Journal of Public Policy & Governance

PUBLIC POLICY

Stratford
Peer Reviewed Journals & books

Impact of China's Foreign Direct Investment on The Rwandan Economic Growth

Mr. Moses Mutabazi & Dr. Eugenia Nkechi Irechukwu, (PhD)

Impact of China's Foreign Direct Investment on The Rwandan Economic Growth

Mr. Moses Mutabazi[1] & Dr. Eugenia Nkechi Irechukwu[2] (PhD)

[1] School of Social Sciences, Master of Arts in International Relations and Diplomacy, Mount Kenya University, Kigali, Rwanda

[2] Mount Kenya University, Kigali, Rwanda

Abstract

The purpose of this study was to investigate the exact impact in quantitative terms of China's FDI on the Economic development of the African continent with reference to Rwanda. The target population comprised 10 staff members of National Institute of Statistics of Rwanda, Rwanda Development Board, Ministry of Trade and Industry, Ministry of Finance and Economic Planning, United Nations (UN) Statistics, and World Bank's World Development Indicators. The sample size was 10 key informants. The researcher used questionnaire, interview guide and desk review as data analysis tools. The SPSS was used to analyze data into descriptive and inferential statistics. Results discover that in Rwanda a foreign direct investment depends on the consumer prices index. The study found out that 54.3% agreed with the consumer prices index, foreign direct investment is influenced by owner-occupiers' housing costs as it was evidenced by 62.8%, it was seen the retail prices index, where 56.7% agreed. Correlation analysis between the Owner-occupiers' housing costs and economic growth show a significant correlation between owner-occupiers' housing costs and job creation (r=.206; p-value=.000). This was statistically correlated given the p value was <0.005 proposing that increase in owner-occupiers' housing costs has led to a job creation in Rwanda. The study demonstrated that 64.6% agreed that the nominal effective exchange influence foreign direct investment, 45.1% strongly agreed with the real effective exchange rate. Correlation results felt that choice of price or cost felt that it is significantly correlated with a growth domestic product (r=0.123*; p value=0.034). The study sought to evaluate the effect of Balance of Trade on the economic growth of Rwanda. The study evidenced that participants agreed that the financial account statements by 55.5% while the study found that capital account is affecting foreign direct investment. It was shown by 53.0%. Results show a significant correlation between capital account and poverty reduction (r=0.105, p-value=0.071). The correlations were statistically significant given that the p value was < 0.05 proposing that an increase in capital account was insignificant with the economic growth and vice versa. The study concludes that inflation rate, exchange rate and balance of trade and thus FDI, have a significance effect on the economic growth in Rwanda. The study recommends that foreign direct investment strategies could be adopted in everyday activities. It would be appropriate to consider most

favored nation and trade liberalization and investment as a criteria of exporting companies for improving economic growth. Future research can be conducted using longitudinal research to identify factors which contribute to economic growth.

Keywords: *Foreign Direct Investment, Economic Growth, Rwanda*.

1. Introduction

Despite, one of the growing problems underlying economic growth are lack of access to foreign market and protectionism on trade which are still quite significant, despite having numerous free trade agreement across the continent (Musyoki, Ganesh & Pundo, 2012). Evidence from Bangladesh Afzalur (2016) shows that FDI increases the inflation rate and a negative trade balance which also affect the country's economic growth. (Rahman, 2015) shows that GDP and trade openness have a significant positive impact on Rwanda's FDI inflows. Depreciation of the real exchange rate stimulates FDI inflows and inflation rate did not significantly affect FDI inflows. A study done in Nigeria felt that variations in FDI lead to 46.5% of changes in GDP. It also indicated that a 1% increase in FDI led to a 24.9% fall in exchange rate and a 52.3% increase in inflation (Otieno & Felix, 2012). However, modernization theory states that FDI may contribute positively to the economic growth in developing countries and dependence theory states that FDI may have a negative effect on the economic growth of the host country. In this regard, China has established a strong grip on African continent owing to a larger inflow of Foreign Direct Investment (Coleman, 2012).

Basing on that evidence it is clear that there is a difference between what theories states and the results from the field, researchers do not have a consensus on how exactly FDI inflow affects economic development, there is no current case study conducted in Rwanda which shows the contribution of China's FDI to the economic growth of the country, and this study attempted to fill this gap by conducting an empirical analysis of data that reflect the Rwandan case. This study research investigated whether the increase of China's foreign Direct Investment has significantly brought a positive or negative contribution on economic growth of Rwanda with specific attention on inflation rate, exchange rate and balance of trade.

1.1 Objectives of the study
1.1.1 General objective
The primary goal of this research was to investigate the quantitative impact and direction of Chinese foreign direct investment on the economic growth of Africa using a case study of Rwanda.

1.1.2 Specific objectives
(i) To analyse the effect of inflation rate on the economic growth of Rwanda
(ii) To establish the effect of exchange rate on Rwanda's economic growth
(iii) To determine the effect of Balance of Trade on the economic growth of Rwanda.

2. Empirical Literature.

2.1 China's FDI Effect of Exchange Rate on Economic Growth of other Countries
The price of one currency in relation to another is known as the exchange rate (ER). It expresses the value of the national currency in relation to foreign currencies (Moussa, *et al*., 2019). For instance, domestic Exchange rates act as economic barometers or indicators and are rich in information that depicts differences in economic activity of various regions (Ngowi, 2012). The study found that that variations in FDI lead to 46.5% of changes in GDP. It also indicated that a 1% increase in FDI led to a 24.9% fall in exchange rate and a 52.3% increase in inflation

(Otieno & Felix, 2012). The findings from the study provide a yardstick for multinational firms regarding location decisions at the provincial level.

Similarly, a study done by Gudmundsson (2012) examines the effects of exchange rate fluctuations on the volume of international trade. They found that bilateral trade flows between countries with floating exchange rates are greater than those in countries with fixed exchange rates. Descriptive statistics is significant to define vital characteristics of the data. Table presents descriptive statistics of the data. The mean value of dependent variables GNI per capita, School enrollment, and life expectancy is referred to as 18,706, 12.35 and 5.284 minimum values describe as 1059, 31, and 54.35, and maximum values are reported as 132,440, 150, and 83.15. They conclude that while exchange-rate risk does reduce the volume of trade among countries regardless of the nature of their exchange-rate regime, the greater risk faced by traders in floating exchange-rate countries is more than offset by the trade-reducing effects of restrictive commercial policies imposed by fixed exchange rate countries. This not only shows the direct economic impact an exchange rate regime can have on economic growth, but more specifically, the underlying problems associated with fixed exchange rate countries that also affect their trade, which is their strict policies outside of their currency regulations.

