

RUSSIA-UKRAINE WAR AND ITS IMPLICATIONS ON NIGERIA'S ECONOMY

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Abstract

This study examined the implications of the Russia–Ukraine war on Nigeria’s economy between 2022 and 2025, with the objective of assessing how disruptions in global food, fertilizer and energy markets affected inflation, fiscal stability, foreign exchange conditions and overall economic performance. Guided by the Dependency Theory, the study explained how external geopolitical conflicts influence domestic economic indicators in import-dependent developing countries. The analysis relied on secondary data from publications of the World Bank, IMF, Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS), and peer-reviewed research. Findings revealed that the conflict intensified Nigeria’s inflationary pressures, particularly through rising food and fuel prices; increased the cost of wheat and fertilizer imports; weakened the naira through heightened demand for foreign exchange; and contributed to unstable oil revenue flows that strained government finances. The study concluded that the Russia–Ukraine war acted as a persistent external shock that worsened Nigeria’s macroeconomic vulnerabilities. It recommended strengthening domestic agricultural production, expanding fertilizer manufacturing capacity, diversifying the economy beyond oil, improving foreign-exchange management, and expanding social-protection measures to cushion households from rising costs.

Keywords: *Russia–Ukraine war, Nigeria’s economy, supply-shock theory, War, Nigeria*

Introduction

Conflict has remained a persistent and defining feature of the global system, shaping political stability, economic performance, and social development across regions and historical periods. Globally, conflicts arise from a complex interaction of factors including competition over scarce resources, ideological and religious differences, ethnic and identity-based divisions, weak governance structures, economic inequality, and power struggles within and between states (Galtung, 1969; Collier, 2007). In the contemporary era, the nature of conflict has evolved from predominantly interstate wars to include civil wars, insurgencies, terrorism, and hybrid conflicts, often exacerbated by globalization, climate change, and transnational networks (Kaldor, 2012). These conflicts generate severe humanitarian consequences such as loss of lives, forced displacement, food insecurity, and destruction of infrastructure, while also disrupting global trade, investment flows, and economic growth (World Bank, 2018). As a result, conflict is no longer viewed as a localized phenomenon but as a global challenge with spillover effects that transcend national boundaries, underscoring the importance of understanding its causes, dynamics, and implications within an interconnected world system.

The Russia–Ukraine war, which escalated in February 2022, has generated widespread disruptions across global economic systems, altering trade flows, commodity markets, and financial stability. The conflict triggered unprecedented surges in energy prices, global inflation, food supply shortages, and instability in international markets, slowing global economic recovery from the COVID-19 pandemic (IMF, 2022; World Bank, 2023). Countries

dependent on imported energy, grains, and fertilizers were particularly affected, while global supply chains experienced severe bottlenecks that persisted into 2025. These disruptions highlight how geopolitical conflicts have far-reaching economic impacts beyond the directly involved regions, affecting both developed and developing economies (OECD, 2023).

In Africa, the effects of the Russia–Ukraine conflict have been profound due to the continent’s heavy dependence on imports of wheat, fertilizer, and fuel from the Black Sea region. The war led to sharp increases in the prices of bread, cereals, and farming inputs, thereby exacerbating food insecurity already worsened by climate shocks and post-pandemic vulnerabilities (FAO, 2022; African Development Bank, 2023). Many African countries also experienced reduced fiscal space, currency depreciation, and rising debt burdens as governments struggled to cushion households from rising costs. For resource-dependent economies, fluctuations in global oil prices further created divergent outcomes, benefiting some exporters while straining net importers of refined petroleum products.

Nigeria, Africa’s largest economy, experienced mixed but predominantly negative effects from the conflict between 2022 and 2025. Although higher crude oil prices initially suggested potential revenue gains, Nigeria’s limited refining capacity, oil theft, pipeline vandalism, and subsidy-related fiscal burdens prevented the country from fully benefiting (CBN, 2023; Udeh & Okoro, 2024). The surge in global prices of wheat, fertilizer, diesel, and aviation fuel significantly increased food production costs, worsened inflationary pressures, and contributed to rising cost of living for households. Foreign exchange scarcity, rising import bills, and disruptions in global logistics further intensified economic instability. These combined shocks deepened Nigeria’s inflation crisis, weakened household purchasing power, and slowed economic growth between 2022 and 2025.

