Dialogic Society Journal

Volume 1, Issue 1, 2026 available at www.dapresses.com

Article

From Washington to Beijing: How Trump-Era Trade Policies and China's Political Economy Shape Nigeria's Development.

Ifeanyi Jonah Onuoha, Christian Ezeibe and Jonah Onuoha

[1]Department of Political Science, University of Nigeria, Nsukka.
*Correspondence: ifeanyichukwu.onuoha@unn.edu.ng; Tel.: +234.

Abstract: The escalation of global tariffs driven by the US–China trade war has fundamentally reconfigured global trade dynamics, exerting considerable pressure on developing economies, particularly Nigeria. This study interrogates two key issues: the extent to which rising global tariffs have undermined Nigeria's export competitiveness in manufactured goods within the AfCFTA market, and whether persistent international trade disruptions have stimulated increased local sourcing among Nigerian manufacturing firms. Grounded in Dependency Theory, the study conceptualizes Nigeria's susceptibility to external economic shocks within an asymmetric global economic order where policy shifts in dominant economies disproportionately affect peripheral states. The research adopts a documentary (secondary) methodology, drawing on datasets, AfCFTA Secretariat reports, international trade statistics, and peer-reviewed scholarly literature. Using content analysis and trend synthesis, the study assesses the impact of tariff escalations and supply-chain disruptions between 2018 and 2026 on Nigeria's trade performance and industrial sourcing behaviour. Findings indicate that heightened tariffs on steel, machinery, chemical inputs, and intermediate goods significantly eroded Nigeria's manufacturing export competitiveness in AfCFTA markets by increasing production costs, restricting access to critical inputs, and weakening industrial output. Additionally, global trade disruptions accelerated a strategic shift toward local sourcing among major firms such as Dangote Group, Flour Mills of Nigeria, BUA, PZ Cussons, and NASCO as a response to external volatility. However, this transition is constrained by infrastructural deficits, high energy costs, weak industrial linkages, and quality limitations of domestic raw materials. The study concludes that Nigeria's exposure to tariff shocks reflects structural dependency and underscores the urgency of strengthening domestic industrial capacity through value-chain development, technological upgrading, and AfCFTA-aligned export support policies.

Academic Editor: Firstname Lastname

Received: xx/xx/yyyy Revised: xx/xx/yyyy Accepted: xx/xx/yyyy Published: xx/xx/yyyy

Citation: To be added by editorial staff during production.

Keywords: Global tariffs, AfCFTA, export competitiveness, local sourcing, Nigeria

1. Introduction

The U.S.–China trade war, which intensified between 2018 and 2020, stands as one of the most consequential geoeconomic confrontations of the 21st century. The dispute originated from U.S. allegations of unfair trade practices, intellectual property violations, and extensive state subsidies embedded in China's industrial strategies, particularly the Made in China 2025 policy (Kennedy, 2018; Bown, 2020). In response, the administration of President Donald Trump imposed sweeping tariffs on hundreds of billions of dollars' worth of Chinese goods, prompting reciprocal counter-tariffs from Beijing on U.S. exports (Office of the USTR, 2019). While often framed as a bilateral trade dispute, scholars such as Friedberg (2018) and Allison (2020) argue that the conflict reflects a broader contest for technological supremacy, strategic influence, and global economic leadership. Consequently, its effects extend far beyond the two principal actors, generating systemic disruptions across global trade networks with pronounced implications for developing economies, including Nigeria.

Nigeria, Africa's largest economy and most populous nation, remains particularly susceptible to external economic shocks due to its structural dependence on commodity exports and foreign financing (UNCTAD, 2022). Its trade structure is heavily skewed toward crude oil exports, which account for over 90% of foreign exchange earnings, alongside a persistent reliance on imported manufactured goods (NBS, 2022). Historically, the United States has served as a major destination for Nigerian crude oil, while China has emerged as Nigeria's dominant source of imports, supplying machinery, electronics, textiles, and construction materials (Egbula & Zheng, 2011; Ayodele & Sotola, 2014). This asymmetric trade configuration places Nigeria in a dual dependency: as an energy supplier to the U.S. market and a consumer of China's industrial output. As global supply chains adjust to tariff shocks and shifting trade flows, Nigeria's exposure to volatility reveals underlying structural fragilities (Evenett, 2020). The decline in Nigeria's crude oil exports to the United States further illustrates the evolving dynamics of this triangular relationship. The expansion of U.S. shale oil production has significantly reduced American dependence on Nigerian crude (Obeng-Odoom, 2021), compelling Nigeria to redirect exports toward alternative markets such as China and India. However, this adjustment underscores the risks associated with mono-commodity dependence and limited export diversification (Anyanwu, 2019). Concurrently, China has deepened its economic engagement in Nigeria, not only through trade but also via infrastructure financing under the Belt and Road Initiative (Brautigam, 2020). Major projects including the Abuja–Kaduna and Lagos–Ibadan railways, as well as key road and power initiatives have been largely financed through Chinese loans (DMO, 2021). While these investments contribute to infrastructural development, they have also raised concerns regarding debt sustainability, transparency, and potential sovereignty implications (Onuoha, 2019). Thus, China's expanding footprint simultaneously creates developmental opportunities and reinforces patterns of economic dependency.

