



# Highlights of the 2023 Approved Budget

January 2023

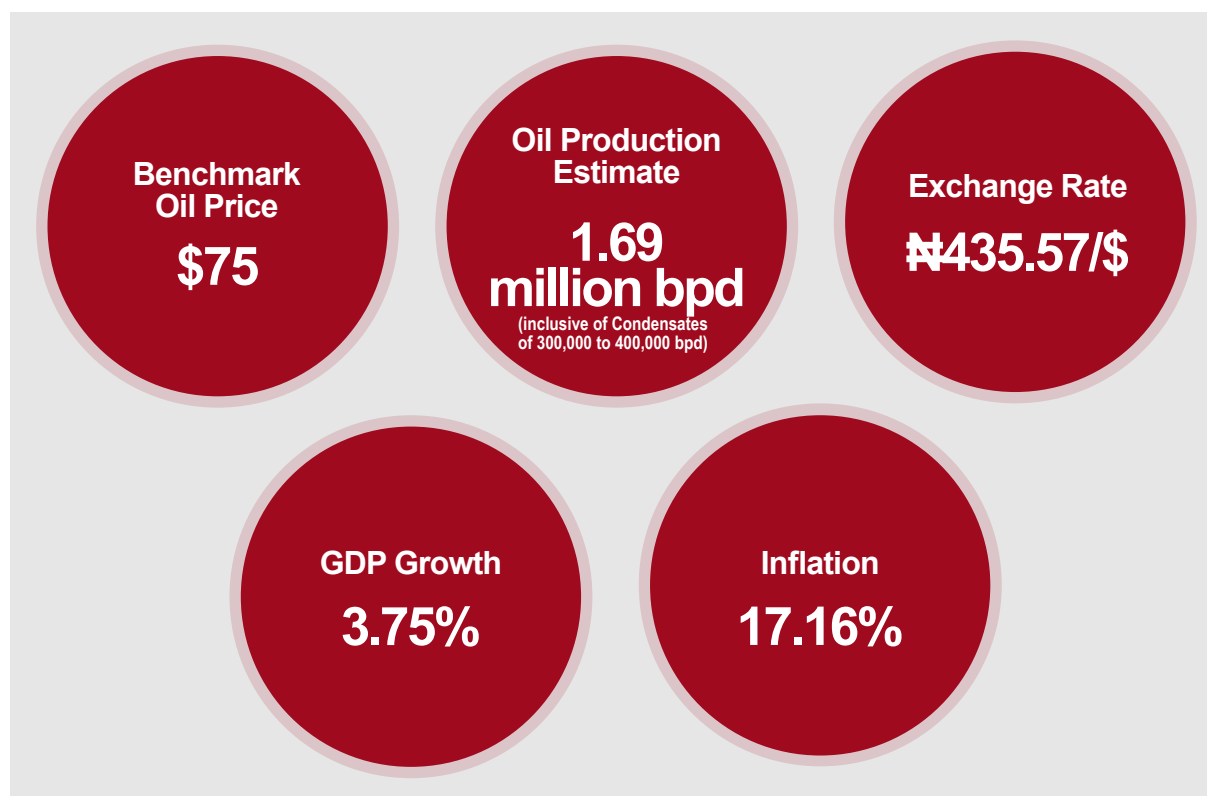


[ng.andersen.com](http://ng.andersen.com)

