AEFUNAI JOURNAL OF ECONOMICS, FINANCE AND DEVELOPMENT STUDIES (AEFUNAIJEFDS)
ISSN (Print): 2536-6793 | **ISSN (Electronic):** 2536-6742 *Volume 2 (2) September, 2025*

Impact of Foreign Direct Investment on Price Stability in SSA Countries

[1]Wilfred Ositaufere, [2]Ekpendu Ezechimere Justice & [3]Nwoba Amos Jeremiah
[1&3]Department of Economics, Nnamdi Azikiwe University, Awka
[2]Clifford University, Owerinta, Abia State

DOI: 10.48028/iiprds/aefunaijefds.v2.i2.15 ***Corresponding Author:*** Wilfred Ositaufere

Abstract

The growing foreign direct investment (FDI) inflows into Sub-Saharan Africa amidst increasing global economic integration, and the unclear role FDI plays in influencing price stability. Given persistent inflation in the region and limited research on FDI's effect on domestic prices, the study seeks to investigate the impact of Foreign Direct Investment (FDI) on price stability in Sub-Saharan Africa. This study employed a quantitative ex post facto approach using panel data from 25 SSA countries over the period 2000–2022. The findings indicate that while FDI, unemployment, and exchange rate factors tend to push CPI upward in the long run, RGDP and interest rate exert a stabilizing (negative) force on inflation. In the short run, the effects remain mixed and largely insignificant; however, the presence of a significant error correction mechanism suggests that deviations from long-run equilibrium are corrected at a decent pace. Consequently, policymakers should move beyond passive FDI attraction and implement a deliberate strategy that channels FDI into sectors with transformative potential, while maintaining a stable macroeconomic environment. This integrated approach will not only maximize the developmental benefits of FDI but also ensure that capital inflows do not fuel inflationary cycles, thereby advancing sustainable price stability across SSA economies.

Keywords: *Foreign Direct Investment (FDI), Price Stability, Sub-Saharan African Countries and panel non-linear ARDL*

Background to the Study

Price stability remains a fundamental objective of macroeconomic policy, serving as a critical anchor for sustainable economic growth, safeguarding purchasing power, and maintaining investor confidence. In the context of Sub-Saharan Africa (SSA), however, achieving and sustaining price stability has proven particularly challenging. Structural rigidities, climate-related disruptions, external debt vulnerabilities, and persistent exchange rate volatility have continued to fuel inflationary pressures, especially in food and energy markets (International Monetary Fund, 2024). These challenges have been further intensified by recent global shocks, including the COVID-19 pandemic, the Russia-Ukraine conflict, and the tightening of global financial conditions.

Despite the adoption of tight monetary policies by many central banks in the region, inflation in SSA remains stubbornly high and volatile. The International Monetary Fund (2024) reports that over 60% of SSA countries have experienced inflation rates consistently above target levels in recent years, threatening poverty reduction efforts and weakening the effectiveness of macroeconomic planning. These persistent inflationary trends raise critical questions about the efficacy of existing policy frameworks and call for a reassessment of external macroeconomic drivers, particularly the role of Foreign Direct Investment (FDI) in shaping inflation outcomes in the region.

FDI has long been recognized as a vital source of external finance and developmental capital for SSA economies. Theoretically, FDI is expected to contribute to price stability by enhancing productive capacity, expanding aggregate supply, facilitating technology transfer, and reducing import dependence (Olayungbo & Quadri, 2022). However, empirical observations in SSA suggest a more nuanced and contradictory reality. While some studies highlight the potential of FDI to ease inflation through supply-side improvements such as boosting productive capacity, advancing technology transfer, and supporting infrastructure development (Agbloyor, Abor, Adjasi, & Yawson, 2014; Mutenyo, Asmah, & Kalio, 2010), others document inflationary pressures arising from capital inflows. These pressures are particularly evident when FDI is concentrated in resource-based and capital-intensive sectors, which often generate limited spillovers to the broader economy and may trigger exchange rate appreciation, sectoral imbalances, and cost-push inflation (Berg, Portillo, Yang, & Zanna, 2012; Adenutsi, 2011; Lartey, 2008).

Crucially, a significant gap exists in the literature regarding the heterogeneity of FDI's effects on inflation across countries, sectors, and institutional contexts in SSA. Most existing studies tend to adopt an aggregate approach, treating FDI and inflation as largely independent phenomena or overlooking the mediating roles of country-specific structural and policy variables (Akinlo & Apanisile, 2022). This oversight limits the applicability of findings and weakens the evidence base for tailored, country-level policymaking. Given these complexities, this study aims to investigate the impact of FDI on price stability in SSA countries.

