



Effects of Fuel Subsidy Removal on Micro, Small and Medium Enterprises (MSMEs) in North East Nigeria

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Abstract

This study investigated the effect of fuel subsidy removal on Micro Small and Medium Enterprises operating in the BAY states of north east Nigeria. The study adopted a multi stage sampling technique and purposely selected MSMEs from three states in this region that covered a longer travel period from Lagos Seaports where fuels were loaded. Primary data was utilized through questionnaires administered to 410 respondents. Descriptive and inferential statistics were used to analyze the data. The estimation results revealed that fuel subsidy removal in Nigeria has negatively affected costs of MSMEs operating business in the study area. The results further showed that fuel subsidy removal has significantly increased the prices of basic commodities in the study area. These effects generally reduced the purchasing power of MSME operators in the region. The study therefore recommended that, Nigerian government should create a conducive and secured business environment for smooth MSME operation in the study area. It also advocated that government should provide financial incentives to enhance the growth,

1. Introduction

Governments around the world from time to time do implement subsidy as a macroeconomic policy to encourage production and consumption in specific industries or in all sectors of the national economy. When government subsidies are implemented on the supplier side of the economy, producers can produce more goods

and services. This increases the overall supply, which lowers the overall price and consequently increases the quantity demanded in the country. This also encourages production and consumption over a period of time. Fuel played vital role in daily lives of people in Nigeria and north east in particular, implementation of Fuel subsidy makes the product affordable and

accessible for consumers, as well as sustains the welfare of the citizens particularly in the northeast Nigeria.

Micro Small and Medium Scale Enterprises (MSME) are business organizations that cover all spheres of economic activities. These businesses help in reducing poverty through job creation, wealth creation and economic growth for nations. The MSMEs are key to decent jobs and entrepreneurship for women, youth and groups in vulnerable situations. This sector is one of the major world's food producers and they play a critical role in closing the gender gap as they ensure women's full, efficient, and effective participation in the economy and the immediate society they live in. Micro Small and Medium Size Enterprises (MSME) contribute in achieving the 2030 agenda for the Sustainable Development and Sustainable Development Goals (SDGs) through goal number eight (8) "promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all" at global levels (IFC, 2022).

Despite their significant contribution to the SDGs and national economies across the world and Nigeria in particular. MSMEs play a significant role in the economic activities of the North East region cutting across all the sectors. The MSMEs in Nigeria and north east in particular are non-state actors, among others who serve as engine of growth, and catalyst for local economic development transforming rural livelihood for people in urban and rural areas. They are veritable tool for achieving national macroeconomic objectives in terms of employment generation, encouragement and enhancement of skill acquisition, apprenticeship training and sustainable means of livelihood. The MSMEs tend to use more labour intensive method of production than large enterprises, boosting wealth creation and leading to more equitable income distribution, providing livelihood opportunities through simple and value adding processing.

The survival and operation of the MSMEs in the North East Nigeria has been hit the hardest by major challenges from the recent Fuel Subsidy Removal effective May 2023 by the Federal Government of Nigeria, the 2020 Covid-19 Pandemic and the Boko haram insurgent's activities for over a decade now.

These businesses operating in the North East Nigeria, suffered greatly from the activities of the Boko haram fighters. The insurgents has been violently waging war in the north east region since 2009. The group activities have resulted in to displacement of over 2.5 million people and many fled to neighboring countries and most of these victims are entrepreneurs who are owners of MSMEs (UNICEF, 2022). They also forcefully reduced the productive capacities of the MSMEs in the study area, eroded human capital by killing, kidnapping staff of the MSMEs, and abducting children and other household members of MSME owners. The insurgents' activities led to closure of markets and access road in the area. They also engaged in burning down of farms and halted other economic activities which grossly reduced market efficiency. These, consequently, affected supply chains of raw materials in the area (UNICEF, 2022). The Boko haram operation in the north east zone forces the MSMEs to adapt new business strategy and patronize safe and secured markets.

In 2020, the MSMEs in the north eastern Nigeria went through another challenge of the Covid-19 Pandemic, where they suffered from measures taken by the government to reduce the fast spread of the pandemic. These measures include total lockdown, border closure and social distancing. There was also a total ban on movement of people and goods which ultimately reduced consumer demand, disrupted supply chains and total closure of production firms.

