2023
SECOND QUARTER


BUDGET
IMPLEMENTATION REPORT

BUDGET OFFICE OF THE FEDERATION
Ministry of Finance, Budget and National Planning

FOREWORD

It gives me great pleasure to present to you the Second Quarter and Half-Year 2023 Budget Implementation Report (BIR). The Report provides information on budget performance during the period. The FGN Budget is a vital tool for delivering on the objectives of the Government. The 2023 Appropriation was titled “Budget of Fiscal Consolidation and Transition’’. It was prepared taking into consideration the key parameters and assumptions set out in the 2023-2025 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP). Allocation to Ministries, Departments and Agencies (MDAs) were guided by the core objectives of government as contained in the National Development Plan (NDP) 2021-2025.

This report is produced in compliance with Sections 30 and 50 of the Fiscal Responsibility Act (FRA), 2007 which requires the Budget Office of the Federation (BOF) to prepare and submit quarterly Budget Implementation Reports. The reports are to be submitted to the Joint Finance Committee of the National Assembly (NASS) and the Fiscal Responsibility Commission (FRC). These reports are also to be circulated widely to all stakeholders and the general public through electronic and other media.

I commend the BOF team and the relevant Ministries, Departments and Agencies (MDAs) for their hard work and keen efforts in preparing this report. I also wish to appreciate the important roles of both the Fiscal Responsibility Commission (FRC) and the National Assembly’s Joint Finance Committee in promoting best practices in public financial management. I look forward to the continued consolidation of our cooperative work in this regard.

In conclusion, I urge readers of the Budget Implementation Reports to sustain their keen interest in government’s public financial management in Nigeria. I also encourage you to use the numerous avenues provided by government to contribute towards the enhancement of budgetary outcomes for the benefit of all Nigerians.

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

PREFACE

The Budget Office of the Federation monitors and evaluates the implementation of annual federal budgets quarterly and produces the reports thereof in compliance with the Fiscal Responsibility Act 2007. This Second Quarter and Half-Year Budget Implementation Report is one of the in-year reports prepared by the BOF for the assessment of the 2023 Budget performance. In addition to satisfying the provision of the FRA 2007, these Report are expected to improve budget transparency and accountability in line with Nigeria's commitment to the Open Government Partnership (OGP).

The budget preparation, execution, monitoring and evaluation system in Nigeria has continued to improve. The BOF has continued to implement critical reform initiatives that have increasingly delivered more purposeful, implementable and extensively equitable budget in a more effective manner. Appropriate technology and models are being introduced to ensure timely and accurate budget preparation, implementation and evaluation.

The implementation of the 2023 Budget has been very challenging. The global recovery, which showed resilience in the first quarter of 2023 driven mainly by the services sector, is slowing amid widening divergences among economic sectors and regions. Inflation is however easing in most countries but remains high, with divergences across economies and inflation measures.

Consequently, aggregate revenue for the second quarter and half-year 2023 fell short of prorate budget estimates for the period, further worsening the fiscal position of the Federal Government. In spite of these challenges, Government was able to deliver ₦766.56 billion capital expenditure in the first half of 2023 and this enabled the government to continue its reflationary expenditure programme. This Report is a product of the joint efforts of financial and statistical agencies of government which provided the required data. I am very delighted by the collaborative efforts of the various Departments of the BOF, particularly Budget Monitoring and Evaluation Department in producing this report. I commend their hard work and wish them every success as they continue to carry out this important function.

Ben Akabueze
Director General, Budget Office of the Federation

TABLE OF CONTENTS

TABLE OF ACRONYMS

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&NP:	**Ministry of Budget and National 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 Corporation**
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**

LIST OF TABLES

LIST OF FIGURES

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 2023 Budget was prepared taking into consideration the policies/strategies contained in the 2023-2025 Medium Term Expenditure Framework and Fiscal Strategy Paper (FSP). The MTEF/FSP also provided the economic framework for the 2023 Budget, along with fiscal policy objectives and spending priorities of the Government over the three-year period.

The 2023 Budget was titled "Budget of Fiscal Consolidation and Transition''. 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 real Gross Domestic Product (GDP) grew by 2.51 percent (year-on-year) in the second quarter of 2023, marking eighth consecutive quarters of growth. This follows the negative growth rates recorded in the second and third quarters of 2020. The rate was 0.20 percent points higher than the 2.31 percent reported in the first quarter of 2023. It was however, 1.03 percent points lower than the 3.54 percent recorded in the second quarter of 2022. This was attributed to the challenging economic conditions being experienced. The growth in real GDP indicates improvement in economic activities despite the adverse effects of the domestic cash crunch experienced in the first quarter as well as the slowdown in global recovery. The GDP performance in the second quarter of 2023 was driven mainly by the Services sector, which recorded a growth of 4.42% and contributed 58.42% to the aggregate GDP.

Headline inflation rate rose to 22.79% in June relative to 22.41% in May 2023. Looking at the movement, the June 2023 Headline inflation rate showed an increase of 0.38 percentage points when compared to May 2023 headline inflation rate. On a year-on-year basis, the Headline inflation rate was 4.19 percentage points higher when compared to the 18.60% recorded in June 2022. The Food inflation rate in June 2023 was 25.25% on a year-on-year basis; this was 4.65 percentage points higher relative to the rate recorded in June 2022 (20.60%). Core inflation stood at 20.27% in June 2023 on a year-on-year basis; up by 4.53% when compared to the 15.75% recorded in June 2022.

Monetary aggregates increased in the review period relative to the first quarter of 2022. Broad Money Supply (M2) increased by ₦10,166.56 million (18.76 percent) from ₦54,191.66 million in March to ₦64,358.22 million in June, 2023. This was mainly driven by the expansions in the Net Domestic Assets (NDA)by 9.81 percent (₦4,773.3 million) from ₦48,641.16 billion in March to ₦53.414.46 million in June, 2023.The development in NDA was due to the expansions in Net Domestic Credit (NDC) by 19.05 percent (₦13,449.42 million) from ₦70,596.12 million in March to ₦84,045.54 million in June, 2023. Similarly, the expansion in Net Domestic Credit (NDC) was due to the increases in both Net Credit to Government and Credit to Private Sector by 13.45 percent (₦3,703.36 million) and 22.63 percent (₦9,746.06 million) in June, 2023.

Nigeria's total imports in the first quarter of 2023, stood at ₦5,559.88 billion showing an increase of 3.67% when compared to the value recorded in the fourth quarter of 2022 (₦5,362.83 billion) but then again declined by 25.83% when compared to the value recorded in the corresponding quarter of 2022 (₦7,495.67 billion). The value of exports stood at ₦6,487.04 billion indicating an increase of 2.00%, but a decline of 8.66% when compared to the amount recorded in the fourth quarter of 2022 (₦6,359.61billion) and the corresponding quarter in 2022 (₦7,102.11 billion) respectively.

Naira exchange at the Investors and Exporters segment of the foreign exchange market depreciated slightly from ₦460.97/US$ in March to ₦460.96/US$ in April, 2023. It also rose to ₦462.01/US$ and ₦610.71/US$ in May and June, 2023 respectively. This was mainly as a result of CBN's adoption of a market-determined exchange rate regime on June 14, 2023 which resulted in the sharp depreciation of the naira by 67.6 per cent. Nigeria's gross external reserve decreased at the end of the second quarter of 2023 from US$35.14 billion in March to US$34.96 billion, US$33.44 billion and US$33.75 billion in April, May and June, 2023 respectively. This was largely driven by increased demand pressure, public sector payments and debt servicing obligation. The external reserves could finance 8.2 months of import (goods only).

The total public debt stock as at 30th June, 2023 stood at ₦87,379.40 billion (US$113,423.77 million). This indicates an increase 0f ₦44,533.52 billion (103.94 percent) when compared to the ₦42,845.88 recorded at the end of March 2022. The was mainly due to the inclusion of the securitized CBN Ways and Means Advances in the debt stock, new borrowing to part finance the deficits in the 2023 Appropriation Acts and exchange rate variations. The breakdown comprised of ₦54,130.42 billion (US$70,264.58 million) or 61.95 percent for domestic debt stock while the balance of ₦33,428.98 billion (US$43,159.19 million) or 38.05 percent was for external debt stock. This translates to a total public debt/GDP ratio of 43.84 percent as at the end of June 2023. This is above the country's threshold of 40 percent but well below the international threshold of 56 percent for comparator countries.

FGN Budget implementation in the quarter was affected by the continued shortfall in crude oil production as well as the moderation in oil prices. The price of crude oil in the international market averaged US$78.40 per barrel in the second quarter of 2023, representing a decrease of US$2.22 per barrel (3.54 percent) below the US$81.28 per barrel reported in the first quarter of 2023. The performance also reflects a decrease of US$35.38 per barrel (31.10 percent) when compared to US$113.78 per barrel recorded in the second quarter of 2022 but US$3.4 per barrel (4.53 percent) higher than US$75 per barrel budget benchmark for 2023 respectively.

Average oil production and lifting (including Condensates) in the second quarter of 2023 was 1.20mbpd and 1.18mbpd respectively. The oil production figure indicates a decrease of 0.49mbpd (28.99 percent) below the 1.69mbpd benchmark for the 2023 Budget. The volume of oil production in the period was also 0.31mbpd (20.53 percent) and 0.23mbpd (16.81 percent) below the 1.51mbpd and 1.43mbpd recorded in the first quarter of 2023 and correspondent quarter of 2022 respectively.

Gross Oil Revenue therefore stood at ₦3,649.18 billion in the first half of 2023 and therefore fell short of the ₦4,692.35 billion prorate budget projection for the period. This denotes a decrease of ₦1,043.16 billion (22.23 percent) against the 2023 half year budget estimate but an increase of ₦1,476.83 billion (67.98 percent) above the half year actual gross oil revenue recorded in 2022. The gross non-oil revenue in the first half of the year amounted to ₦4,091.61 billion; an increase of ₦255.69 billion (6.67 percent) above the half year's estimate of ₦3,835.92 billion. This results from over performance of the key non-oil revenue items. The net distributable revenue however stood at ₦3,856.72 billion in the first half of 2023, representing an increase of ₦236.86 billion (6.54 percent).

The sum of ₦4,119.85 billion was received to fund the FGN budget in the first half of 2023. This comprises ₦604.10 billion (14.86 percent) oil revenue and ₦3,509.77 billion (85.14 percent) non-oil revenue. Revenue receipts increased from ₦1,615.73 billion in the first quarter to ₦2,504.12 in the second quarter. However, total inflow for the first half of the year was ₦1,402.70 billion (25.40 percent) lower than the 2023 half year projection of ₦5,522.55 billion but ₦1,705.62 billion (70.62 percent) higher than the ₦2,414.68 billion reported during the first half of 2022.

Total expenditure of Federal Government stood at ₦7,608.32 billion in the first half of 2023, representing a ₦2,829.34 billion (27.11 percent) moderation from the ₦5,218.83 billion prorate quarterly projection for the review period. It was also ₦305.66 billion (3.86 percent) lower than the actual expenditure of ₦7,913.98 billion recorded in the first half of 2022.

A total of ₦2,787.55 billion was spent on non-debt recurrent expenditure in the first half of 2023 representing a decrease of ₦1,377.14 billion (33.07 percent) from the budget estimate of ₦4,164.68 billion for the period. It was however above the non-debt recurrent expenditure of ₦2,450.47 billion spent during the half year of 2022 by ₦337.08 billion (13.76 percent). Statutory Transfers amounted to ₦474.28 billion during the reviewed period.

Total Debt Service in the first half of 2023 stood at ₦3,579.93 billion, and was higher than the prorated sum of ₦3,278.80 billion by ₦301.13 billion (9.18 percent). Interest on Ways and Means amounted to ₦1,696.65 billion. The sum of ₦1,440.01 billion was used for domestic debt servicing, a difference of ₦207.54 billion (12.60 percent) from the prorated half year projection while ₦443.26 billion was used for external debt service during the period under review.

A total of ₦766.56 billion was released for the implementation of capital projects in the 2023 budget during the review period. This includes ₦472.15 billion for MDAs' capital, ₦86.70 billion for Capital Supplementation as well as the capital expenditures of the GOEs. This indicates a shortfall of ₦1,743.88 billion or 69.47 percent from the prorate budget estimate for the half year.

The revenue and expenditure outturn of the Federal Government resulted in a fiscal deficit of ₦3,488.47 billion in the first half of 2023. This was ₦2,312.34 billion (39.86 percent) below the projected half year deficit of ₦5,800.80 billion. It was also, below the ₦5,499.29 billion deficit that was recorded in first half of 2022. The deficit was financed through domestic borrowing of ₦2,530.00 billion.

Overall, domestic macroeconomic environment continued to recover but remained weak on renewed slowing and diverging global growth as well as domestic challenges including insecurity in parts of the country. The economy remained stable with medium-term outlook projected to improve given the fiscal and monetary reforms in subsidies, exchange rates and revenue generation which are expected to drive growth.

Sustaining efforts to address legacy issues in crude oil production, as well as the deepening of reforms in various sectors of the economy remained critical to recovery. Specifically, improved fiscal management including those to drive revenue mobilization and accounting for government remained key. Others include enhanced power supply, security of lives and properties and government interventions, especially to protect the vulnerable people and businesses, among other.

1.0 INTRODUCTION

The Federal Budget is an important instrument used in achieving Government'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 Federal Budget is not all about expenditure allocations as it is often assumed by many. Revenue remains a critical and vital component of the FGN budget.

The 2023 Budget was titled "Budget of Fiscal Consolidation and Transition''. Allocations to MDAs were guided by the strategic objectives of the NDP 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.

The 2023 Budget seeks to continue the reflationary policies of the 2021 and 2022 Budgets, which helped put the economy back on the path of recovery and growth. The Budget was prepared taking into consideration the policies/strategies contained in the 2023-2025 Medium Term Expenditure Framework and Fiscal Strategy Paper (FSP). The Budget was prepared using the Zero-Based Budgeting (ZBB) approach and in line with the government's development priorities, as articulated in the NDP 2021 to 2025. Allocations to the Ministries, Departments and Agencies (MDAs) were guided by the core objectives of the NDP 2021-2025.

The 2023-2025 Medium Term Expenditure Framework and Fiscal Strategy Paper (FSP) provided the economic framework for the 2023 Budget, along with fiscal policy objectives and spending priorities of the Government over the three-year 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. The MTEF also provides the foundation for the preparation of revenue and expenditure estimates of the federal budget. Hence, the it 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 economic recessions. Several measures are being employed to improve government revenue while efforts to ensure 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 improvements; 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 2023 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 Safeguarding 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 FGN priority 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 2023 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's efforts to distribute resources equitably and also to reach out to the vulnerable groups of our society.

In 2023, 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 2023 First Half 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 Development

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing amid widening divergences among economic sectors and regions. Though global economic activity was resilient in the first quarter of 2023, driven mainly by the services sector, the non-services sectors, including manufacturing, have shown weakness. Overall, softer consumption of goods, heightened uncertainties regarding the future geoeconomic landscape, weakened productivity growth, and a more challenging financial environment made firms to scaled back investment in productive capacity. Gross fixed capital formation and industrial production have also slowed sharply dragging international trade and manufacturing in emerging markets with them. Excess savings built up during the pandemic are equally declining in many economies, implying a slimmer buffer while China's recovery is also losing steam.

Inflation across several Advanced Economies has continued to moderate but remains considerably above their respective long-run objectives even as monetary policy tightening progresses. In the Emerging Markets and Developing Economies, inflationary pressure remains broadly elevated, though there are signs of moderation in some countries. Global Inflation is, thus, expected to remain elevated through 2023, despite broad measures by several central banks to ease the pressure.

