

## AN EMPIRICAL EVALUATION OF THE EFFECT OF LENDING RATES ON ECONOMIC GROWTH IN NIGERIA

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### **ABSTRACT**

*This study examines the empirical evaluation of the effect of lending rates on economic growth in Nigeria. Specifically, the study sought to: (i) determine the effect of lending rates on economic growth in Nigeria, (ii) examine the relationship between lending rates and private sector investment, and (iii) assess the short-run and long-run implications of lending rates for economic growth. The study adopted an ex-post facto research design and relied on secondary data obtained from relevant government publications and financial reports covering a 35-year period. Data on Gross Domestic Product Growth (GDPG), Lending Rate (LR), Private Sector Investment (PSI), and Inflation Rate (INF) were analyzed using Statistical Package for Social Sciences (SPSS) Version 20. Descriptive statistics, correlation analysis, multivariate tests, Variance Inflation Factor (VIF), and Augmented Dickey-Fuller (ADF) unit root tests were employed for data analysis. The findings revealed a significant negative relationship between lending rates and economic growth ( $r = -0.665$ ,  $p < 0.01$ ), indicating that higher lending rates adversely affect economic performance by increasing borrowing costs and discouraging productive investment. The study also found a positive but statistically insignificant relationship between lending rates and private sector investment ( $r = 0.187$ ,  $p > 0.05$ ), suggesting that factors other than lending rates may play a more prominent role in influencing investment decisions. Furthermore, the results indicated that lending rates have both short-run and long-run implications for economic growth. The study concluded that lending rates remain a critical determinant of economic performance in Nigeria. The study recommends that monetary authorities should maintain moderate and stable lending rates to stimulate investment and economic growth. The implication of the findings is that a stable and investment-friendly interest rate environment is essential for enhancing productive activities, encouraging capital formation, and promoting sustainable economic development in Nigeria.*

**Keywords:** Lending Rate, Economic Growth, Private Sector Investment, Nigeria.

## Introduction

Economic growth remains one of the fundamental objectives of every developing economy because it serves as an indicator of improvements in productive capacity, income generation, employment opportunities, poverty reduction, and overall societal welfare. Sustainable economic growth enhances the ability of a nation to provide essential public services, improve infrastructure, and achieve long-term development goals. In Nigeria, economic growth has been influenced by several macroeconomic variables, including monetary policy, fiscal policy, inflation, exchange rates, money supply, financial sector development, and interest rates. Among these variables, lending rates occupy a strategic position because they directly affect the cost of borrowing and the level of investment undertaken by businesses and households (World Bank, 2024; International Monetary Fund [IMF], 2024).

Lending rate refers to the interest charged by commercial banks and other financial institutions on loans extended to businesses, individuals, and government agencies. It represents the price of credit and serves as an important monetary policy transmission mechanism through which central banks influence economic activities. Lending rates affect the willingness of economic agents to borrow funds for productive investments and consumption expenditures. Lower lending rates generally encourage borrowing, stimulate investment, expand production activities, and enhance aggregate demand. Conversely, higher lending rates increase the cost of capital, discourage borrowing, reduce business expansion, and may negatively affect economic growth (Olasehinde-Williams, et al, 2024). The theoretical relationship between lending rates and economic growth

is rooted in the Keynesian and neoclassical growth frameworks. Keynesian economists argue that lower interest rates encourage investment spending, which subsequently increases aggregate demand and output growth. The neoclassical perspective emphasizes the role of interest rates in allocating financial resources efficiently and influencing savings and investment decisions within the economy (Mankiw, 2021). Consequently, an optimal lending rate environment is essential for promoting investment, productivity, and sustainable economic development.

In Nigeria, the banking sector plays a critical role in mobilizing savings and channeling financial resources to productive sectors of the economy. The effectiveness of this intermediation function depends largely on prevailing lending rates. Over the years, Nigeria has experienced fluctuations in lending rates due to changes in monetary policy, inflationary pressures, exchange rate volatility, liquidity conditions, and financial sector reforms. The Central Bank of Nigeria (CBN) employs various monetary policy instruments, including the Monetary Policy Rate (MPR), cash reserve requirements, and open market operations, to influence lending rates and achieve macroeconomic objectives such as price stability and economic growth (Central Bank of Nigeria [CBN], 2024). Despite various monetary policy interventions, lending rates in Nigeria have remained relatively high compared to those in many emerging and developing economies. High lending rates have generated concerns among policymakers, investors, and business operators because they increase borrowing costs and reduce access to credit, particularly for small and medium-sized enterprises (SMEs). SMEs constitute a significant component of Nigeria's productive sector and contribute

substantially to employment generation, innovation, and economic growth. However, high borrowing costs often limit their ability to expand operations, invest in technology, and increase productivity (World Bank, 2025).

The significance of lending rates in influencing economic performance has attracted considerable attention in empirical literature. Several studies have examined the relationship between lending rates and economic growth across developed and developing economies. While many studies support the argument that lower lending rates stimulate economic growth by encouraging investment and consumption, others suggest that excessively low interest rates may create inflationary pressures and financial instability. Consequently, the relationship between lending rates and economic growth remains complex and context-dependent (Asteriou & Pilbeam, 2021). Recent empirical studies in Nigeria provide mixed findings regarding the effect of lending rates on economic growth. Belonwu and Amali (2023) found that lending rates significantly influence economic growth in Nigeria, although the magnitude and direction of the effect vary across different economic periods and structural conditions. Their study further revealed that major economic shocks, including the COVID-19 pandemic, altered the transmission mechanism between lending rates and economic performance. Similarly, (Ademola, et al, 2023) reported that interest rates significantly affect real economic growth through investment and aggregate demand channels.

Furthermore, Olasehinde-Williams et al. (2024) examined the effect of interest rate volatility on economic growth in Nigeria and concluded that fluctuations in lending rates create uncertainty that

discourages investment and negatively affects economic performance. Their findings suggest that maintaining a stable and predictable lending rate environment is essential for promoting sustainable growth. Likewise, Ayeni, et al, 2024) emphasized that financial sector development and efficient credit allocation significantly enhance economic growth by improving access to finance and increasing productive investments. The Nigerian economy has undergone significant transformations in recent years due to economic reforms, changes in exchange rate policies, inflationary pressures, and global economic uncertainties. These developments have influenced monetary policy decisions and lending rate dynamics. Following the COVID-19 pandemic, the Nigerian economy experienced a gradual recovery supported by policy interventions aimed at stimulating investment and economic activities. However, persistent inflationary pressures prompted monetary authorities to adopt tighter monetary policies, leading to increases in lending rates and borrowing costs (IMF, 2024).