Theoretical Literature

Mundell-Fleming Model

The Mundell-Fleming model is a seminal macroeconomic framework that analyzes the behavior of open economies under varying exchange rate regimes (Mundell, 1963; Fleming, 1962). The model posits that capital flows, including Foreign Direct Investment (FDI), interact with domestic monetary and fiscal policies to influence key macroeconomic variables such as output, interest rates, exchange rates, and price levels. In the Sub-Saharan African (SSA) context where financial markets are less developed and external sector shocks are frequent, the Mundell-Fleming framework remains a useful foundation, albeit requiring adaptation to reflect weak institutional capacity and structural rigidities.

According to the model, FDI inflows can influence price stability through multiple transmission channels. One prominent channel is the foreign exchange market. FDI increases demand for local currency as investors convert foreign capital into domestic currency for operational use. This increased demand can lead to nominal exchange rate appreciation, which in turn makes imported goods cheaper, thereby reducing imported inflation (Sachs, Tornell, & Velasco, 1995). In economies that rely heavily on imports for essential goods, this effect can significantly lower consumer price levels in the short to medium term.

Additionally, FDI contributes to capital accumulation and technology transfer, particularly when directed toward tradable sectors such as manufacturing and agriculture. These inflows enhance productive capacity and improve supply-side efficiency, which can mitigate cost-push inflationary pressures over time. This supply-side transmission mechanism aligns with the findings of Borensztein, De Gregorio, and Lee (1998), who argue that FDI promotes long-term price stability by increasing output and easing production bottlenecks.

However, the relationship is not unidirectional or uniformly beneficial. In the presence of weak absorptive capacity, poor infrastructure, or a narrow sectoral focus as is often the case in SSA, FDI may exacerbate inflationary pressures instead. For instance, when FDI is concentrated in resource sectors, it can trigger the so-called "Dutch Disease," whereby large capital inflows cause currency appreciation, reduce the competitiveness of non-resource tradable sectors, and lead to inflationary imbalances (Alege, Osabuohien, & Adeyemi, 2023). Moreover, excessive or volatile FDI flows, particularly those of a speculative nature, can undermine monetary policy autonomy and introduce macroeconomic instability. In countries with underdeveloped financial markets, large inflows may fuel credit booms and asset bubbles, thereby indirectly contributing to inflation.

Empirical Literature

A number of empirical studies have examined the relationship between Foreign Direct Investment (FDI) and inflation, but findings remain inconclusive due to differences in methodologies, variable specifications, and contextual factors. For instance, Igwemeka (2016) analyzed the impact of foreign investment on domestic inflation in Nigeria over the 1987–2012 period and found that both FDI and foreign portfolio investment had a positive but statistically insignificant effect on inflation, while exports had a negative and significant

influence. Similarly, Ekpo (2017) explored the macroeconomic determinants of FDI in Nigeria between 1970 and 1994 and noted that FDI was sensitive to macroeconomic stability, particularly low inflation and real per capita income.

Remigius et al. (2018) focused on domestic savings and investment in Nigeria and their effects on inflation. The study revealed that both gross domestic savings and gross domestic investment significantly influenced the consumer price index, indicating the relevance of investment flows (domestic or foreign) in inflation dynamics. Moving beyond linear modeling, Saddam and Mansur (2018) applied both linear and nonlinear ARDL models in Bangladesh and found evidence of a nonlinear cointegration relationship between FDI and inflation. The relationship was symmetric in the short run but asymmetric in the long run, underscoring the complexity of the FDI–inflation nexus over different time horizons.

In Sri Lanka, Mustafa (2019) examined the direct effect of FDI on inflation using a simple regression and the Johansen cointegration technique over the 1978–2017 period. The study found a statistically significant inverse relationship between FDI and inflation, suggesting that FDI contributes to price stability by improving domestic production and alleviating supply-side constraints. In a cross-sectoral context, Kunle (2019) studied the relationship between FDI and several macroeconomic indicators, including inflation, in Tokyo from 1971 to 1990 using a Vector Error Correction Model (VECM). The results suggested a negative relationship between FDI and inflation, while variables such as exchange rate and industrial production were positively associated with FDI.

