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THE ECONOMIC IMPACT OF RUSSIA - UKRAINE WAR IN NIGERIA

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Abstract

The increasing interconnectedness of the global economy has made national economies increasingly vulnerable to geopolitical conflicts occurring beyond their borders. Against this backdrop, this study examined the impact of the Russia–Ukraine war on the Nigerian economy, with particular emphasis on trade and investment, foreign direct investment (FDI), and the implications for economic growth, poverty reduction, and job creation. The study was anchored on the Mercantilist Theory of Trade and Investment, Comparative Advantage Theory**,** and the Heckscher–Ohlin Trade Theory, which collectively explain the dynamics of international trade, investment flows, and the transmission of external economic shocks across interconnected economies. A qualitative research design was adopted, while data were collected through semi-structured interviews from ten purposively selected respondents drawn from relevant public and private institutions in Lagos State, Nigeria. The data were analysed using thematic analysis with the aid of NVivo software. The findings revealed that the Russia–Ukraine conflict significantly disrupted Nigeria's trade relations and supply chains, resulting in reduced imports and exports, declining foreign direct investment, heightened business uncertainty, rising inflation, and increased production costs. The study further established that the energy, manufacturing, agriculture, transportation, infrastructure, and logistics sectors were among the most affected, with the adverse effects extending to economic growth, employment generation, and poverty reduction. The study concludes that Nigeria's heavy dependence on imported strategic commodities and external markets has heightened its vulnerability to global geopolitical crises. It recommends accelerated economic diversification, strengthened domestic industrial production, improved investment promotion, expanded regional trade partnerships, and sound fiscal and monetary policies to enhance economic resilience against future external shocks.

Keywords: Russia–Ukraine War, Trade, Foreign Direct Investment, Economic Growth, Economic Diversification, Nigeria.

1. INTRODUCTION

War has been fought throughout history for diverse reasons, including territorial expansion, political dominance, ideological differences, religious conflicts, and economic interests (Samuel, 2010). It typically involves the deployment of armed forces, sophisticated military equipment, and strategic operations to achieve national objectives. The consequences of war are often unpredictable, ranging from military victory and territorial gains to widespread destruction, loss of lives, economic disruption, and long-term social trauma. The Russia–Ukraine war, although occurring thousands of kilometres away from Nigeria, illustrates how modern conflicts can generate far-reaching consequences. In an era of global economic integration, where countries are interconnected through trade, finance, and supply chains, the effects of armed conflicts extend well beyond their immediate geographical locations.

The conflict between Russia and Ukraine, which began in 2014 and escalated significantly in 2022, has attracted global attention because of both its complex causes and extensive economic consequences. Although the direct humanitarian impacts have largely been concentrated in Europe, the economic implications have spread worldwide. Russia contributes about 2% of global gross domestic product (GDP) and remains a major supplier of fossil fuels, cereals, and fertilizers, despite its relatively limited integration into global value chains (John, 2018). Ukraine, on the other hand, plays a critical role in global agricultural exports, particularly wheat, maize, and sunflower oil (Johnson, 2019). Consequently, disruptions to production and trade from both countries have created significant imbalances in global commodity markets.

The disruption of Ukraine's production capacity and transport networks, coupled with sanctions imposed on Russia, has significantly affected global supplies of food, energy, and fertilizers. Russia and Ukraine are collectively among the world's leading suppliers of wheat, maize, sunflower oil, natural gas, and fertilizers, making them strategically important to global commodity markets (International Energy Agency, 2023). Russia also remains a major exporter of fertilizer and industrial metals such as palladium, nickel, and aluminium, all of which are essential inputs for agriculture and manufacturing. These disruptions have contributed to rising global prices and supply shortages, with developing countries such as Nigeria experiencing substantial economic pressures.

Nigeria, often referred to as the "Giant of Africa," possesses the largest population on the continent and plays an important role in Africa's economy. Nevertheless, its economic performance remains closely linked to international developments through crude oil exports, foreign trade, investment flows, and imported consumer goods (Ayanwale & Amusa, 2023). Consequently, global economic shocks resulting from the Russia–Ukraine conflict have significantly affected Nigeria despite its geographical distance from the war zone. One of the most immediate consequences has been the sharp increase in global crude oil prices. Although higher oil prices initially increased government revenue, persistent volatility complicated fiscal planning and exposed the country's continued dependence on oil exports, thereby increasing budgetary uncertainties and macroeconomic instability (Williams, 2023).

The conflict has also affected Nigeria's financial stability. Heightened uncertainty in global financial markets encouraged investors to shift capital towards safer assets, thereby reducing investment flows into emerging economies such as Nigeria. Consequently, the Central Bank of Nigeria adopted several monetary measures aimed at stabilizing the exchange rate and controlling inflation. While these interventions helped cushion immediate economic pressures, they also raised concerns regarding rising borrowing costs, reduced credit availability, and slower economic growth (Economic Research Institute of Nigeria). The crisis has further highlighted the urgent need for Nigeria to diversify its economy and reduce excessive dependence on crude oil as the principal source of national revenue.

The twenty-first century has strengthened global economic interdependence, making national economies increasingly vulnerable to external shocks. Through international trade, financial markets, and digital connectivity, disruptions occurring in one part of the world can rapidly spread across continents. The Russia–Ukraine conflict clearly demonstrates how geopolitical crises can influence inflation, food security, energy prices, and financial stability in countries located far from the battlefield, including Nigeria.

Furthermore, the war has contributed to declining foreign investment and capital inflows into Nigeria as investors have become increasingly cautious amid heightened geopolitical uncertainty. Reduced foreign investment constrains economic expansion, limits industrial development, and slows employment creation. Nigeria's foreign policy position regarding the conflict also carries economic implications, as diplomatic alignments may influence access to international markets, development assistance, and trade partnerships. Depending on global political developments, countries may experience varying levels of economic cooperation or restrictions that ultimately affect domestic economic performance (John, 2022).

However, the Russia–Ukraine conflict has exposed the vulnerability of Nigeria's economy to external shocks and underscored the importance of building a more resilient and diversified economic structure. Rising food prices, increasing inflation, disruptions in wheat supply for bread production, and higher energy costs have demonstrated the country's dependence on imported commodities. The crisis also illustrates how national interests often shape international relations, as countries continue to balance sanctions against Russia with their dependence on Russian food, gas, and energy supplies (Williams, 2023). These realities reinforce the urgency for Nigeria to strengthen domestic production, promote economic diversification, and enhance resilience against future global crises.

2. RESEARCH OBJECTIVES

The main focus of this research was to examine the economic impact of the Russia-Ukraine war in Nigeria. Here are the specific objectives:

i. To assess the decline in Nigeria's trade with Russia and Ukraine due to the war.
ii. To evaluate the effect of the war on foreign investment in Nigeria from Russia and Ukraine.
iii. To determine the impact of the war on Nigeria's economic growth and development.

3. RESEARCH QUESTIONS

This research work sought to address the following questions;

i. What is the extent of the decline in Nigeria's trade with Russia and Ukraine since the outbreak of the war, and which specific products have been most affected?
ii. How has the war impacted foreign direct investment (FDI) from Russia and Ukraine in Nigeria, and which sectors have been most affected?
iii. What are the implications of the war on Nigeria's economic growth, poverty reduction, and job creation, and how can the country mitigate these effects?

4. SCOPE OF THE STUDY

This study focused on the impact of the Russia–Ukraine war on the Nigerian economy, with particular emphasis on trade and investment. Specifically, the study examined the effects of the conflict on

Nigeria's international trade, foreign direct investment (FDI), economic growth, poverty reduction, and job creation. The research was geographically delimited to Lagos State, Nigeria, owing to its strategic position as the nation's commercial and financial hub, where major government agencies, multinational corporations, logistics firms, and manufacturing companies involved in international trade are located. The study adopted a qualitative approach and obtained data through interviews with purposively selected respondents from relevant public and private institutions possessing knowledge and experience in trade, investment, and economic policy. Consequently, the findings of the study are limited to the perceptions and experiences of the selected respondents regarding the economic implications of the Russia–Ukraine conflict on Nigeria.

5. SIGNIFICANCE OF THE STUDY

This study is significant from theoretical, practical, and policy perspectives. Theoretically, it contributes to the existing body of knowledge on international political economy and globalization by providing empirical evidence on how geopolitical conflicts influence the economies of countries that are geographically distant from the conflict zone. Specifically, the study enhances understanding of the transmission mechanisms through which external shocks, such as the Russia–Ukraine war, affect developing economies like Nigeria.

Practically, the findings will be useful to government agencies, economists, business operators, investors, development partners, and researchers by providing insights into the economic implications of the Russia–Ukraine conflict on Nigeria. The study will also serve as a valuable reference for academics and students interested in international economics, conflict studies, and development studies, while highlighting the need for economic resilience and diversification.

From a policy perspective, the study will provide evidence-based information to policymakers, particularly the Federal Government of Nigeria, the Central Bank of Nigeria, and other relevant economic institutions, to formulate appropriate fiscal, monetary, trade, and agricultural policies that can mitigate the adverse effects of external economic shocks. The findings are also expected to inform strategies aimed at strengthening food security, promoting economic diversification, enhancing energy security, and improving Nigeria's preparedness for future global economic crises.

