2O24 FIRST QUARTER
BUDGET IMPLEMENTATION REPORT

BUDGET OFFICE OF THE FEDERATION
Ministry of Budget and Economic Planning

FOREWORD

I am delighted to present to you, the 2024 First Quarter Budget Implementation Report (BIR). The Report provides extensive information on the distribution and utilization of public resources among contending socio-economic needs and by the Ministries, Departments and Agencies (MDAs) of Government during the period. The 2024 Appropriation was titled “Budget of Renewed Hope’’. Its key parameters and assumptions are as set out in the 2024-2026 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP). Allocations to MDAs were guided by the core objectives of government as contained in the National Development Plan (NDP) 2021-2025. The principal objective of the Budget is to maintain fiscal viability and to reposition the Nigerian economy on the path of recovery, growth and resilience.

The publication of this report is required by Sections 30 and 50 of the Fiscal Responsibility Act, 2007, which mandates the Budget Office of the Federation (BOF) to prepare and submit Budget Implementation Reports quarterly to the Joint Finance Committee of the National Assembly (NASS) and the Fiscal Responsibility Commission (FRC). These reports are also to be widely circulated to other stakeholders and the general public through electronic and other media.

I commend the BOF team, particularly the Budget Monitoring and Evaluation Department and other relevant Ministries, Departments and Agencies (MDAs) for their hard work and effort in preparing this report. I also wish to recognize the cooperation and commitment of the Fiscal Responsibility Commission (FRC) and the National Assembly’s Joint Finance Committee to the production of the reports. I look forward to more of this in future

Lastly, I urge the general public and readers of this Report to sustain their active interest in tracking the utilization of public resources and the achievement of Government’s goals and objectives. I look forward to your active participation in the entire budget process.

Sen. Abubakar Atiku Bagudu, CON
Honourable Minister of Budget and Economic Planning

PREFACE

The Fiscal Responsibility Act, 2007, mandates the Budget Office of the Federation (BOF) to monitor and evaluate the implementation of annual budgets of the Federal Government and to subsequently produce reports on the exercise. The 2024 First Quarter BIR is one of many in-year reports prepared by the BOF. The Report is part of the efforts of the Ministry of Budget and Economic Planning (MB&EP) to ensure compliance with the FRA 2007. More importantly, the report is a key means of promoting budget transparency and accountability which are key elements of Nigeria's commitment to the Open Government Partnership.

The 2024 Budget was prepared amidst a very challenging global and domestic economic environment, world economy weakened by the lingering effects of the rising geo-political tensions, including the Russia and Ukraine war, with severe implications on global food and energy prices. The resulting slow global growth and heightened global economic uncertainty had important implications for the Nigerian economy, including headwinds from low revenues, high inflation, exchange rate depreciation and insecurity.

These factors were considered in making the assumptions underpinning the 2024 Budget estimates. Many of the ongoing capital projects in the 2023 Budget that could not be completed were rolled over to the 2024 Budget. This was in line with the Government's determination to fund capital projects to completion and the Administration's strong resolve to invest in critical infrastructures capable of sustaining growth and job creation.

The implementation of the 2024 Budget in the first quarter was very challenging. The Macroeconomic environment was significantly disrupted by the key global and domestic developments. Aggregate revenue for the quarter underperformed even though the world crude oil prices was higher than projected thus increasing the fiscal deficit of the federal government.

This Report is a product of the joint efforts of financial and statistical agencies of Government which provided necessary macro-economic and financial data, and the hard work of various departments of the BOF, particularly the Budget Monitoring and Evaluation Department. I applaud their efforts and wish them success as they continue to carry out this important function.

Tanimu Yakubu
Director General, Budget Office of the Federation

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A/C:	Account
AIE:	Authority to Incur Expenditure
AF:	Alternative Funding
AEs:	Advanced Economies
B:	Billion
BDC:	Bureau De-Change
BOF:	Budget Office of the Federation
BREXIT:	British Exit
CBN:	Central Bank of Nigeria
CIT:	Company Income Tax
COVID-19:	Corona Virus Disease - 2019
DMO:	Debt Management Office
ECA:	Excess Crude Account
EMDEs:	Emerging Markets and Developing Economies
EMEs:	Emerging Markets Economies
FAAC:	Federation Account Allocation Committee
FGN:	Federal Government of Nigeria
FMFBNP:	Federal Ministry of Finance, Budget and National Planning
GDP:	Gross Domestic Product
IMF:	International Monetary Fund
INEC:	Independent National Electoral Commission
JVC:	Joint Venture
LNG:	Liquefied Natural Gas
M2:	Money Supply
MB&EP:	Ministry of Budget and Economic Planning
MBPD:	Million Barrels Per Day

MDAs:	Ministries, Departments and Agencies
MPR:	Monetary Policy Rate
MSMS:	Micro, Small and Medium Scale
MTFF:	Medium Term Fiscal Framework
N:	Naira
NBS:	National Bureau of Statistics
NDDC:	Niger Delta Development Commission
NHRC:	National Human Rights Commission
NJC:	National Judiciary Commission
NNPC:	Nigerian National Petroleum Company
NTB:	Nigerian Treasury Bills
OAGF:	Office of the Account General of the Federation
ONSA:	Office of National Security Adviser
OPEC:	Organization of Petroleum Exporting Countries
OTC-FMDQ-OTC:	Over the Counter Financial Market Dealer Quotation
PCC:	Public Complaint Commission
PPT:	Petroleum Profit Tax
PSC:	Production Sharing Contracts
SC:	Service Contracts
SITC:	Standard International Trade Classification
SWF:	Sovereign Wealth Fund
TSA:	Treasury Single Account
UBEC:	Universal Basic Education Commission
US:	United States
VAT:	Value Added Tax
WEO:	World Economic Outlook
ZBB:	Zero Base Budgeting

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EXECUTIVE SUMMARY

The Federal Budget is an important tool for achieving Government's strategic objectives and plans for the socio-economic development of the nation. It contains the allocation of resources to different sectors/agencies by the Government in its effort to deliver public goods/services to the people. The 2024 Budget was prepared taking into consideration the policies/strategies contained in the 2024-2026 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) which provided the economic framework for the 2024 Budget, along with fiscal policy objectives and spending priorities of the Government over the three-year period.

The 2024 Budget was titled "Budget of Renewed Hope''. The allocations to MDAs were guided by the strategic objectives of the National Development Plan 2021 to 2025, which are: Diversifying the economy, with robust MSME growth; Investing in critical infrastructure; Strengthening security and ensuring good governance; Enabling a vibrant, educated and healthy populace; Reducing poverty; and minimizing regional, economic and social disparities.

Nigeria's Gross Domestic Product (GDP) grew by 2.98 percent (year-on-year) in real terms in the first quarter of 2024. This growth rate implies an increase of 0.67 percent points and a decline of 0.48 percent when compared with the 2.31 percent and 3.46 percent reported in the first and fourth quarters of 2023. The reduction in growth rate is attributed to the persistent inflationary pressures prompting monetary tightening with the inherent negative impact on capital inflow to emerging markets economies adverse effects of the cash crunch experienced during the quarter.

Headline inflation rate increased to 33.20% at end of Q1 2024 relative to the 31.70% recorded in February 2024. This reflects an increase of 1.50 percentage points when compared to the February 2024 headline inflation rate. On a year-on-year basis, the headline inflation rate was 11.16 percentage points higher compared to the rate recorded in March 2023, which was 22.04%. The increase was driven by the Food inflation rate which rose to 40.01% in March 2024 reflecting a year-on-year rise of 15.56 percentage points compared to the rate recorded in March 2023 (24.45%).

The Core inflation stood at 25.90% in March 2024 reflecting a year-on-year basis rise by 6.26 percentage points when compared to the 19.63% recorded in March 2023. The high inflation rate reflects the increasing PMS prices as a result of the subsidy removal, the consequential increases especially in transportation costs, as well as the impact of the FOREX liberalization.

Monetary aggregates increased in the review period relative to the fourth quarter of 2023. Broad Money Supply (M2) increased by (16.64 percent) ₦78,831.12 billion in December, 2023 to ₦91,945.34 billion in March, 2024. Net Domestic Asset (NDA) decreased by 19.10 percent (₦13,356.03 billion) from ₦69,914.01 billion in December to ₦56,557.98 billion in March, 2024. The development in NDA was due to the expansions in Net Domestic Credit (NDC) during the period. Net Domestic Credit (NDC) dropped by 4.79 percent (₦4,605.69 billion) from ₦96,086.28 billion in December, 2023 to ₦91,480.59 billion in March, 2024. The decreased in Net Domestic Credit (NDC) was affected by Net Credit to Government but Credit to Private Sector during the period under review remained high. Net Credit to Government decreased by 1.67 percent (₦13,493.52 billion) from ₦33,547.50 billion in December, 2023 to ₦20,053.98 billion in March, 2024. Credit to Private Sector increased by 14.21 percent (₦8,887.93 billion) from ₦62,538.68 billion in December, 2023 to ₦71,426.61 billion in March, 2024.

The Central Bank of Nigeria changed the Monetary Policy Rate (MPR) from18.75 percent to 22.75 percent in February and further to 24.75 percent in March, 2024. The asymmetric corridor around the MPR was retained at +100/-300 basis points. The Cash Reserve Ratio (CRR) remained at 32.5 percent during the period while the Liquidity Ratio was also retained at 30.0 percent.

Nigeria's total merchandise trade stood at ₦31,810.59 billion in Q1, 2024. This represents an increase of 46.27% over the value recorded in the preceding quarter and rose by 145.58% compared to the value recorded in the corresponding period of 2023. NBS data revealed that export accounted for 60.25% of total trade in the reviewed quarter with a value of ₦19,167.36 billion, showing an increase of 51.00% compared to the value recorded in

Q4 2023 (₦12,693.62) and by 195.47% over the value recorded in the first quarter of 2023 (₦6,487.04). Exports trade in the first quarter of 2024 was dominated by crude oil exports valued at ₦15,486.63 billion representing 80.80% of total exports while the value of non-crude oil exports stood at ₦3,680.73 billion accounting for 19.20% of total exports; of which non-oil products contributed ₦1,778.85 billion or 9.28% of total exports.

The Naira exchange rate in the Investors and Exporters segment of the foreign exchange market depreciated from ₦899.07/US$ in December to ₦944.08/US$, ₦1,505.30/US$ and ₦1,320.20/US$ in January, February and March, 2024 respectively. There was no data for the Official/Inter-Bank segment and Bureau-de-Change (BDC) segments of the foreign exchange market.

The total public debt stock as at 31st March, 2024 stood at ₦121,670.88 billion (US$91,463.99 million). This indicates an increase of ₦71,817.19 billion (144.06 percent) when compared to the ₦49,853.69 billion (US$108,295.18 million) recorded at the end of March, 2023. The breakdown comprised of ₦65,646.26 billion (US$49,348.45 million) or 53.95 percent for domestic debt stock while the balance of ₦56,024.62 billion (US$42,115.54 million) or 46.05 percent was for external debt stock. The total debt translates to a net present value of total public debt/GDP ratio of 52.92 percent as at the end of March, 2024. This is above the country's threshold of 25 Percent and below the international threshold of 56 percent for comparator countries.

FGN Budget implementation in the quarter was affected by the price of crude oil in the international market which averaged US$83.23 per barrel in the first quarter of 2024, indicating a decreased of US$30.55 per barrel (29.54 percent) from US$113.78 per barrel reported in the correspondent quarter of 2023. The performance also reflects an increase of US$5.27 per barrel (6.76 percent) above the US$77.96 per barrel oil price benchmark for the 2024 budget. The increase in crude oil price during the period could be attributed to the Russia-Ukraine war and the impact of the numerous sanctions imposed by the United States and its allies against Russia which disrupted global oil production/supply. It was also influenced by the improvement in global economic activities after easing of the different phases of COVID-19 lockdown as well as by production cut agreements of OPEC+.

Provisional data from the Nigerian National Petroleum Company (NNPC) limited shows that the average oil production in the first quarter of 2024 was 1.54mbpd. The oil production figure indicates a decrease of 0.24mbpd (13.67 percent) from the 1.78mbpd benchmark for the 2024 Budget. The volume of oil production in the period was however 0.02 (1.32 percent) above the 1.52mbpd reported in first quarter of 2023.

Gross Oil Revenue therefore stood at ₦3,349.62 billion representing a ₦1,649.46 billion (33.0 percent) shortfall from the ₦4,999.08 billion prorate projected quarterly gross oil revenue in the 2024 Budget. It was however, ₦1,358.16 billion (68.20 percent) above the actual gross oil revenue of ₦1,991.46 billion generated in the corresponding period of 2023. The gross non-oil revenue of ₦3,253.04 billion received in the first quarters of 2024 signified an increase of ₦551.03 billion (20.39 percent) above the quarterly estimate of ₦2,702.01 billion. The net distributable revenue for the three tiers of government after cost deductions stood at ₦5,874.02 billion in the first quarter of 2024, representing a shortfall of ₦892.22 billion (13.19 percent).

The sum of ₦4,899.46 billion was budgeted for funding the FGN budget in the first quarter of 2024. This comprises ₦2,044.07 billion (41.92 percent) oil revenue and ₦2,855.62 billion (58.28 percent) other revenues. The amount received was ₦3,586.75 billion (26.61 percent) below the quarterly budget projection but ₦2,021.89 billion (129.21 percent) higher than the ₦1,564.86 billion reported in the first quarter of 2023.

The FGN continued to pursue its goal of reducing the growth in its recurrent expenditure as stated in the 2024-2026 MTEF/FSP. Key initiatives aimed at reducing recurrent costs were therefore implemented vigorously during the period. This includes the embargo on unapproved recruitment by MDAs. All requests for recruitment and enrolment of staff into the FGN payroll are required to among others first seek clearance from Budget Office of the Federation.

