

The Trends and Dynamics of The Determinants of Investment In Nigeria

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This study analyze the trends of the determinants of investment with in the period 1970-2008 and adopted the cointegration econometrics method to estimate the dynamics of the variables in the study such as, the real and lagged values of investment, exchange rate and capital performance and the real values of market size, macroeconomic stability and political stability in order to assess their behaviors over time and evaluate how these have either hindered or encouraged the growth of investment in the Nigerian economy. These variables indicated basic statistical significance and it was detected that past outcome of domestic investment strongly influence the present levels of investment in Nigeria, Market fundamentals do not encourage domestic investment, previous values of the rates of exchange had stronger effects on the levels of domestic investment and that macroeconomic stability and political stability reveal reasonable levels of instability that inhibits the progress of domestic investment in the economy both on the long and short term basis.

Field of Research: Macroeconomics, Economics Policy

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