OMEROLE DEBORAH

MATRIC NUMBER

PETROLEUM ENGINEERING

300LEVEL

COURSE TITLE

Critical Assessment of Legal Implications and Economic Impact of Lock Down of Activities in Nigeria

PROFESSOR’S NAME:

*Abstract*

*Few months back, the world economy seemed well on the way to a good recovery and Nigeria was gradually improving; trade and governmental administration were areas of possible growth and development which even led to increase of pay for National Youth Service Corps. Now “all bets are off”. As Corona virus (COVID-19) continues to spread around the globe and in Nigeria, which has made it clear that this has a huge potential to deteriorate the Nigerian economy as well as the world economy as we know it. This project examines the economic and legal impact that the Corona virus has on Nigeria. There is no particular date on when this would end, no one has a grasp of how deep this would cut into Nigeria’s economy just Like a healthy person who catches the seasonal flu, suffers a nasty but short-lived discomfort, and is quickly back to full power, the crisis could be short and sharp. At a time, Nigeria was hopeful for a better economic condition when COVID-19 was essentially only in China and China was dealing with it forcefully, but things have changed. The Virus is spreading rapidly in so many countries. There is a need to critically examine how Nigeria can survive the economic impact this pandemic would cause and what legal statutory can Nigeria implement to ensure safety of the citizens. The project would be providing recommendation on a way to recovery and review what the post- pandemic economy in Nigeria would look like.*

Table of content

**INTRODUCTION**

According to WHO statistics, it shows that the COVID-19 has affected over 210 countries with an ever-increasing number on a day to day basis with numbers of 1,867,129 confirmed cases, 115,278 deaths and 434, 098 recovered in the world. In an attempt to reduce the spread, most businesses have been suspended. The suspension of most businesses and firms has led to economic crises such as stocks crashing, some country’s government closing boarders making trade more difficult, direct impacts on specific sectors of the economy, interruptions and delay in supply chain. It is very important that companies should be ready with solution on how they can face this pandemic as they arise.

Legal Implication

A major legal implication would be a breach in contract mostly in a funding agreement which arises as a result of the coronavirus. There is also declaration and provision of rules and laws by government enforced to ensure the safety and health of citizen, example includes the demand for some sector of business to temporarily shut down, travel restriction, the demand for people to stay at home, workplace health and safety obligations and containment measures etc. Firms at this point need a legal team that would serve as a guide through the pandemic period.

Economic Implication

Some economic implication includes declaration of bankruptcy by some firms as a result of the shut down and no productivity. A pandemic of this nature has not affected Nigeria before which explains the reason of no measures or vaccine produced, however the number of COVID-19 case is already larger than the number of the Ebola Virus cases. The significance of the fact that the hardest hit nation includes the G7 including China cannot be over emphasized since a higher proportion of goods and services in Nigeria is imported as compared to our exportation. The G7 (Group of Seven which includes Canada, France, Germany, Italy, Japan, United Kingdom and United States) countries, including China accounts for 60% of the world supply and demand, 41% of the world manufacturing export, 65% of the world manufacturing and over 60% goods in Nigeria are produced and imported from Nigeria so “when the G7 including China countries sneezes we feel the cold”. This means their woes are bound to produce supply chain contagion in Nigeria (Baldwin & Beatrice, 2020).

In Nigeria, since the lock down began, revenue has been lost in different sector of the economy, the sales of oil slumped, Real estate, Agriculture and service sector losses is expected to cost us a loss of GDP growth in the first quarter. This means that businesses relying on physical space and shops, such as supermarkets, local food markets, restaurants, car dealers, movie theaters, gyms, and bars, suffered losses, whereas local neighborhood markets (convenience stores) and online markets particularly innovations that involved human free markets has excelled so far. According to theafricareport (2020), Nigeria seeks 1.9bn loan from international lenders. The Minister of finance has been seeking funds from international bodies in order to combat the coronavirus and this is an indication Nigeria will be going in more debt than anticipated or forecasted.

**OIL PRICES**

Oil, being the major source of income in Nigeria has also been affected, as oil priced have declined sharply. According to Baldwin & Beatrice, (2020), the decline in the prices of petroleum related products is expected to be the most significant channel through which effects of the COVID-19 are felt in MENA countries. Crude oil futures tumbled by about $20 a barrel during January and February in anticipation of the negative impact on oil demand from coronavirus.

 There are so many factors that have contributed to the drop and fluctuation of oil prices but the COVID-19 is probably the most important factor mostly because of the shutdown of production facilities as part of the measures implemented to contain the spread of the virus and restriction of movement. The International Emergency Agency expects global demand for oil to fall by 435,000 barrels per day year-on-year in the first quarter of 2020 – the first quarterly contraction in more than a decade. The demand for all of 2020 is also expected to fall by 365,000 barrels per day globally, which would record as the worst performance of demand since 2011 globally. The risk posed by the coronavirus hurts the Middle East and North Africa which has prompted the OPEC+ countries to consider an additional cut in oil production of 600,000 barrels a day as an emergency measure on top of the 1.7 million barrels a day already pledged (International Energy Agency 2020).

References

<https://en.as.com/en/2020/04/09/other_sports/1586418910_925978.html>

<https://www.worldometers.info/coronavirus/?utm_campaign=homeAdUOA?>

<https://www.theafricareport.com/25762/coronavirus-nigeria-seeks-6-9bn-loan-from-international-lenders/>

Baldwin, R. & Beatrice, W. M. (Eds.). (2020). *Economics in the time of COVID – 19.* CEPR Press.

<https://www.rand.org/content/dam/rand/pubs/tes>

<https://www.mccarthy.ca/en/about/news-and-announcements/covid-19-hub-latest-updates-and-legal-considerations-your-business>

<https://www2.deloitte.com/be/en/pages/tax/topics/COVID-19-Deloitte-Belgium-Tax.html>

<https://www.pwc.com.au/publications/australia-matters/economic-consequences-coronavirus-COVID-19-pandemic.pdf>

<https://www.whitecase.com/sites/default/files/2020-03/COVID-19-Legal-Issues-and-Considerations-Brochure.pdf>

<https://en.as.com/en/2020/04/09/other_sports/1586418910_925978.html>

https://www.aljazeera.com/news/2020/02/neighbours-close-borders-iran-virus-concerns-rise-200223160135283.html