

# COVID-19 AND THE CHALLENGES OF FOREIGN DIRECT INVESTMENT (FDI) IN NIGERIA: IMPLICATIONS FOR NATIONAL DEVELOPMENT

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## **Abstract**

*This paper examines the COVID-19 pandemic and the challenges it poses for FDI in Nigeria as well as its implication for national development. The analytical research method was employed for the study and the Hierarchy of Needs Theory by Maslow with special attention on the security need was espoused as a framework of analysis. The paper found that, the global health challenge has claimed the lives of 1, 398, 029 people globally as at November 24, 2020. The paper revealed that; the COVID-19 pandemic has led to a decline in capital importation and inflow of Foreign Direct Investment (FDI) in Nigeria from \$8.51 billion and \$257.25 million received in Q4 2019 to \$5.85 billion and \$214.25 million in Q1 2020. In Q2 2020, the capital importation and FDI inflow in Nigeria further dropped to \$1.29 billion and \$148.6 million thus impacting on the country's foreign policy of attracting Foreign Direct Investment (FDI). The paper concludes that, if the COVID-19 pandemic is not contained and the Nigerian economy not diversified, the country cannot hope to record high inflow of FDI and the achievement of an accelerated national development may remain a mirage. It therefore recommends strict adherence to COVID-19 protocols and development of vaccines to contain the pandemic as well as diversification and building of a virile and sustainable economy that will absorb the shocks of global oil prices decline.*

**Keywords:** COVID-19, Coronavirus, foreign direct investment, national development, Nigeria

## **Introduction**

It is an undeniable fact that natural resources are not distributed evenly across the world and the quest for countries to meet their needs beyond the shores of their boundaries indeed informed relations among nations in the world. To conduct these relations effectively, countries develop principles and objectives upon which these relations are anchored. This brought about foreign policies by countries in the course of their interactions in the international system. According to Aluko as cited in Adamu (2018, p.460) “nobody has really formulated a universally acceptable definition of foreign policy and probably nobody will ever succeed in doing so”. This is an indication of the different lenses with which foreign policy formulators, politicians, public commentators and the academia view foreign policy, hence the plethora of definitions of the concept. Be that as it may, Okoth's definition of foreign policy as cited in Fineman (2019, p. 246) as “the aggregate of a state's intentions as opposed to its relations with other states and other non-state actors in the international arena” shows that, all states have intentions and they as well seek to achieve certain goals and objectives in the course of their relations with other states and non-state actors in the international environment. While Okoth's definition is no doubt in-exhaustive, however, it has given us a fair idea of what foreign policy entails especially in the context of this paper.

The importance of foreign policy is to protect the territorial integrity of the country and its citizens, both within and outside the country. Secondly, foreign policy promotes and furthers the national interests of a country. The primary interests of each state are preservation, security and well-being of its citizens as well as the promotion of the economic interests of the country. This as the Daily Outlook Afghanistan July 3, 2016 noted is not unconnected to the fact that the status of a state is largely determined by its economic status and as such, the states try to pursue a foreign policy which can contribute to their economic prosperity and enables it in turn play a more effective role in international politics.

It was in realization of the significance of relating with other countries and the need for a foreign policy to guide such relations that, at the attainment of independence in 1960, Nigeria's first Prime Minister Sir Abubakar Tafawa Balewa designed and organized the principles and objectives of Nigeria's foreign policy. These principles and objectives of Nigeria's foreign policy have remained the same sixty years after they were devised and systematized. As Adamu (2018, p. 457) held, "it is only the interpretations and emphasis which successive governments placed on the cardinal principles or the approach that made the difference whilst the basic fact remains that there has been a relatively remarkable consistency in the underlying principles and objectives guiding the conduct, and influencing the pre-occupation of Nigeria's foreign policy". As it were, the foreign policy thrust of the Muhammadu Buhari led administration is focused on but is not limited to attracting foreign direct investment (FDI) (Odubajo, 2017). However, we are not oblivious of the fact that FDI cannot flow to countries in situations of lockdown.

