country studies includes Meerza (2012) and Adhikary for Bangladesh; Turkan and Sayguli (2011), Alici and Ucal both for Turkey; Sultan (2009) for India; Pham (2008) for Vietnam; Achandi (2006) for Uganda; Lopez (2005) for Mexico, Dritsaki and Adamapolous (2004) for Greece; Shawa and Yashen (2013) for Tanzania; Njong and Raymond (2011) for Cameroon; Jorda'an and Eite (2007) for Namibia; All using cointegration test in their studies found a evidence of positive long run association . Other single studies such as Rashmita (2013) using ANOVA model for India; Ayaz, Asghar and Yousuf (2013) using ARDL approach for Pakistan; Karbasi and Khaksar (2006) using 2SLS method for Iran; also revealed evidence of positive relationship. While Lee (2007) using cointegration test for Taiwan; Sharma (2001) using simultaneous equation model for India; Agrawal (1997), Kumar and Siddharthan (1994) and Pant (1993), using OLS regression for India reported insignificant impact and no evidence of long run relationship.

The Multi-country studies includes Wacker (2011) using panel data and gravity model for 111 developing countries; Miankhe, Thangavelu and Kilirajin (2009) for six developing nation; Johnson (2006) using time series panel data for six Asian countries; Metwally (2004) using Simultaneous equation method for Egypt, Jordan and Oman; Soliman (2003) using panel data for MENA countries; Khan and Leng (1997) for Singapore, Taiwan and South Africa reported contradicting results.

Using causality test, Pham (2008) for Vietnam; Won et al (2008) for Asian newly industrialized nations; Lopez (2005) for Mexico; Lui et al (2002) and for China; Biliarmoune Huzt (2004) for Morocco; Sampath and Anwar (2000) for Tanzania all reports bi-directional causality. While Unidirectional causality was reported from the work of Shawa and Yashen (2013), Meerza (2012) and Sultan (2009) for India; lee (2007) and Johnson (2006) for 8 Asian economies; Dritsaki and Adamopoulos (2004) for Greece; Khan and Leng (1997) for Singapore, Taiwan and South Korea. Evidence of no causality was reported by Adhikary (2012) for Bangladesh; Rahman (2007) for Saudi Arabia; Khan and Leng (1997) for Taiwan

Anfofum, Gambo and Suleiman (2013) for the period of (1986-2011) using Causality and cointegration analysis, reported a long run relationship and one way causality running from FDI to export growth. Mary, Ikechuku, Okelue (2012) using correlation, OLS and causality test for the period of 29 years, report a positive relationship but statistically insignificant and no evidence of causality is found. Enyim and Celine (2012) Using correlation and cointegration analysis for the period of 1970 – 2006, revealed a negative correlation while cointegration analysis suggests only long run associationship. The study concludes that majority of FDI inflow in Nigeria goes to the production of domestic consumption goods and services.

Enimola (2011) using cointegration and causality analysis, revealed a positive long run relationship and a unidirectional causality is seen running from FDI to export. Oyatoye, Arogundade, Adebisi and Olukayode (2011) employ OLS in their study for the period of 1987-2006. Evidence of positive relationship is seen from the empirical result. Study concludes that FDI is the major determinant of export in Nigeria. Olayiwola and Okadua (2010) investigate the contribution of FDI to non- oil export growth within the frame work of export growth hypothesis, using causality approach fund one way causality running from FDI to export, concludes that majority of FDI inflow into Nigeria's economy goes to non-oil sector.

Dinda (2009) in his study which covers a period of 1970-2006, employing VECM examines the factors attracting FDI of which resource endowment export is used as explanatory variable, result revealed that resource endowment export significantly determine FDI inflow. Sam (2008) examines FDI and export growth in Nigeria for the period of 1970-2008 using causality analysis, fund unidirectional causality running from FDI to export.

