

China's Presence in Nigeria 2000-2025: Trade, Infrastructure Development, Diplomatic Relationship, and Its Impacts

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ABSTRACT

This study critically examines China's presence in Nigeria's domestic affairs and its implementation towards development in Sino-Nigerian diplomatic relations from 2000 to 2025. China's economic engagement with Nigeria, characterized by investment, infrastructure development, and trade expansion, has been praised for promoting economic growth and fostering a win-win diplomatic relationship, but criticized for insufficient attention to maintaining financial stability. By analyzing bilateral agreements, investment trends, labor practices, and international business ethics frameworks, this paper examines whether China's presence in Nigeria creates exploitative business environments or impedes regulatory oversight. Drawing on secondary data sources, including government reports, academic studies, and news articles, the study reveals a complex interaction of economic development. Findings indicate that while China's investments have accelerated infrastructure and industrial growth, they have also exposed Nigeria to trade imbalances and environmental concerns. This paper concludes by offering policy recommendations that balance economic collaboration, emphasizing regulatory reforms, transparency, and strategic engagement with global financial institutions to reduce over-dependence on Chinese loans and ensure sustainable development.

Keywords: Relations, trade, infrastructure development, diplomatic agreements, China, Nigeria, investments.

INTRODUCTION

Nigeria and China have fostered a robust partnership since the 1970s, beginning with the acknowledgment of China's sovereignty. This bilateral relationship is considered mutually beneficial, encompassing trade, investment, and diplomatic agreements. Nigeria seeks financial and technological investments from China, while China aims to secure access to Nigeria's raw materials and bolster its global influence. (Dike and Owusu 2024) projected that Nigeria ranks as China's primary engineering market, second-largest export market, third-ranking trading partner, and a crucial investment hub in Africa. Consequently, the profound Chinese participation in Nigeria's economic sphere has led political scientists to forecast a potential recurrence of Western-style exploitation of Nigerian resources. Between Nigeria and China, the relationship is characterized as sophisticated and complex, offering a more balanced interaction than with the West. Despite this balance, the interactions are still perceived as unequal. Recent scholarly observations indicate a gradual shift in Nigeria's patronage from Western nations towards China and other BRICS countries located in Asia and Latin America (Oke, Oshinfowokan, and Okonoda, 2019). However, the sustainability and viability of the Nigeria-China relationship remain subjects of discussion and skepticism among experts.

It is important to note that both Nigeria and China are significant powers, with China exerting greater influence on the global stage. Nigeria is recognized as the most populous nation in Africa, while China claims the title of the most populous country worldwide. Economically, both countries exhibit substantial capabilities within their respective geographical contexts, although China's economic dominance is often viewed as greater than Nigeria's regional influence (Salaudeen and Guo, 2024; Ejiroghene, 2022). As a consequence, this paper examines the complexities of China-Nigeria relations from 2000 to 2025, focusing on key aspects such as trade, infrastructure

development, and diplomatic agreements. The rationale for this analysis stems from ongoing debates over China's influence in Nigeria, particularly the benefits and drawbacks of this partnership. There are significant concerns within Nigeria about the economic implications of Chinese loans and investments, which has sparked discussions about the country's increasing reliance on these financial sources. By investigating the historical context and the current state of relations, this review aims to understand the origins of these dynamics and their anticipated effects by 2025.

Background

The Sino-Nigerian relationship has undergone several transformative stages, namely formative, revolutionary, and reconstruction phases, each contributing to the complexity and depth of bilateral ties. The formative stage (1940-1960s) of the China-Nigeria relationship was characterized by a series of diplomatic, economic, and cultural exchanges that laid the groundwork for future collaboration between the two countries (Abubakar, 2025; Ejiroghene, 2022). However, during the 1960s, the relationship between China and Nigeria faced significant challenges, influenced by a combination of geopolitical changes, ideological differences, and internal conflicts within Nigeria. Following Nigeria's independence from Britain in 1960, the nation was navigating its identity and foreign policy orientation, which impacted its diplomatic engagement with China. China, under Mao Zedong, was pursuing a policy of solidarity with developing nations, positioning itself as a champion of anti-colonial struggles, which initially created a favorable backdrop for relations.

