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## An Overview of the Legal Measures for Promotion and Protection of Investments in Nigeria

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### Abstract

*The promotion and protection of investors have over the years suffered policy and developmental drive. The Nigerian system is characterized by inconsistent policies of the governments in investments growth. The country has a high desire for economic development. This article begins with an introduction, followed by the historical development of investors' protection in Nigeria, the agencies created for the investment protection such as Nigerian Investment and Promotion Commission (NIPC) and Investment Promotion and Protection Agreement (IPPA), the factors that militate against investment growth in Nigeria, the legal methods by which investment disputes could be settled and concludes that if the recommendations proposed in this article would be adopted apparently, Nigeria will become one of the world's greatest economy.*

**Keywords:** Legal measures, legal promotion, legal protection, protection of investment, promotion, of investment, investment in Nigeria, promotion of investment in Nigeria, protection of investment in Nigeria

### 1. Introduction

Nigerian government overtime, had accepted that investment was and still is the engine of economic growth and the creation of wealth in the economy. The major responsibility of the government is to provide the enabling environment for investors to operate. In this connection, those laws that had hindered private investors have been amended thereby encouraging investors to come into Nigeria to invest.<sup>1</sup>

The pasts and democratic seating of Nigerian government has made frantic efforts to encourage foreign investors to come into Nigeria. These efforts are being made by ensuring that Nigerian economic environment becomes conducive for investment. As these efforts are being made, Nigerians are apparently devising other means to make the environment un-conducive by engaging into various fraudulent means which stand as a great challenge to the promotion of investment in Nigeria.

The promotion of Foreign Direct Investment (FDI) has been a global policy of many nations. The Nigerian foreign investment has been foremost in the Nigerian foreign policy even before independence. The foreign investment is inevitable in the drive towards the substantial move for any meaningful socio-economic development of a country. For a nation such as Nigeria, to develop, she has to depend largely to some extent on an increase net flow of its investments both foreign and internal.

For the past twenty-five years, Nigerian's role in foreign investments has undergone basic transformations. Federal Government and some state governments have taken steps to invite some foreign investors to Nigeria. The effect of this is that new socio-economic order is emerging in Nigeria.

### 2. The Historical Development of Promotion and Protection of Investments in Nigeria

The Nigerian economy deserves an environment that would be conducive for investments. To do this, she had, prior to independence through colonial government, created policies that encouraged investors. In 1946, the colonial government promulgated a 10-year local loan plan ordinance<sup>2</sup>. These ordinances floated the Government's stock in 1961<sup>3</sup>.

<sup>1</sup>. Investment incentives in Nigeria. [www.nigeriaembasseymusa.org/index.pdf](http://www.nigeriaembasseymusa.org/index.pdf)? Accessed 15/11/2019 4:11pm.

<sup>2</sup>. Advocate health: A Brief Anthiopolology of the Nigerian... Advocate health: [blogspot.com/.../brief](http://blogspot.com/.../brief)-Accessed 18/11/2019.

<sup>3</sup>. The historical Evolution of the Nigerian Capital Market [www.proshareg.com/.../the-Historical-Evolution-of-the-Nigerian-Coached](http://www.proshareg.com/.../the-Historical-Evolution-of-the-Nigerian-Coached) Accessed 27/11/2019 3:30pm.

Prior to this, in 1958, the Central Bank of Nigeria was established through the Central Bank of Nigeria Act of 1958<sup>4</sup>. In 1959, the statutory corporation Act was enacted. In 1966, the Central Bank of Nigeria Treasury Bills which were meant to provide an avenue for the investment of short-term liquid funds in Nigeria, were issued. The Lagos Stock Exchange (LSE) was incorporated as a private limited liability company by guarantee and operated for business from June 1961 with 19 listed securities<sup>5</sup>.

In 1968, the Borrowing by Public Bodies Act was enacted. In the same year, there was the Companies Decree that was promulgated but was criticized for failing to enact both statute and case law on companies. In 1969, there was the Banking Decree. In 1972, the Nigerian Enterprises Promotion Decree was promulgated which was followed by the Capital Issues Commission Decree of 1973<sup>6</sup>. In 1977, there was the Indigenization Decree, the name of the Lagos Stock Exchange (LSE) was changed to the Nigerian Stock Exchange (NSE). This was followed by the Industrial Panel.