The year 2023 was another period that came with another big challenge for operators of MSMEs in the North east and Nigeria at large. The Nigerian government announced the

removal of the fuel subsidy and the announcement became effective in May 29 2023 (Nnadin & Kolawale, 2023) which came with a significant increase in the prices of essential commodities which translates in to high cost of living in the region. Removal of fuel subsidy has had a devastating impact on MSMEs actively operated in the north east and Nigeria at large. They continue to struggle in order to absorb the shocks created by the policy and manifested into increased prices of fuel, raw materials, transportation, housing, Wages and Transport fares for the businesses and household members. This policy measure has put tremendous pressure on the incomes of the MSMEs and their ability to compete favorably with their counterpart in the Nigerian market.

In trying to discharge their business responsibility in making positive contribution to the national economy, the MSMEs in the BAY (Borno, Adamawa and Yobe) states of North eastern Nigeria are confronted with many challenges which significantly affected their performance from having their positive land mark on the economic growth of the nation at large. These problems prompted many researchers to examine and analyze the different challenges associated with MSMEs which hinder their formation, growth and diversification, at different places and time.

There exists a good amount of research that investigated MSMEs in Northeast Nigeria, but many of these researches were focused on determining the effect of Covid-19 on MSMEs such as the works of Imanche et al (2020), Ozigi & Umar (2021), Ahmed et al. (2021). While, other researchers studied the consequence of Boko Haram insurgency on MSMEs in the Northeast like Alonge & Osemin (2021), Mohammed & Ahmed (2022), and Modu (2023). Only a handful studies investigated the impact of removing fuel subsidies on the Nigerian economy including Babatunde (2019) who investigated oil price shocks, fuel subsidies and macroeconomic instability in Nigeria; Ozili and

Ojora (2023) evaluated the implication of fuel subsidy removal on the Nigerian economy; Olaniyi et al. (2023) probed the socioeconomic impact of the 2023 fuel subsidy removal in Nigeria; Yunusa et al. (2023) focused on fuel subsidy removal and poverty in Nigeria; Abdulrasheed and Nurain (2024) examined implications of fuel subsidy removal on Nigerian economy. However, none of these studies analyzed how the fuel subsidy removal impacted on MSMEs located in rural areas of the north east Nigeria. This highlights a gap in knowledge and can negatively affect policy design in Nigeria. Thus, the main goal of the current study is to investigate the effects of fuel subsidy removal on MSMEs in the study area. Specifically, this study seeks to examine the effect of fuel subsidy removal on the operating costs of MSME operators in the study area; analyze the effects of fuel subsidy removal on prices of basic food commodities used as raw materials by the MSME operators in the region. The following hypotheses were stated to guide the study:

(1) H_{O1} There is no significant difference between operating costs of MSMEs before and after the fuel subsidy removal in BAY states of north east Nigeria;

(2) H_{O2} There are no significant differences between prices basic commodities used by MSMEs before and after fuel subsidy removal in the study area

The importance of the study on the effects of fuel subsidy removal on Micro Small and Medium Enterprises (MSMEs) in north east and Nigeria at large is discussed under: Economic Significance, Policy Relevance, and Regional Focus.

Economic Significance

This research provides information on understanding the economic implication on MSME's profitability, competitiveness and survival. It also identifies sectors most affected by highlighting industries most vulnerable to fuel price increases.

Policy Relevance

Informing policy decision: It provides data-driven insights for policy makers to make informed decisions. It also evaluates impacts of the policy: Assesses the effectiveness of fuel subsidy removal on MSMEs.

Regional Focus

Northeast Specific: The research provides information on how to address the unique challenges faced by MSMEs in the region. It has also assisted in conflict-Sensitive analysis: This research provided information on impact of conflict on survival of MSMEs in the post-conflict economy.