Despite Nigeria’s position as an oil-producing nation with potential to benefit from higher global oil prices, the country has faced severe economic challenges since the onset of the Russia–Ukraine war. Rising food and energy costs, persistent inflation, declining foreign reserves, and weakened currency stability have negatively affected economic performance and living standards. There is insufficient empirical understanding of how global geopolitical shocks translate into Nigeria’s domestic economic conditions. Therefore, this study seeks to examine the implications of the Russia–Ukraine war on Nigeria’s economy between 2022 and 2025.

Objectives of the study

1. To analyze the global and African economic impacts of the Russia–Ukraine war and their transmission mechanisms to Nigeria.
2. To assess the effects of the Russia–Ukraine conflict on key sectors of Nigeria’s economy between 2022 and 2025.

Literature Review

Russia–Ukraine War

The Russia–Ukraine War, which erupted on February 24, 2022, represents one of the most consequential armed conflicts in contemporary international relations. The origins of the crisis can be traced to historical, political, and security tensions following the dissolution of the Soviet Union, particularly disputes over Ukraine’s sovereignty, territorial integrity, and

geopolitical alignment (Mearsheimer, 2022). Russia's annexation of Crimea in 2014 and the subsequent conflict in Eastern Ukraine set the stage for deeper hostilities. When Russia launched a full-scale invasion in 2022, it framed the action as necessary to protect Russian-speaking communities and counter NATO expansion claims widely dismissed by Western governments (Charap & Colton, 2023).

The humanitarian impact of the war has been devastating. Millions of Ukrainians were displaced internally and externally, resulting in one of Europe's largest refugee crises since World War II (UNHCR, 2023). Residential areas, hospitals, energy facilities, and transportation infrastructure have suffered extensive destruction, disrupting essential services and creating long-term humanitarian needs. The United Nations and humanitarian organizations continue to document large-scale civilian casualties, raising serious concerns about violations of international humanitarian law.

Militarily, the conflict has led to unprecedented mobilization and intense warfare on multiple fronts. Ukraine, supported by Western military aid including weapons, intelligence, and financial assistance has sought to defend its territory and repel Russian advances. Russia, in contrast, has relied on its vast conventional forces, missile capabilities, and fortified positions to sustain the conflict (Kroenig, 2023). The prolonged nature of the war has brought about significant military casualties, depletion of resources, and rising defense expenditures on both sides.

At the geopolitical level, the conflict has reshaped international alliances and heightened global power competition. Western nations, particularly NATO and the European Union, strengthened their unity in imposing extensive sanctions on Russia's financial, energy, and technological sectors (OECD, 2023). Conversely, Russia deepened strategic ties with non-Western actors such as China, Iran, and North Korea, contributing to a shift toward a more polarized global order. The United Nations has struggled to mediate effectively due to diverging political interests among major powers, particularly within the Security Council.

Economically, the Russia-Ukraine War has triggered severe disruptions across global markets, especially in energy, commodities, and agriculture. Russia's position as a major supplier of oil, natural gas, and metals, combined with Ukraine's significant role in global grain and fertilizer markets, meant that the conflict immediately disrupted supply chains (IMF, 2022). Global prices of wheat, maize, fertilizer, fuel, and natural gas surged sharply in 2022 and remained volatile through 2025. These shocks have intensified global inflation, exacerbated cost-of-living crises, and slowed post-pandemic economic recovery, particularly in developing countries (FAO, 2023).

For Europe, the war prompted a rapid reconfiguration of energy policies and supply routes. Many European states reduced dependence on Russian gas through diversification initiatives, renewable energy expansion, and emergency interventions in energy markets. However, these transitions came with significant economic costs, including high inflation, rising interest rates, and temporary energy shortages (World Bank, 2023). The conflict also revived concerns about long-term European security, prompting increased defense budgets and strategic realignments within NATO.

Beyond Europe, the conflict's ripple effects have been strongly felt across Africa, Asia, the Middle East, and Latin America. Developing nations, particularly in Africa, experienced heightened food and fuel import bills, worsening food insecurity, and currency depreciation due to global price shocks (African Development Bank, 2023). Countries reliant on imported wheat, fertilizer, and petroleum products such as Nigeria, Egypt, Kenya, and Ghana faced severe inflationary pressures. As a result, the Russia–Ukraine War has evolved into a global crisis with political, humanitarian, and economic implications that extend far beyond the battlefield.

