

**Q3**

**BUDGET  
IMPLEMENTATION  
REPORT**

**2018**



# Q3

## BUDGET IMPLEMENTATION REPORT



### **BACKGROUND**

The Federal Government 2018 approved budget was anchored on revenue projections of N7.1trillion for the fiscal year. As at Q3 2018, actual revenue by the federal government came to N2.81 trillion, with a total revenue performance of 39.2%. From the oil sector, the federal government was expecting a revenue of about N2.98 trillion, the FG's Share of Oil Revenue as at Q3 arrived N1.43trillion.

As part of the government's non-oil revenue push, the Federal Government anticipates to receive about N1.63trillion but the actual Non-Oil Revenue came at N839billion at Q3, with projections of N794 billion from businesses as part of its own share of company income tax receipt but the total revenue from CIT came in at N500 billion. Also, the federal government's share of revenue from custom duties and Value Added Tax(VAT) was estimated to come to a region of N324.86 billion and N207.51 billion respectively, as at Q3 2018 the FG's Share of Customs was N214.7billion which was higher than N190 Billion recorded for the corresponding period with the actual collection for Value Added Tax arriving at N109.37billion and percentage performance put at 53%.



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Furthermore, the independent revenue of the government was expected to contribute about N847.95billion to the overall revenue projections for 2018, as at September 2018, the total Independent revenue was N305.18billion with 36% of the revenue projections for the fiscal year.

The Federal Government's proposed total expenditure for the first three quarters of 2018 shows that the recurrent expenditure takes about 76% of the total expenditure at N4.1trillion while Capital Expenditure stood at 17% of the total expenditure at N930.45billion.

The Personnel Cost and the Overhead Cost component of the 2018 budget was projected to be about N2.18tn trillion and N246.49 respectively, but the total amount spent on Personnel Cost at Q3 comes to a region of N1.53trillion and Overhead Cost at N125 Billion. The Federal Government earmarked N2.01trillion for Debt Servicing with the actual total of N1.76trillion in the first three quarters of 2018.



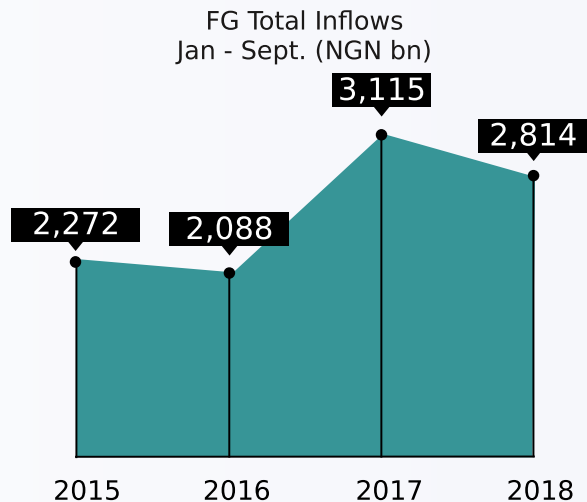
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### FG Total Inflows

FG's actual revenue drops to N2.814tn. However, the 2017 revenue got a boost thanks to the Paris Club refund which was included in the total inflows. FG's total revenue performance as at September 2018, therefore, stands at 39.2%.



Source: Budget Office of the Federation



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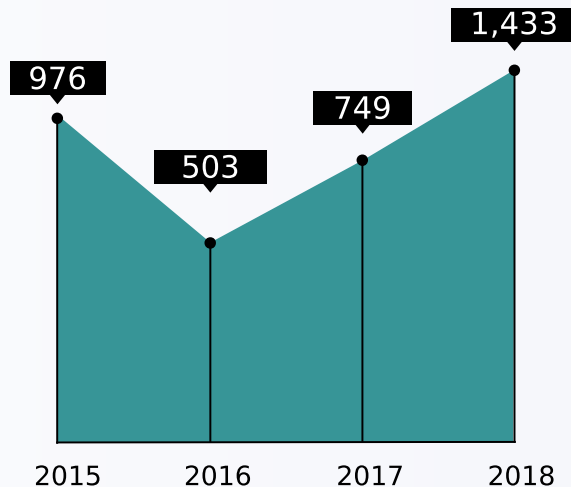
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After the 2016 drop due to prices, Oil revenue is growing

