

Preliminary Estimates of National Transfer Accounts for Nigeria

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Outline of Presentation

- Population and Age Structure
- Economic Lifecycle
 - Profile of Consumption
 - Profile of Income
 - Life Cycle deficit
- Data Issues and Caveats
- Transfers
- Public Sector Income
- Public Sector Expenditure Profile

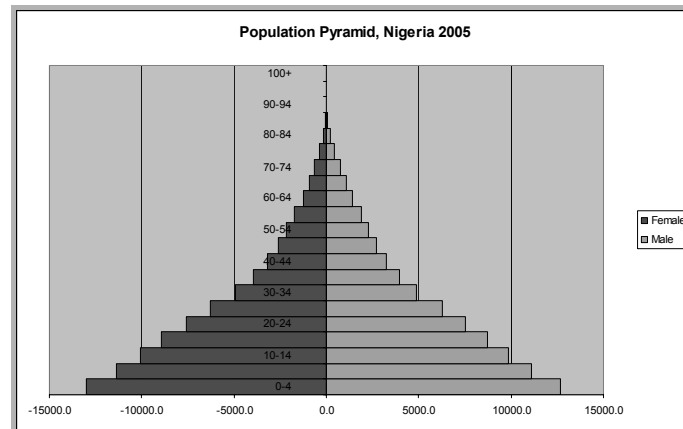
Data Sources

- Many sources were utilized and in all cases aggregate control was used to make figures compatible with NIPA
- Sources include
 - Nigeria Living Standard Survey, 2004
 - Abstract of Statistics (2006), National Bureau of Statistics
 - Central Bank of Nigeria Annual Report and Statement of Accounts, 2007
 - CBN Statistical Bulletin, 2006

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1. Population Pyramid, Nigeria 2005



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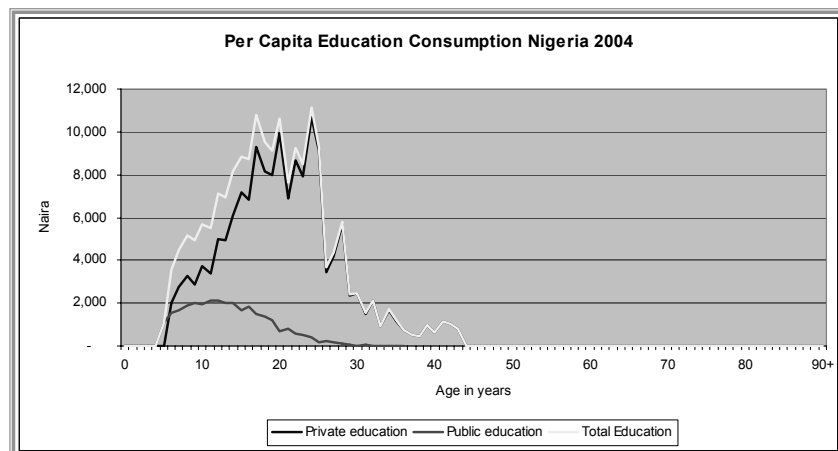
2. Economic Lifecycle

- Consumption
 - Components (Health and Education Consumptions)
 - Components (Private and public)
- Income
 - Earnings and wages
 - Self-employed income

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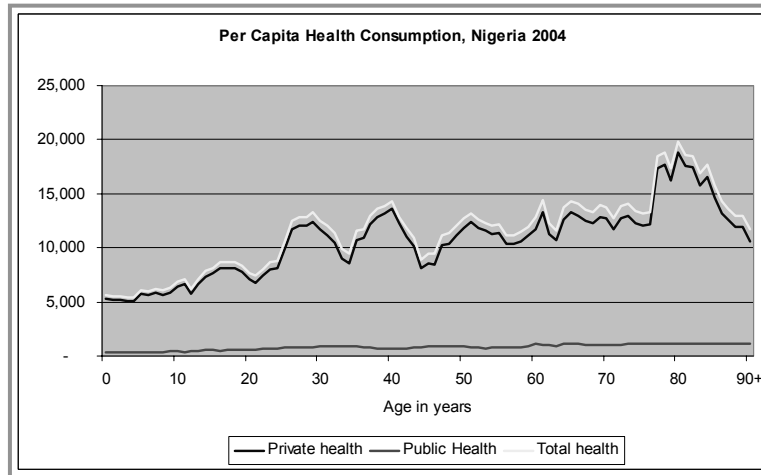
2.1 Components of Consumption (Education) Nigeria, 2004



