



Budgeting For The Citizens

December 2023

To What Extent Can the Nigerian Federal and State
Budgets Meet the Citizens' Needs?

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INTRODUCTION

Governments, at every level, play pivotal roles in the lives of the citizens.

Given the recent economic history and performance of Nigeria, citizens look forward to the government to take the lead in turning around their situations for the better.

But how much resources do governments have to commit to such needs?

This can be evaluated from the size of the budget; not only at the federal level, but also at the sub-national level, especially those of State Governments.

For instance, the Senate has passed the 2024 Federal Government budget, raising it to N28.78 trillion from N27.50 trillion originally presented by the President.

Also, all the State Governments have proposed and/or passed a total budget of N16.14 trillion for 2024.

These budgets are at different approval stages as at the end of 2023.

But what we know currently is that a total budget of N44.92 trillion is being planned for 2024 at the National level.



As a contribution to the discussion on the adequacy of Nigeria's budget therefore, this report presents some key budget indicators at the National, Federal and State levels.

Specifically at each level, it looks at the total budget, the share of capital in total budget, the average budget size per citizen, the budget-GDP ratio, as well as the changes and the real growth in the budget size, after controlling for inflation.

Interestingly, relatively high budgets may turn small when the number of citizens, the size of the economy and inflation trends are considered.

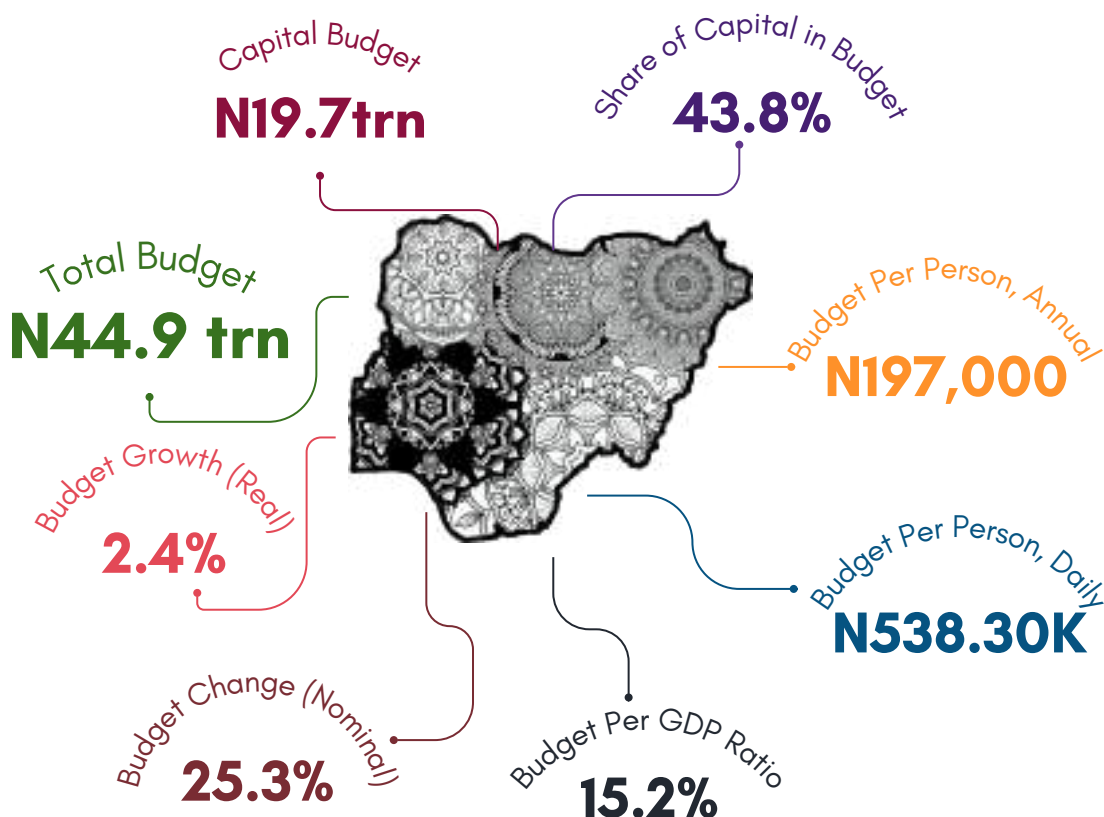
Therefore, as Nigeria works towards improving its public spending efficiency, it also needs to attract and sustain private capital, domestic and foreign, particularly into sectors with high impacts on its citizens' welfare



TOTAL NIGERIA (NATIONAL: FEDERAL + STATES)



- ◆ The total National budget for 2024 is proposed at N44.92 trillion.
With a capital component of N19.66 trillion, i.e., 43.8% of total budget.
- ◆ When the National budget is divided by the number of citizens, it amounts to N197,000 per head in a year.
This is equivalent to N538.30k per day for each citizen.
- ◆ The ratio of budget to GDP at the National level is estimated at 15.2%.
- ◆ The proposed 2024 budget is 25.3% above 2023 budget.
- ◆ But when adjusted for inflation, the proposed National budget for 2024 is just 2.4% higher than 2023 budget.
- ◆ Given that real growth (i.e. inflation-adjusted increase) is what improves citizens' welfare, it implies that effective improvement in 2024 can be put at this 2.4%.



