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"OUR MISSION" - General Sani Abacha, GCON, FSS, DSS, mni, Commander -in-Chief of the Armed Forces of the Federal Republic of Nigeria: being the 1994 budget address.

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"OUR MISSION"

Being the 1994 Budget Address by General Sani Abacha, GCON, FSS, DSS, mni,
Head of State, Commander-in-Chief of the Armed Forces of the
Federal Republic of Nigeria.

PREAMBLE

Fellow Nigerians,

1. There is in our country today a great yearning for a new direction. This yearning, which grows more urgent by the day, is both legitimate and understandable. After nearly three-and-a-half decades of hopes raised and hopes dashed, it should not be surprising that Nigerians are wary and weary. Having gone through several years in which their faith in the national enterprise had been abused and affronted, our people's impatience with government and almost total distrust of its functionaries can no longer be dismissed as merely cynical.

2. At the birth of this nation thirty-three years ago, expectations were high and the possibilities for greatness were almost limitless. We appeared set for grand attainments, to fulfil what the rest of the world saw as our manifest destiny to lead the Black race into the mainstream of human civilisation. But just as it seemed as if our sun was rising, twilight came and we have

been groping over since, waiting for a new dawn.

3. That we must recommence our journey to greatness is clear enough. What is not

quite clear is the state of the vehicle with which to embark on that journey. Therefore, even as we yearn fervently for a speedy arrival at our destination, there is a need for us to pause and ponder as to the shape of the vehicle in which we seek to make our trip.

4. Nigeria is today like a vehicle which has been reduced to a cannibalised contraption. It is a vehicle heavily buffeted by the elements and badly battered by its users. No one undertakes a journey with such a contraption. When confronted with such a situation, the sensible thing to do is to commence in earnest extensive repair works having established the causes and sources of the damage. This, in a nutshell, is the assignment with which this Administration is now saddled.



General Sani Abacha, GCON, FSS, DSS, mni
Head of State, Commander-in-Chief of the Armed
Forces of the Federal Republic of Nigeria

POINT OF DEPARTURE

5. In my maiden address to the nation on Thursday 18 November, 1993, I did touch on some of the factors that necessitated our positive intervention. In the course of this address, I shall elaborate on those factors as a way of placing the specific measures adopted by this Budget in proper context.

6. Firstly, it must be obvious now that our country has gone through one of the most difficult phases any nation has ever had to go through. On the economic front, enormous sacrifices were demanded from our people to undo the near-total damage done to the national economy in the days of careless wastage. Nigerians readily made the required sacrifices only to find out that the gesture was not matched with expected result. All through the past decade or

so the nation's economic foundations had been badly shaken and our cherished values almost totally subverted. In all these, our people sought and found solace in the expectation that a new political order was in the making which, when instituted, would make the economic misfortune more bearable and the required sacrifices less harrowing.

7. Our people gave all that it took to institute that new order, believing in the wisdom of the sage who said: "Seek ye first the political kingdom and every other thing shall be added onto it." For eight years our people sought the political kingdom, And conscientiously too. But just as the new political dispensation began to take shape, it suffered a horrendous blow. Months after that great debacle, our country is yet to recover from the impact of that rude shock which took the nation back to a point below zero-level.

8. At the height of the crisis, no aspect of society was spared and no public institution escaped its destructive fall-outs. Our country was set drifting in a manner that not only threatened the ship of State but indeed also the entire foundation of our existence as a national entity. It was in

the midst of this dangerous drift that we found it necessary to step in to check the incipient chaos and secure the integrity of Nigeria as an indissoluble federation.

9. We did so because, like other key players of the political class, we were involved in an elaborate game that became a riot of events. We make no pretensions about culpability, but ironically the military still remains the only Institution in a position to put an end to the drift towards the yawning abyss of total collapse of the nation.

MISSION MANDATE

10. The foregoing constitute the historical context of current efforts at charting relevant and appropriate direction for Nigeria's socio-economy. Our policy direction for 1994 must, therefore, aim at the refashioning of present ways of doing Government business. A pointer to this need was given in my maiden address to the nation when I committed this Administration to the necessity of reform of the major agencies and Institutions of State.

