

IMPACT ASSESSMENT OF FOREIGN DIRECT INVESTMENT, OIL REVENUE ON ECONOMIC PROSPERITY IN NIGERIA

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Abstract

Nigeria as a country is supposed to be overflowing with God-giving resources, yet the economy is motionless and faced with numerous problems such as rise in poverty level, unemployment rate, dwindling inflation and interest rates, lack of infrastructural development and a host of others. Countries like Nigeria blessed with natural resources is meant to flourish given the fact that there is little or no expertise in the creation of natural wealth. However, this paper empirically dissects the relationship between foreign direct investment, oil revenue and economic prosperity in Nigeria. Secondary data of Gross Domestic Product, Oil Revenue and Foreign Direct Investment were obtained from the Central Bank of Nigeria Statistical Bulletin for the period of 1981-2015. Using the Ordinary Least Square estimation technique, the study indicated that GDP is negatively influenced by oil revenue as well as foreign direct investment. On this note, it was recommended that suitable measures that ensure accountability and transparency in the oil and gas industry as well as investment environment should be put in place by the government in order to withstand the revenue generated from oil and foreign investment in Nigeria. By putting these measures in place, funds generated from oil and foreign investments may be invested in the agricultural industry as a means of diversification such that it will sustain and harness economic growth given the dwindling nature of oil prices in the international market.

Keywords: Economic Prosperity; Oil Revenue; Foreign Direct Investments; Oil and Gas Sector; Manufacturing Industry; Dutch Disease Syndrome

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