The colonial regime in Nigeria enacted some investment friendly legislations during that period meant to:

- Aid the pioneer industry ordinance of 1952 which encouraged the establishment of foreign auxiliary incentives; and
- The industrial development/income tax relief act 1958 which was inspired by the 1952 ordinance.<sup>7</sup>

In 1962, the Nigerian Government launched the development plan. The target of this policy was to encourage investment and such investors could be protected. The Commonwealth Development and Finance Limited gave birth to the Investment Company of Nigeria which was directly concerned with the Nigerian Economic Development. The company encouraged local Industries, Commerce, and Foreign Investment Capital to Private Enterprises, seeking technical and managerial expertise<sup>8</sup>. The inflow of foreign capital through this company accomplished a lot in the Nigeria's investment history<sup>9</sup>.

The doctrine of compensation further remained in Nigeria's investment laws. This position is reflected in the provision of the Nigeria Investment Promotion Commission Act<sup>10</sup>. This provision was intended to guard against expropriation.

The supposed 4<sup>th</sup> Development plan was truncated by the December 31 1983 Military Coup. The emergent military government, particularly from August 1985, introduced a lot of policies such as:

- Structural Adjustment Programme (SAP); and
- Secured a loan from the International Monetary Fund (IMF). This loan was obtained under certain conditionalities of which the primal was the devaluation of the Nigerian currency (the Naira). Today, the serious effect of that policy could be seen in the exchange rates as \$1 (One Dollar) which could exchange for 60k then in 1981 exchanges to ₦350.00 as at 15 January, 2018<sup>11</sup>.

The Nigerian Investment Promotion Commission (NIPC) was set up in 1995<sup>12</sup>. The NIPC was primarily established to encourage private investors and to coordinate investment in the Nigerian economy. Since 1999, the Nigerian new Democratic Government has been doing all it could to create a better environment to encourage investments in Nigeria.

### 3. Agencies for the Promotion and Protection of Investments in Nigeria

Nigeria realized that for the economy to attain a visible development, she has to create some bodies that would be charged with the responsibility of encouraging promotion, and coordinating investments. In this connection, the Nigerian Investment Protection Commission was created in 1995. Section 4 of the Act provides for the functions of the NIPC as a corporate body for encouraging, promoting and coordinating investments in the economy. Some of the crucial duties of the Commission are to:

- Be the agency of the Federal Government to coordinate and monitor all investments promotion activities to which this Act applies;
- Initiate and support measures which shall enhance the investment climate in Nigeria for both Nigerians and non-Nigerian investors;
- Promote investment within and outside Nigeria through effective promotional means;
- Collect, analyze and disseminate information about investment opportunities and sources of investment capital and advice on request, regarding the availability, choice or suitability of partners in joint-venture projects;
- Register and keep records of all enterprises to which this Act applies;
- Identify specific projects and invite interested investors for participation in those projects;
- Initiate, organize, and participate in promotional activities, such as, exhibitions, conferences and seminars for the stimulation of investments;
- Maintain liaison between investors and ministers, government departments, agencies, institutional leaders and other authorities concerned with investment;

<sup>4</sup>Ibid.

<sup>5</sup>Ibid.

<sup>6</sup> Adeosun Panel 1975.

<sup>7</sup> Kachikwu, I. E. Nigeria Foreign Investment Law and Policies, (Lagos: Mizek Law publications 1988) P. 121.

<sup>8</sup>Ibid.

<sup>9</sup> Ogbe, N. E. 'Review of Nigerian Economy (1960-1977)' (Lagos: Central Bank of Nigeria, 1984) The Bullion Silver Jubilee Special Anniversary issue, P.18.

<sup>10</sup> No. 6 16, 1995.

<sup>11</sup> To United States Dollar (USD) on 15 Jan. 2016 (15/1/2016) Engifxchangerate.com/usd-2016\_01\_1... Assessed 20/1/2018 4:10pm.

