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IMPACT OF FDI IN TELECOMMUNICATION AND MINING ON NIGERIA /GHANA ECONOMIES 1986-2022 COMPARATIVE ANALYSIS.

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Abstract

The impact of FDI on economic growth of Nigeria and Ghana has generated enormous professional debate, hence this research. The study was prompted to investigate empirically the impact of FDI in telecommunication and mining on both economies. The study covered a period of 39years spanning from 1986-2022 with specific objectives to examine the impact of FDI in telecommunication on Nigeria and Ghana economics and to ascertain the impact of mining on the Nigeria and Ghana economics. The study employed OLS in analyzing the secondary data. The study revealed that foreign invested has impacted Nigeria and Ghana economies significantly at 0.05% level of significance. The study recommends among others that government should create enabling environment via security to attract foreign investors in Nigeria and Ghana.

Keywords: foreign investment, exchange rate, economic growth, Nigeria and Ghana.

Introduction

One of the most salient features of today's globalization is the increased inflow of capital across the nations. Foreign capital is considered by many countries (especially developing ones) as a major source of resources needed to attain economic growth and development. It is seen as a means of bridging the resources gap inherent in many developing nations.
Foreign capital is seen as an amalgamation of capital, technology, marketing and management, and thus its role in economic growth and development cannot be overemphasized.
The integration of the Nigerian economy with the global economy increased sharply on the 1990's with the changing economic policies and lowering of barriers to trade and investment. This has led to increased inflow of foreign capital. The increased inflows of foreign capital are expected to result in faster economic growth through trade and investment over the years.

The underdeveloped nature of the Nigerian economy that essentially hindered the pace of her economic development has necessitated the demand for foreign investment into the country. Aremu (1997), noted that Nigeria as one of the developing countries of the world has adopted a number of measures aimed at accelerating growth and development in the domestic economy, one of which is attracting foreign investment into the country. According to World Bank (1996), FDI is an investment made to acquire a lasting management interest (normally 10% of voting stock) in a firm or an enterprise operatingin a country other than that of the investor defined according to residency. However, foreign investment (FDI)is often seen as an important catalyst for economic growth in the developing countries because it affects the economic growth by stimulating domestic investment, increase in capital formation and also facilitating the technology transfer in the host countries. (Falki, 2009).
Foreign investment can complement domestic development effort of host economies by:

a. Increasing financial resources and development;
b. Boosting competitiveness;

c. Generating employment opportunities and strengthening the skill base;
d. Protecting the environment and social responsibility; and
e. Enhancing technological capabilities via four basic channels which are the internalization of research and development, migration of skilled labour, linkages with suppliers or purchasersin the host economies and horizontal linkages with completing or complementary companies in the same industry.

Despite the phenomenal inflow of foreign capital to Nigeria over the years, the performanceof the economy has been epileptic. The economy has remained monoculture, with oil contributing over 60% of GDP on the average since 1990 and over 90% of the export. It therefore becomes pertinent to examine the impact of foreign investment on economic growth in Nigeria and Ghana.

A number of studies have analyzed the relationship between FDI inflows and economic growth, but the issue is far from settled in view of the mixed findings reached. Thecenter-peace of the neo-liberal School otherwise known as the Pro-Foreign Investment School is that FDI can provide crucial help in modernizing the industrial order for the developing countries. They also believed that Trans-national Corporations (TNCs), through their FDI could provide much of the 'motor' needed for economic growth in developing countries (Penrose, 1961 and Chenery and Stout, 1966). As opposed to the claim of the dependency theories that FDI leads to transfer of economic control and wealth of foreign powers ultimately leading to economic marginalization of the FDI/host countries, neo-liberals argue that FI provides vast benefits to recipient firm and host economies of TNCs affiliates (Matzner, 1996).

