

FEBRUARY 2022

# CORPORATE DIGEST

Highlights of the 2022 Budget and the  
Opportunities it holds for Nigerian Businesses



**All enquiries should be forwarded to:**

The Economic Intelligence Group

Access Bank Plc  
14/15, Prince Alaba Oniru Street  
Oniru Estate Lekki,  
Lagos, Nigeria

T: 01-2712005-7, 0700 300 0000

E: [economicIntelligence@accessbankplc.com](mailto:economicIntelligence@accessbankplc.com)

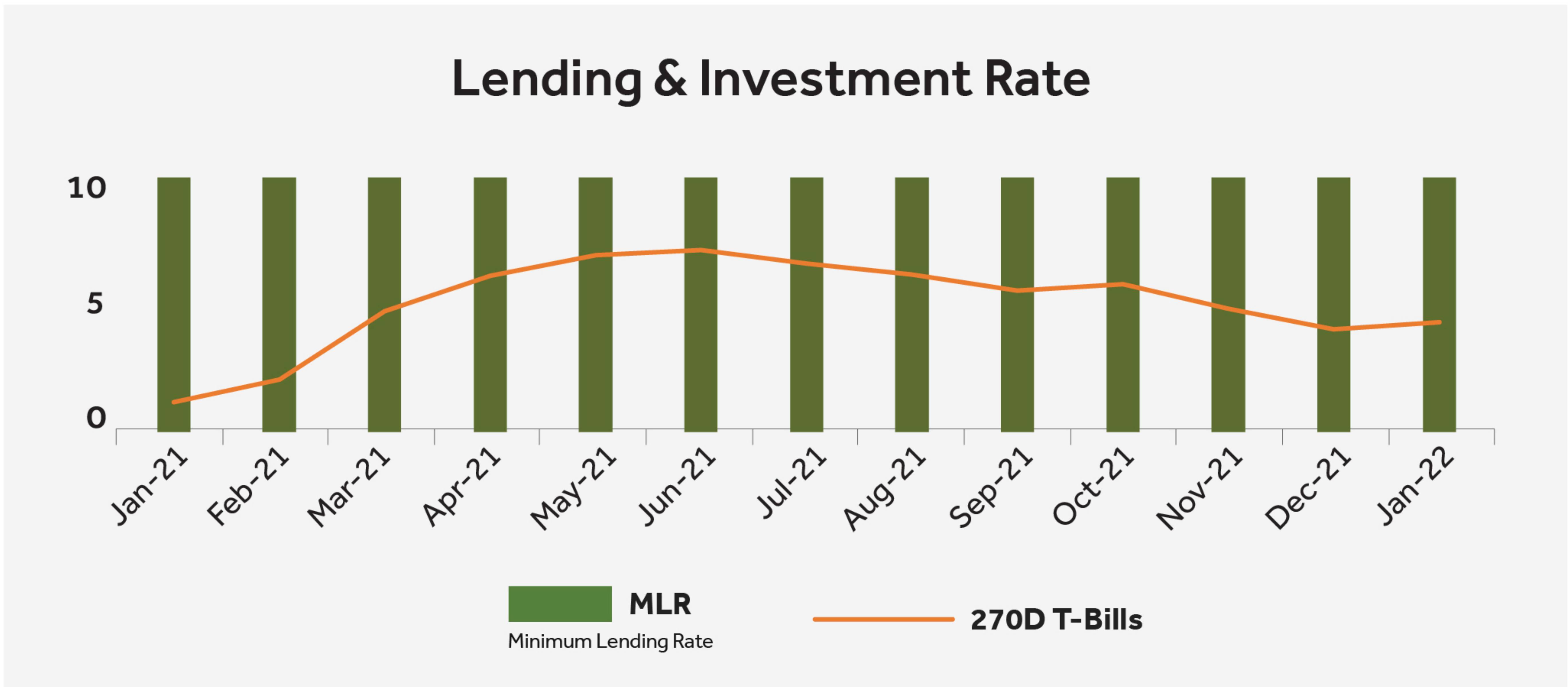


more than banking

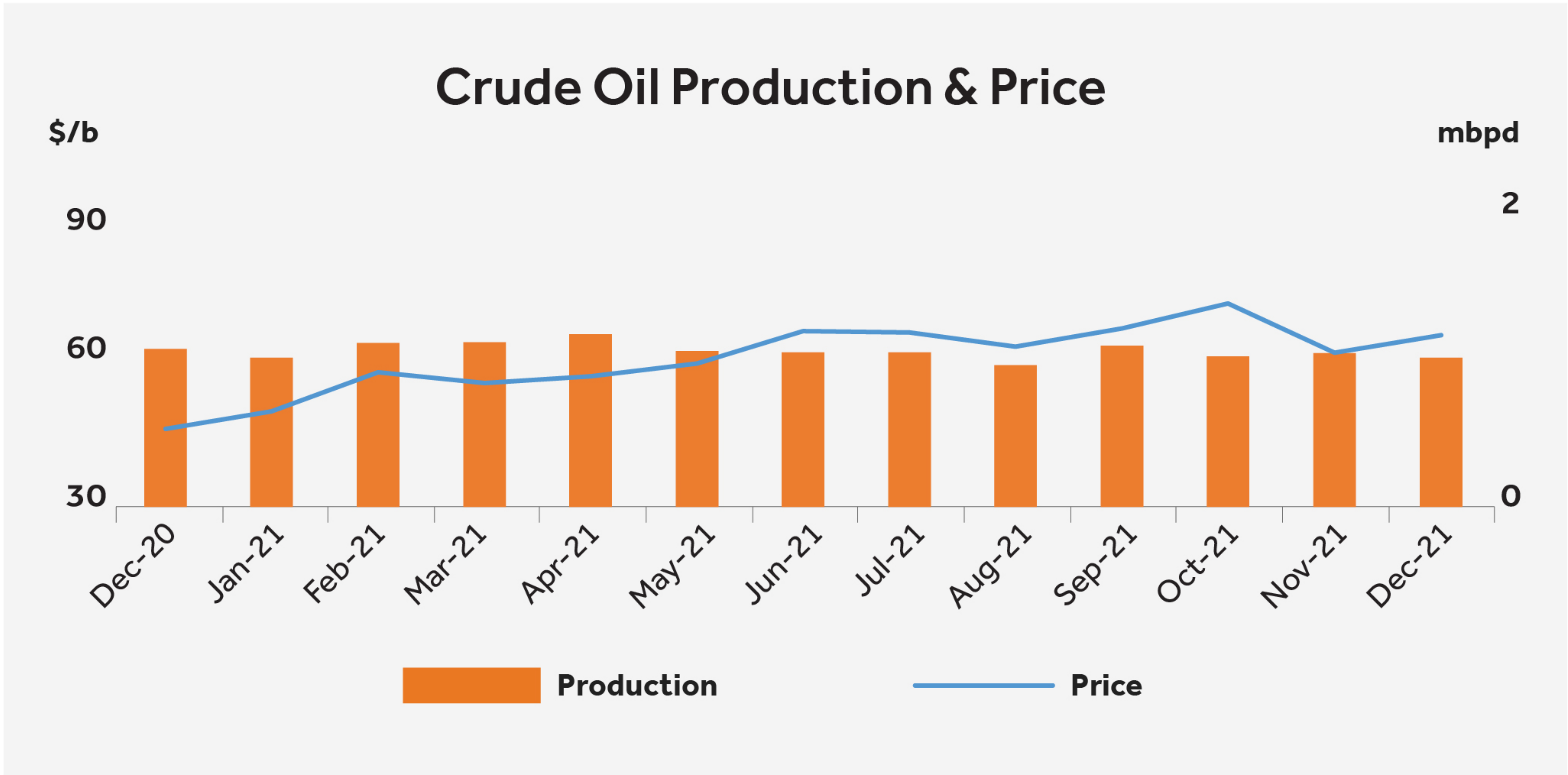
**Disclaimer:** This report is our opinion on the Nigerian macroeconomic landscape and investment environment. Reliance upon information in this report is at the sole discretion of the recipient/reader. Access Bank PLC does not warranty its completeness, timeliness or accuracy. Past performance is not a guarantee of future results. Any forecast contained herein is for illustrative purposes only and is not to be relied upon as advice or interpreted as a recommendation. Always consult your financial advisor before making investment decisions.



