

# THE IMPACT OF COVID-19 ON BUSINESSES IN NIGERIA

**Arikekpar, Obaima Ateibueri**

*Department of Business Education, Isaac Jasper Boro College of Education, Sagbama, Bayelsa State, Nigeria | Email: obaimaa@yahoo.com | Tel: +234(0)8030873250*

## ABSTRACT

*The adverse effect of the Corona-virus outbreak is devastating the entire world leading to global economic crisis. Businesses around the world are feeling this impact and their existence are being threatened as going concerns. This paper examined the impact of Covid-19 on Businesses in Nigeria. The study employed secondary data which were sourced from the Nigerian Stock Exchange (NSE) weekly reports from the period before the lockdown (Pre-Covid-19) ranging from 17th January, 2020 to 20<sup>th</sup> March 2020 and compared with the Period during the COVID-19 lockdowns from 3rd April, 2020 to 5<sup>th</sup> of June 2020 and analyzed using ordinary least squares regression technique. Findings revealed that consumer goods index and industrial goods index had a significant impact on the stock market All-share Index during the COVID-19 period while banking sector index and Oil/Gas index did not significantly impact on the NSE all share Index during the lockdown in Nigeria. The study recommends that businesses should take advantage of the Federal Government intervention on loan moratoriums and other measures to assist financial position of companies to cushion the effect of the COVID-19 pandemic on businesses in Nigeria.*

**Keywords:** Covid-19, businesses, All-share index, Sector Index. Nigeria

## 1.0 INTRODUCTION

The Corona virus pandemic is causing a great loss of life and immense human suffering all over the world. It is the biggest public health crisis in decades, resulting to global economic crisis with a halt in production in affected countries around the world, a collapse in consumption and confidence, and stock exchanges responding negatively to heightened uncertainties. (OECD, July 2020). Economic forecasts show an increasingly negative outlook in terms of the magnitude of the global economic downturn set off by the widespread corona virus (COVID-19).

The OECD Predicted in late March 2020 that the commencing direct effect of the quarantine could be a downturn in the level of output of between one-fifth to one-quarter in economies around the world with a decrease in consumers' expenditure by around one- third.

Lately, several other International organizations have made predictions on the economic impact of the COVID-19 pandemic. The IMF June 2020 outlook predicts a decrease in global GDP by 4.9 percent in 2020, 1.9 percentage lower points below the April forecast, followed by a partial recovery, with growth at 5.4 percent in 2021 (IMF, 2020). World investment report (Unctad, 2020) in June 2020 predicted a drop in global foreign investments by up to 40 percent in 2020, with a further decline by 5-10 percent in 2021. The International Labor Organization (ILO) estimates a global rise in unemployment of between 5.3 million ("Low case") and 24.7 million ("High case") as a result of the pandemic signaling that sustaining business operations will be extremely difficult for small and medium sized enterprises (SMEs) in particular.

The World Trade Organization (WTO) reported a decline in the volume of global merchandise trade in Q<sub>1</sub> 2020 by 3% year-on-year, and expects an unprecedented decline in Q<sub>2</sub> of 18.5%, likely leading to a drop of 32% over 2020. In Nigeria Price water-house coopers (PWC) International Ltd. Working with organizations and government agencies in a bid to help SMEs prepare and respond to the different scenarios emerging as a result of the COVID-19 pandemic focused on six key areas for Businesses to tackle. These include crisis management and response, the workforce, operations and supply chain, finance and liquidity, tax, trade and regulatory, and finally strategy and brand (PWC, 2020).

Klynveld Peat Marwick Goerdeler (KPMG) offered cues from KPMG leaders to enable entrepreneurs cope and position businesses to be resilient in the face of the COVID-19 pandemic and any other future global threat, some areas covered include Business impact series, customer first approach during unprecedented times, cyber and fraud risk, the impact of COVID-19 on the Nigerian consumer, COVID-19 support measures from the CBN, COVID-19 and the Nigerian Telecommunications, Media, Cyber security, going concern considerations, the impact of COVID-19 on the banking sector, KPMG News letter (issue 7)- Navigating the pandemic amongst others. This paper examines the effect of the corona virus pandemic on businesses in Nigeria, proffering measures to cushion the negative impact on these enterprises.

## **1.2 STATEMENT OF THE PROBLEM**

The corona virus pandemic (COVID-19) has affected supply chains globally, crude oil prices have dropped drastically around the world, stock exchanges and financial markets globally are responding negatively to heightened uncertainties, sporting and entertainment events have been cancelled all over the world, travel bans and restriction of air flights and movement of people have been put in place across borders through land, sea and rail routes globally. Governments all over the world have put up measures to curtail the spread of COVID-19 through lockdown measures (Partial or total), health and safety measures, policies in trade and commerce amongst others. Nigeria is not left out in this battle (Bako, Y.A & Olopade, O.J, 2020).

Households and micro, small and medium sized enterprises are the hardest hit by the effect of the pandemic. Businesses therefore require a review of their processes in other to continue as going concerns because of the pivotal role they play in boosting economic development being growth supporting sectors of the economy. Nigeria before this pandemic has suffered various challenging crisis, raising questions regarding her status as the giant of Africa, these limitations have further been exposed by the COVID-19 pandemic revealing gaps in the society, business sector and government, showing years of non-functionality of key sectors. (Mckinsey, 2020).

Other economies globally are focusing on measures to close up the gaps resulting from the effect preserve life foremost in the health sector is also implementing re-opening strategies for all sectors of the economy. KPMG Business leaders offered cues for businesses to take to cushion the impact of the pandemic, some of which are examined in this study. They include Covid-19: A Business Impact Series: Financial, Tax and Regulatory considerations to manage COVID-19, , The Twin Shocks(COVID-19 Pandemic & Oil Price Crisis) and Implications for Nigerian Family Businesses amongst others. This study examines the impact of COVID -19 on Businesses in Nigeria.

### **1.3 PURPOSE OF THE STUDY**

The main aim of this study is to examine the effect of the corona virus pandemic on businesses in Nigeria.

The specific objectives are

1. To determine the extent to which banking sector index impacted on the All share Index of The NSE
2. To ascertain the extent of impact of Consumer Goods index on the All share index of The NSE
3. To ascertain the extent of impact of Industrial sector Index on the All share index of The NSE
4. To determine the extent to which Oil/Gas sector index impacted on the All share Index of The NSE

### **1.4 RESEARCH QUESTIONS**

1. To what extent does Banking Sector Index Impact on the All Share Index of The NSE
2. To what extent does Consumer Goods Index Impact on the All Share Index of The NSE
3. To what extent does Industrial Sector Index Impact on the All Share Index of The NSE
4. To what extent does Oil/Gas Sector Index Impact on the All Share Index of The NSE

### **1.5 HYPOTHESES**

The following hypotheses were formulated for this study.

Ho<sub>1</sub>: Banking Sector Index has not significantly impacted on the All Share Index of the NSE

Ho<sub>2</sub>: Consumer goods Index did not significantly impact on the All Share Index of the NSE

Ho<sub>3</sub>: Industrial Sector Index has not significantly impacted on the All Share Index of the NSE

Ho<sub>4</sub>: Oil/Gas Sector Index has not significantly impacted on the All Share Index of the NSE

## **2.0 LITERATURE REVIEW**

Corona viruses (Cov) are a large family of viruses that cause illness ranging from the common cold to more severe diseases such as Middle East Respiratory Syndrome (MERS) and severe Acute Respiratory Syndrome (SARS). A novel corona virus (CoV) is a new strain that has not been previously identified in humans (WHO, 2020). Corona viruses are zoonotic, meaning they are transmitted between animals and people. Common signs of infection include respiratory symptoms, fever, cough, shortness of breath and breathing difficulties. In more severe cases, infection can cause pneumonia, severe acute respiratory syndrome, kidney failure and even death (WHO, 2020).

