

PRESS RELEASE

FEDERAL MINISTRY OF FINANCE

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**FG, States, LGs Share N5.446 Trillion From Federation Account In 2008**

Revenue amounting to N5,446,032,479,115 was disbursed among the three tiers of government from the Federation Account in 2008 by the Federation Accounts Allocation Committee (FAAC) chaired by the Honorable Minister of State for Finance (HMSF), Mr. Remi Babalola.

Statutory allocation, according to the details provided by the Office of the HMSF at the weekend in Abuja, accounted for N3,967,537,513,900 (about 72.8 per cent) of the total revenue distributed last year from the Federation Account.

Budget augmentation through the Domestic Excess Crude Savings Account amounting to N1,073,967,165,897 and five per cent Value Added Tax (VAT) of N404,527,809,317 were also distributed from the Federation Account.

The Federation Account is a pool account where all federally collected revenues are paid as required by the 1999 Constitution and distributed among the federal, state and local governments.

The Federal Government had in 2008 projected an aggregate receipt of N4.529 trillion into the Federation Account. Oil-related revenue was expected to amount to N3.606 trillion or 80 per cent of this sum while non-oil sources of revenue were to account for the balance of N923 billion or 20 per cent.

The increase in revenue into the Federation Account was buoyed by the high oil crude prices in the international market which peaked at \$147 per barrel in July 2008, before the oil price recession in the last quarter of the year which was occasioned by the global economic crisis.

The HMSF's Office also confirmed that the sum of N2.476 trillion was transferred to the Excess Crude, Petroleum Profit Tax and Royalty Accounts last year.

The minister reiterated the need to diversify the economy from oil to non-oil resources in view of the oil price recession.

He noted that de-linking public expenditure from oil revenue earnings was necessary to protect government's expenditure against the volatility of the crude oil price and ensure better management of the economy and the oil resources.

The oil based fiscal rule allows the government to save proceeds from oil revenue above the budget benchmark and invest the proceeds.

"Nigeria's revenue volatility is directly correlated to its dependence on oil proceeds for the bulk of its fiscal revenues, with over 80 per cent of all federally collected revenues related to oil.

"It is regrettable that the nation's over-dependence on oil and its volatility complicates monetary and exchange rate policies. This volatility adversely affected the real growth rate of Nigeria's

Gross Domestic Product by inhibiting investment, productivity and reducing public and private investments.”

The minister had during the last FAAC meeting in January hinted that excess crude proceeds would no longer be shared at the monthly meeting.

He said, “This is the last monthly distribution of not-less-than N407 billion as downward adjustments will be made from next meeting hinging on slightly lower production volume and significantly lower benchmark.

“We have all agreed these are great times calling for the best in all of us and not the period for sharing excess crude earnings. Our strategic imperatives to the downside risks include the preservation of macro-economic stability, while focusing on strong foundation for superior growth post 2010.”

Out of the total N5.446 trillion distributed from the Federation Account in 2008, the Federal Government received N2.213 trillion (about 40.6 per cent) made up of statutory allocation of N1.705 trillion, budget augmentation of N453.16 billion and VAT of N54.368 billion.

The 36 States of the federation and the Federal Capital Territory were paid N1.992 trillion, which include statutory allocation of N1.396 trillion, budget augmentation of N398.618 billion and VAT of N198.057 billion.

FAAC also disbursed N1.051 trillion to the 774 local governments; N43.284 billion to FGN Derivation and Ecology; N21.642 billion to Stabilisation Account; and N72.717 billion for the development of natural resources.

Both the Federal Inland Revenue Service and the Nigeria Customs Service were paid N32.854 billion and N19.688 billion, respectively, being cost of collections.

State-by-State analysis of the revenue distributed from the Federation Account showed that Rivers State received the highest allocation of N251.377 billion; closely followed by Akwa Ibom, Bayelsa and Delta States which were paid N167.216 billion, N116.447 billion and N115.799 billion, respectively.

Others include: Lagos State (N77.791 billion); Ondo (N67.123 billion); Kano (N57.975 billion); FCT (N47.167 billion); Kaduna (N45.743 billion); Imo (N45.587 billion); Cross River (N45.585 billion); and Borno (N42.465 billion).

