

Foreign Direct Investment and the Nigerian Manufacturing Sector (2008 - 2015)

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(T. C. Foreign Direct Investment and the Nigerian Manufacturing Sector – 2008 to 2015)

Abstract: *This research study deals with the effect of Foreign Direct Investment on the Nigeria manufacturing sector and the country's economic growth over the period 2008-2015. The study empirically examined if the following growth determining variables in the economy; Exchange rate, Ease of Doing Business, Gross Fixed Capital Formation and Government expenditure in addition to Foreign Direct Investment have any effect on the manufacturing sector performance for the period. The quantitative study looked at the effect of Foreign Direct Investment on the manufacturing sector through the dependent variables of Manufacturing Sector Gross Domestic Product, Manufacturing Sector Output Growth and the Manufacturing Sector Capacity Utilization. Econometric models were developed to investigate the relationships between the variables. Based on the data analyses using Ordinary Least Square Regression approach, it was discovered that Foreign Direct Investment has positive impact on all the dependent variables. The analyses also revealed that Foreign Direct Investment has statistically significant impact on the Manufacturing Gross Domestic Product and Manufacturing Output Growth but has no significance on the capacity utilization. Therefore, the study recommends that for Nigeria to attract and sustain the desired level of Foreign Direct Investment that would hugely impact the manufacturing sector; it must develop and implement sound economic policies that would encourage domestic capital formation, improve ease of doing business in a stable polity. Nigerian government must develop and manage state-of-the-art infrastructures that would lower cost of doing business, thereby making the environment investor friendly.*

Keywords: FDI, Nigeria, Economy Manufacturing, Capacity Utilization, Economic Growth

1. Introduction

Nigeria as with many other developing countries recently see attracting Foreign Direct Investment as an important strategy for economic development. This is more so, because, Foreign Direct Investment is regarded as an amalgamation of capital, technology, marketing and management. Nigerian government has adopted several strategies and frameworks to attract Foreign Direct Investment (FDI) to the manufacturing sector in the past because of the believe that the modernization of the sector requires a deliberate and sustained application and combination of suitable technology, management techniques and other resources that can be gotten through FDI to move the economy from the traditional low level of productivity to a more automated and efficient system of mass production of goods and services (Anowor, Ukwani & Ezekwem, 2013; Babatunde, 2010; Malik, Teal & Baptist, 2006). The extent of FDI effect on GDP through the contributions of the manufacturing sector has not been properly explored or adequately documented. More so, there have been little or no existing literature on the period under consideration (Okoli & Agu, 2015; Salami, & Oyewale, 2013). Anowor, et. al., (2013), studied on the relationship between Foreign Direct Investment and the Manufacturing Growth in Nigeria in today's dynamic world.

With its divergent facets, globalization has become a household term that many especially in the developing world see as threats to everything that nation's economic sovereignty stands for (Junarsin, 2009), even with the evident benefits of globalization such as the flow of foreign direct investment (FDI) to the manufacturing sectors across the global economy (Machiko & Erik, 2008). Accumulation of physical capital funds such as FDI in addition to human capital among other things can help to achieve economic growth as believed by almost every development theory.

Such accumulation of capitals could ensure the achievement of the major objective of every nation, of high economic growth that would lead to rapid economic development through poverty reduction, creation of employment opportunities and the entire promotion of citizenry welfare (Okoli & Agu, 2015). Hence, the problem tackled in this study is the effect of FDI inflow to the manufacturing sector performance and its contribution to Nigerian economic growth.

Per Mimiko (2010), the surge in foreign direct investment across national borders in the last three decades is one of the most important impacts of globalization processes. In sub-Saharan Africa alone, FDI has continued to grow annually at a compound rate of 19.5% since 2007 though the impact on the manufacturing sector of the region has not been properly evaluated and documented (Anowor, et. al., 2013; EY, 2017). Foreign Direct Investment across national borders in the last three decades is one of the most important impacts of globalization processes in deed. Scholars have debated on FDI as a catalyst for economic growth and living standard of the host nations through technology transfer, human capital development and the improvement of domestic production capacities. The Nigerian government had only given significant attention to FDI-foreign economic policies in the last 15 years with resultant execution of 6 Bilateral Investment Treaties (BITs) and 11 Double Taxation Treaties (DTTs) geared towards boosting FDI inflow (Adejumo, 2013; Anowor, et. al., 2013; Okoli & Agu, 2015).

The effect of FDI on the manufacturing sector and its contributions to the gross domestic product (GDP) of Nigerian economy is worth continuous investigation. FDI inflow into the trade and business services has been dwindling over time from 16.9% to 8.3% and 25.8% in 1970- 1974, 1985 – 1989 and 2000 – 2001 respectively, though Nigeria has managed to attract over \$20 billion

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worth of Foreign Direct Investment (FDI) between 2012 and 2015 (Alu, 2015). Nigerian economy has enjoyed one of the top positions in capital inflow from the rest of the world because of the large market size of the economy, the level of its trade openness and political stability experienced in the last two decades. This has changed in recent times due to recent events that have made such benefits unsustainable such as the present socio-political upheaval from the sect of some anti-social group popularly known as the Boko-Haram and the Niger-Delta Militants. Such events have been detrimental to the economic health as well as the growth of the nation which has resulted in a kind of snail movement in the development process, lack of industrialization, capital flight, and absence of transfer of technology. For example, the level of Nigeria's share of FDI inflow to Africa has never been consistent since 1960 when it was 35.3% to 13.6% in 2000, then 16.3% in 2005 and 14.1% in 2010 (Adejumo, 2013; Okoli & Agu, 2015; Soumyananda, 2010).

This study addressed whether FDI has had any significant impact on the Nigerian economy, the manufacturing sector and the effect in the lives of Nigerians. Based on this, research questions were raised to assess Nigerian economic Performance indicator through the sector because of Foreign Direct Investment. This quantitative research study investigated the independent variables related to Foreign Direct Investment inflow. The independent variables were correlated with dependent variables consisting of economic performance indications; Gross Domestic Product, capacity utilization and Manufacturing Sector Output Growth. The significance of the study is its message to potential key stakeholders of the country. These Key stakeholders include: the government policy makers and regulators, the new entrant or investors who might be contemplating to enter the Nigerian market, the manufacturing companies and the public.

This paper is divided into five parts. Part one above is the introduction. Part two reviews the relevant theories through existing literatures, the methodology employed in this study is discussed in part three. Part four contains data presentation and analysis while part five discusses the findings, conclusion and recommendation.