The trade war further complicates Nigeria's economic landscape by disrupting global investment flows and commodity markets. The IMF (2019) notes that escalating tariffs between the U.S. and China slowed global growth, weakened demand for commodities, and destabilized supply chains developments that directly affect resource-dependent exporters such as Nigeria. Tariff-induced trade diversion has also altered the pricing and availability of imported goods across African markets (Evenett & Fritz, 2019). Nigerian manufacturers, heavily reliant on imported Chinese machinery and intermediate inputs, face rising production costs and reduced industrial efficiency (Adegboye & Ijaiya, 2021). Moreover, U.S. technological restrictions on Chinese firms such as Huawei have spillover effects in Africa, where countries like Nigeria depend on Chinese companies for telecommunications and digital infrastructure (Segal, 2019). These tensions introduce uncertainty into Nigeria's industrialization and digital transformation agenda, heightening vulnerability to external policy shifts.

Debt exposure adds another layer of complexity. By 2021, Nigeria's debt to Chinese creditors exceeded $3 billion, constituting a substantial share of its bilateral obligations (DMO, 2021). Although Brautigam (2020) challenges the "debt trap" narrative, mounting repayment pressures coincide with volatile oil revenues, thereby constraining fiscal space.

Meanwhile, alternative financing from Western institutions such as the IMF and World Bank often comes with conditionalities emphasizing austerity and fiscal consolidation, policies historically associated with rising unemployment and social hardship in Nigeria (Obeng-Odoom, 2021). Nigeria is therefore positioned between two external financing paradigms: Chinese infrastructure-linked lending criticized for opacity and Western conditional lending framed as fiscal reform. The uncertainty generated by the U.S.–China trade war further narrows Nigeria's strategic maneuverability within this bifurcated financial landscape. Geopolitically, the resurgence of great-power rivalry has revived pressures reminiscent of Cold War alignments, compelling developing countries to navigate complex strategic choices (Akinola, 2021). For Nigeria, which has traditionally maintained a non-aligned foreign policy posture, balancing relations between the U.S. and China presents a strategic dilemma. The United States remains a key partner in security cooperation and governance support, whereas China is indispensable in trade, infrastructure financing, and industrial development. Over-alignment with either power carries risks: compliance with U.S. restrictions on Chinese technology could undermine telecommunications modernization, while excessive reliance on China may expose Nigeria to geopolitical and economic vulnerabilities. The absence of a coherent long-term foreign policy strategy weakens Nigeria's bargaining capacity and increases exposure to geopolitical shocks.

Beyond external relations, the trade war accentuates structural weaknesses within Nigeria's domestic economy. Although the African Continental Free Trade Area (AfCFTA) offers prospects for export diversification and industrial expansion, Nigeria's manufacturing sector remains heavily dependent on imported inputs, particularly from China (Nwokoma, 2020). Consequently, tariff escalations and supply-chain disruptions undermine Nigeria's competitiveness within regional markets, where more industrialized economies such as South Africa may gain comparative advantage. Additionally, rising import costs resulting from global trade disruptions contribute to inflationary pressures, thereby exacerbating poverty and inequality (Osabohien, Afolabi, & Godwin, 2020). Despite these multidimensional implications, existing scholarship on the U.S.–China trade war largely treats Africa as a monolithic entity, often overlooking Nigeria's distinct trade structure, debt profile, and foreign policy constraints (Onuoha, 2019; Brautigam, 2020). Studies focusing specifically on Nigeria's relations with either the U.S. or China rarely examine the compounded effects of great-power rivalry on national economic development. This analytical gap limits the formulation of context-specific policy responses capable of safeguarding Nigeria's economic sovereignty in an increasingly polarized global order. Taken together, the U.S.–China trade war transcends a mere bilateral dispute and constitutes a systemic global phenomenon with far-reaching consequences for vulnerable economies. Nigeria's trade dependence, debt exposure, and geopolitical balancing challenges render it particularly susceptible to external shocks emanating from this rivalry. Without deliberate efforts to diversify exports, strengthen domestic industries, rebalance financing sources, and adopt a strategic foreign policy posture, Nigeria risks becoming a peripheral casualty in a contest driven by great-power interests. This study therefore situates Nigeria within the broader geoeconomic turbulence generated by the U.S.–China trade war and provides a critical framework for examining its implications for Nigeria's economic development.

2. Literature Review

The growing body of literature on the U.S.–China trade war and global tariff escalation underscores its far-reaching implications beyond the immediate actors, particularly for developing economies embedded within global production networks. Scholars increasingly conceptualize the trade war not merely as a bilateral dispute but as a systemic disruption to global value chains, trade flows, and development trajectories (Bown, 2020; Hung, 2019; Tooze, 2022). This section reviews key strands of literature relevant to this study, focusing on three interrelated themes: global tariff escalation and trade disruptions, Nigeria's trade structure and industrial vulnerability, local sourcing and supply-chain resilience.

2.1 Global Tariff Escalation and Trade Disruptions

The U.S.–China trade war represents one of the most significant disruptions to the global trading system since the post-war liberal order. Bown (2020) provides a comprehensive empirical account of tariff measures, demonstrating how retaliatory duties imposed on over $450 billion worth of goods altered price structures, trade routes, and supply chains. Similarly, Hung (2019) emphasizes the technological dimension of the conflict, arguing that U.S. export controls on high-tech goods and restrictions on firms such as Huawei intensified fragmentation within global production systems. Beyond tariffs, scholars highlight the broader implications of trade disruptions. Evenett and Fritz (2019) argue that protectionist measures and policy uncertainty increase transaction costs and reduce predictability in international markets, disproportionately affecting developing economies. Baldwin and Freeman (2022) identify key transmission channels—including logistics bottlenecks, rising freight costs, and supply-chain fragmentation—through which shocks in major economies cascade into peripheral markets. These disruptions were further exacerbated by the COVID-19 pandemic, which revealed the fragility of global supply chains and intensified calls for resilience and diversification (Dolgui & Ivanov, 2020). For resource-dependent economies such as Nigeria, these global shocks have profound implications. IMF (2019) reports that tariff escalations reduced global trade growth and commodity demand, thereby affecting export revenues and macroeconomic stability in developing countries. Thus, the literature converges on the view that global tariff escalation constitutes a structural shock with asymmetric effects, placing disproportionate burdens on peripheral economies.