11. The problems which afflict our nation's institutions have brought them into disrepute and caused our people to be disenchan- ted with Government. This

Administration has thus far empaneled high-powered Commissions of Inquiry into the affairs of those Institutions that make or break governments, to demonstrate in concrete ways, the need to set our home in order, before we begin to effectively use them as resources for the enhancement of the quality of life of our people. It must be stated that this Administration is not, by the act of instituting Reform Panels, out to embark on vendetta. Rather, we believe that these Reforms will form the basis of a renewed faith in our institutions and Government. Let me emphasize that the Reforms will be a continuing exercise designed to ensure greater sensitivity of government to our people's desires, greater accountability and transparency in Government and, above all, greater responsiveness by Government.

12. This administration places a very high premium on the genuine wishes of our people. This must be so, because the immediate factor in our decision to intervene was the obvious drift in Government occasioned by the estrangement of those in Government from the governed. Previous Admini-

strations simply neglected to recognize the drift towards the disintegration of our country due to their actions and inactions. Nigeria was close to disintegration at the time the military intervened on November 17, 1993. It has become increasingly clear to us, and indeed to most Nigerians, that the best way out for us was to intervene to save the descent into anarchy.

13. This Administration recognized, at inception, the undercurrents of the political crises of our immediate past which was the reason for the decision to institute a Constitutional Conference to look into the multitude of problems which afflict us as a nation. The idea of an all Nigerian Constitutional Conference is an idea whose time has come. *This Administration is committed to ensuring that the proposed Conference meets the expectation of our people's collective yearning for a more united Nigeria. Furthermore, this Administration has chosen, through the proposed Conference to play the vanguard role in channeling the energies of our people toward meaningful interaction in planning the course for the future of our country. We do not intend to abdicate this*

responsibility.

14. Accordingly, Government has decided and will soon empanel a Constitution Commission whose charge is to organize the proposed Constitutional Conference. The Conference, in turn, will make appropriate recommendation to the provisional Ruling Council on an acceptable political framework and programme which will lead to the emergence of a democratic polity.

15. The apprehensions and reservations of a few of our countrymen and women about the proposed Constitutional Conference are fully recognized and appreciated, but these should not detract from the good intentions which informed our original decision to convene the Conference. Government will not abdicate its responsibility in providing the necessary and sufficient framework for a fruitful conference. Government wishes to appeal to our people to be part of the genuine effort at fashioning a fair, just and equitable basis for our collective existence.

16. Fellow Nigerians, having found ourselves in the position of authority, we have a responsibility to preserve our country from collapse and at the same time to visibly pursue the cause of justice and

fairness. It is also clear to us that the task before the Nation is to pinpoint the problems as objectively as possible and to identify patriots who are prepared to sacrifice their time and leisure to honour a national call to duty and finally draw up a programme of action.

17. The general acceptance of the team we have assembled both in the provisional Ruling Council and federal Executive Council strongly suggest that the action taken to ensure that a Nigeria existed for us to deliberate on its future was based on sound judgement. We are, however, not fooling ourselves into believing that because we have been joined by trusted and eminent leaders from all sections and sectors of our nation, we have thereby solved the problems of the twin legacies of our inheritance, namely *a badly fractured polity and a dangerously weakened economy*. We believe, however, that by ensuring a national administration composed of widely respected leaders charged with *supervising our national search for meeting grounds*, our intention to serve only as supervisors of this process remains *genuine, nationalistic and patriotic*.

18. We recognize that ours is

a limited mandate; we also recognize that the process of reconstituting our polity and our economy must be undertaken by both the Government and the Governed.

THE STATE OF THE ECONOMY

19. Fellow Nigerians, the economy which this Administration inherited was one characterised by grave debilities and great instabilities. On virtually all the indices; the outlook was rather sobering. Economic output as measured by Gross National Product has been on a steady decline in the past few years. Owing to the sluggish growth, employment has stagnated while the phenomenal growth in money supply fuelled by expansionary fiscal policies have piled pressure on the real sector. Interbank and lending rates have risen to unprecedented levels resulting in declines in investment and production. All these have been worsened by a collapse in the value of the Naira, the attendant rapid increase of service charges on external debts and the worsening balance of payment profile. 20. In short, it can be said that inadequate fiscal discipline complicated the already high incidence of budget deficits, which in turn,

made efforts at economic reform more difficult to handle and led to a worsening of social conditions.