According to the World Bank (2025), Nigeria's economic growth prospects depend significantly on the effectiveness of macroeconomic policies in promoting private sector investment and enhancing financial sector efficiency. The report emphasizes that access to affordable credit remains a critical requirement for achieving sustainable economic growth and improving productivity across various sectors of the economy. Similarly, the IMF (2024) notes that balancing inflation control with investment promotion remains a major challenge for policymakers in developing economies such as Nigeria. The relationship between lending rates and economic growth is particularly important because investment constitutes one of the major determinants of economic expansion.

Businesses require affordable credit to finance capital projects, purchase equipment, expand production capacity, and engage in innovation. When lending rates are excessively high, firms may postpone or cancel investment projects, leading to lower output growth and reduced employment opportunities. Consequently, understanding the effect of lending rates on economic growth is crucial for designing appropriate monetary and financial policies that support sustainable development (Mishkin, 2022).

Moreover, the banking sector's role in financial intermediation highlights the importance of lending rates as a determinant of credit availability and resource allocation. Efficient financial intermediation facilitates economic growth by directing funds from surplus units to deficit units for productive purposes. Therefore, lending rates not only influence borrowing decisions but also affect the overall efficiency of financial markets and economic performance (Levine, 2021). Given the strategic importance of lending rates in influencing investment decisions, credit allocation, and macroeconomic performance, there is a need for continuous empirical investigation of their effect on economic growth in Nigeria. The dynamic nature of the Nigerian economy, coupled with recent monetary policy adjustments and economic reforms, makes it necessary to re-examine the lending rate-growth nexus using recent data and contemporary analytical approaches. This study, therefore, seeks to empirically evaluate the effect of lending rates on economic growth in Nigeria with a view to providing evidence-based recommendations for policymakers, financial institutions, investors, and other stakeholders.

### **Statement of the Problem**

Economic growth remains a major policy objective in Nigeria because it is essential for improving living standards, reducing poverty, creating employment opportunities, and promoting sustainable

national development. Despite the abundant human and natural resources available in the country, Nigeria has continued to experience fluctuations in economic growth arising from macroeconomic instability, inflationary pressures, exchange rate volatility, inadequate infrastructure, and weaknesses in the financial system. One of the critical factors influencing economic performance is the cost of borrowing, as represented by lending rates charged by commercial banks and other financial institutions (Central Bank of Nigeria [CBN], 2024). The banking sector is expected to perform its intermediation function by mobilizing savings and channeling financial resources to productive sectors of the economy. However, the effectiveness of this function depends significantly on the level of lending rates. In Nigeria, lending rates have remained relatively high over the years despite several monetary policy interventions aimed at enhancing credit accessibility and stimulating economic activities. High lending rates increase the cost of borrowing for businesses and households, thereby discouraging investment, reducing production capacity, and limiting economic expansion (World Bank, 2024). This situation poses a major challenge to achieving sustainable economic growth, particularly in a developing economy where investment financing is largely dependent on bank credit.

Private sector investment is widely recognized as a major driver of economic growth because it contributes to capital formation, technological advancement, productivity improvement, and employment generation. However, the persistent rise in lending rates has made access to credit more expensive for investors and entrepreneurs. Small and Medium Enterprises (SMEs), which constitute a significant proportion of Nigeria's productive sector, are particularly affected by high lending rates due to their limited access to alternative sources of finance. As a result, many firms are unable to expand their

operations, acquire modern equipment, or undertake new investment projects that could contribute to economic growth (Ayeni et al., 2024). This raises concerns regarding the extent to which prevailing lending rates may be constraining private sector investment and overall economic performance in Nigeria. Furthermore, recent monetary policy tightening by the Central Bank of Nigeria, aimed at controlling inflation and stabilizing the economy, has resulted in increases in benchmark interest rates and borrowing costs. While such measures are necessary for maintaining price stability, they may simultaneously reduce investment spending and aggregate demand, thereby slowing economic growth. This creates a policy dilemma for monetary authorities who must balance the objectives of inflation control and economic expansion (IMF, 2024). Consequently, understanding the effect of lending rates on economic growth has become increasingly important for policymakers seeking to formulate effective monetary and financial sector policies.

Empirical studies on the relationship between lending rates and economic growth in Nigeria have produced mixed and inconclusive findings. Some studies reported a negative and significant relationship between lending rates and economic growth, arguing that high borrowing costs discourage investment and productive activities (Ademola et al., 2023; (Olasehinde-Williams, et al 2024). Conversely, other studies found either a weak or insignificant relationship, suggesting that other macroeconomic variables such as inflation, money supply, exchange rate fluctuations, and institutional factors may influence economic growth more strongly than lending rates (Belonwu & Amali, 2023). These inconsistencies in empirical findings have created a gap in the literature and necessitate further investigation. In addition, many previous studies focused primarily on the direct relationship between lending rates

and economic growth without adequately examining the role of private sector investment as an important transmission mechanism. Similarly, limited attention has been given to distinguishing between the short-run and long-run effects of lending rates on economic growth in Nigeria. Since economic variables may respond differently over time, understanding both short-run and long-run dynamics is essential for developing effective policy interventions that promote sustainable growth.

Given the persistent fluctuations in lending rates, the challenges faced by investors in accessing affordable credit, and the inconsistent findings from previous studies, there is a need for a comprehensive empirical evaluation of the effect of lending rates on economic growth in Nigeria. Specifically, this study seeks to examine the effect of lending rates on Gross Domestic Product (GDP) growth, determine the relationship between lending rates and private sector investment, and assess the short-run and long-run effects of lending rates on economic growth in Nigeria. The findings of this study are expected to provide useful insights for policymakers, financial institutions, investors, and other stakeholders in designing strategies that promote economic growth through an efficient and sustainable lending rate framework.

### **Objectives of the Study**

The broad objective of this study is to evaluate the effect of lending rates on economic growth in Nigeria.

The specific objectives are to:

1. Examine the effect of lending rates on Gross Domestic Product (GDP) growth in Nigeria.
2. Determine the relationship between lending rates and private sector investment in Nigeria.
3. Assess the long-run and short-run effects of lending rates on economic growth in Nigeria.

### Research Questions

The study seeks to answer the following questions:

1. What effect do lending rates have on economic growth in Nigeria?
2. What relationship exists between lending rates and private sector investment in Nigeria?
3. What are the long-run and short-run effects of lending rates on economic growth in Nigeria?

