

# **PRESS RELEASE**

## **FEDERAL MINISTRY OF FINANCE**

**Sunday, April 18, 2010**

### **Federation Account: FG, States, LGs Share N284bn** **...FAAC Transfers N108.2b Into Excess Crude, PPT Accounts**

The Federation Account Allocation Committee (FAAC) on Friday shared a total of N284.592 billion among the three tiers of government from the revenue realised into the Federation Account in March 2010.

The Honourable Minister of State for Finance and FAAC Chairman, Mr. Remi Babalola, who confirmed this at the end of the Committee's meeting in Uyo, Akwa Ibom, said the distributed revenue was an increase of N11.352 billion or 4.16 per cent when compared to the N273.239 billion shared in the preceding month.

The FAAC meeting was attended by the Accountant General of the Federation, Alhaji Ibrahim Dankwambo; Director of Home Finance in the Federal Ministry of Finance, Alhaji Gidado Mohammed, and commissioners of finance and accountants-generals from the 36 States.

Representatives of the Revenue Mobilisation, Allocation and Fiscal Commission, Central Bank of Nigeria, Federal Inland Revenue Service, Nigerian National Petroleum Corporation, Department of Petroleum Resources, Nigeria Customs Service, Debt Management Office, National Planning Commission and the Governors' Forum were also part of the meeting.

Babalola said, "The distributable Statutory revenue for the month is N235.493 billion (based on exchange rate of N125/\$) which shows an increase of N6.834 billion or 2.99 per cent compared to that of February 2010.

"The increase was attributable to increase in the volume of import as well as higher prices of crude in the international market within the period. The total revenue distributable for the month (including value Added Tax) is N284.592 billion but excludes augmentation and exchange difference which were not distributed as 2010 budget is yet to be approved."

He revealed that a total sum of N436.953 billion was earned by the country in March, which was made up of mineral and non-mineral revenue of N385.809 billion and Value Added Tax of N51.144 billion.

This represents an increase of N48.856 billion when compared to the mineral and non-mineral revenue of N336.953 billion earned in February 2010, and also a rise of N4.707 billion over the VAT of N46.437 billion collected in the preceding month.

Of the total revenue collected into the Federation Account, the minister disclosed that N108.226 billion was transferred to the Excess Crude, Petroleum Profit tax (PPT) and Royalties Accounts.

The transfer represents an increase of N45.591 billion when compared to the N62.635 billion transferred in February.

Giving a breakdown of the distribution, the Accountant General of the Federation said the Federal Government received the lion's share of the Statutory Allocation of N112.427 billion (about 52.68 per cent), as against the N108.756 billion received in the preceding month.

The 36 States received N57.025 billion (26.72 per cent) of the statutory allocation, an increase of N1.862 billion when compared to the N55.163 billion paid in February 2010; while the Local Governments' statutory allocation amounted to N43.964 billion (20.60 per cent) as against the N42.528 billion received in the preceding month.

The 13 per cent derivation accounted for the balance of the statutory allocation of N22.077 billion, which was distributed among the eight oil producing states.

Dankwambo also explained that the States got the largest disbursement from the five per cent VAT of N24.549 billion (50 per cent), an increase of N2.259 billion over the amount shared in February.

The Federal Government received VAT allocation of N7.365 billion (15 per cent) while the Local Governments got N17.185 billion (35 per cent).

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