SUBSIDY SAVINGS, HIGHER REVENUE AND BORROWING - HOW THE MONEY IS SPENT

Period Covered: June 2023 to December 2025 | Prepared by Federal Ministry of Finance - August 2026

TABLE A - SUBSIDY SAVINGS

Government	Notes	N'Billion
FG	1	5,426
States	1	6,525
LGs	1	3,876
TOTAL		**15,827**

TABLE B - INCREMENTAL BORROWING

Period	Notes	N'Billion
2023 (Jun - Dec)	3	(647)
2024 (Jan - Dec)	3	4,403
2025 (Jan - Dec)	3	8,098
TOTAL		**11,854**

TABLE C - OTHER INCREMENTAL REVENUES (FG ONLY)

Description	Notes	N'Billion
Internally generated revenues		-
Government Owned Entities	2	3,125
TOTAL		**3,125**

TABLE D - TOTAL INCREMENTAL RESOURCES (FG ONLY)

Description	Notes	N'Billion
Subsidy savings (FG)	1	5,426
Other incremental revenues	2	3,125
Incremental borrowing	3	11,854
TOTAL		**20,404**

TABLE E - HOW THE MONEY IS SPENT

Descriptions	Notes	N'Billion
Ext. debt service – impact of exch rate depreciation	2B	9,366
Wage adjustments (min. wage increase, wage awards, allowances)	3A	9,387
Strategic infrastructure development	3E	6,465
Electricity subsidy (incremental amount due to FX reforms)	3D	3,138
Domestic debt service – Impact of MPC rate hike	2C	1,240
FCT Development, Ecological Fund, Natural Resource Inv etc	1	419
Social welfare transfers	3B	424
Higher naira cost of foreign obligations	3C	201
Total incremental expenses		**30,641**
Reform costs funded from existing revenue base		**10,236**

APPENDIX 1

Nigeria Economic Reform Scorecard

Gains, Costs & Harms Prevented

Fiscal sustainability: *substantially improved* | ***External stability:*** *substantially improved* | ***Investor confidence:*** *significantly improved, FDI rising* | ***Growth:*** *improving, needs to accelerate* | ***Household welfare:*** *weak, beginning to improve*

1. Fiscal Sustainability — *fiscal capacity, debt burden, revenue mobilisation & discipline*

Indicator	Baseline (May '23)	Current Position	No-Reform '26 Est.	Reform 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 State (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

2. External Stability — *external buffers, currency stability, external-sector credibility*

Indicator	Baseline (May '23)	Current Position	No-Reform '26 Est.	Reform 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

3. Investment Climate — *financial conditions, investor confidence, capital markets*

Indicator	Baseline (May '23)	Current Position	No-Reform '26 Est.	Reform 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	18.50%	26.50%	>35%+ under crisis adj.	Cost of stabilisation
Sovereign Eurobond Yield	~10 to 13%	~7–8% (mid-2026)	12–18% / impaired access	Improved

4. Social Impact — *how macro conditions translate into household welfare*

Indicator	Baseline (May '23)	Current Position	No-Reform '26 Est.	Reform Assessment
Headline Inflation	22.41%	15.91% (Jun 2026)	30–50% after disorderly adj.	Improving, after early pain
Food Inflation	24.82%	17.52%	35–60%	Improving
PMS Price / litre	~₦185	~₦1,100 to ₦1,400	~₦185 unavailable, >₦3,000 black market	Major cost factor but the 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

5. Growth & Productivity — *scale, pace, and breadth of economic expansion*

Indicator	Baseline (May '23)	Current Position	No-Reform '26 Est.	Reform Assessment
Real GDP Growth	2.31% (Q1-2023)	3.89% (Q1-2026)	Likely recession - 1–2.5%	Improved
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%	Improved
Oil Production	~1.2–1.4 mbpd	~1.6–1.75 mbpd	<1.2 mbpd	Improved

APPENDIX 2

	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	Subsidised mortgage and housing schemes, plus social transfers to most vulnerable
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 for all

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

	Call to Action
1	Be a Citizen - Support positive government policies. We can not 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.