In the global financial markets, financial conditions remain tight and may exacerbate further as monetary policy normalization progresses. Investors' preference is thus, shifting to advanced economy fixed income securities with improved yields as well as safe haven assets. The International Monetary Fund (IMF), in its July 2023 World Economic Outlook, revised the 2023 output growth forecast for the global economy upwards to 3.0 per cent, from 2.8 per cent in its April forecast. This is however still lower than the 3.5 percent growth in 2022. The improved outlook was due to the sustained resilience of the global economy to the prevailing headwinds in the first half of 2023 notably the resolution of the US debt ceiling tension as well as the banking sector crisis of March 2023. Global growth is also projected to remain at 3.0 per cent in 2024

2.2 DOMESTIC MACROECONOMIC PERFORMANCE

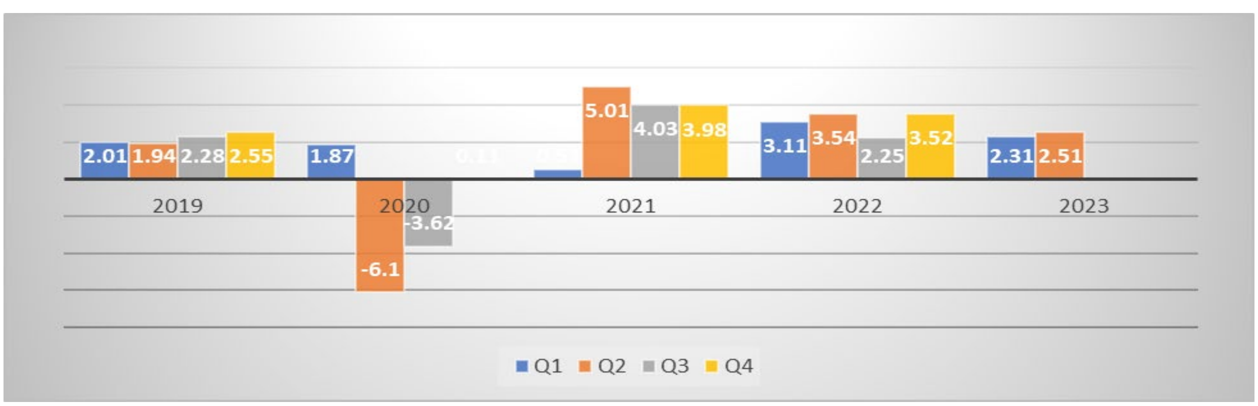
2.2.1 Development in Real Sector

2.2.1.1 GDP Growth

Nigeria's Gross Domestic Product grew by 2.51% (year-on-year) in real terms in the second quarter of 2023. This growth rate is lower than the 3.54% recorded in the second quarter of 2022 and may be attributed to the challenging economic conditions being experienced. The performance of the GDP in the second quarter of 2023 was driven mainly by the Services sector, which recorded a growth of 4.42% and contributed 58.42% to the aggregate GDP. The agriculture sector grew by 1.50%, an improvement from the growth of 1.20% recorded in the second quarter of 2022.

The growth of the industry sector was -1.94% relative to -2.30% recorded in the second quarter of 2022. In terms of share to the GDP, agriculture, and the industry sectors contributed less to the aggregate GDP in the second quarter of 2023 compared to the second quarter of 2022. In the quarter under review, aggregate GDP stood at N52,103.93 billion in nominal terms. This is higher by 15.77% when compared to the N45, 004.52 billion recorded in the second quarter of 2022.

Figure 2.1 GDP Percentage Growth (Q1 2019 – Q2 2023)



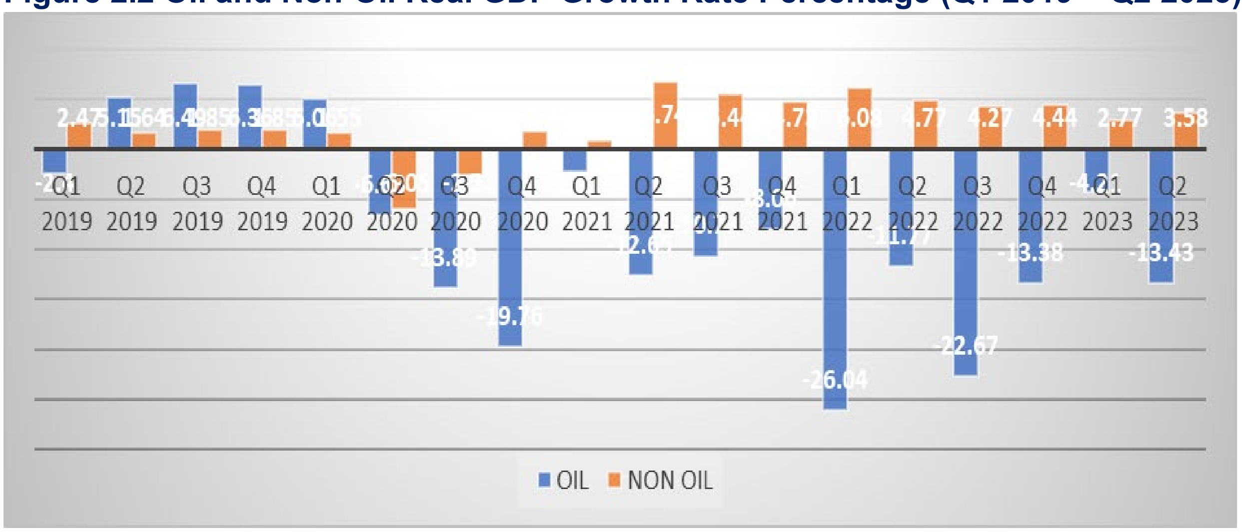
Source: National Bureau of Statistics

2.2.1.2 Oil Sector

Average daily oil production of 1.22 million barrels per day (mbpd) was recorded in the second quarter of 2023, lower than the daily average production of 1.43mbpd recorded in the same quarter of 2022 by 0.22mbpd. It was also lower than the first quarter of 2023 production volume of 1.51mbpd by 0.29mbpd. The real growth of the oil sector was –13.43% (year-on-year) in Q2 2023, indicating a decrease of 1.66 percentage points relative to the rate recorded in the corresponding quarter of 2022 (-11.77%). Growth also decreased by 9.22 points when compared to Q1 2023 which was –4.21%.

On a quarter-on-quarter basis, the oil sector recorded a growth rate of -14.12% in Q2 2023. The Oil sector contributed 5.34% to the total real GDP in Q2 2023, down from the figure recorded in the corresponding period of 2022 and the preceding quarter, where it contributed 6.33% and 6.21% respectively.

Figure 2.2 Oil and Non-Oil Real GDP Growth Rate Percentage (Q1 2019 – Q2 2023)



Source: National Bureau of Statistics, 2023

2.2.1.3 Non-Oil Sector

The non-oil sector grew by 3.58% in real terms during the reference quarter (Q2 2023). This rate was lower by 1.19 percentage points compared to the rate recorded in the same quarter of 2022 and 0.81 percentage points higher than the first quarter of 2023. This sector was driven in the second quarter of 2023 mainly by Information and Communication (Telecommunication); Financial and Insurance (Financial Institutions); Trade; Agriculture (Crop production); Manufacturing (Food, Beverage & Tobacco); Construction; and Real Estate, accounting for positive GDP growth. In real terms, the non-oil sector contributed 94.66% to the nation's GDP in the second quarter of 2023, higher than the 93.67% and 93.79% share recorded in the second quarter of 2022 and the first quarter of 2023 respectively.

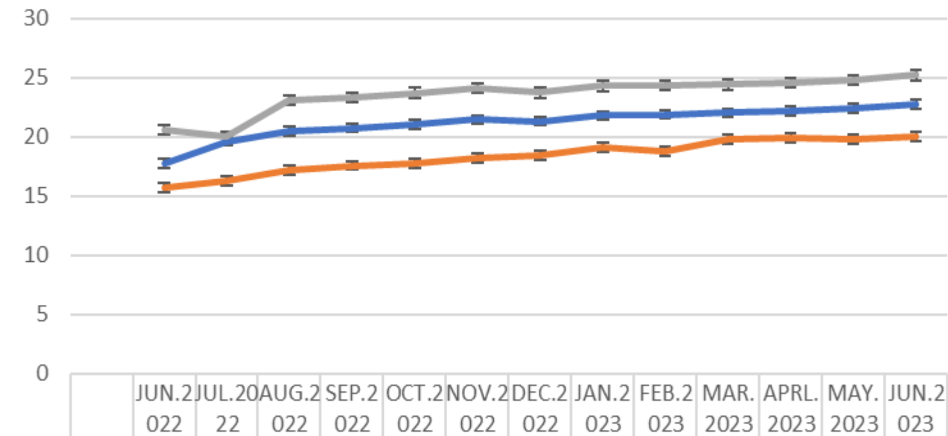
2.2.2 Development in Prices

There was an increase in general price in the period under review., Headline inflation rate rose to 22.79% relative to 22.41%, 22.22% and 22.04% recorded in May, April and March, 2023. On a year-on-year basis, the Headline inflation rate was 4.19 percentage points higher compared to the 18.60% recorded in June 2022. The key divisional level contributors to the increase in the headline index are as follows: Food & Non-Alcoholic Beverages 11.81%; Housing Water, Electricity. Gas & Other Fuel 3.81%, Clothing & Footwear 1.74%; Transport 1.48%, and Furnishings Household Equipment & Maintenance. 1.15%, among others.

The Food inflation rate was 25.25% in June 2023 higher than the 24.82%, 24.61% and 24.45% recorded in May, April and March, 2023 respectively. On a year-on-year basis; this was 4.65 percentage points higher relative to the rate recorded in June 2022 (20.60%). The rise in Food inflation on a year-on-year basis was caused by insecurities especially in Nigeria's food belt states as well as domestic supply-chain issues.

Similarly, Core inflation stood at 20.27% in June 2023 an increased from 19.83%, 19.96 and 19.86 in May, April and March, 2023. On a year-on-year basis, it was up by 4.53 percentage point when compared to the 15.75% recorded in June 2022. The highest increases were recorded in prices of Passenger Transport by Air, Gas, Vehicles Spare Parts, Liquid Fuel, Fuels and Lubricants for Personal Transport Equipment, Medical Services, and Passenger Transport by Road etc.

Figure 2.3: Inflation Rate (June 2022 – June 2023)



	JUN.2022	JUL.2022	AUG.2022	SEP.2022	OCT.2022	NOV.2022	DEC.2022	JAN.2023	FEB.2023	MAR. 2023	APRL. 2023	MAY. 2023	JUN.2023
HEADLINE INFLATION	17.75	19.64	20.52	20.77	21.09	21.47	21.34	21.82	21.91	22.04	22.22	22.41	22.79
CORE INFLATION	15.75	16.26	17.2	17.6	17.76	18.24	18.49	19.16	18.84	19.86	19.96	19.83	20.06
FOOD INFLATION	20.6	20.02	23.12	23.34	23.72	24.13	23.75	24.32	24.35	24.45	24.61	24.82	25.25

Source: National Bureau of Statistics, 2023

2.2.3 Developments in Money Market

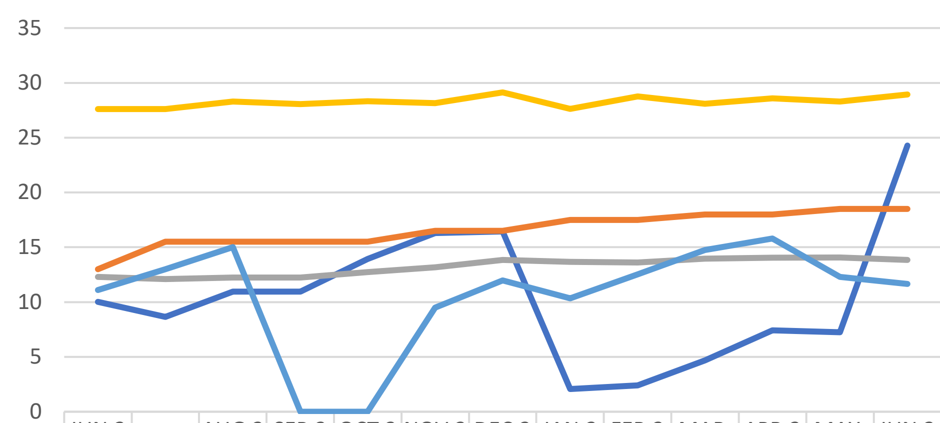
Monetary aggregates increased in the review period relative to the first quarter of 2023. Broad Money Supply (M2) increased by ₦10,166.56 million (18.76 percent) from ₦54,191.66 million in March to ₦64,358.22 million in June, 2023. The growth in M2 was mainly driven by the expansions in the Net Domestic Assets (NDA) and the Net Foreign Asset (NFA).

Net Domestic Asset (NDA) rose by 9.81 percent (₦4,773.3 million) from ₦48,641.16 million in March to ₦53.414.46 million in June, 2023. The development in NDA was due to the expansions in Net Domestic Credit (NDC) during the period. Net Domestic Credit rose by 19.05 percent (₦13,449.42 million) from ₦70,596.12 million in March to ₦84,045.54 million in June, 2023.

Similarly, the expansion in Net Domestic Credit was due to the increases in both Net Credit to Government and Credit to Private Sector during the period under review. Net Credit to Government increased by 13.45 percent (₦3,703.36 million) from ₦27, 529.72 million in March to ₦31,233.08 million in June, 2023. Credit to Private Sector also increased by 22.63 percent (₦9,746.06 million) from ₦43,066.40 million in March to ₦52,812.46 million in June, 2023. When compared to the level at the end of second quarter of 2022, broad money supply expanded by ₦15,560.35 billion (31.89 percent) in June, 2023.

A contractionary monitory policy was pursued in the review period mainly to curtail the high inflation rate. The Central Bank of Nigeria increased the Monetary Policy Rate (MPR) from 18,0 percent 18.75 percent in the review period. The asymmetric corridor around the MPR was also adjusted to +100/-300 basis points. The Cash Reserve Ratio (CRR) and the Liquidity Ratio were however retained at 32.5 percent and 30.0 percent respectively in the review period.

Figure 2.4: M2 Growth Rate and Interest Rates Trend (June 2022 – Junes 2023)



	JUN.22	JUL.22	AUG.22	SEP.22	OCT.22	NOV.22	DEC.22	JAN.23	FEB.23	MAR.23	APR.23	MAY.23	JUN.23
M2 Growth Ratd	10.02	8.66	10.96	10.97	13.92	16.29	16.44	2.07	2.4	4.69	7.43	7.24	24.28
MPR	13	15.5	15.5	15.5	15.5	16.5	16.5	17.5	17.5	18	18	18.5	18.5
Prime Lending Rate	12.29	12.1	12.23	12.23	12.74	13.17	13.85	13.67	13.62	13.97	14.05	14.07	13.85
Maximun Lending Rate	27.61	27.61	28.3	28.06	28.33	28.14	29.13	27.63	28.75	28.08	28.59	28.31	28.94
Inter-Bank Call Rate	11.1	13	15	0	0	9.5	11.99	10.35	12.54	14.75	15.8	12.31	11.66

Source: Central Bank of Nigeria, 2022

The high liquidity in the system impacted the full transmission of the MPR increases to the deposit and lending rates in the economy. The average interbank call rate increased to 15.80 percent in April from 14.75 percent in March, 2023 and then declined to 12.31 percent and 11.66 percent in May and June, 2023 respectively. Similarly, the average prime lending rate increased from 13.97 percent in March to 14.05 percent and 14.07 percent in April and May, 2023 respectively. However, it declined to13.85 percent in June, 2023. On the other hand, the average maximum lending rate increased from 28.15 percent in March to 28.59 percent, 28.31 percent and 28.94 percent in April, May and June, 2023 respectively.

2.2.4 Developments in the External Sector

2.2.4.1 External Trade

Nigeria's total trade stood at ₦12,741.96 billion in the second quarter of 2023, comprising total exports of ₦7,015.71 billion while total imports amounted to ₦5,726.25 billion. Total exports increased by 8.15% when compared to the amount recorded in the first quarter of 2023 (₦6,487.04 billion) but declined by 5.20% compared to the corresponding quarter in 2022 (₦7,400.89 billion). Likewise, in the period under review, total imports increased by 2.99% compared to the value recorded in the first quarter of 2023 (₦5,559.88 billion) but declined by 10.37% when compared to the value recorded in the corresponding quarter of 2022 (₦6,388.51 billion).

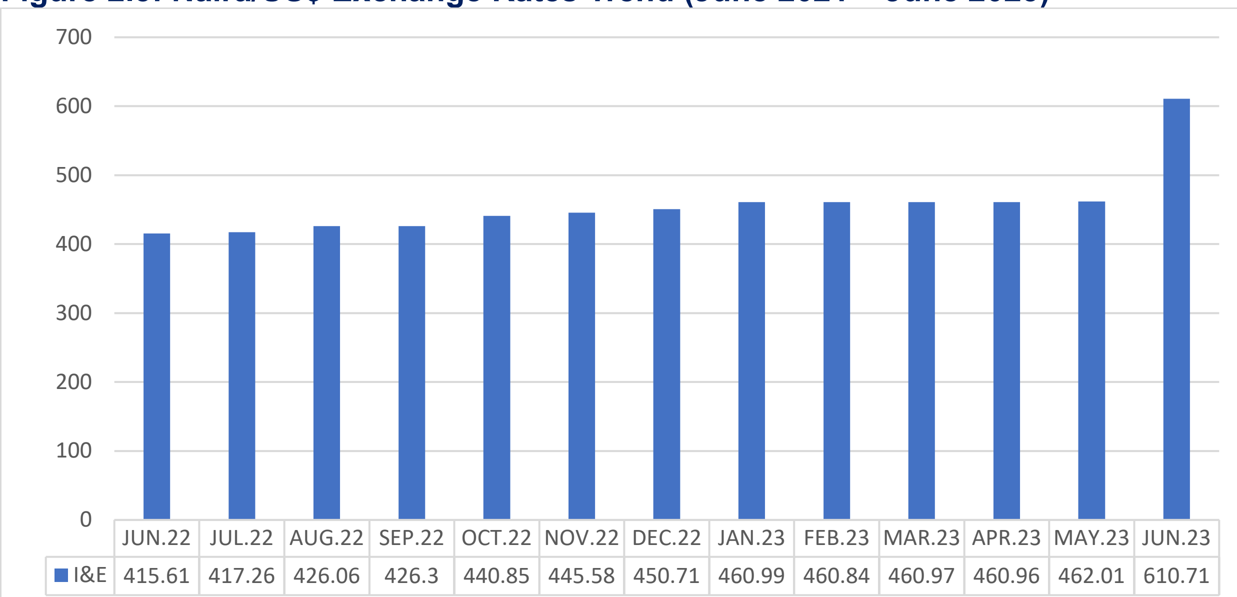
2.2.4.2 Balance of Trade

Nigeria's total merchandise trade stood at ₦12,741.96 billion in the second quarter of 2023, indicating an increase of 5.77 percent over the value recorded in the first quarter of 2023 but it declined by 7.60 percent when compared to the value recorded in second quarter of 2022. Trade balance stood at ₦1,289.46 billion in the quarter under review which is higher than the ₦927.16 billion recorded in the first quarter of 2023.

