

## 2024 Budget: Tinubu Proposes N8.6trn for Defence, Education, Health, Others

President Bola Tinubu has proposed to spend N8.61 trillion naira on some five critical areas out of the N27.5 trillion budget proposals he presented to the National Assembly. The sectors are defence and security, education, health, infrastructure and social development & poverty reduction. Defence and security sector has the highest vote of N3.26 trillion (12 per cent of the total budget). That figure includes recurrent and capital expenditure vote for the military, police, intelligence and paramilitary agencies. The Minister of Budget and National Planning, Abubakar Bagudu, disclosed this during the presentation of the 2024 budget breakdown in Abuja. The sum of N1.23tn was proposed for the Ministry of Education and its agencies. N251.47bn was therefore proposed for the Universal Basic Education Commission (UBEC) and N700bn for Tertiary Education Trust Fund (TETFUND), among others. The Minister stated that N50bn of the amount would be for the student loan scheme of the Federal Government. Meanwhile, the proposal to the health sector improved by 23.15 per cent to N1.33tn from N1.08tn in the 2023 appropriation. The President also proposed to spend N1.07tn for the federal ministry of health and its agencies. According to the proposal, N137.21bn was earmarked for Gavi/immunisation funds, including counterpart funding for donor-supported programmes, and N125.74bn as transfer to basic healthcare provision fund. Funding to infrastructure in the power, transport, water resources, aviation, works and housing sectors was also proposed to total N1.32 trillion. The Minister, while explaining the reasons for the low provision said, the President had directed for increased private sector involvement in infrastructure provision. He noted that all ministries have been directed to pursue strategies to woo domestic and international investors to contribute to the improvement of the country's infrastructure. "On infrastructure spending, part of the instruction of Mr President to the cabinet is that as he did in Lagos, we have to bring in private sector investments into infrastructure. He has mandated all ministries to examine how to access investors who are willing to put money into infrastructure. What the government can put into infrastructure is small compared to what the private sector can bring. "So, a number of roads and railways, airports, housing and a number of infrastructure projects will be considered," he said. Additionally, N534bn was proposed for social investments and poverty reduction programmes in 2024. The President proposed to spend N10.26tn on non-debt recurrent expenditure, N8.25tn on debt servicing, N243bn on sinking funds, and N8.70tn on capital expenditures. The Minister further noted that the 2024 budget was prepared amidst the backdrop of a challenging global and domestic economic environment. "The current global situation is marked by slowing

economic growth, persistent inflation leading to interest rate hikes, which can hinder capital inflows into emerging markets. "Investment spending is also constrained, supply chains are disrupted, and geopolitical tensions, particularly the Russia-Ukraine war, have significantly impacted global food and energy prices" the Minister noted.

## External Reserves Decline by \$1.65bn in Six Months

Nigeria's foreign exchange reserves have fallen by \$1.6bn to \$32.97bn since the Central Bank of Nigeria (CBN) tried to unify the country's foreign exchange rates. On June 14, the apex bank asked Deposit Money Banks to remove the rate cap on the naira at the official Investors and Exporters' Window of the foreign exchange market to ensure the free float of the national currency against the dollar and other global currencies. In a circular, the bank said, "The Central Bank of Nigeria wishes to inform all authorized dealers and the general public of the following immediate changes to operations in the Nigerian Foreign Exchange Market: Abolishment of segmentation.

"All segments are now collapsed into the Investors and Exporters window. Applications for medicals, school fees, BTA/PTA, and SMEs would continue to be processed through deposit money banks. Re-introduction of the 'Willing Buyer, Willing Seller' model at the I&E Window. Operations in this window shall be guided by the extant circular on the establishment of the window, dated 21 April 2017, and referenced FMD/DIR/CIR/GEN/08/007. All eligible transactions are permitted to access foreign exchange at this window." Since then, the naira and foreign currency reserves have recorded a decline. As of June 15, the country's gross FX reserves stood at \$34.62bn. However, the foreign exchange reserves fell to \$32.97bn as of December 1, 2023, according to data from the CBN. The decline in the FX reserves has been blamed for the fall in the naira rate and has been attributed to the limited capacity of the country to earn foreign exchange from both non-oil and oil exports and increasing FX demand which has seen the naira weaken by more than 40 per cent since June. In July, the bank noted that accretion to external reserves remained weak while foreign exchange demand pressures persisted. During the bank's Monetary Policy Committee Meeting, one of the members, Obadan Mike, highlighted that amidst unabating demand, the fundamental problem of the foreign exchange market remains inadequate foreign exchange supply reflecting low productivity of the economy, inadequate export earnings, and limited foreign capital inflows. Mike worried that the country's external reserves is in an uncomfortable position and is a key concern for the domestic economy. In its recent Africa Outlook report, the

Economist Intelligence Unit disclosed that Nigeria doesn't have enough in its FX reserves to back up its exchange rate unification policy. It said, "In Nigeria, an unsupportive monetary policy implies that the naira will remain under pressure, while the central bank lacks the firepower to adequately supply the market or clear a backlog of foreign exchange orders, which will keep foreign investors unnerved. High inflation and a continued spread with the parallel market will leave the exchange rate regime unstable and result in periodic devaluations."

