
MEDIA CONFERENCE
NIGERIA'S
REFORM
ScoreCard
The Benefits, Costs and Harms Prevented
FEDERAL MINISTRY OF FINANCE
FMF

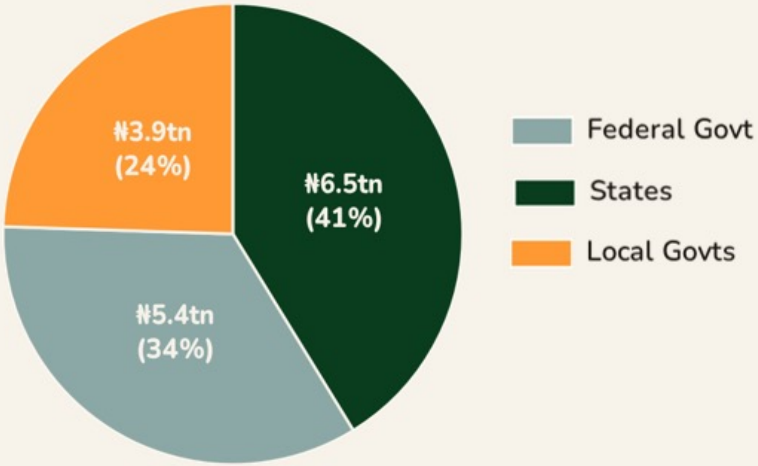
Subsidy Savings, Higher Revenue and Borrowing

How the Money was Spent

FEDERAL MINISTRY OF FINANCE |
AUGUST 2026

How the resources was generated

Relative share of subsidy savings of N15.8 trillion by each tier of government



Key Insight

The Federal Govt received only N5.4 trillion (34%) of the savings effectively based on the statutory FAAC allocation formula.

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How the resources was generated

₦3.1 Trillion in Other Incremental Revenue

Mainly government-owned entity remittance

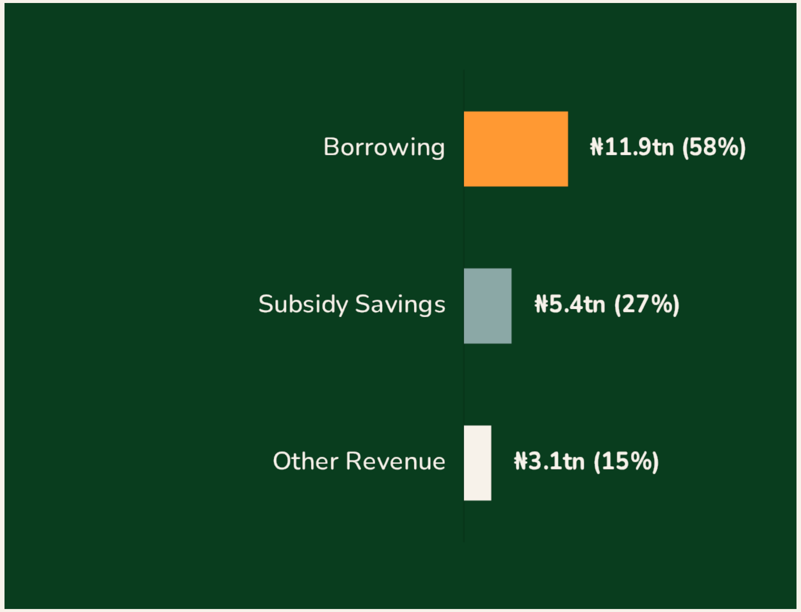
And ₦11.9 Trillion in Incremental Borrowing

Altogether amounting to total incremental resources of ₦20.4 Trillion

How the resources was generated

₦20.4 Trillion in Total Incremental Resources

Subsidy Savings ₦5.4T + Other Revenue ₦3.1T and Borrowing ₦11.9T



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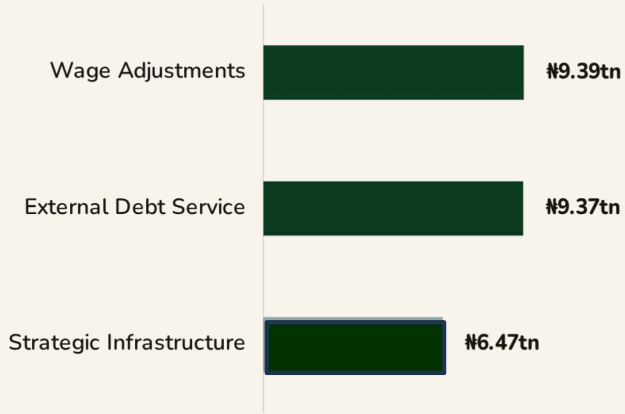
How Was The Money Spent?

