



2021 BUDGET

BUDGET OF ECONOMIC RECOVERY AND RESILIENCE



I fully understand the difficulties many of our people are going through with the implementation of our reform agenda. However, the measures we are implementing are necessary for sustainable public finance, better allocation of our scarce resources and improved public service delivery. As we implement these reforms, social safety nets will be implemented to cushion the effect of the most vulnerable of our citizens as well as business owners.

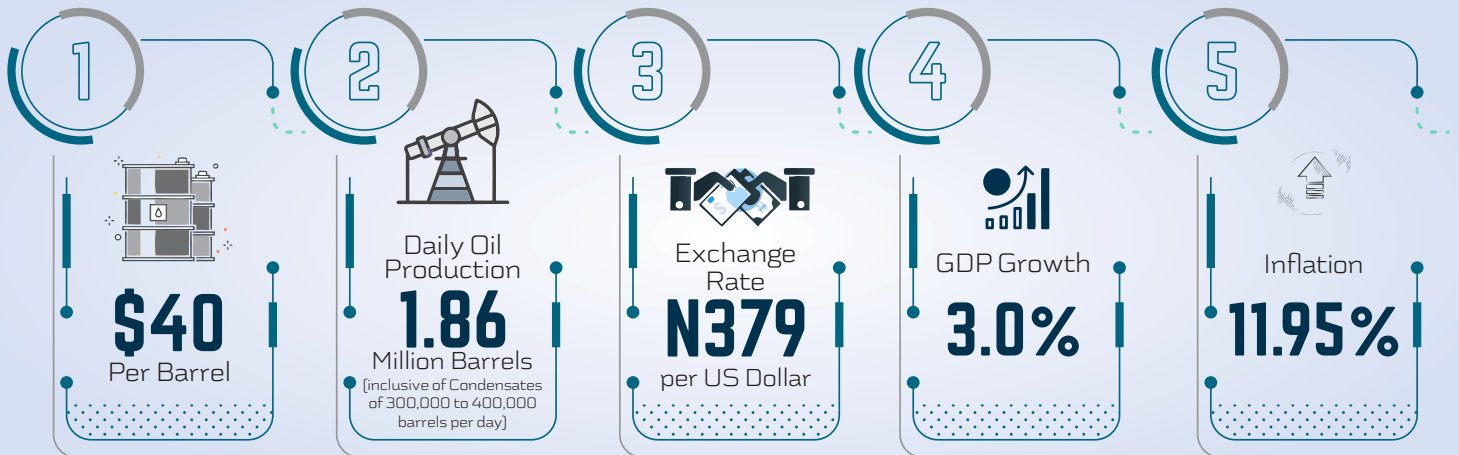
—President Muhammadu Buhari, GCFR

It would be recalled that Mr. President laid the initial 2020 Budget proposal on the 8th of October, 2019 at a joint session of the National Assembly. However, the macroeconomic environment was significantly disrupted by the Covid-19 pandemic, necessitating Mr. President's presentation of a revised 2020 budget on 28th May, 2020 which was signed into law on 10th July, 2020. Interestingly, the 2021 FGN Budget Proposal was also laid on the

8th of October, 2020. This underscores the Buhari Administration's commitment to firmly return the country to a January – December Budget cycle.

The FGN 2021 Budget of 'Economic Recovery and Resilience' is expected to reposition the Nigerian economy on the path of recovery, growth and resilience.

PARAMETERS & FISCAL ASSUMPTIONS UNDERPINNING THE 2021 APPROPRIATION



BUDGET 2021: GLOBAL, REGIONAL & DOMESTIC DEVELOPMENTS



Global

The International Monetary Fund (IMF) expects the global economy to contract by 4.4 percent in 2020, but to gradually recover and grow by 5.2 percent in 2021.

Growth in Emerging Market and Developing Economies (EMDEs) is projected to contract by 3.3% in 2020 but rebound to 6.0% in 2021.



Africa

Sub-Saharan Africa is projected to contract by -3.0% in 2020 and recover to 3.1% in 2021.

South Africa is projected to decline by -8.0% in 2020 and recover steeply to 3.0% in 2021.

Egypt is projected to be stable - projected to grow by 3.5% in 2020 and also 2.8% in 2021.



Nigeria

The IMF projects the Nigeria to contract by 4.3% (up from 5.4%, earlier projected) in 2020 and grow by 1.7% in 2021. The NBS however projects -4.2% for 2020 and 3.0% for 2021.

Nigeria's Q2 GDP growth contracted by 6.1 percent in the second quarter of 2020. This ended the 3-year trend of positive, but modest, real GDP growth recorded since the second quarter of 2017.