REVIEW OF THE 1993 BUDGET

21. The Federal Budget of 1993 was formulated to address and redress the decline in economic activities. One of its advertised objectives was to promote accountability and transparency in the management of public finance. The Budget also aimed at enhancing public sector activities and social programmes, while eliminating market distortions by giving freer rein to private enterprise. For reasons which are not too difficult to discern, the 1993 Budget performed rather poorly both in terms of attainment of set objectives and fidelity to the overall strategy. The Budget deficit soared to N90 billion and this resulted in an excessive growth in money supply. The economy experienced high inflation, depreciation of the naira, and continuing low capacity utilisation in the real sector. The political crises which took up most of the second half of the year only served to further accentuate these already serious problems.

THE 1994 - 1996 ROLLING PLAN

22. The three-year Rolling Plan was introduced to replace the five-year medium term programme as a development strategy. The twin-objectives of the 1994-1996 Rolling Plan are to institute correct macro economic policies and instil fiscal discipline in order to fashion a more conducive environment for economic growth. It is this imperative that provides the context for the 1994 Federal Budget.

GOAL OF THE 1994 BUDGET

23. The goals of the 1994 Budget have been set to reverse the negative trend of the recent past. These goals are:

1. A balanced budget firmly anchored in fiscal discipline and abolition of deficit financing.
2. Identification and mobilisation of new sources of collectible revenue;
3. Exchange rate stabilisation and reversal of the high incidence of capital flight.
4. Rationalisation of interest rates to stem the decline of the real sector;
5. Adoption of a comprehensive budgeting approach to bring all projects into the process;
6. Reduction in the level of subsidies and subventions to Federal

Government owned companies and parastatals, particularly those slated for partial or full commercialisation and outright privatisation;

7. Effective debt management strategies to reduce the debt service burdens on domestic commitments and obtain service burdens on domestic commitments and obtain debt relief from the external creditors;
 8. Rehabilitation of socio-economic infrastructure and strengthening of the law and order apparatus to provide a conducive environment for legitimate economic pursuits and private initiative;
 9. Increase in the capacity utilisation of the industrial sector and effective sourcing of local raw materials;
 10. Promotion of growth linkages in the rural economy;
 11. Promotion of employment opportunities especially among the youths; and
 12. Policy fidelity and close monitoring of implementation to ensure the attainment of these goals.
24. The goals, singularly and in concert, define an eco-

nomie framework for budget plans and are therefore measures for ensuring overall discipline in our recovery effort. This Administration will use these goals as standards for measuring the performance of Sectors, Institutions and Officials. This Administration wishes to serve notice that the monitoring and review of strategic institutions of public policy which we have commenced will continue and be intensified. This administration will neither tolerate the subversion of its programmes and policies nor will it allow its articulated goals and guidelines to be casually discarded or treated as mere suggestions.

REVENUE PROJECTION

25. In the 1993 Budget, revenue projections were premised on a continuing conservative outlook of oil price behaviour. Unfortunately, the price of oil during the year fell below the projected level of \$17.50 per barrel. This is why the 1994 revenue projection from crude oil sales is based on a realistic price of \$14.00 per barrel. Calculated on an exchange rate of N22 to \$1.0, this translates into an estimated revenue of N231.40 billion. Non oil revenue is estimated at N47.1 billion. The Federal Govern-

ment retained revenue is estimated at N110.20 billion.

EXPENDITURE ESTIMATES

26. The expenditure estimates for the 1994 Budget are largely influenced by the need to achieve the prime objective of a balanced budget. Therefore, Government has adopted a budgetary approach which will commit all government expenditures to only available resources. Thus the total expenditure outlay is estimated at N110.20 billion. In addition to the traditional ministerial allocations, Government would seek to provide funding for projects with multiplier effects on our economy such as;

1. High-yield seed development programme for improvement in agricultural production;
2. Special incentives for small-scale industries involved in production of basic needs;
3. Funding for Research and Development (R&D) efforts;
4. Activation of support for the Export Processing Zone (EPZ);
5. The Liquified Natural Gas and other gas/oil related projects;
6. Special assistance programmes for the educational sector;
7. Continued support for

the National Directorate of Employment;

8. Enhanced security programme in the urban centres and on major highways;
9. Support for highway and city lighting programme through the Federal Ministry of Works;
10. Support for the Mass Transit Programme;
11. Rehabilitation of Tertiary Health Institutions and Medical Research Centres.

