Implications of Covid-19 Pandemic and Plunge in Global Oil Prices for Labour and the Nigerian Economy

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Abstract

The study investigated the implications of the COVID-19 pandemic and the plunge in global oil prices for labour and the Nigerian economy. The historical research method was adopted in evaluating secondary data derived from OPEC's Annual Statistical Bulletin (2019) and Monthly Oil Market Report for May 2020, as well as the Central Bank of Nigeria's Annual Statistical Bulletin and the Nigerian National Petroleum Corporation Annual Statistical Bulletin. Nigeria, Africa's largest exporter of crude oil, depends on crude oil earnings to meet its fiscal obligations. With the plunge in global oil prices, therefore, it is expected that labour and the Nigerian economy will be negatively impacted. It is hoped that the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN)—an affiliate of the Trade Union Congress of Nigeria (TUCN)—and the Nigeria Union of Petroleum and Natural Gas Workers (NUPENG)—an affiliate of the Nigeria Labour Congress (NLC)—together with organised labour, will continue to defend the rights of workers in Nigeria following the plunge in global oil prices. It is recommended that the government should diversify the economy by promoting growth in non-oil sectors such as agriculture and solid minerals in the bid to tackle massive unemployment. There should also be domestication of refining capacity through the building of modern refineries to satisfy local consumption while avoiding revenue loss due to refining abroad and boosting local oil revenue, given the large market in Nigeria and the West African Sub-region. It is concluded that only such measures will help the country to survive in the post-COVID-19 world economy.

Keywords: COVID-19 pandemic, global oil prices, Labour, Nigerian economy

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1. Introduction

The Coronavirus Disease 2019, also known as COVID-19, was said to have first been discovered in Wuhan, a town in the Hubei Province of China, in December 2019. According to the World Health Organisation (WHO, 2019), it was necessary to name the virus COVID-19, given the time it was discovered and given that it is a strain of the coronaviruses (Burdorf, Porru, & Rugulies, 2020). The virus, technically named SARS-CoV-2, subsequently spread to other parts of the world beginning from late February 2020. No fewer than 33.2 million people have been infected with the virus and 999,000 deaths recorded globally as of September 28, 2020. It has also been reported that 23 million people have recovered from the disease.

In Nigeria, there are 58,550 confirmed cases, 49,794 recoveries and 1,110 deaths as of September 28, 2020 (NCDC, 2020). These alarming figures and the continued spread of the virus have been pushing international agencies such as the International Labour Organisation (ILO), the World Health Organisation (WHO) and governments as well as non-governmental organisations to work towards finding a cure for the virus. Business and religious organisations as well as educational institutions have been badly affected by the lockdown measures imposed in most parts of the world to curtail its spread.

In Nigeria, the index case was an Italian who flew into the country on February 27, 2020, with numerous other cases of returnees soon following across the country (ASUU-UI, 2020). As the COVID-19 pandemic took root, the global economy was inevitably affected, including the Nigerian oil and gas sector as international crude oil prices plunged to $26.89 per barrel in the second week of May 2020, although there was a rise on May 29, 2020 to $33.91 per barrel. With the plunge in crude oil prices, the Federal Government was forced to adjust its 2020 budget to reflect the current global economic realities.

Nigeria is one of the world's largest exporters of crude oil, the 10th largest producer and the sixth largest exporter among OPEC countries (Adewumi & Adenugba, 2010). Consequently, Africa's largest crude oil exporter depends on crude oil revenue to meet its fiscal obligations. Given the impact of the pandemic, however, Nigeria is at risk of a recession following the plunge in the price of crude oil, which supplies the bulk of Nigeria's foreign exchange earnings. It has been argued that the plight of Nigerian workers, i.e. labour, as well as the ailing Nigerian economy, can be explained by the reckless spending of crude oil revenues and tampering with the country's foreign exchange reserve by successive governments.

