THE GLOBAL EFFECT OF PRODUCTION ON THE FOREIGN DIRECT INVESTMENT COMPETITIVE POSITION OF THE SELECTED INSTITUTIONS IN THE SOUTH EAST NIGERIA

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Abstract

The need for international expansion in organization have continued to be an unending journey among global business as many business currently have their production facility in one or two countries of the world due to variance in labour cost. The study examines the global effect of production on the foreign direct investment competitive position of the selected institutions in the South East Nigeria. The objectives of the study includes to examine the global effect of purchasing on exports competitive position of the selected institutions in the South east Nigeria and to determine the global effect of production on the foreign direct investment competitive position of the selected institutions in the South east Nigeria. Survey method was adopted in the study among 173 manufacturing firms in Nigeria. Data obtained using questionnaire and interview guide were presented in tables. Inferential statistic was used for the test of the study hypotheses. The result of the study shows that there was a positive global effect of purchasing on Export Competitive position of institutions or firms in South east Nigeria ($Z_{computed}>Z_{t; = } -0.00993 < 1.645$). Also the study shows that there is a positive global effect of production on the direct foreign investment competitive position of the selected institution in south east Nigeria (($Z_{computed}>Z_{t; =} -0.009938 < 1.645$).. It was concluded that the global effect of purchasing on exports competitive position of some institutions and firms studied has both international business and local business implications; the e-procurement method of purchasing which is becoming more popular than the traditional increase the exports competitive position of the companies. It is recommended that the strategic, manufacturing managers, materials managers or the institutions studied backed by policy should continue to ensure that purchasing should have a positive global effect on export competitive position to make foreign buying easy.

Keywords: Global Effect of Production, Foreign Direct Investment, Competitive Position, Institutions in the South East Nigeria.

Introduction

The need for international expansion in organization have continued to be an unending journey among global business. One of the first to own foreign production facilities, have worldwide distribution networks, and market its product under global brands was Singer Sewing Machine. In 1868, it built a factory in Scotland, the first successful American venture into foreign production. By 1880, the company had become a global organization with an outstanding international sales organization and several overseas manufacturing plants. Other firms, such as J&P Coats (United Kingdom) and Ford, soon followed, and by 1914, at least 37 American companies had production facilities in two or more overseas location (Hall et al, 2002). In 1946, the Nigerian Breweries Plc was first established in Nigeria (Nigerian Breweries Plc Report, 2011). This was also the year the first Pre-independence colonial development plan was done; it lasted for ten years till 1956. It was fully funded by the British colonial government. Its objective was to co-ordinate and increases the colonies' production of primary commodities and raw materials essential to the war effort.

The mother country, in time of need, took a greater interest in her children. From 1903 there were multinational oil companies operating in Nigeria (Shell Annual Report, 2008).In Nigeria between 1972 and 1977, there were indigenous decrees called the Nigerian Enterprise Promotion Decrees. They were aimed at transferring the ownership of many local and foreign owned enterprises from foreign to local hands. The Federal Government of Nigeria acquired 60% shares in some foreign owned banks (Ejiofor, 2008). A number of multinational companies existed in the late 1800s

While international businesses as a discipline is relatively new, international business as a business practice is not, as we shall see in the history of International Business. It is true of history that before the time of Christ, Phoenician and Greek merchants were sending representatives abroad to sell their goods. In 1600, the British East India Company, a newly formed trading firm, established foreign branches throughout Asia. As about the same time, a number of Dutch companies, which had organized in 1590 to open shipping routes to the East, joined together to form the Dutch East India Company and also opened branch offices in Asia. American colonial traders began operating in a similar fashion in the 1700s (Hall et al, 2002). Early examples of American foreign direct investment are the English plants set up by Colt Fire Arms and Ford (vulcanized rubber), which were established before the Civil War. Both operations failed, however, after only a few years (Hall et al, 2002).

There is no question that a large portion of Commerce data, show that from the period 1972 to 1986 imports in eight major industries increased significantly as a percentages of the total U.S. market and exports in these same industries decreased significantly. (The industries are automobiles, chemicals, commercial aircraft, consumer electronics, machine tools,

semiconductors) (Including computers and office equipment, steel and textiles). This shows that manufacturing in these industries moved offshore at a rapid pace. Is this a cause for concern? (Nahmias, 2001).