STATE AND LOCAL GOVERNMENT FINANCES

27. From the cautious approach adopted in the 1994 Budget in regard to revenues from oil sales, it has become more necessary than ever for State Government and the Local Councils to further improve on their internal revenue generating efforts. Also given the acute concern for accountability and transparency which informs this Budget, the Federal Government expects strict financial management at the other two levels of Government and a visible pursuit of probity in the conduct of their activities. Local Councils will continue to be funded directly from the Federation Account. In addition, they will continue to receive the mandatory 10 per cent of

state Government's internally generated revenue. The State Governments are required to make quarterly returns of all such transfers to the federal Ministry of Finance.

FOREIGN EXCHANGE RATE

28. The achievement of exchange rate stability which is one of the foremost objective of this Budget requires the abolition of deficit financing, increase in the aggregate supply of foreign exchange through intensified export promotion, encouragement of foreign investors and the strengthening of measures to mobilise non-oil export proceeds. While Government remains committed to the policy of deregulation and to safeguarding the integrity of market forces, it is by now recognised that one of the fundamental factors which have further complicated the national economic crisis is the low exchange rate of the Naira in relation to other currencies. Government is of the firm belief that the new economic direction of policy should be such as would create the right environment for the strengthening of the naira. Government is aware that its due share of foreign exchange earning by parastatals and government-owned companies are not

fully credited to it. Measures have therefore been put in place for effective tracking of foreign exchange earnings with a view to correcting existing anomalies. Consequently, Government has decided that all foreign exchange earned by both private and public sector exporters of goods and services would henceforth be brought into the national Foreign Exchange Account. *For the avoidance of doubt, the concession formerly granted to private exporters and parastatals to keep their foreign earnings outside the Central Bank is hereby abolished.*

29. Also, in the light of our recent experience and in view of the need to create a favourable atmosphere for economic revival, Government has decided that the exchange rate of the naira be fixed at N22 to \$1. Government will actively monitor this decision. Government expects that Nigerians will contribute towards ensuring the sanctity of this rate against all odds.

30. Other measures that have been adopted in order to strengthen the value of naira include the following:

1. All imports are henceforth to be done on the basis of Letter of Credit (L/C) supported by

- Import Duty Report (IDR) and Clean Report of finding (CRF) except for imports that cost \$1,000 or less;
2. Imports on Open accounts (OA) including "bills on collection" except on specific approvals for the manufacturing and agricultural sector are abolished.
 3. All Importers are to complete Form M;
 4. All imports of foreign exchange into Nigeria must henceforth be through the Central Bank of Nigeria which shall guarantee free and unimpeded access to such forex for imports of goods and services. For the avoidance of doubt, any importer who has forex to use to import goods or services must first of all have to declare such to the Central bank of Nigeria, complete the Form M and establish necessary letter of Credit based on the use of funds earlier lodged with the CBN or designated banks, it would not form the basis for operating an L/C nor could it be repatriated subsequently.
 5. Bureaux de Change are henceforth agents of the CBN. As such they are to henceforth sell foreign exchange at the rate prescribed by the CBN plus a fixed commission. Bureaux de Change must therefore not sell forex to finance imports nor should they sell more than \$2,500 or equivalent to any one customer. Returns of transactions must be made to the CBN every month;
 6. All Parastatals, Corporations, Companies, Voluntary Organisations, and any agencies whether foreign, local, government or private which earn or bring forex into the country must report or lodge same with the CBN or CBN designated Banks and spend such only in accordance with the prescribed guidelines but without any other impediment or question by the authorities. In other words, those who earn or bring in forex should be free to utilise same as they deem fit within the guidelines to be prescribed. The guidelines should be gentle enough not to scare away prospective depositors.
 7. All Companies, agencies and individuals bringing forex into Nigeria must do so only through the CBN or approved banks. Such forex deposit could be withdrawn freely either in naira or foreign exchange with interest at the prescribed rate.
 8. Depending on the formula that CBN would adopt for the sale of forex to importers, the commercial and merchant banks should only act as a conduit for handling transactions on behalf of genuine clients. In this regard, appointed Banks should only charge prescribed commission for their services.
 9. The Ministry of Finance should bring to the Federal Executive Council proposals on ways to improve customs duty collection, including the possible use of inspection agents and the redefinition of the role of the Customs and excise Department.
 10. Henceforth, high Custom Duty would be imposed on Luxury Goods and such goods should not be funded from official sources. A list of such items would be prepared by the Minister of Finance and cleared with the Federal Military Government.
 11. In order to enhance their