2.2.4.3 Exchange Rates

The Investors and Exporters segment of the foreign exchange market depreciated slightly from ₦460.97/US$ in March to ₦460.96/US$ in April, 2023. It also depreciated further to ₦462.01/US$ and ₦610.71/US$ in May and June, 2023 respectively. This was driven by the CBN's adoption of a market-determined exchange rate regime on June 14, 2023 which resulted in the sharp depreciation of the naira by 67.6 per cent. There was no data for the Official/Inter-Bank segment and Bureau-de-Change (BDC) segments of the foreign exchange market following the suspension of the operations of the Bureau-de-Change segment by Central Bank of Nigeria.

Figure 2.5: Naira/US$ Exchange Rates Trend (June 2021 – June 2023)



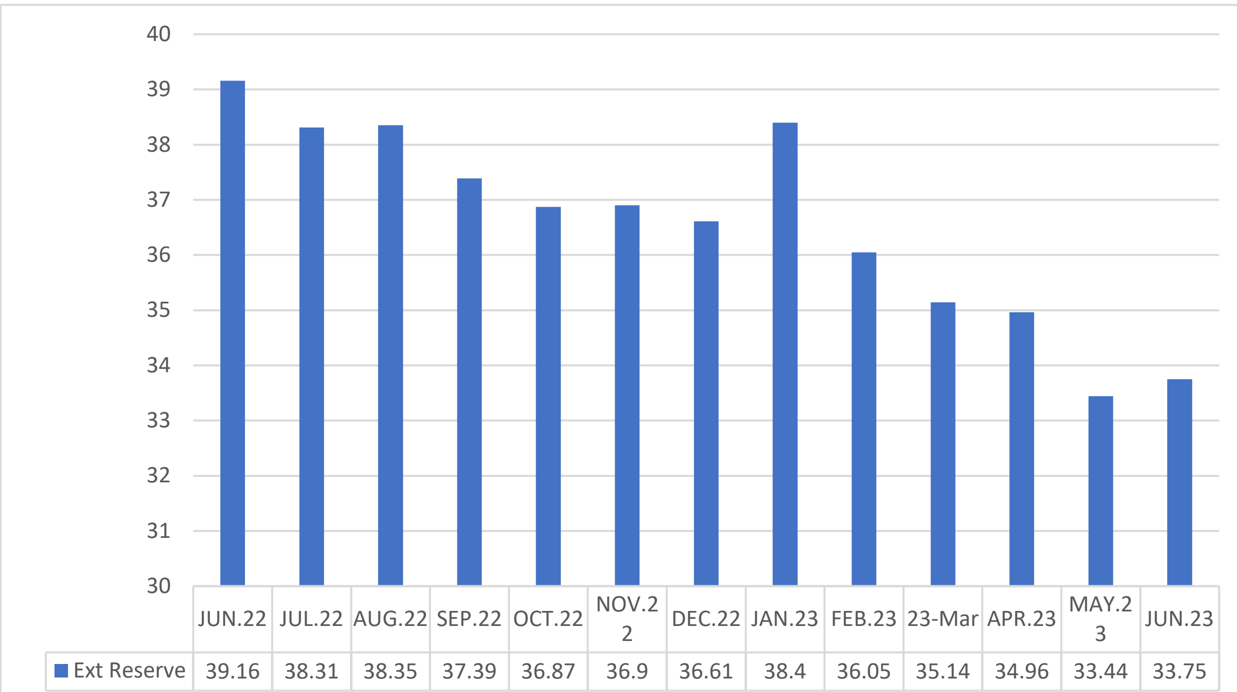
Source: Central Bank of Nigeria, 2023

2.2.4.4 External Reserves

Data from the CBN showed that Nigeria's gross external reserve decreased at the end of the second quarter of 2023. The reserve position decreased from US$35.14 billion in March to US$34.96 billion, US$33.44 billion and US$33.75 billion in April, May and June, 2023 respectively. This was driven largely by increased demand pressure, public sector payments and debt servicing obligation. The external reserves could finance 8.2 months of import (goods only).

The performance at the end of June 2023 represented a decrease of US$1.37 billion (3.96 percent) below the figure reported at the end of March, 2023. It was also US$5.47 billion (13.95 percent) below the US$39.22 billion performance recorded at the end of second quarter of 2022. The level of external reserves is anticipated to increase in subsequent quarters due to expected improvement in crude oil production and prices.

Figure 2.6: Level of External Reserves in Billion Dollars (June 2021 – June 2023)



Source: Central Bank of Nigeria, 2023

2.2.5 Debt Stock

2.2.5.1 Total Public Debt Stock

The total public debt stock as at 30th June, 2023 stood at ₦87,379.40 billion (US$113,423.77 million). This indicates an increase 0f ₦44,533.52 billion (103.94 percent) when compared to the ₦42,845.88 recorded at the end of March 2022. The breakdown comprised of ₦54,130.42 billion

(US$70,264.58 million) or 61.95 percent for domestic debt stock while the balance of ₦33,428.98 billion (US$43,159.19 million) or 38.05 percent was for external debt stock. This translates to a net present value of total public debt/GDP ratio of 43.84 percent as at the end of June 2023. This is slightly above the country's threshold of 40 percent but well below the international threshold of 56 percent for comparator countries.

2.2.5.2 Domestic Debt Stock

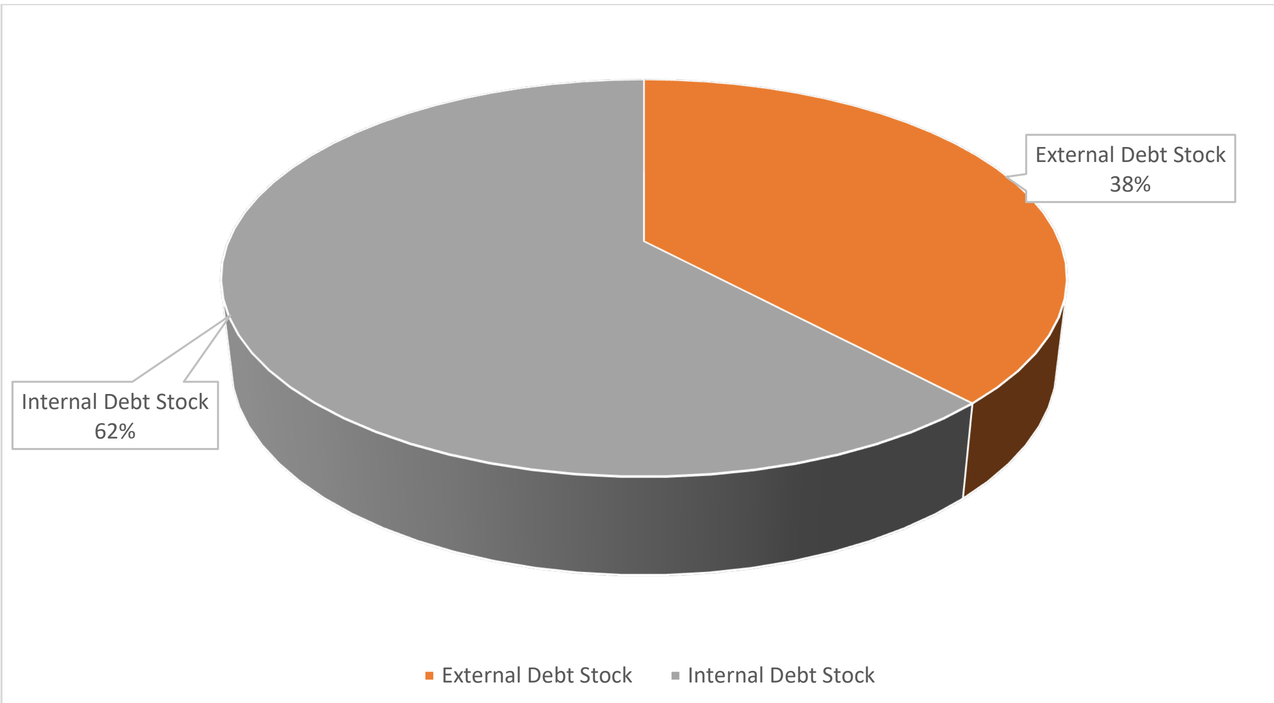
The Federal Government's domestic debt stock stood at ₦48,314.74 billion as at the end of June, 2023, representing an increase of ₦23,583.97 billion (95.36 percent) above the ₦24,730.77 billion recorded in the first quarter of 2022. It was also ₦27,365.80 billion (130.63 percent) above the ₦20,948.94 billion reported in the corresponding period of 2022. The sharp increase in domestic debt relative to the first quarter of 2023 was mainly due to New Borrowing to part finance the deficits in the 2023 Appropriation Acts, inclusion of the securitized Ways and Means Advances at the CBN in the debt stock, and exchange rate variation.

A breakdown of the domestic debt stock as at 30th, June 2023 reveals that ₦41,972.74 billion (86.87 percent) is for FGN Bonds, ₦4,722.72 billion (9.77 percent) is for Nigerian Treasury Bills (NTBs), ₦50.99 billion (0.11 percent) is for Nigerian Treasury Bonds, ₦30.70 billion (0.06 percent) is for FGN Savings Bonds, ₦742.56 billion (1.54 percent) is for FGN Sukuk, ₦15.00 billion (0.03 percent) is for Green Bond and ₦780.04 billion (1.61 percent) is for Promissory Notes.

2.2.5.3 External Debt Stock

Nigeria's external debt stock as at 30th June, 2023 stood at US$43,159.19 million indicating an increase of US$487.49 million (1.14 percent) and US$3,094.40 million (7.72 percent) above the US$42,671.70 million and US$40,064.79 million reported in the first quarters of 2023 and the correspondent year of 2022, respectively. A breakdown of the external debt stock as at 30th June, 2023 revealed that Multilateral Debts amounted to US$20,790.74 million (48.17 percent), Bilateral Debts amounted to US$5,518.41 million (12.79 percent), commercial (Euro-Bond) amounted to US$15,618.35 million (36.19 percent), Promissory notes amounted to US$931.70 million (2.16 percent) while Syndicated Loan accounted for US$300.00 million (0.70 percent)

Figure 2.7: Total Public Debt Stock (Second Quarter 2023)



Source: Debt Management Office, 2023

3.0 FINANCIAL ANALYSIS OF THE 2023 BUDGET IMPLEMENTATION

3.1 Key Assumptions and Projections

The 2023 Budget was based on the 2023-2025 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 and targets over the period 2017-2023.

Table 3.1: Key Budget Assumptions and Targets, 2017 – 2023

KEY ASSUMPTION & TARGETS	2017	2018	2019	2020	2021	2022	2023
Projected production in mbpdA3:I22	2.2	2.3	2.3	1.86	1.86	1.6	1.69
budget Benchmark price (per barrel in US)	44.5	51	60	28	40	73	75
Technical Cost of JVC Pbl to oil Companies							
Operating Expenses (T1) in US$	10.43	11.24	20.45	11.3	10.68	14.3	27.57
Capital Expenses(T2) in US$	10.85	11.97	14.89	13.99	13.16	11.56	12.77
Petroleum Investment Allowance (10%)			0.51	0.34	0.25	0.35	0.28
Technical Cost of PSC Pbl to oil Companies							
Operating Expenses (T1) in US$	8.85	8.7	10.01	10.02	15.02	12.02	20.06
Capital Expenses(T2) in US$	17.86	11.01	10.04	8.19	8.27	7.51	7.09
Investment Tax Credit	2.85	2.13	1.54	2.38	2.26	1.28	3.83
Technical Cost of SC pbl to oil Company							
Operating Expenses (T1) in US$	18.62	22.79	29.49			27.08	24.73
Capital Expenses(T2) in US$	2.05	2.05	5.49			5.8	3.78
Investment Allowances	0.46	0.46	2.67			1.03	0.89
Technical Costs of Independent pbl to oil Company							
Operating Expenses (T1) in US$				12.43	11.74	15.73	15.73
Capital Expenses(T2) in US$				15.39	14.48	12.71	12.71
Investment Allowances				0.37	0.27	0.44	0.44
Weighted Average Rate of PPT-JV Oil	85%	85%	85%			85%	85%
Weighted Average Rate of PPT-PSC Oil	50.20%	50.20%	50.10%			50.10%	50%
Weighted Average Rate of PPT - SC Oil	85%	85%	85%	305		85%	85%
Weighted Average Rate of PPT-Independent (indigenous	85%	85%	85%			85%	85%
Weighted Average Rate of PPT- Marginal	51.60%	85%	85%			85%	85%
Royalty Rates							
Weighted Average Rate of Royalties- JV Oil	19.10%	18.67%	18.67%			19.70%	20%
Weighted Average Rate of Royalties - PSC	4.50%	2.30%	2.83%			10.40%	12%
Weighted Average Rate of Royalties -SC Oil	18.50%	18.50%	18.50%			20%	20%
Weighted Average Rate Of Royalties-Independent	19.30%	19.31%	19.31%			17.70%	18%
Weighted Average Rate Of Royalties-Marginal	9.30%	9.30%	9.29%			4.10%	3%
Average Exchange Rate(NGN/US$)	305	305		360	379	410	435.57
Vate Rate	5%	5%	5%	7.50%	7.50%	7.50%	7.50%
CIT Rate	30%	30%	30%	30%	30%	30%	30.00%

Source: BOF, NNPC, FIRS, and NCS, 2023

3.1.1 Budget Benchmark Oil Price and Production

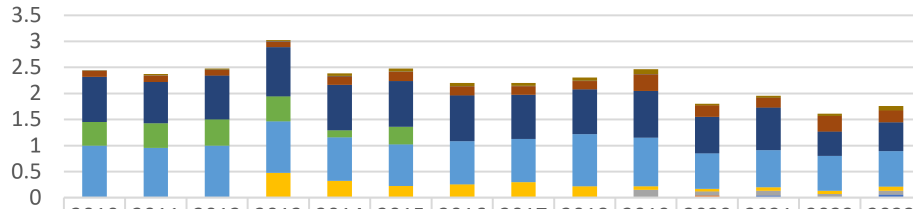
The benchmark price of oil for the 2023 Budget was pegged at US$75/barrel while benchmark oil production was estimated at 1.69mbpd. Government continues to use benchmark oil production and price for the yearly budget so as to insulate budget expenditures from the instabilities in domestic production and the price of oil in the global market.

Budgeted crude oil output was projected upward from 1.60mbpd in 2022 to 1.69mbpd in 2023 as well as an increase in the cost outlay projected against 2022. The Technical Cost comprising average of operating and capital expenses were reviewed upward in the 2023 fiscal year when compared to the rates in 2022 for both the Joint Ventures (JVs) and the Independent Contracts. The average expenses [Capital (T1) and Operating (T2)] for the JVs production arrangement increased from US$25.86 per barrel in 2022 to US$40.34 per barrel in 2023 indicating an increase of US$14.48 per barrel in the period.

The average expenses for the Independent Contracts were maintained at US$28.44 per barrel in 2023. On the other hand, the average expenses [Capital (T1) and Operating (T2)] for the Production Sharing Contracts were adjusted upward from U$19.53 per barrel in 2022 to U$27.15 per barrel in 2023.

The share of oil production by business arrangement remained relatively stable with the JVs and PSCs dominating at approximately 38.8 and 31.4 percent respectively. The share of Independent Contract dropped from 18.1 percent in 2022 to 12.9 percent in 2023. Information on expected contributions of oil production by business arrangement are presented in Figure *3.1* while the analysis of rates for key oil taxes that are projected to accrue to the Federation are also presented in *Table 3.2*. These rates remained largely unchanged with the rates in the 2022 budget framework.