An argument put forth by several scholars (e.g., Daniel Bell, 1976) is that we are simply evolving from an industrial to a service economy. In this view, the three stages of economic evolution are (1) agrarian, (2) industrial, and (3) service. In the early years of our country, we were primarily an agrarian economy. With the industrial revolution, a large portion of the labour force shifted from agriculture to manufacturing. In recent years it seems that there is less interest in manufacturing. These scholars would argue that we are merely entering the third stage of the evolutionary process: moving from an industrial economy to a service economy (Nahmias, 2001). A question that is being debated and has been debated by economists for the past 20 years is the importance of a strong manufacturing base. The decline of manufacturing domestically has led to a shift in jobs from the manufacturing sector to the service sector. Because there are major disparities in labour costs in different parts of world, there are strong incentives for American firms to locate volume manufacturing facilities overseas to reduce labour costs. Is a strong manufacturing base important for the health of the economy? (Nahmias, 2001). This study therefore, assess the global effect of production on the foreign direct investment competitive position of the selected institutions in the South East Nigeria.

Objective of the Study

The main thrust of the study is to assess the global effect of international transaction competitive position of the selected institutions in the South East Nigeria. In this regard the specific objective is to;

(1)   To evaluate the global effect of purchasing on exports competitive position of the selected institutions in the South east Nigeria.

(2)   To determine the global effect of production on the foreign direct investment competitive position of the selected institutions in the South east Nigeria.

Research Questions

The study attempt to give answers to the following questions:

1. What is the global effect of purchasing on exports competitive position of the selected institutions in the South east Nigeria?

2. What is the global effect of production on the foreign direct investment competitive position of the selected institutions in the south east Nigeria?

Research Hypotheses

The research hypotheses designed to guide the conduct of the study are:

(1)   Purchasing has positive global effect on exports competitive position of the selected institutions in the south east Nigeria.

(2)   Production has positive global effect on the foreign direct investment competitive position of the selected institutions in the south east Nigeria.

Research Methodology

Research Design

In this study, the researcher employed the survey method. The analysis shows the systematic collection and prescription of data to give a clear picture of a particular situation. It can be carried out on a small or large scale.

3.3   Sources of Data Collection

In the conduct of this research, necessary information was obtained through two sources namely: Primary data and Secondary data.

a.   Primary Data

The primary data collection instrument is questionnaire and interview guide. The face to face oral interviews is to enable the researcher have a detailed interview with key personnel in the selected organizations. The questionnaire for this study is divided into three parts (A, B and C) sections. Section A is the letter of introduction of the researcher to the respondents. Section B is structured to collect demographic information on the respondents and C deal with issues related to the subject under investigation through the structured interview schedule.

Tools for Data Collection

Given the objectives and the nature of this study, the researcher adopted two different methods of primary data collection as earlier said in sub-head 3.3, namely: questionnaire administration and interview.

Population of the Study

The population of study includes all the key staff of the five institutions or firms studied in the five states of the south east Nigerian.

Table 3.1: List of Selected Institutions Studied.

Institutions/Firms	Population size
1. Firms that Manufacture Exportable Products	123
2. Firms that Export Manufactured Products	157
3. The Nigerian Export Promotion Council	82
4. The Central Bank State Office Foreign Exchange Departments, Enugu/Owerri	206
5. The Nigerian Export-Import Bank Branched	172
Total	740

Source: *The Human Research Management Department of the organizations in South East Nigeria, Enugu Zonal Office.*

The Sample and Sampling Technique

This formula gives a lower value of a sample size of 173 as compared with the sample size of 506 obtained using Taro Yamane's formula. So Taro Yamane's formula is more efficient as it gives the higher sample size.

the researcher will apply an appropriate sample size method to determine the sample size from the population which comprises different demographic strata. In calculating the sample size for this study, the researcher will apply the statistical formula for selecting from a finite population as propounded by Yamane (1964:280).

