



**DEBT MANAGEMENT OFFICE
NIGERIA**

PRESS RELEASE

**CONVERSION OF ₦850 BILLION NEW EXTERNAL BORROWING IN THE
2020 APPROPRIATION ACT TO DOMESTIC BORROWING**

The 2020 Appropriation Act approved a total of ₦1,594.99 billion as New Borrowing to part-finance the Deficit in the Budget. This was made up of ₦744.99 billion Domestic Borrowing and ₦850 billion External Borrowing.

With the Covid-19 Pandemic and its attendant effect on the world economy and the International Capital Market, the Federal Government reappraised its Borrowing Plans and decided that it would be more expedient to raise the ₦850 billion, earlier approved as External Borrowing, from Domestic Sources. This conversion from External to Domestic is to ensure that the implementation of the 2020 Appropriation Act is not jeopardized by lack of funds.

Thus, the ₦850 billion is not New or Incremental borrowing, rather it is an amendment of the source of borrowing from External to Domestic. With this change, the total New Domestic Borrowing under the 2020 Appropriation becomes ₦1,594.99 billion which is the same as the total New Borrowing in the 2020 Appropriation Act.

For compliance with the law, His Excellency, President Muhammadu Buhari forwarded requests to the Senate and House of Representatives to convert the source for raising the ₦850 billion from External to Domestic.

The Senate approved the request on Tuesday, April 28, 2020, while the approval of the House of Representatives is expected. Upon approval of the request by the House of Representatives, the Debt Management Office will issue FGN Securities in the Domestic Market to raise the ₦850 billion, thereby providing high-quality investment opportunities for the investing public.

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