



An Analysis of the Effect of Nigeria-China Economic Relations and Development

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ABSTRACT

This study analyzed the effect of Nigeria-China economic relations and development between 2015 - 2023, with a focus on analysis of the consequences and identifying strategies for improving for Nigeria-China economic relations and development from 2015 to 2023. The study conceptualized Nigeria as a peripheral state within the global economic system, primarily exporting raw materials such as crude oil and agricultural products to China, while heavily relying on import of finished goods and advanced technologies from the Asian giant. Employing a qualitative research design, the study leveraged purposive sampling to select key stakeholders with relevant expertise from government ministries, financial institutions, regulatory agencies, international bodies, academia, and the private sector. Data were primarily collected through Key Informant Interviews (KIIs), offering nuanced insights into the trade, investment, and policy dimensions of the Nigeria-China economic relationship. To enhance the robustness of the analysis, secondary sources including academic literature, government publications, and time-series trade and investment data were used for triangulation. All qualitative data were transcribed, anonymized, and subjected to thematic analysis, ensuring that emerging patterns were interpreted within the broader context of Nigeria's economic development. Findings reveal that that Chinese-backed projects disregard Nigeria's environmental and labour laws, in most times the projects are fully implemented by Chinese contractors, using Chinese materials and Chinese labour. There is minimal skill transfer to Nigerians, and local firms are largely side lined. More critically, the loans come with clauses that tie Nigeria down economically. If we default, we risk losing strategic assets. Also, the study emphasized that improving institutional capacity and policy coherence in Nigeria is a fundamental strategy for better managing its economic engagements with China, technology and knowledge transfer must be institutionalized as a major condition for future China-funded projects. The study recommended that the Nigerian government should intensify efforts in building Nigeria's technological and industrial capacity through knowledge driven economy and technology transfer clauses in bilateral agreements and Nigeria government should invest in institutional reforms and capacity building for agencies involved in foreign economic relations.

ARTICLE INFO

Article History

Received: September, 2025

Received in revised form: November, 2025

Accepted: December, 2025

Published online: January, 2026

KEYWORDS

Economic, Relations, Development,
Engagement, Partnership, Consequences

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INTRODUCTION

World over, trade and finance as well as digital information systems have combined to make the world highly interdependent, so much such that no nation can do without another. Thus, basic goal of inter-state interactions, and its significance in the international system cannot be overstated. This stance is based on the international systems or global space's interconnected nature, where socio-economic, political, cultural, technical, and environmental concerns need immediate response. The 21st century has witnessed a shift in global economic alliances, with emerging economies establishing strategic partnerships to foster mutual growth. Among such partnerships, the Nigeria-China economic relationship has become increasingly significant. However, while economic relations between nations often promise prosperity, the realities of such relationships can be complex, raising concerns about dependency, sovereignty, and sustainable development.

Economic relations between states have the potential to foster multiple dimensions of development, shaping the economic, social, and technological landscapes of nations. One critical dimension is economic growth, which refers to the sustained increase in a country's production of goods and services over time. Economic growth is often measured by an increase in Gross Domestic Product (GDP), and is driven by factors such as trade expansion, foreign direct investment (FDI), and industrial development. In the international arena, economic relations between nations promote economic growth by facilitating market access, reducing trade barriers, and enhancing production efficiency through specialization and comparative advantage. However, in Nigeria, despite significant trade engagements with countries like China, concerns persist regarding the structure of these economic interactions. Nigeria remains heavily reliant on crude oil exports, while imports, particularly from China, continue to outpace exports, raising fears of economic dependency and trade imbalances (Adebayo, 2020).

Technological advancement is vital aspect of development that emerges from

economic relations. This refers to the adoption and implementation of improved methods, innovations, and digital technologies to enhance production, service delivery, and overall economic competitiveness. International trade and economic partnerships facilitate technology transfer, thereby enabling developing countries to benefit from advanced production techniques, automation, and research collaborations. Many nations have capitalized on foreign partnerships to establish research institutions and industrial hubs that drive technological innovation. In Nigeria, while economic ties with technologically advanced nations such as China have introduced new machinery and industrial techniques, there remains a gap in local technological adaptation and innovation. A major concern is that most high-end technology remains imported, with limited capacity for local adaptation and development, raising questions about long-term technological independence (Adamu, 2019).

