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*Review*

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

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## Abstract

The study provides an overview of China's presence in Nigeria, which led to the development of trade, infrastructure, and diplomatic ties from 2000 to 2025. It details how the two governments of these nations implemented economic strategies meant to support their respective economies, which in turn helped to forge their relationship. During this period, there was significant growth, expansion, and development, characterized by a win-win diplomatic relationship. The impact of this relationship has been to stabilise the economy by limiting underdevelopment. However, this literature review seeks to identify and address the stages of this relation as well as its impacts.

**Keywords:** relations; trade; infrastructure development; diplomatic agreements; China; Nigeria; investments

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## Introduction

China, the "Factory of the World," and Nigeria, the "Giant of Africa," have relations often described as mutually beneficial, spanning trade, investment, and diplomatic agreements. China's pursuit of diplomatic ties with Africa began during its struggle for independence from colonial powers, and its first contact with Nigeria occurred in the mid-20th century, during the country's independence ceremony in 1960. The concept of China-Nigeria relations dates to the 1971 historical period, which has had a significant impact on both countries. China is renowned for its technological advancements, trade, and political influence. At the same time, Nigeria, as the giant of Africa, is a country that cannot be ignored in international diplomatic relations, particularly in Africa, due to its abundant natural resources, including crude oil and natural gas. Beyond these, it has substantial reserves of coal, iron ore, tin, zinc, lead, uranium, copper, diamond, and gold. Nigeria also possesses significant agricultural resources, including cocoa, rubber, groundnuts, cotton, and palm oil. These natural resources have attracted various international bodies. China and Nigeria are recognized for their innovations and economic growth in the 21st century. Their diplomatic relations have centered on promoting sustainable economic development through the exchange of natural resources and technological innovation, resulting in a shift in foreign policy and a subsequent trade agreement. The literary review's primary goal is to analyze China-Nigeria relations from 2000 to 2025, with an emphasis on trade, infrastructural development, and diplomatic agreements. This is because numerous disagreements exist on China's influence in Nigeria and the advantages of this relationship. As a result, there is growing concern in Nigeria over the country's economic reliance on Chinese loans and investments. Considering this, this literary review aims to examine the origins of this process and its effects up until 2025.

## Background

Prior to China's presence in Nigeria, the two nations went through distinct phases of economic development and expansion. The first phase is the movement towards independence, as Nigeria experienced a nationalist movement due to colonial hegemony, observing the exploitation by

Europeans, and the supremacy of the slave trade along its coasts, which ultimately subjected it to European governance against its will, culminating in the reclamation of its freedom in 1960. While this process was unfolding, China on the other hand, was undergoing its revolutionary movement initiated by the peasants (poor) from 1940-1976 due to the exploitation of the nobles as regards to lands and agricultural sector, with about 50% to 65% of peasants owing no lands and feeding off from labours done on the nobles land. These two countries share similarities in their struggles for independence and economic transformation from the control of superior powers. After Nigeria's independence in 1960, Nigeria needed to establish bilateral relationships because it was facing a financial crisis due to various exploitations, military coups, and political unrest. Likewise, the Chinese government also wanted to expand its diplomatic relations with Nigeria. This led the Chinese delegation to attend Nigeria's independence celebration in 1960, carrying a congratulatory message from Chinese leaders Zhou Enlai and Vice Premier Chen Yi, to initiate diplomatic ties with Nigeria. During that same year, a six-man delegation led by Nigeria's top government representative also visited Beijing, where a country's open-ended agreement on economic, trade, and technical cooperation was signed in 1974 (Umejei, 2015). By 1975, Nigeria had started importing from China, with an estimated value of \$169.86 million, and \$140.86 million in 1976.

Meanwhile, Nigeria's exports to China were estimated at \$8.85 million (Ogunsawo, 2008). Although China and Nigeria's relations were strained from the late 1960s to the mid-1970s due to differing support during the Angolan Civil War and the Nigerian Civil War. This strain was a result of China's support for the Biafran secessionists during the Nigerian civil war, as well as China's backing of the National Front for the Liberation of Angola (FNLA), and Nigeria siding with the Soviets. In 1977, Chinese Premier Li Peng visited Nigeria after the civil war to renew its interest. With Nigeria facing an economic crisis following the civil war, it had to open its arms to the diplomatic relations proposed by China. To shift the diplomatic relationship closer in 1995 under Sani Abacha's administration, he lifted the isolation placed on the relationship between the two countries. The Sino-Nigeria relationship then began its focus on various dimensions, with an agreement on the Development of Small and Medium Enterprises (SMES). This has had an impact on the existing relationship between the two countries, leading to the implementation of new businesses in Nigeria.