Although not focused exclusively on FDI, Omotosho and Ogu (2021) examined the impact of international remittances on price stability in Nigeria using the ARDL model. Their findings indicated that remittances increased general price levels, whereas trade openness and the exchange rate contributed to inflation moderation in the long run—highlighting the broader role of external financial flows in influencing inflation dynamics.

Murtala and Umar (2022) adopted a GARCH model to study the impact of FDI on inflation and exchange rates in Nigeria from 2017 to 2021. Their results showed a negative relationship between FDI and inflation, consistent with the view that investment inflows can ease price pressures when effectively absorbed into the economy. Most recently, Nwikina et al. (2024) analyzed the effect of globalization proxies, including FDI, on price stability in Nigeria over the 1990–2022 period. They found that FDI, trade openness, and development assistance had a statistically significant negative effect on inflation, while the exchange rate exhibited a positive impact.

Overall, while previous studies provide useful insights into the FDI–inflation nexus, they are limited by geographical scope (Igwemeka, 2016; Ekpo, 2017; Remigius et al., 2018; Murtala & Umar, 2022; Nwikina et al., 2024; Saddam & Mansur, 2018; Mustafa, 2019), timeframe which is either outdated or too short (Ekpo, 2017; Murtala & Umar, 2022; Kunle, 2019), and methodology (Ekpo, 2017; Mustafa, 2019; Saddam & Mansur, 2018). This study addresses these gaps by employing a panel ARDL model across multiple Sub-Saharan African countries,

incorporating both lagged effects and macroeconomic control variables, while allowing for country-level heterogeneity and potential feedback mechanisms. By doing so, it contributes to a more nuanced understanding of how FDI influences price stability in the region, both in the short and long run.

Model Specification

To examine the impact of foreign direct investment inflows on price stability, we lean on the quantitative analysis with ex post facto research but follow the empirical application of Mustafa (2019) where INFR is modeled as a function of foreign direct investment inflow. However, the specified model departs from extent specification because the potential feedback effect between INFR and foreign direct investment inflows is considered. The functional relationship between FDI and INFR is thus specified as follows:

$$CPI = f(FDI, RGDP, UNR, INTR, EXR) \quad 1$$

The general panel linear form of the model will be re-writing as:

$$CPI_{it} = \pi_0 + \pi_1 FDI_{it-1} + \pi_2 RGDP_{it} + \pi_3 UNR_{it} + \pi_4 INTR_{it} + \pi_5 EXR_{it} + v_{it} \quad 2$$

Where, CPI is Consumer price index, FDI is Foreign Direct Investment, RGDP is real gross domestic product, UNR is unemployment rate, INTR is interest rate, EXR is exchange rate, βo is the intercept of the equation, ε is the stochastic term or error term assumed to be normally and independently distributed with zero mean and constant variance. It captures all other explanatory variables which influence economic growth but are not captured in the model, while i is cross sectional identities, and t is time.

Estimation Technique and Justification

The study employs the Panel Autoregressive Distributed Lag (PARDL) model, appropriate for heterogeneous panels where variables are integrated of different orders, i.e., I(0) and I(1), but not I(2). The choice of panel ARDL is justified based on the following:

1. Mixed Order of Integration**:** Preliminary unit root tests will confirm whether variables are I(0) or I(1), making panel ARDL suitable.
2. Captures Both Short- and Long-Run Dynamics**:** It provides estimates of both short-run adjustment processes and long-run equilibrium relationships between FDI and inflation.
3. Allows for Heterogeneity Across Countries: Unlike pooled OLS, the panel ARDL approach (e.g., Mean Group or Pooled Mean Group estimator) accounts for structural and policy differences across Sub-Saharan African countries.
4. Controls for Endogeneity**:** By including lagged variables and error correction terms, the model mitigates potential endogeneity issues arising from reverse causality between FDI and CPI.

Theoretical Expectations of Variable Signs

Each explanatory variable is included based on economic theory and prior empirical findings, with the following expected effects on CPI:

Table 1.

