



DRAFT 2022 – 2024 MTFF/FSP: PUBLIC CONSULTATION

Presented by Mrs. (Dr.) Zainab Shamsuna Ahmed
Honorable Minister of Finance, Budget & National Planning,
Federal Government of Nigeria
1ST July, 2021

OUTLINE

- I. Introduction & Background***
- II. Update On 2021 Federation Revenue Performance***
- III. Overview of 2021 Fiscal outcomes & Update on 2021 FGN Budget Implementation***
- IV. 2022-24 Key Assumptions and Macroeconomic Framework***
- V. Overview of the 2022-2024 MTFF***
- VI. Conclusion***

INTRODUCTION & BACKGROUND

INTRODUCTION & BACKGROUND



- The Nigerian economy faced serious challenges in 2020, with the macroeconomic environment significantly disrupted by the Covid-19 pandemic.
- Crude oil prices declined sharply in the world market, with Bonny Light crude oil price dropping from peak US\$72.2 pb on January 7, 2020 to below US\$20 pb in April, 2020. Crude oil prices are however back to the pre-lockdown levels at above \$70 pb.
- The Nigerian economy lapsed into recession in Q3 2020, after two successive quarters of negative GDP growth, but promptly emerged from the recession with a positive 0.11% GDP growth in Q4 2020.
- The economy sustained a tepid recovery in first quarter of 2021 posting a Year-on-Year (YoY) GDP growth of 0.51%, consolidating the exit from recession in Q4 2020, reflecting the easing of COVID-19 induced restrictions.

INTRODUCTION & BACKGROUND .../2



- The growth was driven by the non-oil sector, which rose by 0.79% YoY masking the deterioration in oil GDP (-2.21% YoY). Sectoral growth in non-oil GDP growth was primarily telecommunication and agriculture sectors recording 7.69% and 2.28% YoY growth recording 7.69% and 2.28% YoY growth, respectively.
- Significant concerns persist over the performance of trade (-2.43% YoY) and road transport (-23.75% YoY) subsectors which are yet to rebound to pre-pandemic levels.
- The persistent rise of inflation halted in April 2021 after nineteen consecutive months. From a four year high of 18.17% YoY in March, the consumer price index, (CPI) which measures inflation moderated for the second consecutive month to 17.93% in May 2021.
- High unemployment/underemployment rates have implications for poverty incidence in the population. NBS' latest estimate is that 40.1% of the population (82.9 million people) are poor.

INTRODUCTION & BACKGROUND .../3



- The International Monetary Fund (IMF) recently revised its forecasts for global economic growth in 2021 to 6.0% after 3.5% decline in 2020. Global economic growth is projected to moderate beyond 2022.
- The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility and contactless operations.
- Nigeria continues to be exposed to risk aversion in the global capital markets, which will put further pressure on the foreign exchange market as foreign portfolio investors are yet to return to the Nigerian Market. The situation is compounded by sustained perceptions about over-valuation of the Naira.
- In response, to the developments affecting the supply of foreign exchange to the economy, the Central Bank of Nigeria (CBN) adjusted the official exchange rate to align with the NAFEX rate, currently N410.15/US\$1.

UPDATE ON 2021 FEDERATION REVENUE PERFORMANCE

OVERVIEW OF 2021 FEDERATION FISCAL OUTCOMES (JAN – MAY)



Oil Revenue Performance

- The **gross oil and gas** revenue for 2021 was projected at N5.19 trillion.
- As of May, **N1.49 trillion** was realized out of the prorated sum of **N2.16 trillion**.
This represents 69% performance.
- Oil and gas deductions **were N194.31 billion** (or 45.8%) more than the budget. *This is mainly attributable to petroleum subsidy costs which was not provided for in the 2021 Budget.*
- After netting out deductions (including 13% derivation), net oil and gas revenue inflows to the Federation Account amounted to N872.16 billion. *This is N864.20 billion or 49.8% less than the projection as of May.*

