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Examining the US-Israeli Iranian conflict in the Middle East: Implications for Nigeria's energy sub-sector

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Abstract
This study examined the US–Israeli–Iranian conflict in the Middle East and how the conflict affects Nigeria's energy sub-sector with emphasis on socio-economic development outcomes and downstream operational realities. A quantitative design was adopted, combining secondary evidence from energy and macroeconomic briefs with primary data from an online survey administered through purposive sampling. Although 400 respondents were targeted across Nigeria's six geopolitical zones, 318 valid responses were analysed using descriptive statistics, including frequencies, percentages, and Chi-square statistical analysis tools. Applying Realism as a theoretical framework, the study interprets Nigeria's exposure as a predictable outcome of an anarchic international system where great-power rivalry converts energy into a strategic instrument, generating spillovers for secondary states. The findings show statistically significant patterns linking the conflict to worsening household welfare indicators: Its escalation has renewed global energy insecurity by heightening disruption risks around major supply corridors, especially the Strait of Hormuz, a critical chokepoint for oil and petroleum product flows. Furthermore, respondents reported severe budget pressure from Premium Motor Spirit PMS/ Liquefied Petroleum Gas (LPG) price increases, strong perceived connections between transport fuel costs and food prices, changes in transportation choices, heightened awareness of global conflict–local price linkages, and mixed fuel supply experiences (all $p < .001$). Findings for downstream operations similarly reveal significant perceived effects on product pricing, supply consistency, operational stability, energy security risk, and a strong preference for strengthening domestic refining capacity as the most credible policy response (all $p < .001$). The paper recommends targeted downstream resilience reforms and consumer shock-absorption measures to reduce vulnerability during external geopolitical disruptions.

Keywords: Conflict, Downstream, Energy Security, Middle East, Nigeria, Realism

Introduction

The conflict in the Middle East, which began on February 28, 2026, with a joint military operation launched by the United States and Israel against Iran, involving widespread airstrikes on targets to dismantle the Iranian regime's security infrastructure, has escalated beyond the theatre of the war to other parts of the world, including Nigeria, affecting the prices of Premium Motor Spirit (PMS) and other essentials. This war largely remained a central determinant of global energy security and price stability. The partial disruption of shipments along the Strait of Hormuz, through which approximately 20 to 21 million barrels of oil pass daily, has plunged global energy markets into deep uncertainty (Goldwyn et al., 2026; International Energy Agency [IEA], 2026).

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According to PricewaterhouseCoopers (PwC) Nigeria (2026), hostilities between these powers have created immediate shocks in the global Brent crude market; for instance, in March 2026, benchmark oil prices surged above $102 per barrel, significantly exceeding fiscal benchmarks for many developing nations. The United Nations has noted that this crisis exposes a central vulnerability in the global economy: the over-dependence on fossil fuels flowing through high-conflict zones (United Nations [UN], 2026). In the African continent, these disruptions are magnified, as the continent grapples with higher fuel and fertiliser prices that exacerbate food insecurity, even as some regions attempt to leverage the crisis for renewed infrastructure investment (Goldwyn et al., 2026).

In Nigeria, the energy sector is a multifaceted conglomerate comprising the power and electricity sector, the mining sector, and the dominant oil and gas sector. While the oil and gas industry is traditionally categorised into the upstream (exploration and production) and midstream (transportation and processing) subsectors, it is the downstream subsector that serves as the immediate interface between the state and the citizenry. Despite being a major crude producer, Nigeria's reliance on imported refined products remains a critical vulnerability. As of 2026, while the nation has seen some macroeconomic improvements, including gross foreign reserves rising to $50.45 billion, the "pass-through" effect of global oil price hikes continues to transmit rapidly into the domestic economy (PricewaterhouseCoopers [PwC] Nigeria, 2026).

Statement of the Problem

The reliance and over-dependence on fossil fuels flowing through high-conflict zones for Nigeria's consumption means that Middle Eastern tensions are felt directly at the local filling station, where PMS prices are projected to face hikes of up to 25% in response to persistent geopolitical unrest (CNBC Africa, 2026). The motivation for this study stems from the severe socio-economic distress experienced by Nigerians, particularly low-income earners, due to these external shocks. Following the removal of the fuel subsidy, domestic pump prices now move in lockstep with global markets, increasing transport, logistics, and food distribution costs (PwC Nigeria, 2026). Although Nigeria's annual inflation rate showed a gradual decline to 15.06% in early 2026, the pace of disinflation has been threatened by surging energy costs (National Bureau of Statistics [NBS], 2026; Trading Economics, 2026).