Variable	Description	Expected Sign	Theoretical Justification
FDI	Foreign Direct Investment (lagged)	**Negative** (–)	FDI is expected to increase productive capacity and ease supply-side constraints, reducing inflation (Borensztein et al., 1998). However, in resource-intensive or volatile contexts, the effect may be ambiguous.
RGDP	Real Gross Domestic Product	**Negative** (–)	Higher output levels can increase supply, which helps moderate inflation. Economic growth also stabilizes income and reduces cost-push pressures.
UNR	Unemployment Rate	**Negative** (–)	High unemployment is associated with weak demand, which typically exerts downward pressure on prices (Phillips Curve trade-off).
INTR	Interest Rate	**Negative** (–)	Higher interest rates reduce consumer and investment spending, thereby lowering inflation through demand contraction (monetary policy tool).
EXR	Exchange Rate (local currency per USD)	**Positive** (+)	Depreciation increases the cost of imports, contributing to imported inflation. Conversely, appreciation may reduce CPI.

Source of Data

Data for this study were sourced from secondary sources, specifically the World Bank's World Development Indicators (WDI, 2023) covering the period from 1990 to 2024. Data retrieved from WDI are Consumer price index, Foreign Direct Investment, real gross domestic product, unemployment rate, interest rate, and exchange rate. The timeline for this study is years observation. The chosen data scope was informed by the availability of data for all the series.

Descriptive Statistics, Correlation Metrix, Cross-sectional dependency, Unit Root Test, Cointegration and Panel ARDL model Results

Descriptive Statistics

The empirical tests discussed were conducted using the E-view 9.0 software. A summary of the results is presented below.

Descriptive Statistics Test

Table 2: Summary of Descriptive Statistics

Variables	CPI	FDI	RGDP	UNR	INTR	EXR
Mean	10.52	5.54	3145.31	10.96	7.33	302.18
Median	6.09	2.61	2090.06	9.14	7.14	30.07
Max	418	84.94	10892.54	29.45	38.98	3727.07
Min	-16.8	-11.19	267.53	1.90	-60.78	1.99
Std. Dev.	28.31	10.32	2693.93	7.92	9.15	719.34
Jarque-Bera	282069.7	7485.69	31.86	33.33	2223.66	1946.36
Prob	0.00	0.00	0.00	0.00	0.00	0.00
Obs.	299	299	299	299	299	299

Source: Researcher computation using Eview 9.0

Table 2 showcases the descriptive statistics of the dataset with 299 observations. The table shows that CPI has mean value of 10.52 and minimum and maximum values of -16.8 and 418 respectively; also, FDI has mean value of 5.54 and minimum and maximum values of -11.19 and 84.94 respectively. Also, RGDP has mean value of 3145.31 and minimum and maximum values of 267.53 and 10892.54 respectively; UNR has mean value 10.96 and minimum and maximum value of 1.90 and 29.45 respectively while INTR has mean value of 7.33 and minimum and maximum values of -60.78 and 38.98 respectively. Moreover, EXR has mean value of 302.18 with minimum and maximum value of 1.99 and 3727.07 respectively.

The high range (maximum – minimum) values and high std. dev. values of the dependent and independent variables are a clear indicate on that there is wide disparity across Sub-Saharan African countries based on these variables. However, the Jacque-bera values and p-values of 0.0000 confirm the normality of the data.

The correlation matrix was tested and the result presented using Table 3.

Table 3: Correlation Matrix

Model 1	CPI	FDI	RGDP	UNR	INTR	EXR
INFR	1					

FDI	0.002844	1				
	0.9609	-----				
RGDP	-0.10112	-0.23007	1			
	0.0809	0.0001	-----			
UNR	-0.14773	-0.17535	0.66664	1		
	0.0105	0.0023	0.0000	-----		
				-		
INTR	-0.57107	0.154972	-0.2089	0.21775	1	
	0.0000	0.0073	0.0003	0.0001	-----	
			-	-		
EXR	-0.05265	-0.0954	0.30826	0.27575	0.201846	1
	0.3643	0.0997	0.0000	0.0000	0.0004	-----

Source: Researcher computation using Eview 9.0

As can be seen in the table 3, regressors do not have perfect or exact linear representations of one another. From the result, it can be seen that there is no linear dependency between dependent and independent variables. This is because none of the explanatory variables has correlation coefficient up to 0.8. It is therefore, safe to conclude that there is no sign of multicollinearity that could undermine the efficacy of this model.

As seen in Table 4, all the LM tests including Pesaran CD reveal the existence of cross-sectional dependence at a 1% significance level for all the variables. Hence, we conduct a unit root test which allows for cross-sectional dependence. Table 5 is the Pesaran panel unit root test in the presence of cross-sectional dependence (CIPS and CADF).

