

## A) Microeconomic Developments

Issue	Market Updates
<b>Employment</b>	Formal Employment, as captured under the PAYE Register, reduced by 21.1% from 752,321 employees in November 2023 to 593,851 employees in December 2023. On the other hand, the number of migrant workers captured by the Immigration Department increased by 40.7% from 1,332 migrant workers in November 2023 to 1,874 workers in December 2023.
<b>Living Standards</b>	Monthly Inflation for Food and Non-alcoholic Beverages decreased by 1.3% in the month of December 2023 compared to the 0.3% drop recorded in November 2023. On the other hand, monthly EFU Inflation increased by 0.6% in December 2023, compared to the 0.2% drop recorded in November 2023. The quarterly Residential Property Price Index (RPPI) for Greater Kampala Metropolitan Area (GKMA) increased by 0.7% for Q2 FY2023/24, compared to the 0.1% rise registered in Q1 FY2023/24. This was attributed to an increase in residential property prices around Kampala Central and Makindye, which increased by 1.4% in Q2 FY2023/24, compared to the 0.8% rise registered in Q1 FY2023/24.
<b>Equity and Economic Inclusion</b>	In FY 2022/23, all PDM enterprise groups and SACCOs were established and all the 10,585 eligible PDM SACCOs were capitalized with Ushs 1,0585 trillion. This was in addition to the previous capitalization amounting to Ushs 72.192 billion that was made in FY 2021/22. As at December 2023, a total of 10,445 PDM SACCOs had disbursed PDM loans amounting to 1,018.8 trillion to 1,032,183 beneficiaries countrywide.
<b>Environmental Sustainability</b>	Air Quality in Kampala deteriorated significantly, with particulate matter increasing by 34% from 14.7 $\mu\text{g}/\text{m}^3$ in November 2023 to 19.7 $\mu\text{g}/\text{m}^3$ in December 2023. On the other hand, Natural disasters affected a total of 38,547 individuals from 7,854 households, internally displacing 15,962 individuals in November and December 2023. This was occasioned by the heavy rains experienced in the referenced period that triggered extreme weather events. A total of 8,038 houses were partially damaged by the floods, while 3,188 houses were destroyed. In addition, 416 water facilities, 84 health facilities and 64 schools across the country were affected by the floods.
<b>Productivity</b>	The monthly incidence of malaria decreased by 3.98% from 3.01 persons per 1,000 people in November 2023 to 2.89 persons in December 2023.
<b>Competitiveness</b>	The monthly Liquid Energy Fuels Inflation decreased by 0.7% in December 2023 compared to the 1% rise recorded in November 2023. The decrease was attributed to a 0.7% fall in Petrol prices, compared to the 1.9% rise in November 2023.
<b>Markets &amp; Regulation</b>	The USE All Share Price Index reduced by 1.12% from 902.28 in November 2023 to 892.22 in December 2023. The number of new business registrations decreased by 49.8% from 5,426 businesses in November 2023 to 2,722 businesses in December 2023.
<b>Local Content</b>	Uganda's Trade deficit widened by 55.1% from US\$ 189.4 million in October 2023 to US\$ 293.7 million in November 2023. This was attributed to a decrease in export receipts from US\$ 688.7 million in October 2023 to US\$ 615.1 million in November 2023.

**B) Policy Response Measures:** This edition of the MIND focuses on Externalization of Labour in Uganda.

Objective	Interventions
<p><b>Safe, orderly and decent migration for all Ugandan Workers.</b></p>	<p>According to the National Labour Force Survey 2021, Uganda’s working population is expanding annually (from 9 million to 15 million persons between 2016 and 2021). In 2005, Government introduced the External Employment Programme (Labour Export) as a temporary measure aimed at cushioning the unemployment problem in the country. The Programme is regulated by Statutory Instrument No. 47, 2021, The Employment (Recruitment of Ugandan Migrant Workers) Regulations, 2021 which came into effect on 13th August 2021, replacing Statutory Instrument No. 62 of 2005. To facilitate externalization of labour, Government has:</p> <ul style="list-style-type: none"> <li>a) <b>Established Government-to-Government Bilateral Agreements (BLAs) to improve the wellbeing and protection of Ugandan migrant workers in their respective host nations.</b> Bilateral Labour Agreements provide concrete means of improving the governance of labour migration hence strengthening the protection of migrant workers based on shared responsibility between the parties. As at December 2023, Government had signed three Bilateral Labour Agreements with: i) the Kingdom of Saudi Arabia, ii) Hashemite Kingdom of Jordan, and iii) a Memorandum of Understanding with United Arab Emirates.</li> <li>b) <b>Embarked on a process of expanding the external employment prospects</b> through Ministry of Gender, Labour and Social Development (MGLSD). Government is exploring opportunities in Canada, Turkey, UK, German, Poland, Oman, Qatar and Kuwait for semi-skilled and skilled labour. Negotiations on signing of Bilateral Labour Agreements with these countries are on-going. This is expected to increase job opportunities abroad.</li> <li>c) <b>Strengthened mechanisms for monitoring migrant workers in their destination countries.</b> MGLSD has finalized the development of an Online Mobile Application dedicated to monitoring distressed workers abroad. This online system will be integrated to a call-centre with dedicated complaints handling agents. The agents will promptly provide vital information to migrant workers and also channel complaints to relevant officers, recruitment agencies or embassies.</li> <li>d) <b>Commenced the process of deploying Labour Attaches to Saudi Arabia, Qatar and United Arab Emirates through MGLSD.</b> As part of the monitoring mechanism, the Labour Attaches will be responsible for supervising at least two Sharia Lawyers who will be recruited as local staff of the Embassy. These lawyers will offer assistance to the migrant workers and also represent them in legal proceedings where necessary.</li> <li>e) <b>Introduced Pre-departure orientation and training to provide migrant workers with practical knowledge about their jobs, and prepare them for cross-cultural adjustment.</b> This orientation and training, which is mandatory and a pre-condition for clearance of migrant workers, was increased from 7 days to 14 days. As at June 2023, the Ministry had accredited a total of 54 pre-departure orientation and training institutions across the country with a training capacity of 10,642 and 21,284 trainees per fortnight and month respectively. This comprehensive orientation ensures that migrant workers jobs are equipped with practical knowledge relevant to their jobs.</li> </ul>

