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SINO-NIGERIAN BILATERAL RELATIONS IN THE 21ST CENTURY: BALANCING OPPORTUNITIES AND CHALLENGES

Abstract

Nigeria, Africa's most populous nation and largest economy has become a focal point in China's global strategy. The relationship between China and Nigeria has grown significantly over the past two decades through extensive trade agreements, infrastructure investments, and bilateral cooperation. While this partnership has brought substantial benefits, such as improved infrastructure and economic growth, it has also raised concerns around economic dependency, loss of sovereignty, and the risk of neo-colonial dominance. As Nigeria grapples with post-colonial development challenges, China has emerged as a key partner, offering investments, infrastructure projects, and economic support. While these collaborations promise to accelerate Nigeria's development, they also raise critical questions about the balance of power and the spectre of neo-colonialism. Ultimately, the question that arises is whether this is a mutually beneficial relationship, or is Nigeria at risk of becoming a pawn in a new era of global power struggles?

1. INTRODUCTION

Over the centuries and decades, the growing interdependence of the world's economies have been brought together by cross-border trade in goods and services. Thus, the interaction between Nigeria, in the global South and China, in the global East

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is no exception.[2] This Sino-Nigerian relationship can be dated back to 1971.[3] Four decades later, several Chinese companies have pooled Foreign Direct Investments (FDIs) into the Nigerian economy which has strengthened the bilateral relationship overtime.[4] For example, in 2016, China pumped $80 billion into the oil and gas industry for exploration, production and refining.[5] In addition, at the 2024 Forum on China-Africa Cooperation (FOCAC) and the inaugural China-Nigeria Economic Cooperation and Trade Conference, Nigeria signed a $3.3 billion agreement with China to develop the Brass Industrial Park and Methanol Complex.[6]

Although this relationship is said to be a win-win situation and of mutual assistance, scholars have perceived it to be parasitic, a relationship that sustains only the interests and status of China in the long run[7] perhaps triggering neo-colonial tendencies towards Nigeria as the host-state. For instance, the China Development Bank (CDB) approved a loan of 245 million euros ($254.76 million) to support the Kano-Kaduna railway project in Nigeria.[8] There is the risk that Nigeria cannot repay this debt to China and China may leverage on Nigeria's resources or key national assets. A case in study is Sri Lanka, where the country took on significant loans from China for large infrastructure projects, such as the Hambantota Port. When it was unable to repay the debt, Sri Lanka agreed to lease the port to a Chinese company for 99 years in 2017, effectively surrendering control of a strategic asset.[9] Additionally, corruption among

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2 Gimba Zainab & Ibrahim Sheriff (2018), 'China-Nigeria economic relations: The need for greater resource management for development' *International Journal of Trend in Scientific Research and Development,* *2*(3), pp. 176-188 available at https://www.researchgate.net/publication/332720178_China-Nigeria_Economic_Relation_Greater_Resource_Management_for_Greater_Resource_Management_for_Development last accessed 20 January 2025.

3 Muritala *et al* (2019), 'Nigeria-China trade relations: Projections for national growth and development' *International Journal of Business and Management,* 14(11) available at: http://dx.doi.org/10.5539/ijbm.v14n11p77 last accessed 20 January 2025.

4 Gimba, Supra note 1.

5 Ebuka Nwankwo, 'On the $80 billion 'game-changer' from China to Nigeria' available at https://www.thecable.ng/80-billion-game-changer-china-nigeria/ last accessed 18 February 2025.

6 Donatus Anichukwueze, 'Nigeria, China Sign $3.3bn Deal For Industrial Park Development' available at https://www.channelstv.com/2024/09/06/nigeria-china-sign-3-3bn-deal-for-industrial-park-development/ last accessed 18 February 2025.

7 Gregory Mthembu-Salter, 'Elephants, Ants and Superpowers: Nigeria's Relations with China' available at https://saiia.org.za/wp-content/uploads/2009/09/Occasional-Paper-42.pdf accessed 18 February 2025.