METHODOLOGY

The methodology for this study was adopted from the works of Achandi (2006), Rahman (2004), Lee (2007) and Enimola (2011). The study employed secondary annual time series data which was obtained from various publications of the Central Bank of Nigeria (CBN) for the period 1970 – 2012. The variables of interest are Export, FDI, Exchange rate, Trade openness and Supply capacity (proxied by GDP). The presence of unit root was tested using the Phillips-Perron (PP 1998) and Kwiatkowski, Phillips, Schmidt, and Shin (KPSS, 1992) tests. PP has advantage over ADF test as it takes into account the serial correlations by making corrections to the *t*-statistics of the coefficients of the lagged variables, not by adding the differenced term of the lagged variables. After making the variables stationary and integrated in the same order, the Johansen-Juselius procedure was performed to trace cointegration relationship between the variables. Johansen cointegration test was employed because it gives roam for the existence of more than one cointagrating equation. The maximum eigenvalue (λmax) and the trace (λtrace) tests were used to detect a cointegrating vector. The functional form of the model is given as:

$$E_t = f(R\ Q_{t-1}\ T,\ M,\ E_{t-1}\ F)\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots(1)$$

Where E= export; R = exchange rate, Q_{t-1} lagged value of potential output, T = trade liberalisation, M = external market indicator; E_{t-1} = lagged value of export and F= FDI. After modification the model becomes:

$$EXPT = (FDI,\ EXR,\ GDP,\ TOP)\ldots\ldots\ldots\ldots\ldots\ldots\ (2)$$

In an explicit and econometric form the model can be transformed into the following expression:

$$EXPT_t = \beta_0 + \beta_1 FDI_t + \beta_2 RGDP_t + \beta_3 EXG_t + \beta_4 TOP_t + U_t\ldots\ldots (3)$$

The variables are further transformed into log form because according to Gujirati, (1995) this method reduces the problem of heteroscedasticity by compressing the scales in which the variables were measured differently). Thus the model is now specified as;

$$LogEXPT_t = \beta_0 + \beta_1 LogFDI_t + \beta_2 LogRGDP_t + \beta_3 LogEXG_t + \beta_4 LogTOP_t + U_t .... (4)$$

The causality was tested using the following specifications:

$$\Delta Y_t = \alpha_1 + \beta_{11}\Delta Y_{t-1} + \beta_{12}Y_{t-2} + ... + \beta_{1n}\Delta Y_{t-1} + y_{11} F_{t-1} F_{t-2} + ... + y_{1n} F_{t-n} + \varepsilon_{1,t} ....(5)$$

$$F = \alpha_2 + \beta_{21} F_{t-1} + \beta_{22}F_{t-1} + ... + \beta_{21}F_{t-n} + y_{21}\Delta Y_{t-1} + y_{22}\Delta Y_{t-2} + ... y_{2n}\Delta Y_{t-n} + \varepsilon_{2,t} ...(6)$$

RESULTS AND DISCUSSION

The results of the unit root test using PP and KPSS with intercept and trend regression forms for the levels and the first differences is presented in in table 1.1, both results show that the series are *stationary* after first differencing.

Table 1.1: Unit Root Test

PP Stationarity test (After First Differencing)			
Variables	*Adj.t-Statistics*	*P-value*	*Order of Integration*
FDI	*- 10.18466*	*0.0000**	*I(1)*
EXP	*- 7.069904*	*0.0000**	*I(1)*
RGDP	*- 6.318751*	*0.0000**	*I(1)*
EXR	*- 6.178492*	*0.0000**	*I(1)*
TOP	*- 8.413184*	*0.0000**	*I(1)*
KPSS Stationarity test (After First Differencing)			
Variables	*Test-Statistics*	*Asymptotic Critical Value*	*Order of Integration*
FDI	*0.080359*	*0.216000**	*I(1)*
EXP	*0.179009*	*0.216000**	*I(1)*
RGDP	*0.111495*	*0.216000**	*I(1)*
EXR	*0.064866*	*0.216000**	*I(1)*
TOP	*0.083477*	*0.216000**	*I(1)*