capacities, the Central bank and the Department of Customs and Excise, would be revamped and restructured to cope with the new challenges and added responsibilities entailed in the foregoing decision, and the overall effort to revamp the National Economy. This is to without prejudice to the proposed reorganisation of the customs duty collection system.

12. The Central Bank is to ensure strict supervision of designated banks so that the abuses witnessed in recent years in the use of foreign exchange are eliminated and that erring banks appropriately sanctioned.
13. To give effect to the realisation of all these economic measures, an Economic Intelligence Committee will be established to monitor the strict implementation of all these policy measures.

FISCAL POLICY MEASURES

31. Fellow Nigerians, the main thrust of fiscal policy in 1994 is the adoption of coherent measures that ensure expenditure discipline and robust revenue drive. To this end, the Ministry of

Finance has been directed to evolve workable measures for ensuring that all duties payable on imports are fully captured into Government coffers. Concomittantly, a more vigorous effort would be made to curb smuggling and reduce the leakage of collectable revenues. The life of the present tariff regime is due to expire in 1994 and a Committee has been set up to review the current tariff structure and come up with a comprehensive new structure in 1985.

32. Government has decided to introduce excise duties on some products this year. Details of this will be given by the Honourable Minister of Finance in his Budget breakdown. Suffice it to say here that all importers of goods must brace up for the payment of full duties as no new exemptions would be entertained outside of those already provided for by law. This measure will be applicable to all Government agencies at all levels.

33. Tax Policy in 1994 would aim at encouraging genuine entrepreneurs while improving the enforcement of existing tax laws and the machinery for tax collection. However, a new tax on consumption known as Value added Tax (VAT) is to come into affect this year. States

are to benefit from the yield of this new tax up to 80 per cent of total collection. Also, withholding tax on rents, interests, dividends among others has been raised from 5 per cent to 10 per cent with effect from 1994.

MONETARY AND CREDIT POLICY

34. Government has for some time been concerned about developing an appropriate macroeconomic package that would simultaneously address the issue of the low value of the national currency, the steep rise in interest rate, high commodity prices and the inability of the productive sector to source credit and perform adequately. After due consideration of the report of a committee raised to examine these issues, Government decided to firm up interest rates so as to save genuine economic activity. Consequently, the Central Bank has been given the charge to enforce strict compliance with the various existing regulations and to ensure strict compliance with the various existing regulations and to ensure that Banks and other Institutions found violating such rules are sanctioned appropriately.

35. Specifically, Government has decided to peg interest rates as follows:

- a. Saving/Deposit rate is now fixed at between 12-15 per cent;
- b. Lending rate is fixed at 21 per cent, *inclusive of all charges*. This means that 21 per cent should represent the upper limit to be charged on any loan inclusive of legal and other charges.

36. Fellow Nigerians, the unseemingly manner in which critical indices of our economic health have been grossly abused in the past few years calls for decisive and drastic measures. With the existing interest rate regime, it has become clear that real producers were being penalised while peddlers of paper money, crafty manipulators and idle speculators were milking the economy dry. No responsible government would fold its arms and watch such a negative trend continue unchecked. It is in our determination to do something positive that these new measures are being introduced and we sincerely hope that hardworking Nigerians who are the ultimate beneficiaries of a saner interest rate regime would rally round Government in ensuring that these measures are not sabotaged. Additionally, in its effort to ensure compliance with the new dispensation, that the

central bank is mandated to go beyond routine moral suasion where necessary and adopt active measures to bring transgressors to book.