Total expenditure of Government in the first quarter of 2024 stood at ₦4,851.57 billion representing a decrease of ₦2,514.19 billion (34.13 percent) from the ₦7,365.76 billion prorate quarterly budget for the period. It was however ₦1,108.88 billion (29.63 percent) above the ₦3,742.69 billion quarterly projection reported in the first quarter of 2023. A total of ₦1,696.19 billion was spent on non-debt recurrent expenditure in the first quarter of 2024. This represents a decrease of ₦495.94 billion (22.62 percent) from the quarterly estimate of ₦2,192.13 billion but ₦331.58 billion (24.30 percent) above ₦1,364.61 billion recorded in the first quarter of 2023. Statutory Transfer amounts to ₦435.70 billion during the review period.

Total Debt Service in the first quarter of 2024 stood at ₦2,269.56 billion, indicating an increase of ₦201.82 billion (9.76 percent) above the ₦2,067.74 billion projected for the quarter. The sum of ₦1,324.93 billion was projected for domestic debt servicing during the period under review. The amount used for domestic debt servicing was however ₦335.68 billion (25.34 percent) below the projection for the quarter. External debt service however total ₦1,277.27 billion in the quarter, ₦590.38 billion or 85.95 percent above the prorate projected figure for the period.

The revenue and expenditure outturn of the Federal Government resulted in a fiscal deficit of ₦1,264.82 billion in the first quarter of 2024. This was ₦1,029.91 billion (44.88 percent) below the projected quarterly fiscal deficit of ₦2,294.73 billion. The Q1 2024 fiscal deficit was also lower than the ₦2,126.96 billion deficit recorded in the first quarter of 2023. The deficit was financed through domestic borrowing of ₦1,643.59 billion.

Overall, the nation's economy grew by 2.98 percent in the first quarter of 2024, a sign that represents an improvement in economic performance and a gradual economic stability. In view of the various stimulus economic packages being implemented by the Federal Government, it is expected that the economy will continue to improve in subsequent quarters of 2024.

1.0 INTRODUCTION

The Budget of the Federal Government of Nigeria (FGN) is an important instrument used in achieving it’s strategic objectives and plans for the socio-economic development of the nation. It shows the allocation of resources to different sectors/agencies by the Government in its effort to deliver public goods/services to the people. The FGN Budget is not all about expenditure allocations as often assumed by many. Revenue remains a critical and vital component of the FGN budget and have been highlighted in recent time.

The 2024 Budget was titled “Budget of Renewed Hope’’. Allocations to MDAs were guided by the strategic objectives of the National Development Plan 2021-2025, which are: diversifying the economy, with robust MSME growth; investing in key infrastructure; strengthening security and ensuring good governance; enabling a vibrant, educated and healthy populace; reducing poverty; and minimizing regional, economic and social disparities.

The 2024 Appropriation, was designed to further deliver on the reflationary policies of the 2022 and 2023 Budgets, which helped sustain the recovery and growth of the economy. It was prepared taking into consideration the policies/strategies contained in the 2024-2026 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP). The Budget was prepared using the Zero-Based Budgeting (ZBB) approach and was in line with the government’s development priorities, as articulated in the National Development Plan (NDP) 2021 to 2025.

The 2024-2026 MTEF and FSP provided the economic framework for the 2024 Budget, along with fiscal policy objectives and spending priorities of the Government over the period. It also shows the plans for achieving Government’s defined objectives and highlights the key assumptions behind revenue estimates and fiscal targets as well as possible fiscal risks over the medium term. Furthermore, it articulates the nature of the Federal Government’s debt liabilities, their fiscal consequences, and measures aimed at reducing them. It also provides the foundation for the preparation of revenue and expenditure estimates of the annual FGN budget. Hence, the MTEF represents efforts towards multi-year perspective in budgeting.

Revenue generation remains the main fiscal challenge of the Federal Government. The systemic resource mobilization problem has been compounded by recent slowdown in economic growth. Several measures are however being implemented under the Strategic Revenue Growth Initiatives to improve government revenue while efforts to create fiscal prudence is being prioritized with emphasis on achieving value for money.

These measures include: Improving the tax administration framework including tax filing and payment compliance; Evaluation of the process and policy effectiveness of Fiscal Incentives, including; Review of Sectors eligible for Pioneer Tax Holiday Incentives under the Industrial Development Income Tax Relief Act ('IDITRA'); Dimensioning the cost of tax waivers/concessions, and evaluating their policy effectiveness; Setting annual ceilings on Tax Expenditures to better manage their impact on already constrained government revenues; and Ensuring that MDAs appropriately account for and remit their internally generated revenue.

Others measures include: Identifying and plugging existing revenue leakages to enhance tax compliance and reduce tax evasion; Leveraging technology and automation; plugging fiscal drainers like subsidies. To further improve the Independent Revenue collection, Government aims to optimize the operational efficiencies of revenue generation and remittance of GOEs.

The strategies to improve revenue mobilization is being sustained in 2024 with the goal of achieving the following objectives: Enhancing tax and excise revenues through policy reforms and tax administration measures; Reviewing the policy effectiveness of tax waivers and concessions; Boosting customs revenue through the e-Customs and Single Window initiatives; and Safe guarding and growing revenues from the oil and gas sector. The target over the medium term is to grow the Revenue-to-GDP ratio from about 8 percent currently to 15 percent by 2025. At that level of revenues, the Debt-Service-to-Revenue ratio will cease to be worrying. In a simple term, Nigeria does not have a debt sustainability problem, but a revenue challenge which the present government is determined to tackle so as to ensure that public debts remain sustainable.

Very importantly, the government is augmenting available resources with loans to finance critical development projects and programmes aimed at improving the economic environment and ensuring effective delivery of public services to the people. Focus has been on: the completion of major road and rail projects; the effective implementation of power sector projects; the provision of potable water; construction of irrigation infrastructure and dams across the country; and critical health projects such as the strengthening of national emergency medical services and ambulance system, procurement of vaccines, polio eradication and upgrading of Primary Health Care Centre's across the six geopolitical zones.

Defence and internal security continue to be top priority of the FGN due to its promise to ensure the security of life, property and investment nationwide by assuring that our gallant men and women in the armed forces, police and paramilitary units are properly equipped, remunerated and well-motivated. The 2024 budget is also the first in our history, where MDAs were clearly advised on gender responsive budgeting. These are part of critical steps in FGN efforts to distribute resources equitably and also to reach out to the vulnerable groups of our society.

In 2024, Government continues to strengthen the frameworks for concessions and Public Private Partnerships (PPPs). Capital projects that are good candidates for PPP by their nature are being developed for private sector participation. Also, government is exploring available opportunities in the existing ecosystem of green finance including the implementation of the Sovereign Green Bond Programme and leveraging debt-for-climate swap mechanisms.

This Report provides detailed information on the 2024 First Quarter Budget Implementation. The other parts of the Report are arranged as follows: Following this introductory section, Section 2 reviews macroeconomic performance, highlighting the performance of the real, monetary and external sectors. Section 3 presents an analysis of Government's revenue receipts and expenditure in the period under review, while Section 4 is a brief conclusion of the Report.

2.0 MACROEONOMIC DEVELOPMENT AND ANALYSIS

2.1 Performance of the Global Economy

Global economic recovery from geopolitical tensions and the cost-of-living crisis is proving surprisingly resilient. This results from the stronger than expected performance in the second half of 2023 in the United States, and several major emerging market and developing economies (EMDEs). Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply-side developments and monetary tightening by central banks. Government and private spending, in many cases contributed to the upswing, with higher real disposable income supporting consumption amid tight, though easing, labor markets and household draw-down on accumulated savings.

Global growth is estimated to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025. This indicates an improved outlook of about 0.2 percentage point, reflecting upgrades for China, the United States, and large emerging market and developing economies. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth.

Risks to the global outlook are broadly balanced with the likelihood of a hard landing receding as adverse supply shocks unwind. In the upside, faster disinflation expected from stronger-than-expected pass-through from lower fuel prices, further downward shifts in the ratio of vacancies to unemployed persons, and a compression of profit margins to absorb past cost increases combined with a decline in inflation expectations to support growth. Others include slower-than-assumed withdrawal of fiscal support, faster economic recovery in China, artificial intelligence and supply-side reforms. On the downside commodity prices may spike amid geopolitical and weather shocks; persistence of core inflation, requiring a tighter monetary policy stance; faltering of growth in China; and disruptive turn to fiscal consolidation may hurt growth.

As inflation declines toward target levels across regions, policy needs to focus specifically on managing inflation decline, rebuilding buffers to prepare for future shocks and achieving debt sustainability, enabling durable medium-term growth, and strengthening resilience through multilateral cooperation. Countries with critical debt crisis needs to mobilize revenues, improve their policy framework, and, if they are at high risk of debt distress, ensure orderly debt restructuring.

2.2 DOMESTIC MACROECONOMIC PERFORMANCE

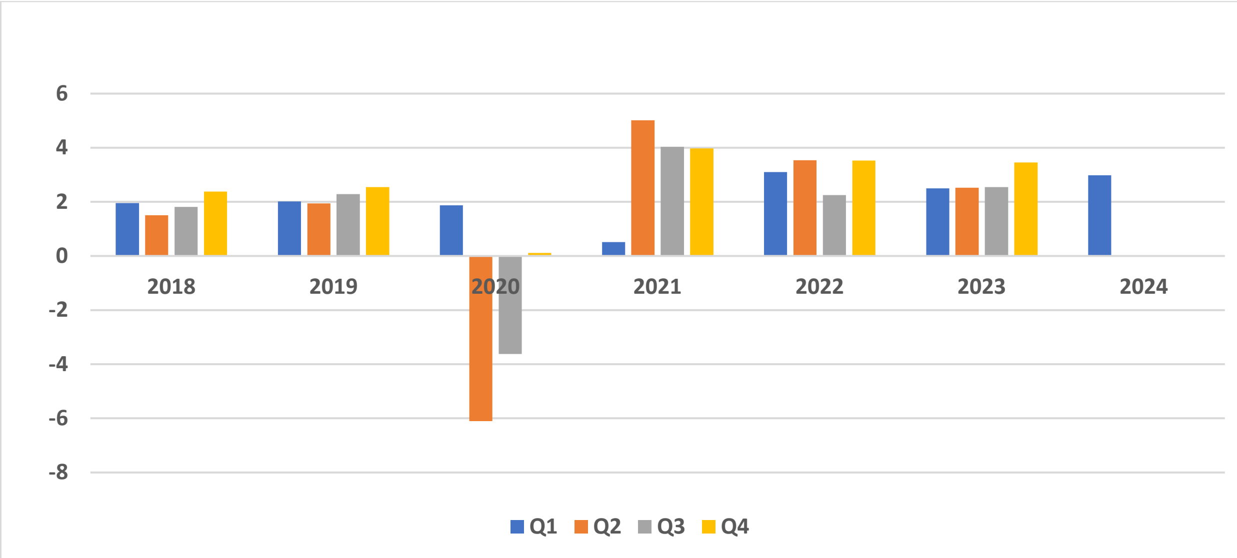
2.2.1 Development in Real Sector

2.2.1.1 GDP Growth

Nigeria's Gross Domestic Product (GDP) grew by 2.98% (year-on-year) in real terms in the first quarter of 2024. This growth rate is higher than the 2.31% recorded in the first quarter of 2023 but lower than the fourth quarter of 2023 growth of 3.46%. The performance of the GDP in the first quarter of 2024 was driven mainly by the Services sector, which recorded a growth of 4.32% and contributed 58.04% to the aggregate GDP. The agriculture sector grew by 0.18%, from the growth of -0.90% recorded in the first quarter of 2023.

The growth of the industry sector was 2.19%, an improvement from 0.31% recorded in the first quarter of 2023. In terms of share of the GDP, the services sector contributed more to the aggregate GDP in the first quarter of 2024 compared to the corresponding quarter of 2023. In the quarter under review, aggregate GDP stood at N58.86 trillion in nominal terms. This performance is higher when compared to the first quarter of 2023 which recorded aggregate GDP of N51.24 trillion, indicating a year-on-year nominal growth of 14.86%.

Figure 2.1 GDP Percentage Growth (Q1 2019 – Q4 2023)

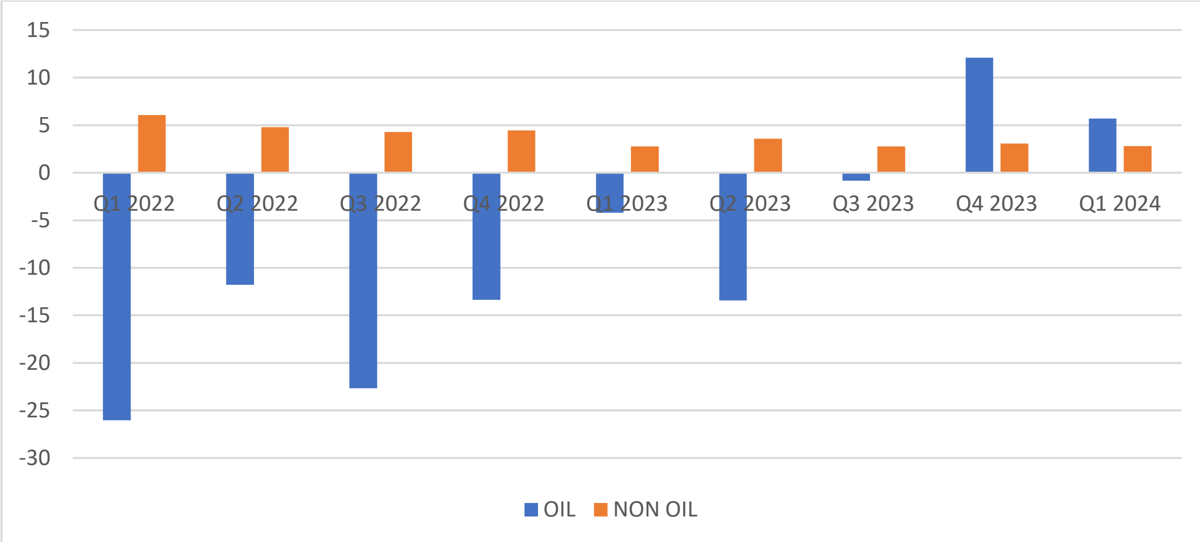


Source: National Bureau of Statistics

2.1 Oil Sector

The nation recorded an average daily oil production of 1.57 million barrels per day (mbpd) in the first quarter of 2024, higher than the daily average production of 1.51mbpd recorded in the same quarter of 2023 by 0.06mbpd and higher than the fourth quarter of 2023 production volume of 1.55 mbpd by 0.02mbpd. The real growth of the oil sector was 5.70% (year-on-year) in Q1 2024, indicating an increase of 9.91 percentage points relative to the rate recorded in the corresponding quarter of 2023 (-4.21%). Growth decreased by 6.41 percentage points when compared to Q4 2023 which was 12.11%. On a quarter-on-quarter basis, the oil sector recorded a growth rate of 13.77% in Q1 2024. The Oil sector contributed 6.38% to the total real GDP in Q1 2024, up from the figure recorded in the corresponding period of 2023 and the preceding quarter, where it contributed 6.21% and 4.70% respectively.

