

## DASHBOARD: OCTOBER 2020\*

Version 1.0

| Issues                              | Indicators                                       | Frequency                                    | Status               |   | Issues                         | Indicators                      | Frequency   | Status      |             |           |
|-------------------------------------|--|--|----------------------|---|--------------------------------|---------------------------------|---|-------------|-------------|-----------|
| Employment                          | Jobs   | Formal Sector <sup>1</sup>                   | Monthly              | 547,996(-10.7%)                                   | ▼                              | 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>g</sup> | N/A   |                                |                                 | Morbidity Rate (Malaria Incidence) <sup>a</sup>     | Monthly     | 3.9(-0.7)   | ▼         |
|                                     |  | LIPW <sup>2</sup>                            | Yearly               | 14,790  | ▲                              |                                 | PIP Budget Absorption <sup>b</sup> (GoU, IFMS %)    | Quarterly   | 71.9%       | ▼         |
|                                     | 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\$,M)                |  | 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     | N/A         | ▲         |
|                                     |  | 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 <sup>i</sup> (%)                  | Monthly                                      | -0.1 (-0.1)          | ▲   | Investment Registration (Days) |                                 | Yearly  | 2           | ▲           |           |
|                                     | EFU <sup>4</sup> Inflation (%)                   | Monthly                                      | 1.6 (0.4)            | ▼   | Business Registration (Days)   |                                 | Yearly  | 3           | ▲           |           |
|                                     | Residential Property Price Index (RPPI) for GKMA | Quarterly                                    | 5.8% (8.4)           | ▼   | 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(0.0%)                                     | ▲                              |                                 | Tax Refund (Months)                                 | Monthly     | N/A         | ▲         |
| Private Pension: Registered Members |  | Yearly                                       | 2,000,000+(Est)      | ▲   | Communication Rates            |                                 | Quarterly   | 3           | ▲           |           |
| Public Pension (Beneficiaries)      |  | Monthly                                      | 78,068 (0.1%)        | ▼   | Voice (Ushs Per Sec)           |                                 | Quarterly   | 310.000     | ▲           |           |
| SAGE (Beneficiaries)                |  | Quarterly                                    | 290,667 (0.0%)       | ▲   | Data <sup>d</sup> (Unlimited)  |                                 | Monthly   | 3           | ▲           |           |
| Agent Banking (Transactions)        |  | Quarterly                                    | N/A                  | ▼   | Markets and Regulations        |                                 | IMF Primary Commodity Price Index                   | Monthly     | 109.7(1.7)  | ▲         |
| Environmental Sustainability        | Water Quality (PM <sub>10</sub> ) <sup>8</sup>   | Monthly                                      | Low, 35.19           | ▲   |                                |                                 | Average Monthly Net Salary (After Tax) <sup>f</sup> | Yearly      | 628,611     | ▲         |
|                                     | Air Quality (PM <sub>10</sub> ) <sup>8</sup>     | Monthly                                      | Low, 26.7(7.7)       | ▲   |                                | Retail Sales/EFRIS <sup>5</sup> | Monthly   | N/A         | ▲           |           |
|                                     | Noise Pollution (Decibels, Kampala)              | Monthly <sup>f</sup>                         | High, 61+            | ▲   |                                | USE All Share Price Index       | Monthly   | 1307(-5.2%) | ▼           |           |
|                                     | Seasonal Changes in Rainfall                     | Monthly                                      | Normal+Above         | ▲   |                                | New Business Registrations      | Monthly   | N/A         | ▲           |           |
|                                     | Natural Disaster Incidences                      | Monthly                                      | N/A                  | ▲   |                                | Local Content                   | Hotel Occupancy Rate <sup>e</sup>                   | Quarterly   | 10-20%(3.0) | ▲         |
|                                     |  |  |                      | Plant Utilisation Rates                           | Quarterly                      |                                 | 26-50%  | ▼           |             |           |
|                                     |  |  |                      | MUG Shelf-Presence <sup>6</sup>                   | Annually                       |                                 | 48% (8.0)   | ▲           |             |           |
|                                     |  |  |                      | Trade Balance <sup>h</sup> (US\$, Millions)       | Monthly                        |                                 | -198(29%)   | ▲           |             |           |
|                                     |  |  |                      | Contracts Awarded to Local Providers <sup>7</sup> | Yearly                         |                                 | 97.7% (0.1)   | ▲           |             |           |

\*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>a</sup> Cases per 1,000 population | <sup>d</sup> 2019 | <sup>b</sup> Cumulative Absorption in Q1 (31<sup>st</sup> Sep, 2020) | <sup>c</sup> 2019 | <sup>e</sup> Unlimited (Monthly) | <sup>f</sup> May 2020 | <sup>h</sup> July 2020 | <sup>g</sup> June 2020 | <sup>i</sup> National Average is Ushs 168,000 (2016/17) | <sup>g</sup> Cumulative Returnees in 2020 | <sup>h</sup> NSSF: As at June 2020 | Change: August 2020 Figure was for Annual Food Crops and Related Items