Recently, JP Morgan estimated Nigeria's net FX reserves at \$3.7bn following owing to larger-than-expected currency swaps and borrowing against existing reserves. It noted that this low net FX reserves mean continued FX market pressures, although the CBN may source FX at commercial and semi-commercial rates. However, the CBN Governor, Mr Olayemi Cardoso, expects that with time the removal of petrol subsidy and the adoption of a floating exchange rate, among other government policies, will have positive effects on the economy in the medium-term.

## There's a Mafia in the Nigerian Supreme Court that makes it the worst in the World – OLISA AGBAKOBA

Olisa Agbakoba, a former president of the Nigerian Bar Association, made a harsh critique of Nigeria's Supreme Court calling it "the worst I have seen in my 45 years of practice" and accusing it of harbouring a "mafia" that blocks qualified individuals from becoming justices.

Agbakoba made these remarks during a colloquium in Abuja celebrating the 61st birthday of Senate President Godswill Akpabio, an event attended by President Bola Tinubu and other high-ranking officials. He recounted his experience applying to be a Supreme Court justice alongside Wole Olanipekun, only to be "thrown out" by the alleged mafia within the court. He attributed their rejection to the mixture of "administration of justice," which he believes should be independent of the legislature, with "judicial administration," which he considers subject to legislative oversight. Agbakoba argued that the current lack of a clear legal framework for appointing senior judges, leaving the process solely in the hands of the National Judicial Council and Supreme Court justices, creates an environment ripe for nepotism and cronyism. He called for a law by the National Assembly to establish transparent and objective criteria for judicial appointments. "I was the first, accompanied by my brother, Wole Olanipekun, who applied because we thought we were qualified to sit at the Supreme Court. The mafia there threw us out. Do you know why? We still mix the administration of justice, which the national assembly

cannot with respect interfere, with judicial administration, which the national assembly can make law. "There should be a law governing the appointment process of senior judges; we can't leave it to the National Judicial Council; all the constitution says that once you are 15 years, you are qualified.

But the National Judicial Council and Supreme Court judges have formed a mafia, and we don't get there. With the greatest respect, this is the worst Supreme Court I have seen in my 45 years of practice," the respected lawyer said.

## ECOWAS Court Orders Immediate Release of Niger Deposed President Bazoum

The ECOWAS Court of Justice has ordered the immediate and unconditional release of Niger's deposed president, Mohamed Bazoum, who has been detained since a coup on July 26. The court's decision, announced in Abuja, Nigeria, calls for Bazoum's reinstatement and the restoration of constitutional order in Niger. This ruling has significant implications for Niger's political landscape and its relationship with the Economic Community of West African States (ECOWAS). Bazoum and his family have been under house arrest since the coup, and he appealed to the ECOWAS Court of Justice in mid-September to obtain his release and restore constitutional order in Niger. The military government of Niger, which assumed power following the coup, had also filed a suit before the court in November seeking the lifting of sanctions imposed by ECOWAS. However, this request was denied. The situation in Niger is part of a broader context of political instability in the West African region. Since 2020, coups have placed military juntas in power in several ECOWAS member states including Mali, Burkina Faso, Guinea, and Niger. In Sierra Leone, another ECOWAS member, a failed coup attempt resulted in 21 deaths. Moreover, Guinea-Bissau's President Umaro Sissoco Embaló recently described violence involving members of his country's National Guard as an "attempted coup."

Nigeria, the current chair of ECOWAS, has been vocal in calling for Bazoum's release. Nigeria's Foreign Minister Yusuf Tuggar stated that the administration of President Bola Tinubu is asking Niger's military governors to release President Bazoum and allow him to leave Niger. Tuggar emphasized that ECOWAS remains open to dialogue with Niger's junta. The imposition of sanctions by ECOWAS following the July coup in Niger and the subsequent calls for a return to democratic rule reflect the regional bloc's commitment to maintaining stability and democratic governance in West Africa. The court's ruling ordering Bazoum's reinstatement is a significant development in this context, as it challenges the junta's control and underscores the importance of adhering to democratic principles and constitutional order.