Over time, several complexities arose. The Nigerian Civil War (1967-1970), driven by ethnic tensions and secessionist aspirations, diverted the country's attention and resources, complicating its interactions with China (Agubamah, 2014). Additionally, the ideological divide was palpable. At the same time, Nigeria leaned toward Western alignment, particularly in the early years following independence, China intensified its advocacy for Marxist-Leninist principles, which did not resonate uniformly within Nigerian political circles (Agubamah, 2014).

Furthermore, external influences played a crucial role in shaping the dynamics of the Sino-Nigerian relationship. The Cold War context meant that both countries were simultaneously navigating pressures from the United States and the Soviet Union, impacting their bilateral interactions and perceptions of each other. As Nigeria sought military and economic support during the Civil War, its reliance on Western powers strained relations with China, which was advocating for the non-aligned movement (Nwachukwu, 2017). Both countries attempted to establish formal diplomatic ties. Still, the complexities of Nigeria's internal politics, its hesitant foreign policy, and China's evolving stance on African engagement led to a relationship characterized by cautious interaction rather than a robust partnership during this decade.

Notwithstanding, the revolution (1970s-1990s) saw a significant shift as both countries increasingly aligned politically and economically. During this phase, key developments included the establishment of diplomatic ties in 1971 and a series of bilateral agreements to enhance cooperation across sectors such as agriculture, trade, and infrastructure development. The Chinese government provided financial assistance and expertise to support Nigeria's burgeoning sectors, which were crucial to Nigeria's economic growth (Agubamah, 2014). China emerged as Nigeria's largest trading partner, with trade volumes increasing dramatically. Bilateral trade has been bolstered by strategic infrastructure investments, exemplified by Chinese firms' involvement in major projects such as railways, roads, and energy infrastructure. This partnership is further enhanced by China's Belt and Road Initiative (BRI), which aims to improve connectivity and cooperation among participating countries. Nigeria's endorsement of the BRI has led to increased Chinese investment, leading to job creation and capacity building within Nigeria (Nwokolobia and Ikenga, 2023; Oke et al., 2019). Additionally, China has provided substantial financial aid and loans to Nigeria, contributing to various sectors, including telecommunications and agriculture (Abubakar, 2025; Ejiroghene, 2022). China's rise as a global power resonated in Nigeria's search for new partnerships, leading to expanded trade relations, infrastructure investments, and joint ventures across sectors such as telecommunications and energy. China's emphasis on non-interference in domestic affairs resonated with Nigeria's leaders, fortifying diplomatic ties.

Moreover, cultural exchanges also played a vital role in strengthening the bilateral ties. Initiatives such as language education and artistic programs fostered mutual understanding and respect between the two nations

(Nwokolobia and Ikenga, 2023). The Chinese language became increasingly popular in Nigeria, while Nigerian arts and culture were introduced in various Chinese contexts (Salaudeen and Guo, 2024). There were also increasing people-to-people exchanges through educational programs, scholarships, and cultural festivals. These efforts aim to foster mutual understanding and goodwill, promoting a deeper cooperation beyond mere economic exchanges. However, the relationship is not without challenges. Concerns have been raised about the terms of Chinese loans and their implications for Nigeria's sovereignty. Discussions on the need for a balanced relationship that protects Nigeria's interests are ongoing.

The reconstruction stage, which began in the early 2000s and is ongoing, has focused on deepening economic cooperation, with China's Belt and Road Initiative playing a pivotal role. China's interest in Nigeria is driven by the latter's vast natural resources, market potential, and strategic location within Africa, making it a pivotal player in China's broader Belt and Road Initiative (Odeh et al., 2017). The partnership has led to significant Chinese investment in vital sectors such as oil and gas, telecommunications, and transportation. Major projects, including railway construction and power plant development, underscore China's commitment to supporting Nigeria's infrastructure development (Odeh et al., 2017). Furthermore, diplomatic engagements between the two nations intensified, with high-level visits and exchanges aimed at fostering cooperation. As both countries navigate the evolving geopolitical landscape, the Sino-Nigeria relationship serves as a model of international collaboration, offering opportunities for shared economic growth and development that could reshape regional dynamics.