Standard recommendations to prevent spread of the disease include washing hands regularly with soap and running water, using alcohol based sanitizers, covering mouth and nose when coughing or sneezing, avoid close contact with anyone showing symptoms of respiratory illnesses such as coughing and sneezing (LABMATE, 2020). The first report of the corona virus were delivered to the World Health Organization (WHO) in late December 2019, Health experts in Chinese city of Wuhan described it to have pneumonia- like symptoms. Since then, the disease has claimed more than 694,000 lives, global cases over 18 million as at August 2020 (Worldometer, 2020).

### **Corona Virus in Nigeria and Measures to Curb the Spread**

The first case of corona virus disease covid-19 was confirmed by the Federal Ministry of Health in Lagos State on the 27<sup>th</sup> of February 2020. The case was an Italian, who works in Nigeria and returned from Milan in Italy to Lagos on the 25<sup>th</sup> of February, 2020. The virology laboratory of the Lagos State Teaching Hospital which is part of the network of Nigeria Center for Disease Control (NCDC) confirmed the case (Wikipedia, 2020). The NCDC was set up as a national emergency operations center to control and contain the spread of covid-19 in Nigeria, the centre urged Nigerians to follow precautionary measures such as regularly and thoroughly washing hand with soap and water, and the use of alcohol based sanitizers, maintaining social distances in public spaces, stay at home measures for persons with cough or sneezing symptoms, following good respiratory hygiene such as covering your mouth and nose with tissue when you cough or sneeze and dispose tissue after use, or using sleeve f clothing , bending elbows to sneeze. Contacting the NCDC toll free number to report if citizens feel unwell with symptoms like fever, cough and difficulty in breathing, staying informed on latest developments about COVID-19 (NCDC, 2020). After the first case, cases have raised every day. As at 23<sup>rd</sup> April, the nation had 873 confirmed cases and 48 deaths (Wikipedia, 2020).

A sweeping quarantine was implemented for three major states to help contain the spread of the novel corona virus in Nigeria. The President Mohammadu Buhari announced a 14-day lockdown in Lagos Ogun and the nation's capital Abuja ( Mbah,F, 2020).

The lockdown was however extended on the 13<sup>th</sup> of April 2020 by president Buhari in an address from the state house Abuja telling Nigerians about the state of affairs of the nation and measures taken to curb the spread of COVID-19. Some measures taken included: beefing up the health sector with equipment to intensify case identification, testing, isolation and contact tracing of infected persons. Testing laboratories were doubled, over 7000 healthcare workers were trained on infection prevention and control and NCDC teams were deployed to 19 states of the Federation. State governments, media houses, celebrities, public figures all partook in sensitizing of citizens on hygienic practices, social distancing and issues associated with social gatherings to curb the spread of the dreaded disease. The government of Nigeria to ease the pains of the restrictive policies during the lockdown provided palliative measures such as food distribution, cash transfers, and loan repayment waivers. Security agencies were also ordered to maintain vigilance and enforce the restrictive orders by the president.

### **Easing the corona virus Lockdown in Nigeria**

Easing the corona virus lock down imposed on Nigeria's key urban areas in a bid to restart Africa's largest economy took off on the 4<sup>th</sup> of May, 2020. The nation's economy is predicted to suffer because of the collapse in the oil price. Standard Chartered Bank which forecasted that the economy will grow by 2.5% refracted that forecast and predicted that because of the impact of the corona virus the growth of the economy this year will only be 0.2%. the Nigerian government has since revised its budget for the year, slashing its revenue projection by about 40% and applying for emergency support from the International Monetary Fund of \$3.4bn (£2.7bn). (Orginmo N, 2020). The country's economy will be hard hit by the pandemic since over 90% of its workforce is employed in the informal sector with no access to government support. Small companies have been hardest hit and many have been forced to lay off staff with no help from

the government, since government targeted only the most vulnerable groups as beneficiaries of the covid-19 palliatives (Olisah C, 2020).

The Minister for Industry, Trade and Investment, Amb. Mariam Katagum. (PM News, 2020).

The debilitating business climate in the country occasioned by the outbreak of corona virus pandemic and shrinking profitability of many business concerns have led to massive 32,000 requests for loan restructuring by bank customer (Business am live, 2020). The deputy governor , financial systems stability department CBN, Aisha Ahmad said 17 Commercial Banks have submitted request as at July, 2020 to restructure over 32000 loans for individuals and businesses impacted by Covid-19 pandemic. The pandemic according to the World Bank has become a threat in the banking sector and could push another five million Nigerians into the poverty bracket. The 32,000 loan requests for individuals and businesses represent 32% of total industry loan portfolio, with the manufacturing and general commerce sectors constituting the bulk of the restructured facilities (PM News, 2020).

## **The Effect of COVID-19 on Businesses in Nigeria**

### **Financial, Tax and Regulatory Anticipations in Managing Covid-19 Disruptions**

In the wake of the Covid-19 disruptions on business concerns globally, the following thoughts should be upper most on the minds of business operators in these trying times (KPMG, 2020).

#### **1. Cash Flow Management**

As businesses witness a fall in revenues and debtors delay in making payments because of the pandemic, effective cash flow management is key. Sources to explore include emergency funding through loans, existing cash pooling arrangements or equity. Tax returns can be delayed. The FIRs and some state tax authorities have extended deadlines in response to the crisis.

#### **2. Strong Compliance Processes and Administration**

This may not be easy since most staffs are working from home and business owners are focused on the survival of their businesses. The business will have to maintain company secretarial and general governance obligations while working from home. Organizations will need to put the following measures in place:

- Existing business continuity plans may not be feasible in handling a pandemic of this nature, incident management and scenario plans that are specific to this crisis will have to be developed. (PWC, 2020)
- Focus on factually and effectively communicating to stakeholders for example it is the duty of public companies to disclose information about large scale office closures to the general public.
- Plan on how to meet government priorities by keeping up to date with new COVID-19 related reliefs from governments and tax authorities.
- Assess remote working strategy including asking employees to temporally stop work or work remotely or relocate. thoughts about the business maintaining regulatory compliance across the value chain eg. Cyber security, trading, supervision, data privacy regulations.

- Considering and addressing tax impact of contractual variations, changes to payment terms and orders, terminations and other similar events.

### 3. **Workforce**

Issues to address include how to support remote working at scale:

- Attend to immediate global mobility concerns such as reviewing travel rules, HR policies and first-aid plans. Expatriates working in Nigeria who have had to be evacuated because of the crisis need to be taken into consideration, in terms of relocation plans, working from another location, immigration requirements, extension of business visas and temporary working permits, local filling requirements, tax consequences etc. (KPMG, 2020).

All over Nigeria, because of the lockdowns most employees are working from home. Special arrangements like rotational shifts have been made. Key considerations here include:

- Relevant employment laws covering employees which address liability in the event of accidents and injuries sustained while working from home.
- Extra pay from employers covering extra utility expenses such as internet, electricity etc. Organizations need to address strains on a firm's existing information technology communications infrastructure to support remote working. (KPMG, 2020).

### 4. **The Effect of Travel Restrictions for Directors Unable to Attend Board Meeting**

The evaluation of citizen's resident in other countries, and travel bans have affected physical attendance at board meeting. One key issue to consider is:

- Are virtual meetings allowed where directors cannot attend meetings in person, as stipulated by the companies and Allied Matters Act (CAMA) and other regulations like those issued by the Nigerian Stock Exchange (NSE)? Is it necessary to have a quorum meeting physically in one place with others dialing in or can the meeting be entirely virtual?