Musyoki and Pundo (2012) studied on the impact of real exchange rate volatility on economic growth: Kenyan evidence. Adduced evidence that the conditional volatility of the RER depended on both domestic and external shocks to RER fundamental and macroeconomic changes. Overall, however, Kenya's RER generally exhibited an appreciating and volatility trend, implying that in general, the country's international competitiveness deteriorated over the study period, hence, impacting negatively on the economic growth of Kenya, respectively and the standard deviation is reported as 21,569, 12.35 and 5.283 respectively and main independent variables foreign direct investment net inflow reports their respective mean, standard deviation, minimum and maximum values 4.795, 6651, −41.51 and 54.65 respectively.

Omondi (2012) studied on the impact of exchange rate fluctuations on foreign direct investments in Kenya. From the collected data it was observed that while 1987 and 2002 recorded the lowest fluctuations in exchange rates and fairly low net foreign capital inflows into the country, conversely recorded the highest exchange rate fluctuations and the relatively high foreign direct inflows. This should point at a strong relationship between the two variables. Preuch-Pagan test is H0: constant variance for all cases and the results of Table report that p-values of three dependent variables that correspond to the Chi-Square test statistic are less than 5% level of significance (0.0037, 0.0010 and $0.000 < 0.05$) and conclude that heteroscedasticity exists in the data. However, the inferential analyses found a weak relationship between exchange rate fluctuations and foreign direct investments. Hence the conclusions drawn from this study finding suggest that the impact of exchange rate fluctuations in attracting FDI is insignificant.

2.2 China's FDI Effect of Inflation on Economic Growth of Other Countries

Odhiambo (2011) did a study to examine the long and short run relationship between investment, inflation, and economic growth in Tanzania. ARDL-bounding approach for testing was adopted where the study results revealed that there was unidirectional causal flow from inflation to economic growth. The study argued that the definitive preference of Chinese investors in the Ethiopian market was majority ownership (349; 91%), whereas only 35 (9%) preferred minority ownership. This implied that few Chinese firms were collaborative with domestic and/or other foreign country investors in the form of joint ventures, mergers, and acquisitions. The study concludes the existence of the relationship between inflation and

economic growth using VAR granger causality test in Nigeria and found unidirectional causal flow from inflation to growth.

Okoth (2013) carried out a study to assess the effect of interest rate on exchange rates in Kenya. Secondary data were collected from KBS and Central bank where descriptive research design was used. The study covered a period between 2007 to 2012. Multiple linear regression analysis model was used to test the relationship between the variables where a response variable was used by fitting a linear equation from the data. Test of goodness of fit, R^2, test of Multicollinearity and F test ANOVA (Analysis of Variance) were also used. The findings revealed that the co-efficient of multiple determinations R-square value was 0. 871 meaning that the variables under study could explain 87.1%. The study concluded that interest rate increase was necessary to stabilize the exchange rate. In this study, interest rate and exchange rates will be used as control variables in assessing the effect of inflation targeting on inflation rate in Kenya.

Kirimi (2014) carried out a study to establish the determinants inflation rates in Kenya. Ordinary least square was used to estimate time series data for the period between 1970-2013. The findings of the study revealed a negative relationship between the level of inflation and prices of food. The findings further revealed that exchange rate and the supply of money (M2) and had a positive relationship with the rate of inflation while the growth rate of GDP and perception on corruption had relationship with inflation. The coefficient of wage rate was found to be insignificant as far as the changes in inflation was concerned and at the same time, political instability was found to have no effect on inflation. The present study therefore seeks to fill the existing knowledge gap by assessing the effect of inflation targeting on inflation rate in Kenya.

Koila (2016) studied monetary policy effect inflation rates in Kenya. Descriptive research design was adopted for the study where a period of five year was covered (2009-2013). Monetary policy aggregates by the central bank was used the population of interest. The study focuses on variables such as CBR rates, reserve ratios and inflation rates. SPSS was used to analyse the data to realize the study objectives. The findings of the study revealed that there was a significant relationship between inflation and monetary policies. The statistical evidence showed that the coefficients of central bank rate were while that of reserve ratio was. The findings thus implied that there was relationship between reserve ratio requirement and inflation rate while the central bank rate was positive. The relationship was suggested to be used in the formulation of a targeted policy aimed at attaining acceptable level of inflation at 5% in Kenya.

2.3 China's FDI Effect of Balance of Trade on Economic Growth of Other Countries

Matthias and Jens (2012) examined the relationship between trade and economic growth and has discussed that the empirical evidence for a causal linkage between trade and growth is ambiguous. However, the study concluded that there is a significant relationship between the variables. Trade has been found to be effective in fostering economic growth in developing countries. It shows that the coefficient of the FDI variable has a positive correlation and a significant effect. On the contrary, the interaction coefficient with the parameter FDI*GAP has a negative and significant effect on labor productivity at a 1% significance level of the sub-sample of large technology gap

Hoang Thu Thi, *et al*. (2010) analysed the effect of foreign direct investment (FDI) on economic growth in Vietnam using panel data of sixty-one provinces over the 1995-2006 period. This study concluded that there exists a strong influence of FDI on economic growth in Vietnam.

However, this study argued that FDI inflows themselves do not apply an independent influence on Vietnamese economic growth. It does not affect economic growth through the interaction effects of FDI with human capital and trade. Finally, it implied that the advance technology and knowledge transfer from the FDI inflows in Vietnam are not yet applicable to increasing Vietnam's economic growth. It examines three major historical factors that affect cross-country ties with Vietnam, namely, Chinese occupation and conflict, French colonization, and socialist ideology, and examines the ways in which these historical ties have influenced FDI. The database consists of 631 wholly owned subsidiaries and 1215 joint ventures by multinational enterprises from 35 countries and regions between 1989 and 1999. The study suggested that the additional capital from the FDI Inflow is the only channel that helps increase the economic growth in Vietnam.

Hamida (2012), examined the intertemporal causal relationship between energy consumption and economic growth in Sfax (a second largest City in Tunisia), applying series from 1980-2010, using, medium-voltage electricity consumption as proxy of energy consumption destined for use by the industrial sector and gross domestic product as a proxy for gross domestic product (GDP) for the industrial manufacturing using Granger causality test. The author concluded the empirical results of this reveals a distinct directional causal flow from electricity consumption to economic growth, both the short and long runs. The results ascertained that electricity consumption encourages economic growth in Sfax.

The empirical evidence for a causal association between trade and growth is equivocal, according to a study by Busse & Koeniger (2012) that looked at the relationship between trade and economic growth. The panel dataset used in this study included up to 108 countries (87 of which were developing countries) from 1971 to 2005 (1970-2005 for the GDP per capita variable). In 2021, Rwanda became the first African country to export dried chili peppers to China, and in the next five years, 50,000 metric tons of dried chili peppers are expected to be exported to China. In addition, more high-quality agricultural products from Rwanda are expected to gain access to China's vast market.

