

COVID – 19 PANDEMIC AND TIDES OF INTERNATIONAL ECONOMIC RELATIONS: AN ANALYSIS OF NIGERIA – CHINA RELATIONS

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Abstract

The Covid-19 Pandemic in Nigeria like all parts of the world has affected all aspects of governance in Nigeria, be it economic, social or political. The corona disease according to World Health Organization is caused by severe acute respiratory syndrome called corona virus 2 (SARS-coV-2). It has really taken the world by surprise, even the most developed and advanced nations are not spared. The Covid-19 index case in Nigeria was reported by National Centre for Disease Control on the 27th of February, 2020 in Lagos where it spread to the other parts of the country rapidly thereby forcing the government to a total lockdown which brought down the whole system of government to its knees. School and businesses were closed, Road and air space was also shut down. Everything came to a standstill though the government tried to relax the situation by providing some palliatives for the masses but the most devastating effect of this corona is the international relations countries share especially between Nigeria and china, which is the focused of this study. The study tend to use qualitative analysis in evaluating the findings by using the new "new theory of international trade. The paper will discuss and bring to bear how covid-19 affected the Nigeria-China relations. Its benefits and consequences and the way forward.

Keywords: Covid–19 pandemic, tides, international, economic relations, Nigeria – China Relations

Introduction

Nigeria recorded its first covid-19 case, an Italian national on February 27.2020. The virus which originated from Wuhan in china at the end of 2019, has infected over six million people and led to the death of over 300,00 worldwide. Nigeria index case was confirmed by the virology laboratory of the logos university teaching hospital, one of the two laboratories with the capacity to diagnose Covid-19 in Nigeria at the time it took another 11 days for the second case to be confirmed in the country, a contact of the Italian national, on the 19th march, 2020. Since then, the number of cases in Nigeria have grown, initially with Lagos being the epicenter of the pandemic in Nigeria. The rising rates of infections in a number of European countries, the high number of Covid-19 cases in china, and the epicenter of the virus at the time, and international flights still operating made Nigeria particularly vulnerable. Since March 2020, borders have been shut, lockdowns imposed, interstate travel banned, and offices, clubs and services considered to be non- essential closed. The public sector has also been affected and the low economic activities especially in the oil and gas industry, trade and manufacturing as well as services have significantly impacted

government revenue, leading the federal government to revise the 2020 budget down by more than N71 billion. Covid-19 has undoubtedly affected every aspect of our lives. The devastating economic effects of the covid-19 Pandemic are now spread all over the world and Nigeria and china are not left out, that is why this study tends to interrogate the economic pros and cons between Nigeria and china.

Theoretical Framework

The 'New' New trade theory will be used to analyze these study. The proponent of the New New trade theory like Marc Melitz and Pol Antras with their new study started a new trend on the study of international trade called the new, new theory, which emphasizes firm level differences in the same industry of the same country. The theory stresses the importance of firms rather than sectors in understanding the challenges and the opportunities countries face in the age of globalization. In the light of the fact of varying levels of productivity do exist, however, Melitz (2003) constructed a model in which only a few highly productive firms are engaged in export. The underlying idea in Melitz (2003) is that only high productive firms are able to make sufficient profits to cover the large fixed costs required for export operations. Helpman et al (2004) expanded the Melitz (2003) model in to one in which the productivity of exporting firms is lower than that of firms engaged in local production overseas (FDI). The theory in Helpman et al. (2004) is also based on the idea that only production firms can cover the enormous fixed costs (local factory construction.etc) entailed in local production overseas. These "Melitz-type models" constituted the theoretical foundations for empirical research based in particular on firm-level data. Melitz (2003) indicated that new source of trade gains. When lowered trade barriers stimulate competition on a global scale, low productivity firms that had been protected therefore by the trade barriers are forced to withdraw from the markets, replaced by the increased production volume of high- productivity firms. As a consequences, the average productivity of a country on the whole rises. This rise in average productivity means a rise in people's real income; people become wealthier through the natural selection of firms on a global scale. It can be understood from Melitz (2003) that heavy protection given to a domestic industry can inhibit the functionary of natural selection and block a rise in productivity (Ayumu, 2010).

