

FINANCIAL IMPACT OF COVID 19 PANDEMIC ON NIGERIA'S OIL AND GAS INDUSTRY

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ABSTRACT

In the study, a research question with 8 multiple choice items was formulated and administered to 50 financial experts in oil and gas industry to elicit responses through a questionnaire. The questionnaire was constructed using Likert Four-Point Scale Response Alternative and analysed using weighted mean. The study also sourced for information through secondary means from very reliable sources. The data collected from both primary and secondary sources were analyzed using Pearson's Product Moment Correlation Coefficient. Thereafter, six hypotheses were tested using correlation coefficient table for critical values of hypothesis. The level of significance was 5%. The study found out that there is negative financial impact of COVID-19 pandemic on Nigeria's oil and gas industry. It also found out that there is no significant relationship between number of COVID-19 confirmed cases and prices of locally consumed petroleum products. Thus, the researchers among others recommend that oil and gas industry in Nigeria should fully open for business with adequate measures taken to prevent the COVID-19. It also recommends that subsidy on petroleum products should be removed so that forces of demand and supply can detect market prices.

Keywords: COVID-19 pandemic, financial impact, oil and gas industry, petroleum products

INTRODUCTION

World Health Organization, WHO (2020) defines COVID-19 as the infectious disease caused by the most recently discovered coronavirus and that the outbreak began in Wuhan, China, in December 2019. She stated that COVID-19 is now a pandemic affecting many countries globally. In Nigeria, the Index case of COVID-19 was announced on 27th February, 2020. From the index case, the total number of confirmed cases of COVID 19 Pandemic in Nigeria as at 13th August, 2020 was 48,116 spread across the 36 states and FCT Abuja in varying proportion. From these confirmed cases, 34309 cases have been discharged while 966 deaths have been recorded in the country (Nigeria Centre for Disease Control, NCDC, 2020).

As at the time of index case in Nigeria, the price of crude oil in international market as reported by Central Bank of Nigeria, CBN (2020) was \$58.45 per barrel. CBN (2020) also reported that domestic production of crude oil then was 2.07million barrels per day while crude oil export was

1.62million barrels per day. However, the focus of the study is on finance. Thus, it is worthy to note that as at 13th August, 2020, the price of crude oil was \$44.34 per barrel (Countryeconomy.com, 2020).

The number of new infections and deaths continues to rise in Nigeria and, as yet, there are no signs of the pandemic being brought under control. Whilst the vast majority of infections have thus far occurred Lagos State, concern is rising across Nigeria due to the global pandemic. Like most sectors of the economy, oil and gas businesses in Nigeria have also been affected due to lockdown that followed thereafter. Companies that heavily relied on petroleum products have closed down their offices directing staff to work from home while some are providing skeletal services. The outbreak of the COVID-19 is a serious health pandemic that the world is battling. In addition to the human impact, there is also significant financial impact being felt in Nigeria's oil and gas industry. As viruses know no borders, the impact has continued to spread. In fact, businesses in Nigeria have been impacted and are already seeing COVID-19 disruptions. Travel revenues, manufacturing sectors, general trade, commerce and industry which largely depend on petroleum products such Premium Motor Spirit (PMS), Liquefied Petroleum Gas (LPG), Dual Purpose Kerosene (*DPK*), Automotive Gas Oil (AGO), etc. have been financially affected because government issued directives for total or partial lockdown exempting only essential service providers. Flights are being cancelled. Most private business organizations reduced their workforce, some slashed the salaries of their workers while some applied no work no pay policy. In all these, the oil and gas industry were not left out. The World Bank Group (2020) stated that the collapse in oil prices coupled with the COVID-19 pandemic is expected to plunge the Nigerian economy into a severe economic recession that has not been experienced by the country since three decades, according to the latest World Bank Nigeria Development Update (NDU). It noted that oil represents more than 80% of Nigeria's exports; and that with the drop in oil prices, government revenues are expected to fall from an already low 8% of GDP in 2019 to a projected 5% in 2020. It is a common knowledge that most employees in oil and gas industry are bread winners of their various families. Thus, settling of family bills and managing other home affairs have not be easy. More so, prices of goods and services have skyrocketed in response to forces of demand and supply in the oil and gas industry. With low demand for petroleum products across the globe, price of crude oil also dropped. This also affected the price of equities in the oil and gas sector of the Nigerian Stock Exchange (NSE). It also led to reduction in monthly allocations to the three tiers of government in Nigeria since the economy of the country is largely dependent on oil and gas.

