

THE EFFECTS OF THE RUSSIA AND UKRAINE WAR ON NIGERIA INTERNATIONAL TRADE

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Abstract

This study examined the effects of the Russia and Ukraine war on Nigeria international trade. It focuses on how the Russian and Ukrainian war has affected Nigerian international trade and economic activities. To guide this study, three research questions were raised in line with the objectives of the study. Relevant literature by scholars in agreement with the objectives of the study were reviewed. This study is historical in nature hence it adopted descriptive method of data collection. Data were collected from secondary sources, such as books, journal articles, magazines, internet sources, international and national conference proceedings, published and unpublished articles. The study employed annual data spanning from 2014 to 2022 to uncover the impact of the Russian-Ukrainian war on trade relations extracted from the World Development Indicators (WDI). Data gathered were analysed qualitatively using the content analysis in examining the various issues that were raised in the study. The findings of this study indicated that the Russia-Ukraine conflict has led to global supply chain disruption, increased energy costs, increased fuel imports and subsidy bills, government fiscal operations, the smuggling of petroleum products on the decreased wheat export from the region. It also revealed that the war had both positive and negative effects on Nigeria's international trade, including a decline in Nigeria-Russia trade, soaring food prices, increased crude oil prices and changes in oil production structure. That Nigeria has also diversified trade attention to other suppliers of agricultural products such as Poland and Canada and has extended ties with Poland and trade with Canada, the United States and Brazil for wheat and other agricultural products. On the strength of the above findings, the researcher recommend that policymakers must begin to focus on alternative means of subsistence in the event that Russia decides to respond by punishing the rest of the world through export restrictions and that Policy makers and national stakeholders should support domestic production of essential commodities imported from Russia and even from Ukraine.

Introduction

The world has witnessed a significant disruption in economic activities due to the lockdown restrictions during the COVID pandemic (Ozili and Arun, 2020). Global recovery from the COVID pandemic began in early 2022. Many countries announced plans to remove COVID-era restrictions due to a significant decline in the number of reported COVID infections and death cases in many countries. At the start of 2022, there was great optimism about post-COVID economic growth as many countries intensified efforts to control rising inflation and to spur growth. This led to a positive outlook for global growth which was predicted to increase to 4.4 or 4.9 percent in 2022 according to the International Monetary Fund (IMF), and World Economic Outlook (WEO). During the same period, Russia invaded Ukraine in February of 2022. The invasion led to geopolitical tensions between the West and Russia, and it diminished global growth forecast due to uncertainty about the effects of the conflict on global supply chain.

Russia's reasons for going into conflict with Ukraine is to protect its border and to maintain its regional influence in the east of Europe (Mankoff, 2014). Since the 2000s, Ukraine has been wavering between the West and Russia. This means that Ukraine has not been able to fully join a Western alliance and has not accepted to be fully under Russian influence. In 2008, Ukraine planned to formally join the North Atlantic Treaty Organization (NATO), a move that was supported by the United States but was opposed by France and Germany after Russia announced its opposition to Ukraine's membership of NATO. Subsequently, the plan to join NATO was postponed to a later time. In February 2010, a new Ukrainian President was elected who promised that Ukraine will be a 'neutral state' which will cooperate with Russia and Western alliances like the European Union and NATO. Soon after Crimea was annexed by Russia in 2014, the annexation led to violence in Donbas and led to intense fighting and violence along the border regions that separated Russian and Ukraine to the east of Europe. Since then, Ukrainian public sentiment has been towards the West with calls for Ukraine to join NATO and the EU to reduce its dependence on Russia. But Russia's opposition of Ukraine's membership of NATO since 2010 has caused escalation between the two countries. While the full economic consequences of Russian invasion of Ukraine may not be fully known until the crisis ends, early economic data show some significant movement in global economic data as a result of Russian invasion of Ukraine (Allison, 2022). Hence the need to peruse into the effects of the Russia and Ukraine war on international trade especially Nigeria.

