



BREAKDOWN OF 2019 FGN BUDGET PROPOSAL

**PUBLIC PRESENTATION OF THE 2019
BUDGET OF CONTINUITY**

SEN. UDOMA UDO UDOMA, CON

**Hon. Minister, Ministry of Budget & National
Planning**

Thursday, 20th December 2018



OUTLINE

- 1 Background & Context**
- 2 Summary of 2018 Budget Performance**
- 3 Global Outlook: Recent Developments & Prospects**
- 4 Background to the 2019 Budget**
- 5 Underlying Assumptions driving the Macroeconomic Parameters and Targets for the 2019 Budget Proposal**
- 6 Approach to the 2019 Budget**
- 7 Overview of the 2019 Budget Proposal**
- 8 Selected Capital Projects in the 2019 Budget Proposal**
- 9 Conclusion**



Background & Context

- The Nigerian economy emerged from recession in Q2 2017, and the macroeconomic environment has stabilized and is recovering gradually.
- This has renewed confidence in the country's growth prospects.
- The Economic Recovery and Growth Plan (ERGP), which underpins government's economic recovery actions, is the basis for medium term fiscal strategy to achieve sustained economic growth, diversification and social inclusion.
- Some of the underlying assumptions and targets in the ERGP have been updated to reflect current realities/



Summary of 2018 Budget Performance

S/N	Description	FY Budget	Actual (Q3, 2018)
1.	GDP Growth Rate (%)	3.5***	1.81%**
2.	Oil Production (mbpd)	2.3	1.95
3.	Oil Price (US \$)	51	74 ⁺
4.	Inflation Rate (%)	12.4	11.28*
5.	Exchange Rate (N/\$) (<i>CBN Official Rate</i>)	305	305.95
6.	Revenue (N'trillion)	7.16 (Prorata – 5.38)	2.84
7.	Expenditure (N'trillion)	9.12 (Prorata – 6.84)	4.59

*Inflation rate for September, 2018; As at November 2018, inflation rate is 11.28%

** GDP growth for Q2 2018 was 1.50%.

*** Subsequently revised to 2.1%

+ Bonny Light price average as at September 2018.



Summary of 2018 Budget Performance

.../2

- ❑ As at the end of the third quarter, Federal Government's actual aggregate revenue was **N2.84 trillion**, which is **40 percent higher** than **2017 revenue**. This includes:
 - Oil Revenue of **N1.51 trillion** (101 percent higher than 2017);
 - Company Income Tax (CIT) of **N500.37 billion** (23 percent higher than 2017);
 - Value-Added Tax (VAT) of **N100.37 billion** (5 percent higher than 2017); and
 - Customs Collections of **N229.62 billion** (11 percent higher than 2017).

- ❑ The overall revenue **performance is only 53 percent** of the target in the 2018 Budget largely because some one-off items such as the **N710 billion** from Oil Joint Venture **Asset restructuring** are yet to be actualized and have been rolled over to 2019.



Summary of 2018 Budget Performance

.../3

- Of the total appropriation of **N9.12 trillion**, **N4.59 trillion** had been spent by 30th September, 2018 against the prorated expenditure target of **N6.84 trillion**. This represents **67% performance**.

- Debt service and the implementation of non-debt recurrent expenditure, notably payment of workers' salaries and pensions are on track.



2018 Capital Expenditures

- Capital releases only commenced after the signing of the 2018 Budget on 20th June, 2018. As at 14th December 2018, a total of **N820.57 billion** had been released for capital projects.
- Spending on capital has been prioritised in favour of critical ongoing infrastructural projects in the power, roads, rail and agriculture sectors.
- Implementation of the 2018 Capital Budget will continue into 2019 until the 2019 Budget is passed into law.



Key Initiatives to improve FGN Revenues

- The Federal Government has also sustained its efforts to improve public financial management through the comprehensive implementation of the:
 - ✓ Treasury Single Account (**TSA**),
 - ✓ the Government Integrated Financial Management Information System (**GIFMIS**) and
 - ✓ the Integrated Payroll and Personnel Information System (**IPPIS**).
- President has directed that immediate action be commenced to restructure the Joint Venture Oil Assets so as to reduce government shareholding to 40 percent and that this exercise must be completed within the 2019 fiscal year.
- The Department of Petroleum Resource shall, within three months, complete the collection of past-due oil license and royalty charges.



Key Initiatives to improve FGN Revenues

.../2

- Following Mr. President's directive:
 - ✓ The Ministry of Finance, working with all the relevant authorities, has been authorized to take action to liquidate all recovered, unencumbered assets; within 6 months.
 - ✓ Given the improved oil prices and production levels, Nigerian National Petroleum Corporation (NNPC) is to immediately commence the recovery of all outstanding obligations, including those due from Nigerian Petroleum Development Company (NPDC) (a subsidiary of NNPC), which it had agreed to pay since 2017.
- Finally, amongst other revenue generating initiatives, Mr. President has directed that work should be immediately concluded on the deployment of the **National Trade Window** and other technologies to enhance Customs collections efficiency from the current 64 percent to up to 90 percent over the next few years.

GLOBAL OUTLOOK: RECENT DEVELOPMENTS AND PROSPECTS



Background to the 2019 Budget:

Global Environment

Global economic recovery is projected to remain steady at its 2017 level of 3.7% in 2018 and 2019.



Sub-Saharan Africa is projected to continue to grow rising from 2.7% in 2017 to 3.1% and 3.8% in 2018 and 2019 respectively.



Background to the 2019 Budget:

Global Environment .../2

- The steady rate of global economic recovery is based on the expectations of investment rebound resulting from; strengthening commodity prices, and rising aggregate demand.
- However, the forecast also reflects the negative effects of rising trade barriers, tightening of monetary policy, reversal of capital flows to emerging market economies, geopolitical tensions, and higher oil import bills.
- Growth in advanced economies is expected to decline from 2.4% in 2018 to 2.1% in 2019.



Background to the 2019 Budget:

Global Environment .../3

- In the Euro area, growth is projected to slow-down from 2.4% in 2017 to 2.0% in 2018 and 1.9% in 2019.
- Emerging Market and Developing Economies (EMDEs) in Asia are expected to maintain their robust performance, growing at 4.7% in 2018 and 2019.