Economic Implications of the Russia–Ukraine War on Nigeria's Economy

The Russia–Ukraine War has produced far-reaching global economic disruptions that significantly affected Nigeria's macroeconomic stability. One of the most notable implications is the fluctuation of global crude oil prices, which directly influences Nigeria's revenue since the country depends heavily on oil exports for fiscal sustainability. The immediate spike in crude oil prices in 2022 temporarily improved Nigeria's external reserves and revenue projections, but the gains were weakened by low domestic production and high subsidy payments (Adeosun, 2023). Consequently, the war amplified Nigeria's fiscal vulnerability and widened the budget deficit.

Another major implication is the sharp rise in food prices resulting from disruptions in global supply chains. Russia and Ukraine jointly account for significant shares of global exports of wheat, maize, and sunflower oil; hence, the conflict led to a sharp increase in the price of wheat-based products such as bread, noodles, and pasta in Nigeria (FAO, 2022). Nigeria, which relies heavily on wheat imports, experienced increased food inflation as import costs surged and supply became unstable. This contributed to worsening household welfare and rising poverty levels across the country (NBS, 2023).

The conflict also triggered an energy crisis, particularly affecting the prices of fuel, diesel, and cooking gas. Since Russia is a major global supplier of natural gas and refined petroleum products, sanctions and supply disruptions worsened global shortages and increased import costs for fuel-dependent economies like Nigeria (IEA, 2022). The high cost of diesel significantly affected transportation, agricultural mechanization, and manufacturing operations, leading to higher production costs and reduced industrial output. The energy shock further constrained Nigeria's economic recovery efforts in the post-COVID-19 period.

Foreign exchange instability is another crucial impact of the war on Nigeria's economy. Rising global uncertainty increased demand for the US dollar, thereby intensifying pressure on Nigeria's already strained foreign exchange market. The naira weakened as the cost of imports increased and foreign portfolio investors sought safer markets (Eze & Okafor, 2023). The depreciation of the naira contributed to imported inflation, reduced purchasing power, and increased the cost of doing business. This environment made economic planning more difficult for businesses and policymakers.

the war exacerbated Nigeria's structural weaknesses, including high import dependency, limited domestic production capacity, and vulnerability to external shocks. Rising cost of living, worsening poverty indicators, and weakened industrial productivity demonstrate the far-reaching consequences of the conflict on Nigeria's economic stability (World Bank, 2023). Despite being geographically distant from the conflict, Nigeria's interconnectedness with

global supply chains and commodity markets has made it susceptible to the cascading effects of the Russia–Ukraine War, highlighting the need for economic diversification and enhanced local production.

Global Supply Chain Disruptions

The Russia–Ukraine War has generated significant global supply chain disruptions that have affected trade, logistics, and commodity flows across multiple regions. The conflict disrupted key production and transportation corridors that connect Europe, Asia, and other parts of the world. Because Russia and Ukraine serve as major exporters of agricultural products, energy resources, and industrial inputs, the war immediately created bottlenecks in international shipping and global commodity markets (World Bank, 2022). These disruptions reverberated globally and intensified post-pandemic supply chain vulnerabilities.

One major dimension of the disruption concerns agricultural commodities. Ukraine, often referred to as the “breadbasket of Europe,” supplies large volumes of wheat, maize, and sunflower oil to global markets (FAO, 2022). The closure of Black Sea ports, destruction of farms, and blockades of shipping routes significantly reduced exports, increasing food price volatility worldwide. Consequently, food-import-dependent countries, including Nigeria, experienced sharp increases in the cost of wheat, bread, and processed foods due to higher import bills (NBS, 2023). Thus, the war created a cascading food security challenge across developing economies.

Energy supply chains were also severely affected. Russia is one of the world’s largest suppliers of crude oil, natural gas, and refined petroleum products. Economic sanctions, trade restrictions, and supply cutbacks disrupted global energy flows, leading to dramatic increases in energy prices (IEA, 2022). These disruptions affected transportation, manufacturing, and electricity generation across the world. Gas-dependent industries faced production cuts, while logistics companies experienced increased operational costs. The energy crisis reshaped global procurement patterns as countries sought alternative suppliers.