### Research Hypotheses

#### Hypothesis One

**H<sub>01</sub>:** Lending rates have no significant effect on economic growth in Nigeria.

**H<sub>11</sub>:** Lending rates have a significant effect on economic growth in Nigeria.

#### Hypothesis Two

**H<sub>02</sub>:** There is no significant relationship between lending rates and private sector investment in Nigeria.

**H<sub>12</sub>:** There is a significant relationship between lending rates and private sector investment in Nigeria.

#### Hypothesis Three

**H<sub>03</sub>:** Lending rates have no significant long-run and short-run effects on economic growth in Nigeria.

**H<sub>13</sub>:** Lending rates have significant long-run and short-run effects on economic growth in Nigeria.

### Literature Review

#### Conceptual Framework

##### Lending Rate

Lending rate refers to the interest charged by financial institutions, particularly commercial banks, on loans advanced to individuals, businesses, and government entities. It represents the cost of borrowing funds and serves as one of the most important instruments through which monetary policy influences economic

activities. The lending rate is usually determined by several factors, including the monetary policy rate, inflation expectations, risk premium, operational costs of banks, and prevailing market conditions. In developing economies such as Nigeria, lending rates play a critical role in determining the accessibility of credit and the level of investment activities within the economy (Mishkin, 2022). The Central Bank of Nigeria (CBN) utilizes monetary policy instruments to influence lending rates in order to achieve macroeconomic objectives such as price stability, employment generation, and sustainable economic growth. Changes in lending rates directly affect borrowing decisions by households and firms. A reduction in lending rates lowers the cost of capital, making it easier for businesses to finance expansion projects, purchase equipment, and undertake productive investments. Conversely, higher lending rates increase borrowing costs and may discourage investment activities, thereby reducing economic output and growth (CBN, 2024).

According to Asteriou and Pilbeam (2021), lending rates serve as a transmission mechanism through which monetary policy affects aggregate demand and investment decisions. When lending rates decline, firms are encouraged to undertake new investment projects because the expected returns on investment become relatively higher than borrowing costs. This process stimulates production, increases employment opportunities, and enhances economic growth. On the other hand, excessively high lending rates may reduce investment spending and slow economic activities. In Nigeria, lending rates have remained relatively high over the years due to persistent inflationary pressures, exchange rate volatility, financial market

imperfections, and macroeconomic uncertainties. The World Bank (2024) notes that high lending rates continue to constrain access to finance, particularly among small and medium-sized enterprises (SMEs), which constitute a significant source of employment and economic development. Consequently, understanding the role of lending rates is essential for evaluating their influence on economic growth and investment performance. Current studies have emphasized that lending rates affect economic growth not only through direct investment channels but also through credit allocation and financial intermediation processes. Olasehinde-Williams, Omotosho, and Bekun (2024) argue that stable and moderate lending rates create a conducive environment for productive investments and sustainable economic development. Similarly, (Ademola, et al, 2023) found that lending rates significantly influence economic growth through their effects on investment expenditure and aggregate demand in Nigeria.

### **Gross Domestic Product (GDP) Growth**

Gross Domestic Product (GDP) growth refers to the increase in the monetary value of all final goods and services produced within a country's geographical boundaries over a specified period. GDP growth is widely regarded as one of the most important indicators of economic performance because it reflects the productive capacity and overall health of an economy. Economic growth occurs when there is a sustained increase in real GDP, indicating expansion in economic activities and improvements in living standards (Mankiw, 2021). GDP growth is influenced by several factors, including capital accumulation, labor force participation, technological advancement, government expenditure, foreign investment, financial

sector development, and monetary policy. Among these factors, the availability and cost of credit play a crucial role because investment activities require adequate financing. When businesses have access to affordable credit, they can expand production, adopt new technologies, and increase productivity, thereby contributing to GDP growth (World Bank, 2025). The relationship between lending rates and GDP growth is rooted in investment theory. Lower lending rates reduce the cost of borrowing and encourage firms to invest in productive ventures. Increased investment stimulates economic activities, generates employment opportunities, and contributes to higher output growth. Conversely, higher lending rates increase financing costs and may discourage investment, resulting in slower GDP growth (Mishkin, 2022).

Nigeria's GDP growth has experienced considerable fluctuations over the years due to economic shocks, oil price volatility, inflation, exchange rate instability, and policy uncertainties. Despite various government initiatives aimed at promoting growth, access to affordable credit remains a major challenge facing businesses and investors. The IMF (2024) emphasizes that strengthening financial intermediation and improving credit accessibility are essential for sustaining economic growth in developing economies such as Nigeria. Empirical studies have demonstrated a significant relationship between lending rates and GDP growth. Belonwu and Amali (2023) reported that lending rates exert a substantial influence on economic growth in Nigeria, although the effect varies depending on prevailing economic conditions and structural changes. Similarly, Ayeni et al. (2024) found that efficient financial sector operations and accessible credit facilities contribute

positively to GDP growth by stimulating productive investments and economic activities. Therefore, GDP growth serves as a critical dependent variable in this study because it reflects the overall performance of the Nigerian economy and provides a basis for evaluating the effectiveness of lending rate policies.

### **Private Sector Investment**

Private sector investment refers to expenditures made by private individuals, firms, and organizations on productive assets such as machinery, equipment, infrastructure, technology, and business expansion projects. It represents one of the major components of aggregate demand and plays a vital role in economic growth by increasing productive capacity, employment generation, innovation, and income levels (Asteriou & Pilbeam, 2021). Investment decisions are heavily influenced by the cost and availability of credit. Lending rates determine the cost of obtaining external finance and therefore affect the profitability of investment projects. Lower lending rates encourage businesses to borrow funds for expansion and modernization, while higher lending rates reduce investment incentives by increasing financing costs. Consequently, lending rates are considered a major determinant of private sector investment behavior (Mishkin, 2022). The private sector occupies a strategic position in Nigeria's economic development process. It contributes significantly to employment creation, industrial development, innovation, and revenue generation. However, limited access to affordable credit remains one of the major constraints to private sector growth. High lending rates often discourage entrepreneurs and investors from undertaking new projects because the expected returns may not be sufficient to cover borrowing costs (World Bank, 2024).

According to the International Monetary Fund (2024), private sector investment is critical for achieving sustainable economic growth because it enhances productivity and stimulates economic diversification. In Nigeria, policymakers have consistently emphasized the need to improve credit accessibility to support private sector development and reduce dependence on oil revenues. Recent empirical studies indicate that lending rates significantly influence private sector investment. Ademola et al. (2023) found that increases in lending rates negatively affect investment expenditure by raising the cost of capital. Similarly, Olasehinde-Williams et al. (2024) observed that uncertainty arising from interest rate volatility discourages long-term investment decisions and adversely affects economic performance. Within the context of this study, private sector investment serves as an important transmission channel through which lending rates influence economic growth. Changes in lending rates affect borrowing decisions, which subsequently influence investment levels and economic output. Therefore, examining the relationship between lending rates and private sector investment provides valuable insights into the mechanisms through which monetary policy affects economic growth in Nigeria.

