Navigating Foreign Investment: Trends and Management Practices in Nigeria's Emerging Markets

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ABSTRACT

Foreign investment is essential to economic growth and industrialization in developing nations like Nigeria. This research examines the evolving landscape of foreign investment in Nigeria by analyzing its evolution, key patterns, industry-specific aspects, and their impact on management practices. It investigates the financial outcomes of foreign-owned firms, macroeconomic influences, and the strategic management practices of multinational enterprises.

Using a quantitative research design, this study employs financial metrics, market analysis, and regression models to assess investment success. Findings reveal that while foreign investment boosts firm profitability, sector-specific and macroeconomic conditions present both opportunities and challenges. Sectors like telecommunications and consumer goods yield high returns, whereas energy and healthcare face constraints that hinder productivity. Furthermore, macroeconomic factors such as GDP growth, inflation, and exchange rate fluctuations significantly affect investment returns.

These insights highlight the need for effective management strategies, including corporate governance, risk mitigation, and market adaptation. To enhance foreign direct investment, policies should focus on stabilizing exchange rates, strengthening regulatory frameworks, and fostering economic conditions that support sustained investment growth.

Keywords: Management strategies, FDI, sector performance, market adaptation, emerging markets

BACKGROUND OF THE STUDY

Foreign investment has long been a crucial driver of economic growth and development in emerging markets, bringing in much-needed capital, technological advancements, and managerial expertise (Lobanova, 2024). In the context of developing economies, such as Nigeria, (Ojapinwa and Akingbade, 2024) agreed that foreign investment has played a significant role in facilitating industrialization, job creation, and economic expansion. As globalization continues to break down barriers between economies, international firms are increasingly looking toward Africa's largest markets for opportunities to diversify their portfolios, gain competitive advantages, and tap into new consumer bases (Amankwah-Amoah et al., 2024).

Nigeria, with its vast natural resources, large and youthful population, and expanding urbanization, presents an attractive destination for foreign investors (Emeka, 2024). The country's economic potential has drawn attention from multinational corporations and institutional investors across various industries, including consumer goods, telecommunications, financial services, energy, healthcare, and industrial manufacturing (Okoyeuzu et al., 2023). Over the years, numerous foreign-owned firms have been established in Nigeria through direct investments, joint ventures, mergers and acquisitions, and strategic partnerships with local entities (Atobatele, 2023).

According to (Obikaeze et al., 2023), the Nigerian government has implemented several policies to attract foreign capital, recognizing its importance in driving economic transformation. Recent studies highlight that several incentives such as tax breaks, regulatory reforms, and trade liberalization have been introduced to create a more investor-friendly environment (Oyerogba et al., 2024). Regulatory bodies, including the Securities and Exchange Commission (SEC) and the Corporate Affairs Commission (CAC), have played a role in overseeing foreign investments and ensuring compliance with corporate governance standards (Shaba, 2024). Additionally, Nigeria's membership in regional and international trade agreements, such as the African Continental Free Trade Area (AfCFTA), has positioned the country as a strategic hub for foreign investment flows into Africa (Mhonyera and Meyer, 2023)

Despite these positive developments, Nigeria's investment landscape remains complex and presents a mix of opportunities and challenges (Onuh et al., 2024). It was affirmed by (Oladehinde et al., 2023), that while foreign firms operating in Nigeria have experienced substantial growth and profitability in certain sectors, others have struggled with operational inefficiencies, policy inconsistencies, and macroeconomic instability. The country's business environment is affected by factors such as fluctuating exchange rates, inflation, political uncertainty, infrastructural deficits, and security concerns. These factors can impact the financial performance of foreign-owned firms, influencing their market positioning, revenue growth, and overall investment returns (Nwagu, 2023; Adewale et al., 2024).

Another critical factor that significantly influences foreign investment performance in Nigeria is the sectoral variation in market dynamics according to (Akinwalere and Chang, 2023). While industries such as telecommunications and financial services have witnessed robust growth due to rising digital adoption and financial inclusion, sectors such as energy and consumer goods have faced headwinds due to supply chain disruptions, foreign exchange constraints, and regulatory bottlenecks, as reported by (Nnaomah et al., 2024). Understanding these sector-specific investment trends is essential for investors seeking to optimize their strategies and mitigate risks (Iwedi, 2024).

Management practices also play a fundamental role in determining the success of foreign investments in Nigeria's emerging markets. Effective corporate governance, market adaptation strategies, human resource management, and financial decision-making are all crucial in navigating the country's evolving business climate (Olusola & Akanfe, 2023; Olutimehin et al., 2024). Firms that successfully align their operations with local market realities while leveraging their global expertise often achieve better financial outcomes and long-term sustainability (Nasta & Cundari, 2024). Conversely, firms that fail to adapt to local challenges may struggle with market penetration, customer engagement, and regulatory compliance (Riyanto et al., 2024).

RESEARCH AIM

This study aims to analyze the trends in foreign investment in Nigeria's emerging markets and assess their implications for management practices. It seeks to examine the financial performance of foreign-owned firms, sector-specific investment dynamics, and the impact of economic conditions on investment outcomes. The study will provide insights into how foreign investors can navigate the challenges and opportunities in Nigeria while adopting effective management strategies to enhance profitability and sustainability.

RESEARCH OBJECTIVES

To achieve this aim, the study focuses on the following objectives:

To examine the key trends in foreign investment in Nigeria's emerging markets – This involves analyzing investment flows, sectoral distributions, and the historical performance of foreign-owned firms operating in Nigeria.

To evaluate the impact of foreign investment on corporate performance in Nigeria – This includes assessing financial indicators such as return on investment (ROI), return on assets (ROA), return on equity (ROE), and other profitability metrics for foreign firms.

To analyze how economic conditions influence the performance of foreign investments in Nigeria – This includes assessing factors such as GDP growth, inflation, exchange rate fluctuations, and political stability.

To identify the management strategies adopted by foreign firms to navigate Nigeria's investment landscape – This involves examining corporate governance practices, risk mitigation approaches, and market adaptation strategies.