6. LITERATURE REVIEW

6.1 Conceptual Review

6.1.1 War

War is one of the most extensively debated concepts in political science, international relations, security studies, and conflict research, with scholars offering varying interpretations based on historical, legal, sociological, and strategic perspectives. Contemporary scholars generally conceive war as an organised and sustained violent conflict between states or organised non-state actors pursued to achieve political, territorial, ideological, religious, or economic objectives. Strachan (2022) argues that war should not merely be understood as organised violence but as a political instrument whose character continually evolves with changes in technology, society, and the international system.

Similarly, (2023) maintains that modern warfare extends beyond conventional military engagements to include economic coercion, cyber operations, information warfare, and strategic competition, thereby broadening the traditional conception of war. While these perspectives adequately capture the changing nature of contemporary warfare, they primarily emphasise strategic and political dimensions and pay relatively less attention to the broader socio-economic consequences experienced by countries not directly involved in armed conflict. From a conflict studies perspective.

Similarly, Freedman (2023) contends that war should also be understood through its humanitarian, developmental, and economic costs, arguing that its indirect consequences often extend beyond the battlefield through disruptions in global trade, food systems, financial markets, and energy supplies. This broader interpretation is particularly relevant in analysing the Russia–Ukraine conflict, whose effects have transcended Europe to influence economies across the Global South, including Nigeria.

Although earlier classical definitions, such as war being "an act of force to compel an opponent to fulfil our will", remain foundational, recent scholarship demonstrates that contemporary wars generate multidimensional consequences extending into global economic governance and development. In the context of this study, war is therefore conceptualised as an organised and sustained armed conflict between states or organised actors that produces direct and indirect political, economic, social, and humanitarian consequences across national boundaries through increasingly interconnected global systems.

6.1.2 State of Nigeria Economy before Russia-Ukraine War

Nigeria remains one of Africa's largest economies, with economic activities driven by petroleum, agriculture, manufacturing, telecommunications, financial services, and trade. Although the oil and gas sector contributes less than 10% of the country's gross domestic product (GDP), it remains the principal source of export earnings and government revenue, accounting for more than 80% of export receipts and about half of federally collected revenue in recent years (Central Bank of Nigeria [CBN], 2023; International Monetary Fund [IMF], 2024). This dependence on crude oil exposes the economy to fluctuations in international oil prices despite ongoing efforts to diversify the productive base. According to the IMF (2024), Nigeria's public debt remains relatively moderate as a percentage of GDP when compared with many emerging economies; however, increasing debt-servicing obligations continue to exert considerable pressure on fiscal sustainability and public expenditure, thereby limiting the government's capacity to finance critical development projects.

Agriculture remains a cornerstone of Nigeria's economy, contributing significantly to GDP and employing a substantial proportion of the labour force. Nevertheless, the sector is dominated by smallholder farmers, low levels of mechanisation, inadequate irrigation systems, and limited access to modern agricultural technologies, resulting in relatively low productivity (Food and Agriculture Organization [FAO], 2023; World Bank, 2024).

Consequently, domestic food production has struggled to keep pace with the country's rapidly growing population, making Nigeria heavily dependent on imports of wheat and other staple food commodities. Despite successive government interventions aimed at enhancing agricultural productivity and achieving food security, persistent challenges including insecurity in major food-producing regions, climate change, inadequate infrastructure, poor access to agricultural finance, and high production costs continue to constrain the sector's performance (FAO, 2023; World Bank, 2024). Furthermore, although Nigeria benefited substantially from the Paris Club debt relief agreement in 2005–2006, recent increases in both domestic and external borrowing have renewed concerns about debt sustainability and the country's ability to maintain macroeconomic stability while financing long-term development priorities (IMF, 2024; World Bank, 2024).

6.1.3 State of Nigeria Economy after Russia-Ukraine Conflict

Russia-Ukraine has led to a rise in the inflation rate in Nigeria that has reduced Nigerians' purchasing power to cater to human needs for survival, that is, food, water, health care, and protection from violence. Nigeria's inflation rate was 18.6% as of June, 2022, as it kept rising even higher, from

17.71% which was registered in May, 2022 (National Bureau of Statistics, 2022). This implies that Nigeria's has risen to its highest point in more than five (5) years. This is brought about mainly due to the failure of Nigerian manufacturers to import vital industrial and agricultural inputs from Russia and Ukraine, which would have increased the manufacturing sector.

Inflation has further gone to make the Nigerian workers' fortunes more complicated, as they are the most affected and whose wages are fixed while there is hyperinflation or rise in commodity prices, particularly the foodstuffs. Nigerians have also been shortchanged by food inflation, where 60% of their expenditure goes into buying foodstuffs because food inflation was alarming at 20.6% in June, 2022 from May, 2022 which was 19.5% (National Bureau of Statistics, 2022). It should be noted here that Nigeria's food inflation crisis also results from insecurity as a result of terrorism and banditry, though efforts to correct it have been in the Nigerian government. The security situation continues to lack (Balma, et al. 2022).

The studies of most Nigerian students in Ukraine were disrupted due to the Russian invasion of Ukraine. This has disheartened the students, and this also has an impact on their intellectual and social growth. This is a nasty turn of events that also jeopardizes Nigeria's national growth because it is linked to its human capital growth for socio-economic growth. But the Nigerian government, for its part, did its best in evacuating students from occupied Ukraine and now waits for what would be the absorption or accommodation of their counterparts in Nigeria or elsewhere where they should continue their education U.S. Department of State. (2022, January 20).

6.1.4 Effects of Russia-Ukraine War on Nigeria Trade and Investment

The conflict between Russia and Ukraine has very far-reaching implications for Nigeria's trade environment. Being a global trade giant, Nigeria's economy is susceptible to geopolitics and disturbances in global markets.

In a research study by Crawford (2023) known as Trade Policy Database, the conflict has been cited to have resulted in rising world commodity prices, especially oil and natural gas, which are Nigeria's economic pillars. As a leading oil-producing nation, Nigeria's income is dependent on oil exports. The rise in prices has raised production cost and lowered demand, impacting Nigeria's balance of trade. The war has interfered with global supply chains, impacting Nigeria's exports and imports. The war has put sanctions and trade embargoes, impacting Nigerian companies from reaching Russia's and Ukraine's markets. This has resulted in reduced levels of trade and revenue losses to the Nigerian exporters.

The crisis has also resulted in a decline in foreign investment in Nigeria. Investors fear investing in countries with economic relationships with Russia and Ukraine as they anticipate potential sanctions and trade restrictions. This reduction in foreign investment diminishes the pace of Nigeria's economic growth and development. The fighting has created a humanitarian crisis, with millions displaced and in need of assistance. Nigeria, with internal security issues, could be spread even thinner in terms of infrastructure and resources. The fighting has brought attention to Nigeria's dependence on oil exports and the necessity for diversification of its economy. The nation needs to focus on the development of other sectors, including agriculture and manufacturing, to minimize its exposure to the vagaries of the global markets.

The war has resulted in a decrease in Nigeria's foreign investment, as foreign investors are afraid to invest in nations with economic relationships with Russia and Ukraine, The war has broken down global supply chains, resulting in the economic growth of Nigeria decreasing, as the nation significantly relies on foreign trade, The war has resulted in the increase in commodity prices, resulting in an increase in inflation rates, which is a negative aspect of Nigeria's economy, The war-induced foreign exchange crisis has caused the Naira to depreciate, decreasing its purchasing power, The war has decreased the political stature of Nigeria on the international platform, as the nation cannot remain neutral, and The war has generated tensions among Nigerian politicians, which could result in political instability.

The war has also affected Nigerians' foreign education, especially students in Ukraine, such that it is hard for foreign students to pursue their academic career. The Russian-Ukrainian war has caused long-term implications on Nigeria's investment climate, economy, politics, and society. The nation needs to diversify its economy in advance, ensure political stability, and settle social problems in order to reduce the influence of the war.

6.1.5 The Impact of the Russia-Ukraine Conflict on the global economy

The Russia–Ukraine conflict has generated profound economic consequences that extend well beyond the immediate theatre of war, reflecting the high level of interdependence that characterises the contemporary global economy. Globalisation has integrated national economies through international trade, investment, financial markets, energy systems, and global value chains, making external shocks capable of transmitting rapidly across countries irrespective of their geographical proximity to the conflict (Baldwin & Freeman, 2022). Consequently, the outbreak of full-scale hostilities in February 2022 disrupted global production networks, commodity markets, and financial systems, resulting in widespread economic uncertainty. According to Baldwin and Freeman (2022), the conflict exposed the vulnerability of global supply chains, particularly those dependent on strategic commodities produced by Russia and Ukraine, while amplifying existing inflationary pressures that had emerged during the post-COVID-19 economic recovery.

One of the most significant global economic consequences of the conflict has been the surge in inflation. Russia and Ukraine are among the world's major producers and exporters of crude oil, natural gas, wheat, maize, sunflower oil, fertilisers, and several strategic industrial minerals. The disruption of production, transportation networks, and international trade, coupled with extensive sanctions imposed on Russia, significantly reduced global supplies of these commodities, leading to sharp increases in international prices (Boungou & Yatié, 2022; OECD, 2023). These developments intensified inflationary pressures across both advanced and developing economies, reducing household purchasing power, increasing production costs, and slowing economic growth. The inflationary effects were particularly severe in countries heavily dependent on imported food and energy, where rising commodity prices translated into higher living costs and worsening food insecurity (World Bank, 2024).