These pressures are most visible in the rising costs of transportation and Liquefied Petroleum Gas (LPG), which have direct "multiplier effects" on people with low incomes. In fact, year-on-year energy inflation was recorded at 11.17% in January 2026, with states like Benue and Kogi seeing overall inflation rates as high as 22.48% and 20.98%, respectively (NBS, 2026; Shalangwa (2026). This creates a dire situation

where global geopolitical maneuvers in the Middle East translate into household food insecurity and stalled mobility for millions of Nigerians.

Current academic discourse has extensively covered the macroeconomic impact of oil price volatility on Nigeria's GDP and the technical challenges of the upstream sector. However, there remains a significant literature gap regarding the specific, rough implications of the US-Israeli-Iranian conflict on Nigerian downstream operations and the resultant socio-economic survival of the urban and rural poor in the post-subsidy era of 2026. Most studies treat energy as a monolith, failing to isolate how the downstream subsector, the most sensitive link in the energy chain, absorbs geopolitical shocks. Thus, this study addresses the disconnect between global political risk and the local energy crisis in Nigeria.

Objectives of the Study

The following are the objectives of the study:

i. Assess the impact of the US-Israel-Iran conflict on the socio-economic development of the Nigerian oil and gas sector.
ii. Evaluate the specific implications of this conflict on the operations of the downstream sector of the Nigerian oil and gas industry.

Conceptual Clarification

Conflict

Recent scholarship often frames conflict as a struggle for agency or power where parties exert social or physical force to achieve incompatible goals while actively preventing rivals from attaining theirs (Omale, 2024). In relation to international relations, conflict is increasingly defined through the lens of contested incompatibilities regarding territory or government, where at least one party utilises organised force or systemic pressure to secure its interests (The Governance and Social Development Resource Centre [GSDRC], 2022). Omale's definition emphasises that social conflict is a "struggle for agency or power in society," where groups oppose one another in interactions to achieve incompatible goals while systematically preventing others from attaining their own. This contemporary perspective reinforces the competitive nature of the US-Israeli-Iranian triad, where strategic efforts are directed at neutralising a rival's nuclear and economic agency to ensure one's own regional dominance.

Energy Security

The International Energy Agency (IEA, 2024) defines energy security as "the uninterrupted availability of energy sources at an affordable price." This definition is further bifurcated into long-term energy security,

which focuses on timely investments to supply energy in line with economic development, and short-term energy security, which focuses on the ability of the energy system to react promptly to sudden changes in the supply-demand balance. Furthermore, the IEA's distinction between short-term and long-term security provides a robust framework for analysing both immediate geopolitical shocks and the structural investment needs of Nigeria's energy infrastructure.

Review of Related Literature

Impact of the US-Israel-Iran Conflict on the Socio-Economic Development of Nigeria's Oil and Gas Sector

Good Governance Africa (2026) evaluated how the escalation in the Middle East influences Nigeria's fiscal stability, domestic energy security, and the implementation of the Petroleum Industry Act (PIA). Qualitative policy analysis combined with quantitative survey data (from the 2025 "Investors' Perceptions" report) and macroeconomic modelling of Brent crude price volatility. Using the Resource Paradox Theory (The "Oil Paradox"), the author explained why high global oil prices often lead to domestic economic hardship in resource-rich but refining-poor nations. The study found that while Nigeria gains a "windfall" from crude prices exceeding budget benchmarks ($64.85), these gains are negated by the high cost of importing refined derivatives. The closure of the Strait of Hormuz has created a supply shock that triggered 25% inflation in Nigeria's transport and food sectors. The study recommended channelling oil windfalls into fiscal buffers rather than recurrent spending; accelerating digital tracking of crude to reduce leakages; and providing targeted social safety nets for households affected by fuel-driven inflation. The study concluded that Nigeria's resilience depends on institutional readiness and governance strength, not just high oil prices.