Figure 2.2 Oil and Non-Oil Real GDP Growth Rate Percentage (Q1 2022 – Q1 2024



Source: National Bureau of Statistics, 2024

2. 2 Non-Oil Sector

The non-oil sector grew by 2.80% in real terms during the reference quarter (Q1 2024). This rate was higher by 0.02 percentage points compared to the rate recorded in the same quarter of 2023 and 0.28 percentage points lower than the fourth quarter of 2023. The performance of the sector was driven mainly by Financial and Insurance (Financial Institutions); Information and Communication (Telecommunications); Agriculture (Crop production); Trade; and Manufacturing (Food, Beverage, and Tobacco), accounting for positive GDP growth in the first quarter of 2024. In real terms, the non-oil sector contributed 93.62% to the nation's GDP in the first quarter of 2024, lower than the 93.79% and 95.30% share it recorded in the first quarter of 2023 and the fourth quarter of 2023 respectively.

2.2.2 Development in Prices

Headline inflation rate increased to 33.20% at end of Q1 2024 relative to the February 2024 headline inflation rate which was 31.70%. Looking at the movement, the March 2024 headline inflation rate showed an increase of 1.50 percentage points when compared to the February 2024 headline inflation rate. On a year-on-year basis, the headline inflation rate was 11.16 percentage points higher compared to the rate recorded in March 2023, which was 22.04%. This shows that the headline inflation rate (year-on-year basis) increased in the month of March 2024 when compared to the same month in the preceding year (i.e March, 2023).

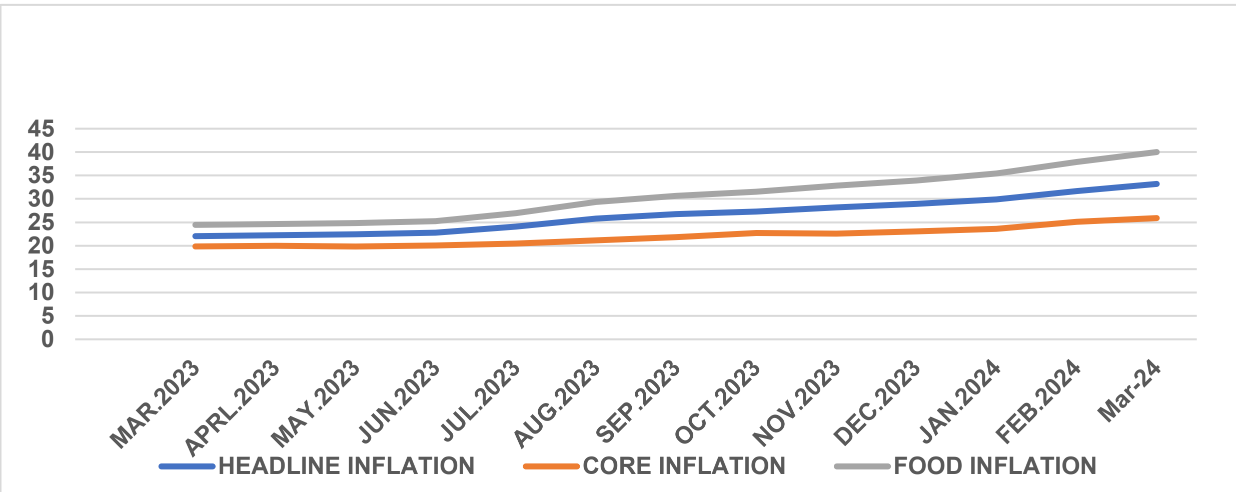
Furthermore, on a month-on-month basis, the headline inflation rate in March 2024 was 3.02%, which was 0.10 percentage points lower than the rate recorded in February 2024 (3.12%). This means that in the month of March 2024, the rate of increase in the average price level is less than the rate of increase in the average price level in February 2024.

The Food inflation rate in March 2024 was 40.01% on a year-on-year basis, which was 15.56% points higher compared to the rate recorded in March 2023 (24.45%). The rise in Food inflation on a year-on-year basis was caused by increases in prices of the following items Garri, Millet, Akpu Uncooked Fermented (which are under the Bread and Cereals class), Yam Tuber, Water Yam (under Potatoes, Yam, and other Tubers class), Dried Fish Sadine, Mudfish Dried (under Fish class), Palm Oil, Vegetable Oil (under Oil and Fat), Beef Feet, Beef Head, Liver (under Meat class), Coconut, Water Melon (under Fruit Class), Lipton Tea, Bournvita, Milo (under Coffee, Tea and Cocoa Class). On a month-on-month basis, the Food inflation rate in March 2024 was 3.62% which shows a 0.17% decrease compared to the rate recorded in February 2024 (3.79%).

The fall in Food inflation on a Month-on-Month basis was caused by a fall in the rate of increase in the average prices of Guinea corn flour, Plantain Flour etc (under Bread and Cereals class), Yam, Irish Potatoe, Coco Yam (under Potatoes, Yam & Other Tubers class), Titus fish, Mudfish Dried (under Fish class), Lipton, Bournvita, Ovaltine (under Coffee, Tea and Cocoa class). The average annual rate of Food inflation for the twelve months ending March 2024 over the previous twelve-month average was 31.40%, which was 8.69% points increase from the average annual rate of change recorded in March 2023 (22.72%).

The “All items less farm produces and energy” or Core inflation, which excludes the prices of volatile agricultural produces and energy stood at 25.90% in March 2024 on a year-on-year basis; up by 6.26% when compared to the 19.63% recorded in March 2023. The highest increases were recorded in prices of the following items Bus Journey within the city (under Passenger Transport by Road class), Actual and Imputed Rentals for Housing, Consultation Fee of a medical doctor (under Medical Services class), and pharmaceutical products, etc. On a month-on-month basis, the Core Inflation rate was 2.54% in March 2024. It stood at 2.17% in February 2024, an increase of 0.37%. The average twelve-month annual inflation rate was 22.26% for the twelve months ending March 2024; this was 5.04% points higher than the 17.22% recorded in March 2023.

Figure 2.3: Inflation Rate (March 2023 – March 2024)



Source: National Bureau of Statistics, 2024

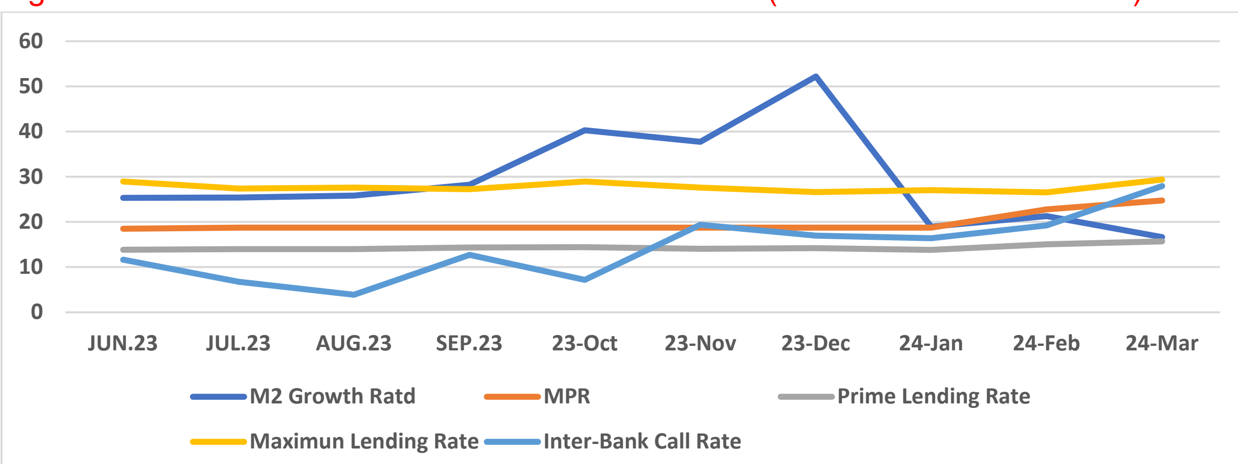
2.2.3 Developments in Money Market

Monetary aggregates increased in the review period relative to the fourth quarter of 2023. Broad Money Supply (M2) increased by (17.13 percent) from ₦78,831.12 billion in December, 2023 to ₦92,332.62 billion in March, 2024. Net Domestic Asset (NDA) decreased by 19.10 percent (₦13,356.03 billion) from ₦69,914.01 billion in December to ₦56,557.98 billion in March, 2024. The development in NDA was partly due to the contraction in Net Domestic Credit (NDC) during the period. Net Domestic Credit (NDC) dropped by 5.50 percent (₦5,285.24 billion) from ₦96,086.28 billion in December, 2023 to ₦90,801.04 billion in March, 2024.

The decreased in Net Domestic Credit (NDC) was driven by the decline in Net Credit to Government while Credit to Private Sector improved during the period under review. Net Credit to Government decreased by 41.61 percent (₦13,957.83 billion) from ₦33,547.50 billion in December, 2023 to ₦19,589.77 billion in March, 2024. Credit to Private Sector however increased by 13.87 percent (₦8,672.59 billion) from ₦62,538.68 billion in December, 2023 to ₦71,211.27 billion in March, 2024.

The Central Bank of Nigeria raised the Monetary Policy Rate (MPR) from18.75 percent to 22.75 percent in February and further to 24.75 percent in March, 2024. The asymmetric corridor around the MPR was however retained at +100/-300 basis points. Similarly, the Cash Reserve Ratio (CRR) and the Liquidity Ratio were also left at 32.5 percent and 30.0 percent respectively during the review period.

Figure 2.4: M2 Growth Rate and Interest Rates Trend (June 2023 – March 2024)



Source: Central Bank of Nigeria, 2024

The above developments led to increases in the deposit and lending rates in the economy. The average interbank call rate increased to 16.43 percent, 19.25 percent and 27.95 percent in January, February and March, 2024 respectively. Similarly, the average prime lending rate increased from 13.82 percent in January, 15.06 in February and 15.70 percent in March, 2024. The average maximum lending rate increased from 27.07 percent in January to 26.55 percent in February and 29.38 percent in March, 2024 respectively.

2.2.4 Developments in the External Sector

2.2.4.1 External Trade

Nigeria's total merchandise trade stood at N31,810.59 billion in Q1, 2024. This represents an increase of 46.27% over the value recorded in the preceding quarter and rose by 145.58% compared to the value recorded in the corresponding period of 2023. External trade data for the period revealed that export accounted for 60.25% of total trade in the reviewed quarter with a value of N19,167.36 billion, showing an increase of 51.00% compared to the value recorded in Q4 2023 (N12,693.62). This reflects an increase by 195.47% over the value recorded in the first quarter of 2023 (N6,487.04). Exports trade in the first quarter of 2024 was dominated by crude oil exports valued at N15,486.63 billion representing 80.80% of total exports while the value of non-crude oil exports stood at N3,680.73 billion accounting for 19.20% of total exports; of which non-oil products contributed N1,778.85 billion or 9.28% of total exports.

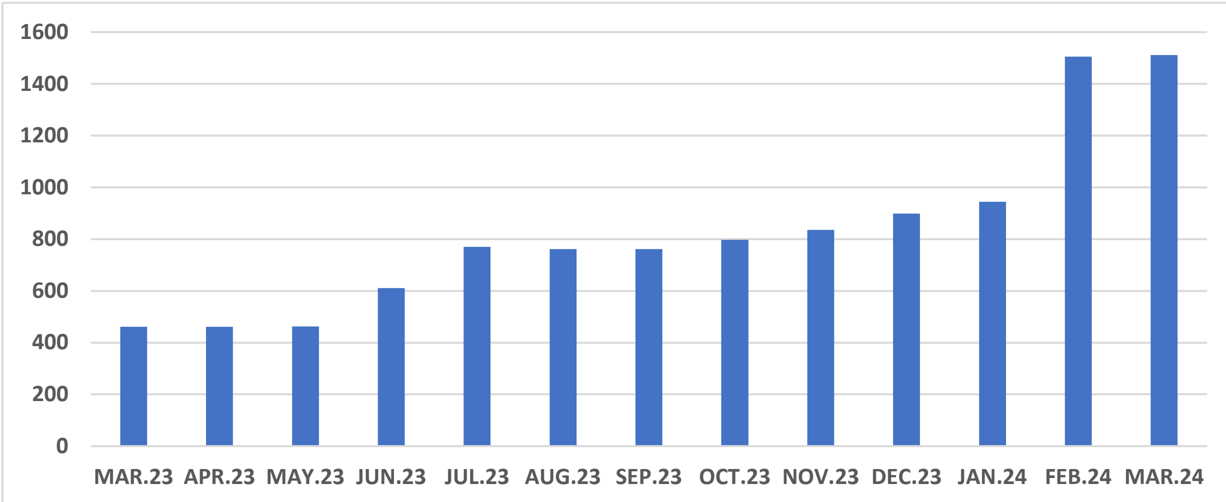
2.2.4.2 Balance of Trade

Total trade stood at N31,810.59 billion in Q1, 2024. This comprises N12,643.23 billion (39.75 percent) in imports and N19,167.36 billion (60.25 percent) in exports. It therefore resulted in the soaring of Nigeria’s trade balance to N6,524.13 billion or 20.51 percent of total foreign trade in the review period. This represents a growth of 31,061.51 percent over the corresponding period in 2023 and a 79.24 percent growth over the balance in the last quarter.