# Macroeconomic Updates

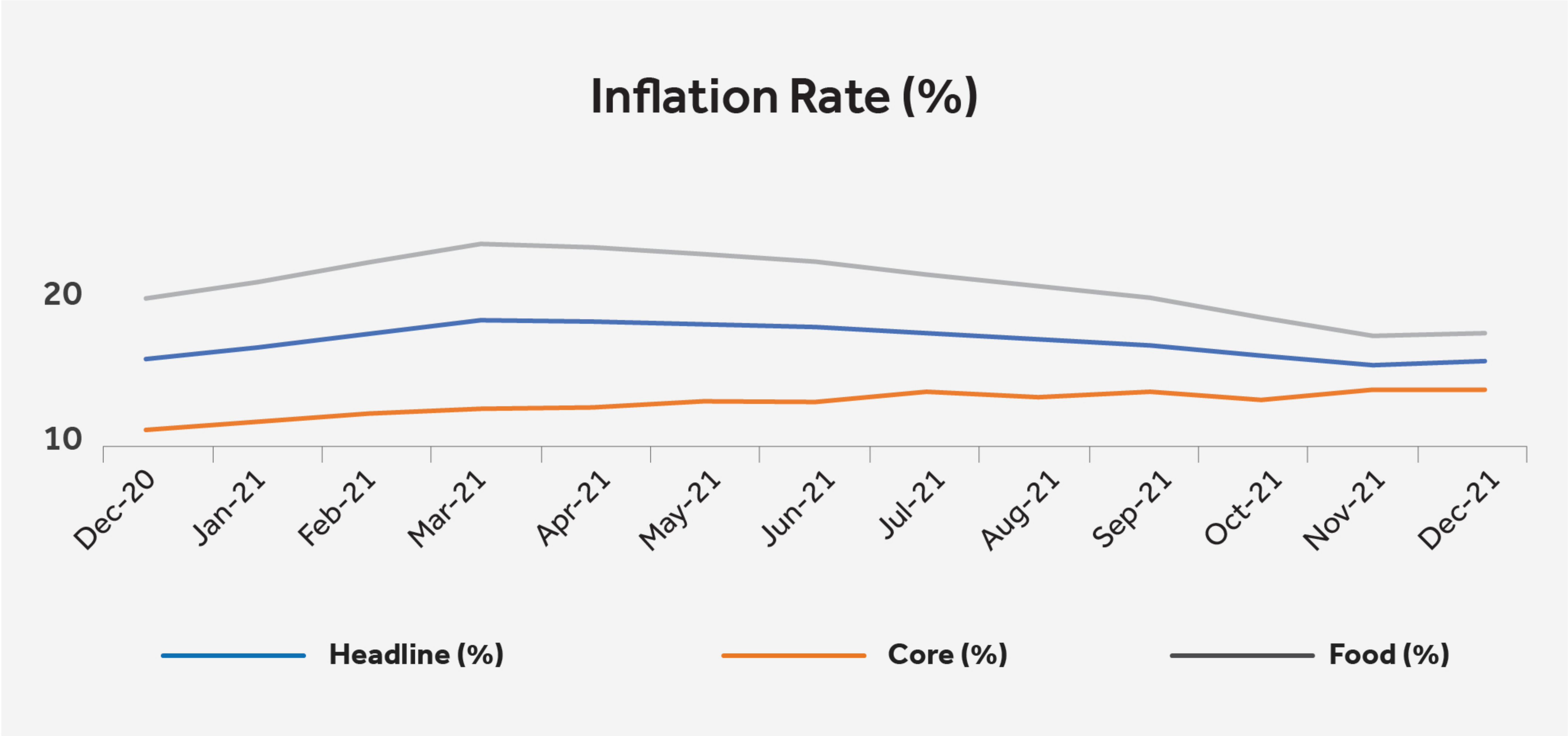


- The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) met in January 2022 and left the Monetary Policy Rate (MPR) and other parameters unchanged.
- The MPR was maintained at 11.5% with the aim of ensuring that previous policy measures penetrate the economy thus driving sustainable recovery, and ultimately slow down inflation
- The 270-day Treasury Bills (T-Bills) rose slightly in January 2022 to 4.96% from 4.64% posted in the previous month.

