

Sustainable International Trade: Opportunities for Nigeria in the Korean Market

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ABSTRACT

In recent years, sustainable international trade has emerged as a key driver of global economic resilience, particularly among nations seeking to balance growth with environmental responsibility. This study examines the opportunities for Nigeria to enhance its trade relations with South Korea from a sustainability perspective. Drawing on secondary data, including trade reports, policy documents, and scholarly literature, the paper examines Korea's sustainable trade strategies—especially in renewable energy, technology, and green manufacturing—and analyzes how Nigeria can adapt similar models to enhance its export competitiveness. Findings suggest Nigeria's agricultural, renewable energy, and creative industries hold significant potential for sustainable trade expansion in the Korean market. However, infrastructure deficits, weak trade policies, and limited market access remain substantial barriers. The study recommends strategic policy alignment, investment in green industries, and the establishment of sustainable trade frameworks between

Nigeria and Korea to foster mutual economic growth. By emphasizing sustainability, this research contributes to the ongoing dialogue on inclusive South–South cooperation and the future of eco-friendly global trade.

Keywords: Sustainable Trade, Nigeria, South Korea, Economic Cooperation, Green Economy, International Trade Policy

INTRODUCTION

International trade has long been a key engine of economic growth, enabling countries to exchange goods, services, and technology in ways that stimulate productivity and development. However, recent decades have witnessed a global shift from traditional trade models toward more sustainable and inclusive frameworks. This shift emphasizes environmental protection, equitable economic participation, and longterm growth over short-term profit. For developing countries like Nigeria, integrating sustainability into trade policy is crucial for diversifying exports and building resilience.

South Korea, one of Asia's most advanced economies, has demonstrated how sustainability and innovation can drive international competitiveness. Its green industrial policies, technological development, and commitment to clean energy present valuable lessons for emerging economies. Despite existing diplomatic and commercial ties between Nigeria and Korea, trade between the two nations remains relatively low and largely unsustainable, dominated by oil exports and manufactured imports. This paper examines how Nigeria can enhance its presence in the Korean market through sustainable trade practices, with a focus on green industries, policy reform, and economic cooperation.

LITERATURE REVIEW

Concept of Sustainable International Trade:

Sustainable trade refers to the exchange of goods and services that promote economic growth while safeguarding environmental and social systems (United Nations, 2021). It integrates the three pillars of sustainability—economic efficiency, social equity, and environmental protection—into global commerce.

According to the World Trade Organization (2023), sustainable trade policies increasingly shape global economic relations as countries seek to align with the UN Sustainable Development Goals (SDGs).

Korea's Approach to Sustainable Trade:

South Korea's commitment to green growth was institutionalized through its Green New Deal and policies promoting renewable energy, circular economy, and carbon neutrality (Lee & Kim, 2022). The nation's focus on technological innovation and research has positioned it as a model for striking a balance between industrial development and sustainability. The Korean trade policy encourages eco-friendly exports, clean technology investments, and cooperation with emerging markets.

Nigeria's Trade Structure and Challenges:

Nigeria's trade structure relies heavily on crude oil, accounting for over 80% of export revenue (World Bank, 2023). Despite its vast agricultural and human resource potential, the country faces weak industrial capacity, policy inconsistency, and poor infrastructure. Scholars such as Okafor (2022) argue that Nigeria's overdependence on primary commodities limits its competitiveness in global markets. However, initiatives like the African Continental Free Trade Area (AfCFTA) offer opportunities for diversification and integration into global value chains.

Bilateral Relations Between Nigeria and South Korea:

Nigeria and South Korea established diplomatic relations in 1980, and trade has gradually increased. Korea imports natural resources such as crude oil and liquefied natural gas from Nigeria, while Nigeria imports vehicles, electronics, and machinery from Korea. However, studies highlight that these trade relations are unbalanced and lack sustainable depth (Adewale, 2021). Strengthening cooperation in renewable energy, technology transfer, and education could help both nations achieve mutually beneficial and sustainable trade outcomes.