8 China Development Bank, 'China Development Bank grants first loan to railway project in Nigeria' available at https://www.cdb.com.cn/English/xwzx_715/khdt/202501/t20250107_12293.html#:~:text=China%20Development%20Bank%20(CDB)%20released,smooth%20progress%20of%20the%20project last accessed 17 February 2025.

9 Center for Strategic & International Studies, available at https://www.csis.org/analysis/game-loans-how-china-bought-

Nigerian officials handling these funds dilutes their impact, making them counterproductive. Nigeria's growing debt to China, now exceeding $3.4 billion, underscores the risks of over-reliance on such financing arrangements.[10]

Some commentators[11] suggest that economic and trade interests often serve as the primary drivers for countries establishing bilateral relations, although these interests may evolve to encompass political and socio-cultural concerns over time.[12] Nigeria has since become an important source of oil and petroleum for China's rapidly growing economy and Nigeria is looking to China for help in achieving high economic growth. The bilateral trade between China and Nigeria has grown significantly, increasing from $12.8billion in 2018 to $18 billion in 2023.[13] The China-Nigeria trade relationship has sparked political concerns due to its imbalance, with Chinese exports comprising approximately 80% of total bilateral trade.[14] Nigeria imports ten times more than it exports to China, creating over-reliance on cheap imports and contributing to the decline of its domestic industries.[15]

2. Overview of China-Nigeria Relations

Nigeria and China have relations based on bilateral trade as China is interested in the oil resources of Nigeria, while Nigeria is interested in the investments from China both technologically and otherwise. The modification of China's foreign policy towards Africa is reflective of the set of five principles agreed upon by Nigeria and China more than five (5) decades ago. The five principles contained in a press release issued by Nigeria's Federal Ministry of Information on April 26, 1971, include:

i. Mutual respect for each other's sovereignty and territorial integrity;

ii. Mutual non-aggression;

iii. Non-interference in each other internal affairs;

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hambantota#:~:text=Unable%20to%20repay%20its%20debt,become%20a%20Chinese%20naval%20facility last accessed 17 February 2025.

10 Eric Olander, 'Nigeria's Debt to China Edges Higher' available at https://chinaglobalsouth.com/2024/03/26/nigerias-debt-to-china-edges-higher/ last accessed 18 February 2025.

11 Thompson Alexander & Daniel Verdier (2013), 'Multilateralism, bilateralism and regime design' *International Studies Quarterly*, 58(1) available at https://www.researchgate.net/publication/228683624_Multilateralism_Bilateralism_and_Regime_Design last accessed 18 February 2025.

12 ibid.

13 See, https://oec.world/en/profile/bilateral-country/chn/partner/nga last accessed 16 February 2025.

14 Ibid.

15 Mahmud Gana Idrees et al (2024), 'Nigeria-China Bilateral Relations: Trade, Investment and Political Influence' *Kashere Journal Of Politics And International Relations*, 2(2), available at https://journals.fukashere.edu.ng/index.php/kjpir/article/download/306/264/1105 last accessed 18 February 2025.

iv. Sovereign equality and;

v. Peaceful coexistence.

According to one commentator: “Nigeria is China’s number one engineering market, number two export market, number three trading partner and major investment destination in Africa”.[16] Thus, the Chinese involvement in Nigeria’s economic matters has made political scientists predict that there will be a repetition of Westernized exploitation.[17] However, a relationship as sophisticated and complex as that between Nigeria and China points to a more balanced form of interaction compared to the West, though these interactions are still considered unequal. As a result, scholars have recently observed a gradual shift of Nigeria’s patronage away from the West towards China and the other BRICS[18] countries of Asia and Latin America. Nevertheless, there is still doubt as to the viability of the relationship between Nigeria and China.[19]

Both Nigeria and China are giants in their own right, although Chinese influence and dominance comparatively exceeds that of Nigeria. Nigeria is the most populated country on the African continent but China is the most populated in the world. Again, Nigeria and China similarly boast of heavy economic capabilities in their respective continents, when considered in relative terms.

