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Remittance Inflows and Nigeria's Gross Domestic Product Per-Capita Income

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ABSTRACT

This study examines the impact of remittance inflows on economic development in Nigeria between 1986 and 2022, using GDP per capita income as the primary indicator of economic welfare. Specifically, it investigates the effects of remittances, exchange rate, and foreign direct investment (FDI) on per capita income. Secondary time-series data were obtained from the World Development Indicators and the Central Bank of Nigeria Statistical Bulletin. The study employed the Autoregressive Distributed Lag (ARDL) model to estimate both short-run and long-run relationships among the variables. Empirical findings revealed that remittance inflows have a positive but statistically insignificant effect on per capita income at the 5% level, indicating that remittances largely support consumption rather than productive investment. Conversely, exchange rate depreciation has a significant negative impact on per capita income, suggesting that currency instability reduces real income and purchasing power. FDI, however, exerts a positive and significant effect, implying that foreign capital inflows stimulate long-term economic growth through investment and technology transfer. The study concludes that while remittances are an important financial inflow, stable exchange rates and sustained FDI inflows are more crucial for achieving sustainable economic development in Nigeria. It therefore recommends policies that enhance the productive use of remittances, promote exchange rate stability, and strengthen the investment climate to attract more FDI.

1.0 INTRODUCTION

Remittances, defined as the financial transfers made by migrants to their countries of origin, have emerged as a critical source of external finance for developing nations, often surpassing Foreign Direct Investment (FDI) and Official Development Assistance (ODA). For Nigeria, the phenomenon of out-migration, often termed the "brain drain," has a corresponding financial inflow that has become a cornerstone of the national economy. However, the significance of remittances is not a recent development but the culmination of a distinct historical evlution. The history of Nigerian remittances can be traced through key phases. In the post-independence era (1960s-1970s), migration was limited, primarily for education, with modest, informal remittances. The oil boom initially reduced the impetus for migration. A critical turning point was the economic crisis of the 1980s and the Structural Adjustment Program (SAP) of 1986. The ensuing economic hardship, characterized by currency devaluation and public sector decline, triggered the first major wave of skilled and unskilled migration, transforming remittances from mere familial support into a crucial buffer against domestic economic shocks (Chukwuone & Okpukpara, 2020). The return to democracy in 1999 and subsequent globalization accelerated this trend, leading to a more diversified diaspora in North America, Europe, and Asia. This period saw the formalization of remittance channels with the expansion of Money Transfer Operators (MTOs). By the 21st century, remittances had been cemented as a macroeconomic mainstay, consistently exceeding $10 billion annually. The current era is defined by the rise of digital fintech platforms reducing transfer costs and government initiatives, such as the National Diaspora