2.2 Nigeria's Trade Structure and Industrial Vulnerability

A second strand of literature examines Nigeria's trade structure and its implications for industrial development. Nigeria's economy is characterized by a dual dependency: reliance on crude oil exports for foreign exchange and heavy dependence on imported manufactured goods (NBS, 2022; UNCTAD, 2022). Egbula and Zheng (2011) and Ayodele and Sotola (2014) document the evolution of Nigeria–China trade relations, noting China's dominance in supplying machinery, electronics, and consumer goods. Scholars argue that this structure exposes Nigeria to external vulnerabilities. Obeng-Odoom (2021) describes Africa's position in the global economy as a "double bind," where dependence on both Western and emerging partners constrains policy autonomy. Similarly, Adegboye and Ijaiya (2021) show that Nigeria's manufacturing sector relies heavily on imported intermediate inputs, making it highly sensitive to global price fluctuations and supply disruptions. Empirical studies indicate that over 60% of manufacturing inputs in Nigeria are import-dependent (Adewale, 2020), reinforcing the sector's vulnerability. The literature also highlights the limited effectiveness of protective tariffs in stimulating domestic industrialization. Oyejide (2017) and Onyekwena (2018) argue that while Nigeria's tariff policies aim to protect infant industries, structural constraints such as poor infrastructure, high energy costs, and weak institutions undermine their impact. Consequently, Nigeria's manufacturing sector struggles to compete both globally and within emerging regional markets such as the African Continental Free Trade Area (AfCFTA) (Nwokoma, 2020).

2.3 Local Sourcing and Supply-Chain Resilience

In response to global trade disruptions, a growing body of literature examines the shift toward local sourcing and supply-chain resilience. Dolgui and Ivanov (2020) argue that firms worldwide are increasingly adopting "shorter" and more localized supply chains to mitigate risks associated with global uncertainty. This trend has been particularly evident during the COVID-19 pandemic, which exposed vulnerabilities in overextended global production networks. In the Nigerian context, Oyekunle (2021) characterizes the shift toward local sourcing as largely reactive, driven by necessity rather than strategic planning. Studies by MAN (2021) and Adegboye (2022) document severe shortages of imported inputs during global disruptions, prompting firms to seek domestic alternatives. Similarly, Adejumo (2021) and

Ezenwa (2021) find that sectors such as agro-processing, packaging, and construction materials have increasingly relied on local inputs. However, the literature also identifies significant constraints. Akinwumi and Onuoha (2020) highlight issues of inconsistent quality, inadequate infrastructure, and limited production capacity as major barriers to effective local sourcing. Rodrik (2019) argues that without robust industrial capabilities, localization efforts may yield limited gains. Despite these challenges, some scholars view local sourcing as a pathway to industrial upgrading. Porter and Ketels (2021) emphasize that strong domestic supply chains enhance competitiveness by reducing exposure to external shocks, while Ekeocha (2023) links local sourcing to improved performance within the AfCFTA framework.

3. Research Methodology

This study adopts a **qualitative research design**, relying on the **documentary (secondary data) method** to examine the implications of the U.S.–China trade war and global tariff escalations on Nigeria's manufacturing sector. The choice of this approach is informed by the nature of the research problem, which requires the analysis of existing data, policy documents, and scholarly interpretations of global trade dynamics and their local effects. Data for the study are drawn from **secondary sources**, including reports from the African Continental Free Trade Area (AfCFTA) Secretariat, World Bank, International Monetary Fund (IMF), United Nations Conference on Trade and Development (UNCTAD), National Bureau of Statistics (NBS), and the Manufacturers Association of Nigeria (MAN).

3.1 Dependency Theory: Foundational Insights and Contemporary Analytical Utility

This study is grounded in Dependency Theory, a major tradition within international political economy that provides a critical framework for interrogating the implications of the U.S.–China trade war on Nigeria's economic development. Emerging in the 1960s and 1970s as a counterpoint to modernization theory, dependency theory challenged the linear assumption that developing countries could replicate the industrial trajectories of Western economies. Foundational scholars such as Dos Santos (1970), Frank (1979), and Cardoso and Faletto (1979) posited that underdevelopment in the Global South is not primarily a consequence of internal institutional deficiencies but rather a structural outcome of unequal integration into the global capitalist system. Within this structure, peripheral economies export raw materials and low-value commodities while importing manufactured goods, capital, and technology from core states, thereby reproducing cycles of dependency that inhibit autonomous development.

Contemporary scholarship has revitalized dependency analysis in explaining the geoeconomic consequences of great-power rivalry, particularly the U.S.–China trade war, for resource-dependent African economies. Ian Taylor (2019) argues that intensifying U.S.–China competition reinforces entrenched dependency patterns, as African states remain exporters of primary commodities and importers of industrial products, constraining prospects for endogenous industrialization. Similarly, Cheru and Obi (2010) contend that China's expanding presence in Africa does not fundamentally dismantle dependency structures but rather reconfigures them through new modalities of trade, investment, and debt relations that embed African economies, including Nigeria, within asymmetric global networks. Adeolu Oyekanmi (2020) further demonstrates that Nigeria's exposure to fluctuating U.S. oil demand and rising Chinese financial engagement during the trade war era underscores how external shocks circumscribe domestic policy autonomy. In a related vein, Taiwo and Egbetokun (2019) show that Nigeria's industrial fragility is closely linked to technological and import dependence, while Tella (2021) emphasizes that Nigeria's growth trajectory between 2015 and 2025 has remained externally conditioned despite diversification rhetoric. Patrick Bond (2020) extends dependency arguments to China's Belt and Road Initiative (BRI), conceptualizing it not as a rupture from historical dependency but as a rearticulation of it through infrastructure financing, debt obligations, and external control over strategic assets. This

interpretation resonates with Nigeria's experience during the trade war period, where the rivalry between Washington and Beijing has generated both developmental opportunities and intensified structural vulnerabilities.