Overall, these stages signify a dynamic evolution of Sino-Nigerian relations, with increasing interdependence shaped by historical context, geopolitical interests, and socio-economic factors, illustrating a comprehensive partnership that seeks to address mutual aspirations in a rapidly changing global landscape.

METHODOLOGY

The data collection used in this literature review was drawn from secondary sources, including government publications, academic journals, market research reports, online databases, and news articles. This approach allows for the deep examination of the historical, economic strategies, investment trends, infrastructural initiatives, and diplomatic agreements in the context of both countries' relationship.

LITERATURE REVIEW

Emehelu (2022) examines the impact of Nigeria-China relations on power and economic growth in Nigeria, noting that bilateral trade agreements began in 1971, with significant economic activities commencing in 1995 under General Sani Abacha. It finds that household consumption, gross investment, and net exports positively affect GDP. In contrast, government expenditure has an adverse impact, highlighting China's concerns regarding economic interests, industrial shutdowns, labor conditions, and job losses. The study also highlights Nigeria's historical dependence on oil exports and its high economic volatility, in contrast to China's more stable growth. It recommends that Nigeria encourage direct Chinese investment, diversify its export commodities, and build human and infrastructural capital.

Ajah (2024) examined that Nigeria has utilized the Belt and Road Initiative (BRI) to secure funding for railway infrastructure rehabilitation and upgrades. The Railway projects, like Abuja-Kaduna, Lagos-Ibadan, Ibadan-Kano, and Warri-Itakpe, are funded through loans from the EXIM Bank of China and the CDB, with varying funding models and construction companies involved. Chinese construction companies have been awarded all railway contracts under BRI funding, with a focus on enhancing connectivity. Key railway projects in Nigeria include the Abuja-Kaduna Railway and the Lagos-Ibadan Railway, both of which were constructed by CCECC. The BRI has expanded Nigeria's railway network, improved connectivity, promoted regional integration, facilitated capacity building, and enabled technology transfer. Chinese investments have also led to positive developments in Nigerian ports, such as the Lekki Deep Seaport, which the CDB partially funds. CCECC has also played a crucial role in expanding four international airport terminals in Nigeria, sponsored by the Export-Import Bank of China through the BRI.

Agubamah, E. (2014) emphasised that Nigeria established diplomatic relations with China in 1971, following initial contact during its independence celebrations in 1960. The relationship, framed by China as a "win-win"

situation, is critically analyzed through the lens of dependency theory, revealing discrepancies between this perception and on-the-ground reality. The author identifies significant economic and diplomatic aspirations, highlighting Nigeria's aim to enhance ties with China as the latter continues to grow as a global financial powerhouse. Despite their strategic importance to each other, the relationship is characterized by an inequality, with Nigeria heavily reliant on oil and struggling economically, while China boasts a diversified economy. The author argues that without addressing these fundamental disparities, the partnership is more accurately described as a "win-lose" scenario, undermining aspirations for truly mutually beneficial cooperation.

Bekele. A (2020) emphasized that China-Nigeria relations have grown significantly through trade agreements, infrastructure investments, and bilateral cooperation. The partnership has improved Nigeria's infrastructure and economy, but it also raises concerns about economic dependency and the risk of Neo-colonial dominance. Their relationship dates back to 1971 and has seen China invest \$80 billion into Nigeria's oil and gas industry by 2016. The five principles agreed upon by Nigeria and China in 1971 include mutual respect for sovereignty, non-aggression, non-interference, sovereign equality, and peaceful coexistence. The partnership facilitates the transfer of knowledge and skills from Chinese experts to Nigerians, enhancing local capacity. Chinese capital inflows create jobs through large-scale infrastructure projects and bring valuable technological expertise and innovation to Nigeria. However, the adverse impacts of Sino-Nigerian relations include the influx of cheaply made, low-quality products and China's withholding of technological know-how, which limits Nigeria's capacity for technological advancement.

