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**THE CORONAVIRUS PANADEMIC IN NIGERIA**

The coronavirus known to be the most is a very deadly disease with very easy precautions to prevent it or from contaminating it. This virus requires no contact with human self therefore because of this in every country around the world work places, schools, tertiary institutions have been advised to shut down due to the ongoing pandemic. The first case of the panademic of Coronavirus disease 2019 in Nigeria  was announced on 27th of February 2020, when an Italian citizen in Lagos was tested positive for the virus, caused by **SARS-Cov-2**. On 9 March 2020, a second case of the virus was reported in Ewekoro, Ogun State, a Nigerian citizen who had contact with the Italian citizen.

An Italian man who has been confirmed to be Nigeria's first coronavirus  case after arriving from Milan was in the country for almost two full days before being isolated, travelling through Lagos and visiting another state. The case had prompted a scramble by authorities in Africa's most populous country, at that time, who are now trying to trace everyone who had arrived on the same flight as the patient and identify the places he visited before going to the hospital.

In Nigeria presently this is the recorded number of :

|  |  |  |
| --- | --- | --- |
| Confirmed373 | Recovered99 | Deaths11 |

Relating to the Coronavirus pandemic.

**The effects of the lockdown on Nigerians**

* **AGGREGATE DEMAND WILL FALL, BUT GOVERNMENT EXPENDITURE WILL RISE**

## In Nigeria, efforts were already being made to raise or strengthen aggregate demand through increased government spending and tax cuts for businesses. The public budget increased in 2019 to 2020, while small businesses have been exempted from company income tax, and the tax rate for medium-sized businesses has been revised downwards from 30 to 20 percent. Unfortunately, the COVID-19 crisis is causing all components of aggregate demand, except for government purchases, to fall.

* **THE FALL IN HOUSEHOLD CONSUMPTIONS**

**The fall in household consumption** in Nigeria will stem from:

1) partial (or full) restrictions on movement, therefore causing consumers to spend primarily on essential goods and services.

2) Low expectations of future income, particularly by workers in the gig economy that are engaged on a short-term/contract basis, as well as the working poor in the informal economy;

3) The erosion of wealth and expected wealth as a result of the decline in assets such as stocks and home equity.

The federal government has imposed a lockdown in Lagos and Ogun states as well as Abuja (which have the highest number of coronavirus cases combined). Subnational governments have quickly followed suit by imposing lockdowns in their states. Nigeria has a burgeoning gig economy as well as a large informal sector, which contributes 65% of its economy inputs Movement restrictions have not only reduced the consumption of nonessential commodities in general, but have affected the income-generating capacity of these groups, thus reducing their consumption expenditure.

* **Investments by firms will be impeded**

Investments by firms will be impeded largely due to the uncertainties that come with the pandemic-limited knowledge about the duration of the outbreak, the effectiveness of policy measures, and the reaction of economic agents to these measures—as well as negative investor sentiments, which are causing turbulence in capital markets around the world. Indeed, the crisis has led to a massive decline in stock prices, as the Nigerian Stock Exchange records its worst performance which has eroded the wealth of investors. Taking into consideration the uncertainty that is associated with the pandemic and the negative profit outlook on possible investment projects, firms are likely to hold off on long-term investment decisions.

On the other hand, government purchases will increase as governments, which typically can afford to run budget deficits, utilize fiscal measures which can be used to counteract the fall in consumer spending. However, for governments that are commodity dependent, **the fall in the global demand for commodities** stemming from the pandemic will significantly increase their fiscal deficits.

The COVID-19 pandemic serves as a wake-up call to policymakers as the unusual nature of the crisis has made it impossible for citizens to rely on foreign health care services and more difficult to solicit for international support given the competing demand for medical supplies and equipment. A more integrated response spanning several sectors—including the health, finance, and trade sectors—is required to address structural issues that make the country less resilient to shocks and limit its range of policy responses. In the long term, tougher decisions need to be made, including but not limited to diversifying the country’s revenue base away from oil exports and improving investments in the health care sector in ensuring that the economy is able to recover quickly from difficult conditions in the future.