



Foreign Investment in Nigeria: Surmounting the Challenges of Domestic Environment through Review of Laws/Policies

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Abstract

Foreign Direct Investment (FDI) is one of the critical source of capital inflow into a country. Portfolio investment, foreign loans and trade credits are other sources of FDI. The cumulative effect of the agreements entered by Nigeria with the international body are the instruments/documents recognized by law which is a demonstration of Nigeria's efforts and preparedness to attract and protect foreign investment. In spite of the effort, there still continues to be a very slow and low inflow of foreign investment to Nigeria. Resolving these impediments is the aim of this paper and it recommends among others that government should imbibe the spirit of genuine attitudinal and policy change that would create enabling environment for Nigerians and foreign investors to thrive.

Keywords: Foreign Investment, Economic Development, Human Rights, Globalisation, Political Instability

1. Introduction

Over the years, the world superpowers have called on the developing and under developed countries to embrace globalisation (Orji *et al.* 2021). The call was made in order to improve on their predicament as they aspire to be like one of the developed countries. This of course implies that, there is need for liberalisation whereby the openness to the world economy would bring about the needed economic development through stimulation of variables, which is basically trade and investment (Orji *et al.* 2021). Investment is the most strategic factor in the process of economic development and as such the need for capital inflow into an import dependent country like Nigeria is crucial. Most people are more concerned with the issue of foreign investment in Nigeria, and the role assigned to globalisation in foreign investment cannot be over emphasized since foreign investment is the largest single source of external financing. Since no nation in the world is economically self-sufficient, the need for the needed amount of foreign resources beyond a country's border becomes inevitable. Foreign Investment represents a veritable source of foreign exchange and technological transfer, especially to a developing economy of Nigeria. It can be analysed in terms of new equity capital (change in foreign share capital), re-invested earning (unremitted profit), trade and supplier's credit, net inflow of borrowing and other obligations from parent company or its affiliates. Through foreign investment, a country benefits from transfer of skill and technology, organizational and management expertise,



employment generation, access to foreign markets. Nigeria since after her independence in 1960 is still looking for ways to attract foreign investment. Amazingly, substantial portion of Military Regime and past Civilian Governments were committed to the search for foreign investment partners for the nation. Incidentally, the quest for foreign investment is not restricted to Nigeria alone. Quite a good number of developing countries and even developed countries depend on foreign investment for the development of their economies.

Obviously, the economy of most developing countries, particularly the African States are highly characterized by low income earnings, high level of unemployment, high inflation rates, high level of dependency on imported food and other products, very slow rate of growth and development, high mortality rate and poor standards of living. Given the foregoing situation, foreign investment becomes an important instrument to be used in achieving sustainable level of economic growth and development amongst the developing nations and invariably, Foreign Direct Investment (FDI) “has become a vital source of economic development for the African continent (NEPAD-OECD, 2010). According to World Investment Report 2012, FDI inflows to Africa as a whole declined to \$42.7 billion. However, the decline in FDI inflows to the continent in 2011 was caused largely by the fall in North Africa; in particular, inflows to Egypt and Libya, which had been the major recipients of FDI, this came to a halt owing to their protracted political instability (UNCTAD, 2013). However in 2013, foreign direct investment increased by nearly 7 percent to an estimated \$56 billion, a fifth of which went to South Africa making South Africa the top recipient of the FDI in Africa (UNCTAD, 2014). FDI inflows to South Africa doubled \$10.3 billion in 2013 according to United Nations Conference of Trade and Development reports (UNCTAD). While other African countries like Nigeria and Ghana saw decline in investment (UNCTAD, 2014). Most of the rise in FDI inflows to South Africa was due to Greenfield or new investment, particularly in the consumer sector. In respect to Mozambique where companies like Brazil’s *Vale*, London listed *Rio* and Italy’s *Eni* were developing huge with off shore gas and coal deposits which was another strong performance, attracting inflows of \$7.1 billion and more than 30% percent from a year ago (UNCTAD, 2013).