Global Economic Growth (%)	2017	Projections	
		2018	2019
World Output	3.7	3.7	3.7
Advanced Economies	2.3	2.4	2.1
United States	2.2	2.9	2.5
Euro Area	2.4	2.0	1.9
Emerging Market & Developing Economies	4.7	4.7	4.7
China	6.9	6.6	6.3
India	6.7	7.3	7.4
Brazil	1.0	1.4	2.4
Sub-Saharan Africa	2.7	3.1	3.8
South Africa	1.3	0.8	1.4

- In the United States, near-term momentum in the economy is expected to strengthen temporarily, with growth projected to rise from 2.2% in 2017, to 2.9% in 2018. In 2019, growth is projected to slow down to 2.5%



Background to the 2019 Budget:

Global Environment .../4

- US withdrawal from Trans Pacific Partnership (TPP), its all-out trade war with China and ongoing renegotiation of other trade agreements are threats to the fragile global growth recovery.

The Nigerian Economy: Implications of Global & Domestic Developments



Background to the 2019 Budget:

Domestic Environment

- Macroeconomic stability has been largely achieved. Growth is expected to increase from 0.8% in 2017 to 2.1% in 2018 and 3.01% in 2019 with the continuing implementation of the ERGP.
- Employment growth usually slows down during recession and takes some time to recover. It is not therefore surprising that the National Bureau of Statistics (NBS) data shows that unemployment and underemployment remain high in Nigeria.
- However, it must be emphasized what the NBS' report shows is not that jobs have been lost. It actually shows that there has been a significant net job creation, but that the level of growth in new jobs is less than the number of new entrants into the job market; hence a net increase in unemployment rate.
- We expect more diversified and inclusive growth over the medium-term, and reduction in the rate of unemployment, as we continue to implement the policies and programmes of the ERGP.



Background to the 2019 Budget:

Domestic Environment .../2

- Considerable success has been recorded in containing the insurgency in parts of the North-East, with economic activities recovering.
- Recurring conflicts between farmers and herdsmen in some parts of the country as well as incidence of flooding have affected agricultural production.
- As a result, while the agriculture sector grew in real terms by 3.0% in Q1 2018, it only grew by 1.19% in Q2 2018, and 1.91% in Q3 2018.
- Militancy in the Niger Delta has generally abated, although breaches of pipelines still regularly occur. This was partly responsible for the production level dropping to 1.84mbpd in the 2nd quarter from 2mbpd in the first quarter (average of 1.95 mbpd by end Q3)



Background to the 2019 Budget:

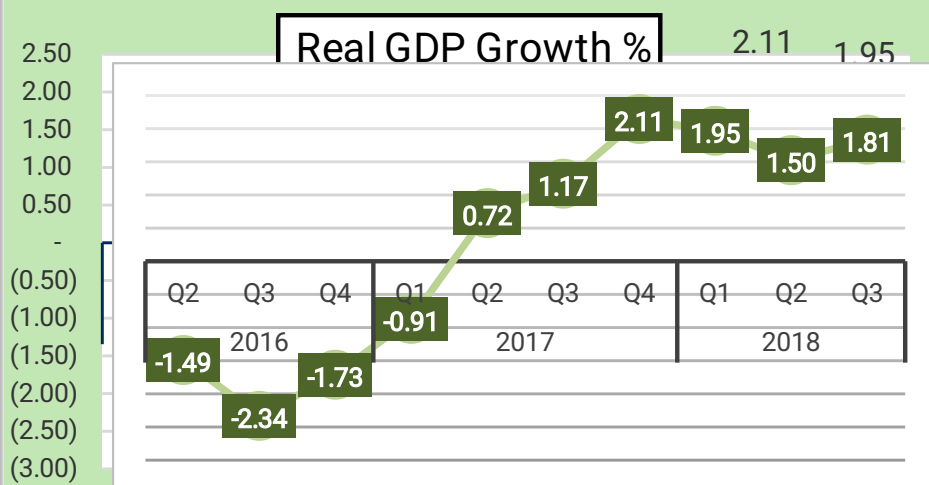
Domestic Environment .../3

- Inflation is beginning to inch up, after 18 consecutive months of decline, in Aug 11.23% and Sept. 11.28%, October – 11.26% and November 11.28%, as the base effect has begun to wear off.



Background to the 2019 Budget: Domestic Environment .../4

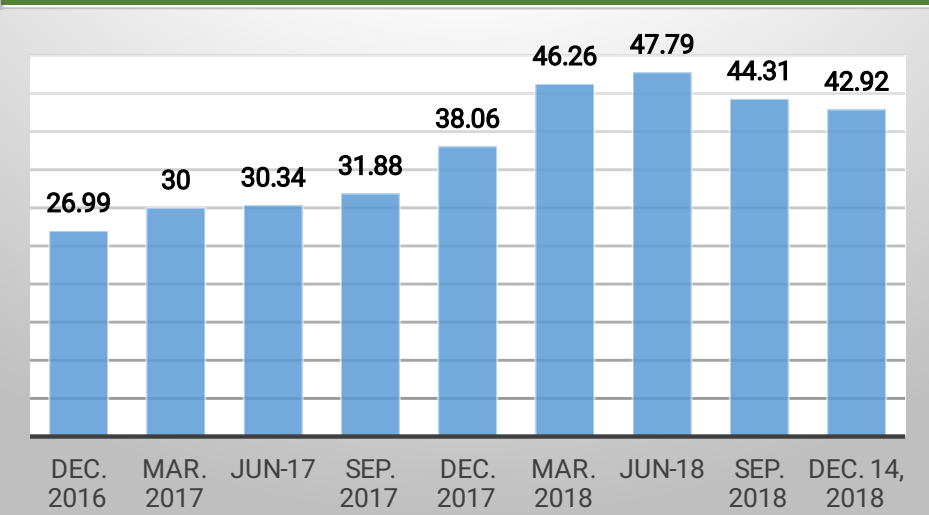
GDP growth (%)