The COVID-19 pandemic which first broke out in China has spread to over 200 countries, areas and territories and to contain the spread of the highly contagious disease, global lockdown began in February, 2020. This led to a sharp drop in the inflow of FDI in the country and as if that was not enough, there was also a decline in the global demand for oil necessitating a drastic fall in its price and this affected Nigeria's major foreign export (crude oil) that contributes 70 and 90 percents to government revenue and foreign exchange earnings respectively over the years (National Bureau of Statistics as cited in Obayomi, 2020, p.1). This therefore led to the National Assembly amending the 2020 budget, lowering the benchmark of oil price to \$28 per barrel from the \$57 earlier passed by the lawmaking body (Akinpelu, 2020).

To cushion the effect of COVID-19 on the economy, Chinery et al (2020) revealed that the Nigerian government is seeking \$11 billion in fresh loans from the International Monetary Fund (IMF), domestic banks, the World Bank and others which would unfortunately grow the debt stock of the country by close to another 50 percent. Chinery et al (2020) also contend that, the start of the global lockdown occasioned by COVID-19 in February, 2020 also halved foreign remittances in the country, which formerly gave local businesses far more capital than did oil and foreign aid. Beside this, prospects for new foreign direct investments which Todaro as cited in Andza and Agu (2018, p. 182) argued "does not only alleviate part or all of the deficit on the balance of payments current account but can also function to remove that deficit over time if the foreign-owned enterprise can generate a net positive flow of the export earnings" are weak in the country given the trend of the COVID-19 pandemic in the world. It is against this backdrop that we investigate the challenges that COVID-19 poses to FDI in Nigeria and its implications for national development.

This paper is segmented into seven sections for purposes of coherent analysis beginning with introduction as the first section, followed by clarification of concepts which is the second section. Section three is devoted to laying a theoretical base that explicates the challenges that COVID-19 pose to FDI in

Nigeria while section four is a global overview of the COVID-19 pandemic. Section five dwells on the challenges that COVID-19 pose to FDI and its implication for national development while section six is the conclusion. Section seven is the recommendations.

### **Conceptual Clarifications**

For a clearer understanding of the subject under exploration, COVID-19, FDI, and national development as the key concepts in this paper are highlighted and discussed in this section.

#### **COVID-19**

According to Vergnaud (2020), COVID-19 is the name given by the World Health Organization (WHO) on February 11, 2020 for the disease caused by the novel corona virus SARS-COV-2. The Mayo Foundation for Medical Education and Research (2020) in agreement with the above definition held that, COVID-19 is an infectious disease caused by severe acute respiratory syndrome. The foundation further explains that, the virus spreads by respiratory droplets released when someone with the virus coughs, sneezes or talks. The droplets can be inhaled, or land in the mouth or nose of a person nearby. It can be spread when a person touches a surface with the virus on it and then touches his or her mouth, nose or eyes; although this is not considered to be the only ways it is spread. Bender (2020) revealed that, COVID-19 is an acronym which is understood as follows: “CO” stands for corona “VI” for virus, “D” for disease and “19” for the year of the outbreak of the disease. This means that, COVID-19 is one and the same thing as coronavirus disease. He further held that, COVID-19 is the more scientific term used to describe the highly contagious virus that is spreading fast around the world and is caused by a new strain of the coronavirus. Bender’s clarification is devoid of any ambiguity and as such, it is not just of choice but is adopted in this paper.