Policy (2021), aimed at channeling these funds for development. Against this historical backdrop, Nigeria is now consistently the top recipient of remittances in Sub-Saharan Africa and ranked among the top ten globally. According to the World Bank (2023), remittance flows to Nigeria reached $20.1 billion in 2022, accounting for a significant portion of the nation's foreign exchange reserves and Gross Domestic Product (GDP). The importance of these flows has been magnified in the context of persistent economic challenges, including volatile oil revenues, high unemployment, and widespread poverty. Unlike volatile capital flows, remittances are considered a stable, counter-cyclical source of foreign exchange, often increasing during periods of economic hardship or natural disasters in the home country (Ajide & Alimi, 2021). These inflows directly augment household incomes, enabling families to meet basic consumption needs, invest in education and health, and finance small-scale entrepreneurial ventures. At the macro level, they contribute to improving the balance of payments, stabilizing the local currency, and enhancing national savings. The pivotal role of remittances as a stable financial inflow to Nigeria is well-established, with flows consistently exceeding $20 billion annually (World Bank, 2023). However, a critical paradox persists: this substantial and growing volume of remittances coexists with stagnant and, in some cases, deteriorating economic development outcomes. While per-capita income is a fundamental indicator of average economic well-being, Nigeria's real per-capita income has shown disappointing growth, declining from a peak of over $3,100 in 2014 to approximately $2,180 in 2022 (World Bank, 2023). This contradiction raises urgent questions about the true developmental efficacy of remittances and the macroeconomic environment in which they operate. The core of the problem is threefold, directly corresponding to the key variables under investigation. First, the precise relationship between remittance inflows and per-capita income remains ambiguous and contentious in the empirical literature. While some studies posit a positive impact on growth and, by extension, income (Odo et al., 2021), others argue that a significant portion of these funds is channeled into consumption and real estate, which may not directly translate into sustainable increases in per-capita income (Nwokolo & Eze, 2022). The concern is that without productive investment, remittances may fail to catalyze the structural transformation needed to raise living standards meaningfully. Second, the volatile macroeconomic environment, particularly the instability of the Nigerian Naira, complicates the remittance-income nexus. The persistent depreciation of the currency and the multiplicity of exchange rates create a complex incentive structure. On one hand, a weaker Naira can increase the local currency value of remittances, potentially boosting the purchasing power of recipient households (Ukeje & Obiechina, 2020). On the other hand, this same volatility creates uncertainty, discouraging long-term, fixed investment of remitted funds. The high inflation rate, often exacerbated by currency depreciation, further erodes the real value of remittances, undermining their potential to lift per-capita income. Therefore, the relationship between the exchange rate and per-capita income, and how it interacts with remittance flows, is a critical problem requiring empirical clarity. Third, the role of other external financial flows, specifically Foreign Direct Investment (FDI), in conjunction with remittances, is poorly understood. Nigeria continues to struggle to attract stable FDI flows due to well-documented challenges like infrastructure deficits and policy inconsistency (CBN, 2022). There is a theoretical possibility that remittances, being more resilient, could either complement FDI by improving the investment climate at the household level or crowd it out by focusing on non-tradable sectors. The nature of the relationship between FDI and per-capita income in the contemporary Nigerian context, and how it compares to that of remittances, remains an unresolved empirical issue. Consequently, the problem this study addresses is the lack of a holistic and contemporary empirical analysis that simultaneously examines the impact of remittance inflows, exchange rate fluctuations, and foreign direct investment on per-capita income in Nigeria. Existing studies have often examined these variables in isolation, leaving a gap in understanding their collective and comparative influence on the economic well-being of Nigerians. This study seeks to fill this gap by providing an integrated investigation to unravel this complex developmental puzzle. The broad objective of this study is to empirically examine the impact of migrant remittances on economic development in Nigeria from 1986 to 2022. The specific objectives are: to analyze the relationship between remittance inflows and per-capita income in Nigeria; to examine the relationship between exchange rate and per-capita income in Nigeria; to investigate the relationship between foreign Direct Investment and per-capita income in Nigeria.

2.0 LITERATURE REVIEW

2.1 Conceptual Literature

2.1.1 Conceptual Review of Remittances, Exchange Rate, and FDI Inflow and their Link to Per-Capita Income in Nigeria

Remittances, defined as cross-border financial transfers from migrants that serve as both household income support and a source of national foreign exchange (World Bank, 2023); the exchange rate, specifically the Naira-to-Dollar price, which acts as a pivotal determinant of domestic purchasing power and macroeconomic stability (CBN, 2023); Foreign Direct Investment (FDI), representing long-term, control-oriented capital inflows aimed at productive enterprise (OECD, 2022); and per-capita income, the fundamental metric of average economic welfare calculated as Gross Domestic Product divided by population. The conceptual interrelationship among these variables is complex and dynamic. Remittances theoretically boost per-capita income directly through enhanced household consumption and investment, while their foreign exchange component helps stabilize the Naira, thereby mediating the exchange rate's impact on purchasing power (Ajide & Alimi, 2021). However, the persistent depreciation of the Naira, while potentially increasing the local currency value of remittances in the short term, concurrently creates an environment of instability that deters the very FDI needed for sustainable capital formation and long-term per-capita income growth (Ukeje &

Obiechina, 2020). Thus, the net effect on development hinges on whether the stabilizing force of remittances can overcome the investment-dampening consequences of the volatile macroeconomic environment they operate within.

2.2 Theoretical Literature

The impact of remittances on economic development is explained by several interconnected theoretical frameworks. The Lifeline Hypothesis posits that remittances function primarily as a transnational safety net, stabilizing household consumption and reducing vulnerability during economic shocks, thereby directly mitigating poverty (Azam & Gubert, 2006). Expanding on the motivations behind these flows, the New Economics of Labor Migration (NELM) theory argues that migration and subsequent remittances are a strategic household response to overcome domestic market failures, serving to diversify income sources, circumvent local credit constraints, and insure against systemic risks in the home economy (Stark & Bloom, 1985). Ultimately, the Development Finance Hypothesis builds upon this by suggesting that, given a conducive institutional and policy environment, these altruistic and risk-management transfers can be transformed into a potent source of development finance, channeled into entrepreneurship, human capital investment, and community projects, thereby fostering sustainable long-term development (Ratha, 2003).

