

GARP INTERNATIONAL JOURNAL OF BUSINESS AND MANAGEMENT SCIENCES



<https://garp.org.ng/gijbms>

Vol.1, Issue 4, Pp. 14-21; SEPT., 2026

THE DOUBLED-EDGE SWORD OF MULTINATIONAL ENTERPRISES IN NIGERIA: CHALLENGES, OPPORTUNITIES, AND POLICY IMPLICATIONS

MOWARIN, NYORE OKPE & EKIENABOR, EHJIELE PhD

Department of Business Administration, College of Business and Management Studies,
Igbinedion University, Okada, Edo State Nigeria.

Email: mowarin.nyore@iuokada.edu.ng; ehijiele.ekienabor@iuokada.edu.ng

Corresponding Author: mowarin.nyore@iuokada.edu.ng

Abstract

Multinational enterprises (MNEs) occupy a paradoxical position in Nigeria's political economy: simultaneously indispensable vehicles of capital, technology, and employment, and recurring sources of tension over foreign exchange exposure, regulatory compliance, and profit repatriation. This article critically examines the double-edged character of MNE participation in Nigeria using a qualitative, secondary-data research design, drawing on recent (2023-2026) empirical studies, regulatory reports, and industry data. The findings show that while MNEs have historically driven manufacturing capacity, technology transfer, and formal-sector employment, the 2023-2024 macroeconomic reforms, particularly naira devaluation and fuel subsidy removal, precipitated a wave of high-profile exits and downsizing among consumer goods and pharmaceutical multinationals, even as select technology, energy, and manufacturing firms cautiously re-entered by 2025. The article situates these dynamics within eclectic paradigm (OLI), dependency, and institutional theory frameworks, and argues that Nigeria's capacity to convert MNE presence into durable development gains is conditioned less by the volume of inflows than by institutional quality, exchange-rate stability, and policy consistency. The article concludes with policy implications for regulators, and recommendations for a more resilient, locally-anchored engagement model with multinational capital.

Keywords: multinational enterprises; foreign direct investment; Nigeria; naira devaluation; institutional theory; policy implications.

ARTICLE INFO

Received Date: 27th Aug., 2026

Date Revised Received: 6th Sept., 2026

Accepted Date: 13th Sept., 2026

Published Date: 22th Sept. 2026

Citation: Mowarin, N. O. & Ekienabor, E. (2026): The Doubled-Edge Sword of Multinational Enterprises in Nigeria: Challenges, Opportunities, and Policy Implications: GARP INTER J. of Bus. & Mgt. Sci. Vol. 1, Issue 4, Pp. 14-21, Sept. 2026.

Introduction

Multinational enterprises (MNEs) have long been central actors in Nigeria's economic development narrative, channelling foreign capital, managerial expertise, and technology into an economy characterised by infrastructural deficits and a large, youthful labour force. Yet the relationship between Nigeria and the multinational firms operating within its borders has never been unambiguously beneficial. It is, in a literal sense, a double-edged sword: the same firms credited with industrialisation, employment generation, and knowledge transfer are also implicated in profit repatriation, foreign-exchange strain, and asymmetric bargaining power vis-à-vis host institutions.

The urgency of re-examining this relationship has grown markedly since 2023. Nigeria's monetary reforms under the Tinubu administration, including the unification of exchange-rate windows and the removal of the petrol subsidy, triggered a currency depreciation of historic proportions and a corresponding exodus of consumer-goods and pharmaceutical multinationals. Firms such as GlaxoSmithKline, Procter & Gamble, Sanofi, and Kimberly-Clark either ceased local manufacturing or fully exited the market between 2023 and 2024, citing foreign-exchange scarcity, thinning margins, and shrinking consumer purchasing power.

At the same time, UNCTAD's World Investment Report 2024 recorded a 36 percent collapse in foreign direct investment (FDI) inflows in 2023 to roughly \$698 million, the lowest level in over a decade

(Businessday NG, 2025), underscoring the scale of the disengagement. Yet by 2025, a tentative reversal was underway: naira stabilisation, localisation incentives, and targeted reforms drew a cautious return of capital in energy, agribusiness, and technology, even as major manufacturers such as GSK remained absent (Businessday NG, 2025). This uneven, sector-differentiated pattern of exit and re-entry is precisely the empirical puzzle this article addresses.

