

WEEKLY DIGEST

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UNDERSTANDING THE IMPACT OF COVID-19 OUTBREAK ON THE NIGERIAN ECONOMY

The rapid outbreak of the Covid -19 presents an alarming health crisis that the world is grappling with. In addition to the health impact, there is also significant economic, business and commercial impact begin felt globally. As the virus knows no borders, the impact will continue to spread. The Covid 19 pandemic will have economic consequences for many countries.

In Nigeria, most of the sectors that will be negatively impacted by the pandemic are Tourism and Aviation, Hospitality Industry, Manufacturing, Trade, Entertainment. And Nigerian dependence on oil for revenue and foreign exchange has made it particularly vulnerable to the unprecedented oil price crash triggered by a collapse in demand of oil. Some forecast suggest that Nigeria's unemployment rate could rise to 33.6% [39.4Million people] by the end of the year if urgent steps are not taken.

In addition, The management of Bristow Helicopters Limited has terminated the appointment of 100 pilots. The aviation company in a statement on Tuesday said those sacked comprised both Nigerian nationals and expatriates working in the company. According to the airline, the decision to sack the pilots was due to the severe impact of the COVID 19 pandemic. This come barely 24hours after Nigerian airline, Air Peace sacked over 70 pilots citing COVID 19 crisis across its fleet. The management of the airline linked the pilots disengagement to the devastating impact of the Covid 19 pandemic. This pandemic has hit every airline worldwide, so badly that it has become very impossible for airlines to remain afloat without carrying out an internal restructuring of their cost.

In another development Shoprite: Africa's biggest supermarket considers pulling out of Nigeria. Shoprite's decision comes at a time when Nigeria's economy is struggling amid coronavirus pandemic. Shoprite said the lockdown restrictions because of covid 19 has affected its operations in 14 African countries.

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THE NEWS

1. **Gunmen kill a 70year old retiree, Mr Benjamin ekom a septuagenarian retired information officer with the Akun Development area in zggon local government area of Nasarawa state. Ekom until his death was a member of the federal chapel. He was also a former Treasurer of Nigeria union of Journalist Nasarawa state chapter.**



2. **The army has begun an investigation into the circumstance that led to the attack in Borno state, of Professor Babagana Zulun by boko haram terrorist who opened fire on his convoy. Which made the governor abort his trip to бага? The army regretted the incident saying it was an isolated and most unfortunate incident. Although details of the unfortunate incident are sketchy and under investigation.**



3. **Herdsmen kidnap lawyer and business man in Enugu.** The two men have been abducted by gunmen in Enugu. Mr John And his business friend were on Friday evening abducted along ugwogo isi uzo road by gunman and taken to an unknown destination. An investigation is in progress.
4. **There was a fire outbreak at the Account and finance department of the economic community of West Africa states (ecowas) Commission secretariat, asokoro Abuja on Tuesday night.** The federal fire service spokesperson, ugo huan could not be reached on the extent of the damage.
5. **The defense headquarters said soldiers on internal security operation in the niger delta region have killed 5 pirates and Militants terrorizing people of the area with their activities.** The soldiers from operation safe, were said to have sunk Three attack boats belonging to the militants and seized several arms and ammunitions from them in the shoot out.



6. **Police arrest a community leader in Imo state for alleged kidnap.** Operatives of the anti kidnapping unit and special anti Robbery squad of the imo state police command have arrested a community leader pastor Caleb Agu for alleged Kidnapping. He was paraded along with 8 members of his gang at the command headquarters in owerri. They are responsible for the killing of two personnel of NDLEA. The sum of 4.2 million naira was recovered as part of the ransom the suspect collected from their victims.
7. **One dead, four injured in Lagos gas explosion.** A 35year old man Ajibola Olaoye has been killed in a gas explosion at Alafia bus stop orile in Lagos state. It was gathered that four other who substained varying degree of injury, were rushed to the hospital.