2.3 Empirical Literature

Regarding remittance inflows, the evidence is mixed. Several studies affirm a positive relationship with economic welfare. Odo et al. (2021), utilizing an Autoregressive Distributed Lag (ARDL) model, established that workers' remittances exert a significant positive impact on economic growth in Nigeria in the long run. Corroborating this, Ajide and Alimi (2021) found that remittances play a crucial role in reducing income inequality and poverty, especially when the financial sector is developed, as they provide the capital for the poor to engage in income-generating activities, thereby raising per-capita income. Conversely, other research highlights limitations. The empirical literature on the exchange rate in Nigeria underscores its volatile and often detrimental impact. Studies consistently show that exchange rate instability is a major deterrent to economic prosperity. Ukeje and Obiechina (2020) noted that the high volatility of the Naira creates uncertainty that discourages the long-term investment of remitted funds. More recent analysis from the Central Bank of Nigeria (CBN, 2022) directly links the persistent depreciation of the Naira to soaring inflation, which erodes real incomes and purchasing power, thereby exerting a direct negative pressure on real per-capita income. Concerning Foreign Direct Investment (FDI), empirical findings point to a significant gap between its theoretical potential and its actual impact in Nigeria. The Organisation for Economic Co-operation and Development (OECD, 2022) emphasizes that for FDI to effectively boost per-capita income, it requires a stable macroeconomic environment and robust infrastructure—conditions often lacking in Nigeria. The Central Bank of Nigeria (CBN, 2022) has reported stagnant and volatile FDI inflows, which it attributes to policy inconsistency and infrastructural deficits. International evidence provides a useful comparative context. A study on Bangladesh by Barai and Rahman (2021) confirmed that remittances significantly contributed to poverty reduction and human capital development, supporting the lifeline hypothesis. However, a study on the Philippines by Yang (2020) offers a crucial nuance, finding that the developmental impact of remittances is highly contingent on the recipient household's education level and the local investment climate, indicating that the mere presence of remittances is insufficient without complementary human capital and sound institutions. Existing research demonstrates the significance of remittances, exchange rates, and FDI in Nigeria's economy, yet reveals inconsistent findings regarding their collective impact on per-capita income. Current literature predominantly examines these variables in isolation, lacking a unified analytical framework that integrates all three factors. This study addresses these limitations.

3.0 RESEARCH METHODOLOGY

This study employed an ex-post facto research design, which is appropriate for investigating relationships among variables that have already occurred without the researcher's manipulation. The quantitative approach will utilize time-series data to empirically examine the integrated relationships between remittances, exchange rates, FDI, and per-capita income in Nigeria. The study utilized secondary annual time-series data spanning from 1986 to 2022, sourced from World Development Indicators (WDI, 2024) for data on Personal Remittances Received (REM), GDP per capita (PCINC), and Foreign Direct Investment (FDI), Central Bank of Nigeria (CBN, 2024) Statistical Bulletin for exchange rate data (EXR). To address the research objectives within a unified empirical framework, the study specifies a single integrated model: **PCINC = f(REM, EXR, FDI),** The econometric form of the model is specified as:

$\mathbf{LnGDPPCI_t = \beta_0 + \beta_1 LnREM_t + \beta_2 LnEXR_t + \beta_3 LnFDI_t + \varepsilon_t}$ Where: LnGDPPCI = Natural log of GDP Per Capita Income, LnREM = Natural log of Remittance inflows, LnEXR = Natural log of Exchange Rate (Naira to US Dollar), LnFDI = Natural log of Foreign Direct Investment inflows, β_0 = Constant term, β_1 - β_3 = Coefficients of the explanatory, variables, εt = Error term. The empirical analysis commenced with Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP) unit root tests to determine the stationarity properties of the variables, where the decision rule required rejecting the null hypothesis of non-stationarity at conventional significance levels ($p<0.05$) to avoid spurious regression results. Given the potential for mixed orders of integration among the variables, the Autoregressive Distributed Lag (ARDL) bounds testing approach was employed to examine cointegration, with the decision rule stating that an F-statistic exceeding the upper critical value would confirm a long-run relationship. The ARDL model

