

Keynote Address

Delivered by

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President

The Institute of Chartered Accountants of Nigeria

at a

Symposium

on the

Budgets of the Federal Government of Nigeria

held on

Tuesday, September 18, 2012

at the

NICON Luxury Hotel , Abuja

The Vice President, Alhaji Kabir Alkali Mohammed, FCA

Deputy Vice Presidents

My Council Members and Revered Past Presidents here present

The Chairman of Sessions, Prof. Abhulimen Richard Anao, FCA

The Registrar/Chief Executive

Distinguished Resource Persons

Eminent Participants

Gentlemen of the Press

Ladies and Gentlemen

1. It is a great pleasure to welcome you all to this symposium organised by the governing Council of my Institute to beam searchlight on successive budgets of the Federal Government of Nigeria particularly in the last three fiscal years. Although the Institute has an annual tradition of holding budget symposium sessions like this, this year's edition, unlike previous years, takes a retrospective look at 2009, 2010 and 2011 budgets with a view to assessing their impact on the economy and more importantly, ascertain how governance and management of some key macroeconomic indicators have affected the successful implementation of the budgets. This approach will, hopefully, assist us to critically analyse the affected budgets as a collective, have informed view, based on empirical evidence, of their fiscal and monetary policies as well as their impacts on productive economic activities and wealth creation.
2. As a stakeholder in the economy, the Institute is deeply concerned about the nation's paradox of poverty in the midst of wealth. The nation is richly endowed with human and natural resources and therefore has no reason to be a poor sprinter in the economic development race. Each year, brilliant and huge budget proposals are presented by the government to, and are subsequently approved with amendments by, the National Assembly. Yet, at year end, not much appears to have been achieved both at the micro and

macro levels if the rates of unemployment, poverty, inflation, etc, are anything to go by.

- 3.** The huge absolute value of budget deficit financed mainly with borrowings from the banking system has continued to negatively impact cost of funds in the economy. Capacity utilisation in the real sector has not improved phenomenally. Availability of efficient infrastructural facilities has remained a dream as capital allocations have remained disproportionate to the extent of need. The level of budget implementation has not given any reason for stakeholders to cheer why the budget cycle has remained unpredictable. Inevitably, the quality of life of the average Nigeria has continued to decline while the cost of governance has continued to soar. As a nation, we have continued to witness economic growth without development.
- 4.** As a professional body, we are persuaded that the nation can achieve much more than it is currently doing. The cost of doing business can be brought down. Our infrastructural facilities can be improved markedly even with the current level of funding if projects are properly monitored and greater premium is placed on value for money. As experts in budget and money matters, we need to assist the government with ingenious ideas on how to move the economy forward. Here lies the need for this symposium, which we believe, will further help to build consensus and enrich our submissions to the government on critical issues of budgeting and budget implementation even as it prepares for year 2013 budget.
- 5.** The gathering here today of eminent leaders of thought, captains of industry and tested professionals in various fields of endeavour attest to the importance attached to this my Institute's public service initiative by stakeholders. This will no doubt further enhance the goodwill of our Institute and also raise the profile of our profession in the society. Therefore, on behalf of the Council and the entire membership of (ICAN), I want to appreciate you all for finding time within your busy schedule to attend this important session.

- 6.** Given the quality of resource persons carefully selected from within our profession, the academia and the industry to lead discussions on the following topics, I have no doubt in my mind, that the various sessions will be worth your while:
- Overview of Budgeting in Nigeria;
 - Nigeria's Revenue Profile, Cost of Governance and National Development;
 - Impact of Successive Budgets on National Development; and
 - Deficit Budgeting, Government Borrowing, Borrowing Cost, Fiscal and Monetary Stability.
- 7.** Distinguished guests, ladies and gentlemen, let me end this address by once again thanking you for being part of this great initiative. I urge you to share your thoughts with us on issues to be raised here today in order to enhance our submissions to the government. Ultimately, Nigeria and Nigerians will be the better for it.
- 8.** While wishing you very successful deliberations, it is my singular honour and privilege to declare this symposium open. God bless you all.

Mr. Adedoyin Idowu Owolabi, BSc, MILR, MNIM, FCA.

Tuesday, September 18, 2012.