

Speaker: Daniel Stephen | **Date:** 15 June 2023

Key Message

The Nigerian economy is heavily dependent on oil, which accounts for more than 90% of export revenues and more than 80% of government revenue. This reliance makes the country prone to variations in global oil prices. It also discourages the government's drive to diversify the economy. As a result, the economy has been exposed to severe economic and social dangers.

Nigeria needs to diversify for the following reasons:

1. It enhances the country's reliance and resistance to external global shock
2. It leads to the development of new sectors and industries
3. It creates new revenue streams and employment opportunities for the growing population
4. It attracts foreign investors who seek opportunities beyond a single dominant sector
5. It allows for the development of export-oriented industries, reducing the reliance on imports and improving the trade balance
6. It contributes to overall socioeconomic development.

To this end, the new administration in Nigeria must address the issues of insecurity, infrastructural deficit, and policy and regulatory constraints. It must also create access to finance, provide basic services and social infrastructure.

Conclusion

Nigeria should embark on a strategic journey to address challenges such as corruption, inadequate infrastructure, bureaucratic bottlenecks, and security concerns. Diversifying Nigeria's economy from oil dependence will be a challenging task, but it is essential for the country's long-term economic growth and development. By taking the steps outlined above, Nigeria can reduce its reliance on oil and create a diversified and resilient economy.

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