**Title of Article:** The Effect of FDI inflows on Nigeria’s Balance of Payment for the Period 1980-2009

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**Abstract:** This research study deals with the effect of Foreign Direct Investment inflows have any effect on Nigerian’s Balance of payment (BOP) over the period 1980-2009. It helped examined empirically if Foreign Direct Investment inflows have any effect on the nation’s BOP. Econometric model was developed to investigate the relationships between the BOP and foreign direct investment. Based on the data analysis it was discovered that foreign direct investments have positive and significant impact on current account balance in the Balance of payment. While Gross fixed capital formation is inelastic to Balance on current account. Therefore it is recommended that for Nigeria to attract the desired level of FDI, and have improved Balance of payment position, it must introduce sound economic policies and make the country investor friendly. Also its economy must be open to foreign trade, there must be political stability, sound economic management and well developed infrastructure.