#### **Foreign Direct Investment (FDI)**

The World Bank as cited in Obiekwe, (2018) defined FDI as investment that is made to acquire a lasting management interest (usually 10% of voting stock) in an enterprise and business operating in a country other than that of the investors. The investment is direct because the investor, which could be a foreign person, company or group of entities, is seeking to control, manage or have significant influence over the foreign enterprise. FDI can also take the form of direct acquisition of a foreign firm, either totally, its controlling stock or some percentage of its stocks. It also involves construction of facilities or investment in a joint venture with a local firm by a foreign firm. Adeleke, Olowe & Fasesin (2014) defined FDI as a direct investment into production or business in a country by an individual or company of another country, either by acquiring a company in the target country or by expanding existing business operations in that country. Slaughter & May (2012) held that a foreign direct investor may acquire voting power of an enterprise in an economy through incorporating a wholly owned subsidiary or company in the country, acquisition of shares in an associated enterprise, via merger or acquisition of an unrelated business enterprise and through participation in an equity joint venture with another investor or enterprise. FDI is the net inflow of monies and or values that have entered the country for these purposes that this study set to investigate the challenges the COVID-19 pandemic poses on what it implies for national development.

#### **National Development**

For Lawal and Oluwatoyin (2011, p. 238) national development is “the overall development or collective socio-economic, political as well as religious advancement of a country or a nation”. National development is the ability of a country or countries to improve the social welfare of the people. For example, by providing social amenities like quality education facilities, potable water, transportation infrastructure and medical care. Bawa (n.d) sees national development as a process of reconstruction and

development in various dimensions of a nation and development of individuals. Bawa (n.d) further aver that, national development includes full-growth and expansion of our industries, agriculture, social, religious education, and cultural institutions. It is an all-round balanced development of different aspects and facets of the nation which includes political, economic, social, cultural, scientific and material. Foreign direct investment therefore serves to help achieve all these hence its importance and the need to explore the COVID-19 pandemic to ascertain the challenges it poses to FDI inflow in Nigeria and the implication it have on national development.

### **Theoretical Frame-Work**

The theory that underpins the challenges that the COVID-19 pandemic poses to FDI in Nigeria and its implication on national development as adopted in this chapter is Abraham Maslow's Hierarchy of Needs theory with special focus on the security need. The theory was put forward in 1943 and called "A theory of Human Motivation" Rosenbloom & Goldman cited in Andza & Agu (2018, p.186). The essential argument of this theory is that;

*There is a hierarchy of human needs, that humans are satisfaction-seeking animals, and that they are therefore motivated in a never-ending quest for greater satisfaction of their needs. In Maslow's scheme, human beings first seek to satisfy their physiological needs such as hunger and thirst; then, once these are met, they seek to fulfill safety and security needs. Next, they focus on social needs and seek a sense of belonging. At the fourth level of needs, they want self-esteem and social status; finally, they seek "self-actualization" or true self-fulfillment (Rosenbloom & Goldman in Andza & Agu, 2018, p. 186).*

It is of paramount importance to note that, the most important determinant of FDI inflow in a country is the safety and security of lives and property of foreign investors and their investments in their host country. No sane foreign investor would want to invest in a place where he or she is not sure of their security and that of their investment(s). The COVID-19 pandemic has made the issue of safety of lives a serious matter of concern for not just Nigerians but for foreign direct investors. The number of people infected with the virus and the number of deaths recorded from it is scary such that foreign direct investors who plan to come and invest draw back. Prospective foreign direct investors receive the news of the sorry state of Nigerian medical facilities and the acuteness of the COVID-19 pandemic and so decide to stay away from the country. That is aside the global lockdown that does not allow movement into the country. This does not in any way encouraged or motivated a high and consistent inflow of FDI in the country. It as well does not motivate the smooth operation of the multinational companies in the country. The COVID-19 pandemic has made mockery of Nigeria's economic security as probable continued solvency and predictability of future cash flow are in serious doubt in the country.

