

Business Climate, Infrastructure and Institutions in Nigeria: Implication for Foreign Direct Investment

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Abstract

The business climate in any country is one of the many factors that play a major role in attracting foreign direct investment that brings about economic growth. A favourable business climate helps countries create opportunities for mobilising private and foreign investment for growth in the economy; it engenders sustainable development and alleviates poverty. Thus, this study examined how the business climate and institutions would positively impact foreign direct investment in Nigeria, which will indirectly help in improving the business climate and institution for greater economic growth. This will assist in the attainment of SDG 9 (maintaining industry, innovation and infrastructure) and SDG 16 (attaining peace, justice and strong

institutions). The study used secondary and employed the Auto-regressive Distributed Lag (ARDL) bounds test. The study found out that business climate, government stability, inflation, law and order and socio-economic condition significantly affect the inflow of foreign direct investment in Nigeria. Therefore, the study recommends that to enhance a favourable business climate that will attract foreign direct investment the Nigerian government should ensure that there is adequate security and provide infrastructural facilities to attract foreign investors.

We recommend

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Ethical conduct of research

The authors state that they have obtained appropriate institutional review board outlined in the Declaration of Helsinki for all human or animal experimental investigations. A signed informed consent document has been obtained from all participants included in the study.

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