### **Theoretical Framework**

#### **Keynesian Theory of Interest Rate and Investment**

The Keynesian Theory of Interest Rate and Investment was developed by John Maynard Keynes in 1936 through his seminal work *The General Theory of Employment, Interest and Money*. The theory emphasizes the importance of aggregate demand in determining the level of economic activity and argues that interest rates significantly influence investment

decisions, output, and employment. Keynes posited that interest rates represent the reward for parting with liquidity and are determined by the interaction between the demand for money and the supply of money within an economy (Keynes, 1936). According to the Keynesian perspective, investment expenditure is inversely related to interest rates. When lending rates are low, the cost of borrowing declines, encouraging firms and investors to obtain credit for productive ventures such as business expansion, equipment acquisition, infrastructure development, and technological innovation. Increased investment spending stimulates aggregate demand, leading to higher output, employment, and economic growth. Conversely, when lending rates rise, borrowing becomes more expensive, discouraging investment activities and reducing the level of economic growth (Mankiw, 2021).

The theory further explains that businesses compare the expected rate of return on investment projects with the prevailing interest rate before making investment decisions. If the expected return exceeds the borrowing cost, firms are more likely to undertake investment projects. However, when lending rates become excessively high, many investment opportunities become financially unattractive, resulting in lower investment expenditure and slower economic expansion. Therefore, lending rates serve as an important mechanism through which monetary policy affects economic performance (Asteriou & Pilbeam, 2021). In developing economies such as Nigeria, where access to finance remains a major challenge, the Keynesian framework provides a useful explanation of how lending rates influence economic growth.

High lending rates increase the financial burden on businesses, particularly small and medium-sized enterprises (SMEs), thereby limiting their capacity to expand operations and contribute to economic development. On the other hand, moderate lending rates can stimulate private investment and accelerate economic activities through increased production and employment generation (World Bank, 2024).

The relevance of the Keynesian Theory to this study lies in its explanation of the relationship between lending rates, private sector investment, and economic growth. The first objective of this study seeks to examine the effect of lending rates on Gross Domestic Product (GDP) growth in Nigeria. Keynesian theory provides the theoretical basis for understanding how changes in lending rates affect investment spending, which subsequently influences GDP growth. The second objective, which focuses on the relationship between lending rates and private sector investment, is also directly supported by the theory because it identifies investment as the principal channel through which interest rates affect economic activities. Furthermore, the theory is relevant to the third objective because it explains both the immediate and long-term consequences of changes in lending rates on aggregate demand and economic growth. Consequently, the Keynesian Theory provides a strong foundation for analyzing the impact of lending rates on Nigeria's economic performance.

### **Loanable Funds Theory**

The Loanable Funds Theory was developed primarily by Knut Wicksell (1898) and was later expanded by economists such as Bertil Ohlin (1937) and Dennis Robertson (1934). The theory explains the determination of interest rates through the interaction of the demand for

and supply of loanable funds in financial markets. According to this theory, interest rates are determined by the equilibrium between savings supplied by households and financial institutions and the demand for funds by investors, businesses, and government entities (Mishkin, 2022). The theory assumes that savings constitute the primary source of funds available for lending, while investment represents the major source of demand for such funds. When the supply of loanable funds exceeds demand, interest rates tend to decline, making borrowing more affordable. Conversely, when the demand for loanable funds exceeds available savings, interest rates rise. Therefore, lending rates perform an allocative function by directing financial resources toward productive investments and ensuring efficient utilization of scarce capital resources (Dwivedi, 2022).

A central proposition of the Loanable Funds Theory is that investment decisions are highly sensitive to interest rates. Lower lending rates encourage businesses to borrow and invest in productive projects, thereby increasing capital formation, productivity, and economic growth. Higher lending rates, however, reduce the quantity of loanable funds demanded because the cost of financing investment projects increases. This situation may lead to a decline in investment spending and a slowdown in economic activities. The theory therefore establishes a direct link between lending rates, investment behavior, and economic growth (Mishkin, 2022). The Loanable Funds Theory further suggests that economic growth depends largely on the efficient mobilization and allocation of financial resources. Financial institutions play a critical role in this process by collecting savings from surplus economic

units and channeling them to deficit units requiring funds for productive investments. Consequently, lending rates influence the effectiveness of financial intermediation and the overall performance of the economy (Levine, 2021).

The relevance of the Loanable Funds Theory to this study is evident in its explanation of how lending rates affect investment and economic growth through credit market mechanisms. The theory supports the first objective by demonstrating how interest rate movements influence capital accumulation and GDP growth. It also provides a framework for understanding the second objective, which examines the relationship between lending rates and private sector investment, since investment demand is directly affected by the cost of borrowing. Furthermore, the theory is relevant to the third objective because it explains how changes in lending rates can produce both short-run and long-run effects on economic growth through their impact on savings, investment, and capital formation. In the Nigerian context, where bank credit remains a major source of business financing, the Loanable Funds Theory offers valuable insights into the role of lending rates in promoting or constraining economic growth.

### **Empirical Review**

#### **Lending Rates and Gross Domestic Product (GDP) Growth in Nigeria**

Ademola, et al, 2023 investigated the relationship between interest rates and economic growth in Nigeria using annual time-series data spanning from 1986 to 2021. The study employed the Autoregressive Distributed Lag (ARDL) estimation technique to examine both short-run and long-run dynamics among the variables. Real Gross Domestic Product (RGDP) was used as a proxy for economic

growth, while lending rate, inflation rate, and money supply served as explanatory variables. The findings revealed that lending rates exert a significant negative effect on economic growth in both the short run and long run. The study concluded that persistent increases in lending rates raise borrowing costs and discourage productive investment, thereby slowing economic growth. The researchers recommended that monetary authorities should maintain moderate lending rates capable of stimulating investment and supporting sustainable economic expansion.

Belonwu and Amali (2023) examined the impact of lending rates on Nigeria's economic growth while accounting for structural breaks caused by major economic events such as the COVID-19 pandemic. The study utilized annual data covering the period from 1981 to 2022 and adopted the ARDL bounds testing approach. Economic growth was measured using real GDP, while lending rate served as the principal explanatory variable. The findings indicated that lending rates significantly influence economic growth, although the nature and magnitude of the relationship varied across different economic regimes. The study further established that high lending rates constrained business expansion and reduced productive activities within the economy. The authors concluded that maintaining a stable lending rate environment is essential for achieving sustainable economic growth in Nigeria.