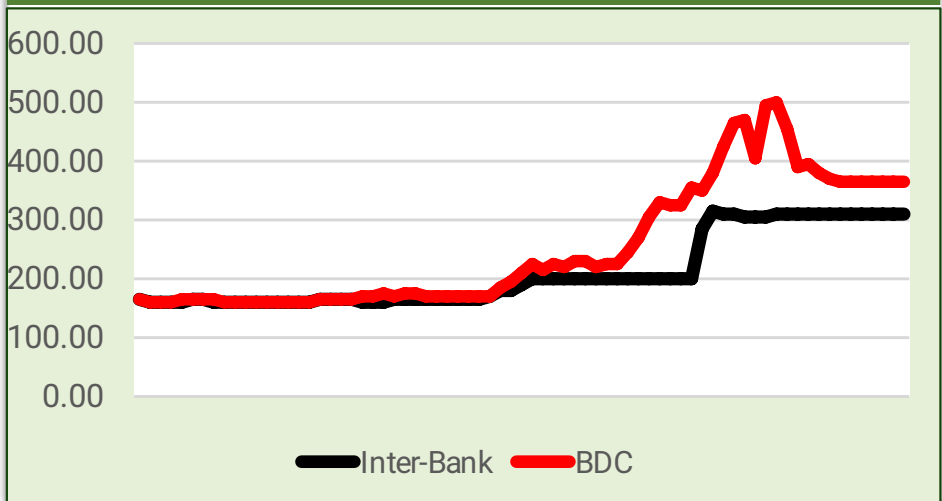
Inflation (%)



Foreign Reserves (\$ billion)



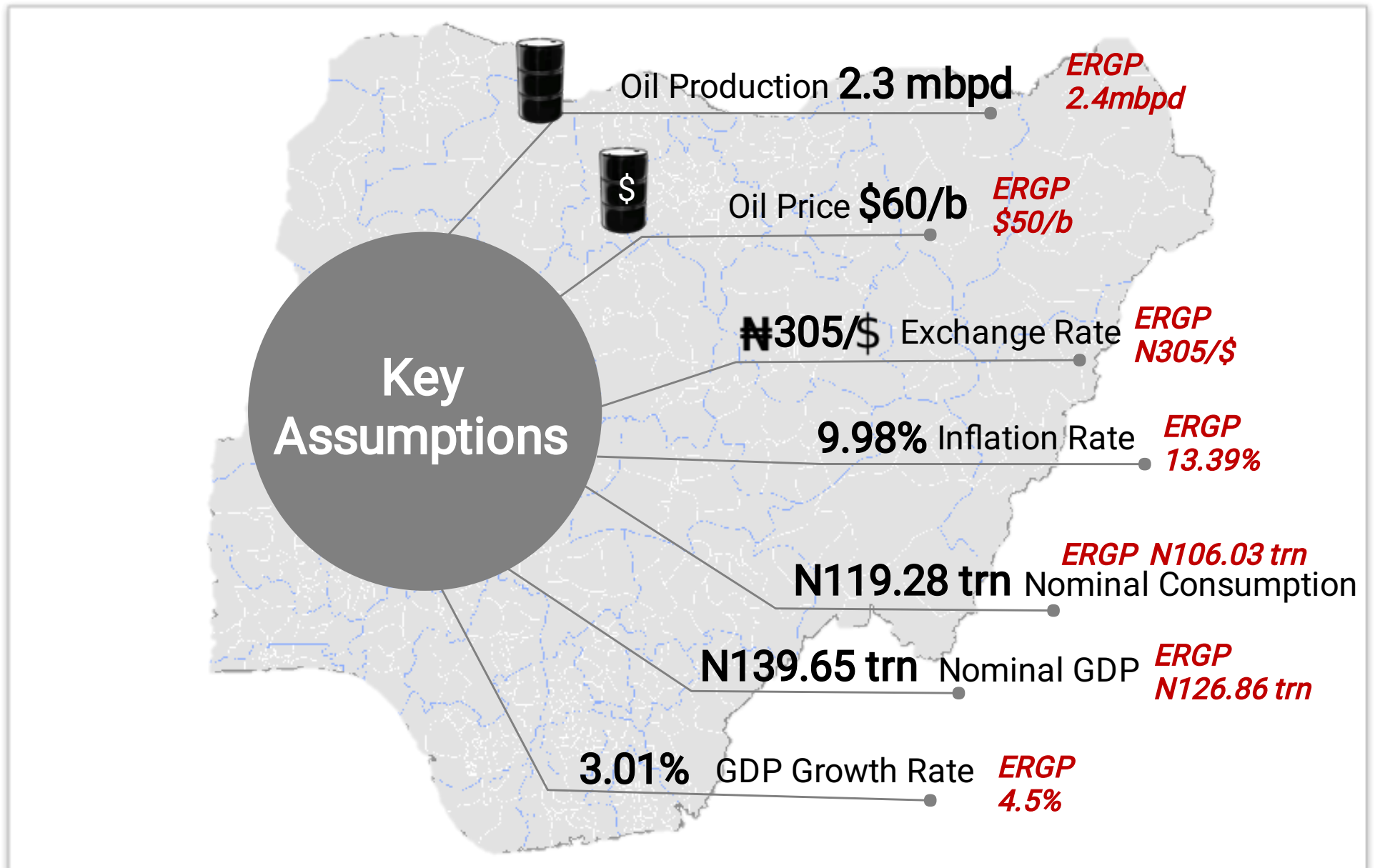
Exchange rates



Underlying Assumptions driving the Macroeconomic Parameters & Targets for the **2019 BUDGET**



Key Assumptions & Macro-Framework of 2019 Budget .../2





Key Assumptions & Macro-Framework of 2019 Budget .../3

- Notwithstanding the recent softening in international oil prices, the considered view of most reputable oil industry analysts is that the downward trend in recent months is not necessarily reflective of the outlook for 2019.
- However, we will closely monitor the situation and will respond to any changes in the international oil price outlook for 2019.
- Mr. President has directed the NNPC to take all possible measures to achieve the targeted oil production of 2.3 million barrels per day.



Approach to the 2019 Budget

- The 2019 Budget proposal seeks to continue the reflationary & consolidation policies of the 2017 and 2018 Budgets respectively, which helped put the economy back on the path of growth
 - On the expenditure side, allocations to Ministries, Departments and Agencies (MDAs) of Government were guided by the 3 core objectives of the ERGP, which are, (i) Restoring and Sustaining Growth; (ii) Investing in our People and (iii) Building a Globally Competitive Economy.
 - As with 2016, 2017 and 2018 Budgets, the 2019 Budget has been prepared on the Zero Based Budget (ZBB) Principles.
-
- The 2019-2021 Medium Term Fiscal Framework (MTFF), Medium Term Sector Strategies and proposed 2019 Budget reflect many of the reforms and initiatives in the ERGP, which is our roadmap to economic recovery and a more sustainable growth.
 - Projects are linked to government policies and overarching strategic priorities.