For labour, there are strong fears over potential massive job cuts, high costs of living, high unemployment rates, low foreign direct investment and other forms of non-standard employment. The plunge in crude oil prices will ultimately have an adverse impact on employment, leading to decreased levels of economic activity. Decline in productivity and profitability among Nigerian businesses from the plunge in crude oil prices will in turn reduce demand for labour and capital, which itself will result in reduced wages and investments. Inevitably, the higher cost of production borne by manufacturers will be passed on to consumers in the form of higher prices, thereby leading to a higher cost of living and hyper-inflation. One of the most impacted sectors is the service industry. The banking industry has also been badly impacted, with Access Bank closing 346 branches across the country. This paper focuses on the Nigerian oil and gas sector, given that earnings from the export of crude oil account for 90% of the country's foreign exchange earnings (Chidi, Mbah & Ogunyomi, 2018; Oriakhi & Osaze, 2013). The study investigated the implications of the COVID-19 pandemic and the plunge in global crude oil prices for labour and the Nigerian economy.

2. Literature Review

This section begins with a brief historical account of the Nigerian oil and gas industry. To start with, the Middle East War of 1973 created the crude oil price shock that gave Nigeria unprecedented, unexpected and unplanned levels of revenue (Oladipo & Fabayo, 2012) which created a dramatic policy shift that elevated oil above agriculture which had hitherto been the country's main revenue driver in the post-independence era. Crude oil has now replaced agriculture as the mainstay of the Nigerian economy and is a major source of energy in developing and developed countries.

Crude oil prospecting and development began in Nigeria at the beginning of the 20th century, when a German company, the Nigerian Bitumen Corporation, started exploration in 1908. According to Yamden (2011), this pioneering effort ended in 1914 following the outbreak of World War I. Later on, in 1937, Shell D'Arcy obtained the sole concession for exploration and prospecting of oil in Nigeria—a contract that was terminated in 1947 owing to World War II. As the sole concessionaire, Shell D'Arcy resumed operations with the drilling of wells in Oloibiri present-day Bayelsa State (Olayiwola, 2009), Iho near Owerri in present-day Imo State and Akata in present-day Akwa Ibom State in 1956, 1957 and 1958 respectively (Ogbonna, 2004; Yamden, 2011). However, oil exploration in the latter two areas—Iho and Akata—was unsuccessful.

Although crude oil was first discovered in commercial quantity in today's Bayelsa State, commercial production did not begin until 1958, overseen by Shell D'Arcy. As such, Nigeria officially joined the league of oil-producing countries when its first oilfield came on stream with the production of 5,100 barrels per day (b/d) (Yamden, 2011). Sequel to the discovery of crude oil and its production in Oloibiri by Shell, exploration rights were granted to foreign oil companies such as Gulf, Chevron, Mobil, Agip, and Texaco, among others. In 1965, the EA Field was discovered by Shell in the shallow waters of southwest Warri and, by the late 1960s and early 1970s, Nigeria had attained a production capacity of over two million b/d (Yamden, 2011). Nigeria reportedly has a reserve of about 32 billion barrels of mainly low-sulphur light crude, with efforts being made to increase the reserve to 40 billion (Oladipo & Fabayo, 2012).

The Nigerian oil industry has three main operating sub-sectors: upstream, downstream and gas. As part of efforts to manage two of these subsectors, in 1977, the federal government established the Nigerian National Petroleum Corporation (NNPC). As a company owned and controlled by the Nigerian state, the NNPC plays an active role in both the upstream and downstream sectors, while the Nigerian Liquefied Natural Gas (NLNG), another state-owned company, is a major player in the gas sector. Onshore oil exploration accounts for about 65% of total production and it happens mostly in the swampy areas of the Niger Delta region, while the remaining 35% represents offshore production that involves drilling in the deep waters of the continental shelf (Oladipo & Fabayo, 2012). The regulatory agency for the oil and gas sector is the Department of Petroleum Resources (DPR). Besides the DPR and the NNPC, the Ministry of Energy, the Federal Ministry of Environment, the Federal Inland Revenue Service and the Niger Delta Development Commission (NDDC) are the principal government agencies responsible for oil and gas matters in Nigeria (Abu & Chidi, 2012).

Nigeria has four refineries with an initial installed capacity of 445,000 b/d (Yamden, 2011). The first is in Port Harcourt and it began operations in 1965 with a take-off capacity of 35,000 b/d that was later upgraded to 60,000 b/d. The second is in Warri, commissioned in 1978 with an initial refining capacity of 100,000b/d and later expanded to 125,000 bpd in 1986. The third is in Kaduna, established in 1980 with an installed production capacity of 100,000 b/d but upgraded to 110,000 b/d also in 1986. The fourth is also in Port Harcourt and it had an installed capacity of 150,000 b/d at its commissioning in 1989. As of today, all four refineries are operating below capacity owing to neglect by

successive governments. Consequently, the country is forced to also import refined petroleum products to make up for the heavy shortfall in domestic production. It is worth noting that Nigeria joined the Organisation of Petroleum Exporting Countries (OPEC) in 1971 (Abu & Chidi, 2012).