According to Ciuriak, Lapham,Wolfe, Collins-williams and Curtis (2011), the Implication of New' New trade theory is that of removing trade barriers stimulates global competition, thereby forcing low productivity firms under protection to withdraw from trade. However, with removal of trade impediment and barriers, the challenges firms and country faces in international trade is transmitting of various viruses to other countries of the world. The basic assumptions of this theory is:- As international trade is increasingly liberalized, Industries of comparative advantage are expected to expand, while those of comparative disadvantage are expected to shrink, leading to an uneven spatial distribution of the corresponding economic activities within the very same industry, some firms are not able to cope with international competition while others thrive. The resulting intra-industry reallocations of markets shares and productive resources are much more pronounced than inter-

industry reallocations driven by comparative advantage.

Methodology

The study adopts qualitative method using books, Newspaper and Magazines, Speeches, interviews, Web content and social media posts cum photography and films (Luo, 2020). The finding was analyzed using content analysis to explore the effects of Covid-19-Pandemic on International Economic Relations with emphasis on Nigeria-China Relations.

Literature Review

Nigerian Economy under Covid-19

With 1.39 million Coronavirus cases and 79,382 deaths globally, the world continues to battle covid-19 Pandemic even before the outbreak, the outlook for world economy and especially developing countries like Nigeria-was fragile, as global GDP growth was estimated to be only 2.5 percent in 2020. Before the pandemic the Nigerian government had been grappling with weak recovery from the 2014 oil price shock, with GDP growth tapering around 2.3 percent in 2019 in February, the IMF revised the 2020 GDP growth rate from 2.5 percent to 2 percent as a relatively low oil prices and limitedfiscal rate. Relatedly, the country's debt profile has been a source of concern for policy makers and development practitioners as the most recent estimate puts the debt service to revenue ratio at 60 percent, which in likely to worsen amid the steep decline in revenue associated with falling oil prices. These constraining factors will aggravate the economic impact of the covid-19 outbreak and make it more difficult for the government to weather the crisis.In Nigeria, efforts were made to bolster aggregate demand through increased government spending and tax cuts for business. The public budget increased from 8.83 trillion Naira (\$24.53 billion) in 2019 to 10.59 trillion Naira (\$29.42 billion) in 2020, representing 11 percent of the national GDP, while small businesses have been exempted from company income tax, and the tax rate for medium-sized business has been revised downwards from 30 to 20 percent unfortunately, Covid-19 crises is causing all components of aggregate demand, except for government purchases to fall (Onyekwena and Ekeruche, 2020).

How the Covid-19 pandemic affects the components of aggregate demand (Onyekwena and Ekeruche, 2020).

Declining Consumption

The fall in household consumption:-In Nigeria will stem partial or full restrictions on movement, thus causing consumers to spend primarily on essential goods and services. Low expectations of future income, particularly by workers in the gig economy that are engage on a short term/contract basis, as well as the working poor in the informal economy. The erosion of wealth and expected wealth as a result of decline in asserts in such as stocks and home equity. The federal government has imposed a lockdown in Lagos and Ogun states as well as Abuja (Which have the highest number of coronavirus cases combined). Subnational government have quickly followed suit by imposing lockdowns in their states. Nigeria has a burgeoning gig economy as well as a

large informal sector, which contributes 65percent of its economic output. Movement restrictions have not only reduced the consumption of non-essential commodities in general, but the affected the income-generating capacity of these groups, thus reducing their consumption expenditure

Declining Investment

Investments by the firms will be impeded largely due to the uncertainties that come with the pandemic-limited knowledge about the duration of the outbreak, the effectiveness of policy measures and the reaction of economic agents to these measures as well as negative investor sentiments, which are causing turbulence in capital markets around the world. Indeed, the crisis has led to a massive decline in stock prices, as the Nigerian stock exchange records its worst performance since the 2008 financial crisis, which has eroded the wealth of investors. Taking in to consideration the uncertainty that is associated with the pandemic and the negative profit outlook on possible investment project, firms are likely to hold off on long-term investment decisions.

