

# **OUR MOMENT OF ECONOMIC RECONSTRUCTION IS HERE!**

**BEING AN ADDRESS BY HIS EXCELLENCY,  
MR. UDOM EMMANUEL, GOVERNOR, AKWA IBOM  
STATE ON THE OCCASION OF THE PRESENTATION  
OF THE 2021 BUDGET PROPOSALS TO AKWA IBOM  
STATE HOUSE OF ASSEMBLY, UYO, 20<sup>TH</sup> OCTOBER, 2020**

## **PROTOCOL**

**Mr. Speaker and Honourable Members**

## **INTRODUCTION**

1. We are gathered here in this Hallowed Chamber as we have done in the last five and half years to perform this constitutionally ordained and critical assignment: The presentation of the Estimates of our Expenditures for the Fiscal Year, 2021. On behalf of the Executive Arm of Government, I thank you for the warm welcome you have accorded us.
2. Thirty three years after God granted our fervent prayers to have a State of our own, united in love, shaped and distilled by a shared destiny and bound by the enduring cords of brotherhood, our State has witnessed monumental gains across various sectors.
3. The two Chambers (Legislative and EXCO) have worked in close partnership to accelerate the wheel of progress of our dear State and of our people. Even though we have, as expected, experienced the challenges associated with governance especially given the harsh effects on the

economic horizon due to the Covid-19 pandemic, I am proud to state here unequivocally Mr. Speaker and Honourable Members of this Hallowed Chamber, that the Fundamentals of our growth remain strong, solid and absolutely resilient.

4. Mr. Speaker, permit me to on behalf of the Executive Arm, thank you and the Honourable Members of the 7<sup>th</sup> Assembly for the great work you have done to advance the interest of our dear State and our people. Like the 6<sup>th</sup> Assembly, you have proven yourselves to be wholly invested and committed to the growth and development of our people. You have worked in close collaboration and partnership with the Executive Arm of Government to rewrite the AkwaIbom story, adorning each chapter with great and spectacular successes that have marveled and confounded even our naysayers and inveterate critics.

5. While we read of acrimonious and contentious relationships between the Legislative and the Executive Arms elsewhere, here in our State, due to our avowed desire to raise the bar on the development of our State; to refocus the mind-set of our people and engender an entrepreneurial spirit; because of the urgency we place in preparing our children to face a competitive world of modern day technologically driven economy where skills and innovations are the key drivers and propelled by our undisguised passion to erect enduring infrastructural amenities for the common good of all; to have a healthy population that would drive our industrialization agenda, because of our uncompromising dedication to producing enough food to feed our people and to ensure a better quality of life for them as well as a safe and secure environment, we stand today, as partners in the

AkwaIbom collective Enterprise as opposed to being adversaries driven by small thoughts or ancient and primordial animosities.

## **REVIEW OF THE PERFORMANCE OF 2020 BUDGET**

6. Mr. Speaker, a total of ₦597.735 billion was approved for 2020 Fiscal Year. Later in the year, our budget was reviewed downwards due to the negative impact of the Corona Virus on the national and indeed global economy. Consequently, a revised budget of ₦366.000 billion was approved for 2020 Fiscal Year made up as follows:-

Recurrent Expenditure	- ₦104.224 billion
Capital Expenditure	- ₦188.942 billion
Consolidated Revenue Fund Charges	- ₦72.834 billion
<b>Total</b>	<b>= ₦366.000 billion</b>

7. As at September, 2020, the actual Recurrent Revenue Collected was N146.699 billion representing 96.1% of the prorated approved provision within the same period. Another sum of N42.719 billion was realized from other Capital Receipts excluding recurrent surplus representing 35.1%. A breakdown of Recurrent Revenue shows that N21.612 billion was realized from internal sources. This represents 94.3%. N27.121 billion from Statutory Allocations, or 109.6%. N11.286 billion from Value Added Tax (VAT) representing 100.3%. N12.728 billion from Excess Crude, Exchange Gain, Augmentation/others representing 113.1% and N73.953 billion from Derivation representing 89.6% of the prorated approved provision within the same period.