To assess the challenges faced by foreign investors and propose strategies for optimizing investment outcomes – This includes regulatory bottlenecks, operational inefficiencies, and market entry barriers.

RESEARCH QUESTIONS

To guide this study, the following research questions will be addressed:

What are the key trends in foreign investment across different sectors in Nigeria's emerging markets?

How does foreign investment influence market growth and business strategy in Nigeria?

What macroeconomic and regulatory conditions shape foreign investment success in Nigeria?

What strategic and operational adjustments do foreign firms make to navigate Nigeria's investment climate?

What are the major challenges foreign investors face in Nigeria, and how do they optimize investment strategies to improve performance?

LITERATURE

Foreign investment plays a vital role in shaping Nigeria's economic landscape, contributing to industrial growth, job creation, and technological advancement (Emeka, 2024). As one of Africa's largest economies, Nigeria attracts foreign investors across key sectors such as telecommunications, financial services, consumer goods, and energy. The country's large population, expanding middle class, and strategic location make it an appealing market for multinational corporations seeking growth opportunities (Abe, 2024).

However, the investment environment is complex, influenced by macroeconomic conditions, regulatory policies, and sector-specific challenges (Emeka, 2024). While the telecommunications and financial sectors have experienced strong foreign investment due to digital adoption and financial inclusion initiatives, industries such as manufacturing and energy face operational hurdles, including currency volatility, infrastructure deficits, and inconsistent government policies (Obikaeze et al., 2023). Foreign exchange restrictions and political uncertainty further impact investment decisions and profitability (Osuma et al., 2024). Despite these challenges, foreign firms operating in Nigeria have employed various strategies to navigate the market, including forming local partnerships, adapting business models to consumer needs, and managing currency risks (Abdulsalam et al., 2024). Government initiatives aimed at improving the ease of doing business and regulatory reforms are also gradually enhancing investor confidence (Opuala-Charles & Oshilike, 2023).

This study explores the trends in foreign investment in Nigeria, examining financial performance, economic influences, and management strategies adopted by multinational firms. Understanding these factors is essential for foreign investors, policymakers, and business leaders seeking to optimize investment outcomes in Nigeria's emerging markets.

METHODOLOGY

Introduction

This study aims to analyze the effectiveness of foreign public quoted companies' investments in Nigeria's public quoted firms. A quantitative research methodology was chosen for its ability to provide measurable and statistical

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insights into investment performance, market dynamics, and sector-specific trends. This method relies on secondary data sourced from financial databases, reports, financial statements, and investor presentations. The analysis employs descriptive statistics, correlation analysis, and regression analysis to uncover patterns, trends, and relationships between variables, ensuring a robust and systematic approach that aligns with the study's objectives.

Research Design

The research follows the research onion framework (Saunders et al., 2009) to structure the methodology.

This study is grounded in a positivist philosophy, relying on observable and quantifiable data to test hypotheses and evaluate relationships between variables. A deductive approach is employed, beginning with hypotheses that explore the interplay of market conditions, sector-specific dynamics, and company-level factors in shaping investment performance. To achieve systematic analysis and consistency in evaluating key indicators, the study adopts a quantitative strategy, leveraging numerical data for robust insights. A longitudinal design spanning ten years (2010–2020) was selected, allowing the research to track trends and performance over time. This structured design integrates these elements cohesively, ensuring the identification of patterns and relationships essential to understanding the success of foreign public quoted investments in Nigeria.

Variables and Measurement

The study investigates several key variables to understand investment performance, market dynamics, and sector-specific outcomes. These include:

Investment Performance Variables

Financial Metrics: Return on Asset (ROA), Return on Equity (ROE), and Return on Invested Capital (ROIC) are used to measure profitability. These metrics are extracted directly from financial statements and computed using standard formulas:

ROA = Net Income / Total Assets.

ROE = Net Income / Shareholder Equity.

Market Traction: Metrics like Price-to-Earnings Ratio (P/E) and Price-to-Book Ratio (P/B) assess market acceptance and valuation of the firms' products and services.

Market Conditions Variables

Macroeconomic Indicators: GDP growth, inflation rates, exchange rates, and political stability serve as proxies for Nigeria's overall investment environment. These data points are sourced from databases like the World Bank and adjusted to reflect annual averages.

Sector-Specific Variables

Industry classification: Firms are grouped into sectors such as financial services, healthcare, communication, and energy.

Sector-specific metrics: Indicators like user growth (e.g., communication sector) or market penetration (e.g., healthcare) are analyzed where applicable.

Operationalization: All variables are carefully extracted and aligned using validated scales from previous research to ensure measurement validity and reliability.

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Data Collection

The study relies exclusively on secondary data sourced from:

Financial Databases: Bloomberg, Yahoo Finance, and Investing.com provided insights into key market and financial metrics.

Annual Reports: The financial statements and investor presentations of Nigerian public quoted firms and their foreign investors were analyzed for performance indicators, including market share, profitability, and growth metrics.

Industry-Specific Studies: Specialized journals, reports, and market analyses from firms like PwC, Deloitte, and regional business groups were used to provide context for sector-specific results.

To ensure validity, data points were cross-referenced between sources, and inconsistencies were addressed using statistical adjustments.

Sample Selection

The study analyzed a sample of nine public quoted firms in Nigeria. The sample was selected using the following criteria:

Inclusion of Foreign Investors: The sample includes firms with significant investments from foreign public quoted companies, ensuring relevance to the study’s objectives.

Sectoral Representation: Companies were chosen from diverse sectors (e.g., communication, financial services, healthcare) to ensure findings reflect the variety within Nigeria's ecosystem.

Longitudinal Data: Firms with at least ten years of historical data (2010–2020) were prioritized to allow a comprehensive analysis of performance over time.

This carefully chosen sample ensures representativeness and diversity, enabling sectoral comparisons and broad insights.

Data Analysis

The data analysis employs a quantitative approach to evaluate investment performance, market dynamics, and sector-specific trends. The following methods were used:

Descriptive Statistics: Metrics like mean, median, standard deviation, and percentage distributions summarize key variables, offering insights into patterns and tendencies across the dataset.