2.3 Research Gap identification

Evidence from previous studies for instance, research done in Bangladesh Afzalur (2016) shows that FDI increases the inflation rate and a negative trade balance which also affect the country's economic growth. (Rahman, 2015) shows that GDP and trade openness have a significant positive impact. Depreciation of the real exchange rate stimulates FDI inflows and inflation rate did not significantly affect FDI inflows. A study done in Nigeria felt that variations in FDI lead to 46.5% of changes in GDP. It also indicated that a 1% increase in FDI led to a 24.9% fall in exchange rate and a 52.3% increase in inflation (Otieno & Felix, 2012).

Basing on that evidence it is clear that there is a difference between what theories states and the results from the field, researchers do not have a consensus on how exactly FDI inflow affects economic development, there is no current case study conducted in Rwanda which shows the contribution of China's FDI to the economic growth of the country, and this study attempted to fill this gap by conducting an empirical analysis of data that reflect the Rwandan case. This study research investigated whether the increase of China's foreign Direct Investment has significantly brought a positive or negative contribution on economic growth of Rwanda with specific attention on inflation rate, exchange rate and balance of trade.

2.3 Conceptual Framework

Technological change that boosts labour productivity is implied by the term. The second way of adding technology into the production function is to assume that improvements in technology increase the productivity of both labour and capital, which results in the production function being expressed as Y = AF (K, L), where A represents total factor productivity.
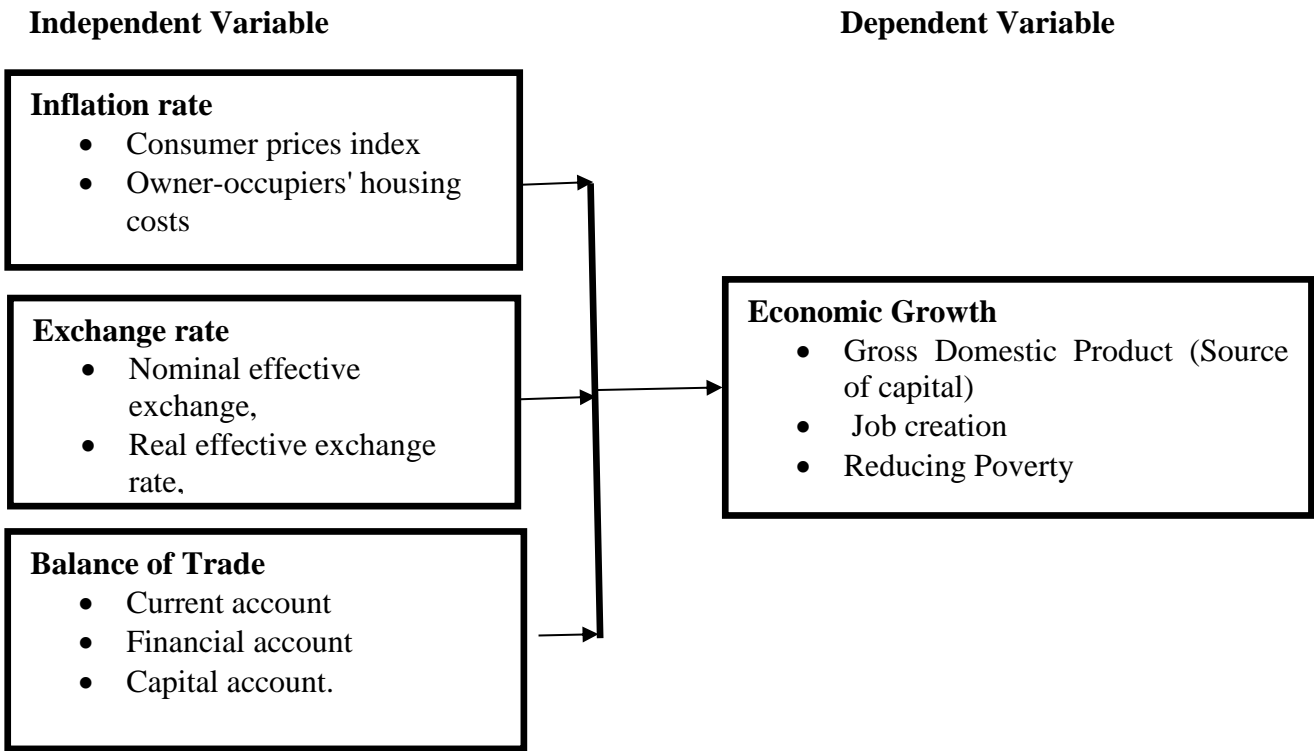
Independent Variable   **Dependent Variable**

Inflation rate
- Consumer prices index
- Owner-occupiers' housing costs

Exchange rate
- Nominal effective exchange,
- Real effective exchange rate,

Balance of Trade
- Current account
- Financial account
- Capital account.

Economic Growth
- Gross Domestic Product (Source of capital)
- Job creation
- Reducing Poverty

Figure 1: Conceptual Framework

Source: Researcher (2023)

Information presented in Figure 2.1 show the relationship between independent variable and dependent variables. In this research independent variable was foreign direct investment while dependent variable was economic growth. In this regard, foreign direct investment was conceptualized in term of inflation rate, exchange rate and balance of trade. In addition, the inflation rate was assessed using consumer prices index, owner-occupiers' housing costs, and retail prices index. The exchange rate was measured using nominal effective exchange, real effective exchange rate, and choice of price or cost. Moreover, the balance of trade was measured using current account, financial account, and capital account. On the other hand, the researcher measured economic growth through gross domestic product (source of capital), job creation, and reducing poverty.

3. Materials and Methods

The research methodology used in the study is a mixed method approach of both qualitative and quantitative research methods. Quantitative methods were used to gather numerical data and emphasize the statistical and mathematical information collected through pre-existing data and data collected through interviews using computational techniques. The sample size of 17 respondents was calculated using the proportion of Robert and Morgan table, and a purposive sampling technique was used to select respondents who were considered key informants.

Descriptive statistics were used to data in term of frequency, percentage, mean and standard deviation. Inferential statistics were used for a correlation regression size effect to evaluate the strength of the correlation between Foreign Direct Investment on economic growth, numerically assessed, and nonstop variables (height and weight) multiple regression model was used as it allowed to assess the influence of two or more variables (Asika, 2010). This model gave the correlation between variables. In regression, a variable expected was known as a dependent variable and used to forecast the value of a dependent variable is known as an independent variable.