2.2.4.3 Exchange Rates

The Naira depreciated in the Investors and Exporters segment of the foreign exchange market, declining from ₦899.07/US$ in December to ₦944.08/US$, ₦1,505.30/US$ and ₦1,320.20/US$ in January, February and March, 2024, respectively. There was no data for the Official/Inter-Bank segment and Bureau-de-Change (BDC) segments of the foreign exchange market.

Figure 2.5: Naira/US$ Exchange Rates (March 2023 – March 2024)



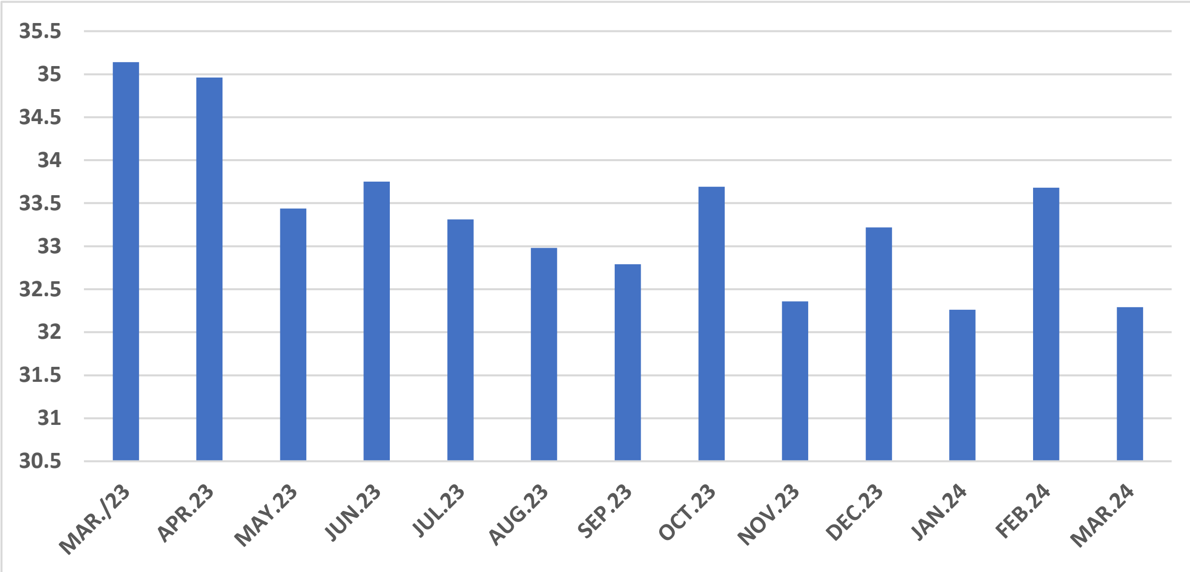
Source: Central Bank of Nigeria, 2024

2.2.4.4 External Reserves

Data from the CBN showed that Nigeria's gross external reserve decreased at the end of the first quarter of 2024 from the position at end-2023. The reserve position fluctuated from US$33.22 in December to US$32.26 billion in January, US$33.68 billion in February and US$32.29 billion in March, 2024.

The performance at the end of March, 2024 represents a decrease of US$0.93 billion (2.88 percent) below the figure reported at the end of December, 2023. It was also US$2.85 billion (8.11 percent) below the US$35.14 billion performance recorded at the end of first quarter of 2023. The level of external reserves is anticipated to increase in subsequent quarters due to expected improvement in capital inflows, crude oil production and oil prices in the near term.

Figure 2.6: Level of External Reserves in Billion Dollars (March 2023 – March 2024)



Source: Central Bank of Nigeria, 2024

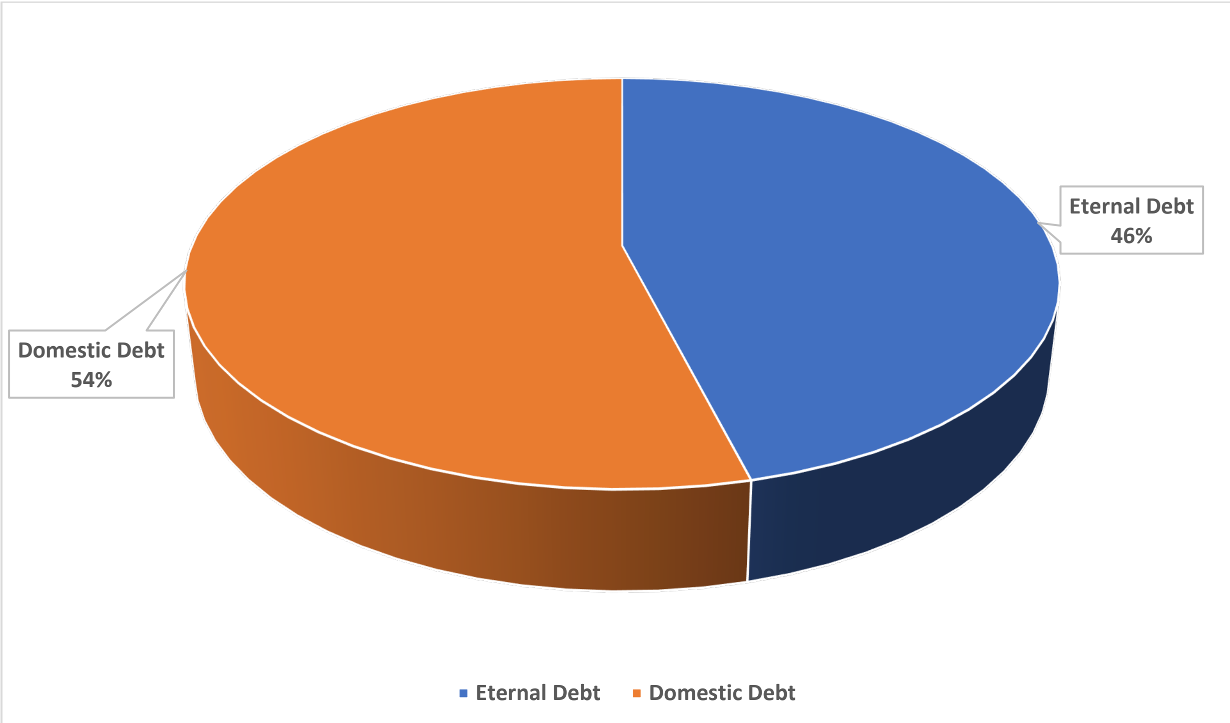
2.2.5 Debt Stock

2.2.5.1 Total Public Debt Stock

The total public debt stock as at 31st March, 2024 stood at ₦121,670.88 billion (US$91,463.99 million). This indicates an increase of ₦71,817.19 billion (144.06 percent) when compared to the ₦49,853.69 billion (US$108,295.18 million) recorded at the end of March, 2023. This mostly reflects the securitization of the CBN ways and means in 2023.

The breakdown comprised of ₦65,646.26 billion (US$49,348.45 million) or 53.95 percent for domestic debt stock while the balance of ₦56,024.62 billion (US$42,115.54 million) or 46.05 percent was for external debt stock. This translates to a net present value of total public debt/GDP ratio of 52.92 percent as at the end of March, 2024. This is above the country's threshold of 40 percent but below the international threshold of 56 percent for comparator countries.

Figure 2.7: First Quarter 2024 Total Public Debt Stock



Source: Debt Management Office, 2024

2.2.5.2 Domestic Debt Stock

The federal Government's domestic debt stock stood at ₦65,646.26 billion as at the end of March, 2024, representing an increase of ₦12,388.25 billion (23.26 percent) above the ₦53,258.01 billion recorded in the fourth quarter of 2023. It was also ₦40,915.49 billion (165.44 percent) above the ₦24,730.77 billion reported in the corresponding period of 2023. The increase in domestic debt relative to the fourth quarter of 2023 was due the new issuance of FGN bonds and Nigerian Treasury Bills during the period.

A breakdown of the domestic debt stock as at 31st March, 2024 reveal that ₦48,420.44 billion (88.63 percent) is for FGN Bonds, ₦10,436.95 billion (16.95 percent) is for Nigerian Treasury Bills (NTBs), ₦43.88 billion (0.07 percent) is for FGN Savings Bonds, ₦1,092.56 billion (1.77 percent) is for FGN Sukuk, ₦15.00 billion (0.02 percent) is for Green Bond and ₦1,569.28 billion (2.55 percent) is for Promissory Notes.

2.2.5.3 External Debt Stock

Nigeria's external debt stock as at 31st March, 2024 stood at US$42,115.54 million (46.05 percent). It was US$379.62 million (0.89 percent) and US$556.16 million (1.30 percent) lower when compared to the US$42,495.16 million and US$42,671.70 million reported in the fourth quarter of 2023 and the correspondent quarter of 2023 respectively. A breakdown of the external debt stock as at 31st March, 2024 revealed that Multilateral Debts amounted to US$20,826.21 million (49.45 percent), Bilateral Debts amounted to US$5,900.98 million (14.01 percent), commercial (Euro-Bond) amounted to US$15,118.35 million (35.90 percent), while Syndicated Loan accounted for US$270.00 million (0.64 percent)

3.0 FINANCIAL ANALYSIS OF 2024 BUDGET IMPLEMENTATION

3.1 Key Assumptions and Projections

The 2024 Budget was based on the 2024-2026 Medium Term Fiscal Framework and Fiscal Strategy Paper (MTFF/FSP) which was in line with the Government's National Development Plan 2021-2025. Table 3.1 presents the key assumptions, targets and rates over the period 2016-2024.

Table 3.1: Key Budget Assumptions and Targets, 2020 – 2024

ITEMS	2020	2021	2022	2023	2024
Projected production in mbpd	1.86	1.86	1.6	1.69	1.78
Budget Benchmark Price (per barrel in US)	28	40	73	75	77.96
Technical Cost of JVC pbl to Oil Companies					
Operating Expenses (T1) in US$	11.3	10.68	14.3	27.5668	22.57
Capital Expenses (T2) in US$	13.99	13.16	11.56	12.772811	10.77
Petroleum Investment Allowance (10%)	0.34	0.25	0.35	0.2846891	0.24
Technical Cost of PSC Pbl to oil Companies					
Operating Expenses (T1) in US$	10.02	15.02	12.02	20.0612	18.06
Capital Expenses (T2) in US$	8.19	8.27	7.51	7.09165	7.09
Investment Tax Credit	2.38	2.26	1.28	3.8310486	3.63
Technical Cost of SC pbl to oil Company					
Operating Expenses (T1) in US$			27.08	24.730959	26.05
Capital Expenses (T2) in US$			5.8	3.7767147	4.02
Investment Allowances			1.03	0.890411	0.89
Technical Costs of Independent pbl to Oil Company					
Operating Expenses (T1) in US$	12.43	11.74	15.73	15.729448	12.03
Capital Expenses (T2) in US$	15.39	14.48	12.71	12.710701	11.55
Investment Allowances	0.37	0.27	0.44	0.4393166	0.26
Weighted Average Rate of PPT-JV Oil			85%	85%	85%
Weighted Average Rate of PPT-PSC Oil			50%	50%	50%
Weighted Average Rate of PPT - SC Oil			85%	85%	85%
Weighted Average Rate of PPT- Independent (indigenous)			85%	85%	85%
Weighted Average Rate of PPT- Marginal			85%	85%	85%
Royalty Rates					
Weighted Average Rate of Royalties- JV Oil			20%	20%	20%
Weighted Average Rate of Royalties - PSC			10%	12%	12%
Weighted Average Rate of Royalties -SC Oil			20%	20%	20%
Weighted Average Rate of Royalties- Independent			18%	18%	18%
Weighted Average Rate of Royalties- Marginal			4%	3%	3%
Average Exchange Rate(NGN/US$)	360.00	379.00	410.00	435.57	800.00
VAT Rate	7.50%	7.50%	7.50%	7.50%	7.50%
CIT Rate	30%	30%	30%	30%	30%

Source: BOF, NNPC, FIRS and NCS, 2024

3.1.1 Budget Benchmark Oil Price and Production

The benchmark price of oil for the 2024 Budget was pegged at US$77.96/barrel while benchmark oil production was estimated at 1.78mbpd. Government continues to use benchmark oil production and price for the yearly budget so as to insulate budget expenditures from the instabilities in domestic production and the price of oil in the global market.

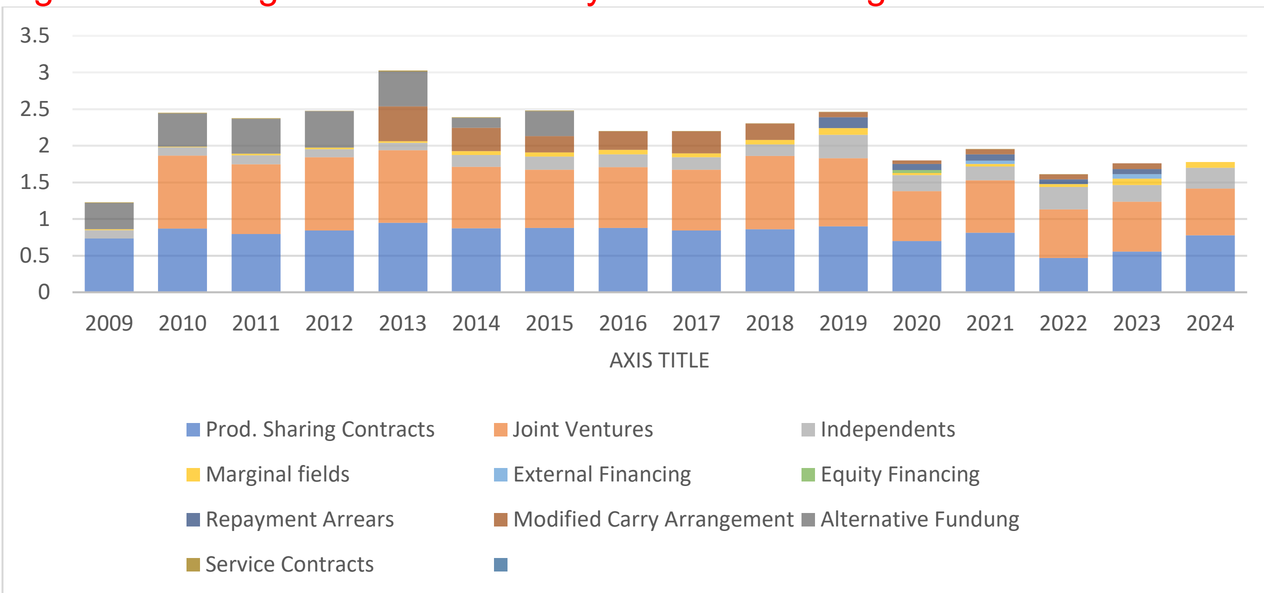
Budgeted crude oil output was projected upward from 1.69mbpd in 2023 to 1.78mbpd in 2024 while a decrease in the cost outlay against 2023 was also projected. The Technical Cost comprising average of operating and capital expenses were reviewed downward in the 2024 fiscal year when compared to the rates in 2023 for both the Joint Ventures (JVs) and the Independent Contracts.