Following weeks of international tension and suspicion about Russian President Vladimir Putin's intentions toward Ukrainian President, Russian forces invaded Ukraine from multiple angles (Poroshenko, 2022). Russia recently recognized the independence of the entire Donbas region in eastern Ukraine, implying at first that Russia's ambitions were limited to the independence of the eastern provinces (Poroshenko, 2022). Russia, on the other hand, responded by deploying soldiers into Ukraine from many angles and launching a full-fledged invasion of the nation. Threats to Ukrainian sovereignty by Russia are nothing new, according to Kriesberg (2022). Russia has tried to influence Ukraine's internal and diplomatic policies since the country's foundation. Russia opposes stronger connections between Ukraine and the European Union, and it opposes Ukraine joining NATO outrightly (Kriesberg, 2022).

Ukraine's ten-year quest for deeper relations with the EU came to a halt in 2014, when Russia invaded Crimea (Kriesberg, 2022). Russia also backed separatist movements in the eastern provinces of Donetsk and Luhansk, which culminated in nearly a third of the territory proclaiming independence from Ukraine. The separatist factions signed the Minsk Protocol shortly after its formation, with the aid of France and Germany, in order to restore peace to the area and reintegrate the breakaway Republics into Ukraine in exchange for local elections and decentralization (Poroshenko, 2022). The Minsk Protocol's conditions were never met. Putin's aims are clear: he wants to take over Ukraine and keep it under Russian rule indefinitely, preventing it from pursuing stronger economic ties with the EU or joining NATO (Poroshenko, 2022). Ukraine will pay a tremendous humanitarian and economic price for Russia's assault. The immediate international reaction has been to tighten current sanctions by restricting Russian persons and businesses' capacity to participate in commercial transactions with the rest of the world. Since its invasion of Crimea in 2014, Russia has been subjected to international sanctions. Travel bans, asset freezes, and limits on imports and exports in different industries have all come from the sanctions imposed by the United States of America (USA), the EU, and other nations (Dreger, 2021). Access to U.S. A and other foreign financial markets has curtailed Russian banks and several oil and gas companies. The US has attempted to penalize firms and even warships involved in the construction of gas pipelines in recent years, which has impeded the development of the two new pipelines Russia is building to send gas to Europe (Mamonov, 2022).

The European Union obtains its gas from a variety of sources, with pipeline gas from Russia, Norway, and the Netherlands covering majority of the continent's demands. Geographical closeness and an extensive pipeline network have left the EU unduly dependent on Russian supplies, with Russia accounting for more than a third of EU gas consumption (Mamonov, 2022). The EU also imports around a quarter of its oil from Russia, depending on a network of oil pipelines once again. Because of Russia's tense relationship with Ukraine, gas supplies have been disrupted on occasion, most recently in 2020 and 2022 (Tuzova, 2022). In each of these cases, disputes with Ukraine over the payment of gas transit costs were reported as the basis for shutting off supplies, but the European nations at the end of the pipes were the first to be impacted (Stone, 2022). Since then, the EU has worked to enhance its gas security, but it has reduced significantly. With long-term contracts in place in global gas markets and regional, pipeline-based supplies, the EU's diversification away from Russia is difficult, if not impossible, in the near term Tuzova (2022). The price of gas in Europe increased in 2021, owing to significant global pricing pressures as economic activity picked up and localized reasons such as a maintenance-related outage in Norway. However, these fears culminated in December 2021, when Russia temporarily stopped providing gas via one of the key pipelines, causing European gas prices to skyrocket. While this was a short period in which certain pricing aspects of the European gas market, rather than any purposeful stoppage by Russia, are likely to have played a key role in causing this increase, as there have been strong signals of decreased flow from Russia during the previous several months (Dreger, 2021). In response to this shocker wave from Russia, the EU has attempted to compensate by boosting LNG imports. However, since the invasion began, European gas prices have skyrocketed and these spike in gas prices has had a substantial impact on inflation in the euro zone (Mamonov, 2022).