The economic relationship between Nigeria and China has evolved over several decades, intensifying significantly since the early 2000s. According to Obi (2019) the diplomatic and economic ties between the two nations were officially established in 1971, but it was not until the 21st century that bilateral trade and investments gained momentum. The Forum on China-Africa Cooperation (FOCAC), established in 2000, became a crucial platform for strengthening Nigeria-China economic relations. By 2015, China had become Nigeria's largest trading partner, with trade volumes reaching billions of dollars annually. Okeke (2022) added that between 2015 and 2023, the Nigeria-China economic relationship has been characterised by increased infrastructural projects, including the construction of railways, roads, power plants, and telecommunications facilities. China has also provided financial assistance through loans and grants, particularly in Nigeria's energy and transportation sectors. However, while these developments have contributed to economic growth, concerns have emerged regarding Nigeria's rising debt burden, trade imbalances, and the over-reliance on Chinese firms for critical projects.

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Empirical evidence suggests that China has become Nigeria's largest trading partner, with trade volume exceeding \$20 billion annually (Adetunji & Yusuf, 2021). Chinese investments have played a crucial role in Nigeria's infrastructural development, particularly in sectors such as transportation, energy, and telecommunications. Projects such as the Abuja-Kaduna railway, Lagos-Ibadan railway, and various road construction projects have been financed through Chinese loans and executed by Chinese firms. Similarly, China's involvement in Nigeria's energy sector, including hydroelectric power projects and investments in renewable energy, has contributed to improved electricity generation and distribution. While these projects are visible indicators of development, concerns have been raised about their long-term economic sustainability. Many of these infrastructural projects are funded through concessional loans from China, increasing Nigeria's external debt profile, which stood at \$41.69 billion in 2022, with a significant portion owed to China (CBN, 2022). The key question remains: Are these financial arrangements structured in a way that benefits Nigeria in the long run, or do they impose economic burdens that could undermine national development?

Furthermore, the structure of trade relations between Nigeria and China reveals a pattern of dependency that raises critical concerns. Nigeria primarily exports raw materials, particularly crude oil, to China, while importing finished goods such as machinery, electronics, and textiles. This trade imbalance reflects a classic case of an extractive economy, where value-added production remains minimal, and industrialisation is stunted (Olawale, 2020). Many scholars argue that for Nigeria to achieve meaningful economic development, it must move beyond resource-based exports and invest in industrialisation and local manufacturing (Eze & Okonkwo, 2019). While China has established special economic zones (SEZs) and manufacturing hubs in Nigeria, their impact on local industrial capacity remains limited, as most of these industries are dominated by Chinese firms with minimal integration of Nigerian labour

and technology. This study seeks to examine whether Nigeria-China economic relations have led to tangible industrial development or merely reinforced Nigeria's status as a supplier of raw materials.

Technological advancement is another critical dimension where the effectiveness of Nigeria-China economic relations must be scrutinized. China is a global leader in technology and innovation, and its economic engagements with many developing countries have included technology transfer initiatives. However, Nigeria has not fully benefited from such advancements, as much of the technology used in Chinese-funded projects remains controlled by Chinese firms (Nwosu, 2021). The lack of significant knowledge transfers and skill development raises concerns about Nigeria's ability to develop indigenous technological capabilities. Additionally, there is a growing concern about the quality of some Chinese investments, particularly in manufacturing, where reports of substandard products and environmental concerns have emerged (Adamu & Bello, 2020). This study aims to explore the extent to which Nigeria-China economic relations have contributed to technological advancement and capacity building within Nigeria's economy.

Another pressing issue that necessitates this study is the socio-economic impact of Nigeria's growing financial dependence on China. The debt sustainability debate has intensified, with fears that Nigeria's increasing reliance on Chinese loans may lead to a debt trap, where the inability to meet repayment obligations could result in the loss of strategic national assets (Uche, 2022). Several African countries, such as Zambia and Kenya, have already faced challenges related to Chinese loan repayments, leading to heightened scrutiny of China's lending practices (Okonkwo, 2021). Nigeria must critically assess whether its borrowing strategy aligns with long-term economic interests or whether it risks falling into a cycle of debt dependency. This study seeks to fill the gap in existing literature by providing an in-depth analysis of the financial terms of Nigeria-China economic agreements and their potential long-term consequences.