3. Methodology

The historical research approach was adopted for the evaluation of the study's secondary data, which were easily accessible, verifiable and better suited for historical analysis (George, Shadare & Owoyemi, 2012; Zikmund, 1984). The secondary data came from OPEC's *Annual Statistical Bulletin* (2019) and its *Monthly Oil Market Report* (May 2020). Data also came from the Central Bank of Nigeria's *Annual Statistical Bulletin* as well as the Nigerian National Petroleum Corporation's *Annual Statistical Bulletin* for various years. These documents provided useful data on Nigeria's crude oil prices in US$/barrel, as well as on crude oil production data in mb/d and crude oil exports in mb/d from 2010-2020.

4. Results and Interpretations

Table 1: Demographic Characteristics of OPEC Member Countries

OPEC Member Countries	Continent/Region	Year of Joining OPEC	Population	Land Area (Sq. Km)
Algeria	Africa	1969	42,580,000	2,382,000
Angola	Africa	2007	29,250,000	1,248,000
Congo	Africa	2018	5,400,000	342,000
Ecuador	South America	2007	17, 020,000	284,000
Equatorial Guinea	Africa	2017	1,310,000	28,000
Gabon	Africa	1975	1,970,000	268,000
Iran	Middle East	1960	82,010,000	1,648,000
Iraq	Middle East	1960	38,120,000	438,000
Kuwait	Middle East	1960	4,620,000	11,000
Libya	Africa	1962	6, 560,000	1,760,000
Nigeria	Africa	1971	202,990,000	924,000
Saudi Arabia	Middle East	1960	33,410,000	2,150,000
United Arab Emirates	Middle East	1967	10, 140,000	84,000
Venezuela	South America	1960	31,840,000	916,000

Source: *OPEC Annual Statistical Bulletin (2019)*

From Table 1, it is apparent that among OPEC member countries Nigeria has the largest population, with a land area of 924,000 Sq. Km. In terms of population, Iran is followed by Algeria, which has the largest land area, followed by Saudi Arabia.

Table 2: Nigeria Crude Oil Prices (US$/Barrel), Production (mb/d) and Export (mb/d) from 2010-2019

YEAR 2010			
Month	**October**	**November**	**December**
Description			
Crude Oil Price (Bonny Light)	84.42	86.71	93.00
Domestic Production	2.88	2.50	2.58
Crude Oil Export	2.43	2.05	2.13
YEAR 2011			
Month	**October**	**November**	**December**
Description			
Crude Oil Price (Bonny Light)	111.12	113.92	111.46
Domestic Production	2.36	2.32	2.27
Crude Oil Export	1.91	1.87	1.82
YEAR 2012			
Month	**October**	**November**	**December**
Description			
Crude Oil Price (Bonny Light)	108.92	111.05	111.49
Domestic Production	2.19	2.03	2.21
Crude Oil Export	1.74	1.58	1.76
YEAR 2013			
Month	**October**	**November**	**December**
Description			
Crude Oil Price (Bonny Light)	112.29	111.14	112.75
Domestic Production	2.23	2.09	2.11
Crude Oil Export	1.78	1.64	1.66
YEAR 2014			
Month	**October**	**November**	**December**
Description			
Crude Oil Price (Bonny Light)	83.50	80.42	63.28
Domestic Production	2.21	2.18	2.23
Crude Oil Export	1.76	1.73	1.78

YEAR 2015			
Month	**October**	**November**	**December**
Description			
Crude Oil Price (Bonny Light)	62.06	57.01	47.09
Domestic Production	1.97	2.18	2.12
Crude Oil Export	1.52	1.73	1.62
YEAR 2016			
Month	**October**	**November**	**December**
Description			
Crude Oil Price (Bonny Light)	50.94	45.25	53.48
Domestic Production	1.78	1.92	1.58
Crude Oil Export	1.33	1.47	1.13
YEAR 2017			
Month	**October**	**November**	**December**
Description			
Crude Oil Price (Bonny Light)	58.46	63.56	65.11
Domestic Production	1.95	1.96	1.96
Crude Oil Export	1.50	1.51	1.51
YEAR 2018			
Month	**October**	**November**	**December**
Description			
Crude Oil Price (Bonny Light)	79.18	66.59	62.00
Domestic Production	2.01	1.80	1.90
Crude Oil Export	1.56	1.35	1.45
YEAR 2019			
Month	**October**	**November**	**December**
Description			
Crude Oil Price (Bonny Light)	61.05	65.27	59.10
Domestic Production	2.09	2.07	2.05
Crude Oil Export	1.64	1.62	1.60