For more information: Visit www.finance.gov.ng

NOTE 1
SUBSIDY SAVINGS - JUNE 2023 TO DECEMBER 2025

Description			Notes	2022 [Pre-subsidy removal]	2023	2024	2025	Total
Period covered				Jun 2022 - May 2023	June-Dec	Jan-Dec	Jan-Dec	June 2023 - Dec 2025
				NGN'Billion	NGN'Billion	NGN'Billion	NGN'Billion	NGN'Billion
Net FAAC revenue (actual)			1A	9,512	6,843	15,259	21,897	43,999
Net FAAC revenue (without subsidy removal)		8%	1B	9,512	5,808	10,752	11,613	28,172
Subsidy Savings				**-**	**1,036**	**4,507**	**10,285**	**15,827**
Distribution of savings:								
Allocated to:	**Federal Government**		**1A**	**-**	**358**	**1,350**	**3,299**	**5,007**
	States		1A	-	399	1,930	4,196	6,525
	Local governments		1A	-	248	1,115	2,513	3,876
	Others - Ecological Fund, Stabilisation Fund, Dev of Nat. Resources, F		1A	-	30	112	276	419
	Total net savings			**-**	**1,036**	**4,507**	**10,285**	**15,827**

NOTE 2
OTHER INCREMENTAL REVENUE - JUNE 2023 TO DECEMBER 2025

Description			Notes	2022 [Pre-subsidy removal]	2023	2024	2025	Total
Period covered				Jun 2022 - May 2023	June-Dec	Jan-Dec	Jan-Dec	June 2023 - Dec 2025
				NGN'Billion	NGN'Billion	NGN'Billion	NGN'Billion	NGN'Billion
Government Owned Entities - FG				-	-	-	-	-
Other Independent Revenues - FG				1,453	(337)	1,551	1,910	3,125
Total IGR - Actual				1,453	(337)	1,551	1,910	3,125
Total IGR at normal growth rate		61%						-
Incremental IGR				**1,453**	**(337)**	**1,551**	**1,910**	**3,125**

NOTE 3
INCREMENTAL BORROWING - JUNE 2023 TO DECEMBER 2025

Description			Notes	Jun 2023 [pre-reform]	Dec 2023	Dec 2024	Dec 2025	Total
Total public debt:				Billion	Billion	Billion	Billion	Billion
	External (USD)		2	43	42	46	52	
	Exchange rate [USD to NGN]		2	460	907	1,535	1,450	
	Naira value of external debt			19,644	38,548	70,273	75,207	
	Domestic debt component (NGN)		2	30,210	59,121	74,378	84,849	
	Total public debt (NGN)			**49,854**	**97,669**	**144,651**	**160,056**	
Adjustments:								
	States debt portion		2	5,479	5,863	3,968	4,360	
	Exch rate valuation of opening external debt			-	19,064	45,746	41,869	
	Previously unreported Ways & Means			-	22,719	29,719	29,719	
	Total adjustments			**5,479**	**47,646**	**79,433**	**75,948**	
Public debt stock (FGN)				44,375	50,023	65,218	84,108	
Net borrowing post reform (FGN)				**-**	**5,648**	**15,195**	**18,890**	**39,733**
Average annual borrowing pre reform			3X		6,295	10,792	10,792	27,880
Incremental borrowing				**-**	**(647)**	**4,403**	**8,098**	**11,854**

