**FOREIGN INVESTMENT & GROWTH IN EMERGING ECONOMIES: PANEL ARDL ANALYSIS**

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**Abstract:**The contributions of foreign direct investment on economic growth in Africa recent years has received much consideration from researchers and policy makers. Studies on this area available are not clear. In most recent studies foreign direct investment has emerged as a determining factor of economic growth. In light of this fact, the current study is an attempt to investigate the contributions of foreign direct investment on economic growth in developing economies of Africa. This study uses yearly panel data for the period 1995-2015 for 5 developing economies of Africa. The results of Panel ARDL indicates that foreign direct investment has positive impact on economic growth as well as a positive significant of trade openness, inflation and labour. The study stresses that for increasing economic growth there is a need to seek more foreign investments, increase trade openness and inflation at the same time improve upon employment conditions in selected African developing countries.

Keywords: Foreign Investment, Emerging Economies, Economic growth; ARDL, Panel data

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