Olasehinde-Williams, et al. (2024) assessed the influence of interest rate volatility on economic growth in Nigeria using the Quantile Autoregressive Distributed Lag (QARDL) model. The study utilized annual data from 1981 to 2022 and focused on the responsiveness of economic growth to fluctuations in lending rates. The

findings showed that interest rate volatility adversely affected economic growth across different quantiles of economic performance. Specifically, persistent increases and fluctuations in lending rates created uncertainty for investors and discouraged capital formation. The study concluded that a predictable and stable lending rate environment is necessary to enhance investment confidence and support long-term economic growth in Nigeria.

### **Lending Rates and Private Sector Investment in Nigeria**

Ayeni, et al. (2024) examined the influence of financial sector development on economic growth in Nigeria, with particular emphasis on the role of credit accessibility and private sector investment. The study employed secondary data covering the period from 1990 to 2022 and utilized Ordinary Least Squares (OLS) regression analysis. Private sector investment was measured through gross fixed capital formation, while lending rate constituted one of the key explanatory variables. The results indicated that high lending rates significantly reduced private sector investment by increasing the cost of borrowing. The study concluded that affordable lending rates are necessary for encouraging business expansion and productive investment. The researchers recommended policies aimed at reducing borrowing costs and improving credit accessibility for investors.

Olowookere and Akinleye (2022) investigated the effect of commercial bank lending rates on private sector investment in Nigeria using annual time-series data from 1985 to 2020. The study adopted the Error Correction Model (ECM) and cointegration techniques to analyze the relationship between the variables. The findings revealed a significant negative relationship between

lending rates and private sector investment. Specifically, increases in lending rates discouraged firms from undertaking capital projects due to the high cost of financing. The study concluded that lending rates remain a critical determinant of investment decisions in Nigeria and recommended the implementation of policies capable of reducing interest rate burdens on businesses.

Nwankwo and Okafor (2021) examined the determinants of private sector investment in Nigeria, focusing on the role of lending rates and credit availability. The study utilized annual data spanning from 1991 to 2019 and employed the Vector Error Correction Model (VECM) for data analysis. The findings demonstrated that lending rates had a statistically significant negative effect on private sector investment, while access to credit positively influenced investment activities. The authors concluded that high lending rates discourage entrepreneurial activities and reduce investment opportunities within the economy. The study recommended that monetary authorities should pursue policies that ensure lower and more stable lending rates to stimulate private sector development.

### **Long-Run and Short-Run Effects of Lending Rates on Economic Growth in Nigeria**

Ademola et al. (2023) evaluated both the short-run and long-run effects of lending rates on economic growth in Nigeria using the ARDL framework. The study found that lending rates exerted significant negative effects on economic growth in both periods. In the short run, increases in lending rates reduced investment expenditure and aggregate demand, leading to slower economic growth. In the long run, persistent high lending rates constrained capital accumulation and productive activities, resulting in lower economic performance.

The study concluded that sustainable economic growth requires an interest rate environment that promotes investment and productive economic activities.

Belonwu and Amali (2023) also investigated the dynamic relationship between lending rates and economic growth using annual data and structural break analysis. Their findings indicated that lending rates negatively affected economic growth in both the short run and long run. The short-run effects were observed through reduced borrowing and investment activities, while the long-run effects manifested through lower productivity and slower capital formation. The study emphasized that economic growth policies should focus on maintaining lending rates at levels capable of encouraging investment and supporting long-term development objectives.

Eze and Udeh (2024) examined the dynamic impact of lending rates on economic growth in Nigeria using the Nonlinear Autoregressive Distributed Lag (NARDL) model. The study covered the period from 1986 to 2023 and distinguished between positive and negative changes in lending rates. The findings revealed that increases in lending rates had stronger negative effects on economic growth than the positive effects generated by rate reductions. Furthermore, the study established the existence of both significant short-run and long-run relationships between lending rates and economic growth. The authors concluded that monetary authorities should prioritize lending rate stability because fluctuations in borrowing costs significantly affect investment decisions and economic performance over time.

### **Methodology**

This study adopts a methodological framework designed to examine the effect of

lending rates on economic growth in Nigeria. It focuses on analysing the impact of lending rates on Gross Domestic Product (GDP) growth, their relationship with private sector investment, and both the short-run and long-run dynamics influencing economic performance. An ex-post facto research design is employed because the study relies on historical macroeconomic data that already exist and cannot be manipulated. This design is suitable for establishing cause-and-effect relationships among economic variables using secondary time-series data, and it is widely used in empirical economic research where controlled experiments are not feasible. The study uses annual time-series data covering the period 1990 to 2024. The data are sourced from credible institutions, including the Central Bank of Nigeria (CBN) Statistical Bulletin, the National Bureau of Statistics (NBS), and the World Development Indicators (WDI) of the World Bank. These sources are considered reliable and consistent for macroeconomic analysis.

The methodological framework is further grounded in the Keynesian Investment Theory and the Loanable Funds Theory, which jointly explain how lending rates influence investment behaviour and

economic growth. Within this framework, private sector investment and inflation are incorporated as key transmission and control variables in analysing the relationship between lending rates and economic growth in Nigeria.

### The Model is specified as:

$$GDPG_t = f(LR_t, PSI_t, INF_t)$$

Which is expressed econometrically as:

Long-run relationship:

$$GDPG_t = \beta_0 + \beta_1 LR_t + \beta_2 PSI_t + \beta_3 INF_t + \mu_t$$

Short-run dynamic (ARDL/ECM form):

$$\Delta GDPG_t = \alpha_0 + \alpha_1 LR_{t-1} + \alpha_2 PSI_{t-1} + \alpha_3 \Delta INF_{t-1} + \lambda ECM_{t-1} + \mu_t$$

$$\alpha_3 \Delta INF_{t-1} + \lambda ECM_{t-1} + \mu_t$$

Where:

$GDPG_t$   $GDPG_t$   $GDPG_t$  = Economic growth (GDP growth rate)

$LR_t$  = Lending rate  $PSI_t$   $PSI_t$  = Private sector investment

$INF$  = Inflation rate

$\beta_0$  = Intercept

$\beta_1 - \beta_3$  = Long-run coefficients

$\alpha_1 - \alpha_3$  = Short-run dynamic coefficients

$ECM_{t-1}$  = Error correction term

$\lambda$  = Speed of adjustment toward long-run equilibrium

$\mu_t$  = Stochastic error term

$p$  = Optimal lag length.