Source: *Central Bank of Nigeria Statistical Bulletin, 2010-2020 & NNPC Annual Statistical Bulletin, 2010-2019*

It is apparent from Table 2 that the decline in global oil prices began in 2014, partly caused by the discovery of shale oil by the United States of America. Shale oil discovery in the United States necessitated a downward demand for crude oil in the international market, coupled with overproduction by Saudi Arabia, as well as the fall in demand by Asian countries such as China, leading to the drastic fall in global oil prices (Chidi, Mbah & Ogunyomi, 2018). This development, if not properly managed, could have serious negative effects on virtually all sectors of the Nigerian economy, thus stunting growth, especially in the labour sector.

It bears noting that Nigeria's crude oil is classified as 'Bonny Light' owing to its low Sulphur content. Nigeria is the largest producer of this class of crude in the OPEC bloc (Chidi, Mbah & Ogunyomi, 2018), which has been engaged in massive cuts in crude production amid the COVID-19 pandemic. Table 2 shows Nigeria's crude oil prices in US$/barrel, crude oil production in mb/d and crude oil exports in mb/d from 2010-2019. As of January 28, 2020, Bonny Light cost $62.02 a barrel. By the end of February, however, the cost was around $54.4 a barrel. As of April 25, 2020, Bonny Light cost $16.40 a barrel compared to $25/barrel in the month of March 2020 (OPEC, 2020).

From mid-2014 till date, the plunge in global oil prices has been traceable to a combination of supply-and demand-side factors, culminating in unprecedented decline in global oil prices. On the supply side, strong growth in production by non-OPEC producers, as well as growing US shale oil production, has contributed to an overall increase in output. Among OPEC producers, Saudi Arabia, the United Arab Emirates (UAE) and Kuwait increased crude oil output, as shown in Table 3. On the demand side, the decelerating pace of growth in China and slow economic recovery in the European Union have contributed to lowering the demand for oil. Moreover, the rebalancing of the Chinese economy away from manufacturing to services seems to have had a negative impact on oil consumption (*UK Economic Outlook*, 2015). The COVID-19 global lockdown imposed by different countries also affected the demand for crude oil.

Table 3: OPEC Crude Oil Production Based on Secondary Sources (tb/d)

OPEC Member Countries	2018	2019	3Q 2019	4Q 2019	1Q 2020	Feb 2020	Mar 2020	April 2020	Change April/Mar
Algeria	1, 042	1,022	1,021	1,022	1,017	1,009	1,030	1,007	-23
Angola	1,505	1,401	1,390	1,350	1,388	1,387	1,402	1,312	-90
Congo	317	325	325	315	296	302	294	281	-12
Equatorial Guinea	125	117	119	122	122	121	122	127	5
Gabon	187	208	204	209	195	191	202	193	-9
Iran	3,553	2,356	2,189	2,113	2,058	2,070	2,022	1,969	-53
Iraq	4,550	4,678	4,752	4,633	4,560	4,604	4,571	4,521	-50
Kuwait	2,745	2,687	2,655	2,688	2,739	2,672	2,873	3,132	259
Libya	951	1,097	1,103	1,163	348	147	91	82	-9
Nigeria	1,718	1,786	1,842.	1,777	1,797	1,788	1,844	1,777	-67
Saudi Arabia	10,311	9,771	9,452	9,846	9,814	9,698	9,997	11,550	1,553
United Arab Emirates	2,986	3,094	3,096	3,135	3,208	3,065	3,507	3,839	332
Venezuela	1,354	796	714	724	730	760	660	622	-38
TOTAL OPEC	**31,344**	**29,337**	**28,861**	**29,097**	**28,272**	**27,813**	**28,614**	**30,412**	**1,798**

Source: *OPEC Monthly Oil Market Report (May, 2020)*
Legend: Q = Quarter; tb/d = thousand barrels per day.

