

## DASHBOARD: AUGUST 2020\*

Version 1.0

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector <sup>1</sup>	Monthly	589,300(6.0%)	▲	Productivity	Literacy Rate (Grade 6)	Yearly (-1)	51.9%(1.2)	▼
		Informal Sector	Yearly (-3)	8,824,252	▲		Numeracy Rate (Grade 6)	Yearly (-1)	52.6%(1.3)	▲
		Migrant Workers	Monthly <sup>8</sup>	-3,259	▼		Morbidity Rate (Malaria Incidence) <sup>a</sup>	Monthly	4.82 (-0.04)	▼
		LIPW <sup>2</sup>	Monthly	N/A			PIP Budget Absorption <sup>b</sup> (GoU, IFMS %)	Quarterly	101%	▲
	Incomes	Per-capita GDP (US\$)	Yearly	908 (2.7%)	▲		Power Tariff (Ushs per Unit)	Medium	Quarterly	645.6(0%)
		Income Poverty (%)	Yearly (-3)	21.4% (0.0)	▲	Large		Quarterly	0.0%	▲
Remittances (US\$)		Yearly	1,455.8	▲	Extra Large	Quarterly		0.0%	▲	
Living Standards	Utilities (Retail Tariff Rates)	Water (M <sup>3</sup> )	Quarterly	3,516	▲	Competitiveness	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,800	▲
		Power/Domestic	Quarterly	750.9	▲		Commercial Case Backlog <sup>c</sup>	Yearly (-2)	1,766 (88%)	▲
		Data (Ushs, 1GB)	Monthly	35,000	▲		Fuel Prices (Liquid Energy Fuel Inflation)	Monthly	(-0.1%)	▲
	Education Expenditure <sup>3</sup> (HH,Ushs)	Yearly (-3)	1,179,000	▲	Customs Clearance (Hours)		Monthly	N/A	▲	
	Healthcare Expenditure (HH, Ushs)	Yearly (-3)	273,000	▲	Transit Times (Mom-Kla, Days)		Monthly	9 (	▲	
	Food Inflation (%)	Monthly	-5.4% (1.2)	▲	Investment Registration(Days)		Yearly	2	▲	
	EFU <sup>4</sup> Inflation (%)	Monthly	4.3% (-0.3)	▼	Business Registration (Days)		Yearly	3	▲	
	Residential Property Price Index (RPPI) for GKMA	Quarterly	10.5% (-2.9)	▲	Electricity Connection (Days)		Monthly	30	▲	
	Crime Rate (per 100,000)	Yearly	517.7	▲	Water Connection (Days)		Monthly	N/A	▲	
	Equity and Economic Inclusion	Private Pension: Active Members <sup>h</sup>	Quarterly	644,000(4%)	▼		Markets and Regulations	Tax Refund (Months)	Monthly	N/A
Private Pension: Registered Members		Yearly	2,000,000+(Est)	▲	Communication Rates	Voice (Ushs Per Sec)		Quarterly	3	▲
Public Pension (Beneficiaries)		Monthly	76,314 (0.3%)	▲	Data <sup>d</sup> (Unlimited)	Monthly		310.000	▲	
SAGE (Beneficiaries)		Quarterly	290,667 (57%)	▲	IMF Primary Commodity Price Index	Monthly			▲	
Agent Banking (Transactions)		Quarterly	5,000,000	▼	Average Monthly Net Salary (After Tax) <sup>f</sup>	Yearly		628,611	▲	
Environmental Sustainability	Water Quality (PM <sub>10</sub> ) <sup>8</sup>	Monthly	Low, 35.19	▲	Local Content	Retail Sales/EFRIS <sup>5</sup>	Monthly	N/A	▲	
	Air Quality (PM <sub>10</sub> ) <sup>8</sup>	Monthly	Low, 26.67	▲		USE All Share Price Index	Monthly	1332(3.7%)	▲	
	Noise Pollution (Decibels, Kampala )	Monthly <sup>f</sup>	High, 50+	▲		New Business Registrations	Monthly	N/A	▲	
	Seasonal Changes in Rainfall	Monthly	Normal+Above	▲		Hotel Occupancy Rate <sup>e</sup>	Quarterly	7%(2.0)	▲	
	Natural Disaster Incidences	Monthly	252,869	▲		Plant Utilisation Rates	Quarterly	26-50%	▼	