Firstly, they believe that FDI brings crucial western knowledge and value in the form of superior Western management qualities, business ethics, entrepreneurial attitudes, better labour/capital ratio, and production techniques. Secondly, FDI possible industrial grading by typing firms of developing countries hosting TNCs affiliates into global research and development (R&D) networks, and thus resulting in technology transfer as well as providing a greater deal of investment fund (Fisher and Gelb 1991). Thirdly, FDl leads to the growth of enterprises by providing access to Wester markets. This growth in turn provides a source of new jobs and stimulates demand hosting TNCs affiliates (Apter, 1965).

In contrast to this submission by the pro-foreign investment school, the dependency theory advocates see FDIas advanced guard for a new diplomacy of economic imperialism (Bailey, 1995; Inzeit, 1994; Aslund, 1995; Ake, 1996; Landsburg, 1979; Hejidra, 2002). To them, foreign investors' penetration into a host economy would result in 'disarticulated development'. They also believe that the integration of developingcountries' economy into the world of capitalist system would result in their underdevelopment in a sort of what Wolf (1974), referred to as 'dependence causes underdevelopment".

According to Aremu (2005), dependency theory maintains that, developing countries are poor because they have been systematically exploited through: imperial neglect; overdependence upon primary products as exports to developed courtiers; foreign investors' malpractices, particularly through transfer of price mechanics, foreign firm control of key economic sectors with crowding-out effect for domestic firms; implantation of inappropriate technology in developing countries; introduction of international division of labour to the disadvantage of developing countries; prevention of independent development strategy fashioned around domestic technology and indigenous investors; distortion of the domestic labour force through discriminatory remuneration: and reliance on foreign capital in form of aid that usually aggravated corruption and dependency syndrome (Amin, 1976).

In the same vein, the dependency theories have also focused on how FI of multinational distort developing nation economy. In the view of these scholars, distortions include the crowding out of national firms, rising unemployment related to the use of capital-intensive technology, and a marked loss of political sovereignty (Umah; 2007). It is also argued that FDI are exploitative and imperialistic in nature, thus ensuring that the host country absolutely depends on the home country and her capital. (Anyanwu; 1993). From the forgoing, dependency theories believe the participation of developed countries into developing nations via their FDI or any other means cannot be expected to produce beneficial result on the developing economies.

There are a lot of mixed findings and inconclusive result on the impact of foreign investment, authors like Ugwuegbe (2013) the result of the OLS techniques indicates that FDI has a positive and insignificant impact on the growth of Nigeria economy for the period under study. Onu (2012) study found that FDI has the potential to positively impact upon the economy though the contribution to GDP was very low within the period under review. While the following authors like Adegbemi (2012) shows that FDI has a significant impact on output of the economy but that the growth effects of FDI differ across sectors. Oyatoye, Arogundade, Adebisi, & Oluwakayode, (2011) the study concluded that there is a positive relationship between foreign investment and gross domestic product (GDP). This study improves on the previous studies by using an updated literature on the effect of foreign investment on the Nigeria economic growth. The researcher also employed error correction model result to short the short-run effect of the model.

The general null hypothesis of this research is that foreign investment has no significant impact on Nigeria and Ghana economy, in view of the general hypothesis this study attempts tostate the following:
Ho: Oil Sector investment has no significant impact in Nigeria and Ghana GDP.
Ho_2 : There is no significant relationship between foreign agricultural investment inNigeria and Ghana GDP.
Ho3 There is no significant relationship between foreign manufacturing investments in Nigeria and Ghana GDP.
Ho1: there is no significant relationship between foreign telecommunication and economic growth inGhana and Nigeria.