2. Literature review

National Bureau of Statistics (NBS, 2022) reported that MSMEs in Nigeria accounted for 50% of the Gross Domestic Product (GDP) and 75% of the country's labour force were gainfully employed in this sector. This sector alone formed 96% of all businesses currently operating in the country and has provided full time employment for about 49 million people according to same report. Ahmed et al. (2021) using a review method, investigated the effects of Covid-19 Pandemic on the performance and survival of the MSMEs in Nigeria. The study analyzed secondary data and found out that Covid-19 Pandemics has a negative influence on the performance and survival of the enterprises in Nigeria. This directly led to reduction in their capacity to produce goods and services in Nigeria and consequently reducing their total revenue. This further restricted their effort in repayment of loans given to them by commercial banks. The study suggested that government should assist and empower the MSMEs in the country through tax holiday, financial bailout and called on the government to set up an emergency fund to target the MSMEs operating in the country.

Modu (2023) used a descriptive statistics on a sample size of 320, conducted a study on the effects of Boko haram insurgency on the operations of small and medium scale enterprises

in Borno State Nigeria. Hypotheses of the study were tested using a t-test at 0.05 level of significant. The study found that Boko haram has negatively affected the production and distribution of goods and services by MSMEs in the study area. The study further showed that micro, small and medium enterprise businesses relocated to safer environment in order to operate their business activities. The study recommended that government and stakeholders in security operation should ensure adequate protection of lives and properties in order to provide a violent free business environment in the country.

Ozili and Ojora (2023) focused on the implication of fuel subsidy removal on the Nigerian economy. The study looked at micro and macroeconomic implication of the 2023 fuel subsidy removal in Nigeria. The study pointed out that positive implication of this policy among other will free up financial resources to other critical sectors of the economy. While the negative implications are that fuel subsidy removal may increase inflation, cost of living crisis, poverty, crime, prices of petroleum product, costs of doing business and general loss of jobs. The study further identified a decrease economic growth in the short run. The study recommended that, government should take proactive policy actions to evaluate the impact of this policy action on individuals and business firms operating in Nigeria in order to provide intervention and palliatives to cushion that adverse effect of the policy.

Olaniyi et al. (2023) in a study on the on effect of fuel subsidy removal on socioeconomic characteristic of citizens in Nigeria, investigated the implication of this policy measure across economic, social and environmental sphere. The study examined the consequences arising from this policy transformation, focusing on both direct and indirect effects on the Nigerian society at large. The research also looked at reallocation of resources from subsidy removal to vital sectors like healthcare, education and transportation potentials. While the research

further highlighted the significance of an informed decision making to mitigate negative short-run effects, and harnessing long term gains and safe guard the vulnerable segments of the population. The paper recommended that policy makers should adopt a good approach that will balance economic efficiency, environmental sustainability, inclusive growth and social welfare to cater for the unintentional consequences which emerged as central challenges on the welfare of individuals and performance of business firms in Nigeria.

Abdulrasheed and Nurain (2024) examined the implications of fuel subsidy removal on Nigeria - A study of Gombe state using a traditional economic theory as theoretical frame work and adopted a survey design where questionnaires were used in collecting the data for the study. The study revealed that inflation has increased by 50% and decreased the purchasing power of the people and consequently decreased the welfare of the people in the study area. The study also showed that subsidy removal has increased the transport fare by 35% in Gombe state, and price of Gasoline products has increased rapidly. The study recommended that government should ensure that members of the public are well enlightened and there shall be a wider consultation whenever a policy measure is to be taken and implemented in Nigeria

Yunusa et al. (2023) focused on fuel subsidy removal and poverty in Nigeria – A literature review. The study utilized theory of price elasticity of demand in order to explain the rational for the fuel subsidy removal in Nigeria. The research looked at the implication on the socioeconomic wellbeing of the citizens. The study looked at how fuel subsidy removal led to fuel shortages crisis which left millions of Nigerians terrified about the hardship they experienced in their daily lives. The study revealed that, fuel subsidy removal has led to increase in prices of transportation and basic commodities in the society. It was also discovered that this policy action has made

business firms struggle to spend more money on their operational costs. The paper suggested that government at all levels, should provide palliatives for citizens and bail out packages for businesses operating to cushion the effects of fuel subsidy removal in the Nigerian society. Though, many researches were conducted on effect of Covid-19 and other challenges on MSMEs. Analysis of existing literature shows that most studies on subsidy removal in Nigeria investigated areas other than the northeast Nigeria. Hence, there is a gap in knowledge about the consequences of fuel subsidy removal on MSMEs in the BAY states of Northeast Nigeria and this could be detrimental to policy design of government on indigenous industries and enterprises.