<sup>12</sup> NIPC 1995 Act No. 16 1995.

- Provide and disseminate up-to-date information on incentives available to investors;
- Assist incoming and existing investors by providing support services;
- Evaluate the impact of the commission in investment in Nigeria and make appropriate recommendations;
- Advise the federal government on policy matters including fiscal measures designed as to promote the industrialization of Nigeria or the general development of the economy; and
- Perform such other functions as are supplementary or incident to the attainment of the objectives of this act.

Another agency is the Investment Promotion and Protection Agreement (IPPA). The Nigerian Government continued to enter into bilateral investment promotion and protection agreement with countries that do business with her as a way of furthering efforts to enhance, foreign investors confidence<sup>13</sup>.

Nigeria has concluded and signed IPPA'S agreement with the following nations<sup>14</sup>:

- France;
- United Kingdom;
- Netherlands;
- Romania;
- Switzerland;
- Spain; and
- South Africa.

Nigerian Government is still negotiating currently, with other nations. These agencies (NIPC) and (IPPA) have played significant roles and are still playing the roles to ensuring that investment in Nigeria is promoted and given protection.

#### 4. Factors Militating Against Investment in Nigeria

Nigeria has not attained any optimal growth in investment. She still lags behind other developing Nations such as China, Malaysia, Indonesia, South Africa, Brazil, as a result of so many factors which militate against investment in Nigeria. These factors are:

Governments and Different Policies on Investment

Between 1966 to 1979, 1984 to 1998, Nigeria witnessed various policies that were initiated by different military government. These policies adversely affected the Nigerian economy in terms of attracting investments<sup>15</sup>, or Foreign Direct Investment (FDI).

By and large, Nigeria has been democratized and she is in her 21<sup>st</sup> year of her democratic rule, her policies are still not convincing for investors to come into the economy because of other factors which create doubt about the sincerity of the economy for risk bearing. Some of these risk factors are insecurities, corruption, unimproved infrastructural facilities etc.

#### 5. Lack of Basic Infrastructure

This is a very essential factor that must be considered by investors before deciding an economy for investment. The basic infrastructure, enabling investment, such as power, water, road, gas, telecommunication, and transport<sup>16</sup> must be provided before investors could come to invest. Most of the existing infrastructures were provided before 1990. The Nigerian government does not have maintenance culture. Sequel to this, some of the infrastructures are not functional and some are dilapidated; and could not function well or at all.

Electricity incurs so much cost which usually influences the prices of products or services. There have been several oil and gas crisis and the effect are that a litre of petrol that cost ₦22 as at 1998 is now officially ₦145.00 while gas which was ₦35 as at 1998 per liter is now ₦250. Every investor depends largely on petrol and gas to function. This, indeed, is a factor which discourages investors as the overhead cost of doing business in Nigeria is very high, and many companies make marginal profits.

On the Nigerian road's infrastructure, so many funds have been spent but not many of the roads are very motorable. Daily, life and materials in millions waste. Infrastructure is a generic term, used in describing the basic requirements or facilities that support economic and social activities in a developed economy. The major concern of foreign investors within 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<sup>17</sup>.

#### 6. National Insecurity and Unfavorable Business Climate

The greatest challenge to the Nigerian economy over some years now, is the issues of national security and unhealthy business climate. Nigerian Investment and Investors are faced with the big problem of having firms burnt down or destroyed or vandalized. The effect of this is that many have to shut down. Many foreign Investors move to other safer jurisdictions<sup>18</sup>. Foreign investors are subject to attack, kidnapping and threat to life. Property and investments of the

<sup>13</sup>. The Nigerian Investment Promotion Commission – Basor...resourcecial.com/nip – content /uploads.2012/04/NIFCASCCT Accessed 07/11/2017, by 12:27pm.

<sup>14</sup>. *Ibid*.

<sup>15</sup>. Wing Alvin, G. "The Determinates and Distribution of FDI in Developing countries in creating a favorable Environment for foreign investment 1991.