This mathematical method is stated as

$$n = \frac{N}{1 + N(e)^2}$$

Where   n   =   Simple Size

N   =   The entire Population

I   =   Theoretical Constant

e   =   Proportion of sampling error in a given situation, in this case (0.05)

Assigning values to these symbols, the sample size was calculated thus:

By the use of this formula and N = 740, and equal to 2.5% for a two-tailed test where the level of significance is 5% at 95% confidence level of significance, N = 506.

i.e. for clarity purposes

$$n = \frac{740}{1 + 740(0.025)^2}$$

$$n = \frac{740}{1 + 0.4625}$$

$$n = \frac{740}{1.4625}$$

$$= 505.9829 \cong 506$$

Table 3.2: Gives the Distribution of the Population Size and Sample Size Per Institution or Firm to be Studied

s/n	Institutions and Firms	Population Size	Sample Size
1	Firms that Manufacture Exportable Products	123	84
2	Firms that Export Manufactured Products	157	107
3	The Nigerian Export Promotion Council	82	56
4	The Central Bank State Office Foreign Exchange Departments	206	142
5	The Nigerian Export-Import Bank Branches	172	117
	Total	740	**506**

Source: *The Proportional Stratified Sampled Sample size and was adopted to moved from the total population size of 740 to a total sample size of 506.*

To get the total population size of 740, the researcher used only staff of the size institutions or firms that works in the sections where they have the knowledge of the global impact of manufacturing and materials management on international business competitive position in South east Nigeria.

two different statistical methods are tried for use. That is to help the researcher on the best of a higher sample size to use for more spread of ideas and knowledge. Therefore, Freund and Williams formula was also tried, thus:

$$n \;=\; \frac{Z^2 NPq}{Ne^2} \;+\; Z^2 pq$$

n   =   sample size
z   =   the z-score
p   =   probability of success
Σ   =   probability of failure
e   =   error margin

$$n \;=\; \frac{Z^2 NPq}{Ne^2} \;+\; Z^2 pq$$

$$=\; \frac{2.706025 \times 740}{1.85} \;=\; \frac{2002.4585 \times (0.8) \times (0.2)}{1.85}$$

$$=\; \frac{320.39336}{1.85} \;=\; 173$$

=   173 + 2.706025 x 0.8 x 0.2
=   173 + 0.432964
=   173.432964

Sample size   =   <u>173</u>

This formula gives a lower value of a sample size of 173 as compared with the sample size of 506 got by Taro Yamane's formula. So Taro Yamane's formula is more efficient as it gives the higher sample size.

Instrumentation

The major research instrument that will be used in gathering data in this investigation is the structured questionnaire. The mode of administration through personal delivery to the various staff of the institutions studied. This method ensures a high rate of return of the questionnaire by the different respondents. The questionnaire were issued to both the senior and junior staff of the institutions to be studied. An oral interview schedule was used.

Validity of the instrument

. To ensure the validity of the measuring and test instruments, the researcher intends to use different statistical tools at various stages of the work. This is necessary considering the nature and enormous volume of data that will be generated (Unyimadu, 2005).

In this research the same version of the instruments delivered to the 506 respondents to be studied. The 506 respondents were gotten through systematic sample after the value have been derived from the Taro Yamane's formula. To get the sample numbers (1) chosen at random and a constant value of k = N/n = 740/506 = 22 is added. So that the sample numbers 1, 23, 45 ... until the 506 numbers are got. This gives our measures content validity.

Reliability of the instrument

The test-retest reliability was used instead of the split half method or equivalent form method. The same versions of the questionnaire and oral interview delivered to same 120 respondents at two points in time and the numbers of the respondents and strongly agreed or agreed with the six statements related to the objectives or research questions correlated. The Spearman's Rank Correlation Coefficient of 0.97 which is close to 1 show that the measures are reliable, (See Appendix IV for Statistical Evidence).

3.10   Data Presentation and Analysis Technique(s)

The data presented by the use of tables. Anyiwe (2004) gives the following advantages of a table over verbal information that:

1) a table enables an easy location of the required figures;
2) comparisons are easily made using a table than a verbal or prose information;
3) patterns or trends within the figures which cannot be seen in prose information can be revealed by a table;
4) a table is more concise than a verbal information.

The data collected for this research through questionnaire and oral interview analysed using

Result Presentation

The fact that 6 (six) questionnaires out of the 506 sample size did not return, the research, now worked on 500 instead of 506 sample size.