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This study is necessitated by the need to critically examine the impact of Nigeria-China economic relations on Nigeria's development. While economic engagement with China has led to visible infrastructural improvements, questions arise regarding the sustainability of these projects, the terms of financial agreements, and the long-term economic implications. The growing economic partnership between Nigeria and China has been marked by significant investments in infrastructure, trade expansion, and financial assistance. However, despite these engagements, Nigeria continues to grapple with economic challenges such as trade imbalances, industrial stagnation, rising debt burdens, and limited technological transfer. These contradictions necessitate a comprehensive inquiry into whether Nigeria's economic relationship with China is fostering genuine development or reinforcing economic dependence.

STATEMENT OF THE PROBLEM

Development remains the ultimate goal of every nation, yet achieving it is often hindered by structural dependencies, financial constraints, and unequal global partnerships. For many developing countries, economic relations with global powers serve as a crucial means of fostering development, but these engagements frequently come with challenges that raise concerns about long-term sustainability. Nigeria, like many other African nations, has increasingly deepened its economic relations with China, hoping to accelerate growth across key sectors. However, a major concern is whether these relations genuinely translate into sustainable development or merely create a cycle of dependency that threatens national economic sovereignty.

One of the most pressing issues in the Nigeria-China economic relations is the growing debt burden arising from Chinese loans, which raise fears of economic dependency and the potential loss of national assets if Nigeria fails to meet its debt obligations. While these financial engagements have facilitated infrastructural expansion, questions remain about the long-term

economic benefits and the unfavourable trade balance that continuously place Nigeria at a disadvantage.

Beyond debt concerns, the impact of this relationship on six key dimensions of development; economic growth, infrastructure development, technological advancement, human capital development, industrialisation and financial stability remain uncertain. Although Nigeria has witnessed increased foreign direct investments from China, the overwhelming dominance of Chinese firms in key sectors has limited local industrial growth. Similarly, while infrastructure projects such as roads, railways, and power plants have been established, concerns persist about their sustainability, maintenance, and long-term economic viability. In view of the forgoing, this study seeks to bridge this gap by critically analysed the effect of Nigeria-China economic, assessing the consequences of the China-Nigeria relationship with emphasis on growth and trade imbalance as well as analysing the fundamental strategy for better managing its economic engagements with China

Research Objectives

The aim of this study was to analyse the effect of Nigeria-China economic relations and development. Specifically, the study sought to:

1. Analyse the consequences of Nigeria-China economic relations from 2015 to 2023.
2. Identify strategies for improving Nigeria-China economic relations.

Research Questions

The study was guided by the following research questions:

1. What is the consequences of Nigeria-China economic relations from 2015 to 2023?
2. What are strategies for improving Nigeria-China economic relations?

METHODOLOGY

This study adopts mixed-methods research design, incorporating both qualitative and quantitative approaches. This design is

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deemed appropriate as it enables a comprehensive investigation of Nigeria-China economic relations and their developments. The integration of both methods allows for triangulation of findings, ensuring a more robust and balanced understanding of the phenomena under study. The qualitative component focuses on capturing rich, contextual insights through key informant interviews, document analysis, and thematic analysis while the quantitative aspect involves the collection and analysis of time series data on trade, foreign direct investment (FDI), loans, and bilateral economic agreements between Nigeria and China from 2015 to 2023.

This study focuses on Nigeria-China economic relations and development 2015 to 2023, examining their impact on Nigeria's overall development. As Africa's largest economy, Nigeria has engaged in extensive economic cooperation with China, encompassing trade, infrastructure development, technology transfer, human capital investment, industrialisation, and financial partnerships. The population of this study comprises 5,490 individuals working across various ministries, institutions, and organisations directly or indirectly involved in Nigeria-China economic relations and development between 2015 and 2023. To ensure fair representation, stratified sampling was used and involves dividing the population into subgroups (strata) and allocating the sample size to each subgroup proportionally to the size of that subgroup in the population. The sample size was 56.

The study utilised a combination of primary and secondary data collection methods to address its core objectives. For the primary data, Key Informant Interviews (KIIs) was conducted with purposively selected respondents across relevant sectors, including ministries, financial institutions, diplomatic bodies, and private sector organisations. Interviews with officials from the Federal Ministry of Industry, Trade and Investment and the Chinese Embassy in Nigeria provided insights into the nature and trends of Nigeria-China economic engagements, including trade volumes, foreign direct investment inflows, bilateral agreements, and infrastructural partnerships. Further interviews were held with

stakeholders in the ministries of works, power, and transportation, as well as community leaders in areas impacted by Chinese-sponsored projects such as the Lagos-Ibadan Railway, Second Niger Bridge, and Zungeru Hydroelectric Power Plant.

