



2019 Budget of Continuity

Understanding the FGN 2019 Budget Proposal

"We have cause to be optimistic about the future. The economy has recovered from recession. We have done more work with less resources in Agriculture, Social Development and Infrastructure" – President Muhammadu Buhari

KEY INITIATIVES TO IMPROVE FGN REVENUES

The Federal Government has sustained its efforts to improve public financial management through the comprehensive implementation of the:

Treasury
Single
Account
(TSA)

The Government
Integrated
Financial
Management
Information
System
(GIFMIS)

The Integrated
Payroll and
Personnel
Information
System
(IPPIS).

40%

Bureau for Public Enterprises commence immediate action to restructure the Joint Venture Oil Assets so as to reduce government shareholding to 40 percent and complete this exercise within the 2019 fiscal year.

The Department of Petroleum Resource shall, within three months, complete the collection of past-due oil license and royalty charges.

Following Mr. President's directive:

The Ministry of Finance, working with all the relevant authorities, has been authorized to take action to liquidate all recovered, unencumbered assets; within 6 months.

Given the improved oil prices and production levels, Nigerian National Petroleum Corporation (NNPC) is to immediately commence the recovery of all outstanding obligations, including those due from Nigerian Petroleum Development Company (NPDC) (a subsidiary of NNPC), which it had agreed to pay since 2017.

The Budget Preparation Process

STAGE 1 STAGE 2 Medium Term Medium Term Expenditure Revenue Framework (MTEF) Framework (MTRF) Oil Revenue Agaregate Revenue & Spending Non-oil Revenue Major Heads: MDA. Independent Debt, Transfers Revenue Deficit STAGE 9 STAGE 8 STAGE 7 MTEF & Fiscal **Budget** BUDGET CALL Strategy Paper CIRCULAR ISSUED Proposal submitted to Instructions Submissions NASS for approval by MDAS in Line with FRA, 2007 STAGE 10 STAGE 11 STAGE 12

Evaluation of

Preparation of

Submissions

Draft Budget

by BOF

Presentation

of Draft Budget

to Mr. President

& Approval of

Draft Budget

STAGE 4 STAGE 3 Medium Term Stakeholder Sector Strategies Consultation (Annual Update) • OPS • CSO Tentative MDA Ceilings Shared • MDAs Stakeholder · NASS **Participation** · Governors' Forum (OPS, CSO etc.) STAGE 6 STAGE 5 MTEF/FSP FEC Approval of • Revenue & MTEF & Fiscal Expenditure Strategy Paper in Framework Line with FRA, Priority Focus 2007 Final MDA Envelopes

STAGE 13

Approval

& Passage of

Appropriation

NASS

Transmission

of Budget by

Mr. President

to NASS



Key Assumptions & Macro-Framework of 2019 Budget



ERGP 2.4mbpd
Oil Production **2.3 mbpd**

Oil Price \$60/barrel ERGP \$50/b

Exchange Rate \$305/barrel

ERGP 13.39%

Inflation Rate 9.98%

Nominal Consumption N119.28trn

. ERGP 126.86trn

Nominal GDP **N119.28trn** *ERGP 4.5%*GDP Growth Rate **3.01%**