As at 3rd quarter of 2018, FG's share of oil revenue arrived at N1.43tn. The FG's budget for 2018 was anchored on oil revenue projections of N2.99tn, while actual oil revenue collected was only 48% of the total oil revenue target.

FG share of Oil Revenue, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation



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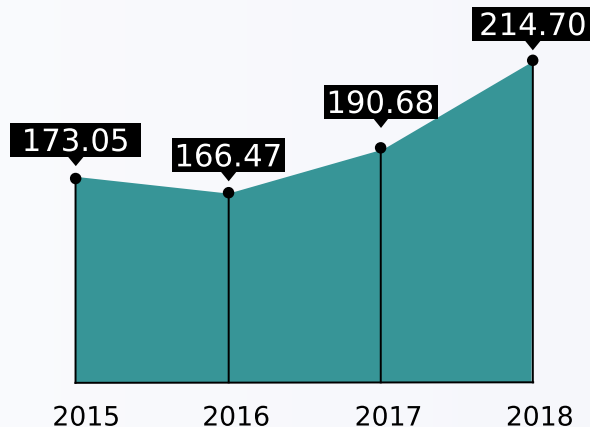
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### Customs collections record marginal growth

The Federal Government's share of Customs (Imports, Exports & Fees) as at September 2018 was N214.7bn with the budget projections for the fiscal year 2018 at N324.86bn. This is higher than N190bn recorded for the corresponding period.

FG Share of Customs Collections, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation



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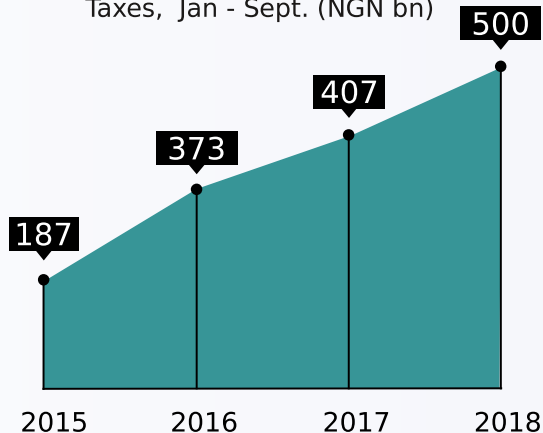
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### Company income taxes get N100bn leap in a year

The Federal Government's total revenue from CIT comes in at N500bn or 63% of the N794bn budget projections for the first nine months of 2018.

FG Share of Company Income Taxes, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation



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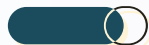


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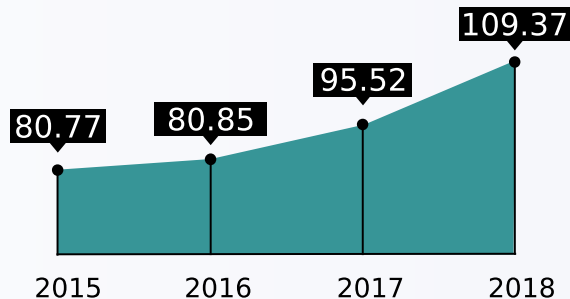
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### VAT payments pass N100bn mark in Q3

The revenue projection for Value Added Tax for 2018 was put at N207.51 between January to September 2018. The actual collection arrived at N109.37bn with the percentage performance put at 53%.