<sup>16</sup>. *Ibid*.

<sup>17</sup>. Obitayo, K. M., then a Deputy Director Economic Policy Unit, of Nigeria.

<sup>18</sup>. Nigerian Vanguard Newspaper, Tuesday January 14, 1999.

foreign investors are regularly attacked. Oil bunkering and destruction of oil installations of the foreign investors are all instances of insecurity which threaten foreign investment in Nigeria<sup>19</sup>.

There is the endless insecurity in Nigeria which range from ethnic conflicts to religious clashes the Boko Haram insurgents, restiveness in the oil producing communities, the emergence of ethnic militia, intra-ethnic and communal disturbances. The escalating crime wave overshadows whatever incentives that the Nigerian Government may have provided. The worst of them all is the emergence of Boko-Haram terrorists in the Northern Nigeria who declared western education as evil, and under that guise wreak havoc to lives and properties in Nigeria, whereas other nations are girding their loins to providing continuing and quality education for their pupils.

## 7. Corruption and Lack of Transparency in Government

This constitutes a serious drawback to Investments in Nigeria. This problem has eaten deep into the fibre of the Nigerian System. There are high levels of corruption in the economy. Some former state Governors charged with and convicted for corruption and enriching themselves from state resources did not serve any punishment that could serve as deterrent to others.

Every foreign investor does not see transparency in any Nigerian institutions, as it is apparent that the goal of an average Nigerian is to corrupt himself within any opportunity of trust. Thus, the investors do not see Nigeria as an economy for investment as corruption is one of the major factors militating against investment in Nigeria.

## 8. Legal Measures for Promotion and Protecting Investment in Nigeria

There are many ways by which investment disputes may be settled.

These are;

- Litigation;
- Arbitration; and
- Negotiation.

### 8.1. Litigation

This is the common method by which disputes pertaining to investment could be settled. Litigation may be done internationally or municipally. Regarding certain situations, international dispute may be settled in a municipal court. Most state resort to settling investment dispute in a municipal court because of the municipal legislation. In *Obeya Memorial Specialist Hospital Ayi-Onyema Family Ltd V. Attorney General Federation & Anor*<sup>20</sup>, it was held that the Nigerian Constitution provides for the determination of one's civil right to fair hearing within a reasonable time, by a court or tribunal established by law, and constituted in such manner as to secure its independence and impartiality<sup>21</sup>. This provision gives the right to any foreign investors to Nigeria courts to seek for redress. This principle was applied by the *Nigerian Supreme Court in Oil Field Supply Centre Ltd. vs. Joseph Lloyd Johnson*<sup>22</sup>, in 1974, the oil field supply ltd was incorporated under the companies Act, 1968. Joseph Lloyd Johnson, an Australian who petitioned for the winding up of the company in the Federal High Court, is the respondent to this appeal and he was appointed the Managing Director. He was in fact the brain behind the founding of the company, which developed some swamp area into a port complex. There were five shareholders in all, consisting of the respondent, Chief Stephen Idugboe, Aref Roz, Evan Enwerem and Solomon Asemota. Though Idugboe was the chairman of the company, its problems started with this chairman making allegations, some criminal in nature, against the other shareholders. The chairman also took some abortive civil action against the company and the other shareholders. However, in November, 1976 the Government compulsorily acquired the port complex for public purposes. Compensation of ₦8,416,850.00 was paid for this acquisition but not until February, 1980 by which time, the respondent has left this Nigeria for Australia. Solomon Asemota had resigned and the three other shareholders came to an agreement as to how the compensation funds should be shared. It is the sharing of the money that brought about the trouble in the company, for though before the advent of the compensation, Chief Idugboe had taken the other members to court for a winding up of the company, the payment of the money changed Idugboe attitude. Things might have fallen apart when there was no money but things became solidified after the payment of the over Eight Million naira and this, the three Directors shared, leaving the present Respondent out of the show. The respondent then returned to Nigeria and instituted the winding up proceedings. Chief Idugboe filed an application, seeking an order for the striking out of the proceedings, on the ground that the Respondent, Johnson was not a member of the company in which case it would be incompetent of him to seek winding up of the company. It was decided that the respondent has so far not established in law that he is a member of the company.