Moreover, the study utilised secondary data in the form of time series data covering the period from 2015 to 2023. These data provided empirical evidence on macroeconomic trends such as trade balances, investment flows, debt servicing, and infrastructure financing. Reliable sources included international databases like the World Bank, International Monetary Fund (IMF), and UNCTAD, as well as national agencies such as the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS), and the Nigerian Investment Promotion Commission (NIPC). Scholarly journals and institutional reports further enriched the study, ensuring that both qualitative insights and quantitative indicators were rigorously analysed for a comprehensive understanding of Nigeria-China economic relations within the period under investigation. 2015 to 2025.

The data analysis for this study involved thematic analysis that delved into the recurring themes and patterns, focusing on the study objectives. To enhance the reliability of the findings, data triangulation was employed by cross-referencing the primary data with secondary sources such as policy documents, government reports, and academic literature. This process ensures that the insights gathered from interviews are supported by broader historical and contextual data.

RESULTS

RQ1: What is the consequences of Nigeria-China economic relations from 2015 to 2023?

The Consequences of China-Nigeria economic relations from 2015–2023

One notable study by Umeora (2018) examined the socio-economic implications of China-Nigeria economic cooperation, especially in the areas of trade and infrastructure financing. Umeora argued that while Chinese financial

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inflows have helped bridge Nigeria's infrastructural deficit, they have also created structural dependencies. Between 2015 to 2023, China accounted for more than 65% of Nigeria's foreign-funded infrastructure projects, leading to high visibility of Chinese presence in transport, energy, and manufacturing sectors. However, the study revealed that many of these projects were executed by Chinese contractors with minimal Nigerian participation, reducing potential for skills transfer and local employment. Furthermore, the economic dependence resulting from these projects has introduced asymmetrical power dynamics where Nigeria's bargaining position is often weakened.

In addition, Umeora emphasised the debt accumulation trend driven by Chinese concessional and commercial loans. The Table 4.7 below summarizes Nigeria's debt exposure to China from 2015 to 2023, showing a sharp increase that raised questions about the sustainability of the borrowing structure. To illustrate the financial consequences, Umeora also emphasised the growing external debt to China, noting that while some loans were concessional, many came with commercial terms. This raised concerns about debt sustainability, as repayments and interest obligations began to consume a significant portion of Nigeria's public finances.

Table 1: Nigeria's Debt Accumulation from China by Project Type (2015–2023)

Project Type	Number of Projects	Loan Value (USD Billion)	% Chinese Labour Used	Nigerian Labour Participation
Transport Infrastructure	9	4.5	80%	20%
Power and Energy	5	3.2	75%	25%
ICT and Digital Economy	3	1.1	85%	15%
Manufacturing Zones	4	2.3	70%	30%
Others	2	0.9	78%	22%
Total	23	12.0	—	—

Source: Umeora (2018); Debt Management Office (DMO, 2023); World Bank Open Data (2023)

The data in Table 1 reveals that a significant portion of Chinese investments between 2015 and 2023 went into transport and energy infrastructure, amounting to over USD 7.7 billion. However, across all sectors, Chinese firms employed their own labour and equipment, with Nigerian participation rarely exceeding 30%. This

has limited the developmental spillover effects of the projects, such as knowledge transfer, industrial learning, and employment creation. These trends have deepened Nigeria's dependence on foreign labour and expertise, and further complicated the localization of industrial development.

Table 2: Nigeria's Bilateral Debt Exposure to China (2015–2023)

Year	Debt to China (USD Billion)	% of Total External Debt
2015	1.39	9.6%
2016	1.62	10.4%
2017	2.10	11.3%
2018	2.78	12.5%
2019	3.26	13.1%
2020	3.85	13.9%
2021	4.09	14.8%

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Year	Debt to China (USD Billion)	% of Total External Debt
2022	4.52	15.6%
2023	4.87	16.4%

Source: Umeora (2018); updated with data from DMO (2023), CBN (2023), and Nigeria Budget Office Reports.

