



NIGERIA-CHINA TRADE: THE CORONAVIRUSES CHALLENGES AND BENEFITS

OPUSUNJU, Michael Isaac

Department of Business Administration
Nasarawa State University, Keffi, Nigeria

AKYUZ, Murat

Department of Business Administration
Nile University of Nigeria, Abuja, Nigeria

INIM, E. Victor

Department of Accounting
Nile University of Nigeria, Abuja, Nigeria

Abstract

The study examined the challenges and benefits of coronavirus for Nigeria –China in trade relations. The study adopted an ex-post facto research design. The study used February, March and April 2020 as the period of study. The study collected data from world health organizations and report from Nigeria centre for disease control, Abuja. The study used a t-test to ascertain the country that faced more challenges of the coronavirus and the one had benefited from coronavirus spread. The study also used descriptive statistics and charts to analyse the data collected. The study found that the coronavirus in Nigeria posed a challenge such as an increase in the number of infected persons while the number of infected persons in China had recorded at a very low rate during this period. The coronavirus in Nigeria posed a challenge such as an increase in death in China and also Nigeria started to experience an increase in the death of infected persons at a very low rate. The Chinese government has benefited from Nigeria because they are the producers of ventilators, face and surgical masks used in Nigeria. Nigerian government imported ventilators from China since the country cannot produce effective and modern medical equipment that can be used in fighting the outbreak of the coronavirus. The study also found that the Nigerian 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 a lockdown of economic activities in Nigeria and China. The study recommended that the Nigerian government should continue in the fight to stop the spread of coronavirus in the country since it has reduced the economic activities in the country. The Chinese government should continue in its policies since the number of infected persons in China had a very low rate. The Nigerian government should continue in the lockdown policy, washing of hand and wearing face masks since it reduces the number of death in the country. China should continue to export ventilators and masks to Nigeria since it is beneficial to them and they should continue to manufacture them and export to other countries of the world.

Keywords: Corona Virus, number of infected persons, number of death, Challenges, Benefits, trade relations



Introduction

The coronavirus has become a challenge to developing countries such as Nigeria and other African countries of the world. The virus came into China which is one of the developed countries of the world and they have lost in terms of trade and finally finding ways to gain from the virus through using modern preventive measures such as ventilator and mask to protect the citizens especially those in Africa. Globalization which has brought changes in the world resulted in the virus called coronavirus which not could have research Africa since it first started in China. However, due to the globalization of trade, businessmen import goods and services from China to Nigeria and the cause of traveling for businesses and political reasons spread the virus to Africa (Nigeria). Also, Chinese engaging in trade of export from Nigeria to China and undergoing some business transactions with the Nigerian government which they signed a \$US 3.9bn contract with China Railway Construction Company International (CRCCI) for the construction of a line connecting Abuja, in the Federal Capital Territory (FCT), with Itakpe and Warri in the south. With all these activities, the Nigerian government may lose completely. Some China businessmen established business ventures in Nigeria such as Chinese-owned Western Metal Products Company Limited (WEMPCO) located in Lagos, Clean point herbal tampons, bright ocean view international Nigeria limited, Plantaero, Plantaero greenhouse services, Chens Consulting etc.

One of the challenges of coronavirus to Nigeria and China is the increase in the number of infected persons and the death of infected persons as well as short down of economic activities in both counties. However, the benefit of the coronavirus is that those who are in the manufacturing of pharmaceutical equipment to protect against the virus or infection person from another person benefited from the coronavirus. The country that produces ventilators and masks tends to benefits from the coronavirus spread in the world.

Over the last few months, Nigeria and China are faced with the coronavirus which affected the economic activities of both counties and also limits the movement of goods and services as well as people. The government of both countries shorts down economic activities to reduce the



number of infected persons and death. Yet, Nigeria still recorded the highest number of infected persons. Although, China still recorded death expect on 12 April 2020 that the Chinese government recorded no number of death.

