

## FUEL SCARCITY AND BUSINESS GROWTH IN NIGERIA FROM 2005 TO 2015

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### ABSTRACT

Patronage of goods and services have dwindled as a result of the ever increasing prices occasioned by fuel scarcity, and this has greatly affected the growth of Small and Medium Enterprises (SMEs) in Nigeria. This prompted this study on fuel scarcity and business growth in Nigeria from 2005 to 2015. Specifically, the study ascertained the extent to which fuel supply has affected profitability of SMEs in Nigeria from 2005 to 2015. The paper is anchored on the 'Demand and Supply Theory'. The study population comprised of the Small and Medium Enterprises (SMEs) registered with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). The study adopted ex-post facto research design. Regression was used for data analysis. The study found that fuel scarcity has no significant positive relationship with the profit of SMEs in Nigeria. It therefore concludes that many factors such as hoarding, pipeline vandalism, malfunctioning or below capacity production of existing refineries, explosion in exchange rate were responsible for fuel scarcity in Nigeria. The implication was that until they are addressed; the country will continue to experience the menace. However, the study amongst others recommended that regulatory bodies like DPR, PPPRA, NNPC should be compelled to discharge their responsibilities more properly and the downstream sector should be fully deregulated as to enable market forces to determine price.

**Keywords:** Fuel Scarcity, Business Growth, Profitability.