Source: Researchers computation using Eviews 7.0, and (*) denotes 1% P-value

Table 1.1 shows that at 1% level of significance, all the variables are stationary after taking the first difference, that is, they are integrated of order I (1). The PP adjusted t-statistics is greater than Mackinnon critical and also KPSS test statistics is less than the asymptotic critical values which implies acceptance of null hypothesis. The long run relationship among the variables is examined using Johansson cointegration test. The test result is shown in the table below:

1.2 Trace Test

Hypothesized No. of CE(s)	Trace Statistics	0.05 Critical Value	P-value
None*	192.0631	88.80380	0.0000
At most*	91.31739	63.87610	0.0000
Maximum Eigen-value Test			
Hypothesized No. of CE(s)	Trace Statistics	0.05 Critical Value	P-value
None*	100.7457	38.33101	0.0000
At most*	48.52208	32.11832	0.0002

Sources: Researchers computation using Eviews 7.0,

From Table 1.2, both trace and maximum eigenvalue tests indicate the existence of two (2) co-integrating equations at 5% level of significance confirming that the series are related in the long-run. Thus, it is concluded that the series are co-integrated, and a long-run equilibrium relationship exists among them. The normalized equation from the Johansson unrestricted co-integration test revealed that all the variables are positively related to export in the long-run except exchange rate which is negatively related to export performance in the long run as:

EXP	FDI	GDP	EXR	TOP
1.000000	-5.954517	-0.114290	4796.157	-12278.3
	(0.24056)	(0.37404)	(730.341)	(15554.9)

The study proceeds to run the vector error correction (VEC) model, the empirical result is depicted in table 4 as:

Table 1.3: VEC Model

Variable	Coefficient	Std. Error	*t*-statistic	P-value
C	15.69342	9.154058	1.714368	0.0894
$et-1$	−0.050018	0.054919	−0.910753	0.3645
$\Delta EXPG(-1)$	−0.331052	0.202225	−1.637051	0.1046
$\Delta FDIG(-1)$	1.269648	0.582515	2.179598	0.0315
R-Squared	0.333364		Adjusted R-Squared	0.142896

Sources: researcher's computation using Eviews 7.0

Table 1.3 portrays the results of the vector error correction model. To run the VEC model, the appropriate lag-length (lag 1) of the variables has been selected through the FPE criterion, which reveals that a long-run equilibrium relationship exists among the variables. This has been observed by the estimated parameter (λ) of the error correction term ($et-1$), which is negative as expected. In addition, FDI is found to have a significant short-term positive impact on the export performance of Nigeria. On the other hand, the numeric of adjusted R^2 shows a low explanatory power of the model, meaning that other explanatory variables, not included in the study, may have significant influence on exports.

CONCLUSIONS AND RECOMMENDATION FOR FUTURE RESERACH

This study investigates the influence of foreign direct Investment on the export performance of Nigeria over the period of 1970 – 2012 inclusive. The results of the PP and KPSS unit root tests indicated that all variables in the study were integrated in order one. The test statistics (trace and eigenvalue) of the Johansen cointegration test conducted on intercept plus trend regression forms indicated the presence of a cointegration relationship among the variables. In addition, the negative parameter of the error correction term confirmed that a long-run equilibrium relationship existed among the variables as well as a strong short term causal flow (unidirectional) was discovered between FDI and exports. Precisely, the VEC model traced a long-run equilibrium relationship in the variables under study without having any significant short-term causal flows between them, except for the FDI.

Based on the findings the study recommends that to pursue a long term export improvement, the Nigerian government needs to take proactive measures that will attract foreign direct investment in the country. This will have a multiplier effect in boosting the GDP, improving foreign exchange as well as improving the economies long-term growth performance. Also diversifying the economy and further trade liberalization policies would likely enhance export performance thereby providing the country with more foreign exchange to be channeled towards economic growth and development. This seems important because as the results from this study shows, the variable are co-integrated which suggests that they are mutually reinforcing.