8. In re-appraising expenditure, a total of N83.382 billion was spent on Recurrent Services which include Personnel Costs N33.522 representing 81.3%. Overhead Costs N14.109 billion representing 38.2%. Consolidated Revenue Fund Charges N35.751 billion representing 65.4% of the prorated provision.

9. A total of N84.054 billion was spent on Capital programmes within the period representing 59.3 percent. Our Capital Budget Expenditure is described in details in the Budget Implementation Report, which has been prepared to facilitate your consideration of the Draft 2021 Budget.

### **THE IMPACT OF CORONA VIRUS ON THE IMPLEMENTATION OF 2020 BUDGET**

10. Mr. Speaker and the Honourable Members of this Hallowed Chamber, since December last year, when the Covid-19 hit the City of Wuhan, in China and quickly spread to every corner and cranny of the world, every known element of the human condition has not been the same. Almost the entire world as we know it was under complete lockdown to stem the rapid spread of the deadly virus. All economic activities and our ways of life also came to a virtual standstill. Today, the world is still battling economic challenges. Even the developed economies are contracting with soaring unemployment rates and inflation.

11. I have always said that even though the Corona Virus pandemic may not kill as many people in Africa as it is doing elsewhere, the greatest challenge we may face will be on the economic front, and that is what is currently happening all over the nation. Our almost mono- export economy

based on oil, took a hit as oil prices crashed to the lowest level in recent years.

12. As a leading oil producing State in the nation, we were and are still adversely affected and this has resulted in reduced Federal Allocations which in the main affected the implementation of the 2020 Budget.

13. But in spite of these challenges, we were still able to make great strides for our people across sectors. In the health sector, we have recorded tremendous achievements. Today, because of our proactive stance and the huge investments in providing solid infrastructures such as PCR laboratories, the Infectious Diseases and Isolation Center in ItukMbang, the training given to our able and committed medical professionals, our State has recorded one of the lowest rates of infection and deaths in the nation. We have reconstructed and remodeled hospitals across the ten Federal Constituencies and equipped them with world class amenities, with plans to commission those in IkotAbasi and IkotEkpene respectively next year.

14. We have recorded giant strides in aviation development with the addition of two aircrafts to the fleet of Ibom Air, bringing the total to five. We have continued to expand our infrastructures through the dualization of more economically viable roads.

15. In the agriculture sector, we are producing enough food to feed our people and this strategic approach came in handy during the lockdown when we were able to go into our Food Reserves and brought out staple food items produced here to give to our people as palliatives.

16. We remain committed to preparing our children to face the technologically driven world of the 21 Century economy through the provision of generous grants as well as the payment of the WAEC fees, the remodeling and equipping of blocks of classroom and holding teachers accountable for the success or otherwise of their students.

17. The recommendations of the first ever Education Summit held last year will be implemented in phases. Already, we have brought in a globally renowned educationist, a son of our soil, Professor Hilary Inyang to help rejig our curriculum in line with global standards.

### **THE 2021 BUDGET**

18. Mr. Speaker and Honorable Members, as in the past years, the 2021 Budget is prepared in accordance with International Public Sector Accounting Standard (IPSAS) – Accrual Template. This is a comprehensive package that classifies transactions into Revenue, Expenditure, Asset and Liabilities, thus aiding effective and efficient financial analysis.

19. Mr. Speaker and Honorable Members, the 2020 Budget was named the **"Budget of Industrialization for Poverty Alleviation II"**, and the focus of that budget was to begin the process of actualizing the Completion Agenda of this Administration, which is hinged basically on achieving rapid industrialization of this State. The 2021 budget aims to continue this actualization process fully cognizant of the new reality that Covid-19 pandemic, with decreased wages and harsh economic tail wind has presented to the world. The 2021 Budget is therefore, christened **"Budget of Economic Reconstruction."** It is our earnest belief that at the end of

the Budget Year, the State will have moved very close to actualizing the dreams and aspirations of this Administration, which is to transform this State from a "Civil Service" State to an industrialized one.