From Table 3, based on secondary sources, OPEC's total preliminary crude oil production averaged 30.41 mb/d in April 2020. In Saudi Arabia, the UAE and Kuwait, crude oil output increased, while it decreased in Angola, Nigeria, Iran and Iraq.

Table 4: Global/World Oil Demand (mb/d) in 2019 Pre-COVID-19 Pandemic

Regions	2018	1Q19	2Q19	3Q19	4Q19	2019	Change 2019/2018 Growth	%
Americas	25.60	25.14	25.29	26.03	25.99	25.62	0.01	0.05
of which US	20.82	20.65	20.66	21.05	21.02	20.85	0.03	0.12
Europe	14.33	14.09	14.25	14.75	14.25	14.34	0.01	0.06
Asia Pacific	8.08	8.50	7.61	7.68	8.05	7.96	-0.12	-1.49
TOTAL OECD	**48.01**	**47.72**	**47.15**	**48.46**	**48.29**	**47.91**	**-0.10**	**-0.21**
other Asia	13.64	13.91	13.96	13.51	14.08	13.86	0.23	1.66
of which India	4.73	5.03	4.75	4.49	5.10	4.84	0.11	2.36
Latin-America	6.53	6.35	6.58	6.87	6.53	6.58	0.06	0.87
Middle East	8.12	8.25	7.87	8.67	8.00	8.20	0.08	0.93
Africa	4.33	4.45	4.42	4.36	4.50	4.43	0.10	2.31
TOTAL DCs	**32.62**	**32.96**	**32.84**	**33.41**	**33.10**	**33.08**	**0.46**	**1.41**
FSU	4.76	4.70	4.68	4.96	5.04	4.84	0.09	1.84
Other Europe	0.74	0.75	0.71	0.75	0.84	0.76	0.02	2.69
China	12.71	12.63	13.19	12.95	13.52	13.07	0.36	2.85
TOTAL "Other regions"	**18.21**	**18.08**	**18.58**	**18.66**	**19.40**	**18.68**	**0.47**	**2.58**
TOTAL World	**98.84**	**98.75**	**98.56**	**100.53**	**100.79**	**99.67**	**0.83**	**0.84**
Previous estimate	98.84	98.75	98.56	100.53	100.79	99.67	0.83	0.84
Revision	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

***Source**: OPEC Monthly Oil Market Report* (May 2020) **Note:** *2019= Estimate. Totals may not add up to independent rounding.

Legend:
mb/d = million barrels per day
OECD = Organisation for Economic Co-operation and Development
DCs = Developing countries
FSU = Former Soviet Union

As seen in Table 4, in 2018 world oil demand was 98.84mb/d while in 2019 it increased to 99.67mb/d. The growth was kept broadly unchanged. The difference between the 2018 and 2019 oil demand globally stood at 0.83 mb/d.

Table 5: Global/World Oil Demand (mb/d) in 2020 amid the COVID-19 Pandemic

Regions	2019	1Q20	2Q20	3Q20	4Q20	2020	Change 2020/2019 Growth	%
Americas	25.62	24.47	18.95	24.48	25.16	23.28	-2.34	-9.13
of which US	20.85	20.26	15.22	20.04	20.64	19.05	-1.80	-8.63
sEurope	14.34	12.95	9.67	13.25	13.68	12.40	-1.94	-13.53
Asia Pacific	7.96	7.88	6.25	6.64	7.40	7.04	-0.92	-11.51
TOTAL OECD	**47.91**	**45.30**	**34.87**	**44.37**	**46.25**	**42.71**	**-5.19**	**-10.84**
other Asia	13.86	13.15	12.20	12.40	13.66	12.85	-1.01	-7.29
of which India	4.84	4.74	3.90	3.94	4.83	4.35	-0.49	-10.07
Latin-America	6.58	6.25	6.00	6.24	6.12	6.15	-0.43	-6.54
Middle East	8.20	7.81	7.01	7.94	7.62	7.59	-0.60	-7.36
Africa	4.43	4.41	4.25	4.05	4.20	4.23	-0.21	-4.67
TOTAL DCs	**33.08**	**31.62**	**29.46**	**30.62**	**31.60**	**30.83**	**-2.25**	**-6.81**
FSU	4.84	4.50	3.88	4.45	4.61	4.36	-0.48	-9.97
other Europe	0.76	0.71	0.54	0.47	0.56	0.57	-0.19	-25.22
China	13.07	10.27	12.55	12.37	13.28	12.12	-0.95	-7.29
TOTAL "other region"	**18.68**	**15.47**	**16.97**	**17.29**	**18.45**	**17.05**	**-1.63**	**-8.72**
TOTAL World	**99.67**	**92.40**	**81.30**	**92.28**	**96.30**	**90.59**	**-9.07**	**-9.10**
Previous estimate	99.67	92.92	86.70	94.28	97.30	92.82	-6.85	-6.87
Revision	0.00	-0.53	-5.40	-2.00	-1.00	-2.23	-2.23	-2.24