Statement of the Problem

Despite decades of multinational enterprise (MNE) participation in the Nigerian economy, the relationship remains volatile and poorly reconciled at the policy level. On one hand, Nigeria continues to court foreign direct investment as a presumed engine of industrialisation, employment, and technology transfer. On the other, the 2023-2024 period exposed how quickly that presumed benefit can reverse: a single macroeconomic shock, the unification of exchange-rate windows and removal of the fuel subsidy, precipitated the exit or downsizing of long-standing

multinationals across consumer goods, pharmaceuticals, and technology, with attendant job losses and a documented 36 percent collapse in FDI inflows in 2023 alone (Businessday NG, 2025). The problem this article addresses is that Nigerian policy discourse has tended to treat MNE presence as a uniformly desirable objective to be maximised, without adequately theorising or empirically interrogating the conditions under which that presence becomes fragile, extractive, or self-reversing. There is, correspondingly, a gap in the literature connecting the historical opportunity narrative around MNEs to the specific, recent, and sector-differentiated pattern of exit and re-entry observed between 2023 and 2026. Without a clearer account of what drove multinationals to leave, which sectors proved resilient, and why, Nigerian policymakers risk designing investment-promotion strategies that attract capital without retaining it. This article was undertaken to close that gap.

Objectives of the Study

The broad objective of this article is to critically examine the double-edged character of multinational enterprise participation in the Nigerian economy. The specific objectives are to:

1. examine the opportunities that multinational enterprises have historically generated for the Nigerian economy, including capital formation, employment, and technology transfer;
2. identify and analyse the structural and conjunctural challenges, particularly currency instability, regulatory inconsistency, and infrastructural deficits, that have driven recent multinational contraction and exit;
3. assess the sector-differentiated pattern of multinational exit and re-entry observed in Nigeria between 2023 and 2026; and
4. derive policy implications for Nigerian regulators and strategic implications for multinational firms seeking durable engagement with the Nigerian market.

Research Hypotheses

Arising from the objectives above, the article evaluates the following propositions against the secondary evidence reviewed:

1. **H1:** Macroeconomic instability (currency depreciation and inflation) is significantly associated with the exit or contraction of multinational enterprises in Nigeria.
2. **H01:** Macroeconomic instability is not significantly associated with the exit or

contraction of multinational enterprises in Nigeria.

3. **H2:** Institutional quality and regulatory consistency are significantly associated with the retention of multinational enterprises in Nigeria.
4. **H02:** Institutional quality and regulatory consistency are not significantly associated with the retention of multinational enterprises in Nigeria.
5. **H3:** The developmental benefit derived from multinational enterprise presence differs significantly across economic sectors.
6. **H03:** The developmental benefit derived from multinational enterprise presence does not differ significantly across economic sectors.

Because this article is based on secondary, largely qualitative and macro-level data rather than a primary firm-level dataset, these hypotheses are evaluated interpretively through pattern-matching against the reviewed literature rather than through inferential statistical testing; they are stated here in the conventional null/alternative form to guide that evaluation and to orient any future primary-data study building on this article.

Scope of the Study

The article is confined to multinational enterprises operating within the Nigerian economy and does not extend to a comparative cross-country analysis, although comparative literature is referenced where it illuminates the Nigerian case. Temporally, the empirical focus is on the period from 2023 to 2026, capturing the exchange-rate unification and fuel subsidy reforms of mid-2023, the subsequent exit wave of 2023-2024, and the partial, sector-selective recovery observed through 2025-2026, while drawing on earlier literature for historical and theoretical context. Sectorally, the article draws its firm-level illustrations primarily from consumer goods, pharmaceuticals, technology, and energy, being the sectors most visibly affected by the 2023-2024 disinvestment wave, without claiming exhaustive coverage of every sector in which multinationals operate in Nigeria. Methodologically, the study is confined to secondary data and does not include primary survey, interview, or firm-level financial-statement analysis; this boundary is a deliberate scope decision, discussed further as a limitation in Section 6.

Operational Terms

- Multinational Enterprise (MNE): an enterprise that owns or controls value-added activities in more than one country, coordinating

operations across national borders (Buckley & Casson, 2009).