Comercio Partners (2026) analysed the transmission channels (revenue, exchange rate, and capital flows) through which the US-Israel-Iran conflict affects the Nigerian energy sub-sector. The study used empirical macroeconomic analysis and scenario-based forecasting and adopted the Transmission Mechanism Theory to explain how geopolitical "shocks" move from international commodity markets to local emerging market variables. The study found that every $10 increase in oil price adds approximately $14 million in daily gross revenue for Nigeria. However, the conflict causes capital flight to safety, leading to a withdrawal of foreign portfolio investments from Nigeria's energy stocks, offsetting the revenue gains. The study recommended that the Central Bank of Nigeria (CBN) should maintain a tight monetary policy to combat the imported inflation; the government must guarantee crude supply to local modular refineries to decouple from Middle East logistics. It concluded that the geographic distance of Nigeria from the Strait of Hormuz provides a geographical advantage, but the financial contagion remains high.

World Bank Group (2026) examined the structural vulnerabilities of Nigeria's oil sector value chain in the face of escalating Middle East tensions. The study adopts the comparative case study analysis and Political

Economy Analysis (PEA) framework. Using the dependency Theory to analyse Nigeria's continued reliance on Western and Middle Eastern market stability for its domestic economic survival. The study revealed that weak regulatory capacity and implementation delays in the energy sub-sector have left Nigeria unable to maximise the strategic opportunity created by the reduction in Iranian oil exports. The study recommended strengthening the organisational dimensions of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) to attract fleeing capital from the Middle East to Nigerian offshore projects. The study concluded that **w**ithout solving internal leakages and bureaucratic inefficiencies, Nigeria will remain a source of the US-Israel-Iran conflict rather than a strategic beneficiary. The paper notes a significant gap in academic work regarding the specific impact of Iranian-backed maritime disruptions (Houthi actions) on West African shipping insurance premiums and their effect on Nigerian oil profitability.

PricewaterhouseCoopers (PwC Nigeria, 2026) reported that global energy shocks driven by geopolitical tensions transmit rapidly into domestic fuel prices due to Nigeria's dependence on imported refined petroleum products. This has intensified cost-of-living pressures and reduced household purchasing power, particularly among low- and middle-income earners.

Atoyebi et al. (2023) further established that oil price fluctuations significantly influence inflation dynamics in Nigeria. Their findings suggest that increases in global oil prices are closely associated with rising domestic transportation and energy costs, thereby affecting overall economic stability.

Implications of the US-Israel-Iran Conflict on Operations in Nigeria's Downstream Oil and Gas Sector

Good Governance Africa (2026) evaluated the impact of the February 2026 Middle East escalation on Nigeria's fiscal stability and the operational viability of domestic refining under the Petroleum Industry Act (PIA). The study adopts the mixed-methods approach using Geopolitical Stress Testing and qualitative analysis of NNPC Limited's Naira-for-Crude data. Using the Institutional Theory to focus on how the "strength of governance systems" determines economic resilience more than commodity price direction, it found that conflict caused a supply-side shock in the downstream sector. While crude prices rose, the cost of importing specialised heavy crude spiked, increasing operational costs for domestic refiners. The study recommended channelling oil windfalls into a Downstream Stabilisation Fund to subsidise logistical costs for local refiners and accelerate the full deregulation of the downstream market to attract private investment. The study concluded that Nigeria's downstream resilience is decoupled from global crude prices but heavily tied to its institutional readiness to manage local supply chains during global crises.

Musa (2026) determined the correlation between Middle Eastern geopolitical risks and the operational performance of Nigeria's state-owned and private refineries. Using the empirical Macroeconomic Modelling and Scenario-based forecasting for the 2025–2027 period and Systems Theory, the study viewed Nigeria's downstream sector as a component of a global energy system where shocks in one node (the Middle East) disrupt the balance of all other nodes. The study found that conflict led to a reduction in foreign direct investment (FDI) for downstream infrastructure (pipelines and storage) as capital fled to haven assets, delaying the maintenance schedules for national refineries. The study recommended strengthening the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and NMDPRA's collaborative framework to ensure "feedstock certainty" for downstream operators.

Theoretical Framework

Realism

Realism, often referred to as "Power Politics," is a school of thought that views the international system as a competitive arena where states are the primary actors. It posits that in the absence of a global government, states must rely on their own military and economic capabilities to ensure survival. The evolution of Realism has occurred over several centuries, marked by distinct developmental phases, such as the Classical Roots (Ancient Times – 17th Century) and Modern Realism (1948). Following World War II, Hans Morgenthau (1948) formalised the theory in his seminal work, *Politics Among Nations*. He established that politics is governed by objective laws rooted in human nature and defined "national interest" specifically in terms of power to Structural/Neo-Realism (1979): Kenneth Waltz (1979), which shifted the focus from human nature to the "anarchic structure" of the international system.

