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The effect of the Coronavirus on the Nigerian economy

The Coronavirus pandemic has left 181 countries and territories affected, more than 13,000 people killed and more than 311,000 have been infected, according to Johns Hopkins University. Of the 181 countries, Nigeria is one. Though not the worst hit in Africa, the devastating effects on the country's economy leave many in fears.

Oil Price Crash

The Covid-19 pandemic came with its attendant oil price crash, as demand plummeted. With lockdown in China, which consumes about 14 per cent of the global crude oil daily, and reduction in major economic activities globally, the price of the commodity went southwards.

With Nigeria as a major exporter it leaves them in no condition to export oil supplies to other countries.

Hunger on the rise

The global supply chain has been deeply disrupted as China, which is the second largest economy in the world, is a major supplier of inputs for manufacturing companies around the world, Nigeria inclusive.

Nigerian manufacturers are also feeling the heat as access to critical raw materials needed to sustain their operations has been impacted leaving Nigerian citizens left to find ways to fend for themselves.

Worker's salaries in state of jeopardy

Nigeria operates a largely mono product economy solely dependent on crude oil. With the present economic reality, workers' salaries may be in jeopardy. With the oil market price being highly unpredictable, workers don't have guarantee of their work and may be forced to quit their respective jobs.

Restriction of movement on citizens

With the bulk of civil servants taken away from those bombarding the markets for food items, the markets would be decongested and also have a control on the skyrocketing price hikes of commodities putting pressure on the survival of the people.

Nigeria's Petrocurrency

Naira is a typical petrocurrency whose survival is intrinsically tied to global oil price. Due to the Coronavirus pandemic Nigeria's currency the value of Naira has drastically dropped. All these have packed pressure on the Naira as investors' confidence continue to decline.