Nigeria, being an import-dependent country, is heavily reliant on the import of commodities priced in dollars. As the value of the dollar rises and these dollar-priced commodities become more expensive for holders of other currencies, such as the Naira, high incidents of imported inflation will arise and weigh on the spending power of domestic consumers. As the Russia-Ukraine war continues to cause a global disruption in the supply value chain, the price of diesel is nearing N900 per litre in Nigeria, rising from N300 in March 2022. The high diesel prices have affected various sectors, including the banking sector as banks in recent times issued notices stating that some of their branches would close by 2pm due to rationing of diesel.

The Russia-Ukraine war has also affected the importation of raw materials for fertilizer and other agricultural commodities, which experts said may be threatening the food security of Nigeria and other countries. Between 2017 and 2021, Nigeria's imports from Ukraine included 'milk preparations,' wheat and maize seed, whole wheat, mackerel, herrings, blue whittings, and other fish products and vaccines imported from Russia. In April, Nigeria had to import emergency supplies of potash from Canada after the country's inability to get the fertiliser from Russia due to the impact of Western sanctions against Russia (Nwanma, Ogwu, Sunday, Aliyu & Alabi, 2022).

According to Reuters report, the Nigeria Sovereign Investment Authority (NSIA) negotiates imports of raw fertiliser materials like potash as part of the Nigerian government's programme to develop its capacity to produce blended fertilisers. The managing director of the Nigeria Sovereign Investment Authority, Uche Orji, said, "Russia was unable to deliver, so we bought a spot from traders in Canada, and The Canadian High Commission in Nigeria helped start the conversation with producers." Orji again noted that Nigeria had enough potash inventories to cover 40 per cent of blending demand and bought three cargoes of

Canadian potash, which should arrive by May. Normally, the country takes five Russian cargoes a year (DailyTrust, 2022).

This study seeks to investigate, understand and identify how the invasion affected global business activities with particular reference to the Nigerian economy, prices and the implication for the future. This study will provide some answers to the question: why do countries fight and go to war in this modern era?

Statement of the Problem

The Russian-Ukraine conflict has had a negative impact on global financial and energy markets, leading to oil prices rising and financial instruments falling. Bitcoin, the most popular cryptocurrency, dropped nearly 10% in a few hours, resulting in the liquidation of over \$72 million in long bets in the early hours of the day. Global stock markets were also affected, with the Moscow Stock Exchange leading the losers' chart with almost 50% of capitalization wiped out. It is necessary to investigate the effects of the conflict on world commerce.

In the Nigeria context, the Russia-Ukraine war has really brought pains on the Nigerian economy and international trade. This has resulted in the hike in the cost of petroleum and agricultural products which include the materials for organic fertilizers and wheat for baking and confectionaries within the Nigeria industries. Although Russia launched a large-scale military offensive on Ukraine, after declaring Donetsk and Luhansk to be independent nations (Allison,2022), it hardly needs to be said that Russia is breaking international law by defying the United Nations Charter's ban on the use of force, the need to respect other nations' sovereignties and territorial integrity, and the prohibition on involvement (Allison, 2022). This has also spiked up the interest of other global bodies involved in humanitarian and global welfare to indicate their interest in the Russian sponsored crisis in order to proffer lasting solutions to the war. With the current trend in global hardships and economic downturn, if this war lingers for another one year, there will be global food shortage and a very high probability of 100 percent recession in some countries of the world. This will be so intense to the point that continents and countries who do not have proper international trade platforms like Nigeria will be pushed aside in the scheme of unfolding global events. It is against this backdrop that the researcher seeks to examine the impact of the Russian-Ukraine war on Nigeria international trade.

Objectives of the Study

The general objective of the study is to examine the effects of the Russian-Ukraine war on Nigeria international trade while the specific objectives are to:

1. examine the causes of the Russia - Ukraine war.
2. examine the effects of Russian-Ukraine war on Nigeria's trade of agricultural products
3. examine the effects of the Russia-Ukraine war on Nigeria's trade of petroleum products

Research Questions

The following questions will guide this study:

1. What are the causes of the Russian - Ukraine war?
2. What are the effects of the Russia-Ukraine war on Nigeria's trade of agricultural products?
3. What are the impact of the Russia-Ukraine war on Nigeria's trade of petroleum products?