**C) Microeconomic Outlook:** The short-term microeconomic projection indicates a positive outlook. Nonetheless, the growth outlook is contingent on various uncertainties, such as slower than expected global and regional growth, the resurgence of supply chain distortions and the implementation of tighter fiscal policy measures. These factors may potentially impact both consumption patterns and private sector investments.

**Labour Export  
at a National  
glance**

According to Ministry of Gender, Labour and Social Development (MoGLSD), the number of licensed external employment recruitment firms increased from 216 companies in December 2021 to 406 companies in December 2022. As at 30<sup>th</sup> June 2022, these licensed companies had cumulatively deployed 201,637 migrant workers abroad between 2016 and 2022. In addition to these migrant workers, about 200,000 people are estimated to have traveled abroad without their records being captured by the MoGLSD. However, the number of migrant workers that have since returned to Uganda is unknown.

As at December 2022, Remittances from labour export had more than doubled to US\$ 1.3 billion, with the Middle East accounting for the largest share (US\$ 900 million - Ushs 3.35 trillion). In addition, Government collected Non-Tax Revenue amounting to Ushs 23.384 billion between December 2021 to May 2023 from license application fees, attestation fees, accreditation fees for training centres and local job order fees.

**Buganda South  
sub-region:**
**Economy,  
Industry and  
Public Services**

Buganda South sub-region, located in the central part of Uganda, comprises of thirteen (13) districts (Wakiso, Masaka, Rakai, Mpigi, Gomba, Ssembabule, Bukomansimbi, Lyantonde, Lwengo, Kyotera, Kalungu, Butambala, and Kalangala). With a population growth rate of 4.3% between 2020 and 2021, the sub-region accounts for the highest zonal population of 5,869,600 people (13.8% of the national population in 2021). On average, households in the sub-region comprise of 4.1 persons. About 18.2% of the population in Buganda South sub-region is in the Subsistence Economy.

The Poverty Rate in the sub-region decreased by 23% from 8.96% in 2016/17 to 6.9% in 2019/20. The sub region has the second lowest poverty rate in the country after Kampala (1.6%). On the other hand, Income Inequality in the sub-region increased by 4.4% from 0.41 in 2016/17 to 0.428 in 2019/20, slightly higher than the national average of 0.413. The dependency ratio of the sub-region reduced from 101% in 2013 to 90% in 2016/17, declining further to 84% in 2019/20, ranking 2<sup>nd</sup> lowest nationally after Kampala (53%).

Unemployment rate in the sub-region increased from 6.9% in 2016 to 11.9% in 2021. The sub-region has the third highest share of people engaged in the Informal Sector (90%), slightly higher than the national average of 88%.

The sub-region plays a significant role in the externalization of labour. Entebbe International Airport, which is the major transition point of labour, is located in Buganda South sub-region (Wakiso district). The sub-region harbors a number of offices for the Labour Export Recruitment Agencies. In addition, majority of the fifty-four (54) migrant workers' pre-departure orientation and training institutions are located in this sub-region. These institutions have a training capacity of 10,642 and 21,284 trainees per fortnight and month respectively.