Significance of the study

1. Government and Policy makers: The findings of this study acts as a mirror to showwhether foreign investment is beneficial to the Nigerian economy or not. Besides thefinding of this study could serve as an important reference for designing economicpolicies that could engender efficient foreign investment and enhance economic growth.Government will also see the need of pursuing sound and stable socio-economic policieswhich not only help to attract FI but also to consolidate and earn the best return fromevery dollar of FI.
2. Academics: This research work is a very good teaching /learning material for bothlecturers and students in higher institutions who wish to learn about foreign investmentand its effects on the economy of developing countries.
3. Researchers: The study serves as a reference material for further research in this field.
4. Investors and savers: knowledge they say is power. The study will reassure confidence ininvestors especially as most information needed for investment strategies are discussed inthe work.
5. Society/ Economy: the result and conclusion of this research will also add value to theForeign Investment knowledge in Nigeria and Ghana economy generally, throughfacilitating of our economic growth.
6. This research work will aid in understanding the importance of foreign investment in thedevelopment of various aspect of the economy. Increased FI inflow will lead to increasedtransfer of technical knowledge and ideas that would improve local skills andproductivity.

Increased FDI inflows will lead to increased employment of labour, thus increasing incomeand reducing poverty. The dependents population will also will be more empowered tocater for them.

The purpose of this review is to examine the already existing literature that will give this study guide. The literature available provided critical analysis and helped to improve the methodology used, we have the conceptual, theoretical and empirical reviewed.
Kindlebarger (1965) has defined economic growth as more output. He however goes further to say that growth is output derived from greater amounts of inputs but also greater efficiency (i.e an increase in output per unit of input). Freidman (1972) on his part defines growth as an expansion of the system in one or more dimensions without a change in its structure. While Thingan (1997) summed up by saying that economic growth is related to a quantitative, sustained increase in a country's per capital output or income accompanied

by an expansion in its labour force, consumption, Economic growth as used denotes an increase in the GNP/GDP of a country overtime.
Okonkwo Rita (2015) has defined agriculture as the science or practice of farming.Pate and Hamza (2015) on their part defined agriculture as the production of animals, fishes, crops and forest resources for the consumption and other benefits of man. According to Okafor (2017), Agriculture is the process of producing food, feed, fibre and many other desired products by the cultivation of certain plants and the raising of domesticated animals (livestock). The practice of agriculture is also known as "farming"while scientists investors and others devoted to improving farming methods and implements are also said to be engaged in agriculture, subsistence farming, who farms asmall area with limited resources inputs and produces only enough food to meet the needsof his/her family. At the other end is commercial intensive agriculture, includingindustrial agriculture.

Petroleum - Oil and Natural Gas foreign investment
Okonkwo (2015) defined petroleum as the liquid material used to make asphalt. It would further be defined as a mineral oil that is found under the ground or the sea and it is used to produced petrol/gas, paraffin Diesel oil etc.
Emmanuel and Isaac (2016), believed that oil and natural gas together make petroleum. Petroleum, which is Latin from rock oil, is a fossil fuel, meaning it was made naturally from decaying prehistoric plant and animal remains. It is a mixture of hundreds of different hydrocarbons molecules containing hydrogen and carbon that exist sometimes as a liquid (crude oil) and sometimes as a vapor (natural gas).
Telecommunications foreign investment
Telecommunications refers to the exchange of information by electronic and electrical means over a significant distance (Okafor 2017). A complete telecommunication arrangement is made up of two or more stations equipped with transmitter and receiver devices. A single co-arrangement of transmitters and receivers called a transceiver, may also be used in many telecommunications devices include telephones, telegraph, radio, microwave communication arrangements, fibre optics, satellites and the internet. Telecommunication is also known as telecomm.
Mining

Pate and Hamza (2015) have defined Mining as the process of getting coal and other minerals from under the ground. Buzan (1991) said mining as an example of extractive industries are those who engage in obtaining raw materials and natural resources from the soil or sea. The extractive occupation is concerned with making available raw materials and natural products from the land or sea.
Keynesian maintains that investment is an investment which adds to capital equipment. It provide increase in level of income and production by increasing the production and purchase of capital goods. Investment however, includes new plant and equipment, construction of public works like roads, damns, buildings, etc. In the words of John Robinson, "By investment, is meant an addition to capital, such as addition to capital, which occurs when a new house is being built or a new factory is built. Investment means making an addition to the stock of goods in existence."