The average expenses [Capital (T1) and Operating (T2)] for the JVs production arrangement decreased from US$40.34 per barrel in 2023 to US$33.34 per barrel in 2024 indicating a decrease of US$7.00 per barrel in the period.

The average expenses for the Independent Contracts was reduced to US$23.58 per barrel in 2024. Similarly, the average expenses [Capital (T1) and Operating (T2)] for the Production Sharing Contracts were adjusted downward from U$27.15 per barrel in 2023 to U$25.15 per barrel in 2024.

The share of oil production by business arrangement remained relatively stable with the JVs and PSCs dominating at approximately 35.8 and 43.9 percent respectively. The share of Independent Contract increased from 12.9 percent in 2023 to 15.8 percent in 2024. Information on expected contributions of oil production by business arrangement are presented in Figure *3.1* while the analysis of contributions and duties for key oil taxes that are projected to accrue to the Federation are also represented in *Table 3.2*. These rates remained largely unchanged with the rates in the 2023 budget framework.

Figure 3.1: Budget Oil Production by Business Arrangements 2009 – 2024



Source: NAPIMS/NNPC, 2024

Table 3.2: Detailed Assumptions for Oil Production and Taxes (2020 - 2024)

Share of Production	2020 production volume	2020 percentage	2021 production volume	2021 percentage	2022 production volume	2022 Percentage	2023 Production Volume	2023 Percentage	2024 production volume	2024 percentage
Joint Ventures	0.68%	37.60%	0.716	36.64%	0.664	39.80%	0.683	38.76	0.635	35.8
Alternative Funding					0	0.00%	0	0.00	0	0
External Financing			0.041	2.10%	0.056	3.36%	0.06	3.41	0	0
Modified Carry Arrangement	0.05%	2.92%	0.067	3.43%	0.067	4.02%	0.082	4.65	0	0
Production Sharing Contract	0.70%	39.03%	0.812	41.56%	0.469	28.13%	0.554	31.44	0.779	43.9
Independents	0.22	11.96%	0.19	9.72%	0.302	18.12%	0.228	12.94	0.281	15.8
Service Contract	0.8	0.18%	0.003	0.15%	0.002	0.12%	0	0.00	0.081	0
Marginal	0.03	1.86%	0.035	1.79%	0.04	2.40%	0.086	4.88	0	4.6
Base Production					1.6	95.98%	1.693	96.08	1.78	100
Repayment Arrears	0.08	4.26%	0.09	4.61%	0.067	4.02%	0.069	3.92	0	0
Equity Financing	0.04	2.18%						0.00	0	0
Total Oil Production	1.8	100%	1.954	100.00%	1.667	100%	1.762	100.00	1.78	100
PPT Rates										
Weighted Average MAF Independent Marginal		89%		85.00%		85%		85.00%		85.00%
Weighted Average PSC		50.10%		50.12%		50.10%		50.10%		50.10%
Weighted Average SC		85%		85.00%		85%		85.00%		85.00%
Royalties Fares										
Weighted Average JV		18.67%		18.67%		19.70%		19.80%		19.80%
Weighted Average-Independents		19.31%		19.31%		17.70%		17.50%		17.50%
Weighted Average-Marginal		9.29%		9.29%		4.10%		3.00%		3.00%
Weighed Average PSC		3.15%		10.00%		10.40%		11.50%		11.50%
Weighted Average-SC Oil		18.50%		18.50%		20%		20.00%		20.00%

Source: NNPC and BOF, 2024

3.2 Analysis of Revenue Performance

3.2.1 Performance of Key Oil Revenue Parameters

The price of crude oil in the international market averaged US$83.23 per barrel in the first quarter of 2024, indicating a decrease of US$30.55 per barrel (29.54 percent) from US$113.78 per barrel reported in the correspondent quarter of 2023. The performance reflects an increase of US$5.27 per barrel (6.76 percent) from the US$77.96 per barrel oil price benchmark for the 2024 budget.

The increase in crude oil price during the period could be attributed to the Russia-Ukraine war and the impact of the numerous sanctions imposed by the United States and its allies against Russia which disrupted global oil production/supply. It was also influenced by the recent improvement in global economic activities.

Provisional data from the Nigerian National Petroleum Corporation (NNPC) showed that the average oil production in the first quarter of 2024 was 1.54mbpd. The oil production figure indicates a decrease of 0.24mbpd (13.67 percent) from the 1.78mbpd benchmark for the 2024 Budget. The volume of oil production in the period was however 0.02 (1.32 percent) above the 1.52mbpd reported in first quarter of 2023.

3.3 Aggregate Revenue of the Federation

In the 2024 Fiscal Framework, Gross Federally Collectible Revenue is projected at ₦32,097.42 billion, comprising of ₦19,996.33 billion (62.30 percent) Oil Revenue and ₦12,101.09 billion (37.70 percent) Other Revenues. This translates to a prorate quarterly Gross Federally Collectible Revenue projection of ₦8,024.35 billion for 2024.

3.4 Oil Revenue Performance

Gross Oil Revenue stood at ₦3,349.62 billion in the first quarter of 2024. This translates to a ₦1,649.46 billion (33 percent) shortfall when compared with the 2024 quarterly budget estimate of ₦4,999.08 billion. The performance was however ₦574.66 billion (20.71 percent) and ₦1,358.16 billion (68.20 percent) above the ₦2,774.96 billion and ₦1,991.46 billion generated in the fourth and first quarters of 2023 respectively.

A breakdown of the oil revenue performance in the first quarter of 2024 shows that Concessional Rentals of ₦11.12 billion, Incidental Oil Revenue (Licenses & Early License Renewal) of ₦101.71 billion and Miscellaneous (Pipeline fees etc.) of ₦13.81 billion exceeded their quarterly budget estimates of ₦2.18 billion, ₦26.25 billion and ₦4.02 billion by ₦8.93 billion (409.16 percent), ₦75.46 billion (287.41 percent) and ₦9.78 billion (243.13 percent).

All other oil revenue items performed below their quarterly budget projections. Crude Oil & Gas Sales of ₦365.22, Petroleum Profit and Gas Taxes of ₦1,335.62 billion and Royalties (Oil & Gas) of ₦1,243.45 billion fell below their quarterly estimate of ₦366.09 billion, ₦2,994.62 billion and ₦1,605.90 billion by ₦0.87 billion (0.24 percent), ₦1,659.01 billion (55.40 percent) and ₦362.46 billion (22.57 percent) respectively. On the other hand, Gas Flared Penalty and Exchange Gain which had zero projection, yielded ₦82.88 billion and ₦589.10 billion in the quarter under review. Please see Table 3.4.

Table 3.3: Performance of Federation Revenue in the First Quarter of 2024 Vs 2023

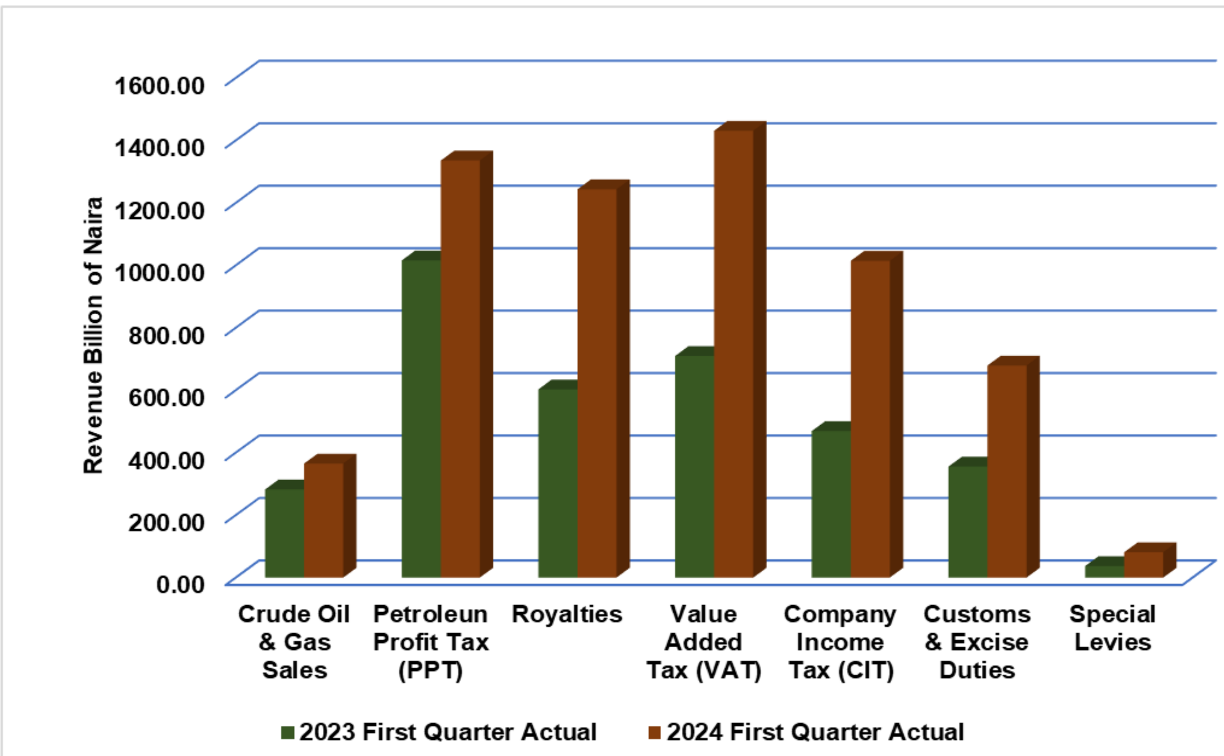
Revenue Items	2023	2024	Variance	
	First Quarter Actual	First Quarter Actual	1st Quarter 2024 Vs 1st Quarter 2023	
Oil Revenue	**N'bns**	**N'bns**	**N'bns**	**%**
Crude Oil Sales	282.14	365.22	83.08	29.45
Petroleun Profit Tax (PPT)	1,015.62	1,335.62	320.00	31.51
Royalties	602.78	1,243.45	640.67	106.29
Gross Oil Receipts	1,991.46	3,349.62	1,358.16	68.20
Net Oil Receipts	**93.04**	**2,880.39**	2,787.35	2,995.91
Non-Oil Revenue				
Value Added Tax (VAT)	709.59	1,430.92	721.33	101.65
Company Income Tax (CIT)	469.20	1,014.31	545.11	116.18
Customs & Excise Duties	355.49	678.97	323.48	91.00
Special Levies	36.92	81.10	44.18	119.66
Gross Non-Oil Revenue	1,612.23	3,253.04	1,640.81	101.77
Net Non-Oil Receipts	**1,534.85**	**3,089.00**	**1,554.15**	**101.26**

Source: OAGF and BOF, 2024

3.4.1 Net Oil Revenue

The actual Net Oil Revenue that accrued into the Federation Account in the first quarter of 2024 was ₦2,880.39 billion, depicting a decrease of ₦1,365.44 billion (32.16 percent) from the estimated quarterly budget of ₦4,245.83 billion. The inflow was however ₦466.17 billion (16.18 percent) and ₦2,787.35 billion (96.77 percent) higher than the ₦2,414.22 billion and ₦93.04 billion net oil revenue reported in the fourth and first quarters of 2023 respectively (Table 3.4).

Figure 3.3: 2023 Vs 2024 Revenue Performance (First Quarter)



Source: OAGF and Budget Office of the Federation, 2024

The poor Net Oil Revenue performance in the first quarter of 2024 could be attributed to the fall in production and lifting due to persisting oil theft and vandalization of oil pipelines as well as poor industry investments in the near past. It is also ascribed to the more than prorated Oil and Gas deductions. These data are presented in Table 3.4

3.5 Non-Oil Revenue Performance

A total of ₦3,253.04 billion gross federally collected non-oil revenue was generated in the first quarter of 2024. This indicated an increase of ₦551.03 billion (20.39 percent) from the quarterly estimate of ₦2,702.01 billion. An examination of the non-oil revenue items showed that Company Income Tax of ₦1,014.34 billion, Value Added Tax of ₦1,430.92 billion and Electronic Money Transfer Levy (EMTL) of ₦47.74 billion were higher than the quarterly projection of ₦814.19 billion, ₦988.53 billion and ₦43.78 billion by ₦200.14 billion (24.58 percent), ₦442.39 billion (44.75 percent) and ₦3.97 billion (9.06 percent) respectively in the review period.

On the hand, Customs & Excise Duties of ₦678.97 billion and Special Levies of ₦81.10 billion performed below their quarterly estimates of ₦717.22 billion and ₦138.29 billion by ₦38.24 billion (5.33 percent) and ₦57.20 billion (41.36 percent) respectively.

The poor performance of some of the non-oil revenue sources could be attributed to the impacts of the Russia – Ukraine war which affected global and domestic economic activities during the period. Overall non-oil performance could be attributed to greater efficiency in collection as well as to inflation and foreign exchange factors. Non-oil revenue performance is expected to improve in subsequent quarters as measures put in place by the government to stimulate the economy would have started yielding more positive results.

