

July 2020 DASHBOARD Plus Quarterly: Q4, FY2019/20 and Annual: FY2019/20

Issues	Indicators	Frequency	Status	Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal/PAYE Jobs	Monthly	556,189	Productivity	Literacy Rate (Grade 6)	Annually	51.9%	
		Labour Exports	Monthly	N/A		Numeracy Rate (Grade 6)	Annually	52.6%	
		Informal	Annually	N/A		Morbidity Incidence (Malaria Cases) ^c	Monthly	50,833	
		LIPW ¹	Monthly	N/A		PIP Budget Absorption ^f (GoU, IFMS %)	Quarterly	101%	
	Incomes	Per-capita GDP (US\$)	Annually	905	Competitiveness	Power Tariff (Ushs per Unit)	Medium	Quarterly	645.6
		Poverty (%)	Annually	21.4%			Large	361	
Remittances (US\$)		Annually	1,455.8	Extra Large			301.7		
Living Standard	Utilities (Retail Tariff Rates)	Water (M ³)	Quarterly	3,516		Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,800	
		Power/Domestic	Quarterly	750.9		Commercial Case Backlog ^d	Annually	1,766	
		Data (Ushs, 1GB)	Monthly	35,000		Average Fuel Prices (Petrol)	Monthly	3,900	
	Education Expenditure ^a (HH,Ushs)	Annually	1,179,000	Customs Clearance (Hours)		Monthly	N/A		
	Healthcare Expenditure (HH, Ushs)	Annually	273,000	Transit Times (Mom-Kla, Days)		Monthly	9		
	Food Inflation	Monthly	1.7%	Investment Registration(Days)		Annually	2		
	EFU ² Inflation	Monthly	1.1%	Business Registration (Days)		Annually	3		
	Residential Property Price Index (RPPI)	Quarterly	6.9	Electricity Connection (Days)		Monthly	30		
	Crime Rate (per 100,000)	Annually	517.7	Water Connection (Days)		Monthly	N/A		
	Equity and Economic Inclusion	New Pension Registrations	Monthly	N/A		Tax Refund (Months)	Monthly	N/A	
Private Pension: Membership		Quarterly	650,000	Communication Rates		Voice (Ushs Per Sec)	Quarterly	3	
Public Pension: Membership		Monthly	76,090	Data ^e (Ushs, per GB)		Monthly	263,400		
SAGE Enrollment		Quarterly	185,709	Markets and Regulations	IMF Primary Commodity Price Index	Monthly	91.8		
Agent Banking (Transactions)		Quarterly	5,000,000		Average Wage Rate	Annually	N/A		
Environmental Sustainability	Water Quality	Monthly	18.52		Retail Sales/EFRIS ³	Monthly	N/A		
	Air Pollution	Monthly	26.67		USE All Share Price Index	Monthly	-3.4%		
	Noise Pollution	Monthly	38.89		New Business Registrations	Monthly	N/A		
	Seasonal Changes in Rainfall	Monthly	Normal Plus	Local Content	Hotel Occupancy Rate	Quarterly	5%		
	Natural Disaster Incidences	Monthly	NA		Plant Utilisation Rates ^e	Quarterly	26-50%		
			MUG Shelf-Presence ⁴		Annually	N/A			
			Trade Balance ^h (US\$, Millions)		Monthly	-210.8			
			Contracts Awarded to Local Providers ¹		Annual	97.5%			

Source: Economic Development Policy and Research Department, MFPED | ¹Labour Intensive Public Works | ²Energy, Fuel and Utilities | ³Electronic Fiscal Receipting and Invoicing System | ⁴Made in Uganda (MUG) | ^aPrimary Education | ^bApril 2020 | ^cWeek 30 | ^d2019 | ^eUnlimited (Monthly) | ^fCumulative Absorption in Q4 (Reconciliations as of 31st July,2020) | ^gMay 2020 | ^hJune 2020 | ¹By Value (and 99.8 by number -2,595)

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 highlights microeconomic developments during the first month of the COVID19 onset in Uganda (March 25th to 30th April 2020) using the MIND¹ Framework.