RECENT EVENTS

- . AIR PEACE SACKS 75 PILOTS OVER FINANCIAL CONSTRAINTS.
- . JOB LOSSES LOOMS AS SHOPRITE MOVES TO LEAVE NIGERIA.
- . NLC SHUT DOWN BRISTOW HELICOPTERS OVER SALARY PAYMENT.
- . ARMED SECURITY OPERATIVES ALLEGEDLY ATTACK IGBODUN COMMUNITY.
- . WHO WARNS THAT THERE MAY NEVER BE A COVID-19 SILVER BULLET.
- . KENYA AIRWAYS RESUMES INTERNATIONAL PASSENGERS FLIGHT AUGUST 1.
- . IPMAN ORDERS SALE OF PETROL AT 150 NAIRA PER LITRE.
- . NESTLE NIGERIA APPOINTS NEW MD.
- . OIL PRICES SNAP FOUR DAY WINNING STREAK AS COVID-19 CASES GROW.
- . UNCERTAINTY RULES FUEL PUMP PRICE.
- .DHQ SILENT AS USA says ISWAP, AL-QAEDA TAKING OVER WEST AFRICA.
- .BRISTOW HELICOPTER SACKS 100 PILOTS.

SECURITY RISK ANALYSIS

NEAR CERTAINTY	LIKELY	UNLIKELY	REMOTE	NOTE: Here are the probabilities closest to actual analysis based on historical trends and current factors
4	3	2	1	
CATASTROPHIC (resulting in fatalities and/or total loss)	MAJOR (Resulting in severe injuries and/or major damage)	MARGINAL (Resulting in minor injury and/or minor damage)	NEGLIGIBLE (Resulting in less than minor injury and/or damage)	NOTE: Here are the risk description that best matches our internal data
4	3	2	1	

SEVERITY OF POTENTIAL RISK

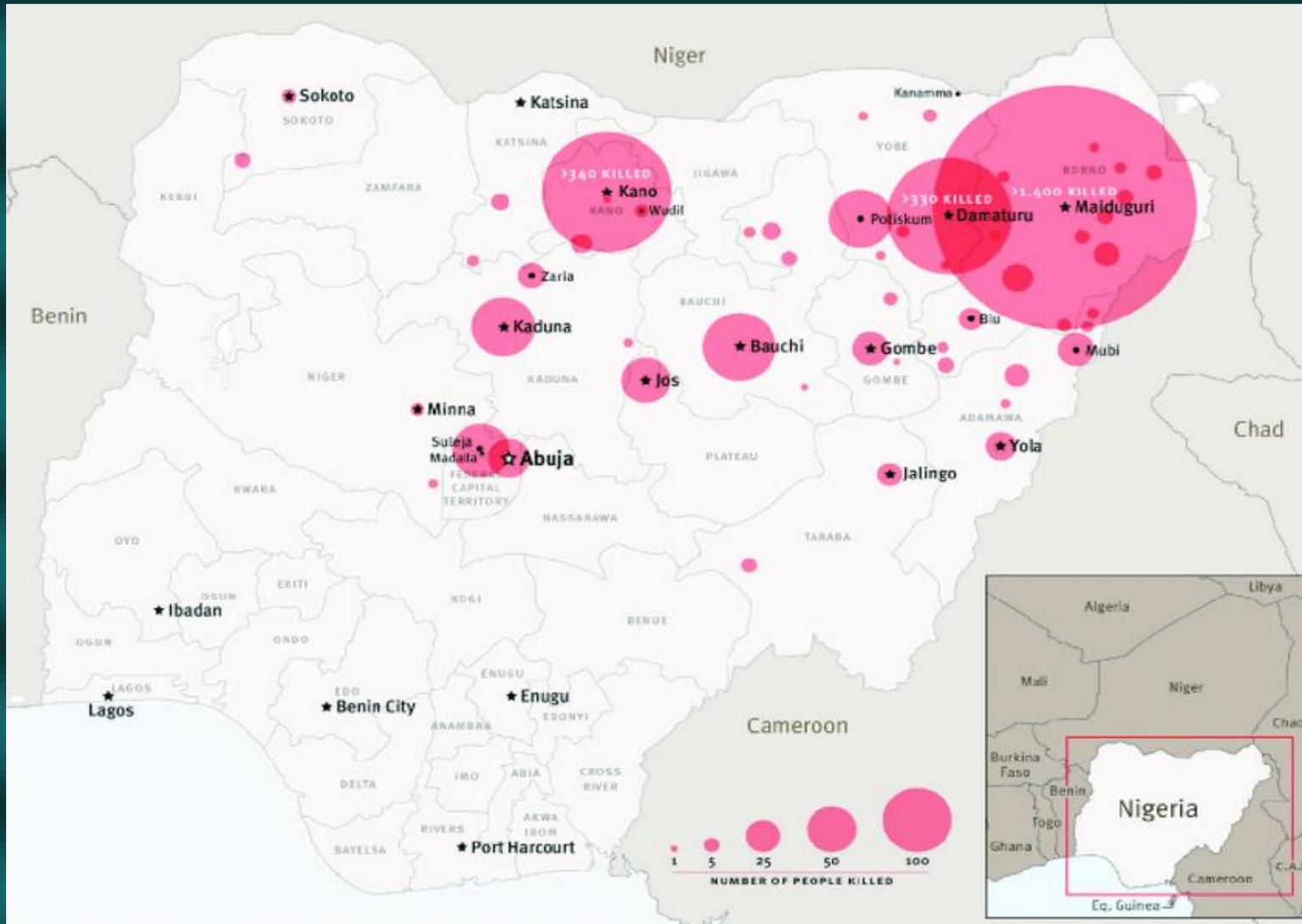
CATASTROPHIC (4)	MAJOR (3)	MARGINAL (2)	NEGLIGIBLE (1)	NOTE: To determine the risk mitigation factor, we multiply the risk probability and the risk severity to determine the risk mitigation method to apply
Critical (16)	Very high (12)	High (8)	Medium (4)	
Very high (12)	High (8)	Medium (4)	Low (3)	
High (8)	Medium (4)	Low (3)	Low (2)	
Medium (4)	Low (3)	Low (2)	Low (1)	