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

**A) Microeconomic Developments:** This Section is a commentary on the eight focus issues of the MIND.

| Issue                         | Microeconomic Developments by end September, 2020   |
|-------------------------------|---|
| Employment                    | PAYE monthly returns by employers declined to a low of 547,996 in October compared to 613,521 in September, representing a 10.7% reduction. Out of the 9.1 million persons employed in 2017, the majority were in agriculture (3,257,800; 35.8%) followed by construction (1,137,500; 12.5%), trade (2,065,700; 22.7%) and Service outside trade (2,639,000; 29.0%). These figures exclude the 6,000,000 persons in subsistence agriculture during the same period. An update of these numbers using data from the 2019/20 UNHS by UBoS is expected in early 2021.  |
| Living Standards              | Monthly food inflation decreased by 0.1% in October 2020 compared to a 0.3% drop recorded in September 2020, largely due to lower prices for vegetables and fruits. Food prices have remained generally low largely due to increased supply amidst subdued demand. Annual EFU inflation decreased to 1.6% in October 2020 from 2.3% in September 2020, due to a fall in prices of liquefied gas, petrol, diesel, charcoal and firewood.   |
| Equity and Economic Inclusion | A total of 190,710 parish-based Emyooga Associations have so far been mobilized across the country. Of these, 70,133 have been validated. Government has budgeted a total of Ushs 260 billion to fund Emyooga SACCOs across the country. Each constituency is expected to receive Ushs 560 million as a revolving grant. As at 25th November 2020, The Microfinance Support Centre had disbursed Ushs 20 Billion to 660 constituency-based SACCO's in the districts of Budaka, Bukwo, Kapchorwa, Kitgum, Kiboga, Busia, Alebtong, Kalungu, Kaberamaido, Kalaki, Iganga, Bukomansimbi, Serere and Bukedea. |
| Environmental Sustainability  | October 2020 registered heavy rains that resulted into floods in many areas. Notable in this regard were the districts of Obongi in West Nile, Nwoya (Packwach Bridge) and Hoima leaving over 23,000 people displaced. In Greater Kampala Metropolitan Area, floods have made a number of roads impassable, blocked drainage channels and washed away some bridges in the countryside. The recent floods have affected agricultural production, for example milk collected by Soroti Milk Collecting Centre reduced drastically over the last 3 months to 600 litres, from more than 800 litres daily.    |
| Productivity                  | Average monthly incidence of malaria declined further in October 2020 to 3.9 per 1,000 population. This is the 3 <sup>rd</sup> monthly decline in a row since the start of FY 2020/21. This is a positive and welcome trend considering that malaria is the leading cause of morbidity, and the fact that OPD attendance has been negatively affected during COVID19  |
| Competitiveness               | On the upside, Energy inflation dropped by about 0.1% in October 2020, due to easing global fuel prices registered at about US\$ 0.9 per litre of diesel. In effect, the drop implied a return to normalcy and reduction in the cost of transportation. On the downside, the monthly producer price index increased by 0.1% in September 2020 compared to a 0.2% decrease in August 2020. This has been attributed to a 0.2% increase in the price of electricity generation (UBoS).  |
| Markets & Regulation          | USE All Share Index closed the October down by 5.2% (from 1,373.93 to 1,306.58). This is the first month the Index has declined since the lockdown was eased.   |
| Local Content                 | Updated figures from BoU show that the Trade Balance improved by USD 80 million (29%) between Aug and Sep 2020 (from US\$ -277.6 to 197.6 million)  |

**B) Policy Response Measures:** Parliament, in July 2020, approved the creation of 15 cities and the operationalisation of 10 of them in FY 2020/21 (Arua, Gulu, Fort Portal, Jinja, Masaka, Mbale, Mbarara, Hoima, Lira and Soroti). The approved cities are all located along the Growth Triangle identified under NDP III.