REFERENCES

Achandi, E.L. (2007), *Effect of Foreign Direct Investments on Export Performance in Uganda*. Unpublished master in economic Thesis, Department of Economics Makerere University, Uganda 2007.

Abdel-Malik M. H., (1974) "*Foreign direct investment, Exports and Domestic Output in Pakistan*", The Pakistan Development Review, 42:4 part II, winter 2003, 715-723.

Adewumi, S., (2006), *the Impact of FDI on Growth in Developing Countries*. United Nation Conference on trade and development (2006) Foreign Direct Investment on line htt//www.unctad.org

Adhikary, B.K. (2012), "*impact of foreign direct investment, trade openness, domestic demand, and exchange rate on the export performance in Bangladesh*". Journal Economics Research International Vol, 2012: ID 463856.

Adleyan, N. K., (2000), ''*Export performance and the Role of Foreign Direct Investment*''. National Institute of Economic and Social Research, United Kingdom.

Ado, B. (2006), *the impact of foreign direct investment on economic growth in Nigeria*. Unpublished MSc of economic thesis, Department of economics, Bayero University Kano, Nigeria, 2007.

Akinla, A.E. (2004), "*Foreign Direct Investment and Growth in Nigeria: An Empirical Investigation*" Journal of Policy model, 26: 627-639.

Anfofum, A., Gambo, J.&Suleiman, T.S., (2013), "*Estimating the Impact of Foreign Direct Investment in Nigeria"*. International Journal of Humanities and Social Science. Vol. 3: No. 17.

Anstars, M. Helpman, E. &, (2004), "Export versus FDI", Harvard Institute of Economic Research, Discussion Paper Number 1998.

Ariyo, A. (1998), *Investment and Nigeria's Economic Growth: in Investment in the Growth Process.* Nigerian Economic Society Annual Conference, Ibadan Nigeria 1998. pp. 385-415.

Asari, A. H., Shamsudin N., Abdulkadir, A.H.,Baharuddin S.N., Afandi, S. &Josoff K., (2011), "*the impact of export and GDP towards FDI inflows in Malaysia"*. World applied journal (special issue on bolstering economic sustainability) Vol, 27, No. 33, ISSN 1818-4952.

Alici, A.A., and M.S. Ucal, (2003) Foreign direct investment, exports and output growth of turkey: Causality analysis.

Anyawu J.C (1998) "*An econometric Investigation of the Determinations of Foreign Direct Investment in Nigeria*" In Rekindling Investment for economic Development in Nigeria Selected papers for the NES 1998. Annual conference Ibadan, NES.

Anwar S, & Sampath, T., (200)"A causal relationship between trade, foreign direct investment, and economic growth for Greece," American Journal of Applied Science, vol. 1, no. 3, pp. 230–235, 2004.

Asiedu, E. (2002), "*On the determinants of foreign direct investment to developing countries: is Africa different*?" World Development vol.30:1107–119, 2002.

Awe, A.A. (2009), "*impact of foreign direct investment on economic growth in Nigeria*". Journal of economic and sustainable development. Vol.4:2: ISSN 2222-1700.

Ayanwale, A.B. (2007), Foreign Direct Investment and Growth. AERC Research paper No: 165 African economic research consortiums, Nairobi.

Anyanwu J.C. (1998) "An econometric Investigation of the Determinations of Foreign Direct Investment in Nigeria" In Rekindling Investment for economic Development in Nigeria Selected papers for the NES 1998. Annual conference Ibadan NES

Ayaz, M. Yousuf, M.U. & Asghar, M., (2013), "*export performance under the role of FDI Pakistan: An ARDL Approach*". International journal of Economic. Vol. 3: No. 3; ISSN: 2247-7225.