OVERVIEW OF 2021 FEDERATION FISCAL OUTCOMES (JAN – MAY)



Revenue Performance

	Fiscal Items	2021 Budget	Prorata	Actuals (Jan-May)	Variance	
		Billions of Naira			Billions of Naira	%
A	OIL REVENUE					
a	Gross Oil and Gas Revenue	5,185.57	2,160.65	1,490.76	(669.89)	-31.0%
b	Deductions*	1,018.30	424.29	(618.60)	194.31	45.8%
c	Net Oil and Gas Revenue	4,167.26	1,736.36	872.16	(864.20)	-49.8%
B	NON-OIL REVENUE					
a	Non-Oil Taxes	4,602.23	1,917.59	1,954.89	37.30	1.9%
i	Corporate Tax	1,496.53	623.55	646.16	22.61	3.6%
ii	VAT	1,838.35	765.98	854.18	88.20	11.5%
iii	Customs	1,267.35	528.06	454.55	(73.51)	-13.9%
b	Deductions	341.70	142.37	(49.81)	92.57	65.0%
c	Net Non-Oil Taxes	4,260.53	1,775.22	1,905.09	129.87	7.3%
d	Other Revenues**	5.49	2.29	2.96	0.67	29.3%
e	Net Non-Oil Revenue	4,266.02	1,777.51	1,908.05	130.54	7.3%
	* This include 13% derivation					
	** These include revenue from Solid Minerals after derivation					
	Note: The Net Non-Oil Revenue refers to those accruable to the Federation; thus, it excludes FGN Independent Revenues					

OVERVIEW OF 2021 FEDERATION FISCAL OUTCOMES (JAN – MAY)



Federation and VAT Pool Accounts Distributable

- The amount available for distribution from the Federation Account was **N2.78 trillion**.
 - *Of this amount,*
 - the Federal Government received **N998.57 billion**, while
 - the States and Local Governments received **N506.59 billion** and **N390.48 billion** respectively from the **Main Pool Account**.
 - Federal, State and Local governments **received N132.70 billion, N442.33 billion and N309.63 billion** respectively from the **VAT Pool Account**.

OVERVIEW OF 2021 FEDERATION FISCAL OUTCOMES (JAN – MAY)



Federation and VAT Pool Accounts Distributable

	Fiscal Items	2021 Budget	Prorata	Actuals (Jan-May)	Variance	
		Billions of Naira			Naira	%
A	Net Federation Account Distributable*	6,730.24	2,804.27	1,895.54	(908.72)	-32.4%
i	FGN's Share (52.68%)	3,545.49	1,477.29	998.57	(478.72)	-32.4%
ii	States' Share (26.72%)	1,798.32	749.30	506.49	(242.81)	-32.4%
iii	Local Govt.'s Share (20.60%)	1,386.43	577.68	390.48	(187.20)	-32.4%
B	Net VAT Pool Account Distributable	1,703.04	709.60	884.66	175.06	24.7%
iv	FGN's Share (15%)	255.46	106.44	132.70	26.26	24.7%
v	States' Share (50%)	851.52	354.80	442.33	87.53	24.7%
vi	Local Govt.'s Share (35%)	596.07	248.36	309.63	61.27	24.7%

OVERVIEW OF 2021 FISCAL OUTCOMES & UPDATE ON 2021 FGN BUDGET IMPLEMENTATION

UPDATE ON 2021 BUDGET IMPLEMENTATION (JAN – MAY)



Revenue Performance

- As at May 2021, FGN's retained revenue was **N1.84 trillion, 67% of prorata target**
 - FGN share of **oil revenues** was **N289.61 billion (which represents 50% performance)**, while **non-oil tax revenues** totalled **N618.76 trillion (99.7% of prorata)**
 - Companies Income Tax (**CIT**) and Value Added Tax (**VAT**) collections were ahead of the budget targets with **N290.90 billion and N123.85 billion, representing 102% and 125% respectively** of the prorata targets for the period
 - **Customs** collections was **N204.0 billion (86% of target)**. Other revenues amounted to N762.70 billion, of which Independent revenues was N487.01 billion.