In addition to agricultural and energy products, the war disrupted the supply chains of minerals and industrial inputs. Russia and Ukraine play critical roles in the global supply of fertilizers, aluminum, nickel, palladium, and steel (UNCTAD, 2022). Interruptions in the production and shipment of these inputs created shortages that affected manufacturing, automobile production, construction, and global technology industries. Many advanced economies reported delays in production cycles, extended delivery times, and rising costs of industrial materials due to supply bottlenecks.

Logistics and transportation networks also experienced significant disruptions. Key maritime and rail routes through Eastern Europe were blocked or made inaccessible, forcing global shippers to reroute cargo through longer and more expensive pathways. Shipping insurers introduced war-risk premiums, increasing the overall cost of cargo movement (Clarkson Research, 2022). Additionally, shortages of shipping containers and port congestion intensified delays, further complicating global supply-chain recovery efforts after COVID-19.

Another implication of the conflict is its impact on global inflationary pressures. As disruptions spread across food, energy, and industrial supply chains, consumer prices rose worldwide. According to IMF (2023), supply chain shocks from the war contributed to the highest global

inflation rates in decades. These price increases lowered household purchasing power, raised production costs for businesses, and slowed economic recovery across emerging and developing economies. The widespread inflation demonstrates how globalized supply chains transmit economic shocks across borders efficiently and rapidly.

the Russia–Ukraine War exposed the fragility of global supply networks, emphasizing their interconnected nature. It highlighted the risks of overdependence on a limited number of suppliers for critical commodities such as wheat, fertilizer, and energy. The disruptions reinforced the need for diversification of supply sources, strengthening regional production capacities, and improving global logistics resilience (OECD, 2023). As the conflict persists, its long-term effects continue to reshape global trade structures and economic stability.

Crude Oil Market Fluctuations

The Russia–Ukraine War triggered unprecedented volatility in the global crude oil market, reshaping supply dynamics and price stability. Russia is the world’s third-largest oil producer and a major exporter of crude and refined petroleum products; therefore, the outbreak of the war in February 2022 disrupted global supply chains and heightened uncertainty in energy markets (IEA, 2022). This instability resulted in rapid changes in oil prices, which had significant implications for both oil-exporting and oil-importing economies. The global market reacted sharply as geopolitical risks escalated and supply expectations shifted.

At the onset of the conflict, crude oil prices surged to their highest levels in more than a decade, surpassing USD 120 per barrel in March 2022 (World Bank, 2022). The increase was driven by fears of supply shortages due to sanctions imposed on Russian oil exports by the United States, the European Union, and other Western nations. These restrictions limited Russia’s access to global markets, tightening the supply of crude oil and altering trade routes. The resulting price spike contributed to inflationary pressures across the globe, particularly in import-dependent countries.

However, the price surge was not sustained indefinitely. By late 2022 and into 2023, global oil prices began fluctuating due to a combination of strategic petroleum reserve releases, market adjustments, and changing demand patterns, especially from China and major European countries (IMF, 2023). The uncertainty in demand and the ongoing war created a highly volatile price environment, characterized by sudden spikes and declines. This volatility made long-term planning difficult for governments, investors, and industries reliant on stable energy supplies.

For oil-exporting countries such as Nigeria, the fluctuations presented mixed economic outcomes. On one hand, higher global prices should have translated into increased government revenue. However, Nigeria’s production challenges including pipeline vandalism, oil theft, and underinvestment limited its ability to meet OPEC quotas (Adeosun, 2023). As a result, the country was unable to fully benefit from windfall gains that other oil-exporting nations enjoyed. The volatility therefore reinforced the structural weaknesses of Nigeria’s oil sector.

Another critical impact of crude oil market fluctuations was the rising cost of refined petroleum products. Despite being an oil-producing nation, Nigeria imports a large proportion of its refined fuels due to inadequate domestic refining capacity. As global oil prices rose, so did the cost of importing petrol, diesel, and aviation fuel (NUPRC, 2023). This increase contributed to

higher transportation costs, elevated production expenses for businesses, and worsening inflationary pressures across the economy. The burden of fuel subsidies further strained government finances during this period.

Moreover, crude oil market instability influenced foreign exchange availability and exchange rate movements. Nigeria relies heavily on oil exports for foreign exchange earnings, and fluctuating global prices contributed to unstable revenue inflows. This uncertainty, combined with reduced production levels, weakened Nigeria's foreign reserves and intensified pressure on the naira (Eze & Okafor, 2023). The currency depreciation, in turn, amplified the cost of imports and contributed to macroeconomic instability.