Nigeria's external reserve has depleted from \$38.59 billion to \$36.22 billion within two months' period, covering January 1 and March 5, 2020 (Business a.m March 14, 2020). Also, the CBN as cited in Ekpo (2020, p. 1) indicated that, Nigeria's external reserve fell from \$36.57 billion on June 1, 2020 to \$36.12 billion on July 15, 2020. Nigeria's debt profile according to the Nigerian Senate as cited in Okwumbu (2020, p. 1) has also risen to an astronomical level of N33 trillion as at March 2020. This has raised concerns about the country's capacity to effectively service the debt in the face of the dwindling economic fortunes of the country occasioned by COVID-19 pandemic where the price of oil has fallen.

This has informed the revised oil benchmark from \$57 per barrel to \$28. In view of the prevailing circumstances therefore, it is safe to say that Nigeria is economically insecure to provide the

enabling environment that foreign direct investors point to as a prerequisite for committing their investment in a country. It as well does not motivate the smooth operation of the multinational companies in the country. This is largely due to the uncertainties that come with the pandemic-limited knowledge about the duration of the outbreak, the effectiveness of the policy measures as well as negative investor sentiments which are causing turbulence in the capital market (Onekwena & Ekeruche, 2020).

### **A Global Overview of COVID-19 Pandemic**

COVID-19 is not the first and probably, it may not be the last pandemic that would infect and claim thousands of lives in the world. In the ancient times, Mough (2002) recalled that, the plague of Justinian also known as the bubonic plague ravaged the Mediterranean Basin, Europe and the near East killing an estimated 25 Million to 100 Million people – believed to be half of the world’s population in AD 541. Howard (2002) also recollected that, the Black Death, also a bubonic plague, killed around 25 Million Europeans between 1348 and 1350. And just little over 100 years ago, which perhaps has informed scholars assertions that, it is the historic event most closely related to the coronavirus, Lubrano (2020) remembered that, the Spanish flu of 1918 killed 50 million people worldwide.

These pandemics and others not mentioned here may have informed Matt Ray, a Temple medical sociologist and expert on pandemics cited in Lubrano (2020, p. 2) to aver in respect of the coronavirus that, “Epidemics have ravaged the globe to a far greater extent that we are seeing now”. He added that, HIV/AIDs, in fact has continued to be a slow-moving plague for the last 40 years, thus far taking 32 million lives, according to the World Health Organization”. These pandemics no doubt posed challenges to FDI in the continents and/or countries that occurred and as well had implications on these countries national development.

The above historical insight into pandemics in the world suggests that, COVID-19 may well not be the deadliest pandemic in human history. What is scary about the disease however, is its mode of transmission. Within two months of its outbreak in China’s Asia, COVID-19 has become a pandemic. This is in view of the fact that, over 200 countries, territories and areas are infected with the disease bringing the total number of global infections and fatalities to 59, 225, 734 and 1, 398, 029 respectively as at November 24, 2020 (Centre for System Science and Engineering, 2020).

According to Taylor (2020), the outbreak of the coronavirus began in Wuhan, China on December 31, 2019 where Chinese authorities reportedly treated dozens of cases of pneumonia of unknown cause which researchers in China later identified and attributed to a new virus which would later be known as COVID-19 or coronavirus. After many studies in China Riou and Althaus (2020); Zhao, et al, (2020), Backer, et al (2020) and Zhong, et al (2020) reported human-to-human transmission and because of the fast spread of the virus within Hubei province, the Chinese authorities expanded the range of its preventive measures and announced a lockdown in Wuhan and Hubei province cities on January 24, 2020 by closing the airports and suspension of all public transportations to prevent anyone from entering and leaving. In addition, AlTakarli (2020) aver that shops were all shut except those providing food and medicines and very tight restrictions were placed on people to force quarantine.

Between the time of its outbreak and November 24, 2020, 92, 211 people were confirmed to have tested positive to the virus in China while 4, 742 people died from complications resulting from it (Centre for System Science and Engineering, 2020). As the first country affected by this pandemic, and one of the world’s major import and export countries and sources of foreign direct investment, under the backdrop of increased uncertainty, complexity, and difficulty in the global situation, China’s outward foreign direct investment is certainly meaningfully affected.