First, energy corridors become strategic instruments during great power rivalry. When major actors compete, chokepoints and infrastructure risks are priced into energy markets. The Hormuz-related uncertainty described in energy-market commentary and policy briefs illustrates how conflict transforms energy from a commodity into a security variable, driving price volatility with global spillovers. Secondly, secondary states face self-help pressures without controlling the system. Waltzian realism predicts that states like Nigeria, despite their crude-export status, remain exposed if they lack domestic downstream autonomy. Dependence on external refining/product supply routes means Nigeria absorbs externalities from conflicts it does not control.

Thirdly, national interest prioritises resilience, not optimism about windfalls. From a realist perspective, any short-term revenue premium from higher crude prices is strategically inferior to reducing structural vulnerability. Thus, policy emphasis should shift toward domestic refining reliability, strategic reserves, and

demand-side resilience, measures consistent with crisis-response recommendations found in energy-security policy guidance.

Methodology

This study adopted a quantitative research approach using both primary and secondary sources of data. Secondary data were obtained from relevant energy and macroeconomic briefs, policy documents, and credible public reports focusing on global and Nigerian energy market dynamics between 2025 and 2026. The study population comprised low- to middle-income earners across Nigeria's six geopolitical zones, as these groups are more vulnerable to fluctuations in fuel prices, transportation costs, and household energy expenses associated with global geopolitical conflicts.

Primary data were collected using a structured questionnaire designed through Google Forms. The instrument contained items relating to fuel price fluctuations, household energy costs, transportation patterns, food prices, energy supply conditions, and perceptions of the implications of the US–Israel–Iran conflict on Nigeria's downstream energy sector. Participants were selected using purposive sampling based on specific criteria, including being a resident in Nigeria, being within the low- or middle-income category, and having direct experience with household energy consumption and transportation-related expenses. Although 400 respondents were targeted, 318 complete and valid responses were retrieved and analysed for the study.

Data collection was conducted online through the distribution of the Google Forms link across selected digital platforms and social networks accessible to respondents within the six geopolitical zones. The collected data were analysed using descriptive statistics, including frequencies and percentages. At the same time, Chi-square statistical analysis was employed to test patterns in respondents' perceptions in line with the objectives of the study.

Data Presentation & Analysis

Demographic Characteristics of the Study Respondents

The socio-demographic characteristics of the study participants are presented in Table 1. The table provides information on the respondents' age, gender, highest level of education attained, employment status, and primary household energy source for cooking. Frequencies and percentages were used to describe the distribution of respondents across the various demographic categories in order to provide a clearer understanding of the background characteristics of the participants included in the study.

Table 1: *Demographic characteristics of the study respondents (N = 318)*

	Frequency	Percentage %
Age		
18-25 years	22	6.9
26-35 years	85	26.7
36-45 years	141	44.3
46-55 years	51	16.0
56 years & above	19	6.0
Gender		
Male	188	59.1
Female	130	40.9
Highest level of education attained		
Primary	4	1.3
Secondary	30	9.4
Tertiary	126	39.6
Postgraduate	158	49.7
Employment status		
Unemployed	26	8.2
Employed	292	91.8
Primary Energy Source for cooking at home		
Liquefied petroleum gas (LPG/Cooking Gas)	293	92.1
Electricity	9	2.8
Charcoal/firewood	16	5.0

Field Survey, 2026

Table 1 presents the demographic characteristics of the respondents who participated in the study. The results indicate that respondents within the age bracket of 36–45 years constituted the highest proportion of the sample, representing 44.3% of the respondents. The dominance of respondents within the economically productive age groups suggests that the study captured the perceptions of individuals who are more likely to be directly affected by fluctuations in fuel prices, transportation costs, and energy supply disruptions associated with international geopolitical conflicts.

The gender distribution of the respondents revealed that 59.1% were male, whereas 40.9% were female. This indicates that male respondents constituted the majority of participants in the study. Nevertheless, the representation of female respondents was also substantial, suggesting that the views obtained reflect perspectives from both genders regarding the effects of Middle East conflicts on Nigeria's energy sector.

With respect to educational attainment, the findings showed that 49.7% of the respondents possessed postgraduate qualifications, while 39.6% had tertiary education qualifications. Respondents with secondary education constituted 9.4%, whereas only 1.3% had primary education. The high proportion of respondents with tertiary and postgraduate qualifications implies that the respondents were relatively well educated and likely possessed adequate knowledge and understanding of issues relating to global oil politics, fuel price

fluctuations, and energy security. This enhances the credibility and reliability of the responses provided in the study.