Table 4: Cross-Section Dependence Test Result

Cross-Sectional Dependence Test

Variables	Breusch-Pagan LM	Pesaran scaled LM	Bias-corrected scaled LM	Pesaran CD
CPI	201.63***(0.0000)	8.857393***(0.0000)	8.561939***(0.0000)	8.08836***(0.0000)
FDI	302.56***(0.0000)	16.93875***(0.0000)	16.64329***(0.0000)	3.896714***(0.0001)
RGDP	1079.69***(0.0000)	79.17282***(0.0000)	78.87737***(0.0000)	31.70365***(0.0000)
UNR	2037.27***(0.0000)	69.90306***(0.0000)	69.33487***(0.0000)	8.247138***(0.0000)
INTR	105.16**(0.0219)	1.133427 (0.257)	0.837973 (0.402)	2.019057**(0.0435)
EXR	1301.21***(0.0000)	96.8947***(0.0000)	96.59925***(0.0000)	35.3894***(0.0000)

Values in brackets indicate probability values; *, **, and *** indicate significance at 10% level, 5% level, and 1% level, respectively. Null hypothesis: no cross-sectional dependence; Ha: there is cross-sectional dependence among groups or firms

Source: Researchers' computation using Eviews 9.0

Table 5: Summary of Unit Root Test Results

Pesaran Panel Unit root text with cross -sectional (CIPS & CADF)

	CIPS			CADF		
	Level	1st Diff.	Decision	Level	1st Diff.	Decision
CPI	-3.376	-5.111	I(0)	-3.006	-4.212	I(0)
FDI	-2.361	-4.749	I(1)	0.175	-7.324	I(1)
RGDP	-2.081	-4.646	I(1)	-1.323	-2.552	I(1)
UNR	-0.575	-3.032	I(1)	-1.227	-2.642	I(1)
INTR	-4.033	-6.021	I(0)	-3.514	-8.562	I(0)
EXR	-2.643	-3.846	I(0)	-2.576	-2.576	I(0)

Source: Researchers' computation using Stata 15

From Table 5, Pesaran panel unit root test was estimated. Our panel unit root test results using CIPS and CADF indicate that all the CIPS and CADF statistics are greater than their critical values of 10%, 5%, and 1% only at their first differences. This implies that the variables are integrated of order one [I(1)]. In contrast, CPI, INTR and EXR are stationary at their levels, denoted as order [I(0)]. This test is motivated by the outcome of the cross-sectional dependence test. Thus, we proceed to panel co-integration analysis.

Table 6: Panel cointegration Test Result

Statistic	Value	Z-value	P-value
Gt	-0.84	5.52	1.000
Ga	-0.35	6.701	1.000
Pt	-4.89	2.522	0.994
Pa	-0.84	3.61	1.000

All test statistics are distributed N(0,1), under a null of no cointegration, and diverge to negative infinity (save for panel v).

From Table 6, it can be seen that the co-integration results indicate that there are four outcomes such as Gt-statistics, Ga-statistics, Pt-statistics and Pa-statistics. These have their corresponding probability values. The null hypothesis states that there is no co-integration among the variables. However, the p-values of the entire outcome are non-significant. In other words, there is no long-run relationship among the variables. Hence, we estimate the panel non-linear ARDL techniques.

Table 7: Summary of Result for Panel ARDL Test

Variables	**(CPI)**		
Longrun	**Coeff.**	**t-Stat.**	**Prob**
FDI	0.022793	0.67	0.504
RGDP	-0.00169	-4.77	0.000
UNR	0.002276	0.01	0.991
INTR	-0.24109	-3.68	0.000
EXR	0.004645	0.88	0.378
Short run			
ECT(-1)	-0.65202	-8.76	0.000
FDI	0.247512	1.88	0.060
RGDP	0.018871	1.7	0.089
UNR	-2.78179	-2.56	0.011
INTR	-0.05234	-0.38	0.701
EXR	-0.38184	-1.1	0.273

Source: Researcher computation using Eview 9.0

Findings

FDI, UNR and EXR has a coefficient of 0.02, 0.002, and 0.004 with their p-values of 0.50, 0.99 and 0.38 respectively, showing a positive and non-significant effect on CPI at the 5% level. Suggesting the following: one-unit increase in FDI, UNR and EXR leads to 0.02, 0.002 and 0.004 increase in CPI respectively, whereas one-unit decrease in RGDP and INTR leads to -0.002 and -0.24 decrease in CPI respectively. In the short-run, UNR, INTR and EXR exert

negative and non-significant effect on CPI, while FDI and RGDP have positive effect on CPI. The ECT (-1) on the other hand is negative and significant, which implies that it is rightly sign. Thus, disequilibrium from the short-run to long-run is corrected at -0.65 percent speed of adjustment.