Figure 3.1: Budget Oil Production by Business Arrangements 2010 – 2023



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Marginal fields	0.01	0.022	0.02	0.019	0.053	0.059	0.059	0.055	0.06	0.09	0.03	0.035	0.04	0.086
Service Contracts	0.007	0.008	0.005	0.013	0.008	0.007	0.006	0.005	0.004	0.004	0	0.003	0.002	0
Independents	0.115	0.122	0.11	0.104	0.16	0.176	0.176	0.168	0.16	0.32	0.22	0.19	0.302	0.228
Prod. Sharing Contracts	0.868	0.793	0.843	0.947	0.875	0.876	0.878	0.843	0.86	0.9	0.7	0.812	0.469	0.554
Alternative Fundung	0.455	0.474	0.5	0.477	0.135	0.341	0	0	0	0	0	0	0	0
Joint Ventures	0.995	0.955	1	0.991	0.837	0.798	0.83	0.831	1	0.93	0.68	0.716	0.664	0.683
Modified Carry Arrangement				0.476	0.32	0.223	0.252	0.298	0.22	0.07	0.05	0.067	0.067	0.082
Repayment Arrears										0.15	0.08	0.09	0.067	0.069
Equity Financing											0.04			0
External Financing												0.041		0.06

Source: NAPIMS/NNPC, 2023

Table 3.2: Detailed Assumptions for Oil Production and Taxes (2018 - 2023)

Share of Production	2018 production volume	2018 percentage	2019 production volume	2019 percentage	2020 production volume	2020 percentage	2021 production volume	2021 percentage	2022 production volume	2022 Percentage	2023 Production Volume	2023 Percentage
Joint Ventures	1	43.48%	0.93	37.00%	0.68%	37.60%	0.716	36.64%	0.664	39.80%	0.683	38.76
Altetrnative Funding									0	0.00%	0	0.00
External Financing							0.041	2.10%	0.056	3.36%	0.06	3.41
Modified Carry	0.22	9.57%	0.07	2.00%	0.05%	2.92%	0.067	3.43%	0.067	4.02%	0.082	4.65
Production Sharimg	0.36	37.39%	0.9	36.70%	0.70%	39.03%	0.812	41.56%	0.469	28.13%	0.554	31.44
Idependents	0.16	6.96%	0.32	12.00%	0.22	11.96%	0.19	9.72%	0.302	18.12%	0.228	12.94
Service Contract	0.004	0.17%	0.004	0.20%	0.8	0.18%	0.003	0.15%	0.002	0.12%	0	0.00
Marginal	0.06	2.61%	0.09	3.50%	0.03	1.86%	0.035	1.79%	0.04	2.40%	0.086	4.88
Base Production	2.3	100%	2.3	100%					1.6	95.98%	1.693	96.08
Repayment Arrears	0.21	8.37%	0.15	6.20%	0.08	4.26%	0.09	4.61%	0.067	4.02%	0.069	3.92
Equity Financing					0.04	2.18%						0.00
Total oil Production	2.51	100%	2.45	100%	1.8	100%	1.954	100.00%	1.667	100%	1.762	100.00
PPT Rates												
weighed Average MAFIndependentMarginal		85%	85%			89%		85.00%		85%		85.00%
Weighed Average PSC		50.20%	50.10%			50.10%		50.12%		50.10%		50.10%
Weighed Average SC		85%	85%			85%		85.00%		85%		85.00%
Royalties Fares												
Weighed Average JV		18.67%	18.67%			18.67%		18.67%		19.70%		19.80%
Weighed Average-						19.31%		19.31%		17.70%		17.50%
Weighed Average-Marginal						9.29%		9.29%		4.10%		3.00%
Weighed Average PSC		2.30%	2.83%			3.15%		10.00%		10.40%		11.50%
Weighed Averag-SC Oil		19.31%	19.31%			18.50%		18.50%		20%		20.00%

Source: NNPC and BOF, 2023

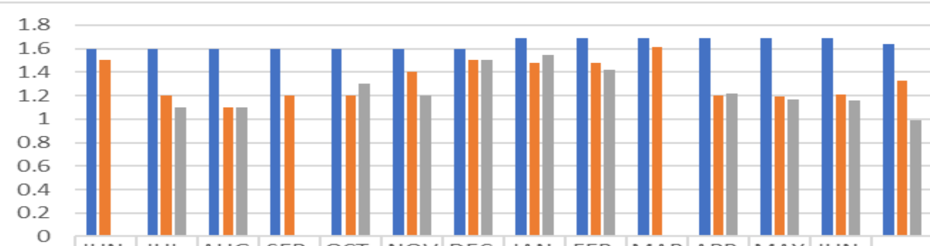
3.2 Analysis of Revenue Performance

3.2.1 Performance of Key Oil Revenue Parameters

The price of crude oil in the international market averaged US$78.40 per barrel in the second quarter of 2023. This indicates a decrease of US$2.88 per barrel (3.54 percent) and US$35.38 per barrel (31.10 percent) from the US$81.28 and US$113.78 per barrel reported in the Q12023 and second quarter of 2022 respectively. The performance however represents an increase of US$3.4 per barrel (4.53 percent) above the US$75.0 per barrel oil price benchmark for the 2023 budget. The declining crude oil price during the period could be attributed to the slowdown in global economic activities, the effects of the Russia-Ukraine war, as well as the normalizing global supply chain.

Provisional data from the Nigerian National Petroleum Company (NNPC) showed that the average oil production and lifting (including Condensates) in the second quarter of 2023 was 1.20mbpd and 1.18mbpd respectively. The oil production figure indicates a decrease of 0.49mbpd (28.99 percent) and 0.51mbpd (30.18 percent) below the 1.69mbpd benchmark for the 2023 Budget. The volume of oil production in the period was also 0.32mbpd (21.05 percent) and 0.40mbpd (25 percent) below the 1.52mbpd reported in first quarter of 2023 and 1.60mbpd recorded in the corresponding quarter of 2022.

Figure 3.2: Oil Production and Lifting June 2021 – June 2023



	JUN. 22	JUL. 22	AUG. 22	SEP. 22	OCT. 22	NOV .22	DEC. 22	JAN. 23	FEB. 23	MAR .23	APR. 23	MAY .23	JUN. 23	AVE
OIL PRO. BENCHMARK	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.69	1.69	1.69	1.69	1.69	1.69	1.64
AV. DAILY PRO.	1.5	1.2	1.1	1.2	1.2	1.4	1.5	1.48	1.48	1.61	1.2	1.19	1.21	1.33
AV. DAILY OIL LIFTING	0	1.1	1.1	0	1.3	1.2	1.5	1.55	1.42	0	1.22	1.17	1.16	0.99

Source: NNPC, 2023

The above translated to an average monthly oil production and lifting of 36.42 million barrels and 35.88 million barrels respectively in the second quarter of 2023. The deviation of crude oil production from the projected budget figure during the quarter could be ascribed to low investment in the sector, crude oil theft, vandalization of oil pipelines and other legacy issues in the sector.

3.3 Aggregate Revenue of the Federation

The 2023 Fiscal Framework projected a Gross Federally Collectible Revenue of ₦17,755.38 billion, comprising of ₦9,384.72 billion (52.85 percent) Oil Revenue and ₦8,370.66 billion (47.14 percent) Other Revenues. This translates to a prorate quarterly Gross Federally Collectible Revenue projection of ₦4,438.85 billion for 2023.

3.4 Oil Revenue Performance

Gross Oil Revenue stood at ₦1,657.72 billion in the second quarter of 2023. This translates to a ₦688.45 billion (29.34 percent) decrease when compared with the 2023 quarterly budget estimate of ₦2,346.17 billion. The performance was also ₦333.74 billion (16.76 percent) below ₦1,991.46 billion generated in the first quarter of 2023 but ₦417.75 billion (33.69 percent) above the ₦1,239.79 billion in the corresponding period of 2022.

A breakdown of the oil revenue performance in the second quarter of 2023 showed that Crude Oil and Gas Sales of ₦363.68 billion, Concessional Rentals of ₦2.73 billion, Gas Flared Penalty of ₦34.06 billion and Incidental Oil Revenue (Royalty Recovery & Marginal Field Licenses) of ₦30.11 billion exceeded their quarterly budget estimate of ₦122.71 billion, ₦1.24 billion, ₦28.18 billion and ₦25.14 billion by ₦240.97 billion (196.37 percent), ₦1.49 billion (120.58 percent), ₦5.89 billion (20.89 percent) and ₦4.97 billion (19.76 percent). However, other oil revenue items performed below quarterly budget projections; Petroleum Profit and Gas Taxes of ₦784.59 billion, Royalties (Oil & Gas) of ₦429.65 billion and Miscellaneous (Pipeline Fees etc.) of ₦3.55 billion fell below their quarterly estimate of ₦1,290.47 billion, ₦874.74 billion and ₦3.70 billion by ₦505.88 billion (39.20 percent), ₦445.06

billion (50.88 percent) and ₦0.15 billion (4.01 percent) respectively. On the other hand, Exchange Gain which had zero projection, yielded ₦16.09 billion in the quarter under review. Please see Table 3.4.

3.4.1 Net Oil Revenue

The Net Oil Revenue that accrued into the Federation Account in the second quarter of 2023 was ₦630.37 billion, depicting a decrease of ₦524.69 billion (45.43 percent) below the estimated quarterly budget of ₦1,155.06 billion (see Table 3.4). The inflow was however, higher than the ₦94.03 billion net oil revenue performance recorded in the first quarter of 2023 by ₦536.34 billion (570.36 percent). It was also higher than the ₦322.98 billion reported in the corresponding period of 2022 by ₦307.39 billion (95.17 percent).

The low Net Oil Revenue performance in the second quarter of 2023 when compared with the quarterly projection could be attributed to the decrease in oil production and lifting which was also due to low sector investment, crude oil theft and high fiscal deduction including for petroleum subsidy policy of Government (Table 3.3)

3.4.2 Half Year Oil Revenue Performance

Gross Oil Revenue amounting to ₦3,649.18 billion was collected in the first half of 2023 as against ₦4,692.35 billion prorate budget projection for the period. This denotes a decrease of ₦1,043.16 billion (22.23 percent) below the 2023 half year budget estimate. It was however, an increase of ₦1,476.83 billion (67.98 percent) above the actual half year gross oil revenue performance reported in 2022.

A breakdown of the revenue by sub-head showed that Crude Oil and Gas Sales of ₦645.82 billion, Concessional Rentals of ₦3.18 billion and Incidental Oil Revenue (Royalty Recovery & Marginal Field Licenses) of ₦81.75 billion surpassed their half year projection of ₦245.42 billion, ₦2.48 billion and ₦50.28 billion by ₦400.40 billion (163.15 percent), ₦0.70 billion (28.31 percent) and ₦31.47 billion (62.59 percent) respectively.

Other Oil Revenue items fell below their respective half year projections. Petroleum Profit and Gas Taxes of ₦1,800.22 billion, Royalties (Oil & Gas) of ₦1,032.43 billion and Gas Flared Penalty of ₦52.95 billion fell below their half year projections of ₦2,580.93 billion, ₦1,749.48 billion and ₦56.36 billion by ₦780.72 billion (30.25 percent), ₦717.05 billion (40.99 percent) and ₦3.41 billion (6.05 percent) respectively. On the other hand, Miscellaneous (Pipeline Fees etc.) with half year projection of ₦7.40 billion had an equal half year performance of ₦7.40 billion (100.0 percent). Also, Exchange Gain which had zero half year projection, yielded ₦25.44 billion in the quarter respectively. (Table 3.4)

3.5 Non-Oil Revenue Performance

Gross non-oil revenue amounting to ₦2,479.39 billion was received in the second quarter of 2023 representing an increase of ₦561.43 (29.27 percent) above the quarterly estimate of ₦1,917.96 billion. A breakdown of the non-oil revenue items showed that Company Income Tax of ₦1,283.81 billion, Value Added Tax of ₦781.35 billion and Electronic Money Transfer Levy (EMTL) of ₦42.00 billion were above their quarterly estimate of ₦523.17 billion, ₦738.45 billion and ₦34.26 billion by ₦760.64 billion (145.39 percent), ₦42.90 billion (5.81 percent) and ₦7.74 billion (22.60 percent) respectively. Solid Minerals & Other Mining Revenue also recorded a revenue of ₦3.28 billion depicting an increase of ₦1.11 billion (51.33 percent) above its quarterly projection of ₦2.17 billion.

On the other hand, Customs & Excise Duties of ₦326.74 billion and Special Levies of ₦45.48 billion were below their quarterly estimates of ₦528.96 billion and ₦93.12 billion by ₦202.22 billion (38.23 percent) and ₦47.64 billion (51.15 percent) respectively.

When compared with their corresponding first quarter performances, Company Income Tax, Value Added Tax, Electronic Money Transfer Levy (EMTL) and Special Levies grew by ₦814.60 billion (173.61 percent), ₦71.76 billion (10.11 percent), ₦0.98 billion (2.40 percent) and ₦8.57 billion (23.21 percent) respectively. Solid Minerals & Other Mining Revenue also increased by ₦0.99 billion (43.18 percent) while Customs & Excise Duties fell by ₦28.75 billion (8.09 percent). The improved performances of most of the non-oil revenue items in the second quarter of 2023 could be ascribed to inflation and increases in economic activities as well as increased collection efficiency.

3.5.1 Half Year Non-Oil Revenue Performance

The gross non-oil revenue in the first half of the year amounted to ₦4,091.61 billion portraying an increase of ₦255.69 billion (6.67 percent) above the half year estimate of ₦3,835.92 billion. This reflects the improved performances if some of the non-oil revenue items when compared to their corresponding budget estimates. Company Income Tax of ₦1,753.01 billion, Value Added Tax of ₦1,490.95 billion and Electronic Money Transfer Levy (EMTL) of ₦83.02 billion were respectively above their 2023 projected half year estimates by ₦706.67 billion (67.54 percent), ₦14.05 billion (0.95 percent) and ₦14.50 billion (21.17 percent).

Solid Minerals & Other Mining Revenue recorded a revenue of ₦5.58 billion representing an increase of ₦1.24 billion (28.51 percent) above the half year projection of ₦4.34 billion. On the other hand, Customs & Excise Duties of ₦682.23 billion and Special Levies of ₦82.40 billion fell short of their 2023 projected half year estimates by ₦375.69 billion (35.51 percent) and ₦103.84 billion (55.76 percent) respectively.

Table 3.4: Net Distributable Revenue as June, 2023 (Oil Revenue at Benchmarked Assumption