Section 27 (1) provides that the High Court shall have jurisdiction in investment disputes. A state may not take up a claim on behalf of its nations against a foreign state unless he has exhausted the local remedies available to him.

Section 25 (1) provides that the Federal High Court has been granted exclusive jurisdiction in such disputes as taxation of companies such as customs and exercise duties, export duties, banking and other financial institutions as well as the provision of the companies and Allied Matters Act<sup>23</sup>.

In as much as the parties to the dispute made such agreement voluntarily, even if they have no factual connection with the country whose legal system they have adopted, their right under the law must be enforced and applied in any dispute. This

<sup>19</sup> Nigerian Daily Sun, Thursday April 4<sup>th</sup>, 2013. P.8.

<sup>20</sup> (1987) 3 NWLR (Pt 60) 325 at 349.

<sup>21</sup> Section 36 constitution of 1999 Federal Republic of Nigeria.

<sup>22</sup> (1987) 2 NWLR (Pt 58) 625.

<sup>23</sup> Company and Allied Matters Act 1990.

principle was applied in *Johns Kalder Fabricmaker Pty Ltd. v. Mitchel Cotts Freight. (Australia) Pty Ltd*<sup>24</sup>, where Section 19 came into conflict with Section 7(2) of the International Arbitration Act 1974 which mandates arbitration in respect of that matter. It was held that the International Arbitration Act took precedence and the parties were required to submit to the arbitration.

A court of law may refer a case before it to arbitration and compel the parties to submit there to and grant a stay of proceedings pending arbitration. This cannot be said of an arbitration body. This principle was applied in *Royal Exchange Assurance Co. Ltd. V. Beath Worth Finance Nigeria Ltd*<sup>25</sup>.

Since the municipal courts can adjudicate over International Investment issues, Arbitration can also be international in nature. Accordingly, Section 52(2) provides for ingredients that could qualify for arbitration to be International, where there is no mutual agreement between the parties to arbitrate any decision binding on the parties. In *Chidi Ekwueme V. Sani Zakari*<sup>26</sup>, the parties who were in business had a dispute. The five mutual friends of the parties entered into the matter with intent to settle the dispute for them. At the end they reached a settlement. The applicant then applied to the High Court of the then East Central State of Nigeria for the enforcement of the decision (award) of their friends. The court decided that what went on between the parties and their five mutual friends was not arbitration hence the decision cannot be enforced as an arbitral award as there was no arbitration agreement between them to arbitrate. The parties have the right to specify the time within which arbitration may commence in their matter or dispute. The municipal legislations and arbitration have been modified in line with their existence across many developed and developing countries<sup>27</sup>.

## 8.2. Arbitration

This is the process whereby Investors dispute is resolved between parties<sup>28</sup>. The settlement is done by persons appointed by or agreed upon by the parties to such a dispute in a judicial manner or method of litigation in the courts. This is the process of determining or resolving disputes between not less than 2 parties by person appointed upon by the parties to such a dispute in a judicial manner without resorting to traditional litigation in courts. This is part of Nigerian legal system under the Arbitration and Conciliation Act<sup>29</sup>.

It is part of the Nigerian Legal System under the Arbitration and Conciliation Act<sup>30</sup> Section 57(1) defines Arbitration as:

*Commercial arbitration whether or not administered*

*by a permanent arbitration institution.*

*Halsbury Laws of England*,<sup>31</sup> defines arbitration as:

*the reference of dispute between not less than two*

*parties for determination, after hearing both sides*

*in a person other than a court of competent jurisdiction.*

Black's Law Dictionary, defines arbitration as:

*a method of dispute resolution involving one or more*

*neutral third parties who are usually agreed by the*

*disputing parties and whose decision are binding*<sup>32</sup>.

Agreement is the bed rock and legal basis of every arbitral proceedings. This posits that where parties to dispute failed to enter into an arbitration agreement, then the subject matter is not arbitral and arbitration proceedings cannot go further<sup>33</sup>.