The conflict also intensified the global energy crisis, particularly in Europe, where many countries had historically relied on Russia for substantial proportions of their natural gas and crude oil supplies. The disruption of Russian energy exports, combined with sanctions and geopolitical uncertainty, triggered unprecedented increases in electricity and fuel prices across European economies (International Energy Agency [IEA], 2023). In response, several European governments introduced emergency fiscal measures, including energy subsidies and price support mechanisms, while accelerating investments in renewable energy and seeking alternative energy suppliers. Despite these interventions, elevated energy costs contributed significantly to inflation, reduced industrial output, and weakened consumer confidence throughout the region (European Central Bank, 2023).

Beyond energy markets, the conflict severely disrupted global food systems. Russia and Ukraine collectively account for substantial shares of global exports of wheat, maize, barley, sunflower oil, and fertilisers. Interruptions to agricultural production, port operations, and shipping logistics reduced global food supplies and increased international food prices, disproportionately affecting low- and middle-income countries that rely heavily on food imports (Food and Agriculture Organization [FAO], 2023). Rising fertiliser prices further constrained agricultural productivity in many developing countries, thereby increasing concerns regarding global food security and agricultural sustainability (FAO, 2023). These supply-side disruptions underscored the vulnerability of international food systems to geopolitical conflicts.

Financial markets were similarly affected as heightened geopolitical uncertainty increased market volatility and encouraged investors to shift capital towards safer assets such as the United States dollar and government securities. Equity markets experienced sharp fluctuations, while exchange rates in several emerging economies depreciated because of capital outflows and declining investor confidence (International Monetary Fund [IMF], 2023). Central banks across many countries responded by tightening monetary policy through higher interest rates in an effort to contain inflation, although these measures simultaneously increased borrowing costs and moderated economic growth (IMF, 2023).

The conflict has also disrupted international trade and global supply chains beyond the energy and agricultural sectors. Restrictions on Russian exports, transport disruptions across the Black Sea, and sanctions affecting shipping, aviation, banking, and logistics increased production costs and delayed the movement of intermediate goods across international markets (World Trade Organization [WTO], 2023). Industries dependent on metals such as palladium, nickel, aluminium, and neon critical inputs for automobile manufacturing, electronics, aerospace, and semiconductor production experienced supply shortages and increased production costs. Consequently, many multinational firms were compelled to restructure supply chains, diversify sourcing strategies, and reassess geopolitical risks associated with international production networks (OECD, 2023).

In sum, the Russia–Ukraine conflict demonstrates how geopolitical instability can generate multidimensional economic consequences within an interconnected global economy. Beyond its humanitarian costs, the conflict has contributed to higher inflation, energy insecurity, food shortages, financial market instability, trade disruptions, and slower global economic growth. These developments have reinforced the need for countries to strengthen economic resilience, diversify supply chains, improve food and energy security, and develop policies capable of mitigating the adverse effects of future geopolitical shocks.

6.1.6 Empirical Review

Omolola (1998) also tested the long-run relationship between growth and trade openness in another work. He attained the results that there is no long-run relationship between total trade to GDP as a measure of trade openness and economic growth in Nigeria. A reverse conclusion to Omolola (1998) came from the findings of Olufemi (2004) who had concluded a uni-directional relationship based on a causality test between openness and economic growth. On the basis of these prior studies, there is no doubt that the literature is divided along empirical findings of the impact of trade on economic growth in the Nigerian economy.

Omoju, and Adesanya (2012) examined trade and investment of growth in the emerging country with a focus on Nigeria as a case study. They utilize secondary data for the period 1980 – 2010 and using the Ordinary Least Square (OLS) regression technique, they conclude that foreign trade, foreign direct investment, government spending and exchange rate have a positive and significant impact on the economic growth of emerging countries.

But Olokoyo (2012) in his analysis of FDI and economic growth, using the Nigerian context, utilized the Ordinary Least Squares (OLS) method on some of the sample data for Nigeria and the outcome was that FDI is not significant to real economic growth in Nigeria. It must be mentioned that it is possible to impose some limitation on the robustness of findings from the study to arise due to the choice of the methodology of the study. There are concerns regarding the form of data set in a statistical context if direct use of the OLS methodology has to be applied. Second, there is limitation on the length of the outcome since we lack definite insight into the character of the relationship of FDI to growth in the context of the dynamics of the short-run and the long-run.

Olatunji and Shahid (2015) argued that a dynamic positive association between FDI and economic development exists in Nigeria but short-run since their result from Engle & Granger co-integration test indicated absence of long-run association. And to note at this point that most of the existing researches implicitly tested trade and investment-driven growth hypothesis implicitly. Some research has been primarily on aggregated measures of openness of trade when the nation is a leading primary commodity export economy, while other research has been primarily on the FDI excluding the applicability of the export-led growth hypothesis and domestic investment in the entire dynamics respectively. Accordingly, this study particularily attempts a full testing of the hypothesis of trade and investment-led growth in Nigeria's context by accounting for the domestic investment component and also expanding the factor of trade outside the conventional measure of openness to an autonomous export factor.

Sun, and Heshmati, (2010), discuss the impact of international trade on china's economic growth. By econometric and non-parametric methods on six (6) year data of 31 Chinese provinces between 2002 and 2007, their result shows that increased involvement in international trade has the impact of boosting fast national economic growth in china. Therefore, international trade volume and china's trade pattern on technological exports has a positive impact on China's regional productions.

6.1.7 Theoretical Framework

1. Mercantilist Theory of Trade and Investment

The Mercantilist Theory of Trade and Investment emerged during the sixteenth and seventeenth centuries and is principally associated with early European thinkers such as Thomas Mun (1664), Jean-Baptiste Colbert, and Antonio Serra. The theory argues that the wealth and power of a nation are determined by the accumulation of precious metals and the maintenance of a favourable balance of trade, whereby exports consistently exceed imports (Mun, 1664/1895). Mercantilists maintained that governments should actively intervene in economic activities by promoting domestic industries, restricting imports through tariffs and quotas, encouraging exports, and protecting strategic industries from foreign competition.

According to this perspective, international trade is essentially a zero-sum game in which one nation's gain is achieved at another nation's expense. The theory further assumes that national economic strength depends on self-sufficiency, protection of domestic production, and strong state regulation of trade and investment. One of the major strengths of Mercantilist Theory is its recognition of the strategic role of government in protecting infant industries, promoting industrialisation, and strengthening national economic security. It also underscores the importance of export promotion and trade policy in achieving economic growth. However, the theory has been criticised for treating international trade as a zero-sum activity, neglecting the mutual gains that countries derive from free trade and economic cooperation. Modern economists also argue that excessive protectionism often reduces efficiency, discourages competition, and increases production costs (Krugman et al., 2022).

In relation to this study, Mercantilist Theory provides an important framework for understanding how the Russia–Ukraine conflict has altered trade and investment patterns across the world. The sanctions imposed on Russia, export restrictions, and efforts by many countries to secure strategic commodities such as crude oil, wheat, fertilisers, and natural gas reflect mercantilist tendencies in which states prioritise national economic interests and resource security over free trade. For Nigeria, the disruption of global trade flows and increased emphasis on domestic production reinforce the relevance of government intervention in strengthening food security, encouraging import substitution, protecting strategic industries, and promoting economic diversification in response to external shocks.

2. Comparative Advantage Theory

The Theory of Comparative Advantage was developed by David Ricardo in 1817 in his seminal work *On the Principles of Political Economy and Taxation*. The theory argues that countries benefit from international trade when they specialise in producing goods and services for which they possess the lowest opportunity cost relative to other countries, even when one country enjoys an absolute advantage in producing all goods (Ricardo, 1817/2004). The central assumption is that nations possess different levels of productivity, resource endowments, and production costs, making specialisation and exchange mutually beneficial. Comparative advantage further assumes that factors of production are perfectly mobile within countries but immobile internationally, technology remains constant, and markets operate under conditions of free trade.