3. Methodology

The study was conducted in the north east Nigeria. This region was created on May 5th, 1967 from the northern region, with three states of Bauchi, Borno and Adamawa and their capital was in Maiduguri. Currently, the north east region has six states which comprise of Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe states. This research used purposive sampling in selecting three states of Borno, Adamawa and Yobe (BAY states) in the north east Nigeria. Maiduguri, Damaturu, and Yola in the north east Nigeria were purposely selected due to their distance from Lagos Seaports, where trucks load fuel imported into the country for onward distribution to other parts of the country. Maiduguri, Borno state had a travel hours of 23 hours 9minutes, Damaturu, Yobe state had 21 hours 26 minutes while Yola, Adamawa state had travel hours of 10 hours 30minutes to Lagos. Longer distances results in higher fuel consumption, increased wear and tear, and more tolls gates on the road. All these added to transportation costs of fuel in the Northeast Nigeria. These demonstrate how distance contributes to differences in transport costs from Lagos to the region.

This is to effectively examine the effects imposed by fuel subsidy removal on MSMEs operating in the region. The population of the study comprises all the Micro Small and Medium Enterprises operating in the three states. This study targeted only MSMEs that are located and operate in the rural areas of the BAY states. The study also focused on MSMEs that are agriculture based, use traditional skills and resources, operate at small scale and have limited access to finance and are informal in nature. The selected MSME are active members of their local trade unions or cooperative societies and not necessarily registered with the Corporate Affairs Commission (CAC).

Questionnaire was the instrument used in data collection and multi-stage sampling was employed to draw respondents from each selected state. Borno state had the longest distance and 170 participants were randomly selected. Yobe state was ranked second and 150 participants were randomly selected while Adamawa state has 90 participants randomly selected to respond to the questionnaires. The researchers employed 6 enumerators who had good language communication skills and close proximity to the selected study locations. Two (2) enumerators served as research assistants in each state who administered questionnaires to the

MSMEs to source data for the study. A Total of four hundred and ten (410) questionnaires were distributed to the respondents but only Four hundred and seven (407) were returned and after sorting, only four hundred (400) were valid responses, and this formed the basis for analysis. The data collected was analyzed using both descriptive and inferential statistics.

4. Results and discussion

This section deals with the presentation, analysis and discussion of the findings of the research. The researchers in collaboration with the research enumerators administered 410 questionnaires to the MSME operators who serve as the respondents for the study. Four hundred and seven were filled and returned and after sorting the questionnaires only 400 questionnaires were valid for analysis, and this represent 97.6% which was used for the analysis.

4.1 Socio-Economic Characteristics of the Respondents

The analysis begins with a description of the socio-economic characteristics of the respondents where age and other relevant demographic features concerning the respondents were analyzed.

Table 1 Age distribution

Age of Respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 – 65 years	389	97.3	97.3	97.3
	Above 65 years	11	2.8	2.8	100.0
	Total	400	100.0	100.0	

Source: Field survey, 2024

Table 1 presented an analysis on the age group of the MSME operators in the study area where 93.3% were between the ages of 18-65 years while 2.8% are above 65years of age. This showed that most of the respondents are in the working age category and are actively engaged

in productive employment creating goods and services in the economy generating wealth for themselves and contributing to the growth of the national economy. This was in line with (NBS, 2022) report that MSME provided job

opportunities to about 75% of the labour force in Nigeria.

Table 2 Analyses the Sex of the respondents with 63.5% represented males while 36.3% are females. This showed that male dominated the operation of the MSMEs in the north east

Table 2 Sex Distribution

Sex of Respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	254	63.5	63.5	63.5
	Female	145	36.3	36.3	99.8
	3.00	1	.3	.3	100.0
	Total	400	100.0	100.0	

Source: Field survey, 2024

Table 3 showed analyses on the level of education of the respondents revealed that majority of the operators had different levels of education while only 18.8% were not opportuned to undergo any educational background but still engaged in the running of MSMEs in the region.