Table 4.1: The Demographic Characteristics of the Respondents

Question	Response	Frequency
Sex	Male	374
	Female	126
	Total	**500**
Marital status	Married	341
	Single	146
	Divorced	3
	Widowed	6
	Separated	4
	Total	**500**
Ages	Below 25 years	59
	26 – 30 years	58
	31 – 35 years	62
	36 – 40 years	68
	41 – 45 years	69
	46 – 50 years	66
	51 – 55 years	61
	Above 56 years	56
	Total	**500**
Length of Service in the Ministry	Less than 5 years	69
	6 – 10 years	74
	11 – 15 years	111
	16 – 20 years	170
	21 years and above	76
	Total	**500**
Highest Educational Qualification	Senior School Certificate	184
	R.S.A	31
	Trade certificate	12
	Diploma	30
	O.N.D	32
	H.N.D	41
	First Degree	101
	Second Degree	65
	Ph.D	4
	Total	**500**

Source: Fieldwork (2012).

From Table 4.1, it shown that for the sex of the 500 respondents, 374 of them were males while 126 of them were females. For the marital statues of the 500 respondents, they were married, single, divorced, widowed and separated with frequencies of 341, 146, 3, 6 and 4 respectively. For the ages of the 500 respondents, they were in years below 25, 26-30, 31-35, 36-40, 41-45, 46-50, 51-55, above 56 years with frequencies of 59, 58, 62, 68, 69, 66, 61 and 56 of them respectively.

For the highest educational qualifications of the 500 respondents, they had Senior School Certificate, R.S.A, Trade Certificate, Diploma and O.N.D, H.N.D, First Degree, Second Degree and Ph.D. They have frequencies of 184, 131, 12, 30, 31, 41, 101, 65 and 4 of them.

4.3   Data Analysis

Table 4.2: Analysis of Likert Scale Responses in Relation to Objective One

	Statement	SA	RF	A	RF	U	RF	D	RF	SD	RF	Total in No.	Total in %
(1)	There is no positive global effect of purchasing on the export competitive position of the selected institutions in south east Nigeria.	6	5	5	.554	5	.014	202	.016	282	.016	500	1
(2)	There is a positive global effect on purchasing with the export competitive position of the selected institutions in south east Nigeria	282	.404	202	.404	5	.012	5	.012	6	.014	500	1

Source: Field Survey, 2012.

Table 4.2 shows the statements related to the fourth objective, the responses and the numbers and relative frequencies. For the statement that there is no Positive Global Effect of Purchasing on the Export Competitive Position of the Selected Institutions in South east Nigeria, the responses are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have numbers of 200, 277, 7, 8 and 8 respectively. These give relative frequencies of 0.400, 0.554, 0.014, 0.016 and 0.016 respectively.

For the statement that there is no Positive Global Effect of E-Procurement on Export Competitive Position of some Selected Institutions and Firms in South east Nigeria, the responses are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have numbers of 199, 279, 7, 7 and 8 respectively. These give relative frequencies of 0.398, 0.558, 0.014, 0.014 and 0.016 respectively.

For the statement that there is a Positive Global Effect of E-Procurement on Export Competitive Position of the Selected Institutions in South east Nigeria, the responses are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have numbers of 201, 279, 6, 7 and 7

respectively. These give relative frequencies of 0.402, 0.558, 0.012, 0.014 and 0.014 respectively.

For the statement that there is a Significance of Purchasing with the Export Competitive Position of some Selected Institutions in South east Nigeria, the responses are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have numbers of 202, 279, 6, 6 and 7 respectively. These give relative frequencies of 0.404, 0.558, 0.012 and 0.014 respectively.

Table 4.3: Analysis of Four Responses of the Likert Scale Statements in Relation to Objective Two

S/N	Statement	R	SA	A	U	D	SD	Z
1.	There is no Positive Global Effect of Production on the Direct Foreign Investment Competitive Position of the Selected Institutions in South east Nigeria.	f	7	7	7	2400	278	-54.548
2.	There is no Positive Global Effect of Production on the Foreign Private Investment Capital Competitive Position of the Selected Institutions in South east Nigeria.	f	6	7	7	201	280	-65.144
3.	There is a Positive Global Effect of Production on the Foreign Private Investment Capital Competitive Position of the Selected Institutions in South east Nigeria.	f	199	283	6	6	6	9.770
4.	There is a significance of Production on the Direct Foreign Investment Competitive Position of the Selected Institutions in South east Nigeria.	f	198	285	5	7	6	4.919

Source: Field Survey, 2012.