S/NO	DESCRIPTION	2023 APPROVED BUDGET			ACTUAL			VARIANCE					
		Annual	Quarterly	Half Year	First Quarter	Second Quarter	Half Year	2nd Quarter Actual Vs Quarterly Budget		2nd Quarter Actual Vs First Quarter		Half Year Actual Vs Half Year Budget	
A	OIL REVENUE	₦b	₦b	₦b	₦b	₦b	₦b	₦b	%	₦b	%	₦b	%
1	Gross Profit Oil from Crude Oil & Gas Sales	490.84	122.71	245.42	282.14	363.68	645.82	240.97	196.37	81.54	28.90	400.40	163.15
2	PPT & Gas Income @ 30% CITA	5,161.87	1,290.47	2,580.93	1,015.62	784.59	1,800.22	-505.88	-39.20	-231.03	-22.75	-780.72	-30.25
3	Oil & Gas Royalties	3,498.97	874.74	1,749.48	602.78	429.65	1,032.43	-445.09	-50.88	-173.13	-28.72	-717.05	-40.99
4	Concessional Rentals	4.95	1.24	2.48	0.45	2.73	3.18	1.49	120.58	2.28	511.93	0.70	28.31
5	Gas Flared Penalty	112.71	28.18	56.36	18.88	34.06	52.95	5.89	20.89	15.18	80.40	-3.41	-6.05
6	Incidental Oil Revenue (Royalty Recovery & Marginal Field	100.58	25.14	50.28	51.64	30.11	81.75	4.97	19.76	-21.53	-41.70	31.47	62.59
7	Miscellaneous (Pipeline Fees etc)	14.79	3.70	7.40	3.85	3.55	7.40	-0.15	-4.01	-0.30	-7.82	0.00	0.06
8	Exchange Gain	0.00	0.00	0.00	16.09	9.34	25.44	9.34		-6.75	-41.94	25.44	
9	Sub-Total Oil & Gas Revenue	9,384.72	2,346.17	4,692.35	1,991.46	1,657.72	3,649.18	-688.45	-29.34	-333.74	-16.76	-1,043.16	-22.23
10	13% Derivation	1,220.01	305.00	610.01	258.89	215.50	474.39	-89.50	-29.34	-43.39	-16.76	-135.61	-22.23
11	Total Oil & Gas Revenue after Derivation	8,164.71	2,041.17	4,082.34	1,732.57	1,442.22	3,174.79	-598.95	-29.34	-290.36	-16.76	-907.55	-22.23
12	Deductions											0.00	
13	Fiscal Deductions (Base JV Cash Call + EF + MCA + RA)	0.00	0.00	0.00	392.23	135.19	527.42	135.19		-257.04	-65.53	527.42	
14	Other Federally Funded Upstream Projects	3,431.80	857.95	1,715.90	1,246.31	676.66	1,922.96	-181.30	-21.13	-569.65	-45.71	207.06	12.07
15	NUPRC 4% Cost of Collection (Royalty,Concessional,Gas Flared & Miscellanous)	106.30	26.57	53.15	0.00	0.00	0.00	-26.57	-100.00	0.00		-53.15	-100.00
16	NUPRC 4% CoC with Incidental Rev & Signature Bonus	6.31	1.58	3.16	0.00	0.00	0.00	-1.58		0.00		-3.16	
17	Total Deductions	3,544.41	886.11	1,772.21	1,638.54	811.85	2,450.38	-74.26	-8.38	-826.69	-50.45	678.17	38.27
18	Net Oil Revenue	4,620.29	1,155.06	2,310.13	94.03	630.37	724.40	-524.69	-45.43	536.34	570.36	-1,585.72	-68.64
19	TO FEDERATION ACCOUNT (*OIL)*	4,620.29	1,155.06	2,310.13	94.03	630.37	724.40	-524.69	-45.43	536.34	570.36	-1,585.72	-68.64
B	SOLID MINERAL & OTHER MINING REVENUES											0.00	
20	Total Solid Minerals Revenue	8.68	2.17	4.34	2.29	3.28	5.58	1.11	51.33	0.99	43.18	1.24	28.51
21	Less 13% Derivation	1.13	0.28	0.56	0.30	0.43	0.73	0.15	52.46	0.13	42.30	0.17	29.80
22	Net Solid Minerals after Derivation	7.55	1.89	3.78	1.99	2.86	4.85	0.97	51.16	0.86	43.32	1.07	28.31
C	DIVIDEND PAYMENT (NLNG)	153.73	38.43	76.87	0.00	0.00	0.00	-38.43	-100.00	0.00	0.00	-76.87	-100.00
D	NON-OIL TAX REVENUE												
23	Corporate Tax	2,092.67	523.17	1,046.34	469.20	1,283.81	1,753.01	760.64	145.39	814.60	173.61	706.67	67.54
24	Value-Added Tax	2,953.77	738.45	1,476.90	709.59	781.35	1,490.95	42.90	5.81	71.76	10.11	14.05	0.95
25	Electronic Money Transfer Levy (EMTL)	137.03	34.26	68.52	41.02	42.00	83.02	7.74	22.60	0.98	2.40	14.50	21.17
26	Customs: Imports, Excise & Fees	2,115.87	528.96	1,057.92	355.49	326.74	682.23	-202.22	-38.23	-28.75	-8.09	-375.69	-35.51
27	Special Levies (Federation Account)	372.53	93.12	186.24	36.92	45.48	82.40	-47.64	-51.15	8.57	23.21	-103.84	-55.76
29	Sub-Total	7,671.87	1,917.96	3,835.92	1,612.23	2,479.39	4,091.61	561.43	29.27	867.16	53.79	255.69	6.67
30	FIRS Tax Refunds	75.00	18.75	37.50	4.00	0.00	4.00	-18.75	-100.00	-4.00	-100.00	-33.50	-89.33
31	4% Collection Cost (CIT, Stamp Duties & Capital Gains)	83.71	20.93	41.85	24.62	62.18	86.80	41.25	197.13	37.56	152.58	44.94	107.38
32	4% Collection Cost (VAT & Surcharge on Luxury Items)	118.15	29.54	59.08	25.89	28.72	54.61	-0.82	-4.46	-26.71	-33.18	-81.32	-32.37
33	3% Transfer to North East Development Commission (NEDC) from VAT	85.07	21.27	42.53	21.29	23.44	44.73	2.17	10.22	2.15	10.11	2.19	5.16
34	0.5% Transfer to Nigerian Police Trust Fund from VAT	14.18	3.54	7.09	0.00	0.03	0.03	-3.51	-99.14	0.03	729.31	-7.05	-99.52
36	Tax Amnesty Cost of Collection	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	-100.00	0.00	
37	7% Cost of Collection (Duty, Excise & Fees)	148.11	37.03	74.06	24.88	22.87	47.76	-14.16	-38.23	-2.01	-8.09	-26.30	-35.51
39	7% Cost of Collection (Spec. Levies -Fed. Acct.)	26.08	6.52	13.04	2.58	3.18	5.77	-3.34	-51.16	0.60	23.21	-7.27	-55.76
40	TO FEDERATION ACCOUNT (NON-OIL)	4,409.45	1,102.36	2,204.73	807.52	1,570.65	2,378.17	468.29	42.48	763.14	94.50	173.45	7.87
41	Total VAT Pool	2,736.38	684.09	1,368.19	663.31	730.10	1,393.40	46.00	6.72	66.79	10.07	25.22	1.84
42	Net Non-Oil	7,239.73	1,809.93	3,619.87	1,534.85	2,367.68	3,902.53	557.75	30.82	832.84	54.26	282.66	7.81
43	TO FEDERATION ACCOUNT (Main Pool)	9,030.53	2,257.63	4,515.26	901.55	2,201.02	3,102.58	-56.61	-2.51	1,299.47	144.14	-1,412.69	-31.29
E	TOTAL DISTRIBUTABLE												
1	Federation Account (Main Pool)	9,030.53	2,257.63	4,515.26	901.55	2,201.02	3,102.58	-56.61	-2.51	1,299.47	144.14	-1,412.69	-31.29
2	VAT Pool Account	2,736.38	684.09	1,368.19	663.31	730.10	1,393.40	46.00	6.72	66.79	10.07	25.22	1.84
3	Electronic Money Transfer Levy (EMTL)	137.03	34.26	68.52	41.02	42.00	83.02	7.75	22.61	0.98	2.40	14.51	21.17
4	GRAND TOTAL	11,903.94	2,975.98	5,951.97	1,564.86	2,931.12	4,495.98	-44.86	-1.51	1,366.26	87.31	-1,455.99	-24.46

Source: OAGF and Budget Office of the Federation, (PRMRC) 2023

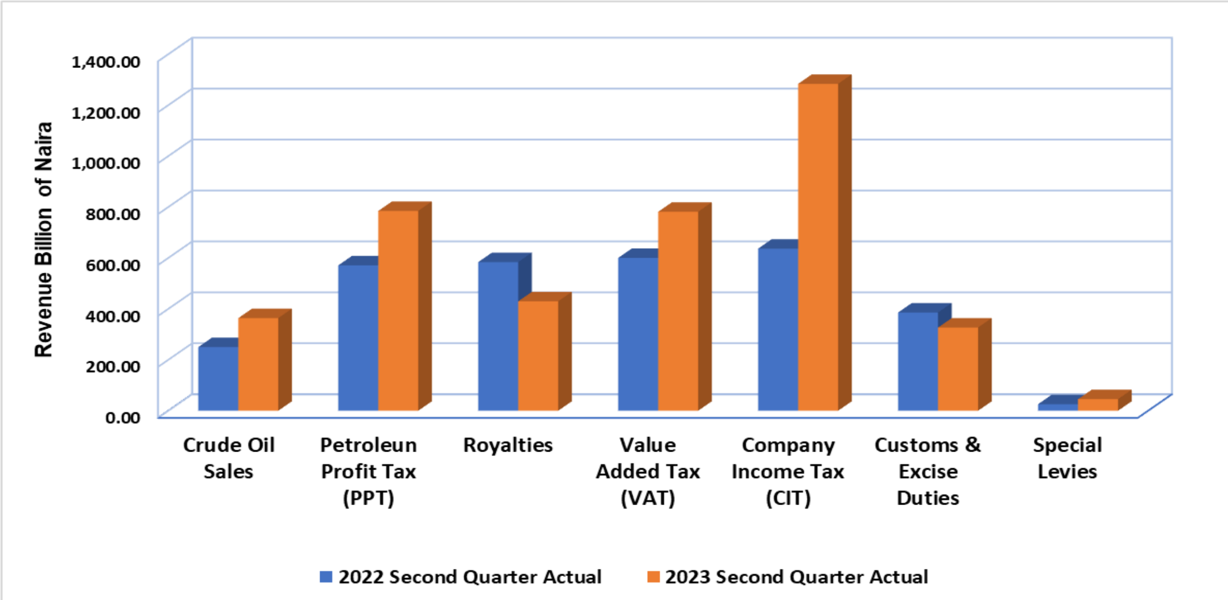
Table 3.3: Performance of Revenue in the Second Quarter of 2023 Vs 2022

Revenue Items	2022 Second Quarter Actual	2023 Second Quarter Actual	Variance 2nd Quarter 2023 vs 2nd Qaurter 2022	
Oil Revenue	N'bns	N'bns	N'bns	%
Crude Oil Sales	249.95	363.68	113.73	45.50
Petroleum Profit Tax (PPT)	270.90	784.59	513.69	189.62
Royalty	583.73	429.65	-154.08	-26.40
Gross Oil Receipts	1,485.10	1,657.72	172.62	11.62
Net Oil Receipts	**322.98**	**630.37**	**307.39**	**95.17**
Non-Oil Revenue				
Value Added Tax (VAT)	600.15	781.35	181.20	30.19
Company Income Tax (CIT)	636.69	1,283.81	647.12	101.64
Customs & Excise Duties	385.79	326.74	-59.05	-15.31
Special Levies	27.15	45.48	18.33	67.53
Gross Non-Oil Revenue	1,681.01	2,479.39	798.38	47.49
Net Non-Oil Revenue	**1,575.06**	**2,347.76**	**772.70**	**49.06**

Source: OAGF and Budget Office of the Federation, (PRMRC) 2023

Oil revenue performance improved when compared to the levels in 2022 for most of the revenue sources and broad category in the second quarter of 2023 (Figure 3.3). The Non-oil revenue items also performed better when compared to their respective levels in 2022. The increase in performance of the oil revenue could mainly be attributed to the increase in the collection of the PPT. The increase in non-oil revenue sources, on the other hand, could be ascribed to inflation and increases in economic activities.

Figure 3.3: 2022 Vs 2023 Revenue Performance (Second Quarter)



Source: OAGF and Budget Office of the Federation, 2023

Table 3.5: Actual Performance of Non-Oil Revenue (Second Quarter) 2014 - 2023

Description	SECOND QUARTER (ACTUAL)										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	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	61.47	55.87	46.09	139.59	157.62	199.36	195.82	275.81	385.79	326.74	153.68
Company Income Tax	110.75	74.20	79.93	206.38	315.13	442.38	387.52	477.03	636.69	1,283.81	334.49
Value Added Tax	26.09	27.31	26.16	243.31	264.00	311.94	327.20	512.25	600.15	781.35	259.98
FGN Independent Revenue	12.88	10.31	59.10	97.49	147.58	125.26	83.49	287.89	299.84	653.73	148.13

Source: OAGF and BOF, 2023

Further analysis of non-oil revenue performance revealed that its key subheads generally improved overtime, especially from 2017, notwithstanding some few years of fluctuations. See Table 3.5 and 3.6 respectively.

Table 3.6: Growth in Second Quarter Non-Oil Revenue 2015 - 2023 (%)

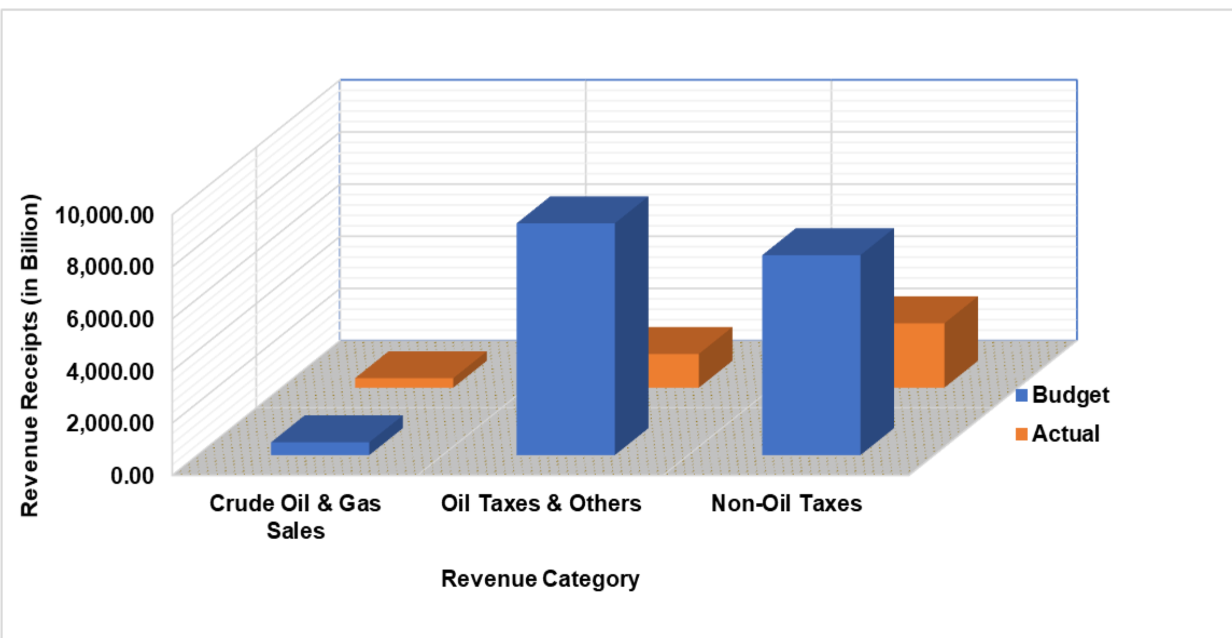
Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	9 -Year Average
	%	%	%	%	%	%	%	%	%	%
Custom & Excise Duties	-9.11	-17.50	202.86	12.92	26.48	-1.78	40.85	39.88	-15.31	31.03
Company Income Tax	-33	7.72	158.20	52.69	40.38	-12.40	23.10	33.47	101.64	41.31
Value Added Tax	-4.68	-4.21	830.08	8.50	18.16	4.89	56.56	17.16	30.19	106.29
FGN Independent Revenue	-19.95	473.23	64.96	51.38	-15.12	-33.35	244.82	4.15	118.03	98.68

Source: OAGF and BOF, 2023

3.6 Comparative Revenue Performance Analysis

A breakdown of the actual performance of revenue compared with budgeted estimates as at June ending 2023 indicated an under performance of crude oil and gas sales. On the other hand, oil taxes and non-oil taxes showed slight improvement (Figure 3.4).

Figure 3.4: Projected Vs Actual FAAC Revenue Receipts (as at June 2023)



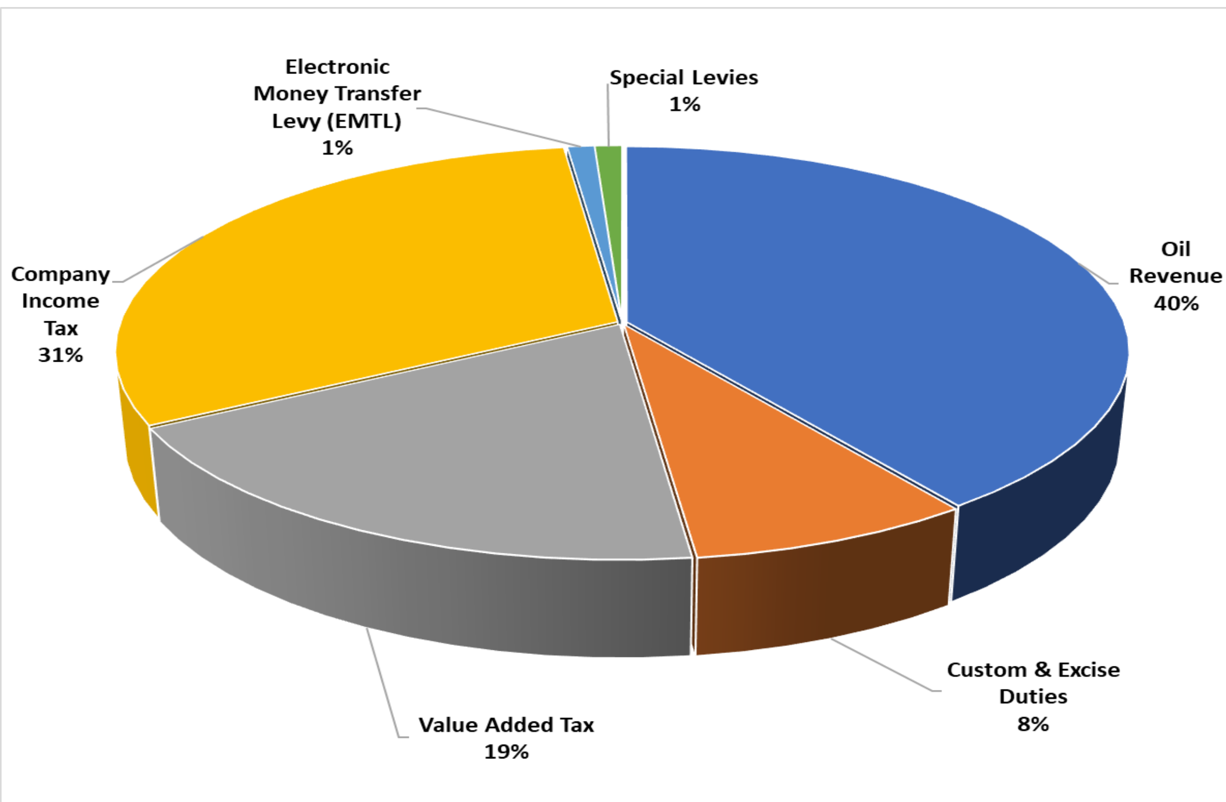
Source: Budget Office of the Federation, 2023

3.7 Distributable Revenue

The net revenue available for sharing among the three tiers of government (after the deduction of all costs) stood at ₦2,931.12 billion in the second quarter of 2023. This represents a shortfall of ₦74.20 billion (2.47 percent) when compared with the quarterly projection of ₦3,005.33 billion. This was driven by significant shortfall in the inflow into the Federation Account from the oil sector. The non-oil revenue accruing to the Federation Account however increased by ₦468.29 billion (42.48 percent) and largely augmented for the oil sector which fell by ₦524.69 billion (45.43 percent) during the review period.