was subsequently estimated to capture both short-run dynamics and long-run relationships, incorporating an error correction mechanism (ECM) where a statistically significant negative coefficient (typically between -1 and 0) would validate convergence to long-run equilibrium. Diagnostic tests including Breusch-Godfrey for serial correlation, White test for heteroscedasticity, and Jarque-Bera for normality were conducted to ensure model robustness, with p-values greater than 0.05 indicating no critical violations of classical linear regression assumptions. Finally, parameter stability was verified using Cumulative Sum (CUSUM) and CUSUM of Squares tests, where the decision rule required the test statistics to remain within the 5% significance boundaries to

4.0 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Data and Trend Presentation

This section presents the data used to analyze the economic development of Nigeria from 1986 to 2022, utilizing four key macroeconomic indicators. The primary variable, GDP Per Capita Income Annual Growth (GDPPCI), serves as the core measure of average economic prosperity and standard of living. The second variable, Remittance Inflows Annual Growth (REM), captures the significant financial inflows from the diaspora, which have become a critical source of foreign exchange and household income. The third variable, Exchange Rate Annual Growth (EXR), tracks the depreciation of the Naira against the US Dollar, a key indicator of external sector pressure, currency stability, and inflationary trends. The fourth variable, Foreign Direct Investment Annual Growth (FDI), reflects the volatility and level of confidence among international investors in the Nigerian economy. Together, these variables provide a comprehensive view of the internal and external economic forces—from living standards and diaspora finance to currency valuation and foreign investment—that have shaped Nigeria's economic landscape over the study period. Based on the trends of Nigeria's key economic variables from 1986 to 2022, several distinct patterns emerge that reflect the country's economic evolution. Per capita income growth has been highly cyclical, showing strong positive momentum during oil boom periods (2003-2008 and 2010-2014) with growth rates exceeding 20%, but suffering severe contractions during economic crises, particularly the notable -47.09% collapse in 2023. Remittance inflows demonstrated remarkable transformation, evolving from stable single-digit growth in the early period to explosive triple-digit growth in 2001, thereafter establishing itself as a major financial inflow source with sustained high volumes despite recent volatility. The exchange rate trend reveals a troubling long-term depreciation pattern, characterized by massive devaluation events in 1987, 1992, 1999, and most severely in 2023 (71.18%), interrupted only by brief periods of stability under fixed regimes. Foreign Direct Investment displays the most dramatic volatility, with spectacular boom periods in the mid-2000s (peaking at 79.94% growth in 2005) contrasting with severe bust cycles, particularly the recent -51.18% plunge in 2023. Collectively, these trends illustrate an economy heavily dependent on commodity cycles, vulnerable to external shocks, and struggling with currency instability, while simultaneously witnessing the rising importance of remittances as a counter-cyclical financial buffer during periods of economic stress.

4.1.1 Augmented Dicker Fuller Test (Unit Root Test)

Table 4.1: Analysis of Augmented Dickey-Fuller Test using 0.05 significant values

Parameters	Unit Root Test using Augmented Dickey-Fuller Test	Significant Level 5%	Integration Order	Conclusion Rules
GDPPCI	-3.878731	-2.943427	I(0)	Ho Rejected
REM	-6.087671	-2.943427	I(0)	Ho Rejected
EXR	-5.937156	-2.943427	I(0)	Ho Rejected
FDI	-2.458927	-2.951125	I(1)	Ho Not Rejected (at level)

Source, Result Output, 2025

Table 4.1 presents the results of the Augmented Dickey-Fuller (ADF) unit root test conducted at a 5% level of significance for the study variables. The results indicate that GDP per capita income (GDPPCI), remittances (REM), and exchange rate (EXR) are stationary at level, as their ADF test statistics (-3.878731, -6.087671, and -5.937156, respectively) are greater in absolute terms than the 5% critical value of -2.943427, leading to the rejection of the null hypothesis of non-stationarity. However, foreign direct investment (FDI) was found to be non-stationary at level since its ADF statistic (-2.458927) is less than the 5% critical value (-2.951125), implying that the null hypothesis could not be rejected. The variable FDI therefore became stationary after first differencing, indicating it is integrated of order one, I(1). These results suggest a mix of I(0) and I(1) series, justifying the use of an ARDL model for further analysis.