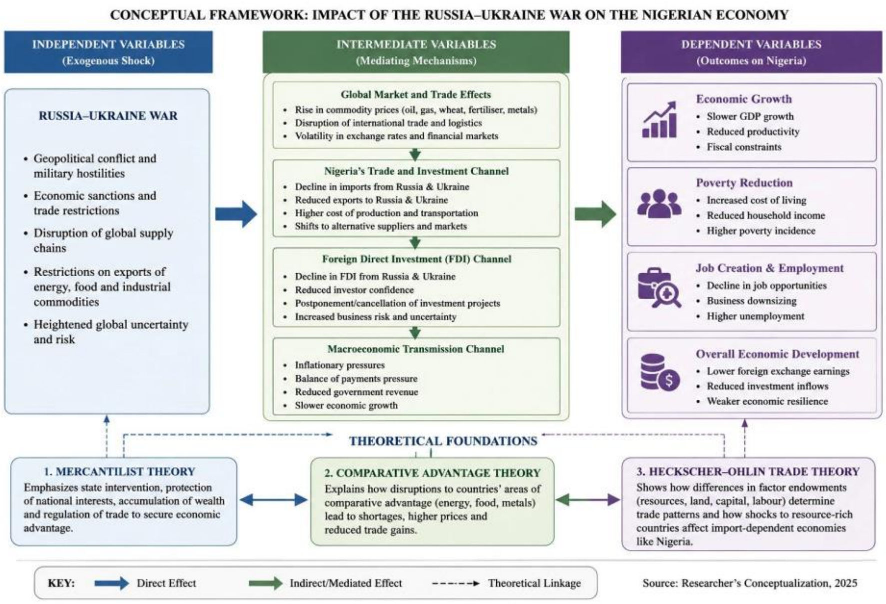
The theory's greatest strength lies in its demonstration that international trade creates welfare gains for all participating countries through specialisation, increased efficiency, and improved resource allocation. It also provides the intellectual foundation for modern international trade and global economic integration. Nevertheless, the theory has been criticised for relying on restrictive assumptions that rarely exist in reality, including perfect competition, full employment, constant production costs, and the absence of transport costs or trade barriers. It also pays insufficient attention to technological change, global value chains, and political factors that increasingly shape international trade (Feenstra & Taylor, 2024).

Within the context of this study, Comparative Advantage Theory explains how the Russia–Ukraine conflict disrupted global specialisation by reducing exports of commodities in which Russia and Ukraine possess comparative advantages, including crude oil, natural gas, wheat, maize, sunflower oil, and fertilisers. The resulting shortages distorted international trade patterns, increased production costs, and contributed to inflation across many countries, including Nigeria. The theory therefore illustrates how disruptions affecting countries that specialise in strategic commodities can produce significant spillover effects throughout the global economy because of international economic interdependence.

3. Heckscher–Ohlin Trade Theory

The Heckscher–Ohlin Trade Theory was developed by the Swedish economists (1919) and (1933). The theory explains international trade by arguing that countries export goods that intensively utilise their relatively abundant and inexpensive factors of production while importing goods that require relatively scarce production factors (Ohlin, 1933). According to the theory, differences in factor endowments such as land, labour, capital, and natural resources constitute the primary basis for comparative advantage and international trade. It assumes that countries possess identical production technologies, consumers exhibit similar preferences, factors of production are perfectly mobile within countries but immobile internationally, and markets operate under perfect competition. A major strength of the Heckscher–Ohlin model is that it provides a more comprehensive explanation of comparative advantage by linking trade patterns to differences in resource endowments rather than productivity alone. It also explains why countries with abundant natural resources tend to specialise in resource-intensive products while capital-rich economies specialise in manufactured goods.

However, the theory has attracted substantial criticism following empirical findings such as the Leontief Paradox, which demonstrated that actual trade patterns do not always correspond with predicted factor endowments. Furthermore, the model overlooks technological innovation, economies of scale, multinational production, and global supply chains, all of which significantly influence contemporary international trade (Feenstra & Taylor, 2024; Krugman et al., 2022). In relation to this study, the Heckscher–Ohlin Theory is particularly relevant because Russia and Ukraine possess abundant natural resources and fertile agricultural land that enable them to specialise in exporting energy products, cereals, and fertilisers. The disruption of these exports following the outbreak of the conflict created shortages in international markets and increased commodity prices globally. Nigeria, despite its abundant crude oil resources, remains heavily dependent on imported wheat, fertilisers, and refined petroleum products. The theory therefore provides a useful framework for understanding how differences in countries' resource endowments and the disruption of international trade flows contributed to the economic consequences of the Russia–Ukraine conflict on the Nigerian economy.



Source: Angwaomaodoko and Yunusa, (2026)

7. Research Methods

7.1 Research Design

This study adopted a qualitative research design using an interview approach to explore the perceived impact of the Russia–Ukraine conflict on the Nigerian economy. The qualitative design was considered appropriate because it enabled the researchers to obtain in-depth insights, opinions, and experiences from participants with knowledge of international trade, logistics, diplomacy, public administration, and economic development. The design also facilitated a comprehensive understanding of the complex economic implications of the conflict beyond what could be captured through quantitative measures.

7.2 Area of the Study

The study was conducted in Lagos State, Nigeria, which serves as the country's commercial and financial hub and hosts numerous government agencies, multinational corporations, manufacturing firms, logistics companies, and diplomatic missions. Lagos was considered appropriate because many of the institutions and professionals directly involved in international trade, commerce, logistics, and economic policy are located within the State, making it suitable for examining the economic implications of the Russia–Ukraine conflict on Nigeria.

7.3 Population of the Study

The population of the study comprised individuals with relevant knowledge and professional experience regarding international trade, economic development, diplomacy, manufacturing, logistics, and public administration. Specifically, the population included personnel of DHL, officials of the Nigerian Embassy, staff of manufacturing and logistics companies, officials of the Lagos State Ministry of Economic Development, officials of the Ministry of Trade and Commerce, and informed residents who possess adequate knowledge of the economic effects of the Russia–Ukraine conflict on Nigeria.

7.4 Sample Size

A sample size of ten (10) respondents was used for the study. The sample comprised three personnel from DHL, two officials of the Nigerian Embassy, two staff members from manufacturing and logistics companies, one official from the Ministry of Economic Development, one official from the Ministry of Trade and Commerce, and one resident of Lagos State. The sample size was considered adequate for generating rich qualitative data and obtaining diverse perspectives relevant to the objectives of the study.

7.5 Sampling Technique

The study employed a purposive sampling technique to select respondents. This technique was considered appropriate because it enabled the researcher to deliberately identify and recruit participants with specialised knowledge, relevant experience, and professional involvement in sectors directly affected by the Russia–Ukraine conflict. The purposive approach ensured that only information-rich participants capable of providing meaningful insights into the study were included.

The respondents were coded in the format; Respondent C_1, M_2, N_1, R_3, E_5… D_{10}

Table 1: Profile of Respondents Interviewed

S/N	Key Participant	GENDER	OCCUPATION/PROFESSIONAL/DISCIPLINE
1	Respondent D_1	Male	Personnel, German Headquarters Air Mail (DHL)
2	Respondent D_2	Male	Personnel, German Headquarters Air Mail (DHL)
3	Respondent D_3	Female	Personnel, German Headquarters Air Mail (DHL)
4	Respondent N_1	Male	Personnel, Nigeria Embassy.
5	Respondent N_2	Male	Staff, Nigeria Embassy.
6	Respondent M_1	Female	Staff, Manufacturing and Logistics Companies (TSL).
7	Respondent M_2	Male	Staff, Manufacturing and Logistics Companies (TSL).

8	Respondent E_1	Male	Staff, Ministry of Economic Development, Lagos State.
9	Respondent R_1	Male	Resident, Lagos State, Nigeria.
10	Respondent C_2	Female	Staff, Ministry of Trade and Commerce, Lagos State.

7.6 Method of Data Collection

Data for the study were collected solely through in-depth interviews using a semi-structured interview guide. The interview method enabled respondents to freely express their views and experiences regarding the economic implications of the Russia–Ukraine conflict on Nigeria while allowing the researcher to probe further for clarification where necessary. This approach generated detailed qualitative information that directly addressed the research objectives and questions.

7.7 Method of Data Analysis

The qualitative data generated from the interviews were analysed using NVivo software. Interview responses were first transcribed verbatim, after which they were imported into NVivo for coding, categorisation, and thematic analysis. The software facilitated the systematic organisation of the data, identification of recurring themes and patterns, and interpretation of participants' views, thereby enhancing the credibility, transparency, and rigour of the qualitative analysis.

7.8 Ethical Consideration

The study adhered to established ethical principles throughout the research process. Informed consent was obtained from all participants before the interviews were conducted, and respondents were informed of the purpose of the study, their right to participate voluntarily, and their freedom to withdraw at any stage without any consequences. Confidentiality and anonymity were maintained by coding respondents instead of using their real names, while all information obtained during the interviews was treated with strict confidence and used solely for academic purposes.

8. Results and Discussion of Findings

Graphical Presentation of the Socio-Demographic characteristics of Participants

Fig 1: Distribution of the participants by Gender

The Russian-Ukrainian war has significantly impacted trade and investment in Nigeria, with 70% of those affected being male and 30% female. Males dominate the import and export sectors, which have been severely disrupted by the conflict, leading to a decline in trade volumes and revenue losses. Additionally, males are more involved in investment activities, such as foreign direct investment, which has slowed down due to the war. As a result, males are bearing the brunt of the economic consequences in the trade and investment sectors, with females also feeling the effects, albeit to a lesser extent.