- Foreign Direct Investment (FDI): a long-term investment by an entity resident in one economy in an enterprise resident in another economy, reflecting a lasting interest and degree of control, consistent with the IMF's balance-of-payments definition referenced in the FDI literature reviewed in this article.
- Exchange-Rate Unification: the 2023 Nigerian policy reform merging previously separate official and parallel foreign-exchange market windows into a single, market-reflective rate.
- MNE Exit: in this article, the cessation of local manufacturing, sale of a controlling stake, or complete withdrawal of an MNE's direct operational presence from the Nigerian market, as distinct from a mere reduction in product lines.
- Institutional Quality: the consistency, predictability, and enforcement reliability of a host country's regulatory, legal, and policy environment, as it affects the operating conditions faced by firms.
- Localisation Incentive: a government policy measure, such as tax relief or import restriction, designed to encourage foreign firms to establish or expand local production rather than rely on imports.
- Secondary Data: data originally collected or reported by another party (for example, government agencies, international organisations, or prior researchers) and reused in this article for a purpose distinct from its original collection.

Literature Review

Conceptual Review

Multinational Enterprise (MNE) / Multinational Corporation (MNC): The literature treats these terms largely as synonyms, denoting an enterprise that owns or controls income-generating assets in more than one country and coordinates production, marketing, or service delivery across national borders (RSIS International, 2024). MNCs have been the subject of extensive conceptual debate precisely because their cross-border structure allows them to arbitrage differences in factor costs, regulation, and market opportunity between home and host economies, a structural feature that underlies much of the opportunity/challenge duality examined in this article.

Foreign Direct Investment (FDI): FDI is the principal vehicle through which MNE presence is measured and promoted, and is conceptually distinguished from

portfolio investment by the element of lasting managerial interest and control it confers on the investor. Nigerian FDI scholarship consistently frames FDI as a channel for technology transfer, capital accumulation, and productivity spillovers, while cautioning that these benefits are not automatic but conditional on complementary domestic absorptive capacity (IJRISS, 2026; FUDMA International Journal of Social Sciences, 2025).

Core-Periphery Structure: A recurring conceptual device in the MNE literature divides the global economy into a wealthy "core" and a dependent "periphery," with the periphery supplying raw materials and cheap labour while high-value activity, branding, intellectual property, and advanced manufacturing, remains concentrated in the core (PolSci Institute, 2026). This concept underlies much of the critical literature on MNE-host relations in Nigeria and other developing economies.

MNE Exit and Divestment: Conceptually distinguished in this article from partial product-line rationalisation, MNE exit refers to the complete or near-complete withdrawal of direct operational presence, whether through outright closure, sale of a controlling stake, or conversion to a third-party distribution model, as opposed to a firm merely narrowing its product portfolio while retaining a market presence.

Theoretical Review

The Eclectic (OLI) Paradigm: Dunning's eclectic paradigm remains the dominant lens for explaining why firms internationalise and where they choose to locate. The paradigm holds that a firm will engage in foreign production when it possesses Ownership-specific advantages (proprietary technology, brand equity), when Location-specific advantages favour the host country (market size, resource endowment, factor costs), and when Internalisation is preferable to arm's-length transactions (Buckley & Casson, 2009). Applied to Nigeria, the paradigm illuminates why consumer-goods multinationals were historically drawn to the country's demographic scale and resource wealth, and equally why the erosion of locational advantages, currency instability, energy costs, and demand contraction, has more recently outweighed the ownership advantages firms bring, precipitating disinvestment.

Dependency Theory: Originating with Prebisch, Frank, and Amin in the 1960s and later extended to African contexts, dependency theory views the international system as divided into a dominant "core" and a dependent "periphery," with underdevelopment in the periphery understood not as a natural starting condition but as an outcome actively produced by the

structure of the world economy (PolSci Institute, 2026). Dependency theorists are generally pessimistic about the net contribution of MNCs to host-country development, arguing that because the primary motive of MNCs is profit maximisation and repatriation, their presence in developing economies tends to entrench socio-economic and political structures that serve the interests of the home country rather than the host (RSIS International, 2024). Applied to Nigeria, dependency theory offers a critical counterweight to the OLI paradigm's largely firm-centred logic, drawing attention to the historical asymmetry between multinational capital and the developing economies in which it operates, and to the recurring concern that profit repatriation and import dependence can persist even where MNE presence generates measurable local employment.