UPDATE ON 2021 BUDGET IMPLEMENTATION (JAN – MAY) .../2



Revenue Performance

		2021 Budget	Pro Rata (Jan-May)	Actuals (Jan-May)	Variance	
		Billions of Naira			Billions of Naira	%
S/N	AGGREGATE FEDERAL GOVERNMENT REVENUE	7,986.41	3,327.67	1,844.99	(1,482.68)	-44.6%
	FEDERAL RETAINED REVENUES (excl. GOEs)	6,637.58	2,765.66	1,844.99	(920.66)	-33.3%
A						
1	Oil Revenue	2,011.02	837.92	423.00	(414.93)	-49.5%
2	Share of Dividend (NLNG)	208.54	86.89	39.10	(47.79)	-55.0%
3	Minerals & Mining Revenue	2.65	1.10	1.44	0.33	30.0%
4	Non-Oil Revenue:	1,488.92	620.39	618.76	(1.63)	-0.3%
i	CIT	681.72	284.05	290.90	6.86	2.4%
ii	VAT	238.43	99.34	123.85	24.51	24.7%
iv	Customs Revenues	508.27	211.78	188.34	(23.43)	-11.1%
v	Federation Account Levies	60.51	25.21	15.66	(9.56)	-37.9%
B		4,275.28	1,781.37	762.70	(1,018.67)	-57.2%
1	FGN Independent Revenue	1,061.90	442.46	487.01	44.55	10.1%
2	FGN Drawdowns from Special Accounts/Levies	300.00	125.00	101.60	(23.40)	-18.7%
3	Signature Bonus / Renewals / Early Renewals	677.02	282.09	127.09	(155.00)	-54.9%
4	Domestic Recoveries + Assets + Fines*	32.68	13.61	-	(13.61)	-100.0%
5	Electronic Money Transfer Levy (formerly Stamp Duty)*	500.00	208.33	47.00	(161.33)	-77.4%
6	Grants and Donor Funding	354.85	147.86		(147.86)	-100.0%
7	GOEs Revenue (net Operating Surplus)	1,348.84	562.02			

** Grants & Donor Funding and Recoveries + Fines collected during the period are yet to be booked in the fiscal accounts.*



Expenditure Performance

- On the expenditure side, N4.86 trillion (representing 92.7% of the prorated budget) has been spent. This excludes GOEs' and project-tied debt expenditures.
- Of the expenditure,
 - **N1.80 trillion** was for debt service (37% of FGN expenditures); and
 - **N1.50 trillion** for Personnel cost, including Pensions (*31% of FGN revenues*).
- As at May, **N973.13 billion** had been released for capital expenditure.

