

## ECONOMIC DEVELOPMENT BENEFITS OF PRIVATE EQUITY IN NIGERIA

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### ABSTRACT

This study investigated the economic development benefit of private equity in Nigeria. Several literatures were reviewed from different source as to properly examine the contribution of private equity to the economic development of Nigeria. The study reveals that Nigeria has been in economic crisis coupled with the COVID-19 pandemic which is major setback to her economic development. In trying to seek for alternative sources of recovery the private equity as recorded in the study. The study discovered that the private equity industry is made up of institutional investors such as pension funds and large private-equity (PE) firms funded by accredited investors who may provide operational support to management to help build and develop the economy via functions such as capital raising, sourcing, due diligence, and deal closing; and management through improvement of operations and cutting cost, etc. Moreover, the amount of activity and recent changes in the Nigerian market; investment incentives for institutional and individual investors; fundraising methods; investment, transaction, and exits. The study was then concluded on the basis that Nigeria's economy would experience recession in 2020, with efforts to reverse three years of recovery, due to a drop in crude oil prices due to falling global demand and containment measures to combat the spread of COVID-19, the PE industry is seen to be capable of contributing advantageously to the economic downturn as it is now experiencing. Governments should implement counter-cyclical, expansionary macroeconomic policies to resuscitate economy, fiscal policy should give a boost, ideally by increasing public investment, and so on, according to the report.

**Keywords:** Private Equity, Venture Capital, Leveraged Buyouts, GDP, Economic Development.