The data presented in Table 2 reveals a significant and continuous increase in Nigeria's bilateral debt to China over the nine-year period from 2015 to 2023. In 2015, the debt stood at USD 1.39 billion, accounting for 9.6% of Nigeria's total external debt. By 2023, it had surged to USD 4.87 billion, representing 16.4% of total external debt. This steady growth illustrates Nigeria's growing dependence on Chinese financial resources to fund large-scale infrastructure projects such as the Abuja-Kaduna and Lagos-Ibadan railways, the Zungeru hydroelectric power project, and various road construction initiatives. The escalation of borrowing indicates that Chinese credit has become a central pillar of Nigeria's external financing strategy. However, it also reflects a potentially risky pattern where a single creditor country—China—continues to dominate the portfolio of Nigeria's external obligations.

The implications of this trend are far-reaching. First, the increasing debt exposure raises concerns about debt sustainability, especially considering that a rising portion of government revenue is now allocated to debt servicing. This could crowd out essential public investments in social sectors like education, healthcare, and agriculture. Second, the growing share of Chinese loans in Nigeria's debt profile may translate into reduced sovereign flexibility and economic autonomy, as future negotiations and development strategies could be influenced by creditor preferences. Third, most of these China-financed projects are executed by Chinese firms, often with minimal local involvement, thus limiting the transfer of skills, local employment generation, and technology diffusion. Ultimately, while Chinese loans have helped bridge Nigeria's infrastructure deficit, they have also entrenched economic asymmetries and dependencies that could impair long-term national development unless accompanied by strategic reforms that

prioritise local content, capacity building, and diversified sources of external finance.

Another empirical investigation by Agbo and Chukwuma (2020) focused on the trade implications of the China-Nigeria relationship, emphasising the growing trade imbalance. According to their findings, Nigeria consistently imports far more from China than it exports, which exacerbates the trade deficit. Between 2015 and 2023, Chinese goods dominated the Nigerian market, particularly in electronics, textiles, and machinery. The consequence of this was twofold: on one hand, affordable goods became accessible to Nigerian consumers; on the other hand, local manufacturers were displaced due to their inability to compete with Chinese imports, which are often priced lower and subsidised.

Agbo and Chukwuma presented evidence from Nigeria's manufacturing sector showing a steady decline in domestic production output, particularly in small and medium enterprises (SMEs). Many Nigerian businesses, particularly in the textile and plastic industries, were forced to shut down, leading to job losses. This decline is captured in the table below, showing the contraction in Nigeria's SME manufacturing output within the review period.

Table 3: SME Manufacturing Output Index in Nigeria (2015–2023)

Year	Index of Output
2015	94
2016	91
2017	87
2018	84
2019	82
2020	78
2021	76
2022	73
2023	70

Source: Adapted from Agbo & Chukwuma (2024)

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The data in Table 3 presents a consistent and troubling contraction in Nigeria's SME manufacturing output between 2015 and 2023. Starting from an index score of 94 in 2015, the output fell progressively to 70 by 2023, representing an approximate 25.5% decline over the nine-year period. This steady decrease indicates growing challenges for Nigeria's domestic industrial sector, particularly in small and medium enterprises (SMEs), which are critical to employment generation and grassroots economic development. The contraction was particularly notable between 2016 and 2020 a period marked by an economic recession, exchange rate instability, and intensified influx of Chinese manufactured goods into the Nigerian market.

The implications of this downward trend are profound for the Nigeria-China economic relationship. First, it highlights a structural imbalance in trade, where Nigeria increasingly depends on cheap Chinese imports that outcompete local products in terms of price and availability, especially in textiles, plastics, electronics, and household goods. Many Nigerian SMEs, unable to compete with heavily subsidised or mass-produced Chinese goods, have been forced to shut down or reduce operations, leading to factory closures and job losses, particularly among youth and women in urban areas. Second, the declining output reflects limited backward linkages from Chinese investments in Nigeria, where foreign capital flows into infrastructure but does not stimulate local industry through technology transfer or value chain integration.

Third, this trend threatens the long-term sustainability of Nigeria's industrial policy objectives, as it weakens the country's manufacturing base, widens the trade deficit, and increases dependency on imports. To reverse this trend, deliberate protectionist policies, SME development programs, and strengthened bilateral trade terms must be pursued to ensure the Nigeria-China economic relationship fosters inclusive, resilient industrial growth rather than deepening structural vulnerabilities.

