

A) Microeconomic Developments

Issue	Market Updates
Employment	Formal Employment, as per the PAYE register, registered a 6.24% increase from 650,881 employees in April 2023 to 691,514 employees in May 2023. The number of Migrant Workers reduced by 12.9% from 1,248 workers in April 2023 to 1,087 workers in May 2023.
Living Standards	Monthly Inflation for Food and Non-alcoholic Beverages decreased by 0.8% for the month of May 2023, compared to the 1% rise registered in April 2023. On the other hand, monthly EFU Inflation decreased by 0.1% in May 2023 compared to the rate recorded in April 2023. Household Final Consumer Spending (HFCE) registered a 1.6% growth in Q3 FY 2022/23, compared to the 6.1% growth registered in Q3 FY 2021/22.
Equity and Economic Inclusion	The number of NSSF registered members increased by 2.9% from 2,150,721 members in 2020/21 to 2,213,257 members in 2021/22. Similarly, the activity rate on NSSF accounts increased from 36.4% in 2020/21 to 48.27% in 2021/22. The number of SAGE beneficiaries reduced by 3.78% from 345,867 beneficiaries in 2020/21 to 332,793 beneficiaries in 2021/22.
Environmental Sustainability	Air quality deteriorated by 75.55%, worsening from 15.26 $\mu\text{g}/\text{m}^3$ in April 2023 to 26.79 $\mu\text{g}/\text{m}^3$ in May 2023. The decline in air quality coincided with the prevalence of various air-related diseases, including persistent coughs and flu, among the residents of Kampala city. Kampala Capital City Authority, in collaboration with external partners, undertook proactive measures by installing 100 air quality meter devices.
Productivity	The average monthly incidence of malaria increased by 48.9% from 2.35 cases per 1,000 persons in April 2023 to 3.5 cases per 1,000 persons in May 2023. The increase is attributed to the rise in severe malaria cases due to late presentation or detection.
Competitiveness	Liquid Energy Fuel Inflation decreased by 0.8% in May 2023 compared to the 0.7% drop recorded in April 2023. Specifically, diesel inflation registered a 9.0% reduction in May 2023 compared to the 7.3% reduction in April 2023. Investment, as measured by the Gross Fixed Capital Formation (GFCF), registered a 10.2% growth in Q3 FY 2022/23, compared to the 0.7% growth in Q3 FY 2021/22. In addition, exports grew by 37.3% in Q3 FY 2022/23.
Markets & Regulation	The IMF Primary Commodity Price Index decreased by 7.9%, dropping from 171.9 in April 2023 to 158.3 in May 2023. In addition, the USE All Share Price Index reduced by 6.3% from 1,128.1 in April 2023 to 1,057.0 in May 2023. New business registrations increased by 27.3% from 3,964 businesses in April 2023 to 5,047 businesses in May 2023. The increase is attributed to the on-going mass business registration campaigns.
Local Content	Uganda's trade balance deficit widened by 1.3% from US\$ 237.7 million in March 2023 to US\$ 240.79 million in April 2023, largely on account of a reduction in export earnings from US\$ 681.1 million to US\$ 538.9 million.

B) Policy Response Measures: This edition of the MIND focuses on Equity and Economic Inclusion as a thematic area, with specific attention being paid to Social Protection.

Objective	Interventions
<p>Increased access to Social Security for vulnerable people</p>	<p>The Human Capital Development Programme under NDP III recognizes the need to guarantee social security to the population through various social protection mechanisms. Social protection is a major development issue because it directly reduces poverty; provides a foundation on which to build productive livelihoods and supports vulnerable citizens to maintain a minimum acceptable level of consumption. To reduce vulnerability and increase social inclusion, Government has continued to:</p> <ul style="list-style-type: none"> a) Expand the scope and coverage of social protection services to improve the resilience and productive capacity of vulnerable persons. In FY 2023/24, Government is set to disburse Ushs5 billion to 520 verified groups of older persons aged 60 to 79years. This will be done through the Social Enterprise Grant for Older Persons (SEGOP), an alternative Government programme for older persons not covered under the Social Assistance Grant for Empowerment (SAGE). The funds will be given to a total of 5,400 people, who are members of the 520 enterprise groups in different districts across the country. Each group will receive a maximum of Ushs5 million. This grant will enable older persons to engage in income generating activities as a group in order to remain productive as they age. b) Strengthen affirmative action by facilitating women, youth and Persons with Disabilities (PWDs). In FY 2022/23, Government supported 962 groups of PWDs under a Special Grant for PWDs reaching 7,377 beneficiaries (3,752 males and 4,262 female) across the country. In addition, a total of 306,556 older persons (122,622 males and 183,934 female) benefitted under the Senior Citizens Grant (SAGE). In FY 2023/24, Government will commence the implementation of the Generating Growth Opportunities & Productivity for Women Enterprises (GROW) Project to formalize and upscale their enterprises. c) Operationalize the National Single Registry for Social Protection. The Registry is a digital platform that consolidates information on all the social security schemes in the country for purposes of improved coordination. The Single Register was developed through a multi-stakeholder collaboration across government, comprising of National Identification and Registration Authority (NIRA) for the verification of social protection beneficiaries; Uganda National Bureau of Statistics (UBOS) for use of a single geo-master list of administrative units in the country, National IT Authority Uganda (NITA-U) for integration of IT Services. The platform has enabled Government to ensure proper planning and coordination of social protection interventions, while eliminating duplication. The Register will act as a platform to assess the effectiveness, impact and sustainability of social protection interventions in the country. d) Enforce and implement the NSSF Amendment Act 2022, that seeks to expand social security coverage, among others. The Act necessitates all employers to make mandatory NSSF contributions for all their staff members, irrespective of the number. e) Promote Collective Investment Schemes (CIS) to encourage saving. The total number of active CIS accounts grew by 10.5% from 40,201 active investor accounts (worth Ushs 1,628.6 billion) in December 2022 to 44,4341 accounts (worth Ushs 1,757.3 billion) in March 2023.