37. With regard to Sectoral allocation of credit, Government has decided that, in 1994, sectoral allocation of bank credit should give priority to agricultural and industrial production. Thus, the sectoral percentage distribution of commercial and merchant bank credit in 1994 shall be 60 per cent of all credit to agricultural production and manufacturing enterprises while non-oil exports and others would be allocated 40 per cent. The ratio of rural lending to deposits mobilized in the rural communities would remain at 50 per cent in view of the pressing need to accelerate rural development.

DEBT MANAGEMENT

38. The management of the country's internal and external debts continues to present serious problems for macroeconomic policy and the attainment of growth objectives. In the attempt to reduce the level of debt stock, Government has adopted policy measures that should lead to outright elimination of contracts not provided for in the Budget. This would be in keeping with one of the cardinal points of

this year's Budget which is a vigorous curtailment of expenditure to assure a balanced budget. With regard to the servicing of domestic loans, the Federal Ministry of Finance and the Central Bank of Nigeria have been charged with the assignment of designing a scheme which would result in reduction in annual debt service in real terms. On the external front, Government would continue to strive to reach an accommodation with Nigeria's creditors with a view to securing more favourable terms. It is our hope that the creditors would appreciate the particularly delicate phase through which Nigeria is now passing and exercise restraint in making impossible demands that can only serve to further worsen the tenuous economic and political situation of these times.

THE SOCIAL SECTOR

39. From the broad outline given so far in this Address, it should be obvious that the Fiscal year of 1994 will be an intensely demanding period in terms of budgetary discipline and adherence to enunciated goals and objectives.

40. Government recognises that the past few years have been especially harrowing for many Nigerians, particularly

people in the low and middle-income groups and those engaged in genuinely productive economic activities. It is Government's intention and determination to bring some long overdue relief to our people in the areas of public transportation, access to affordable and qualitative education, health services, provision of water and adequate food supply at reasonable prices. Government is of the firm belief that such relief measures can still be comfortably accommodated within the context of a balanced budget. What is required is the adoption of the right economies in the areas of:

1. Checking public sector wastage;
2. Ensuring a shift away from the current practice of using scarce public resources to subsidise the
3. Affluent through lopsided pricing of services;
4. Enforcing a tax drive that would raise the revenues accruing to public coffers;
5. Blocking of sundry leakages in the official economy; and
6. Capturing of all economic activities into the formal sector.

41. We are under no illusion that these would be easy

tasks. Indeed, carrying them out successfully would require a brand of political will with which Government in Nigeria are not usually associated. Yet, we are acutely aware of the desperate situation in which we now find ourselves and have come to accept that there is really no alternative to keeping faith with our people through policy sincerity and efficient management of the economy to enable it carry out the needed social services.

42. Consequently, 1994 will witness more vigorous activity on the part of Government in the provision and improvement of social services especially in the area of transportation, road maintenance, schools management, public health and other related infrastructure. Our approach to the provision of social services is derived from the philosophy of social sector management which views those services not merely as items of public expenditure but, more importantly, as investment in a better organised society and, ultimately, as imperatives for future progress given their enormous multiplier effects.

DRUG ENFORCEMENT

43. Drug trafficking has become a monumental national embarrassment and

a cancerous malaise which is a great source of concern for this Administration. Nigeria is not a producer of drugs, yet because of the indiscipline of some of our people and their general tendency to get rich quick, have turned Nigeria into a notorious drug route. This attitude has unhealthy effect on the image of this country. This Administration therefore is determined to stamp out drug trafficking in all its ramifications.

44. Categorically, Government has decided to revamp and re-organise the National drug and Law Enforcement Agency (NDLEA) to make it more responsive to its responsibilities. It is pertinent to note that the recent seizure of drugs with a street value of over \$300 million within our shores lends credence to this our renewed and vigorous efforts to fight the incidence of drug trafficking. We appeal to the internal community to cooperate with us in this our current drive to stem the drug trade from our shores and plead for the exchange of information and technical assistance towards the attainment of this objective.

45. Henceforth, Government will deal ruthlessly with drug traffickers, and their agents and will not tolerate the damage drug trafficking and other anti-social beha-

viours have done to Nigeria's image. Government is determined to ensure stricter supervision and the enforcement of stiffer penalties on offenders and as such, no efforts will be spared to track down traffickers and their agents.