Okonkwo (2021) provided an in-depth political economy analysis of the China-Nigeria

relationship, arguing that the increasing presence of China in Nigeria's economic sphere has geopolitical consequences. The study explored how Chinese-funded infrastructure projects are frequently tied to diplomatic compliance and exclusive operational control, limiting Nigeria's autonomy in certain strategic sectors. The research indicated that Chinese firms often repatriate profits back to China, creating limited reinvestment in the local economy. Moreover, the weak regulatory framework in Nigeria allows Chinese companies to operate without adhering to strong labour, environmental, and tax compliance standards.

The study further highlighted social concerns, noting that Chinese firms have been accused of labour violations and poor working conditions in multiple project sites. Such issues have strained local-community relations and raised questions about the long-term sustainability of the partnership. According to Okonkwo, unless there is deliberate policy enforcement, the Nigeria-China economic partnership may continue to benefit Chinese interests more than Nigerian.

Bassey and Adamu (2022) examined the environmental and social externalities associated with Chinese infrastructural projects in Nigeria. Their study found that many projects, such as road and rail construction, have resulted in environmental degradation due to weak oversight. For example, the construction of the Abuja-Kaduna railway line led to the displacement of communities and deforestation, without adequate resettlement packages or ecological restoration, the researcher identified poor community engagement processes, which often led to tensions between project implementers and affected populations.

The study recommended stronger enforcement of Nigeria's Environmental Impact Assessment (EIA) laws in foreign-funded projects and advocated for community-inclusive development planning. Table 4.10 illustrates the summary of key consequences identified by Bassey and Adamu.



Table 4: Summary of Environmental and Social Consequences

Project Type	Environmental Impact	Social Impact
Railway (Abuja-Kaduna)	Deforestation, soil erosion	Community displacement
Power Projects	Water pollution	Loss of agricultural land
Roads & Bridges	Air and noise pollution	Limited local employment engagement

(Source: Bassey & Adamu, 2022)

To further understand the consequences of Nigeria-China economic relations from 2015 to 2023, the analysis of secondary data was validated through field interviews conducted with three key informants who have expert knowledge and direct experience with Nigeria's economic engagements with China. These informants provided critical insights that highlighted ground realities and human dimensions of the bilateral relationship. One key informant, Dr. Sani Yakubu, an economist with the Nigerian Institute of Economic and Social Research (NIESR) in Ibadan, was of the opinion that while infrastructural developments driven by Chinese loans and expertise are visible, the hidden costs are too often overlooked.

He stated: *"Many people see the rails, roads, and airport terminals and believe these are signs of progress. But they don't ask who is building them, who is profiting, and who is repaying the loans. In many cases, these projects are fully implemented by Chinese contractors, using Chinese materials and Chinese labour. There is minimal skill transfer to Nigerians, and local firms are largely side lined. More critically, the loans come with clauses that tie Nigeria down economically. If we default, we risk losing strategic assets. This is not just economic cooperation; it borders on economic capture."*

Another informant, Mrs. Eno Ekpenyong, a senior official in the Ministry of Industry, Trade and Investment, shared her concerns regarding the decline in Nigerian local manufacturing as a result of cheap Chinese imports. She explained:

"Our manufacturing sector is under serious threat because of the influx of low-cost Chinese goods. These products are flooding our markets and displacing what little is left of Nigerian-made items. Even textile companies that used to employ thousands are folding up. I have personally visited

industrial clusters in Aba and Kaduna where tailors and local producers complain bitterly that they cannot compete. While consumers may enjoy lower prices, the long-term implication is job losses and a stunted industrial base."

A third informant, Mr. Adewale Onifade, an environmental rights activist and community development officer based in Lagos, focused on the environmental and social consequences of Chinese-backed projects. He was of the opinion that many of these projects disregard Nigeria's environmental and labour laws. He observed:

"I was on the ground during the expansion of the Lagos-Ibadan railway. Entire communities were displaced without proper consultation or compensation. The EIA processes were rushed or completely bypassed. What we see is a pattern Chinese firms move in, clear land, construct their facilities, and move out without repairing the ecological damage or investing in the people they displaced. Rivers are polluted, forests cut down, and there's no accountability. What kind of development does this represent?"