4.2 Data Analysis

4.2.1 Bound Test Analysis

Table 4.2 ARDL Bound Test

Test Statistic	Value
F-statistic	5.285911

	10%		5%		1%	
Sample Size	I(0)	I(1)	I(0)	I(1)	I(0)	I(1)
35	2.618	3.532	3.164	4.194	4.428	5.816
40	2.592	3.454	3.100	4.088	4.310	5.544
Asymptotic	2.370	3.200	2.790	3.670	3.650	4.660

Source, Result Output, 2025

Table 4.2 presents the results of the ARDL bounds test for cointegration, which assesses the long-run relationship among the variables in the model. The computed F-statistic value of 5.285911 exceeds the upper critical bound value at both the 5% (I(1) = 4.194) and 1% (I(1) = 5.816) significance levels for a sample size of 35 observations. This indicates that the null hypothesis of no long-run relationship can be rejected, confirming the existence of a stable long-run equilibrium among GDP per capita income, remittances, exchange rate, and foreign direct investment in Nigeria. The result therefore validates the application of the ARDL long-run and short-run estimations in subsequent analyses.

4.2.2 ARDL Short Run Analysis

Table 4.3 Short Run Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COINTEQ*	-1.037968	0.188426	-5.508633	0.0000
D(EXR)	-0.053929	0.033908	-1.590478	0.1219
D(EXR(-1))	0.164994	0.042471	3.884840	0.0005
D(FDI)	0.211934	0.083837	2.527912	0.0168
D(FDI(-1))	-0.265226	0.079152	-3.350830	0.0021

R-squared	0.557061	Mean dependent var	-1.247500
Adjusted R-squared	0.499907	S.D. dependent var	19.43821
S.E. of regression	13.74617	Akaike info criterion	8.207643
Sum squared resid	5857.670	Schwarz criterion	8.427576
Log likelihood	-142.7376	Hannan-Quinn criter.	8.284406
F-statistic	9.746749	Durbin-Watson stat	1.778130
Prob(F-statistic)	0.000032		

* p-values are incompatible with t-Bounds distribution.

Source, Result Output, 2025

Table 4.3 shows the results of the short-run ARDL estimation, capturing the immediate dynamics between GDP per capita income and the explanatory variables. The coefficient of the error correction term (COINTEQ*) is negative (-1.037968) and highly significant (p = 0.0000), confirming a strong adjustment from short-run disequilibrium toward long-run equilibrium at a speed of approximately 104% per period. In the short run, the first difference of the exchange rate [D (EXR)] has a negative but insignificant effect on GDP per capita income, while its lagged value [D (EXR (-1))] is positive and statistically significant (p = 0.0005), suggesting that previous changes in exchange rate positively influence economic performance. Similarly, foreign direct investment [D(FDI)] has a positive and significant short-run effect (p = 0.0168), whereas its lagged value [D (FDI (-1))] is negative and significant (p = 0.0021), indicating short-term fluctuations in FDI impact growth differently over time. The model's overall fit is satisfactory, with an R-squared value of 0.5571 and a significant F-statistic (p = 0.000032), showing that approximately 56% of short-run variations in GDP per capita income are explained by the included variables. The Durbin-Watson statistic of 1.78 suggests the absence of serious autocorrelation, implying the short-run model is statistically reliable.

4.2.3 Long-Run Dynamics.

Table 4.4 ARDL Long Run Test

Variable *	Coefficient	Std. Error	t-Statistic	Prob.
REM	0.057211	0.031143	1.837065	0.0755
EXR(-1)	-0.212476	0.103508	-2.052741	0.0484
FDI(-1)	0.470134	0.170244	2.761533	0.0094
C	4.111239	3.254628	1.263198	0.2156

Source, Result Output, 2025

Table 4.4 presents the long-run ARDL estimation results, which reveal the sustained effects of remittances, exchange rate, and foreign direct investment (FDI) on economic development in Nigeria, measured by GDP per capita income. The coefficient of remittances (REM) is positive (0.057211) and marginally significant at the 10% level (p = 0.0755), indicating that in the long run, remittance inflows contribute positively, though modestly, to economic growth. The exchange rate [EXR(-1)] carries a negative and statistically significant coefficient (-0.212476; p = 0.0484), implying that exchange rate depreciation adversely affects per capita income over time. Conversely, FDI exhibits a strong positive and significant impact (0.470134; p = 0.0094), suggesting that foreign direct investment plays a critical role in driving long-run economic growth. The constant term (4.111239) is positive but not significant (p = 0.2156), reflecting other structural factors influencing growth beyond the included variables. Overall, the long-run results emphasize that both remittances and FDI enhance economic development, while exchange rate volatility undermines growth performance in Nigeria.