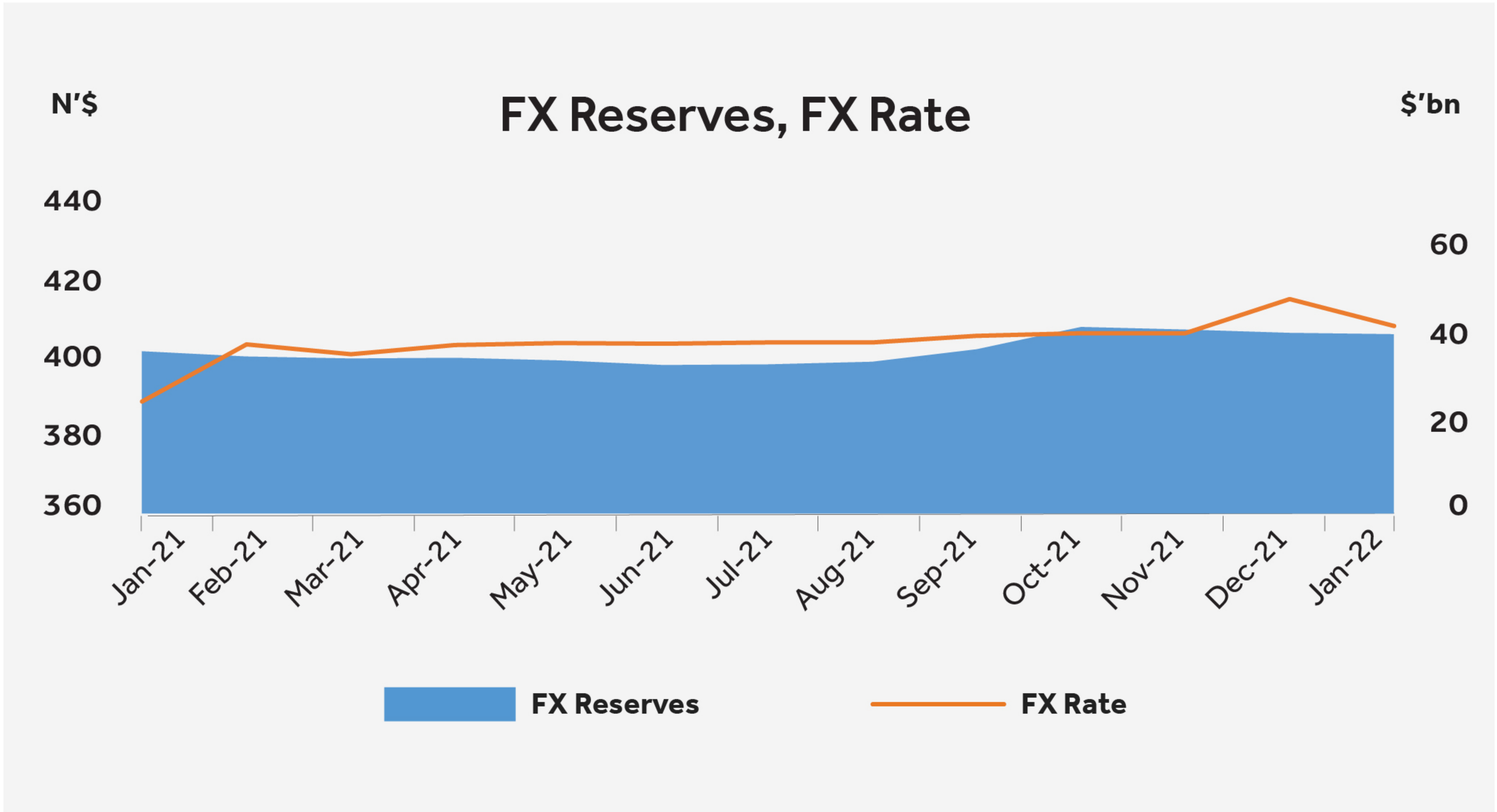


- Oil prices closed at \$95.23 per barrel on January 28, 2022, from \$76.25 per barrel recorded at the end of 2021.
  - This 24.89% increment was championed by the supply disruption in Kazakhstan and Libya, strict adherence to OPEC+ production ceiling and declines in US crude oil inventories
  - Crude oil production in Nigeria reached 1.34mbpd in December 2021 compared to 1.38mbpd posted in the previous month.
- mbpd – million barrels per day*





- Headline inflation rate settled at 15.63% in December 2021, higher than 15.40% posted in November, picking up pace after 8 consecutive declines
- Activities during the yuletide season was the anchor on which inflation rose in December 2021.
- Food inflation rate showed similar trend settling at 17.37%, higher than 17.21% posted in November 2021. Core inflation rate also rose to 13.87%, an uptick from 13.85% recorded in November 2021.