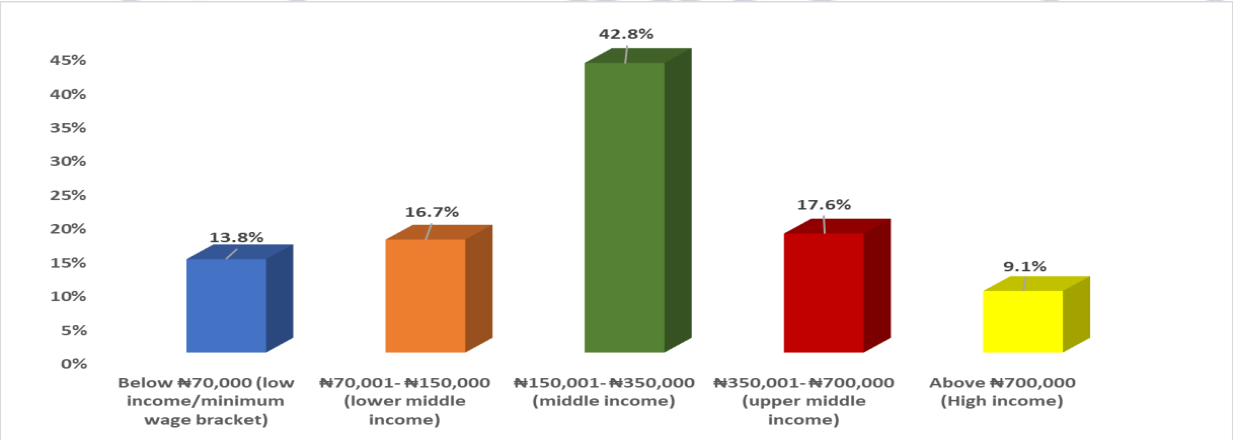
The findings on employment status revealed that 91.8% of the respondents were employed, while only 8.2% were unemployed. This suggests that the majority of respondents were economically active individuals whose income, transportation expenses, and household energy consumption may be directly affected by changes in fuel prices and energy supply conditions resulting from global geopolitical tensions.

Finally, the results on the primary household energy source indicated that 92.1% of the respondents relied on Liquefied Petroleum Gas (LPG/Cooking Gas) for cooking at home. In contrast, 5.0% depended on charcoal or firewood, while only 2.8% used electricity as their primary cooking energy source. The overwhelming reliance on LPG suggests that fluctuations in global oil and gas markets resulting from the US-Israeli-Iranian conflicts may significantly influence household energy costs and access to cooking fuel in Nigeria. This finding further highlights the vulnerability of Nigerian households to international energy market instability.

Monthly income level (Naira ₦)

Figure 1 presents the monthly income distribution of the respondents in Nigerian Naira (₦). The findings revealed that the largest proportion of respondents, representing 42.8%, earned between ₦150,001 and ₦350,000 monthly, indicating that most participants belonged to the middle-income category.

Figure 1: Monthly income level (Naira ₦)



Field Survey, 2026

Respondents earning between ₦350,001 and ₦700,000 constituted 17.6% of the sample, while 16.7% earned between ₦70,001 and ₦150,000. In addition, 13.8% of the respondents earned below ₦70,000, representing the low-income or minimum wage category. The smallest proportion of respondents, accounting for 9.1%, earned above ₦700,000 monthly, indicating the high-income category. The distribution suggests that the majority of respondents were within the middle-income bracket and may therefore be moderately vulnerable to increases in fuel prices, transportation costs, and household energy expenses associated with fluctuations in the global oil market and geopolitical tensions in the Middle East.

Assessment of the Impact of the US-Israel-Iran Conflict on the Socio-Economic Development of the Nigerian Oil and Gas Sector

The analysis of respondents' perceptions regarding the impact of the US-Israel-Iran conflict on the socio-economic development of Nigeria's oil and gas sector is presented in this section. The assessment focused on issues such as fuel price fluctuations, transportation costs, household energy expenses, and energy supply conditions. Frequencies and percentages were used to analyse the responses in order to determine the extent to which the conflict has affected the Nigerian economy and energy sub-sector.