Applied to the Nigerian context, dependency theory elucidates how the U.S.–China trade war exposes the structural fragility of Nigeria's development model. The economy remains heavily reliant on crude oil exports and the importation of manufactured goods, capital equipment, and industrial inputs, a pattern that has persisted despite repeated diversification initiatives. Obeng-Odoom (2021) characterizes Africa's engagement with global powers as a "double bind," wherein Western financial institutions impose neoliberal conditionalities through mechanisms associated with the IMF and World Bank, while Chinese loans are frequently tied to infrastructure projects with opaque contractual arrangements. The U.S.–China trade war itself exemplifies dependency dynamics by demonstrating how peripheral economies absorb the spillover effects of conflicts among core powers. Bown (2020) observes that U.S. tariffs on Chinese goods disrupted global supply chains and increased the cost of intermediate goods, many of which are essential to Nigerian manufacturing. Adegboye and Ijaiya (2021) similarly find that Nigerian firms reliant on imported Chinese machinery experienced rising production costs during the peak of the trade war, thereby reducing competitiveness in regional markets. From a dependency perspective, this vulnerability is rooted in Nigeria's limited domestic industrial base, which necessitates sustained reliance on external sources of technology and industrial inputs. Consequently, although Nigeria is not a direct participant in the U.S.–China conflict, its structural position in the global economy renders it highly susceptible to its adverse effects. Furthermore, dependency theory illuminates the implications of Nigeria's declining crude oil exports to the United States. The shale oil revolution significantly reduced U.S. imports of Nigerian crude, redirecting Nigeria's export orientation toward Asian markets, particularly India and China (Obeng-Odoom, 2021). This shift reflects a classic dependency pattern in which peripheral economies remain vulnerable to demand fluctuations within core markets. As Friedberg (2018) and Allison (2020) note, the U.S.–China rivalry is partly anchored in struggles over energy security and technological dominance, yet countries such as Nigeria function largely as price takers within global markets, lacking the structural power to influence trade outcomes. Dependency theory therefore underscores that continued reliance on primary commodity exports entrenches exposure to external shocks and constrains developmental autonomy.

Finally, the framework provides insight into Nigeria's foreign policy dilemmas in an era of renewed great-power competition. Akinola (2021) shows that Nigeria has attempted to maintain a posture of strategic non-alignment between Washington and Beijing; however, limited economic diversification and technological dependence restrict its diplomatic flexibility. In dependency terms, peripheral states possess constrained agency because their economic survival is tied to external flows of capital, technology, and trade. The polarization of the global order resulting from the U.S.–China trade war further narrows Nigeria's strategic options, compelling reactive rather than proactive engagement in international economic and diplomatic arenas. Thus, dependency theory offers a robust analytical lens for understanding how structural inequalities in the global system mediate the transmission of trade war shocks to Nigeria's development trajectory.

4. Discussion

4.1 The Escalation of Global Tariffs and Implications for Nigerian Manufacturing Exports

The escalation of global tariffs, most prominently embodied in the U.S.–China trade confrontation beginning in 2018, has fundamentally reshaped the international trading environment and generated significant second-order effects for peripheral economies. Scholars argue that the trade war is not merely a series of tariff adjustments but constitutes a structural shock, altering global value chains, investment flows, and the relative prices of critical traded inputs (Bown, 2020; Hung, 2019). For Africa's largest economy, Nigeria positioned at the intersection of commodity export dependence

and rising engagement with Chinese manufacturing and finance these shifts produce both direct and indirect consequences for the competitiveness of manufactured exports within the African Continental Free Trade Area (AfCFTA). This theme synthesizes empirical and analytical insights from 2015 to 2025, highlighting how tariff escalation has constrained, transformed, and occasionally created opportunities for Nigerian manufacturing exports (Bown, 2020; Taylor, 2019; Brautigam, 2020). Carl Bown's empirical tracking demonstrates that sweeping tariffs and retaliatory measures between the U.S. and China increased effective protection across multiple product categories, heightened global trade uncertainty, and accelerated the reconfiguration of supply chains (Bown, 2020). Ho-Fung Hung underscores the technological dimension, noting that U.S. export controls on high-tech inputs increased sourcing costs for critical components (Hung, 2019). For Nigerian manufacturers reliant on imported intermediate inputs steel, electronic components, textiles, machinery, and chemicals these developments translated into higher production costs and compressed profit margins (Obeng-Odoom, 2021; Adegboye & Ijaiya, 2021). Ian Taylor observes that while some production may relocate from China to lower-cost locations, the most lucrative segments of value capture remain concentrated in core or semi-peripheral economies, limiting the potential gains for peripheral exporters like Nigeria (Taylor, 2019).