FG Share of VAT, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation



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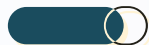
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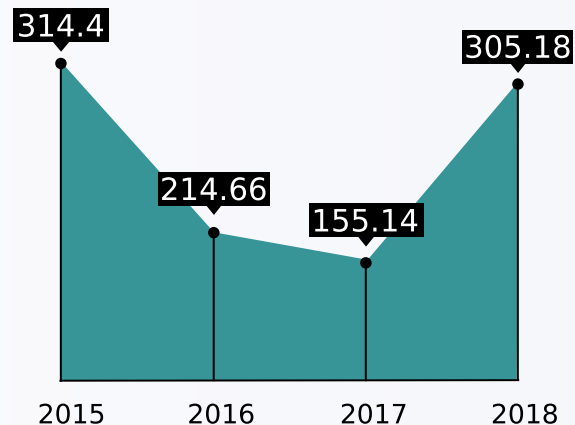
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### FG Revenue from Independent Agencies

The Federal Government's budget for 2018 was anchored on Independent Revenue projection of N847.95bn. As of September 2018, the total independent revenue was N305.18bn, 36% of the revenue projection.

FG Revenue from Independent Agencies, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation



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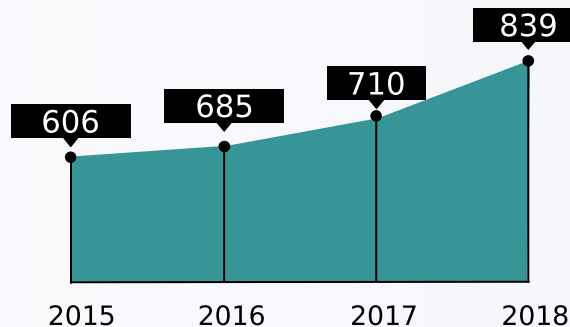
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### FG Non-Oil Revenue

The FG's share of the non-oil revenue is on a continuous growth path, boosted by an increase in company income taxes, value-added taxes and other levies. We see that the share of non-oil revenue to the total revenue has slipped due to recent growth in oil prices.

FG Non-Oil Revenue, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation



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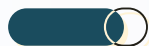


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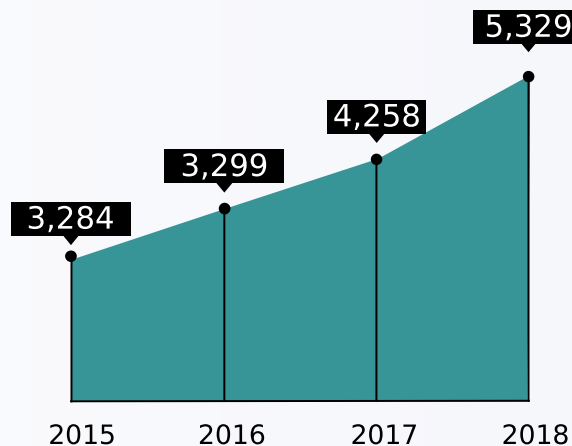
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### FG Total Expenditure

A further breakdown of the total expenditure for the first three quarters of 2018 shows that recurrent expenditure racked up about 76 per cent of the total expenditure at N4.1 trillion while capital expenditure accounts for 17 per cent of the total expenditure at N930.45 billion.

FG Total Expenditure, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation



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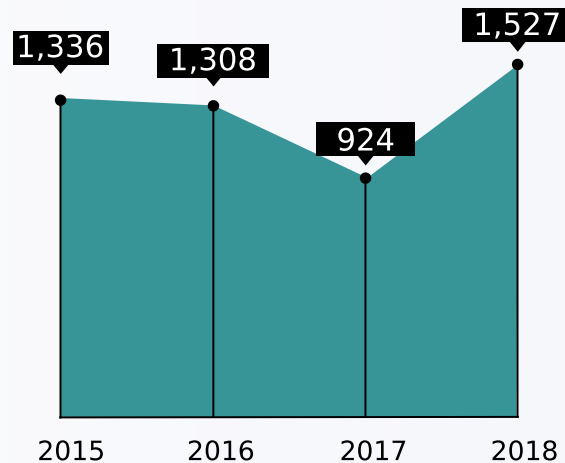
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### FG personnel cost is set to rise further

Personnel cost for the 3rd quarter of the 2018 fiscal year comes to N521.74bn, which brings the total amount spent on personnel cost from January up until September to a region of N1.53tn against a projected budget figure of N2.12tn.