C) Microeconomic Outlook: With a reduction in inflation pressures due to falling food, energy, fuel and utility prices in May 2023, aggregate demand is expected to increase in the economy. Consumer business sentiments have also exhibited positive momentum, pointing to a brighter microeconomic outlook.

MICROECONOMIC ISSUES IN THE NEWS & REPORTS

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SOCIAL PROTECTION IN UGANDA

Pension Sector Performance Report 2022	<p>A vibrant Pension Sector leads to a growth in the return of member's savings thus ensuring income security for households throughout the life-cycle. The URBRA 2022 Pension Sector Performance Report indicates that:</p> <ul style="list-style-type: none"> i) The Pension Sector assets grew by 11.8% from Ushs 17.8 trillion in FY 2020/21 to Ushs 19.9 trillion in 2021/22, accounting for 12.2% of GDP and over 60% of Gross Domestic savings. ii) Member contributions increased by 5.88% from Ushs 1.7 trillion in 2020/21 to Ushs 1.8 trillion in 2021/22. iii) The number of members subscribing to at least one pension scheme increased by 2.24% from 2,949,715 members in 2020/21 to 3,015,807 members in 2021/22. This means that about 1 in every 3 Ugandans in the labour force is a member of a Pension Scheme. iv) NSSF registered members, in particular, increased by 2.9% from 2,150,721 members in 2020/21 to 2,213,257 members in 2021/22. Similarly, the activity rate on NSSF accounts increased from 36.4% in 2020/21 to 48.27% in 2021/22. v) The Pension Sector coverage reduced from 18.6% in 2020/21 to 14.6% in 2021/22, due to an increase in the working population from 15.9 million to 20.5 million (NLFS 2021). vi) Benefits paid out increased by 56.5% from Ushs 894 billion in 2020/21 to Ushs 1.4 trillion in 2021/22, due to the NSSF mid-term access.
Population Dependency in Uganda	<p>Uganda's elderly population is projected to increase by nearly four-fold to approximately 5.5 million persons by 2050¹. This poses a significant challenge as providing a social pension of even US\$ 1 per day to each elderly person, would result in a fiscal burden exceeding US\$ 1.7 billion annually. Consequently, this would crowd out other essential public expenditure such as health, infrastructure and education. On the other hand, if even a half of the 8 million excluded workers began saving Ushs 1,000 a day, they could collectively generate new aggregate long-term domestic savings of over Ushs 26 trillion within a decade².</p>
Access to Social Protection Mechanisms	<p>Based on the findings of the 2021 National Labour Force Survey (NLFS) Report:</p> <ul style="list-style-type: none"> i) Only 24.4% of the working population is covered under a social protection mechanism, with 14.5% employers paying for NSSF, 0.4% for other provident funds and 5.4% for pension. This implies that over 72.6% of the working population (14.8 million people) does not have access to any form of social protection. ii) The limited social security among the working population is mainly attributed to the lack of written employment contracts. iii) Only 32.7% (6.7 million people) of the total working population has written contracts while 67.3% (13.7 million people) are working based on oral contracts.