Increasing Government Expenditure

On the other hand, government purchases will increase as government which typically can afford to run budget deficit, utilize fiscal stimulus measures to counteract the fall in consumer spending. However, for government, that are commodity dependent, the fall in the global demand for commodities stemming from the pandemic will significantly increase their fiscal deficits. In Nigeria's case, the price of Brent crude was just over \$26 a barrel on April 12, whereas Nigeria's budget assumes a price of \$57 per barrel and would still have run on a 2.18 trillion naira (\$6.05 billion) deficit. Similarly, with oil accounting for 90 percent of Nigeria's exports, the decline in the demand for oil and oil prices will adversely affect the volume and value of net exports. Indeed, the steep decline in oil prices associated with the pandemic has necessitated that the Nigerian government out planned expenditure. In fact, on March 18, the minister of finance announced a 1.5 trillion naira (\$4.17 billion) cut in nonessential capital spending.

Declining Net Exports

The restrictions on movement of people and border closures foreshadow a decline in exports. Already, Countries around the world have closed their borders to nonessential traffic, and global supply chains for exports have been disrupted. Although the exports of countries that devalue their currency due to the fall in the price of commodities (like Nigeria) will become more affordable, the limited markets for nonessential goods and services nullifies the envisaged positive effects on net exports.

Like many resource dependent developing countries, Nigeria has faced the brunt of the fluctuations in the price of crude oil which accounts for about 70 percent of her gross domestic product (GDP) and 65 percent of total government revenue. The rise in government spending driven by the need to combat the effect of Covid-19 had increased the country's fiscal deficit and her susceptibility to high public debt

vulnerabilities. Furthermore, the depressing global capital flows which put serious pressure on Nigeria's foreign exchange reserve and exchange rate. (KPMG, 2020), has also affected the conduct of sundry monetary policies in the country. This situation is expected to result into macro-economic consequences on outcomes such as economic growth, inflation, unemployment and exchange rates. An optimistic projection of the future trajectory of the effect of the pandemic on the global economy is that it would result into a relatively mild and short-lived global recession, followed by a V-shaped recovery (Wren-Lewis, 2020). It is therefore important for emerging markets to understand the best approach to cushion the effect in their economic. This becomes imperative to position the economy to attract the necessary investment needed to undertake meaning for 1 development policies. Countries like Nigeria battling with poor performance of basic development indices in likely to aggravate her changes with permanent changes that the pandemic has brought to the world (Farayibi and Asongu, 2020).

China's Economy

China's rise from a poor developing country to a major economic power in about four decades has been spectacular from 1979 (when economic reform began) to 2017. According to the World Bank, China has “experienced the fastest sustained expansion by a major economy in history- and has lifted more than 800 million people out poverty- china has emerged as a major global economic power. for example, at ranks first in terms of economic size on a purchasing power parity (PPP) basis, value manufacturing, merchandise trade and holder of foreign exchange reserves. Prior to 1979, china under the leadership of Chairman Mao Zedong, maintained a centrally planned or command economy. A large share of the country's economic output was directed and controlled by the state, which set production goals, controlled prices, and allocated resources throughout most of the economy during the 1950s, all of china's individual household farms were collectivized into large communes. To support rapid industrialization, the central government under took large scale investments in physical and human capital during the 1960 and 1970s as a result, by 1978 nearly three fourths of industrial production was produced by centrally controlled, state owned enterprises (SOEs), according to centrally planned output targets private enterprises and foreign invested firms were generally barred (Morrison, 2019).

A central goal of the Chinese government was to make china's economy relatively self-sufficient. Foreign trade was generally limited to obtaining these goods that could not be made or obtained in china. Such policies created distortions in the economy. Since most aspects of the economy were managed and run by the central government, these were no market mechanisms to efficiently allocate resources, and thus these were few incentives for firms, workers, and farmers to become more productive or be concerned with the quality of what they produced (since they were mainly focused on production goals set by the government (Morrison, 2019).