Table 2: ***Impact of the US-Israel-Iran conflict on the socio-economic development of the Nigerian oil and gas sector***

	Observed N	χ^2	df	*p*-value
Effect of the recent increase in PMS and LPG prices on the household budget				
Affected Somewhat	4	364.314	3	<.001
Slightly affected	46			
Affected	44			
Seriously affected	224			
Perceived Link Between Food Price Increase and Transportation/Fuel Costs				
Strongly disagree	13	288.761	4	<.001
Somewhat disagree	4			
Somewhat agree	44			
Agree	87			
Strongly agree	170			
Change in Transportation Mode Due to Rising Fuel Costs				
No change	39	161.308	4	<.001
Somewhat change	17			
Change slightly	28			
Yes, occasionally	101			
Yes, frequently	133			
Awareness of the Link Between Nigeria's Fuel Price Fluctuations and the US-Israel-Iran Conflict				
Not aware	5	222.535	4	<.001
Aware somewhat	8			
Aware	58			
Strongly aware	138			
Very aware	109			
Consistency of Fuel, Cooking Gas, and Kerosene Supply During Heightened Middle East Conflict				
Total scarcity	3	261.591	4	<.001
Scarce supply	25			
Occasional supply	68			
Consistent supply	170			
Absolute consistent supply	52			

Field Survey, 2026

Table 2 presents the findings on the impact of the US-Israeli-Iranian conflicts in the Middle East on the socio-economic development of Nigeria's oil and gas sector. The results indicate that the geopolitical tensions in the Middle East have had significant implications for household welfare, fuel consumption patterns, transportation behaviour, food prices, and energy supply within Nigeria's energy sub-sector.

The findings revealed that the majority of respondents reported that the recent increase in the prices of Premium Motor Spirit (PMS) and Liquefied Petroleum Gas (LPG) had seriously affected their household budgets. The Chi-square analysis showed that the responses were statistically significant, $\chi^2(3) = 364.31$, $p < .001$. This finding suggests that fluctuations in international oil and gas markets resulting from the US-Israeli-Iranian conflicts have contributed to increases in domestic fuel and cooking gas prices in Nigeria, thereby placing substantial financial pressure on households. The result further reflects Nigeria's vulnerability to external geopolitical shocks due to its dependence on global energy markets.

The findings also showed that respondents strongly perceived a direct relationship between increases in transportation and fuel costs and rising food prices in local markets. Most respondents agreed or strongly agreed that increases in fuel prices resulting from international tensions contributed significantly to food inflation. The Chi-square result was statistically significant, $\chi^2(4) = 288.76$, $p < .001$. This implies that instability in the global oil market arising from the Middle East conflicts has indirect socio-economic consequences on the Nigerian economy through increased transportation costs, which subsequently affect the prices of goods and services, particularly food items.

Regarding transportation behaviour, the results revealed that many respondents had changed their primary means of transportation due to rising fuel costs. A substantial proportion reported frequently or occasionally switching from more expensive transportation options to cheaper alternatives. The Chi-square analysis indicated a statistically significant result, $\chi^2(4) = 161.31$, $p < .001$. This finding suggests that increases in fuel prices associated with geopolitical tensions in the Middle East have significantly influenced mobility patterns and transportation choices among Nigerians. It further demonstrates how international conflicts can affect everyday socio-economic activities within Nigeria through the energy sector.

The study further examined respondents' awareness of the relationship between fuel price fluctuations in Nigeria and the US-Israeli-Iranian conflicts. The findings showed that most respondents were either strongly aware or very aware of this connection. The Chi-square analysis revealed a statistically significant result, $\chi^2(4) = 222.54$, $p < .001$. This suggests that respondents generally recognised that geopolitical instability in the Middle East has direct implications for Nigeria's fuel prices and energy market conditions. The high level of awareness may reflect the increasing public sensitivity to global oil market developments and their consequences for domestic energy affordability.

Finally, the findings on the consistency of fuel, cooking gas, and kerosene supply during periods of heightened Middle East conflict revealed mixed experiences among respondents. Although a considerable

number reported relatively consistent supply, others experienced occasional scarcity and unstable supply conditions. The Chi-square analysis showed that the responses differed significantly, $\chi^2(4) = 261.59$, $p < .001$. This finding indicates that geopolitical conflicts in the Middle East have important implications for the stability of Nigeria's energy supply chain. The result highlights the susceptibility of Nigeria's downstream energy sub-sector to disruptions in the global oil market, despite the country being a major oil-producing nation.