The objective of this study is to examine the challenges of the coronavirus for Nigeria –China trade relations and also to evaluate the benefit of coronavirus for Nigeria –China trade relations.

The scope of the study is restricted to Nigeria-China Trade: The Coronavirus Challenges and Benefits. The scope of the study is three months from February to April 12, 2020. This period is chosen because it is the time Nigeria first recorded the coronavirus from an Italian businessman in Lagos which was the 27th of February, 2020. The period is also chosen because China recorded no death of the Coronavirus on 12 April 2020. The study looked at the challenges such as the number of infected persons and death while the benefits are ventilator and Mash production and

The hypotheses are stated below:

H₀₁: There is no challenge of coronavirus for Nigeria –China trade relations

H₀₂: There is no benefit of coronavirus for Nigeria –China trade relations

Concept of Coronaviruses



According to European Centre for Disease Prevention and Control(2020) coronavirus is defined as a patient with acute respiratory tract infection (sudden onset of at least one of the following: cough, fever, shortness of breath) and with no other etiologic that fully explains the clinical presentation and with a history of travel or residence in a country/area reporting local or community transmission and during the 14 days before symptom onset. According to Webster dictionary (2020) Coronaviruses any of a family (Corona viridian) of single-stranded RNA viruses that have a lipid envelope studded with club-shaped projections, infect birds and many mammals including humans and include the causative agents of Middle East Respiratory Syndrome, severe acute respiratory syndrome and 2019 novel coronavirus (COVID-19). Coronavirus is a type of common virus that infects humans, typically leading to an upper respiratory infection (URI) (Medical Definition of Coronavirus, 2018). The symptoms include the MERS-CoV (the beta coronavirus that causes Middle East Respiratory Syndrome, or MERS), SARS-CoV (the beta coronavirus that causes severe acute respiratory syndrome, or SARS, and the new 2019 Novel Coronavirus (2019-nCoV) (Medical Definition of Coronavirus, 2018).

History of Corona Virus

The outbreak was first identified in Wuhan, Hubei, China, in December 2019 and recognised as a pandemic by the World Health Organization (WHO) on 11 March 2020. As of 17 March 2020, more than 190,000 cases of the disease have been reported in over 160 countries and territories, resulting in more than 7,500 deaths and around 80,000 recoveries(WHO, 2020). Regions affected by major outbreaks include mainland China, Europe, Iran, South Korea, and the United States. On 13 March, the WHO stated that Europe had become the new epicentre of the pandemic (WHO,2020).