Acceleration Theory of Investment
The principle of acceleration is based on the fact that the demand for capital goods is derived from the demand for consumer goods which the former helps to produce. The acceleration principle explains the process by which an increase or decrease in the demand for consumption goods leads to an increase or decrease in investment on capital goods. The accelerator coefficient is the ratio between induced investment and an initial change in consumption expenditure.
Symbolically, $\beta=\Delta 1/\Delta C$ or $\Delta 1=\beta\Delta C$ where ß is the accelerator coefficient, AI is net change in investment and AC is net change in consumption expenditure.
Empirical Review

Topics related to this study have been researched by various investigators and at this point. It is important to evaluate those areas they researched on and also consider their methodology, findings, conclusions and recommendations which are considered in concluding this study.

Foreign Investment Inflows and Economic Growth

Okafor Victor and Eyisi Sabina, (2017), researched on Relationship between Fl, Capital market and Nigerian economy. The variables used were Annual Market Capitalization as the independent variable and GDP as the dependent variable. The findings revealed that capital market has positive significant impact on Nigeria economy; FI in Nigeria have significant impact on economic growth and that FI enhances the capitalization of Nigerian capital market.

Emmanuel Isaac John (2016) investigated on effect of Foreign Investment on Economic growth in Nigeria. The study covered the period between 1981 to 2015. The variables used are Gross Domestic Product, FI, and exchange rate. The results showed that foreign investment has a positive and significant effect on gross domestic product. It was also found that exchange rate has a positive but not significant effect on gross domestic product.

Ugwuegbe S.U, and John Okey Onoh (2013) worked on "the impact of Foreign Investment on the Nigerian economy. The variables used are Gross Domestic Product, Gross Fixed Capital Formation, Foreign Direct Investment, Exchange rate and interest rate. The results showed that FI has a positive and insignificant impact on the growth of Nigerian economy for the period under survey.

Onyali C.I. and Tochukwu G.O. (2014) examined the effect of Foreign Investment and the Nigerian economy. The study employed the use of ordinary least square regression test using time series data from 2000-2009. The result revealed that increased inflow of FI in Nigeria is a major pathway towards achieving Vision 2020 economic growth.

Apana Gladys, and Yehoah Evans (2018) investigated on FI inflows and outflows in Ghana and its export and import. The variables used are foreign Direct Investment, Export, Import and Gross domestic product. Their result revealed that there is a direct relationship between export and import of the GDP and the overall growth.

Ibekwe A.O, Ibekwei A.I and Egungwu.l. (2018) studied the effect of foreign investment on economic growth of Nigeria. In other to achieve this objective the study used the ordinary least squares regression analysis. The variables used were agricultural foreign direct investment, Petroleum F1 and Real Gross domestic product. The findings discovered that agricultural FI is positive and statistically significant while petroleum FI is positive but statistically insignificant.

Niyi, A.A and Ismaila .O. (2017) assessed the impact of FI on economic growth in Nigeria. The study employed the ordinary least square regression techniques. The variables used are Gross domestic product, foreign direct investment and exchange rate. The result of their study showed that FI largely promotes economic growth and a positive relationship was also found between GDP and exchange rate.

Okon .J. Umoh, Augustine O.J. and Chuku. A. Chuku (2012) in his study on the effect of FI and economic growth in Nigeria found that F1 and economic growth are jointly determined in Nigeria and there is positive feedback from FI to growth and from growth to FI.

George T. Peters and Bariyima D. Kiabel (2015) examined tax incentives and FDI in Nigeria. The Variables were Gross Domestic Product, Annual tax revenue, Inflation rate. Aggregate population of Nigerian and level of openness to trade. The result revealed that FI response to tax incentives is negatively significant, that is, increase in tax incentives does not bring about a corresponding increase in FI. Adegbemi Babatunde Onakoye (2012) showed that FI has a significant impact on output of the economy but that the growth effects of F1 differ across sectors. The Variables of the study were supply (output), private demand, Government expenditure and external sectors.