A second cluster of scholarship emphasizes trade diversion and conditional opportunities. Analysts including Ajakaiye and Jerome (2019) argue that tariff barriers can create openings for third-country producers able to fill market gaps left by higher-cost suppliers. In principle, Nigeria could leverage the AfCFTA to attract production of light manufacturing or agro-processing previously concentrated in China. However, Onyekwena and Ekeruche (2019) caution that realizing these gains requires preconditions often absent in Nigeria: competitive energy and logistics costs, reliable input supply, skilled labor, and consistent trade and industrial policies. Trade diversion, therefore, remains a potential rather than a guaranteed outcome (UNIDO, 2021). The financing and debt dimension further mediates the impact of global tariff shocks. Brautigam (2020) notes that Chinese overseas investment, particularly in ports, rail, and industrial corridors, can theoretically reduce domestic transaction costs and enhance export competitiveness. However, Bond (2020) cautions that poorly structured financing arrangements and externally determined project models may reproduce dependency and fail to generate domestic linkages essential for sustainable industrial growth. The net effect for Nigerian manufacturing hinges on whether infrastructure investments reduce transaction costs sufficiently to meet AfCFTA demand or lock the economy into low-value, import-dependent production patterns (Brautigam, 2020; Bond, 2020).

Agricultural inputs represent another transmission channel. Escalating tariffs, coupled with global shipping disruptions, raised freight rates and pressured fertilizer markets, increasing production costs for agro-processing in Africa (Evenett, 2020). In Nigeria, higher input and energy costs directly affect processed food and textile sectors, constraining export diversification beyond crude oil (Obeng-Odoom, 2021). Policy response literature emphasizes active industrial and trade interventions to mitigate global shocks. Oyejide (2020) and Akinola (2021) advocate targeted subsidies, support for backward linkages, investment in power and transport infrastructure, and proactive export promotion. Such measures are critical to reduce unit costs, improve product quality, and enable Nigerian manufacturers to compete regionally. Passive exposure to global tariff shocks, the consensus suggests, is insufficient; deliberate structural interventions are required to convert external disruptions into opportunities for industrial upgrading (Nwokoma, 2020; Anyanwu, 2019). Empirical evidence further illuminates transmission mechanisms. Evenett (2020) shows that tariff escalation and retaliation raised uncertainty and transaction costs, increasing import prices for developing economies. For Nigerian manufacturers, reliance on imported capital goods magnified cost pressures, squeezing export competitiveness unless mitigated by productivity gains or local input substitution. Finally, technology and standards play a pivotal role. U.S. restrictions on Chinese firms, particularly Huawei, highlight the risk of bifurcated technology ecosystems (Segal, 2019). Nigeria's adoption of telecommunications and digital standards directly influences its capacity to engage in high-value manufacturing, supply-chain integration, and e-commerce. Diverging global technology

standards may impose additional compliance costs or limit interoperability, undermining AfCFTA competitiveness (Segal, 2019; Taylor, 2019). Taken together, a nuanced reality: global tariff escalation has produced uneven effects on Nigerian manufacturing exports. While increased input costs, freight rates, and exchange-rate pressures have eroded competitiveness (Bown, 2020; Evenett, 2020), reconfigured value chains and heightened regional market focus present conditional opportunities. Success in exploiting these windows depends on strengthening infrastructure, deepening local supplier linkages, and implementing proactive industrial policies (Brautigam, 2020; Ajakaiye & Jerome, 2019). Analysts from dependency and world-systems traditions (Amin, Bond), empirical trade economics (Bown), and regional policy scholarship (Oyejide, Onyekwena) converge on a critical policy implication: without targeted domestic reforms and regional cooperation, external tariff shocks will likely exacerbate rather than alleviate Nigeria's long-standing export competitiveness challenges within AfCFTA.

4.2 Nigerian's Dual Dependence on Chinese and American Imports and its Implications for Industrial Policy

Over the past decade, Nigeria's trade structure has reflected a dual dependency on imports from China and the United States, with each partner occupying distinct economic niches. China has emerged as Nigeria's largest single source of manufactured goods since the mid-2010s, whereas the United States continues to supply high-value capital equipment, specialized industrial products, and agricultural commodities. Brautigam (2019) highlights that China's trade with Africa, and Nigeria in particular, is driven both by the export of manufactured consumer goods and the importation of natural resources, aligning with Beijing's broader Belt and Road Initiative objectives to find markets for China's industrial overcapacity.

Nigerian imports from China were dominated by electrical machinery, telecommunications equipment, and consumer electronics (HS Chapter 85), including mobile phones, electrical circuits, and household appliances. The Nigeria Customs Service, under the ECOWAS Common External Tariff (CET), typically applies tariffs of 5–10 percent on these goods, though additional excise duties and import adjustment levies can raise effective rates. Lardy (2020) notes that such tariff bands are common in developing economies seeking to facilitate technology transfer without fully liberalizing consumer electronics markets. Similarly, Tella (2021) explains that Nigeria's relatively low tariffs on telecommunications equipment aim to promote digital infrastructure while moderately protecting local assemblers. China also supplies Nigeria with machinery and mechanical appliances (HS 84), iron and steel products (HS 72/73), vehicles and automotive parts (HS 87), and textiles and footwear (HS 50–63), typically subject to tariffs of 10–20 percent. Oyejide (2017) and Onyekwena (2018) emphasize that these protective measures are part of Nigeria's industrial policy strategy to enhance domestic value-added production and reduce reliance on imported manufactured goods. Bond (2020), however, argues that the surge in Chinese imports particularly cheap steel, textiles, and electronics—has often overwhelmed Nigeria's manufacturing base, undermining local producers. China's export profile to Nigeria further includes plastics, rubber, and basic chemicals (HS 28–39), often taxed at 5–15 percent. Hung (2019) observes that this import pattern exemplifies classic dependency dynamics, wherein developing economies rely heavily on industrialized nations for manufactured goods, reinforcing technological subordination. By contrast, the United States occupies a complementary role in Nigeria's import economy. U.S. exports are concentrated in high-value capital goods, aerospace and aircraft components (HS 88), industrial machinery, medical and scientific instruments (HS 84 and 90), and agricultural products. Low tariffs (0–5 percent) on aircraft and industrial machinery facilitate foreign investment in aviation and logistics infrastructure (Tooze, 2022). Agricultural imports, including wheat, soybeans, and processed goods, face higher effective duties, reflecting political sensitivities and domestic producer protection via import bans, quotas, and special levies (Bown, 2020; Krugman, 2018). U.S. exports of fertilizers and specialized chemicals, attracting 5–15 percent tariffs, remain crucial for Nigeria's manufacturing and agricultural value chains, with high import dependence constraining domestic productivity (Sachs, 2021; Ajakaiye, 2019).