However, the COVID-19 pandemic had a significant and an adverse impact on foreign direct investment (FDI) in Africa as flows to the continent declined by 16% in 2020 to \$40 billion, from \$47 billion in 2019 (UNCTAD, 2021); This is due to Cascading economic and health challenges caused due to the pandemic combined with low prices of energy commodities weighed heavily on foreign investment to the continent. In respect of FDI outflows, Africa contributes less than 1% of global FDI outflow. Of the \$1,323 billion in global outflows in 2010, \$388 billion (29 percent) was attributed to developing and transition economies. Six developing and transition economies were among the top 20 investors in 2010 (none from Africa). Half the top 20 host economies in 2010 were from developing and transition economies (none from Africa). Unfortunately, due to the impact of the COVID-19 pandemic FDI outflows from Africa fell by two thirds in 2020 to \$1.6 billion from \$4.9 billion in 2019 (UNCTAD, 2021). Data from the Central Bank of Nigeria



(CBN) indicates that Foreign Direct Investment (FDI) inflows for 2012 amounted to U.S \$7.03 billion, representing a 21 percent decrease from the U.S. \$8.9 billion recorded for 2011(CBN, 2013).Furthermore, inflow to Nigeria in 2013 declined at about 20% to \$5.5 billion largely due to asset sales by foreign companies such as Royal Dutch Shell and Chevron. In 2014 and 2015, Nigeria received an average of \$6 billion dollars in foreign direct investments inflow annually (CBN, 2016). Recently, the total value of capital importation into Nigeria declined year-on-year by 31 percent to \$6.7 billion in 2021, the lowest in five years, according to the National Bureau of Statistics (NBS) (Bailey & Tajudeen, 2022). The cumulative effect of Nigerian legislations, bilateral and multilateral agreements entered into by Nigeria and the international instruments/documents recognized by Nigeria as binding towards the regulation of foreign investment in Nigeria, is the demonstration of Nigeria's efforts and preparedness to attract and protect foreign investment. In spite of the foregoing, there still continues to be a very slow and low inflow of foreign investment to Nigeria.

2. Theoretical Inclinations

The primary task of this section is to examine theories and major issues which relate to this paper. A good understanding of these theories are necessary to enable one appreciate the paper in the subsequent sections. In terms of juridical inclination, the study's approach is dominated by the influence of natural law theory, because foreign investment derives its root from international law. The naturalist strand represented by Lauterpacht's works sees the primary function of all law as concerned with the well-being of individuals, and advocates the supremacy of international law as the best way available of attaining this (Shaw, 2002). This paper will also rely on the Middle Path Theory. Middle Path Theory posits that foreign investment must be protected but only to the extent of the benefits it brings to host State and the extent to which foreign investors have behaved as good corporate citizens in promoting the economic and social objectives of the host country (Sornarajah, 2010). The theory calls for a mixture of regulation and openness in dealing with foreign investment and cautions against too much openness and too much regulation on intervention (Seid, 2002).

3. Impediments to Foreign Investments

In Nigeria today, a good number of factors have been identified as constraints to the inflow of foreign investments namely, expropriation, political instability, corruption, existence of unfavourable laws, inconsistent government business policies, lack of infrastructural development, weakness of the legal regime for enforcement of foreign judgments, financial crimes such as advance fee fraud, social insecurity, violence such as hostage taking and kidnapping in many parts of Nigeria and terrorism (Bernard & Iyaji, 2011). These impediments not only discourage intending investors but also frighten existing investors thereby making them to close shop and flee the country. It has been reported that as a result of the prevalence of hostage taking activities in the Niger Delta area, Imo State Government lost about Eight million, five hundred thousand dollars (\$8,500,000) worth of Chinese investment as the investors were forced to leave the area (Odume, 2007).



Meanwhile, one of the modern expositions on impediments to foreign investment that has received wide acceptability is that given by (Nnabue, 2011) thus:

The actions of militants from the Niger Delta, (MEND), Area boys, Bakassi, Boko-Haram, to mention but a few, cast doubt on the security of Foreign investments in Nigeria. On the other hand, the seeming lack of proper grip on the principles of rule of law and the judicial system by the judiciary, informs a serious impediment to a would be foreign investor...From the legislative quarter, flows the inconsistencies of incessant and arbitrary changes in policy and invocation of bans...