Okonkwo Rita Ifeoma, Egbunike, F.C and Udeh Francis N.P (2015) investigated FI and Economic growth in Nigeria between 1990-2012. They employed OLS estimation techniques and the result showed that export assumes a positive sign which implies that there is a positive relationship between economic growth and export.
Ade Oyedijo Akinlabi, Babatunde Hamed and Awoniyi M.A (2011) investigated the relationship between corruption, Fl and economic growth in Nigeria over the period 1990-2009. The study found that there is an inverse relationship between FI inflow and corruption. Also, there is a significant positive relationship between FI inflow and economic growth in Nigeria.
Obida Gobna Wfure and Abu Nurudeen (2010) conducted a research on Determinants of foreign investment in Nigeria. The study employed the use of multiple regression model and error correction Technique. The results revealed that the market size of the host country, deregulation political instability and exchange rate depreciation are the main determinants of Foreign Direct Investment in Nigeria.
Fredrick Asogwa and Charles Osundu Manasseh (2014) examined the impact of foreign investment on economic growth around 1980-2009. The study utilized multi-factor productivity and multiple regression models. The variables used are Real Gross domestic product, percentage of total population, Real Gross Fixed Capital formation, FI and trade man openness policy. The empirical evidence showed that FI into manufacturing and Telecommunication sector has positive impact on economic growth in Nigeria while FI into agriculture sector impacted on economic growth negatively.

Foreign Agricultural Investment and Gross Domestic Product

Oloyede (2013) examined the impact of foreign Investment on the agricultural sector development of the Nigerian economy. This work employs secondary time series data which spanned 1981 to 2012, the variables were on agricultural input, foreign direct investment, exchange rate, interest rate following ADF test for stationarity and a greater causality Test, the study found a relationship among the variables as affirmed by error parameter. The study reveals that foreign investment positively impacted on agriculture not only in the short run but also in the long run. This will also engender domestic income diversification which will boost agricultural sector. Further, political instability advertisely affected agricultural investments in the long run. An enabling environment should be provided to attract investment on short and long run basis.
Ofolade and Ekperiware (2015), examined foreign portfolio investment and Nigeria agricultural sector which covered the period 2003-2011. The result from the findings showed that factors attracting foreign investors into the Agricultural sector in Nigeria is critical and if well managed by policy makers could enhance the attraction of foreign investment needed for financing agricultural sector that will result in economic development and improve the standard of living of the citizens.
Akinmulegun, (2012), examined the relationship between foreign investment inflows and agricultural sector in Nigeria. The study covered the period of 1986-2009 using times series data. Vector Auto regression Model was used for the analysis. Test involving impulse responses analysis and variance decomposition revealed that the relationship between foreign investment inflows and agricultural growth is insignificant.

Oladipo (2013) examined the macroeconomic determinants of foreign investment inflows in Nigeria. Annual time data for the periods 1985 to 2010 was adopted. Generalized method of Moment is adopted for the analysis. The results showed that only exchange rate interest rate, money and trade openness determines foreign direct investment in Nigeria.
Okeke, Ezeabasili and Nwakoby (2013), examined the impact of foreign investment inflows on the growth of Nigeria agricultural sector between 1977-2011. The data was tested for unit root using Augmented Dickey-fuller. The result showed that foreign investment has positive relationship with agricultural sector growth in Nigeria. The study recommended that Nigeria evolve investor friendly policies that can attract foreign investments and enhanced productivity and growth.
Osinubi and Amaghionyediwe (2010), analyzed the direct and significance effect of foreign investment on agricultural growth in Nigeria. Secondary data covered the period 1970-2005. The findings were that foreign private investment, agricultural investment growth and Net Export growth were positively related to

economic growth in Nigeria. Lagged error term was statistically used in explaining variations in Nigeria's economic growth.