Issue	Microeconomic Developments: March to April, 2020
Employment	Both jobs and incomes suffered a significant monthly decline with lower cadre workers being hit hardest. The payroll size for elementary workers declined by 71.3% compared to 3.5% and 25.2% for managers and professionals. Nearly 9 out of every 10 households (87%) suffered a reduction in income. The share of farming household increased from 72% to 78% with the sharpest increase happening amongst the top 20% of the income ladder.
Living Standards	Inequality in access to learning opportunities significantly increased between household income and residence groupings (urban and rural). Prior to COVID19, 92% of households with at least one child aged 3 to 18 year had at least one child enrolled in school compared with 59% engaged in remote learning after the on-set of COVID19. In addition, 8% and 42% of households suffered severe and moderate food insecurity respectively with no significant difference between rural and urban areas. Almost all households had access to water for hand washing (more than 99%) while almost 1 in 5 households lacked soap. Food inflation edged upwards by 1.9% as households rushed to stock food supplies for the lockdown period.
Equity and Economic Inclusion	Use of Agent Banking, a service popular with low income earners, significantly declined. The quarterly average value and volume of transactions fell by 27% and 28% respectively. The number of transactions reduced from a pre-COVID19 level of 7 million (Jan-Mar) to 5 million (Apr-Jun) ² .
Environmental Sustainability	Air pollution reduced by around 60% compared to pre-COVID19 morning rush hour levels ³ . Households and communities in seventy (70) districts in the country suffered flooding occasioned by heavy rains. Lake Victoria witnessed a 1.32 meter water rise within 6 months ⁴ which has affected 800,000 East Africans along the lake shoreline.
Productivity	The learning curve of adapting to homeworking, working in shifts and shorter office working hours due to social distancing requirements and the curfew (6:00am to 7:00pm) significantly lowered output per worker. Monthly Gross Output for the formal economy (excluding Finance and Insurance services) declined by 20.7% from Ushs 7.3 to 5.8 trillion between Mar and April 2020

¹ Microeconomic Indicator Dashboard (MIND): A Knowledge Management Framework of EDP&RD

² Uganda Bankers Association (July 2020)

³ AirQo air network (March and April, 2020)

⁴ From 12.0 meters in Oct 2019 to 13.2 meters in April 2020; MoWE (May, 2020)

Issue	Microeconomic Developments: March to April, 2020
Competitiveness	The cost of doing business registered mixed changes. A large share of firms suffered a rise in their cost of doing business with more than 2 out of every 5 establishments (42.7%) reporting higher than normal costs while a similar share (37.8%) witnessed lower than normal costs in their conduct of business. Majority of the negatively affected firms were in the services sector (financial and insurance sector with 75%) compared to the manufacturing sector (39%).
Markets & Regulation	Quarterly turnover at Uganda Securities Exchange declined by 70% from Ushs 25.6 to 2.25 billion between quarter one (Jan-Mar) and two (Apr-Jun) ⁵ . Stock prices and opening of Securities Central Depository accounts equally dropped in the same period. Monthly export earnings for March and April contracted by 11% and 34% respectively. Housing and real estate sector was riddled with both residential and commercial rent defaults which prompted policy guidance from H.E. the President on the need for flexibility by landlords in treatment of tenant.
Local Content	A few firms were able to quickly seize new market opportunities. 2.1% of establishments introduced new products within the reference period (first month). Share of firms largely sourcing locally also increased from 80.9% to 85.3%.

B) Response Policy Measures: Between the onset of COVID19 and the end of FY2019/20 in June 2020, Government announced a range of microeconomic policy response measures highlighted below.