TABLE 1:

SUMMARY OF REVENUE DISTRIBUTED FROM FEDERATION ACCOUNT IN 2008

S/N	BENEFICIARIES	Statutory Allocation N' Billion	Domestic Crude Augmentation N' Billion	Value Added Tax N' Billion	TOTAL N' Billion
1	Federal Government	1,705.148	453.160	54.368	2,212.677
2	States & FCT	1,395.802	398.618	198.057	1,992.477
3	Local Govts	722.258	192.476	135.921	1,050.656
4	Derivation & Ecology	33.940	9.343	-----	43.284
5	Stabilization	16.970	4.672	-----	21.642
6	Development of Natural Resources	57.019	15.697	-----	72.717
7	Cost of Collection (Customs)	19.688	-----	-----	19.688
8	Cost of Collection (FIRS)	16.673	-----	16.181	32.854
9	Customs/FIRS Refund/Fee	7.887	-----	-----	7.887
10	FIRS Stamp Duty Refunds	29.684	-----	-----	29.684
	<b>GRAND TOTAL</b>	<b>3,967.537</b>	<b>1,073.967</b>	<b>404.528</b>	<b>5,446.032</b>

Statutory Allocation = N3.967 trillion  
Domestic Crude Augmentation = N1.074 trillion  
Value Added Tax = N404.528 billion  
Federal Government = N2.213 trillion  
States & FCT = N1.992 trillion  
Local Govts = N1.050 trillion

TABLE 2:

TRANSFER TO THE EXCESS CRUDE, PETROLEUM PROFIT TAX AND ROYALTY ACCOUNTS IN 2008

S/N	2008 Month	TOTAL N' Billion
1	January	253.291
2	February	258.528
3	March	176.919
4	April	145.52
5	May	171.13
6	June	280.93
7	July	364.13
8	August	300.19
9	September	214.33
10	October	209.21
11	November	52.73
12	December	49.04
	<b>Grand Total</b>	<b>2,475.948</b>