Correlation Analysis: Used to identify relationships between variables, such as market conditions (e.g., inflation, GDP growth) and investment performance.

Regression Analysis:

Regression analysis investigates the effects of independent variables (e.g., market conditions) on dependent variables (e.g., ROA). It also evaluates the role of sectoral diversity in performance variation.

Comparative Analysis: Performance metrics are compared across sectors, identifying industries with higher returns and those facing challenges.

Software and Tools: Statistical analyses were conducted using Excel and econometric software, ensuring accuracy and transparency.

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Validity and Reliability

The study prioritizes validity and reliability to ensure credible findings:

Construct Validity: Variables align with the study's research objectives and are measured using validated scales from prior research.

Content Validity: Indicators reflect the breadth of investment performance, market conditions, and sector-specific outcomes.

Internal Validity: Regression models account for confounding variables and are tested for assumptions (e.g., multicollinearity, heteroscedasticity).

Reliability: Data consistency was ensured through cross-referencing and sensitivity analyses. Statistical techniques were tested for robustness using alternative specifications.

These measures ensure the study generates accurate and replicable results.

Findings

Regression analysis is expected to reveal:

A positive relationship between GDP growth and investment performance, highlighting the importance of stable economic conditions.

Sectoral disparities, with industries like communication and financial services showing higher returns.

The impact of cross-border ownership percentages on acquirers' performance, demonstrating synergies between foreign investors and Nigerian firms.

RESULTS AND DISCUSSION OF FINDINGS

Descriptive Statistics

The descriptive analysis provides an overview of key performance indicators and market conditions for the sampled foreign equity firms operating in Nigeria.

Financial Performance Metrics

Return on Equity (ROE): The average ROE for foreign quoted firms in Nigeria is 33.81%, with a standard deviation of 38.10. The minimum ROE recorded is -32.64%, indicating that some firms experienced negative returns, while the maximum reached 189.53%, highlighting significant performance variation.

Return on Assets (ROA): The average ROA is 8.02%, with a standard deviation of 7.37. The minimum ROA is -8.25%, while the maximum is 27.82%, reflecting differences in asset efficiency across firms.

Market Capitalization: The average market capitalization of the acquiring firms is 101.8 billion USD, emphasizing the financial strength of these investments.

Macroeconomic Variables and Market Conditions

GDP Growth Rate: The average GDP growth rate in Nigeria during the study period is 2.51%, with a minimum of -1.79% and a maximum of 6.67%. Positive GDP growth correlates with improved investment performance.

Inflation Rate: The average inflation rate is 13.08%, fluctuating between 8.05% and 18.85%. Higher inflation influences pricing power and profit margins.

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Exchange Rate: The average exchange rate during the period is 279.75 NGN/USD, with a minimum of 157.31 and a maximum of 425.98, reflecting exchange rate volatility's impact on foreign investments.

Political Stability Index: The average political stability score is -1.95, indicating significant instability, with values ranging from -2.13 to -1.78, affecting investment security.

Trend Analysis of Revenue Contribution

The revenue contribution of selected foreign equity firms demonstrates varying trends over the years:

Nestlé Nigeria PLC:

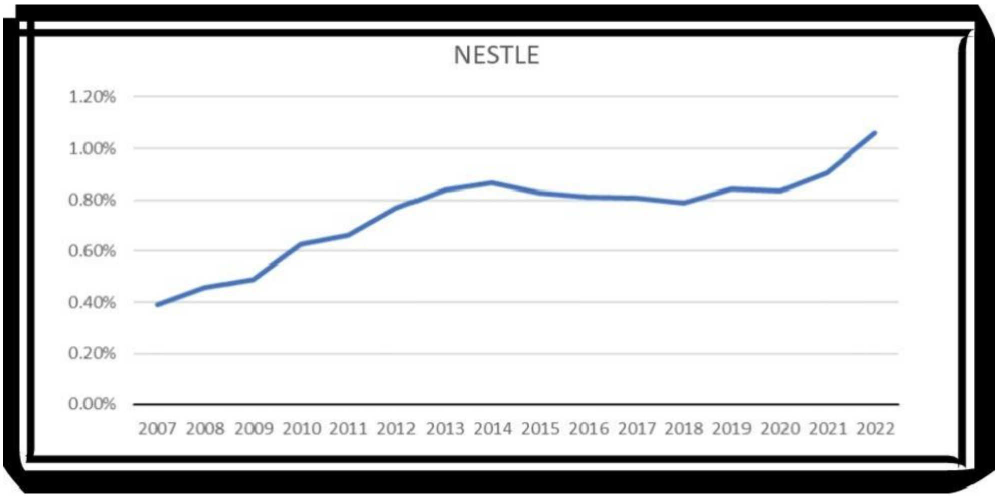

Fig 1. Nestle Revenue Contribution Trend 2007-2022

Source: Bloomberg

Revenue contribution to Nestlé S.A. increased from 0.39% in 2007 to 1.06% in 2022, indicating steady growth in Nigeria's importance to the parent company.

MTN Nigeria:

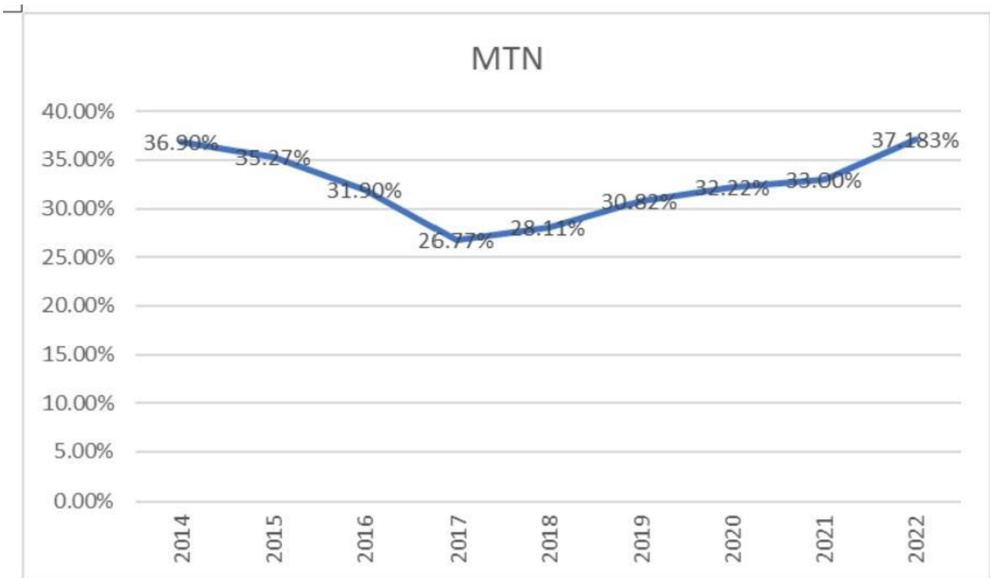

Fig. 2. MTN Revenue Contribution Trend 2007-2022

Source: Bloomberg

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Revenue contribution fluctuated but remained significant, peaking at 36.9% in 2014 before stabilizing at 37.18% in 2022, reflecting strong market penetration.

Guinness Nigeria PLC:

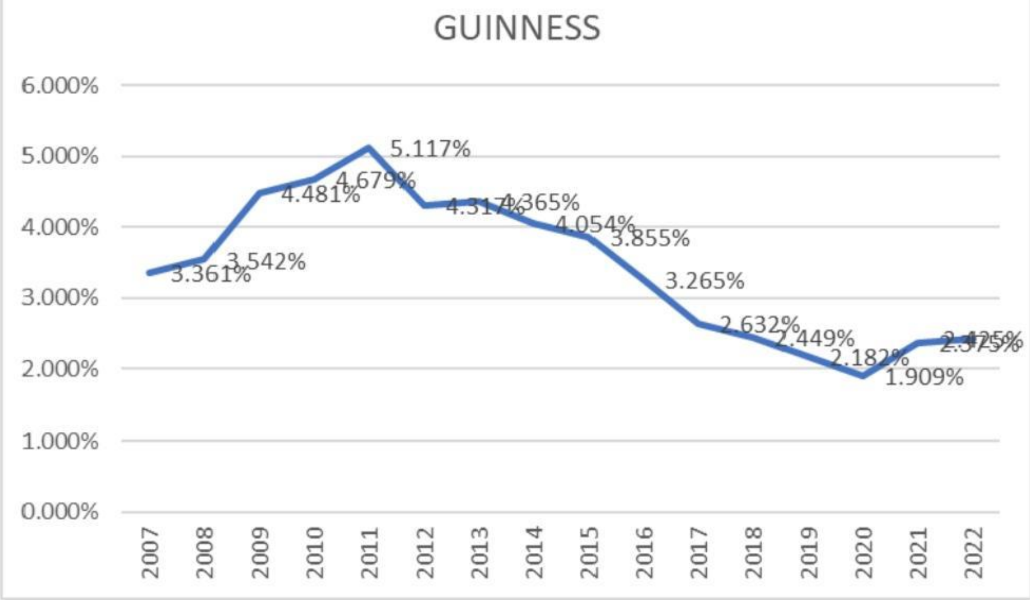

Fig 3: Nigeria Breweries Revenue Contribution Trend 2007-2022

Source: Bloomberg

The highest revenue contribution was 5.12% in 2011, but it declined to 2.63% in 2022, suggesting operational challenges.

Total Energy Nigeria:

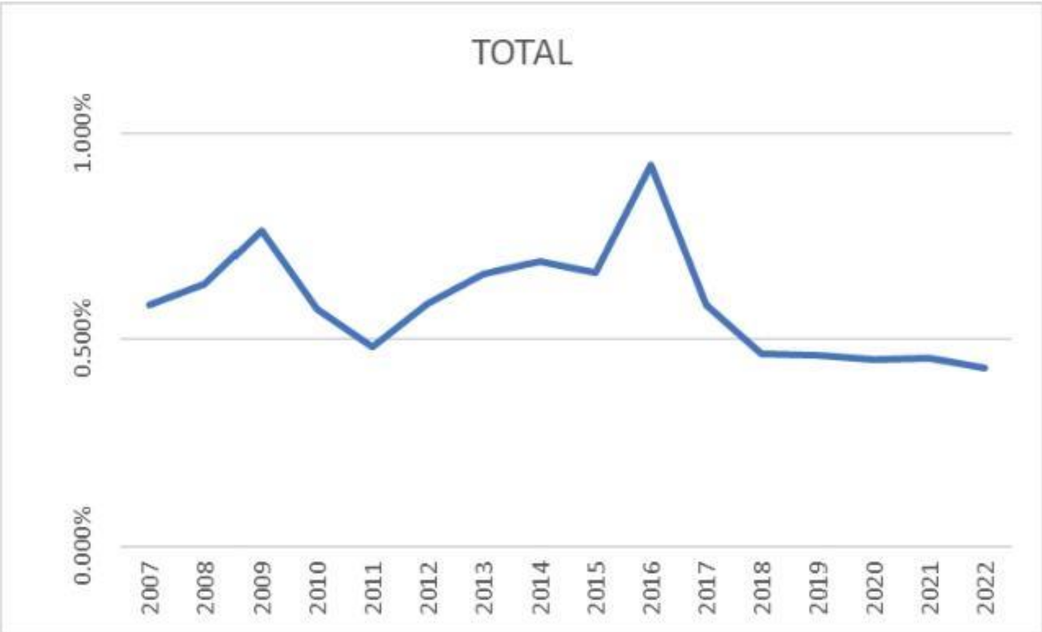

Fig 4: TOTAL Revenue Contribution Trend 2007-2022

Source: Bloomberg

Contribution remained below 1%, peaking at 0.923%, reflecting a low but stable market share in Nigeria.

