

~~SENATE BILL NO. 14 OF 2016~~
Sponsor: Senator Lawan Ahmad Ibrahim (Leader of the Senate):

Mr. President, Distinguished Colleagues, permit me to lead the debate on the general principles of the 2017 Appropriation Bill which was laid before this Chamber on Wednesday 14th December, 2016 by the President C-in -C, of the Federal Republic of Nigeria.

The Bill is deemed to have been read the first time by virtue of its being laid before the Joint Session of the National Assembly on Wednesday, 14th December, 2016.

Mr. President, Distinguished Colleagues, the Bill seeks to authorize the issue from the Consolidated Revenue Fund of the Federation the total sum of ₦7, 298, 507, 709, 937 (Seven Trillion, Two Hundred and Ninety-Eight Billion, Five Hundred and Seven Million, Seven Hundred and Nine Thousand, Nine Hundred and Thirty Seven Naira) only as against the 2016 budget of ₦6.1 Trillion.

The breakdown of the Budget is as follows:

- a. **Statutory Transfers:** ₦419, 020, 648, 000 (Four Hundred and Nineteen Billion, and Twenty Million, Six Hundred and Forty-Eight Thousand Naira) only;
- b. **Debt Service:** ₦1, 663, 885, 430, 499 (One Trillion, Six Hundred and Sixty-Three Billion, Eight Hundred and Eighty-Five Million, Four Hundred and Thirty Thousand, Four Hundred and Ninety-Nine Naira) only;
- c. **Recurrent (Non-Debt) Expenditure:** ₦2, 979, 151, 756, 196 (Two Trillion, Nine Hundred and Seventy-Nine Billion, One Hundred and Fifty-One Million, Seven Hundred and Fifty-Six Thousand, One Hundred and Ninety-Six Naira) only;
- d. **Contribution to the Development Fund for Capital Expenditure:** ₦2, 058, 989, 578, 536 (Two Trillion, and Fifty-Eight Billion, Nine Hundred and Eighty-Nine Million, Five Hundred and Seventy-Eight Thousand, Five Hundred and Thirty-Six Naira) only (exclusive of capital expenditure in Statutory Transfers)
- e. **Sinking Fund for Maturing Bonds:** ₦177, 460, 296, 707 (One Hundred and Seventy-Seven Billion, Four Hundred and Sixty Million, Two Hundred and Ninety-Six Thousand, Seven Hundred and Seven Naira) only.

The 2017 Budget is predicated on the following assumptions:

- Bench mark Oil Price: \$42.5 dollar per barrel;
- Projected Oil Production: 2.2 million barrels per day;
- Average Exchange Rate: ₦305 per US\$;
- Projected GDP Growth Rate: 4.37%.

Based on these assumptions, aggregate revenue available to fund the Budget will be ₦4.94 trillion. This is 28% higher than the 2016 full year projection.

The 2017 Budget of ₦7.3 trillion with a revenue projection of ₦4.94 trillion will result to a deficit of ₦2.36 billion, the deficit, which is equivalent of 2.18% of our GDP will be financed mainly by borrowing which is projected to be about ₦2.32 trillion. The intention is to source about ₦1.067 trillion from external sources while the balance of ₦1.254 trillion will be sourced from the domestic market.

With the 2017 Budget of recovery and growth, the future of this country looks very bright as the year to year growth in capital expenditure demonstrates this administration's desire to make this country more competitive in order to bring the economy out of recession and into steady growth and prosperity for all.

Mr. President, Distinguished Colleagues, the 2017 capital Budget is designed to align expenditure to Long-Term objectives, sustainable development as well as Fiscal consolidation, inclusive growth and job creation, stabilization of the welfare of the Nigerians by focusing more on :-

- a. Macro-economic stability;
- b. Consolidating on structural reforms;
- c. Enhancing Governance and Institutional goals;
- d. Diversification of the economy with key emphasis on agriculture; investments in priority sectors like Solid Minerals; and
- e. Self-sufficiency in food and other products.