Given the above, the study seeks to address the following null hypotheses:

- H1₀: There is no significant relationship between the price of crude oil in the international market and number of confirmed cases of COVID 19 Pandemic in Nigeria.
- H2₀: There is no significant relationship between the price of locally consumed petroleum products and number of confirmed cases of COVID 19 Pandemic in Nigeria.
- H3₀: There is negative financial impact of COVID 19 Pandemic on the oil and gas industry.

REVIEW OF RELATED LITERATURE

Oil and Gas Sector in Nigeria

The oil and gas industry is one of the largest sectors in the world in terms of monetary value and it is very important to economic framework across the globe. McClay (2020) stated that oil and gas industry generates an estimated \$3.3 trillion in revenue annually across the globe. Lioudis (2020) observed that prices of crude oil collapsed in the Spring of 2020 as a result of COVID-19 pandemic and its associated economic slowdown; and that Organization of Petroleum Exporting Countries (OPEC) and its allies agreed to cut the production of oil so to stabilize its prices in the international market. He further stated that the cut in the production oil by OPEC led to historic drop last witnessed in 20 years.

It is a common knowledge that Nigeria is a key player in the oil and gas business in the international market. Her economy is largely dependent on oil. Mordor Intelligence (2020) stated that Nigeria is one of the largest and oldest oil producers in Africa and her oil and gas sector is one of the most important sectors in the country's economy; accounting for more than 90% of the country's exports and 80% of the Federal Government's revenue. She also stated that as at 2018, Nigeria has the largest oil and gas reserves in the African region, with around 37 billion barrels of oil and 47.2 billion cubic meter (bcm) of gas. With a production of 2.05 million barrels per day in 2018, which is approximately more than 20% of the total production in Africa, Nigeria continues to dominate African oil production. The 5 major players in the Nigeria's oil and sector are Nigerian National Petroleum Corporation (NNPC), Royal Dutch Shell Plc., Total SA, Chevron Corporation and Exxon Mobil Corporation.

Financial Impact of COVID-19 Pandemic on Oil and Gas Industry in Nigeria

Mitchell-Marais, Odukoya & Akinboboye (2020) identify financial impact of COVID-19 Pandemic on oil and gas industry as impact of load-shedding, inability to work-from-home which will lead to operational shutdown and fall in oil price and resultant impact on commodity prices. Ayoade (2020) noted that Nigeria's economy is facing collapse as it largely depends on oil exports. According to her, the oil markets have been on a downward trend as COVID-19 has crippled demand; stressing that fuel prices fell and recorded 18-year low trading at less than 22 dollars per barrel and expected to go lower. Lenon (2020) stated that just like any other economies around the world, Nigeria is not exempted from the fiscal challenges of COVID-19 pandemic. She noted that the country's path to recovery from recession is being slow paced as a result of COVID-19 pandemic. Dr Andrew S. Nevin in Lenon (2020) explains that the current crash in oil prices is adding to the COVID-19 lockdown effect Nigeria's economy that is still dependent on oil. In the words of Nevin, *"The Nigerian government is projecting revenue flow from oil to decline from 5.5 trillion Naira in 2020 to 1.1 trillion Naira, so we have a sudden fiscal crisis in Nigeria presenting some pretty immense economic challenges."* The position Nevin was corroborated by Muyiwa Oni in Lenon (2020) when he stated that the impact of COVID-19 pandemic in oil and gas industry will be felt across all sectors. He identified reversal of fuel subsidy policy as a major impact of COVID-19 pandemic in the oil and gas industry. He was of the opinion that fuel subsidy has cost Nigeria a lot of money and has not been very effective in helping the masses.