UPDATE ON 2021 BUDGET IMPLEMENTATION (JAN - MAY) .../4



Expenditure Performance

S/N	Fiscal Items	2021 Budget	Pro Rata (Jan-May)	Actuals (Jan-May)	Variance	
		Billions of Naira			Billions of Naira	%
	AGGREGATE FGN EXPENDITURE	13,588.03	5,661.68	4,857.31	804.37	-14.2%
	FGN EXPENDITURE (excl. GOEs and Project-tied Loans)	11,529.51	5,239.49	4,857.31	382.19	-7.3%
A	Statutory Transfers	496.53	206.89	206.89	0.00	0.0%
B	Recurrent Expenditure	8,966.35	3,735.98	3,672.29	63.69	-1.7%
1	Non-Debt Recurrent Expenditure	5,641.97	2,350.82	1,869.95	480.87	-20.5%
i	Personnel Costs (MDAs)	3,046.46	1,269.36	1,349.04	(79.68)	6.3%
ii	Personnel Costs (GOEs)	701.16	292.15			
iii	Pensions & Gratuities including Service wide pension	504.19	210.08	149.12	60.96	-29.0%
iv	Overheads (MDAs)	325.88	135.78	151.90	(16.12)	11.9%
v	Overheads (GOEs)	312.08	130.03			
vi	Other Service Wide Votes	337.19	140.50	198.21	(57.72)	41.1%
vii	Presidential Amnesty	65.00	27.08	21.67	5.42	-20.0%
viii	Special Intervention Programme	350.00	145.83	-	145.83	-100.0%
2	Debt Service	3,324.38	1,385.16	1,802.34	(417.18)	30.1%
i	Domestic Debt	2,183.49	909.79	913.11	(3.32)	0.4%
ii	Foreign Debt	940.89	392.04	408.71	(16.67)	4.3%
iii	Sinking Fund	200.00	83.33	-	83.33	-100.0%
iv	Interest on Ways & Means		-	480.52	(480.52)	
C	Aggregate Capital Expenditure	4,125.15	1,718.81	978.13	740.68	-43.1%
	Capital Expenditure (MDAs + Others)	3,079.87		978.13	(978.13)	
	GOEs Capital Expenditure	335.59			-	
	Multi-lateral/Bilateral Project-tied loans	709.69			-	

2022 – 2024 KEY ASSUMPTIONS AND MACROECONOMIC FRAMEWORK

KEY ASSUMPTIONS & MACRO-FRAMEWORK



2022 – 2024 MTFF Projections

- The key parameters as well as other macroeconomic projections driving the medium-term revenue and expenditure framework have been revised in line with the emergent realities. The new figures are presented in the table below.

Description	2020 Budget	2020 Actual	2021 Budget	2021 Revised Forecast	2022	2023	2024
Oil Price Benchmark (US\$/b)	28.0	43.0	40.0	40.0	57.0	57.0	55.0
Oil Production (mbpd)	1.80	1.79	1.86	1.86	1.88	2.23	2.22
Exchange Rate (N/\$)	360.0	379.0	379.0	410.15	410.15	410.15	410.15
Inflation (%)	14.15	13.20	11.95	15.00	13.00	11.00	10.00
Non-Oil GDP (N'bn)	131,155.5	142,128.4	132,592.2	154,102.1	169,697.4	185,558.3	203,799.2
Oil GDP (N'bn)	8,691.9	10,195.6	10,102.2	14,500.5	14,684.6	15,594.7	17,976.6
Nominal GDP (N'bn)	139,517.5	152,324.1	142,192.1	168,602.6	184,382.0	201,153.0	221,775.8
GDP Growth Rate (%)	(4.20)	(1.90)	3.00	2.50	4.20	2.30	3.30
Imports	8,988.3	25,560.0	13,439.8	30,348.5	33,188.8	36,207.5	39,919.6
Nominal Consumption (N'bn)	117,913.74	119,919.29	118,887.27	136,568.11	149,349.40	162,933.91	179,638.41