However, based on the foregoing it is obvious that impediments militating against the much desired foreign investment abound. A breakdown of FDI in Nigeria over the last 10 years showed that in 2012, it stood at \$2.60 billion. It declined to \$1.27billion in 2013. It went further down to \$1.4billion in 2015, \$1.04billion in 2016, \$981.75billion in 2017, \$1.19billion in 2018, \$934 million in 2020 and \$698.78million last year (NBS Report, 2021).The NBS report also indicated that 24 states across the six geopolitical zones failed to attract any foreign investment in 2020 (NBS Report, 2021). This is contrary to claims by some of the state governors. The failure of the Federal Government to address the rising insecurity is a key factor for the low inflow of FDI into the country. Other factors responsible for the poor FDI include the issue of foreign exchange and inconsistent government policies. Undoubtedly, investors are reluctant to invest in a country where the ease of doing business is poor and the investment climate is uncertain. Investors are likely to invest in a country with economic and political stability, stable power supply. Unfortunately, Nigeria's business environment is currently not considered 'friendly' for good return on investment. These are some of the issues the government should address. Not long ago, the Director-General of the World Trade Organisation (WTO) and former Minister of Finance, Dr. Ngozi Okonjo-Iweala, expressed concern over the drastic drop in foreign investments in Nigeria. She said the cost of trade in the country remains too high to attract foreign and domestic investments in the economy. Her worry delivered virtually during the recent two-day mid-term ministerial review retreat at the Presidential Villa, Abuja, came against the background of statistics showing that foreign portfolio investment inflow in Nigeria dropped to N262billion year-on-year as at August 2021, from N470.2billion in the corresponding period of 2020 (The Sun, 2022).Total transactions for domestic and foreign components of the portfolio investments in the equities market in the Nigerian Stock Exchange as at August 2021 increased only marginally by 0.9 per cent to N1.213trillion as against N1.207trillion in the corresponding period in 2020. Though global foreign direct investments fell by 42 per cent, from \$1.5trillion in 2020 as a result of the effect of the COVID-19 pandemic according to data from UNCTAD Investment Trade Monitor, published in January, 2021, that of Nigeria was said to go beyond the pandemic (UNCTAD Investment Trade Monitor, 2021).



Foreign investors in Nigeria have been bedevilled by inadequate and insufficient legal framework for regulating foreign investment. On the other hand, Nigeria has witnessed the negative effects of unregulated investment and many Transnational/Multinational Corporations have been implicated in gross environmental and human rights abuses. The existing legal framework from pre-colonial Nigeria has proved to be quite inadequate in surmounting the attendant socio-economic, political and allied problems always associated with foreign investments. Foreign investors in Nigeria are usually deterred from investing their resources because of the unfavourable and poor legal framework in this aspect of the law. The Nigerian government has over the years instituted laws and policies aimed at attracting foreign investments, regrettably, these efforts have not yielded the expected results. It is pertinent to note that the Nigerian Investment Promotion Commission Act is the principal legislation on investment which applies to the totality of the Nigerian economy. The NIPC has the responsibility of assisting incoming and existing foreign investors by providing support services and guidance as may be required. This role entails acting as liaison between the enterprise and the relevant Government Departments, agencies and such other public authorities. In realising that the process involved in dealing with the separate government ministries and authorities has been made cumbersome by all the different bodies with varying authorities, the commission created One-Stop Investment Centre (OSIC) which includes the Corporate Affairs Commission (CAC), the Central Bank of Nigeria (CBN), Federal Ministry of Finance, and Immigration Services etc. It is submitted that what OSIC merely achieved is the inculcation or housing of all government agencies involved in issuing permits to investors without a harmonization of their functions, thereby leaving the problem unsolved.

Furthermore, it should be noted that neither failure to register with the NIPC nor failure to comply with the Act attracts a penalty. The commission also has no enforcement powers given to it under the Act. This is a serious omission in the Act that needs to be addressed urgently. Another area which needs to be looked at critically is the Immigration law of Nigeria which is governed by the Immigration Act and the regulations promulgated by the Minister Internal Affairs. It should be noted that the Immigration Act currently in use is outdated and unfit for the Nigerian state for instance, penalty for non-compliance with the Act is inadequate to deter potential violators of the law. Furthermore, there is no provision in the Act for monitoring the activities of these foreign investors from time to time. A supposed investor may in the guise of coming to do business in Nigeria come into the country and in the long run decide to indulge in varying negative activities that may jeopardize the economic interest of the nation. The Foreign Exchange (Monitoring and Miscellaneous Provisions) Act which is commendable in certain areas also poses a challenge to the Nigerian Economy. The Act gives overwhelming freedom to the investor by providing that the investor can repatriate his capital without further approval and that he has a right not to disclose the source of his capital. This invariably means even if the capital was derived from transactions inimical to the economy of the nation, he can still repatriate. In respect of land revocation, foreign investors express fears over the uncertainty arising



from the revocation of their rights over land as they are handicapped and left with little or nothing to run their business. Hence, disputes as to the amount of compensation are referred to the appropriate Land Use and Allocation Committee. Furthermore Section 47(2) of the Land Use Act precludes the courts from having jurisdiction to inquire into any question concerning or pertaining to the amount or adequacy of any compensation paid or to be paid under the Act.