According to Chinese government. statistics, china's real GDP grew at an average annual rate of 6.7% from 1953 to 1978, although the accuracy of these data has been questioned by many analysis, some of whom contend that during this period, Chinese government officials (especially at the subnational levels) often exaggerated production levels for a variety of political reasons, in addition, China's economy suffered significant economic downturns during the leadership of chairman Mao Zedong, (which led to a massive famine and reportedly the deaths of up to 45 million people) and the cultural revolution from 1966 to 1976 (which caused widespread political chaos and greatly disrupted the economy. Since then (1966-1976) introduction of economic reforms, china's economy has grown substantially faster that during the pre-reform period and for the most part, has avoided major economic disruptions from 1979 to 2018. This has meant that an average China has been able to double the size of its economy in real terms every eight years. Economists generally attribute much of China's rapid economic growth to two main factors; large scale capital investment (Financed by large domestic savings and foreign investment) and rapid productively growth. These two factors appear to have gone together hand in hand- economic reforms led to higher efficiency in the economy, which boosted output and increased resources for additional investment in the economy. China has historically maintained a high rate of savings. Several economists have concluded that productivity gains (i.e. increases in efficiency) have been another major factor in China's rapid economic growth. The improvement to productivity were caused largely by a reallocation of resources is more productive uses, especially in sectors that were formally heavily controlled by the central government. Such as agriculture, trade and services. The rapid growth of the Chinese economy hasled many analyst to speculate if and when china will overtake the United States as the “worlds” largest economic power. The actual size of china's economy has been a subject of extensive debate among has economists. Measured in U.S dollars using nominated exchange rate, china's GDP in 2018 in nominal U.S dollars was & 13.4 trillion, which was 65.3% of the size of the U.S economy, according to estimate made by the IMF. China's 2018 per capital GDP in nominal dollars was & 9,608 which was 15.3% of the U.S per capita level (Morrison, 2019).

The devastating economic effects of the covid-19 Pandemic are now spread all over the world. China was the first country to face their devastating effect. The effects of this global pandemic will be devastating of the Chinese economy and the global economy. China accounts for one-third of the global manufacturing industry and is the world's number one exporter. Travel restrictions have affected the supply chains of many large companies, construction machinery all of which have to rely on Chinese manufacturing and its 300 million migrant workers ((Livemore and Shira, 2020).Jaguar land Rover even stated that because some factories no longer have spare parts available, they did not hesitateto bring the spare parts from china to the UK with a suitcase. Customers also faced some restrictions within this context. Some people are afraid of being infected with the new coronavirus and avoid participating in activities such as shopping in which they may be exposed to risk, restaurants, car sales points etc. have expressed quiet business (Jones, Brown and Palumbo, 2020).

Compared to other countries, the support measures implemented by the Chinese government have been relatively limited in terms of enterprises, the social security contribution made by employers on behalf of the personnel between February and June has partially decreased. Supports were also provided in companies participating in efforts to combat against the spread of the virus. It has been relatively bankruptcy of many companies seems inevitable under these current circumstances. Plus, surviving companies will have experienced major problems in collecting their receivables (Livemore and Shira, 2020). For a period of time to come, the digital economy will become an important engine driving economic growth and the pace of digital transformation in various industries and fields will be greatly accelerated. Although china hopes to turn the digital economy into the backbone of the new economy against coronavirus, there are still many problems and difficulties in china's digital economic development. Firstly, most enterprises and lack awareness of digital; transformation paths and development models. For example, according to statistic from relevant agencies, currently about only 9 percent of the leading companies in china have opened up new business or services through digital transformation. Most enterprises, especially SMEs lack the knowledge of how to improve efficiency or increase revenue through digital technology (Wu, 2020).