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector <sup>1</sup>	Monthly	593,851 (-21.1%)	▼	Productivity	Literacy Rate (Grade 6) <sup>11</sup>	Yearly	21.7%(66.8%)	▼
		Informal Sector	Yearly (-1)	8,796,480	▲		Numeracy Rate (Grade 6)	Yearly	41.2% (-19.1)	▼
		Migrant Workers	Monthly	1,874 (40.7%)	▲		Morbidity Rate (Malaria Incidence) <sup>12</sup>	Monthly	2.89 (-3.98%)	▼
	Incomes	Per-capita GDP (US\$): 2022/23	Yearly	1,088 (4.3%)	▲		PIP Budget Absorption (GoU, IFMS %) <sup>b</sup>	Yearly	85.5% (0%)	▲
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)	▼	Power Tariff (Ushs per Unit)	Medium	Quarterly	461.8 (0%)	▲
		Remittances (US\$,M)	Yearly	1,133.94 (-1.76%)	▲		Large	384.4 (0%)	▲	
					Extra Large	325 (0%)	▲			
Living Standards	Utilities (Retail Tariff Rates)	Water (M <sup>3</sup> )	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 <sup>14</sup>	Yearly (-1)	6,178 (1.38%)	▲
		Data (Ushs, 1GB)	Monthly	4,000	▲		Fuel Prices (Liquid Energy Fuel Inflation) <sup>15</sup>	Monthly	1%	▲
	Household Expenditure (HFCE), Ushs Bn	Quarterly	29,021 (-4.7%)	▼	Customs Clearance (Hours)		Monthly	5.13 (0%)	▲	
	Education Expenditure <sup>3</sup> (HH,Ushs)	Yearly (-2)	440,000(13%)	▲	Transit Times (Mom-Kla, Days)		Monthly	4.8 (4.2%)	▼	
	Healthcare Expenditure (HH, Ushs)	Yearly (-2)	15,000 (-34.2)	▼	Investment Registration (Days)		Yearly	2	▲	
	Food Inflation (%)	Monthly	-1.3 (0.1)	▼	Export Growth		Quarterly (-1)	13%	▲	
	EFU <sup>4</sup> Inflation (%)	Monthly	0.6 (4.6)	▲	Electricity Connection (Days)		Monthly	28 (-6.7%)	▼	
	Residential Property Price Index (RPPI) for GKMA	Quarterly	105.44 (0.7%)	▲	Water Connection (Days)		Monthly	3 (0%)	▲	
	Crime Rate (per 100,000):2022	Yearly	523(18%)	▼	Investment Growth (GFCF)		Quarterly (-1)	9.6%	▲	
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 <sup>16</sup> (Unlimited)	Monthly	550,000(0%)	▲	
	Public Pension (Beneficiaries)	Monthly	85,651 (0%)	▲		IMF Primary Commodity Price Index	Monthly	164.5 ( -1.97%)	▼	
	SAGE (Beneficiaries)	Yearly	332,793(-3.78%)	▼		Average Monthly Net Salary (After Tax)	Yearly	628,611	▲	
	Agent Banking (Volume of Transactions, Mn)	Yearly	8.8 (2.3%)	▲		Retail Sales/EFRIS <sup>17</sup>	Quarterly (-1)	63.9% (16.1%)	▲	
Environmental Sustainability	Water Quality (PM <sub>2.5</sub> ) <sup>5</sup>	Quarterly	Low, 20.97 (31.1%)	▲	Local Content	USE All Share Price Index	Monthly	902.28 (-2.5%)	▼	
	Air Quality (PM <sub>2.5</sub> ) <sup>6</sup>	Monthly	Moderate, 19.7 µg/m <sup>3</sup> (34%)	▼		New Business Registrations	Monthly	2,722 (-49.8%)	▼	
	Noise Pollution (Decibels, Kampala)	Monthly	Moderate, 58.33 (9.5%)	▲		Hotel Occupancy Rate (Kla)	Quarterly	44% (-15.4%)	▼	
	Seasonal Changes in Rainfall	Monthly	Above Normal	▲		Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%	▲	
	Natural Disaster Incidences <sup>7</sup>	Monthly	38,547	▲		MUG Shelf-Presence <sup>18</sup>	Yearly	N/A	▲	
					Trade Balance (US\$, Millions)	Monthly	-293.7 (55.1%)	▲		
					Contracts Awarded to Local Providers <sup>19</sup>	Yearly	77.12%(26.4%)	▲		

\*Unless indicated all quarterly figures are for Q2, FY2023/24. <sup>1</sup> Active PAYE Register Jobs | <sup>2</sup> Labour Intensive Public Works | <sup>3</sup> Average household expenditure on Primary education | <sup>4</sup> Energy, Fuel and Utilities | <sup>5</sup> Particulate Matter (July 2022) | <sup>6</sup> 0-50 is good | <sup>7</sup> Total number of individuals affected by Natural Hazards | <sup>11</sup> Persons aged 10 years and above | <sup>12</sup> Cases per 1,000 population | <sup>13</sup> Cumulative Absorption in Q2 (31<sup>st</sup> Dec 2022) | <sup>14</sup> December 2021 | <sup>15</sup> Percentage Average change | <sup>16</sup> Average monthly price of data bundles for MTN (1705GB) and Smile (150GB) | <sup>17</sup> Electronic Fiscal Receipting and Invoicing System | <sup>18</sup> Made in Uganda (MUG) | <sup>19</sup> By Value.