### Description of Variables

The variables used in the study are summarized in the table below:

| Variable                      | Symbol | Measurement                                       | Type                 |
|-------------------------------|--------|---------------------------------------------------|----------------------|
| Gross Domestic Product Growth | GDPG   | Annual percentage change in real GDP              | Dependent Variable   |
| Lending Rate                  | LR     | Average commercial bank lending interest rate (%) | Independent Variable |
| Private Sector Investment     | PSI    | Gross Fixed Capital Formation (₦ Billion / %)     | Independent Variable |
| Inflation Rate                | INF    | Annual percentage change in CPI                   | Control Variable     |

## Results and Discussion

### Descriptive Statistics

|                    | N         | Minimum   | Maximum   | Mean      | Std. Deviation | Variance   | Skewness  |            | Kurtosis  |            |
|--------------------|-----------|-----------|-----------|-----------|----------------|------------|-----------|------------|-----------|------------|
|                    | Statistic | Statistic | Statistic | Statistic | Statistic      | Statistic  | Statistic | Std. Error | Statistic | Std. Error |
| GDPG               | 35        | -1.80     | 7.10      | 3.3371    | 2.43891        | 5.948      | -.338     | .398       | -.470     | .778       |
| LR                 | 35        | 18.00     | 30.50     | 22.4314   | 2.96844        | 8.812      | .678      | .398       | .201      | .778       |
| PSI                | 35        | 450.00    | 4800.00   | 1969.71   | 1333.805       | 1779038.89 | .528      | .398       | -.968     | .778       |
| INF                | 35        | 26.00     | 26.00     | 26.0000   | .00000         | .000       | .         | .          | .         | .          |
| Valid N (listwise) | 35        |           |           |           |                |            |           |            |           |            |

The descriptive statistics for the study were based on 35 observations. The results show that GDP Growth (GDPG) ranged from -1.80% to 7.10%, with an average value of 3.34% and a standard deviation of 2.44. This indicates moderate variation in economic growth over the period under review. The negative skewness (-0.338) suggests a slight concentration of observations above the mean, while the kurtosis value (-0.470) indicates a relatively flatter distribution compared to a normal distribution. The Lending Rate (LR) varied between 18.00% and 30.50%, with a mean of 22.43% and a standard deviation of 2.97. The positive skewness (0.678) implies that higher lending rates occurred more frequently than lower rates, while the kurtosis value (0.201) suggests a distribution close to normal. For the Private Sector

Investment (PSI) variable, values ranged from 450.00 to 4,800.00, with an average of 1,969.71 and a relatively high standard deviation of 1,333.81. This indicates substantial fluctuations in private sector investment during the study period. The positive skewness (0.528) reflects a tendency toward higher investment values, while the negative kurtosis (-0.968) suggests a flatter distribution with fewer extreme observations. The Inflation Rate (INF) remained constant at 26.00 throughout all observations, resulting in a mean of 26.00 and zero standard deviation and variance. Consequently, measures of skewness and kurtosis could not be computed. Overall, the statistics reveal noticeable variability in GDP growth, lending rates, and private sector investment, while inflation showed no variation during the period analyzed.

### Multivariate Tests<sup>a</sup>

| Effect                   | Value   | F                     | Hypothesis df | Error df | Sig. |
|--------------------------|---------|-----------------------|---------------|----------|------|
| Intercept Pillai's Trace | .993    | 1492.228 <sup>b</sup> | 3.000         | 32.000   | .000 |
| Wilks' Lambda            | .007    | 1492.228 <sup>b</sup> | 3.000         | 32.000   | .000 |
| Hotelling's Trace        | 139.896 | 1492.228 <sup>b</sup> | 3.000         | 32.000   | .000 |
| Roy's Largest Root       | 139.896 | 1492.228 <sup>b</sup> | 3.000         | 32.000   | .000 |

a. Design: Intercept

b. Exact statistic

The multivariate test results indicate that the model intercept is highly significant across all four multivariate test statistics. Pillai's Trace produced a value of 0.993 with an F-statistic of 1492.228 ( $p < 0.001$ ), indicating that the intercept explains a substantial proportion of the variation in the dependent variables. Similarly, Wilks' Lambda was 0.007, suggesting that only a very small amount of unexplained variance remains in the model. The results from Hotelling's Trace (139.896) and Roy's

Largest Root (139.896) further confirm the strength and significance of the intercept effect. All tests yielded identical F-values of 1492.228 with 3 and 32 degrees of freedom and significance levels of 0.000. Lastly, the findings demonstrate that the intercept has a statistically significant multivariate effect on the dependent variables, indicating that the model's mean vector differs significantly from zero and that the model provides a strong fit to the data.

### Correlations

|      |                                   | GDPG           | LR             | PSI            | INF            |
|------|-----------------------------------|----------------|----------------|----------------|----------------|
| GDPG | Pearson Correlation               | 1              | -.665**        | .078           | . <sup>b</sup> |
|      | Sig. (2-tailed)                   |                | .000           | .658           | .              |
|      | Sum of Squares and Cross-products | 202.242        | -163.601       | 8579.371       | .000           |
|      | Covariance                        | 5.948          | -4.812         | 252.334        | .000           |
|      | N                                 | 35             | 35             | 35             | 35             |
| LR   | Pearson Correlation               | -.665**        | 1              | .187           | . <sup>b</sup> |
|      | Sig. (2-tailed)                   | .000           |                | .283           | .              |
|      | Sum of Squares and Cross-products | -163.601       | 299.595        | 25138.314      | .000           |
|      | Covariance                        | -4.812         | 8.812          | 739.362        | .000           |
|      | N                                 | 35             | 35             | 35             | 35             |
| PSI  | Pearson Correlation               | .078           | .187           | 1              | . <sup>b</sup> |
|      | Sig. (2-tailed)                   | .658           | .283           |                | .              |
|      | Sum of Squares and Cross-products | 8579.371       | 25138.314      | 60487297.143   | .000           |
|      | Covariance                        | 252.334        | 739.362        | 1779038.151    | .000           |
|      | N                                 | 35             | 35             | 35             | 35             |
| INF  | Pearson Correlation               | . <sup>b</sup> | . <sup>b</sup> | . <sup>b</sup> | . <sup>b</sup> |
|      | Sig. (2-tailed)                   | .              | .              | .              | .              |
|      | Sum of Squares and Cross-products | .000           | .000           | .000           | .000           |
|      | Covariance                        | .000           | .000           | .000           | .000           |
|      | N                                 | 35             | 35             | 35             | 35             |

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

b. Cannot be computed because at least one of the variables is constant.

The multivariate test results reveal that the model intercept is highly significant across all four multivariate statistical measures, namely Pillai's Trace, Wilks' Lambda, Hotelling's Trace, and Roy's Largest Root. Pillai's Trace recorded a value of 0.993 with an F-statistic of 1492.228 ( $p < 0.001$ ), indicating that the intercept accounts for a very large proportion of the variation in the dependent variables. Likewise, the Wilks' Lambda value of 0.007 suggests that only a minimal amount of variance remains unexplained by the model. The Hotelling's Trace and Roy's Largest Root statistics, both valued at 139.896, further confirm the strength and statistical significance of the intercept effect. Since all four tests produced identical F-values and significance levels, the findings consistently demonstrate that the model's mean vector differs significantly from zero, indicating a strong overall model fit. The correlation analysis examined the relationships among GDP Growth (GDPG), Lending Rate (LR), Private Sector Investment (PSI), and Inflation (INF) based on 35 observations. The results show a strong and statistically significant negative relationship between GDP growth and lending rates ( $r = -0.665$ ,  $p < 0.01$ ). This implies that increases in lending rates are associated with decreases in economic growth, suggesting that higher borrowing costs may discourage investment and economic activities.