Source: Ministry of Finance, Budget & National Planning; NNPC; BOF; NBS

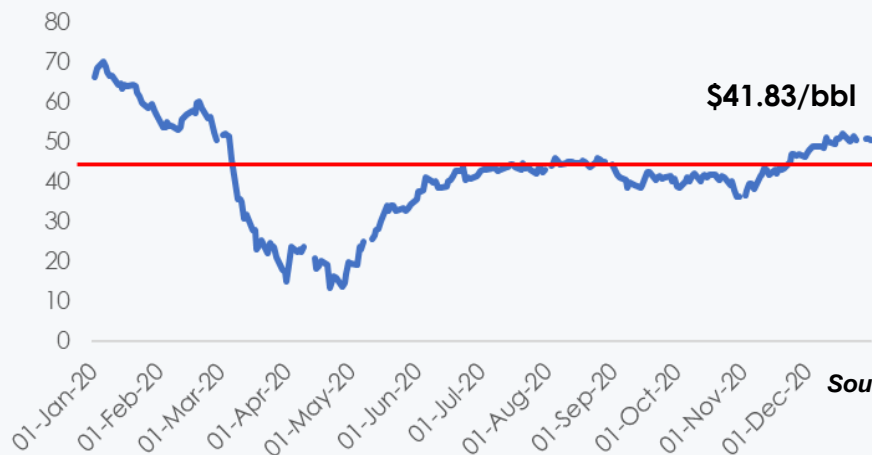
JUSTIFICATION FOR OIL PRICE AND PRODUCTION ASSUMPTIONS



3 YEAR HISTORICAL DATED BRENT OIL PRICE
AVERAGE (2018-2020) – PLATTS SPOT PRICES



1 YEAR HISTORICAL DATED BRENT OIL PRICE
AVERAGE (2020) – PLATTS SPOT PRICES



Source: NNPC

Oil Price Justification

- The realities of 2021 portend sustained OPEC Supply Cuts, ongoing vaccination, and rebounding Global GDP led by Emerging Economies.
- In consultation with NNPC & other stakeholders, our base oil price scenario in the Medium Term is (2022: \$57/bbl, 2023: \$57/bbl, 2024: \$55/bbl) and this is premised on the averages of leading forecasting institutions, factors affecting market fundamentals, global economic recovery, plans by governments and market sentiments.

KEY ASSUMPTIONS & MACRO-FRAMEWORK .../2



2022 – 2024 MTEF Projections

- Although Nigeria's total production capacity is 2.5 mbpd, current (year to date) crude production is about 1.4mbpd (*slightly short of the OPEC+ production quota*), and an additional 300,000bpd of condensates, totaling about 1.7mbpd.
- The Energy Information Administration (EIA) expects that global oil production will increase to match rising levels of global oil consumption.
- World Bank forecasts that crude oil prices will rise gradually from an average of US\$60 pb in 2022 to \$61 pb in 2023, and US\$61.9 pb in 2024.

OVERVIEW OF THE 2022-2024 MEDIUM TERM FISCAL FRAMEWORK (MTFF)

OVERVIEW OF THE 2022-2024 MTRF



Federation Account Revenues (2022 – 2024)

FISCAL ITEMS	2021 Budget Passed by NASS	2022 Proj.	2023 Proj.	2024 Proj.
Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)	1.86	1.88	2.23	2.22
Projected Budget Benchmark Price (US\$ per barrel)	40.00	57.00	57.00	55.00
Average Exchange Rate (N/US\$)	379.0	410.15	410.15	410.15
NET FEDERATION ACCOUNT (MAIN POOL)	6,772,148,183,209	10,519,239,717,127	13,864,798,242,891	14,767,515,253,606
Transfer to Police Trust Fund (0.5% of Fed. Acct.)	41,908,119,186	52,596,198,586	310,554,169,487	363,313,790,195
NET FEDERATION ACCOUNT - MAIN POOL (after 0.5% transfer to Police Trust Fund)	6,730,240,064,023	10,466,643,518,541	13,554,244,073,403	14,404,201,463,410
Net Oil Revenue after Costs, Deductions & Derivation	4,146,428,644,688	6,507,790,422,312	9,153,869,764,786	8,652,691,974,196
Net Solid Minerals Revenue after Derivation	5,464,729,697	6,011,202,666	6,612,322,933	7,273,555,226
Net Corporate Tax Distributable	1,405,604,726,453	1,874,850,814,324	2,198,543,496,579	2,417,014,498,120
Net Customs Revenue Distributable	1,047,978,550,179	1,719,828,043,369	1,876,259,987,600	2,068,620,127,352
Net Special Levies Distributable	124,763,413,007	148,397,663,459	318,958,501,506	1,258,601,308,516
Net Electronic Money Transfer Levy		209,765,372,411	241,230,178,273	289,476,213,927
Distribution				
FGN's Share of Federation Account (52.68%)	3,545,490,465,727	5,513,827,805,567	7,140,375,777,869	7,588,133,330,925
States' Share of Federation Account (26.72%)	1,798,320,145,107	2,796,687,148,154	3,621,694,016,413	3,848,802,631,023
Local Govt.'s Share of Federation Account (20.60%)	1,386,429,453,189	2,156,128,564,819	2,792,174,279,121	2,967,265,501,463
Total Federation Account Distribution (Net) (100.00%)	6,730,240,064,023	10,466,643,518,541	13,554,244,073,403	14,404,201,463,410
FGN's' Share of VAT Pool Account (15%)	255,456,672,381	339,311,839,736	371,471,667,533	408,139,544,122
States' Share of VAT Pool Account (50%)	851,522,241,271	1,131,039,465,786	1,238,238,891,776	1,360,465,147,072
Local Govt.'s Share of VAT Pool Account (35%)	596,065,568,889	791,727,626,050	866,767,224,243	952,325,602,950
Total VAT Pool Account Distribution (Net) (100.00%)	1,703,044,482,541	2,262,078,931,572	2,476,477,783,552	2,720,930,294,144