On his part, Lioudis (2020) stated that amid COVID-19 pandemic, the Producer Price Index (PPI) has a greater correlation with crude oil compared to the Consumer Price Index (CPI). He also stated that as oil prices move up, inflation follows in the same higher direction. The education sector is not also spared in the financial impact of COVID-19 in Nigeria's oil and gas industry because institutes where oil workers are trained are also affected. This was opined by Obiakor (2020) who stated that COVID-19 and falling oil prices are a threat to education in Nigeria. She stated that Federal and state budgets for education are already insufficient and likely to decline further. She maintained that between the effects of the pandemic and crashing oil prices, the fiscal space to fund basic education is going to shrink significantly. According to her Nigeria's budget of N10.59 trillion has reduced by 15%; stressing that the country's oil and gas exports which is about 76.10% of the total exports are being revised downward to N924 billion from N2.64 trillion. Her analysis was based on previous positions of the present government each time there was a drop in oil price.

Corroborating the fact that all is not well with the oil and gas industry in Nigeria as a result of COVID-19 pandemic, KPMG (2020) identified global and local crude oil production cuts, reduction of the budget benchmark price of crude oil, reduced crude oil demand and unsold cargoes, impact on proposed oil licensing and marginal field bid rounds, amendment of the Petroleum (Drilling and Production) Regulations as the effects of COVID-19 pandemic in Nigeria's oil and gas industry. He noted that in a Circular issued on 29 March 2020, the DPR directed operators, contractors and service providers to reduce the workforce on offshore platforms. A careful study of Adesoji (2020) shows that the latest GDP number of Nigeria's oil and sector recorded 6.63% (year-on-year) contraction in Q2 2020, indicating a decrease of – 13.80% points relative to the rate recorded in the corresponding quarter of 2019. Adesoji (2020) noted that the Oil sector contributed a meagre 8.93% to total real GDP in Q2 2020, down from figures recorded in the corresponding period of 2019 (8.98%) and the preceding quarter (9.50%); and that in the second quarter of 2020, an average daily oil production of 1.81 million barrels per day (mbpd) was recorded. This was -0.21mbpd lower than the daily average production of 2.02mbpd recorded in the same quarter of 2019, and –0.26mbpd lower than the first quarter 2020 production volume of 2.07mbpd

RESEARCH METHODOLOGY

A survey research was adopted for the study. Questionnaire comprising one research questions with 8 multiple choice items was administered to 50 financial experts in the oil and gas industry in Nigeria. The questionnaire was administered by the researchers who also collected them back on completion. This ensured 100% return of questionnaires administered. The questionnaire was constructed using Likert Four-Point Scale Response Alternative and analysed using weighted mean. The formula for calculating the \bar{X} is shown below:

$$\bar{X} = \frac{\sum fX}{N}$$

Where: \bar{X} = Weighted Mean, f = Frequency, X = Nominal Value of Options and N = Number of Respondents.

Nominal values were assigned to six scaling items as follows:

Strongly Agree (SA) = 4, Agree (A) = 3, Disagree (D) = 2, Strongly Disagree (SD) = 1 and Void (unfilled options) = 0.

The Mean of each cluster was also calculated using the

Where: \bar{X} = Cluster Mean, Σ = Summation, \bar{x} = Mean of Each Option in a Cluster and N = Number of Cluster.

To determine the Mean cut-off point of the study, the nominal values were added up and the Mean calculated as shown below:

$$\begin{aligned} \text{Mean} &= (4+3+2+1+0)/4 \\ &= 10/4 \\ &= 2.50 \end{aligned}$$

An interval scale of 10% was added to the Mean of the nominal value. Thus:

$$2.50 + 10\% \times 2.50 = 2.75$$

Thus, the decision rule of acceptability was 2.75 points and above while points below 2.75 were rejected. The study also adopted an illustrative research design. The illustrative research design used the method of investigating published prices of crude oil in the international market, and confirmed cases of COVID-19 pandemic in Nigeria as reported by Nigerian Centre for Disease Control, NCDC, (2020) from February, 2020 to July, 2020. The study also used the monthly average prices of Liquefied Petroleum Gas (Cooking Gas – 12kg), Automotive Gas Oil (Diesel – Litre), Dual Purpose Kerosene (DPK/Litre), Premium Motor Spirit (Petrol – Litre) as captured by National Bureau of Statistics, NBS (2020) and Bonny Light Crude Oil in the international market as captured by Oilprice.com (2020). It should be noted that Bonny Light is Nigeria's type of crude oil. The confirmed cases COVID-19 Pandemic served as independent variables (X_i) while other secondary data were used as dependent variables (Y_i). For the analysis of the collected secondary data, correlation coefficient (Pearson's Product Moment Correlation Coefficient) was used. The formula used is stated below:

$$r = XY / (x^2 y^2)^{1/2}$$

Where r = correlation coefficient, X and Y are the variables while x and y are the deviations. The hypotheses were tested using correlation coefficient table for critical values of hypothesis. The level of significance is 5% while the degree of freedom is given as:

$$df = n1 + n2 - 2$$

PRESENTATION OF RESULTS

This section deals with the presentation of the data obtained from the study and results. It also reveals the summary of the information obtained from the respondents to whom questionnaires were administered. The data are presented in tables based on the research questions.