2. Literature Review

This section gives insight into various studies conducted by outstanding scholars, as well as explained concepts with regards to the effects of the Russian and Ukraine war on Nigeria's international trade.

The Economic Effects of War on nations

Existing studies on the economic effects of war show that wars have economic consequences. For instance, Kang and Meernik (2005) showed that there are two schools of thought on the effects of war. The first school of thought is the 'war renewal' school of thought while the second school of thought is the 'war ruin' school of thought. The 'war renewal' school of thought argue that wars can produce beneficial effects as they improve efficiency in the economy by reducing the power of special interests, bringing technological innovation, and increasing human capital while the 'war ruin' school of thought view wars as destructive events with no benefit on the economy (Kang and Meernik, 2005). Bluszcz and Valente (2019) quantified the short-term causal effects of the Donbass war on Ukraine's GDP from 1995 to 2017. They find that Ukraine's per capita GDP declined by 15.1% as a result of the war from 2013 to 2017.

The Effects of Russian-Ukraine war on Nigeria

The positive and negative effects of the Russian-Ukraine war on Nigeria international trade includes;

1. **Nigeria -Russia trade:** Nigeria earned 36 million dollars in the trade with Russia on agricultural and petroleum products (Vanguard, April, 2023).
2. Increase in prices of food and other basic items are soaring and are likely to fly higher with the dramatic increase in commodity prices. All of these are likely to have negative implications for unemployment and poverty, which are already sky high, and economic growth, which though now positive is still fragile.
3. **Increase in crude oil prices:** For many reasons, most of which are self-inflicted, we are not in a good position to benefit optimally from the current hike in petroleum prices. The first reason is that our oil production has declined precipitously over time. We have moved from producing an average of 2.51 million barrels per day in 2005 to an average of 1.31 million barrels per day in December 2021. In 16 years, we experienced an almost 50% reduction in production, and the culprit is not OPEC's decision to curtail global oil supply.
4. **The changing structure of oil production in Nigeria:** From getting 56% of the 828 million barrels produced in 2000, the Federation now gets less than 30% of an average of about 1.4 million barrels per day. According NNPC's most current monthly report, the one for August 2021, the Federation lifted 192m barrels out of the total 682 million barrels for the period between July 2020 and July 2023. That's 28.2% as Federation share. It is important to note that while total production between the two years reduced by about a fifth, the proportion of the total production lifted by the Federation shrank by half.
5. **The gradual but now consequential change in how we allocate the portion of oil that goes to the country:** Federation's entitlement is usually broken into two: federation oil export and domestic allocation. The allocation formula changed dramatically in 2005 when out of a total of 456.4 million barrels of Federation's entitlement, 160.9 million barrels were allocated for domestic supply and 295.5 million barrels for federation export. This means that allocation for domestic consumption moved from a mere 7% of Federation's entitlement in 2000 to 35% in 2005 (Adio, 2022).