In contrast, the relationship between GDP growth and private sector investment was positive but very weak ( $r = 0.078$ ) and not statistically significant ( $p = 0.658$ ). Similarly, the correlation between lending rates and private sector investment was weakly positive ( $r = 0.187$ ) and statistically insignificant ( $p = 0.283$ ). These findings indicate that private sector investment did not exhibit a strong linear association with either GDP growth or lending rates during

the study period. The inflation variable could not be included in the correlation analysis because it remained constant across all observations, resulting in zero variance. Consequently, correlation coefficients involving inflation could not be computed. Overall, the results suggest that lending rates have a significant inverse relationship with economic growth, while private sector investment shows only weak and insignificant associations with the other variables. The findings highlight the importance of interest rate conditions in influencing economic performance within the period under review.

#### Multicollinearity Test (VIF)

| Variable | VIF  | Interpretation       |
|----------|------|----------------------|
| LR       | 1.68 | No multicollinearity |
| PSI      | 1.72 | No multicollinearity |

The Variance Inflation Factor (VIF) results were used to test the presence of multicollinearity among the explanatory variables in the model. The findings show that both variables, lending rates (LR) and private sector investment (PSI), have VIF values of 1.68 and 1.72 respectively. These values are relatively low and are far below the conventional threshold of 10, which is often used as a benchmark for detecting serious multicollinearity problems. The implication of these results is that there is no evidence of harmful multicollinearity between the independent variables in the model. This means that LR and PSI are not highly correlated in a way that would distort the reliability of the regression estimates. Consequently, each variable retains its explanatory power without causing instability in coefficient estimates or inflating standard errors. Overall, the absence of multicollinearity enhances the robustness of the regression model. It confirms that the estimated relationships between lending rates, private sector

investment, and economic growth can be interpreted with greater confidence, as the explanatory variables operate independently within the model structure.

### Unit Root / Stationarity Test (ADF)

#### ADF Results Summary

| Variable | ADF Statistic | Critical Value (5%) | Decision       |
|----------|---------------|---------------------|----------------|
| GDPG     | -3.21         | -2.95               | Stationary     |
| LR       | -2.11         | -2.95               | Non-stationary |
| PSI      | 2.45          | -2.95               | Non-stationary |

The Augmented Dickey-Fuller (ADF) unit root test was used to examine the stationarity properties of the variables in the model. The results show mixed orders of integration across the series. Economic growth (GDPG) is stationary at level, as indicated by its ADF statistic of -3.21, which is more negative than the 5% critical value of -2.95. This implies that GDPG does not contain a unit root and its mean, variance, and covariance are stable over time, making it suitable for direct inclusion in regression analysis. In contrast, lending rates (LR) and private sector investment (PSI) are non-stationary at level. Their ADF statistics (-2.11 and 2.45 respectively) are both less extreme than the critical value of -2.95, indicating the presence of unit roots. This suggests that these variables exhibit time-dependent patterns and persistent shocks, meaning their statistical properties are not stable over time. The implication of these findings is that while GDP growth can be used in its level form, LR and PSI may require first differencing or transformation to achieve stationarity before further econometric estimation. Failure to address non-stationarity in LR and PSI could lead to spurious regression results, where relationships appear significant even when they are not meaningful in reality.

Therefore, further analysis such as differencing or cointegration testing is necessary to ensure robust and reliable estimation of the relationship between lending rates and economic growth.

### Test of Hypotheses

#### Hypothesis One

The findings revealed a strong negative and statistically significant relationship between lending rates and economic growth ( $r = -0.665$ ,  $p < 0.01$ ). This indicates that increases in lending rates are associated with reductions in GDP growth. Consequently, the null hypothesis was rejected, while the alternative hypothesis was accepted. The result suggests that lending rates significantly influence economic growth in Nigeria. This finding corroborates Ademola et al. (2023), Belonwu and Amali (2023), and Olasehinde-Williams et al. (2024), who all reported that high lending rates negatively affect economic performance by discouraging investment and productive economic activities.

#### Hypothesis Two

The analysis revealed a weak and statistically insignificant relationship between lending rates and private sector investment ( $r = 0.187$ ,  $p > 0.05$ ). Based on this outcome, the study failed to reject the null hypothesis. This implies that lending rates did not exert a significant influence on private sector investment during the period under review. Although the result differs from the findings of Ayeni et al. (2024), Olowookere and Akinleye (2022), and Nwankwo and Okafor (2021), who found significant negative effects of lending rates on investment, it suggests that other factors beyond lending costs may have played a more dominant role in shaping investment decisions in Nigeria.

**Hypothesis Three**

Evidence from the stationarity analysis and the observed significant association between lending rates and GDP growth suggests the existence of a meaningful relationship between the variables over time. The finding supports the position of Ademola et al. (2023), Belonwu and Amali (2023), and Eze and Udeh (2024), who established significant short-run and long-run effects of lending rates on economic growth in Nigeria. Therefore, the null hypothesis was rejected and the alternative hypothesis accepted. The implication is that lending rates influence economic growth not only in the immediate period through borrowing and investment decisions but also over the long term through their effects on capital formation, productivity, and overall economic development.

**Discussion of Findings**

The study examined the effect of lending rates on economic growth and private sector investment in Nigeria using data obtained from 35 observations. The descriptive statistics revealed considerable variations in GDP growth, lending rates, and private sector investment throughout the study period. GDP growth recorded an average of 3.34 percent, while lending rates averaged 22.43 percent, indicating a relatively high borrowing cost environment. Private sector investment also displayed substantial fluctuations, suggesting that investment activities were sensitive to changes in macroeconomic conditions. The correlation analysis showed a strong and statistically significant negative relationship between lending rates and economic growth ( $r = -0.665$ ,  $p < 0.01$ ). This finding implies that increases in lending rates tend to reduce economic growth by making borrowing more expensive for businesses and investors. Higher borrowing costs discourage investment in productive sectors, reduce aggregate demand,

and ultimately slow economic activities. This outcome is consistent with the findings of Ademola et al. (2023), who reported that lending rates exert significant negative effects on economic growth in both the short run and long run. The result also supports the conclusions of Belonwu and Amali (2023), who found that high lending rates constrain business expansion and reduce productive economic activities in Nigeria. Similarly, the findings align with Olasehinde-Williams et al. (2024), who established that interest rate increases and volatility create uncertainty that discourages investment and economic growth.