The second phase moves towards the Reconstruction stage, which began in the 20th century. In Nigeria, it took place after the Civil War in 1970, with a focus on rebuilding the nation after the devastating conflicts. The end of the Nigerian Civil War led the government to make a promise to the residents to provide humanitarian assistance, which initiated the reconstruction stage, characterized by the 3Rs (Rehabilitation, Reconciliation, and Reconstruction). The reconstruction stage focused on rebuilding infrastructure, in addition to building of damaged roads, bridges, community houses in which amenities were provided by the people themselves such as roof mats, stakes and straps. At the same time, foods were made available by farmers whose farms were not damaged by the war as well as providing economic opportunities and social support (Idara et al., 2024). The rehabilitation project was aimed at giving shelter to the homeless, providing food, and reabsorbing public servants, giving compensation to those whose property was destroyed in the war as well as the soldiers who fought during the war. Those who fled from their place of residence or business should be resettled to make a new start, on the other hand, the reconstruction stage took years to be done and, China assisted Nigeria during this stage by providing financial loans and investments to aid the railway construction, the road development, housing, port construction and airport terminals etc. China also underwent its reconstruction stage that began in the mid 20th century and was influenced by the need to rebuild after years of fighting for a socialist system while seeking revolution particularly during World War II and the Civil War which was perpetrated by the political ideologies of the Chinese Communist Party (CCP), as they channeled their party into bringing the country into three transition stages from economic prostration to economic growth, from political derelict to political new reform and from military rule to civilian rule (Kenneth, 2025).

The third phase identifies the rise of China to power and its interest in diplomatic relation in Nigeria. China's rise to power began in the late 20th century and was attributed to economic reforms

initiated in 1978, with its vast population, human capital base, labor force, industrialization, scientists, its focus on exportation, centralized government, and technology contributed to China's rise to power. Under XI Jinping's leadership, China made significant progress in market reform to aid economic growth and achieve global power ambitions. The Belt and Road Initiative (BRI), an international infrastructure development strategy adopted by the Chinese government in 2013, spans across Central Asia and aims to jointly build the Silk Road Economic Belt (SREB). The BRI focuses on providing funds for road projects, energy, railways, and other infrastructure (Sahakyan et al., 2025). The 1978 reform, also known as the "Reform and Opening Up," provided a shift away from strict centralized state control and opened up trade and foreign affairs. By 2010, China had approximately 3.2 million scientists and engineers, a number that had expanded significantly since 1998. China's economic growth has brought prosperity and wealth to its region and its foreign affairs partners.

China sought to restore international recognition following its triumph in 1949, marking its independence and economic growth. During Deng Xiaoping's rule, China's interest in other nations with similar development goals led to a shift in the country's foreign policy, resulting in a greater level of involvement in Africa. As a result of its foreign policy, China established diplomatic, political, and economic ties with Nigeria in 1971. Nigeria's abundant oil and mineral resources have drawn the attention of China, which is always eager to deepen its diplomatic and economic ties worldwide. China's investments in hydropower, cheap production, infrastructure, technology, and agriculture were all helping Nigeria. In 2003, the Prime Minister and the President of China decided to visit Nigeria, driven by mutual interest in economic, social, cultural, and technological growth, which led to increased cooperation between the two countries. Nigeria is one of China's most strategic partners among other African countries, and China, being the world's largest energy consumer and deliberate towards their development, came to Nigeria to exploit its oil to retain its energy consumption rate so that their production can facilitate their economic growth (R.A et al., 2020).

### **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 it was a cooling relationship for which there is little historical evidence, with little influence. However, the modern relationship took a turn in the 20th century with a focus on solidarity during the African independence movements, with China's focus on Nigeria so as to boost its global power and economic development. 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 both 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 located in Niger-Delta, while in 2005 Nigeria also agreed to supply petrol to China with 30,000 barrels per day worth about \$800 million, in 2006 the first strategic partnership Memorandum of Understanding was signed by China for trade promotion center and investment development in Nigeria, additionally the first railway in Nigeria which was Abuja to Kaduna railway line was inaugurated as part of the country's railway renovation initiative to lessen the strains 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	\$1.6Billon	\$182Million	156KM
Abuja-Warri	\$2.925Billion	\$390Million	549,2KKM

Source: Author's Compilation.