*ERGP, MTEF/FSP,
MTSS and MTFF*

Overview of the **2019** **Budget**



2019 Budget Revenue Proposals – Where the Money is coming from?

An Overview of the Revenue

FISCAL ITEMS		2018 Budget (As Passed)	2019 Proposal	Variance	
		N' Billion	N' Billion	N' Billion	%
Budget Oil Production Volume		2.30	2.30	0.00	
Projected Budget Benchmark Price (US\$ per barrel)		51.0	60	9.00	
Average Exchange Rate (N/US\$)		305.0	305.0	-	
AMOUNT AVAILABLE FOR FG N BUDGET		7,165.87	6,966.99	(198.88)	-3%
a	Share of Oil Revenue	2998.86	3688.28	689.42	23%
b	Share of Dividend (NLNG)	31.25	39.89	8.64	28%
c	Share of Minerals & Mining	1.17	1.29	0.12	10%
d	Share of Non-Oil	1384.93	1385.54	0.61	0%
	<i>Share of CIT</i>	794.69	799.52	4.83	1%
	<i>Share of VAT</i>	207.51	229.34	21.83	11%
	<i>Share of Customs</i>	324.86	302.55	(22.31)	-7%
	<i>Share of Federation Acct. Levies</i>	57.87	54.13	(3.74)	-6%
e	Independent Revenue	847.95	624.58	(223.37)	-26%
f	FGN's Share of Actual Bal. in Special Accts	0	6.97	6.97	
g	FGN's Balances in Special Levies Accounts	27.21	12.91	(14.30)	-53%
h	FGN's Unspent Bal. of previous Fiscal Year	250.00	0	(250.00)	-100%
	FGN's Share of Tax Amnesty Income (VAIDS)	87.84	0	(87.84)	-100%
q	FGN's Share of Signature Bonus	114.30	84.23	(30.07)	-26%
l	Domestic Recoveries + Assets + Fines	374.00	203.38	(170.62)	-46%
l	Other FGN Recoveries	138.44	0.00	(138.44)	-100%
n	JV Ownership Restructuring	710.00	710.00	-	0%
n	Grants and Donor Funding	199.92	209.92	10.00	5%



2019 Budget Revenue Proposals – Where the Money is coming from .../2

Highlights

□ Distribution of expected FGN revenue are as follows:

- Oil Revenue – 52.9%
- CIT – 11.5%
- VAT – 3.3%
- Customs – 4.3%
- Independent Revenue – 9.0%
- Signature Bonus – 1.2%
- JV Equity Restructuring – 10.2%
- Grants & Donor Funding – 3.0%
- Domestic Recoveries & Fines – 2.9%
- Others* - 1.7%

Note:

- We have again, reflected projected proceeds from oil assets ownership restructuring as revenues for transparency & monitoring.
- Expected funds have been earmarked to fund critical capital projects as this was not achieved in 2018.

** Balances in Special Accounts, FGN Share of NLNG Dividend, Share of Minerals & Mining*



2019 Budget Expenditure Proposals – Where the Money is going to?

An Overview of the Expenditure Framework

FISCAL ITEMS	2018 Budget (As Passed)	2019 Proposal	Variance	
	N' Billion	N' Billion		
TOTAL FGN BUDGET (Excluding GOEs Budget & Project-tied Loans)	9,120.33	8,826.64	(293.7)	-3.22%
TOTAL FGN BUDGET (Including GOEs Budget & Project-tied Loans)	9,120.33	10,338.01	1,218	13.35%
STATUTORY TRANSFER	530.42	492.36	(38)	-7.18%
DEBT SERVICE	2,013.84	2,144.01	130	6.46%
SINKING FUND	190.00	120.00	(70)	-36.84%
RECURRENT (NON-DEBT)	3,516.48	4,718.04	1,202	34.17%
SPECIAL INTERVENTIONS (Recurrent)	350.00	350.00	-	0.00%
Capital Expenditure (Exclusive of Transfers)	2,873.40	2,863.60	(9.8)	-0.34%
Fiscal Deficit (excluding GOEs Budget and Project-tied Loans)	1,954.46	1,859.65	95	-4.85%
Total Fiscal Deficit	1,954.46	2,415.66	(461)	23.60%
GDP	113,088.88	130,811.51	26,723	23.63%
DEFICIT/GDP	(1.73%)	(1.33%)	0.40%	-23.04%
Capital Expenditure as % of Non-Debt Expenditure	45%	39%		
Capital Expenditure (Inclusive of Transfers, but exclusive of GOEs Capital & Project-tied loans) as % of FGN Expenditure		26%		
Recurrent Expenditure as % of total FGN Expenditure	66%	70%		
Debt Service to Revenue Ratio	28%	31%		
Deficit as % of FGN Revenue	27%	27%		