Ajayi and Oke (2012), investigated the effect of foreign Investment Inflows on the agricultural growth and development of Nigeria. Regression analysis was adopted. Based on the findings, the study revealed that foreign investment inflows have significant influence on agricultural growth.
Adaramola and Obisesan (2012) assessed the impact of foreign investment inflow on the Nigeria agricultural market development given the role of the letter in stimulating the development of the Nation's economy from 1970-2010. The study employed ADF unit root test and Johansen co-integration test for the analysis. It was revealed that foreign investment impacted positively and significantly on agriculture. The study thereby recommended that since foreign investment is a significant determinant, efforts should be made by government and monetary authorities to encourage foreign investment into Nigeria so as to stimulate the long run agricultural growth.

Foreign Petroleum Investment and Gross Domestic Product:
Salami Fatimah, Gazi and Oke (2012) investigated the impacts of foreign investment in oil sector in Nigeria and is attendant impact on economic growth. The study employed co-integration analysis. The result showed that foreign investment at current year is negatively associated with GDP. The impact of domestic capital formation is relatively small compared with the impact of foreign investors in oil sector of the economy. The study recommended that government should provide good leadership, accountability and transparency.
Imoughele and Ismaila (2015), examined the impact of exchange rate on oil expert. Time series data obtained from central bank of Nigeria between the periods of 1986-2013 was used augmented Dickey-fuller test was used for the unit root test and Johansen's integration test was employed for analysis. The result revealed that effective exchange rate money supply credit to private sector and economic performance have a significant impact on the growth of oil-export. The study recommended that monetary authority should ensure stable exchange rate in order to stem inflationary tendencies.
Model Specification. A multiple regression model was used with economic development proxied by gross domestic Product (GDP) as the dependent variable, while foreign petroleum investment and foreign agricultural investment, foreign manufacturing investment, foreign telecommunication-investment-and-foreign-mining-investment for the period of study are treated as independent variables.
The structural form of the model is:
GDP = FPI, FAI, FMI, FTCI, FMI
The stochastic form of the model is:
$GDP=\beta 0 + \beta_1 FP1 + \beta_2 FA1 + B_3 FMI + B_4 FTCI + B_5 FMN + M$
Where:
GDP Gross Domestic Product,
FP1 Foreign Petroleum Investment
FAI- Foreign Agriculture Investment
FMI-Foreign Manufacturing Investment
FTCI Foreign Telecommunication
FMN- Foreign Mining Investment
U Error term
$\beta 0$= Intercept
B1, B2 B3, B4, B5-Slope of the regression equation
Our Apriori Expectations are: βi, and $\beta 2 > 0$, &β
Data Presentation
Table I Dependent variable GDP
OLS Estimation regression results for FDI inflow

Nigeria	Variable	B-Coefficient	E-Statistics	Prob.

FPI	10.36***	3.06	0.8770
FAI	9.91	9.66	0.08120
FMI	7.66***	5.33	0.1012
FTI	9.98	9.72	0.0714
FMN	5.44	5.44	0.2215
Constant	67.33***	4.01	00000

r=0.0, R^2 = 0.52, Adjusted R^2 = 0.37
Durdin - Watson=2.07
Note: ***** denote significance of 10%, 5%, 1% level sample adjusted 1986-2017.
Source: Researcher computation 2019.
Table 2

Ghana	Variable	B-Coefficient	E-Statistics	Prob.
	FPI	0.01	0.36	0.003
	FAI	3.3.4***	4.22	0.8812
	FMI	5.66**	4.34	0.0912
	FTI	5.32	4.88	0.0232
	FMX	1.11	3.18	0.1241
	Constant	36.47**	6.56	0.0000

r=0.13, R-0.50, Adjusted R^2 = 0.48
Durdin - Watson=2.06
Note: ***.**.* denote significance of 10%, 5%, 1% level.
Source: Researcher computation 2019

Table 1&2: Shows the relationship of the independent variable on the dependent variable.
The result of multiple regression analysis displayed in table 1 above shows a coefficient of determination (R) value of 0.41. It implies that changes in the study's explained variable account for 41% of the changes of the Nigeria gross domestic product.
On the other hand the 59% of the variation is attributed to variable not captured in the study which are internal contribution to the gross domestic product of Nigeria compare to Ghana economic in time study where the result of multiple regression analysis display in table II above show the coefficient of determination (R) value of 0.50. It implies that changed in the study explanation variable account for 50% of the changes of the Ghana gross domestic products. On the other hand, the 50% of the variation is attributed to variation not captured in the study which are internal contribution to the Ghana gross domestic product.