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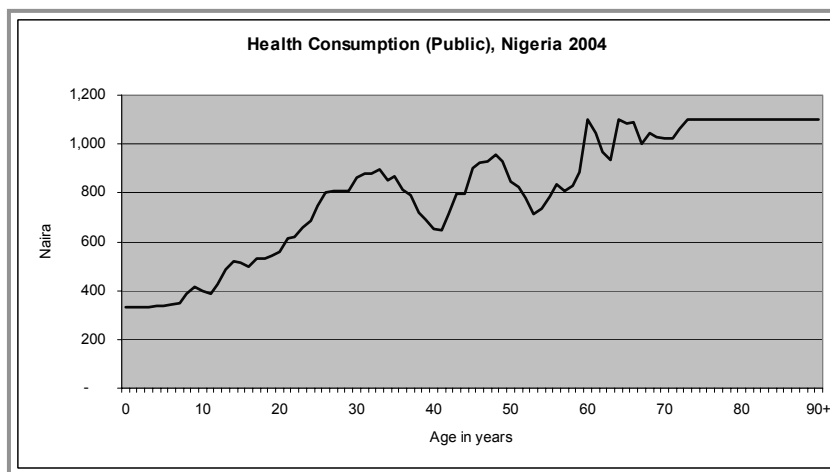
2.2 Components of Consumption (Health) Nigeria, 2004



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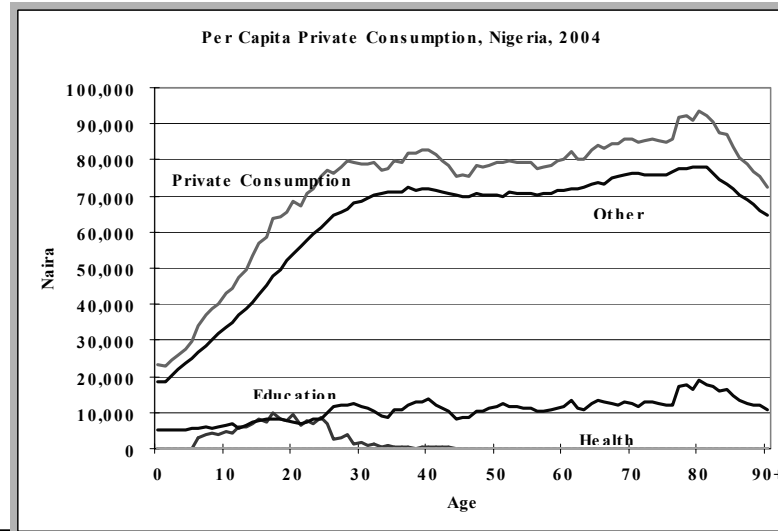
Health Consumption (Public), 2004



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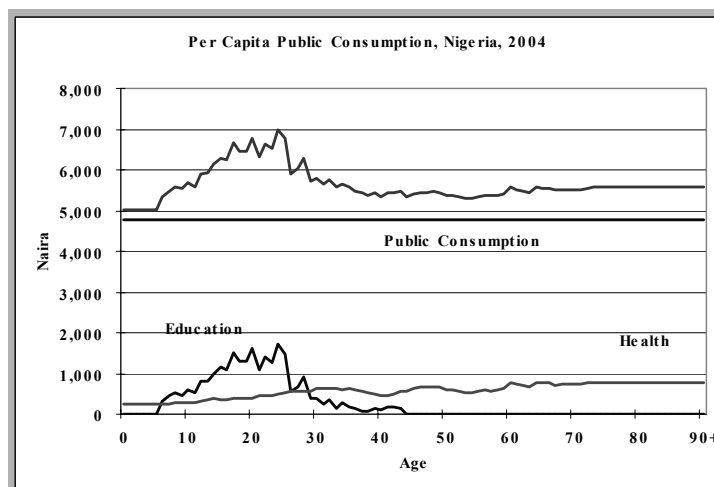
2.3 Consumption - Private