The Russia–Ukraine War reshaped the global oil market through supply disruptions, sanctions, shifting trade patterns, and uncertainties in demand. These factors collectively created a period of intense and persistent volatility. For Nigeria, the crude oil market fluctuations underscored the risks associated with overdependence on oil revenue and highlighted the urgent need for diversification, increased domestic refining, and improved governance within the petroleum sector (World Bank, 2023). The experience demonstrates how external shocks, even when geographically distant, can produce significant domestic economic consequences.

Theoretical Framework

This study is anchored on Dependency Theory. Dependency Theory emerged in the late 1950s and 1960s, primarily advanced by Raúl Prebisch (1950) and later expanded by scholars such as Andre Gunder Frank (1967). Prebisch's work as part of the UN Economic Commission for Latin America (ECLA) laid the foundation for understanding unequal economic relations between industrialized "core" countries and developing "peripheral" nations (Prebisch, 1950). Frank strengthened the argument by emphasizing that the underdevelopment of peripheral states is structurally linked to the development of the core, creating a global system of exploitation and dependence (Frank, 1967). The theory thus critiques the global capitalist system as the cause of persistent economic inequality.

Dependency Theory is built on the assumption that global economic structures are inherently unequal, keeping developing countries in a subordinate and dependent state (Dos Santos, 1970). It posits that peripheral nations rely heavily on primary commodity exports and are vulnerable to external shocks, price fluctuations, and geopolitical instability controlled by core nations. It also assumes that internal policies of developing countries are shaped by external economic pressures, multinational corporations, and international financial institutions such as the IMF and World Bank (Amin, 1976). Ultimately, the theory asserts that peripheral countries cannot achieve sustainable development within the current global capitalist system.

Several scholars criticize Dependency Theory for being overly deterministic and undermining the agency of developing nations. Critics argue that the theory fails to account for the success of formerly "peripheral" states such as South Korea, Singapore, and China, which achieved industrialization within global capitalism (Evans, 1979). Others claim it oversimplifies global relations and neglects domestic factors such as governance quality, corruption, and policy choices that contribute to underdevelopment (Cardoso & Faletto, 1979). Additionally, critics state that the theory lacks clear pathways for practical economic transformation, making it more ideological than empirical.

The Russia–Ukraine conflict reinforces the core logic of Dependency Theory by exposing how developing countries, including Nigeria, remain economically vulnerable due to structural dependencies on global powers. Nigeria relies heavily on imported wheat, fertilizer, petroleum products, and industrial inputs from Russia and Ukraine, making it susceptible to supply disruptions and price shocks driven by the conflict (International Crisis Group, 2022). The war also influences Nigeria’s crude oil earnings due to shifts in global energy markets dominated by core economies, thereby illustrating how external geopolitical events dictate internal economic outcomes.

Using Dependency Theory, Nigeria’s experience during the conflict reveals deep-rooted vulnerabilities in food security, energy supply, trade balance, and inflation dynamics. The surge in global wheat and fertilizer prices, driven by disruptions in exports from Russia and Ukraine, intensified Nigeria’s food inflation and agricultural production challenges (FAO, 2022). Similarly, Nigeria’s dependence on imported refined petroleum meant it could not fully benefit from rising global crude prices, reflecting a structural dependency on external refining economies. The conflict therefore highlights how Nigeria’s economic fragility is tied to global power structures, validating Dependency Theory’s core arguments about periphery–core dependency and unequal global interdependence.

Methodology

This study adopts a descriptive research design relying exclusively on secondary data to examine the implications of the Russia–Ukraine war on Nigeria’s economy. The descriptive design is appropriate because it enables a systematic assessment of existing information, scholarly interpretations, and documented economic trends without manipulating variables. This approach allows the researcher to explore the multidimensional effects of the conflict on Nigeria's key economic sectors, including energy, food supply, inflation, trade, and fiscal stability.

The study relies entirely on secondary data collected from credible and authoritative sources, including publications from international organizations such as the World Bank, International Monetary Fund (IMF), Food and Agriculture Organization (FAO), African Development Bank (AfDB), International Crisis Group, and the Organization of Petroleum Exporting Countries (OPEC). Additional data were gathered from peer-reviewed journal articles, policy briefs, government reports from the National Bureau of Statistics (NBS), Central Bank of Nigeria (CBN), and analytical reports by reputable research institutions. These sources provide updated insights into global economic conditions, supply chain disruptions, commodity price movements, and Nigeria’s macroeconomic indicators.