YOUTH AND SPORTS DEVELOPMENT

46. Government is committed to constructive programmes of youth development for nation building. In pursuit of this noble goal, the Ministry of Education and Youth Development as well as the National Sports Commission will continue to develop appropriate youth programmes to prepare our young men and women for productive adult life. The future of any nation depends on a well-articulated and effective youth policy which can only be ignored at the nation's peril.

47. This Administration is highly impressed by the immense contributions of our youth in global competitions, particularly in the age-group football championships. The recent victory of our Golden Eaglets for the second time, in the U-17 'FIFA' soccer competition in Japan is an excellent example of the heights which commitment and patriotism can propel us as people. I enjoin the Super

Eagles, who have qualified for the Senior World Cup, to emulate the excellent example of their kid brothers. Government, on its part, will do everything to ensure a proper and result oriented build-up to the prestigious global championship, tagged "USA 94".

48. Government will do everything possible to meet the requirements of FIFA, to assure Nigeria's hosting of the U-20 Youth Soccer Championship scheduled for next year. Apart from the massive following which soccer enjoys in our country, hosting the competition will enable us to provide the world with strategic insights to our capabilities, potentials and the state of the development of the game of football in particular in Nigeria.

49. As we enter a year in which Nigeria will participate in many global sporting competitions, government enjoins all organs charged with the responsibility for sports development to show commitment and a sense of purpose in their preparations, so that our flag can fly high to the glory of our beloved country.

50. The activities of those charged with the development of sports in the country will henceforth be closely monitored. Govern-

ment can no longer watch with indifference when those charged with the heavy burden of sports administration in the country dissipate so much energy in endless bickering thereby, making us laughing stock in the international community.

THE INTERFACE OF DOMESTIC POLICIES AND EXTERNAL DEMANDS

51. We are now more aware of the relationship between the various aspects of reform programmes we have sought to implement and their overall effects on the quality of life of our citizens. We know that if we service debts, whose total legal character is yet to be ascertained, with our thirty kobo of every externally accrued naira, and if the percentage devoted to servicing of our debts continue to increase while the total income continue to decrease that our people's welfare would also continue to be mortgaged. We know that if we embarked on economic reform projects that tie the hands of government and disables government from putting in place programmes that will shelter the more vulnerable sectors of our society from the negative effects of these reforms, that we are actively increasing the ranks of the disaffected who will demand

either protection from these effects or call for a change of the economic order and of government. We know that we cannot embark on a ruinous debt service regime, mount an economic reform programme, and initiate difficult changes of our political system all at the same time. While investors' capital seek new arenas opened up by the ending of the cold war, it is apparent that the Nigerian managers of our economy would have to organise novel ways of undertaking reforms without increasing the volume of conflicts within our social order.

52. The international community must also come to understand the implications of these various programmes that have shaped the condition of life of our citizens. It is no longer enough to insist on reforms whose patterns of effects have now been catalogued country after country and yet for the international community not to appreciate what are the likely outcomes of changes that it advocates. Nigeria like other African countries similarly situated have implemented structural adjustments of their economies. They are carrying the heavy burden that their debts place on their shoulders and

they are saddled with the effect of painful and conflict-ridden democratisation of their policies. These three projects are all source of conflicts that threaten social order and peace. There must be a way of spacing them and managing the conflicts they generate.

53. This Administration believes that equal attention must now be devoted to the management of peace within our societies. Peace can no longer be assumed. New ways have to be devised for anticipating the conflict effects inherent in policy reforms. New flexibilities in approach have to be cultivated. We know that in this task Nigeria must continue to contribute its leadership in assisting the international community in developing peaceful alternatives to the pursuit of political objectives through wars. As the curtain falls on the apartheid order of Southern Africa, a new day for Africa dawns, calling for the birth of a new leadership. This Administration extends its invitation to the international community to join it in the exploration of the current condition of conflict situations that now limit our ability to march forward.

REINVIGORATING THE EXECUTIVE BRANCH

54. The various measures outlined in this year's budget require renewed dedication on the part of those whose business it is to implement Government policies. The existing structure of the Executive Branch cannot serve the inherited statecraft crisis without fundamental restructuring of legacies. The Civil Service which traditionally has served as the implementing arm of the Executive Branch has, over the years, lost momentum in part because of the negative impact of previous reform measures.