2. Literature Review

Globalization have been viewed critically per Austin, Donald and Isaac (2009), as nothing other than a phase of capitalist expansion across markets. This implies movement of goods and services, technology transfer and capital from one economy to another. The movement of skills, technology and capital across nations through globalization process presumed that interacting economies of nations witnessed rapid integration of productive and investment decisions which leads to breakdown of trade and investment barriers, emergence of truly global companies. The economy of the nations through foreign direct investment witnesses increasing international trade share and heightened capital mobility across borders. Foreign direct investment potents the benefit of exposure to new ideas, economies of scale in production, gains in efficiency and improved quality of products at reduced prices and output, competitiveness and cheaper source of external finance. Okoli and Agu (2015),

added that FDI involves not only the transfer of funds and reinvestment of profits by the multinational companies with head quarters in developed countries, but also the wholepackage of physical capital, techniques of production, managerial and marketing expertise, products advertizing and business practices for the maximization of the global profits.

According to OECD, (2008), FDI is often seen as a driver for economic development as it may bring capital, technology, management know-how, jobs and access to new markets. Policy-makers have therefore, tended to emphasize the benefits that FDI can bring to host economies, particularly developing countries which has made many developing economy governments to develop policies to encourage inward FDI. The role of FDI has been widely recognized as a growth-enhancing factor in the developing countries and has emerged as the most important source of external resources flow to the developing countries over the years, thereby becoming a significant part of capital formation in these countries. The share of these developing countries in the global distribution of FDI has remained small over time or even declining (Olaleye, Memba & Riro, 2015; Ugochukwu, Okore & Onoh, 2013). The potential benefits of FDI from industrialized economies to developing countries such as Nigeria include exposure to new ideas, economies of scale in production, gains in efficiency, and improved quality products at reduced prices, increased competitiveness and increased output as well as tapping of cheaper sources of external finance. Just as Micro-economic strategies today are concerned primarily with adding value in production through innovation by "smart" workers, technological breakthroughs, participatory work and continuous deployment of new knowledge, it is important to diagnose the economic crisis confronting Nigeria and the effect of the inflow of FDI to the manufacturing sector (Olaleye, Memba & Riro, 2015; Oparanma, Hamilton & Zep-Opibi, 2009).

Researchers for years have studied the flow of FDI because of globalization and the flow of FDI to African countries. The highly-developed economies such as Europe and North America and Japan received about 71% of the global USD 1.3 trillion FDI inflow during the year 2000 while the African countries' share of the FDI inflow dropped to 0.6% from its previous low value of 1% (Akinmulegun, 2012; Olaleye, Memba & Riro, 2015; Salami & Oyewale, 2013). In the globalization era, Nigerian government has adopted several policies including the International Monetary Fund (IMF) monitored liberalization of its economy to attract FDI. The government welcomed foreign investors in the manufacturing sector; offered incentives for ownership of equity in all industries except the key industries such as the military equipment. Tax relief incentives and concessions are available to investors who would develop local raw materials (Soumyananda, 2011). Micro-economic strategies are known to basically concern with addition of values in production by way of innovation, higher human capacity, technology transfer, participatory work and continuous application and utilization of new knowledge. Whether the Nigerian economy and the manufacturing sector benefits from the globalization induced FDI. whether, the manufacturing sector in Nigeria is equipped to operate

favorably as well as cope with the rigors and dictates of FDI flow across borders is subject to discussion. The Nigerian manufacturing sector has been experiencing a wavy trend in performance since the early 1970's. This became worst with sharp decline during the early 1980's when prices of oil plummeted leading to the collapse of the global oil market. Nigerian government as with other governments that depended on oil revenue was compelled to enforce severe austerity measures due to the reduction in oil revenue and foreign exchange earnings because of the oil market crisis (Anowor, et. al., 2013; Austin, et. al., 2009; Okoli & Agu, 2015; Soumyananda, 2011). The austerity measures in the form of structural adjustment program considerably undermined the role of the Nigerian state in defining the priorities of its national economic development. This inability was further eroded by the rules of the world trade organization through open market and fair competition (Austin, et., al., 2009).

The argument whether foreign direct investment (FDI) contributes to economy of nations has been going for decades. Researchers have spent so much time focusing on the study of FDI and its contributions to economic growth since it has been seen to have a significant impact on economy of nations. Some argue that FDI inflow brings about efficient distribution of resources in relation to other forms of capital inflows to a nation's economy. Such advocates include; economists, academics, developmental organizations and policy makers. There have been divided opinions on the impact of FDI on host nation's economic growth; whereas some studies believe foreign direct investment inflows impact the host nation's economic growth positively, some believe it does not impact the economic growth positively, which hampered the interest in FDI. The hostile attitude of policy makers towards FDI especially among the developing countries had dampened interests and studies on FDI until in recent time when the shifting international economic and political environment has caused renewed interest in the benefits that foreign direct investment can offer the developing countries to attain economic growth (Anowor, et. al., 2013; Okoli, & Agu, 2015; Omankhanlen, 2011).

Varying external variables such as human capital development, transfer of technology and globalization of national economy contributed to the new perception of FDI against the old idea that had seen FDI as a retarding measure that hinders the development of domestic industries of the host nations for export promotion. FDI supplements for the shortage in domestic capital by so doing contributes to investment in domestic productivity. Transnational corporations (TNCs) were the main source of FDI in developing countries through international trades in the last decades. Higher profitability experienced by the TNCs in the foreign markets undergoing growth in addition to lower cost of production and exchange risks encouraged the inflow of FDI to developing countries. Other factors that warranted the change of mindset towards FDI as supported by researchers include; transfer of technology, gains in productivity, new products and processes through advanced know-how and managerial skills in the host market; employee development through training and foreign exposure, international production networks that brings

about unprecedented access to market especially international markets and spillovers. TNCs are assumed to bring about rapid increase in technical progress in the host nation through FDI as they bring with them advanced technology and management practices that are transferred to the domestic organizations (Akinmulegun, 2012; Anowor, et. al., 2013; OECD-ILO, 2008; Omankhanlen, 2011). Soumyananda (2011), asserted that FDI plays important role in promoting economic development and growth, raising a country's technological level and creating employment. He went further to state that FDI works as a means of integrating under developed countries into the global market and raising capital availability for investment. He surmised that FDI is an important tool for growth in developing countries with two broad actions. The actions are; (1) expanding capital stocks in the host nations and (2) bringing employment, managerial skills, and technology. Okoli and Agu (2015), also posited that transfer of technology, as well as increase in managerial and marketing skills are expected from FDI inflow to domestic industries of the host nation in order to enhance their productivity and economic growth. Flying Geese model of the 1960s assumes that TNCs relocate production based on cost of labour inputs to reduce production cost and maintain competitiveness. He argued that TNCs uses the host country's abundant factor, increases the export supply capacity and bring in new technology, capital equipment, and managerial expertise as well (Mohammed & Ekundayo, 2014). While arguing on the four stages of production that technology passes; which include, innovation, growth, maturity and decline; Vernon (1966) (as cited in Mohammed & Ekundayo, 2014) through the Product Life Cycle (PLC) hypothesis suggested that FDI plays a positive role in promoting exports of the hosts countries.