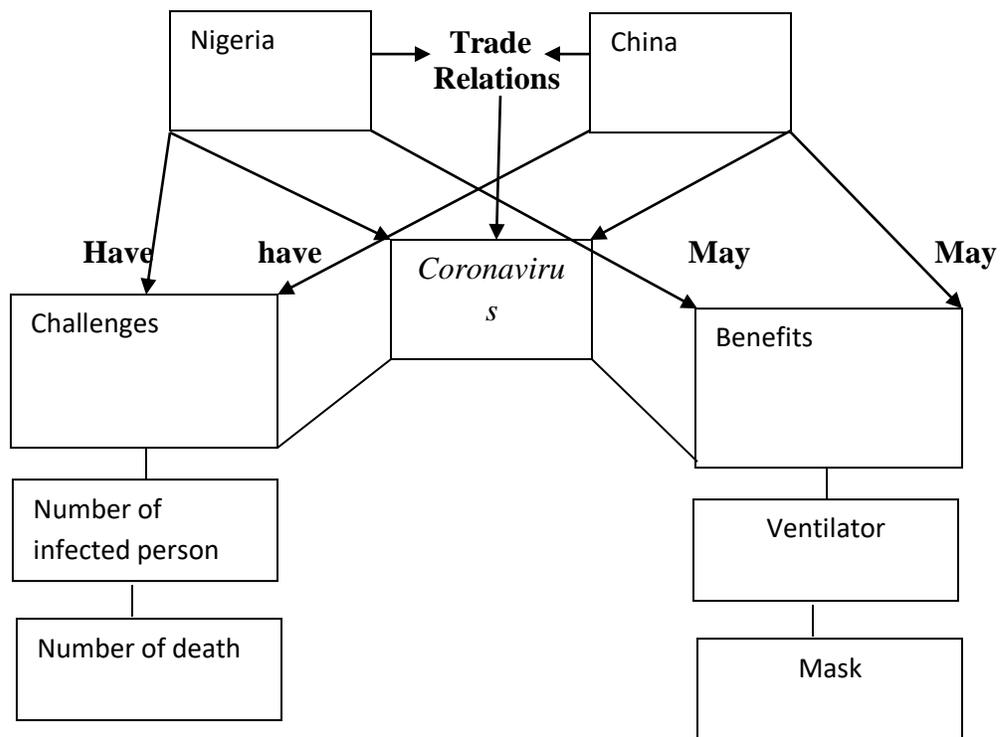
Nigeria China Trade Relations

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's need for energy supplies to fuel China's economic growth, one would expect that petroleum exports from Nigeria to China would constitute the 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’s New Leader Tries to Calm African Fears of His Country’s Economic Power,” which mentions trade with Africa in 2011, saying "Oil, ore, and commodities from Angola, Nigeria and other resources-rich countries make up much of that trade."37However, 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, a variety of factors (discussed below) 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.

Conceptual Model



Source: Authors model, 2020

The model is called coronavirus challenges and Benefits across countries. This model is conceptualized to explain the variables used in this study since there is no evidence of previous studies. The authors believed that there exists a relationship between Nigeria and China. These



relations are mostly traded relations where the Chinese government and the Nigerian government engaged in an exchange of goods and services. The model believed that what is affecting the trade relations now is the coronavirus making these countries look down economic activities between the two countries.

The model also believes that coronavirus brought about challenges such as an increase in the infected persons and death making the two countries lockdown economic activities such as import and export and local business transactions with the borders. These countries have these challenges such as an increase in the number of infected persons and death.

The model believed that coronavirus also brought benefits to some countries that are technologically advanced such as China. The benefits may be to produce a ventilator and Mash to other countries that can not produce it. They may gain from the coronavirus epidemic by generating more money which selling the product to countries that are affected by the coronavirus pandemic.

This model can be modified in the future to suit the new virus discover and its effects on economic activities. Coronavirus becomes a global problem that needs the attention of world leaders. There is a need to ascertain the benefits of the coronavirus to deal with it and find a way of solving the problem.

New' New Trade Theory

This theory was developed by Melitz and Antras in 2000 and the theory state that the role of firms rather than sectors in understanding the challenges and opportunities different countries faced in the age of globalization. The theory majorly looked at the trading partner of firms and 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 the 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.



As a result of trade relations from China to Nigeria, the Nigerian government is suffering from the Coronavirus which affected negatively the businesses activities both import and export making the petroleum product price to be less in the country with N20 difference. The Coronavirus which is an international problem started from China to the rest of the world causes the problem to the international business (Import and Export) making customers of the imported product seat at home and export customer to be at home thereby causing zero demand and zero supply between China and Nigeria.

The challenges of globalization may be due to the spread of the coronavirus in African, Asia, Europe, and America. So, many countries short down the economic activities to recover from this global epidemic and countries that early produce ventilator and mash benefited from these global pandemic called coronavirus.

Methodology

The study adopted the ex-post facto research design. The reason for using ex-post facto research design is that data needed from this study are from world health organizations report and Nigeria centre for disease control, Abuja. The study used several ventilators and several Masks exported or imported as measured of benefits of coronavirus while challenges of coronavirus are measured with infected persons and death in both countries. The study used a t-test to ascertain the country that faced more challenges of the coronavirus and the one the benefited less or more from the coronavirus spread. The study also used descriptive statistics and charts to analysed the data collected to see the challenges and benefits at a particular time and compared the time with the two countries.