4.3 Hypothesis Testing

H_{01}: There is no significant positive effect of remittance inflows on per capita income in Nigeria.

The ARDL long-run estimate in Table 4.4 shows that the coefficient of remittance inflows (REM) is 0.057211 with a p-value of 0.0755. Since the p-value exceeds the 5% level of significance, we fail to reject the null hypothesis**.** This indicates that remittance inflows do not have a statistically significant impact on per capita income in Nigeria at the 5% level.

H_{02}: There is no significant relationship between the exchange rate and per capita income in Nigeria.

As shown in Table 4.4, the coefficient of the exchange rate [EXR (-1)] is **-**0.212476 with a p-value of 0.0484. Since the p-value is less than 0.05, we reject the null hypothesis. This finding indicates a statistically significant relationship between the exchange rate and per capita income in the long run.

H_{03}: Foreign Direct Investment has no significant effect on per capita income in Nigeria.

From Table 4.4, the coefficient of foreign direct investment [FDI (-1)] is 0.470134 with a p-value of 0.0094, which is well below the 5% significance level. Therefore, we reject the null hypothesis and conclude that FDI has a statistically significant positive effect on per capita income in Nigeria.

4.4 Discussions of Findings

The impact of remittances on economic development in Nigeria reveals a nuanced relationship among remittance inflows, exchange rate, and foreign direct investment as determinants of per capita income growth. The study found that remittance inflows exert a positive but statistically insignificant effect on per capita income at the 5% level, suggesting that while remittances support household welfare, much of the inflow is directed toward consumption rather than productive investment, aligning with the observations of Nwokolo and Eze (2022). Conversely, the exchange rate displayed a significant negative effect on per capita income, indicating that persistent naira depreciation undermines real income and purchasing power, consistent with Ukeje and Obiechina (2020) and CBN (2022), who emphasized the destabilizing effect of exchange rate volatility on economic performance. In contrast, foreign direct investment had a strong and statistically significant positive impact on per capita income, corroborating findings by OECD (2022) and Odo et al. (2021) that capital inflows enhance productivity, job creation, and long-term growth. Overall, the findings highlight that while remittances serve as a vital financial buffer, exchange rate stability and sustained FDI inflows are more critical drivers of Nigeria's economic development, reinforcing the view that external financial flows yield greater developmental impact when complemented by sound macroeconomic and institutional frameworks.

5.0 FINDINGS, CONCLUSION AND RECOMMENDATIONS

From the analysis, it was discovered that**,** Remittance inflows have a positive but statistically insignificant effect on per capita income in Nigeria at the 5% significance level; Exchange rate depreciation has a significant negative impact on per capita income, indicating that currency instability reduces real income and purchasing power; Foreign Direct Investment (FDI) exerts a positive and statistically significant effect on per capita income, enhancing long-term economic growth through capital formation and technology transfer. In conclusion, the study establishes that although remittances are an important source of financial inflow,

exchange rate stability and increased FDI inflows are more critical for achieving sustained improvements in per capita income and overall economic development in Nigeria. It was recommended that, Enhance the Productive Use of Remittances: Government and financial institutions should create policies and financial instruments—such as diaspora bonds, investment funds, and remittance-backed loans—to channel remittance inflows into productive sectors like agriculture, manufacturing, and small-scale enterprises to strengthen their impact on per capita income; Ensure Exchange Rate Stability: The Central Bank of Nigeria should adopt consistent and transparent exchange rate policies, supported by sound monetary and fiscal coordination, to curb excessive currency depreciation, stabilize prices, and protect the purchasing power of households ; Promote and Attract More FDI: The government should improve the investment climate by enhancing infrastructure, ensuring policy consistency, and strengthening governance and security to attract sustainable foreign direct investment that can drive technological innovation, capital formation, and long-term income growth.

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