Balasubramanyam, V.N., (1999), "*Foreign direct investment as an engine of growth*". The Journal of International Trade and Economic Development, Vol. 8, 27–40 ISSN 2229-4686.

Baliamoune-Lutz, M.N. (2004), "Does FDI contributes to economic growth? Knowledge about the effects of FDI improves negotiating positions and reduces risk for firms investing in developing countries" Business Economics, 39(2), pp. 49-56.

Barau, R. M. (2013*), "Impact of FDI inflow on export and growth of economy of India*". Journal of art, science and commerce. Vol. iv, ISSN: 2229-4686E.

Blanchard, O. (2009), Macroeconomics (5th Edition) New Jersey: Pearson Education.

Brainard, S.L. (1993), *An Empirical Assessment of the Factor Proportions Explanation of Multinational Sales*. NBER Working Paper No: 4583.

Caves, R. (1996), Multinational Enterprises and Economic Analysis, 2nd edition, Cambridge University Press, Cambridge, MA, Online at http://mpra.ub.uni-muenchen.de/40172.

CBN (2009), Statistical Bulletin. Special Anniversary Edition, CBN, Abuja.

CBN (2010), perspectives on foreign Direct Investment in Nigeria. Annual Report and statement of account December.

CBN (2011), Statistical Bulletin. Abuja: Central Bank of Nigeria.

CBN (2010), Statistical Bulletin. Abuja: Central Bank of Nigeria.

Chimobi, O. P. (2008), *"Exports, Domestic Demand and Economic Growth in Nigeria: Granger Causality Analysis"*. European Journal of Social Sciences, 13(2), retrieved from http://www.eurojournals.com/ejss.

Dinda, S. (2009), "Factors attracting FDI to Nigeria: an Empirical Investigation", MPRA Paper No. 40172, posted 20.

Dritsaki, M., Dristaki, C., &Adamopoulos, A. (2004) "*A causal relationship between trade, foreign direct investment and economic growth of Greece"*.American Journal of Applied Sciences, 1, 230–235. http://dx.doi.org/10.3844/ajassp.2004.230.235.

Enimola, S. S. (2011), "*foreign direct investment and export growth in Nigeria*". Journal of economic and international finance. Vol. 3(11): ISSN 2006-9812.

Enyim, U.C. and Celine, O.B. (2012), "*Exports and Nigerian's Economic Growth: a Co-Integration Analysis"*. Asian Economic and Financial Review, Vol. 2(2).

Erdilek, E. (2005), "*Export and economic growth in Asian developing countries: Co-integration and Error-correction models*". Journal of Economic Development, Vol. 24, 43–56.

Ezike, J.E. and Ikpesu, F.A (2012), "*Macroeconomic impact of trade on Nigerian growth: An empirical evaluation*" Research Journal of Business Management and Accounting Vol. 1(4), pp. 079 – 083.

Emeka, E.J.,Fredrick, I.,& Peter, A. (2009), "*Macroeconomic impact of trade on Nigerian growth: An empirical evaluation*" Research Journal of Business Management and Accounting, Vol. 1(4), ISSN 2277- 0712.

Graham, D.J. (1995) The role of foreign direct investment and natural resources in economic development. Working paper No 196 Central Bank of Chile, Santiago.

Galadanci, D.M. (2010), Developing structure of Nigerian economy. Published by Ahmadu Bello University press, ISBN: 978-125-967-1.

Girma, S., Gorg, H. And Pisu, M. (2008), "*Exporting, linkages and productivity spillovers from foreign direct Investment*". Canadian Journal of Economics, Vol. 4(4) 2008.

Giroud, A. (2003), Transnational corporations, technology and economic development: Backward linkages and knowledge transfer in South-East Asia. Cheltenham: United Kingdom Edward Elgar.

Giroud, A. (2007), *"Multi-National Enterprises vertical linkages: The experience of Vietnam after Malaysia"*. International Business Review, 16, 159–176.