In this study, indicators of dependent variable are gross domestic product (source of capital), job creation; and reducing poverty. For variables in this research, a mean was determined using computer software for each year and then simple average for all 4 years were calculated. The regression equation was used: $Y=b_0+b_1X_1+b_2X_2+b_3X_3+e$ Where Y=Economic Growth: B_0=Constant, X_1= Inflation rate, X_2= Exchange rate, X_3 = Balance of Trade. In addition, qualitative data was analyzed using content analysis. The researcher had an interview transcript where data was classified by themes and subthemes to analyze non-numerical information to deepen information from quantitative information.

Stationarity tests were conducted on all variables (dependent and independent) using a time series analysis. The researcher used documentary analysis, questionnaire survey, and interview guide during data collection. The secondary data mode was used to collect empirical data from a selected sample using previously analyzed data from databases. The research required permission from relevant institutions, and data collection instruments were distributed to respondents and key informants who were participating in the research. The study aimed to determine how foreign direct investment affects economic development in Rwanda.

4. Presentation of Findings

4.1 Economic Growth in Rwanda following Chinese FDI
Table 1: Economic Growth in Rwanda following Chinese FDI

Statement	Strongly Disagree %	Disagree %	Neutral %	Agree %	Strongly Agree %	Mean	Std
Gross Domestic Product	14.1	26.5	3.7	25.5	29.2	3.3020	1.475
Job creation	7.0	9.1	3.0	37.2	43.6	4.0134	1.2115
Reducing Poverty	4.4	14.8	4.7	39.6	34.6	3.8121	1.2356

Source: Primary data (2023)

The study findings in Table 1 presented a descriptive data analysis related to the level of economic growth in Rwanda following Chinese FDI. In this regards, 26.5 and 29.2% respectively agreed and strongly agreed with a Gross Domestic Product. This reflects a mean of 3.3020 and a standard deviation of 1.475. Additionally, 37.2% agreed with the statement, while 43.6% of respondent strongly agreed with the statement. In this vein, the mean of responses was 4.0134 and the standard deviation was 1.21154. In this regard, China has adjusted the priorities for its aid policy in Africa from construction to agricultural development with a view to assisting Africa in tackling food security (Han 2010; Sun 2011). The shift of China's Africa policy with a stronger focus on infrastructural development, agricultural

cooperation resonates with China's rising food demand. China needs to feed and cater for its 1.3 billion people with 7 % of the world's arable land in a sustainable manner (Bra̎utigam 2009). Finally, the poverty reduction was attained as confirmed by respondents. In this context, 9.6% of respondents agreed while 34.6% of respondents strongly agreed with a mean of 3.8121 and a standard deviation of 1.23566.

4.2 Effect of Inflation Rate on the Economic Growth of Rwanda

Table 2: Metrics for China's FDI Inflation Rate

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Infrastructure schemes	11.0	3.0	3.0	54.3	28.7	3.865	1.190
Technology scheme	4.9	3.7	2.4	62.8	26.2	4.018	0.936
Training schemes	3.0	2.4	3.0	56.7	34.8	4.176	0.850

Source: Primary Data (2023)

Findings in Table 2 were the measurements of metrics for China's FDI inflation rate using several statements collected from respondents. The findings demonstrated that China's foreign direct investment in Rwanda depends on the infrastructure schemes. The study found out that 54.3% of respondents agreed with the statement, the mean response on influence of infrastructure schemes were 4.86, and standard deviation was 1.190. China has set up a growing number of investment schemes related to food production in Africa through investment in infrastructure, technology demonstration and training programmes in aid programmes (Sun 2011). Chinese businesses have brought the needed equipment, technology and expertise for Africa's economic development (Alden *et al*. 2009). Results indicated that in Rwanda, Chinese foreign direct investment is influenced by technology schemes set up by chine in cooperation with the government of Rwanda as it was evidenced by 62.8% of respondents by a mean of 4.01 and standard deviation=0.936 agreed with the statement. Moreover, workers in Rwanda, it has been seen the training programs, where 56.7% of respondents agreed with the statement. The mean was 3, standard deviation was 0.850.

Table 3: Correlation between Inflation Rate and Economic Growth

		Consumer prices index	Owner-occupiers' housing costs	Retail prices index
Gross Domestic Product	Pearson Correlation	.003	-.022	.028
	Sig. (2-tailed)	.953	.701	.629
	N	10	10	10
Job creation	Pearson Correlation	.035	.206**	.060
	Sig. (2-tailed)	.542	.000	.305
	N	10	10	10
Reducing Poverty	Pearson Correlation	.013	.047	.009
	Sig. (2-tailed)	.825	.417	.874
	N	10	10	10

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

 Source: Primary Data (2023)

Findings presented in Table 3 provide the correlation between independent and dependent variables. For place of consumer prices index in the context of foreign direct investment, the research indicates insignificant relationship between Consumer prices index and growth domestic product (r=.003; p value=0.953); consumer prices index and job creation was not correlated (r=.003; p value=.542); the consumer prices index insignificantly correlated with poverty reduction (.013; p-value=.825).

Correlation analysis between the Owner-occupiers' housing costs and economic growth show that the owner-occupiers' housing costs is insignificantly correlated with gross domestic product (r=.022; p-value=.701); with poverty reduction (r=-.047; p value=.417). They were insignificantly correlated with growth domestic product and poverty reduction since the p value was >0.005 suggesting that increase in owner-occupiers' housing costs did not lead automatically to growth domestic product and poverty reduction, contrary to the significant correlation between owner-occupiers' housing costs and job creation (r=.206; p-value=.000). This was statistically correlated given the p value was <0.005 proposing that increase in owner-occupiers' housing costs has led to a job creation in Rwanda.

Results on the correlation between the retail prices index and economic growth showed that the retail prices index was not significantly correlated with growth domestic product (r=.028; p-value=.629). Moreover, retail prices index was not significantly correlated with job creation (r=.060; p value=.305). Finally, the retail prices index was not significantly correlated with reducing poverty among citizens (r=.009; p-value=.874). These correlations were statistically not significant given that the p value was <0.05 implying that a change of the retail prices index did not affect economic growth of Rwanda. However, there are also growing economic disparities in the country. This inequality is diverse. The RDB, a government agency with a private sector mind-set, aims to bring ―the entire investor experience under one roof, with a one stop centre allowing investors to register businesses and obtain environmental clearances in a single, streamlined process (chinagoabroad.com). The regression equation utilized to associate dependent and independent variable was as follows: $Y=B_0+B_1x_1+B_2x_2+B_3x_3+e$.

