

## **EFFECT OF FOREIGN DIRECT INVESTMENT ON NIGERIAN ECONOMIC GROWTH**

**Adigwe P. K. (Ph.D)**

Department of Banking and Finance  
Nnamdi Azikiwe University , Awka

**Ezeagba, Chaerles E. (Ph.D, FCNA)**

Department of Accountancy,  
Nnamdi Azikiwe University, Awka

**&**

**Francis N. P. Udeh (Ph.D)**

Department of Accountancy,  
Nnamdi Azikiwe University, Awka, **NIGERIA**

### **ABSTRACT**

This paper determined the relationship between foreign direct investment, exchange rate and gross domestic product. Using time series data, data for the study were collected from CBN Statistical Bulletin from 2008 to 2013. Pearson Correlation was used to test the hypothesis with aids of SPSS version 20.0. The findings revealed that there is a significant relationship between FDI, EXR and GDP, indicates that economic growth in Nigeria is directly related to foreign direct investment and exchange rate. The paper thereby recommends among others that there is need for government to be formulating investment policies that will be favorable to local investors in order to compete with the inflow of investment from foreign countries.

**Keywords:** FDI, Exchange rate and economic growth.