The percentage contribution of the different revenue classifications to distributable revenue in the second quarter of 2023 is presented in Figure 3.5. Oil Revenue contributed 40 percent, Customs 8 percent, VAT 19 percent, Electronic Money Transfer Levy (EMTL) 1 percent, CIT 31 percent, and Special Levies 1 percent.

Figure 3.5: Contributions to Distributable Revenue (2nd Quarter of 2023)



Source: Budget Office of the Federation, 2023

3.8 Excess Crude Account

Analysis of the reports of the Excess Crude Account (ECA) revealed an opening balance of US$0.47 million in the Account as at 1st April, 2023. The sum of US$0.002 million was received as accrued interest on fund investment between March and May 2023. There was no outflow/withdrawal from the account during the period under review. This resulted in a closing balance of US$0.47 million as at 30th June, 2023 (Table 3.7).

Table 3.7: Net Excess Crude Account Flow

Description	2022 Actual			20233 Actual		
	First Quarter	Second Quarter	Half Year	First Quarter	Second Quarter	Half Year
Inflows						
Accrued Interest on Fund Investment	US$0.006 million	US$0.005 million	US$0.011 million	US$0.002 million	US$0.002 million	US$0.004 million
Total Inflow	US$0.006 million	JS$0.005 million	US$0.011 million	JS$0.002 million	JS$0.002 million	US$0.004 million
Total Outflows	-	-	-	-	-	-
Net Excess Crude Account	US$0.006 million	JS$0.005 million	US$0.011 million	JS$0.002 million	JS$0.002 million	US$0.004 million

Source: Office of the Accountant General of the Federation, 2023

3.9 FGN Budget Revenue

Based on the amended Budget Framework, the sum of ₦11,045.11 billion was projected to fund the Federal Budget in 2023, indicating a quarterly share of ₦2,761.28 billion. A total of ₦2,504.12 billion was received in the second quarter of 2023. This amount was ₦257.16 billion (9.31 percent) lower than the quarterly projection of ₦2,761.28 billion. It was however ₦1,068.39 billion (74.41 percent) above the ₦1,435.73 billion generated in the second quarter of 2022.

The sum of ₦372.21 billion that was received from oil sources in the second quarter of 2023 was lower than the quarterly estimate of ₦557.41 billion by ₦185.20 billion (33.22 percent). The share of Solid Minerals & Mining revenue stood at ₦1.38 billion, indicating an increase of ₦0.47 billion (51.32 percent) in the quarter under review.

A breakdown of the non-oil revenue indicates that FGN's share of Company Income Tax of ₦589.79 billion, VAT of ₦102.21 billion and Electronics Money Transfer (Stamp Duties) of ₦5.85 billion were above their corresponding quarterly budget estimates of ₦233.32 billion, ₦95.77 billion and ₦4.77 billion by ₦356.21 billion (152.67 percent), ₦6.44 billion (6.72 percent) and ₦1.08 billion (22.61 percent) respectively.

However, FGN's share of Customs revenue of ₦146.64 billion, Federation Account Levies of ₦20.41 billion and Independent Revenue of ₦653.73 billion were below their corresponding quarterly budget estimates of ₦237.40 billion, ₦41.80 billion and ₦792.27 billion by ₦90.76 billion (38.23 percent), ₦21.38 billion (51.16 percent) and ₦138.54 billion (17.49 percent) respectively. Grants & Donor Funding and Signature Bonus revenue stood at ₦282.30 billion and ₦197.28 billion, indicating an increase above their corresponding quarterly budget estimates of ₦10.76 billion and ₦14.26 billion by ₦271.54 billion and ₦183.02 billion respectively. Draw Down from Special Levies Accounts and Education Tax (TETFUND) amounted to ₦38.00 billion and ₦94.56 billion in the review period. There were however no contributions from FGN's share of Dividend (NLNG and Bank of Industry), Share of Oil Price Royalty and Domestic Recoveries towards funding the budget during the quarter (Table 3.8).

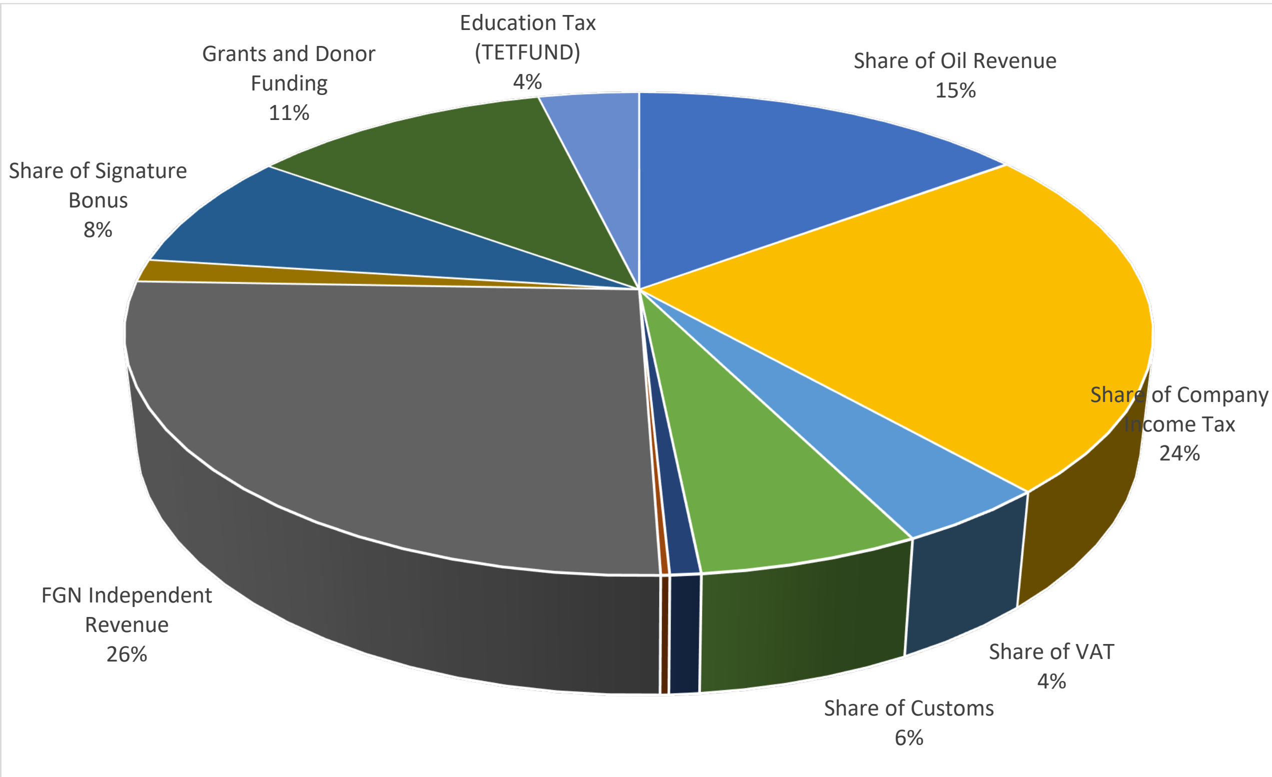
Table 3.9: Inflows to the FGN Budget as at June 2023

S/No	ITEMS	2023 BUDGET			ACTUAL			VARIANCE					
		Annual	Quarterly	Half Year	First Quarter	Second Quarter	Half Year	Second Quarter Actual Vs Quarterly Budget		Second Quarter Actual Vs First Quarter Actual		Half Year Actual Vs Half Year Budget	
1	Inflow for the Federal Budget (CRF)	₦b	₦b	₦b	₦b	₦b	₦b	₦b	%	₦b	%	₦b	%
2	FGN Share of Oil Revenue	2,229.64	557.41	1,114.82	237.87	372.21	610.08	-185.20	-33.22	134.35	56.48	-504.74	(45.28)
3	FGN Share of Dividend (NLNG)	81.79	20.45	40.89	0.00	0.00	0.00	-20.45	-100.00	0.00	0.00	-40.89	(100.00)
4	FGN Share of Minerals & Mining	3.64	0.91	1.82	0.96	1.38	2.34	0.47	51.32	0.42	43.18	0.52	28.50
5	FGN Share of Non-Oil	2,433.15	608.29	1,216.58	481.59	858.79	1,340.38	250.50	41.18	377.20	78.32	123.81	10.18
6	FGN Share of Company Income Tax	933.28	233.32	466.64	212.62	589.53	802.14	356.21	152.67	376.91	177.27	335.50	71.90
7	FGN Share of VAT	383.09	95.77	191.55	92.86	102.21	195.08	6.44	6.72	9.35	10.07	3.53	1.84
8	FGN Share of Customs	949.59	237.40	474.80	159.54	146.64	306.18	-90.76	-38.23	-12.90	-8.09	-168.62	(35.51)
9	FGN Share of Federation Levies	167.19	41.80	83.59	16.57	20.41	36.98	-21.38	-51.16	3.85	23.21	-46.61	(55.76)
10	Electronics Money Transfer (Stamp Duty)	19.09	4.77	9.54	5.71	5.85	11.57	1.08	22.61	0.14	2.40	2.02	21.17
11	Share of Oil Price Royalty	13.37	3.34	6.68	0.00	0.00	0.00	-3.34	-100.00	0.00	0.00	-6.68	(100.00)
12	FGN Independent Revenue	3,169.07	792.27	1,584.54	309.52	653.73	963.25	-138.54	-17.49	344.21	111.21	-621.29	(39.21)
13	Draw-Down from Special Levies Accounts	300.00	75.00	150.00	0.00	38.00	38.00	-37.00	-49.33	38.00	0.00	-112.00	(74.67)
14	FGN Share of Signature Bonus	57.05	14.26	28.52	11.83	197.28	209.12	183.02	1,283.27	185.45	1,567.04	180.59	633.12
15	Domestic Recoveries+Assets+Fines	27.90	6.97	13.95	0.00	0.00	0.00	-6.97	-100.00	0.00	0.00	-13.95	(100.00)
16	Grants and Donor Funding	43.03	10.76	21.51	197.88	282.30	480.19	271.54	2,524.32	84.42	42.66	458.67	2131.95
17	Education Tax (TETFUND)	248.27	62.07	124.13	15.59	94.56	110.16	32.50	52.35	78.97	506.39	-13.98	(11.26)
18	GOEs Retained Revenue	2,419.11	604.78	1,209.56	354.77	0.00	354.77	-604.78	-100.00	-354.77	-100.00	-854.78	(70.67)
19	FGN RETAINED REVENUES (Excl. GOEs)	8,626.00	2,156.50	4,313.00	1,260.96	2,504.12	3,765.08	347.62	16.12	1,243.15	98.59	-547.92	(12.70)
20	AGGREGATE FGN REVENUE	11,045.11	2,761.28	5,522.55	1,615.73	2,504.12	4,119.85	-257.16	-9.31	888.38	54.98	-1,402.70	(25.40)

Source: OAGF and BOF

Oil and Gas revenue accounted for 14.86 percent of total FGN revenue in the review period. The share of other revenue sources is as depicted in Figure 3.6.

Figure 3.6: Contribution to the FGN Budget Revenue in the Second Quarter of 2023

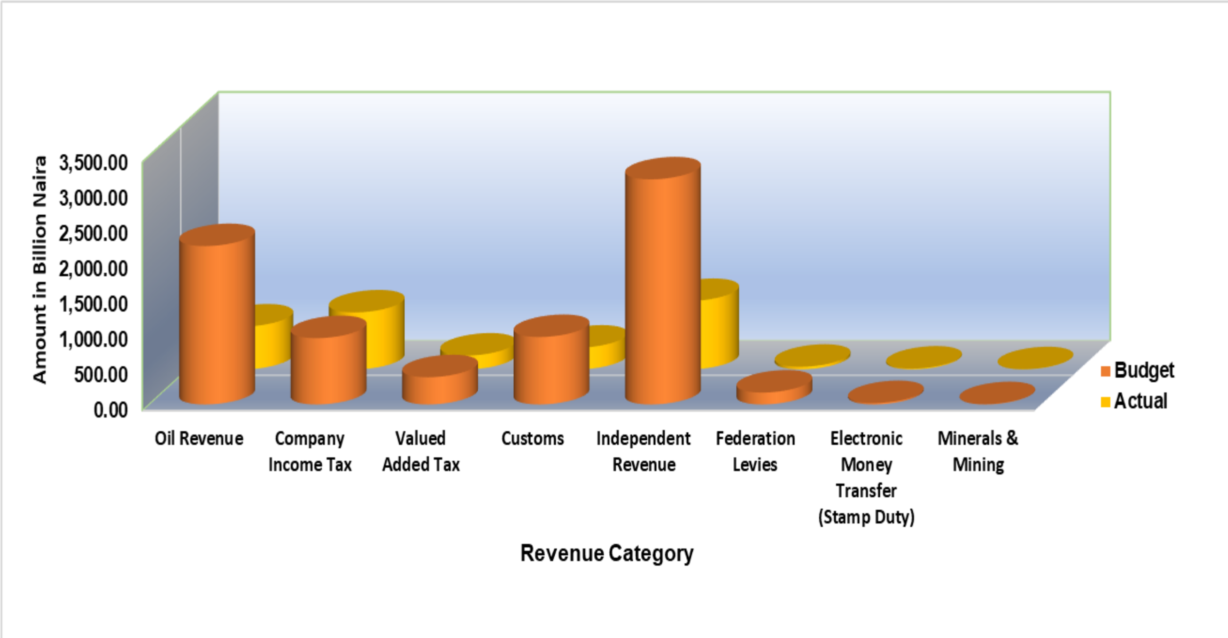


Source: The OAGF and Budget Office of the Federation, 2023

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

The oil revenue continued to drag FGN revenue generation in the quarter under review posting a shortfall of ₦185.20 billion (33.22 percent). Major contributors to the achievement of the revenue target include Share of Non-Oil, Share of Signature Bonus, and Grants and Donor Funding which contributed ₦250.50 billion (41.18 percent), ₦183.02 billion (1,283.27 percent) and ₦271.54 billion (2,524.32 percent) respectively.

Figure 3.7: FGN Revenue (Budget Vs Actual as at June 2023)



Source: OAGF and Budget Office of the Federation, 2023

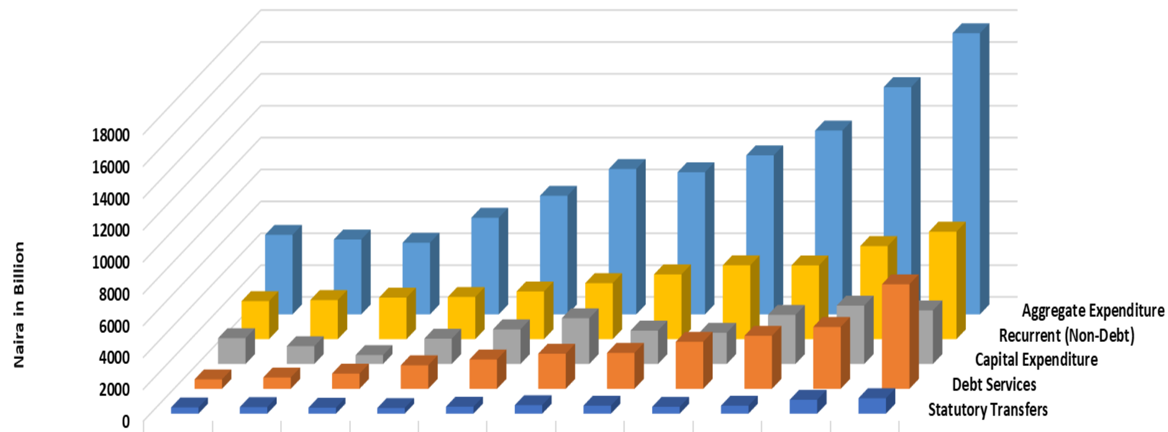
3.9.1 Total Inflow of the Federal Government

Total Retained Revenue of the Federal Government stood at ₦3,765.08 billion in the first half of 2023. This represents a shortfall of ₦547.92 billion (12.70 percent) from the 2023 half year prorate budget estimate. FGN aggregate revenue stood at ₦4,119.85 billion, equally falling short of the prorate first half budget projection of ₦5,522.55 billion by ₦1,402.70 billion (25.40 percent).