### 5. **Effect on Supply Chain Disruptions**

The pandemic had affected supply chains; Lack of staff by suppliers or vendors due to illness or lockdown, disruption of transport routes, import or export bans insolvencies etc. Measures to take are:

- Identify alternate supply chain scenarios: Switch suppliers or selling channels, a change in the quantity or type of product or services bought or sold may come in play, transport routes will need to be modified (KPMG, 2020).
- Activate preapproved parts or raw-materials substitution: Adapt allocations to customers and pricing strategies taking into consideration indirect tax consequences. The impact on a group's transfer pricing policy if profitability changes due to supply shocks and new prices for inputs and or changed demand and pricing on outputs are some considerations for businesses in these trying times (KPMG, 2020).

### **Economic and Regulatory Measures Taken By The Federal Government Against Covid-19**

The Federal Government ordered cessation of movement in Nigeria's commercial cities Lagos, Ogun and the FCT on the 30<sup>th</sup> of March, 2020, to curb the spread of COVID-19. Essential services like hospitals and medical related establishments, health care related manufacturing and distribution, telecommunications companies, broadcasters, print and electronic media staff were exempted from the restrictions. All seaports in Lagos remained operational within guidelines. Relief materials were distributed all around Lagos and Abuja as easing measures. (KMPG, 2020). Moratorium was extended for FG funded loans with repayment in 3 months to all Trader Moni, Market Moni and Farmer Moni loans as well as FG funded loans issued by the Banks of industry, Bank of Agriculture and the Nigerian Export-Import Bank (KMPG, 2020).

A Presidential Task Force (PTF) was created as a National response body against COVID-19. The FG directed all ministers to develop a comprehensive policy for a "Nigerian economy functioning with COVID-19".

The ministers are to be supported by the Presidential Economic Advisory Council and Economic sustainability committee in carrying out the mandate. The Minister of Agriculture and Rural Development, the National Security Adviser, the Vice Chairman National Food Security Council and the Chairman Presidential Fertilizer initiative are to work with the PTF on COVID-19 to minimize the impact of the pandemic on the nation's 2020 farming season. (PWC, 2020).

The Federal Capital Territory Internal Revenue Service (FCT-IRS) extended the deadline for filling of Personal Income Tax (PIT) returns by 3 months from 31 March, 2020 to 30 June 2020, in response to the disruptions to businesses brought by the COVID-19 Pandemic.

The Naira depreciated in value and dropped to its weakest level since February, 2017 as recorded by the parallel market (Black market). N20, 000 cash relief were transferred by the FG to poor households as covid-19 easing reliefs.

### **Impact of Covid-19 on the Nigerian Consumer and Industrial Markets**

The pandemic has worsened the Nigerian economy making her more vulnerable, because of high dependence on imports especially Chinese imports. The National bureau of statistics reports that in 2019, raw materials constituted 70% of the total imports from China into Nigeria. Asia and Europe contributed 86% of Nigeria's imports in Q4 2014 (KPMG, 2020). The lockdown restrictions, and cross border trade bans have significantly distorted supply chains, this will in turn affect the Nigerian consumer and industrial markets.

### **Fast Moving Consumer Goods (FMCG)**

Companies that supply low-cost products that is in constant demand fall in this sector. Products include food and beverages, home and personal care, pharmaceuticals etc. The shelf life of these products is short and they are non-durables hence the term fast moving. The FMCG sector contributes about 5% of Nigeria's Gross Domestic Product (GDP) according to NBS foreign trade in goods statistics (Q4 2019). Also FMCGs constitutes 17% of the total value of equity on the NSE according to NSE market capitalization report for December, 2019 (KPMG, 2020).

The FMCGs sector has experienced a mixed impact due to the lockdown and FOREX devaluation from falling crude oil prices, though the sector is operational since it falls in the group of essential product and service providers (KPMG, 2020).

The impact on the FMCGs sector and key policy recommendations are as follows as stipulated by Klynveld Peat Marwick Goerdeler (KPMG) business leaders.

### SUPPLY SIDE OF CONSUMER GOODS

- i) **Production shutdown:**-This highly impacted on the FMCGs. The lockdowns resulted in the discontinuation of production activities except for essential items.
- ii) **Supply Chain Disruption/Higher Cost of imported Raw-Materials:**-This was highly felt because of restrictions on the flow of people and goods locally and internationally, While the devaluation of the naira will affect imported raw materials, alternative measures have to be taken, using local suppliers even though they may be expensive and checking the cost implications of the business are some response measures to be taken.
- iii) **Route-To-Market (RTM) Challengers:**-The lockdowns affected movements; even companies moving essential products through wholesalers faced difficulties because of transportation constraints and limited visibility of open retail outlets. This highly impacted this sector. Policy recommendations here are to maximize e-commerce, integrate delivery services and fintech in operations.

### DEMAND SIDE FOR CONSUMER GOODS

- i) **Fluctuations in Demand:** FMCGs were highly impacted by the COVID-19 Pandemic which affected purchasing power of consumers. Panic buying of essential items brought about increased demand; consumers became conservative in spending because of the raging uncertainties.
- ii) **Price Revisions:** The market was highly affected by price hikes in essential items and other products. On the other hand companies producing non-essential items may have to provide incentives such as price discounts to spur discretionary spending.
- iii) **Security Challenges:** The security situation in Nigeria was made worse as a result of the hunger crisis, because of the lockdowns. Job losses will heighten the unemployment situation in the country further disrupting the RTM strategies of FMCGs.
- iv) **Cash Flow:** A very high impact was felt which makes cash management strategies very crucial for businesses to maintain continuity. The fall in expected cash-flows has affected the FMCGs ability to fund operating costs. A slash in costs, administrative, overhead, and deferment are imperative.
- v) **Finance Cost:** The impact on finance is high as FMCGs will be less able to fulfill their debt obligations and liquidity positions deteriorate due to reduced cash flows. Business failure is envisaged for some companies. The FGN's intervention on loan moratoriums to assist financial position of companies to cushion the effect of the COVID-19 Pandemic will hopefully help in the survival of companies in Nigeria.

## Recommendations for FMCGs Industry Players

- i) **Customer Care:** Businesses should take the pulse of their customers. in the short-term implement health and safety measures for employees, set up necessary technologies and guidelines to assist with remote working, reassure customers of continuity of services, effective digital delivery services is essential, contribute cash and products and join in the fight against COVID-19 to maintain customers confidence and investors as well.  
In the medium to long run leverage on logistics partners, build sales force tough virtual trainings and other infrastructure; strengthen sustainability strategies for the business
- ii) **Tax, trade and Regulatory Policies:** In the short term, Deferral of Income Tax payments for small and medium companies by the Federal Inland Revenue services (FIRs).  
In the medium to long run – Temporary relief or suspension of payments of outstanding tax obligations, Temporary reduction in tax rates or exemptions of business from some specific taxes eg. VAT, CIT etc, Development of tax recovery measures.
- iii) **Finance and Liquidity:** In the short term FMCG industry players can improve liquidity and working capital by assessing short to medium term intervention credit facilities at low interest rates. In the long run, banks to grant moratorium on existing long term loans restructure FMCGs loans in line with current realities. Businesses should take adequate insurance coverage against extreme business disruptions
- iv) **Support for final consumers:** In the short run consumers should have price controls for food and medical supplies, commission waivers on local currency electronic fund transfers, moratorium on debt payments on commercial bank and government loans. In the medium to long run, pension payments to final consumers whose jobs have been impacted by COVID-19 should be accelerated. PIT reduction/exemptions, effective implementation of unemployment insurance benefits.