Data Analysis and Discussion

Table 1: Number of Infected Persons in China

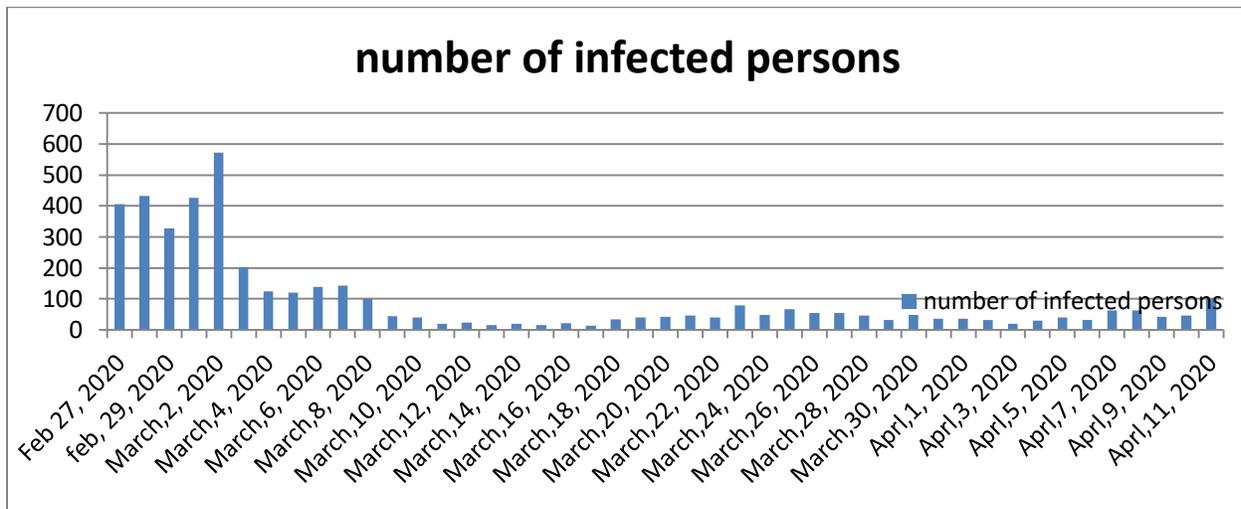
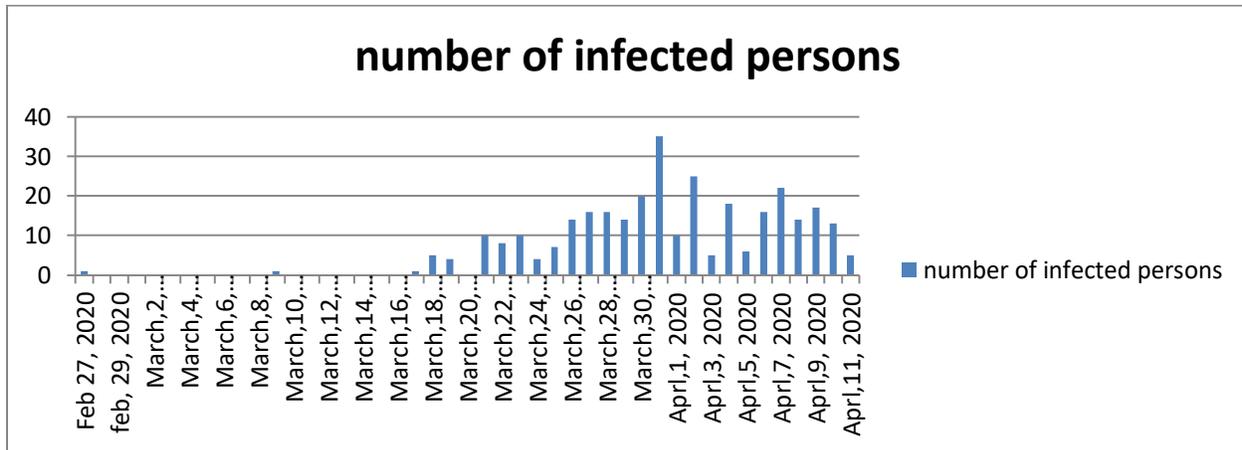