| Objective  | Intervention   |
|--|--|
| <p><b>Enhancing the role of cities in addressing the challenge of urban primacy and the transformation of subnational economies.</b></p> | <p>The location of the newly approved 15 cities along the Growth Triangle requires them to play a central role in Government’s employment agenda by productively absorbing the growing labour force. To ensure that the new cities are both competitive and livable, Government is:</p> <ol style="list-style-type: none"> <li>a) Fast-tracking infrastructure development in them in order to establish the requisite business environment for creation of productive jobs; development of decent and affordable housing; inclusive access to quality social services like education, health care, transportation, markets, water and sanitation, amongst others. Over the NDP III period, the Growth Triangle will be anchored around three Manufacturing Hubs (Gulu; Mbarara and Mbale). In October 2020, President Yoweri Museveni participated in the ground-breaking of two flagship projects in these cities: construction of the Gulu Logistics Hub and rehabilitation of the Tororo-Gulu railway. The Gulu Logistics Hub is expected to contribute to reduced barriers to trade for both Northern Uganda and the neighboring countries of South Sudan and the Democratic Republic of Congo. This move will stimulate trade in the region. The Logistics Hub will help in the consolidation and exportation of goods produced from the value chains in Northern Uganda and also facilitate the importation and distribution of goods with in Northern Uganda for the transformation and improvement and those value chains.</li> <li>b) Enhancing the institutional performance of Local Governments under the Uganda Support to Municipal Infrastructure Development Program (USMID) in order to improve urban service delivery. 14 municipalities (Arua, Gulu, Lira, Soroti, Moroto, Mbale, Tororo, Jinja, Entebbe, Masaka, Mbarara, Kabale, Fort Portal and Hoima) from across the country benefited from grants under the USMID project for investment in urban infrastructure. Using addition funding of US\$360m (about Ushs 1.34 trillion), Government will expand its investment in improvement of infrastructure and land tenure security to include refugee-hosting districts. The additional funding is focusing on enhancing the capacity of these cities to generate their own revenues, improve urban planning and provide a conducive environment for private sector investment and job creation. For example,</li> <li>c) Prioritizing the institutionalization of Physical Development Plans in the new cities during the budgeting process for FY 2021/22 in order to minimize undesired effects of urbanization. Uganda is currently experiencing an unprecedented level of urban sprawl (uncontrolled physical expansion) resulting in a high cost of infrastructure maintenance, poor service provision and encroachment on environmentally sensitive areas.</li> </ol> |

**c) Microeconomic Outlook:** The flow of funds to parish-based SACCOs under the EMYOOGA scheme that commenced in Q2 is potentially poised to inject much needed and awaited liquidity in micro and small enterprises across the country. Coupled with timely and relevant Business Development Services, this initiative could help in boosting aggregate demand in the rural economy, and in turn, supporting large firms involved agro-manufacturing and light manufacturing of household consumables. The above normal rains being experienced across the country also reinforce this prospect.

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|  |   |
|--|---|
| <b>Energy and Investment Climate</b>     | For the third time in a row, Uganda topped the list of African countries with well-developed electricity regulatory frameworks. This is indicated in the 2020 Electricity Regulatory Index (ERI) Report, a flagship publication of the African Development Bank. The ERI is a composite index which measures the level of development of electricity sector regulatory frameworks in African countries against international standards and best practice. Relatedly, the fourth quarter report (October to December 2020) of the Electricity Regulatory Authority (ERA) released in Oct 2020 indicates power tariffs remained the same as those of the third quarter (July to August).  |
| <b>Domestic Resource Mobilization</b>    | Government has urged Parliament to quickly enact the Public Service Pension Fund Bill, 2020 into law. The Bill seeks to establish the Public Service Pension Fund and the Public Service Pension Scheme as a contributory pension scheme for all public servants. Under the proposed contributory pension scheme, workers are expected to contribute 5% every month from their salary, while the Government shall contribute 10% of one's salary towards the pension.<br><br>Relatedly, National Social Security Fund (NSSF) won a landmark Ushs. 42.5 billion tax dispute against Uganda Revenue Authority (URA). The case centered on whether the interest rate that the Fund pays to its members every Financial Year is a deductible expense for income tax purposes. This ruling Court is expected to incentive Ugandans to save more considering that the interest paid will not be subject to tax. This, in turn, will spur growth in the pensions sector.                               |
| <b>Boosting Investor Confidence</b>      | Government launched the National Intellectual Property Policy 2019 in September, 2020. The Policy's objective is to stimulate and nurture innovation and creativity for socioeconomic development of the country. The Policy is expected to promote utilization of the Intellectual Property eco-system that supports creativity and innovation thus enhancing growth of the small-scale industries sector  |
| <b>Financial Inclusion and Deepening</b> | Rolled out to the public in September, 2019, the Security Interest Movable Property Registry system (SIMPO) under Uganda Registration Services Bureau was also launched by H.E. the President in September, 2020. The SIMPO system is intended to drive financial inclusion through facilitating access to affordable credit since its legal framework responds to the pressing needs of the youth, women and SMEs who cannot access affordable credit due to lack of land, which is the preferred collateral for financial institutions. According to URSB, SIMPO registry is an option for Government to enhance household incomes through facilitating easy access to credit using movable property. Within its one year of operation, the SIMPO system has recorded over 4,000 registrations and 75 financial and non-financial institutions have already signed up as users on the system. Of the 4,198 borrowers who have been able to access credit through SIMPO, 576 are women (URSB). |

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