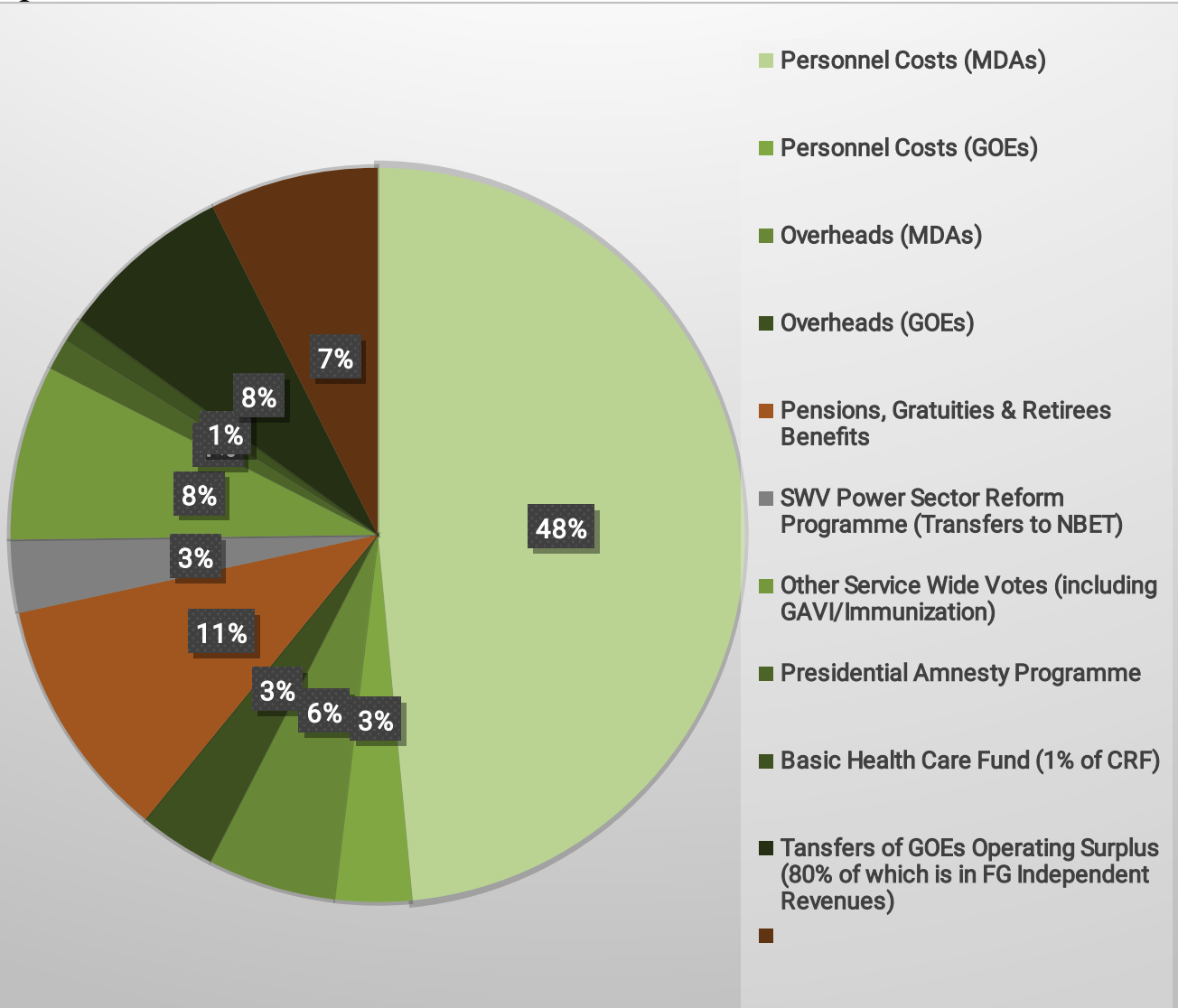
Highlights

- 2019 FGN spending (exclusive of GOEs/BT Loans) is projected to be N8.83 trillion, **less** than FY2018 approved budget by 3.22%.
- Recurrent (non-debt) spending expected to rise by 34.17%, from N3.52 trillion in FY2018 to N4.72 trillion (reflecting increases in salaries & pensions including provisions for implementation of a new minimum wage)
- Capital Expenditure (Inclusive of Transfers, GOEs Capital & Project-tied loans) as % of FGN Expenditure is 30%
- At N2.14 trillion, debt service is 24.24% of planned spending
- Provision to retire maturing bond to local contractors decreased by 36.84% from N190 billion in FY2018 to N120 billion...



2019 Budget Expenditure Proposals – Where the Money is going to?

Breakdown of Recurrent (Non-Debt) Expenditure



Highlights

- Personnel costs (MDAs & GOEs) account for 52% of non-debt recurrent planned spend
- 11% for Pensions (SWV & CRF)
- 9% for Overheads (MDAs & GOEs)
- 7% allocated to Social Investment Programme
- 1% to Basic Health Care Provision Fund
- 9% to other service wide votes (including GAVI/Immunization)
- 3% as SWV provisions for the Power Sector Recovery Programme
- 8% Transfer of GOEs Op. Surplus.



Financing the Deficit

An Overview of Deficit, Financing & Critical Ratios

FISCAL ITEMS	2018 Budget	2019	Variance		
	(As Passed)	Proposal			
	N' Billion	N' Billion		%	
AMOUNT AVAILABLE FOR FGN BUDGET	7,165.87	6,966.99	(199)	-2.78%	
TOTAL FGN BUDGET (Excluding GO Es Budget & Project-tied Loans)	9,120.33	8,826.64	(294)	-3.22%	
Fiscal Deficit (excluding GO Es Budget and Project-tied Loans)	1,954.46	1,859.65	95	-4.85%	
Total Fiscal Deficit	1,954.46	2,415.66	(461)	23.60%	
GDP	113,088.88	139,811.51	26,723	23.63%	
DEFICIT/GDP	(1.73%)	(1.33%)	0.40%	(23.04%)	
ADDITIONAL FINANCING					
a	Sales of Government Property	-	-	-	
b	Privatization Proceeds	306.00	210.00	(96)	-31.37%
c	Non-Oil Asset Sales	5.00	-	(5)	-100.00%
d	New Borrowings	1,643.46	1,649.65	6	0.38%
	Domestic Borrowing	793.79	824.82	31	3.91%
	Foreign Borrowing	849.67	824.82	(25)	-2.92%