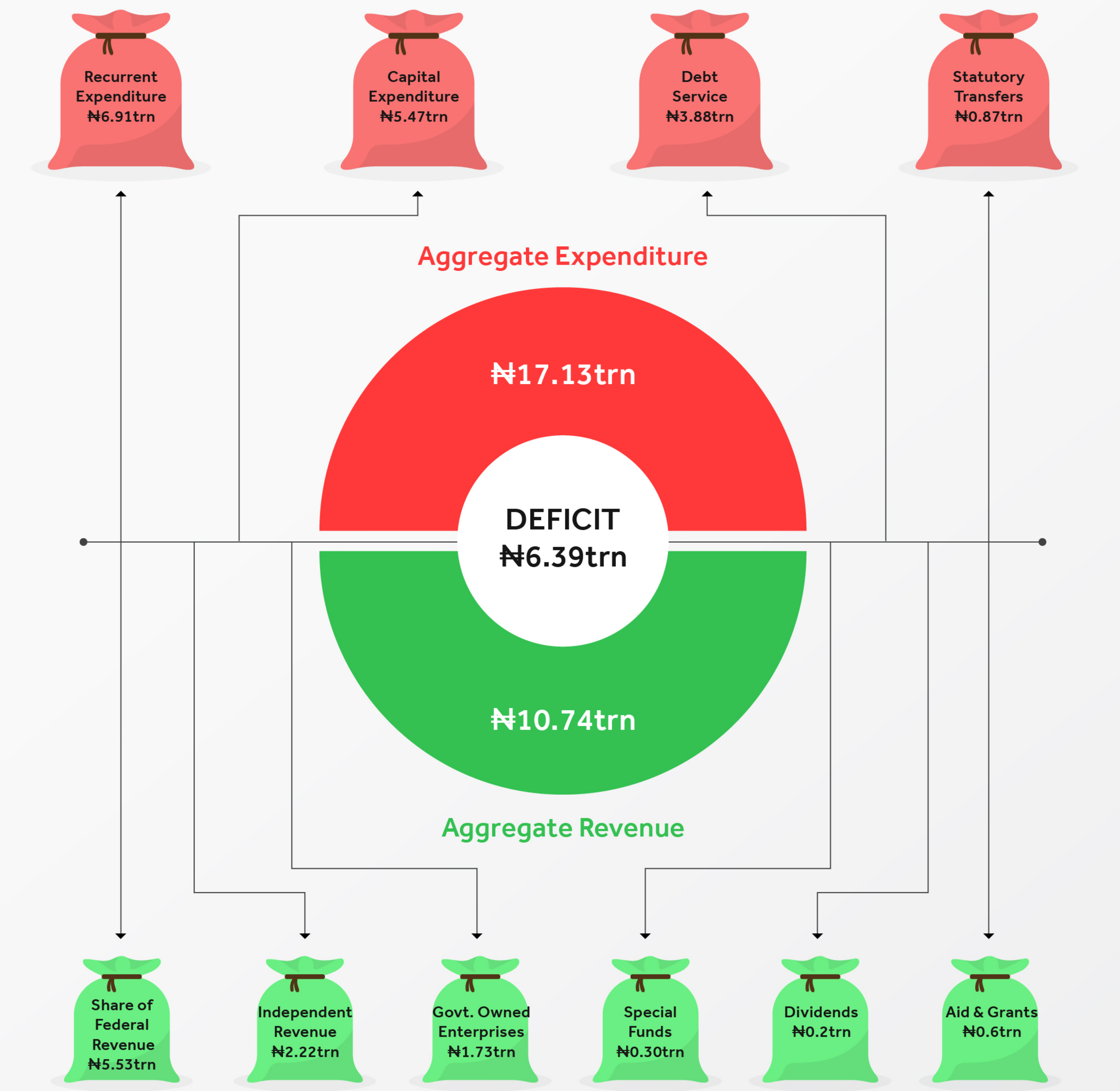







- External reserves settled at about \$40.12 billion on January 28th, 2022, which is \$0.40bn lower than the figure posted in December 2021.
- The decline could be attributed to the impact of higher Dollar demands matched with inadequate Dollar supply.
- The Naira appreciated in January 2022, closing at ₦416.03/\$, up from ₦424.11/\$ recorded in December 2021 at the NAFEX window, representing a 1.91% appreciation.