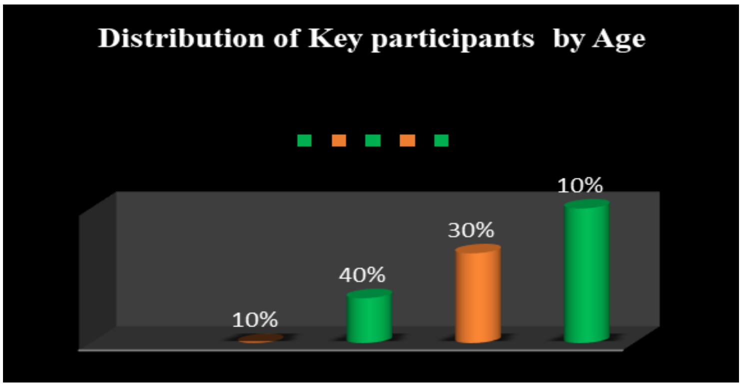


Fig 2: Distribution of the respondents by Age

The economic impact of the Russian-Ukrainian war on Nigeria's trade and investment sectors has affected various age groups differently. The majority of those affected, 40%, are between 35-40 years old, who are likely established business owners and investors. The 41-54 age group, comprising 30% of those affected, are also significantly impacted, possibly due to their involvement in senior management and decision-making roles. The younger age groups, 18-24 and 25-34, make up 10% each, suggesting they are less involved in trade and investment activities. The oldest age group, 55-64, also accounts for 10% of those affected.

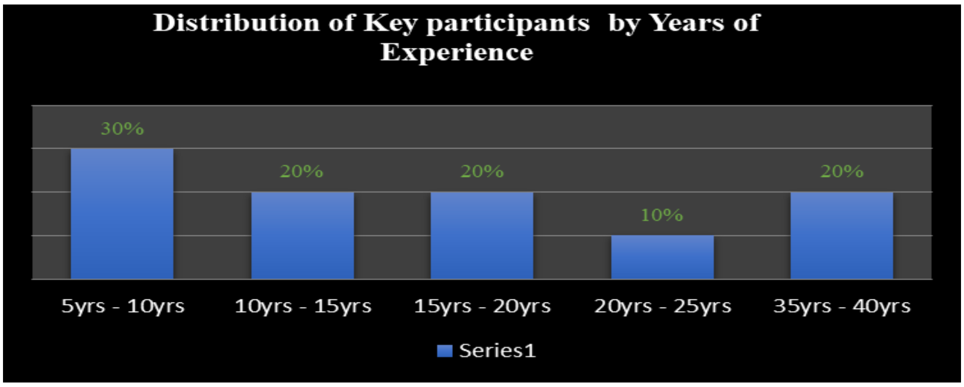


Fig 3: Distribution of the Respondents by Years of Experience

Figure 7 is a representation of the respondents by their years of experience as Ministry of Trade and Commerce, Import/Export Companies, and Manufacturing and Logistics Companies, as well as residence in the South-West. Those with 5 – 10years of experience in their career constitute 30% of the key participants, while those within 10 – 15years of experience represent 20% of the key participants. The remaining portion of the respondents fall within the age 15 – 20years, 20 – 25years, and 35 – 40years of experience on their jobs and the age represent 20%, 10% and 20% of the entire sample engaged for the study respectively.

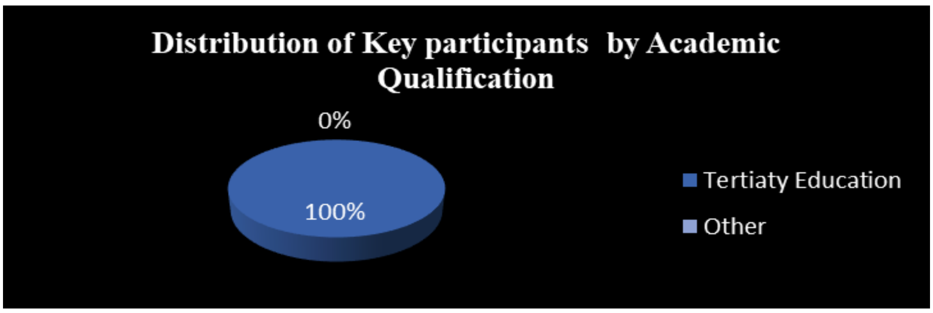


Fig 4: Representation of the Academic Qualification of the Respondents

This chart shows that all the respondents engaged for the study are tertiary education certificate holders. This attribute shows that coupled with their depth of experience on their various jobs, they can provide the research with well-articulated and accurate information on the subject-matter of the study. In addition, the respondents are able to communicate properly and express themselves in clear and understandable manner.

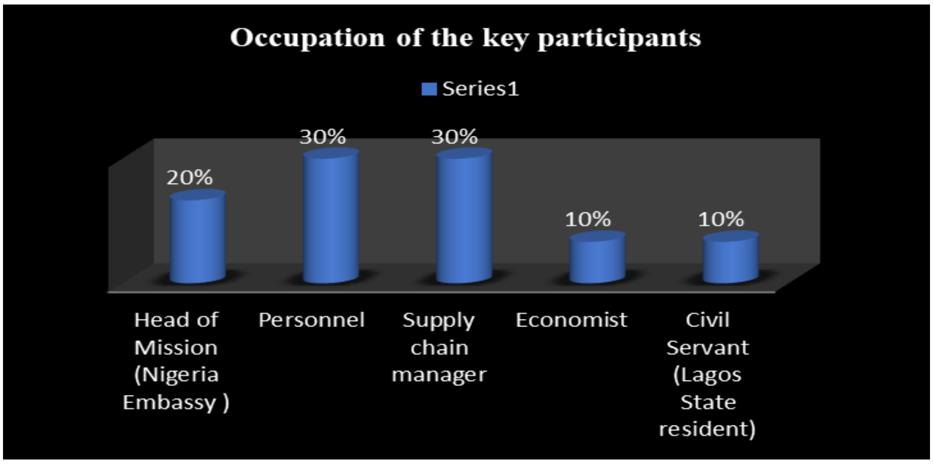


Fig 5: Representation of Classification of the Respondents by Occupation

The chart above shows the distribution of the key participants by career/occupation. It shows that 30% of the key participants were drawn from members of the personnel and supply chain manager who have been actively involved in the import/exports in Nigeria. The study drew 20% of the key participants from the head of mission (Nigeria Embassy), while 10% was from residents of the South-West and the final 10% was from members of the Economists.

8.1 Research Question 1: What Is the Extent of The Decline in Nigeria's Trade with Russia and Ukraine Since the Outbreak of The War?

Table 2: Respondent's views on what changes have you observed in your company's trade with Russia and Ukraine since the outbreak of the war?

S/N	Themes	Responses
1	Decline in trade volume	D_1: "25% decline in shipment volumes between Nigeria and Russia/Ukraine since the start of the conflict, impacting our logistics and delivery services."
		D_2: "There is significant drop in international trade volumes, resulting in reduced demand for our cargo and freight services, affecting our revenue and operations."
		C_2: "A substantial decline in trade volumes, resulting in a significant loss of revenue and economic growth, necessitating urgent diversification and mitigation strategies."
2	Disruption of Supply Chains	D_1: "Global supply chains are complex networks of manufacturers, suppliers, logistics providers, and customers, requiring efficient coordination and management to ensure timely delivery and cost-effectiveness."
		D_2: "Effective supply chain management involves optimizing transportation modes, inventory levels, and warehouse operations to reduce costs, enhance customer satisfaction, and improve overall supply chain resilience."

3	Economic Impact	D_1: "Supply chains are critical components of our national economic development strategy, enabling the flow of goods, services, and investments across regions and borders, and driving economic growth and job creation."
		C_1: "Our ministry is committed to streamlining supply chain processes, reducing bureaucratic bottlenecks, and enhancing trade facilitation to increase Nigeria's trade volumes, improve market access, and boost economic development."
4	Change in Trade Agreements	C_1: "We are working to renegotiate existing trade agreements and establish new ones to ensure that Nigerian businesses can compete favorably in the global market, despite the geopolitical tensions."
5	Mitigation Strategies	D_2: "DHL is diversifying its transportation modes and routes to reduce dependence on single markets and ensure uninterrupted delivery of goods and services, despite the changes in trade agreements and geopolitical tensions."
		M_2: "We are developing agile and adaptive supply chain solutions to respond to the evolving geopolitical landscape, enabling our customers to quickly pivot and adjust their logistics and transportation strategies as needed."

Source: Field Survey Research, (2026)

Table 3: Respondent's views on How has the war affected your company's exports to Russia and Ukraine?

S/N	Themes	Responses
1	Disruption and Uncertainty	D_1: "We are uncertain about the future of our exports to the region due to the ongoing conflict and changing trade policies." M_1: "The war has caused significant disruptions to our supply chain, making it challenging to export goods to Russia and Ukraine."
2	Decline in Demand and Revenue	M_2"We have seen a substantial decrease in our exports to the region, impacting our business operations and profitability."
3	Logistical Challenges and Increased Costs	D_3: "We are facing increased costs due to the need for alternative shipping routes and modes of transportation, affecting our profit margins."
4	Diversification and New Opportunities	E_1**Top of FormTop of Form**: "The war has forced us to diversify our export markets, exploring new opportunities in other regions and countries."

Table 4: Respondent's Views on What products have been most affected by the decline in trade with Russia and Ukraine?

S/N	Themes	Responses
1	Agricultural Products	M_1: "The decline in trade with Russia and Ukraine has significantly impacted our agricultural exports, particularly wheat, corn, and soybeans."
		D_1: "We have seen a substantial decrease in demand for our fresh produce, such as fruits and vegetables, from the Russian and Ukrainian markets."