Table 1 indicates that there was an increasing number of infected persons in China from February 27, 2020, which increased more in the same month on the 28 days in February 2020. The number of infected persons also increased but at a decreasing rate on February 29, 2020, which implies that the Chinese government used lockdown policy to prevent the increase of the coronavirus. The month of March has a decreasing rate of coronavirus (number of infected persons) in China. From the March 1st and 2nd, the number of infected persons increased but started to reduce from the March 3rd with a very little rate. From March 8th and 9th, the rate of infected persons reduced which implies that coronavirus preventive measures were fully observed by the Chinese people in the fight against the coronavirus. However, the rate of reducing was very little to April when the coronavirus reduced with at least a very low rate.

The implication of this is that preventive measures of lockdown which affected the trade of goods and services to Nigeria have reduced drastically in April in China. The goods and services produced in Nigeria were not imported much to Nigeria because of this global epidemic and the resultant effect is that most developing countries like Nigeria suffer the effect of the coronavirus much even when China reduced the rate of infected persons. The Nigerian government had to import the Chinese doctors, nurses and other related medical officers to help reduce the corona virus-infected persons in Nigeria.



Table 2: Number of Infected Persons in Nigeria

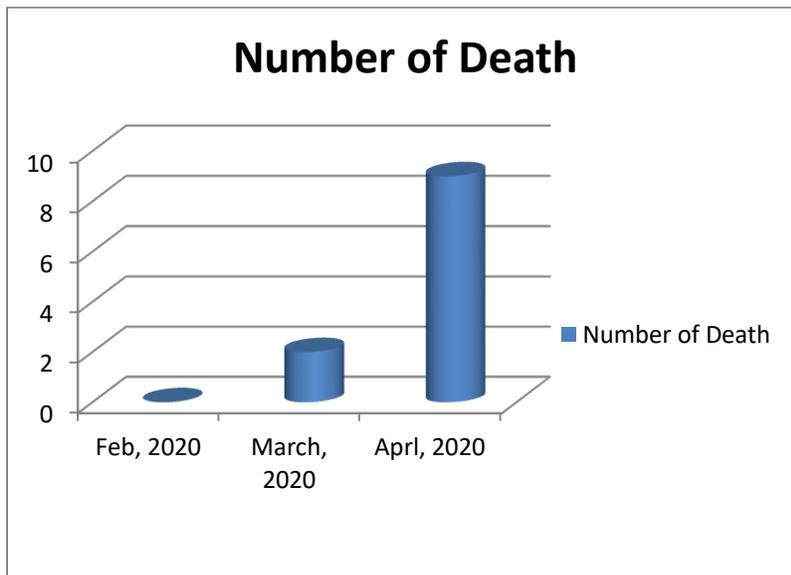


The graph above showed the rate of infected persons (coronavirus) in Nigeria. The graph indicated that on the 27th day of February 2020 the Nigerian government discovered one infected person. After the 27th day of February 2020, there was no reported of the infected case of coronavirus until March 17, the government of Nigeria reported another case of the infected person which was on one affected person. The graph also noted that following one record case in march, 17, there were continuous cases of infected persons (coronavirus) in Nigeria. For instead in March, 18, 5 infected persons, march 19, the Nigerian government recorded 4 cases of infected persons but there was no case of infected persons on March 20. After March, 20,2020, the government on March 21, recorded 10 new cases of coronavirus. From the March 21, report, the number of infected persons followed an upward and downward movement which implies that there was an increasing and decreasing rate of infected persons and the number of infected persons recorded on March, 26 to April 11, 2020, were at an increasing rate and decreasing rate.