Adejumo (2013), asserted that the presence of TNCs in host economy can be uncertain, particularly in the developing economies like Nigeria and as a result, host economies should be able to influence the extent private international investments impact on the economy. This means that, although Foreign Direct Investment has a positive effect on the economy of developing nations' economy, caution must be observed to avoid depending completely on the TNCs for the nations' economy considering their inherent risk. Okoli and Agu (2015) in the same line posited that; FDI should be carefully channelled to areas where comparative advantage exists, in order not to erode the local capability or wherewithal. They went further to argue that, foreign private investment should complement the production efforts of the labour force in the host economies in terms of skills, technical know-how and wages. FDI should not erode the local skills, technical know-how and wages by unemployment through undue importation of labour, underemployment through ill-positioning or underutilization of locals or national, or by provision of asymmetrical information or knowledge through importation of half-hazard skills or partial training.

Researchers have argued that only nations that have attained certain level of development and income can absorb new technologies to benefit from its diffusion that could bring about the listed benefits that FDI offers. They have argued that there is a certain threshold level of income above which

foreign direct investment has favorable effect on economic growth and below which it becomes unfavorable to economic growth. The state of the human capital has been identified as the differentiator to how FDI respond to various levels of development and income in any given economy. This stems from the fact that new technologies and innovations can only be properly understood and spread to the rest of the economy by a well-educated population to create an important effect on the economic growth. This supports the argument that there is a minimum level of human capital needed for a nation's economy to experience a favorable FDI effect (Akinmulegun, 2012; Anowor, et. al., 2013; Okoli, & Agu, 2015; Onodugo, Kalu, & Anowor, 2013). Otepola, (2002), asserted that low level of human capital skill does not encourage FDI inflow, hence, the insignificant impact of FDI. According to Akinmulegun, (2012), the poorer nations are lagging the richer developed nations in tapping into the benefits of the new knowledge and information-driven economy due to poor human capital development. This is so because at the centre of the higher growth rates that characterise the new global economy is the vastly increased knowledge content of production, distribution and consumption of goods and services. Hence, a well-educated populace economy benefits more from FDI.

Education has increasingly turned out to be an important determinant in development process and for Foreign Direct Investment as seen in the experiences of nations like, Singapore, China Taiwan, Ireland, Costa Rica, Korea, and Malaysia. The experiences of these countries in succeeding in attracting substantial FDI through human capital development highlight the recognition of the economic planners of these countries that the skill development of their workforce is necessary for a sustained growth. Singapore for example used education and language policies as a vehicle to produce trained and globally competitive workforce. A large fraction of unskilled workforce and a minuscule FDI were the core resources for their industrial development (Okoli & Agu, 2015; Onyeagu & Okeiyika, 2013). Olaleye et. Al. (2015), looked at how Capital Allowance relates to the inflow of FDI to the listed manufacturing companies in Nigeria. FDI holds higher productivity only when the host country has a minimum threshold stock of human capital. Human capital is very important for any economy that wants to advance in manufacturing. This assumption is based on the theory that knowledge and skills domicile in humans directly raises productivity and increases the economy's ability to develop and to adopt to new technologies (Aggrey, 2017; Fuente, 2011; Okoli & Agu, 2015; Suomyananda, 2011).

Evidence from past studies have shown that FDI does not influence economic growth in the long-run due to capital diminishing returns. Minimum threshold of human capital, economic and political stability and liberalized market are needed for an economy to benefit from long-term FDI inflows even when FDI is favorably correlated with economic growth though insignificantly as reported by some studies. Policy consistency, political regime, real income per capita, rate of inflation, world interest rate, credit rating and debt service are other important variables that affect FDI in developing countries. These are more so important for a Nigerian economy to be able to draw the much needed FDI

into the non-oil sector for improved export competitiveness in goods and services. It is arguable though, if such benefit of transfer of technology from FDI of TNCs is achieved in the long run as most of the TNCs provide their affiliate in the host nation with few, none or wrong kind of technological capabilities for profit maximization (Akinmulegun, 2012; Anowor, et. al., 2013; Omankhanlen, 2011). Okoli and Agu, (2015), in their work on foreign direct investment flow and manufacturing sector performance in Nigeria argued in favor of long-run effect of FDI inflow on a nation's economy and encouraged that, government actions should be geared towards strategically maintaining and sustaining policies that will help stimulate FDI inflows especially in the in the long-run. This according to their work resulted in a positive effect on the manufacturing value added in the long-run at the same time brought about the promotion of efficient and enabling macroeconomic environment on which manufacturing firms can thrive.

Irrespective of the periods covered by previous empirical studies in this area, most of the researches concentrated on the effect of FDI on Nigerian economy without addressing its contributions to the manufacturing sector. Some studies conclude that FDI inflow is mainly utilized to establish new enterprises in developing countries such as Nigeria, which often fail due to poor management system. Along this line, Akinlo, (2004), in his study drew the conclusion that foreign capital has small and no statistically significant effect on economic on economic growth in Nigeria. Jerome and Ogunkola, (2004) research on the magnitude, direction and prospects of FDI on economic growth in Nigeria empirically showed that there were deficiencies in the harmonization of foreign direct investment into meaningful economic growth in Nigeria. Anowor, et., al., (2013) in their study on foreign direct investment and the manufacturing sector growth in Nigeria; among other findings concluded that, FDI, domestic investment, exchange rate and the degree of trade openness were all related to manufacturing sector output growth in Nigeria. They further stated through their model that foreign direct investment, degree of openness, exchange rate and lagged error term were statistically significant in explaining variations in Nigeria's manufacturing output growth and gross domestic product as a proxy for economic growth. To further strengthen and substantiate on the studies made on the relationship between FDI and manufacturing sector, this study investigates the contributions of foreign direct investment to the manufacturing sector in Nigeria; looking at FDI impact in the manufacturing capital base, output growth and Nigerian economic growth.