Total Incremental Expenses: ₦30.64 Trillion

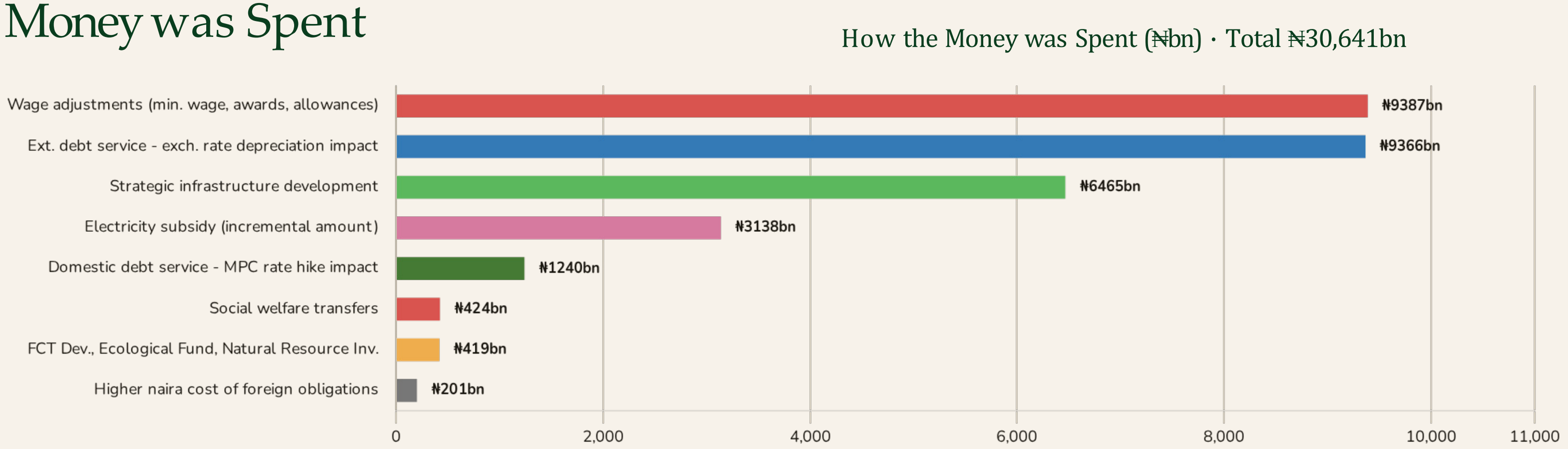
INSIGHT

Wage adjustments alone were nearly 2x FG subsidy savings.

Top 3 Spending Categories



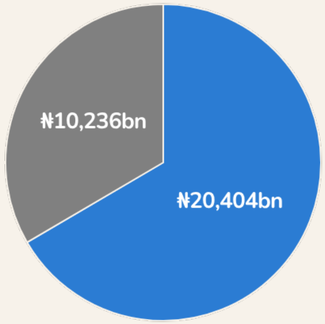
How the Money was Spent



Description	₦ Billion
Wage adjustments (min. wage increase, wage awards, allowances)	9,386.90
Ext. debt service — impact of exch. rate depreciation	9,365.71
Strategic infrastructure development	6,465.39
Electricity subsidy (incremental amount)	3,138.15
Domestic debt service — impact of MPC rate hike	1,240.24
Social welfare transfers	423.80
FCT Development, Ecological Fund, Natural Resource Inv. etc.	419.10
Higher naira cost of foreign obligations	201.26
TOTAL INCREMENTAL EXPENSES	**30,640.54**

How the Spending Was Funded

How The Spending Was Funded (₦bn)



Source	₦ Billion
Funded by incremental resources	20,404.12
Funded from existing revenue base	10,236.42
TOTAL	**30,640.54**

Two-thirds of the reform-related spending was covered by the incremental resources; the remainder (₦10,236bn) was absorbed within the existing revenue base.

Counterfactual – What Would Have been

1. Fiscal Sustainability – public debt, deficits. government cash flow

Indicator	Baseline (May '23)	Current Position	No-Reform '26 Est.	Assessment
Debt Service / Revenue	~100% (2022)	~50% (2026 proj.)	100-200%	Major improvement
Tax-to-GDP Ratio	<10%	~12.5%	~6%	Gains in growth phase
States Unable to Pay Salaries	27 States (2023)	0 States (2026)	At least 30 States	Bankruptcy prevented
Ways & Means / Monetary Financing	₦30tn legacy stock	Curtailed	At least ₦60tn and rising	Structural improvement
Sovereign Credit Rating (S&P)	B–	B / Stable	CCC risk	Upgraded

Counterfactual – What Would Have been

2. External Stability – external buffers. currency stability, external-sector

Indicator	Baseline (May '23)	Current Position	No-Reform '26 Est.	Assessment
Gross FX Reserves	~$35bn	$52.5bn (Jul 2026)	$15–25bn	Major improvement
Net FX Reserves	~$3.0bn (2023)	$34.8bn (end-2025)	Near zero / negative	Major improvement
Official Exchange Rate	~₦460/$	~₦1,358/$ (Aug 2026)	₦550–800/$ but unavailable	Structural improvement
Official/Parallel FX Premium	~60%+	<5%	150–200%+	Major normalisation
Current Account Balance	$1.21bn surplus (2023)	$14.04bn surplus (2025)	$2bn to $5bn deficit	Much stronger balance

