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Investment Challenges and Prospects in Nigeria: Critical Assessment of Foreign Direct Investment (FDI)



Abstract

In recent decades, Africa has recorded a large inflow of investments and is regarded as an investment destination that could follow the path of emerging continents such as Asia and South America. Although a rich continent in terms of natural resources, Africa is still the poorest and the least developed region of the world. Key investment challenges include unfavorable investment climate, poor governance, institutional failures, macroeconomic policy imperfection, and inadequate infrastructure, and unstable political environment among others. The main purpose of this study was to examine the challenges and prospects of investment in Africa in general and Nigeria in particular. To be able to meet this objective, a qualitative case study research approach was used. Data collection methods such as review of literature, observations, and personal experiences were used. Purposive sampling procedure was used to select FDI in Nigeria among other investments, while content and discourse analysis techniques were useful in analyzing the data. The key message highlighted in the conclusions and recommendations is that Nigeria can realize its potentials to attract increased FDI but key policy concerns need to be addressed in order to attract and widen FDI flows into the country. Among others, these include improved investment policy and regulatory frameworks, improved political and economic environments, as well as, developed infrastructure.

Key words: Africa, Nigeria, Foreign Direct Investment, Challenges and Prospects.