Nigeria and China Economic Relations

Nigeria's Initial contact with the Chinese was through Egypt. It is on record that Chan Hang Kang, commercial office in the Chinese embassy in Cairo established unofficial trade links with Nigeria, along with Tunisia, Libya, Ghana, Ethiopia, Tanganyika (Now Tanzania) in 1957 (Utomi, 2020). However, the two countries formally established diplomatic relations in February 1971. That same year, Nigeria and other developing countries from Asia, Africa and Latin America helped, despite American opposition to tip the scales in favour of Beijing's 21-year campaign to win world recognition as the one true government of china on 25 November 1971, the PRC officially replaced the republic of china (Taiwan) in the united Nation and the UN security council (Alobo, 2014, Owoeye (1986:71).

With Deng Xiaping's reform policies of the 1970s and 1980s, China's dramatic growth and modernization, attendant industrial energy and market expansion needs brought it into greater contact with Africa (Utomi, 2009:2). This new expanded presence offered a partnership seen by Nigeria as an alternative model to western relationship mainly from Europe, America and Canada. This resulted in the establishment of diplomatic relations in 1971 (Utomi 2009:2) Kwanashie (2000) and since then it has achieved a smooth and steady development. In the 30 years that followed, diplomatic relations between demographic giants of Asia and Africa produced little of economic consequence. While china was transforming into an economic power, for Nigeria, the 1980s and 1990s were marked by a series of military coups. In 2001, the countries signed agreements on the establishment of a Nigeria trade office in China and a china investment development and trade promotion Centre in Nigeria. The inter-governmental Nigeria-China investment Forum was then founded in 2006 from less than USD 2 billion in 2000, trade between china

and Nigeria reached nearly USD 18 billion Just ten years later. Between 2003 and 2009, Nigeria was atop destination for Chinese foreign direct investment on the continent, second only to South Africa. Its attractions are clear; Vast energy reserves and a large domestic market of 150 million inhabitants with growing disposable incomes. This deep relation is understandable since Nigeria had just freed itself from the status of a pariah state which Nigeria's burdensome military dictatorship forced on it (Udeala, 2010). For Nigeria, incentives lie in China's own successful economic transformation, its capacity to deliver large scale infrastructure projects and more importantly, its ability to finance them (Gimba and Ibrahim, 2018:181)

Nigeria and China Economic Relation: in Covid-19 Period

Nigerian trade with China has grown substantially in the twenty first century, but such growth has not been even, equal or as expected. Given Beijing need for energy supplies to fuel China's economic growth, one would expect that petroleum exports from Nigeria to China would contribute bulk of exchange between the two countries. Western reporters and scholars often reference Chinese petroleum purchases from Nigeria. Consider, for example, Chris Buckley's 2013 article, "China new leader tries to calm African fears of his country's economic power", which mentions trade with African 2011, saying oil, ore, and commodities from Angola, Nigeria and other resources rich countries make up much of that trade. "However, China gets very little of its oil from Nigeria. This is not to say that Beijing is uninterested in Nigerian oil, and several deals have been made, however, variety of factors have meant that China's involvement in Nigeria has far less to do with energy development than sales of producers and especially consumer goods. These goods have fashioned a mixed legacy: for Nigerian consumers a far greater choice of goods at far cheaper prices than competitors made in Nigeria or western countries and for Nigerian traders, a much better volume of business (Isaac, Murat, Victor 2020:116-117).

The existential relations between Nigeria and China have been driven largely by an infrastructure-led investment strategy based on the classical Keynesian theory of economic growth, which has taken firm roots in Nigeria's development agenda. This incongruent relationship has ushered in an era of close diplomatic ties. The Chinese investment strategy across Africa has left wishy-washy perceptions of China-Africa relations. The financial distress suffered by Ethiopia and Djibouti Chinese railways and road corridors and the Mombasa-Nairobi rail lines construction is a sad testimony of the UN wholesome debt traps orchestrated by overzealous politicians who undermine the letter and the spirit of the loan agreements entered into in the name of strategic partnership while Nigeria's political sovereignty may not be in doubt with regard to the framework and terms of agreement of the Chinese loans, nevertheless their debt-trap conditions cannot be over-emphasized (Orovwuye, 2020).