Sectoral Analysis of Performance Metrics

Return on Equity (ROE) by Sector

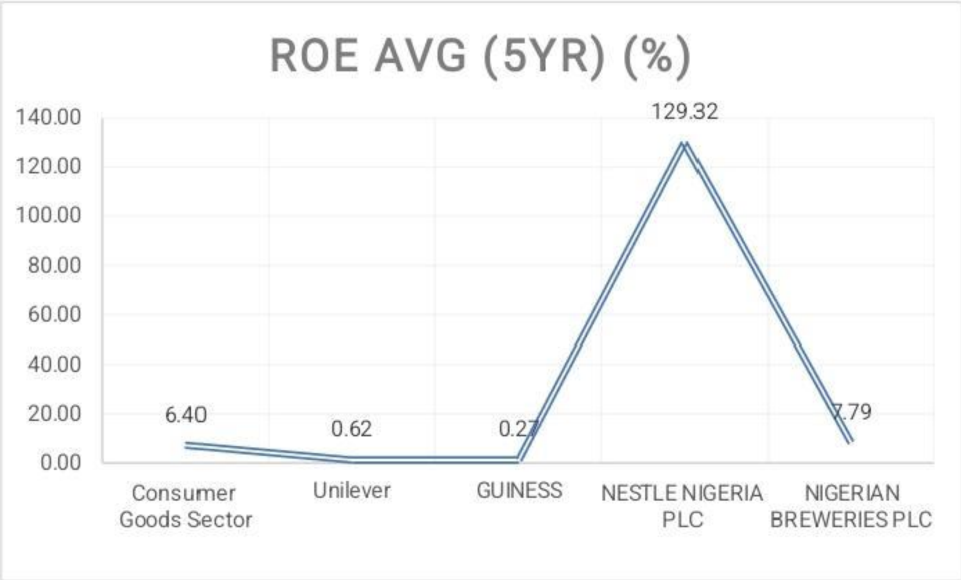

Fig 5. Consumer goods Sector and Foreign Equity Firms (ROE)

Source: Bloomberg

Consumer Goods Sector:

Nestlé Nigeria: ROE = 129.32% (outperforming the sector average of 6.40%).

Guinness Nigeria: ROE = 0.27%, indicating weaker financial performance.

Telecommunications Sector:

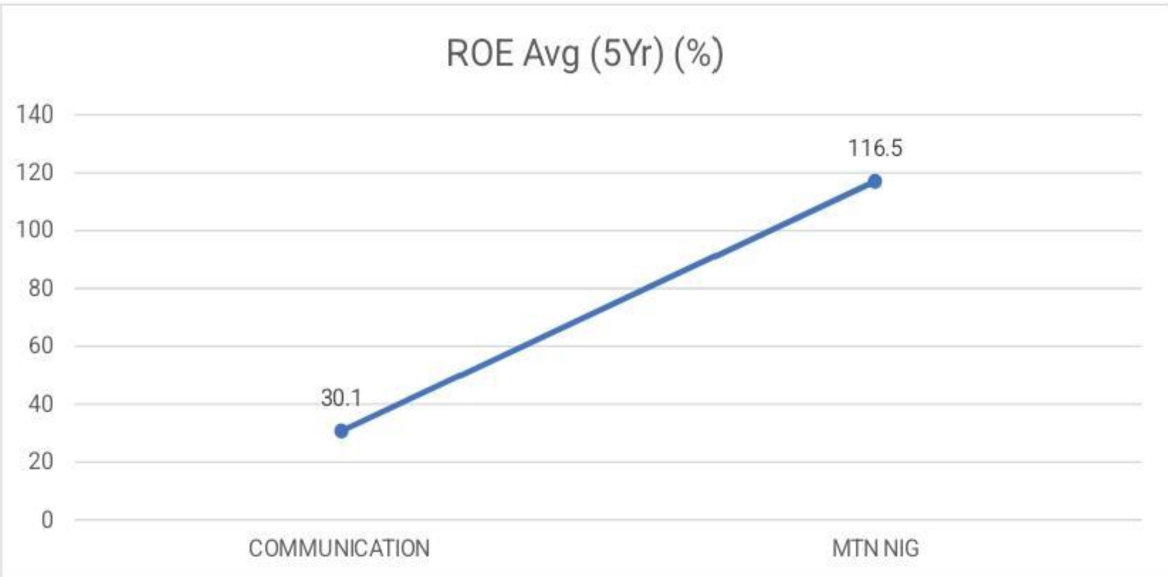

Fig 6. Communication sector and MTN Nigeria (ROE)

Source: Bloomberg

MTN Nigeria: ROE = 116.5%, far exceeding the sector average of 30.1%, demonstrating high profitability.

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Healthcare Sector:

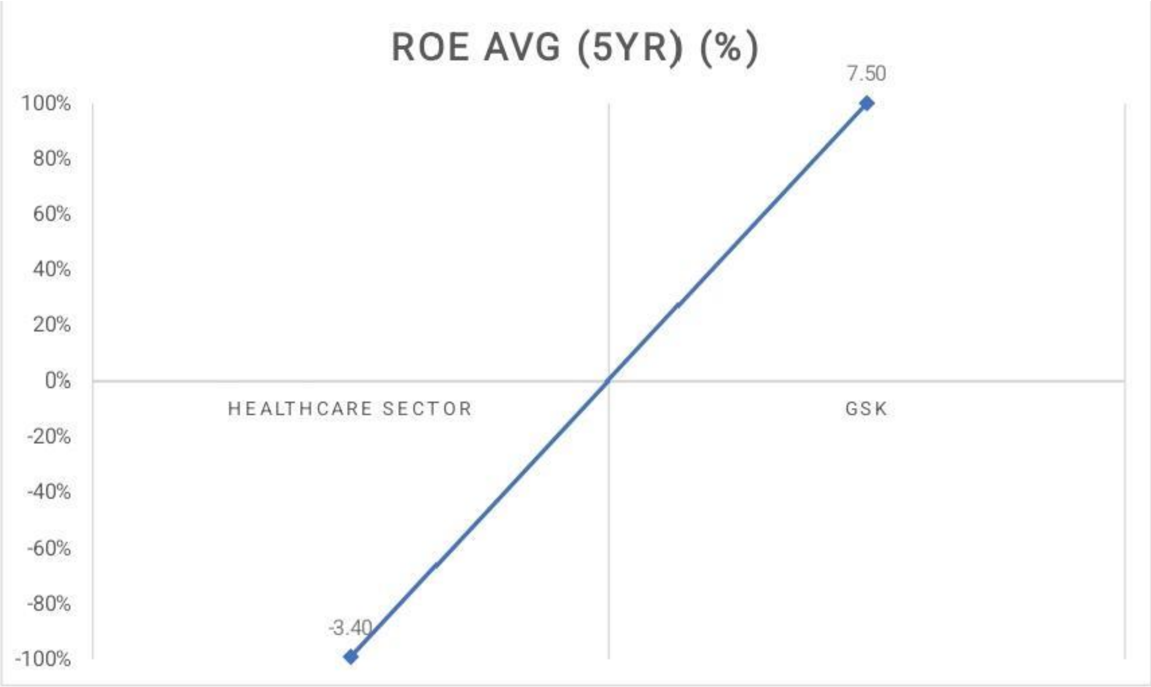

Fig 7. Healthcare sector and GSK Nigeria (ROE)

Source: Bloomberg

GSK Nigeria: ROE = 7.50%, significantly higher than the sector average of -3.40%, showing relative stability in an underperforming industry.

Energy Sector:

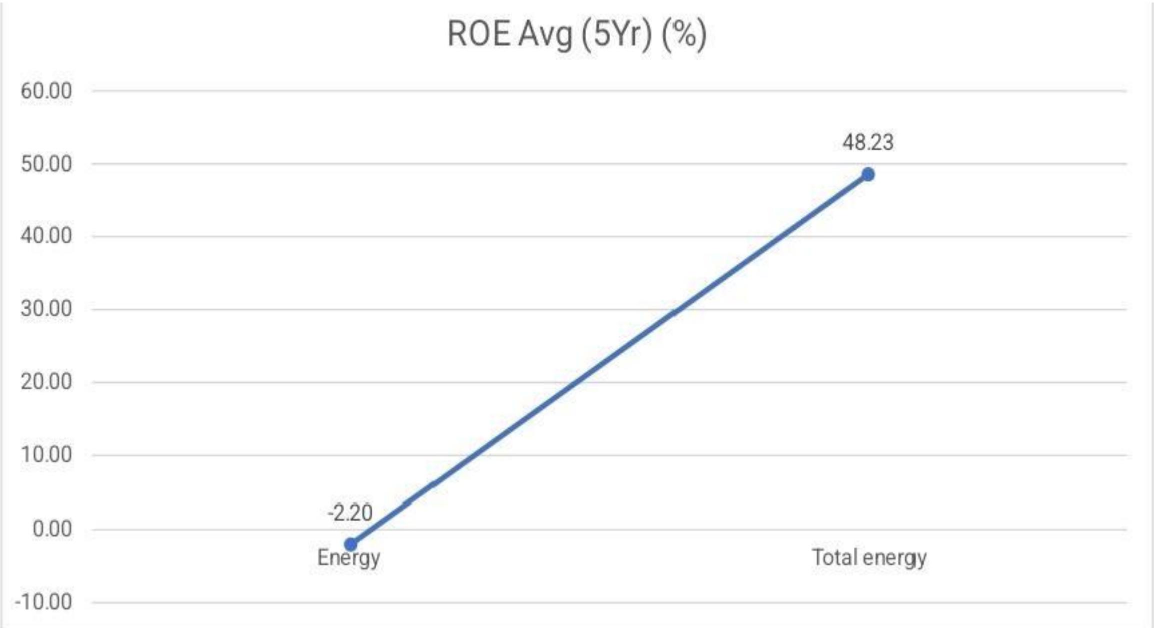

Fig 8. Energy sector and Total Energy firm (ROE)

Source: Bloomberg

Total Energy Nigeria: ROE = 48.23%, despite the sector average being negative at -2.20%, reflecting efficient capital use.

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Industrial Goods Sector:

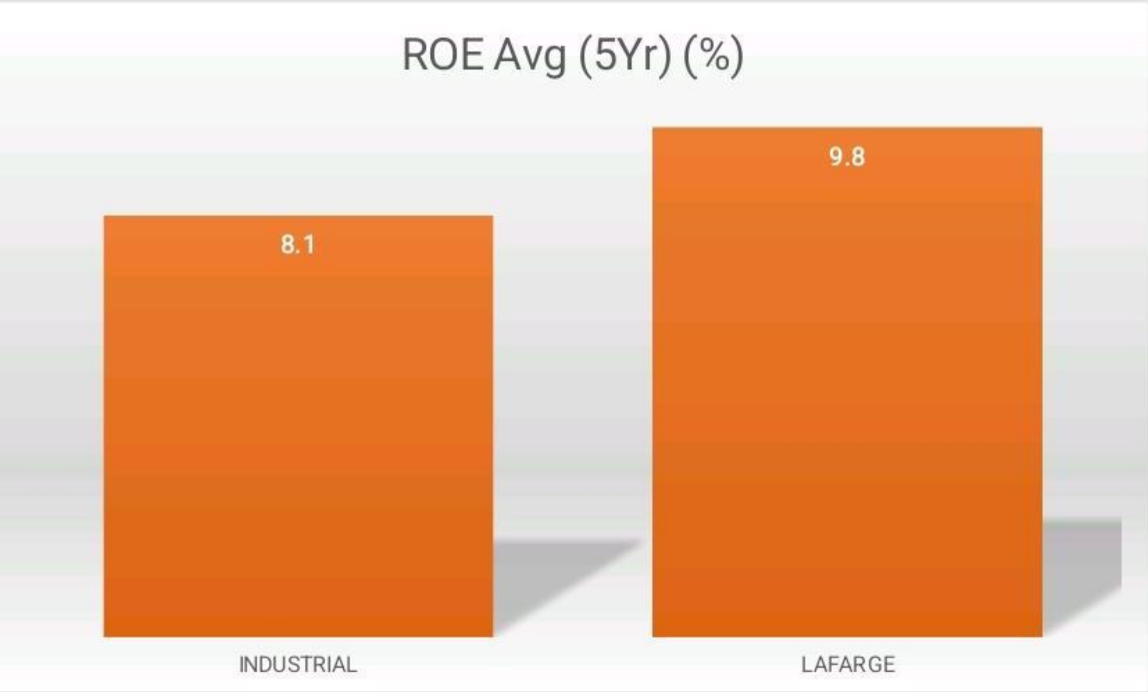

Fig 9. Industrial goods sector and Lafarge (WAPCO) (ROE)

Source: Bloomberg

Lafarge Nigeria: ROE = 9.8%, slightly above the sector average of 8.1%, reflecting moderate profitability.