Institutional Theory: Institutional theory complements both of the foregoing frameworks by emphasising that MNE performance and commitment are conditioned by the strength, predictability, and enforcement of host-country institutions rather than by resource endowment or ownership advantage alone. Weak institutional quality, regulatory inconsistency, and policy reversals raise the transaction costs and risk premium multinationals attach to Nigerian operations, independent of underlying market potential. This article adopts institutional theory as an integrating framework: it explains why the same OLI-favourable market (large population, resource wealth) can yield sharply different MNE commitment outcomes depending on the institutional and macroeconomic conditions prevailing at a given time, a dynamic borne out in the empirical review that follows.

Empirical Review

A growing body of recent empirical work has examined the FDI-growth relationship and the operating conditions facing MNEs in Nigeria, with broadly convergent conclusions. Using ARDL bounds testing over 1990-2022, one study found no significant short-run effect of FDI on real GDP but a positive and significant long-run relationship, attributing the delayed effect to the gradual materialisation of technology transfer, capital accumulation, and productivity spillovers, and noting that Granger causality tests revealed no direct causal link, implying the relationship is indirect and mediated by structural factors such as domestic investment and institutional quality (IJRISS, 2026). A separate ARDL analysis spanning 1986-2024 similarly found FDI's long-run growth effect statistically insignificant on its own, concluding that the growth-enhancing potential of FDI is conditional on structural reform, stronger institutions, and human-capital investment (FUDMA International Journal of Social

Sciences, 2025). A third study using OLS regression over 2001-2023 found FDI's effect on real GDP positive but statistically insignificant, while monetary-policy variables exerted a stronger measurable influence, concluding that FDI alone contributes minimally to growth without complementary macroeconomic reform (Airlangga Journal of Innovation Management, 2025).

At the sectoral and firm level, empirical evidence documents both the opportunity and challenge sides of MNE presence. On performance and innovation, recent survey-based work on technology-oriented multinationals in Nigeria found that robust technology infrastructure and entrepreneurial orientation were positively associated with organisational performance, and that firms with genuinely global operational footprints benefited from economies of scale relative to domestically confined competitors (Journal of Technology Management and Business, 2025). On sectoral concentration, empirical analysis of FDI flows found continuing heavy concentration in oil and gas, exposing the broader FDI relationship to international oil-price volatility even as manufacturing and services sectors registered more uneven, secondary gains (African Journal of Stability & Development, 2025). On the investment climate, a qualitative assessment covering 2015-2025 found a persistent, empirically documented gap between the stated objectives of ease-of-doing-business reforms and their implementation, with firms continuing to report inadequate infrastructure, high taxation, and inconsistent regulatory application despite a decade of reform activity (Ecobankers: Journal of Economy and Banking, 2025).

Finally, a distinct strand of firm-level and journalistic empirical documentation, rather than econometric modelling, has tracked the 2023-2024 exit wave itself: verified departures or manufacturing shutdowns by Procter & Gamble, GlaxoSmithKline, Sanofi, Kimberly-Clark, and partial product-line exits by Unilever, alongside Microsoft's closure of its Lagos Africa Development Centre, collectively corresponding to a documented 36 percent collapse in FDI inflows in 2023 to roughly \$698 million (Businessday NG, 2025; Bloomberg, 2024). This firm-level empirical record, though not statistical in the econometric sense, provides the most direct evidence available on the mechanism connecting macroeconomic shock to MNE disinvestment, and is the evidentiary anchor for the analysis in Sections 5 and 6 of this article.

Research Gap

Three gaps emerge from the reviewed literature. First, the econometric FDI-growth literature (IJRISS, 2026;

FUDMA International Journal of Social Sciences, 2025; Airlangga Journal of Innovation Management, 2025) is overwhelmingly macro-aggregate, modelling FDI as a single time-series variable against GDP; it does not disaggregate by sector or connect its long-run statistical findings to the specific, dated, firm-level exit and re-entry events of 2023-2026. Second, the theoretical literature on MNCs in developing economies remains split between an OLI-style, largely firm-centred account of investment location decisions and a dependency-theory critique of MNE-host asymmetry, with comparatively little work integrating the two through an institutional-quality lens that could explain why the same Nigerian market attracted MNEs in one period and repelled them in another. Third, and most directly, no study identified in this review analyses the 2023-2024 Nigerian MNE exit wave and the subsequent 2025-2026 partial, sector-selective recovery as a single, theoretically framed episode; the exit wave is documented primarily in business and financial press (Businessday NG, 2025; Bloomberg, 2024; Daily Trust, 2023) rather than in peer-reviewed scholarship, while the peer-reviewed FDI literature largely predates or is silent on this specific episode. This article addresses that gap by synthesising the econometric, institutional, and firm-level empirical strands into a single, theoretically grounded account of Nigeria's recent MNE experience, and by explicitly connecting that account to actionable policy implications.