Table 1: Testing of Hypothesis One (H₁₀): There is no significant relationship between the price of crude oil in the international market and number of confirmed cases of COVID 19 Pandemic in Nigeria.

The Worksheet Table							
Months in Year 2020	No. of Confirmed Cases (X)	Prices of Crude Oil (Bonny Light) /Barrel in \$ (Y)	x = (X-M)	y = (Y-M)	(xy)	(x) ²	(y) ²
February	1	50.48	-7190.84	15.51	-111529.93	51708179.91	240.56
March	138	21.23	-7053.84	-13.74	96919.77	49756658.75	188.788
April	1793	18.96	-5398.84	-16.01	86435.43	29147473.35	256.32
May	8230	34.61	1038.16	-0.36	-373.74	1077776.186	0.1296
June	15532	41.62	8340.16	6.65	55462.07	69558268.83	44.2225
July	17457	42.92	10265.16	7.95	81608.03	105373509.8	63.2025
	43151	209.82			208521.63	306621866.8	793.222
Mean (M)	7191.84	34.97					
$r = \frac{XY}{(x^2 y^2)^{1/2}}$ 0.42							

Table 1b: Critical Values of Pearson Correlation of the price of crude oil in the international market and number of confirmed cases of COVID 19 Pandemic in Nigeria.

T-Calculated	Table Value	Degree of Freedom	Decision
0.42	0.497	10	Accept

Since t-calculated is between the range of -0.497 and 0.497 of the table value, the null hypothesis is accepted and can be used to make prediction. Thus, it is acceptable that there is no significant relationship between the price of crude oil in the international market and number of confirmed cases of COVID 19 Pandemic in Nigeria.

Table 2a: Testing of Hypothesis Two (H_{20a}): There is no significant relationship between the price of locally consumed petroleum products (cooking gas) and number of confirmed cases of COVID 19 Pandemic in Nigeria.

The Worksheet Table							
Months in Year 2020	No. of Confirmed Cases (X)	Prices of LPG (Cooking Gas)/12kg (Y)	x = (X-M)	y = (Y-M)	(xy)	(x) ²	(y) ²
February	1	4,180.57	-7190.84	26.2	-188400.01	51708179.91	686.44
March	138	4,181.22	-7053.84	26.85	-189395.61	49756658.75	720.923
April	1793	4,161.54	-5398.84	7.17	-38709.69	29147473.35	51.4089
May	8230	4,136.87	1038.16	-17.5	-18167.8	1077776.186	306.25

June	15532	4,139.18	8340.16	-15.19	-126687.04	69558268.83	230.736
July	17457	4,126.82	10265.16	-27.55	-282805.16	105373509.80	759.003
	43151	24,926.20	-0.04	-0.02	-844165.31	306621866.80	2754.76
Mean (M)	7191.84	4,154.37					
$r = \frac{XY}{(x^2 y^2)^{1/2}} \quad \mathbf{-0.92}$							

Table 2b: Testing of Hypothesis Two (H2_{0b}): There is no significant relationship between the price of locally consumed petroleum products (diesel) and number of confirmed cases of COVID 19 Pandemic in Nigeria.

The Worksheet Table

Months in Year 2020	No. of Confirmed Cases (X)	Prices of AGO (Diesel) (Y)	x = (X-M)	y = (Y-M)	(xy)	(x) ²	(y) ²
February	1	226.25	-7190.84	2.07	-14885.04	51708179.91	4.2849
March	138	226.78	-7053.84	2.6	-18339.99	49756658.75	6.76
April	1793	224.11	-5398.84	-0.07	377.92	29147473.35	0.0049
May	8230	219.13	1038.16	-5.05	-5242.71	1077776.186	25.5025
June	15532	224.37	8340.16	0.19	1584.64	69558268.83	0.0361
July	17457	224.43	10265.16	0.25	2566.3	105373509.8	0.0625
	43151	1,345.07			- 33,938.88	306,621,866.83	36.65
Mean (M)	7191.84	224.18					
$r = \frac{XY}{(x^2 y^2)^{1/2}} \quad \mathbf{-0.32}$							

Table 2c: Testing of Hypothesis Two (H2_{0c}): There is no significant relationship between the price of locally consumed petroleum products (kerosene) and number of confirmed cases of COVID 19 Pandemic in Nigeria.