Grossman, G. & Helpman, E. (1991), Innovation and Growth in the Global Economy. MIT Press, Cambridge.

Gu, Weishi. Awokuse, O & Yuan, Y., (2008), "*Contribution of Foreign Direct Investment to China's Export Performance: Evidence from Disaggregated Sectors".* Paper presentation at the American Agricultural Economics Association Annual Meeting, Orlando.

Gujirati, D.N. (1995), <u>Basic Econometric</u> 3rd Edition, MC Graw Hill Press New York.

Helpman, E. (1984), "*A simple theory of international trade with multinational corporations*". Journal of Political Economy Vol. 92.

Hill, Charles (2007), <u>international business competing in the global market place</u>, 6th edition McGraw Hill, ISBN 978-0-07-310255-9.

Hsiao, F.S.T., & and Hsiao, M.C.W., (2004) "FDI, exports, and GDP in East and Southeast Asia-Panel data versus Time-series causality analyses," Journal of Asian Economics, vol. 17, no. 6, pp. 1082–1106, 2006.

Jordan, A. C., & Eita, J. H. (2007), Exports and Economic Growth in Namibia: A Granger Causality Analysis. South African Journal of Economics, 75 (3).

Johansen, S. & Juselius, K. (1988, 1989 &1990), Some Structural Hypotheses in a Multivariate Co-integration Analysis of the Purchasing Power Parity and the Uncovered Interest. Katarina Juselius Citations at IDEAS, ideas.repec.org/e/c/pju54.html.

Johasen, S. (1991), "*Estimation and Hypothesis Testing of Co-integration Vectors in Gaussian Vector Auto regressive models*." Econometrical, 59: 1551-1580.

John, R.F. (2001), "*Export, FDI and economic growth of Latin America*". American Journal of Economics and Sustainable Development. Vol.4, No.2, ISSN 2222-1700.

Johnson, A. (2006), ''*FDI and Exports: the case of the High Performing East Asian Economies*''. Electronic Working Paper Series, Paper No. 57.

Karbassi, A. &Khaksar, S.G. (2006), *The Impact of FDI on Export Growth in Islamic Economy: Case study of Iran.* Islamic Conference organized by Faculty of Economics and Muamalat, Islamic Science University of Malaysia, 2007.

Kareem, N. (2004), '*Foreign direct investment and economic growth in Bolivia*'. World Development, Working Paper 0309009, EconWPA.

Khan, K. &Leng, K. (1997), *Foreign Direct Investment, exports and Economic growth.* Singapore Economic Review, 42(2), 40-60.

Kojima, K. (1985), "*Japanese and American direct investment in Asia: comparative analysis*". Hitotsubashi journal of economic, volume 26, 1990.

Krugman, P. (1979), <u>New Theories of Trade among Industrial countries.</u> Am. Econ. Rev., 73(2): 342-347.

Kumar, N. (2007), "*Multinational Enterprises, Regional Economic Integration, and Export-Platform Production in the Host Countries: An empirical Analysis for the US and Japanese Corporations*". Weltwirtschaftliches Archive, Volume 134 (3), 450-483.

Lee, S.W. (2007), *Impact of foreign direct investment on Taiwan*. Masters of economic research thesis. Economics and information system university of Wollongong, 2007.

Lemi, A. (2004), "*Foreign direct investment, host country productivity and export: the case of America and Japanese multinational affiliates*". Journal of Economic Development, Volume 29, No: 163, 2004.

Liu, et al (2002), "Relationships between Economic Growth, Foreign Direct Investment and Trade: Evidence from China," Applied Economics, 34, 1433-40.

Lipsey, Robert E. (2001), *Foreign Investment in Tree Financial Crises*. NBER Working papers No. 8084, Cambridge, MA: national Bureau of Economic Research.

Lopez, P. (2005), '*Foreign Direct Investment, Exports and Imports in Mexico*'. Economic thesis, Department of Economics. Keynes College, University of Kent, Canterbury, Kent. Email: P.Pacheco-Lopez@kent.ac.uk.