3.10 Expenditure Developments

A total of ₦22,646.72 billion was appropriated for expenditure in the 2023 Budget. This comprises of ₦8,329.36 billion (36.78 percent) for Recurrent (Non-Debt), ₦6,557.60 billion (28.96 percent) for Debt (Debt), ₦967.49 billion (4.27 percent) for Statutory Transfers and ₦6,792.27 billion (29.99 percent) for Capital Expenditure. This translates to prorate quarterly expenditure outlay of ₦5,218.83 billion in 2023. Actual expenditure outflow of ₦3,865.63 billion was recorded in the second quarter of 2023, translating to a ₦1,353.20 billion (25.93 percent) expenditure below the quarterly budget projection for the year. The detailed breakdown is presented in Table 3.9

Figure 3.8: 2013 – 2023 Budget Expenditure Profile



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutory Transfers	387.98	408.69	375.62	351.37	434.41	530.42	502.06	428.03	496.53	869.67	967.49
Debt Services	591.76	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
Capital Expenditure	1,621.48	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	3,365.94
Recurrent (Non-Debt)	2,386.03	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	6,745.64
Aggregate Expenditure	4,987.25	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	17,636.67

Source: Budget Office of the Federation, 2023

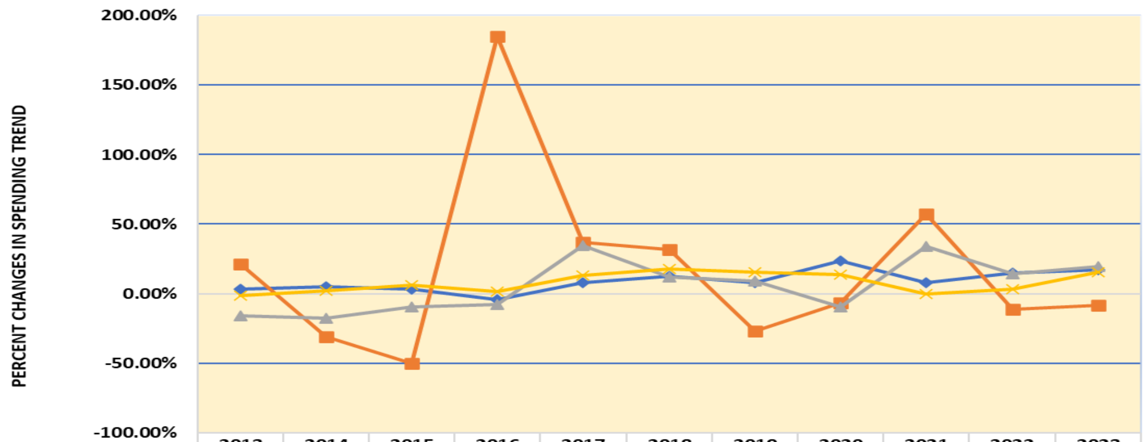
3.10.1 Non-Debt Recurrent Expenditure

The FGN continued to pursue on its goal of reducing the growth in its recurrent expenditure as stated in the 2023-2025 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 among others to first seek 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 ₦1,422.94 billion was spent on non-debt recurrent expenditure in the second quarter of 2023. This amount reflects a decrease of ₦659.40 billion (31.67 percent) from the quarterly estimate of ₦2,082.34 billion (details in Table 3.9). The performance was however ₦58.33 billion (4.27

percent) and ₦151.39 billion (11.91 percent) above the ₦1,364.61 billion and ₦1,271.55 billion levels of expenditure reported in the first quarter of 2023 and second quarter of 2022 respectively.

Figure 3.9: Personnel, Overhead and Capital Expenditure Trends (2013 – 2023)



	2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Personnel Cost	3.37%	4.79%	3.46%	-4.47%	7.76%	12.43%	8.18%	23.56%	7.74%	14.70%	17.43%
Capital Spending	21.01%	-30.95%	-50.25%	184.99%	36.99%	31.97%	-27.00%	-6.43%	57.13%	-11.17%	-8.15%
Overheads	-15.94%	-17.37%	-9.65%	-8.00%	34.55%	12.12%	8.78%	-9.31%	34.01%	14.07%	19.25%
Recurrent (Non-Debt)	-1.62%	2.06%	6.20%	1.51%	13.02%	17.57%	15.63%	13.97%	-0.11%	3.53%	15.48%

Source: BOF and OAGF, 2023

3.10.2 Debt Service

Total Debt Service in the second quarter of 2023 stood at ₦1,612.95 billion indicating a decrease of ₦26.45 billion (1.61 percent) below the ₦1,639.40 billion projected for the quarter. Interest payment on Ways and Means which have a budgetary provision of ₦600 billion amounted to ₦784.33 billion in the review period. A total of ₦565.88 billion was used to service FGN domestic debt during the quarter. This indicates a difference of ₦257.89 billion (31.31 percent) below the prorate quarterly estimate.

External debt service payment was projected at ₦453.69 billion for the quarter under review. However, actual external debt service payment amounted to ₦262.74 billion indicating a difference of ₦190.95 billion (42.09 percent) below the prorated sum.

Table 3.9: FGN Budget Expenditure and Fiscal Account (in N' Billion) as at June, 2023

S/No	ITEMS							VARIANCE					
		Annual	Quarterly	Half Year	First Quarter	Second Quarter	Half Year	Second Quarter Actual Vs Quarterly Budget		Second Quarter Actual Vs First Quarter Actual		Half Year Actual Vs Half Year Budget	
		₦b	₦b	₦b	₦b	₦b	₦b	₦b	%	₦b	%	₦b	%
A	AMOUNT AVAILABLE FOR FGN BUDGET (excluding GOEs)	11,045.11	2,761.28	5,522.55	1,615.73	2,504.12	4,119.85	-257.16	-9.31	888.38	54.98	-1,402.70	-25.40
B	EXPENDITURE:												
1	RECURRENT NON-DEBT:												
2	*Personnel Cost (MDAs)*	4,103.59	1,025.90	2,051.80	978.11	995.07	1,973.18	-30.83	-3.00	16.97	1.73	-78.62	-3.83
3	*Personnel Cost (GOEs)*	912.32	228.08	456.16	68.44	0.00	68.44	-228.08	-100.00	-68.44	-100.00	-387.72	-85.00
4	*CRF Pensions*	854.81	213.70	427.41	104.46	135.99	240.45	-77.72	-36.37	31.53	30.18	-186.96	-43.74
5	*Overhead Cost (MDAs)*	443.28	110.82	221.64	73.35	79.90	153.25	-30.92	-27.90	6.55	8.93	-68.39	-30.86
6	*Overhead Cost (GOEs)*	671.40	167.85	335.70	52.24	0.00	52.24	-167.85	-100.00	-52.24	-100.00	-283.46	-84.44
7	Other Service Wide Votes (+ Gavi/Immunization)	1,066.55	266.64	533.28	70.97	191.00	261.98	-75.63	-28.37	120.03	169.12	-271.30	-50.87
8	Presidential Amnesty Programme	65.00	16.25	32.50	16.25	16.25	32.50	0.00	0.01	0.00	0.00	0.00	0.01
9	Tetfund-Recurrent	12.41	3.10	6.21	0.78	4.73	5.51	1.63	52.42	3.95	506.41	-0.70	-11.22
10	Special Intervention (Recurrent)	200.00	50.00	100.00	0.00	0.00	0.00	-50.00	-100.00	0.00	0.00	-100.00	-100.00
11	Sub-Total (Non-Debt)	8,329.36	2,082.34	4,164.68	1,364.61	1,422.94	2,787.55	-659.40	-31.67	58.33	4.27	-1,377.14	-33.07
12	Domestic Debts Service	3,295.11	823.78	1,647.56	874.13	565.88	1,440.01	-257.89	-31.31	-308.25	-35.26	-207.54	-12.60
13	Foreign Debts	1,814.76	453.69	907.38	180.52	262.74	443.26	-190.95	-42.09	82.22	45.55	-464.12	-51.15
14	Sub-Total Debt Service	5,109.87	1,277.47	2,554.94	1,054.65	828.63	1,883.28	-448.84	-35.14	-226.02	-21.43	-671.66	-26.29
15	Interest on Ways & Means	1,200.00	300.00	600.00	912.33	784.33	1,696.65	484.33	161.44	-128.00	-14.03	1,096.65	182.78
16	Sinking Fund to Retire Maturing Loans	247.73	61.93	123.86	0.00	0.00	0.00	-61.93	-100.00	0.00		-123.86	-100.00
17	Total Debts	6,557.60	1,639.40	3,278.80	1,966.98	1,612.95	3,579.93	-26.45	-1.61	-354.02	-18.00	301.13	9.18
18	Total Recurrent Expenditure	14,886.96	3,721.74	7,443.48	3,331.58	3,035.89	6,367.48	-685.85	-18.43	-295.69	-8.88	-1,076.01	-14.46
19	CAPITAL EXPENDITURE												
20	Capital Expenditure (MDAs and Others)	4,185.48	1,046.37	2,092.74	109.84	624.48	734.32	-421.89	-40.32	514.64	468.52	-1,358.42	-64.91
21	Capital Expenditure (GOEs)	835.39	208.85	417.70	32.24	0.00	32.24	-208.85	-100.00	-32.24	-100.00	-385.46	-92.28
22	Multi-lateral/Bilateral Project-Tied Loans	1,771.40	442.85	885.70	0.00	0.00	0.00	-442.85	-100.00	0.00	0.00	-885.70	-100.00
23	*Total Capital Expenditure*	6,792.27	1,255.22	2,510.44	142.08	624.48	766.56	-630.74	-50.25	482.40	339.53	-1,743.88	-69.47
24	TRANSFERS												
25	Statutory Transfers	967.49	241.87	483.74	269.03	205.25	474.28	-36.62	-15.14	-63.78	-23.71	-9.46	-1.96
26	*TOTAL FGN EXPENDITURE (Exclusive of GEOs Budget & Project-tied Loans)*	18,456.21	4,171.20	8,342.40	3,589.77	3,865.63	7,455.40	-305.57	-7.33	275.86	7.68	-887.01	-10.63
27	*AGGREGATE FGN EXPENDITURE*	22,646.72	5,218.83	10,437.66	3,742.69	3,865.63	7,608.32	-1,353.20	-25.93	122.94	3.28	-2,829.34	-27.11
28	Fiscal Deficit (Excluding GEOs Budget & Project-tied Loans)	-11,601.61	-2,900.40	-5,800.80	-2,126.96	-1,361.51	-3,488.47	1,538.89	-53.06	765.44	-35.99	2,312.34	-39.86
C	FINANCING ITEMS												
1	Privitization Proceeds	206.18	51.55	103.09	0.00	0.00	0.00	-51.55	-100.00	0.00	0.00	-103.09	-100.00
2	Multi-lateral / Bi-lateral Project-tied Loans	1,771.40	442.85	885.70	0.00	0.00	0.00	-442.85	-100.00	0.00	0.00	-885.70	-100.00
3	Foreign Borrowing	1,760.90	440.22	880.45	0.00	0.00	0.00	-440.22	-100.00	0.00	0.00	-880.45	-100.00
4	Domestic Borrowing	7,043.59	1,760.90	3,521.80	2,030.00	500.00	2,530.00	-1,260.90	-71.61	-1,530.00	-75.37	-991.80	-28.16
5	Sub-Total	10,782.08	2,695.52	5,391.04	2,030.00	500.00	2,530.00	-2,195.52	-81.45	-1,530.00	-75.37	-2,861.04	-53.07
6	Net Deficit/Surplus (Excluding GEOs Budget & Project-tied Loans)	-819.53	-204.88	-409.77	-96.96	-861.51	-958.47	-656.63	320.49	-764.56	788.56	-548.70	133.91

Source: OAGF

3.10.3 Statutory Transfers

A total of ₦205.25 billion was released as Statutory Transfers in the second quarter of 2023 which was ₦36.62 billion (15.14 percent) below the quarterly projection of ₦241.87 billion. It is important to note that quarterly releases under this subhead are released to beneficiaries subject to budgetary provisions, needs and availability of funds.

3.10.4 Capital Expenditure Performance

Greater amount of government's financial resources continued to be directed to 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 ₦6,792.27 billion was allocated to capital spending in the 2023 Budget.

Capital Release

The release of funds to MDAs for capital expenditure in the second quarter of 2023 was done in tranches based on availability of resources and government priorities. Data from the Office of the Accountant General of the Federation on 2023 capital performance for MDAs as at June, 2023 showed that a total of ₦734.46 billion was released to MDAs and cash-backed for 2023 capital projects and programmes in the first half of 2023. This includes the sum of ₦238.66 billion released as First Tranche and ₦180.45 billion released as AIEs Service Wide. Additionally, a total of ₦32.24 billion was committed to capital expenditure by the GOEs in the first half of 2023 bringing total capital expenditure for the period to ₦766.56 billion.

MDAs' Capital Vote Utilization

Available fiscal data revealed that ₦405.32 billion (72.53 percent) of the total amount released and cash-backed was utilized by MDAs as at 30th June, 2023. *Appendix 1* to this Report shows the funds released to the MDAs and utilized during the period. A breakdown of the sixty-two (62) MDAs included in the report of the OAGF indicates different levels of utilization. Fourteen (22.58 percent) of the MDAs had utilized more than the overall average utilization rate above 90 percent of the amount cash-backed.

Five out of them had 100 percent utilization rate while twelve out of them had above 90 percent utilization rate of their cash-backed funds. The utilization report also revealed that Ten (16.12 percent) of the MDAs had above fifty percent utilization rate of their cash-backed funds. Fifteen (24.19 percent) of the MDAs had below fifty percent utilization rates while six (9.70 percent) of the MDAs had below twenty percent utilization rates. However, four MDAs (6.45 percent) were yet to utilize their funds.

The utilization rate as at 30th June, 2023 improved as a result of the new policy on capital releases which requires MDAs to finish their procurement before requesting for release of funds. It is expected that more funds will be released for capital projects/programmes and utilization rates will also increase in the subsequent quarters of the year.

3.10: 2023 Capital Budget Utilization by MDAs (as at 30th June, 2023)

MDA	Annual Appropriation	Total Amount Released	Total Amount Cash Backed	Utilization		
				Utilization	As % of Annual Capital Appropriation	Precentage of Releases
Federal Ministry of Works & Housing	499,471,559,187	70,973,270,154	70,973,270,154	63,078,991,129	12.63	88.88
Agriculture	341,570,705,889	48,118,385,700	48,118,385,700	9,542,451,641	2.79	19.83
Water Resources	230,914,477,735	17,998,536,684	17,998,536,684	11,203,149,684	4.85	62.24
Education	311,733,142,732	25,080,969,309	25,080,969,309	14,167,044,879	4.54	56.49
Health	448,043,380,488	26,390,373,164	26,390,373,164	15,167,513,366	3.39	57.47
Aviation	67,895,433,086	15,158,588,719	15,158,588,719	1,374,032,600	2.02	9.06
Science, Technology & Innovation	132,583,288,611	11,213,471,797	11,213,471,797	1,188,918,805	0.90	10.60
Finance	514,985,304,038	64,837,943,822	64,837,943,822	55,364,538,324	10.75	85.39
Humanitarian Affairs, Disaster Mgt. & Social Dev.	314,957,316,066	57,667,320,742	57,667,320,742	34,056,494,560	10.81	59.06
Defence	285,045,254,555	94,228,021,931	94,228,021,931	93,703,191,441	32.87	99.44
Women Affairs	19,267,794,743	2,021,851,719	2,021,851,719	815,343,766	4.23	40.33
Police Affairs	60,649,679,826	888,972,623	888,972,623	197,191,147	0.33	22.18
Labour & Productivity	37,180,722,587	8,871,500,500	8,871,500,500	6,068,105,127	16.32	68.40
Information & Culture	11,879,191,176	2,044,657,035	2,044,657,035	243,878,813	2.05	11.93
ONSA	69,902,593,273	3,930,350,000	3,930,350,000	3,930,000,796	5.62	99.99
Total Average Utilization by All MDAs (Inclusive of Capital Supplementation)	**4,996,736,592,264**	**558,851,877,451**	**558,851,877,451**	**405,323,397,622**	**8.11**	**72.53**

Source: OAGF and BOF, 2023

3.10.5 Budget Deficit and Performance of the Financing Items

The 2023 Fiscal Framework projects a quarterly fiscal deficit of ₦2,900.40 billion. This is expected to be financed through earnings from Privatization Proceeds of ₦51.55 billion, Multi-lateral/Bilateral Project-tied Loans of ₦442.85 billion, Foreign Borrowing of ₦440.22 billion and Domestic Borrowing (FGN Bond) of ₦1,760.90 billion.