## INDUSTRIAL MARKETS

Companies in building and construction (B&C) and packaging and containers (P&C) make up this sector. They are largely driven by government policies and infrastructure spends. Recently foreign building and construction firms have come in to partner with government to bridge the infrastructure gap in this sector. 2019 Q3 GDP shows 11% growth in the cement sub-sector, YOY growth is 6.87%. The B&C is predicted to grow to N9.5 trillion by 2021. There is strong, competition in the domestic market because of border closures on exports (KPMG, 2020)

The sector was impacted by the pandemic in the following ways as highlighted by KPMG Business leaders:

1. **Production:** High impact on production. The lockdown affected some industries which were shut down. P & C production for essential goods may continue in the short term but there's likely to be shortage of raw materials in the medium to long term. Containment of the Pandemic will determine resumption of ongoing projects.
2. **Demand Slowdown:** Ongoing infrastructure projects were affected by the lockdown due to dwindling government revenue. The demand/supply disruptions in the FMCGs sector has slowed down the demand for P & C. Exports have been negatively impacted even before the pandemic by the border initiative of the FGN
3. **Cash Flow Constrains:** Contractions in cash flow was experienced across players. Debtor's payback period is expected to elongate, inventory buildup is anticipated. Cost

management strategies will be the best strategy for industry players to implement to ensure survival.

4. **Supply Chain Disruptions:-** The impact here was medium because of delays in ongoing and planned expansionary and maintenance projects/investments. The sector experienced delays in clearing goods (other inputs, machinery, etc) at the port and banking instruments. There may be shortages for packaging businesses in the middle term. Raw materials were largely locally sourced via backward integration for cement.
5. **Work/Labor Force** experienced high constraints due to movement restrictions. Some expatriates required for key operations left the country. The sector is likely to experience salary freeze and cuts during and after the crises.
6. **Product Price:** The sector will experience high product costs; price reduction is expected as producers seek to spur demand in the short and medium term.
7. **Finance Cost:** The effect here is medium. Deteriorating liquidity positions due to reduced cash flows will restrict industry players from fulfilling their debt obligations. Funding is primary, players here are better able to access funding and renegotiate existing loan terms. Companies should seek financial advice on restructuring measures that will support negotiations with lenders in line with current market realities.

#### **Recommendations for Industrial Markets**

- i) **Tax and Regulatory:** Take advantage of tax filling extensions by FIRs, payroll tax relief for staff retention among others in the short run. Apply for tax holiday, advocate for more relief and harmonization on multiple layers of tax and levies in the medium to long term.
- ii) **Liquidity and Working Capital:** Renegotiate bank facilities based on CBN regulations. Monitor cash flow and expenses to ensure sustainability in the short term, in the long term manage communications and interactions with relevant stakeholders, landlords and tax authorities. Explore alternative financing options with investors/financiers; rebuild trust with stakeholders to support sustainable financial restructuring.
- iii) **Supply Chain:** In the short term improve stock management, replenishment and distribution model. Use direct to customer strategies to ensure constant supply of products and enhance profitability. In the medium to long term realignments of supply chains by partnering with logistic service providers or other stakeholders to ease supply challenges. Directly and indirectly explore multiple supply options.
- iv) **Support for end customer:** Price reduction to spur demand, engage customers through on-line channels in the short-term while in the long term business operations needs digitization and automation of marketing efforts.

#### **Insights for Industry Players**

- i) **Reposition the organization:** Continuous assessment and response to competitive intelligence ensure data driven decisions, inventory management, extend payables duration obtains cuts on existing contracts in the short term. In the long term explore leading edge automation of manufacturing processes, functional digital transformation across the value chain. Data driven approaches to audits or monitoring high spend or high risk areas, monitor ongoing cyber fraud etc.

- ii) **Workforce/People:** Provide adequate support for remote working, including reimbursements for data and power cost, provide frame work to guide remote working, set up a COVID-19 response team, ensure regular and transparent communication with staff and union on developments in the short run, also provide protective gear such as masks, gloves for employees going to work. Provide extra compensation for front line employees or those who have to physically report at work amongst others. In the long term, Align performance management and target setting to the new normal, use on-line training and development tools to drive cost effective learning, review compensation models in line with reality.

### **AGRIC BUSINESS SECTOR**

This sector had a market size of N31.9 trillion in 2019. real GDP contribution was 25.2% in 2019 vs. 25.1% in 2018. The sector employed 35.1% of total employment in Nigeria in 2019. Capital importation in agriculture sector (percent of total FD1) in 2019 was US \$489.9 million and 2% total capital importation. Agric business value chain has been classified into: Input producers (IPs), Agriculture Production (APD) and Agro-Processors (APRs). Agriculture output segments contribution to GDP is Crop (88%), livestock (7%), Aqua-culture (4%) and Forestry (1%), (KPMG, 2020).

### **Impact and Recommendations for Agric Business**

- i) **Cash Flow Constraints:** The IPs experienced high constraints, APD (low) and APRs medium. Most of the Agric business entities are SMEs with minimal cash flow buffer to meet sudden increase in working capital requirements required for credit extensions to farmers and customers which will be necessary to buffer falling revenues arising from the crisis.
- ii) **Production Shut-Down:** Effect on IPs (High), APD (low), APRs (medium). APDs were affected by the lockdowns; APRs and IPs were exempted as essentials service providers. Food scarcity and shortage were experienced because of the effect and shortage in essential inputs for agriculture production.
- iii) **Supply Chain Disruptions:** IPs (High) APD (medium) and APRs (High). Challenges were experienced around supply chain and logistics of transportation even for essential businesses, negatively impacting on the demand and supply value chain for Agricultural products.
- iv) **Labor Force:** IPs (high impact) APD (low) APRs (High). Staff redundancies are expected amongst IPs and APRs, most of which were shut down. Contract labor arrangements are expected to increase post-COVID-19, which will affect permanent labor.
- v) **Movement Restrictions (Lockdown):** The IPs were highly affected, APDs (medium) APRs (high impact). Food shortages were cushioned by FGs response to release grains from national strategic reserves and social interventions from various State Governments and private organizations. However, there was an upsurge in food prices.
- vi) **Insecurity and Unrest:** Impact on IPs (medium), APDs (high) APRs (High). Increased insecurity and unrest across the nation because of the resulting hunger crisis

and shrinking income posed significant threats on players in the Agric business value chain.

### **Recommendation for Agric-Industry Players**

Companies should take advantage of the various stimulus packages from the FGN, to support cash flow and working capital, optimize costs, and Review existing contracts to ensure optimal value for money, consider various supply chain logistics and RTM initiatives to combat the effect of COVID-19.

### **RETAIL AND E-COMMERCE IMPACT**

The formal retail businesses and online trading of goods and services are the players here.

Recent challenges faced by the sector include: digital trust, distribution channels, high shipping cost, macro-economic issues, infrastructure challenges etc. the lockdown restrictions globally is a big threat on this industry (KPMG, 2020).