Table 4.3 shows the statements in relation to the sixth objective, the responses, numbers and the calculated z value of the Test of Population Proportions. For the statement that there is no Positive Global Effect of Production on the Direct Foreign Investment Competitive Position of the Selected Institutions in South east Nigeria, the responses are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have numbers of 7, 7, 7, 200 and 279 respectively. These give a calculated z value of the Test of Population Proportions of -54.548.

For the statement that there is no Positive Global Effect of Production on the Foreign Private Investment Capital of some Selected Institutions in South east Nigeria, the responses are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have numbers of 6, 7, 7, 201 and 280 respectively. These give a calculated z value of the Test of Population Proportions of -65.149.

For the statement that there is a Positive Global Effect of Production on the Private Investment Capital Competitive Position of some Selected Institutions in South east Nigeria, the responses

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are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have numbers of 199, 283, 6, 6 and 6 respectively. These give a calculated z value of the Test of Population Proportions of 4.770.

For the statement that there is a Significance of Production on the Direct Foreign Investment Competitive Position of some Selected Institutions in South east Nigeria, the responses are Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree. They have numbers of 198, 285, 5, 7 and 6 respectively. These give a calculated z value of the Test of Population Proportions of 4.919.

All in all in the analysis using z test of Population Proportions. 2 statements were negative while 2 statements were positive. The two negative statements had negative calculated z values while the two positive values had positive calculated z values greater than 95% confidence level. This means that most of the 500 respondents do not strongly agree or agree with the negative statements. So they strongly disagree or disagree with them. This means that most of the 500 respondents strongly agree with the positive statements. So they do not strongly disagree or disagree with them.

Hypotheses Testing

The two alternate hypotheses are that at 5% level of significance:

Test of Hypothesis one

Ho: There is no positive global effect of purchasing on exports competitive position of the selected institutions in south east Nigeria.

H_1:   There is positive global effect of purchasing on exports competitive position of the selected institutions in south east Nigeria.

Table 4.4: Computational Details of the Fourth Hypothesis

S/N	Statement	R	SA	A	U	D	SD	$\bar{x}$	$\sum fx$	$z = \dfrac{\frac{x}{n} - P_o}{\sqrt{\dfrac{(P_o)(1 - P_o)}{n}}}$
1.	There is a positive Global Effect of Purchasing on Exports Competitive Position of some Selected Institutions in South east Nigeria.	f	282	202	5	5	6			
		x	5	4	3	2	1	4.498	2249	0.00993

Source: Field Survey, 2012.

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That is:

x	f	fx
5	282	1410
4	202	808
3	5	15
2	5	10
1	6	6
	500	2249

Source: Field Survey, 2012.

$$\bar{x} = \frac{\sum fx}{\sum f} = \frac{2249}{500} = 4.498$$

$$P_1 = \frac{\bar{x}}{n} = \frac{\overline{4.498}}{5} = 0.8996$$

$$z = \frac{P_1 - P_0}{\dfrac{P_0(1 - P_0)}{\sqrt{n}}}$$

Where $P_0 = 0.90$

$$= \frac{0.8996 - 0.90}{\dfrac{0.9(1 - 0.90)}{\sqrt{5}}}$$
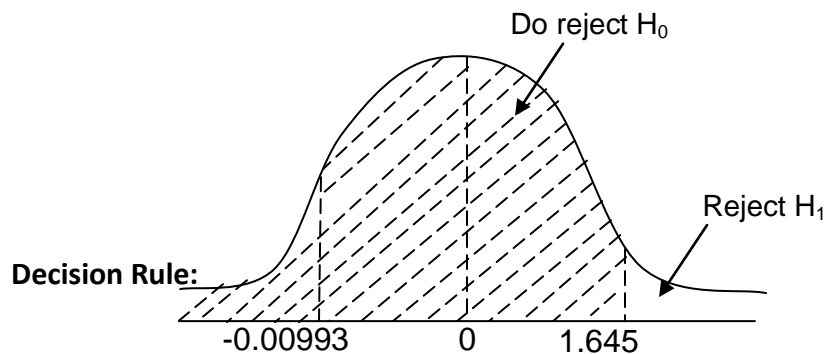
$$Z = \frac{0.0004}{\dfrac{0.9(0.10)}{\sqrt{5}}}$$