A documentary analysis technique was employed to evaluate and interpret the collected secondary materials. This method involves systematically reviewing published documents to identify recurring patterns, evaluate findings, and extract relevant empirical evidence on the economic linkages between the Russia–Ukraine war and Nigeria’s economic performance. Content analysis was used to categorize the data into thematic areas such as crude oil market fluctuations, food supply challenges, inflationary pressures, trade disruptions, and fiscal implications. The thematic approach enhanced the clarity and coherence of the analysis by grouping related information under key variables.

The study also utilized trend analysis to examine changes in Nigeria's macroeconomic indicators before and after the outbreak of the Russia–Ukraine conflict in 2022. Indicators such as inflation rates, food price indices, external trade balances, crude oil revenue, and foreign exchange trends were examined using available secondary datasets. This helped establish observable patterns and provide evidence-based explanations of the conflict's transmission mechanisms into the Nigerian economy. Comparative insights from other African economies were also reviewed to situate Nigeria's experience within a broader regional context.

Presentation of Findings

The global and African economic impacts of the Russia–Ukraine War and the transmission mechanisms to Nigeria

The Russia–Ukraine war generated an immediate and powerful global macroeconomic shock by intensifying pre-existing post-COVID-19 pressures on commodity markets, inflation, and global growth. Evidence from global institutions shows that the conflict significantly raised energy, food, and fertilizer prices, deepened inflationary pressures, and slowed the fragile global recovery. The International Monetary Fund (IMF) reported that global inflation rose sharply in 2022 largely due to energy and food price shocks linked to the war, while global growth declined relative to pre-war projections as uncertainty weakened investment and consumption (IMF, 2022). The World Bank similarly observed that Brent crude oil prices surged in 2022, global food prices reached historic highs, and tighter global financial conditions increased the risk of stagflation in low- and middle-income countries (World Bank, 2022). From a trade perspective, the World Trade Organization (WTO) documented a slowdown in global merchandise trade growth as higher transport costs, disrupted shipping routes, and declining demand reduced trade volumes, particularly for energy-intensive and food-importing economies (WTO, 2022). These findings align with related studies that identify energy markets as a key transmission channel, given Russia's central role in global oil, gas, and refined product supply, where sanctions and supply re-routing tightened markets and raised global production and transport costs.

Beyond energy, the war severely disrupted global agri-food and input markets. Russia and Ukraine together accounted for a substantial share of global wheat, maize, vegetable oil, and fertilizer exports, and port closures, export bans, and logistical constraints sharply reduced supply availability. The Food and Agriculture Organization (FAO) and World Bank reported that these disruptions pushed global food prices upward and heightened food-security risks in import-dependent regions, particularly Africa (FAO, 2022; World Bank, 2022). Financial and trade channels further amplified the shock, as heightened uncertainty increased risk premia, tightened access to external finance, and generated exchange-rate volatility in emerging markets. WTO and IMF analyses show that rising borrowing costs and reduced trade finance constrained imports and investment in vulnerable economies, reinforcing real-sector effects from commodity price volatility (IMF, 2022; WTO, 2022). For Africa, UNCTAD estimated that the war reduced growth relative to pre-war forecasts, increased inflation, worsened fiscal balances, and intensified balance-of-payments pressures, with the heaviest burden falling on food- and energy-importing countries (UNCTAD, 2023).

These global and African impacts were transmitted to Nigeria through multiple channels between 2022 and 2025. First, higher global oil prices affected export revenues, but World Bank and Central Bank of Nigeria (CBN) data show that production constraints, oil theft, and limited domestic refining capacity reduced Nigeria's ability to fully benefit from price windfalls, while higher refined fuel import costs increased fiscal pressures. Second, food and input channels were significant: Nigeria's dependence on imported wheat and fertilizer meant that global price increases translated directly into higher domestic food inflation and rising agricultural production costs, consistent with IMF and World Bank findings on import-dependent economies. Third, financial spillovers heightened foreign-exchange pressures, contributed to naira depreciation, and reinforced imported inflation, worsening living-cost pressures for households (World Bank, 2023; CBN, 2023). In response, international institutions emphasized policy measures such as targeted social protection, supply diversification, domestic agricultural and fertilizer production, fiscal buffer rebuilding, and trade facilitation reforms. These prescriptions reflect lessons from related studies and underscore that reducing structural import dependence and strengthening macroeconomic resilience are central to mitigating future global commodity-driven shocks.