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

EDPRD: We generate and manage knowledge for effective formulation, implementation and communication of Uganda's economic development policy

¹ United Nations Estimates 2022

² URBRA Blue Print for establishment of the NLTSS, 2021

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector ¹	Monthly	691,514 (6.24%)		Productivity	Literacy Rate (Grade 6) ¹¹	Yearly	21.7%(66.8%)	
		Informal Sector	Yearly (-1)	8,796,480			Numeracy Rate (Grade 6)	Yearly	41.2% (-19.1)	
		Migrant Workers	Monthly	1,087 (-12.9%)			Morbidity Rate (Malaria Incidence) ¹²	Monthly	3.5 (48.9%)	
	Incomes	Per-capita GDP (US\$): 2022/23	Yearly	1,046 (12.2%)			PIP Budget Absorption (GoU, IFMS %) ^b	Yearly	85.5% (-0.5%)	
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)		Power Tariff (Ushs per Unit)	Medium	Quarterly	461.8 (2.2%)	
		Remittances (US\$,M)	Yearly	1,133.94 (-1.76%)			Large		384.4 (0.5%)	
				Extra Large			325 (0.5%)			
Living Standards	Utilities (Retail Tariff Rates)	Water (M ³)	Quarterly	3,727(0.2%)		Competitiveness	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,500	
		Power/Domestic	Quarterly	805.0 (-0.48%)			Commercial Case Backlog ¹⁴	Yearly (-1)	6,178 (1.38%)	
		Data (Ushs, 1GB)	Monthly	4,000			Fuel Prices (Liquid Energy Fuel Inflation) ¹⁵	Monthly	0.8	
	Household Expenditure (HFCE), Ushs Bn	Quarterly	29,096 (1.6%)		Customs Clearance (Hours)		Monthly	5.13 (0%)		
	Education Expenditure ³ (HH,Ushs)	Yearly (-2)	440,000(13%)		Transit Times (Mom-Kla, Days)		Monthly	5 (41.1%)		
	Healthcare Expenditure (HH, Ushs)	Yearly (-2)	15,000 (-34.2)		Investment Registration (Days)		Yearly	2		
	Food Inflation (%)	Monthly	-0.8 (13.5)		Export Growth		Quarterly	37.3		
	EFU ⁴ Inflation (%)	Monthly	-0.1 (2.2)		Electricity Connection (Days)		Monthly	28 (-6.7%)		
	Residential Property Price Index (RPPI) for GKMA	Quarterly	98.83(0.3%)		Water Connection (Days)		Monthly	3 (0%)		
	Crime Rate (per 100,000):2022	Yearly	523(18%)		Investment Growth (GFCF)		Quarterly	10.2%		
Equity and Economic Inclusion	Private Pension: Active Members	Yearly	1,088,658 (48.27%)		Markets and Regulations	Communication Rates	Voice (Ushs Per Sec)	Quarterly	4 (33.3%)	
	Private Pension: Registered Members	Yearly	2,213,257 (2.9%)				Data ¹⁶ (Unlimited)	Monthly	550,000(0%)	
	Public Pension (Beneficiaries)	Monthly	85,651 (0%)			IMF Primary Commodity Price Index	Monthly	158.3 (-7.9%)		
	SAGE (Beneficiaries)	Yearly	332,793(-3.78%)			Average Monthly Net Salary (After Tax)	Yearly	628,611		
	Agent Banking (Agents)	Yearly	26,858(16.8%)			Retail Sales/EFRIS ¹⁷	Quarterly	63.9% (16.1%)		
Environmental Sustainability	Water Quality (PM _{2.5}) ⁵	Quarterly	Low, 20.97 (31.1%)		Local Content	USE All Share Price Index	Monthly	1,057.0 (-6.3%)		
	Air Quality (PM _{2.5}) ⁶	Monthly	Low, 26.79µg/m ³ (75.55%)			New Business Registrations	Monthly	5,047 (27.3%)		
	Noise Pollution (Decibels, Kampala)	Monthly	High, 58.33 (60.7%)			Hotel Occupancy Rate (Kla)	Yearly	44% (-15.4%)		
	Seasonal Changes in Rainfall	Monthly	Normal Plus			Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%		
	Natural Disaster Incidences ⁷	Monthly	19,311 (155.9%)			MUG Shelf-Presence ¹⁸	Yearly	N/A		
					Trade Balance (US\$, Millions)	Monthly	-240.79 (-1.3%)			
					Contracts Awarded to Local Providers ¹⁹	Yearly	61%(-17.6%)			

*Unless indicated all quarterly figures are for Q3, FY2022/23. ¹ Active PAYE Register Jobs | ² Labour Intensive Public Works | ³ Average household expenditure on Primary education | ⁴ Energy, Fuel and Utilities | ⁵ Particulate Matter (July 2022) | ⁶ 0-50 is good | ⁷ Total number of individuals affected by Natural Hazards | ¹¹ Persons aged 10 years and above | ¹² Cases per 1,000 population | ¹³ Cumulative Absorption in Q2 (31st Dec 2022) | ¹⁴ December 2021 | ¹⁵ Percentage Average change | ¹⁶ Average monthly price of data bundles for MTN (1705GB) and Smile (150GB) | ¹⁷ Electronic Fiscal Receipting and Invoicing System | ¹⁸ Made in Uganda (MUG) | ¹⁹ By Value.