Table 3 level of education

level of education		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary Education	89	22.3	22.3	22.3
	Secondary Education	105	26.3	26.3	48.5
	Tertiary Education	40	10.0	10.0	58.5
	Islamic Education	91	22.8	22.8	81.3
	No Educational background	75	18.8	18.8	100.0
	Total	400	100.0	100.0	

Source: Field survey, 2024

Table 5 showed the household sizes of the respondents and indicated that over 90% of the respondents had family size of greater than three persons. This revealed that the respondents had responsibilities to take care of their family members.

Table 6 showed the income category earn by the respondents operating in the north east

Nigeria and females need to be supported and encouraged to be actively participated in running the Micro Small and Medium Enterprises.

Table 4 showed the year of commencement of their businesses. The result showed that over 60% of the respondents had more than ten (10) years working experience in their line of business as operators of MSMEs in the north east Nigeria.

Nigeria. The result showed that 30.5% of the respondents earned less than 500,000.00 naira income per year from their businesses. While more than 60% of the respondents earned more than 500,000.00 naira as their annual income from their MSMEs. This revealed that MSME as business organization help the operators to generate income.

Table 7 showed income earned by respondents from other sources not from the business of MSME. It revealed that 26.3% of the respondents were opportune to earn less than 50,000.00 naira from other engagements. 21.0% of the respondents earned from 50,000.00-100,000.00 naira as income from other non-farming activities and 21.5% of the respondents earned above 100,000.00 naira as income from

other sources. While 31.3% of the respondents in the north east Nigeria were not opportune to have income from any other source apart from the business they operate. This showed that majority of the respondents had income from others sources to be used in either expanding their businesses or to diversify into other line of business.

Table 4 Year of establishment the business

Duration in Business	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<5	6	1.5	1.5
d	5-10	144	36.0	37.5
	11-15	120	30.0	67.5
	16-20	75	18.8	86.3
	>20	55	13.8	100.0
	Total	400	100.0	

Source: Field survey, 2024

Table 5. Household size of the respondents

Household Size	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<3	3	.8	.8
d	3-6	90	22.5	23.3
	7-10	126	31.5	54.8
	11-13	74	18.5	73.3
	>13	107	26.8	100.0
	Total	400	100.0	

Source: Field survey, 2024

Table 6. Income Categories

Income	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<500,000	122	30.5	30.5
d	500,000-1000,000	165	41.3	71.8
	>1000,000	113	28.2	100.0
	Total	400	100.0	

Source: Field survey, 2024

Table 4.2 responded to objective two (2) of the study. In order to investigate the effects of fuel subsidy removal on the expenses/operating cost of the businesses run by the MSME operators in the north east Nigeria, the expenses on Housing/Rent, Wages, Fuel, Raw Material, Office Stationaries, and Transport were subjected to t-test statistics, and the result shown on table 4.2. The result of the analysis revealed that: costs on Housing/Rent, wages, fuel, Raw materials, Office Stationaries and Transport, before and after fuel subsidy removal in Nigeria, showed a significant increased at 5% level with t-test value for Housing/Rent 45.2 and Wages and 31.8. The t-test value for Fuel was 36.5 and for Raw Material was 7.8. The t-test value for Office Stationaries and Transport are 9.0 and 8.0 respectively. The p-values obtained for all the expenses/operation cost were less than .05 which showed .0000 revealing that 2023 Fuel Subsidy removal in Nigeria has significantly increased production costs/expenses incurred by MSME operators in the north east region. The fuel subsidy removal has significantly affected the socioeconomic of the respondents most of the operators interviewed were adult, who are active members of the labour force, and with few of them having income from other sources this has supported the work of Olaniyi, et al. (2023).

The result from the analysis on the expenses/operation costs incurred by MSME operators in the north east Nigeria generally revealed that there was a significant difference between the expenses they incurred before and after the macroeconomic policy of fuel subsidy removal in the country. Hence, the null hypotheses which stated that there is no significant difference between the expenses/operation cost incurred by MSME operators before and after the fuel subsidy removal in the Nigeria is rejected and the alternative hypotheses is accepted.

The result contained on table 4.3 responded to objective three (3) of the study. Rice, Beans, Yam, Cooking oil, Vegetables, and Maize are staple food crops consumed by the people generally in the north east Nigeria. This food crops are equally purchased by MSME operators to feed their family members. They used their income earned from the business activities in buying this food crops. So, any distortion to prices, supply or scarcity of this item as a result of government policy will create hardship to the respondents.