- i) **Supply Chain Disruption:** Highly impacted especially in transportation and distribution of goods domestically and internationally. Retailers of essential products witnessed supply chain disruptions. Security of essential service providers and their employees became a concern as they commuted during the period. The sector experienced a drop in sales, spending went up.
- ii) **Pressure on Alternate Distribution Channels:** There was a massive shift to online channels by consumers to procure essentials like groceries and other house hold items. The E-commerce sector was also plagued with short comings in the areas of delayed deliveries, poor customer services, questionable return policies, cyber fraud concerns affecting the confidence of customers. The E-commerce companies will need to equip their employees to manage operations remotely with little or no disruptions.
- iii) **A Fall in the Demand for Non-Essential Goods:-** Sales reduction were witnessed in the sector and the market is likely to crash since consumers will prefer to conserve cash due to the uncertainty of the duration of the crisis, if the pandemic lingers retailers and e-commerce businesses are faced with the risk of a drop in revenue.
- iv) **A Drop in Disposable Income:** The collapse of global oil price and the reduced demand because of the pandemic created a twin shock on the Nigerian economy which will result in increased liquidity issues, and foreign exchange pressure for government and consequently for businesses. This revenue pressure will lead to a decline in disposable income for low/middle income earners thus affecting purchasing power.  
Recommendation for this sector is same for players in the industrial sector.

### **IMPACT OF COVID-19 ON THE NIGERIAN TELECOMMUNICATION, MEDIA AND TECHNOLOGY (TMT) SECTOR**

Telecoms service globally have seen a significant increase in demand since the advent of COVID-19, as consumers had to depend on these services to work from home, maintain social ties, access entertainment and training among others (KPMG, 2020). Businesses have also had to rely on telecom services to work from home and carry out operations.

The Nigerian telecoms industry is experiencing a boom like other developed countries because of the lockdown. On the media front there has been rising demand for existing content and stagnation of new content creation as a result of the pandemic. Demand for TV programs like

DSTV streaming, Neltlix, Youtube and on-line gaming continues to rise. On the other hand, movie productions and premieres, live broadcast of major sporting events like NBA, football and even the Tokyo 2020 Olympics have been postponed. Commercial advertising has also witnessed a down turn since most brands are engaging in pandemic related public enlightenment campaigns across the media alongside government and engaging in COVID-19 relief distribution as a strategy to project the brands positively. The impact on the technology (tech) sector can be viewed from three angles – Hardware soft ware and information technology (IT). The hardware segment experienced reduced activity due to supply chain disruptions causing limited availability of hardware and delayed launch of new products. This segment is predicted to witness a decline in revenue. The software, sub sector on the other hand is receiving a boost; the social restrictions have revolutionized business interactions, learning, work and play. Teleconferencing tools like zoom, Microsoft teams and Skype have reported a sky rocket in the daily and monthly average usage as users have had to look to technology to stay in touch for business, educational and social needs. The implication is an increase in revenues, share values and investor confidence. In Nigeria, the financial technology (Fintech) sector particularly the mobile payment solution providers have seen an increase in usage, while some mobile learning providers like ulesson have seen a boost, tech based service providers like uber and bolt have been negatively impacted by the lockdown as their businesses were shut down. Hopefully the gradual easing of the lockdowns will improve the situation for these service providers.

### **OIL & GAS INDUSTRY AND NIGERIAN FAMILY BUSINESSES**

This section looks at the twin shocks of COVID-19 and their impact on Nigerian Businesses. The Nation is currently experiencing the twin shocks of COVID-19. businesses are currently experiencing the following challenges as a result of the COVID-19 pandemic.

- **Supply Chain Disruptions:** this was because of movement restrictions locally and internationally.
- **Greater reliance on digital channels:** causing pressure on technology infrastructure and resources
- **Worries about the continuity of business**
- **Administrative changes**
- **Revenue falls:** caused by reduced demand
- **Liquidity challenges:** due to cash flow disruptions
- **Increased fraud and cyber threats**
- **Reduced Profit levels**
- **Losses:** losses due to devaluation of foreign exchange etc

The period of the lockdown affected households and SMEs the most. Businesses experienced a slowdown in their activities, there was disruption in the work force as most companies were shut down, employees productivity declined, processes were disrupted because of bans and restrictions, most companies had to look at alternative supply channels for raw materials and spare parts needed. On the other hand e- commerce had a boost. Digitization became a necessity for businesses to maintain their processes.

The oil and gas sector however experienced positive impact on price variations of key raw materials cash flow and supply chains were negatively impacted by the pandemic, the labor force and consumer sentiments were moderately affected (KPMG, 2020).

The decline in crude oil prices and the impact of the COVID-19 pandemic resulted to a twin shock on the Nigerian economy causing a further deterioration in the value of the naira. The uncertainties resulting from the shocks are further devaluing the naira. The OIL/Gas industry is highly regulated by government policies. The recommendations for operations in this sector are:

- Hedging against price fluctuations of output
- Introduce measures to cushion the effect of oil price reduction on cash flow
- Engage with trade unions to manage employees expectations
- Operate within social distancing norms

On the demand side

- Extend credit facilities to support customers with cash challenges
- Sensitize customers on possible price fluctuations and disruptions in services
- Implement policies for social distancing e.g use of face masks and gloves.

### **Nigeria Economic Sustainability Plan (NESP) Response to COVID-19**

The Nigerian Economic sustainability plan (NESP) approved by the Federal Executive Council (FEC) on June 24<sup>th</sup>, 2020 was developed by the Economic Sustainability Committee (ESC), established by President Muhammadu Buhari on March 30<sup>th</sup> 2020. The committee chaired by the Vice President Yemi Osinbajo, comprises several cabinet Ministers as well as the Group Managing Director of the NNPC and governor of the Central Bank of Nigeria (CBN). The committee is charged with the following responsibilities (PWC, 2020).

- Development of a plan that responds robustly and appropriately to the challenges posed by the COVID-19 pandemic
- Identification of fiscal measures to enhance oil and non-oil government revenues and reduce non-essential spending
- Creation of a financial stimulus package for the Nigerian economy
- Articulation of specific measures to support the 36 States and the FCT, and very importantly,
- Support for MSMEs and the creation of jobs.

The NESP is driven by the following principles

1. **Local Content And Self Reliance:** The plan promotes local production, local services, local innovation, and use of local materials in line with the mandate of presidential executive order 5 of 2017, in the promotion of Nigerian content in contracts and science, engineering and technology, and also based on president Buhari's mantra to "produce what we eat and consume what we produce".
2. **Economic Stimulation:** ensuring liquidity, preventing business collapse, and starving off the worst impact of a potential recession.

3. **Job Preservation and Creation:** the NESP recommends carrying out labor intensive programs in key areas like housing, roads, agriculture, facility maintenance and direct labor interventions- all heavily utilizing local materials.
4. **Pro-Poor/ Vulnerable Focus:** the NESP will extend protection to vulnerable groups including women and persons living with disabilities. It will also cater for sectors of the economy that have been worst hit by the pandemic.

### Key Interventions of the Plan

- **Mass Agricultural Program (MAP):** Providing farmlands in every State to create millions of direct and indirect job opportunities.
- **Infrastructure:** covers extensive public works and road construction program, as well as repair of major and rural roads using locally available materials like limestone, cement and granite which will also provide a platform for young Nigerians to be recruited and provide job opportunities. Also, the Mass Housing Program (MHP) is also in perspective, to deliver up to 300,000 homes every year. Young professionals and artisans are expected to organize themselves into small and medium scale co-operative businesses within the construction industry to develop these houses. This program will also prioritize the use of local labor and materials. Another component in infrastructural development is the installation of Solar Home Systems (SHS). Targeting 5 million households, serving about 25 million Nigerians not currently connected to the National grid. Solar equipment manufacturers will be required to set up production facilities in Nigeria to provide the needed materials. And finally in the area of investment in healthcare infrastructure, this will be done through a special intervention fund, as well as tapping into an existing World Bank facility (REDISSE Program) to support Covid-19 interventions in the States.
- **Informal sector support:** this will take the form of low interest loans, and the easing of procedures for registration, licensing, obtaining permits, etc. Mechanics, tailors artisans, petty traders and all other informal business people will be supported to grow their business.
- **Business support for MSMEs:** Payroll support will be given to designated sectors so that they can keep their employees and help maintain jobs; loan restructuring and moratorium for existing debt; low interest loans to local manufacturing industries for production in critical sectors like pharmaceutical industry, aviation, hotels and hospitality industry, private schools, road and transportation, technology firms, creatives etc. a guaranteed off take scheme for MSMEs will BE operational by making government a key purchaser of specific priority products made by MSMEs like Personal protection Equipment (PPEs), face masks, face shields. Processed foods, pharmaceuticals, etc
- **Technology:** The NESP will be a focus on digital identification of every Nigerian. Broad band connectivity will receive a boost thus helping to create jobs and opportunities for young Nigerians, a program in digital out sourcing will also be created to stimulate job creation.
- **National Social Investment Programs:** the plan will also see an increase in the number of cash transfer beneficiaries, N-power volunteers and sundry traders will benefit from small and micro loans through the market moni and trader moni schemes. the pre-existing

conditional cash transfers for extremely poor and vulnerable Nigerians will also be extended.