FEDERAL GOVERNMENT

N28.78 trn

TOTAL BUDGET

N10.0 trn

CAPITAL BUDGET

34.7 %

SHARE OF CAPITAL IN
BUDGET

N126,200

BUDGET PER PERSON,
ANNUAL

N344.9

BUDGET PER PERSON,
DAILY

9.7 %

BUDGET-GDP RATIO

15.9%

BUDGET CHANGE
(Nominal)

-7.0%

BUDGET GROWTH
(Real)

- ✦ The total Federal Government budget for 2024 is passed at N28.78 trillion.

Having a capital component of N10.0 trillion, i.e., 34.7% of the total budget.

- ✦ When the Federal budget is divided by the number of citizens, it amounts to N126,200 per head in a year.

This is equivalent to N344.90k per day for each citizen.

- ✦ The ratio of FGN budget to GDP is estimated at 9.7%.

- ✦ The proposed 2024 budget represents an increase of 15.9% above the 2023 budget.

- ✦ But when adjusted for inflation, the FGN budget for 2024 actually represents a decline of 7.0% from the 2023 value, in real terms.

STATE GOVERNMENTS

ALL STATES

N16.1 trn

TOTAL BUDGET

N9.7 trn

CAPITAL BUDGET

59.8 %

SHARE OF CAPITAL IN BUDGET

N72,600

BUDGET PER PERSON

N198.4

BUDGET PER PERSON DAILY

5.5 %

BUDGET-GDP RATIO

46.6 %

BUDGET CHANGE (2024 VS 2023)

23.6%

BUDGET GROWTH (Real)

- ◆ The combined State Government budget for 2024 is proposed at N16.1 trillion.

The capital component is N9.7 trillion, i.e., 59.8% of the total budget.

- ◆ When the States' budgets are divided by their respective number of citizens, it amounts to an average value of N72,600 per head in a year.

Which is equivalent to an average value of N198.40k per day for each citizen in the State.

- ◆ The ratio of States' budget to GDP is estimated at an average of 5.5%.

- ◆ The proposed 2024 budget is 46.6% above the 2023 budget.

- ◆ But when adjusted for inflation, the proposed States' budgets for 2024 are 23.6% higher than 2023 budget, on the average.

- ◆ All these values vary widely across States. The Data Table section provides the details at the level of each State.

Such variations show that States with relatively high budgets may rank lower when the number of citizens, State GDP and changes in price level are considered.