Table 4: Regression Coefficients for Inflation Rate and Gross Domestic Product

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	3.588	.449		7.994	.000
	Consumer prices index	.002	.072	.002	.026	.979
	Owner-occupiers' housing costs	.015	.063	.014	.240	.810
	Retail prices index	.025	.063	.024	.405	.686

a. Dependent Variable: Gross Domestic Product

Source: Primary Data (2023)
Results presented in Table 4 show the regression coefficients of inflation rate r-size effect of the Gross Domestic Product. The study findings showed that the consumer prices index is insignificant affecting Gross Domestic Product (n=-0.002; p-value=0.979). In addition, owner-occupiers' housing costs is insignificantly affecting the Gross Domestic Product (b=.014; p-value=0.810). However, the retail prices index is insignificantly linked with Gross Domestic Product (b=0.024; p-value=0.686). It means that any variation in inflation rate did not automatically affect the Gross Domestic Product. The Mean item scores computed for the eleven outlined factors influencing Chinese FDI into Rwandan Economic Sectors paved the way for computing relative indices below for ranking each factor based on impact.

Table 5: Regression Coefficients between Inflation Rate and Job Creation

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.682	.360		13.001	.000
	Consumer prices index	.047	.058	.046	.802	.423
	Owner-occupiers' housing costs	.172	.050	.199	3.419	.001
	Retail prices index	.030	.050	.034	.596	.551

a. Dependent Variable: Job Creation

Source: Primary Data (2023)
Results presented in Table 5 show the regression coefficients of inflation rate variables in explaining the creation of jobs. The study findings showed that the consumer price index is insignificant in affecting job creation (b=0.046; p value=0.423). Moreover, the owner-occupiers' housing costs is insignificantly linked with job creation (b=0.034; p-value=0.551). It means that any variation in inflation rate did not affect the job creation. From the tables and Figures above, it can be deduce that the impact of the factors influencing Chinese FDI into Rwandan Economic Sectors varies accordingly. Five factors have extremely high impact on Chinese FDI flow into Rwanda; four factors have Strong impact on Chinese FDI flow into Rwanda while two factors have moderate impact on Chinese FDI flow into Rwandan economic sectors.

Table 6: Regression Coefficients between Inflation Rate and Poverty Reduction

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	3.980	.376		10.591	.000
Consumer prices index	.011	.061	.011	.183	.855
Owner-occupiers' housing costs	.042	.052	.048	.804	.422
Retail prices index	.013	.053	.015	.257	.798

a. Dependent Variable: Poverty Reduction

Source: Primary Data (2023)

Results presented in Table 6 show the regression coefficients of inflation rate and variables in explaining poverty reduction. It demonstrated that consumer prices index is insignificant affecting the poverty reduction (b=0.011; p value=0.855). Furthermore, the owner-occupiers' housing costs is insignificant in affecting poverty reduction (b=0.048; sig=0.422). In the same context, the retail prices index is insignificant in affecting poverty reduction (b=.015; p value=0.798). This implies that any change in inflation rate did not produce any effect on poverty reduction. Positive Pacts and Smooth Bilateral Relationship were deemed as having an extremely high, impact of attracting Chinese FDI flow into various Rwandan economic sectors. Whereas other factors that have a strong impact on attracting Chinese FDI flow into various Rwandan economic sectors/

4.3 Effect of Exchange rate on Economic Growth in Rwanda
Table 7: Parameters of Exchange Rate in Rwanda Investment Framework

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Nominal effective exchange,	6.7	4.9	2.4	64.6	21.3	3.890	0.015
Real effective exchange rate,	2.4	3.0	3.7	45.1	45.1	4.286	0.870
Choice of price or cost	9.1	4.3	4.3	64.6	17.7	4.115	1.158

Source: Primary Data (2023)

Results from Table 7 demonstrated different parameters of exchange rate. For this perspective, the study indicates that 64.6% of respondents agreed that the nominal effective exchange influenced foreign direct investment, this was shown by mean=3.890, standard deviation=1.015. In addition, 45.1% of participants strongly agreed with the real effective exchange rate. In this regard, the mean was 4.286, standard deviation=0.870. Moreover, the choice of price or cost, this was demonstrated by 64.6% of respondents with a mean of 4.157 and standard deviation=1.158. These were only realistic due to the political will and good leadership that ensure Positive Pacts and Smooth Bilateral Relationship with Chinese Government and its Investors to trust and invest in Rwanda. The Chinese investors' willingness were due to some factors that will favour investment. Such business factors have to do with the

Economic Potentials like Steady GDP and population Growth of the Rwanda as a nation; which is positive and on the rise annually.

Table 8: Correlation Analysis between Exchange Rate and Economic Growth

		Nominal effective exchange	Real effective exchange rate	Choice of price or cost
Gross Domestic Product	Pearson Correlation	.041	.122[*]	-.123[*]
	Sig. (2-tailed)	.481	.035	.034
	N	10	10	10
Job creation	Pearson Correlation	.009	.077	.025
	Sig. (2-tailed)	.883	.187	.666
	N	10	10	10
Reducing Poverty	Pearson Correlation	.000	.000	.035
	Sig. (2-tailed)	.988	.988	.552
	N	10	10	10

*. Correlation is significant at the 0.05 level   (2-tailed).

**. Correlation is significant at the 0.01   Level (2-tailed).

Source: Primary data (2023)

Results in Table 8 demonstrated that nominal effective exchange is statistically insignificant with growth domestic product (r=0.041; p-value=0.481). The nominal effective exchange is statistically significant with job creation (r=-0.009; p-value=0.883). Moreover, nominal effective exchange is statistically significant with poverty reduction (r=-.0.000; p-value=0.988). All the above correlations were statistically insignificant given that the p value was > 0.05 suggesting that an increase in exchange rate did not lead to increase in growth domestic product, job creation, and poverty reduction and the vice versa.

Reconsidering information in Table 11, it was shown that the real effective exchange rate is statistically insignificantly correlated with job creation (r=-0.077[*]; p value=0.187), the real effective exchange rate is insignificantly correlated with poverty reduction (r=0.007[*]; p value=0.988). All correlations were statistically insignificant given that the p value was > 0.05 suggesting that an increase in real effective exchange rate did not increase the growth domestic product, job creation and reduction of poverty and the vice versa.

Furthermore, results on choice of price or cost showed that it is significantly correlated with growth domestic product (r=0.123[*]; p value=0.034). Choice of price or cost is insignificantly correlated with job creation (r=-.025[*]; p value=0.666), while, choice of price or cost is insignificantly correlated with poverty reduction (r=-.035; p value=.552). Therefore, all correlations were statistically insignificant given that the p value was > 0.05 suggesting that the choice of price or cost did not automatically increase Gross Domestic Product, job creation and poverty reduction and the vice versa. The orderly and friendliness of Rwandan business environment for investors coupled with availability of Cheap, trained Professional, Technical and Skilled work force within the Rwandan human resources is a morale booster for its Chinese investors. These factors were in tandem with the Government quest for Modernization, Industrialization Potentials coupled with the available and existing Infrastructure (like Power,

ICT) that paved the w ay for the population's ability to absorb new technology from investors and its effective utilization.