Objective	Intervention
Restoring Household Incomes and Safeguarding Jobs	>> Enhancement the provision of improved agricultural inputs to farmers under NAADS using the e-Voucher scheme developed under the Agriculture Cluster Development Project and upscaling agriculture extension services to boost production of key agricultural commodities
	>> Expansion of Labour Intensive Public Works in urban and peri-urban areas to create jobs for vulnerable but able bodied persons affected by COVID19 (Cash-for-Work)
	>> Provision of seed capital to organised special interest groups under the Youth Fund, Women Entrepreneurship Fund and the 'Emyooga' Talent Support scheme
Providing Emergency Social Protection	>> Provision of relief food items to wage earners affected by the onset of COVID19 and to flood affected households.
	>> National rollout of the Social Assistance Grant for the Elderly (SAGE) to persons aged 80 years and above, including the elderly aged 65 years in the 15 pilot districts of the scheme.
	>> Printing and distribution of printed learning materials to households across the country and delivery of media-based remote learning solutions

c) Microeconomic Outlook: Seasonal rainfall that characterized the review period has continued and the impact of the locust invasion has been mitigated setting conducive conditions for stable food production and food prices. Living costs in urban areas are expected to remain high on account of the impact of health SOPs on the cost of public transport which has witnessed a doubling of fares compared to the pre-COVID period. The cost of doing businesses is also likely to remain elevated on account of logistical constraints in ports and sources of manufacturing inputs. Consumer markets remain subdued due to lower than normal disposable income levels and the residual effects of the relaxed curfew hours.

⁵ USE (August, 2020)

**MEDIA
WATCH
POST**
**MICROECONOMIC ISSUES
IN THE NEWS & REPORTS**
JULY 2020
Market Signals for Management of Uganda's Competitiveness Agenda
**Trade and
Logistics**

The COVID19 pandemic has seen shipping costs rise for businesses. Reports indicate shippers paid higher storage costs at the Nairobi inland container depot, at US\$118,245 in April from US\$73,006.875 in March. The cost of storage was between \$23,000 and US\$42,000 per week. Transit times are also reported to have more than doubled over the recent past. It takes between seven and nine days to move cargo from Mombasa to Kampala, up from the previous two to four days at the beginning of the year. Kampala shippers are paying an extra US\$1,000.

Trucks to Kigali spent 14 to 16 days enroute, up from seven to eight days, and paid an extra US\$1,400. Industry players in the logistics sector reported an increase in demand for warehousing in Kenya of 30 per cent since the onset of the COVID-19 pandemic with an estimated 82 per cent warehouse utilisation. This is partly resulting from the containment measures being implemented by the regions governments (*The East African*)

**Commercial
Justice**

The Judiciary indicates that Uganda's case backlog reached a record high of 36,009 cases in 2019, representing an increase of 88 percent in the previous two years. According to a June 2020 report by the Judiciary of Uganda and the World Bank, reduction of the high case backlog would unlock significant amounts of investment.

A case backlog reduction of 10 percent in 2020 would free up Ushs 2,737 million that could be reinvested in the economy, while a reduction of 20 percent would unlock nearly Ushs 5,475 million. In comparison, the additional amount of budget that would have to be allocated to achieve a backlog reduction by 10 percent in 2020 is an estimated Ushs 39.35 million (Ushs 78.7 million for a 20% reduction).

**Markets and
Investment**

The 15th Edition of the World Bank's Economic Update published in July 2020 points to a contraction in consumer demand in the economy. According to the report, "global and local restrictions in the movement of people and goods and provision of services to contain the COVID-19 pandemic have resulted in lower consumption, loss of jobs and a 43% reduction in remittances. Due to a sharp drop in tax revenues, Government has also been forced to borrow much more to continue providing services to Ugandans."

Relatedly, by end April 2020, 90% of households involved in non-farm family businesses had suffered income losses. In addition, contraction of transfers from family members within the country was observed among 83% of households that received this type of income in the 12 months to April 2020. (UBOS, August, 2020)