The trauma of COVID-19 Nigeria, like all the nations of the world, is navigating uncertain times, however, for Nigeria as an oil-dependent economy, this is twin shock: covid-19 pandemic Global and domestic shock and oil price shock. Nigeria's vulnerabilities to the impact of these external shocks can be adduced is increased dependencies on global economies for fiscal revenues, foreign exchange inflows,

fiscal deficit funding and capital flows required to sustain the nation's economic activities. In 2019, Nigeria's imports from China was N4.3 trillion (25 percent of total imports), while imported manufactured goods took up about 70 percent of total imports. This is likely to be affected as China and the rest of the world have resorted to closing down factories, imposing travel bans and even total country lock downs, as they struggle to contain the spread of the virus. This could put more pressure on inflation numbers (12.2 percent year on year as at February 2020 going forward as cost of local production goes up (Anyanwu, 2020).

The coronavirus has brought about low level of export of goods and services from Nigeria to China and the import of goods and services from China to Nigeria. The international trade has suffered much making the two countries suffer trade loss because of global challenges such as several numbers of infected persons and death. The Nigeria government had lost from the export of petroleum products since there is less demand for petroleum products in China and other countries of the world. This is because there is lockdown of economic activities in Nigeria and China. There is no international airline operating in Nigeria. It is only the seaport that is allowed to transport goods across the border (food and beverage products in Nigeria). The Chinese government has benefited from Nigeria because they are the producers of ventilators, face and surgical masks used in Nigeria. The government of Nigeria also demanded medical experts and exported medical personnel from China to Nigeria to solve the problem of the coronavirus (Isaac, Murat and Victor, 2020).

With the world powers exploring new investment locations, Africa remains the best option, while the continent equally depends on China for most of its supplies, either as raw materials or machinery. Notwithstanding the present friction caused by the coronavirus, the quantum of investment in the Nigerian economy by Chinese companies hovers around \$20 billion, the president, China chambers of commerce in Nigeria, Ye Shujin, disclosed last year (2019). He explained that the 160 Chinese firms operating in Nigeria, had also employed over 200,000 Nigerians, noting that the companies were promoting what he called the people-to-people cultural diplomacy of the Belt and Road initiatives of the People's Republic of China in Nigeria. Though China continues to seek ways out of several pressures at home and abroad, owing to trade tensions with the United States, Nigeria and other African countries will need to do more to improve regulations, promote the private sector and diversify Africa brand exports to China, if they will be integrated into the global value chain. In all the Asia Tiger and Nigeria need each other more than ever, especially now that the supply chain has been disrupted. For concerned Chinese residents and business owners in Nigeria, unnecessary friction will only increase trade tensions that might eventually impact the economic relationship that thrives before now (Adekoya, 2020).

After years of accumulation, the results of the FOCAC have spread all over Africa. As the most populous and biggest developing country in the world, China takes deep pride in its ever-stronger partnership with Nigeria, the most populous and biggest developing country in Africa. Since the establishment of diplomatic ties in 1971 and strategic partnership in 2005 in particular, the all-round, wide ranging and high

quality bilateral cooperation between china and Nigeria has been a pace setter for china-Africa cooperation. In 2019, the two-way trade between china and Nigeria reached 19.27 billion US Dollars, which was around 1900 times that of 1971 when the diplomatic ties were established. And the trade growth rate was 26.3% ranking first among china's top 40 trading partners. China's imports from Nigeria increased by 43.1% (YeShiujin,2019). In 2000, Nigeria's trade with china accounted for a mere 1% of the total of Nigeria's foreign trade. In recent years, china has become Nigeria's top trade partner. These numerous achievements show that China and Nigeria cooperation definitely has enormous potential in the future. The COVID-19 outbreak is a major public health emergency for china. One that is fastest spreading, most widely affecting and most difficult is contain since the founding of the People's Republic on 1st October 1949. Through arduous efforts, the epidemic is generally under control, and the positive trend in the prevention and control work is now expanding. The epidemic has indeed brought various challenges to china's economic and social development, but the impact will be short lived and generally manageable. China's economy is resilient and full of vitality. It will not be reversed by the epidemic. Its long-term upward trend remains unchanged and the fundamentals supporting china's economic development will not be early shaken.