The Federal Ministry of Finance (2024) stated that Nigeria and China have reaffirmed their commitment to deepening economic cooperation, strengthening bilateral ties, and fostering sustainable development at the inaugural China-Nigeria Economic Cooperation and Trade Conference. The event, held in conjunction with the 2024 Forum on China-Africa Cooperation (FOCAC), aimed to lay the groundwork for unprecedented collaboration and growth between the two countries. The event underscored the significance of South-South cooperation in Nigeria's pursuit of sustainable development goals, as well as the signing of a \$3.3 billion agreement to develop the Brass Industrial Park and Methanol Complex. Both nations reiterated their commitment to joint infrastructure projects, including roads, bridges, and energy systems, to accelerate industrialization and drive long-term economic growth in Nigeria. Financial and security cooperation was also a key focus, with both countries agreeing to enhance intelligence sharing to combat money laundering and financial crimes. Key infrastructure and security initiatives are seen as pivotal to achieving Nigeria's economic objectives under the Renewed Hope Agenda and advancing China's Belt and Road Initiative. The partnership will undoubtedly propel Nigeria's economic agenda forward while reinforcing China's Belt and Road Initiative.

Sino-Nigeria Relations (Infrastructural development and Diplomatic Agreement).

Early commercial and diplomatic agreements, especially in the 15th century, marked the beginning of Sino-African contacts, although this relationship cooled and left little historical evidence. However, the modern relationship took a turn in the 20th century, with a focus on solidarity during the African independence movements, and with China's focus on Nigeria to boost its global power and economic development, thereby enhancing Nigeria's economy alongside. In 2000, the Forum on China-Africa Cooperation was established under the agreement between China and Nigeria. Under this cooperation, it was stated that the relationship between the two countries was experiencing rapid growth and aiding development. In 2002, an agreement was signed for the establishment of a Nigerian Trade Office in China, which took effect in 2006 and led to the Nigeria-China investment forum with a focus on facilitating and promoting trade, infrastructure, agriculture, manufacturing, technology, investment, the creation of jobs, and improving livelihoods (Opusunju et al., 2020). In 2004, Nigeria and China signed an oil mining lease agreement in the Niger Delta. In 2005, Nigeria also agreed to supply China with 30,000 barrels per day of petrol, worth about \$800 million. The first strategic partnership Memorandum of Understanding was signed by China in 2006 for trade promotion and investment development in Nigeria. The first railway in Nigeria came into being with the help of China's innovative technology and management strategies, focusing on the Abuja-Kaduna railway line, which was inaugurated as part of the country's railway renovation initiative to reduce strain on the country's roadways. This endeavor promoted the development of railways in other Nigerian states.

China and Nigeria's Railway Investment Record.

Railway Line	China's Investment (USD)	Nigeria's Investment (USD)	Duration (kilometers)
Abuja-Kaduna	\$1.5Billion	\$500Million	186.5KM
Kaduna-Kano	\$254.76Million	\$917Million	203KM
Portharcourt-Maiduguri	\$2.550Billion	\$450Million	1,443KM
Ibadan-Kano	\$3.975Billion	\$795Million	2,733KM
Lagos-Calabar	\$1.3Billion	\$200Million	1,400KM
Lagos-Ibadan	\$1.6Billion	\$182Million	156KM
Abuja-Warri	\$2.925Billion	\$390Million	549,2KKM

Source: Author's Compilation.