55. Government views with concern the current decline in the output of the Civil Service and is determined to do something about it. Accordingly, Government has decided to revisit the 1988 Civil Service Reforms with a view to reviewing its underlying premises, its execution and implementation to date.

56. Significantly, however, there is a compelling and urgent need for enhanced coordination as a management imperative in the Executive Branch has grown so large as to be unwieldy. Quite a handful of agencies have found accommodation in the Presidency whose

schdeule of responsibilities are duplications of what regular Federal Government ministerial departments do. In addition, the sheer size of the Executive Branch compounds the input-processing problem and inevitably leads to the burdening of the Chief Executive by multiple actors, with the worrisome implication for undue centralization of power.

57. This Administration cannot afford the luxury of operating the existing bureaucratic structure which under conditions more conducive and more supportive was only efficient in serving the personal interest of those entrusted with authority. Government is concerned that the present organisation of work in the Executive Branch is administratively routine and results in much activity and traffic but without the result of functional policy leadership. Government has therefore decided on a restructuring of the Executive Branch to make it functional in decision making, decision execution and decision monitoring.

CONCLUSION

58. Fellow Nigerians, in surveying the sad record of our recent past, it could be rather tempting to want to

continually lament what has indeed been a tragic study in missed opportunities. It would be perfectly understandable if Nigerians now choose to engage in unending recrimination over what went wrong, to point accusing fingers, or even to wallow in self-pity. Even before things went so bad, the apportioning of blame had become a growth industry in the society.

59. Yet, even as we legitimately vent our anger and express our disappointment at the cavalier manner in which our lives had been mismanaged, we need to reconcile ourselves to the fact that life must go on. The past becomes an albatross only if we fail to learn from it and heed its lessons. It is now time to seek a sober understanding of what went wrong. We must now resume our search for unity and prosperity firmly anchored on peace and justice. We must collectively re-commence the task of re-building our polity and reconstructing our economy.

60. The 1994 Budget has been articulated as a modest beginning in this direction. It has been said that the true test of a nation's progress is not how much it adds to the abundance of those who already have too much, but

how well it is able to provide for those who have too little. The policies this Administration wishes to pursue in 1994 are aimed at providing the right atmosphere for economic growth that goes hand-in-hand with social commission. This cannot but be so, given the injuries of past years. Still, a lot will depend on all Nigerians:

1. To be patriotic enough to seek to work within the set guidelines and policies rather than seeking ever more imaginative ways of sabotaging the Budget;
2. To support Government in its efforts to generate more revenue by ensuring prompt and correct tax declaration and bringing their income-earning activities into the official economy;
3. To adhere strictly to business ethics instead of indulging in arbitrary increases in prices and the lowering of the quality of their goods under the guise of deregulation;
4. To refrain from acts that tend to smear the image of the country and which discourage the much-needed inflow of genuine foreign investments;

5. To ensure high moral standards and discipline in the economic and other activities;
6. To imbibe a better work culture especially in the rendering of public service;
7. To re-kindle faith in ourselves and in our ability to create a Nigerian economic miracle;
8. To remain continually vigilant in holding people in authority to set standards, especially with regard to accountability and transparency in Government; and
9. To refrain from doing anything that would further complicate the already testy political situation so as to ensure

the stability required for economic recovery.

All these are demands that underscore the need for discipline in the conduct of private and public affairs. On our part, we have committed Government to initiatives that seek to restore orderly existence through the resuscitating of the War Against Indiscipline and Corruption. We are determined to prosecute this war to the best of our ability.

61. To this end, let me note that Government had in the past decade invested massively in the infrastructure of public discipline. The appropriate agencies are hereby directed to speedily re-deploy what was committed to public discipline by preceding

Administration for current purposes.

62. The Budget will attract criticism normally, but it is important to appreciate the commitment of this Administration to brighten the prospects for our country, improve economic management, and create a stable and conducive political climate.

A lot needs to be done but I have no doubt that together we can build a better future for our dear country.

63. Please accept, in arrears, my best wishes for a happy and prosperous New Year.

64. Long Live the Federal Republic of Nigeria.

Thank you and God bless our country.