3. Positive Impacts of the Nigeria-China Relationship

The China-Nigeria partnership facilitates the transfer of knowledge and skills from Chinese experts to Nigerians, enhancing local capacity and technical expertise. The benefits of this collaboration are exemplified in terms of job creation and economic diversification. One of the most immediate and significant benefits of Chinese capital inflows is the creation of jobs. Investments from Chinese firms often come with the construction of large-scale infrastructure projects, such as the 3,050 MW Mambilla Hydroelectric Power Station and the Lekki Free Trade Zone, both of which generate significant employment opportunities. These projects employ thousands of workers, including construction labourers, engineers, technicians, and administrative staff.

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16 Akinterinwa Bola (2016), ‘Africa Today’s Conference On Nigeria-China Relations And Implications For Nigeria’s Foreign Policy Concentricism’ This Day May, 8, available at https://www.thisdaylive.com/index.php/2016/05/08/africa-todays-conference-on-nigeria-china-relations-and-implications-for-nigerias-foreign-policy-concentricism/ last accessed 18 February 2025.

17 Thompson Ayodele & Olusegun Sotola (2014), ‘China in Africa: An Evaluation of Chinese Investment’ https://ippanigeria.org/articles/China%20-Africa%20relation_Workingpaper_final.pdf, last accessed 20 January 2025.

18 Brazil, Russia, India, China and South Africa.

19 Uzoma Okoye & Nwankwo C. (2023), ‘Nigeria and the BRICs: Diplomatic, trade, cultural and military *Nnamdi Azikiwe Journal of Political Science*, 8(1) available at https://najops.org.ng/index.php/najops/article/download/26/41/63, last accessed 18 February 2025.

Moreover, the operational phase of such projects can also provide long-term employment opportunities, contributing to economic diversification by reducing Nigeria's dependence on oil-related revenues.[20]

In terms of Technology Transfer and Innovation, Chinese investments also bring valuable technological expertise and innovation to Nigeria. Chinese firms involved in large infrastructure projects often introduce cutting-edge technology and advanced engineering solutions, which significantly enhance local capacity. The technology transfer is not limited to physical infrastructure, but also extends to management practices, operational techniques, technical skills and know-how that the Nigerian workforce can adopt. For instance, Chinese expertise in the energy sector, particularly in the development of renewable energy projects, offers Nigeria the opportunity to enhance its energy infrastructure with modern, efficient, and sustainable technologies. Similarly, in the telecommunications sector, Chinese investments have helped modernize Nigeria's digital infrastructure, facilitating the expansion of broadband access and mobile networks. This technological infusion enables Nigerian workers to gain new skills and competencies, which are valuable not only for the specific projects they are working on but also for their future career development. As Nigerian employees acquire advanced skills, they can apply this knowledge to other sectors of the economy, further driving the country's technological advancement and overall economic growth.

China's capital inflows have made a significant impact on Nigeria's infrastructure development, which is a critical component for long-term economic growth. Nigeria has long struggled with inadequate infrastructure, particularly in energy, transportation, and telecommunications. Chinese investments have addressed these gaps by financing and constructing major infrastructure projects, including power plants, roads, railways, and ports. This improved infrastructure enhances Nigeria's competitiveness on the global stage.

Chinese investments not only provide capital but also enhance Nigeria's position in global trade. The strong economic relationship between China and Nigeria boosts bilateral trade, with China becoming one of Nigeria's largest trading partners. This trading relationship is mutually beneficial, as China imports Nigeria's oil while providing the country with manufactured goods, infrastructure investments, and technology.

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[20] Examples of Chinese construction projects include the Ibadan-Kano railway built by CCECC, the Lagos-Ibadan train route, the Lekki deep sea port, the Zungeru hydropower project etc.