In Europe, the Centre for System Science and Engineering (2020) held that, 2, 195, 940 and 49, 312 people are confirmed to have tested positive and died from COVID-19 respectively in France, the first country outside Asia to record an index case of the coronavirus disease as at November 24, 2020. To curtail the spread of the pandemic in France, a lockdown was imposed and health officials had been advising social distancing via multi-media public health campaign which includes radio, social media and television. Events were cancelled; museums, schools, bars, restaurants, and cinemas were closed. These measures were however not very effective in curtailing the spread of the contagious disease because, as MacDougall (2020) noted, the French people resorted to partying in the spring sunshine in large groups of friends and families. This therefore explains the high number of infections and fatalities in the country. The impact of this on France economy was that, its foreign portfolio investment fell by \$24.4 billion in December, 2020 (Census and economic Information Center (CEIC), 2021).

In North America, according to Schemaker (2020), the United States of America confirmed its first case of COVID-19 on January 21, 2020 and on January 31, 2020, it was officially declared a public health emergency and restrictions were on flights arriving from China (Aubrey, 2020; Robertson, 2020). Though the COVID-19 pandemic was declared a public health emergency just ten days after the index case in the US, which presupposes that adequate preventive measures will be put in place to contain the menace, President Trump's commentaries down playing its threat as compiled by Blake and Rieger (2020) perhaps led to the initial slow response to the pandemic in terms of preparing the health care system, stopping other travels, and testing for the virus (Lemire, et al, 2020). Though these measures were later put in place, monumental damage had already been done as the number of infected persons and fatalities in the US as at November 24, 2020 was 12, 420, 866 and 257, 701 respectively which is the highest in the world. This accounted for the nearly halved FDI inflow in the United States of America as new investments by oversea businesses into the country; which for decades held the number one position in the world, fell 49 percent in 2020 (Honnon & Jeong, 2021).

In Australia's Oceania, the first case of COVID-19 was confirmed on January 25, 2020 and in order to contain its spread, the country shut her borders to all non-residents in addition to imposing of social distance rules as well as closing non-essential services (Burke, 2020). This helped scaled down the number of infections at the beginning of April to under 20 cases which initially grew sharply and leveled out at about 350 per day around March (Australia Department of Health, 2020). A second wave of infections however surfaced during the period of May and June in Victoria which is attributed to an outbreak at a Melbourne hotel which increased the number of infections and deaths. As at November 24, 2020, Australia had 27, 847 confirmed cases and 907 deaths but interestingly, the country's FDI inflow and outward was not significantly affected as the inflow stood at \$6.0 billion and the direct investment abroad expanded by \$1.8 billion as at December, 2020 (CEIC, 2021).

In South America, Brazil was the first country to confirm a case of COVID-19 on the 25 February, 2020. Though several measures were put in place to contain the spread of the disease, much could not be said to have been achieved from these from those measures as the number of infections have continued to rise. As at November 24, 2020, Brazil had 6, 087, 608 confirmed cases of the disease and 169, 485 fatalities (Center for System Science and Engineering, 2020) making the country the second most infected country with COVID-19 in the world. This perhaps explains why the total FDI inflows in Brazil drop from \$69.2 billion in 2019 to \$34.2 billion in 2020 which is the lowest since 2009 (McGeever, 2021).

In sub-Saharan Africa, Nigeria was the first country to confirm an index case of the COVID-19 pandemic. As a result, normal activities in Lagos, Abuja and Ogun were first shut down for initial 14 days

effective March 30, 2020 to contain the spread of the virus when the country confirmed its first case on February 27, 2020 (Obiezu, 2020). As at November 24, 2020, the country had 66, 439 confirmed cases and 1, 168 fatalities. The challenges the pandemic pose to FDI inflow in the country and its implication constitute the next section of this paper.