With the fear of coronavirus, Nigerian government exported foreign doctors and nurses from China to flight against coronavirus since the number is increasing and at the same time decreasing the fear that the Nigerian government does not have modern medical equipment to fight against the coronavirus make the government export foreign doctors and nurses so that the rate of coronavirus can be reducing a decreasing rate. However, the Nigerian economy is at a recession over this period since there is little business at the sea and there are little import and

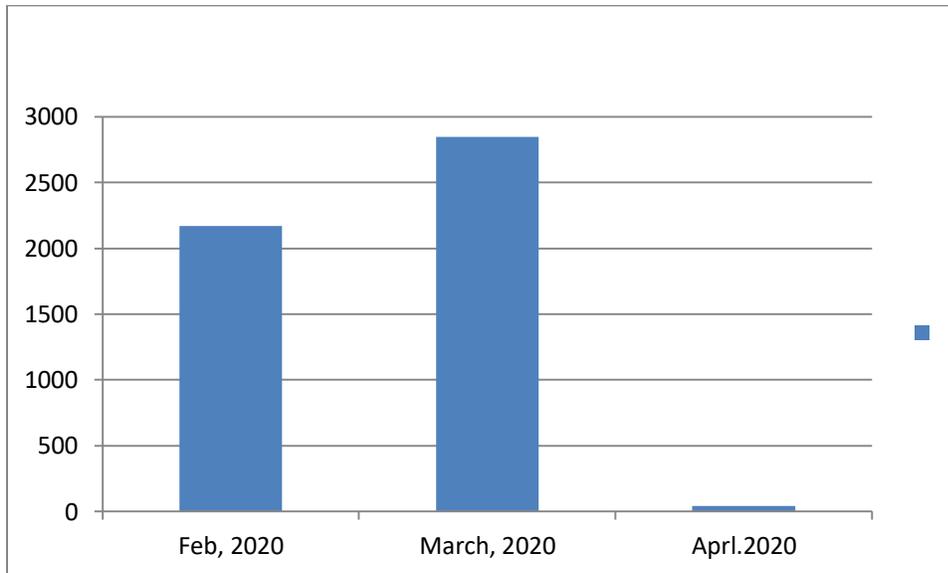
export across the border because of the lockdown policy of the government. The Nigerian government reduced the fuel price since the global economic recession and no country of the world patronize the oil. The Nigerian government recorded low GDP since there are little economic activities in the country.

Table 3: Number of Death in Nigeria



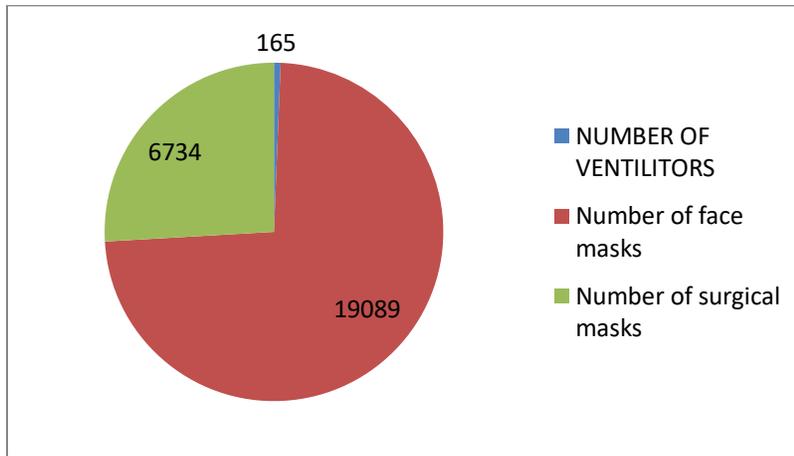
The graph indicated that there were very little death cases in February but there were many cases of death caused by the coronavirus in March 2020 and April 2020. However, because of the increasing number of death in Nigeria. The Nigerian government export medical experts from China to help fight against the coronavirus to minimize the number of death in Nigeria. The exportation of Chinese may affect the Nigerian economy because the doctors and the government of China will receive their payment in foreign currency or natural resources depending on the negotiation conditions and terms.