Discussion of Findings

The long-run estimation reveals that a one-unit increase in FDI, unemployment (UNR), and exchange rate (EXR) is associated with increases in the Consumer Price Index (CPI) by 0.02, 0.002, and 0.004 units, respectively, though these effects are not statistically significant. Conversely, a one-unit decrease in real GDP (RGDP) and interest rate (INTR) corresponds to decreases in CPI of 0.002 and 0.24 units. In the short run, while FDI and RGDP exhibit positive influences on CPI, UNR, INTR, and EXR tend to lower CPI, but again, these short-term effects lack statistical significance. The error correction term (ECT) is negative and significant at –0.65, indicating that deviations from the long-run equilibrium are corrected at a moderate pace (65% per period).

The positive long-run association between FDI and CPI is contrary to the theoretical prediction derived from the Mundell-Fleming framework, where FDI is expected to enhance price stability through currency appreciation and supply-side improvements. This divergence may be attributable to the distinctive nature of many Sub-Saharan African economies, where FDI is often channeled into sectors that do not stimulate domestic value addition particularly in resource-based industries thereby exacerbating inflationary pressures rather than mitigating them.

Moreover, the positive but non-significant impact of UNR and EXR on CPI suggests that structural factors, such as labor market inefficiencies and import dependency, may outweigh the stabilizing influence anticipated by traditional theory. The negative coefficients for RGDP and INTR align with conventional macroeconomic logic: higher output reduces demand pressures, and tighter monetary policy reflected in higher interest rates tends to restrain price increases. However, the empirical evidence of RGDP's effect is relatively muted, while the more substantial coefficient on INTR underscores the potency of monetary policy in the region.

Comparing these findings with earlier studies, we note partial convergence with research by Nwikina et al. (2024) and Igwemeka (2016), which also report a positive influence of FDI on inflation. By contrast, studies such as those by Murtala and Umar (2022), Mustafa (2019), Kunle (2019), and Ekpo (2018) generally report an inflation-mitigating effect of FDI. These contrasting results underscore the context-specific nature of SSA's economic structure where persistent import dependency and limited diversification seem to modulate the expected stabilizing channels of FDI.

Conclusion

The findings from this analysis indicates a nonsignificant relationship between foreign direct investment inflows and price stability in sub-Saharan African countries. Specifically, Real

Gross Domestic Product (RGDP) and Interest Rate (INTR) have a significant impact on price stability, while Foreign Direct Investment (FDI), Unemployment Rate (UNR), and Exchange Rate (EXR) exhibit positive but non-significant impacts, implying that these factors do not substantially influence price stability in the studied economies. Furthermore, the explanatory variables do not conform to the expected a priori signs, highlighting potential structural and contextual economic factors at play. Given these results, the null hypothesis is not rejected, confirming that there is no significant relationship between FDI and price stability. This suggests that while FDI contributes to economic development, its direct effect on inflationary trends remains minimal.

Policy Recommendation

Based on the findings, Policymakers should move beyond passive FDI attraction and implement a deliberate strategy that channels FDI into sectors with transformative potential, while maintaining a stable macroeconomic environment. This integrated approach will not only maximize the developmental benefits of FDI but also ensure that capital inflows do not fuel inflationary cycles, thereby advancing sustainable price stability across SSA economies.

References

Adenutsi, D. E. (2011). Financial development, foreign direct investment and economic growth: Evidence from sub-Saharan Africa, *Journal of Economic Studies,* 38(3), 248–261. [https://doi.org/10.1108/01443581111128322]

Agbloyor, E. K., Abor, J. Y., Adjasi, C. K. D., & Yawson, A. (2014). Private capital flows and economic growth in Africa: The role of domestic financial markets, *Journal of International Financial Markets, Institutions and Money*, 30, 137–152. [https://doi.org/10.1016/j.intfin.2014.01.003]

Akinlo, A. E., & Apanisile, O. T. (2022). Foreign capital inflows and macroeconomic stability in Sub-Saharan Africa, African Development Review, 34(1), 120–135. https://doi.org/10.1111/1467-8268.12513