Methodology

This article adopts a qualitative, secondary-data research design, appropriate for synthesising and critically evaluating an evolving and highly current body of evidence for which primary data collection would be premature. Data were drawn from three categories of source: (a) peer-reviewed journal articles published largely between 2024 and 2026 addressing FDI, MNE performance, and the ease of doing business in Nigeria; (b) institutional and regulatory reports, including UNCTAD's World Investment Report, Central Bank of Nigeria bulletins, and U.S. Department of Commerce market overviews; and (c) reputable business and financial press covering specific MNE entry and exit events. Thematic content analysis was used to identify recurring patterns across sources, organised around the twin themes of opportunity and challenge, and triangulated against firm-level exit and entry cases to test the generalisability of macro-level findings. As with all secondary-data designs, the analysis is bounded by the scope and currency of publicly available reporting and cannot substitute for firm-level survey or interview data; this limitation is addressed further in Section 6.

Opportunities Presented by Multinational Enterprises in Nigeria

Capital Formation and Long-Run Growth

Empirical evidence on FDI's growth effects in Nigeria is mixed but not dismissive. Using ARDL bounds testing over 1990-2022, one recent study found no significant short-run effect of FDI on real GDP but a positive and significant long-run relationship, with benefits materialising gradually through technology transfer, capital accumulation, and productivity spillovers (IJRISS, 2026). A separate ARDL analysis spanning 1986-2024 similarly found FDI's long-run growth effect statistically insignificant on its own, concluding that the growth-enhancing potential of FDI is conditional on complementary structural reform, institutional strengthening, and human-capital investment rather than being automatic (FUDMA International Journal of Social Sciences, 2025). Taken together, these findings suggest that MNE capital is a necessary but not sufficient condition for growth: its developmental payoff depends on the domestic policy environment into which it flows.

Employment, Technology Transfer, and Innovation

Beyond aggregate capital flows, multinationals have historically been credited with formal-sector employment creation and the diffusion of managerial and technological know-how. Case-study evidence from the wider West African region shows MNEs building linkages with local firms for input sourcing, local production capacity, and capability building (Academia.edu, 2025). Within Nigeria specifically, recent work on technology-oriented multinationals finds that robust technology infrastructure and entrepreneurial orientation are associated with stronger organisational performance, and that firms with genuinely global operational footprints tend to benefit from economies of scale and more diversified revenue bases than domestically confined competitors (Journal of Technology Management and Business, 2025).

Sectoral Diversification and Emerging Opportunities

Even amid the 2023-2024 contraction, new opportunities emerged in adjacent sectors. Domestic refining capacity expansion, tech-sector venture funding (reported at \$160 million in a single quarter of 2024), and renewable energy investment were identified as bright spots in an otherwise difficult operating environment (The Estero, 2025). By 2025, localisation incentives, exemplified by PZ Cussons' expanded manufacturing commitment, alongside naira stabilisation, began attracting cautious reinvestment

from technology, energy, and agribusiness multinationals, even though this recovery remained well below pre-2022 investment levels (Businessday NG, 2025).

Challenges and Constraints

Currency Instability and the 2023-2024 Exit Wave

The most consequential challenge documented in the recent literature is currency instability following Nigeria's 2023 exchange-rate unification and fuel subsidy removal. The ensuing naira depreciation, compounded by fuel prices rising roughly fivefold and core food inflation reaching 32.7 percent by September 2024, sharply eroded consumer purchasing power and inflated the naira cost of imported inputs for manufacturers exposed to foreign exchange (U.S. Department of Commerce, 2024, as cited in trade.gov Nigeria Market Overview). Under these conditions, a documented wave of multinational exits and downsizing followed: Procter & Gamble ceased local manufacturing in December 2023 and shifted to an import-only model after operating a \$300 million diaper-manufacturing facility; GlaxoSmithKline ended a 51-year manufacturing presence in August 2023; Sanofi appointed a third-party distributor in place of direct operations from February 2024; Kimberly-Clark announced its exit in May 2024, only two years after opening a \$100 million factory; and Unilever discontinued several product categories rather than exiting outright (Bloomberg, 2024; Trendtype, 2025; Daily Trust, 2023). Microsoft's closure of its Lagos-based Africa Development Centre in May 2024 extended this pattern beyond consumer goods into the technology sector, with the company citing global restructuring alongside locally cited pressures of cost inflation and foreign-exchange scarcity (Businessday NG, 2025).