The above provision is an ouster clause which is unconstitutional. Such provision does not attract foreign investors' confidence, the investors knowing that lands they acquire may be lost at any time to the government without recourse to the court. The National Office for Technology Acquisition and Promotion Act established the National Office for Technology Acquisition and Promotion (NOTAP) to register contracts/agreements which deal with the transfer and acquisition of foreign technology and issue a certificate of approval or refuse registration of same. The legislation raises doubt in the minds of foreign investors of the protection of their investment rights. For instance Section 6 of the NOTAP Act prohibits a contract which subjects a Nigerian to foreign jurisdiction in case of any dispute arising from the contract. This simply means that every dispute must be decided in Nigeria. It is also submitted that the above provision is conflicting with the Nigerian Investment Promotion Act which provides for settlement of disputes through amicable settlement, arbitration within the framework of any bilateral or multilateral agreement on investment protection to which the Federal Government and the country of the investor are parties or in accordance with any other national or international machinery for the settlement of investment disputes agreed on by the parties.

In respect of intellectual property law, it is submitted that Nigeria has a good intellectual property law however enforcement of existing laws remains a major problem. While these laws have been in existence, their enforcement has been weak and inefficient. On daily basis unscrupulous citizens infringe on rights of creators and authors and there is hardly any arrest. A major problem in Nigerian tax administration demanding urgent and decisive action is the phenomenon of multiple taxation of businesses especially, foreign-owned businesses in Nigeria. The tax system of Nigeria is fraught with the problems of multiple taxation, which is scaring away foreign investors as many of the tax laws and institutions are scattered and not harmonized. Also one of the major challenges of corporate social responsibility in Nigeria is that the concept has been espoused mainly as an optional and non-obligatory, which implies that there are no laws or policies guiding such obligations of foreign investors to Nigerians and her environment.

Most foreign investors often have difficulties in transacting businesses outside their jurisdictions on grounds of inability to access applicable norms existing in those other jurisdictions. For instance, Nigeria is ranked 169 out of 189 countries, on the World Bank's Ease of Doing Business rankings (World Bank's Ease of Doing Business Index, 2015). The index identified major drawbacks to doing business in Nigeria as sloppy taxation system, getting electricity, registering property and bottlenecks to starting business; and advocated



reforms in critical sectors of the economy. Corruption and lack of transparency also constitute various obstacles in this sphere. Studies have revealed that corruption has eaten deeply into the body system of Nigeria. Recently, in the year 2016, the Transparency International (TI) ranked Nigeria 136 out of 175 countries in its corruption perception for 2015, scoring it 27 percent in its review. The indication showed that the war against graft has remained moribund despite government's assurance that it was winning the battle. The organization which ranked Nigeria 143 out of 182 countries under its graft perception in 2011 defined corruption as the abuse of entrusted power for private gain which eventually hurts everyone who depends on the integrity of people in a position of authority". It does appear that corruption is generally endemic in developing economies. The drawback of corruption is enormous as the flow of foreign investments and gains accruable from profitable business operations stand threatened by the level of corruption, fraud, graft, misappropriation of authorized funds and mismanagement of authorized fund. Activities of fraudsters are a source of concern and they erode foreign investors' confidence in the system. The place of transparency, accountability and probity in reassuring and building the confidence of foreign investors cannot be over stated in the efforts put in place by the government in enacting anti-corruption legislations and putting in place the relevant agencies, namely, the Economic and Financial Crimes Commission, and the Independent Corrupt Practices Commission are good steps in the right direction. There is however, a great need to back up these efforts with a culture of accountability which will frown at and serve as the guarantee against corruption. It is also pertinent to note that the greater percentage of Nigeria's years as an independent nation witnessed the governance of the nation by the military with its attendant characteristic of incessant *coup' de tats*. To be more specific, between the years 1960 to 1999 the country enjoyed less than six years of democratic rule. Military dictatorship and economic development are compatible. The period of military rule in Nigeria drastically affected the country's ability to attract foreign investments.

One of the major concerns shared by foreign investors in respect of political instability is inconsistency in legislations and policies. With each regime there is always the likelihood of change in policies and legislations. Some of the changes in legislations and policies have the effect of indirect expropriation on investments.