However, the strategic agreement between the two countries granted each nation unfettered access to the other's marketplaces for its goods and services. The oil infrastructure project was carried out under a public-private agreement, including the Nigerian National Oil Corporation (NNPC) and the China State Construction Engineering Corporation (CSCEC). However, it was ultimately canceled due to widespread corruption in the oil bidding process; the oil-for-infrastructure program was then replaced with oil-for-cash policies. Nigeria and China's oil infrastructure agreements were later assessed by President Umar Musa Yar'Adua in 2007 to aid their implementation, after the report from the Chatham House disclosing that Nigeria lost up to \$6 billion in failed oil deals with China, as no follow-up tactics were put in place to implement and maintain the agreements; therefore, the contracts were suspended. In that same year 2007, Nigeria listed a seven point agenda that was laid out to ensure the realization of vision 20:2020 that was centered on wealth creation, land tenure reforms, education and human capital development, national security, food security, power and energy, transportation sector, this agenda is believed to be achieved by the formation of bilateral relation with China aimed to reduce poverty. In 2009, a \$311million agreement was signed to develop the cooperation in communication and space programs, with China's assistance in launching the Nigeria communication satellite known as the Nigcomsat-1, under the Xichang Satellite center in China, the first communication satellite center was later launched in Nigeria in 2011 making it the first communication satellite in Central Africa, making Nigeria the 4th largest trading partner to China. In the same year, the Lekki Port Lagos Free Trade Zone Enterprise Limited was established, a special-purpose vehicle and joint venture responsible for the Lekki Deep Water Port, created as part of the concession agreement with the Nigeria Ports Authority (NPA). Nigeria receives more than \$ 3.1 billion in Infrastructure loans from the China Development Bank. About 95% of the building contracts of Nigeria's Ports and Railroads had gone to Chinese state-owned construction firms, China Harbour Engineering Company (CHEC) and China Civil Engineering Construction Corporation (CCECC) (Ajah and Onuoha, 2023). China and Nigeria also signed an agreement on the reciprocal establishment of cultural centers, leading to the establishment of a Confucius Institute in 2012 at the University of Lagos and Nnamdi Azikiwe University. By 2013, the Nigerian cultural center was also established in Beijing to serve as a platform for promoting Nigerian culture, arts, and heritage in China, to facilitate cultural exchange programs to enhance mutual understanding between both countries. During the same year, about 80% of Nigeria's economy was dominated by Chinese investments, as the BRI was initiated. China has also boosted its investment for infrastructure development, Nigeria on the other hand seem to be benefitting from the implementation of this plan by having access to much needed infrastructural funds, in which Nigeria has signed several BRI credit facilities, also three loan agreements was struck during this year, these agreements include a \$500million contract for the Abuja Light Rail Project with an \$100million contract for the creation of four airport terminals throughout the nation and a \$500million deal for the growth of connectivity among Nigeria's government department through the galaxy backbone (NICAF, 2013). A \$20 billion Memorandum of Understanding between the Chinese Ministry of Energy and the Nigerian

Ministry of Energy was signed to produce 20,000 megawatts of electricity, which was implemented in 2013 following President Goodluck Jonathan's visit. From 2014 to 2016, according to the National Bureau of Statistics (NBS) stated that in this year Nigeria seem to record more on trade deficit worth of 6trillion Naira than an agreement, with Nigeria's import bill of 29.91trillion Naira and China's accounted for 6.41trillion Naira profit, by 2017 other forms of agreements began to surge up, the office of Taiwan situated in Abuja was requested by the government to be moved to Lagos as a result of the undergoing administration to make Abuja the capital of Nigeria, Taiwan office was requested to rename it office in Lagos from Business Delegation of the ROC to the Trade Representative Office of Taipei with the sole aim to represent the interest of Taiwan's government and to serve and protect Taiwanese expatriate in Nigeria which functioned as the de facto embassy, by this agreement Nigeria became Taiwan's Third largest trading partner in the African continent, this partnership brought other forms of benefit to Nigeria such as scholarship to qualified Nigeria Scholars was granted to enable them study in Taiwan higher institution. In 2018, Chinese companies invested about \$20Billion in over 218 firms in Nigeria that concentrated on industrial sector, also Nigeria signed an agreement with China to purchase two communication satellites with funds from the export and import Exim Bank of China worth about \$550million, this satellite was manufactured by China's Great Wall, to enable Chinese companies take an equity stake in NigComSat, which is a satellite company owned and managed by the Nigerian government. In 2019, the People's Bank of China and the Central Bank of Nigeria signed a currency swap agreement to enable the exchange of Yuan and Naira to facilitate direct trade and investment between both countries, reduce transaction costs, and speed cross-border payments. However, the swap deal had long been overdue, but was renewed under President Bola Ahmed Tinubu's administration, which sought to stabilize the Yuan and Naira currencies. By mid-2019, China had provided about 500 Nigerian students with scholarships for training in space engineering (Shinn et al., 2023). However, the infrastructure development project initiated in Nigeria with China's investment has placed Nigeria under a \$1.5 billion loan to execute the project for the four airports at Lagos, Kano, Abuja, and Port Harcourt, which was later inaugurated in 2025.