Hypothesis
HO: Oil sector investment has no significant impact in Nigeria and Ghana GDP.
From the summary of the regression result presented in table I and II, it can be inferred that oil sector investment has significant impact in Nigeria gross domestic product going by the probability of 86%, while that of Ghana has no significant impact in Ghana domestic product going by the probability of 0.01%, that is between 1986-2004, while from 2010- 2018, there is an improved contribution of oil to Ghana gross domestic products up to 78% of total foreign investment in Ghana.
Ho_2: There is no significant relationship between agricultural investment in Nigeria and Ghana.
GDP: The same regression result shows that there is no significant relationship between agricultural investment in Nigeria and the one in Ghana. Nigeria has probability of 8.1% and Ghana shows 83.1%.these shows that agriculture contribute greatly to the gross domestic products in Ghana until the advent of oil in Ghana in 2010.
Ho4: There is no significant relationship between foreign manufacturing investments in Nigeria and Ghana GDP.

The same regression analysis shows that there is relationship of foreign manufacturing investment in both country of which 10% prob. In Nigeria and 9.1% prob. in Ghana, which show foreign manufacturing investment contribute the same rate to the gross domestic product of each country.
Ho_4: There is no significant relationship between foreign mining investment in Nigeria and Ghana GDP.
Analysis shows that foreign mining investment does not contribute significantly on both country gross domestic product, which shows 2.3% of prob. in Nigeria and 12.4% in Ghana.
Hence 12.4% is significant compare to Nigeria which show 2.3% but on the whole is considered insignificant in both country.

Conclusion and Recommendation.
It was found that variations or changed in the quantum of oil related foreign direct investment in Nigeria definitely affect the gross domestic product in Nigeria. The totality of the non oil related foreign direct investment is also important in explaining the changes in output in Nigeria. But in Ghana, important is more attached to non oil related foreign direct investment as it yield 88.1% to the Ghana domestic product than the oil related foreign direct foreign investment before 2010. Going by the value of 50%, implies that foreign direct investment in Ghana contribute half of the gross domestic product in Ghana.
This testifies to the potentials of African countries like Nigeria and Ghana in attracting qualify foreign direct investment (FDI) in their quest to achieve improved economic growth and development. However, it was concluded that African country like Nigeria and Ghana, still has several constraints that hindered foreign direct investment (FDI) such as exchange control (as presently appreciable to Nigeria due to declining crude oil revenue), skills shortages, crime, low growth rates (due to declining prices of commodities) and extensive labour legislation (Anyanwa and Yameogo, 2015, UNCTAD, 2015.
There is a strong evidence to assert that foreign direct investment inflow in both oil and non oil related sectors of Nigeria economy do promote and support economic growth in Nigeria, but only non oil related sector of Ghana economy do promote well in Ghana economy until 2010.

- Government should make policies that will encourage equity ownership of investment in Nigeria by foreigners. Appropriate policy measures to attract foreign capital should be formulated and implemented to boost increased economic growth.
- Land acquisition and ownership laws should be friendly and simplified to ensure that hurdles that discourage business establishment are reduced both in Nigeria and Ghana.
- Elimination of terrorism, corruption, vandalization of oil pipelines and all forms of social vices will be a catalysts to foreign direct investment inflow (FDI) into Nigeria. The Federal and State government should as a matter of priority, improve the business environment by consciously providing necessary economic and social infrastructure, which will lower the cost of doing business in Nigeria and Ghana and attract foreign direct investment into the country.

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