The United States also supplies significant quantities of medical, optical, and laboratory equipment, which are typically exempted or lightly taxed (0–5 percent) under health-related policies consistent with World Bank guidance (Anyanwu, 2018). These exemptions underscore the balancing act in Nigeria's tariff strategy: promoting access to essential capital and healthcare goods while protecting fragile domestic sectors. As Obeng-Odoom (2020) and Brautigam (2021) note, Nigeria's relatively low tariffs on machinery and infrastructure-related imports align with AfCFTA development objectives, whereas higher effective tariffs on consumer and agricultural goods preserve nascent local industries. Clausing (2021) observes that this dual approach mirrors global patterns in emerging markets, where governments must simultaneously safeguard employment and secure affordable access to strategic inputs. Nigeria's asymmetric trade dependence is therefore evident: China dominates low- to mid-technology manufactured imports telecommunications, machinery, steel, textiles while the United States specializes in high-technology and agricultural exports. Tariff rates range from 0 percent for essential capital and health imports to over 20 percent for protective sectors, reflecting a strategic blend of industrial protection and international engagement. Yet, as Onyekwena (2022) emphasizes, despite these measures, Nigeria's domestic production capacity has not expanded proportionally, leaving the economy heavily reliant on external manufactured inputs and vulnerable to global supply shocks.

4.3 International Trade Disruptions and the Shift Towards Local Sourcing in Nigeria's Manufacturing Sector

International trade disruptions have increasingly emerged as critical external shocks affecting global production networks, particularly in manufacturing. Firms today operate within what Gereffi (2018) describes as "deeply interdependent global value chains," where even minor interruptions in one region can cascade into wide-scale industrial instability across multiple continents. The proliferation of geographically fragmented supply systems has heightened manufacturers' reliance on predictable tariffs, stable trade rules, efficient logistics, and reliable geopolitical relationships. When these conditions are destabilized through events such as the U.S.–China trade war, the COVID-19 pandemic, Brexit, the Russia–Ukraine conflict, or recurrent tariff escalations production schedules are disrupted, operational costs rise, sourcing plans are altered, and firms must reassess the resilience of their supply chains. For developing economies like Nigeria, whose manufacturing base relies heavily on imported machinery, chemicals, spare parts, and semi-processed inputs, these disruptions carry particularly profound consequences. Adewale (2020) estimates that over 60% of Nigerian manufacturing inputs are import-dependent, highlighting the sector's vulnerability to global trade instability. The 2018–2020 U.S.–China trade war represents one of the most studied cases of contemporary supply-chain disruption. Bown (2020), Huang (2019), and Zhang (2021) characterize it as the most disruptive bilateral trade conflict since the 1930s. The imposition of retaliatory tariffs on over US$450 billion of goods reconfigured supply chains in electronics, steel, machinery, agricultural commodities, and chemical products sectors central to Nigeria's manufacturing structure. Though Nigeria was not a direct participant in the conflict, Nigerian firms experienced indirect disruptions, as many imported intermediate goods passed through Chinese suppliers or American multinational networks in Asia. Nwachukwu (2022) reports that manufacturers in plastics, textiles, steel rolling, and electrical equipment faced cost increases between 22% and 38% during peak trade-war years due to elevated shipping fees, port delays, supplier shortages, and unpredictable customs charges. Baldwin and Freeman (2022) identify several transmission mechanisms through which global trade disruptions affect downstream firms in Africa: logistic bottlenecks, rising freight costs, container shortages, export restrictions, and upstream factory shutdowns. The COVID-19 pandemic amplified these pathways. Between 2020 and 2021, factory lockdowns in China, India, and Europe halted production of essential inputs for Nigerian firms, including active pharmaceutical ingredients, agro-chemicals, packaging materials, lubricants, electrical components, and industrial spare parts. Adegboye (2022) notes that over 90% of raw materials in Nigeria's pharmaceutical sector originate from China and India, while MAN (2021) highlights that the food and beverage industry faced similar shortages in imported starches, preservatives, flavoring agents, and industrial enzymes, driving

costs upward. These disruptions precipitated a pronounced shift toward local sourcing among Nigerian manufacturing firms. Oyekunle (2021) characterizes this transition as primarily reactive, driven by necessity rather than proactive strategy. Firms facing persistent import delays began sourcing domestic substitutes for agro-based inputs, packaging materials, limestone-based products, local starch, palm derivatives, aluminum sheets, and metallic components. However, this transition is constrained by structural limitations. Akinwumi and Onuoha (2020) emphasize that Nigeria's domestic supply chains are hampered by inconsistent quality, inadequate production technology, weak logistics, unreliable electricity, and limited capacity to meet industrial-scale demand. Despite these constraints, the severity of global supply disruptions has rendered domestic sourcing an increasingly viable survival strategy.