Counterfactual – What Would Have been

3. Investment Climate – financial conditions. investor confidence. capital markets

Indicator	Baseline (May '23)	Current Position	No-Reform '26 Est.	Assessment
Total Capital Importation	$1.13bn (Q1-2023)	$10.37bn (Q1-2026)	$1–3bn/quarter	Very strong recovery
FDI	$895m (2022)	$4.01bn (2025)	<$500m	Better, growing stronger
Stock Market Capitalisation	~₦31tn (May-2023)	~₦150tn (June-2026)	<₦30tn	Very strong recovery
Monetary Policy Rate	18.5%	26.5%	>35%+ under crisis adj.	Cost of stabilisation
Sovereign Eurobond Yield	~10 to 13%	~7–8% (mid-2026)	12–18% / impaired access	Improved

Counterfactual – What Would Have been

4. Social Impact – how macro conditions translate into household welfare

Indicator	Baseline (May '23)	Current Position	No-Reform '26 Est.	Assessment
Headline Inf\ation	22.41%	15.91% (Jun 2026)	30–50% after disorderly adj.	Improving, after early pain
Food Inf\ation	24.82%	17.52%	35–60%	Improving
PMS Price / litre	~₦185	~₦1,100 to ₦1,400	~₦185 unavailable, >₦3,000 black market	Major cost but worse prevented
Minimum Wage	₦30,000	₦70,000	₦30,000–50,000 unpaid	Nominal gain; real mixed
Poverty / Household Welfare	High	High; recovery in progress	Severe under crisis scenario	WIP, unfinished business

Counterfactual – What Would Have been

5. Growth & Productivity – scale. pace. and breadth of economic expansion

Indicator	Baseline (May '23)	Current Position	No-Reform '26 Est.	Assessment
Real GDP Growth	2.31% (Q1-2023)	3.89% (Q1-2026)	Likely recession, −1–2.5%	Improving
Real GDP Per Capita Growth	Negative /contracting	Positive / expanding	−2% to 0%	Wrong direction reversed
Non-Oil GDP Growth	<2.0%, weak	~4.0% (2026 proj.)	1.0% to −2%	Improving
Manufacturing Growth	<1.0%, very weak	3.29% (Q1-2026)	0% to −2%	Improving
Oil Production	~1.2–1.4 mbpd	~1.6–1.75 mbpd	<1.2 mbpd	Improving

How The Reforms Benefit Average Nigerians

1. Wage increases and timely payment of salaries and pensions
2. Settlement of pension arrears and gratuities owed to retirees
3. Wealth creation for millions of Nigerians through capital market gains
4. Transformative infrastructure development nationwide
5. Top globally friendly student loan scheme (NELFUND) and affordable consumer/SME credit
6. Subsidized mortgage and housing schemes, plus social transfers to the most vulnerable (15m Households)
7. Agricultural interventions strengthening food security
8. Fuel availability and energy security despite global shocks
9. Return of investor confidence, driving local and international investment
10. Tax exemption for low-income earners and small businesses, and a friendlier tax environment

The Harms The Reform Prevented

1. Bankruptcy of many states and local governments
2. Hyperinflation from unchecked printing of the Naira
3. Total collapse of the Naira's value
4. Fuel scarcity and disruption of economic activities
5. Greater poverty across the country
6. Worsening insecurity fuelled by economic crisis
7. Mass business collapse and deeper job losses
8. Corruption in FX allocation and fuel subsidy scheme
9. Much higher interest rates
10. Multiplicity of taxes deepening the taxation of poverty

Looking Ahead

1. We will stay the course of reform – No reversals
2. Accelerate translation of macro gains into meaningful impact for every household.
3. Implementation of the Nigeria Tax Act will continue
4. Further fiscal reforms addressing challenges in our budgeting, reporting and accountability systems
5. We expect the tax-to-GDP ratio to keep climbing.
6. Push headline inflation toward a single digit
7. Keep the exchange rate unified and predictable
8. Reduce poverty, deepen agricultural interventions to bring food prices down
9. Work with states and local governments to deliver shared prosperity
10. Improve quality and priority of spending in the most impactful areas

Call to Action

1. Be a Citizen

Support positive government policies. We cannot build our country by opposing every government action.

2. Criticise Constructively

Don't run your country down. Whatever we amplify shapes perception and ultimately our economic reality.

3. Play Your Part

Seek facts and proper understanding, not populist views or sensational headlines.

Thank You

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www.finance.gov.ng | info@finance.gov.ng