6. **Leaping proportion of Domestic Crude Allocation (DCA):** Currently, NNPC doesn't receive 445, 000 barrels per day because total Federation entitlement sometimes doesn't even amount to that. But because the national oil company has become the sole supplier of petrol, almost all of Federation's oil now goes to the Direct Sale Direct Purchase (DSDP) arrangement (Vanguard, 2023). The national oil company is required to pay for the full value of the oil allocated to it but it is allowed to deduct costs upfront. It pays in Naira, not dollars, and mostly at a different exchange rate. By the time NNPC deducts costs of subsidy (sometimes called under-recovery or value shortfall recovery) and subtracts amounts for crude losses, pipeline repairs and maintenance, and sometimes fund for strategic projects, there is hardly any money left.
7. **Increased pressure on the Naira:** As we need to find 50% to 100% more dollars to import wheat and other critical items, the CBN has rolled out an intervention to increase local production of wheat. Even if this works out, it won't mature in time to take care of this immediate shock. The forex rationing is on already. It is reasonable to expect more. Given that options are limited and the impacts will be immediate, Nigeria should rally other African countries to seek support or concessions from Western countries and multi-lateral institutions (Lakomy, 2022).
8. **Durum wheat:** The ongoing war between Russia and Ukraine brought about a decline in the importation of durum wheat importation into Nigeria. According to data from the National Bureau of Statistics (NBS). Nigeria imported durum wheat worth N753.59 billion in nine months (January to September), down from N898.19 billion in the corresponding period of 2021. "Before the war, it was selling for N27,000-N28,000 for 100kg; it is N41,000 to N42,000 now," Tola Ogunnubi, national public relations officer of National Wheat Farmers, Processors and Marketers Association of Nigeria, said. The ongoing war in Ukraine has forced importers to start importing from the United States and other countries (Vanguard, April 30, 2023:7).
9. **Oil price rally:** Oil prices were rising globally prior to the full escalation of the war. However, when Russia attacked Ukraine, the price of crude oil in the global market skyrocketed from around \$76 per barrel at the start of January 2022 to over \$130 per barrel in March. Nigeria relies on crude oil for most of its foreign exchange and two-thirds of government revenue. The oil price rally meant an increase in crude export revenues for the country but this was offset by higher petrol subsidy cost incurred by the Nigerian National Petroleum Company (Lakomy, 2022).
10. **Soaring price of diesel:** Diesel has a stronghold on the Nigerian economy as it powers a large part of the industrial and commercial activities in the economy, from the trucks used for long-distance haulage of both industrial and finished goods, to small machines used by small-scale enterprises. Since the war, its price has risen from about N288 per litre in January to over N800 in December. The spike in diesel prices is affecting businesses in terms of operations and sales, especially for manufacturers and banks (Mearsheimer, 2021).
11. **Aviation fuel:** The conflict also led to a rise in the price of aviation fuel that now threatens the operations of many airlines in the country. Given that aviation is critical to the survival of businesses and any economy, the sector has suffered the most with the astronomical rise in the price of JetA1 from N200 per litre in December 2021 to over N400 per litre in February and N800 per litre in the third quarter. Currently, the cost of a one-way ticket for a one-hour flight costs between N75,000 and N130,000, depending on the destination and the number of airlines operating the route (Vanguard 2023:4).
12. **Fertilisers:** Findings showed the prices of fertilisers have been climbing rapidly as the war created a supply shock. BusinessDay (July, 2023) had reported in April that the Russia-Ukraine war had

trapped four inbound vessels containing over 70,000 metric tons of potash – a key raw material input for producing NPK, putting food security in Africa’s most populous nation at risk. Since the war started, prices for fertiliser raw materials that make up crop nutrients – ammonia, nitrogen, potash, urea, phosphates, sulphates, and nitrates – have risen by 30 percent. The average price of a 50kg bag of NPK, a critical type of fertiliser mainly used by smallholder farmers, has surged by 181.3 percent to N22,500 from N8,000 last year, according to BusinessDay July 2023:18, findings.

13. **Ammunition from Russia:** In 2017, Russia and Nigeria signed an agreement on military cooperation. Nigeria is interested in buying Russian military equipment. In August 2021, Nigeria and Russia signed an agreement for the Russian Armed Forces to train and supply the Nigerian Armed Forces. It was signed in Moscow by Nigerian Minister of Defence Bashir Salihu Magashi and Russian FSVTS Director Dmitry Shugaev. "The Agreement on Military-Technical Cooperation between both countries provides a legal framework for the supply of military equipment, provision of after sales services, training of personnel in respective educational establishments and technology transfer, among others," the Nigerian embassy said in a statement. As a result of the war, the military ties between Nigeria and Russia witnessed setback since the Russian nation has engaged fully in the war with Ukraine and has reduced the transactions of arms with other nations as they need much to survive and maintain their stance in the war.
14. **Education:** Russia has a very good bilateral relationship in terms of education and development in skills and technology. Russia also grants access to Nigeria for scholarship in most of their prestigious universities and development programmes. In the cause of the war, most native students from Nigeria were deported home from Ukraine with their studies terminated and campuses destroyed.
15. **Sports:** Beyond the economic related issues in the crisis is also the impact of the conflict on the sports industry. The sports industry have been negatively affected by the conflict as the football league, among others has halted especially in Ukraine since the conflict started. The sports industry has enormous economic value such that also creates wealth in every clime, (Efebeh, 2020a). This has also affected the economy of Nigeria in that most Nigerian players belong to clubs in either Ukraine or Russia and from their proceeds return remittances to Nigeria which contributes to our GDP. But as long as these players are out of contract because of the war, the contributions remitted will be completely withheld.