\*Unless indicated all quarterly figures are for Q4, FY2019/20 and annual figures for FY2019/20<sup>1</sup> Active PAYE Register Jobs<sup>2</sup> Labour Intensive Public Works<sup>3</sup> Primary Education<sup>4</sup> Energy, Fuel and Utilities<sup>5</sup> Electronic Fiscal Receipting and Invoicing System<sup>6</sup> Made in Uganda (MUG)<sup>7</sup> By Value (and 99.8 by number -2,595)<sup>8</sup> Particulate Matter (April 2020)<sup>9</sup> Cases per 1,000 population<sup>10</sup> 2019<sup>11</sup> Cumulative Absorption in Q4 (Reconciliations as of 31<sup>st</sup> Aug, 2020)<sup>12</sup> 2019<sup>13</sup> Unlimited (Monthly)<sup>14</sup> May 2020<sup>15</sup> July 2020<sup>16</sup> June 2020<sup>17</sup> National Average is Ushs 168,000 (2016/17)<sup>18</sup> Cumulative Returnees in 2020<sup>19</sup> NSSF: As at June 2020

Policy Briefs: AUG 2020

COVID-19 Series

## Emerging Microeconomic Trends and Patterns for Policy Attention in FY 2020/21 and the Medium Term

### Background

Government adopted a progressive approach to its announcements and management of public health measures to contain and minimize the spread of COVID-19. The effects and outcomes of this approach equally evolved progressively. Over the course of FY2020/21, this Section of the MIND Update will feature the monthly evolution of the effects, impacts and opportunities triggered by the COVID-19 pandemic as experienced by households, firms and industry. This is made possible by the newly launched COVID-19 Impact Assessment Surveys (IAS) championed by UBoS and a number of complementary high frequency data sources. The COVID-19 IASs cover formal establishments and are limited to two modules: Production and Business Operations Dynamics modules

**A) Microeconomic Developments:** This Section provides an updated commentary on the eight focus issues of the MIND based on complementary information sources to the latest COVID-19 IAS.

Issue	Microeconomic Developments: 3 Months to August, 2020
Employment	Income Tax revenue from formal jobs improved by nearly 23% in August 2020 consistent with a 6.0% increase in the number of active PAYE accounts in August compared to July 2020. This indicates a marginal resurgence in the formal labour market. Self-reported job losses for the whole labour market however increased in August 2020 (121,642) by nearly threefold (294%) compared to July 2020. This surge is partly attributed to the activation of the Labour Returns and Statistics Management Information System and the Jua-Kali Management Information System by MGLSD in August 2020.
Living Standards	While EFU inflation declined by 0.3% in August 2020, most individual consumption categories witnessed prices increases in the same period. Prices for food and non-alcoholic beverages rose by 0.5% compared to a decline of 1.7% in July 2020. Prices for Cloth and Footwear also increased by 0.3% in August while that for Transport increased by 1.0%. Prices for Housing, Water, Electricity, Gas and Other Fuels however dropped by 0.2%. The extent to which these marginal upward price changes reflect the logistical constraints triggered by COVID-19 remains unclear.
Equity and Economic Inclusion	National rollout of the SAGE programme in FY 2020/21 has resulted in a 57% rise in the number of beneficiaries compared to FY2019/20. This rollout is one of the measures under Government's economic response to the COVID-19 pandemic.
Environmental Sustainability	The first comprehensive set of Natural Capital Accounts for Uganda's wood assets and forest resources covering the period 2000 to 2015 was released by UBoS in August 2020. Wood supply in 2020 is projected at an annual deficit of 46,197 MT compared to a deficit of 35,043 MT in 2015 and a surplus of 2,561 in 1990.
Productivity	COVID continue to interrupt trade flows. Within the region, 106 Ugandan truck drivers and 535 foreign truck drivers tested positive for COVID-19 in Uganda between 17 July and 20 August. This affects turnaround times and supplies (IOM).
Competitiveness	9 out of 10 enterprises have experienced an increase in costs of doing business as a result of implementing the health measures instituted by Government (EPRC)
Markets & Regulation	Investor confidence bounced backed at USE in the month ending August 31, 2020. The USE All Share Index registered a reversal in its declining trend since April, 2020 closing the month at 1,332 (+2.4%) compared to 1,301.56 at the end of July, 2020. This resurgence of activity was largely driven by activity at the UMEME counter.
Local Content	Uganda's trade balance improved by nearly 10% from a revised US\$ (205.4) in June to (185.4) in July 2020. The improvement was driven amongst other things by a

Issue	Microeconomic Developments: 3 Months to August, 2020
	record performance in monthly coffee exports that saw Uganda export 543,256 bags of coffee worth US\$49.8 million – the highest monthly export figure (volume) since liberalization in 1991. Coffee and gold exports increased by 25% and 38% respectively between July and August 2020.

**B) Policy Response Measures:** Following the onset of COVID-19, Government announced a number of microeconomic related policy measures in support of employers and employees in the most affected sectors. Highlighted below are some of the measures announced under the tourism and hospitality sectors.