### **The challenges of COVID-19 to Foreign Direct Investment (FDI) in Nigeria and Implications to National Development**

Attracting Foreign Direct Investment (FDI) in Nigeria as embedded in the Foreign Policy thrust of Buhari's first term administration in the face of the COVID-19 pandemic is a herculean task. Every country is battling to contain the spread of the coronavirus disease within their territories and as such, issues of countries extending their economic tentacles beyond their shores are not of the essence at the moment. Besides, the global lockdown does not give much room for foreign direct investors to freely operate amidst the COVID-19 pandemic. Many projects especially in the construction sector in the country are stalled because, staff of foreign firms awarded these contracts were and are still caught in between the 2019 Christmas break and the global lockdown occasioned by the coronavirus pandemic. This therefore has unimaginable effect on the 'Nigeria First' component of expanding transport and infrastructure development in the country. The implication of this to national development is that, programs and policies which are meant to benefit a large number of people are defeated and/or delayed.

According to the National Bureau of Statistics as cited in Oyekanmi (2020), Nigeria received \$5.85 billion capital inflows in the first quarter (Q1) of 2020 which is \$2.66 billion less than what was obtained in Q1 2019 representing a 31.25 percent decline. The share of FDI from the total capital importation in the country in Q1 was just \$214.25 million representing only 4.20 percent which indicates a decline of 16.71 percent as against \$257.25 received in Q4 2019 and 13.39 percent drop as against the corresponding quarter in 2019. In Q2 of 2020, the total capital inflow in the country further dropped to \$1.29 billion representing a decline of 77.94 percent as against the corresponding quarter of 2019 thus representing the lowest inflow recorded since Q1 2017 when capital inflow was \$908.3 million (National Bureau of Statistics in Yusuf, 2020). The share of FDI was only \$148.6 million representing 14.44 percent of the total capital inflow. This shows a decline of 30.64 compared to \$214.25 million received in Q1 2020 and 33.41 percent fall as against the corresponding quarter of 2019. The implication of this to national development is that, it does not in any way assures of the country's industrialization any time soon as entrenched in the 'Nigeria First' foreign policy thrust of the Buhari administration.

COVID-19 has also narrowed Nigeria's access to the foreign market which is embedded in every country's national interest and is done through the mechanisms of export, licensing, joint venture and direct investment. Mechanisms of joint venture and direct investment are hampered as the global lockdown to contain the spread of the highly contagious disease does not encourage it. Beside, the decline in oil price does not place Nigeria in a vantage position to engage in any meaningful joint venture and/or direct investment in other countries' economies which would have widen her access to the foreign market. Equally too, the coronavirus pandemic is an albatross to Nigeria's national development intention of building a thriving and sustainable economy that ensures the social welfare and standard of living of her citizens. The lockdown occasioned by COVID-19 has negatively impacted the economy and led to the loss of 42 percent of Nigerian workers and reduced the incomes of 79 percent of households in Nigeria (National Bureau of Statistics in Iloani et al, 2020). Workers have been disengaged especially in the aviation, hospitality, banking, construction, manufacturing, media and sales and services sectors in

Nigeria. This has made nonsense of Nigeria's national development intention of reducing poverty in the country.

The COVID-19 pandemic has also made Nigeria elude the benefits of FDI. The role which FDI plays to stimulate economic growth was and is still left void. It was Silajdzic and Mehic (2015) who held that FDI directly affect economic growth by contributing to the gross fixed capital formation and indirectly by contributing to knowledge stock. All these have been found to have eluded Nigeria as the World Bank (2020) averred that the pandemic has led to a reduction in growth in the country by more than five percentage points.