First, China's economy has a solid foundation. In 2019, China's GDP stood at \$14.1 trillion, increasing by 6%. This growth rate is much higher than the world average. It is in fact the highest in the trillion dollar club. Over the years, china has been contributing about 30% of world economic growth. China is the world's largest trader of goods, bigger holders of foreign exchange reserves, the biggest tourism market, second largest destination for foreign investment and a major trading partner with over 130 countries. China is the only country in the world that has all the industries under the industrial classifications issued by the UN. China has the world's most extensive high speed rail network, with the length of rail in operating reading 35,000 kilometers. That is more than two third of the world's total high speed rails.

Secondly, China has enormous potential for further development. In 2019, China's per capital GDP passed the 10,000 dollar line for the first time in history. China's enormous market, with more than 1.4 billion people and 400 million middle income consumers, is a unique strength. Domestic demand makes an 89% contribution to economic growth and the contribution of the final consumption expenditure of GDP was 57.8%. Retail sales of consumer goods in China have exceeded 40 trillion RMB Yuan (Ye Shiujin, 2019). Consumption will play an even bigger role in driving China's economic growth. China has seen thriving development in digital economy, cyber economy and sharing economy. In 2019, there was retail sales increased by 19.5% year on year.

Thirdly, China is opening up wider to the world. In 2019 the total value of imports and exports of goods reached 31.6 trillion RMB Yuan, up by 3.4 % over that of the previous year and the foreign direct investment actually utilized totaled 941.5 billion Yuan, up by 5.8%. The foreign investment law and its implementing regulations took effect on January this year. This law further broadens market access for foreign

investment, increases imports of goods and services, enhances projection of IPR and increases openness in the financial sector. China is taking further steps to open up its market, explore new frontiers and improve business environment, including treating all locally registered businesses as equals.

Fourthly, this year marks the end of the 13th five-year plan and China is set to achieve its goals of completing building a moderately prosperous society in all aspects. In 2019, significant achievement has been made in poverty alleviation. The number of rural population living in poverty at the end of 2019 was 5.51 million, 11.09 million less compared with that at the end of 2018, and the incidence of poverty was 0.6%, 1.1 percentage points lower than that of the previous year.

Fifthly, as the epidemic is gradually under-control, the previously suppressed consumption and investment demands will be fully released and economic growth will rebound rapidly. They have merely been postponed, not lost for instance, growth of retail sales dived to 4.3% in May 2003, when the severe acute respiratory syndrome (SARS) affected the country. However, two months later, the growth jumped to 9.8%. In addition the industries related to epidemic prevention and control have grown strongly, and the potential of new industries and forms of business has been released, which will become a new growth point.

The COVID-19 comes and will go. The outbreak is just temporary but friendship and cooperation are forever. China remains committed to working with Nigeria. China will continue to support Nigeria in achieving independent, sustainable development and realizing the Nigerian dream at an early date (Pingjian, 2020)

Conclusion and Recommendation

The economic relation between china and Nigeria dates decades back and it has never been a balanced economic interest because china's has economic might not just in Nigeria but the world at large. Though china has its own peculiar interest in Nigeria, Nigeria also has benefited immensely from china through loans and other benefits. The coming of COVID-19 has change the economic strength of both countries there by making room for new policies to be adopted and implemented. The new, new theory explains why removing barriers stimulates global competition, thereby forcing low productivity firms under protection to withdraw from trade and it makes those countries and firms to face challenges in international trade. Due to the unexpected COVID-19 pandemic trauma on the Nigerian economy with devastating shock on the whole system, the should be fiscal and monetary policy measures such as- Although there is a cash transfer programme in place, the federal government should improve efforts towards enhancing the efficiency and effectiveness of the distributive mechanisms to reach households that are worst hit by the pandemic. The federal inland revenue service(FIRS) as well as states inland revenue services (SIRS) should waive payment on personal and corporate income tax for the second quarter of 2020, considering that the shocks has affected the income and profits of households and business.

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