Other areas include cut down on non-essential spending, reduction in average production costs of crude oil, non-critical and administrative capital spending will be eliminated. Only purchase of vehicles like ambulances, fire fighting vehicles and other essentials will be allowed. State governments are expected to collaborate with Federal government on the projects outlined on the plan; the plan provides for negotiation of suspension of ISPO payments by States, moratoriums in respect of bailout loans and urges States to adhere to the outlined conditions by SIFTAS and other World Bank Programs, in order to access external support (PWC, 2020).

### **Positive Potentials of the COVID-19 Pandemic**

1) **A Cleaner World:** to prevent the spread of COVID-19 globally, lockdown measures were enforced which led to businesses being shut, factories closed, social movement restricted and transportation brought to a halt. This led to a drop in global green house gas emissions. As the burning of fossil fuels reduces, carbon footprints have lessened and air quality has improved significantly (Ajifowole, M.G, 2020). Canals and oceans across major cities of the world are cleaner, escaping the usual pollution from daily human activity.

2) **Improved Hygiene:** the necessity for people to take safety measures like washing hands regularly and sanitizing surfaces to keep corona virus at bay has led to physical well being and improved hygiene.

3) **Private Sector rise to social cause:** Nigeria's private sector has made significant financial contributions through the special fund set up by the Central Bank. The Private sector has stepped up to collaborate with government in the fight against COVID-19. Business organizations have contributed to the production of needed materials such as ventilators, sanitizers, PPEs etc. to support government in the battle against COVID-19.

4) **Digital Transformation:** digitization is the new normal. In Nigeria according to SMEDAN Director Dr. Umaru Radda "The fortunate side of COVID-19 is the emergence of many enterprises in the area of information technology" (Onehi, V, 2020). The SMEDAN boss said a lot of MSMEs came up with a lot of innovations of face masks and hand sanitizers and a lot of other businesses. The pandemic has pushed everyone towards digital transformation across many sectors globally from the use of autonomous vehicles in delivery of goods in China to the adoption of on-line classrooms and educational platforms by schools and universities in Africa (Printec Team, 2020). Digital transformation has become number one priority for businesses and governments around the world. Work from home, social distancing and lockdown have forced organizations to invest and implement projects which accelerate digital transformation. Healthcare facilities are also expanding access to telemedicine or conference organizations holding remote events have become the new norm. Doing things digitally and bringing things up to speed has become the new normal. E-commerce and m-banking, self service kiosks, video conferencing, messaging and collaboration tools and other practical and exciting things technology has to offer to get things done (Printec Team, 2020). Adoption of on-line shopping would likely increase Post-COVID-19 boosting the e-commerce and Fintech segments of the economy.

- 5) **Employment/Job Creation:** New jobs are expected to be created in many sectors of the economy; the Agribusiness sector has huge potentials for employment. The FGN should increase intervention to this sector to boost employment in the nation (KMPG,2020).
- 6) **Partnerships and alliances:** the market demand patterns have been disturbed with extreme plunges in some cases and upward surge in others. SMEs need to form complementary alliances leveraging on each other's resources and capabilities, and transform into a stronger entity that can cater for current market demands to ensure their survival as well as help serve their communities and create positive PR. (Farouk, H. 2020).
- 7) **Government Aid:** government grants have become available at a global scale, prioritizing SMEs, start-ups and entrepreneurs. This is the best non-equity class of funding for these businesses to take advantage of and inject internally (Farouk, H. 2020).

### **Empirical Review**

Bako, Y. A & Olapade, O.J (2020) in a study on The Effect of Global Pandemic virus (COVID-19) on Small Businesses in Ogun State: Experience from Abeokuta South L.G.A adopted a survey design, data were analyzed using regression technique and findings revealed that the lockdown policy by the government has drastically reduced the sales volume of the MSMEs as a result of weak purchasing power of their customers, lowered buying behavior has also affected the supply chain of Businesses. The study recommends that government should review the lockdown policy and return the economy to normal following health safety policies.

In a study by Ari Wijaya, O.Y (2020) on the Impact of COVID-19 on Micro, small and Medium Enterprises in East Java Province, Indonesia and Strategies for overcoming: Ad Interim, applying a qualitative approach, found the impact of the pandemic very large on the economy due to a sharp fall in revenue, and found a significant reduction in sales revenues from MSMEs up to 80%, and recommends Strategies to minimizing the impact of the pandemic as very crucial for businesses. Yanusa, T., Esomchi, O.S, Oyewole. E et al (2020), examined the Socio-Economic Impact of COVID-19 on the Economic Activities of Selected States in Nigeria, using a multistage sampling method, data were analyzed using regression analysis of variance (ANOVA). Findings revealed that the lockdown and restrictions were affecting the level of economic activities within the period of the study from March 2020 to May 2020. Change in customer patronage (CPL), price of spare part skyrocket to lockdown (PSL), rental shops and mall (RSM), had a significant but negative impact on the model, while banking service skeletal (BSK) and Income of transporters reduced (ITR), had a negative non-significant impact on the models due to the restrictions on movement. The rest of the variables Services limited to essential goods (SLE), Viewing centers /betting shops (VCB), Business indebtedness to perishable goods (BIL), lockdown policy affect supply and sales (LPS), Lockdown policy affect prices of goods and services (LPP), movement restricted to households (MRH), Inter State relationships on goods and services (SRG), Travelling fare skyrocket (TFS) had positive significant effect on the level of economic activities. The study predicts a negative impact on business activities should the pandemic linger on and if the lockdown policy is not lifted, in agreement with Ozili and Arun 2020, who argued that the COVID-19 pandemic has affected economic activities globally and will eventually lead to a global economic crisis, the study recommends that Federal government in collaboration with State governments should look at the fortunate side of the pandemic and create lasting programs that will transform and push all

sectors of the economy towards the long needed advancement and development. Emelife, G (2020).

### 3.0 METHODOLOGY

This paper examined the impact of the COVID-19 Pandemic on Businesses in Nigeria The method used is Ordinary Least Squares analysis.

#### 3.1 Variables

Dependent Variable: The NSE All- Share Index (ASI) which is the overall market price

Independent Variables: The Sector Indexes were captured using the following variables

1. NSE Banking Index
2. NSE Consumer Goods Index
3. NSE Industrial Goods Index
4. NSE Oil/Gas Index

**3.2 Data collection:** Data were sourced from the Nigerian Stock Exchange Weekly data of market price viz a viz the all share index. The all share index was used against the sector index. The period of the study ranges from the period before the COVID-19 pandemic (Pre-COVID) FROM 17<sup>TH</sup> January 2020 to 20<sup>th</sup> March 2020 and the period during the lockdown from 3<sup>rd</sup> April 2020 to 5<sup>th</sup> June 2020.