However, the educational system also facilitated China's diplomatic agreement with Nigeria. The People's Republic of China's consulate general, in collaboration with the Lekki Free Zone Development Company in Nigeria, implemented initiatives to introduce Chinese culture to the Nigerian educational system. The Confucius Institute was established in Nigeria in response to growing interest in learning about China's culture. Several Nigerian institutions provide Chinese degrees. In March 2008, Nnamdi Azikiwe University became the first institution to launch this course, and in June 2008, Bayero University Kano (BUK) also did so by signing a Memorandum of Understanding to implement the degree at the institution formally. In 2009, the University of Lagos also established it as a degree program within its institution, while the University of Ilesha's institution of Chinese studies came into being following a senate approval in February 2025 in conjunction with the Chinese government. In 2024, the Chinese government embarked on the innovations of school, and also awarded over 17,000 scholarships to students to train them to master necessary skills for the job market, alongside the Confucius Institute scholarship, which aimed to help learners acquire a deep understanding of China's culture (Emmanuel and Xu Li Hua 2019, Sunny 2019)

Sino-Nigeria Relations (Trade)

China-Nigeria relations have maintained various trade/commercial ties following the signing of the Joint Communiqué establishing Diplomatic Relations in 1971 (Bekele, 2020). Since 2000, the trade relation made China a major trade partner with Nigeria, in 2000 and 2010 Nigeria economy was being affected by the presence of China that boosted their trade relation from \$2billion to \$18billion due to its primarily exports of crude oil, petroleum gas, copper, and tin ores while other exports that consist of sesame seeds, cocoa, beans and cashew nuts, Nigeria's raw export to China includes; raw hides and skins, salt, sulphur, earth, stone, plaster, lime, cements etc.

Ever since, their trade relations have developed from a smaller scale to a larger trade investor scale. China had transformed Nigeria into a net exporter of crude oil by 2004, and in 2006, bilateral trade volume was approximately \$3.13 billion, with China's exports to Nigeria around \$280 million. In 2008, trade between the two countries increased by \$7.2 billion. China's surplus of \$2.52 billion may have likely destabilized Nigeria's economy, but there are more benefits that Nigeria seems to derive from its trade relation with China (Emehelu and Oboreh, 2022). In 2009 and 2010, it increased by \$7.3 billion and \$7.7 billion, respectively. By 2012, Nigeria

exported more crude oil to China, and during this period, China solely owned 30 Joint Ventures and companies; the majority of these companies are engaged in power, oil, gas, technology, and many more in Nigeria. A \$1.1 billion trade imbalance was reported by Nigeria in 2021, following a NGN588.7 billion trade deficit in 2020, after a NGN362.7 billion trade surplus in December 2019. As a result, shipments fell to 33.4%.

Nigeria's total trade imbalance in 2020 was NGN7.375 billion, whereas its 2019 surplus was about NGN2.232 billion. The widening trade deficit has been a challenge for Nigeria in maintaining a sustainable trade position. In 2020, the COVID-19 pandemic also affected global trade, leading to fluctuations in oil prices. This outbreak contributed to a shift in the trade balance, resulting in a debt of NGN588.7 billion. The first-quarter data from the National Bureau of Statistics (National Bureau of Statistics, 2022) shows that at the end of 2021, the trade imbalance had risen to \$ 23 billion, in favor of the Chinese government. By 2023, Nigeria's total crude petroleum exports reached about \$43.5 billion. In 2024, the Minister of Finance Mr Edun had reaffirmed on Nigeria's commitment to deepening economic cooperation during the inaugural China-Nigeria Economic Cooperation and Trade conference held in Beijing (China) alongside the 2024 Forum on China-Africa Cooperation (FOCAC), President Bola Ahmed Tinubu addressed this matter by stating his dedication to facilitate increased investment that led to the signing of \$3.3 billion agreement to develop the brass industrial park and methanol complex, a project aimed to boost Nigeria's industrial output, there were about 54 programmes and projects that was agreed upon in Memorandum of Understanding signed by the two countries during the year, these projects consist of mining manufacturing, infrastructure, education, health care, agriculture and technology (Federal Ministry of Finance, 2024).