Nigeria found herself in this kind of situation when the successive military regimes introduced inconsistent legislations and policies which hold direct bearing on foreign investment. A good example can be found in the indigenization policies that were introduced during the military regimes which drastically curtailed the influx of foreign investment into Nigeria. Even with the introduction of democratic rule in Nigeria, the way and manner elections are conducted many investors are yet to be convinced of the country's political stability and are still wary of bringing their investments into Nigeria.

The problem of national insecurity and unfavourable business climate is another major barrier to the inflow of foreign investment in Nigeria. The prevailing insecurity and the



incessant violent activities in the country have not only discouraged many intending foreign investors from investing in the country but have also prompted many foreign investors into shifting their investments to other jurisdictions. The picture of national insecurity was clearly pointed out by a report in these words:

“In the midst of rising interest and actual investment into Nigeria’s economy, security is emerging as the biggest challenge to sustaining the tempo of investment inflow The bombings and killings in the Northern Nigeria and kidnapping in the South are gradually emerging as a strand that Nigeria’s security agencies seem incapable of dealing with decisively. More worrisome is the silent suspicion that the security agencies are actually involved in the business of kidnap for ransom in the South while the North, the fear is that the security agencies may have been compromised and giving vital security information to the violent Boko Haram sect members ... (Abayomi, 2012)”

As the militant group, Boko Haram, continues its’ bombing of strategic places in the country, the World Investment Report (WIR) of the United Nations Conference of Trade and Development (UNCTAD Report, 2011) in its report stated that the Nigerian domestic economy has lost a whopping sum of N1.33 trillion Foreign Direct Investment (FDI) owing to the problem. According to the report, FDI flows to Nigeria fell to \$6.1 billion (N933.3 billion) in 2010, a decline of about 29 percent from the \$8.65 billion (N1.33 trillion) realized in 2009 fiscal year (UNCTAD Report, 2011:14). According to Okonjo-Iweala (Channels Television 2013) the total value of Foreign Direct Investment in Nigeria in 2012 was \$6.8bn, representing an increase of 17.24 percent. However analysts at Financial Derivatives Company Limited, in a report stated that the increase in the country’s FDI notwithstanding, it remained below par as a result of the Nigeria’s vulnerability to commodity price movements, insecurity and over-dependence on the oil and gas sector. The analysts noted that the FDI in Nigeria would have been significantly better without the security challenges in some parts of the country (Obong, 2013). The problem of national insecurity in Nigeria today has gone beyond that of political violence. Many foreign investors are subject of attack themselves. There are instances of kidnappings of foreign investors, almost on daily basis, particularly within the Niger-Delta area and the Northern part of Nigeria.

Properties and investments of the foreigners also come under direct attacks. Situations of oil bunkering and the destructions of oil installations of foreign investors are all examples of the state of insecurity threatening foreign investment in Nigeria. The endless insecurity in Nigeria which range from ethnic conflicts to religious clashes, restiveness in the oil producing communities, the emergence of ethnic militia, intra-ethnic and/or communal disturbances, escalating crime wave will no doubt over-shadow whatever incentives that the Nigerian government may provide to attract foreign investment. No foreign investor will consciously invest in an environment where there are heightened insecurity and where



the protection of his investment cannot be guaranteed. The government both at the federal and state levels have to join forces in mitigating the hardship caused by national insecurity by addressing the problems of some of these militant groups/terrorist-groups through dialogue and peaceful meetings. One of the major reasons given for Nigeria's failure to attract the much desired foreign investment despite the efforts made by the successive Nigerian Government is the inadequacy of the basic infrastructures in Nigeria. The basic infrastructures which have been and are still being lacked in Nigeria include: electricity, water, roads, telecommunication services, oil and gas supply, transportation and a host of others. In Nigeria, these tools are referred to as the public benefits which the government is under the obligation to confer. The near absence of these basic tools makes cost of production in all spheres of life very high. This no doubt slows the pace of economic development and serves as a hindrance to the inflow of foreign investment into the country.

Commentators on the state of infrastructure in Nigeria are unanimous that the high operational and production cost is a subject of major concern to many desiring foreign investors. A major concern of foreign investors with Nigeria is the burden of high operating cost which impact adversely on domestic supply. It makes investment highly unprofitable relative to the rest of the world. Deteriorating infrastructural support services have contributed enormously to the escalating production cost which undermines Nigeria's global competitiveness for capital. Over 80 percent of firms operating in Nigeria generate electricity privately, dig their own boreholes for water and buy poles for telephone wires to factory sites (Obitayo, 2006). The same concerns were echoed by the House of Representatives Committee on Works and lamented that in spite of the N1.414 trillion appropriated for the road sector since 1999, the roads have remained more dilapidated than they were before 1999 (Oweni, 2012). It is rather unfortunate that the above statements still represent the infrastructural situation in Nigeria up-to-date. Furthermore, (Obadan, 2006) also considers inadequate infrastructure a major obstacle to the influx of foreign investments into Nigeria. To him, policy must continue to focus on adequate provision and rehabilitation of infrastructure: fuel supply, water supply, transportation, telecommunications, etc. as a critical element of an enabling environment for private sector held growth.