***Source**: OPEC Monthly Oil Market Report* (May 2020)

Note: *2019= Estimate and 2020= Forecast. Totals may not add up to independent rounding.

Legend:

mb/d = million barrels per day

OECD = Organisation for Economic Co-operation and Development

DCs = Developing countries

FSU = Former Soviet Union

As Table 5 shows, in the first quarter of 2020 world oil demand fell to 92.40 mb/d compared to 99.67 mb/d in 2019, making it a deficit of 6.27mb/d. It was projected that by the fourth quarter of 2020 there would be a deficit of 9.07 mb/d.

5. Discussions

With the crude oil glut in the international oil market, crude oil prices nosedived amid the COVID-19 pandemic. As of 28 January 2020, the price of Bonny Light stood at $62.02/ barrel, while at the end of February the price hovered around $54.4/ barrel. As of 25 April 2020, the price of Bonny Light stood at $16.40/

barrel compared to $25/barrel in March 2020. As Tables 4 and 5 show, there is a significant difference in world crude oil demand pre-COVID-19, particularly in 2018 and 2019, compared to crude oil demand amid the COVID-19 pandemic in the first quarter of 2020. Based on 2020 forecasts, the decline in crude oil demand persisted until 2021 (OPEC, 2020). The impact of the COVID-19 pandemic, which began in the first quarter of 2020, subsequently spread globally within just a couple of months, leading to a recession in the global economy as well as an unprecedented oil demand shock that led to gross oversupply in the oil market. Therefore, clear offshoots of the COVID-19 pandemic include dwindling crude oil prices, crude oil glut and inadequate storage capacity.

6. Conclusions and Recommendations

As Table 2 shows, the decline in global oil prices started in mid-2014. This downward trend is expected to have adverse implications for not only the Nigerian economy but also the global economy. With the COVID-19 pandemic, there was a further plunge in global crude oil prices which would be expected to negatively affect labour and the Nigerian economy. The labour sector is likely to experience retrenchment and massive job cuts and underemployment, leading to reduced standards of living. For the Nigerian economy, businesses would witness declining fortunes, high incidence of unemployment and hyper-inflation.

Consequently, there would be a hike in the prices of consumer goods and services, just as there would be low Foreign Direct Investment (FDI), leading to severe adverse effects on the naira. It is hoped that the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN)—an affiliate of the Trade Union Congress of Nigeria (TUCN)—and the Nigeria Union of Petroleum and Natural Gas Workers (NUPENG)—an affiliate of the Nigeria Labour Congress (NLC)—together with organised labour, will continue to champion the rights of Nigerian workers in the face of the plunge in global oil prices. As a union consisting of both blue- and white-collar workers in the oil industry, PENGASSAN's mandate is to protect the rights of its workers while promoting healthy relations in the oil and gas industry (Fajana, 2005).

It remains a puzzle that Africa's largest producer of crude oil persists in importing refined petroleum products when it can have its own functional refineries. As a matter of urgency, government should consider upgrading the current refineries and building more modern as well as petrochemical plants in order to stop wastage of the country's limited foreign exchange reserve. Moreover, more private investors should be given incentives to build refineries such as Aliko

Dangote's, which has the capacity to refine one million b/d when commissioned. No doubt, Nigeria needs more investment in the refining of petroleum products and the production of other derivatives from crude oil in order to meet demand locally and in the West African subregion. A major effect of such investments would be job creation, leading to rapid economic growth. Consequently, if Nigeria is to survive in the post-COVID-19 world economy, the government should engage in economic diversification entailing promotion of growth in non-oil sectors such as agriculture and solid minerals.

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