NOTE 4

UTILISATION OF INCREMENTAL REVENUE AND BORROWING

Receipts			NGN'Billion	NGN'Billion	NGN'Billion	NGN'Billion	NGN'Billion
			Jun 2023 - Dec 2023		2024	2025	Total
	Subsidy savings (FG + Others)		-	388	1,462	3,576	5,426
	Other incremental revenue (FGN)		1,453	(337)	1,551	1,910	3,125
	Incremental net borrowing post subsidy removal (FGN)		-	(647)	4,403	8,098	11,854
	Total incremental receipts		**1,453**	**(596)**	**7,416**	**13,584**	**20,404**
Incremental Expenditure							
	Wage adjustments (min wage increase, wage awards, increased allow	x	-	-	3,297	6,090	9,387
	Strategic infrastructure development	x	-	-	3,233	3,233	6,465
	Electricity subsidy (incremental amount)	x	-	177	1,487	1,475	3,138
	External debt service (impact of exch rate depreciation)	x	-	456	4,604	4,307	9,366
	Domestic debt service (impact of rate hike by MPC to tackle inflation)	x	-	(10)	450	800	1,240
	Cash transfers, concesional loans for SMEs, NELFUND, MREIF, Cred	x	-	-	194	230	424
	Higher naira cost of foreign obligations (foreign missions, international	x	-	26	165	10	201
	Ecological Fund, Stabilisation Fund, Dev of Nat. Resources, FCT		-	30	112	276	419
	Total incremental expenses		**-**	**679**	**13,542**	**16,420**	**30,641**
	Financed through non-reform related revenue						(10,236)

NOTE 1A - FAAC ANALYSIS

2022	Gross	Deductions	Net	FG	States	LGs	Others
	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion
January	-	-	-	-	-	-	-
February	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-
June	904	224	681	212	275	176	18
July	1,220	418	802	297	298	182	25
August	1,257	303	954	375	337	211	32
September	886	212	673	239	249	164	20
October	1,098	338	760	271	293	173	23
November	957	220	737	271	266	177	23
December	1,175	273	902	330	341	202	28
TOTAL	**7,498**	**1,988**	**5,509**	**1,996**	**2,060**	**1,285**	**169**
Share of net FAAC	**100%**	**27%**	**73%**	**36%**	**37%**	**23%**	**3%**

Note:
Others is made up of Ecological Fund (1%), Stabilisation Fund (0.5%), Development of Natural Resources (1.68%), FCT 1%
Deductions comprise Statutory Transfers, Cost of Collections, Intervention, Refunds, Savings & Investments

2023	Gross	Deductions	Net	FG	States	LGs	Others
	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion
January	1,437	447	990	346	393	222	29
February	1,033	282	750	263	282	183	22
March	860	137	723	248	280	174	21
April	873	158	715	255	267	171	21
May	976	152	825	254	336	214	21
June	1,134	201	933	340	342	222	29
July	1,886	979	907	319	343	218	27
August	1,803	799	1,004	361	376	236	31
September	1,484	384	1,100	398	402	267	34
October	1,595	691	903	296	372	211	25
November	1,347	440	907	298	358	225	25
December	1,620	532	1,089	372	427	259	31
TOTAL	**16,047**	**5,201**	**10,846**	**3,749**	**4,179**	**2,601**	**316**
Share of net FAAC	**100%**	**32%**	**68%**	**35%**	**39%**	**24%**	**3%**

Note:
Others is made up of Ecological Fund (1%), Stabilisation Fund (0.5%), Development of Natural Resources (1.68%), FCT 1%
Deductions comprise Statutory Transfers, Cost of Collections, Intervention, Refunds, Savings & Investments

2024	Gross	Deductions	Net	FG	States	LGs	Others
	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion
January	1,674	547	1,127	354	455	289	30
February	2,068	918	1,150	376	465	278	32
March	2,326	1,173	1,153	325	533	267	27
April	1,868	744	1,123	319	489	289	26
May	2,192	984	1,208	360	524	294	30
June	2,325	1,182	1,143	338	495	282	28
July	2,484	1,130	1,354	424	558	337	35
August	2,614	1,256	1,358	398	583	344	33
September	2,278	1,075	1,204	346	522	307	29
October	2,259	960	1,299	392	544	330	33
November	2,669	1,257	1,412	400	623	356	33
December	3,143	1,416	1,727	537	743	403	45
TOTAL	**27,900**	**12,641**	**15,259**	**4,570**	**6,533**	**3,774**	**381**
Share of net FAAC	**100%**	**45%**	**55%**	**30%**	**43%**	**25%**	**2%**