Table 4: Number of Death in China



The chart indicated that China government recorded more death caused by the coronavirus in February 2020 and it was very high in March 2020. The chart also showed that the Chinese government reduced the number of death in April 2020 which made the Nigerian government export medical experts from China to use the same way and methods in China to reduce the increasing number of death in Nigeria. The increasing number of death in Nigeria may be reduced if the Chinese medical experts are operating in Nigeria.

Table 5: Benefits of Corona Virus



The table indicates that the number of ventilators, the number of face masks and the number of surgical masks purchased by the Nigerian government from the Chinese government from February to April is indicated on the pie chart. It becomes an economic benefit to the Chinese government since it produced ventilators, face masks and surgical masks to Nigeria and other countries of the world. The Chinese government is benefiting the spread of coronavirus in Nigeria because they have modern medical facilities and technology to help reduce the effect of coronavirus on the human system and discover a vaccine that will be used in treating coronavirus in the world. The Chinese government benefited from the selling ventilators since the number of infected persons require the use of it to deliver high concentrations of oxygen into the lungs, help get rid of carbon dioxide, decrease the amount of energy a patient uses on breathing so their body can concentrate on fighting infection or recovering, breathe for a person who is not breathing because of injury to the nervous system, like the brain or spinal cord, or who has very weak muscles and breathe for an unconscious patient because of a severe infection, the build-up of toxins, or drug overdose.

The use of face masks has become ubiquitous in China and other Asian countries such as South Korea and Japan. Some provinces and municipalities in China have enforced compulsory face mask policies in public areas; however, China's national guideline has adopted a risk-based



approach in the offering. This made the Chinese government manufactured face masks and export to so many countries including Nigeria.

Table 6: Descriptive Statistics

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Number of infected persons in China	4363	96.9556	129.14139	19.25126
Number of infected persons in Nigeria	317	7.0444	8.52524	1.27087

The output of SPSS version 20 revealed that the Chinese had the highest number of infected persons (average 96.9556) based on the fact that China was the first country to experienced the coronavirus outbreak while Nigeria had less number of infected (average 7.04) since it was discovered late in Nigeria. The table also revealed that China had 129.14139 standard deviation which is more than Nigeria which had 8.52 and the implication of this is that China experience or had more infected persons than Nigeria.

Table 7: T-Test Analysis

	One-Sample Test					
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper	
Number of infected persons in China	5.036	44	.000	96.95556	58.1572	135.7539
Number of infected persons in Nigeria	5.543	44	.000	7.04444	4.4832	9.6057

The table indicates that Nigeria had the challenge of recording more infected than China for now since the t-test for Nigeria is 5.543 while China had 5.036 for February, March and April 2020



which implies that Nigeria recorded continuous increased in the number of infected persons while the number of infected persons in China had recorded with very low rate. The coronavirus in Nigeria posed a challenge such as an increase in the number of infected persons. The reason is that the infected persons or coronavirus made the Nigerian government issue out a policy and directed citizens to stay at home without work.

Table 8: Descriptive Statistics

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Number of death in China	3	1688.3333	1463.71320	845.07521
Number death in Nigeria	3	3.6667	4.72582	2.72845

The output of SPSS version 20 revealed that Chinese had the highest number of infected persons (average 1688.33) resulting to death based on the fact that China was the first country to experienced coronavirus outbreak while Nigeria had less number of an infected person (average 3.6667) resulting to death since it was discovered late in Nigeria. The table also revealed that China had 1463.71320 standard deviation, which is more than Nigeria. Also, Nigeria had 4.72582 and the implication of this is that China experience or had more death than Nigeria.