OVERVIEW OF THE 2022 - 2024 MTEF



An Overview of the Revenue Framework (FGN)

FISCAL ITEMS		2021 Budget Passed by NASS	2022 Proj.	2023 Proj.	2024 Proj.
Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)		1.86	1.88	2.23	2.22
Projected Budget Benchmark Price (US\$ per barrel)		40.00	57.00	57.00	55.00
Average Exchange Rate (N/US\$)		379.0	410.15	410.15	410.15
AMOUNT AVAILABLE FOR FGN BUDGET (excluding GOEs retained revenue)		6,637,575,467,981	7,263,944,617,205	8,762,451,426,482	9,215,713,059,757
a	Share of Oil Revenue	2,011,017,892,674	3,156,278,354,821	4,439,626,835,921	4,196,555,607,485
b	Share of Dividend (NLNG)	208,540,960,000	184,030,182,000	189,661,046,400	94,830,523,200
c	Share of Minerals & Mining	2,650,393,903	2,915,433,293	3,206,976,622	3,527,674,285
d	Share of Non-Oil Taxes	1,488,924,372,031	2,132,083,163,179	2,477,681,452,754	3,166,884,669,164
	Share of CIT	681,718,292,330	909,302,644,947	1,066,293,595,841	1,172,252,031,588
	Share of VAT	238,426,227,556	316,691,050,420	346,706,889,697	380,930,241,180
	Share of Customs	508,269,596,837	834,116,601,034	909,986,093,986	1,003,280,761,766
	Share of Federation Acct. Levies	60,510,255,308	71,972,866,778	154,694,873,230	610,421,634,630
	Share of Electronic Money Transfer Levy (formerly called Stamp Duty)	500,000,000,000	29,367,152,138	36,184,526,741	43,421,432,089
e	Revenue from GOEs	2,173,860,133,098	2,039,567,627,394	2,232,114,703,577	2,341,258,774,100
f	GOEs Operating Surplus (80% of which is captured in Independent Revenue)	(825,023,025,138)	(944,298,935,002)	(814,226,892,523)	(661,031,281,755)
g	Independent Revenue	1,061,898,590,939	1,089,243,957,812	1,220,264,847,149	1,314,264,632,639
h	Transfers from Special Levies Accounts	300,000,000,000	300,000,000,000	300,000,000,000	300,000,000,000
i	Signature Bonus / Renewals / Early Renewals	677,015,511,478	280,855,138,079	-	-
j	Domestic Recoveries + Assets + Fines	32,675,085,307	26,933,139,822	33,587,644,833	33,587,644,833
k	Grants and Donor Funding	354,852,661,650	62,238,096,061	62,238,096,061	62,238,096,061
AMOUNT AVAILABLE FOR FGN BUDGET (including GOEs)		7,986,412,575,941	8,359,213,309,597	10,180,339,237,536	10,895,940,552,103