### **POLICY THRUST AND OBJECTIVES**

20. The policy thrust of the 2021 Budget will focus on the key pillars of the Completion Agenda. The objective is to ensure that we rapidly industrialize this State and open up new areas of growth and development through intense and coordinated efforts to increase our internally generated revenues and be less dependent on Allocations from the Federal Government, which was the main thrust of recommendations by the Post-Covid -19 Economic Reconstruction Committee I had set up earlier this year.

21. Education, as a key component of the Human Capital Development of our Competition Agenda will be given a pride of place. Our children must be made ready to compete with their peers and distilled to be a part of the global march to apply science and technology to create job and wealth for themselves. Our children are highly gifted and innovative and we must provide the enabling environment for them to achieve their potentials.

22. Our civil servants must also be exposed through rigorous training and retraining on the current trends in public administration. We desire to have an agile and efficient public service to help drive our Completion Agenda

23. We will intensify our investments in healthcare delivery by completing among other key elements, the construction and commissioning of the General Hospitals in IkotAbasi and IkotEkpene respectively. We will remain

proactive in ensuring that we reduce the incidence of communicable diseases.

24. Our infrastructural renaissance will continue to receive critical attention. I have always said that for development anchored on industrialization to take roots, we must invest heavily in Land, Air and Sea infrastructures. You will agree with me that we have achieved a lot in the area of road infrastructures as can be seen from the economically viable dualized roads we have constructed throughout the three senatorial districts.

25. Our Air infrastructure-Ibom Air today is the pride of the nation and we are working hard to ensure that we realize the Ibom Deep Seaport project in the life of this Administration.

26. Our strategy for the development of this State has been the need to rapidly industrialize her, and create employment and wealth opportunities for our people. We have done exceedingly well in this regard through the over 20 industries we have attracted so far to this State, more of which would have been attracted, if we were not hit by the Covid-19 pandemic. As the world opens up post Covid-19, we will accelerate our pace in this area and continue to attract viable industries that would help with our strategic and sustainable developmental plans. We remain committed to the realization of our plans on "Power for All" by 2021

27. We will spare no expense in ensuring that our State continues to enjoy the peace and development that we are nationally known for. Our security agencies have been great partners in this regard and we hope to

continue to work hand in gloves to protect the lives and property of our citizens and, thus help attract more investors and tourism to our dear State.

28. We will continue to encourage the development of our rural and riverine areas so as to stem the rural-urban migration through the provision of electricity, feeder roads and the promotion of mechanized agriculture.

29. Our youths and women would be empowered through various agencies of development we have established. I want to commend the youths for rising to the faith of their greatness and forsaking cultism and other anti-social tendencies. We will do all we can to ameliorate their pains.

### **HIGHLIGHTS OF THE 2021 BUDGET**

30. The 2021 Budget is predicated on an oil benchmark of \$40 per barrel at a production rate of 1.86 million barrels per day, with an estimated exchange rate of N379/US\$, in line with the National Budget benchmark projections.

### **BUDGET SIZE:**

31. Government has proposed a total budgetary outlay of **N435.652billion** for the 2021 Financial Year as against the approved revised provision of N366.000billion of 2020

This is made up of:

Recurrent Expenditure	– N158.403 billion
Capital Expenditure	– N226.964 billion

Consolidated Revenue Fund Charge	– N50.285 billion
<b>TOTAL</b>	<b>– N435.652 billion</b>

**REVENUE:**

32. The total projected Recurrent Revenue for 2021 is estimated at **N255.003** billion as against the approved revised provision of N203.556 billion for 2020.