Section 1 of the Act requires that both parties will have to sign the agreement in accordance with the provisions of Section 1(a) of the Act for it to be valid and enforceable. It is vital to state that the parties need not jointly sign the document of the arbitration agreement for it to be valid and enforceable. The basic requirement of the signature of the parties on a single document will be dependent on the nature of the subject matter and the document of agreement involved. *Re Thompson*<sup>34</sup>.

Where there is mutual agreement between the disputing parties, any decision reached is binding but where no agreement is reached for arbitration, then such decision cannot be binding on the parties as was held in *Chidi Ekwueme V. Sani Zakari*<sup>35</sup>.

### 8.2.1. Types of Arbitration

In Nigeria there are various types of methods by which Investors dispute may be resolved and these are:

<sup>24</sup>. (1989) Australia Law reports Vol. 22 P. 24 – (1989) 18 NSWLR, P.72.

<sup>25</sup>. (1976) NSCE Vol. 10 P. 618.

<sup>26</sup>. (1972) 2 ECSLR 631.

<sup>27</sup>. The Legal framework for the promotion and protection Dep, ace,unijos...edu.ng/.../...

<sup>28</sup>. Cap 19 LFN 1990.

<sup>29</sup>. Cap 19 LFRN 1990.

<sup>30</sup>. 3<sup>rd</sup> edition vol. 2 paragraph 2 pg 2.

<sup>31</sup>. 8<sup>th</sup> edition pg 113.

<sup>32</sup>. Eight Edition, P112.

<sup>33</sup>. Arbitration Agreement-Science Publishing Group article.siencepublishinggroup.com Accessed 14<sup>th</sup> July, 2020 12:14pm

<sup>34</sup>. (1894) QB 462. Timplat Co. V. Hughes (1891) 60 LJ 189

<sup>35</sup>*Ibid*

#### 8.2.1.1. The Binding Arbitration

This is a type which results to an award enforceable in the courts. Its procedure is as that of activities in litigation. It comprises a formal presentation of the dispute which will be followed by giving out evidence that may be documented. There shall then be settling up of an arbitration panel that serves to control the proceeding while maintaining neutrality. The arbitration panel is always composed of a maximum of three experienced personnel. Other forms of the binding Arbitration are:

#### 8.2.1.2. Domestic Arbitration

This is that form of binding arbitration which exists between party's resident within a country or sovereign state. It is alternative dispute resolution mechanism in which the parties get their dispute settled through the intervention of a third party and without having recourse to the court of law. The dispute must arise from commercial transaction or investment. The disagreement must result from operating the contract can be resolved through domestic arbitration.

#### 8.2.1.3. International Arbitration

This takes place when the disputing parties to an arbitration agreement have their business in different countries. It may be where the cause of arbitration goes beyond the borders of a country.

#### 8.2.1.4. Institutional Arbitration

This arises where parties agree as stated in their terms of agreement that in the case of future disputes, the resolution procedure will be subjected to the rules of a named arbitration agency or institution, such agencies included the International Chambers of Commerce (ICC) in Paris, the American Arbitration Association (AAA), the Regional centers for Arbitration in Kuala Lumpur Cairo and Lagos.<sup>36</sup>

#### 8.2.1.5. AD HOC Arbitration

This arises in a situation where parties in their contract agreement did not refer to arbitration rules of commercial arbitration agency but is entered into after a dispute between them as the dispute arises.

#### 8.2.1.6. Document Only

This is a form of arbitration where the arbiters rely only on the documents presented by the disputing parties in resolving the disputes. Instances are used in the commodity agreements consumer disputes and in construction contracts.

#### 8.2.1.7. Non-binding Arbitration

The non-binding arbitration is similar to mediation in that a decision cannot be imposed on the parties<sup>37</sup>. At the initial period, the parties would be made to understand that the arbitration may not be binding. This indeed as the first factor that makes the only condition for the arbitration to become binding on the ground that after the decision and the parties agrees that the decision should be binding on them. The role of the professional arbitrator is to guide the parties in making their conclusion. The decision reached should be purely that of the parties.