Highlights

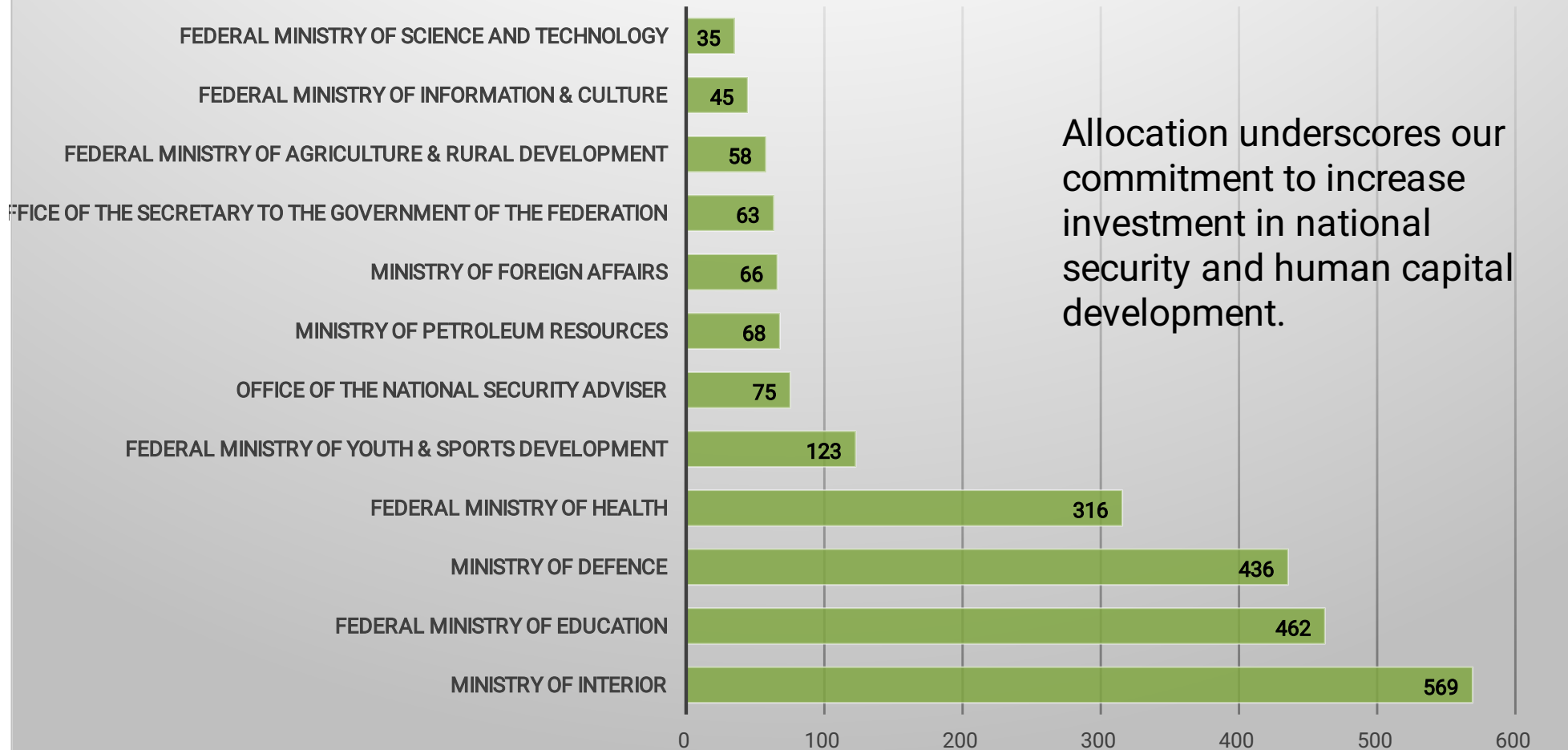
- Overall **budget deficit** of N1.859 trillion in 2019 represents **1.33% of GDP**.
- Projected deficit within threshold stipulated in the Fiscal Responsibility Act (FRA) 2007.
- Budget deficit is to be financed mainly by borrowing **N1.649 trillion**.
 - Domestic sources N824.82 billion
 - Foreign sources (gradual shift away from commercial to more concessionary financing) N824.82 billion



Top 12 MDA Recurrent Expenditure Allocations in the 2019 Budget

Recurrent Expenditure (N billions)

Recurrent Expenditure N'bn



- Note: Personnel costs including Overhead & pensions account for about 72% of recurrent non-debt expenditure.