The Worksheet Table

Months in Year 2020	No. of Confirmed Cases (X)	Prices of Household Kerosene/L (Y)	x = (X-M)	y = (Y-M)	(xy)	(x) ²	(y) ²
February	1	326.93	-7190.84	-7.48	53787.49	51708179.91	55.9504
March	138	334.16	-7053.84	-0.25	1763.46	49756658.75	0.0625
April	1793	342.33	-5398.84	7.92	-42758.82	29147473.35	62.7264
May	8230	333.39	1038.16	-1.02	-1058.93	1077776.186	1.0404
June	15532	334.08	8340.16	-0.33	-2752.26	69558268.83	0.1089
July	17457	335.54	10265.16	1.13	11599.64	105373509.8	1.2769
	43151	2,006.43	-0.04	-0.03	20580.58	306621866.8	121.166
Mean (M)	7191.84	334.41					
$r = \frac{XY}{(x^2 y^2)^{1/2}} \quad \mathbf{0.11}$							

Table 2d: Testing of Hypothesis Two (H_{20d}): There is no significant relationship between the price of locally consumed petroleum products (petrol) and number of confirmed cases of COVID 19 Pandemic in Nigeria.

The Worksheet Table							
Months in Year 2020	No. of Confirmed Cases (X)	Prices of Premium Motor Spirit (Petrol)/L (Y)	x = (X-M)	y = (Y-M)	(xy)	(x) ²	(y) ²
February	1	145.41	-7190.84	8.10	-58245.81	51708179.91	65.61
March	138	145.40	-7053.84	8.09	-57065.57	49756658.75	65.4481
April	1793	130.84	-5398.84	-6.47	34930.5	29147473.35	41.8609
May	8230	129.67	1038.16	-7.64	-7931.55	1077776.186	58.3696
June	15532	128.88	8340.16	-8.43	-70307.55	69558268.83	71.0649
July	17457	143.63	10265.16	6.32	64875.82	105373509.8	39.9424
	43151	823.83			-93744.16	306621866.8	342.296
Mean (M)	7191.84	137.31					
$r = \frac{XY}{(x^2 y^2)^{1/2}} = -0.29$							

Table 2e: Average Correlation Coefficient of Locally Consumed Petroleum Products

S/NO.	Local Petroleum Product	Correlations
1	Liquefied Petroleum Gas	-0.92
2	Automotive Gas Oil	-0.32
3	Dual Purpose Kerosene	0.11
4	Premium Motor Spirit	-0.29
		-1.42
	Mean (M)	-0.36

Table 2f: Critical Values of Pearson Correlation of Locally Consumed Petroleum Products

T-Calculated	Table Value	Degree of Freedom	Decision
-0.36	0.497	10	Accept

Since t-calculated is between -0.497 and 0.497 of the table value, the null hypothesis is accepted and can be used to make prediction. Therefore, from the study it is acceptable that there is no significant relationship between the price of locally consumed petroleum products and number of confirmed cases of COVID 19 Pandemic in Nigeria.

Research Question: What are the negative financial impacts of COVID-19 Pandemic in Nigeria's oil and gas industry?