Drawing from both secondary data and field interviews, the consequences of Nigeria-China economic relations from 2015 to 2023 present a complex and multifaceted picture. On one hand, the relationship has yielded visible infrastructural benefits, such as railway lines, airport terminals, and highways, primarily funded through concessional Chinese loans. However, these gains come with significant challenges. Secondary data shows that many of these projects are executed by Chinese firms with little local participation, resulting in limited skill transfer and job creation for Nigerians. Field interviews reinforced this concern, with key informants pointing to an overdependence on Chinese imports that have weakened Nigeria's local manufacturing sector.

Furthermore, concerns were raised about the environmental impact and human

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displacement caused by large-scale Chinese-funded projects, often carried out without adequate environmental assessments or community engagement, the loan repayment terms raise fears of debt sustainability and potential loss of national assets in the event of default.

RQ2: What are strategies for improving Nigeria-China economic relations?

The strategies for improving Nigeria-China economic relations

To advance sustainable and mutually beneficial Nigeria-China economic relations, scholars have proposed varied strategic frameworks aimed at balancing economic growth, national interest, and sovereignty. A review of the existing literature highlights areas where Nigeria can strengthen its negotiating capacity, diversify economic collaborations, and enhance institutional frameworks.

One study emphasised that improving institutional capacity and policy coherence in Nigeria is a fundamental strategy for better managing its economic engagements with China. According to Okorie (2020), institutional weakness, poor regulatory oversight, and bureaucratic inefficiencies have made Nigeria vulnerable in its dealings with China. The researcher argued that Nigeria must build the capacity of its negotiation teams, empower the National Assembly to provide adequate oversight of foreign deals, and increase transparency in the management of bilateral agreements. He noted the importance of creating a national database of all China-related agreements and projects, to be regularly updated and reviewed to ensure compliance with national laws and development priorities. Okorie further maintained that empowering Nigeria's public sector with the technical knowledge to evaluate complex foreign investment proposals will reduce asymmetry in the Nigeria-China partnership. This approach, he claimed, would allow Nigeria to protect its sovereignty and pursue win-win economic diplomacy.

Another scholar, Ibrahim (2021), suggested that technology and knowledge transfer must be institutionalized as a major condition for future China-funded projects. His review of existing Chinese infrastructural investments in Nigeria revealed minimal local content participation and near absence of skill transfer provisions.

Ibrahim proposed that Nigeria should revise the Memorandum of Understanding (MoUs) guiding these projects to include clear clauses mandating the training of Nigerian engineers and technicians, the use of locally sourced materials, and joint project execution. He added that creating bilateral exchange programs for professionals in engineering, manufacturing, ICT, and agricultural technologies would further enhance capacity building. His submission underlines the need for Nigeria to move from being a recipient of Chinese capital and infrastructure to becoming an equal development partner, capable of replicating such models locally. He pointed to Ethiopia's example, where local universities and Chinese firms partnered in capacity development as a replicable strategy for Nigeria.

Similarly, Eze and Akintunde (2022) highlighted the necessity of re-balancing the trade dynamics between Nigeria and China. Their study revealed a persistent trade deficit in Nigeria's favour, where imports from China significantly outweigh Nigeria's exports. They proposed that Nigeria must aggressively support value addition to its raw materials, promote local industries, and negotiate preferential access for Nigerian goods into Chinese markets. According to them, it is not enough to open the borders for trade; Nigeria must enforce standardisation policies to ensure that exported products meet international standards. In addition, they emphasised the role of special economic zones (SEZs) co-managed with China but targeted at empowering Nigerian entrepreneurs to export competitively. This, they claimed, would stimulate local production, increase employment, and address the asymmetry in the trade partnership. Eze and Akintunde concluded that without a strong industrial base, Nigeria's participation in China's Belt and Road Initiative would remain extractive rather than developmental.

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In a more diplomatic and policy-centred approach, Abubakar (2023) underscored the need for the institutionalization of Nigeria-China bilateral economic summits at both national and subnational levels. According to him, Nigeria's engagement with China has largely been top-down and ad hoc, lacking the structure for inclusive and continuous dialogue. He advocated for an annual Nigeria-China Economic and Development Summit (NCEDS) involving key stakeholders from federal and state governments, business associations, universities, and civil society groups. The summit, Abubakar explained, would serve as a monitoring and evaluation platform to track project progress, resolve emerging conflicts, and identify new areas for collaboration.