Maji, A. &Odoba, A. J. (2011), "*An Investigation of the Impact of Foreign Direct Investment on Economic Growth in Nigeria*". Journal of International Business and Management, Vol. 3, No. 1, ISSN: 1923-8428.

Merriam, W. (2009), Encyclopaedia Britannica dictionary: computer software.

Meerza, S. I. A. (2012), The causal links between trade, foreign direct investment and economic growth form Bangladesh. Working paper.

Metwally, M.M. 2004. Impact of EU on Economic Growth in Middle Eastern Countries. European Business Review, 16 (4) pp. 381-389.

Miankhel, A. K., Thangavelu, S. M., &Kalirajan, K. (2009). Foreign direct investment, export and economic growth in South Asia and selected emerging countries: A multivariate VAR analysis. Working paper 23, Centre for Contemporary Asian Studies, Doshisha University.

Moose, L.R. (2002), '*Foreign Direct Investment, International Knowledge transfers, and Endogenous Growth'.* Department of Economics, University of Kent.

Mundell, R. A. (1957), '*International Trade and Factor Mobility'.* American Economic Review, Vol.47 (3), 321-335.

Nigerian Export Processing Zones Authority (2004), Investment Procedures, Regulations and Operational Guidelines for Free Zones in Nigeria.

Nigerian Investment Promotion Commission (2006), Report on the Establishment of One-Stop-Shop Service in Nigeria. Abuja.

Njong, A. M. & Raymond, T. (2011), "*investigates the effect of FDI on export growth of Cameroon*". International journal of current research. ISSN 0975-833X. Vol. 3, 2011.

Obadan, M.I., (2004), *Foreign Capital Flows and External Debt" perspectives on Nigeria and the LDCs group*. National Centre for Economic Management and Administration (NCEMA) Ibadan, Nigeria.

Ogujiuba, K. &Obiechina, E. (2004), "*Foreign Private Capital, Economic Growth and Macroeconomic Indicators in Nigeria: An Empirical Framework*" International Journal of Economics and Finance, Vol. 4, No. 10; 2012 ISSN 1916-971X.

Ogunkola, E.O. & Jerome, A. (2006), "*Foreign Direct Investment in Nigeria: Magnitude, Direction and Prospects*". Journal of Economics and Sustainable Development, Vol.4, No.1, 2013.

Olayiwola, K. &Okadua, H. (2010), "*foreign direct investment, non-oil exports, and economic growth in Nigeria: a causality analysis*". Asian Economic and Financial Review, Vol. 3(11):1479-1496.

Oyatoye, E. O., Arogundade, K.K., Adebisi, S.O. &Olukayode, E.F. (2011), "*Foreign Direct Investment, Export and Economic Growth in Nigeria*" European Journal of Humanities and Social Sciences Vol. 2, No.1 (2011). ISSN: 2220-9425.

Peasaran E. & Shin A. (1998). Foreign direct investment and economic growth in the USA: Evidence from renewable energy. *Renewable and Sustainable energy Reviews,* 16 (2012) Pp 6770 – 6774.

PhamS. (2008), ''*temporal causality and the dynamics of foreign direct investment, exports and imports in Vietnam'.* (Online) available at http://www1doshisha.ac.jp/~jepa.

Ponce, P., (2006), '*Openness and Foreign Direct Investment: The Role of Free Trade Agreements in Latin America*'. MPRA Paper 4187.

Rasiah, R., (2003), "*Foreign Ownership, Technology and Electronics Exports from Malaysia and Thailand*". Journal of Asian Economics, Vol. 14, 785.

Rahman, H. (2007), Impact of Foreign Direct Investment (FDI) Inflows on Equilibrium Real Exchange Rate of Pakistan, South Asian Studies, A Research Journal of South Asian Studies, Vol. 25, No. 1, January June 2010, 125-141.811.