However, the strategic agreement between the two countries granted unfettered access to each other's marketplaces for both nations' 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 cancelled due to a high level of 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 its implementation, after the report from the Chatham House disclosing that Nigeria lost up to \$6billion 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 signing of the Lekki Port Lagos Free Trade Zone Enterprise Limited was signed, which is 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 \$3.1billion in Infrastructural 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, 2023). China and Nigeria also signed the reciprocal establishment of cultural centers agreement, 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, alongside the initiation of the BRI. 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 an agreement on a currency swap deal aimed to enable the exchange of Yuan and Naira currencies to facilitate direct trade and investment between both countries, to reduce transaction costs, and to make cross-border payments faster. However, the swap deal had long been overdue but underwent a renewed policy under President Bola Ahmed Tinubu's administration, who strived 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 infrastructural development project initiated in Nigeria with China's investment has placed Nigeria under a loan of \$1.5 billion to execute the project for the four airports at Lagos, Kano, Abuja, and Port Harcourt, which was later inaugurated in 2025.

## Sino-Nigeria Relations (Trade)

China-Nigeria relations have maintained various trade/commercial ties following the signing of the Joint Communiqué in the establishment of Diplomatic Relations in 1971. 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 relation have developed from a smaller trade scale to a bigger trade investor scale. China had transformed Nigeria into a net exporter of crude oil by 2004, and in 2008, trade between the two countries increased by \$7.2 billion. In 2006, the bilateral trade volume was approximately \$ 3.13 billion, and China's exports to Nigeria were around \$ 280 million. China's surplus of \$2.52billion may have likely destabilized Nigeria's economy, but there are more benefits to that Nigeria seems to derive from its trade relation with China (Emehelu et al., 2022). In 2009 and 2010, it increased by \$7.3billion and \$7.7billion, 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, etc in Nigeria. A \$1.1billion trade imbalance was reported by Nigeria in 2021, following a NGN 588.7 billion trade deficit in 2020 after a NGN 362.7billion trade surplus in December 2019. Due to this, shipment fell to 33.4%, the Nigeria total trade imbalance for 2020 resulted in NGN7.375billion, whereas its 2019 surplus was about NGN2.232billion. The widening trade deficit has been the challenge faced by Nigeria in maintaining its sustainable trade position. In 2020, the outbreak of the COVID-19 pandemic affected global trade and led to fluctuation in oil prices. This outbreak contributed to the shift in the trade balance, incurring a debt of NGN588.7billion. The first quarter data from the National Bureau of Statistics (NBS, 2022) shows that at the end of 2021, the value of trade imbalance had risen to \$23billion, which was in favor of the Chinese government, and by 2023, Nigeria's total crude petroleum exports reached about \$43.5billion. 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 \$3.3billion 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).

## Methodology

The data collection that's being utilized was drawn from secondary data sources used for this literature review, which includes: 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

Idara (2024) explores the experiences of the Nigerian Civil War, which ended with Nigeria reclaiming the Biafran territories and surrendering in 1970. The government promised humane treatment and support for the Ibibio people, but the fulfilment of these promises varied. The Geneva Conventions emphasized the protection of lives during armed conflicts, setting a framework for international relief efforts. The Ibibio people, located in southeastern Nigeria, were divided on the declaration of the Republic of Biafra in 1967. Some Igbo supported the declaration, while others opposed it, seeking an independent state. The federal government's stance suggested that minorities, including the Ibibio, wished for liberation rather than domination. Tensions heightened after military promotions in 1966, leading to ethnic violence throughout Nigeria. The military coup of January 1966 and subsequent attacks against Easterners emphasized the deep ethnic divides that characterized the conflict. State and national committees oversaw post-war resettlement and rehabilitation initiatives; however, the relief materials were insufficient to meet the community's pressing needs.

Stanek (2020) examines the differences between capitalist and socialist systems, as well as the relationships between the North and South, during the Cold War. A notable book by an associate professor at the Manchester School of Architecture examines global architecture after World War II, with a focus on West Africa and the Middle East. This work presents new perspectives by examining the role of both local and Eastern European actors in postcolonial nations through their architectural designs. Research on international cooperation and architectural projects involving countries in Eastern Europe, West Africa, and the Middle East during this period is limited in Western literature. The book highlights how Eastern European professionals were welcomed in newly independent countries, as they shared their knowledge of design and public building. Many of these countries

sought to lessen their dependence on former colonial powers by cooperating with socialist nations, which were perceived as sympathetic partners. As the political climate shifted in the 1970s, socialist countries began viewing postcolonial nations more as sources of raw materials than as equal partners, altering the nature of their relationships.

Emehelu (2022) examines the impact of Nigeria-China relations on power and economic growth in Nigeria, as bilateral trade agreements between Nigeria and China began in 1971, with significant economic activities commencing in 1995 under General Sani Abacha. It finds that household consumption, gross investment, and net exports have a positive effect on GDP, while government expenditure has an adverse impact, highlighting China's concerns regarding economic interests, industrial shutdowns, and 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.