The findings demonstrate that the US-Israeli-Iranian conflicts have substantial implications for Nigeria's energy sub-sector and broader socio-economic development. The conflicts contribute to increases in fuel prices, household energy costs, transportation expenses, food inflation, and fluctuations in energy supply, thereby exposing structural vulnerabilities within Nigeria's oil and gas sector.

Evaluation of Specific Implications of the US-Israel-Iran Conflict on the Operations of the Downstream Sector

The evaluation of the specific implications of the US-Israel-Iran conflict on the operations of Nigeria's downstream energy sector is presented in this section. The analysis focused on petroleum product supply and pricing, fuel availability, operational stability, policy responses, and perceived risks to Nigeria's energy security. Frequencies, percentages, and Chi-square statistics were used to analyse respondents' perceptions regarding the effects of geopolitical tensions in the Middle East on the Nigerian downstream oil and gas sector.

Table 3 presents the evaluation of the specific implications of the US-Israeli-Iranian conflicts on the operations of Nigeria's downstream energy sector. The findings revealed that respondents significantly observed changes in petroleum product supply and prices during periods of heightened Middle East conflict, $\chi^2(4) = 161.31$, $p < .001$. This suggests that geopolitical tensions in the Middle East have substantial effects on the pricing and availability of petroleum products within Nigeria's downstream sector. The findings further showed that respondents experienced significant variations in the nature and consistency of fuel and energy supply during periods of intensified conflict, $\chi^2(4) = 261.59$, $p < .001$. This implies that instability in the Middle East contributes to fluctuations in fuel, cooking gas, and kerosene supply within Nigeria's downstream energy market.

The results also indicated that respondents significantly perceived the US-Israeli Iranian conflicts as having implications for downstream sector operations, $\chi^2(3) = 69.87$, $p < .001$. This finding demonstrates that the conflict is widely viewed as a factor influencing fuel distribution, operational stability, and overall downstream sector performance in Nigeria. Similarly, respondents significantly agreed that the geopolitical tensions in the Middle East negatively affect downstream operational activities, $\chi^2(4) = 167.98$, $p < .001$. This suggests that the conflict contributes to operational disruptions, supply instability, and increased pressure on Nigeria's downstream petroleum market.

Table 3: *Evaluation of specific implications of the US-Israel-Iran conflict on the operations of the downstream sector*

	Observed N	χ^2	df	*p*-value
Changes observed in petroleum product supply/prices				
No change	39	161.308	4	<.001
Somewhat change	17			
Change slightly	28			
Yes, occasionally	101			
Yes, frequently	133			
Nature/consistency of fuel or energy supply				
Total scarcity	3	261.591	4	<.001
Scarce supply	25			
Occasional supply	68			
Consistent supply	170			
Absolute consistent supply	52			
Perceived implications of the conflict on downstream operations				
Not believe	69	69.874	3	<.001
Believe somewhat	55			
Believe	143			
Absolutely believe	51			
Level of agreement regarding the operational effects of the conflict				
Strongly disagree	10	167.975	4	<.001
Disagree	26			
Neutral	48			
Agree	102			
Strongly agree	132			
Preferred intervention or policy response for the downstream sector				
Full functionality of domestic refineries (Dangote/Port Harcourt)	219	333.950	3	<.001
Re-introduction of partial fuel subsidies	48			
Increase in the national minimum wage to match inflation	37			
Rapid transition to compressed natural gas (CNG) for transport	14			
Perceived Risk to Nigeria's Energy Security Due to Dependence on the Global Oil Market				
No Risk at all	2	320.774	4	<.001
Low Risk	17			
Moderate Risk	72			
Risk	45			
High Risk	182			

Field Survey, 2026

With respect to intervention strategies, the findings showed a statistically significant preference for policy measures aimed at strengthening Nigeria's downstream sector, $\chi^2(3) = 333.95$, $p < .001$. This indicates strong

support for solutions such as improving domestic refining capacity and implementing policies capable of reducing the country's vulnerability to external geopolitical shocks. Finally, the findings revealed a statistically significant perception that Nigeria's energy security is at risk due to dependence on the global oil market, $\chi^2(4) = 320.77$, $p < .001$. This finding highlights widespread concern regarding the susceptibility of Nigeria's energy sub-sector to disruptions arising from international conflicts and volatility in global oil markets.

The results demonstrate that the US-Israeli-Iranian conflicts have significant implications for the operations of Nigeria's downstream energy sector, particularly in relation to petroleum product pricing, fuel supply stability, downstream operations, and national energy security.