Rashmita, K.S., (2013), "Export growth in India: has FDI played a role?" Economic Growth CanterforWorking Paper 816 Yale University.Connecticut, Conn, USA.

Sahoo, F. (2006), "*Role of FDI on economic growth: case of Bangladesh, India, Pakistan, srilanka, and Nepal*". International Journal of Economics and Finance, Vol. 5, No. 6; ISSN: 1916-971X.

Sasidharan & Ramanathan (2007), "*Foreign Direct Investment and spillovers: evidence from Indian manufacturing*", International Journal of Trade and Global Markets, Vol.1, No. 1.

Shao, W.L. (2007), ''*Foreign Direct Investment and export performance: The case of Taiwan*''. (Online), available at www.library.uow.edu.au/adt-NWU/uploads/approved/adt-NWU20080122.131121/public/01Front.

Sharma, K. (2000), "*Export Growth in India: Has FDI played a role*?". Yale University Economic Growth Centre Discussion paper No. 816.

Sharma, K., (2000), "*Factor's Determining India's Export Performance*". Journal of Asian Economics, 2003 Vol. 14 (3) pp. 435-446.

Shawa, M.J.,& Shen, Y. (2013), "*Causality Relationship between Foreign Direct Investment, GDP Growth and Export for Tanzania*" International Journal of Economics and Finance; Vol. 5, No. 9; 2013 ISSN 1916-971X.

Soliman, M., (2003), '*Foreign Direct Investment and LDCs Exports: Evidence from the MENA Region'.* American Journal of Economics 2012, 2(3): 3340.

Sultan, Z.A., (2009), "*Causal relationship between foreign direct investment inflow and export in India*". Journal of economic and sustainable development, 2013. Volume, 4, No. 2,ISSN: 2222-1700.

Turkcan, T. &Saygilu, R.F., (2010), "*Foreign direct investment inflows and net exports relationship in turkey*". International journal of social sciences and humanity studies, 2011. Vol. 3, No. 2, ISSN: 1309-8063.

Todaro, M.P. (1985) ''Economic Development'' 5th edition, Longman, New York and London.

Todaro, M.P. and Smith, S.C. (2003): Economic Development, 8th Edition, Pearson Education Asia.

UNCTAD, (1999, 2000, 2002,2004, 2005, 2006& 2007), World Investment Report, the United Nations, Geneva.

United Nations Conference on Trade and Development (2002), World Investment Report: Transnational corporations and Export Competitiveness (2002), New York. Available: http://www.unctad.org/en/docs/wir2002_en.pdf.

Vernon, R. (1966), "International Investment and International Trade in the Product Cycle", Quarterly Journal of Economics, vol. 80, 190-207.

Vukšić, G., (2007), ''*Foreign Direct Investment and Export Performance of the Transition Countries in Central and Eastern Europe''*. Available at www.ijf.hr/eng/employees/vuksic.pdf.

Wacker, S.E. (2011), "*Impact of FDI on developing countries tern of trade*" International Journal of Business and Management, 2011. Vol. 6, No. 1.

Wondimaghegn M. (2011). Energy and Economic Growth in Ethiopia: Granger Causality Approach. M.Sc. Thesis unpublished, Addis Ababa University School of graduate studies.

World Bank (1998), World Development Indicators, Washington DC: Eastern Africa Department, the World Bank.

Xuan, N.T. & Xing, Y., (2008), "*foreign direct investment and export in Vietnam*". Economic of transition journal, 2008. Vol.6 (2), ISSN: 183-197S.

Yanikaya, H. (2003), "*Trade openness and economic growth: a cross-country empirical investigation*". Journal of Development Economics, 2003. Vol. 72, No. 1.

Zhang, K.H. (2005), *How Does FDI Affect a Host Country's Export Performance? The Case of China*. Online Available: http//www.faculty.washington.edu./kariyu/cofer/xian05/paper/zhang.