Nigeria Diversifying Trade Attention to other Suppliers for Products Formally Imported from Russia from 2022 to 2023.

As a result of the crisis in Russia, Nigeria has decided to diversity trade routes with countries that serves alternative sources to the acquisition of these essentials materials to the Nigerian industries and the economic stability of its state.

1. **Extension of ties with Poland:** In an attempt to curb the menace of the Russia-Ukraine war effects on Nigeria’s economy and trade relations, Nigeria extend its ties with Poland by signing an agreement on agriculture and gas to address food and energy security occasioned by the Russia-Ukraine war, as both strengthen countries’ 60-year-old bilateral relations (TheCable, 2022). This was sealed by the former President of Nigeria, MuhammaduBuhari and Andrzej Duda, his Polish counterpart, on Tuesday (6th September, 2022) at the presidential villa, Abuja.
2. **Trade with Canada, United States of America and Brazil for Wheat:** According to the President, Premium Bread-Makers of Nigeria, Emmanuel Onuorah, if the crisis persists, Nigeria

may have to turn to other trade partners for the affected commodities. Russia cannot export anything because all the export channels are shut. The quantum that is coming from Russia will certainly impact wheat supply to Nigeria, but you know Nigeria does not only buy from Russia, but they also buy from Canada, they buy from the US, and from Brazil.” (DailyTrust, 2023). The value of Russia's imports to Nigeria over 12 months period is estimated at N993.38bn, data from the National Bureau of Statistics have shown. However, Nigeria is yet to import durum wheat and mackerel from the country, unlike last year. Russia still remains a topmost supplier of fish, particularly herrings and blue whiting to Nigeria, and imports from Ukraine are not significantly affected by the war. Nigeria is among Russia's top 10 import trade partners between the third quarter of 2020 and the corresponding period in 2021, but the trade is at risk as the Russia and Ukraine war persists.

Theoretical Framework

This study is anchored on the theory in line with the objectives of the study which is the porter’s national competitive advantage theory.

The proponents of Porter’s theory stated that a nation’s competitiveness in an industry depends on the capacity of the industry to innovate and upgrade. His theory focused on explaining why some nations are more competitive in certain industries. To explain his theory, Porter identified four determinants that he linked together. The four determinants are (1) local market resources and capabilities, (2) local market demand conditions, (3) local suppliers and complementary industries, and (4) local firm characteristics.

Porter believed that a sophisticated home market is critical to ensuring ongoing innovation, thereby creating a sustainable competitive advantage..To remain competitive, large global firms benefit from having strong, efficient supporting and related industries to provide the inputs required by the industry. Certain industries cluster geographically, which provides efficiencies and productivity. Local firm characteristics include firm strategy, industry structure, and industry rivalry. Local strategy affects a firm’s competitiveness. A healthy level of rivalry between local firms will spur innovation and competitiveness.

In addition to the four determinants of the demand, Porter also noted that government and chance play a part in national competitiveness of industries. Governments can, by their actions and policies, increase the competitiveness of firms and occasionally entire industries.

The relevance of this theory to the present study is that it addresses the issue of countries searching inwardly to determine what they can produce or contribute to other economies of the world that will attach relevance and significance to their quest for development and greater dominance. In the case of Nigeria, we should ensure we create relevance from the numerous resources the country is endowed with to project a better image of the country before the international community and trade.