OVERVIEW OF THE 2022-2024 MTEF

An Overview of the Expenditure Framework (FGN)



FISCAL ITEMS		2021 Budget Passed by NASS	2022 Proj.	2023 Proj.	2024 Proj.
Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)		1.86	1.88	2.23	2.22
Projected Budget Benchmark Price (US\$ per barrel)		40.00	57.00	57.00	55.00
Average Exchange Rate (N/US\$)		379.0	410.15	410.15	410.15
STATUTORY TRANSFER		496,528,471,273	613,358,534,525	701,945,427,979	727,110,522,689
DEBT SERVICE		3,124,380,000,000	3,609,241,188,415	4,933,150,900,077	6,167,302,672,992
SINKING FUND		200,000,000,000	292,711,793,135	247,726,644,470	232,002,962,545
RECURRENT (NON-DEBT)		5,641,970,060,680	6,205,011,154,753	6,412,803,897,746	6,490,915,089,182
a	Personnel Costs (MDAs)	3,046,464,689,489	3,469,178,444,276	3,573,253,797,604	3,573,253,797,604
b	Personnel Costs (GOEs)	701,162,016,535	750,038,374,499	779,313,511,833	833,990,459,384
c	Overheads (MDAs)	325,878,658,542	335,655,018,298	335,655,018,298	335,655,018,298
d	Overheads (GOEs)	312,081,710,125	261,269,575,246	302,338,675,825	325,772,919,710
e	Pensions, Gratuities & Retirees Benefits	504,191,130,679	567,002,149,814	584,012,214,308	584,012,214,308
f	Other Service Wide Votes (including GAVI/Immunization)	337,191,855,311	406,867,592,621	423,230,679,878	423,230,679,878
h	Presidential Amnesty Programme	65,000,000,000	65,000,000,000	65,000,000,000	65,000,000,000
SPECIAL INTERVENTIONS (Recurrent)		350,000,000,000	350,000,000,000	350,000,000,000	350,000,000,000
AGGREGATE CAPITAL EXPENDITURE		4,374,199,343,849	3,616,302,881,369	3,601,944,294,870	3,618,459,488,186
a	Capital Supplementation (see appendix)	695,898,390,000	366,137,096,061	366,137,096,061	366,137,096,061
b	Capital Expenditure in Statutory Transfers	249,049,989,627	354,784,001,633	439,552,139,816	463,601,102,811
c	Special Intervention Programme (Capital)	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
d	Amount Available for MDAs Capital Expenditure	2,019,119,204,546	1,759,804,022,579	1,759,804,022,579	1,759,804,022,579
e	GOEs Capital Expenditure	335,593,381,300	425,024,504,882	450,385,464,550	442,851,694,870
f	Grants and Donor Funded Projects	354,852,661,650	62,238,096,061	62,238,096,061	62,238,096,061
g	Multi-lateral / Bi-lateral Project-tied Loans	709,685,716,725	638,315,160,152	513,827,475,803	513,827,475,803
Capital Expenditure (Exclusive of Transfers)		4,125,149,354,222	3,261,518,879,736	3,162,392,155,054	3,154,858,385,375
TOTAL FGN BUDGET (Excluding GOEs & Project-tied Loans)		11,529,505,061,490	11,907,193,935,785	13,412,153,897,316	14,655,747,083,016
TOTAL FGN BUDGET (Including GOEs & Project-tied Loans)		13,588,027,886,175	13,981,841,550,564	15,458,019,025,327	16,772,189,632,782