Meier as cited in Andza, (2010) also argued that, FDI brings managerial ability, technical personnel, technological knowledge, administrative organization and innovations in products and production techniques all of which are in short supply in their host countries especially the developing ones and these are both desirable and productive for the recipient nations. Dabour (2000, p. 27) is also in agreement with Meier when he held, "FDI is a means of complimenting the level of domestic investment, as well as securing economy-wide efficiency gains through the transfer of appropriate technology, management knowledge, access to foreign markets, increasing employment opportunities and improving standards of living". This implies that the country have lost substantially these benefits of FDI because of the COVID-19 pandemic since there was a drastic drop in FDI inflow in the country. The implication of this to national development is that, the little FDI inflow in the country may not be adequate to serve as a prime mover behind industrial dynamism of Nigeria as it did in Asia and Latin American countries which informed Nunnenkamp (2001) to strongly advise developing countries to rely on FDI to supplement national savings by capital inflow and promote economic development.

Todaro (2000) argues that an inflow of FDI and capital does not only alleviate part or all of the deficit on the balance of payments current account but can also function to remove that deficit over time if the foreign-owned enterprise can generate a net positive flow of export earnings. This perhaps informed the vigorous campaign for FDI across the length and breadth of the globe by successive governments in the country. However, as heartwarming as this seemed to be the solution to Nigeria's balance of payment problem, the COVID-19 pandemic has dashed the hope of realizing this in nearest future. The year 2020 witnessed a further decline in Nigeria's balance of payment current account from \$-17.0 billion in 2019 to \$-16.2 billion (KNOEMA, 2020). While the net FDI inflow in the country which would have serve to alleviate part or all of the country's deficit balance of payment current account and/or functioned to bridge the widening deficit overtime rather declined to \$2.6 billion in the same year 2020 (Nairametric, 2021). This therefore places Nigeria in a precarious situation as to disentangle herself from the balance of payment current account conundrum.

## **Conclusion**

It is obvious from the preceding analysis that the COVID-19 pandemic is a global health challenge that has affected all continents of the world with varying degrees which include but not limited to the number of people infected with the virus and the fatalities recorded. This is aside the attendant economic consequences that arose from the measures devised to contain the spread and possible eradication of the virus. The only continent not affected by the coronavirus is Antarctica, the southernmost continent and site of the South Pole that is virtually uninhabited which is why the highly contagious virus is not reported there. In the face of the coronavirus with its attendant economic consequences on Nigerian economy, one can conveniently say as it is evident from the analysis that, the inflow of FDI in the country is not commensurate with the policies and efforts as well as the economic potentials of the country as it is hampered by the COVID-19 pandemic.

The crux of this paper is therefore that, if the COVID-19 pandemic is not contained amidst Nigeria's mono economy, the inflow of FDI in the country may continue to decline. The economic impact of this pandemic however is mostly felt by countries with mono economies like Nigeria. As such, it is not particular to Nigeria as other countries may also face the same fate. The difference may just be in terms of the degree of the impact on each. To that extent, the challenge of the coronavirus pandemic to FDI inflow in Nigeria and its implications to national development cannot be overemphasized. In other words, Nigeria cannot expect lofty benefits from FDI if the coronavirus is not contained.

### **Recommendations**

1. Nigeria should diversify her economy to reduce the over dependence on oil in order to absorb the shocks of global oil prices decline so that she can still ensure national development in the event of continued lockdown. Nigeria should build a post COVID-19 diversified and virile economy that will expand the country's access to foreign market as the country will have variety of commodities to trade in the foreign market as well as place her in a vantage position to engage in international joint ventures besides her numerous citizens extending their investments beyond the country's shores. This can be done by encouraging the citizens to return to the farm and the government investing heavily in agriculture and other sectors of the economy.
2. The security challenges confronting the country should be speedily addressed to build investor confidence in the country in order to attract both domestic and foreign investors.
3. The dearth of infrastructure in the country should also be addressed to attract investors in the country's economy.
4. The ease of doing business in the country should as well be improved to attract both domestic and foreign directors in the country.
5. There should be strict adherence to COVID-19 protocols and a speedy development of vaccines to contain the pandemic. Studies should also be commissioned to research into more effective containment measures of the pandemic in the interim.

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