# Highlights of 2022 Budget of Economic Growth & Sustainability

President Muhammadu Buhari, in December 2021, signed the 2022 Federal Budget tagged “Budget of Economic Growth and Sustainability” into law. The aggregate revenue of ₦10.74 trillion is available to sponsor the expenditure of ₦17.13 trillion, thus leaving a deficit of ₦6.39 trillion, which will be financed majorly by borrowings. The 2022 budgeted expenditure and revenue exceed the 2021 budget expenditure and revenue by 17.57% and 32.27%, respectively. The approved 2022 budget adopted a \$62 per barrel oil benchmark price, which represents a \$12 increase from the benchmark in the 2021 budget and oil production estimate of 1.88 million barrels per day. Similarly, GDP, inflation and exchange rate forecasts were held at 4.20% and 13.00% and ₦410.15/\$, respectively.



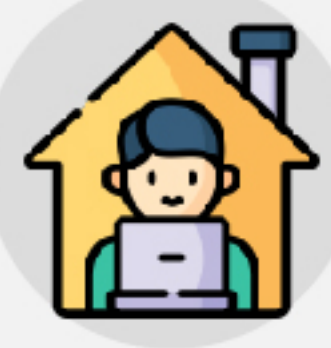



Key Assumptions					
 Oil Price \$62/b	 Oil Production 1.88mbpd	 Exchange Rate ₦410.15/\$	 Inflation Rate 13.00%	 GDP Growth 4.20%	





Source: Budget Office of the Federation



## Details of the 2022 Budget Per Sector

S/N	Sector	Allocation	Details
1.	 <b>Agriculture</b>	<b>₦360.85 billion</b>	<ul style="list-style-type: none"> <li>About 74.42% of the budget for agriculture was allocated towards capital spending. Some of these capital spends include ₦2.64bn for extension services, ₦2.5bn for the construction of the Federal Ministry of Agriculture, ₦2.5bn for agribusiness and market development, ₦1.5bn for national grazing reserves development amongst others.</li> </ul>
2.	 <b>Health</b>	<b>₦592.95 billion</b>	<ul style="list-style-type: none"> <li>Various initiatives/projects are planned in the 2022 budget, to effectively tackle the COVID-19 pandemic and further improve the health sector. <ul style="list-style-type: none"> <li>₦45.12bn was allocated for the COVID-19 Preparedness and Response Project (COPREP),</li> <li>₦600m for Cancer Treatment Counterpart Fund, ₦3.12bn for the Polio Eradication Initiative,</li> <li>₦4.3bn for the procurement of Routine Immunization Vaccines and Devices,</li> <li>₦222.02m for Research and Development of Herbal Medicines and the Establishment of Traditional Medicine Hospitals, etc.</li> </ul> </li> </ul>
3.	 <b>Works and Housing</b>	<b>₦502.08 billion</b>	<ul style="list-style-type: none"> <li>Budgetary allocation for Works and Housing has been on a steady increase owing to the existing infrastructural lacuna. <ul style="list-style-type: none"> <li>₦162.72bn was budgeted for the Construction of Roads,</li> <li>₦104.65bn for the Repair of Roads across the Federation,</li> <li>₦27.54bn for the Provision of Housing units,</li> <li>₦1.25bn for Electricity,</li> <li>₦10.83bn for the Construction of Office Buildings,</li> <li>₦500m for the Rehabilitation of Public Schools, and</li> <li>₦142.54bn for the Provision of other Infrastructure</li> </ul> </li> </ul>
4.	 <b>Education</b>	<b>₦753.13 billion</b>	<ul style="list-style-type: none"> <li>₦12.3bn was budgeted for the "Adolescent Girls Initiative for Learning and Empowerment (AGILE) project",</li> <li>₦11.28bn for Skills Acquisition projects,</li> <li>₦1.05bn for the purchase of Ambulances for Twenty-Four (24) Federal Unity Colleges,</li> <li>₦1.29bn for scholarships for 598 people to study abroad and ₦1.44bn to service ongoing scholarships for 3,932 persons studying across Nigeria,</li> <li>₦2.63bn for the Establishment of Ten (10) Federal Science and Technical Colleges and</li> <li>₦1.2bn for the provision of Security Infrastructure in 104 colleges.</li> </ul>