Note:
Others is made up of Ecological Fund (1%), Stabilisation Fund (0.5%), Development of Natural Resources (1.68%), FCT 1%
Deductions comprise Statutory Transfers, Cost of Collections, Intervention, Refunds, Savings & Investments

2025	Gross	Deductions	Net	FG	States	LGs	Others
	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion
January	2,311	886	1,425	417	612	362	35
February	2,642	938	1,703	510	719	431	42
March	2,345	666	1,678	526	698	411	44
April	2,411	833	1,579	488	663	387	41
May	2,849	1,167	1,681	522	709	407	44
June	2,943	1,283	1,660	497	702	420	41
July	4,333	2,514	1,818	595	728	445	50
August	3,837	1,836	2,001	678	781	485	57
September	3,636	1,411	2,225	747	893	522	63
October	3,055	951	2,103	657	862	530	55
November	2,935	840	2,095	700	831	506	59
December	2,343	415	1,929	689	736	445	58
TOTAL	**35,638**	**13,741**	**21,897**	**7,024**	**8,934**	**5,351**	**589**
Share of net FAAC	**100%**	**39%**	**61%**	**32%**	**41%**	**24%**	**3%**

Note:
Others is made up of Ecological Fund (1%), Stabilisation Fund (0.5%), Development of Natural Resources (1.68%), FCT 1%
Deductions comprise Statutory Transfers, Cost of Collections, Intervention, Refunds, Savings & Investments

NOTE 1B - NET FAAC TREND

	Gross FAAC	Net FAAC	Growth Rate	Average	
2017		5,640			
2018		7,980	29%		
2019		7,850	-2%		
2020		7,110	-10%		
2021		8,120	12%		
2022		9,180	12%	**8%**	Pre-reform
2023	16,047	10,090	9%		
2024	27,900	15,259	34%		
2025	35,638	21,897	30%	**24%**	Post-reform

Update with actual gross and net figures from Home Finance

NOTE 1C - OTHER INCREMENTAL REVENUES

61%

	2020	2021	2022	Jan-May 2023	Jun-Dec 2023	2024	2025	TOTAL
	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion	June 2023 to December 2025
GOEs	-	-	0	0	-	-	-	
IGR	532,903,591,315	1,051,131,844,062	1,362,499,906,916	885,182,554,062	902,341,271,531	3,675,881,131,199	4,034,419,944,446	**8,612,642,347,175**
Total	**532,903,591,315**	**1,051,131,844,062**	**1,362,499,906,916**	**885,182,554,062**	**902,341,271,531**	**3,675,881,131,199**	**4,034,419,944,446**	**8,612,642,347,175**
Pre-reform IGR					1,239,255,575,687	2,124,438,129,750	2,124,438,129,750	**5,488,131,835,186**
TOTAL				**-**	**(336,914,304,156)**	**1,551,443,001,449**	**1,909,981,814,696**	**3,124,510,511,989**
Average growth rate		**97%**	**30%**	**56%**				**61%**

Source: Min of Finance Analysis

NOTE 2A - ANALYSIS OF PUBLIC DEBT STOCK

Debt stock balances as at	31 March 2023		31 December 2023		31 December 2024		31 December 2025		31 March 2026	
	US$'M	₦'M	US$'M	₦'M	US$'M	₦'M	US$'M	₦'M	US$'M	₦'M
External Debt	42,672	19,643,917	42,495	38,219,849	45,780	70,287,531	51,856	74,426,735	51,904	71,950,245
Domestic Debt	65,623	24,730,775	65,734	59,120,859	48,445	74,377,920	59,118	84,849,334	63,050	87,401,336
FGN Only	53,722	5,478,994	59,242	53,281,950	45,860	70,409,863	56,080	80,488,865	59,787	82,877,622
States & FCT	11,902	5,478,994	6,519	5,862,847	2,585	3,968,057	3,038	4,360,469	3,263	4,523,714
Total Public Debt	**108,295**	**49,853,685**	**108,229**	**97,340,708**	**94,225**	**144,665,451**	**110,974**	**159,276,069**	**114,954**	**159,351,581**
Period end closing exchange rates	**460**		**907**		**1,535**		**1,450**		**1,385**	