R.A. (2020) stated that the Belt and Road Initiative (BRI), promoted by China, is criticized for limiting the sovereignty of African nations and increasing their dependency on China. While African leaders and the African Union (AU) welcome the initiative with hopes for economic growth and infrastructure development, the study indicates that the BRI limits the sovereignty of African nations in how they use the loans provided, creating increased dependency on China. The study reveals that China benefits from the BRI through loan returns, promoting Chinese companies, accessing natural resources, and geopolitical advantages. Nigeria, for example, is likely to see limited infrastructure improvements and increased production of primary goods, thereby enhancing its dependency on China and serving Chinese interests. The study suggests that African development leaders should critically reassess BRI agreements and collaborate with other states to find a mutually beneficial solution. Finally, the study emphasizes that despite criticisms, China's methods in partnership are not uniformly negative, but rather context dependent.

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.

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, aimed at accelerating industrialization and driving 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.

## Theoretical Theory

The diplomatic relationship between China and Nigeria can be understood and analyzed using a range of diplomatic theories. One such theory is the capitalism theory, which illustrates the contrasting discrepancy between the two diplomatic nations' rational outcomes. This theory, propagated by Adam Smith, stressed that countries develop for their 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 et al., 2020). In this context, one nation improves its resources and income to the detriment of the other.

The dependency theory divides the world into a core of wealthy industrialised nations and a periphery of less developed countries. Dependency theorists hold that short-term spurts of growth notwithstanding, long-term growth in the periphery will be imbalanced and unequal. They will tend towards high negative current account balances, which posits on that economic underdevelopment of many nations is a consequence of their unequal integration into global capitalist system, which argues that the development of wealthy nations is inherently linked to the underdevelopment of poorer nations due to exploitative relationship (Tausch, 2003).

Another applicable theory is the neo-colonialism theory. Popularized by Kwame Nkrumah, neo-colonialism highlights 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 achieve their self-serving interests (Roach, 2013). By attracting nations with ulterior motives, dominant countries gain access to their markets, labor, and raw materials for their own use. For major powers, foreign relations are intended to advance and protect their national interests in other nations, often with little regard for the detrimental impact on those countries.

Although the relationship between these two countries 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 that have affected their diplomatic/trade relations; these effects are seen below;

1. Imbalance Trade: The two nations' bilateral commerce increased exponentially after Nigeria joined a trade and investment promotion and protection treaty in 2000. This deal caused Nigeria's exports to China to quadruple, making it impossible for them to keep up with Chinese exports. This resulted in a trade imbalance. 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 a four-year period, 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. 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.
3. 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.

## Conclusion and Recommendation

Although China's actions and presence have had an influence on Nigeria as a result of the debt accumulation, there are methods to facilitate these diplomatic relations effectively without being overly dependent or indebted. Nigeria should look into financial loans from international bodies such as the World Bank, African Development Bank, International Monetary Fund (IMF), other public investment organizations, public-private partnerships, and also to have diplomatic relations with other Western countries to broaden its borrowing sources and lessen its reliance on Chinese loans. Also, Nigeria should give priority to loans for projects with high economic benefits to guarantee that borrowed funds contributed to projects, produce profits that would generate revenue for debt servicing which would be used in funding infrastructure and domestic manufacturing companies in order to promote export-oriented industries and enhance domestic productivity. To combat corruption and ensure the effective use of funds, both countries should also take steps to increase openness and accountability in all agreements and project deals, and provide clear terms and conditions regarding loans, as well as the main objectives and expected outcomes of the project in Nigeria. This act will ensure that all loan agreements are publicly available without being compromised and that project execution is closely monitored and managed.

Additionally, forming joint oversight panels with representatives from both nations and civil society organizations will increase accountability and transparency. China should also reconsider its lending policies to Nigeria, thereby shifting toward more grant-based aid and subsidized loans for critical development projects, instead of concentrating only on infrastructure development, China should increase its direct foreign investment in Nigeria under manufacturing, agriculture, and technology, as this will improve the country's standard of living, create jobs in a variety of fields, including local industries and infrastructure, contribute significantly to Nigeria's GDP and enable her live in prosperity. If Nigeria's GDP increases and its resources and revenues grow, more agreements between China and Nigeria are likely to be made that will benefit both nations. Also, Nigeria should seek secure technology transfer and leverage the relationship to reduce unemployment.

Finally, the Nigerian government should enforce the rules and regulations about workers, which include penalties for employee inconsistencies and human rights violations.

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