Table 9: Exchange Rate and Gross Domestic Product

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.449	.400		8.626	.000
	Nominal effective exchange,	.037	.057	.038	.657	.512
	Real effective exchange rate,	.143	.059	.140	2.412	.016
	Choice of price or cost	.166	.070	.138	2.364	.019

a. Dependent Variable: Gross Domestic Product
Source: Primary Data (2023)

Results in Table 9, demonstrated that nominal effective exchange is insignificantly affecting the gross domestic product (b=-0.038; p value=0.512). This means that a change in nominal effective exchange did not significantly affect the gross domestic product and the vice versa. Results show that the real effective exchange rate is significantly affecting the gross domestic product (b=0.140; p-value=0.016). Since the p value is <0.05, meaning that a change in the real effective exchange rate affect significantly the gross domestic product. Furthermore, results on choice of price or cost felt that it is significantly affecting the gross domestic product (b=0.138; p value=0.019). Therefore, it denoted that choice of price or cost significantly affect the gross domestic product and the vice versa. Such, the null hypothesis was rejected and the alternative hypothesis was accepted, which states, exchange rate factors shaping Chinese Foreign direct investment in Rwandan Economic sectors are significant". The implication of this significance is that the eleven factors identified, assessed and ranked were influential in shaping Chinese Foreign direct investment into Rwandan Economic sectors.

Table 10: Exchange Rate and Job Creation

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.449	.400		8.626	.000
	Nominal effective exchange,	.037	.057	.038	.657	.512
	Real effective exchange rate,	.143	.059	.140	2.412	.016
	Choice of price or cost	.166	.070	.138	2.364	.019

a. Dependent Variable: Job Creation
Source: Primary Data (2023)

Results in Table 10 evidenced that nominal effective exchange is significantly affecting the job creation (b=0.038; p value=-0.038). This means that a change in Nominal effective exchange significantly affect job creation and the vice versa. Results show that the real effective

exchange rate significantly affects job creation (b=0.140; p value=0.016). Since the p value is <0.05, meaning that a change in the real effective exchange rate, significantly affect job creation. These is so, because for any FDI inflow to thrive, there must be ground preparation, orderly, friendly policies by the host government that will boost the morale of the investors. Rwandan Political, Economic and Social Stability coupled with its Realistic and Sustainable Government Policies and the Political will by its leadership is remarkable and is a positive pointer to attracting investments into the economy.

Table 11: Exchange Rate and Poverty Reduction

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.126	.333		12.383	.000
	Nominal effective exchange,	.010	.048	.013	.214	.830
	Real effective exchange rate,	.068	.049	.081	1.372	.171
	Choice of price or cost	.034	.058	.035	.587	.558

a. Dependent Variable: Poverty Reduction
Source: Primary (2023)

Results in Table 11 evidenced that nominal effective exchange is insignificantly affecting poverty reduction (b=0.081; p value=0.171). This means that a change in nominal effective exchange significantly affect poverty reduction and the vice versa. Results show that the real effective exchange rate, did not significantly affect poverty reduction (b=0.035; p value=0.558). Since the p value is <0.05, meaning that a change in real effective exchange rate, did not significantly affect poverty reduction. Moreover, results on choice of price or cost felt that it is insignificantly poverty reduction (b=0.35; p value=0.558). Therefore, it denoted that the choice of price or cost was insignificant and did not affect poverty reduction and the vice versa. Their impacts vary with five factors deemed as having extremely high impact, four factors deemed having strong impact and the last two factors were deemed as having a moderate influential impact on Chinese FDI into Rwandan Economic Sectors

4.4 Effect of Balance of Trade on Economic Growth in Rwanda
Table 12: Balance of Trade in Rwanda

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Current account	3.0	5.5	1.8	49.4	40.2	4.184	0.941
Financial account	6.7	6.1	8.5	55.5	23.2	3.823	1.067
Capital account	6.1	3.7	4.9	53.0	32.3	4.018	1.035

Source: Primary Data (2023)

Information in Table 12 demonstrated responses collected on the metrics related to balance of trade in Rwanda. In this regard, the current account was among balance of trade parameters for foreign direct investment as confirmed by 49.4% of respondents with a mean of 4.184, and standard deviation of 0.941, meaning that they have agreed with the statement.

Results on financial account evidenced that participants agreed with the financial account statements by 55.5% of respondents with a mean response of 3.823, and a standard deviation

of 1.067. Finally, the study found that capital account is adequately affecting foreign direct investment. It was shown by 53.0% of respondents with a mean of 4.018, and standard deviation was of 1.035. All these factors are significant as they influence Chinese FDI into Rwandan Economic Sectors. Because, they are related to the efforts by the Rwandan government policies and its stable economic and business environment as viewed by the Chinese investors presently and potentially eyeing more investment into the Rwandan economy.

Table 13: Correlation between Balance of Trade and Economic Growth

		Current account	Financial account	Capital account
Gross Domestic Product	Pearson Correlation	.052	.045	.080
	Sig. (2-tailed)	.373	.443	.169
	N	10	10	10
Job Creation	Pearson Correlation	.027	.085	.105
	Sig. (2-tailed)	.646	.145	.071
	N	10	10	10
Poverty Reduction	Pearson Correlation	.031	.041	.013
	Sig. (2-tailed)	.597	.482	.822
	N	10	10	10

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data (2023)

Results in Table 13 show insignificant negative correlation between the current account and gross domestic product (r=0.052, p-value=0.373); current account and job creation (r=.027, p-value=0.646), the current account and efficient and poverty reduction (r=0.031, p value=0.597). All correlations were insignificant given that the p value was > 0.05 proposing that an increase in the current account did not increase the Gross Domestic Product, job creation and poverty reduction and vice versa. It is worthy to note that the foreign direct investment climate in the sub-Saharan Africa especially Rwanda (a land locked country) is perceived with optimism and is significantly more attractive. These were the result of considerable efforts to modernize, industrialize, attract and liberalize investment regulations, offer incentives for FDI while maintaining a stable, conducive, calm socio-political and socio-economic environment through realistic, sustainable growth and development policies. The result has been positive but shaky due to significant concerns over the economic and political stability of the neighbouring countries and the African region

A negative and insignificant correlation was found between the financial account and Gross Domestic Product (r=0.045, p value=0.443). The financial account is statistically insignificant with job creation (r=0.085, p value=0.145).The financial account was negatively insignificant with poverty reduction (r=0.041, p value=0.482). All the correlations were statistically insignificant given that the p value was > 0.05 proposing that an increase in financial account did not increase Gross Domestic Product, job creation and poverty reduction and vice versa.