The conclusion that can be drawn from the foregoing commentaries is that basic infrastructure is very important for the survival of any business. This has constituted a major concern to foreign investors whose major aim for seeking to invest in Nigeria is to make profit. The present state of infrastructure in Nigeria is bad and if urgent steps are not taken to address it, it may get worse. And until Nigeria rises up to these challenges foreign investment inflow will continue to elude the country. It is noteworthy that foreign investment is inevitable towards the sustainability of any meaningful socio-economic development in Nigeria. In this regard efforts should be made by the Nigerian government to remove these challenges that impede foreign investors from investing in Nigeria.



4. Conclusion

This study is embarked upon because of the benefits derivable from foreign investment by any Country especially Sub Sahara Africa like Nigeria. It has been argued in the paper that Nigeria is one of the economies with great demand for goods and services and has attracted foreign investment over the years. However, based on the dwindling volume of foreign investment in flows to Nigeria, there is urgent need for the Government to review the present policies and look towards attracting foreign investment. The major conclusion that can be drawn from the study is that Nigeria is yet to fully reap the benefits of foreign investment, as its impact on economic development at the moment is very little. However, hopes are rift that if round pegs are put in round holes, the anticipated benefits of foreign investment will begin to manifest in Nigeria. It is therefore recommended that the level of security at all levels in the Country should be overhauled in order to boost indigenous private and foreign investors' confidence as instability in any nation scare away prospective investors. Infrastructure in the country should also be improved on the Government.

Furthermore, the foreign sector in Nigeria should be liberalized, all barriers to trade that are inimical to Cross-border trade such as arbitrary tariffs; import and export duties and other levies should be reduced to the barest minimum or, if possible removed. There should be clear guideline in government policy regarding priority sectors that require foreign investments in Nigeria among which sectors like agriculture, mining and manufacturing should be uppermost for development. The spill-over effects of the development of these sectors would be manifold increase in rate of employment, GDP and output, food supply and raw materials for industries (especially local ones) and foreign exchange earning etc. To attract more foreign investments, the government must check the rising insecurity. There is no doubt that Nigeria's suffocating business environment is a major factor in the drop in foreign investments. Indeed, the present business environment is most unfriendly. The ease of doing business is still scary despite a slight improvement recorded last year. Worsening insecurity remains a big concern to potential investors. With mounting infrastructure deficit, high cost of production occasioned by epileptic power supply, multiple taxations from different government agencies Nigeria cannot attract the needed foreign investments. For instance, at about 32.5 per cent, Company income tax in Nigeria is considered among the highest in the world. In most counties, it is between 15 and 16 per cent. This is in addition to our inefficient port and rail infrastructure. All of these are disincentives to investment. It is, therefore, not surprising that most investors are moving to other countries where taxes are reasonably low, and where the government is interested in creating jobs rather than imposing high taxes. The economy needs investments to stimulate growth and generate revenues. But, any shrewd investor must enquire about the safety of his investment before doing so. Available statistics revealed that every geopolitical zone has witnessed a massive drop in investment. For instance, a recent report on FDI in the country estimated at \$93.3billion between 2013 and the first quarter of 2020 showed that the South East region received the least amount of \$203.898 million. Comparative figures



from the NBS report indicate that South East only outperformed North East and North West from 2013-2020, with capital importation of \$39.4billion (0.04 per cent) and \$29.9billion (0.03 per cent), respectively. The South West received the largest, \$81.8billion, representing 87.70 per cent of the total FDI, South South \$470.6 million (0.50 per cent), and North Central, \$10.7billion (11.51 per cent). Above all, there is need for reforms at all levels of government to strengthen investors' interest in the country.

Finally, there is an urgent need to review the investment legal regime so as to remove all such overlapping, inconsistent and unfavourable laws that militate against influx of foreign investments into Nigeria. In carrying out this task, an insight must be made to the strategies employed by other regimes in such jurisdictions that have succeeded in attracting foreign investment.

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