METHODOLOGY

This study adopts a qualitative research design grounded in secondary data analysis and comparative policy evaluation. The goal was to explore how Nigeria can strengthen its trade relations with South Korea by adopting sustainable practices and policies.

Data Collection

Data were obtained from academic publications, trade reports, and official policy documents published between 2015 and 2024. Key sources included the World Bank, UNCTAD, the World Trade Organization (WTO), the Korean Ministry of Trade,

Industry and Energy (MOTIE), and Nigeria's National Bureau of Statistics (NBS). A systematic search was conducted using academic databases, including Google Scholar, ResearchGate, and Scopus. The following search string was applied:

“sustainable trade” AND “Nigeria” AND “South Korea” OR “Korea–Nigeria trade cooperation.”

Publications were included if they (1) discussed sustainable trade or green growth, (2) focused on Nigeria or South Korea, and (3) were published in English between 2015 and 2024. Documents lacking direct relevance to sustainability or trade policy were excluded.

Analytical Framework

The study employs a comparative analytical framework, enabling evaluation of how Korea's sustainable

The study employs a comparative analytical framework, enabling evaluation of how Korea's sustainable trade strategies can inform Nigeria's trade development. The analysis proceeded in three stages:

1. **Policy and Institutional Framework:** Assessment of sustainability integration in national trade policies, strategic documents, and government programs.
2. **Industrial and Sectoral Opportunities:** Identification of sectors—such as agriculture, renewable energy, and creative industries—with potential for sustainable collaboration.
3. **Barriers to Sustainable Trade Engagement:** Examination of infrastructural, policy, and institutional constraints limiting Nigeria's trade competitiveness.

Each category was analyzed using thematic content analysis, where data were coded, compared, and grouped to reveal recurring patterns and gaps.

Validity and Reliability

To ensure validity, the findings were cross-referenced against multiple credible sources (e.g., the World Bank, the UNCTAD, and MOTIE). Triangulation of data from both international and national policy documents enhanced the robustness of interpretations.

FINDINGS AND DISCUSSION

Policy and Institutional Gaps

The comparative analysis reveals a significant divergence between Nigeria and South Korea in the integration of sustainability into trade and industrial policies. While Korea embeds green growth and carbon neutrality into its national economic strategy, as reflected in the Korean Green New Deal (2020) and the 2050 Carbon Neutral Roadmap, Nigeria's trade policies remain primarily extractive and resource dependent. Nigeria's National Trade Policy (2023–2027) and Economic Recovery and Growth Plan (ERGP) acknowledge sustainability in principle but lack operational frameworks and measurable targets. This institutional gap limits Nigeria's ability to attract sustainable foreign direct investment (FDI), comply with emerging environmental trade standards, and participate competitively in global eco-friendly markets.

By contrast, Korea's trade policies—driven by the Ministry of Trade, Industry, and Energy (MOTIE)—link export incentives and industrial subsidies to environmental performance, renewable energy adoption, and low-carbon production systems. This policy coherence positions Korea as a leader in sustainable trade, while Nigeria remains at an early stage of policy alignment.

Sectoral Opportunities in the Korean Market

The study identifies three key sectors where Nigeria can develop sustainable trade partnerships with South Korea based on mutual comparative advantages. a. **Agriculture** Nigeria's agricultural exports, including sesame seeds, cocoa, ginger, and shea butter, have seen increasing demand in Asian markets, such as South Korea, where organic and health-oriented food consumption is on the rise. According to the WTO (2023),

Korea's import of organic products grew by 14% annually between 2019 and 2023. Strengthening value addition in these commodities—such as through organic certification and eco-friendly packaging—can enhance Nigeria's export potential.

Renewable Energy

South Korea's Green New Deal prioritizes overseas renewable partnerships, particularly in Africa and Southeast Asia. Nigeria's abundant solar and wind resources present opportunities for joint ventures with Korean firms, such as Hanwha Q Cells and Doosan Enerbility. Collaborative projects in solar manufacturing, waste-to-energy, and off-grid power systems could reduce Nigeria's energy gap while

advancing its green transition.