There are disputes that cannot be referred to arbitration. They are<sup>38</sup>

- Insolvency proceedings;
- Lunacy proceedings;
- Proceedings for appointment of a guardian to a minor;
- Question of genuineness or otherwise of a will or matter relating to issue of a probate;
- Matters criminal in nature;
- Matters concerning public charitable trust; and
- Disputes arising from and founded on an illegal contract.

### 8.3. Negotiation

This is a process of settlement by which two or more parties reach decision between them. The decision on the subject matter of the negotiation is taken by the two parties themselves and not by a third party. It comes in for resolving conflicts, structuring commercial agreement and managing social-economic relationship to mention but a few.

Negotiation settlement of disputes is a type of settlement that needs to be encouraged and developed. It is an art that needs to be perfected for effectiveness and achievement of purposes; the Best Alternative to negotiated Agreement (BATNA) must be taken into account.

## 9. Recommendation

The factors that Mitigate Investment Promotion in Nigeria should be identified by the government and the government should devise means by which it can be reduced and brought to minimal level. This work recommends that:

<sup>36</sup> Law 517 Alternative Dispute Resolution [www.nou.edu.ng/.../%20517%120%20resolution%20%20/pet](http://www.nou.edu.ng/.../%20517%120%20resolution%20%20/pet) Accessed 28/10/2017 by 3:42pm.

<sup>37</sup> Dispute Resolution and the practice of Arbitration [the-lawyers-chronicle.com/dispute-resolution...](http://the-lawyers-chronicle.com/dispute-resolution...) Accessed 3/1/2017 by 7:35pm.

<sup>38</sup> Arbitration and conciliation-Business.gov.in [business.gov.in/.../arbitration\\_conciliation...](http://business.gov.in/.../arbitration_conciliation...) Accessed 2/01/2017 by 7:35pm.

- In the Nigerian Economy, the environment should be made to become conducive for investment. The problem associated with kidnap, Insurgency and other threatening crimes should be reduced.
- The government and Nigerians should create employment opportunities for the teeming unemployed Nigerians.
- The Nigerian roads should be regularly maintained and more road network should be built. The rail transport should be put to work. If this is done, investors and individuals can apparently have variety means of transportation and this will reduce accident rate.
- The Electricity (Power) Supply should improve. This done shall reduce cost incurred by the use of gas by the investors. This cost goes into the price of product and services. In this connection, it is shifted to the final consumers.
- Corruption is a big factor inhibiting investors taking the risk to invest in Nigeria.

The Nigerian economy began the ideology of capitalism since after it became a Republic in 1963. Apparently since 1980s, most sectors of the Nigerian economy were managed by corrupt people. This is a very big factor that militates against investment in Nigeria. The Nigerian Government has taken this as high priority in fighting against this. The Economic and Financial Crime Commission (EFCC) and Independent Corrupt practices Commission (ICPC) are currently at work to arrest this serious and ravaging crime. The punishment for every convict should be 10 years minimum and 20 years maximum.

This will serve as deterrent to others. The EFCC and ICPC should extend their enforcement to other sectors other than the politicians or political officers. When this is done, more investors shall consider Nigeria as being transparent, accountable and probity in reassuring and building the confidence of foreign investors.

## 10. Conclusion

Nigeria has for quite some time now put in a lot of efforts aimed at attracting foreign investments into the country. These efforts have yielded some fruitful results as could be seen through the presence of some foreign investors in Nigeria. This will narrow the wide margin between the expected inflow of foreign investors and those already on ground.

To create an economic environment open for investment, the Nigerian government should as a matter of urgency, take every necessary effort to address those factors that militate against investment growth in the economy. Where the economy becomes conducive for investment, the economy being a big market, many foreign investors will invest in the country and Nigerians who are investing outside the economy, can now see the viability of investing at home. When this happens, employment opportunities will be created, insecurity will drastically reduce and corruption will be seen by Nigerians as crime against man and God. If some of the recommendations made are strictly adopted and followed, Nigeria will become one of the world's greatest economy.

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