The inflow and outflow of funds resulted in ₦1,361.51 billion deficit (2.61 percent of prorate GDP) in the second quarter of 2023. This was ₦1,538.89 billion (53.06 percent) lower than the prorated projected budget deficit for the quarter. The deficit was financed through ₦500.0 billion FGN domestic Bond.

Total deficit in the first half of the year amounted to ₦3,488.47 billion which was 60.14 percent of the 2023 estimated deficit. The deficit was financed through domestic borrowing amounting ₦2,530.00 billion.

4.0 CONCLUSION

The macroeconomic environment in the review period was redefined by the increasing level of uncertainties confronting the recovery of the global economy. The economy expanded by 2.51 percent in the second quarter of 2023 with the oil sector declining by 13.43 percent (year-on-year) in real terms while the non-oil sector recorded a real growth of 3.58 percent. The non-oil sector contributed significantly to the growth, mainly driven by Information & Communication (Telecommunication); Financial & Insurance (Financial Institutions); Trade; Agriculture (Crop production); Manufacturing (Food, Beverage & Tobacco) and Construction (Real Estate).

The Federal Government continued to meet its non-discretionary expenditure requirements even as the budget implementation continued to be affected by poor revenue outcomes. The performance of the economy during the quarter was inspiring considering developments in the global economy and the performance of other economies. Nevertheless, it is important to fast-track efforts towards enhancing economic growth and revenue performance.

Improving revenue collections in the succeeding quarters of the year is vital to the successful execution of the 2023 Budget. Efforts to curtail the growth in recurrent expenditure and particularly personnel expenditure in 2023 is critical even as effective implementation of measures to address the security challenges continue to be a priority.

The Federal Government remain steadfast in its commitment to improved openness, transparency and accountability in budget preparation, implementation, monitoring, evaluation and feedback. In view of this, strict observance of budget implementation guidelines and the governance framework on monitoring of capital budget implementation will continue to be followed. Efforts would also be geared towards promoting efficiency in budget implementation, while guaranteeing effective project management in the subsequent quarters of 2023 and beyond.

OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION
FEDERAL MINISTRY OF FINANCE
FUNDS DEPARTMENT, GARKI - ABUJA

2023 CAPITAL PERFORMANCE REPORT FOR MINISTRIES DEPARTMENTS AND AGENCIES (MDAs) AS AT 30TH JUNE. 2023

S/N	MINISTRY	MINISTRY, DEPARTMENT, AGENCY	APPROPRIATION =N=	1ST TRANCHE =N=	2ND TRANCHE =N=	AIE SERVICE WIDE =N=	TOTAL RELEASES (WITH OUT S/W) = N=	TOTAL RELEASES = N=	CASHBACKED =N=	MDAs BALANCE @ 30TH JUNE, 2023 =N=	UTILISATION =N=	PERFORMANCE % APPROPRIATION %	RELEASES %	CASHBACK %
	PRESIDENCY	SUB TOTAL	20,115,392,458	1,603,134,263	100,027,044	-	1,703,161,307	1,703,161,307	1,703,161,307	901,129,359	802,031,948	3.99	47.09	47.09
	SECRETARY TO GOVT. OF THE FEDERATION (SGF)	SUB TOTAL	38,813,380,492	3,108,235,727	5,569,019,711	350,000,000	8,677,255,438	9,027,255,438	9,027,255,438	3,306,159,762	5,721,095,676	14.74	63.38	63.38
	SECRETARY TO GOVT. OF THE FEDERATION (SGF)	SUB TOTAL	2,852,347,190	125,000,000	-	181,250,000	125,000,000.00	306,250,000.00	306,250,000.00	189,535,896.91	116,714,103.09	86.55	38.11	38.11
	YOUTH DEVELOPMENT	SUB TOTAL	6,223,389,922	765,967,482	-	-	765,967,482	765,967,482	765,967,482	587,126,492.91	178,840,989	2.87	23.35	23.35
	WOMEN AFFAIRS	SUB TOTAL	19,267,794,743	2,021,851,719	-	-	2,021,851,719	2,021,851,719	2,021,851,719	1,206,507,953.14	815,343,766	4.23	40.33	40.33
	AGRICULTURE	SUB TOTAL	341,570,705,889	26,229,199,073	9,889,186,627	12,000,000,000	36,118,385,700	48,118,385,700	48,118,385,700	38,575,934,059	9,542,451,641	2.79	19.83	19.83
	WATER RESOURCES	SUB TOTAL	230,914,477,735	11,258,972,419	6,739,564,265	-	17,998,536,684	17,998,536,684	17,998,536,684	6,795,386,999	11,203,149,684	4.85	62.24	62.24
	AUDITOR-GEN.	SUB TOTAL	62,701,528	-	-	-	-	-	-	-	-	-		
	DEFENCE	SUB TOTAL	285,045,254,555	82,114,288,599	7,950,634,358	4,163,098,974	90,064,922,957	94,228,021,931	94,228,021,931	524,830,489	93,703,191,441	32.87	99.44	99.44
	ICPC	SUB TOTAL	1,133,712,548	-	-	-	-	-	-	-	-	-		
	EDUCATION	SUB TOTAL	311,733,142,732	12,670,186,185	9,880,340,292	2,530,442,832	22,550,526,477	25,080,969,309	25,080,969,309	10,913,924,429.56	14,167,044,879	4.54	56.49	56.49
	FCTA	SUB TOTAL	13,474,499,132	1,750,000,000	-	-	1,750,000,000	1,750,000,000	1,750,000,000	1,750,000,000	-	-	-	-
	FOREIGN & INTER GOVT. AFFAIRS	SUB TOTAL	5,854,658,864	150,000,000	-	-	150,000,000	150,000,000	150,000,000	93,030,615	56,969,385	0.97	37.98	37.98
	FINANCE	SUB TOTAL	514,985,304,038	29,293,312,595	27,915,227,027	7,629,404,200	57,208,539,622	64,837,943,822	64,837,943,822	9,473,405,498	55,364,538,324	10.75	85.39	85.39
	HEALTH	SUB TOTAL	448,043,380,488	11,105,935,013	12,235,972,571	3,048,465,580	23,341,907,584	26,390,373,164	26,390,373,164	11,222,859,797	15,167,513,366	3.39	57.47	57.47
	TRADE & INVESTMENT	SUB TOTAL	32,037,330,766	-	-	-	-	-	-	-	-	-		
	INFORMATION	SUB TOTAL	11,879,191,176	370,657,035	330,000,000	1,344,000,000	700,657,035	2,044,657,035	2,044,657,035	1,800,778,222	243,878,813	2.05	11.93	11.93
	COMMUNICATION TECHNOLOGY	SUB TOTAL	14,886,630,856	103,920,440	83,136,352	-	187,056,792	187,056,792	187,056,792	81,293,650	105,763,142	0.71	56.54	56.54
	INTERIOR	SUB TOTAL	45,622,057,393	-	-	-	-	-	-	-	-	-		
435	POLICE AFFAIRS	FEDERAL MINISTRY OF POLICE AFFAIRS	503,288,878			339,781,448	-	339,781,448	339,781,448	339,781,448.00	-	-	-	-
436	POLICE AFFAIRS	NIGERIA POLICE ACADEMY WUDIL,	999,716,063	197,191,175			197,191,175	197,191,175	197,191,175	0.91	197,191,174	19.72	100.00	100.00
437	POLICE AFFAIRS	POLICE FORMATIONS AND COMMANDS	59,146,674,885	350,000,000			350,000,000	350,000,000	350,000,000	350,000,000.00	-	-	-	-
	POLICE AFFAIRS	SUB TOTAL	60,649,679,826	547,191,175	-	339,781,448	547,191,175	886,972,623	886,972,623	689,781,449	197,191,174	20	22.23	22.23
	HEAD OF SERVICE	SUB TOTAL	2,807,812,529	173,069,902	-	122,500,000	173,069,902	295,569,902	295,569,902	232,328,771	63,241,131	2.25	21.40	21.40
	JUSTICE	SUB TOTAL	34,181,659,058	8,067,497	-	-	8,067,497	8,067,497	8,067,497	4,006	8,063,491	0.02	99.95	99.95
	LABOUR & PRODUCTIVITY	SUB TOTAL	37,180,722,587	7,218,500,500	-	1,653,000,000	7,218,500,500	8,871,500,500	8,871,500,500	2,803,395,373	6,068,105,127	16.32	68.40	68.40
	POWER	SUB TOTAL	251,609,526,988.00	3,256,973,932.00	79,385,049.00	900,000,000.00	3,336,358,981	4,236,358,981	4,236,358,981	4,076,001,864.16	160,357,116.84	0.06	3.79	3.79
472	WORKS AND HOUSING	FEDERAL MINISTRY OF WORKS AND HOUSING	453,255,980,966	20,174,262,765	40,328,703,193		60,502,965,958	60,502,965,958	60,502,965,958	3,250,062,283.64	57,252,903,674	12.63	94.63	94.63
473	WORKS AND HOUSING	FEDERAL HOUSING AUTHORITY (FHA)					-	-	-		-	-		
474	WORKS AND HOUSING	OFFICE OF THE SURVEYOR GENERAL OF THE FEDERATION	1,187,261,413	391,869,149	512,052,612.00		903,921,761	903,921,761	903,921,761	150,817,068.39	753,104,693	63.43	83.32	83.32
475	WORKS AND HOUSING	FEDERAL SCHOOL OF SURVEY, OYO	251,327,693	119,581,703			119,581,703	119,581,703	119,581,703	1,015,256.14	118,566,447	47.18	99.15	99.15
476	WORKS AND HOUSING	FEDERAL ROAD MAINTENANCE AGENCY	44,460,073,514	6,961,371,968	2,349,000,000.00		9,310,371,968	9,310,371,968	9,310,371,968	4,290,473,545.22	5,019,898,423	11.29	53.92	53.92
477	WORKS AND HOUSING	COUNCIL FOR THE REGULATION OF ENGINEERING IN NIGERIA (COREN)	117,022,551				-	-	-	131,260,303.37	(131,260,303)	(112.17)		
478	WORKS AND HOUSING	SURVEY COUNCIL OF NIGERIA	129,789,646	66,325,360			66,325,360	66,325,360	66,325,360	0.03	66,325,360	51.10	100.00	100.00

WORKS AND HOUSING	REGIONAL CENTRE FOR TRAINING IN AEROSPACE SURVEY	70,103,404	70,103,404			70,103,404	70,103,404	70,103,404	70,650,568.05	(547,164)	(0.78)	(0.78)	(0.78)
WORKS AND HOUSING	SUB TOTAL	499,471,559,187	27,783,514,349	43,189,755,805	-	70,973,270,154	70,973,270,154	70,973,270,154	7,894,279,025	63,078,991,129	73	88.88	88.88
SCIENCE AND TECH.	SUB TOTAL	132,583,288,611	8,307,783,068	1,885,129,498	1,020,559,231	10,192,912,566	11,213,471,797	11,213,471,797	10,024,552,991	1,188,918,805	0.90	10.60	10.60
TRANSPORT	SUB TOTAL	112,334,265,589	1,389,593,648	-	-	1,389,593,648	1,389,593,648	1,389,593,648	1,389,593,648	-	-	-	-
AVIATION	FEDERAL MINISTRY OF AVIATION	65,033,360,992	1,560,598,109	13,118,451,193.99		14,679,049,303	14,679,049,303	14,679,049,303	13,545,329,448.61	1,133,719,854	1.74	7.72	7.72
AVIATION	NIGERIAN METEOROLOGICAL AGENCY	1,030,776,591				-	-	-	0.00	-	-		
AVIATION	NIGERIAN COLLEGE OF AVIATION TECHNOLOGY-ZARIA	1,081,866,416	232,353,293	247,186,123.00		479,539,416	479,539,416	479,539,416	239,226,669.93	240,312,746	22.21	50.11	50.11
AVIATION	NIGERIA AIRSPACE MANAGEMENT AGENCY					-	-	-	0.00	-			
AVIATION	ACCIDENT AND INVESTIGATION BUREAU	749,429,087				-	-	-	0.00	-	-		
AVIATION	SUB TOTAL	67,895,433,086	1,792,951,402	13,365,637,317	-	15,158,588,719	15,158,588,719	15,158,588,719	13,784,556,119	1,374,032,600		9.06	9.06
PETROLEUM	SUB TOTAL	2,387,869,567	-	-	629,600,000	-	629,600,000	629,600,000	276,036,893	353,563,108	14.81	56.16	56.16
MINES & STEEL	SUB TOTAL	26,779,669,278	10,000,000	-	-	10,000,000	10,000,000	10,000,000	10,000,000	-	-	-	-
NATIONAL WAGES & SALARIES	SUB TOTAL	65,030,495	-	-	-	-	-	-	-	-	-		
ENVIRONMENT	SUB TOTAL	60,023,210,084	959,318,581	527,381,796	82,220,175	1,486,700,377	1,568,920,552	1,568,920,552	1,184,025,334	384,895,218	0.64	24.53	24.53
OFFICE OF NATIONAL SECURITY ADVISER	SUB TOTAL	69,902,593,273	2,680,000,000	-	1,250,350,000	2,680,000,000	3,930,350,000	3,930,350,000	349,204	3,930,000,796	5.62	99.99	99.99
NIGER DELTA	SUB TOTAL	11,948,769,209	10,000,000	-	-	10,000,000	10,000,000	10,000,000	10,000,000	-	-	-	-
FISCAL RESPONSIBILITY COMMISSION	SUB TOTAL	188,235,981	-	-	-	-	-	-	-	-	-		
ICRC	SUB TOTAL	78,342,162	-	-	-	-	-	-	-	-	-		
NAT. POPULATION	SUB TOTAL	31,005,835,945	-	-	-	-	-	-	-	-	-		
CODE OF CONDUCT BUREAU	SUB TOTAL	154,060,914	-	-	-	-	-	-	-	-	-		
CODE OF CONDUCT TRIBUNAL	SUB TOTAL	39,543,577	19,771,789	-	-	19,771,789	19,771,789	19,771,789	-	19,771,789	50.00	100.00	100.00
PUBLIC COMPLAINTS COMMISSION	SUB TOTAL	0	0	0	500,000,000	0	500,000,000	500,000,000	-	500,000,000		-	
REV. MOB. ALL.	SUB TOTAL	139,179,380	46,434,250	-	-	46,434,250	46,434,250	46,434,250	-	46,434,250	33.36	100.00	100.00
FCSC	SUB TOTAL	182,675,782	-	-	-	-	-	-	-	-	-		
POLICE SERVICE COMMISSION	SUB TOTAL	66,476,299	-	-	-	-	-	-	-	-	-		
FED. CHARACT. COMM.	SUB TOTAL	607,737,887	120,845,749	-	-	120,845,749	120,845,749	120,845,749	120,845,749	-	-	-	-
HUMANITARIAN AFFAIRS,	MINISTRY OF HUMANITARIAN AFFAIRS, DISASTER MANAGEMENT AND SOCIAL DEVELOPMENT	207,570,711,001	311,736,994			311,736,994	311,736,994	311,736,994	17,290,800.80	294,446,193	0.14	94.45	94.45
HUMANITARIAN AFFAIRS,	NATIONAL EMERGENCY MANAGEMENT AGENCY	818,004,888	140,000,000.00		50,000,000,000	140,000,000	50,140,000,000	50,140,000,000	23,436,682,899.15	26,703,317,101	3,264.44		
HUMANITARIAN AFFAIRS,	NATIONAL SOCIAL INVESTMENT OFFICE	3,247,418,705			6,000,000,000	-	6,000,000,000	6,000,000,000	15,913,220.38	5,984,086,780	184.27	99.73	99.73
HUMANITARIAN AFFAIRS,	NORTH EAST DEVELOPMENT COMMISSION	77,110,320,000				-	-	-	0.00	-			
HUMANITARIAN AFFAIRS,	NATIONAL COMMISSION FOR REFUGEES	9,053,905,987	100,000,000.00			100,000,000	100,000,000	100,000,000	100,000,000.00	-	-	-	-
HUMANITARIAN AFFAIRS,	SUB TOTAL	314,957,316,066	1,667,320,742	-	56,000,000,000	1,667,320,742	57,667,320,742	57,667,320,742	23,610,826,182	34,056,494,560	10.81	59.06	59.06
CAPITAL SUPPLEMENTATION	ADJUSTMENT TO CAPITAL COST	5,670,000,000				-	-	-	-	-	-		
CAPITAL SUPPLEMENTATION	SUB TOTAL	934,980,746,399	-	-	86,704,810,168		86,704,810,168	86,704,810,168	-	86,704,810,168	100.00	100.00	100.00
GRAND TOTAL	**GRAND TOTAL**	**4,996,736,592,264**	**238,661,997,132**	**139,740,397,711**	180,449,482,608	**378,402,394,843**	**558,851,877,451**	**558,851,877,451**	**153,528,479,828**	**405,323,397,622**	**11.18**	**72.53**	**72.53**