



ISSUE BRIEF

March, 2026

Week Five of the Middle East Conflict: Escalating Risks for Nigerians and Urgent Need of Legislative Actions

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Executive Summary

The ongoing escalation of conflict involving Iran, the United States, and Israel has intensified geopolitical tensions across the Middle East, with significant implications for global energy markets and economic stability. Diplomatic efforts to resolve the crisis have stalled, contributing to uncertainty and disruptions in global oil supply dynamics, particularly around the Strait of Hormuz, a critical transit route for global crude oil. As a result, crude oil prices have surged to approximately \$108 per barrel, reflecting heightened market volatility.

For Nigeria, these developments present a dual-edged challenge. While higher crude oil prices may increase government revenues as an oil-exporting country, Nigeria's continued dependence on imported refined petroleum products means that rising global prices are translating directly into higher domestic fuel costs. Reports indicate that NNPC Limited has increased petrol prices to over ₦1,200 per litre in some locations, significantly raising the cost of transportation, logistics, and energy.

These rising costs are already exerting pressure on households and businesses. Wage earners face increased commuting expenses, reducing disposable income and productivity, while small and medium-sized enterprises are experiencing higher operational costs that may lead to increased prices of goods and services or, in severe cases, business closures. The broader economic impact includes heightened inflationary pressures, worsening cost-of-living conditions, and increased economic vulnerability across the population. Additionally, global uncertainty associated with the conflict may contribute to exchange rate volatility and capital flow pressures, further exposing structural weaknesses in Nigeria's economy, including limited domestic refining capacity and inadequate strategic reserves.

Given the National Assembly's constitutional responsibility to safeguard economic stability and citizen welfare, legislative engagement is necessary to ensure that the economic impacts of rising global oil prices are effectively managed and mitigated.

In this regard, the National Assembly, through its Committees on Petroleum Resources, Finance, National Planning, and Foreign Affairs, may consider the following actions:

1. Request a comprehensive inter-agency briefing by inviting relevant agencies, including the NNPC Limited, Ministry of Finance, and the Central Bank of Nigeria, to provide a detailed assessment of the impact of rising oil prices on government revenue, implications for domestic fuel pricing, and projected inflationary trends, particularly as the conflict enters its fifth week.



2. Urge the Executive to design and implement temporary and targeted relief measures to cushion the economic burden on Nigerians, particularly: workers facing rising transportation costs, and businesses grappling with increased energy and logistics expenses. Such measures may include transport support initiatives, targeted subsidies, or social protection interventions aimed at vulnerable groups.
3. Call on the Executive, through the Ministry of Finance, to introduce time-bound tax waivers or reductions on critical sectors and essential goods in order to reduce cost pressures on businesses, stabilise prices of essential commodities, and mitigate inflationary impacts on households.
4. Mandate the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) to monitor fuel pricing trends and ensure that price adjustments are transparent, justified, and reflective of actual market conditions, while protecting consumers from arbitrary increases.

Background:

The ongoing conflict involving Iran, the United States, and Israel has continued to escalate, with significant implications for global energy markets and economic stability. Recent developments indicate that diplomatic efforts to resolve the crisis have stalled, contributing to heightened geopolitical tensions across the Middle East.

One immediate consequence of the conflict has been the sharp increase in global crude oil prices, which recently rose to approximately \$108 per barrel following renewed hostilities and uncertainty surrounding peace negotiations¹. The situation has been further complicated by tensions around the Strait of Hormuz, a critical global oil transit route, where threats of disruption continue to influence global energy supply dynamics.

For Nigeria, a major crude oil exporter but also a significant importer of refined petroleum products, these developments have direct domestic implications. Reports indicate that petrol prices have increased significantly, with the NNPC Limited retailing fuel at over ₦1,200 per litre in some locations, compared to significantly lower prices prior to the escalation of the conflict².

Issue:

The ongoing conflict presents a complex set of economic and security challenges for Nigeria, despite the country's status as an oil-producing nation.

While rising crude oil prices may increase government revenues, Nigeria's continued dependence on imported refined petroleum products means that higher global oil prices translate directly into increased domestic fuel costs. This has already triggered higher transportation and logistics costs, with significant implications for workers and businesses.

¹ Nnorom, K & Esiedesa, O. (2026, March 27). Oil price rises to \$108 as Iran describes US plan to end war one-sided. *Vanguard*. <https://www.vanguardngr.com/2026/03/oil-price-rises-to-108-as-iran-describes-us-plan-to-end-war-one-sided/>

² Vanguard. (2026, March 27). Fuel price stood at ₦1,051.47 per litre in February – NBS. <https://www.vanguardngr.com/2026/03/fuel-price-stood-at-n1051-47-per-litre-in-february-nbs/>



In particular, many Nigerians, especially wage earners, are now faced with rising daily commuting costs, effectively reducing disposable income and productivity. Similarly, small and medium-sized enterprises are experiencing increased operational expenses, which may lead to higher prices of goods and services or business closures in extreme cases.

These pressures are likely to intensify inflationary trends, deepen cost-of-living challenges, and widen economic vulnerability across households.

In addition, global uncertainty linked to the conflict may contribute to exchange rate volatility and capital flow pressures, while Nigeria's limited refining capacity and weak strategic reserves continue to expose the country to external shocks.

Rationale for Legislative Action

The National Assembly has a constitutional responsibility to provide oversight on matters affecting economic stability and citizen welfare.

Legislative intervention is necessary to:

- cushion the immediate economic burden on Nigerians,
- ensure accountability in fuel pricing and revenue utilisation, and
- promote policy responses that enhance resilience to external shocks.

Recommendations to the National Assembly

The National Assembly, through its Committees on Petroleum Resources, Finance, National Planning, and Foreign Affairs, is respectfully urged to:

1. Request a comprehensive inter-agency briefing by invite relevant agencies, including the NNPC Limited, Ministry of Finance, and the Central Bank of Nigeria, to provide a detailed assessment of the impact of rising oil prices on government revenue, implications for domestic fuel pricing, and projected inflationary trends, particularly as the conflict enters its fifth week.
2. Urge the Executive to design and implement temporary and targeted relief measures to cushion the economic burden on Nigerians, particularly: workers facing rising transportation costs, and businesses grappling with increased energy and logistics expenses. Such measures may include transport support initiatives, targeted subsidies, or social protection interventions aimed at vulnerable groups.
3. Call on the Executive, through the Ministry of Finance, to introduce time-bound tax waivers or reductions on critical sectors and essential goods in order to reduce cost pressures on businesses, stabilise prices of essential commodities, and mitigate inflationary impacts on households.
4. Mandate the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) to monitor fuel pricing trends and ensure that price adjustments are transparent, justified, and reflective of actual market conditions, while protecting consumers from arbitrary increases.



Conclusion

The ongoing Middle East conflict presents both opportunities and risks for Nigeria. While increased crude oil prices may boost government revenues, the resulting rise in domestic fuel costs and broader inflationary pressures pose significant challenges for citizens and businesses.

A proactive and coordinated legislative response is therefore essential to ensure that Nigeria is able to mitigate immediate economic hardships while strengthening long-term resilience.

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