S/N	Sector	Allocation	Details
5.	 <b>Mines &amp; Steel</b>	<b>₦26.15 billion</b>	<ul style="list-style-type: none"> <li>The largest chunk of the Mines &amp; Steel budgetary allocation went to the Nigerian Geological Survey Agency, at ₦6.206bn.</li> <li>The second and third highest allocation, of ₦5.53bn and ₦4.20bn went to the Ministry of Mines and Steel Development Headquarters and Ajaokuta Steel Company Limited, respectively.</li> </ul>
6.	 <b>Science &amp; Technology</b>	<b>₦203.08 billion</b>	<ul style="list-style-type: none"> <li>The Nigerian Building and Road Research Institute, Lagos got ₦31.89bn, which is a chunk of the budgetary allocation to the Ministry of Science &amp; Technology.</li> <li>The National Space Research and Development Agency, Abuja got the second highest budgetary allocation of ₦24.50bn.</li> <li>The third largest allocation went to the National Biotechnology Development Agency, Abuja at ₦10.26bn.</li> </ul>
7.	 <b>Infrastructure</b>	<b>₦400.64 billion</b>	<ul style="list-style-type: none"> <li>Power, Transport, Water Resources and Aviation got ₦85.68bn, ₦109.57bn, ₦140.88bn and ₦64.51bn respectively.</li> <li>The continuous budgetary allocation is to bring the country a step closer to closing the infrastructural gap.</li> </ul>
8.	 <b>Humanitarian Affairs</b>	<b>₦87.81 billion</b>	<p>In a bid to continuously improve the social welfare of the populace, funds were budgeted for varying social development and poverty reduction Programmes. Hence, the Humanitarian Affairs, Disaster Management &amp; Social Development got ₦87.81bn.</p>

## Key Takeaways

- ◆ In a bid to ramp up economic growth and development across the country, the Federal Government of Nigeria increased its 2022 planned fiscal expenditure by 26.05% from the ₦13.59 trillion budget in 2021. However, the budget deficit has continued to widen, as it rose by 22.88% from ₦5.2 trillion recorded in the 2021 budget to 6.39 trillion sponsored by weak fiscal revenues arising from fragile revenue generating capacity and external vulnerabilities.
- ◆ The Government is currently seeking to upgrade the budget expenditure by ₦3 trillion to take care of fuel subsidy, as its planned removal would no longer take effect in 2022. This would also push the budget deficit higher and thus government borrowings.
- ◆ Allocations have been made to key Economic Sectors in the budget to spur the desired growth. Businesses in these sectors can leverage these opportunities to become increasingly productive and agents of employment, thus, stimulating economic growth and development of the nation.

*Source: Budget Office of the Federation*



# Got a complaint, feedback or enquiry?

We would love to hear from you.

Please feel free to reach us on any of the following channels.  
Providing your transaction amount and beneficiary details  
where applicable.

- **Complaints** - Complaint/Enquiry/Service/Resolution Form  
[Click here to access the form](#)
- **Email** - [contactcenter@accessbankplc.com](mailto:contactcenter@accessbankplc.com)
- **Live Chat** - <https://livechat.accessbankplc.com>
- **Social Media** - Facebook, Instagram, Twitter
- **Tamada** - <https://tamada.accessbankplc.com>
- **WhatsApp Banking** - 09090901901
- **Telephone** - 07003000000, 01-2802500, 01-2712005-7
- **Ombudsman** - [CC-ombudsman@ACCESSBANKPLC.com](mailto:CC-ombudsman@ACCESSBANKPLC.com)

*(For failed POS transactions - the failed transaction decline receipt  
will be required)*

Remember, Access Bank will never ask for your full card PAN,  
PIN, OTP, Password, or BVN. If you receive any suspicious  
phone call, text message or email, report to us immediately



Banking with Access: Branch | ATM | online | mobile | contact centre



In our emails, Access Bank will never ask for your complete card  
number, PIN or One-Time password. If you lose your phone,  
inform us immediately. Links within our mails will only take you to  
information pages on our website.