Furthermore, an establishment of capital account was insignificant with Gross Domestic Product (r=0.080, p-value=.0169), and capital account was insignificantly correlated with job creation (r=0.013, p-value=.822). Finally, the study found a significant correlation between capital account and poverty reduction (r=0.105, p-value=0.071). All the correlations were statistically significant given that the p value was < 0.05 proposing that an increase in capital account was insignificant with the economic growth and vice versa.

Table 14:1 Balance of Trade and Gross Domestic Product

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.737	.481		5.695	.000
	Current account	.069	.070	.059	.997	.320
	Financial account	-.041	.058	.043	.719	.473
	Capital account	.097	.067	.085	1.445	.149

a. Dependent Variable: Gross Domestic Product
Source: Primary Data (2023)

Results presented in Table 14 related to balance of trade and gross domestic product indicated that the current account is insignificantly affecting gross domestic product (b=0.059;p-value=0.320). Therefore, the financial account is insignificantly affecting the gross domestic product (b=-.043; p- value=0.473). Therefore, insignificant effect was found between capital account and gross domestic product (b=.085; p-value=0.149). This research work is relevant in many ways. It broadens Understanding the Chinese FDI in Rwanda and its related impacts on Chinese Companies and Businesses, their performances and their success factors/criteria from the various perceptions of its stakeholders such as Professionals, Investments, Trade and Management specialists working with the Chinese companies and businesses within the various sectors of the Rwandan economic and business environment.

Table 15: Balance of Trade and Job Creation

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.888	.393		12.448	.000
	Current account	.039	.057	.040	.678	.498
	Financial account	.070	.047	.088	1.487	.138
	Capital account	.108	.055	.115	1.973	.049

a. Dependent Variable: Job Creation
Source: Primary Data (2023)

Results presented in Table 15 related to balance of trade and job creation indicated that the current account insignificantly affected job creation (b=0.040; p-value=0.498). Therefore, the financial account insignificantly affected job creation (b=0.088; p-value=0.138). The study

found significant effect between the capital account and job creation (b=0.115; p-value=0.049). This study can assist researchers in gaining an in-depth understanding of previous research efforts on this topic (Chinese FDI and Economic Transformations), and in exploring directions for future research while adding to the Scientific knowledge tank of the world through the literature by filling literature gaps where necessary. It will improve understanding of impacts of FDI and perception of Chinese Companies and Businesses in Rwandan business environment, Africa.

Table 16: Balance of Trade and Poverty Reduction

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.843	.404		9.509	.000
	Current account	.036	.059	.036	.606	.545
	Financial account	.027	.049	.033	.550	.583
	Capital account	.015	.056	.015	.260	.795

a. Dependent Variable: Poverty Reduction
Source: Primary (2022)

Results presented in Table 16 related to balance of trade and poverty reduction indicated that the current account insignificantly affected poverty reduction (b=0.036; p value=0.545). Therefore, the financial account is insignificant with poverty reduction (b=.033; p-value=0.583).The study found insignificant effect between the capital account and poverty reduction (b=0.015; p-value=0.795). The results were from the data collect based on general responses on Chinese FDI from the Rwandan Government ministries mostly from mid-level managers to the top management. As such, involving the affected stakeholders from the private sectors will broaden the result, which was considered outside the scope of this study

4.2.5 Correlation between Foreign Direct Investment and Economic Growth

This research demonstrated the correlation between foreign direct investment and economic growth. In this vein, the study sought to link independent variable and dependent variable.

Table 17: Correlation between Foreign Direct Investment and Economic Growth

		Inflation rate	Exchange rate	Balance of Trade
Gross domestic product	Pearson Correlation	.854**	.231**	.159**
	Sig. (2-tailed)	.018	.006	.043
	N	10	10	10
Job creation	Pearson Correlation	.873**	.085	.105
	Sig. (2-tailed)	.035	.145	.071
	N	10	10	10
Poverty Reduction	Pearson Correlation	.750**	.041	.013
	Sig. (2-tailed)	.036	.482	.822
	N	10	10	10

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).
Source: Primary Data (2023)

Findings given in Table 17 demonstrated that inflation rate was statistically correlated with the gross domestic product (r=.231**, p-value =0.006), with job creation (r=.159**, p-value=0.043), with poverty reduction (r=.0174**, p-value =0.014). Results indicated a positively relationship between exchange rate and gross domestic product (r=0.274, p-value =0.039), job creation (r=0.187, p-value =0.035), exchange rate and poverty reduction (r=.324, p-value =0.032).

Furthermore, it gave the existence of an association between balance of trade and gross domestic product (r=0.854, p-value=0.018), balance of trade and job creation (r=.873**, p-value=0.035), balance of trade and poverty reduction (r=.750**, p-value .0036). The correlations were statistically significant since the p values were <0.05 suggesting that a change in foreign direct investment caused a change in economic growth. The researcher performed a multilinear regression to evaluate the effects of independent variable foreign direct investment (inflation rate, exchange rate and balance of trade) on the dependent variable which is economic growth (gross domestic product, job creation, poverty reduction). It can be deduced that the impact of the factors influencing Chinese FDI into Rwandan Economic Sectors varies accordingly. Five factors have extremely high impact on Chinese FDI flow into Rwanda; four factors have Strong impact on Chinese FDI flow into Rwanda while two factors have moderate impact on Chinese FDI flow into Rwandan economic sectors.

Table 18: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.924[a]	.853	.851	.38506

a. **Predictors**: (Constant), Foreign Direct Investment
Source: Primary Data (2023)

Results in Table 18indicate that the R-Square in this research is 0.8530 that the rate of economic growth (dependent variable) is explained by the independent variable (foreign direct investment factors at 85.30%. This implies that the model is very strong as the independent highly explain the dependent variable. The adjusted R-square is used to compensate for additional variable in the model. In this case, the adjusted R-square is 85.1% for economic growth in Rwanda. The Chinese investors 'willingness was due to some factors that will favour investment. Such business factors have to do with the Economic Potentials like Steady GDP and population Growth of the Rwanda as a nation, which is positive and on the rise annually.

Table 19: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	65.565	1	65.565	442.190	.000[b]
	Residual	11.269	76	.148		
	Total	76.833	77			

a. Dependent Variable: Economic Growth
b. Predictors: (Constant), Foreign Direct Investment
Source: Primary Data (2023)

In this case, from the ANOVA Table 19, *p-value* is 0.000, which is less than the 0.05, set as standard significance levels with fit level of 442.190. This means that null hypothesis stated that foreign direct investment has no statistically significant influence on economic growth of

Rwanda, was rejected and goes by the alternative hypothesis, which states that the independent variable affects economic growth of Rwanda.