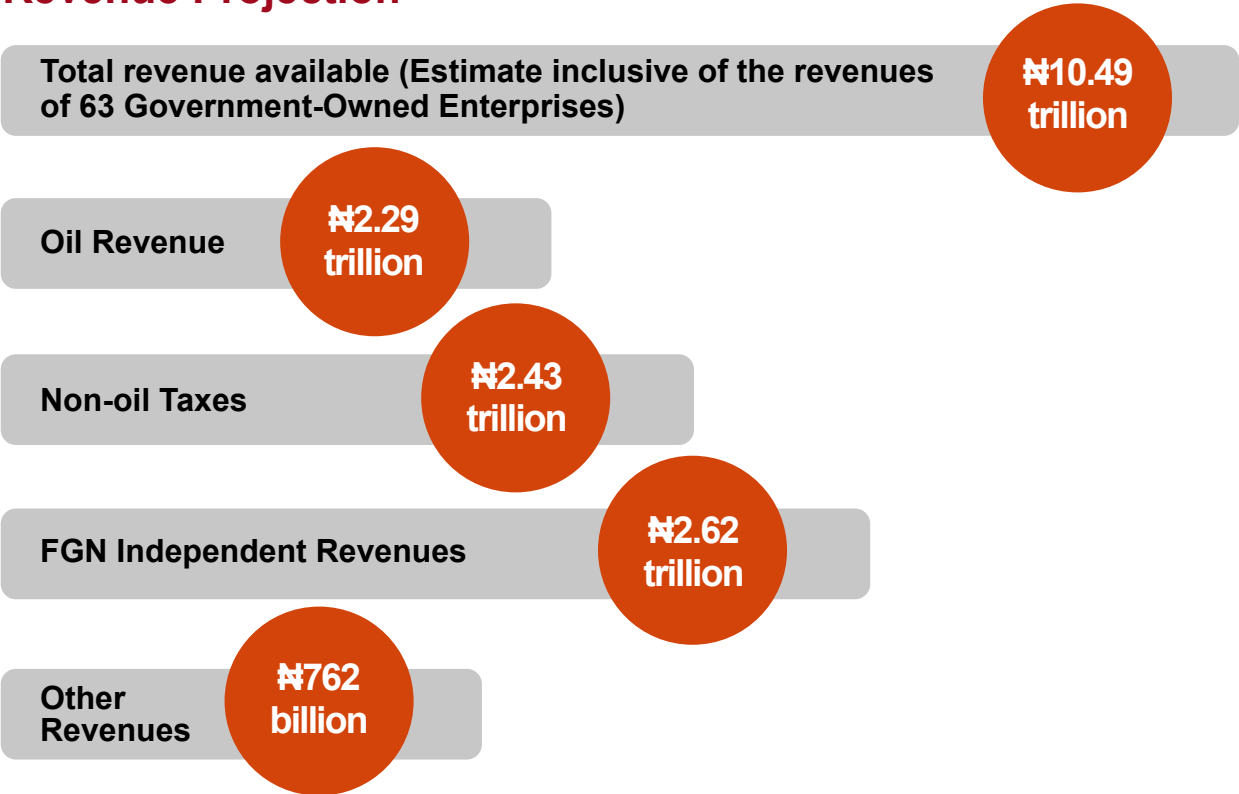
On 3 January 2023, President Muhammadu Buhari signed the 2023 National Budget into law. The 2023 Budget themed Budget of Fiscal Consolidation and Transition will be the last budget to be signed by the current administration.

We have summarised the key highlights of the budget proposal below:

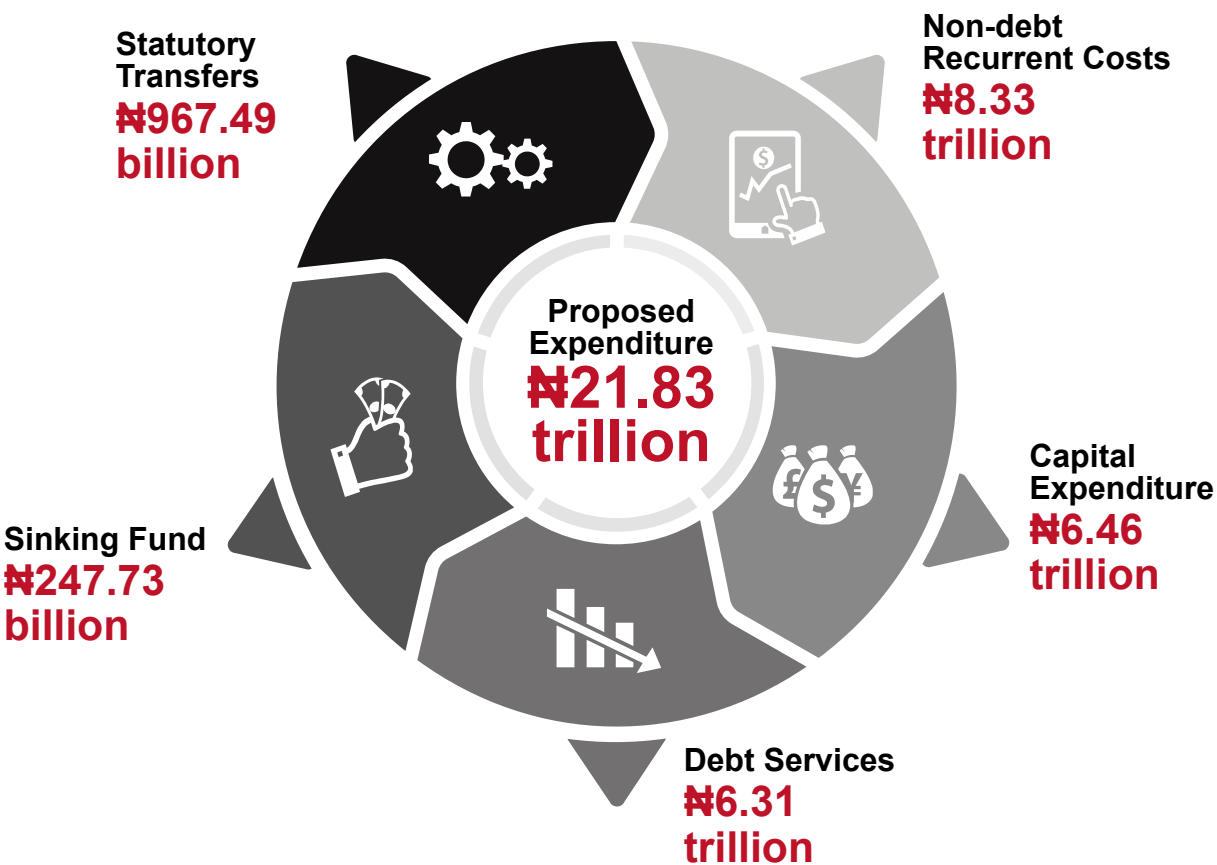
## Key Parameters & Assumption Underpinning the 2023 Budget



## Revenue Projection



## Planned 2023 Expenditure



## Budget Deficit

The total fiscal operations of the Federal Government will expectedly result in a deficit of ₦11.34 trillion. This represents 5.78% of estimated GDP which is above the 3% threshold set by the Fiscal Responsibility Act 2007.

The deficit is expected to be funded as shown below:



## Federal Government Strategic Revenue Growth Initiative

- **Tax Revenues**

The Federal Government intends to strengthen the tax system over the medium term by improving collection efficiency, enhancing compliance and reorganizing the business practices of revenue agencies as well as employing appropriate technology. The Federal Government has also stated that efforts will be made to bring more businesses in the informal sector into the tax net.

- **Customs Revenues**

The Government intends to introduce frameworks for recovering duties, taxes and appropriate fees from transactions conducted over electronic networks. The Federal Government has expressed commitment towards enhancing port efficiency, strengthening anti-smuggling measures, reviewing tariffs and waivers, and issuing more licenses to build modern terminals in existing ports especially outside Lagos.

- **Independent Revenues**

In a bid to enhance independent revenue generation and collection, the Government intends to maximize the potential of Government Owned Entities (GOEs) and also optimize their operational and collection efficiency.

The Federal Government also intends to deploy technology and ICT solutions to ensure compliance and enhance existing and new revenue streams.