2	Manufactured Goods	D_3: "The conflict has disrupted our exports of manufactured goods, including machinery, electronics, and automotive parts, to Russia and Ukraine."
		D_1"We are experiencing a decline in demand for our consumer goods, such as textiles, clothing, and footwear, from the region."
3	Energy and Petroleum Products	D_1: "The war has affected our energy exports, including crude oil and natural gas, to Russia and Ukraine, leading to a significant loss of revenue."
		R_1: "We are facing challenges in exporting petroleum products, such as diesel and gasoline, to the region due to sanctions and trade restrictions."
4	Food and Beverages	$R_{1:}$ **Top of Form**
		"The decline in trade with Russia and Ukraine has impacted our exports of processed food products, such as dairy, meat, and packaged goods."

Source: Field Survey Research, (2026)

The decline in trade with Russia and Ukraine has significantly impacted various product categories. Agricultural products such as wheat, corn, and soybeans have been heavily affected, with exports declining substantially. Manufactured goods like machinery, electronics, and automotive parts have also seen a significant decline in demand. Energy and petroleum products, including crude oil and natural gas, have been impacted due to sanctions and trade restrictions. Additionally, food and beverages like processed dairy, meat, and packaged goods, as well as soft drinks and juices, have experienced a decline in exports to the region. This has resulted in significant losses for businesses and investors.

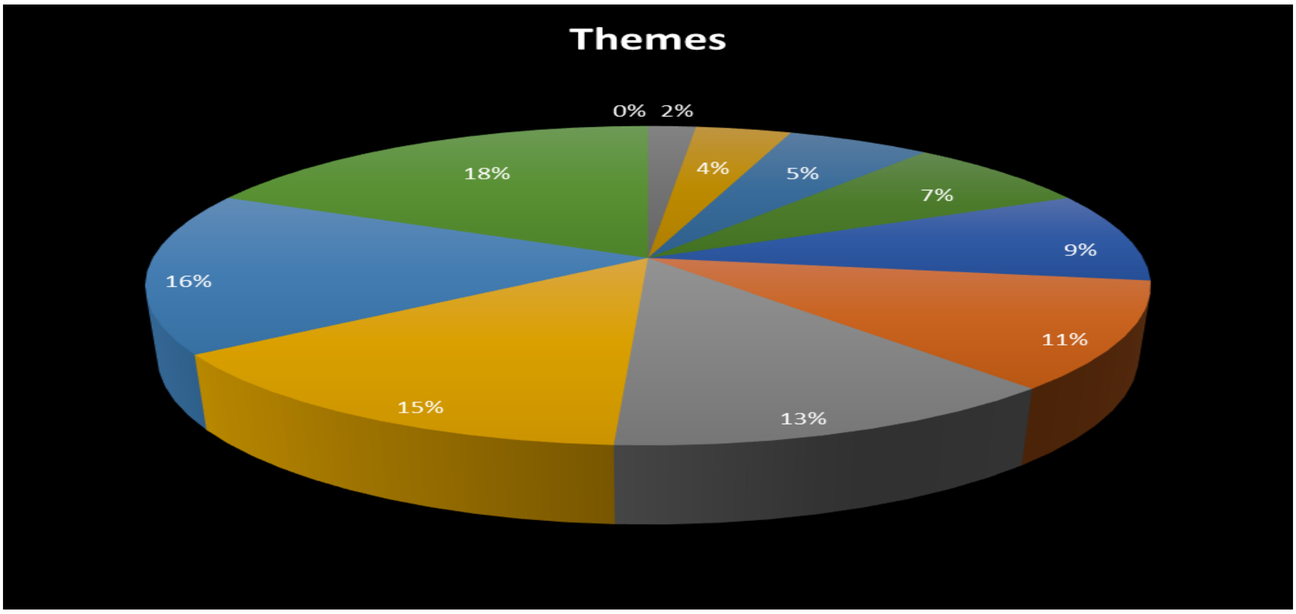


Fig. 6: Graphic Display of Response to Question 1

8.2 Research Question 2: How Has the War Impacted Foreign Direct Investment (Fdi) From Russia and Ukraine in Nigeria, And Which Sectors Have Been Most Affected?

Table 5: Respondent's Views on how has the war affected foreign direct investment (FDI) from Russia and Ukraine in your company/industry?

S/N	Themes	Responses
1	Impact on Supply Chain	R_1: "The war has caused a significant disruption to our supply chain, leading to delays and increased costs." $R_{1:}$ "We have had to find alternative suppliers to mitigate the impact of the war on our supply chain." D_2: "The war has made it challenging to maintain a stable supply chain, and we are concerned about the long-term effects on our business."
2	Decrease in Investment	C_1: ""The war has resulted in a decrease in foreign direct investment from Russia and Ukraine, with many companies delaying or cancelling investment plans." D_2: "We have seen a significant decline in investment from Russian and Ukrainian investors, which has impacted our business operations." D_3: "The political instability and economic uncertainty have made it challenging to attract new investment from Russia and Ukraine."
3	Increased Risk	D_3: "The war has increased the risk for our company, with concerns over the safety of our employees and assets." M_3: "We are worried about the potential for further conflict and the impact it could have on our business operations." $R_{3:}$ "The war has made it challenging to operate in the region, and we are considering alternative locations for our business."
4	Difficulty in Attracting New Investment	E_1: "The war has made it challenging to attract new foreign direct investment, with many investors citing the political instability and economic uncertainty as major deterrents." E_2: **Top of Form** "The war has damaged the reputation of the region, making it challenging to attract new investment and businesses."

Source: Field Survey Research, (2026)

Respondent's Views on what sectors have been most affected by the decline in FDI from Russia and Ukraine?

S/N	Themes	Responses
1	Energy and Natural Resources	E_1: "The decline in FDI from Russia and Ukraine has significantly impacted our energy sector, with reduced investment in oil and gas exploration and production." R_1: "The war has led to a decline in investment in our natural resources sector, including mining and metals." D_1: "The energy sector has been heavily impacted, with reduced investment in renewable energy sources such as solar and wind power."
2	Manufacturing and Industry	M_2; "The decline in FDI from Russia and Ukraine has affected our manufacturing sector, with reduced investment in industries such as automotive and aerospace."

		D_2: - "The war has led to a decline in investment in our industrial sector, including machinery and equipment manufacturing." D_1: "The manufacturing sector has been impacted, with reduced investment in textiles and clothing production."
3	Infrastructure and Transportation	2: "The decline in FDI from Russia and Ukraine has impacted our infrastructure sector, with reduced investment in transportation projects such as roads and bridges." D_3: "The war has led to a decline in investment in our transportation sector, including airports and seaports." L_1**Top of FormTop of Form**: "The infrastructure sector has been affected, with reduced investment in energy and water supply projects."
4	Finance and Real Estate	R_1: "The decline in FDI from Russia and Ukraine has impacted our financial sector, with reduced investment in banking and insurance."

Source: Field Survey Research, (2026)

Table 6: Respondent's Views on How has the war impacted the operations of Russian and Ukrainian companies in Nigeria?

S/N	Themes	Responses
1	Political Instability and Risk	M_1: "The ongoing conflict in the region has made it challenging to attract new investors from Russia and Ukraine, as they are hesitant to invest in a high-risk environment."
		C_1: **Top of Form** "The political instability has led to a lack of confidence in the region's economic stability, making it difficult to attract new investors."
		"The risk of sanctions and trade restrictions has made it challenging to attract new investors from Russia and Ukraine."
2	Economic Uncertainty and Currency Fluctuations	M_2: "The economic uncertainty in the region has made it challenging to attract new investors from Russia and Ukraine, as they are hesitant to invest in a volatile market."
		M_1**Top of FormTop of Form**: "The currency fluctuations have made it difficult to attract new investors, as they are concerned about the return on their investment."
		"The economic uncertainty has led to a lack of clarity on the region's economic policies, making it challenging to attract new investors."
3	Competition from Other Regions	C_1"Other regions have been more successful in attracting investors from Russia and Ukraine, making it challenging for us to compete."
		M_2"The region's investment incentives and tax policies are not competitive enough to attract new investors from Russia and Ukraine."
		L_1**Top of Form**: "The lack of investment promotion and marketing efforts has made it challenging to attract new investors from Russia and Ukraine."