$$= \frac{0.0004}{\dfrac{0.09}{2.236}}$$

$$= \frac{0.0004}{0.04025}$$

$$Z = \underline{-0.00993}$$

$$= \quad 0.00993 < 1.645$$

Decision Rule:

Do reject H$_0$

Reject H$_1$

-0.00993   0   1.645

Reject Ho, if $Z_{computed} > Z_t$

        -0.00993 < 1.645

Decision

        We do not reject Ho at 5 per cent level of significance; the opinions do not vary. We therefore conclude that there is a positive global effect of purchasing on exports competitive position of the selected institutions in south east, Nigeria.

Hypothesis two

Ho: There is no positive global effect of production on direct foreign investment competitive position of the selected institutions in south east Nigeria.

H_1:   There is positive global effect of production on direct foreign investment competitive position of the selected institutions in south east Nigeria.

Table 4.5: Computational Details of the Hypothesis

5.	There is a positive global effect of Production on Direct Foreign Investment Competitive Position of some Selected Institutions in South east Nigeria.	R	SA	A	U	D	SD	$\bar{x}$	$\sum fx$	$z = \dfrac{\frac{x}{n} - P_o}{\sqrt{\dfrac{(P_o)(1 - P_o)}{n}}}$
		f	282	202	5	5	6			
		x	5	4	3	2	1	4.498	2249	-0.009938

Source: Field Survey, 2012.

That is:

x	f	fx
5	282	1410
4	202	808
3	5	15
2	5	10
1	6	6
	500	2249

Source: Field Survey, 2012.

$$\bar{x} \;=\; \frac{\sum fx}{\sum f} \;=\; \frac{2249}{500} \;=\; 4.498$$

$$P_1 \;=\; \frac{\bar{x}}{n} \;=\; \frac{4.498}{5} \;=\; 0.8996$$

$$z \;=\; \frac{P_1 - P_0}{\dfrac{P_0\left(1 - P_0\right)}{\sqrt{n}}}$$

$P_1 = 0.8996,\quad P_0 = 0.90,\quad n = 5$

$$=\; \frac{0.8996 - 0.90}{\dfrac{0.90\left(1 - 0.90\right)}{\sqrt{5}}}$$

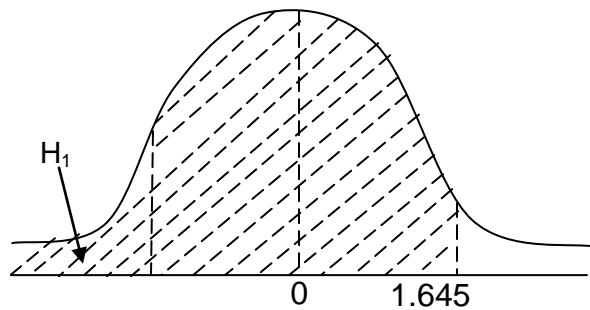$$=\; \frac{0.8996 - 0.90}{\dfrac{0.9\left(0.10\right)}{2.236}}$$

$$=\; \frac{-0.0004}{\dfrac{0.09}{2.236}}$$

$$=\; \frac{0.0004 \times 2.236}{0.09}$$

$$=\; \frac{0.0008944}{0.09}$$

$Z \;=\; \underline{-0.009938}$

$ \;=\; -0.009938 < 1.645$

Decision Rule

Reject null hypothesis if the calculated value of Z is greater than the value of t red from table (z_t); do not reject null hypothesis if otherwise.

Decision

The Z computed value of -0.009938 is less than the table value of 1.645. There is therefore no difference in the opinions of the respondents. We therefore conclude that there is positive global effect of production on direct foreign investment competitive position of the selected institutions in the south east, Nigeria.