Early 21st century saw massive inflow of Foreign Direct Investment inflow into the African continent. The continent share of the global FDI increased to \$1.3 trillion in 2006 from the 2000 value of \$9.68 billion as it became the global business focus of the century. The surge in the FDI inflow into African continent especially between 2000-2007 was because of favorable business environment in the region followed by reformed FDI framework adopted by major African nations. The FDI inflow was predominantly in the vast natural resources across the continent. Leading among the recipient of the FDI inflow into Africa are; South Africa, Nigeria and Angola, which are nations rich in natural

resources (Okoli & Agu, 2015; Soumyananda, 2011). Whether the FDI inflow into the continent has been helpful in growing the economy of the continent is yet a different story worth studying.

The share of foreign direct investment inflow to Africa that ends up in Nigeria has fluctuated over the decades; it fell from 35.3% in 1990 to 13.6% in 2000, it rose to 16.3% in 2005 and stabilized at 14.1% in 2010. In the end, the Nigerian economy has received the highest inflow of FDI capital in the continent from the rest of the world owing specifically to the large market size of the economy and the extent of trade openness among other policies. Activities of several socio-political groups in Nigeria in recent times such as the “book haram” and the “Niger delta” militants’ agitation have been detrimental to the health of the economy and the growth of the country at large. The activities of such groups listed above has contributed in making the macro-economic environment un conducive for foreign investors leading to capital loss while limiting the advantage of the large market size and the open trade policy ((CBN, 2016; Okoli & Agu, 2015). Soumyananda (2011), in his study, factors Determining FDI to Nigeria: An Empirical Investigation; while suggesting contrary to common opinion that in the long-run, market size is not a significant contributor to FDI inflow to Nigeria; maintained that macro-economic risk factors such as inflation and exchange rates are significant determinants of foreign direct investment inflow to Nigeria. Ayanwale (2007), on another hand while investigating the empirical relationship between non-extractive FDI and economic growth in Nigeria, found that FDI has a positive connection with economic growth. He however, cautioned that the overall effect of FDI on the economic growth in Nigeria may not be significant.

Empirical research shows that excessive Foreign Direct Investment inflow into Nigeria can cripple the performance and output level of manufacturing firms in the country. It is also true that when little or insufficient Foreign Direct Investment inflow is experienced, the operations of the manufacturing firms in Nigeria are also affected. This can also hamper the performance and output level of the manufacturing firms; hence, making the Nigerian economy to be over dependent on foreign firms for technology transfer, importation of raw materials, transfer of required skill needed in terms of efficient human resources because the human capital is unable to impact on the activities of manufacturing firms in Nigeria (Okoli & Agu, 2015). The manufacturing sector which is essential to Nigerian’s diversification, has often been hit by damaging and obsolete government monetary policies. This exacerbates some already fast-growing employment crisis as foreign investors flee en-mass from the Nigerian environment. The flee of foreign investors in such cases reduces the adsorptive capability of the advanced technologies that are needed for FDI to contribute to economic growth (Kolawole, 2016; Okoli & Agu, 2015). Ugochukwu, Okore and Onoh, (2013) concluded that FDI had a positive and insignificant impact on the growth of Nigerian economy for the period of 1981-2009. Irrespective of the conclusion above, Ademola, (2012) argued that the extent of achieving sustainable economic growth and development in any given nation is neither by the material nor human resources such a nation is endowed

with, but through technological innovation, enterprise development and industrial capacity. Okoli and Agu (2015) went further to add that, the market size of any economy and its degree of trade openness are among other things that attract FDI to the economy with the intent to enhance the performance of the manufacturing sector.

3. Research Methodology Model Specification

Time-series data on the variables under this study covering a seven-year period between 2008 and 2015 are used in this study for estimation of functions. Foreign Direct Investment (FDI), Gross Fixed Capital Formation (GFCF), Exchange Rate (EXR) and Interest Rate (INTR) are the prevalent explanatory variables. Gross Domestic Product (GDP) which is the quantitative variable that measures economic performance of a country (Ehimare, 2011) forms the dependent variable. In attempt to finding the appropriate effect that FDI has on the manufacturing sector in Nigeria, the study adopts ordinary least square (OLS) method of estimation of regression statistics models and economic theories as used by Gujarati, (2007); Anowor, et. al., (2013); Ehimare, (2011); Akinmulegun and Oluwole, (2013). The regression model formulates a mathematical model that best describes the data collected (Ebekozi, Ugochukwu and Okoye, 2015). Though simple linear regression models quantify the relationship between two variables, one shall be dependent variable while the other is independent variable. The factors whose values are being estimated are referred to as the dependent variables (such as Manufacturing Product Output Growth, Manufacturing Gross Domestic Product) and the factors from which these estimates are made become the independent variable; in this case, Foreign Direct Investment (FDI). Considering that dependent variables do not depend on the independent variable, FDI alone as agreed by several studies; more growth determining variables are added to form a more realistic regression model (Adejumo, 2013; Akinmulegun, 2012; Anowor et. al., 2013; Ebekozi, Ugochukwu & Okoye, 2015; Ehimare, 2011).

Multiple regression analysis was used to measure the linear relationship between a dependent (Y_n) and multiple variables (X_n). Using a web-based regression software, Free Statistics Software Office (FSSO), the analysis produced a regression equation that would indicate the specific attributes of FDI that impacts the dependent variables. The equation would be in the form of:

$$y = b_0 + b_1 X_1 + b_2 X_2 + b_k X_k \dots \dots \dots (1).$$

Each variable X_n would denote the effect of an independent variable on the target dependent variable. An ideal significance for p-value is 0.000; a p-value of less than 0.05 was desired in the multiple regression analysis in this study. The p-value in combination with the adjusted coefficient determination R^2 was used to determine the best multiple regression equation, and to reject or to not reject the hypotheses (Nalkur, 2010; Wessa, 2017).