China leverages revenues from its cooperation with Nigeria, mainly from oil exports, to invest in its own domestic growth through strategic state interventions, technology acquisition, and infrastructure projects. This is part of a broader economic strategy that involves embracing foreign technology, upgrading industries, and boosting local manufacturing, which, in turn, fuels economic growth and creates opportunities for international investment and trade. However, their goals in Nigeria seem promising, but the debate on how it has affected Nigeria's economic stability under theoretical review is stated below:

Theoretical Review

The diplomatic relationship between China and Nigeria can be understood and analyzed using a range of diplomatic theories. One such theory is the capitalist theory, which illustrates the contrasting outcomes of the two diplomatic nations' rational choices. This theory, propagated by Adam Smith, stressed that countries develop for their own self-interest rather than for mutually beneficial economic relationships (D'anieri, 2021). The theory suggests that despite multiple economic indicators between two mutually vested countries, the outcomes cannot be evenly distributed, with one nation potentially benefiting more than the other (O'brien and Williams, 2020).

In the context of the China-Nigeria relationship, capitalist theory plays a crucial role in understanding the economic dynamics between the two nations. This relationship is characterized by China's growing influence in Africa, marked by substantial investments in infrastructure, trade, and technological exchange in Nigeria. Capitalism, as a prevailing economic system, emphasizes private ownership, free markets, and competition, and its impact on this bilateral relationship can be assessed through several key facets.

The capitalist desire for new markets and resources drives Chinese investments in Nigeria. The influx of Chinese companies into Nigeria can be seen as a strategy to access abundant natural resources, such as oil and minerals. This aligns with capitalist principles, in which companies seek to maximize profits through resource acquisition and expansion into emerging markets. China's investment in infrastructure, such as roads and railways, reflects a capitalist approach to facilitating smoother trade routes and enhancing the economic growth potential for both countries. This shows the Chinese government supports its firms in international markets. In Nigeria, Chinese state-owned enterprises operate in various sectors, benefiting from government backing and favorable policies (McNally, 2022). This illustrates a contrasting approach to capitalism compared to Nigeria's more liberalized market environment, where private enterprises dominate without substantial state backing.

Another applicable theory is neo-colonialism. Popularized by Kwame Nkrumah, neo-colonialism holds that, in international relations, dominant states exert indirect control over lesser states by enticing them with globalized

tools such as financial aid, infrastructure, technology, and communication to advance their self-serving interests (Roach, 2013). By attracting nations with ulterior motives, dominant countries gain access to their markets, labor, and raw materials. For major powers, foreign relations are intended to advance and protect their national interests abroad, often with little regard for the detrimental impact on those countries.

As is evident, China's engagement with Nigeria is multifaceted, encompassing trade, investment, and infrastructure development. The bilateral relationship has been strengthened through various agreements, with China positioned as a crucial partner in Nigeria's modernization efforts. This aligns with neoliberal ideas that advocate for foreign investment as a catalyst for national development (Pan, 2022). Chinese investments in Nigeria's infrastructure, including roads and energy projects, reflect the neoliberal emphasis on physical capital as essential for enhancing productivity and fostering economic growth.

However, the implementation of neoliberal policies in Nigeria also raises questions about sovereignty, governance, and social equity. Critics argue that these policies often prioritize economic efficiency over social welfare, leading to disparities in wealth and access to resources. In the China-Nigeria nexus, this dynamic is evident in how Chinese companies operate in Nigeria, sometimes prioritizing profit maximization over local community benefits. Furthermore, the neoliberal approach promotes deregulation and liberalization, which may empower foreign businesses at the expense of regional industries. In Nigeria, this has led to concerns about the implications for domestic entrepreneurship and job creation, as local companies may struggle to compete with foreign firms backed by state resources and favorable policies.

The neoliberalism theory provides a lens through which to analyze the China-Nigeria relationship, highlighting both the economic opportunities and the challenges that come with such engagement. It underscores the need for Nigeria to balance the benefits of foreign investment with the need to protect local industries and ensure that economic growth translates into broader social benefits.

International business ethics provide a normative framework for evaluating foreign investment and corporate behavior in host countries. This framework emphasizes corporate social responsibility (CSR), labor rights, and environmental stewardship. The application of Sino-Nigerian relations highlights tensions between profit-driven investment models and the protection of workers and communities in Nigeria.