Alege, P. O., Osabuohien, E. S., & Adeyemi, O. O. (2023). FDI and sectoral inflationary pressures in resource-abundant African economies, *Journal of African Business, 24*(3), 345–362. https://doi.org/10.1080/15228916.2023.2175642

Berg, A., Portillo, R., Yang, S. C. S., & Zanna, L. F. (2012). Public investment in resource-abundant developing countries, *IMF Working Paper* No. 12/274. [https://www.imf.org/external/pubs/ft/wp/2012/wp12274.pdf]

Borensztein, E., De Gregorio, J., & Lee, J.-W. (1998). How does foreign direct investment affect economic growth? *Journal of International Economics, 45*(1), 115–135.

Ekpo, A. (2018). Foreign direct investment in Nigeria: Evidence from time series data, *Research Journal of Finance and Accounting*, 35, 59-78.

Fleming, J. M. (1962). Domestic financial policies under fixed and floating exchange rates, IMF Staff Papers, 9(3), 369–379.

Igwemeka, E. O. (2016). The impact of foreign investments on domestic inflation in Nigeria: A disaggregated analysis, *IOSR Journal of Economics and Finance (IOSR-JEF),* 7(2), 25-32.

International Monetary Fund. (2022). *Inflation dynamics in Sub-Saharan Africa*, International Monetary Fund Working Paper.

International Monetary Fund. (2024). Regional economic outlook: Sub-Saharan Africa – Navigating Inflation and Debt Challenges. International Monetary Fund.

Kumo, W. L., Makun, K. K., & Omilola, B. (2023*). Capital flows and macroeconomic volatility in Sub-Saharan Afric*a, African Economic Research Consortium (AERC) Working Paper Series, WP/23/05.

Kunle, A. O. (2019). The impact of foreign direct investment on economic growth, *Journal of Art and Sciences*, Retrieved from https://www.scirp.org/html/7-2310991_92679.htm

Lartey, E. K. K. (2008). Capital inflows, Dutch disease effects and monetary policy in a small open economy *Review of International Economics,* 16(5), 971–989. [https://doi.org/10.1111/j.1467-9396.2008.00743.x]

Mohammed, V., & Mansur, M. (2014). *Is there any causality between inflation and FDI in an `inflation targeting' regime? Evidence from South Africa*. MPRA Paper No. 60246. Retrieved from https://mpra.ub.uni-muenchen.de/60246/

Mundell, R. A. (1963). Capital mobility and stabilization policy under fixed and flexible exchange rates, *Canadian Journal of Economics and Political Science, 29*(4), 475–485.

Murtala, S., & Umar, A. I. (2022). Impacts of foreign direct investments on Nigeria's economic growth 2017-2021. *Srusti Management Review; Bhubaneswar, 15*(2), 74-80.

Mustafa, A. (2019). Relationship between foreign direct investment and inflation: Econometric analysis and forecasts in the case of Sri Lanka*, Journal of Politics and Law*, 12(2).

Mutenyo, J., Asmah, E., & Kalio, A. (2010). Does foreign direct investment promote regional economic integration in Sub-Saharan Africa? *African Finance Journal*, 12(2), 27–40.

Nwikina, C. G., Thankgod, T., Yeri V. B., & Braide, K. R. (2024). Impact of globalisation on price stability in Nigeria, *Aksu Journal of Management Sciences (AKSUJOMAS),* 9(2).

Olayungbo, D. O., & Quadri, A. (2022). FDI, economic growth, and price stability in Africa: Evidence from panel cointegration, *Economic Change and Restructuring,* 55(4), 981–1004. https://doi.org/10.1007/s10644-021-09338-1

Omotosho D. & Ogu, C. (2021). Impact of international remittances on price stability in Nigeria, *Indiana Journal of Humanities and Social Sciences,* 2(8).

Remigius, C. E., Blessed, C. N., & Edith, N. M. (2018). Effect of domestic savings and investment on consumer price index in Nigeria, *Journal of Global Accounting,* 9(2).

Sachs, J. D., Tornell, A., & Velasco, A. (1995). The collapse of the Mexican Peso: What Have We Learned? *Economic Policy, 10*(22), 13–56.

Saddam, H., & Mansur, M. (2018). *Is the relationship between FDI and inflation nonlinear and asymmetric? New evidence from NARDL approach*. INCEIF, Malaysia, Business School, Universiti Kuala Lumpur.