DATA TABLE

States	Total Budget (N'bn)	Capital Budget (N'bn)	Share of Capital in Budget (%)	Budget Per Person (N'000)	Budget Per Person, daily (N)	Budget-GDP Ratio (%)	Nominal Budget Change [2024 vs 2023, %]	Budget Growth (Real, %)
Abia	567.2	476.4	84.0	132.8	363.0	8.1	253.4	231.2
Adamawa	125.4	114.5	90.7	45.9	125.5	5.5	29.0	8.5
Akwa Ibom	850.0	492.7	58.0	130.6	357.0	10.5	21.4	0.6
Anambra	410.1	513.0	76.5	64.4	176.1	5.0	57.5	36.0
Bauchi	350.2	178.9	59.6	18.7	105.7	5.5	48.2	24.2
Bayelsa	489.4	257.8	52.7	185.7	507.8	7.8	25.7	3.3
Benue	225.7	115.2	51.0	33.8	92.8	3.6	25.6	4.7
Borno	358.7	142.3	39.7	51.6	140.9	9.1	52.4	31.5
Cross River	297.0	154.0	51.9	66.4	183.8	5.2	(2.3)	(10.8)
Delta	725.0	408.4	56.3	109.8	297.7	8.7	26.3	5.1
Edo	299.0	132.8	65.1	61.5	168.1	4.9	46.3	23.4
Edo	342.8	178.0	51.9	70.7	194.0	5.0	6.7	(14.2)
Ekiti	159.5	70.2	44.0	41.7	114.0	3.3	40.5	15.5
Enugu	521.5	414.3	79.4	101.7	277.8	8.7	213.0	192.2
Gombe	208.1	120.7	58.0	54.4	148.0	5.5	18.2	(4.2)
Imo	592.2	491.2	82.9	93.2	254.6	8.7	24.8	3.5
Jigawa	298.1	175.4	58.8	44.2	120.8	6.8	61.1	39.9
Kaduna	458.3	318.8	69.6	47.8	130.5	6.0	21.7	(0.3)
Kano	437.3	215.8	49.3	28.3	77.8	5.8	63.1	40.9
Katsina	454.3	330.0	72.6	49.9	136.5	8.8	56.9	36.7
Kebbi	250.1	159.4	63.7	48.2	131.7	7.3	49.8	27.9
Kogi	258.2	112.5	43.6	40.6	115.6	4.4	50.0	25.0
Kwara	256.4	180.8	70.5	79.8	218.1	4.9	57.0	36.4
Lagos	2,246.0	1,229.0	54.5	152.3	416.2	4.5	27.0	3.2
Nasarawa	199.9	82.7	41.4	68.1	186.1	3.7	33.9	12.9
Niger	614.0	464.1	75.6	93.1	254.4	8.7	152.0	130.5
Ogun	799.0	415.7	59.1	114.1	311.8	9.2	48.9	26.6
Ondo	395.3	222.3	56.2	72.8	198.8	5.2	43.2	29.3
Osun	273.0	108.3	39.3	49.5	135.4	5.2	96.1	77.0
Oyo	418.4	224.9	53.8	47.1	128.7	5.8	41.2	17.4
Plateau	314.8	152.5	48.4	65.4	178.8	5.0	109.3	49.2
Rivers	800.4	412.3	51.5	92.3	252.3	9.1	46.9	23.2
Sokoto	170.0	172.2	69.8	46.5	126.9	5.8	36.0	15.2
Taraba	313.4	139.7	63.7	88.3	241.5	8.8	80.9	40.5
Yobe	217.0	122.8	56.6	55.2	150.0	6.5	38.1	12.1
Zamfara	426.5	304.8	71.5	80.4	219.7	10.1	130.7	109.5
A. All States	16,142.5	9,660.2	59.8	72.6	198.4	5.5	46.6	23.6
B. Federal Government	28,777.4	9,995.1	34.7	126.2	344.9	9.7	15.9	(7.0)
C. TOTAL NIGERIA (National)	44,919.9	19,655.4	43.8	197.0	538.3	15.2	25.3	2.4

DATA SOURCES:

- FGN budgets obtained from the Appropriation Bill presented by the President to the joint session of the National Assembly, on Wednesday, November 29, 2023 and passed by the Senate on December 30, 2023
- States' budget obtained from various news sources and respective States' websites
- Historical Nigeria's population obtained from NPopC and NBS
- 2024 forecasts of National Population, GDP and Inflation obtained from the IMF WEO, October, 2023
- State population forecasts obtained by applying respective State's population growth rate to project the historical figures forward
- States' expected inflation for 2024 computed as equal-weighted average of last 3 years inflation from NBS
- State GDP are projected from the 2023 edition of Nigeria In Figures: A Socio-Economic Databook (see: figures.adsrng.com/ and states-forecasts.adsrng.com/)

SELECTED ADSR PUBLICATIONS IN 2023

SN	Document Title	Link for downloads
1	ADSR Year-end Series - 2023 in Perspective	https://adsrng.com/download-material/29
2	Analysts' Monthly Review Vol. 5 Issue 1, January, 2023	https://adsrng.com/download-material/33
3	Analysts' Monthly Review Vol. 5 Issue 2, February, 2023	https://adsrng.com/download-material/36
4	Cobra Effects and Naira Redesign: Lessons for Policymakers	https://adsrng.com/download-material/37
5	Roles of Data in Sub-National Development Planning Process	https://adsrng.com/download-material/56
6	Forecasting Sub-National Economic Performance: A Product Showcase	https://adsrng.com/download-material/57
7	A Guide to Setting-Up States' Transition Committee with Comprehensive Data Collection Templates	https://adsrng.com/download-material/58
8	Nigeria in Figures: A Socio-economic Databook	https://figures.adsrng.com/
9	Highlights of Macroeconomic Performance under Nigerian Presidents Since 1999	https://adsrng.com/download-material/63
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11	Addressing Nigeria's Socioeconomic Challenges through Planning	https://adsrng.com/download-material/65
12	An Analysis of the First 60 Days of President Bola Ahmed Tinubu's Administration	https://cmconnectllp.com/cm-connect-llp-perception-survey-report-august-2023/
13	How CBN's Forex Restriction on 43 Items Affects Nigeria's Import and Its Borders	https://adsrng.com/download-material/69
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23	FGN Budgets: Naira VS Dollars?	https://adsrng.com/download-material/80
24	Achieving a Democratic Developmental State in Nigeria: A Case for a New Public-Private Interface Framework	https://shorturl.at/gizJQ
25	Outlook and Opportunities for Fund Management Business	https://shorturl.at/ctBTZ
26	Analysts' Case Studies: GlaxoSmithKline (GSK)	https://shorturl.at/euzBR
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30	Budgeting for the Citizens	https://adsrng.com/download-material/84

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