

LEAD DEBATE ON THE APPROPRIATION BILL 2014

Sponsor: Senator Victor Ndoma-Egba OFR, CON, SAN
(Senate Leader)

Mr. President, distinguished Colleagues, may I lead the debate on the general principles of the 2014 Appropriation Bill which was laid before this Chamber on Thursday 19th December, 2013 by the Hon. Minister of Finance Dr. Ngozi Okonjo Iweala, on behalf of the President and 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 this Distinguished Chamber on Thursday, 19th December, 2014.

Mr. President, distinguished Colleagues, the bill seeks to authorize the issue from the Consolidated Revenue Fund of the Federation the total sum of =N=4,642,960,000,000 (Four Trillion, Six Hundred and Forty-Two Billion, Nine Hundred and Sixty Million Naira) Only as against the 2013 budget of N4.9 trillion.

The break-down of the budget is as follows:

- a. Statutory Transfers: =N=399,687,801,891 (Three Hundred and Ninety-Nine Billion, Six Hundred and Eighty-Seven Million, Eight Hundred and One Thousand, Eight Hundred and Ninety-One Naira) Only,
- b. Debt Service: =N=712,000,000,000 (Seven Hundred and Twelve Billion Naira) Only,

- c. Recurrent (Non-Debt) Expenditure: =N=2,430,665,361,597 (Two Trillion, Four Hundred and Thirty Billion, Six Hundred and Sixty-Five Million, Three Hundred and Sixty-One Thousand, Five Hundred and Ninety-Seven Naira) Only,
- d. Contribution to the Development Fund for Capital Expenditure: =N=1,100,606,836,512 (One Trillion, One Hundred Billion, Six Hundred and Six Million, Eight Hundred and Thirty-Six Thousand, Five Hundred and Twelve Naira) Only.

The 2014 budget is predicated on the following assumptions:

- Bench mark Oil Price of \$77.5 per barrel;
- Projected Oil Production of 2.3883 million barrels per day;
- Average Exchange Rate of NGN 160 per US\$, same as in 2013;
- Projected GDP Growth Rate of 6.75%, up from 6.5% in 2013.

Mr. President, distinguished Colleagues, the 2014 budget is designed to build on the successes of the 2013 budget with emphasis on Fiscal consolidation, inclusive growth and job creation, which will be achieved 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 and investments in priority sectors.

The Capital expenditure outlay of the Appropriation Bill 2014 is deliberately structured to improve and effectively address critical areas of the economy. Some of the sectoral allocations that are meant to galvanize and reduce the infrastructure deficit in the country as well as enhance inclusive economic growth are:

- Sure-P	- 268.37 Billion
- Power	- 99.05 Billion
- Works	- 128.65 Billion
- Defence	- 340.33 Billion
- Police	- 301.42 Billion
- Education	- 725.94 Billion
- Agriculture/Rural Dev.	- 66.64 Billion
- Health	- 262.74 Billion
- INEC	- 45.00 Billion

The 2014 budget focuses on job creation through

- Power - completion of privatization of NIPP projects; accelerate works on gas pipeline infrastructure and continued investment in hydro-electric power,
- Roads - the 2014 budget will enable considerable progress and completion of some major projects such as the East-

West road, the dualization of the Abuja-Abaji-Lokoja and the Kano-Maiduguri roads. Also, the pace of work will increase on important roads such as the Lagos-Ibadan expressway, the Enugu-Port Harcourt expressway, the second Niger Bridge, and the Loko-Oweto Bridge.

- Aviation - Upgrading our air navigational and security systems, complete work on the remodeling of 11 airports terminals, and accelerate construction work on the 5 new airports terminals.

Other sectoral initiatives include:

A. **Agriculture**

- * Target input subsidies to 5 million farmers nationwide using the e-wallet system.
- * Youth Employment in Agriculture Programme (YEAP) or Nagroprenuer programmes to develop over 750,000 nagropreneurs which will create over one million new jobs by 2015.
- * Establish new agro-industrial clusters to complement the staple crop processing zones being developed across the country.
- * Launch the Fund for Agricultural Finance in Nigeria (FAFIN) to serve as a private equity fund to invest in agribusinesses across the country.

B. **Manufacturing**

- * Implementing the Nigeria Enterprise Development Programme (NEDEP) to address the needs of small businesses.
- * Intensify our investment promotion efforts to attract the biggest and best companies to invest in Nigeria.

C. **Housing and Construction**

- * Nigerian Mortgage Refinance Company (NMRC) has just been launched, and will create over 200,000 mortgages over the next 5 years.
- * This will lead to additional jobs for architects, masons, electricians, plumbers, painters, interior decorators, and for those in the cement and furniture industries.

D. **Creativity Industry**

- * Accelerate implementation of Project Advancing Creativity and Technology (PACT).

E. **YouWIN and SURE-P**

- * Community Services Scheme will continue to be explored to provide jobs for our youths.

The budget is premised on the 2014-2016 Medium Term Expenditure Framework and Fiscal Strategy Paper which takes into consideration, the heightened global economic uncertainty in 2013 which forecast put the U.S. economy to grow by only 1.7%, Euro-zone's growth to contract by 0.6%, while growth in emerging and developing economies is forecast to average 5.1%.

The budget not only takes into consideration the global economic challenges and potential impact of increasing exploitation of Shale Oil Gas by major oil importers, the rising oil output by hitherto oil importing countries but the challenges of oil theft, pipeline vandalization and production shut-ins at our mining fields resulting in reduced oil revenue. These are the realities that informed a reduction in the 2014 budget estimates of the federation.

The drop in the 2014 budget estimates notwithstanding, the proposal is a framework that will certainly consolidate and add impetus to the transformation agenda of this Administration and will promote economic growth, wealth creation, poverty reduction and service delivery to all Nigerians.

Mr. President, my respected 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 to deliver on the dividends of democracy as we approach yet another election year. I therefore urge you all to support the second reading of this bill and committal to the committees for detailed consideration.

Thank you.

Senator Victor Ndoma-Egba OFR, CON, SAN
Senate Leader.