Source: Field Survey Research, (2026)

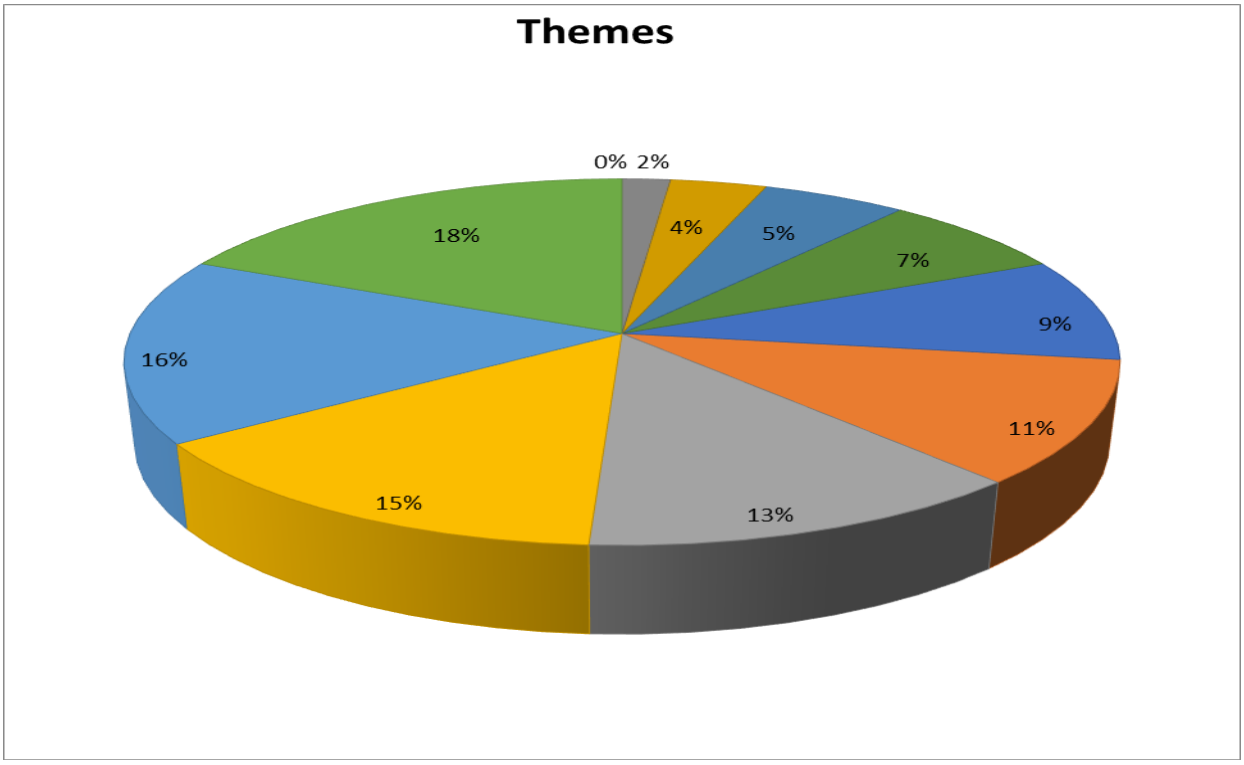


Fig 7: Graphic Display of Response to Research Question 2

8.4 research question 3: what are the implications of the war on nigeria's economic growth, poverty reduction, and job creation, and how can the country mitigate these effects?

Table 7: Respondent's views on what impact do you think the war has had on Nigeria's economic growth and development?

S. N	Themes	Responses
1	Trade and Investment	M_1"The ongoing conflict has caused a drop in trade between Nigeria and Russia/Ukraine, which is having a negative impact on our economy.M_2: "The conflict has discouraged investors from investing in Nigeria, leading to a decline in FDI." C_1"The war has disrupted global supply chains, affecting Nigeria's import and export trade." P_2: "The United States has released a list of the names of sponsors and financiers of the Boko-Haram terrorist organization." C_2"The economic sanctions imposed on Russia have affected Nigeria's trade with Russia."
2	Inflation and Cost of Living	M_2: "The war has led to an increase in the cost of living, as prices of goods and services have risen." E_2: "The conflict has caused a surge in inflation, affecting the purchasing power of Nigerians." C_1, E_3: "The war has led to a shortage of essential goods, causing prices to rise." L_1: **Top of FormTop of Form** "The economic instability caused by the war has led to a decrease in the value of the Naira."
3	Energy and Petroleum Sector	M_2: "The war has affected Nigeria's energy sector, as Russia is a key player in the global energy market." E_2: "The conflict has led to an increase in global oil prices, affecting Nigeria's economy." R_1: "The war has disrupted the global energy supply chain, affecting Nigeria's energy imports."

		C_1**Top of FormTop of Form**: "The economic sanctions imposed on Russia have affected Nigeria's energy trade with Russia."
4	Economic Growth and Development	C_3: "The war has led to a decline in Nigeria's economic growth, as trade and investment have declined." (80%) C_1**Top of FormTop of Form**: "The war has led to a decline in government revenue, affecting Nigeria's ability to fund development projects."
5	Humanitarian Crisis and Social Impact	D_2"The war has led to a humanitarian crisis, with many Nigerians affected by the conflict." L_1**Top of FormTop of Form**: "The conflict has led to an increase in poverty and unemployment, affecting Nigeria's social stability."

Source: Field Survey Research, (2026)

Respondent's views on what effects has the war had on employment and job creation in your industry?

S/N	Themes	Responses
1	Job Losses and Layoffs	D_3: "The war has led to job losses in my industry, as companies have had to downsize to cope with the economic downturn." D_2: "The conflict has resulted in layoffs, as businesses have struggled to stay afloat." D_3: "The war has caused a decline in demand for our products/services, leading to job losses."
2	Reduced Hiring and Recruitment	M_2: "The war has led to a reduction in hiring and recruitment in my industry, as companies are cautious about expanding their workforce." M_3: "The conflict has caused a decline in new job openings, as businesses are hesitant to invest in new staff." R_1: "The war has resulted in a freeze on hiring, as companies wait for the economic situation to improve."
3	Changes in Workforce Dynamics	E_2"The war has led to changes in workforce dynamics, as companies have had to adapt to new economic realities." D_1: "The conflict has resulted in a shift towards remote work, as companies have had to find ways to continue operating." M_2: "The war has caused a decline in employee morale, as workers are concerned about job security."
4	Skills Shortages and Training Top of Form	C_1:**Top of Form**"The conflict has resulted in a lack of investment in training and development, as companies are focused on survival." Top of Form

Source: Field Survey Research, (2026)

Table 8: Respondent's views on how has the war impacted Nigeria's poverty reduction efforts?

S/N	Themes	Responses
1	Opportunities for Growth and Innovation	M_1: "The war has led to new opportunities for growth and innovation in my industry, as companies have had to adapt and find new ways to operate."

		E_1: "The conflict has resulted in a focus on diversification, as companies have had to find new markets and revenue streams."
2	Increased Poverty Rates	M_2"The war has caused a shift towards digitalization, as companies have had to find new ways to reach customers." C_1"The economic sanctions imposed on Russia have created opportunities for new trade partnerships and collaborations."
3	Reduced Government Revenue	M_2, C_1 "The war has led to a decline in government revenue, making it harder for the government to fund poverty reduction programs."
4	Disruption of Social Services	C_1Top of Form, :"The conflict has resulted in a decline in access to basic necessities like food, water, and shelter."
5	Increased Inequality	R_1: "The war has led to an increase in income inequality, as the rich have been less affected by the conflict." R_1: "The war has caused a decline in access to credit and financial services, making it harder for the poor to improve their economic situation."

Source: Field Survey Research, (2026)

Table 9: Respondent's Views on what opportunities or challenges has the war presented for Nigeria's economic diversification?

S/N	Themes	Responses
1	Reduced Investment in Non-Oil Sectors	M_1"The war has led to a decline in investment in non-oil sectors, as investors are hesitant to invest in a volatile economy." C_2: conflict has resulted in a decrease in foreign direct investment, which is crucial for economic diversification." R_1: "I don't have knowledge on that.
2	Disruption of Global Supply Chains	M_2: "The conflict has resulted in a decline in international trade, which is crucial for economic diversification." M_2: "war has caused a decline in the availability of raw materials and inputs, making it harder for industries to operate." D_1: "The economic instability caused by the war has affected Nigeria's ability to integrate into global supply chains."
3	Increased Dependence on Oil	P_3: "The conflict has resulted in a decline in the development of non-oil sectors, making Nigeria more reliant on oil." D_2: "The economic sanctions imposed on Russia have affected Nigeria's ability to reduce its dependence on oil."

Source: Field Survey Research, (2026)

Table 10: Respondent's views on how can the Nigerian government mitigate the negative effects of the war on economic growth and development?

S/N	Themes	Responses
1	Diversification and Industrialization	R_1"The government should focus on diversifying the economy, investing in industries like manufacturing and agriculture." D_2: "Industrialization is key, we need to develop our own industries and reduce reliance on imports."

		D_1: ""The government should provide incentives for businesses to invest in Nigeria, create jobs and stimulate growth."
2	Fiscal and Monetary Policy	M_2: "The government should implement fiscal policies to stimulate economic growth, like tax cuts and investment in infrastructure." E_1"Monetary policies like reducing interest rates can help increase borrowing and spending."