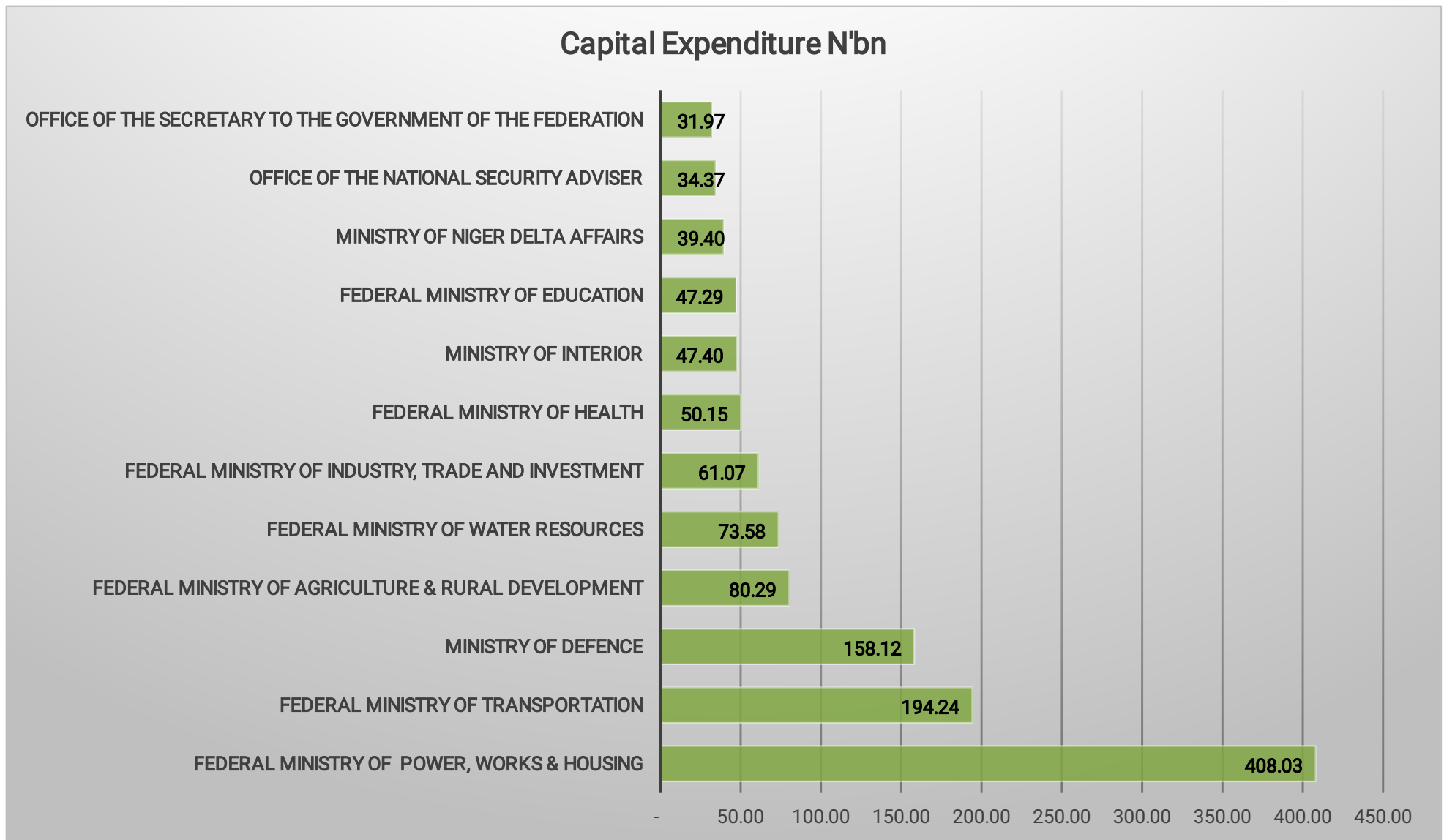
Minimum Wage

- ❑ Government committed to an increase in the Minimum Wage
- ❑ Provision has been made for this in the 2019 Budget
- ❑ A High-powered Technical Committee has been set up to advise on ways to:
 - ensure that the attendant wage adjustments for those already over the Minimum Wage can be funded without increasing the level of borrowing
 - implement these consequential adjustments in such a manner as to minimize their inflationary impact
- ❑ The recommendations of the committee will be captured in the Finance Bill to be presented to the National Assembly together with the Minimum Wage Bill



Top 12 MDA Capital Expenditure Allocations in the 2019 Budget

Capital Expenditure (N billions)





MDA Capital Expenditure Allocations in the 2019 Budget

Capital Expenditure

- ❑ We have allocated N2.28 trillion for capital spending, inclusive of capital in statutory transfers.
- ❑ For comprehensiveness and transparency, the expenditure plans of the top 9 GOEs, as well as Multi-lateral and Bi-lateral project-tied loans have been integrated into the 2019 - 2021 Medium Term Fiscal Framework.
- ❑ With the inclusion of N275.88 billion representing capital for the top-nine GOEs and N556.02 billion for Multi-lateral/Bi-lateral project-tied loans, the aggregate capital budget is N3.12 trillion. This represents 30 percent of the total FGN proposed expenditure for 2019.
- ❑ In order to get full value for monies expended by the Government over time and to avoid duplication and waste, our emphasis will continue to be on completion of existing projects. Accordingly, provisions have been made to carry over projects that are not likely to be fully funded under the 2018 budget to the 2019 capital budget.

Selected Projects in the 2019 Budget



Some Projects in the 2019 Budget

❑ Transport

- **N80.22 billion** Counterpart funding for Railway projects including:
 1. Lagos-Kano (Ongoing)
 2. Calabar-Lagos (Ongoing)
 3. Ajaokuta-Itakpe-Aladja (Warri) (Ongoing)
 4. Port Harcourt- Maiduguri (New)
 5. Kano-Katsina-Jibiya-Maradi In Niger Republic (New)
 6. Abuja-Itakpe and Aladja (Warri)-Warri Port And Refinery Including Warri New Harbour (New)
 7. Bonny Deep Sea Port & Port Harcourt and other Rail Projects
- **N1.008 billion** for construction of Terminal Building at Enugu Airport
- **N13 billion** for construction of Second Run-Way at Nnamdi Azikiwe International Airport Abuja



Some Projects in the 2019 Budget .../2

□ Transportcont'd

- **N27.12 billion** for various **rehabilitation of railway tracks** including
 - Rehabilitation of track from Port-Harcourt to Makurdi
 - Maintenance of track (including emergency recovery, bridge and culverts repair)
 - Procurement of spare parts (including lubricants) for the locomotives, coaches and wagons.
 - Kuru to Maiduguri narrow gauge track rehabilitation project
 - Track rehabilitation from Makurdi to Jos to Kafanchan to Kaduna junction
 - Procurement and rehabilitation of locomotives and rolling stock
 - Procurement of workshop equipment and rolling stocks
 - Design, manufacture, supply, installation, testing and commissioning of electric overhead travelling cranes for carriage and wagons workshop
 - Upgrading of signaling & telecom system on Eastern Line (Port Harcourt, Maiduguri, etc) including revised estimated total cost for extension to Western Line



Some Projects in the 2019 Budget .../3

Power

- N1.02 billion set aside as fund for the Mambilla Hydro Power project
- N400 million for construction of 215MW LPFO/ Gas Power station Kaduna
- N388.5 million for Kashimbilla transmission
- N398 million for Fast Power Programme Accelerated Gas and Solar Power Generation

Housing

- **N30.04 billion** for Federal Government National Housing Programme



Some Projects in the 2019 Budget .../4

□ Works

- About **N280.44 billion** for the construction and rehabilitation of roads in every geo-political zone of the country, such as:
 - Counterpart Funding for the Dualization of Makurdi - Enugu Road
 - Counterpart Funding for the Dualization of Akwanga – Jos - Bauchi - Gombe Road
 - Reconstruction of the Outstanding Sections of Benin – Ofosu – Ore – Ajebandele - Shagamu Expressway
 - Construction of Bodo - Bonny Road
 - Pavement Strengthening and Asphalt Overlay of Ajebandele - Ijebu Ode - Shagamu Road
 - Construction of Oju/Loko - Oweto Bridge to link Loko and Oweto
 - Dualization of Ilorin – Jebba - Mokwa/Bokani Junction Road
 - Kano - Maiduguri Road (Various Sections)
 - Abuja - Lokoja Road (Various Sections)
 - Dualization of Obajana Junction to Benin (Various Sections)
 - Lagos – Shagamu - Ibadan Dual Carriageway
 - Early Works for the Construction of 2nd Niger Bridge in Anambra/Delta States
 - Construction of Kaduna Eastern By-pass
 - Abuja – Kano Dual Carriageway
 - Dualization of Odukpani – Itu – Ikot Ekpene Road



Some Projects in the 2019 Budget .../5

❑ Works Cont'd

- About **N280.44 billion** for the construction and rehabilitation of several roads nationwide including:
 - Construction of Kano Western Bye Pass
 - Abuja – Abaji
 - Suleja – Minna Road
 - Rehabilitation & Expansion of Lagos - Badagry Expressway
 - Rehabilitation of Vandeikya – Obudu - Obudu Cattle Ranch Road
 - Rehabilitation of Ilorin – Kabba - Obajana Road In Kwara/Kogi
 - Reconstruction of Nasarawa - Loko Road
 - Dualisation of Sapele - Ewu Road (various sections)
 - Reconstruction of Bida - Lambata Road in Niger State
 - Rehabilitation of Ikorodu - Shagamu Road
 - Rehabilitation of 9th Mile - Orokam Road In Enugu State
 - Re-construction of Sokoto - Tambuwal – Jega – Kontagora - Makera
 - Design and Construction of Bridge Across the Cross River at Uwana (Ebony State) to Nkomoro (Cross River State)
 - Construction of Road Falali, Birni, Bako to Furoja Town (Ningilga), Bauchi State