When compared with their corresponding 2023 first quarter figures, all the non-oil revenue items were above their respective 2023 first quarter performance. Company Income Tax, Value Added Tax, Electronic Money Transfer Levy (EMTL), Customs & Excise Duties and Special Levies were higher by ₦545.14 billion (116.18 percent), ₦721.33 billion (101.65 percent), ₦6.72 billion (16.38 percent), ₦323.48 (91.00 percent) and ₦44.18 billion (119.66 percent) respectively in the quarter under review.

The enhanced performance of the non-oil revenue items in the first quarter of 2024 as against the 2023 first quarter figures is largely due to the recovery of domestic economic activities following the measures put in place by the government. The extension of the implementation of the 2023 capital budget and the improved performances of the various revenue generating agencies during the period are also some of the contributing factors. The full implementation of the 2024 capital projects/programmes is also expected to further enhance the performance of all non-oil revenue items subsequently.

Table 3.4: Distributable Revenue as at March, 2024 (Oil Revenue at Benchmark Assumptions)

S/NO	DESCRIPTION	BUDGET			ACTUAL		VARIANCE	
		2023 Budget	2024 Budget	2024 Quarterly Budget	2023 First Quarter	2024 First Quarter	First Quarter Actual Vs Quarterly Budget	
A	OIL REVENUE	₦b	₦b	₦b	₦b	₦b	₦b	%
1	Gross Profit Oil from Crude Oil & Gas Sales	490.84	1,464.38	366.09	282.14	365.22	-0.87	(0.24)
2	PPT & Gas Income @ CITA	5,161.87	11,978.49	2,994.62	1,015.62	1,335.62	-1,659.01	(55.40)
3	Oil & Gas Royalties	3,498.97	6,423.62	1,605.90	602.78	1,243.45	-362.46	(22.57)
4	Concessional Rentals	4.95	8.73	2.18	0.45	11.12	8.93	409.16
5	Gas Flared Penalty	112.71	0.00	0.00	18.88	82.88	82.88	
6	Incidental Oil Revenue (Royalty Recovery & Marginal Field	100.58	105.01	26.25	51.64	101.71	75.46	287.41
7	Miscellaneous (Pipeline Fees etc)	14.79	16.10	4.02	3.85	13.81	9.78	243.13
8	Exchange Gain	0.00	0.00	0.00	16.09	589.10	589.10	
9	Sub-Total Oil & Gas Revenue	9,384.72	19,996.33	4,999.08	1,991.46	3,349.62	-1,649.46	(33.00)
10	13% Derivation	1,220.01	2,599.52	649.88	259.88	435.45	-214.43	(33.00)
11	Total Oil & Gas Revenue after Derivation	8,164.71	17,396.81	4,349.20	1,731.58	2,914.17	-1,435.03	(33.00)
12	Deductions							
13	Fiscal Deductions (Base JV Cash Call + EF + MCA + RA)	0.00	0.00	0.00	392.23	0.00	0.00	
14	Other Federally Funded Upstream Projects	3,431.80	136.25	34.06	1,246.31	0.00	-34.06	(100.00)
15	NUPRC 4% Cost of Collection (Royalty,Concessional,Gas Flared & Miscellanous)	106.30	262.99	65.75	0.00	33.78	-31.97	(48.62)
16	NUPRC 4% CoC with Incidental Rev & Signature Bonus	6.31	14.26	3.56	0.00	0.00	-3.56	(100.00)
17	Total Deductions	3,544.41	413.50	103.38	1,638.54	33.78	-69.59	(67.32)
18	Net Oil Revenue	4,620.29	16,983.31	4,245.83	93.04	2,880.39	-1,365.44	(32.16)
19	TO FEDERATION ACCOUNT (*OIL)*	4,620.29	16,983.31	4,245.83	93.04	2,880.39	-1,365.44	(32.16)
B	SOLID MINERAL & OTHER MINING REVENUES							
20	Total Solid Minerals Revenue	8.68	10.85	2.71	2.29	3.41	0.70	25.88
21	Less 13% Derivation	1.13	1.41	0.35	0.30	0.44	0.09	25.88
22	Net Solid Minerals after Derivation	7.55	9.44	2.36	1.99	2.97	0.61	25.88
C	DIVIDEND PAYMENT (NLNG)	153.73	0.00	0.00	0.00	0.00	0.00	
D	NON-OIL TAX REVENUE							
23	Corporate Tax	2,092.67	3,256.77	814.19	469.20	1,014.31	200.12	24.58
24	Value-Added Tax	2,953.77	3,954.12	988.53	709.59	1,430.92	442.39	44.75
25	Electronic Money Transfer Levy (EMTL)	137.03	175.11	43.78	41.02	47.74	3.97	9.06
26	Customs: Imports, Excise & Fees	2,115.87	2,868.87	717.22	355.49	678.97	-38.24	(5.33)
27	Special Levies (Federation Account)	372.53	553.18	138.29	36.92	81.10	-57.20	(41.36)
28	Sub-Total	7,671.87	10,808.05	2,702.01	1,612.23	3,253.04	551.03	20.39
29	FIRS Tax Refunds	75.00	75.00	18.75	4.00	20.00	1.25	6.67
30	4% Collection Cost (CIT, Stamp Duties & Capital Gains)	83.71	130.27	32.57	24.62	47.89	15.32	47.05
31	4% Collection Cost (VAT & Surcharge on Luxury Items)	118.15	158.16	39.54	25.89	50.60	11.06	27.96
32	3% Transfer to North East Development Commission (NEDC) from VAT	85.07	113.88	28.47	21.29	42.93	14.46	50.78
33	0.5% Transfer to Nigerian Police Trust Fund from VAT	14.18	18.98	4.74	0.00	0.02	-4.72	(99.56)
34	7% Cost of Collection (Duty, Excise & Fees)	148.11	200.82	50.21	24.88	47.53	-2.68	(5.33)
35	7% Cost of Collection (Spec. Levies -Fed. Acct.)	26.08	38.72	9.68	2.58	5.68	-4.00	(41.36)
36	TO FEDERATION ACCOUNT (NON-OIL)	4,409.45	6,243.44	1,560.86	807.52	1,656.25	95.39	6.11
37	Total VAT Pool	2,736.38	3,663.10	915.77	663.31	1,337.37	421.60	46.04
38	Net Non-Oil	7,239.73	10,230.37	2,557.59	1,534.85	3,089.00	531.40	20.78
39	TO FEDERATION ACCOUNT (Main Pool)	9,029.75	23,226.75	5,806.69	901.55	4,536.65	-1,270.04	(21.87)
E	TOTAL DISTRIBUTABLE							
1	Federation Account (Main Pool)	9,029.75	23,226.75	5,806.69	901.55	4,536.65	-1,270.04	(21.87)
2	VAT Pool Account	2,736.38	3,663.10	915.77	663.31	1,337.37	421.60	46.04
3	Electronic Money Transfer Levy (EMTL)	137.03	175.11	43.78	41.02	47.74	3.97	9.06
4	DISTRIBUTABLE REVENUE	11,903.16	27,064.96	6,766.24	1,605.88	5,921.76	-844.48	(12.48)

Source: OAGF and BOF, 2024

Table 3

.5: Actual Performance of Non-Oil Revenue Categories (First Quarter) 2015-2024

Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	10 - Year Average
	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn
Custom & Excise Duties	60.07	56.35	131.47	148.54	178.53	212.90	245.64	367.38	355.49	678.97	243.53
Company Income Tax	81.45	82.04	158.95	256.86	297.21	284.03	401.13	762.89	469.20	1,014.31	380.81
Value Added Tax	26.30	26.42	222.00	270.06	301.62	324.58	496.39	588.60	709.59	1,430.92	439.65
FGN Independent Revenue	280.63	47.52	21.89	72.05	34.59	47.73	391.07	222.73	309.52	318.79	174.65

Source: OAGF and BOF, 2024

Further analysis of the first quarter non-oil revenue performance shows increasing trend of key non-oil revenue subheads over the years, particularly VAT, CIT and Customs notwithstanding the fluctuations in some years including Independent Revenue which had recorded positive growth in the past three years (Table 3.5 and 3.6).

Table 3.6: Percentage Growth in Non-Oil Revenue Performances (First Quarter) 2016-2024

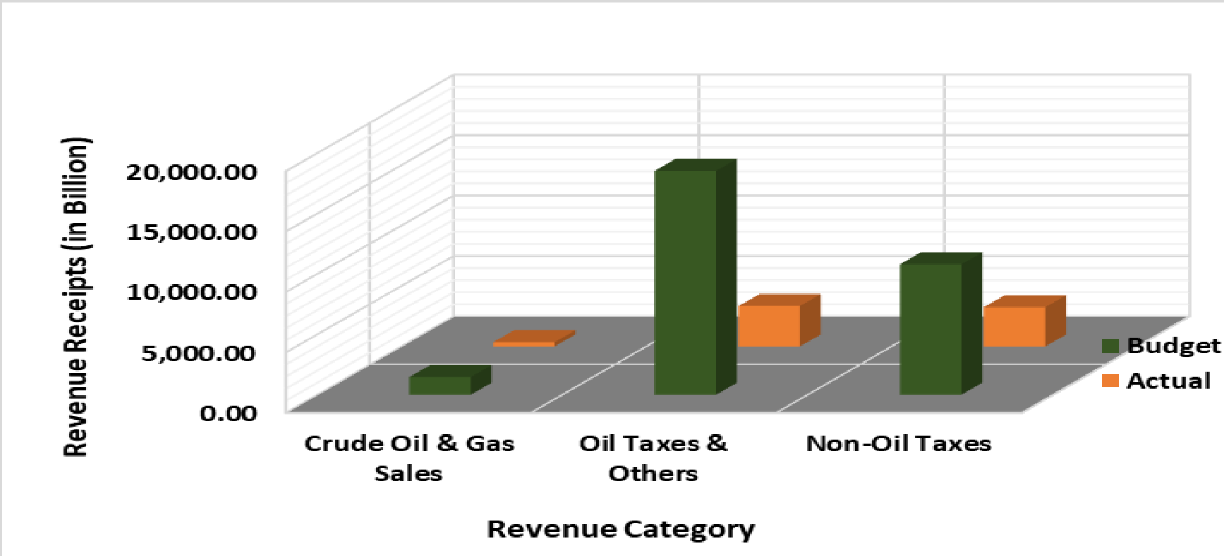
Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	9-Year Average
	%	%	%	%	%	%	%	%	%	%
Custom & Excise Duties	-6.19	133.31	12.98	20.19	19.25	15.38	49.56	-3.24	91.00	36.92
Company Income Tax	0.72	93.75	61.60	15.71	4.43	41.23	90.19	-38.50	116.18	42.81
Value Added Tax	0.46	740.27	21.65	11.69	7.61	52.93	18.58	20.56	101.65	108.38
FGN Independent Revenue	-83.07	-53.94	229.15	-51.99	37.99	719.34	-43.05	38.97	3.00	88.49

Source: OAGF and BOF, 2024

3.6 Comparative Revenue Performance Analysis

A breakdown of the actual performance of revenue compared with prorate budgeted estimates as at March ending 2024 indicated an underperformance of crude oil & gas revenue while non-oil taxes improved slightly (Figure 3.4).

Figure 3.4: Projected Vs Actual FAAC Revenue Receipts (as at March 2024)



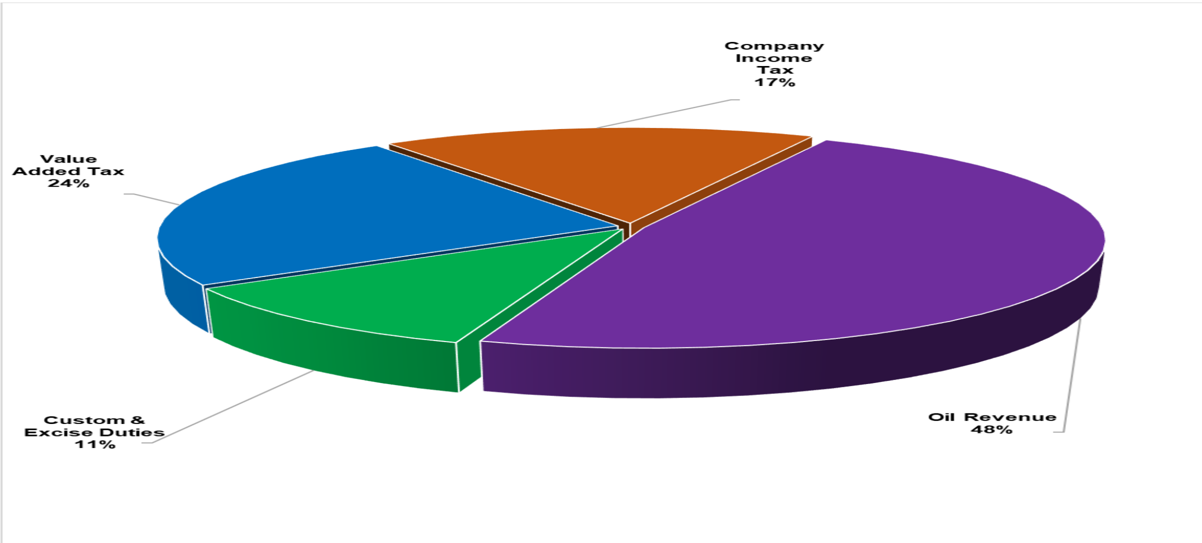
Source: Budget Office of the Federation, 2024

3.7 Distributable Revenue

The net distributable revenue of the Federation stood at ₦5,921.76 billion in the first quarter of 2024. This represents a shortfall of ₦844.48 billion (12.48 percent) from the ₦6,766.24 billion quarterly projection for the period. This was attributable to significant reduction in the Federation Account inflow from the oil sector of ₦1,365.44 billion (32.16 percent). The non-oil revenue accruing to the Federation Account increased by ₦95.39 billion (6.11 percent) over the prorate budget during the review period.

The percentage contribution of the different distributable revenue classifications in the first quarter of 2024 is presented in Figure 3.5. Oil Revenue, VAT, CIT and Customs & Excise Duties contributed 48 percent, 24 percent, 17 percent and 11 percent respectively.