Creative Industries

Cultural trade represents an emerging, non-traditional export channel. Nigeria's film, music, and fashion industries have achieved international recognition, and there is increasing cultural exchange between Korean and African youth markets. Strategic collaborations—such as film co-productions, music distribution partnerships, and fashion-tech ventures—can diversify Nigeria's export base while strengthening people-to-people diplomacy.

Challenges and Barriers

Despite these opportunities, Nigeria faces multiple challenges that constrain its ability to engage effectively in sustainable trade. These include:

- Infrastructural deficits, particularly in logistics and renewable energy infrastructure;
- Policy inconsistency and weak inter-agency coordination;
- Limited awareness among exporters regarding sustainability standards and certification requirements;
- Insufficient access to Korean markets, often due to technical barriers to trade (TBT) and high compliance costs.

According to UNCTAD (2024), African exporters face an average cost increase of 10–15% when adapting to environmental standards in OECD markets. Without government support and private-sector incentives, Nigerian exporters may struggle to meet Korea's green import requirements.

Based on the findings above, this section outlines key strategic recommendations for fostering sustainable trade cooperation.

Policy and Strategic Recommendations

This study proposes the following strategies to strengthen sustainable trade relations with the Republic of Korea.

Policy Alignment:

Integrate sustainability objectives within Nigeria's national trade frameworks, aligning with SDGs 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), and 12 (Responsible Consumption and Production).

Bilateral Cooperation:

Foster Nigeria–Korea joint ventures in renewable energy, recycling technologies, and eco-friendly manufacturing, facilitated by agencies such as KOICA and the Nigerian Investment Promotion Commission (NIPC).

Export Diversification and SME Capacity-Building:

Establish programs to assist SMEs in obtaining sustainability certifications (e.g., ISO 14001, Fairtrade) and adopting green business models that improve competitiveness in Asian markets.

Diplomatic and Institutional Engagement:

Establish a Nigeria–Korea Sustainable Trade Forum within the bilateral economic cooperation framework to foster ongoing policy dialogue, trade missions, and technology exchange.

Summary of Analytical Insights

Overall, the comparative analysis reveals that South Korea's success in sustainable trade is rooted in policy coherence, innovation-driven industries, and targeted green investments. For Nigeria, adopting similar strategies—through institutional reforms, renewable energy collaboration, and creative sector diversification—could transform its trade relations and accelerate sustainable economic development.

CONCLUSION AND RECOMMENDATIONS

This study concludes that sustainable international trade presents a viable pathway for Nigeria to achieve long-term economic transformation, resilience, and inclusivity.

Drawing on Korea's successful integration of sustainability into its trade and industrial policies, the analysis highlights the importance of policy coherence, innovation-driven industries, and environmental accountability in achieving sustainable growth.

The comparative findings reveal that, while Nigeria's trade structure remains dominated by extractive industries, its partnership with Korea presents an opportunity to transition toward value-added and environmentally friendly sectors. By aligning its trade policies with global sustainability frameworks and investing in industries such as renewable energy, agriculture, and the creative economy, Nigeria can enhance its international competitiveness and attract sustainable foreign investment.

Furthermore, bilateral cooperation between Nigeria and Korea—anchored in technology transfer, capacity building, and joint ventures—can deepen South-South trade relations and serve as a model for sustainable economic diplomacy in the Global

South. Korea's policy frameworks, such as the Green New Deal and 2050 Carbon

Neutral Strategy, offer practical templates for Nigeria's institutional reforms and industrial diversification.

To maximize these benefits, Nigeria should:

1. Embed sustainability benchmarks within trade and investment policies;
2. Develop targeted incentives for green manufacturing and renewable energy adoption;
3. Strengthen the capacity of SMEs to meet sustainability standards; and
4. Institutionalize a Nigeria–Korea Sustainable Trade Dialogue to facilitate continuous collaboration.

In conclusion, sustainable trade is not only an economic necessity but also a strategic tool for environmental stewardship and inclusive growth. Nigeria's adoption of Korea's sustainability-driven trade model could position it as a regional leader in green trade and a key partner in the re-globalization of sustainable economies.

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