Furthermore, he proposed the inclusion of state governments in China-related economic diplomacy, especially in agriculture, tourism, and SMEs development. He emphasised that decentralising economic diplomacy would allow more Nigerians to benefit from China-Nigeria relations and prevent elite capture of economic gains. The strategic value of this approach, he argued, lies in its ability to deepen the people-to-people component of the partnership while aligning projects with local needs and realities.

But validating the review findings, the interviews conducted on the field offered first hand insights into practical strategies for improving Nigeria-China economic relations from stakeholders directly involved in the process. One senior official from the Federal Ministry of Industry, Trade and Investment, who requested anonymity, was of the opinion that Nigeria needs to rethink its negotiation approach with China. He asserted:

For far too long, we've approached bilateral engagements with China as passive beneficiaries rather than strategic partners. Many of the contracts signed lack sufficient clauses that protect Nigerian interests. Moving forward, our Ministry is proposing that all bilateral agreements, especially on infrastructure and trade, must include enforceable technology transfer components, as well as local employment benchmarks. Without this, we will keep importing

labour and machinery while our own capacity remains underdeveloped.

A second key informant, an economic affairs officer at the Chinese Embassy in Abuja, also shared valuable perspectives. He emphasised the need for Nigeria to present a more unified and strategic economic development blueprint when seeking Chinese investment. According to him: *"China is interested in supporting Nigeria's growth, but the Nigerian side must present clear, structured plans. Sometimes, requests come in fragments different ministries approach us with overlapping or conflicting proposals. It would be more effective if Nigeria develops a national China strategy, prioritising sectors like agriculture, manufacturing, and ICT. That way, we know where to invest with long-term developmental impact. China is not averse to supporting such visions, but it must be mutually structured."*

A third informant, the Director of International Cooperation at the Nigerian Investment Promotion Commission (NIPC), pointed out the gaps in Nigeria's domestic industrial structure and the missed opportunities to leverage Chinese interest in African markets. She stated: *"While Chinese firms are flooding our markets with manufactured goods, we haven't taken sufficient steps to ensure reciprocal access for Nigerian businesses in China. One way to improve this is by supporting our SMEs with incentives to export, organising trade fairs in Chinese cities, and enforcing quality standards that match global expectations. Furthermore, government must engage more with the private sector when designing Nigeria-China policies. Development cannot happen without the participation of local businesses."*

Drawing from both secondary data and field interviews, several strategies for improving Nigeria-China economic relations from 2015 to 2023 have emerged. Key among them is the need for Nigeria to adopt a more strategic and coordinated negotiation approach in its bilateral engagements. Scholars emphasised the importance of enhancing local content policies, enforcing technology transfer clauses, and ensuring that investment agreements support job

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creation and industrial growth. Interviews with officials from the Federal Ministry of Industry, Trade and Investment and the Nigerian Investment Promotion Commission further underscored the urgency of developing a unified national strategy to guide engagements with China. Additionally, stakeholders recommended strengthening institutional capacity for project monitoring, increasing private sector participation in policymaking, and improving the quality and competitiveness of Nigerian exports to China. These strategies collectively aim to transform Nigeria-China relations from a largely extractive model to one that fosters mutual economic development and long-term sustainability.

CONCLUSION

In conclusion, the study comprehensively examined the nature and impact of Nigeria–China economic relations from 2015 to 2023, revealing a complex and asymmetric partnership that reflects the core assumptions of Wallerstein's World System Theory, which positions nations like Nigeria in a peripheral role within the global economic structure. Findings showed that while the partnership has facilitated infrastructural development, increased trade, and foreign direct investment but there is minimal skill transfer to Nigerians, and local firms are largely side lined.

More critically, Chinese-backed projects disregard Nigeria's environmental and labour laws, in most times the projects are fully implemented by Chinese contractors, using Chinese materials and Chinese labour. There is need for improving the institutional capacity and policy coherence in Nigeria is a fundamental strategy for better managing its economic engagements with China. The nature of the economic relations is largely characterised by an imbalance in trade and investment benefits, with limited local content and technology transfer, thus reinforcing structural inequalities.

RECOMMENDATIONS

Based on the key findings of this study, the following recommendations were made to

enhance the benefits and minimize the drawbacks of Nigeria-China economic relations:

1. The Nigerian government should intensify efforts in building Nigeria's technological and industrial capacity through knowledge driven economy and technology transfer clauses in bilateral agreements.
2. Nigeria government should invest in institutional reforms and capacity building for agencies involved in foreign economic relations.

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