This table showed perceptions of how fuel subsidy removal in Nigeria created rapid increases in prices of food stuff in the north east region and the country at large. The table further showed responses of the MSME operators' opinion on whether there was a general increase in the prices of these items after the implementation of the fuel subsidy removal in Nigeria.

The results revealed that, 94.5% of the respondents agreed that price of Rice rapidly increased in the markets they patronized. The responses on price increase of Beans was 77.0%. On the price of Yam the study area, 82.0% of the respondents confirmed that price was on the increase in their area. The responses on cooking oil, 80.8% of the respondents witness increase in the price. While on prices of Vegetables and Maize in the region their responses was recorded as 85.8% and 95.5% respectively indicating a significant increase in the prices. Therefore, null hypotheses which stated that, there is no significant difference between prices of basic food commodities before and after fuel subsidy removal in the north east region is rejected and the alternative hypotheses accepted. This finding was in line with the results of the research conducted by Ozili & Ojora (2023) and Nurain (2024).

Table 7. Income from other sources (petty trading)

Income from other Sources		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<50,000	105	26.3	38.2	38.2
	50,000-100,000	84	21.0	30.5	68.7
	>100,000	86	21.5	31.3	100.0
	Total	275	68.8	100.0	
Missing	System	125	31.3		
Total		400	100.0		

Source: Field survey, 2024

Table 8. Expenses Incurred by the Operators of MSMEs

Expenses	Costs before removal of subsidy	Costs after removal of subsidy	Difference	Std. Err.	t-value	p-value
Housing/Rents	137.80	343.66	205.86	4.55	45.2***	p.0000
Wages	16.42	37.25	20.83	0.66	31.8***	p.0000
Fuel	14.40	36.82	22.42	0.61	36.5***	p.0000
Raw Materials	10.02	13.52	3.50	0.45	7.8***	p.0000
Office stationaries	13.89	18.54	4.66	0.52	9.0***	p.0000
Transport	11.42	15.54	4.12	0.52	8.0***	p.0000

Source: Field survey, 2024

Table 9. Prices of Food Items in North-East Region of Nigeria before and after the Fuel Subsidy Removal

Food Items	Decreased	Increased	Same
Rice	0.0%	94.5%	5.5%
Beans	0.5%	77.0%	22.5%
Yam	1.0%	82.0%	17.0%
Cooking oil	1.8%	80.8%	17.5%
Vegetables	8.0%	85.8%	6.3%
Maize	0.0%	95.5%	4.5%

Source: Field survey, 2024

By implication, this rise in prices of food commodities in the study area has subjected the operators of MSME to reduced disposable income, increased financial stress leading to general decline in their ability to operate. The

reduction in their purchasing power will also lead to increase in poverty in the study area which supported the work of Yunusa et al. (2023).

5. Conclusion

This study examined the effect of removing fuel subsidy on MSMEs in the BAY states of Northeast Nigeria. It revealed the impacts of this macroeconomic policy on MSME's profitability and survival in the study area. This research contributes to evidence-based policymaking, support MSMEs growth, and promotes economic growth in the region. In addition, the study showed that removal of fuel subsidy causes significant differences that affect the operating costs and prices of food raw materials of MSMEs operating in the BAY states of Northeast Nigeria. Hence, the contribution of this study emerges from the results arising from analysis of new data on the BAY states of Northeast Nigeria. Prior to this study there was an existing gap on literature about how subsidy removal affects MSMEs in northeast Nigeria.

Thus, the study recommends that, it is paramount for the Nigerian government to take proactive measures to get more involved in the growth, development and sustainability of MSME in the rural areas across the country. Training should also be provided to operators of these businesses to enhance their performance. Government should also make effort to address most pressing constraint directly affecting MSME in the country and north east in particular.

In addition, government should work tirelessly to address security, fiscal, monetary, and trade reforms to create a conducive business environment for MSME especially those at the grassroots operated mainly in the rural areas. Finally, there are many related issues in relation to the effect of subsidy removal on the formation, growth, development and diversification of MSMEs in Nigeria that are not covered by this research. It is therefore an opportunity for future researchers to consider and work on them.

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