Figure 3.5: Contributions to Distributable Revenue (in the 1st Quarter of 2024)



Source: Budget Office of the Federation, 2024

3.8 Excess Crude Account

Analysis of the reports of the Excess Crude Account (ECA) revealed an opening balance of US$0.47 million as at 1st January, 2024. There was no accrued interest on fund investment and no outflow/withdrawal from the account during the period under review. The closing balance as at 31st March, 2024 was US$0.47 million (Table 3.7).

Table 3.7: Net Excess Crude Account

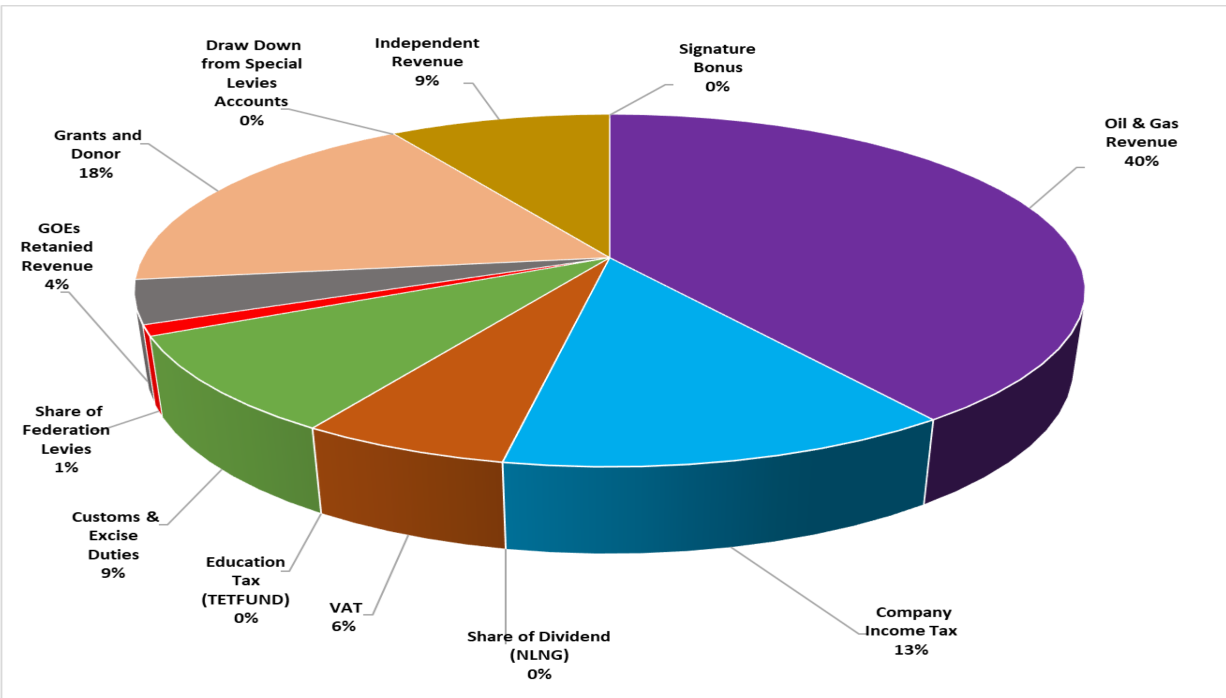
Description	2023 Actual		2024 Actual
	First Quarter	Fourth Quarter	First Quarter
Opening Balance	US$0.470 million	US$0.470 million	US$0.470 million
Inflows			
Accrued Interest on Fund Investment	US$0.000 million	US$0.000 million	US$0.000 million
Total Inflow	US$0.000 million	US$0.000 million	US$0.000 million
Outflows			
Total Outflows	US$0.000 million	US$0.000 million	US$0.000 million
Net Excess Crude Account	**US$0.470 million**	**US$0.470 million**	**US$0.470 million**

Source: OAGF, 2024

3.9 FGN Budget Revenue

Based on the 2024 Budget Framework, the sum of ₦19,598.47 billion was projected to fund the Federal Budget, indicating a quarterly share of ₦4,899.62 billion. A total of ₦3,586.75 billion was received in the first quarter of 2024 reflecting a ₦1,1312.87 billion (26.80 percent) shortfall from the quarterly projection. It was however ₦1,971.02 billion (121.99 percent) higher than the ₦1,615.73 billion generated in the first quarter of 2023.

Table 3.6: Contribution to the FGN Budget Revenue in the First Quarter of 2024



Source: The OAGF and BOF, 2024

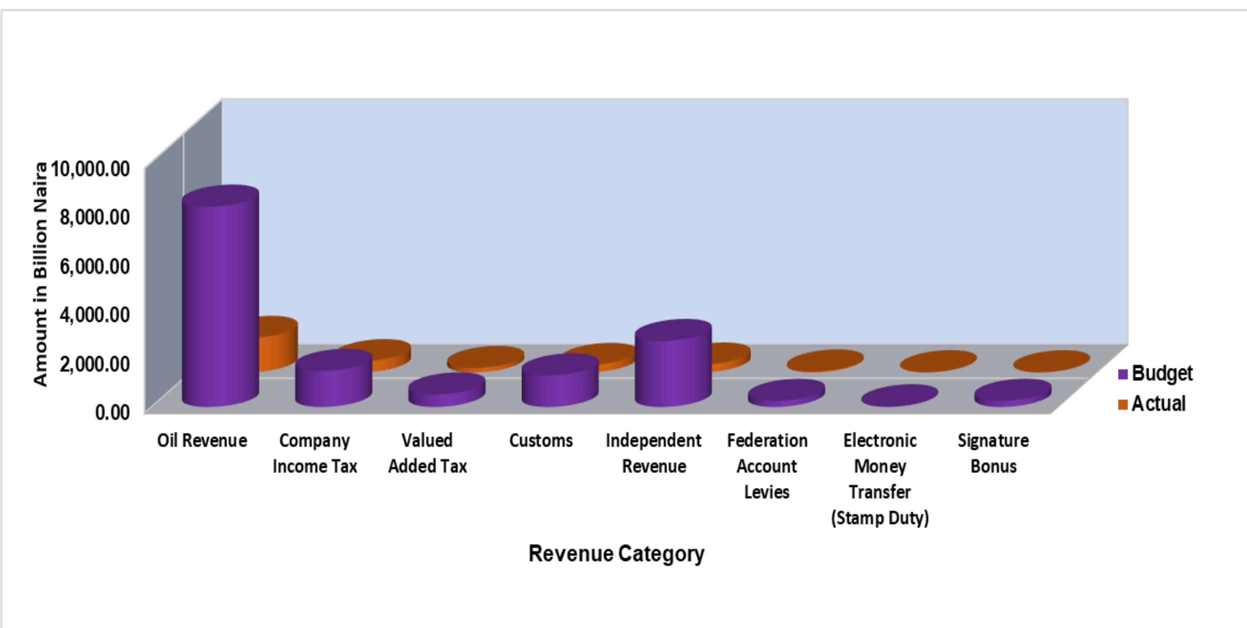
Note: This excludes FGN's Unspent Balances and FGN's Balances in Special Accounts and Other Funding Sources.

The sum of ₦1,390.00 billion that was received from oil sources in the first quarter of 2024 was lower than the quarterly estimate of ₦2,044.07 billion by ₦654.07 billion (32.00 percent). Similarly, FGN's share of Customs of ₦304.72 billion, Federation Account Levies of ₦36.40 billion, Independent

Revenue of ₦318.79 billion, Signature Bonus of ₦5.39, Education Tax (TETFUND) of ₦91.51 billion and GOEs Retained Revenue of ₦152.01 were below their corresponding quarterly budget estimates of ₦321.88 billion, ₦62.07 billion, ₦672.94 billion, ₦62.86 billion, ₦175.00 billion and ₦715.27 billion by ₦17.16 billion (5.33 percent), ₦25.67 billion (41.36 percent), ₦354.15 billion (52.63 percent), ₦57.48 billion (91.43 percent), ₦83.49 billion (47.71 percent) and ₦563.26 billion (78.75 percent) respectively.

On the other hand, FGN's share of Minerals & Mining of ₦1.43 billion, Company Income Tax of ₦456.73 billion, VAT of ₦181.23 billion, Electronics Money Transfer (Stamp Duties) of ₦7.13 billion and Grants & Donor Funding of ₦642.55 billion were above their corresponding quarterly estimate of ₦1.14 billion, ₦368.14 billion, ₦128.21 billion, ₦6.10 billion and ₦171.41 billion, by ₦0.29 billion (25.88 percent), ₦88.59 billion (24.06 percent), ₦58.48 billion (45.61 percent), ₦1.03 billion (16.86 percent) and ₦471.88 billion (274.87 percent). No inflow was recorded under FGN's share of Dividend, Share of Oil Price Royalty, Draw Down from Special Levies Accounts and Domestic Recoveries in the quarter under review (Table 3.8).

Figure 3.7: FGN Revenue (Budget Vs Actual as at March 2024)



Source: OAGF and BOF, 2024

Table 3.8: Federal Government Revenue Inflows as at March 2024

S/No	ITEMS	BUDGET			ACTUAL		VARIANCE	
		2023 Budget	2024 Budget	2024 Budget Quarterly	2023 First Quarter	2024 First Quarter	2024 First Quarter Actual Vs Quarterly Budget	
1	Inflow for the Federal Budget (CRF)	₦b	₦b	₦b	₦b	₦b	₦b	%
2	FGN Share of Oil Revenue	2,229.64	8,176.28	2,044.07	237.87	1,390.00	-654.07	(32.00)
3	FGN Share of Dividend (NLNG)	81.79	357.92	89.48	0.00	0.00	-89.48	(100.00)
4	FGN Share of Minerals & Mining	3.64	4.56	1.14	0.96	1.43	0.29	25.88
5	FGN Share of Non-Oil	2,465.61	3,521.21	880.30	481.59	985.07	104.76	11.90
6	FGN Share of Company Income Tax	933.28	1,472.58	368.14	212.62	456.72	88.57	24.06
7	FGN Share of VAT	383.09	512.83	128.21	92.86	186.69	58.48	45.61
8	FGN Share of Customs	949.59	1,287.53	321.88	159.54	304.72	-17.16	(5.33)
9	FGN Share of Federation Account Levies	167.19	248.26	62.07	16.57	36.40	-25.67	(41.36)
10	Electronics Money Transfer (Stamp Duty)	19.09	26.14	6.53	5.71	7.13	0.59	9.06
11	Share of Oil Price Royalty	13.37	24.17	6.04	0.00	0.00	-6.04	(100.00)
12	FGN Independent Revenue	3,169.07	2,691.78	672.94	309.52	318.79	-354.15	(52.63)
13	Draw-Down from Special Levies Accounts	300.00	300.00	75.00	0.00	0.00	-75.00	(100.00)
14	FGN Share of Signature Bonus	57.05	251.46	62.86	11.83	5.39	-57.48	(91.43)
15	Domestic Recoveries+Assets+Fines	27.90	0.00	0.00	0.00	0.00	0.00	
16	Grants and Donor Funding	43.03	685.63	171.41	197.88	642.55	471.14	274.87
17	Education Tax (TETFUND)	248.27	700.00	175.00	15.59	91.51	-83.49	(47.71)
18	GOEs Retained Revenue	2,419.11	2,861.08	715.27	354.77	152.01	-563.26	(78.75)
19	FGN RETAINED REVENUES (Excl. GOEs)	8,626.00	16,688.83	4,172.21	1,260.96	3,434.74	-737.46	(17.68)
20	AGGREGATE FEDERAL GOVERNMENT REVENUE	11,045.11	19,549.91	4,887.48	1,615.73	3,586.75	-1,300.72	(26.61)

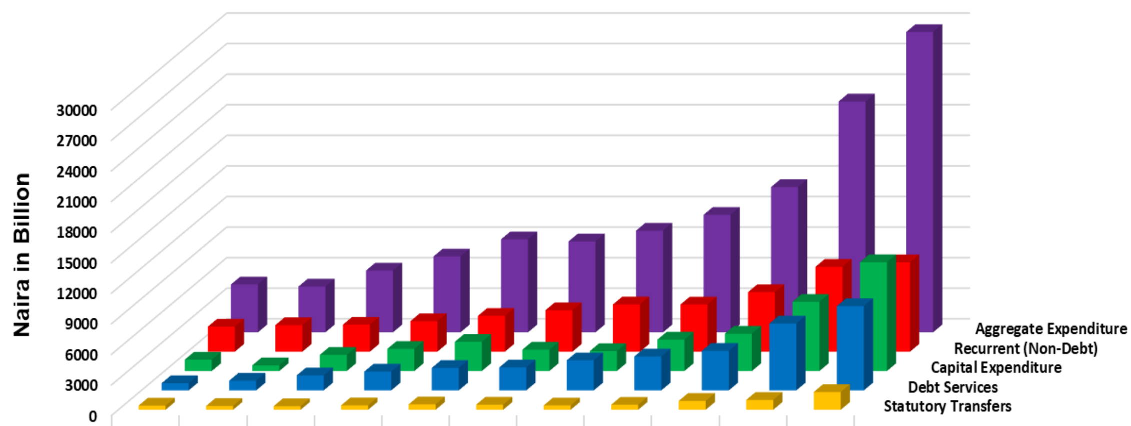
Source: BOF and OAGF, 2024

3.10 Expenditure Developments

A total of ₦29,463.03 billion (excluding GOEs Budget & Project-tied Loans) was appropriated for expenditure in the 2024 Budget. This comprises of ₦8,768.51 billion (30.47 percent) for Recurrent (Non-Debt), ₦8,270.96 billion (28.74 percent) for Recurrent (Debt), ₦1,742.79 billion (6.06 percent) for Statutory Transfers and ₦9,995.14 billion (34.73 percent) for Capital Expenditure. This translates to prorate quarterly expenditure outlay of ₦7,365.76 billion in 2024.

Actual expenditure outflow of ₦4,851.57 billion was recorded in the first quarter of 2024, representing a decrease of ₦2,514.19 billion (34.13 percent) over the quarterly budget projection for the year.