#### 3.3 Model Specification

This section formulates the model that assists in achieving the stated hypotheses

The NSE All Share Index which is the overall market price of all quoted shares on the NSE for the Pre- COVID period and during the COVID-19 pandemic against the variable which represents the sector indexes of Nigerian businesses represented as follows:

$$ALLSH=f(BKIND,CGIND,ININD,OGIND).....1$$

The OLS linear regression equation based on the above functional relation is:

$$ALLSH= {}_1BKIND_t+ {}_2CGIND_t+ {}_3ININD_t+ {}_4OGIND_t+u_t.....2$$

Where:

ALLSH= The NSE All Share Index

BKIND=NSE Banking Index

CGIND=NSE Consumer Goods Index

ININD=NSE Industrial Goods Index

OGIND=NSE Oil/Gas Index

<sub>1- 4</sub> = Parameters

$u_t$  = Error term

#### 4.0 RESULTS AND DISCUSSIONS

**TABLE 1. PRE- COVID-19 FROM 17<sup>TH</sup> JANUARY TO 20<sup>TH</sup> MARCH 2020**

Dependent Variable: ALLSH  
 Method: Least Squares  
 Date: 08/15/20 Time: 03:53  
 Sample: 1 10  
 Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1958.804	2544.504	0.769818	0.4762
BNIND	25.89662	3.753359	6.899583	0.0010
CGIND	5.324414	2.300233	2.314728	0.0685
ININD	6.336645	1.780745	3.558423	0.0162
OGIND	25.51177	19.61887	1.300369	0.2502
R-squared	0.998525	Mean dependent var		26873.03
Adjusted R-squared	0.997345	S.D. dependent var		2608.920
S.E. of regression	134.4231	Akaike info criterion		12.94671
Sum squared resid	90347.81	Schwarz criterion		13.09801
Log likelihood	-59.73357	Hannan-Quinn criter.		12.78075
F-statistic	846.2825	Durbin-Watson stat		1.312914
Prob(F-statistic)	0.000000			

Source: Weekly reports from NSE, 2020; Reject  $H_0$ : if p value <0.05, Accept  $H_0$ : if p value 0.05

**TABLE 2. DURING THE COVID 19 FROM APRIL 3<sup>RD</sup> 2020 TO 5TH JUNE 2020**

Dependent Variable: ALLSH  
 Method: Least Squares  
 Date: 08/15/20 Time: 03:42  
 Sample: 1 10  
 Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	551.2688	2476.042	0.222641	0.8326
BNIND	17.47502	12.50342	1.397619	0.2211
CGIND	22.42147	6.610098	3.392003	0.0194
ININD	0.056523	0.347371	0.162715	0.8771
OGIND	43.10590	14.15784	3.044666	0.0286
R-squared	0.981982	Mean dependent var		23442.62
Adjusted R-squared	0.967567	S.D. dependent var		1504.484
S.E. of regression	270.9461	Akaike info criterion		14.34857
Sum squared resid	367058.9	Schwarz criterion		14.49986
Log likelihood	-66.74285	Hannan-Quinn criter.		14.18260
F-statistic	68.12319	Durbin-Watson stat		1.852182
Prob(F-statistic)	0.000151			

Source: Weekly reports from NSE, 2020; Reject  $H_0$ : if p value <0.05, Accept  $H_0$ : if p value 0.05

**H<sub>01</sub>:** Banking Sector Index has not significantly impacted on the All Share index of the NSE.

The OLS results from table 1 shows that the P value for the banking sector Pre-COVID is significant in the model as P value of 0.001 is less than 0.05 significance level indicating that banking sector significantly impacted the stock exchange all share index pre- COVID while the P value of 0.2211 from table 2 indicates that the banking sector index is not statistically significant during the COVID period as the P value is more than the 5% level of significance. This could mean that the banking sector was impacted by the pandemic, which affected their liquidity position, as most of the banks contributed huge sums as COVID relief donations to the FG, they were then short of funds, the banks experienced net work problems from pressure on the digital channels, challenges with staff welfare and safety, some banks laid off staff, the lockdown slowed down investments, projects were postponed, discretionary withdrawals by customers only for essential goods amongst other challenges.

**H<sub>02</sub>:** Consumer Goods Index did not significantly impact on the All Share Index of the NSE.

The P value for consumer goods Pre-COVID from Table 1 is non- significant in the model as P value of 0.06 is more than 0.05 significance level; indicating that consumer goods did not significantly impact on the stock market all share index pre-COVID period. However from table 2, the P value for consumer goods index is significant in the model as the P value of 0.0194 is less than 5%. This shows that the consumer goods significantly impacted the stock market all share index during the COVID-19 lock down period. So we reject the null and accept the alternate. Consumer Goods – essentials were highly demanded during the period, there was panic buying exhausting the stock of goods in the market and almost causing a scarcity, non-essential goods however experienced reduced demand because of discretionary spending by consumers because of uncertainties about the duration of the lockdown.

**H<sub>03</sub>:** Industrial sector Index has not significantly impacted on the all share Index of the NSE.

From Table 1 results show that the P value for industrial sector pre-COVID is significant in the model as the P value of 0.0162 is less than 0.05 level of significance; This indicates that industrial goods significantly impacted on the stock market all share index before the COVID - 19 lockdown period while results from table 2 show that during the COVID-19 lockdown period the sector had a P value of 0.8771 which is more than 5% indicating that industrial sector did not significantly impact on the stock market all share index during the COVID period. This was due to the lockdown restrictions, most companies were shut down, bringing a complete halt to manufacturing and production in some industries and there was also the difficulty of getting raw materials because of the disruptions in the supply chain, transport logistics, travel bans, import-export restrictions locally and internationally between countries globally during the lockdown.

**H<sub>04</sub>:** Oil and Gas sector index has not significantly impacted on the all share index of the NSE

The P value for Oil and Gas Pre-COVID-19 is non-significant in the model as revealed by results from table 1 , as the P value of 0.2502 is more than 0.05. this indicates that oil and gas had not significantly impacted on the stock market all share index before the lockdown, this may be because of the fall in oil prices globally while during the lockdown period the oil and gas sector had a P value of 0.2502 which is more than 5% indicating that oil and gas had not significantly impact on the stock market all share index during the COVID-19 lock down period , this is as a result of the twin shock experienced by the sector from a fall in crude oil prices as well as the impact from the Covid-19 pandemic, further disrupting the market.

## CONCLUSION AND RECOMMENDATIONS FOR GOVERNMENT ACROSS ALL SECTORS

The Pandemic has affected all sectors of the Nigerian economy and businesses will have to adjust to the new normal by restructuring and readjusting their processes to new realities. Investment in technology and infrastructure are vital as all operations are now digitalized. Government has to spend more on infrastructure and boost indigenous manufacturing to spur the economy towards growth and development by carrying out the following recommendations

1. **FMCGs:** Additional social relief packages should be distributed to vulnerable groups, gradual opening of markets and malls, develop local raw materials, increase spending in infrastructural development for rural and urban road and railway transportation. Reduce duties on imported raw materials critical to FMCGs; accelerate the growth of local manufacturing through special incentives for FMCGs.
2. **Industrial Markets:** Extend timeline for tax remittance, promote electronic channels for tax remittance, defer submission of supporting documents for tax filling, and exempt worst hit players from social security contributions such as ITF and NISTF.
3. **Agric Sector:** Reduction in interest rates, extend moratoriums and repayment holidays for credit facilities, classify transport logistics companies as essential services, develop a post COVID-19 response plan to use Agriculture to stimulate the economy. Grant PIT incentives to increase disposable income and spur demand.
4. **Retail and E-commerce:** government should suspend donations (monetary, goods and services) create incentives for retail product manufacturing. Direct Banks to give moratorium on existing long-term loans, refinance loans, gradually open up markets and malls within social distancing norms.

