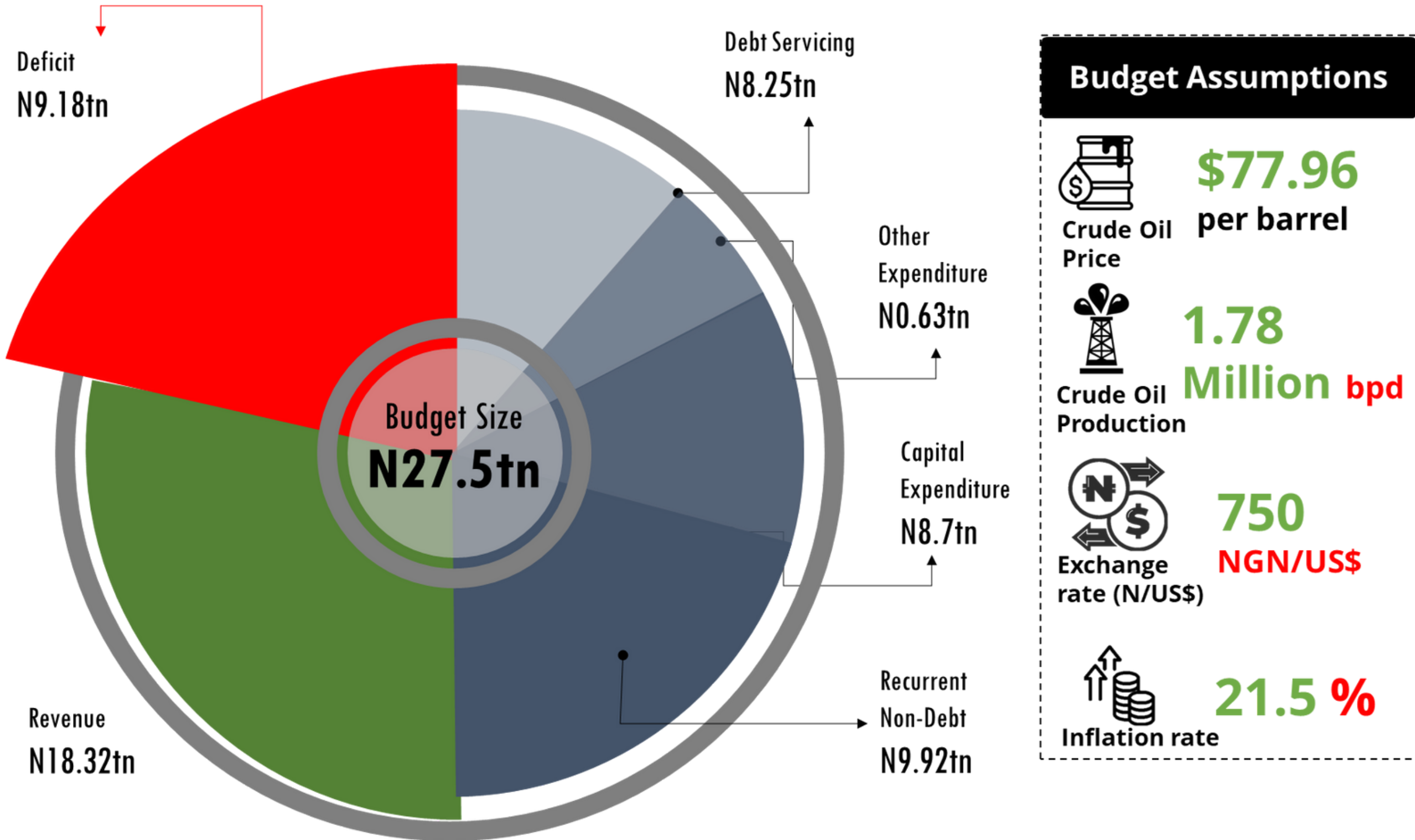


SNAPSHOT OF FG'S 2024 BUDGET BREAKDOWN & KEY ASSUMPTIONS



President Bola Ahmed Tinubu presented the first appropriation bill (the 2024 Budget) for his administration to a joint session of the Nigerian National Assembly today, November 29, 2023. The Budget is christened "The Renewed Hope Budget." The budget expenditure for the year as proposed stood at N27.5 trillion, the highest in the history of Nigeria and 10.9% higher than the 2022 revised budget (N24.83 trillion – addition of signed + supplementary budgets).

The Budget relies on the key assumptions outlined in Nigeria's Federal Government's 2024-2026 Medium-term expenditure framework (MTEF).	Revenue projection surged by 65.8% to N18.32 trillion, surpassing the 2023 revised budget of N11.05 trillion.	Expenditure projection rose by 10.3% to N27.5 trillion from the 2023 revised budget. It breaks down as Capital expenditure (31.6%), recurrent (36.1%), & debt servicing (30.0%).	Debt service projection improves to 45.0% of revenue in 2024 from 73.5% in the 2023 budget proposal.
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The projection for capital expenditure improved by 34.7%, while non-debt recurrent expenditure increased by 19.1%.

The total deficit hit N9.18 trillion, about 3.88% of the GDP, marking a shift toward better fiscal management.

KEY INSIGHTS FROM THE BUDGET

1 Nigeria's Budget continues to be ambitious and unrealistic in the face of current reality

Revenue and fiscal deficit projections seem unrealistic. The country continues to live in denial as revenue consistently underperforms projections and maintains a slow growth projection while spending surges yearly.

2 The 2024 budget intensifies spending to support the economy

As a clear departure from previous budgets, the 2024 budget highlighted how the government intends to support growth and employment. However, there is no mention of sending the Finance Bill 2023 to support the 2024 budget implementation.

3 Revenue optimisation and expenditure efficiency

The government needs to implement measures to drive optimisation in revenue mobilisation and block leakages while also getting the best from spending. Others include a revisitation of the tax structure and procurement to institutionalise effective fiscal space.