S/N	Description	SA	A	D	SD	Total	Mean	Remarks
1.	Adverse changes of FOREX demography in the oil and gas industry	76	63	16	2	157	3.14	Accept
		19	21	8	2	50		

2.	Adverse changes in legislations affecting oil and gas industry	44	57	12	14	127	2.54	Reject
		11	19	6	14	50		
3.	Sustenance of subsidy	76	66	10	4	156	3.12	Accept
		19	22	5	4	50		
4.	Unfavourable balance of payment in international trading of crude oil	40	60	24	8	132	2.64	Reject
		10	20	12	8	50		
5.	Increased cost in the management of oil and gas industry	80	60	16	2	158	3.16	Accept
		20	20	8	2	50		
6.	Increase in oil theft	40	39	28	13	120	2.40	Reject
		10	13	14	13	50		
7.	Non diversification of Nigeria's economy	68	66	20	1	155	3.10	Accept
		17	22	10	1	50		
8.	Reduction in investment in oil and gas industry	52	72	16	5	145	2.90	Accept
		13	24	8	5	50		
Grand Mean							2.88	Accept

Testing of Hypothesis Three (H₃₀): There is negative financial impact of COVID 19 Pandemic on the oil and gas industry

S/N	Sector	Remarks		X	Y	XY	X ²	Y ²
		X (Agree)	Y (Disagree)					
1	Adverse changes of FOREX demography in the oil and gas industry	139	79	19.12	0.87	10981	19321	6241
2	Adverse changes in legislations affecting oil and gas industry	101	69	-18.88	-9.13	6969	10201	4761
3	Sustenance of subsidy	142	76	22.12	-2.13	10792	20164	5776
4	Unfavourable balance of payment in international trading of crude oil	100	84	-19.88	5.87	8400	10000	7056
5	Increased cost in the management of oil and gas industry	140	76	20.12	-2.13	10640	19600	5778
6	Increase in oil theft	79	67	-40.88	-	5293	6241	4489
					11.13			
7	Non diversification of Nigeria's economy	134	86	14.12	7.87	11524	17956	7396

8	Reduction in investment in oil and gas industry	124	88	4.12	9.87	10912	15376	7744
		959	625			59578	93018	38974
	Mean (M)	119.88	78.13					
	r = $\frac{XY}{(X^2 Y^2)^{1/2}}$							0.01

Table 3c: Critical Values of Pearson Correlation of the financial impacts of COVID-19 Pandemic in Nigeria's oil and gas industry?

T-Calculated	Table Value	Degree of Freedom	Decision
-0.01	0.426	14	Accept

Since t-calculated is between -0.426 and 0.426 of the table value, the null hypothesis is accepted and can be used to make prediction. Therefore, from the study it is acceptable that there is negative financial impact of COVID 19 Pandemic on the oil and gas industry in Nigeria.

DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

Discussion

From the responses obtained from research question and tested hypotheses, one can deduce the study is in tandem with most of the related literatures reviewed. The study accepted that there negative financial impacts of COVID-19 Pandemic in Nigeria's oil and gas industry. This is in line with the position of Ayoade (2020) who noted that Nigeria's economy is facing collapse as it largely depends on oil exports. It also corroborate the assertion of Lenon (2020) who stated that just like any other economies around the world, Nigeria is not exempted from the fiscal challenges of COVID-19 pandemic. A similar position was also held by Muyiwa Oni in Lenon (2020) when he stated that the impact of COVID-19 pandemic in oil and gas industry will be felt across all sectors.

However, the tested hypotheses accepted that there is no adverse financial implications on the prices of locally consumed petroleum products as a result of COVID-19 pandemic. It also accepted that there is no significant relationship between the price of crude oil in the international market and number of confirmed cases of COVID 19 Pandemic in Nigeria.

Conclusion

As the number of confirmed cases of COVID-19 infections continue to rise in Nigeria, one thing is certain – the end is not near. It is very clear that COVID-19 pandemic affected oil and gas industry in Nigeria. Nigeria's dependent oil exposes her to danger occasioned by decline in oil revenue. This also affected her fiscal revenues, foreign exchange inflows, debt management and inadequate funds for capital projects.

Recommendations

Based on the findings, the researchers made the following recommendations:

1. Oil and gas industry in Nigeria should fully open for business with adequate measures taken to prevent the COVID-19. In others words, all medical protocols as they COVID-19 should be observed.
2. Subsidy on petroleum products should be removed so that forces of demand and supply can detect market prices.
3. The oil and gas industry should be proactive in tackling disruptions against her finances. This means that the industry should have stipulated consolidation funds of not less than 5 Billion Naira deposited with Central Bank of Nigeria via Bank of Industry.
4. The industry should source for additional capital on time and when successful, adequate measures should be put in place for sustainability.
5. Government should provide interventions to boost the oil and gas sector and allied industries. These interventions could be grants, soft loans, tax reliefs and the like.

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