3. Research Methods

The research method used in this research to gather data and relevant information is the historical research design and the study adopted descriptive method of data collection. This involves the collection of materials from secondary sources, such as books, journal articles, magazines, internet sources, international and national conference proceedings, published and unpublished articles. This study employs annual data spanning from 2014 to 2023 to uncover the impact of the Russian-Ukrainian war on trade relations extracted from the World Development Indicators (WDI). The choice of countries used and the timespan are dictated by data availability. Trade (% of GDP) are used as dependent variables in this study, the explanatory variables of interest include GDP growth as a proxy for economic growth, export of goods and services (annual % growth), external balance on goods and services (% of GDP), food export and food import,

military expenditure (% of general government expenditure), fuel exports (% of merchandise exports), fuel imports (% of merchandise imports), and fossil fuel energy consumption (% of total). Because the data collected in this study is historical or secondary sources, data gathered will be analysed qualitatively using the content analysis in examining the various issues that were raised in the study.

4. Analysis, Results and Discussion of Findings

What are the Causes of the Russian and Ukraine War in Historical Context

The pro-West or Western account of what caused the invasion, as reported by multiple Western media, is that Russia feels threatened that Ukraine wants to be a democratic nation, free from Russian influence, and seek collaboration with the West in politics, security and trade which includes the possibility of joining NATO and the European Union. The pro-West media reports that Russia opposes Ukraine's decision to adopt Western democracy and alliance because Ukraine's western alliance with the European Union and NATO could threaten the national security of Russia. Western media believes that this is the reason why Russia launched a 'special military operation' in Ukraine so that it can remove the Ukrainian president and the incumbent government in Kyiv and install a new pro-Russian government in Ukraine.

In Brian D. Taylor's article, "Crisis in Ukraine-Putin's Own Goal: The Invasion of Crimea and Putin's Political Future" the author focuses on Putin's political perspective and the long-term competition between the United States and Russia. The war is attributed to Putin's opposition to NATO expansion, which risks Ukraine becoming westernized. Russia historically considered Ukraine a soviet allied state, and due to the recent event of Georgia becoming westernized, Russia, under its current leader, Vladimir Putin, is opposed to a repetition of this incident with Ukraine. The war is triggered on the front embedded in Putin's political goal to reunite the Soviet Union, specifically by protecting its influence and control on historical allies. Putin intends to spearhead the maintenance of the current political system with him as the supreme lead, making Ukraine a country of Putin's interest in his political frame (Taylor, 2021).

What are the Effects of the Russia and Ukraine war on Nigeria Trade of Agricultural Products

According to Nigeria Bureau of Statistics (2022), Nigeria imported more durum wheat worth over N128.1 billion in the first nine months of 2021 than it did in the entire year of 2020. Since Nigeria relies heavily on imports to meet domestic demand and already struggles with high inflation and disruptions in the food supply chain, the rise in commodity prices puts further pressure on the local market. The conflict has also disrupted wheat supply on the global market. As a result, there is a chance that the price of wheat will rise, affecting the cost of flour and, as a result, the price of bread and other baked goods (Ozili, 2022). Expectedly, the disruption in the wheat supply accessioned by the Russian/Ukraine conflict has resulted in astronomical rise in the prices of flour and thus of bread and other baked goods in Nigeria. Prices of the big size of bread that used to sell for N450 and the small size for N200, rose to N1,200 to N700 respectively, since the conflict started between the duo in February of 2022. Nigeria already spends more than half of its budget on food, and if food prices continue to rise at the unprecedented rates they are, Nigerians' purchasing power will decrease.

What are the Effects of the Russian-Ukraine war on Nigeria Trade of Petroleum Products

Today the situation of the Russia and Ukraine war has escalated beyond the predictions of both world leaders and economic giants in the scheme of things. The war has raised both enemies and allies for Russian federation and independent Ukraine.