Source: Debt Management Office

NOTE 2B - EFFECT OF EXCHANGE RATE ON DEBT SERVICE

646.00 1,480.00 1,520.00

Description	2023	2024	2025	Q1 2026
Base Exchange Rate (US$/N) (Constant as at 01/01/2023)	**461.06**	**461.06**	**461.06**	**461.06**
Average Actual Exchange Rate (US$/N)	**684.01**	**1,449.63**	**1,529.10**	**1,372.16**
Actual External Debt Service (US$'M)	3,504	4,657	4,032	954
External Debt Service at Base Exchange Rate (N'M) (A)	1,615,328	2,147,046	1,859,068	427,944
Actual External Debt Service at Average Actual Exchange Rate (N'M) (B)	2,396,420	6,750,593	6,165,592	1,309,125
Impact of Naira exchange rate depreciation	**781,092**	**4,603,548**	**4,306,524**	**881,181**
Total Debt Service				
Actual Domestic Debt Service (N'M)	4,381,207	5,869,905	8,607,152	3,138,892
Actual External Debt Service (N'M)	2,396,420	6,750,593	6,165,592	1,309,125
Total Debt Service (N'M)	**6,777,627**	**12,620,499**	**14,772,744**	**4,448,017**

Source: Debt Management Office

NOTE 2C - IMPACT OF INTEREST RATE HIKE ON DOMESTIC BORROWING

	2022	2023	2024	2025	Total
	N'Billion	N'Billion	N'Billion	N'Billion	N'Billion
Incremental domestic borrowing	-	(647)	4,403	8,098	11,854
Average Coupon:					
- Short Term	6%	10%	19%	20%	
- Long Term	13%	14%	20%	18%	
Average	**9%**	**12%**	**20%**	**19%**	
Incremental cost of interest rate hike	**-**	**(17)**	**450**	**800**	**1,233**

Source: Min of Finance Analysis

NOTE 2D - WAYS & MEANS

Year	Balance	Movement	Average	
	N'Billion	N'Billion	N'Billion	
2018	5,038.33	5,038.33		
2019	8,416.26	3,377.93		
2020	12,809.14	4,392.88		
2021	17,106.49	4,297.34		
2022	23,175.19	6,068.70	**4,635.04**	
2023	7,862.32	(15,312.86)		
2024	3,156.65	(4,705.67)		
2025	2,896.82	(259.84)	**(6,759.46)**	Securitisation of circa N30T

NOTE 2E - BORROWING PRE REFORM

	2020	2021	2022	Average	
	N'Billion	N'Billion	N'Billion	N'Billion	
Public debt - FG	5,434	6,368	5,815	5,873	Updated using debt stock movement
Ways & Means	4,393	4,297	6,069	4,920	
	9,827	**10,666**	**11,884**	**10,792**	

NOTE 3- INCREMENTAL EXPENSES

A. WAGE ADJUSTMENTS

Year	Annual Wage Bill	Increase	
	N'Billion	N'Billion	
2023	3,641	-	Base Year
2024	6,939	3,297	
2025	9,731	6,090	
	20,311	**9,387**	

B. SOCIAL WELFARE

New Initiatives		2023	2024	2025	Total
		N'Billion	**N'Billion**	**N'Billion**	**N'Billion**
NELFUND		-	143.80	80.00	223.80
Conditional Cash Transfers		-	-	-	-
CREDICORP		-	50.00	-	50.00
MREIF		-	-	150.00	150.00
Total		**-**	**193.80**	**230.00**	**423.80**

C. INTERNATIONAL MEMBERSHIP AND FOREIGN MISSIONS

	2022	2023	2024	2025	Total
		$million	**$million**	**$million**	**$million**
Subscriptions, Missions Funding and Assessed Contribu		$200	$200	$200	$400
Average exch rates	423.71	645.60	1,472.15	1,522.45	
	N'Billion	**N'Billion**	**N'Billion**	**N'Billion**	**N'Billion**
Exchange rate impact		**26**	**165**	**10**	**201**