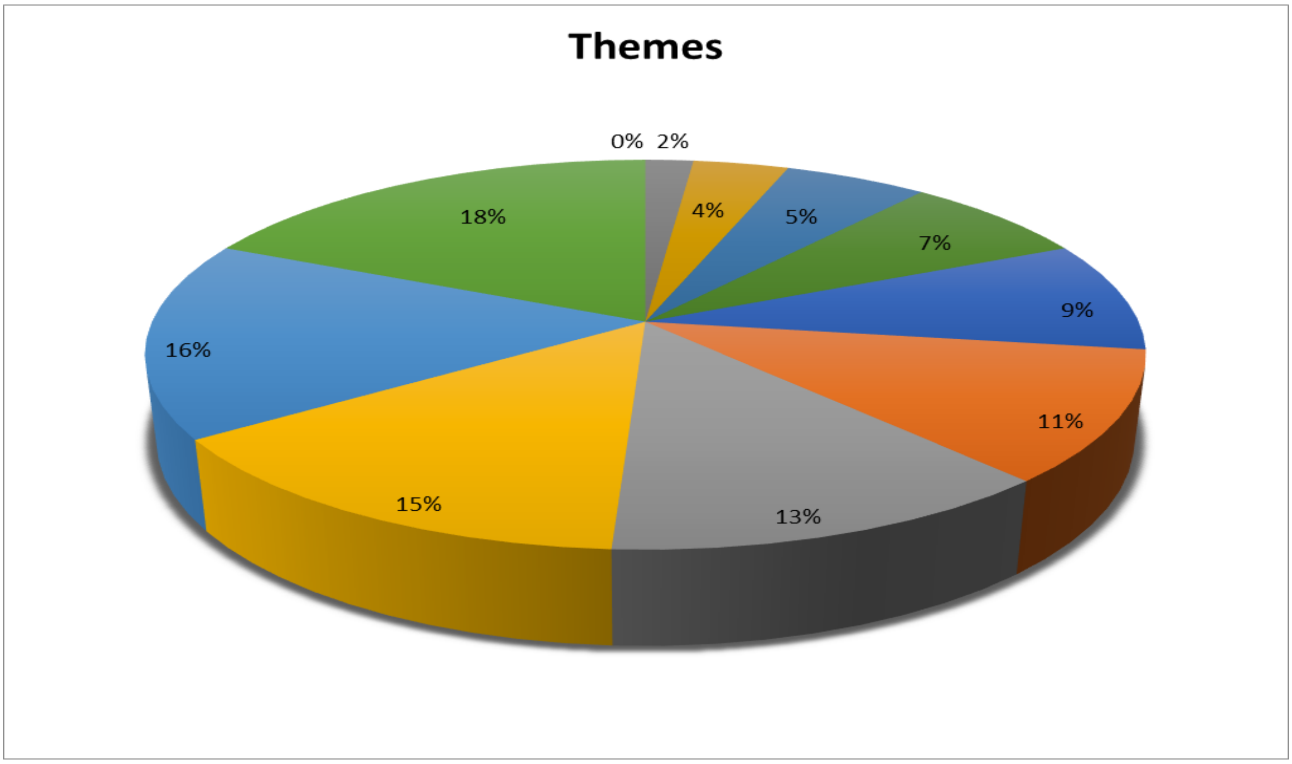


Fig. 8: Graphic Display of Response to Research Question 3

9. DISCUSSION OF FINDINGS

The first objective of this study examined the impact of the Russia–Ukraine war on Nigeria's trade and investment. The findings revealed that the conflict significantly disrupted Nigeria's trade relations with Russia and Ukraine through supply chain interruptions, reduced imports and exports, declining foreign direct investment (FDI), and heightened uncertainty in international trade. Respondents consistently indicated that the war affected the importation of strategic commodities such as wheat, fertilisers, machinery, steel, and industrial inputs while also reducing Nigeria's exports to the two countries. They further observed that disruptions in logistics and shipping networks compelled firms to seek alternative suppliers, thereby increasing operational costs and weakening business performance. These findings are consistent with the respondents' views that supply chain disruptions, declining investment, increased business risk, and difficulty attracting new investment constituted the most immediate consequences of the conflict.

These findings corroborate the position of Baldwin and Freeman (2022), who argued that the Russia–Ukraine conflict exposed the fragility of global value chains and demonstrated how geopolitical conflicts can rapidly transmit economic shocks across highly interconnected economies. Their study maintained that disruptions in transportation networks, production systems, and trade logistics inevitably generate shortages of intermediate goods, increase production costs, and reduce international trade efficiency. The present findings support this assertion, as respondents repeatedly identified delays in supply chains and increased operational costs as major challenges confronting businesses in Nigeria following the outbreak of the conflict. Similarly, Ozili (2022) observed that the global consequences of the Russia–Ukraine war extended far beyond Europe, particularly through disruptions in international trade, commodity markets, financial systems, and investment flows. The findings of this study reinforce Ozili's argument by demonstrating that although Nigeria was not directly involved in the conflict, its economy experienced significant spillover effects through declining trade and investment activities.

The findings further agree with Boungou and Yatié (2022), who established that the war increased uncertainty within global financial markets, reduced investor confidence, and constrained international investment flows. Respondents in the present study noted that many prospective investors postponed or cancelled investment decisions because of heightened geopolitical uncertainty, while existing investors became increasingly cautious about expanding business operations in Nigeria. This decline in investor confidence particularly affected sectors dependent on foreign capital, including manufacturing, logistics, infrastructure, and energy. The finding equally supports the position of the International Monetary Fund (2023), which reported that geopolitical uncertainty associated with the Russia–Ukraine conflict weakened global investment, increased capital market volatility, and slowed economic recovery, especially in developing countries.

Furthermore, the findings are consistent with the World Trade Organization (2023), which reported that sanctions imposed on Russia, restrictions on maritime transport through the Black Sea, and disruptions in international logistics significantly constrained global trade. These developments affected countries dependent on imported raw materials and agricultural commodities, including Nigeria. Respondents' observations regarding reduced imports of machinery, industrial equipment, fertilisers, and wheat clearly reflect these global trade disruptions. Likewise, the Organisation for Economic Co-operation and Development (2023) argued that rising transport costs and supply chain bottlenecks increased production costs worldwide, compelling firms to diversify sourcing strategies and adjust production processes. This position aligns closely with respondents' reports that organisations had to identify alternative suppliers to sustain production and maintain business continuity.

The findings also validate the work of Mhlanga and Ndhlovu (2023), who argued that African economies remain highly vulnerable to external geopolitical shocks because of their dependence on imported food, energy, and industrial inputs. According to these authors, the Russia–Ukraine conflict intensified inflationary pressures, worsened food insecurity, and constrained economic growth across many African countries. The present findings provide empirical support for this argument by demonstrating that Nigeria's dependence on imported strategic commodities amplified the adverse economic consequences of the conflict. This suggests that the effects of global conflicts are transmitted not only through direct trade relations but also through interconnected commodity and financial markets.

In sum, the findings demonstrate that the Russia–Ukraine conflict has had significant adverse effects on Nigeria's trade and investment environment through disruptions in global supply chains, declining foreign investment, increased business uncertainty, and reduced access to critical imported commodities. The findings further suggest that Nigeria's high dependence on external markets has increased its vulnerability to geopolitical conflicts occurring outside Africa. These outcomes underscore the urgent need for policies that promote economic diversification, strengthen domestic industrial production, expand export markets, and reduce excessive dependence on imported strategic commodities. Such measures would improve Nigeria's resilience against future global economic disruptions while enhancing long-term economic sustainability.

10. CONCLUSION

This study examined the impact of the Russia–Ukraine war on Nigeria's economy with particular emphasis on trade and investment, foreign direct investment (FDI), economic growth, poverty reduction, and job creation. The findings revealed that the conflict has had significant adverse effects on Nigeria's economy through disruptions in global supply chains, declining trade volumes, reduced foreign direct investment, rising inflation, increased cost of living, and heightened uncertainty in the business environment. The study further established that key sectors such as energy, manufacturing, agriculture, transportation, infrastructure, and logistics were disproportionately affected owing to Nigeria's dependence on imported commodities and external markets. These developments have constrained economic growth, weakened employment generation, and undermined poverty reduction efforts. The findings equally demonstrate that geopolitical conflicts occurring outside Africa can produce substantial economic consequences for developing countries because of increasing global economic interdependence. Therefore, building a resilient and diversified economy remains imperative for Nigeria to minimise its vulnerability to future external economic shocks.

1. RECOMMENDATIONS

Based on the findings of this study, the following recommendations are made:

1. The Federal Government of Nigeria should intensify efforts towards economic diversification by strengthening the manufacturing, agricultural, mining, and technology sectors in order to reduce excessive dependence on crude oil exports and imported strategic commodities.
2. Government should formulate policies that encourage local production of essential goods, particularly wheat substitutes, fertilisers, industrial inputs, and refined petroleum products, to minimise the impact of future global supply chain disruptions.
3. The Nigerian Investment Promotion Commission (NIPC) and other relevant agencies should expand investment promotion initiatives by attracting foreign direct investment from diverse regions while creating a stable and investor-friendly business environment through policy consistency, improved infrastructure, and enhanced security.
4. The Central Bank of Nigeria and fiscal authorities should continue implementing appropriate monetary and fiscal policies aimed at controlling inflation, stabilising the exchange rate, and supporting businesses affected by rising production costs resulting from external economic shocks.
5. The Federal Government should strengthen regional and international trade partnerships, particularly under the African Continental Free Trade Area (AfCFTA), to reduce overdependence on a limited number of international trading partners and expand export opportunities for Nigerian products.
6. Finally, greater investment should be directed towards infrastructure development, human capital development, and industrial innovation to improve Nigeria's productive capacity, create sustainable employment opportunities, and enhance the country's resilience against future geopolitical and global economic crises.

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Authors' contributions

All authors read and approved the final manuscript.

Data availability

The datasets for this study are available under reasonable and convincing request.

Declarations

Ethics approval and consent to participate

Ethical approval to conduct the study was obtained from the relevant authority. Informed consent was obtained from all participants before data collection, and their participation was entirely voluntary.

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Competing interests

The authors declare that they have no competing interests.

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