Objective	Intervention
<b>Tourism Development, Employment and Boosting Foreign Exchange Earnings</b>	<p>Harnessing the potential of tourism is one of the country's development focus areas under NDP III. To support recovery of enterprises in the tourism sector from the negative effects of the COVID-19 pandemic, Government:</p> <ol style="list-style-type: none"> <li>Lifted restrictions on operations of hotels and restaurants effective May 26, 2020 subject to their adherence to SOPs issued by MoH.</li> <li>Secured a grant of Ushs 25.2 billion (Euro 6 million) from the European Union to support enterprises in the hotel and tourism sector. The grant is blended with a loan of Euro 8 million from UDB, and will be channeled to industry players in the hotel and tourism sector at an interest rate of 8%.</li> <li>Opened savannah parks under Uganda Wildlife Authority for tourism with primate parks remaining closed to the public until further notice. UWA also received a total of 13 motor bikes from African Wildlife Foundation (AWF) to facilitate movement of its Wildlife Crime Investigation unit in tracking and attending to incidences of wildlife crime across protected areas which were on the rise during the lockdown period.</li> <li>Authorized phase one opening of passenger flights to Entebbe International Airport effective 1<sup>st</sup> October, 2020, after nearly six months of lockdown due to the COVID-19 pandemic.</li> </ol>
<b>Optimizing Physical Infrastructure for Economic Competitiveness</b>	<p>Transport restrictions triggered by COVID-19 led to a drop in the number of border crossings by freight trucks from 300 to 100 a day. As a result, shipping times between Mombasa port and Kampala more than doubled and the associated transport cost rose by 40%. To counter this and other challenges, Government has embarked on rehabilitation of the Tororo – Gulu railway line using grant funding of Ushs 49.9 billion from the EU and a phased rehabilitation of the Malaba – Kampala railway using concessional financing of Euro 28.9 million from the Spanish government. Phase 1 works on the Malaba – Kampala rail line focus on repair of chocking spots along the route, rehabilitation of feeder rail lines around Kampala and detailed designs for phase 2 and 3 works.</p>

**c) Microeconomic Outlook:**

Household incomes for crop farming household are likely to improve supported by normal (or better) food production levels brought good rains in Q1, FY 2020/21 (normal to above normal patterns of seasonal rains). The improvement of formal jobs in August should continue given the further easing of the lockdown. The contraction in the trade deficit between June and July 2020, driven by strong monthly performance in commodity markets and a sharp decline in imports of food related items, points to a brighter prospects for domestic trade and local content agenda. Aggregate domestic demand is however likely to remain below pre-COVID levels on account of rising self-reported unemployment.

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Demand and  
Infrastructure  
Services**

Growth in household demand for electricity has defied the declining trend in demand witnessed across many markets in the economy during the period ending June 2020. Half Year results released by UMEME for the first six months to 30<sup>th</sup> June, 2020 indicate growth of 6.8% in domestic demand for electricity compared to an overall decline of 1.6% across all customer categories. The overall number of customers connected to the electricity grid under UMEME also increased by 4% to 1.52 million. Street Lighting and Industrial (Extra Large) were the other customer categories where electricity usage increased during the reference period by 78.1% and 11.1% respectively. Usage of electricity declined in the rest of other customer categories: commercial, industrial-medium and industrial-large during the same period.

Energy losses however increased from 16.9% to 17.4% over the same period. According to UMEME, monthly losses have since started declining following resumption of its field loss reduction activities which had been drastically scaled back during the lockdown period. Government's aim of increasing inclusive access to electricity also suffered a setback in the same period following UMEME's suspension of its implementation of the subsidized Electricity Connection Policy (ECP) under the auspices of the Electricity Regulatory Agency (ERA) because of accumulated unpaid bills estimated at Ushs 94 billion (The EastAfrican).

**Housing and  
Urban  
Development**

Industry reports indicate that half (50%) of the Ushs 894 billion of loans restructured during April, May and June 2020 were in the real estate and trade sectors (UBA). With commercial banks showing little appetite to engage in real estate financing since the onset of COVID and more employees taking on homeworking, Uganda's large housing deficit and its growing demand for residential housing are both expected to increase. The annual rise in the Residential Property Price Index for GKMA from 2.5% to 6.9% in FY2019/20 is likely to continue despite a decline of Prices for Housing, Water, Electricity, Gas and Other Fuels in August 2020.

The above challenge could however be an opportunity to support reform in planning and financing of urban settlements. Industry statistics show that there is emerging demand for vertical residences (apartments) in GKMA. According to industry reports, the 12 months period ending December 2019 witnessed an 8.5% year-on-year increase in the supply of apartment units coming onto the market particularly in the prime residential areas of Kololo, Nakasero and Naguru (EABW News). This trend signals an opportunity to advance public-private dialogue around sustainable solutions for addressing the country's urban housing gap. This is especially the case given the need to intensify domestic tourism including urban tourism which calls for more greener and livable spaces in Kampala as the country's primary city, and in the newly created 15 secondary cities.

MIND is compiled by Economic Development Policy and Research Department (EDP&amp;RD), Ministry of Finance, Planning and Economic Development

EDPRD: Simplified, seamless and speedy knowledge services for monitoring, assessment and communication of Uganda's economic development policy and its results