Figure 3.8: 2014 – 2024 FGN Budget Expenditure Profile



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutory Transfers	408.69	375.62	351.37	434.41	530.42	502.06	428.03	496.53	869.67	967.49	1,742.79
Debt Services	712.00	953.62	1,475.32	1,841.35	2,203.84	2,254.01	2,951.71	3,324.33	3,879.95	6,557.60	8,270.96
Capital Expenditure	1,119.62	557.00	1,587.40	2,174.50	2,869.60	2,094.95	1,960.32	3,079.92	3,664.50	6,792.27	10,680.77
Recurrent (Non-Debt)	2,454.89	2,607.13	2,646.39	2,990.92	3,516.48	4,065.94	4,633.85	4,628.73	5,841.12	8,329.36	8,768.51
Aggregate Expenditure	4,695.19	4,493.36	6,060.48	7,441.18	9,120.33	8,916.96	9,973.92	11,529.51	14,255.24	22,646.72	29,463.03

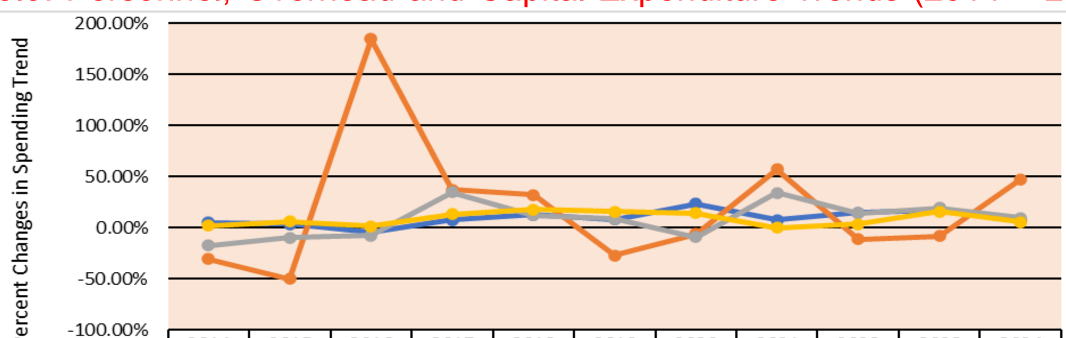
Source: Budget Office of the Federation, 2024

3.10.1 Non-Debt Recurrent Expenditure

The FGN continued to pursue on its goal of reducing the growth in its recurrent expenditure as stated in the 2024-2026 MTEF/FSP. Key initiatives aimed at reducing recurrent costs were therefore pursued vigorously during the period. This includes the embargo on unapproved recruitment by MDAs. All requests for recruitment and enrolment of staff into the FGN payroll are required to, among others, first seek financial clearance from Budget Office of the Federation. Another is the continuous roll out of the Integrated Payroll and Personnel Information System (IPPIS) to MDAs that are yet to be covered by the scheme.

A total of ₦1,696.19 billion was spent on non-debt recurrent expenditure in the first quarter of 2024. This amount reflects a shortfall of ₦495.94 billion (22.64 percent) from the quarterly estimate of ₦2,192.13 billion (details in Table 3.9).

Figure 3.9: Personnel, Overhead and Capital Expenditure Trends (2014 – 2024)



	2014 Budget	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Personnel Cost	4.79%	3.46%	-4.47%	7.76%	12.43%	8.18%	23.56%	7.74%	14.70%	17.43%	7.67%
Capital Spending	-30.95%	-50.25%	184.99%	36.99%	31.97%	-27.00%	-6.43%	57.13%	-11.17%	-8.15%	47.15%
Overheads	-17.37%	-9.65%	-8.00%	34.55%	12.12%	8.78%	-9.31%	34.01%	14.07%	19.25%	9.84%
Recurrent (Non-Debt)	2.06%	6.20%	1.51%	13.02%	17.57%	15.63%	13.97%	-0.11%	3.53%	15.48%	5.27%

Source: BOF and OAGF, 2024

3.10.2 Debt Service

Total Recurrent Debt expenditure in the first quarter of 2024 stood at ₦2,269.56 billion representing an increase of ₦201.82 billion (9.76 percent) above the ₦2,067.74 billion prorate projection for the quarter. Domestic debt service payment was slightly below the prorate quarterly budget estimate of

₦1,324.93 billion by ₦335.68 billion (25.34 percent) during the period. Actual domestic debt service was ₦989.24 billion during the quarter under review. The sum of ₦686.90 billion was planned for external debt service in the first quarter of 2024. Actual external debt service payment however amounted to ₦1,277.27 billion indicating an increase of ₦590.38 billion (85.95 percent) from the quarterly projection.

3.10.3 Personnel & Overhead Cost

The sum of ₦4,792.05 was appropriated for MDAs Personnel Cost in the 2024 Budget. This translates to prorate quarterly expenditure outlay of ₦1,198.01 billion in 2024. Actual expenditure of ₦1,145.19 billion was released in the first quarter of 2024, translating to ₦52.82 billion (4.41 percent) above the quarterly projection for the year. A total of ₦212.94 billion was released as overhead cost in the first quarter of 2024 which was ₦19.65 billion (10.16 percent) below than quarterly projection of ₦193.29 billion. A total ₦773.16 billion was allocated to overhead spending in the 2024 Budget.

3.10.4 Statutory Transfers

A total of ₦435.70 billion was released as Statutory Transfers in the first quarter of 2024 which was (100.0 percent) of the quarterly projection. It is important to note that quarterly releases to beneficiaries under this subhead are determined by budgetary provisions, needs and availability of funds. A total of ₦450.13 billion was released as capital expenditure in the first quarter of 2024 which was ₦2,220.07 billion (83.14 percent) below the quarterly projection of ₦2,670.19 billion.

3.10.5 Capital Expenditure Performance

Government's available financial resources were also directed at structural reform of the economy and the provision of critical infrastructure in the roads, power, housing, rail and aviation sectors as well as the provision of physical and food security. In view of this, a total of ₦10,680.77 billion (excluding capital expenditure of Statutory Transfers, GOEs and project tied loans) was allocated to capital spending in the 2024 Budget.

The detailed breakdown of expenditure in the first quarter of 2024 is presented in Table 3.9

Table 3.9: FGN Budget Expenditure and Fiscal Account (in N' Billion) as at March 2024

S/No	ITEMS	BUDGET			ACTUAL		VARIANCE	
		2023 Budget	2024 Budget	2024 Quarterly	2023 First Quarter	2024 First Quarter	2024 First Quarter Actual Vs Quarterly Budget	
		₦b	₦b	₦b	₦b	₦b	₦b	%
A	AMOUNT AVAILABLE FOR FGN BUDGET (excluding GOEs)	11,045.11	19,598.47	4,899.62	1,615.73	3,586.75	-1,312.87	-26.80
B	EXPENDITURE:							
1	RECURRENT NON-DEBT:							
2	*Personnel Cost (MDAs)*	4,139.21	4,792.05	1,198.01	978.11	1,145.19	-52.82	(4.41)
3	*Personnel Cost (GOEs)*	912.32	608.41	152.10	68.44	0.00	-152.10	(100.00)
4	*CRF Pensions*	854.81	673.13	168.28	104.46	112.20	-56.08	(33.33)
5	*Overhead Cost (MDAs)*	785.47	773.16	193.29	73.35	212.94	19.65	10.16
6	*Overhead Cost (GOEs)*	671.40	451.20	112.80	52.24	0.00	-112.80	(100.00)
7	Other Service Wide Votes (+ Gavi/Immunization)	1,681.55	1,170.55	292.64	70.97	209.61	-83.03	(28.37)
8	Presidential Amnesty Programme	65.00	65.00	16.25	16.25	16.25	0.00	0.01
9	Tetfund-Recurrent	12.41	35.00	8.75	0.78	0.00	-8.75	(100.00)
10	Special Intervention (Recurrent)	200.00	200.00	50.00	0.00	0.00	-50.00	(100.00)
11	Sub-Total (Non-Debt)	9,322.17	8,768.51	2,192.13	1,364.61	1,696.19	-495.94	(22.62)
12	Domestic Debts Service	3,295.11	5,299.70	1,324.93	874.13	989.24	-335.68	(25.34)
13	Foreign Debts	1,814.76	2,747.60	686.90	180.52	1,277.27	590.38	85.95
14	Total Debt Service	5,109.87	8,047.30	2,011.82	1,054.65	2,266.52	254.69	12.66
15	Interest on FGN Bond for securitized Ways & Means	1,200.00	-	-	912.33	3.05	3.05	
16	Sinking Fund to Retire Maturing Loans	247.73	223.66	55.92	0.00	0.00	-55.92	(100.00)
17	Total Recurrent Debts	6,557.60	8,270.96	2,067.74	1,966.98	2,269.56	201.82	9.76
18	Total Recurrent Expenditure	15,879.76	18,782.26	4,695.57	3,331.58	3,965.75	-729.82	(15.54)
19	CAPITAL EXPENDITURE							
20	Capital Expenditure (MDAs and Others)	5,059.22	8,122.32	2,030.58	109.84	450.13	-1,580.46	(77.83)
21	Capital Expenditure (GOEs)	835.39	820.91	205.23	32.24	0.00	-205.23	(100.00)
22	Multi-lateral/Bilateral Project-Tied Loans	1,771.40	1,051.91	262.98	0.00	0.00	-262.98	(100.00)
23	TETFUND Capital Expenditure	235.86	-	-	-	-	-	
24	Grants and Donor Funded Projects	43.03	685.63	171.41	0.00	0.00	-171.41	(100.00)
25	FGN Share of Oil Price Royalty Transferred to NSIA	13.37	-	-	0.00	0.00	0.00	
26	*Total Capital Expenditure*	7,958.26	10,680.77	2,670.19	142.08	450.13	-2,220.07	(83.14)
27	TRANSFERS							
28	Statutory Transfers	985.49	1,742.79	435.70	269.03	435.70	0.00	(0.00)
29	*TOTAL FGN EXPENDITURE (Exclusive of GEOs Budget & Project-tied Loans)*	20,633.00	26,530.60	6,632.65	3,589.77	4,851.57	-1,781.08	(26.85)
30	*AGGREGATE FGN EXPENDITURE*	24,823.51	29,463.03	7,365.76	3,742.69	4,851.57	-2,514.19	(34.13)
31	Fiscal Deficit (Excluding GEOs Budget & Project-tied Loans)	(13,778.40)	(9,178.93)	(2,294.73)	(2,126.96)	-1,264.82	1,029.91	(44.88)
C	FINANCING ITEMS							
1	Privitization Proceeds	206.18	298.49	74.62	0.00	0.00	-74.62	(100.00)
2	Multi-lateral / Bi-lateral Project-tied Loans	1,771.40	1,051.91	262.98	0.00	0.00	-262.98	(100.00)
3	Foreign Borrowing	1,760.90	1,767.61	441.90	0.00	0.00	-441.90	(100.00)
4	Domestic Borrowing	10,039.92	6,060.92	1,515.23	2,030.00	1,643.59	128.36	8.47
5	Total	13,778.41	9,178.93	2,294.73	2,030.00	1,643.59	-651.14	(28.38)

Source: OAGF and Budget Office of the Federation, 2024

MDAs' Capital Vote Utilization

The available Data from the Office of the Accountant General of the Federation (OAGF) on capital performance for MDAs as at 31st March, 2024 showed that no utilization for capital projects/programmes under the 2024 Budget was achieved in the quarter under review. This was due to the extension of 2023 capital budget implementation to 30th June, 2024 and subsequent extension to 31st December, 2024.

Performance as at 31st March, 2024

The utilization as at 31st March, 2024 was still to be achieved due to the fact that some MDAs were still implementing their 2023 capital budget which was allowed to run till 31st December, 2024. It is expected that the utilization rates as well as releases will continue to increase in the subsequent quarters of the year.

3.10.5 Budget Deficit and Performance of the Financing Items

In the 2024 Fiscal Framework, quarterly fiscal deficit is estimated at ₦2,294.73 billion (exclusive of GOEs and Multi-lateral/Bi-lateral Project-tied Loan of ₦262.98 billion). The quarterly deficit is expected to be financed through earnings from Privatization Proceeds of ₦74.52 billion, Foreign Borrowing of ₦441.90 billion and Domestic Borrowing (FGN Bond) of ₦1,515.23 billion.

The inflow and outflow of funds for the Federal Government resulted in a fiscal deficit of ₦1,264.82 billion in the first quarter of 2024. This represents a significant decrease in deficit to the tune of ₦1,029.91 billion (44.88 percent) of the projected deficit for the period. However, ₦1,643.59 billion was borrowed through FGN Bond resulting in a ₦128.36 billion surplus for the review period.

4.0 CONCLUSION

The macroeconomic variables in the review period were redefined by the heightening of downside risks to the recovery of the global economy following the Russia-Ukraine conflict and the sanctions against Russia. These was further worsened by uncertainties coming from lingering supply chain bottlenecks, due to the Russia-Ukraine war. The economy grew by 2.98 percent in the first quarter of 2024 with the oil sector recorded 5.70 percent (year-on-year) in real terms indicating an increase of 9.91 percent when compared with the correspondence quarter of 2023 (-4.21 percent) while the non-oil sector recorded a real growth of 2.80 percent. The non-oil sector contributed significantly to the growth of the economy and was mainly driven by Information and Communication; Trade; Transportation; Financial and Insurance; Agriculture and Real Estate.

The Federal Government continued to prioritize and meet its non-discretionary expenditure requirements even as the budget execution continued to be affected by poor, though improving revenue outcomes. The performance of the economy during the quarter was commendable considering developments in the global economy and the performance of many other economies.

Nonetheless, Government would continue to fast-track efforts towards improving the economic growth and revenue generation performance. Improving revenue collections in the subsequent quarters of the year is critical to the successful execution of the 2024 Budget. Efforts to curb the growth in recurrent expenditure and particularly personnel expenditure in 2024 and beyond is important even as effective implementation of measures to address the security challenges continue to be a priority.

The Federal Government remains committed to the goals of improved openness, transparency and accountability in budget preparation, implementation, monitoring and evaluation and feedback. In view of this, Government will continue to ensure firm adherence to budget implementation guidelines and the governance framework on monitoring of capital budget implementation. Efforts would also be geared towards promoting efficiency in budget implementation, while guaranteeing effective project management in the succeeding quarter of 2024 and beyond.