The breakdown is as follows:

Internally Generated Revenue (IGR)	– N36.295billion
Statutory Allocation	– N36.000billion
Derivation Fund	– N140.000billion
Excess Crude, Exchange Gain, Augmentation and Others	– N25.000billion
Retained Revenue from Parastatals	– N 1.708billion
Value Added Tax (VAT)	– N16.000billion
<b>TOTAL</b>	<b>– N255.003billion</b>

**RECURRENT EXPENDITURE:**

33. For the 2021 Fiscal Year, Recurrent Expenditure, which is proposed at **N208.688** billion, is made up of:

Personnel Costs	– N56.542billion
Overhead Costs (Including Social Benefits - Pension and Gratuity)	– N101.861billion
Consolidated Revenue Fund Charges	– N 50.285billion
<b>TOTAL</b>	<b>– N 208.688billion</b>

## **CAPITAL RECEIPTS AND EXPENDITURE:**

34. The total Capital Receipts and Expenditure for the year 2021 is estimated at **N226.964billion** as against the approved revised provision of N188.942 billion for 2020. A total projected capital receipts shows that N46.315 billion will be transferred from the consolidated revenue fund, while the balance of N 180.649 billion is to be realized as follows:

Opening Balance from 2020 account	– N 27.000billion
Internal Bank Loan	– N40.044billion
Grants	– N 34.000 billion
Ecological Fund	– N 2.000 billion
Re-imburement from Federal	
Government on Road and other Infrastructure	– N 15.000 billion
Investment Income	– N 0.500 billion
Other exceptional Income	– N 61.105 billion
Stabilization Account	– N1.000 billion

## **SECTORAL ALLOCATION**

35. The sectoral allocation of the total budget outlay of **N435.652 billion** for the year 2021 is presented as follows:

<b>S/NO.</b>	<b>SECTOR</b>	<b>ALLOCATION N(BILLION)</b>	<b>PERCENTAGE OF ALLOCATION (%)</b>
1	Administration	100.018	23.0
2	Economic	267.557	61.4
3	Law and Justice	9.419	2.1
4	Regional	1.235	0.3
5	Social	57.423	13.2
	<b>TOTAL</b>	<b>435.652</b>	<b>100.0</b>

36. Analysis of sectoral allocations above show that priority is given to projects and programmes under the Economic Sector such as: education, healthcare, aviation development, infrastructure, industrialization, small and medium scale enterprises, human capacity development, power and of course, rural and riverine development- all the pillars of our Completion Agenda.

37. Mr. Speaker and Honourable Members of this Hallowed Chamber, the Honourable Commissioner of Finance, will provide a detailed breakdown of other sectoral allocations tomorrow.

### **CONCLUSION**

38. Mr. Speaker and the Honourable Members of this Hallowed Chamber, please permit me to repeat a line I had quoted from the letter by the 12<sup>th</sup> President of the United States, Zachary Taylor, during my State Broadcast Speech to mark our 33<sup>rd</sup> Anniversary last September 23, 2020. I have decided to repeat those lines because they pretty much sum up what my

philosophy of governance represents “I have no private purpose to accomplish, no enemies to punish—nothing to serve but my country.”

39. Mr. Speaker and Honorable Members of this Chamber, we have no enemies to punish, no private purpose to accomplish, but to work collectively and selflessly to advance the interest of our dear State and our people. This, I know, has been the propelling impulse of the work we are doing for our people. I know there is no other abiding desire for us to execute than to work tirelessly to improve the material circumstance of our people. We cannot fail them and we will not betray their trust.

40. I therefore, ask you Mr. Speaker and the Honorable Members of this great Chamber to speedily and expeditiously approve this Budget so we can continue to, in one accord and in unison, move our State forward and prove to everyone, that Government can indeed be a force for good and not a force for ill, so help us God!

41. Thank you Mr. Speaker, it is well with our State, it is well with our people and it is well with Nigeria. God bless us all! ***AkwaIbomedakeda, amimmedakkanda.***