More information:  
[contactcenter@accessbankplc.com](mailto:contactcenter@accessbankplc.com)  
0700-300-0000  
01-271-2005-7

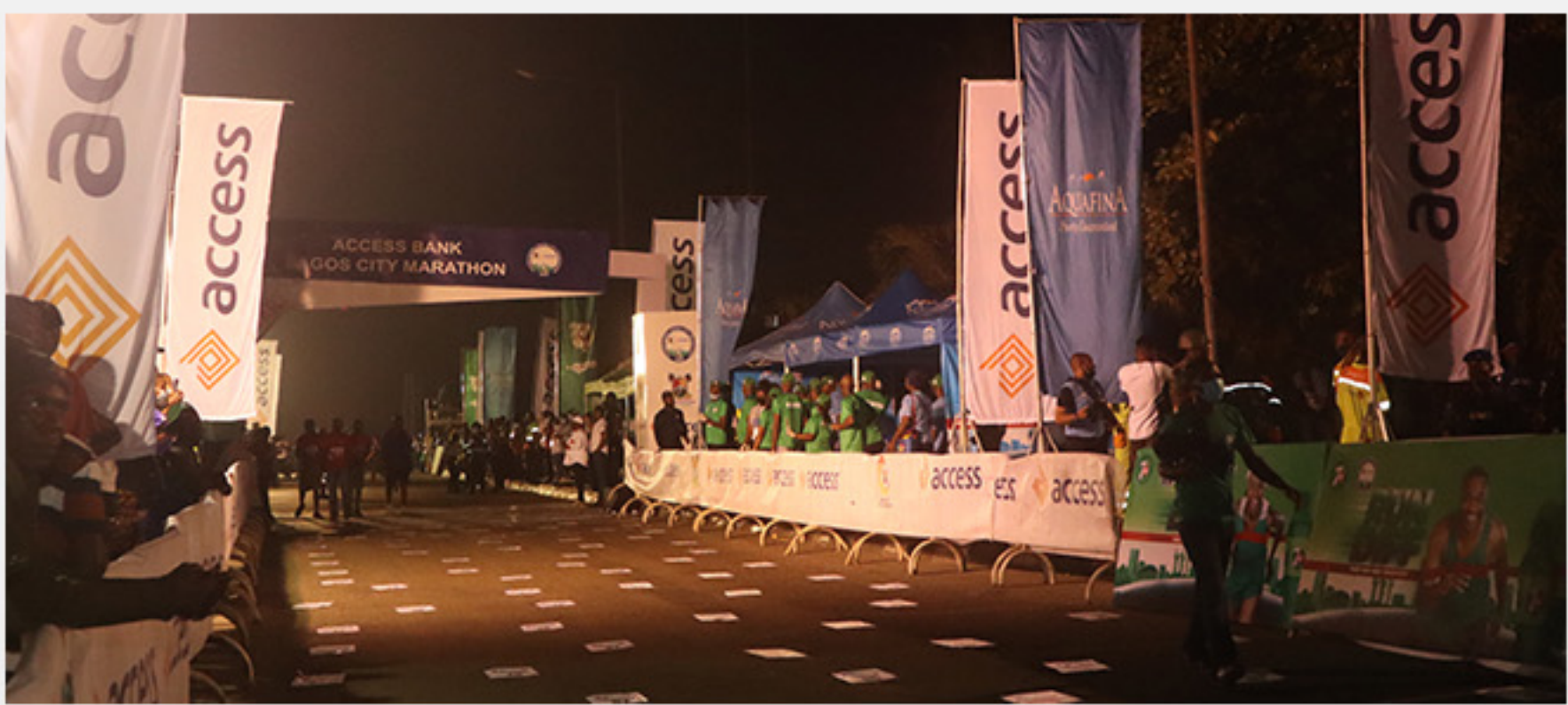


[accessbankplc.com](https://www.accessbankplc.com)





# Access Bank Lagos City Marathon 2022



more than banking