



## CENTRAL BANK OF NIGERIA

### Press Release

The Central Bank of Nigeria will like to correct the erroneous reports in the Press, which suggest that the Federal Government overspent the budget by ~~₦~~365.35 billion during the second half of 2014.

The Financial Stability Report from which this misleading conclusion was drawn clearly states “...*the fiscal operations of the Federal Government resulted in an overall deficit of ~~₦~~365.35 billion or 0.8 per cent of GDP, as against the proportionate budget deficit of ~~₦~~482.10 billion for the second half of 2014. The deficit was financed mostly from privatization proceeds*”.

This means that the Federal Government had initially projected to run a budget deficit of ~~₦~~482.10 billion during the second half of 2014. However, the actual outcome turned out to be much less than projected at ~~₦~~365.35 billion. The difference of over ~~₦~~116 billion indicates some prudence, rather than profligacy, in fiscal management.

The Central Bank of Nigeria will also like to note that deficit financing of budgets, which is within the Fiscal Responsibility Act, is a widely accepted fiscal practice.

A handwritten signature in blue ink, appearing to read 'Ibrahim Mu'azu'.

**Ibrahim Mu'azu,**  
Director, Corporate Communications