Financial Services Sector:

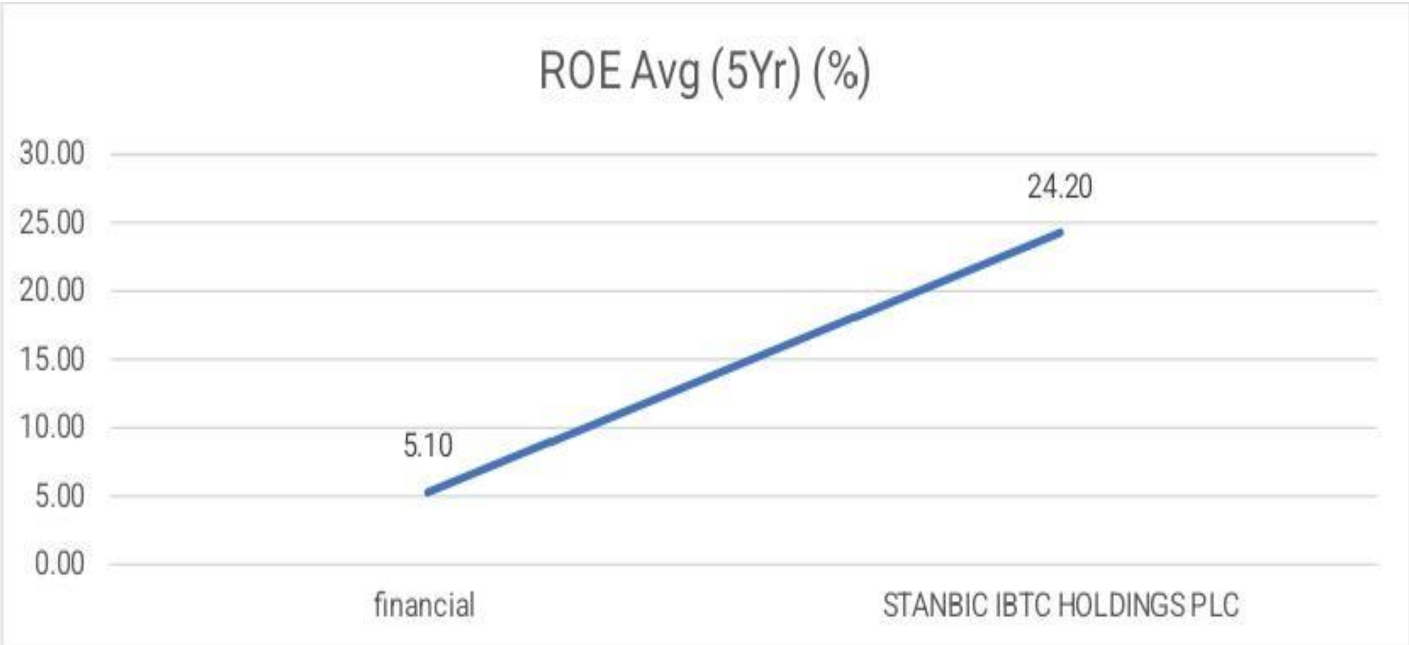

Fig 10. Financial Sector and Stanbic (ROE)

Source: Bloomberg

Stanbic IBTC: ROE = 24.20%, significantly outperforming the sector average of 5.10%, indicating strong financial efficiency.

Influence of Market Conditions on Performance

Table 1. Regression Analysis on Market Condition and performance of foreign equity firms in Nigeria.

Variables	ROE	ROA
Intercept	1.86***(0.420)	1.75***(0.486)
GDPG	0.056***(0.006)	0.055***(0.007)
Inflation	0.018***(0.007)	0.018***(0.008)
Exchange rate	-0.001***(0.000)	-0.001***(0.030)
Political st	0.605*** (0.184)	0.549***(0.212)
R 2	0.104	0.105
W aldchi	110.79***	80.45***
Sector dummy	Yes	Yes
No of observation (2012-2022)	94	94
No of firms	9	9

Panel Corrected Standard Error Regression

Note: Standard error in Parenthesis, * p<0.01, ** p<0.05, *** p<0.1 significance level

Regression Analysis

ROE Model

R-squared = 10.44%, with a Wald chi-squared of 24 ($p < 0.001$), indicating that market conditions explain a small but significant portion of ROE variability.

ROA Model:

R-squared = 10.5%, confirming similar impacts of market conditions on ROA.

GDP Growth has a positive impact on firm performance ($p < 0.01$), confirming that higher GDP growth rates enhance profitability.

Inflation also shows a positive effect ($p < 0.05$), suggesting firms benefit from increased pricing power during inflationary periods.

Exchange Rate volatility negatively affects performance ($p < 0.01$), indicating that currency fluctuations disrupt investment returns.

Political Stability has a significant positive correlation with performance ($p < 0.01$), despite Nigeria's instability.

Cross-Border Investment and Parent Company Performance

Table 2. Feasible GLS Regression

Variables	ROE	ROA
Intercept	4.85***(1.202)	-5.517***(1.058)
CBINV	0.97*(0.006)	0.918**(0.450)
SIZE	-0.329***(0.104)	0.700***(0.091)
LEV	-0.543***(0.591)	0.054***(0.520)
Waldchi	24.00***	117.02***
Sector dummy	Yes	Yes
Country dummy	Yes	Yes
No of observation	92	92
No of firms	9	9

Note: Standard error in Parenthesis, * p<0.01, ** p<0.05, *** p<0.1 significance level

Regression Findings

The Feasible GLS model highlights the positive impact of cross-border investments on firm performance:

Market Capitalization Coefficient: 0.918 ($p < 0.05$), indicating significant improvements in the perceived value of parent companies due to strategic investments in Nigeria.