Furthermore, Nigeria's deepening economic ties with China strengthens its diplomatic relationships. With China's growing influence globally, Nigeria stands to benefit from increased political and economic support. This enhanced relationship provides Nigeria with leverage in international forums, helping it secure favourable terms in trade negotiations, loans, and diplomatic engagements. By aligning with China in economic and trade matters, Nigeria can also position itself as a key partner in China's Belt and Road Initiative (BRI), which seeks to enhance trade and infrastructure connectivity between Asia, Africa, and Europe.

Additionally, the development of special economic zones, such as the Lekki Free Trade Zone, creates opportunities for Nigerian businesses to collaborate with Chinese firms, benefiting from favourable trade policies, tax incentives, and better access to global markets. These zones offer the potential for local companies to grow, develop new business models, and integrate more closely with international supply chains. Moreover, Chinese companies are helping Nigerian businesses access financial resources, technical support, and market expertise. This, in turn, can lead to more sustainable and competitive local industries, which would contribute to a more balanced economic development and job creation.

4. The Adverse Impacts of Sino-Nigerian Relations: Challenges and Consequences

Oftentimes, the nature of Nigeria-Chinese relations opens Nigeria's economic gates to large chunks of cheaply-made, low-quality and inferior products.[21] This not only threatens and displaces Nigerian industries but also effectively displaces workers from such industries.[22] The influx of low-quality, cheap products from China has disrupted Nigeria's manufacturing sector.[23] This phenomenon, referred to as "dumping", occurs when goods are sold in Nigeria at prices lower than in China's domestic market. As a result, local industries struggle to compete. China's vast population and industrial output make Nigeria an attractive market for these low-cost goods, exacerbating local economic challenges and creating long-term economic instability.[24]

Also, Nigerian workers employed by Chinese firms often face dehumanizing, exploitative and unsafe working conditions. There have been reports of mistreatment, including incidents where workers were denied basic rights, such as access to water

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21 Ogunsanwo Alaba, *China's policy in Africa* (London: Cambridge University Press 1974).
22 Campbell John, *Nigeria: Dancing on the brink* (Roman and Littlefiel 2013).
23 Abada Chike Felicia et al (2021), 'Politics of BRICS: Re-engaging Nigeria-China trade relations and development of manufacturing industries in Nigeria' *University of Nigeria Journal of Political Economy* 11, 32-47 last accessed 18 February 2025.
24 Campbell, supra note 20.

or safe working environments, freedom of movement and so on.[25] These issues are compounded by Nigeria's weak enforcement of labour laws and inadequate workplace inspections. Moreover, Chinese companies have been accused of prioritising profits over compliance with environmental and labour standards, highlighting governance lapses in Nigeria's ability to protect its workforce.

A key promise of Sino-Nigerian relations is the transfer of technology to foster Nigeria's development. However, China has largely withheld technological know-how, preferring to employ its own workforce in infrastructure projects instead of training Nigerians.[26] This strategy has limited Nigeria's capacity for technological advancement and economic growth. For example, Nigeria's reliance on Chinese scientists for satellite technology demonstrates the persistent barriers to achieving local capacity in this area and ensuring meaningful technology transfer.

Chinese firms operating in Nigeria frequently repatriate profits to their home country rather than reinvesting in Nigeria. This practice undermines local economic growth and contributes to the country's dependency on external aid and investment. Furthermore, China's focus on oil extraction has diverted attention from Nigeria's agricultural sector, which was once a cornerstone of the economy. This shift has left Nigeria vulnerable to fluctuations in global oil prices and limited its economic diversification.

The trade relationship between Nigeria and China is heavily skewed in China's favour leading to a trade imbalance. Nigeria primarily exports raw materials while importing finished goods, replicating a colonial pattern of exploitation. This trade imbalance hampers Nigeria's economic sovereignty and development while providing China with a strategic advantage in building its global trade surplus. Such dynamics highlight the need for Nigeria to renegotiate trade agreements to ensure mutual benefits.