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2.4 Consumption - Public



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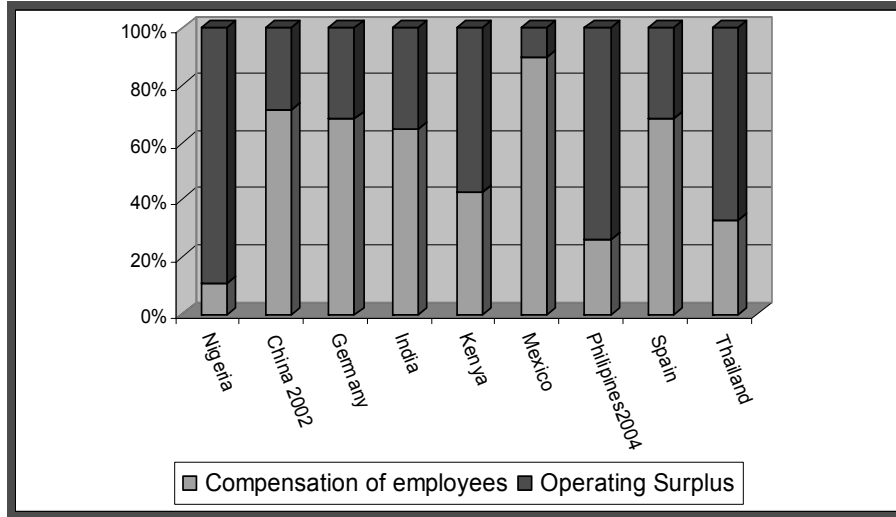
3 Composition of Labor Income

- Data Issues
 - Earnings and wages
 - One thirds of the individuals in survey reported working for age
 - 10 percent of those who reported working for age gave information on their actual earnings
 - Many respondents who reported not working for age also reported positive wage income
 - Self-employed income
 - We tried self reported income and compared with imputed self income
 - Two third of self employed income was treated as the earnings while the remaining one third was treated as operating surplus
 - Probably this is why earnings is very low at younger ages for the individuals

Composition of Labor Income

- Mixed Income
 - Data not separated from figures of Operating Surplus in NIPA
 - We observe that the proportion of compensation of employees to operating surplus is the extremely low (see graph in next page)
 - Initially, our income was smaller than consumption until we made assumption that mixed income is about 60% (?) of operating surplus

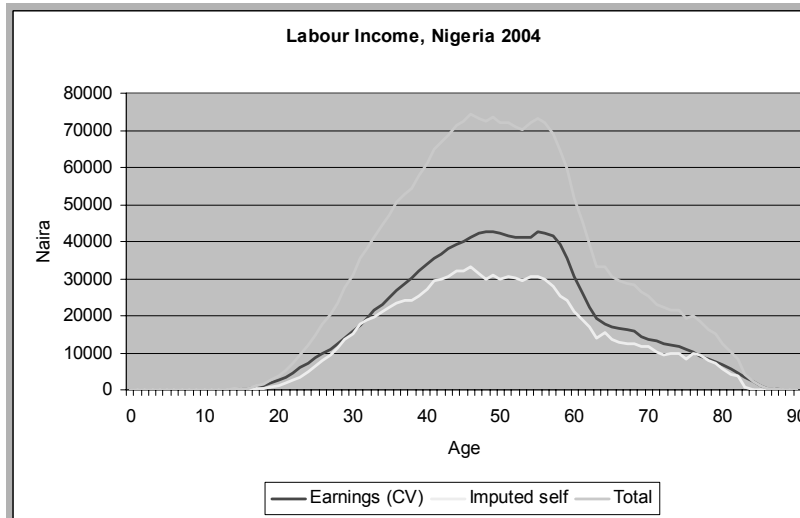
Comparison of Composition of Employee Compensation and Operating Surplus