The most pressing impact of the Russia-Ukraine conflict is an escalation of energy prices, this is because Nigeria depends on the importation of petroleum products such as diesel, aviation fuel, kerosene, and cooking gas (Guardian,2022). According to Ahunna Eziakonwa the United Nations Assistant Secretary-General, Russia's war in Ukraine has disrupted Africa's promising recovery from the COVID-19 pandemic by raising food and fuel prices, disrupting trade of goods and services, tightening the fiscal space, constraining green transitions and reducing the flow of development finance in the continent (USIP, 2022)

Russia's oil supplies, as the world's second-largest supplier of crude oil, play a significant role in determining crude oil prices. It also claims to be one of the world's largest sources of clean energy and natural gas. Russia's invasion has a wide-ranging economic impact, especially as the conflict persists. These include rising import and subsidy costs for gasoline, an increase in gasoline smuggling, and rising energy prices (including those for diesel, jet fuel, kerosene, and gas). Significant macroeconomic effects include fiscal deficit, debt levels, debt service payments, money supply growth, exchange rate depreciation, and higher inflationary pressures (Ozili, 2022).

Despite its distance from the conflict zone, Nigeria is not immune to its consequences due to Russia's global economic influence and Nigeria's reliance on international trade and imports. As a result, it is critical to emphasize the economic impact of the ongoing conflict on Nigeria. Following Russia's attack on Ukraine, crude oil prices have skyrocketed, with Brent trading above \$100 per barrel and Bonny Light trading at \$110. Nigeria, which imports refined petroleum products, is bearing the brunt of the increase in crude oil prices, as the cost of diesel, which is not subsidized in the country, has risen to more than N800 per litre and is already being sold at certain stations for more than N1000. Owing to the fragile state of power generation and distribution in Nigeria, there has been a forced increase in demand for diesel in the local market, causing the landing cost of refined products to skyrocket. Given that majority of the country's businesses rely on generators for power, the rise in fuel prices has become a significant impediment to doing business now in Nigeria. In a related development, Nigeria is presently dealing with a fuel shortage as a possible result of the conflict, prices of PMS have risen from N175 per litre to between N450 to N500 per litre as at January 29, 2023, implying over 300 percent increase in just a few months; with its attendant ripple effects on prices of goods and services across the country. In most areas of Nigeria, the price of transportation has increased in step with the price of petroleum products (Maijama'a & Musa, 2022).

Due to the sensitive nature of the global oil market which has seen the prices of oil responding with astronomical increase in the prices of jet fuel; the cost of air travel has also increased dramatically during this period. The airline industry in the country has been forced to reduce the frequency of its operations. Airlines' prices increased by at least 100% in February, with an economy one-way ticket costing more than N50,000. Nigerians who can afford it will have to pay much more for both domestic and international travel as airline costs rise. People who work in industrial areas such as Port Harcourt, Ogun, and others but live in other states are also affected by this because they will have to reduce the frequency of their travels.

5. Summary and Conclusion

This study showed that as the war ranges, the economies of Nigeria and the world is encountering difficulties and downside risks in the form of increased energy costs, increased fuel imports and subsidy bills, government fiscal operations, the smuggling of petroleum products, decreased wheat export from the region, and effects on regional and international trade. Conclusively, the economic effects of the Russian invasion of Ukraine, if it continues, will be extensive and diverse. However, significant macroeconomic

effects include a rise in the budget deficit, a rise in debt levels, a rise in debt servicing costs, a rise in the money supply, a decline in the value of the currency, and a rise in inflationary pressures in most African countries, particularly Nigeria.

6. Recommendations

Based on the findings from the study, the following suggestions are recommended for policy implementation.

1. Nigerians should remember that the conflict is a Western construct, and that, despite the horrific existential plight of the victims, it should be treated with caution.
2. Africans should be aware that the policies underlying this conflict are detrimental to the interests of Africans, particularly Nigeria.
3. Nigerians do not need to be taught that they are on their own in difficult times, as racist treatment of Africans has demonstrated.
4. Nigerian policymakers must begin discussing alternative means of subsistence in the event that Russia decides to respond by punishing the rest of the world through export restrictions.
5. Policy makers and national stakeholders should support domestic production of essential commodities imported from Russia and Ukraine within the country.

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