The models to address the research study are:

Model I

Model I is expected to capture objective one of the study, which is to determine the level of impact of FDI on the

capital base of the manufacturing sector. The proxy utilized in this study for the capital base is the Manufacturing Sector Gross Domestic Product (MGDP).

$$MGDP = f(FDI, EXR, EODB, GFCF) \dots\dots\dots(2)$$

Where: MGDP = Manufacturing Sector Gross Domestic Product

FDI = Foreign Direct Investment
 EODB = Ease of Doing Business

For the regression analysis, equation (2) transforms to equation (3)

$$MGDP = \alpha_0 + \alpha_1 FDI + \alpha_2 EXR + \alpha_3 EODB + \alpha_4 GFCF + \hat{\epsilon}_t \quad (3)$$

Where:

- α_0 = the intercept for equation (7)
- α_1 = the parameter estimate for FDI
- α_2 = the parameter estimate for EXR
- α_3 = the parameter estimate for EODB
- α_4 = the parameter estimate for GFCF
- $\hat{\epsilon}$ = the random variable or error term

Model II

The essence of model two is to capture the second objective of the study, which is to determine the impact of FDI on the Manufacturing Sector Output Growth (MANFQ) in Nigeria. The equation for this model is stated below:

$$MANFQ = f(FDI, EXR, EODB, GOVEXP) \quad (4)$$

Where MANFQ = Manufacturing Sector Output Growth

FDI = Foreign Direct Investment
 EXR = Exchange Rate
 EODB = Ease Of Doing Business
 GOVEXP = Government Expenditure

For the regression analysis, equation (4) transforms to equation (5)

$$MANFQ = \beta_0 + \beta_1 FDI + \beta_2 EXR + \beta_3 EODB + \beta_4 GOVEXP + \hat{\epsilon}_t \dots\dots\dots(5)$$

Where:

- β_0 = the intercept for equation (7)
- β_1 = the parameter estimate for FDI
- β_2 = the parameter estimate for EXR
- β_3 = the parameter estimate for EODB
- β_4 = the parameter estimate for GOVEXP
- $\hat{\epsilon}$ = the random variable or error term

Model III

Model III is expected to capture objective number three of the study, which is to determine empirically the impact of FDI inflow in view of the Manufacturing Sector Capacity Utilization on economic growth in Nigeria. The equation for model III is as stated below:

$$AMFCU = f(FDI, EXR, EODB, GOVEXP) \quad (6)$$

Where:

AMFCU = Average Manufacturing Sector Capacity Utilization

FDI = Foreign Direct Investment
 EXR = Exchange Rate
 EODB = Ease Of Doing Business
 GOVEXP = Government Expenditure

For the regression analysis, equation (6) of model III transforms to equation (7)

$$AMFCU = \gamma_0 + \gamma_1 FDI + \gamma_2 EXR + \gamma_3 EODB + \gamma_4 GOVEXP + \hat{\epsilon}_t \dots\dots\dots(7)$$

Where:

- γ_0 = the intercept for equation (7)
- γ_1 = the parameter estimate for FDI
- γ_2 = the parameter estimate for EXR
- γ_3 = the parameter estimate for EODB
- γ_4 = the parameter estimate for GOVEXP
- $\hat{\epsilon}$ = the random variable or error term

4. Data Analysis and Presentation of Results

The purpose of the study is to test the empirical evidence which has cast doubts on the relationship between FDI and standard of living and employment through its impact on the manufacturing sector of the Nigerian economy using statistical approach. The regression analysis and tests of hypotheses were conducted at 5% significance level. After running the relevant regressions using the Free Software Online, the following results as detailed below were obtained:

Model I

Model I addressed hypothesis 1. The hypothesis is ${}_1H_1$: Foreign direct investment has a significant impact on the capital base of the Nigerian manufacturing sector. This has a null hypothesis, ${}_1H_0$: Foreign direct investment does not have a significant impact on the capital base of the Nigerian manufacturing sector. The manufacturing gross domestic product is used as proxy to capital base.

$$MGDP = \alpha_0 + \alpha_1 FDI + \alpha_2 EXR + \alpha_3 EODB + \alpha_4 GFCF + \hat{\epsilon}_t$$

$$MGDP[t] = -9454.84 + 0.188769FDI[t] - 6.4647EXR[t] + 86.5924EODB[t] + 0.342358GFCF[t] + e[t]$$

Table 2: Multiple Linear Regression - Ordinary Least Squares Statistics for model I

Variable	Parameter	S.D.	T-STAT H0: parameter = 0	2-tail p-value	1-tail p-value
(Intercept)	-9455	6101	-1.55E+00	0.219	0.11
FDI	0.189	1.852	1.02E-01	0.925	0.463
EXR	-6.465	25.93	-2.49E-01	0.819	0.41
EODB	86.59	42.86	2.02E+00	0.137	0.068
GFCF	0.342	0.105	3.26E+00	0.047	0.024
R-squared			0.976		
P-value			0.009		

Sources: Computed by the author from result of estimated equation for model-I

Model-I tested the effect of four different variables namely; Foreign Direct Investment (FDI), Exchange Rate (EXR), Ease of Doing Business (EODB) and Gross Fixed Capital Formation (GFCF) on Manufacturing Gross Domestic Product (MGDP). The OLS technique was used to obtain the regression result. The result obtained from the regression shows that there is positive impact of FDI on MGDP with a coefficient of 0.189. The positivity in the coefficient of the FDI is in conformity to the economic a priori expectation of a positive impact of Foreign Direct Investment on the capital base of the Manufacturing Sector Gross Domestic Product vis-a-vis the capital base of the manufacturing sector which MGDP represents. This suggests that a unit increase in the FDI inflow will result in 0.189 units increase in the Manufacturing Gross Domestic Product.

The analysis also suggests that there is an inherent inverse relationship between exchange rate and manufacturing gross domestic product with negative coefficient of 6.465. Akin to the a priori expectation, a unit increase in the exchange rate would result in 6.465 units' reduction in the Manufacturing Gross Domestic Product. The Ease of Doing Business (EODB) is expected increase as Manufacturing Gross Domestic Product increases. EODB has a coefficient of 86.59 positive. The empirical analysis shows that as EODB increase by a unit, the manufacturing gross domestic product increases by 86.59 units. Gross Fixed Capital Formation (GFCF) has a positive relationship with manufacturing gross domestic product with coefficient of 0.342. This implies

that, a unit increase in GFCF would translate to MGDP increasing by 0.342 units.