Table 20: Coefficient of Determination

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std.Error	Beta	t	Sig.
1(Constant)		2.788	.422		6.607	.000
	Inflation rate	0.752	0.1032	0.152	4.223	.0192
	Exchange rate	0.487	0.3425	0.054	3.723	.0269
	Balance of Trade	0.545	0.2178	0.116	3.936	.0251

Dependent Variable: Economic Growth
Source: Primary Data (2023)

As shown in Table 20, $Y=2.788 +0.152 X_1+0.054 X_2+0.116+ X_3+e$ Where Y= Economic growth. The study showed that all Foreign Direct Investment determinants such as inflation rate, exchange rate and balance of trade to be constant zero, the economic growth will be 152. Information assessed evidenced that variation in foreign direct investment determinants will be 0.054 the economic growth, a change in those determinants stimulate a change in economic growth, while a unit increase in exchange rate will lead to 0.0116 increase in economic growth in Rwanda. This implies that inflation rate is the most metrics that affect economic growth. The implication of this significance is that the eleven factors identified, assessed, and ranked were influential in shaping Chinese Foreign direct investment into Rwandan Economic sectors.

5.1 Conclusion

It is evident from the findings that the dimensions of China's Foreign Direct Investment determinants, (inflation rate, exchange rate and balance of trade) have a significance effect on the economic development in Rwanda. Therefore, to the first research objective, the study was to assess the effect of Chinese FDI inflation rate on the economic growth of Rwanda. According to above findings, the following conclusion can be drawn; the inflation rate negatively affects the economic growth of Rwanda.

To the second research objective, the study concluded that Chinese FDI exchange rate influence foreign direct investment and lead to economic growth if it is suitable to them because the component of exchange rate includes nominal effective exchange which influence foreign direct investment, the real effective exchange rate and the choice of price or cost.

To the third research objective, the study concluded that Chinese FDI balance of trade through the current account, financial account and capital account adequately affected foreign direct investment. In light with the above concluding remarks, the researcher argued that Chinese foreign direct investment has contributed fully to the development of Rwanda especial economic growth.

5.2 Recommendations

Based on the findings of the study, the researcher recommends that the components of China's Foreign Direct Investment (inflation rate, exchange rate and balance of trade) should be enhanced for further improvement of economic growth in Rwanda. Reconsidering results arisen from this study; different recommendations have been proposed. Therefore, the study

recommends that foreign direct investment cooperation strategies could be adopted in everyday activities and responsibilities.

The study recommends that it would be appropriate to consider most favoured nation and trade liberalization and investment as a criteria of exporting companies for improving economic growth. The study recommends that investors should consider foreign investment of providing timely and accurate services as this would enable companies to improve service quality. Hence, service quality could make companies differentiate themselves from the others and gain competitive advantage and thus improve their overall performance.

5.3 Acknowledgement

References

Abo-Zaid, S., Tuzemen, D., (2011). Inflation Targeting: A three-decade perspective. *Journal of Policy Modeling*, Vol, 2 (3), pp 27-33

Busse, M., & Groening, S. (2012). The Resource Curse Revisited: Governance and Natural Resources. SSRN Electronic Journal, July 2010. https://doi.org/10.2139/ssrn.1634963

Busse, M., & Koeniger, J. (2012). Trade and Economic Growth: A Re-Examination of the Empirical Evidence. SSRN Electronic Journal,

Hamida Rania Ben (2012). Electricity consumption and industrial gross domestic product nexus in SFAX: an ARDL bounds testing approach. *The Journal of Energy and Development*, 38, no. 1/2 pp. 241-255.

Kirimi, W.N. (2014). The Determinants of Inflation in Kenya (1970 – 2013). Published thesis. University of Nairobi.

Knoerich J (2017) How does outward foreign direct investment contribute to economic development in less advanced home countries? Oxf Dev Stud J 94(3):605–627

Kogid, M., Asid, R., & Lily, J. (2012). The Effect of Exchange Rates on Economic Growth: Empirical Testing on Nominal Versus Real. *IUP Journal of Financial Economics*, 10(1), 7–12.

Koila, L.J (2016). The Effect of Monetary Policy on Inflation in Kenya. Published thesis, University of Nairobi.

Koojaroenprasit S (2012) The impact of foreign direct investment on economic growth: a case study of South Korea. Int J Bus Soc Sci 3:8–19

Kumo, L.W. (2015) Inflation Targeting Monetary Policy, "Inflation Volatility and Economic Growth in South Africa", Working Paper Series N° 216 African Development Bank,Tunis, Tunisia.

Kurihara, Y (2013) Does adoption of inflation targeting reduce exchange rate volatility and enhance economic growth? *Journal of World Economic Research*. 2013; 2(6): 104-109.

Kurtishi-Kastrati S (2013) The effects of foreign direct investments for host country's economy. *Eur J Interdiscip Stud* 5: 26–38.45, 2017, Issue 4.

Łaszek J., Leszczyński R. and Olszewski K.,(2017) The Development of Residential and Commercial Real Estate, and Economic Development in Polish Voivodships, "Barometr Regionalny", 2017, vol. 15 (2).

Lawal, E.O. (2016). "Effect of exchange rate fluctuations on manufacturing sector output in Nigeria", Journal of Research in Business and Management, Vol. 4 No. 10, pp. 32-39.

Lieser K., and Groh A. P., The determinants of international commercial real estate investment, (2014)"*The Journal of Real Estate Finance and Economics*" 2014, vol. 48 (4), pp. 611–659.

Mandeya, S. M. T., & Ho, S. Y. (2021). Inflation, inflation uncertainty and the economic growth nexus: An impact study of South Africa. MethodsX, 8(August), 101501. https://doi.org/10.1016/j.mex.2021.101501

Mankiw, N. G. (2011). Principles of Economics, 5th edition. South-Western Cengage Learning.

Matthias Busse and Jens Königer (2012). Trade and Economic Growth. A Re-examination of the Empirical Evidence. *Hamburg Institute of International Economics* (HWWI) research paper

Moussa, B., Amadu, I., Idrissa, O. and Abdou, B. (2019), "The impact of foreign direct investment on the productivity of manufacturing firms in Cameroon", Journal of Economics and Development Studies, Vol. 7 No. 1, pp. 25-34.

Ngowi, H.P. (2012). Foreign Direct Investments (FDIs) Roles in Economic Transformation for Poverty Reduction: What Does it Take in a Tanzanian - type Economy?

Odhiambo, NM. (2011). Finance-Growth-Poverty Nexus in South Africa. *The Journal of SocioEconomics* 38(2): pp 320-325

Okoth, M.N (2013). The Effect of Interest Rate and Inflation Rate on Exchange Rates in Kenya. Published thesis, University of Nairobi.

Rahman, A. (2015). Impact of Foreign Direct Investment on Economic Growth: Empirical Evidence from Bangladesh. *International Journal of Economics and Finance*, 7(2).