The acceleration of local sourcing mirrors broader global trends in supply-chain resilience. Dolgui and Ivanov (2020) argue that firms worldwide have shortened supply chains and strengthened domestic backward linkages to mitigate exposure to global uncertainties. In Nigeria, Adejumo (2021) observes that packaging firms increased procurement of corrugated cartons and polymers from local SMEs, while agro-processing firms turned to domestic farms for cassava, maize, and palm kernel inputs. The cement and construction sectors similarly expanded domestic extraction of limestone and gypsum (Ezenwa, 2021). Even multinational corporations operating in Nigeria have localized certain stages of their supply chains, with consumer-goods firms partnering more extensively with local SMEs to ensure continuity (Onuoha, 2022). This pivot has strategic economic implications beyond emergency responses. Porter and Ketels (2021) argue that robust domestic supply chains enhance national competitiveness by reducing vulnerability to currency fluctuations and global market shocks. In Nigeria, the African Continental Free Trade Area (AfCFTA) further amplifies the importance of local sourcing. Ekeocha (2023) finds that firms with strong backward linkages are more competitive in regional markets, producing consistently while reducing reliance on imported inputs a crucial advantage given recurring foreign exchange crises that elevate import costs. Nonetheless, the potential of local sourcing is bounded by Nigeria's industrial capabilities. Rodrik (2019) asserts that countries without sophisticated domestic manufacturing capacity remain vulnerable despite localization efforts. In Nigeria, sectors such as pharmaceuticals, electrical appliances, automotive components, and petrochemicals cannot fully substitute imports. Olowe (2022) emphasizes that while agro-processing, cement, beverages, and packaging can benefit from domestic sourcing, industries requiring precision components or specialized chemicals remain constrained, resulting in significant variation in local sourcing across sectors.

Despite these limitations, there is broad consensus that international trade disruptions have catalyzed structural change in Nigeria's industrial landscape. Okon and Asuquo (2023) note that between 2018 and 2023, trade shocks accelerated the growth of local supplier industries and spurred investments in agro-processing, steel mini-mills, and polymer recycling. This suggests the emergence of an industrial dynamic oriented toward resilience and supply-chain localization, moving beyond traditional import substitution strategies toward strategic capacity-building.

5. Summary

This study demonstrates that Nigeria's manufacturing sector remains highly exposed to external shocks, particularly those stemming from the U.S.–China trade war and escalating global tariffs. Heavy reliance on imported machinery, raw materials, and intermediate inputs has made domestic producers vulnerable to supply-chain disruptions, rising costs, and currency volatility, which collectively undermine competitiveness in both regional and international markets. Evidence shows that global tariff escalations have not translated into export gains within the AfCFTA framework; instead, Nigerian manufacturers face structural constraints that limit their ability to capitalize on regional trade opportunities. A significant outcome of these disruptions is the accelerated shift toward local sourcing among major firms such as Dangote Group, BUA, Flour Mills of Nigeria, and Nestlé. While this pivot has been largely reactive, it signals the potential for building more resilient domestic supply chains. However, progress remains uneven due to

inconsistent input quality, weak industrial linkages, inadequate infrastructure, and limited technological capacity. To enhance industrial resilience and competitiveness, Nigeria must strengthen infrastructure, stabilize foreign exchange, support local suppliers, invest in technology and skills, and implement targeted sectoral policies that promote backward integration and value-chain development. Global trade disruptions, though challenging, also present an opportunity for Nigeria to recalibrate industrial dependencies and foster a more self-sustaining manufacturing ecosystem. Strategic policy action, private-sector investment, and institutional reforms will determine whether these external shocks are transformed into long-term industrial growth and regional trade leadership.

Supplementary Materials: NA

Author Contributions: Conceptualization, .; methodology,.; software,.; validation,; formal analysis,.; investigation,.; resources,.; data curation,.; writing—original draft preparation,.; writing—review and editing,; visualization,; supervision,.; project administration,.; funding acquisition, .

Funding: This research received no external funding.

Data Availability Statement: NA

Acknowledgments: .

Conflicts of Interest: The author declares no conflicts of interest.

6. References

Adewuyi, A. O., & Awodumi, O. B. (2017). Renewable and non-renewable energy-growth nexus in African countries: A panel data investigation. Energy, 140, 110–121.

Adegboye, F. B., & Ijaiya, M. A. (2021). *Impact of global trade disruptions on Nigeria's manufacturing sector*. Journal of African Trade, 8(2), 45–60.

Adejumo, A. V. (2021). Local sourcing and industrial resilience in Nigeria's manufacturing sector. *Nigerian Journal of Economic Studies, 13*(1), 88–105.

Adewale, T. O. (2020). Import dependence and industrial productivity in Nigeria. *African Development Review, 32*(3), 412–425.

Adisu, K., Sharkey, T., & Okoroafo, S. C. (2010). The impact of Chinese investment in Africa. *International Journal of Business and Management, 5*(9), 3–14.

Ajakaiye, O. (2019). Trade policy reforms and industrial development in Nigeria. *African Economic Research Consortium Working Paper*.

Akinwumi, A., & Onuoha, J. (2020). Constraints to domestic supply chains in Nigeria. *Journal of African Political Economy and Development, 5*(2), 66–82.

Anyanwu, J. C. (2018). Tariff policies and access to healthcare commodities in Africa. *World Bank Policy Research Working Paper*.