SPECIFIC RISK	RISK PROBABILITY	RISK SEVERITY	RISK RATING (COMBINED)	RISK OBSERVATIONS/ASSESSMENT	RISK MITIGATION
Gunmen kill 70 year old retiree	4	4	16	Reflection of the state of the country's insecurity and unrest.	Implement security mechanism to detect and respond to crime effectively by the security agency.
Herdsmen kidnap lawyer and businessman	3	3	9	Reflection of the state of the country's insecurity and unrest.	Need for effective intelligence gathering by law enforcement agency and communities to identify potential suspects.
Fire outbreak at ECOWAS secretariat.	1	1	1	Negligence	Measures to implement appropriate safety & security procedure in line with best practices.
Soldiers kill 5 militant pirate	4	4	16	Reflection of the state of the country's insecurity and unrest.	Need for effective intelligence gathering by law enforcement agencies and communities to identify potential suspects

Police arrest alleged kidnapper and gang.	4	4	16	Reflection of the state of the county's insecurity and unrest	Measures taken by law enforcement agency to mitigate and apprehend suspected kidnap gang.
One dead, four injured in gas explosion.	1	1	1	Negligence of duty.	Need to adhere to safety procedure in line with best practices.

ECONOMIC RISK ON IMPACT OF COVID -19.

- > Aggregate demand will fall, but Government expenditure will rise. The Covid 19 crisis is causing all components of aggregate demand except for government purchase to fall.
- > The fall in household consumption.
- > Firms are likely to hold off on long-term investment decision.
- > Investments by firms will be impeded largely due to uncertainties that come with the pandemic due limited knowledge about the duration of the outbreak. Africa's biggest grocery retailer, Shoprite is exiting the country after 15years.As a result of lockdown, customer visits declined 7.4% but average basket spend increase by 18.4%.etc
- > Increase in the rate of unemployment as many companies and businesses are struggling due to the negative impact of covid 19 pandemic on the economy.
- > Decline in export, the restriction on movements of people and border closures foreshadow a decline in exports. Already countries across the world have closed their borders to non essential traffic and global supply chain of export goods.
- > With oil begin Nigeria's major source of foreign exchange, amid the steep decline in oil prices, the official exchange rate has been affected severally.



Map of Nigeria indicating the concentration of Insurgency & Terrorist attacks

CONCLUSION

Lockdown of International airport stalls aviation recovery. The continued closure of international airports in Nigeria and other parts of the world has been blamed for the slow recovery of global aviation and passenger traffic.

Nigeria international airport have been shut in the last four months, although likelihood of reopening before October 15. However domestic flights have resumed. The Presidential task force on Covid-19 has asked aviation authorities and airline operators to begin the process of restart of International flights. According to Sani Aliyu PTF National Coordinator, passengers would arrive three hours before flight for international passengers. The national coordinator stressed that though the government would like to restart international flights. It will be done in a safe manner balancing health concerns and economic recovery. Hopefully in weeks but not months.

COVID 19 NIGERIA 6TH AUG 2020

SAMPLES TESTTED 304,221

CONFIRMED CASES 44,890

ACTIVE CASES 11,798

DISCHARGED CASES 32,165

DEATHS 927

However Lagos, Abuja and Oyo State still have the highest number of cases. 15,551 LAGOS, 4,163 ABUJA,

and 2,807 OYO STATE.