From the regression statistics result in table 2, the R-squared (R^2) value of 0.976 shows that at 97.6% the explanatory variables explain changes in the dependent variable. This means that at 97.6%, the independent variables explain changes on the Manufacturing Gross Domestic Product (MGDP). This simply means that the explanatory variables explain the behavior of the dependent variable at 97.6% while the remaining variation is captured by the error term: then, the estimated model-I can be concluded to be of good fit and reliable for making policy. The p-value for the F-Statistics is 0.009 which is less than 0.050. At 5% significance level, the analysis rejects the null hypothesis and therefore conclude that the estimated model is statistically significant.

Model II

Model II addressed hypothesis 2. The hypothesis is H_2 : Foreign direct investment has a significant impact on the output growth of the Nigerian manufacturing sector. The null hypothesis, H_0 is: Foreign direct investment does not have a significant impact on the output growth of the Nigerian manufacturing sector.

$$MANFQ = \beta_0 + \beta_1 FDI + \beta_2 EXR + \beta_3 EODB + \beta_4 GOVEXP + \hat{\epsilon}_t$$

$$MANFQ[t] = -57.3381 + 0.0259333FDI[t] -0.526884EXR[t] + 0.402738EODB[t] + 0.0148715GOVEXP[t] + e[t]$$

Table 3: Multiple Linear Regression - Ordinary Least Squares Statistics for model II

Variable	Parameter	S.D.	T-STAT H0: parameter = 0	2-tail p-value	1-tail p-value
(Intercept)	-57.34	19.99	-2.87E+00	0.064	0.032
FDI	0.026	0.008	3.38E+00	0.04319	0.022
EXR	-0.527	0.111	-4.75E+00	0.018	0.009
EODB	0.403	0.157	2.57E+00	0.083	0.041
GFCF	0.015	0.003	5.33E+00	0.013	0.007
R-squared			0.881		
P-value			0.028		

Sources: Computed by the author from result of estimated equation for model-II

Model-II tested the effect of four different variables namely; Foreign Direct Investment (FDI), Exchange Rate (EXR), Ease of Doing Business (EODB) and Government Expenditure (GOVEXP) on Manufacturing Sector Output Growth (MANFQ). The OLS technique was used to obtain the regression result. The result obtained from the regression shows that there is a positive impact of FDI on MANFQ with a coefficient of 0.026. The positivity in the coefficient of the FDI is in conformity to the economic a priori expectation of a positive impact of Foreign Direct Investment on Manufacturing Sector Output Growth in this study. This suggests that a unit increase in the FDI inflow will result in 0.026 units increase in the Manufacturing Sector Output Growth.

The analysis also suggests that there is an inherent inverse relationship between exchange rate and Manufacturing Sector Output Growth (MANFQ) with negative coefficient of 0.527. Akin to the a priori expectation, a unit increase in the exchange rate would result in 0.527 units' reduction in the Manufacturing Sector Output Growth. The Ease of Doing Business (EODB) is expected to increase as

Manufacturing Output Growth increases. EODB has a coefficient of 0.403 positive. The empirical analysis shows that as EODB increase by a unit, the Manufacturing Sector Output Growth increases by 0.403 units. Government Expenditure (GOVEXP) has a positive relationship with Manufacturing Sector Output Growth with coefficient of 0.015. This implies that, a unit increase in GOVEXP would translate to MANFQ increasing by 0.015 units.

From the regression statistics result in table 3, the R-squared (R^2) value of 0.949 shows that at 94.9% the explanatory variables explain changes in the dependent variable. This means that at 94.9%, the independent variables explain changes on the Manufacturing Sector Output Growth (MANFQ). This simply means that the explanatory variables explain the behavior of the dependent variable at 94.9% while the remaining variation is captured by the error term: then, the estimated model-II can be concluded to be of good fit and reliable for making policy. The p-value for the F-Statistics is 0.028 which is less than 0.050. At 5% significance level, the analysis rejects the null hypothesis

and therefore conclude that the estimated model is statistically significant.

Model III

Model III addressed hypothesis 3. The hypothesis is H_3 : Foreign direct investment inflow in view of manufacturing sector capacity utilization has a significant impact on economic growth in Nigeria. The null hypothesis, H_0 :

Foreign direct investment inflow in view of manufacturing sector capacity utilization does not have a significant impact on economic growth in Nigeria.

$$AMFCU = \gamma_0 + \gamma_1 FDI + \gamma_2 EXR + \gamma_3 EODB + \gamma_4 GOVEXP + \epsilon_t$$

$$AMFCU[t] = 32.5988 + 0.00354085 FDI[t] - 0.0487759 EXR[t] + 0.140362 EODB[t] + 0.00179725 GOVEXP[t] + e[t]$$

Table 4: Multiple Linear Regression - Ordinary Least Squares Statistics for model III

Variable	Parameter	S.D.	T-STAT H0: parameter = 0	2-tail p-value	1-tail p-value
(Intercept)	32.6	7.993	4.08E+00	0.027	0.013
FDI	0.004	0.003	1.15E+00	0.333	0.166
EXR	-0.049	0.044	-1.10E+00	0.352	0.176
EODB	0.14	0.063	2.24E+00	0.111	0.056
GFCF	0.002	0.001	1.61E+00	0.206	0.103
R-squared			0.89		
P-value			0.086		

Sources: Computed by the author from result of estimated equation for model-III

Model-III tested the effect of four different variables namely; Foreign Direct Investment (FDI), Exchange Rate (EXR), Ease of Doing Business (EODB) and Government Expenditure (GOVEXP) on Manufacturing Sector Capacity Utilization (AMFCU) as a proxy to economic growth. The OLS technique was used to obtain the regression result. The result obtained from the regression shows that there is a positive impact of FDI on AMFCU with a coefficient of 0.004. The positivity in the coefficient of the FDI is in conformity to the economic a priori expectation of a positive impact of Foreign Direct Investment on Manufacturing Sector Capacity Utilization in this study. This suggests that a unit increase in the FDI inflow will result in 0.004 units increase in the Manufacturing Sector Capacity Utilization.