Institutional and Regulatory Inconsistency

A qualitative assessment of Nigeria's investment climate between 2015 and 2025 found a persistent gap between the stated objectives of ease-of-doing-business reforms and their practical implementation, with firms continuing to face inadequate infrastructure, high taxation, and inconsistent regulatory application despite a decade of reform activity (Ecobankers: Journal of Economy and Banking, 2025). This institutional unpredictability raises the effective risk premium multinationals attach to Nigerian operations independent of underlying market size, a dynamic consistent with the institutional-theory framework outlined in Section 2.

Infrastructure, Energy Costs, and Security

Unreliable power supply compounds currency and regulatory risk. Nigeria's national grid reportedly collapsed twelve times in 2024 alone, forcing firms to rely on costly self-generated power (Intelpoint, 2026). Regional security concerns, particularly in northern Nigeria, further complicate multinational operations, with recent scholarship linking rising insecurity to deteriorating conditions for investment and enterprise in affected regions (Ecobankers: Journal of Economy and Banking, 2025).

Sectoral Concentration Risk

FDI into Nigeria remains heavily concentrated in the oil and gas sector, exposing the broader FDI relationship to the volatility of international oil prices even as manufacturing and services sectors have shown more uneven, secondary gains from foreign capital (African Journal of Stability & Development, 2025). This concentration limits the diversification benefits that FDI might otherwise deliver to the non-oil economy.

Discussion: Reconciling Opportunity and Challenge

The evidence assembled here resists a simple verdict on whether multinational enterprises are, on balance, beneficial or detrimental to Nigeria. Rather, it supports a conditional interpretation, consistent with the OLI and institutional-theory frameworks introduced in Section 2, in which the developmental payoff of MNE presence depends on the interaction between firm-level ownership advantages and the quality of host-country institutions and macroeconomic management. Where locational advantages erode sharply, as they did during the 2023-2024 currency crisis, ownership advantages alone were insufficient to retain multinational commitment, and consumer-goods and pharmaceutical firms with the least differentiated products or the highest import dependence exited first. Where locational conditions stabilised, as they had by 2025, more selectively positioned firms in energy, technology, and agribusiness resumed investment, suggesting sector-specific rather than uniform sensitivity to Nigeria's macroeconomic cycle.

This pattern has an important implication for Nigerian policy: attracting FDI in volume is a materially different objective from retaining and deepening FDI that generates durable local linkages. The literature reviewed here suggests that policy attention should shift from headline investment promotion toward the institutional and macroeconomic fundamentals, exchange-rate stability, regulatory predictability, and infrastructural reliability, that determine whether

multinational capital, once attracted, actually remains and compounds in value over time.

It is also worth noting a limitation of the secondary-data design adopted here: because the evidence base is drawn substantially from macro-level and firm-announcement data, it is better suited to identifying aggregate patterns and named case events than to explaining the internal decision calculus of individual multinational headquarters. Future primary research, firm-level surveys or interviews with country managers of multinationals operating in Nigeria, would usefully complement the pattern-level findings presented here.

Policy Implications and Recommendations

Based on the foregoing analysis, the following policy implications and recommendations follow.

1. Prioritise exchange-rate predictability over rate level. Multinational manufacturing exits were driven less by devaluation per se than by volatility and unpredictability in foreign-exchange access; policy credibility around the mechanism of exchange-rate management may matter more to multinational retention than the specific rate achieved.
2. Strengthen institutional consistency in the implementation of ease-of-doing-business reforms, closing the documented gap between reform intent and practice, particularly in tax administration and regulatory enforcement.
3. Deepen localisation incentives of the kind that drew PZ Cussons' renewed manufacturing commitment, targeting firms whose products are import-substitutable, to reduce foreign-exchange exposure at the firm level while retaining local production and employment.
4. Diversify FDI promotion beyond the oil and gas sector, building on early gains in technology and renewable energy investment to reduce the economy's exposure to oil-price volatility transmitted through the FDI channel.
5. Invest in grid reliability and alternative energy infrastructure, given the direct link between power outages and operating costs cited across the reviewed literature.
6. For multinational firm strategy, favour phased, hedged market commitment (for example, third-party distribution before full manufacturing investment) in markets exhibiting Nigeria's combination of demographic scale and macroeconomic volatility.

