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It is no longer a news about the current pandemic outbreak nicknamed “COVID-19” which actually in quote known as “Corona Virus Disease 2019”. Before we talk about this pandemic and it’s Effects on the Nigerian Economy, let’s have a brief understanding about this pandemic outbreak
The COVID-19 pandemic officially known as “Corona Virus Disease 2019” was originated in Wuham, China. In December 2019. Based on the initial laboratory research by the world health researchers and scientists, the COVID-19 was described as an infectious disease that is caused by Severe Acute Respiration Syndrome Coronavirus 2 ( SARS COVID-2 originated in 2003)
The COVID-19 outbreak has since spread to about 201 countries and territories in every continent and one international conveyance across the globe. While there are ongoing efforts to curtail the spread of infection which is almost entirely driven by human-to-human transmission, it has accounted for over 1,278,523 confirmed cases and 69,757 death globally, where Nigeria has recorded hers to be 227 confirmed cases and 5 death.
As a result of this, a lot of activities has been suspended. Firms, industries, markets etc. Has been locked down across the globe because of this pandemic outbreak. Oil being the 40% of Nigerian economic growth has tremendously crashed due to the current pandemic outbreak. The slowdown in the global economy and lockdown in some countries, such as Italy, Spain and most Eurozone economies and beyond, as a result, COVID-19 has also taken its toll on the global demand for oil. The decline in oil demand is estimated to surpass the loss of nearly 1 million barrels per day during the 2007-08 recession. This is also coming at a time when two key players in the global oil industry – Russia and the OPEC cartel – are at loggerheads on the decision to cut output.
The virus is also taking its toll on health facilities and infrastructures in Nigeria. The virus has pushed the country’s National Health Service to a breaking point, emphasizing the test that other countries, especially developing and low-income countries “Nigeria” in quote, might face in their approach to contain the virus spread. Most hospitals and health facilities that could not handle the hazards are resulting to operating below their capacity by taking a few regular health-related cases or shutting down. Which has drastically brought down Nigerian economy to zero.
The decision to close educational institutions and schools in Nigeria in an attempt to contain the pandemic has also led to a soaring number of children, youth and adults not attending schools. The impact of school closures in the 36 states including the federal capital territory Abuja that have implemented the decisions across the stated has increased the students’ population. These educational disruptions are being escalated particularly for the most vulnerable members of society, who would instead of going out trying to fix the current economic crises rather stay at home to take care of their kids leading to more collapse in Nigerian Economy.
As a result of this, some private firms who couldn’t continue paying her employees were forced to sac and rusticate her workers which gives rise to unemployment rate in Nigeria. The last unemployment report released by the National Bureau of Statistics (NBS) ranks Nigeria 21st among 181 countries with an unemployment rate of about 23.1%. The country has also been rated as the poverty capital of the world with an estimated 87 million people living on less than $2 a day threshold. With this estimation i wonder what would be the face of nigeria in future.
Economic and growth recovery program which has the aim of increasing social inclusion by creating jobs and providing support for the poorest and most vulnerable members of society through investments in social programs and providing social amenities will no doubt suffers some setbacks. Besides, the downward review of the budget and contractions in public spending could be devastating on poverty.
In conclusion, the Nigerian government essentially must lead economic diversification drive. It is one practicable way to saddle through the current economic uncertainties and instabilities. What the consequences of COVID-19 pandemic should further offer the Nigerian economic managers and policymakers, is that the one-tracked, monolithic reliance on oil is failing. Diversification priorities to alternative sectors such as agriculture, solid minerals, manufacturing and services sectors, should be further intensified.