The 2017 Budget while helping industry, commerce and investment to pick up will also as a matter of urgency address the immediate problems of youth unemployment and the terrible living conditions of the extremely poor and vulnerable Nigerians.

The increased Capital expenditure outlay of the 2017 Appropriation Bill is deliberately structured to improve and effectively address critical areas of the economy as well as this administration's determination to reflate and pull the economy out of recession. Some of the sectoral allocations that are meant to galvanize and reduce the infrastructural deficit in the country as well as enhance inclusive economic growth are:

- Special Intervention Programme	-	₦150 billion
- Power/Works and Housing	-	₦529 billion
- Transport	-	₦262 billion
- Education	-	₦50 billion
- Industry, Trade and Investment	-	₦81 billion
- FCT	-	₦37 billion
- Niger Delta Ministry	-	₦33 billion
- NDDC	-	₦61 billion
- Water Resources	-	₦85 billion
- Defence	-	₦140 billion
- Health	-	₦57 billion
- Interior	-	₦63 billion
- UBEC	-	₦92 billion

Mr. President, my respected Colleagues, in delivering this administration's development objectives, the 2017 Budget increased the capital expenditure portion of the budget from ₦1.8 trillion in 2016 to ₦2.24 trillion which represents 30.7% of the nation's total budget.

In the delivery of critical infrastructure, ₦100 billion has been provided in the Special Intervention Fund that will underpin a new Social Housing Programme that is expected to stimulate construction activities throughout the country.

Similarly, to FastTrack the modernization of our rail system, the allocation of ₦213.14 billion as counter-part funding for the Lagos - Kano, Calabar - Lagos, Ajaokuta - Itakpe - Warri and Kaduna - Abuja rail way projects are provided for in this budget.

The 2017 Budget further seeks to devote a significant portion of the recurrent expenditure to institutions that provide critical government services. Among them are:-

- Education	- ₦398 billion
- Defence	- ₦325 billion
- Health	- ₦252billion
- Interior	- ₦482billion

The devotion of this portion of our recurrent expenditure to these institutions will ensure that our teachers, armed forces personnel, doctors, nurses, policemen, fire fighters, prison service officers and many more critical service providers are paid competitively and on time.

The 2017 Budget seeks to stimulate our national economy making it more competitive by focusing on infrastructural development, delivery of inclusive growth and prioritizing the welfare of Nigerians to:-

- (i) Safeguard lives and property;
- (ii) Equipping farmers with the right tools, technology and techniques;
- (iii) Empowering and enabling mines to operate in a safe and secured environment;
- (iv) Training of our youths through revival of our vocational institutions to ensure they are competitive enough to seize the opportunities that will arise for this economic revival.

The administration also introduced new initiatives in the 2017 Budget. These initiatives are:

- a) **A new Social Housing Programme** - ₦100 billion provision for a new Social Housing Programme towards a ₦1 trillion fund;
- b) **Special Economic Zone Projects** - ₦50 billion for Special Economic Zone Projects to be set up in each of the geo-political zones to drive Manufacturing/Export;
- c) **Export - Expansion Grant (E.E.G)** - ₦20 billion voted for the revival of Export - Expansion Grant (EEG) in the form of tax credit;

- d) **Recapitalization of Bank of Industry (BOI) and Bank of Agriculture (BOA)**
– 50 billion provision to support these development finance institutions to support Micro, Small, Medium Scale Enterprises (MSMEs).

These new initiatives will support economic diversification and inclusion in our growth-drive.

The Budget is designed to stimulate and attract private sector capital and spending. The target of the 2017 Budget is to take Nigeria out of recession, create sustainable, inclusive growth and prosperity for all Nigerians in line with the change agenda of this administration.

Mr. President, Distinguished Colleagues, I believe that all the proposals in this Budget are laudable and are tailored to meet the critical needs of this country at this point of our democratic evolution and economic situation.

I therefore urge you all my Distinguished Colleagues to support the Second Reading of this Bill and committal to the Committees for detailed consideration.

Thank you.

Senator Lawan Ahmad Ibrahim
(Leader of the Senate)