Although the relationship between these two countries over the past 25 years has exhibited economic growth, infrastructural development, and investment agreements. Nevertheless, these theories have made it known that their relations seem to experience an imbalance, which is accompanied by challenging impacts and opportunities that have affected their diplomatic/trade relations; these effects are seen below;

1. **Persistent Trade Imbalances:** The two nations' bilateral commerce increased exponentially after Nigeria joined a trade and investment promotion and protection treaty in 2000. This deal quadrupled Nigeria's exports to China. Nigeria's exports to China remain heavily concentrated in oil and primary commodities, making it impossible for them to keep up with Chinese exports. At the same time, Chinese-manufactured goods dominate Nigerian markets. This imbalance has undermined the growth of domestic industries and created vulnerability to external economic shocks to date. The Manufacturers Association of Nigeria claims that a trade imbalance between Nigeria and China remains unresolved to date. Given that Nigeria shipped goods to China totaling approximately NGN714.97 billion over four years, the trade imbalance between 2013 and 2016 exceeded NGN6 trillion. If Nigeria's exports are less than its imports from China, the trade deficit will be NGN5.70 trillion. Many manufacturing companies, including those in the clothing and textiles sector, have ceased operations as a result of Nigeria's government's deficit, and the trade deficit is likely to persist unless Nigeria decides to switch to domestically produced goods.
2. **Debt and Financial Dependence:** Heavy reliance on Chinese loans and currency swap agreements increases Nigeria's fiscal vulnerability. Without adequate monitoring and diversification, repayment obligations could hinder domestic investment and social spending.
3. **Human Capital Development:** Limited technology transfer and poor working conditions in Chinese-managed enterprises restrict sustainable industrial capacity building and workforce development.

4. **Geopolitical Implications:** While China's engagement demonstrates successful South-South cooperation, it also reinforces structural dependency patterns, aligning with predictions of dependency and Neo-colonial theory. Strategic policy interventions are required to balance benefits and risks.
5. **Neglect of Nigeria's local industry:** The influx of cheaper Chinese goods and their importation to Nigeria has led to a shift in the local industry. The inability of small and medium-sized businesses to produce goods that Nigerians will consume has slowed the growth in the domestic manufacturing sector, resulting in limited local employment opportunities.
6. **Employee's Discrepancy:** Nigerian workers in Chinese enterprises frequently endure dehumanizing, unlawful, and dangerous working conditions. Human rights violations in Chinese enterprises are commonly attributed to cultural differences. These issues are exacerbated by Nigeria's inadequate workplace inspections and lax enforcement of labor laws, which suggest that profit is prioritized over compliance with environmental and labor laws.

Key Findings Summary

Area	Findings	Implications
Trade	Rapid growth (\$2B→\$43.5B, 2000–2023)	Trade imbalances
Infrastructure	Railways, ports, airports, and industrial parks	Short-term growth, limited local participation
Debt	Loans >\$1.5B, currency swap deals	Fiscal vulnerability, dependence on Chinese financing

CONCLUSION/ RECOMMENDATIONS

To optimize Nigeria-China relations and mitigate negative consequences, the following strategies are recommended:

Economic and Trade Policy

Diversify exports beyond oil to include agricultural products, manufactured goods, and technological services to reduce trade imbalances. Promote local content policies to encourage Chinese enterprises to source materials and labor locally. Implement protective measures for nascent industries to compete with Chinese imports without violating WTO rules.

Debt Management and Financing

Negotiate more favorable loan terms, including more extended grace periods and lower interest rates. Explore alternative funding sources, such as the World Bank, the African Development Bank, and public-private partnerships, to reduce dependence on Chinese loans. Prioritize loans for high-return infrastructure and industrial projects that generate revenue to support debt service.

Labor and Human Capital Development

Enforce strict labor regulations to protect Nigerian workers in foreign enterprises. Establish joint technology-transfer and skills-development programs to enhance the domestic workforce. Promote capacity building in managerial and technical roles for Nigerian nationals to reduce reliance on Chinese expertise.

Transparency and Governance

Introduce joint oversight committees with civil society participation to ensure accountability in project implementation. Publicly disclose loan agreements, project terms, and expected outcomes to reduce corruption

and mismanagement. Monitor and evaluate all major infrastructure and investment projects to ensure alignment with Nigeria's long-term development strategy.

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