The analysis also suggests that there is an inherent inverse relationship between exchange rate and Manufacturing Sector Capacity Utilization (AMFCU) with negative coefficient of 0.049. Akin to the a priori expectation, a unit increase in the exchange rate would result in 0.049 units' reduction in the Manufacturing Sector Capacity Utilization. The Ease of Doing Business (EODB) is expected to increase as Manufacturing Sector Capacity Utilization increases. EODB has a coefficient of 0.140 positive. The empirical analysis shows that as EODB increase by a unit, the Manufacturing Sector Capacity Utilization increases by 0.140 units. Government Expenditure (GOVEXP) has a positive relationship with Manufacturing Sector Capacity Utilization with coefficient of 0.140. This implies that, a unit increase in GOVEXP would translate to AMFCU increasing by 0.140 units.

From the regression statistics result in table 4, the R-squared (R^2) value of 0.890 shows that at 89% the explanatory variables explain changes in the dependent variable. This means that at 89%, the independent variables explain changes on the Manufacturing Sector Capacity Utilization (AMFCU). This simply means that the explanatory variables explain the behavior of the dependent variable at 89% while the remaining variation is captured by the error term: then, the estimated model-III can be concluded to be of good fit and reliable for making policy. The p-value for the F-Statistics is 0.086 which is greater than 0.050. At 5%

significance level, the analysis rejects the hypothesis and therefore concludes that the estimated model is not statistically significant.

5. Discussion, Conclusion and Recommendations

This section provides insights into the effects of all the variables affecting foreign direct investment and the manufacturing sector and their impact on the Nigerian economic growth. Recommendations are made along with their supporting justifications that have inferred from the regression analyses and findings.

Discussion of the Results

The OLS regression analysis was carried out to determine the impact of Foreign Direct Investment (FDI), Exchange Rate (EXR), Ease of Doing Business (EODB), Gross Fixed Capital Formation (GFCF) and Government Expenditure (GOVEXP) on Manufacturing Gross Domestic Product (MGDP) which an indication of the manufacturing economic performance reflecting their capital bases; Manufacturing Sector Output Growth (MANFQ) and Manufacturing Sector Capacity Utilization (AMFCU) used here as proxy to Nigerian economic performance because there is a positive relationship between capacity utilization and Gross Domestic Product (GDP) (Atoyebi, Ishola, Adekunjo, Kadiri & Ogundeji, 2013). Hence, MGDP, MANFQ and AMFCU were regressed on FDI, EXR, EODB, GFCF and GOVEXP. Though the impact of FDI is of primary concern in this study, the other four economic variables were included to serve as "control variables" to check the overstating of the estimated coefficient of FDI.

The results of the findings show that FDI has positive effect and statistically significant on the manufacturing sector gross domestic product contribution, though not statistically significant on the overall Nigerian economy growth in view of the sector's capacity utilization. This simply shows that, the inflow of FDI into the Nigerian economy for the stipulated period this study covered (2008-2015), the FDI contributed to the manufacturing sector performance but was not a major contributor to Nigerian economic growth. The significance of FDI on MGDP shows that the manufacturing sector capital base has benefited through FDI inflow to

enhance the sector's performance and output growth. Anowor, et. al., (2013) arrived at similar finding that FDI augments domestic resources which enhances domestic investment of any economy, thus enhancing economic growth and development of the country. Ehimare (2011), asserted also that FDI through fixed capital formation has positive impact on the growth of the economy vis-à-vis gross domestic product of any country.

In all the regression analyses conducted in this study, foreign exchange rate (EXR), had negative coefficients. This showed that exchange rate had negative effect on the three areas of the manufacturing sector studied; the manufacturing gross domestic product, the manufacturing sector output growth and the manufacturing sector capacity utilization and the inflow of foreign direct investment into the Nigerian economy for the period studied (2008 -2015). This could be due the fact that almost all the raw materials, machineries and equipment used by the Nigerian manufacturing sector are imported. This supports the work of Ehimare on Foreign Direct Investment and Its Effect on the Nigerian Economy. Ehimare concluded that exchange rate had great effect on the inflow of FDI into the Nigerian economy (Ehimare, 2011). According to Ehinomen and Oladipo in Exchange Rate Management and the Manufacturing Sector Performance in Nigerian Economy found that in Nigeria, exchange rate appreciation does have a significant relationship with domestic output; which is contrary to theoretical expectation that exchange rate depreciation will promote manufacturing export, encouragement of local use of input and growth in the manufacturing sector (Ehinomen and Oladipo, 2012).

The results obtained from the regression in all the three models considered, show that there is positive impact of Ease of Doing Business (EODB) during the period of 2008 to 2015 considered in this study and Manufacturing Sector Gross Domestic Product (MGDP), Manufacturing Sector Output Growth (MANFQ) and Manufacturing Sector Capacity Utilization (AMFCU) with coefficients of 86.59, 0.403 and 0.140 respectively. This conforms to the economic a priori expectation of positive impact of Ease of Doing Business on the Manufacturing Sector performance. Detail, in the article; Redefining the Ease of Doing Business in Nigeria affirmed that improving on ease of doing business enhances the economy of any country (Detail, 2016).

The Gross Fixed Capital Formation (GFCF) for the period of study had a positive coefficient of 0.342; which indicated a positive impact on the manufacturing sector gross domestic product (MGDP). Ehimare, (2011) observed that GFCF has a positive impact on Balance on Current Account (BCA) though inelastic to GDP. In the study, The Linkage Between Capital Formation and Capacity Utilization of Manufacturing Sector in Nigeria, Atoyebi et. al., suggested that the manufacturing sector performance could only be improved if the government can increase capital formation via commercial banks increased rate that will mobilize savings and consequently increase the domestic investment (DIVNT) and local output. They went further to state that the overall measure of capital formation will act as a major determinant of manufacturing sector in Nigeria (Atoyebi, et. al., 2013). The FDI that promotes capital formation will

ensure positive significance on domestic investment and crowd-out domestic investment as suggested by (Ugochukwu, Okore, & Onoh, 2013). Danja, (2012) also stated that there is a very strong relationship between foreign direct investment and GCFC that can be used as a measure of standard of living.

From the regression analyses also, Government Expenditure (GOVEXP) was shown to have positive impact on both Manufacturing Sector Output Growth ($MANFQ = \beta_0 + \beta_1 FDI + \beta_2 EXR + \beta_3 EODB + \beta_4 GOVEXP + \hat{\epsilon}_i$) and Manufacturing Sector Capacity Utilization ($AMFCU = \gamma_0 + \gamma_1 FDI + \gamma_2 EXR + \gamma_3 EODB + \gamma_4 GOVEXP + \hat{\epsilon}_i$) with coefficients of 0.149 and 0.002 respectively. The positivity of the coefficients of GOVEXP in model-II and Model-III conforms to the economic a priori expectation of a positive impact of Government Expenditure on MANFQ and AMFCU. This conforms with existing literatures. The study on government expenditure in the manufacturing sector and economic growth in Nigeria (1981-2010) demonstrated that government expenditure has a negative relationship with the manufacturing sector performance without FDI (Ademola, 2012).