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[25] This Day, 'Abuse Of Nigerian Workers By Foreigners' available at https://www.thisdaylive.com/index.php/2023/10/09/abuse-of-nigerian-workers-by-foreigners/ last accessed 19 February 2025; Oluwatosin Omojuyigbe & Ifeoluwa Oyerinde, 'Abia gov orders probe of alleged maltreatment of workers by Chinese firm' available at https://punchng.com/abia-gov-orders-probe-of-alleged-maltreatment-of-workers-by-chinese-firm/#google_vignette last accessed 19 February 2025; Nigerian Tribune, 'The lock-in of Nigerian workers by Chinese firm' available at https://tribuneonlineng.com/lock-nigerian-workers-chinese-firm/ last accessed 19 February 2025.

[26] Udochukwu Frank Iroegbu et al (2017), 'Technology Transfer in Construction and Management: A Case for Nigeria Construction and Management Sectors' *CSCanada Management Science and Engineering* Journal, 11(2) available at http://cscanada.net/index.php/mse/article/view/9184 last accessed 19 February 2025.

Immigration issues have been identified as a negative attribute of the Sino-Nigerian relationship.[27] Chinese nationals working in Nigeria often bypass immigration laws,[28] in contrast, Nigerians in China face stringent enforcement of immigration regulations, highlighting a significant double standard. Nigeria's leniency in addressing these violations raises questions about the fairness of the bilateral relationship and the effectiveness of its immigration policies.

5. RECOMMENDATIONS AND CONCLUSION

The significant and diversified Chinese investments in Nigeria have exposed vulnerabilities in Nigeria's undiversified and fragile external investment strategy, particularly with China. To improve its competitive standing globally, Nigeria requires a strategic economic revamp, beginning with measures to ensure trade parity and sustainable development.

Nigeria must prioritize improving the quality of imported goods through robust monitoring mechanisms, such as the Standards Organization of Nigeria (SON). Consolidating and empowering existing frameworks will be more cost-effective than creating new ones and will help streamline imports from China, curbing the influx of substandard products. Strengthening these regulatory frameworks will limit unhealthy consumption patterns while boosting confidence in trade practices.

Reducing reliance on oil and promoting foreign direct investment (FDI) in diversified sectors is critical for Nigeria's economic sustainability. However, such investments must be carefully monitored to ensure transparency and mutual benefits. Nigeria can also draw lessons from China's success in modernizing its agricultural sector by fostering capacity-building programs that enable citizens to effectively utilise technical aid and knowledge transfers.

To ensure a balanced trade relationship, Nigeria must invest in its domestic industries and infrastructure while addressing political instability, insecurity, and education reform. Developing the local manufacturing base and encouraging patronage of "Made in Nigeria" goods are vital steps toward economic independence. Moreover, the government should enhance the competitiveness of local products by ensuring

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27 Oluwabiyi Ademola David & Duriji Moses Metumara, 'The Implication of Nigeria-China Relations on the Actualization of Sustainable Food Security in Nigeria' available at https://dj.univ-danubius.ro/index.php/AUDRI/article/view/1108/1538b last accessed 19 February 2025.

28 Victor Oluwasegun & Tony Akowe, 'Maltreatment against Nigerians: Repatriate illegal Chinese immigrants, Reps urge FG' available at https://thenationonlineng.net/maltreatment-against-nigerians-repatriate-illegal-chinese-immigrants-reps-urge-fg/ last accessed 19 February 2025.

uninterrupted power supply and enforcing anti-corruption measures in regulatory bodies.

Nigeria should only engage in partnerships that promote national development while safeguarding its sovereignty. A shift from a consumption-driven economy to a production-based one is imperative for sustainable growth. Nigeria must embrace industrialization, improve the standard of living, and maintain a healthy trade balance in its dealings with economic partners.

In conclusion, Nigeria must adopt a two-pronged strategy: attracting strategic Chinese investments while supporting local industries and maintaining economic sovereignty. By addressing infrastructure deficits, ensuring effective policy implementation, and fostering an enabling environment for trade and innovation, Nigeria can transform its economy and secure a healthy, balanced, and mutually beneficial relationship with China and the rest of the world.

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