**Table 3: Detail Summary of Revenue Distributed for 2008**

SUMMARY OF REVENUE DISTRIBUTED FOR 2008					
S/N	STATE	STATUTORY	AUGMENTATION	VAT *	TOTAL
		ALLOCATION	FOR THE YEAR		
		=N=	=N=	=N=	=N=
1	ABIA	27,395,751,309.81	7,595,712,531.17	4,217,482,959.33	39,208,946,800.32
2	ADAMAWA	25,303,383,452.36	6,744,383,529.91	4,125,460,973.17	36,173,227,955.44
3	AKWA IBOM	123,499,300,838.56	38,987,199,727.66	4,729,339,336.35	167,215,839,902.57
4	ANAMBRA	25,512,292,040.07	6,799,334,671.95	4,672,376,420.14	36,984,003,132.17
5	BAUCHI	29,413,319,130.91	7,837,137,172.34	4,878,559,877.89	42,127,016,181.14
6	BAYELSA	85,828,869,663.44	26,954,004,709.09	3,664,566,163.02	116,447,440,535.55
7	BENUE	27,319,206,621.60	7,281,667,627.38	4,861,242,535.77	39,262,116,784.75
8	BORNO	29,903,043,930.98	7,967,488,902.18	4,594,746,529.38	42,465,279,362.54
9	CROSS RIVER	32,328,137,938.50	9,148,512,526.26	4,108,215,954.04	45,584,866,418.80
10	DELTA	84,501,911,195.96	26,175,875,249.29	5,121,649,390.60	115,799,435,835.85
11	EBONYI	21,063,765,987.86	5,816,606,776.54	3,779,225,426.21	30,459,598,190.61
12	EDO	25,150,775,283.61	6,769,319,441.64	4,263,723,585.06	36,183,818,310.31
13	EKITI	21,186,817,365.57	5,647,650,976.15	3,855,382,109.23	30,689,850,450.95
14	ENUGU	23,807,086,048.76	6,344,779,600.84	4,774,401,286.37	34,926,266,915.97
15	GOMBE	22,277,446,875.12	5,936,717,480.65	3,814,362,324.04	32,028,526,679.80
16	IMO	32,093,892,674.89	8,969,122,703.58	4,524,084,596.11	45,587,199,974.58
17	JIGAWA	27,939,326,273.97	7,446,241,203.28	4,773,781,260.50	40,159,348,737.75
18	KADUNA	31,721,603,536.03	8,452,588,023.60	5,569,323,686.50	45,743,515,246.22
19	KANO	39,515,622,985.53	10,526,767,234.02	7,932,577,353.70	57,974,967,573.24
20	KATSINA	30,239,297,055.55	8,057,695,282.55	5,321,082,041.30	43,618,074,379.40
21	KEBBI	25,263,077,133.39	6,731,417,866.60	4,213,353,523.64	36,207,848,523.63
22	KOGI	25,242,614,496.15	6,722,523,799.78	4,223,775,928.35	36,188,914,224.28
23	KWARA	22,985,495,250.61	6,124,800,295.45	3,897,553,576.50	33,007,849,122.55
24	LAGOS	36,025,065,306.06	9,601,061,699.46	32,165,201,389.75	77,791,328,395.29
25	NASSARAWA	21,579,101,826.03	5,750,875,431.48	3,843,148,044.89	31,172,925,302.41
26	NIGER	29,378,206,120.12	7,828,053,314.80	4,442,423,652.93	41,648,683,087.85
27	OGUN	24,592,809,772.84	6,553,362,191.19	4,622,652,058.28	35,768,824,022.31
28	ONDO	48,324,504,721.74	14,405,317,450.70	4,393,262,706.04	67,123,084,878.47
29	OSUN	23,480,998,993.98	6,233,318,578.41	4,273,405,529.13	33,987,723,101.52
30	OYO	29,409,102,172.89	7,837,196,218.47	5,575,891,567.67	42,822,189,959.02
31	PLATEAU	24,781,458,088.72	6,603,631,549.23	4,134,412,492.03	35,519,502,129.98
32	RIVERS	184,260,935,274.45	58,832,906,333.17	8,282,968,971.91	251,376,810,579.53
33	SOKOTO	26,314,813,440.94	7,013,168,135.27	4,525,406,680.56	37,853,386,256.77
34	TARABA	24,856,214,815.18	6,623,630,290.99	4,002,943,901.29	35,482,789,007.46
35	YOBE	24,563,079,926.69	6,544,228,389.96	3,980,835,229.92	35,088,143,546.56
36	ZAMFARA	24,803,444,638.12	6,610,334,280.09	4,216,529,430.88	35,630,308,349.08
37	FCT-ABUJA	33,940,280,546.87	9,343,514,256.31	3,883,466,969.45	47,167,261,772.63
	SUB-TOTAL	1,395,802,152,733.84	398,617,945,451.54	198,056,815,441.91	1,992,476,913,627.29
38	FGN	1,705,148,207,067.86	453,160,441,430.95	54,368,537,572.29	2,212,677,186,071.10
39	LOCAL GOVTS	722,258,594,208.96	192,476,393,679.95	135,921,343,930.72	1,050,656,331,819.63
40	FGN DERVT & ECOLOGY	33,940,280,546.87	9,343,514,256.31		43,283,794,803.18
41	STABILIZATION A/C	16,970,140,273.44	4,671,757,128.16		21,641,897,401.60
42	DEV. OF NAT. RESOURCES	57,019,671,318.74	15,697,103,950.60		72,716,775,269.34
43	COST OF COLLECTION - NCS	19,687,877,199.42			19,687,877,199.42
44	COST OF COLLECTION - FIRS	16,673,018,698.50		16,181,112,372.71	32,854,131,071.20
45	CUSTOMS/FIRS REFUND/FEE	7,887,329.77			7,887,329.77
46	FIRS STAMP DUTY REFUNDS	29,684,522.93			29,684,522.93
	GRAND - TOTAL	3,967,537,513,900.33	1,073,967,105,807.51	404,527,809,317.63	5,446,032,479,115.47