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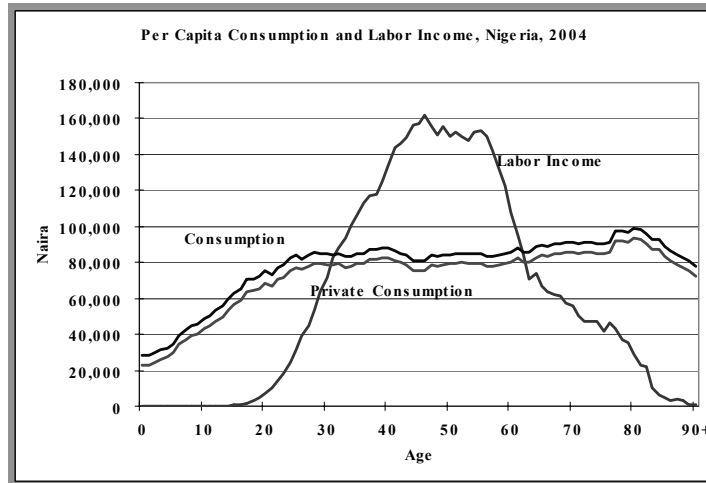
3. Composition of Labor Income



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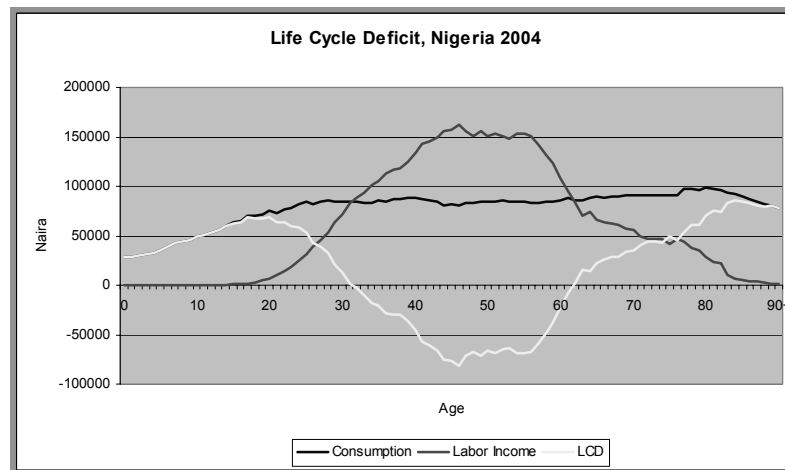
4. Economic Lifecycle, Nigeria 2004



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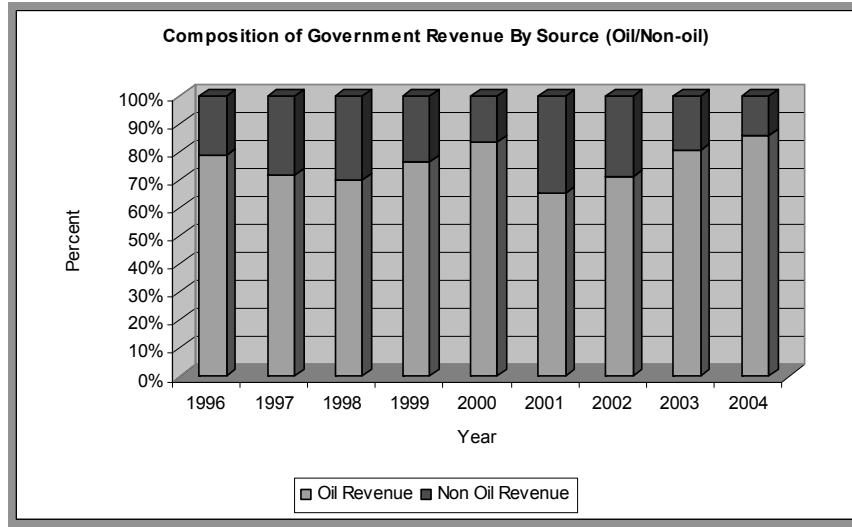
4. Economic Lifecycle and Life Cycle Deficit, Nigeria 2004



