

Dear Editor,

## Nigeria financial mess

**W**e have sold forward crude contracts, so our crude is encumbered as some of the crude we haven't produced doesn't belong to us. We have sold forward FX contracts so some of our future FX earnings are encumbered. Essentially, some of the FX we are yet to earn does not belong to us.

Under the infrastructure tax credit scheme, some of our major company income tax payers were awarded roads to either rehabilitate or construct and are entitled to utilize the total investment cost incurred in the construction or refurbishment of the eligible road as a Tax Credit against their future CIT liability, until full cost recovery is achieved. Some of the future Company Income Tax is encumbered. From inherited crude oil production volumes of 2.05 million bpd in May 2015 (and a production capacity of 2.13 million bpd) which was close to our OPEC Quota, by May 2016 production crashed to 1.4 million bpd, a 30 year low at the time but we had no idea that worse was to come.

By the time the Buhari administration was exiting, crude oil production volumes had crashed to 998,602 barrels per day in April 2023 (against our OPEC Quota of 1.8 Million barrels per day), insufficient to cover our crude oil swap obligations and our Carry Arrangement with the IOCs, much less generating revenue crude. NNPC infamously was unable to remit a dime to FAAC since January 2022. Do you now see why we cannot provide Dangote refineries with feedstock given that even our crude / PMS Swaps are locked in future contracts. We have borrowed so much such that our cost of debt service (interest and not principal) currently exceeds our revenue so all our future earnings are encumbered to service debt only\*.

At N87 Trillion debt stock, Buhari borrowed Nigeria back into colonization and spent our future earnings in top. In 8 years, in an environment of depleted foreign reserves, we created so much Naira supply, that we more than doubled total naira supply from N21 Trillion as at May 2015 to over N55 Trillion as at May 2023. So, this N1,000/US\$1 exchange rate is morning yet on judgement day. I am not sure we have fully dimensioned the havoc the Buhari led APC government wrecked on our economy. The chickens have come home to roost.

Dr. Abubakar jalo Kastina



Dear Editor

## The Tragedy Of Buhari Years

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