Effects of the Russia–Ukraine Conflict on Key Sectors of Nigeria's Economy

The Russia–Ukraine conflict has had far-reaching implications for Nigeria's economy, particularly through disruptions in the global energy market. From the Russian perspective, President Vladimir Putin has consistently framed the war as a defensive response to NATO expansion and a necessary action to protect Russia's security and economic sovereignty, arguing that Western sanctions rather than Russia's actions are responsible for global energy instability and rising prices (Putin, 2022). In contrast, President Volodymyr Zelenskyy of Ukraine has described the conflict as an unprovoked aggression that has weaponized food and energy supplies, warning that Russia's actions deliberately threaten global economic stability and the livelihoods of vulnerable countries (Zelenskyy, 2022). Empirically, Russia's position as a major oil and gas exporter meant that sanctions and supply disruptions tightened global energy markets, driving crude oil and refined product prices sharply upward (IEA, 2022). For Nigeria, higher oil prices initially suggested potential fiscal gains; however, persistent underproduction, oil theft, and pipeline vandalism constrained output, limiting the country's ability to fully benefit from elevated prices (Adeosun, 2023). Simultaneously, Nigeria's dependence on imported refined petroleum products magnified domestic energy costs, adversely affecting transportation, manufacturing, and household expenditure patterns.

The conflict also disrupted global food and agricultural input markets, with significant consequences for Nigeria's food security. President Zelenskyy has repeatedly emphasized that the blockade of Black Sea ports and attacks on Ukraine's agricultural infrastructure undermined global food supply, particularly for wheat and fertilizers destined for Africa and the Middle East (Zelenskyy, 2022). Supporting this view, the FAO reported that Russia and Ukraine together accounted for a substantial share of global wheat, maize, and fertilizer exports prior to the war, and disruptions to these flows caused sharp price increases and shortages (FAO, 2022). Nigeria, which relies heavily on wheat imports for bread and flour production, experienced rising food prices and constrained supply. In addition, increased fertilizer costs reduced

agricultural productivity, especially among smallholder farmers, thereby worsening food insecurity and reinforcing inflationary pressures (NBS, 2023).

Rising global commodity prices translated directly into elevated inflation in Nigeria. Energy price shocks increased transportation and production costs across sectors, while higher food import costs drove food inflation to record levels (World Bank, 2023). These developments reduced household purchasing power and widened poverty levels, confirming concerns raised by international institutions about the inflationary spillovers of the war on import-dependent economies. Inflationary pressures were further amplified by foreign exchange shortages, supply-chain delays, and higher logistics costs, making inflation one of the most persistent macroeconomic consequences of the conflict for Nigeria.

In the area of trade, the war altered Nigeria's import structure and increased trade-related costs. UNCTAD (2022) noted that higher prices for food, energy, and industrial inputs significantly raised import bills for developing economies, including Nigeria, thereby worsening trade balances. Disruptions to global shipping routes and higher freight costs further delayed imports and increased costs for Nigerian firms. At the same time, weakened global demand particularly in Europe, a key destination affected by the war constrained Nigeria's export diversification efforts. These developments exposed Nigeria's vulnerability to external trade shocks and its heavy reliance on imported essentials.

Fiscal and foreign exchange pressures also intensified as a result of the conflict. Higher global oil prices expanded Nigeria's fuel subsidy burden as government efforts to shield households from rising pump prices increased fiscal spending (CBN, 2023). At the same time, global monetary tightening partly triggered by war-induced inflation raised borrowing costs and worsened debt-servicing obligations. Limited oil production constrained foreign exchange inflows, while higher import costs increased demand for foreign currency, contributing to naira depreciation and further inflationary feedback effects (Eze & Okafor, 2023). These pressures reduced fiscal space and constrained investment in critical development sectors.