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Public Transfers



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Public Transfers: Structure of Taxes in Nigeria

Oil Revenue	Total Received	Total deductions/spent	Distributable revenue
Petroleum profit tax/royalties	1498.4	454.9	1043.5
Domestic crude sales	1183.5	496.6	686.9
Other oil revenues	668.1	309.9	358.2
Deductions	4.8	1.8	3
Crude oil/gas export	3354.8	1263.2	2091.6
Non-oil revenue			
Companies income tax			113
Custom and excise			217.2
VAT			159.5
Independent revenue of federal government			58.9
Education Tax			17.1
Custom levies			40.4
Non-oil revenue			606.1
TOTAL (Oil and Non-oil)			2697.7

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Reclassification based on NTA subject head

Asset income		
Petroleum profit tax/royalties	1043.5	
Domestic crude sales	686.9	
Other oil revenues	358.2	
Deductions	3	
		2091.6
Indirect Tax		
Custom and excise	217.2	
Independent revenue of federal government	58.9	
VAT	159.5	
Custom levies	40.4	
		476
Direct Taxes		
Corporate income tax	113	
Individual personal income tax	134.195	
Education Tax	17.1	
		264.295

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Yet to be classified Revenue: Profiles of lower tiers of government

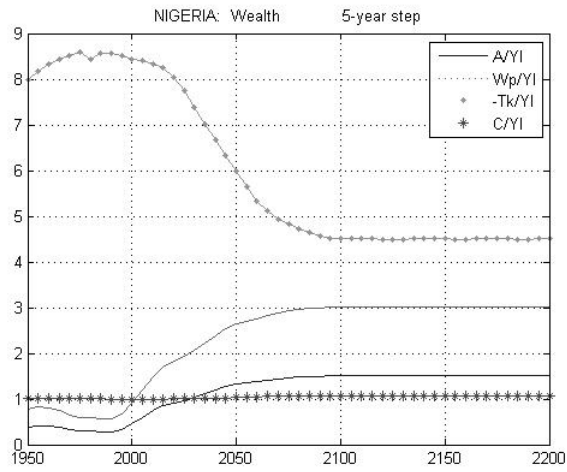
Local Governments	22.408
Tax (Tenement rates)	4.852
Non-tax	17.556
Grants	12.21
State	
**IGR (Individual personal income tax)	134.195
Grants, licenses and other fees	104.344

**Already classified as personal income tax in the last table

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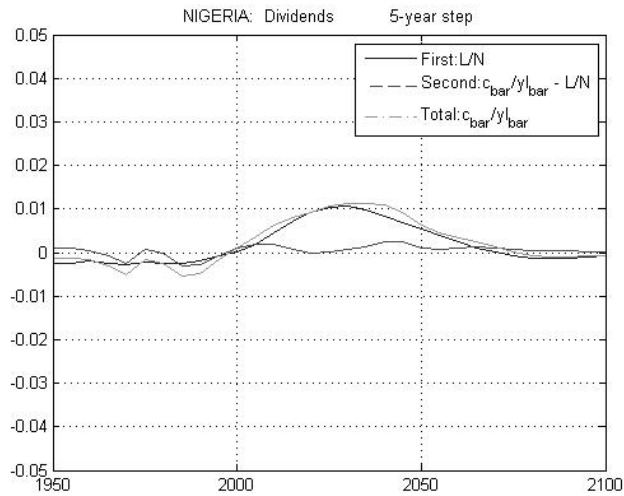
Some Projections...



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Some Projections...



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Next Steps...

- Estimation of transfers (Public and Private)
- Estimation of Asset Composition
- Simulation and Projections
- Presentation of NTA Tables distributed by Age groups

THANK YOU

The learning continues...