FG Personnel Costs, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation



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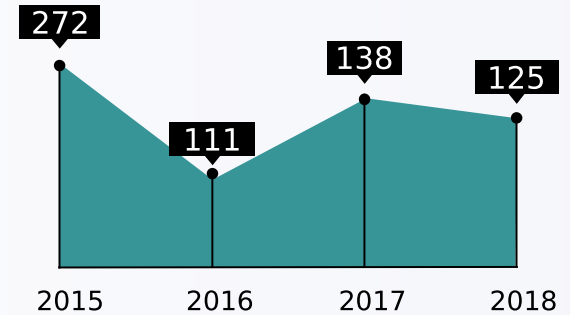
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### FG is marginally trimming its overhead costs

The Federal government's overhead cost was anchored to a cumulative total of N125bn for the first nine months of the 2018 fiscal year. The third quarter overhead cost figure came in at N23.93bn, which is N1.85bn more than the figure for the first quarter and N55.06bn less than the second quarter figure of 2018.

FG Overhead Costs, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation



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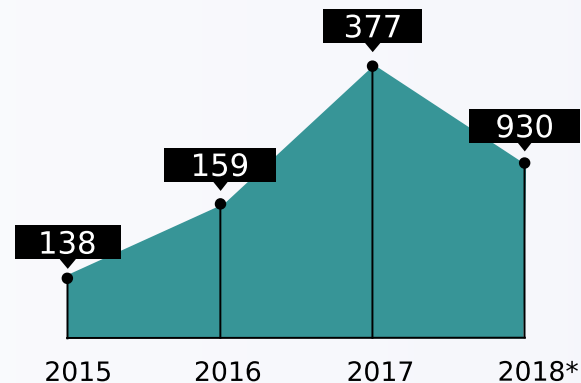
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### Capital expenditure reaches N930bn

A total of N930.45bn was spent on Capital Expenditure in the first nine months of 2018. Government spending plans for the fiscal year under review is N2.86tn, meaning approximately 32% of the budget projections was spent as at September 2018.

FG Capital Expenditure, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation

\*Includes 2017 Capital Budget Expenditure made in 2018 and implementation of capital component started in June.



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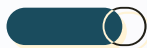


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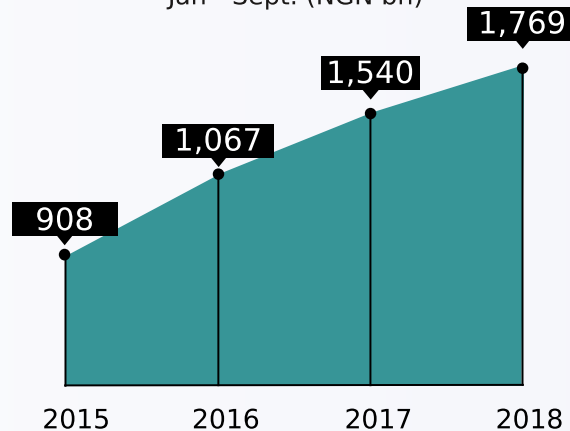
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### FG Debt Servicing Costs

A total of N1.76tn was spent on debt servicing in the first three quarters of 2018 against the actual budget of N1.50tn for the period. Thus, the federal government overspent on debt servicing. Overall, the full-year budget target for debt servicing is N2.01tn.

FG Debt Servicing Costs, Jan - Sept. (NGN bn)



Source: Budget Office of the Federation



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