Therefore, the Russia–Ukraine conflict, as framed by President Putin as a geopolitical and economic confrontation with the West and by President Zelenskyy as a struggle with global humanitarian and economic consequences, underscored the interconnectedness of global and domestic economies. For Nigeria, the compounded shocks to energy, food supply, inflation, trade, and fiscal stability revealed deep structural weaknesses, including overreliance on oil exports, limited domestic refining capacity, and inadequate agricultural resilience. Consistent with related studies, these findings highlight the urgent need for structural reforms focused on economic diversification, domestic production strengthening, and improved macroeconomic buffers to mitigate future external shocks (Adeosun, 2023; World Bank, 2023).

Discussion of Findings

The findings indicate that the Russia–Ukraine war generated significant global and African economic disruptions, with clear transmission mechanisms affecting Nigeria's economy. Consistent with earlier studies, the conflict disrupted global supply chains for food, energy, and fertilizers, leading to rising commodity prices, heightened inflation, and slower economic growth worldwide (IMF, 2022; World Bank, 2023). In Africa, where many countries depend heavily on imports of wheat, fertilizer, and refined petroleum products from Russia and

Ukraine, these shocks intensified food insecurity and production costs, contributing to rising consumer prices and fiscal pressures (UNCTAD, 2022; AfDB, 2023). These global and regional shocks were transmitted to Nigeria mainly through higher import bills, exchange rate pressures, and increased domestic inflation. Related studies confirm that Nigeria's dependence on imported wheat, fertilizer, and refined fuel amplified the pass-through effects of global price increases, resulting in cost-push inflation, worsening balance-of-payments conditions, and reduced household purchasing power (CBN, 2023; Ehinomen & Adeleke, 2023).

Further findings show that between 2022 and 2025, the effects of the Russia–Ukraine conflict were uneven across key sectors of Nigeria's economy. The agricultural sector was particularly affected by higher fertilizer and wheat import costs, which translated into increased food prices and reduced food affordability, corroborating studies that link global commodity shocks to domestic food inflation in Nigeria (FAO, 2023; Olayungbo, 2024). In the oil and energy sector, although higher crude oil prices initially increased export revenues, volatility in global energy markets and Nigeria's reliance on imported refined petroleum products led to higher fuel costs, increased subsidy burdens, and rising transportation and production expenses (IMF, 2022; CBN, 2023). Similarly, the manufacturing, aviation, and transport sectors experienced elevated operating costs due to fuel price surges, resulting in reduced output and higher service prices, as supported by related empirical evidence (World Bank, 2023; UNCTAD, 2022). Overall, these findings align with existing studies and underscore that the Russia–Ukraine war significantly affected Nigeria's macroeconomic stability and sectoral performance, revealing structural vulnerabilities and the urgent need for economic diversification and domestic production capacity strengthening.

Conclusion

The Russia–Ukraine war has generated significant global economic disruptions, and Nigeria, like many developing economies, has experienced both direct and indirect consequences. The conflict intensified existing structural vulnerabilities such as reliance on imported refined petroleum products, wheat, fertilizers, and other essential commodities. As global supply chains became strained, Nigeria encountered rising food prices, heightened inflationary pressures, and challenges in energy security. Although global crude oil prices increased, Nigeria did not fully benefit due to low production levels, oil theft, and inadequate refining capacity. The conflict also worsened fiscal pressures, as government expenditures increased while revenues remained constrained, affecting broader macroeconomic stability.

Furthermore, the war exposed Nigeria's dependence on external markets and highlighted the fragility of its trade networks. Disruptions in supply from Russia and Ukraine triggered shortages of key agricultural and industrial inputs, which undermined domestic production. Nigeria's inflation accelerated largely due to surging global commodity prices. The conflict demonstrated how geopolitical tensions can transmit through global markets and exert far-reaching effects on economies with weak diversification. Ultimately, the Russia–Ukraine crisis underscores the urgent need for structural reforms and increased self-sufficiency within Nigeria's economic system.

Recommendations

1. The government should increase investment in local agriculture through improved funding, mechanization, irrigation systems, and rural infrastructure. Expanding domestic wheat, maize, and fertilizer production will reduce vulnerability to external shocks and enhance food security.
2. Nigeria must accelerate efforts to operationalize local refineries, including the Dangote Refinery and rehabilitating existing public refineries. Increasing domestic refining capacity will reduce import bills, stabilize fuel prices, and allow Nigeria to benefit more from rising global crude prices during external conflicts.

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