Some Projects in the 2019 Budget .../6

❑ Health

- **N51.22 billion** Provisioned for the implementation of the National Health Act
- **N21.25 billion** provided for GAVI/Immunization
- **N1.26 billion** for the procurement Of Non Polio SIA Vaccine
- **N1.12 Billion** for the procurement Of Kits And Commodities For Community Health Influencers
- **N780 million** for the establishment Of Chemotherapy centres in UBTH, UITH, ABUTH, UMTH, OAUTH, UNTH, UPTH, FMC Owerri, FMC Abeokuta
- **N7.63 billion** for procurement of RI vaccines and devices
- **N3.5 billion** for counterpart funding including global fund/health

❑ Water Resources

- **N1.8 billion** provisioned for the Zobe Water Supply Project - Phase I & II
- **N1 billion** for Partnership for Expanded Water, Sanitation and Hygiene (PEWASH)
- **N1 billion** for Special Intervention for North East and IDPs - Potable of Portable Water
- Over **N53 billion** for water supply, rehabilitation of dams, and irrigation projects nationwide



Some Projects in the 2019 Budget .../7

❑ **Agriculture & Rural Development**

- **N3.64 billion** Support For Infrastructure, Projects and Coordination Services
- Over **N15.66 billion** for Promotion and Development of Value Chain across in more than 30 different commodities
- **N5.46 billion** for Veterinary and Pest Control Services
- **N7.90 Billion** for Rural Roads And Water Sanitation
- **N3.27 billion** for National Grazing Reserve Development
- **N1.09 billion** for Mechanization
- **N1.99 billion** for Livelihood Improvement Family Enterprise (Life) Programme
- **N2.52 billion** for Food and Strategic Reserves
- **N2.49 Billion** for Agribusiness and Market Development
- **N2.69 billion** for Extension Services
- **N1.72 billion** for Land and Climate Management
- **N1.03 billion** for GES - Delivery Platform, Roll-out and Management



Some Projects in the 2019 Budget .../8

❑ Industry, Trade & Investment

- Special Economic Zone Projects
 - **N42 billion** for ongoing and planned Special Economic Zone Projects across the geopolitical zones to drive manufacturing/exports.
 - Construction/Provision of Road for Ikpokri Energy City Project
 - Completion of Lekki Model Textile and Garment Industrial Park
 - Provision of Infrastructure at Brass Free Zone, Bayelsa State
 - Construction of Textile & Garment Park, Lekki
 - Construction of Special Economic Zone (SEZ) Sokoto
 - Construction of Special Economic Zone (SEZ), Makurdi
 - Completion of Consultancy Works On Ebonyi, Edo, Adamawa, Rivers, Bauchi, Enugu, Gombe, Nnewi, Abuja
 - FGN investment in Enyimba Industrial Park, and Ibom Deep Sea Port and City
- ❑ N1 billion for Industrial Policy Reforms and Enabling Business Environment
- ❑ Export-Expansion Grant (EEG)
 - **N5.12 billion** in the form of tax credit to support export via the Export Expansion Grant
- ❑ Recapitalisation of Bank of Industry (BOI) and Bank of Agriculture (BoA)
 - **N15 billion** provisioned to support these development finance institutions to support Micro, Small and Medium Scale Enterprises (MSMEs)
- ❑ **N10 billion** provided as a grant to BOI to subsidize interest rate charged on loans to SMEs. This is intended to make it possible for the Bank to give them single digit interest loans



Some Projects in the 2019 Budget .../9

□ Education

- **N3 billion** Provision of Security Infrastructure in 104 Colleges
- **N1.8 billion** for Payment of 5000 Federal Teachers Scheme Allowance
- **N6.8 billion** for various Scholarship allowances

□ Niger Delta

- **N1 billion** for the construction and supervision of Gberegolor - Ogriagbene Road, Delta State
- **N2 billion** for the Construction of Agadagba – Akotogbo – Iyasan - Ovia River bridge Irele LGA Ondo State
- **N7.1 billion** for various sections of the East-West Road
- **N2 billion** for the construction of skills acquisition centres with resident supervision and furnishing/equipping in nine states of the Niger Delta Region



Some Projects in the 2019 Budget .../10

❑ Regional Interventions

- **N65 billion** for reintegration of transformed ex-militants under the Presidential Amnesty Programme.
- **N45 billion** for Federal Initiative for North-East (Pilot Counterpart funding contribution)
- **N10 billion** as take off grant for the North East Commission

❑ SDGs

- **N40 billion** for SDGs Intervention Programmes/Conditional Grants
- **N5.5 billion** for other SDGs Projects

❑ Special Intervention Programme

- **N500 billion** for FGN Special Intervention Programme (including Social Housing, Home Grown School Feeding Programme, Government Economic Empowerment Programme, N-Power Job Creation Programme, Conditional Cash Transfers, etc)

Conclusion



Conclusion

- The 2019 Budget of Continuity is intended to further reposition the economy on the path of higher, inclusive, diversified and sustainable growth, and to continue to lift significant numbers of our citizens out of poverty.
- The Budget also reflects the key execution priorities of the ERGP, namely Restoring Macroeconomic Stability; Agriculture and Food Security; Energy Sufficiency (in Power and Petroleum Products); Transportation Infrastructure; and Industrialization (focusing on SMEs).
- Government will continue to create the enabling environment for private sector to increase their investment and contribute significantly to job creation and economic growth.



Conclusion .../2

- Already, diversification efforts are yielding positive results with significant growth in the non-oil sector (2.32% growth in Q3 2018, up from 2.05% in Q2 2018).
- Nigeria faces significant challenges with respect to revenue generation and this is being tackled vigorously. Key reforms will be implemented with increased vigour to improve revenue collection and expenditure management.
- Our aim is to take all measure necessary to ensure that we grow rapidly while maintaining fiscal sustainability



Thank You!