## Other Key Highlights of the 2023 Budget Speech by President Muhammadu Buhari

- **Innovations in Infrastructure Financing**

Considering the huge outlay of resources required to close current infrastructure gaps in Nigeria and boost its economic performance, the Government intends to develop projects that are eligible for Public Private Partnerships (PPP) by their nature for private sector participation in 2023.

- **Boosting Manufacturing Performance**

The Government intends to improve the performance of the manufacturing sector in Nigeria by ensuring effective implementation of policy measures aimed at positioning the manufacturing sector to generate more foreign exchange in the near future. The Government also expressed commitment to improving the business environment to stimulate local and foreign investment.

- **Safe Schools Initiative**

The Federal Government of Nigeria ratified the Safe Schools Declaration in 2019. The Safe School Declaration is an initiative of the United Nations which seeks to ensure the continuity of safe education during armed conflicts. To fulfill Nigeria's commitment under the Safe School Declaration, the President announced that a total of ₦15.2 billion has been specifically provided to scale up current measures to provide safer and conducive learning environment in Nigerian schools in the 2023 Budget.





- **Defence and Internal Security**

The President stated in the budget speech that the Nigerian Government remains firmly committed to the security of life, property and investment across the country. Accordingly, the Federal Government intends to continue to accord defence and internal security top priority in 2023. According to the President, current efforts to properly equip and motivate personnel in the armed forces, police and paramilitary units will be sustained.

- **Women's Empowerment**

The Government intends to continue to prioritise women's empowerment programmes across various MDAs in 2023. This is to harness the potential of all Nigerian women and enable them to productively contribute to the economy.

- **Food Prices**

The President stated that the Government is very concerned about high food prices in the country and that various measures are being implemented to address structural factors underlying the issue. The Government also intends to step-up current efforts aimed at boosting food production and distribution in Nigeria.

- **Ensuring Fiscal Sustainability**

To ensure fiscal sustainability, the Government intends to further improve the Nigerian business enabling environment, accelerate current revenue-based fiscal consolidation efforts and strengthen the Country's expenditure and debt management.

- **Finance Bill 2022**

The President highlighted that the current tax and fiscal laws are being reviewed to produce a Finance Act, 2022 in line with the Government's plan to accompany annual budgets with Finance Bills, partly to support the realization of fiscal projections.

We will continue to monitor developments on the Finance Act and provide more details in subsequent publications.



***For further information, please contact;***

**Adeyemi Adediran**

**Partner**

Commercial Practice

E: [adeyemi.adediran@ng.andersen.com](mailto:adeyemi.adediran@ng.andersen.com)

**Temitope Kolade**

**Senior Manager**

Oil, Gas & Power

E: [temitope.kolade@ng.andersen.com](mailto:temitope.kolade@ng.andersen.com)

**Patience Aliu**

**Manager**

Tax Advisory & Regulatory Services

E: [patience.aliu@ng.andersen.com](mailto:patience.aliu@ng.andersen.com)

***ng.Andersen.com***

***Connect with us***



**COVID-19 Notice:**

*At Andersen in Nigeria, our staff and clients are our most valued assets, regardless of any prevailing circumstances. Thus, we are fully committed to providing services to our clients at the same high standard as before, whilst taking all necessary precautions. Given the regulatory issues around COVID-19, our teams are working remotely but we have implemented measures to ensure that we are able to communicate with you effectively, whether this be through video/tele-conferencing or other alternative means.*

*Thus, as we keep hope alive and trust that business gradually stabilizes in no distant time, we encourage you to contact us and lean upon our professionals for assistance in connection with the ongoing changes in laws and regulations, particularly those introduced in response to the Pandemic.*

***Setting the trend. Shaping the future.***

© 2022 Andersen Tax LLC and Andersen Tax LP. All Rights Reserved. Andersen Tax LP is a Nigerian member firm of Andersen Global, a Swiss verein comprised of legally separate, independent member firms located throughout the world providing services under their own name or the brand "Andersen Tax" or "Andersen Tax & Legal."