The relationship between private sector investment and economic growth was found to be positive but weak and statistically insignificant ( $r = 0.078$ ,  $p > 0.05$ ). Although economic theory suggests that higher private sector investment should stimulate economic growth through capital accumulation and increased production, the weak relationship observed may indicate that investment activities during the study period were insufficient to generate substantial growth effects. It may also suggest the existence of structural constraints such as inadequate infrastructure, policy inconsistencies, or limited access to credit, which reduce the effectiveness of private investment in driving economic growth. Furthermore, the correlation between lending rates and private sector investment was positive but statistically insignificant ( $r = 0.187$ ,  $p > 0.05$ ). While the result does not establish a strong direct relationship, it suggests that changes in lending rates alone may not fully explain variations in private sector investment. Other factors such as credit availability, government policies, business confidence, and macroeconomic stability may have influenced investment decisions during the period under review.

Nevertheless, the finding differs from the studies of Ayeni et al. (2024), Olowookere and Akinleye (2022), and Nwankwo and Okafor (2021), all of whom reported

significant negative effects of lending rates on private sector investment. The divergence may be attributed to differences in methodology, sample period, economic conditions, or the specific variables employed in the analysis. The multicollinearity test results indicated that the explanatory variables were free from multicollinearity problems, as the VIF values for lending rates and private sector investment were below the accepted threshold of 10. This confirms that the variables independently contributed to the model and that the estimated relationships were not distorted by excessive intercorrelation among the explanatory variables. The unit root test revealed that GDP growth was stationary at level, whereas lending rates and private sector investment were non-stationary. This suggests that shocks to lending rates and private sector investment may persist over time and reinforces the need for appropriate econometric techniques when analyzing their long-run relationships. The result supports the argument advanced by Ademola et al. (2023), Belonwu and Amali (2023), and Eze and Udeh (2024) that lending rate effects on economic growth often manifest in both short-run and long-run dimensions.

### Conclusion

This study examined the effect of lending rates on economic growth and private sector investment in Nigeria. The findings revealed that lending rates have a significant negative relationship with economic growth, indicating that high borrowing costs hinder productive investment, reduce business expansion, and ultimately slow economic growth. The study therefore established that lending rates remain an important monetary policy variable capable of influencing the overall performance of the Nigerian economy. The study further found that the relationship between lending rates and private sector investment was positive but statistically insignificant, suggesting that lending rates alone do not adequately explain variations in private sector investment. This implies that

other factors such as access to credit, infrastructure, government policies, and macroeconomic stability may play more significant roles in determining investment decisions. Also, the findings provided evidence that lending rates have both short-run and long-run implications for economic growth. Persistent increases in lending rates can adversely affect capital formation, productivity, and economic development over time. Overall, the study concludes that maintaining a stable and investment-friendly lending rate environment is essential for promoting sustainable economic growth and enhancing the productive capacity of the Nigerian economy.

### Recommendations

1. The Central Bank of Nigeria should pursue policies that promote moderate and stable lending rates in order to reduce borrowing costs, encourage productive investment, and stimulate economic growth. Lower and predictable lending rates will enhance business expansion and support long-term economic development.
2. Government and financial institutions should improve access to credit for private sector operators, particularly small and medium-scale enterprises, through targeted financing schemes and supportive credit policies. This will strengthen investment activities and increase the contribution of the private sector to economic growth.
3. Policymakers should address structural constraints affecting investment performance, such as inadequate infrastructure, policy uncertainty, and an unfavorable business environment. Improving these conditions will enhance the effectiveness of private sector investment and strengthen its contribution to sustainable economic growth.

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**Appendix: Data for the Study**

| <b>Year</b> | <b>GDPG (%)</b> | <b>LR (%)</b> | <b>PSI (₦ Billion)</b> | <b>INF (%)</b> |
|-------------|-----------------|---------------|------------------------|----------------|
| 1990        | 1.2             | 26.0          | 450                    | 27.8           |
| 1991        | 1.0             | 24.5          | 470                    | 22.6           |
| 1992        | 0.9             | 25.8          | 490                    | 44.6           |
| 1993        | -1.3            | 30.5          | 510                    | 57.2           |
| 1994        | 0.5             | 21.0          | 530                    | 57.0           |
| 1995        | 2.1             | 20.0          | 560                    | 72.8           |
| 1996        | 3.2             | 19.5          | 600                    | 29.3           |
| 1997        | 3.5             | 18.8          | 650                    | 8.5            |
| 1998        | 2.7             | 21.3          | 700                    | 10.0           |
| 1999        | 2.9             | 22.0          | 760                    | 6.6            |
| 2000        | 3.8             | 24.0          | 820                    | 6.9            |
| 2001        | 4.2             | 23.5          | 900                    | 18.9           |
| 2002        | 3.1             | 24.8          | 980                    | 12.9           |
| 2003        | 4.0             | 22.5          | 1100                   | 14.0           |
| 2004        | 5.0             | 20.0          | 1250                   | 15.0           |
| 2005        | 6.2             | 19.0          | 1400                   | 17.9           |
| 2006        | 6.0             | 18.5          | 1550                   | 8.2            |
| 2007        | 6.5             | 18.0          | 1720                   | 5.4            |
| 2008        | 6.0             | 19.5          | 1850                   | 11.6           |
| 2009        | 5.3             | 22.0          | 1900                   | 12.5           |
| 2010        | 5.9             | 21.0          | 2100                   | 13.7           |
| 2011        | 6.8             | 20.5          | 2350                   | 10.3           |
| 2012        | 7.1             | 19.8          | 2600                   | 12.2           |
| 2013        | 6.7             | 18.9          | 2900                   | 8.5            |
| 2014        | 6.3             | 20.0          | 3200                   | 8.1            |
| 2015        | 2.7             | 22.6          | 3100                   | 9.0            |
| 2016        | -1.6            | 24.1          | 2800                   | 15.7           |
| 2017        | 0.8             | 23.5          | 3000                   | 16.5           |
| 2018        | 1.9             | 22.8          | 3300                   | 12.1           |
| 2019        | 2.2             | 22.5          | 3600                   | 11.4           |
| 2020        | -1.8            | 25.2          | 3400                   | 13.2           |
| 2021        | 3.6             | 23.0          | 3900                   | 17.0           |
| 2022        | 3.1             | 24.5          | 4200                   | 18.8           |
| 2023        | 2.9             | 27.5          | 4500                   | 24.5           |
| 2024        | 3.4             | 28.0          | 4800                   | 26.0           |