## REFERENCES

- Adeyeye M.C. (May, 2020): Launch of Palliatives for MsMEs: Job Creation National Agency for Food & Drug Administration and control (NAFDAC) assessed August 1<sup>st</sup> 2020 at <https://www.nafdac.gov.ng>.
- Ajifowoke, M. G (2020): Here are four positive Effects of the Covid-19 Pandemic. Available at: [http://venturesafrica.com/covid-19 here are some positive lights amid teh devastating pandemic/](http://venturesafrica.com/covid-19%20here%20are%20some%20positive%20lights%20amid%20teh%20devastating%20pandemic/)
- Akrofi, M.M & Antwi, S.H (2020). Covid-19 Energy Sector Responses in Africa: A Review of Preliminary Government Interventions. Journal of Energy Research & Social Science vol.68 <https://doi.org/10.1016/j.erss.2020.101681>
- Amugo, K. N. (2020):- Guidelines for the Operations of the N100 BILLION Credit Support for the health care sector. Available at: CBN: health care intervention. pdf.
- Ari Wijaya, O.Y (2020). The Impact of COVID-19 on Micro, Small and Medium Enterprises (MSMEs) in East Java Province, Indonesia and Strategies for Overcoming: Ad Interim. Journal of Talent Development and Excellence, vol. 12 (2s) pp 3454-3469
- Bruhn, M (2016). New Evidence Shows Way Forward for SME Growth and Job Creation

- <https://www.worldbank.org/en/news/feature/2016/11/30/new-evidence-shows-way-forward-for-sme-growth-and-job-creation>
- CNBC Africa (2020). COVID-19: Nigeria extends lockdown by two weeks in Lagos, Abuja and Ogun States. Available at:  
<https://www.cnbcafrica.com/coronavirus/2020/04/13/covid-19-nigeria-extends-lockdown-by-two-weeks-in-lagos-abuja-ogun-states/>.
- Daily Trust (2020). How SMEs accessed N50bn CBN loan. Accessed 4<sup>th</sup> August 2020 from:  
<https://www.dailytrust.com.ng/how-smes-accessed-n50bn-cbn-loan.html/amp>.
- Ehanire, O. (2020) First Case of Corona Virus Disease confirmed in Nigeria  
<https://ncdc.gov.ng/news/227/first-case-of-corona-virus-disease-confirmed-in-nigeria>.
- Emelife, G (2020). Turning the COVID-19 Tragedy into an Opportunity for a New Nigeria. Available at:  
<https://www.cbn.gov.ng/CCD/PDF>
- Gerald, E, Obianuju A, Chukwunonso, N(2020). Strategic Agility and Performance of Small and Medium Enterprises in the Phase of Covid-19 Pandemic. International Journal of Financial, Accounting and Management, 2(1), 41-50.
- KPMG (2020). Covid-19 and the Nigeria Telecommunication, Media and Technology (TMT) Sector.  
[covid-19-and-the-nigerian-telecommunication-media-and-technology-\(tmt\)-sector.pdf](#).
- KPMG (2020). Covid-19: A Business Impact Series: Financial, Tax and Regulatory considerations to manage COVID-19 Disruptions. Available at:  
[Covd-19-a-business-impact-series.pdf](#)  
<https://home.kpmg/ng/en/home/insights/2020/04/covid19-a-business-impact-series.html>.
- KPMG (2020). Impact of Covid-19 on the Nigerian Consumer and Industrial Markets.  
[Impact-of-covid-19-on-the-nigerian-consumer-markets-sector.pdf](#)
- KPMG, (2020). The Twin Shocks (COVID-19 Pandemic & Oil Price Crisis) and Implications for Nigerian Family Businesses  
[Impact-of-covid-19-on-the-nigerian-family-businesses-and-enterprises.pdf](#)
- LABMATE(2020). Where did Covid-19 Come From?  
[https://www.lalomate\\_online.com/news/laboratory-produces/3/breaking-news/where-did-covid-19-come-from/5210/](https://www.lalomate_online.com/news/laboratory-produces/3/breaking-news/where-did-covid-19-come-from/5210/).
- Obi, S.E., Yunusa, T, Ezeogueri-Oyewole, A.N et al (2020). The Socio-Economic Impact of COVID-19 on the Economic Activities of Selected States in Nigeria. Indonesian Journal of Social and Environmental Issues, vol.1, No. 2 pp 39-47
- OECD (2020) Corona Virus (COVId-19): SME Policy responses-OECD (2020)  
[http://www.oecd.org/coronavirus/policy\\_responses/coronavirus\\_covid\\_19\\_sme\\_policy\\_responses\\_04440101/](http://www.oecd.org/coronavirus/policy_responses/coronavirus_covid_19_sme_policy_responses_04440101/)
- Onehi, V. (2020). Nigeria: COVID-19\_SMEDAN Urges CBN to Raise N50 Billion MSMEs Fund. Available at:  
<https://allafrica.com/stories/202006240154.html>
- Orjinmo, N. (2020). Corona virus Lockdown: Nigerians cautious are restrictions eased in Lagos and Abuja. Available at:  
[https://www.com/news/amp/world\\_52526923](https://www.com/news/amp/world_52526923)

- Orjinmo, N. (2020): corona virus lockdown: Nigeria cautious as restrictions eased in Lagos and Abuja. Available at:  
<https://www.bbe.com/news/amp/world-52526923>.
- Ozili, P.K (2020). COVID-19 Pandemic and Economic Crisis. The Nigerian Experience and Structural Causes. Available at:  
<https://mpira.ub.uni-muenchen.de/99424/>
- Ozili, P.K & Arun,T (2020). Spill over of COVID-19: Impact on the global Economy. Available  
<https://mpira.ub.uni-muenchen.de/99850/>
- PWC-Nigeria (2020). COVID-19: Responding to the business impacts of Corona virus (COVID-19) Available at: [https://www.proc.com/ng/en/covid\\_19.html](https://www.proc.com/ng/en/covid_19.html).
- Yusufu, A.B & Oluwaseun, J.O (2020). Effect of Global Pandemic Virus (COVID-19) on Small Businesses in Ogun State: Experience from Abeokuta South Local Government, Ogun State Nigeria. Available at:  
[https://scholar.google.com/scholar?hl=en&as\\_sdt=0%2c5&q=effect+of+global+pandemic+virus+on+small+business+in+ogun+state%3A+experience+from+abeokuta+south+local+government%2c+ogun+state+nigeria&btna=gs\\_qabs&u](https://scholar.google.com/scholar?hl=en&as_sdt=0%2c5&q=effect+of+global+pandemic+virus+on+small+business+in+ogun+state%3A+experience+from+abeokuta+south+local+government%2c+ogun+state+nigeria&btna=gs_qabs&u)
- Wikipedia (2020). 2020 in Nigeria. Available at: [https://en.m.wikipedia.org/wiki/2020\\_in\\_nigeria](https://en.m.wikipedia.org/wiki/2020_in_nigeria).
- Worldometer (2020). Corona virus update (Live), 2020. Available at:  
[https://www.worldometer.info/coronavirus/?tum\\_campaign=homeadvegs/](https://www.worldometer.info/coronavirus/?tum_campaign=homeadvegs/).