Conclusion

Multinational enterprises remain a genuinely double-edged presence in the Nigerian economy: agents of capital formation, employment, and technology transfer on one edge, and channels of foreign-exchange exposure, import dependence, and abrupt disinvestment on the other. The 2023-2024 exit wave among consumer-goods and pharmaceutical multinationals, followed by the sector-selective, still-partial recovery observed by 2025, demonstrates that this duality is not static but responsive to the interaction of macroeconomic management and institutional quality. For Nigeria, the central policy task is not simply to attract more multinational capital, but to build the exchange-rate stability, regulatory consistency, and infrastructural reliability that allow whatever capital arrives to be retained and to compound into lasting developmental gains.

References

- Adamu, A., & Akuva, I. I. (2025). The role of conflict entrepreneurs and profiteers in the rising profile of insecurity in Northern Nigeria. *The Mangrove Journal of History and International Diplomacy*, 1(2), 108-134.
- African Journal of Stability & Development. (2025). Foreign direct investment and sectoral development in Nigeria. *African Journal of Stability & Development*, 17(2), 1195-1210.
- Airlangga Journal of Innovation Management. (2025). Effect of foreign direct investment (FDI) on Nigeria's economic growth. *Airlangga Journal of Innovation Management*, 6(4).
- Bloomberg. (2024, February 15). Nigeria's naira (NGN/USD) crisis sparks MNC exodus; P&G, GSK jump ship. <https://www.bloomberg.com/news/articles/2024-02-15/nigeria-s-naira-ngn-usd-crisis-sparks-mnc-exodus-p-g-gsk-jump-ship>
- Bloomberg. (2024, June 18). Nigeria: Tolaram, locals step in as multinationals including Diageo, GSK exit. <https://www.bloomberg.com/news/articles/2024-06-18/nigeria-tolaram-locals-step-in-as-multinationals-including-diageo-gsk-exit>
- Buckley, P. J., & Casson, M. C. (2009). The internalization theory of the multinational enterprise: A review of the progress of a research agenda after 30 years. *Journal of International Business Studies*, 40(9), 1563-1580. <https://doi.org/10.1057/jibs.2009.49>
- Businessday NG. (2025, June 6). Nigeria's tentative turnaround: Multinationals test the waters again. <https://businessday.ng/business-economy/article/nigerias-tentative-turnaround-multinationals-test-the-waters-again/>
- Daily Trust. (2023, December 20). As multinational companies leave Nigeria. <https://dailytrust.com/as-multinational-companies-leave-nigeria/>
- Ecobankers: Journal of Economy and Banking. (2025). Interrogating the contending issues and challenges confronting investment opportunities and ease of doing business in Nigeria (2015-2025). *Ecobankers: Journal of Economy and Banking*.
- FUDMA International Journal of Social Sciences. (2025). Impact of foreign direct investment on economic growth in Nigeria. *FUDMA International Journal of Social Sciences*.
- IJRIS. (2026). Foreign direct investment and economic growth in Nigeria: An empirical analysis of long-run dynamics and policy implications. *International Journal of Research and Innovation in Social Science*. <https://rsisinternational.org/journals/ijriss/view/foreign-direct-investment-and-economic-growth-in-nigeria-an-empirical-analysis-of-long-run-dynamics-and-policy-implications>
- Intelpoint. (2026, February 17). MSMEs in Nigeria: Data on business finance, revenue & growth challenges. <https://intelpoint.co/blogs/msmes-nigeria/>
- Journal of Technology Management and Business. (2025). Emerging technology entrepreneurship trends and performance of multinational organisations in Nigeria. *Journal of Technology Management and Business*, 12(2), 83-97.
- The Estero. (2025, March 17). Doing business in Nigeria: 2024 wrap-up & 2025 outlook. <https://www.olaniwunajayi.net/blog/doing-business-in-nigeria-2024-wrap-up-2025-outlook/>
- Trendtype Africa and Middle East. (2025). Nigeria: Economic forecast for consumer demand through 2025. <https://trendtype.com/insights/nigeria-economic-forecast-for-consumer-demand-2025/>
- U.S. Department of Commerce. (2024). Nigeria - Market overview. International Trade Administration. <https://www.trade.gov/country-commercial-guides/nigeria-market-overview>