Table 9: T-Test Analysis

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Number of death in China	1.998	2	.004	1688.3333	-1947.7318	5324.3985
Number death in Nigeria	1.344	2	.001	3.66667	-8.0729	15.4062



The table indicates that China had the challenge of death than Nigeria for now since the t-test for China is 1.998 while Nigeria had 1.344 for February, March and April 2020 which implies that China recorded more than Nigeria. The coronavirus in Nigeria posed a challenge such as an increase in death in China and also Nigeria started to experience an increase in the death of infected persons at a very low rate.

The implication of the Coronavirus to Import and Export in Nigeria and China

The coronavirus has brought about a decrease in the 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 lost because of global challenges such as several numbers of infected persons and death. The Nigerian 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 a 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) to Nigeria.

The Chinese government has benefited from Nigeria because they are the producers of ventilators, face and surgical masks used in Nigeria. Nigerian government imported ventilators from China since the country cannot produce effective and modern medical equipment that can be used in fighting the outbreak of the coronavirus. The government of Nigeria also demanded medical experts and exported medical personnel from China to Nigeria to solve the problem of the coronavirus.

The Nigerian government has to pay for the exported medical personnel brought to Nigeria either by using natural resources or paying them in dollars or China Yuan Renminbi. This is turn is gain to China while there is a loss for Nigeria. The Chinese government used this virus called corona to gain from Nigeria or other countries of the world. So, it is a benefit to China while it is lost to Nigeria.



Discussion of Findings

The study found that the coronavirus in Nigeria posed a challenge such as an increase in the number of infected persons. The reason is that the infected persons (coronavirus) made the Nigerian government issue out a policy and directed citizens to stay at home without work while the number of infected persons in China had recorded at a very low rate during this period. The coronavirus in Nigeria posed a challenge such as an increase in death in China and also Nigeria started to experience an increase in the death of infected persons at a very low rate. The Chinese government has benefited from Nigeria because they are the producers of ventilators, face and surgical masks used in Nigeria. Nigerian government imported ventilators from China since the country cannot produce effective and modern medical equipment that can be used in fighting the outbreak of the coronavirus.

Conclusion and Recommendations

The study included that the coronavirus has brought about a decrease in the 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 lost because of global challenges such as an increase in the number of infected persons and death. The Nigerian 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 a 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) to Nigeria.

Also, the Chinese government benefited from the coronavirus since they are the manufacturers of ventilators, face, and surgical masks and they export these items to Nigeria and other parts of the world. The Nigerian government had to pay them in natural resources or dollars and even China Yuan. The Chinese government also benefited by sending their medical experts to Nigeria to help reduced infected persons and death.



The study recommended that

1. Nigerian government should continue in the fight to stop the spread of coronavirus in the country since it has reduced the economic activities in the country. They should continue to observe the lockdown policy since Nigeria recorded a continuous increase in the number of infected persons. The Chinese government should continue in its policies since the number of infected persons in China had a very low rate.
2. The Nigerian government should continue in the lockdown policy, washing of hand and wearing of face masks since it reduces the number of death in the country
3. China should continue to export ventilators and masks to Nigeria since it is beneficial to them and they should continue to manufacture them and export to other countries of the world.
4. The Government of Nigeria and China should continue to establish a good trade and human relationship to solve this global pandemic.

References

- Melitz, M. J. & Antras, P. (2000). New trade theory. https://en.wikipedia.org/wiki/New_trade_theory
- Ciuriak, D., Lapham, B., Wolfe, R., Collins-Williams, T., Curtis, J.M. (2011). New-new trade policy. Queen's Economics Department Working Paper No. 1263, 1-14.
- European Centre for Disease Prevention and Control (2020). Definition of corona virus. Online source
- Medical Definition of Corona virus (2018). Definition of Coronavirus
- World Health Organization, (2020) Report of Corona virus in the world. Online source