ROA Coefficient: 0.970, significant at 10%, confirming the profitability impact of cross-border investments.

INTERPRETATION

The positive outcomes align with the Resource-Based View (RBV) theory, which emphasizes the benefits of leveraging external resources like capital and technology to enhance firm competitiveness.

Key Findings

Foreign investment significantly improves firm performance, with firms like MTN and Nestlé Nigeria showing strong ROE and ROIC.

Sectoral disparities exist, with consumer goods and telecommunications outperforming energy and healthcare.

Macroeconomic factors influence profitability, with GDP growth and inflation positively impacting firms, while exchange rate volatility presents risks.

DISCUSSION OF FINDINGS

Foreign Investment and Firm Performance in Nigeria

This study confirms that foreign investment enhances firm profitability, particularly in the telecommunications and consumer goods sectors, while energy and healthcare investments face structural challenges. Firms like MTN Nigeria (ROE = 116.5%) and Nestlé Nigeria (ROE = 129.32%) outperformed industry averages, aligning with Abe (2024), who found that telecom investments in emerging markets yield high returns due to digital expansion. Nwabekee et al. (2024) also highlighted that consumer goods firms succeeded when they adapted global strategies to local markets, as evident in Nestlé Nigeria's rise in revenue contribution from 0.39% in 2007 to 1.06% in 2022. In contrast, Guinness Nigeria's low ROE (0.27%) despite operating in a high-growth sector suggests that foreign firms may struggle with market saturation, brand competition, and shifting consumer preferences. This contradicts Zhang et al., (2023), who argued that multinational brands typically dominate emerging markets.

The energy sector demonstrated divergent performance. While the sector's average ROE (-2.20%) suggests a challenging investment climate, Total Energy (ROE = 48.23%) outperformed peers, indicating that diversification into renewable energy and efficient cost management can mitigate industry risks. This supports Adeniyi and Isah (2023), who identified regulatory instability and infrastructure deficits as major barriers to foreign investment in Nigeria's energy sector. The healthcare sector, represented by GSK Nigeria (ROE = 7.50%), struggled but still outperformed the sector average of -3.40%, reinforcing Omokore et al. (2024), who noted that foreign healthcare investments face structural inefficiencies, high operational costs, and public health system weaknesses.

From a macroeconomic perspective, the study found that GDP growth positively impacts firm profitability ($p < 0.01$), supporting Emeka (2024), who emphasized that stable economic growth attracts foreign capital. Inflation ($p < 0.05$) also had a positive effect, suggesting that firms in Nigeria effectively adjust pricing strategies to maintain profitability, contrasting with the traditional view that inflation erodes investment value (Nwagu, 2023). However, exchange rate volatility negatively impacted firm performance ($p < 0.01$), aligning with Warren et al., (2023), who identified currency depreciation as a key risk deterring foreign direct investment. These macroeconomic influences suggest that stability in exchange rates and inflation control should be a priority for policymakers to enhance Nigeria's investment attractiveness. According to Tuoga et al. (2024), achieving this stability is crucial for Nigeria's economic growth.

Theoretical and Practical Implications

The findings contribute to Resource-Based View (RBV) theory, which argues that firms with capital, technology, and managerial expertise gain a competitive edge. The superior performance of MTN Nigeria and Nestlé Nigeria supports this, as foreign investors leverage advanced resources to enhance firm success. However, this study challenges aspects of Foreign Direct Investment (FDI) theory, which traditionally emphasizes host-country conditions as primary determinants of investment success. The results indicate that sector-specific factors, such as competition and industry structure, play an even greater role, as seen in Guinness Nigeria's struggles and Total Energy's exceptional performance despite overall energy sector underperformance.

For investors, this study suggests that foreign firms should prioritize high-growth sectors like telecommunications and consumer goods while exercising caution in energy and healthcare. For policymakers, the findings emphasize the need to stabilize exchange rates, enhance regulatory frameworks, and promote targeted sector incentives to improve investment conditions. For businesses, firms should hedge against currency risks, strengthen local partnerships, and leverage technology to optimize investment returns.

Limitations of the Study

While this study provides valuable insights, it has some limitations. First, the research relies on secondary financial data, which may not capture firm-specific operational challenges, strategic decisions, or internal management issues that affect performance. A qualitative approach incorporating interviews with foreign investors and corporate executives could offer deeper insights. Second, the study focuses on select industries, excluding high-growth emerging sectors like fintech, manufacturing, and renewable energy, limiting the generalizability of findings across Nigeria's diverse economy. Additionally, the study period (2007–2022) provides strong historical insights but may not fully capture long-term foreign investment effects, particularly recent economic shifts. Future research should extend the timeframe and explore post-pandemic investment trends.

CONCLUSION AND FUTURE RESEARCH DIRECTIONS

This study confirms that foreign investment significantly enhances firm performance in Nigeria, but sectoral dynamics, macroeconomic volatility, and regulatory challenges influence success rates. High-performing sectors, such as telecommunications and consumer goods, demonstrate the value of foreign capital in expanding market reach, enhancing operational efficiency, and driving profitability. However, energy and healthcare investments remain constrained by infrastructure gaps, policy instability, and industry-specific inefficiencies.

To attract sustainable foreign investments, Nigerian policymakers should focus on stabilizing macroeconomic indicators, enforcing transparent regulatory policies, and fostering sector-specific growth incentives. Investors should diversify across high-return industries while adopting risk mitigation strategies against currency fluctuations. Given the study's limitations, future research should explore firm-level investment strategies, analyze emerging industries, and incorporate qualitative perspectives to provide a more comprehensive understanding of foreign investment success in Nigeria.

Suggestion for further Studies

Future studies could indeed expand on the incorporation of private foreign investments where reliable data is available. Also, future studies will benefit from more recent data that provides more information on the post Covid investment behaviour. Future research could complement the study with qualitative interviews for a more nuanced understanding of investor experiences. While expanding the sample size in future research would be a meaningful extension of this work.

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