The impact and significance of Foreign Direct Investment (FDI) on the manufacturing sector and the Nigerian economic growth. The objectives were achieved using the Ordinary Least Square regression analyses of data on the MGDP, MANFQ, AMFCU, FDI, Exchange rate, Ease of Doing Business, Gross Fixed Capital Formation and Government Expenditure sourced from various secondary databases. From the foregoing, it is evident as demonstrated in the analysis that FDI exert significant impact on manufacturing sector gross domestic product for the period under consideration. This finding is in conformity with existing literatures (Ehimare, 2011; Danja, 2012; Anowor, et. al., 2013). The first objective of the study was achieved from the findings; indicating FDI has a significant impact on the manufacturing sector capital base in Nigeria using the manufacturing sector gross domestic product as proxy. This implies the Nigeria government should embrace policies that will attract FDI inflow to the country that will boost manufacturing sector capital formation such as reducing income tax on manufacturing companies while increasing importation tariffs.

FDI was also found to exert significant impact on the manufacturing sector output growth in Nigeria for the period considered in the study which is also in conformity with existing literatures (Anowor, et. al., 2013; Ehimare, 2011; Danja, 2012). As a result, the second question of the study; what impact does FDI have on the output growth of Nigerian manufacturing sector was answered by the findings. This indicates that foreign direct investment has significant impact on the manufacturing sector output growth in Nigeria. From this result, it would be evident that Nigerian government should embrace policies that will attract FDI inflow to the country that would boost the manufacturing sector output growth.

The results further show that FDI has positive impact on Nigerian economy through the manufacturing sector capacity utilization though not significant. This finding is in

conformity with existing literature and answers the third question of the study; what is the impact of foreign direct investment inflow in view of the manufacturing sector capacity utilization on economic growth in Nigeria? From this finding, there is indication that FDI has no significant impact on the Nigerian economic growth in view of the insignificance on the manufacturing sector capacity utilization. Thus, the implication is that the Nigerian government should adopt policies that attract FDI to all subsectors of the manufacturing sector to maximize the capacity of the country Atoyebi, et. al., (2013) and Anowor, et. al.,(2013) confirm the result of these analyses.

6. Conclusion and Recommendations

Just as with other literatures in this field if study, there is no empirical evidence that strongly supports the inflow of Foreign Direct Investment (FDI) as pivotal to economic growth in Nigeria that could quality for the insistence of various administrations chasing after FDI for economic growth. However, studies provide evidence that suggest that FDI can act as vehicle for new ideas, technology transfer, and skills can be transferred to local firms through the manufacturing sector.

As a result, this study used OLS regression analysis to prove that the FDI have significant effect on the capital base and output growth of the manufacturing sector, and insignificant on capacity utilization in Nigeria. Based on the above, this study recommends to Nigerian government a policy approach that would promote technology driven FDI, innovation, entrepreneurship and competition thereby diversifying the subsector of the manufacturing sector. The recommendations are as follows:

- 1) Nigerian government and the private sector stakeholders of the economy should consider utilizing FDI as a measure of improving capital formation with appropriate measures in place to check economic and financial recklessness. This will boost investors' confidence and position Nigeria as a pivot investment destination among the developing countries and the sub-Saharan. Favorable investment climate and offering of high returns on investment would always keep Nigeria as a top FDI destination in Africa according to Mordi, (2013). Ehimare (2011), added that appropriate measures should be placed to check economic and financial crimes to achieve such feat.
- 2) Monetary policies that would ensure consistent and properly regulated foreign exchange rate should be developed and implemented at all fronts to sustain high level of FDI inflow to the economy. Nigerian government should peg exchange rate at ten naira to a US dollar while ensuring good use of locally sourced raw material for manufacturing. Stable exchange rates will encourage businesses to bring in money to Nigerian economy for investment and expansion of existing manufacturing companies with the assurance that devaluation of local currencies over time will not impact their investments and profits negatively (Ehimare, 2011; Kwoke & Buzugbe, 2015).
- 3) Government expenditures should be directed more on infrastructural development to attract and retain foreign investors. Infrastructures such as uninterrupted

electricity, good road network and adequate water supply should be made readily available to reduce the cost of investors doing business in Nigeria. This idea is supported by Salami and Oyewale, (2013) suggestion that Nigerian government, stakeholders and NGOs should make the business environment attractive to foreign investors, encourage production, and generate employment especially for rural populace.

- 4) Policies should be formulated to make it easy for investors to open businesses in Nigeria. For example, policy of 100% foreign investment ownership of activities the promote technological and infrastructural advancements should be created. This boost investors' confidence as independency in running and managing investment is assured. State-of-the-art technological infrastructure should be put in place and free zones created to encourage competition and entrepreneurship. Government and universities should sustain the current trend of entrepreneurship development programs being promoted in the university systems for goal directed promotion of business ideas and entrepreneurial skills (Anowor, et. al., 2013; Ehimare, 2011; Amobi, 2014).
- 5) Nigerian government and the private sector stakeholders should develop and implement policies that would promote human capacity development. This development should be encouraged more in the areas of science and technology that would avail the nation economy the required skills that FDI requires to maximize the utilization of the countries' abundant capacity. There is proven evidence that high positive relationship exists between FDI and the level of educational standard in the host economy. Based on this, orientation of interest for existing higher schools should be geared towards technical and science education especially towards core engineering profession through the review of outdated curriculum and adoption of new curriculum that would attract and retain the best engineering potentials (Kwoke & Buzugbe, 2015; Akinmulegun, 2012; Ehimare, 2011; Anowor et. al., 2013; Olurunfe, 2013).

This study strongly believes, that the effective implementation of the recommendations proffered herewith, will ensure a consistent avenue through which FDI will meaningfully contribute to the expansion and stability of the manufacturing sector that would in turn promote the economic growth of the Nigerian economy. In this way, Nigeria would be able to maintain the achievements recorded in the non-oil sector as stated by Alu (2015), that the sustained growth of the non-oil sectors over the last few years has catalyzed the nation's export growth story, making it one of the fastest growing in the world.

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