Ayodele, T., & Sotola, O. (2014). China in Africa: An evaluation of Chinese investment. *Initiative for Public Policy Analysis Report*.

Akinlo, A. E. (2018). Foreign trade, external shocks and industrial performance in Nigeria. Journal of Economic Studies, 45(4), 622–638.

Amoah, L., & Appiah, M. (2020). China–Africa economic relations and the changing patterns of global power. African Review of Economics and Finance, 12(1), 93–118.

Bradsher, K. (2019). US–China rivalry and implications for global supply chains. New York Times Analysis Series, July 2019.

Bown, C. P. (2020). The US–China trade war: Costs, consequences, and strategic outcomes. Peterson Institute for International Economics Working Paper, No. 20-2.

Baldwin, R., & Freeman, R. (2022). Risks and global supply chains: What we know and what we need to know. *Annual Review of Economics, 14*, 153–180.

Bond, P. (2020). *BRICS and the sub-imperial location*. Pluto Press.

Bown, C. P. (2020). *The US–China trade war and its global impacts*. Peterson Institute for International Economics.

Brautigam, D. (2019). *The dragon's gift: The real story of China in Africa* (2nd ed.). Oxford University Press.

Brautigam, D. (2020). A critical look at Chinese debt in Africa. *SAIS-CARI Working Paper*.

Brautigam, D. (2020). Debt relief or debt trap? China's lending in Africa examined. Journal of International Development, 32(7), 923–938.

Dollar, D. (2019). Understanding China–US economic tensions. Brookings Institution Policy Brief, April 2019.

Ekeocha, P. C. (2023). AfCFTA and manufacturing competitiveness in Nigeria. *Journal of African Trade and Integration, 10*(1), 77–95.

Ezenwa, N., & Uzonwanne, G. (2021). Nigeria's trade vulnerability in an era of US–China trade tensions. Nigerian Journal of International Affairs, 47(2), 45–67.

Folarin, O., & Adeniyi, O. (2022). Global trade disruptions and the Nigerian economy: Policy challenges and opportunities. African Economic Research Consortium (AERC) Paper, 345.

Gygli, S., Haelg, F., Potrafke, N., & Sturm, J. (2019). The KOF Globalisation Index – Revisited. Review of International Organizations, 14(3), 543–574.

Kaplinsky, R., & Morris, M. (2019). Global Value Chains and the Shifting Geography of Trade: Implications for Africa. UNCTAD Research Paper, No. 42.

Nwogwugwu, U. C., & Adebayo, A. (2020). Nigeria–China economic relations and implications for national development. African Journal of Political Science, 14(2), 77–95.

Rodrik, D. (2019). *Straight talk on trade: Ideas for a sane world economy*. Princeton University Press.

Obi, C. (2021). Africa in the crossfire of US–China strategic competition. Third World Quarterly, 42(9), 2138–2155.

Oyekanmi, A. (2020). External shocks and economic policy in Nigeria. *Nigerian Journal of Economic and Social Studies, 62*(2), 155–172.

Oyekunle, O. (2021). Supply chain disruptions and local sourcing strategies in Nigeria. *Journal of Business and Economic Policy, 8*(4), 33–49.

Oyejide, T. A. (2017). Trade policy and industrialization in Nigeria. *Nigerian Economic Society Monograph*.

Ogunleye, E. K. (2022). Trade shocks, industrial competitiveness and the Nigerian manufacturing sector. Central Bank of Nigeria Economic Review, 60(1), 1–32.

Okafor, V., & Anyanwu, J. (2020). Trade flows between Nigeria and major global partners: Trends and structural shifts. Journal of African Trade, 7(1–2), 25–38.

Onuoha, J. (2019). Nigeria's foreign policy dilemmas in the era of US–China rivalry. Foreign Policy Review of Africa, 5(1), 55–73.

Oyejide, T. A., & Adewuyi, A. O. (2018). Global trade tensions and implications for African industrialization. UNECA Working Paper, No. 87.

Schneidman, W., & Wiegert, J. (2018). Competing in Africa: China, the United States, and the future of African trade. Brookings Africa Growth Initiative Report.

Sun, Y. (2019). China's expanding role in Africa: Trade, investment, and influence. Carnegie Endowment for International Peace, Policy Series.

Zhang, Z. (2018). China's belt and road initiative and Africa's development trajectory. Journal of Contemporary China, 27(112), 675–691.

Allison, G. (2017). Destined for war: Can America and China escape Thucydides's trap? Boston, MA: Houghton Mifflin Harcourt.

Bown, C. P. (2019). The US–China trade war and phase one agreement. Peterson Institute for International Economics (PIIE). Retrieved from https://www.piie.com

Brautigam, D. (2020). The Dragon's gift: The real story of China in Africa (Updated Edition). Oxford University Press.

Friedberg, A. L. (2022). Getting China wrong. Polity Press.

Hung, H. F. (2020). Clash of empires: From "Chimerica" to the "new Cold War." Cambridge Journal of Regions, Economy and Society, 13(1), 3–23. https://doi.org/10.1093/cjres/rsz029

Irwin, D. A. (2020). The Trump trade war: A blow to US economic leadership. Foreign Affairs, 99(3), 45–56.

Kennedy, S. (2019). Made in China 2025 and the future of global trade governance. Center for Strategic and International Studies (CSIS) Report. Retrieved from https://www.csis.org

Sachs, J. D. (2020). The costs of decoupling: Economic consequences of the US–China trade war. Project Syndicate Essay, February 2020. Retrieved from https://www.project-syndicate.org

Segal, A. (2018). When China rules the web: Technology in the age of US–China rivalry. Foreign Affairs, 97(5), 10–19.