4.5   Discussion Summary of the Results

To evaluate the global effect of purchasing on export competitive position of the selected institutions in south east Nigeria

The researcher from this objective found that there was a positive global effect of purchasing on Export Competitive position of institutions or firms in South eastNigeria. This finding is in agreement with the contention of Unyimadu (2006) that the E-procurement aspect of purchasing has a positive transnational effect on Export Competitive position of the globalised crude oil producing companies in Nigeria.

The interview question based on the forth research objective revealed that 10 out of 11 interviewed were in favour that there was global effect of purchasing on export competitive position of the selected institutions in south east Nigeria. The result still confirms the contention of Unyimadu (2006) that the E-procurement aspect of purchasing has a positive transnational effect on export competitive position of the globalize crude oil producing companies in Nigeria. Further, on the role of purchasing to achieve a positive global effect, Okonkwo (2005) stated that purchasing is a very good indicator that show the cost of inputs procurement affect, price of exportable products and low price cost of procurement. Abel, Hammand and John (1998) pointed out that not organization can effectively perform without the activities performance. Purchasing is the center of a large part of a company business activity. It state that purchasing will continuing to maintain relationship with all other department in the firm as well as all firm's supplies. Purchasing operations cut across all departments (production, enginenge, sales and finance etc) often view common problems differently. This they said is a normal healthy situation provided the department opinions are held objectively (Abel, et al, 1998).

From the findings based on the interview, the result aligns with Okonkwo (2005), Abel, Hammond and John (1998), showing that the selected institutions for this study, agreed that there was a global effect of purchasing on export competitive position in south east Nigeria resulted from the facts that the firms or institution had support of each other and institution's

operation with an uninterrupted flow of materials and services. They tried to keep inventory invested losses at a practical minimum and developed reliable alternative sources of supply, establish policies and procedure which permit the accomplishment of preceding other objectives and developed attitude to buy competitively and wisely.

To determine the global effect of production on the foreign direct investment competitive position of the selected institutions in south east Nigeria

The findings indicate that there is a positive global effect of production on the direct foreign investment competitive position of the selected institution in south east Nigeria. This findings is consistent and aligns with the international aspects of production as giving by Banjoko (2004), in which production as a business function has the capability of having a positive effect to the direct foreign investment competitive position of many globalize companies in Nigeria.

Answering the interview question as it related to the six research objectives showed that 7 out of 8 stated that there was global effect of production on foreign direct investment competitive position of the selected institutions in the south east Nigeria All in all, the answers obtained from the interview guide questions asked to the 63 respondents showed that there were positive global effects in the business competitive positions of the five selected firms and institutions selected for the study from the south east Nigeria. This is so because from question one, objective one, to question six, objective six, were all favoured that there were global effects.

Conclusion and Recommendation

Based on the findings of the study, the it is concluded that the global effect of purchasing on exports competitive position of some institutions and firms studied has both international business and local business implications; the e-procurement method of purchasing which is becoming more popular than the traditional increase the exports competitive position of the companies. The increase in exports competitive situation increase aggregate demand. This increase in aggregate demand with aggregate supply could lead to full employment equilibrium. This can solve one of the macroeconomic problems of high employment rate of Nigeria.

Also, the global positive effect of production on the foreign direct investment competitive position of some institutions in south east Nigeria has both international business and local implication. The different mixes of raw materials can be processed to get different volumes of products and waste products that can increase the foreign direct investment competitive positions of the companies studied. The power sector where reliance of direct foreign investment is needed push business competitive position. Unfortunately, Nigeria does not have an indigenous technology to internally handle production as is the case in the petroleum sector of Nigeria.

It is recommended that the strategic, manufacturing managers, materials managers or the institutions studied backed by policy should;

1. Continue to ensure that purchasing should have a positive global effect on export competitive position to make foreign buying easy
2. Continue to ensure that production should have a positive global effect on foreign direct effect competitive position so that good quality goods would be produced for export.

Contribution to Knowledge

All in all there have been a lot of local and foreign research works on the global effect of manufacturing, manufacturing planning and controlling and Materials Management, purchasing and production on international business and business competitive position. However none of the studies have focused to the best knowledge of the researcher on the global effect of manufacturing and materials management on the Nigerian business competitive position of some institutions and firms in south east Nigeria.

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