THE IMPACT OF FOREIGN DIRECT INVESTMENT ON AGRICULTURAL OUTPUT IN NIGERIA

A thesis submitted to the Othman Yeop Abdullah Graduate School of Business, University Utara Malaysia, in Partial Fulfillment of the Requirement for the Master of Economics.

BY
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ABSTRACT

This study examines the impact of Foreign Direct Investment on Agricultural output in Nigeria from 1970-2012 using an autoregressive distributed lag (ARDL) model. Data were sourced from the National Bureau of statistic (NBS), Central Bank of Nigeria (CBN), and the World Development Indicators. Results from the analysis reveal that Foreign Direct Investment, Government expenditure and Exchange rates in the period under study have significant positive effects on Agricultural output, whereas Interest rates and Inflation variables have negative effect on Agricultural output, although the Inflation rate is not significant. Increase in volume of Foreign Direct Investment is recommended, Government and other stakeholders should seek Foreign Direct Investment. It is also recommended to improve macroeconomic policies that will encourage agricultural sector productivity in Nigeria.
ABSTRAK

DEDICATION

I dedicate this work to my primary source, the Almighty God who has made it easy for me to carry out this study.
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CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The federal republic of Nigeria is in west Africa between latitude $4^0$ to $14^0$ North and between longitudes $2^0$ 2’ and $14^0$30’ East, in the North the country is bounded by the Niger and Chad Republic, to the South by the Atlantics Ocean; in the East by the Cameroon Republic – the country takes its name from its popular river, the Niger. Nigeria has a land area of about 923 769 km$^2$ (FOS, 1989); the surface area of Nigeria is 91.07 million hectors, 57% of which is believed to be either crop or pastures, while the remaining 43% is divided amongst forest, water bodies and other uses. West breadth is about 800km and the North-South length is 1450km. the total land boundary is 4,047km whereas the coastline is 853km. The irrigated land is estimated at 9570 km$^2$ with an arable land area of 33%; pasture 44%, crops 3%, forest 12% in the west and others 8% (FMEN, 2001).
The contents of the thesis is for internal user only
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