Discussion of Findings

The findings of this study are discussed in line with the two objectives, with emphasis on empirical evidence obtained from the field.

Impact of the US-Israel-Iran Conflict on the Socio-Economic Development of Nigeria's Oil and Gas Sector

The findings reveal that geopolitical instability significantly affects household welfare and economic behaviour. The results demonstrate that increases in the prices of Premium Motor Spirit (PMS) and Liquefied Petroleum Gas (LPG) have placed substantial financial pressure on households, as evidenced by the statistically significant responses obtained ($p < .001$). This indicates that external geopolitical shocks are transmitted into the domestic economy through rising energy costs. Furthermore, the observed relationship between fuel price increases and rising food prices reflects the broader inflationary effects of energy price shocks on essential goods and services. These findings are consistent with Good Governance Africa (2026) and PwC Nigeria (2026), which noted that global oil price increases tend to elevate domestic living costs in Nigeria due to dependence on imported refined products. Similarly, Atoyebi et al. (2023) established that oil price fluctuations significantly influence inflation dynamics, thereby reinforcing the observed link between fuel costs and broader socio-economic conditions. The results also show that rising fuel prices have influenced transportation choices and patterns, indicating that geopolitical conflicts have direct implications for daily economic activities and household decision-making in Nigeria.

Implications of the US-Israel-Iran Conflict on Operations in Nigeria's Downstream Oil and Gas Sector

The findings indicate that the sector is highly sensitive to global geopolitical dynamics. Respondents reported significant changes in petroleum product pricing, supply consistency, and operational stability during periods of heightened conflict ($p < .001$). These results suggest that disruptions in global energy markets directly affect the efficiency and reliability of downstream operations in Nigeria. The findings further reveal widespread concern regarding energy security risks associated with dependence on the global oil market.

This aligns with Musa (2026), who identified external market dependence as a major source of downstream sector vulnerability. In addition, the conceptualisation of energy security by the International Energy Agency (2024) supports the observed concerns regarding supply disruptions and price instability. The strong preference expressed by respondents for strengthening domestic refining capacity further underscores the importance of internal resilience as a strategic response to external shocks. These findings therefore confirm that Nigeria's downstream energy sector remains structurally vulnerable due to its reliance on imported refined products and exposure to global price volatility.

Conclusion

This study demonstrates that the US–Israeli–Iranian conflict has significant socio-economic and downstream operational implications for Nigeria's energy sub-sector. Evidence from 318 respondents indicates severe household budget effects, perceived transport-food price linkages, altered mobility patterns, and concerns about supply consistency. Downstream operations are likewise perceived as vulnerable to price instability, supply variability, and elevated energy security risks.

Applying Realism clarifies that Nigeria's exposure is structurally predictable. In an anarchic international system where great powers compete over security and strategic corridors, energy becomes a geopolitical variable whose volatility spills over onto secondary states. The most durable response, therefore, is not short-term optimism about windfalls but investment in domestic resilience that reduces exposure to external disruptions.

Recommendations

From this study, the following recommendations and implementation strategies have been proffered:

1. Build Downstream Resilience through Domestic Refining Reliability and Strategic Product Buffers: Nigeria should prioritise downstream resilience by ensuring consistent domestic refining output and strengthening storage/strategic reserves to stabilise supply during external disruptions.

   Implementation Strategy

   a) The Federal Government should create enforceable feedstock assurance mechanisms (crude supply certainty) for domestic refineries and modular plants through transparent allocation rules and operational accountability measures, ensuring predictable throughput during global disruptions.

   b) The Federal Government should establish and expand strategic reserves for PMS, diesel, and LPG with clear activation triggers (e.g., sharp price spikes or supply interruptions) and upgrade storage/distribution logistics to reduce scarcity risk and panic-buying dynamics.

2. Deploy Consumer Shock-Absorption Measures and Accelerate Demand-Side Transition for Transport and Cooking: Nigeria should protect vulnerable households by combining targeted support with demand-side transition measures (especially transport fuels and household cooking energy).

   Implementation Strategy

   a) The Federal Government replaced broad fuel subsidies with targeted, data-driven support (transport vouchers or time-bound cash transfers) triggered during energy-shock periods and focused on low-income earners to offset the food-transport inflation channel.

   b) The Federal Government should shift toward cleaner and less oil-exposed transport energy options by scaling infrastructure and incentives for fuel substitution (e.g., structured CNG conversion programs for public transport fleets), alongside efficiency measures that reduce consumption during peak shocks.

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