OVERVIEW OF THE 2022-2024 MTEF



An Overview of Deficit, Financing and Critical Ratios

FISCAL ITEMS		2021 Budget Passed by NASS	2022 Proj.	2023 Proj.	2024 Proj.
Budget Oil Production Volume Net Incremental Oil Production for Repayment Arrears (mbpd)		1.86	1.88	2.23	2.22
Projected Budget Benchmark Price (US\$ per barrel)		40.00	57.00	57.00	55.00
Average Exchange Rate (N/US\$)		379.0	410.15	410.15	410.15
Fiscal Deficit (excluding GOEs and Project-tied Loans)		(4,891,929,593,509)	(4,643,249,318,580)	(4,649,702,470,834)	(5,440,034,023,259)
Total Fiscal Deficit (including GOEs and Project-tied Loans)		(5,601,615,310,234)	(5,622,628,240,967)	(5,277,679,787,790)	(5,876,249,080,680)
GDP		142,694,417,135,112	184,381,975,950,038	201,152,972,963,443	221,775,815,344,900
DEFICIT/GDP (excluding GOEs and Project-tied Loans)		(3.43%)	(2.52%)	(2.31%)	(2.45%)
DEFICIT/GDP (including GOEs and Project-tied Loans)		(3.93%)	(3.05%)	(2.62%)	(2.65%)
TOTAL FGN EXPENDITURE		13,588,027,886,175	13,981,841,550,564	15,458,019,025,327	16,772,189,632,782
Total Non-Debt Expenditure		10,263,647,886,175	10,079,888,569,014	10,277,141,480,779	10,372,883,997,245
Capital Expenditure as % of Non-Debt Expenditure		43%	36%	35%	35%
Capital Expenditure as % of total FGN Expenditure		32%	26%	23%	22%
Capital Expenditure (Inclusive of Transfers, but exclusive of GOEs Capital & Project-tied loans) as % of FGN Expenditure		29%	21%	20%	18%
Recurrent Expenditure as % of total FGN Exp (incl. GOEs + Project-tied Loans)		68%	74%	77%	78%
Debt Service to Revenue Ratio (incl. GOEs + Project-tied Loans)		39%	43%	48%	57%
Deficit as % of FGN Revenue (incl. GOEs + Project-tied Loans)		70%	67%	52%	54%
ADDITIONAL FINANCING					
a	Sales of Government Property	-	-	-	-
b	Privatization Proceeds	205,153,707,813	90,731,800,000	13,770,000,000	6,237,000,000
c	Non-Oil Asset Sales	-	-	-	-
d	Multi-lateral / Bi-lateral Project-tied Loans	709,685,716,725	638,315,160,152	513,827,475,803	513,827,475,803
e	New Borrowings	4,686,775,885,696	4,893,581,280,815	4,750,082,311,988	5,356,184,604,877
	Domestic Borrowing	2,343,387,942,848	2,446,790,640,407	2,375,041,155,994	2,678,092,302,438
	Foreign Borrowing	2,343,387,942,848	2,446,790,640,407	2,375,041,155,994	2,678,092,302,438

CONCLUSION

CONCLUSION



- The draft **2022 – 2024 MTEF/FSP** has been prepared against the backdrop of global economic recovery amidst improved vaccination outlook and lower incidence of infection. However, the Medium Term Fiscal Framework shows that there are continuing global challenges in the aftermath of the COVID-19.
- Overall, fiscal risks are somewhat elevated, following weaknesses in the economy and slower than expected recovery.
- As observed in the 2021-23 MTEF/FSP, weaker-than-expected economic performance threatens our ambitious revenue growth targets, as seen in the 2021 Performance up to May.
- Non-oil revenue performance has been impressive and heading in the right direction. Efforts will be sustained in this regard.
- High costs, including PMS under-recovery and cost of securing oil pipelines are however weighing down on oil revenues; these issues must be addressed wholesomely to free up much needed fiscal space.

THANK YOU!