

A) Microeconomic Developments

Issue	Market Updates
Employment	Formal employment returns, as captured under the PAYE Register, increased by 74.6% from 459,398 employees in June 2024 to 801,877 employees in July 2024. On the other hand, the number of migrant workers captured by the Immigration Department increased by 30.6% from 1,627 migrant workers in June 2024 to 2,125 migrant workers in July 2024.
Living Standards	Monthly inflation for Food & Non-alcoholic Beverages reduced by 0.6% in July 2024 compared to the 0.8% reduction registered in June 2024. On the other hand, EFU inflation registered a 0.1% increase in July 2024 compared to no change (0.0%) recorded in June 2024. The power tariff for domestic consumers reduced by 2.0% from Ushs.819.4 per unit in Q4 FY2023/24 to Ushs.803.0 in Q1 FY2024/25.
Equity and Economic Inclusion	The proportion of the population which is financially included rose from 77% in 2018 to 81% in 2023 according to the FinScope Survey Report 2023. The report further indicates that the majority of the population save to meet regular expenses (39%) followed by coping with unexpected expenses and construction (14%) and business purposes (12%). However, informal saving mechanisms still dominate. Saving through mobile money accounts for 42%, SACCOs account for 15% and keeping money at home as a saving mechanism account for 44%.
Environmental Sustainability	Air quality in Kampala deteriorated significantly, with particulate matter rising by 32% from 38.15 $\mu\text{g}/\text{m}^3$ in June 2024 to 50.42 $\mu\text{g}/\text{m}^3$ in July 2024. The rainfall received in July 2024 was near normal in most parts of the country, except in southwestern Uganda which received dry conditions (suppressed rainfall). On the other hand, natural disasters affected 12,446 individuals in July 2024, displacing 1,989 people from 540 households. 231 houses were destroyed, 150 houses were partially damaged, and 69 water facilities and 9 schools were affected.
Productivity	Malaria prevalence increased by 1.7% from 3.02 deaths per 1,000 persons in June 2024 to 2.97 deaths per 1,000 persons in July 2024.
Competitiveness	Monthly inflation for Liquid Energy Fuels decreased by 0.7% in July 2024, compared to the 0.5% drop recorded in June 2024, mainly attributed to a 1% reduction in diesel prices. The power tariff rates for Medium, Large, and Extra-large industries consumers reduced by 1.67% from Shs.459.8 per unit in Q4 FY2023/24 to Shs. 452.1 per unit in Q1 FY2024/25, 1.31% from Shs.388.5 per unit to Shs.383.4 per unit, 1.19% from Shs.328.4 per unit to Shs. 324.5 respectively.
Markets & Regulation	The IMF Commodity Price Index decreased by 0.60% from 167.3 in June 2024 to 166.3 in July 2024. The reduction is partly attributed to a 2.4% price drop in industrial inputs. Additionally, the All-Share Price Index decreased by 1.76% from 1,004.67 in June 2024 to 987.3 in July 2024. New business registrations decreased by 54.5% from 4,163 new businesses in June 2024 to 1,895 new businesses in July 2024.
Local Content	Uganda's trade deficit narrowed by 31.7% from US\$ 362.8 million in May 2024 to US\$ 247.9 million in June 2024. Total imports reduced by 23% from US\$ 1,254.8 million in May 2024 to US\$ 966.5 million in June 2024 while total exports reduced by 19% from US\$ 892 million in May 2024 to US\$ 718.6 in June 2024. The reduction in imports was significant in Vegetable products, Animals and Fats; Mineral products; and Chemical and related products which reduced by US\$ 34.93 million, US\$ 51.44 million and US\$14.2 million respectively.

B) Policy Response Measures: This edition of the MIND focuses on Competitiveness as a thematic area, with specific emphasis on Fuel Prices/Liquid Energy Fuel.

Objective	Interventions
<p>Reduced Fuel prices to lower the cost of production</p>	<p>The Sustainable Development of Petroleum Resources Programme of NDP III aims to reduce the volume and value of imported fuels (petroleum and petroleum products) and increase oil revenue. Government has instituted measures to increase supply and demand of fuels, particularly oil, and lower pump prices for fuel. These measures include:</p> <ol style="list-style-type: none"> 1. Amendment of the Petroleum Supply Act 2003 grants the Uganda National Oil Company exclusive rights to import and supply petroleum products. This will eliminate middlemen in the petroleum value chain and ostensibly lower the cost to final consumers. 2. Continued implementation of plans to construct the Kampala Storage Terminal (KST) and management of the Jinja Storage Terminal (JST). <ol style="list-style-type: none"> a) The Kampala Storage facility will accommodate 320 million litres of refined petroleum products to reduce fuel shortages. Also, compensation of Project Affected Persons along the proposed 213-kilometre pipeline to transport refined petroleum products from Hoima to Mpigi (host of KST) is ongoing, currently at 41%. b) Government, working within the Petroleum Supply (Amendment) Act 2023 provisions mandated the Uganda National Oil Company to wholly manage the 30-million litre storage terminal at Jinja. The terminal has been managed through a Joint Venture. 3. Continued implementation of prior actions to construct the Uganda Oil Refinery in the Albertine Graben. Government is concluding negotiations of key commercial agreements which include the Crude Oil Supply Agreement (CSA), the Implementation Agreement (IA), and the Shareholders Agreement (SHA). These are critical in boosting the country's oil production and driving economic growth due to enhanced oil revenues. 4. Licensing the building of a Liquefied Petroleum Gas Facility in the King Fisher Development Area. The proposed facility will be built by China National Offshore Oil Corporation (CNOOC) Uganda. This is aimed at converting liquified petroleum gas for commercial uses in the country and its surrounding areas. Development of King Fisher and other projects such as Tilenga and the Refinery Project is expected to produce a combined 330,000 tonnes of Liquified Petroleum Gas (LPG), aligning with the country's transition plan to minimise the use of biomass. 5. Increased Oil and Gas funding. The government has more than doubled its budget for the oil and gas sector to Shs. 920.86 billion in FY2024/25 from Shs. 447 billion in FY2023/24. The increased funding is expected to support the development of key infrastructure, including the refinery and East African Crude Oil Pipeline (EACOP) thereby boosting the country's capacity to manage and distribute liquid energy fuels efficiently.

C) Microeconomic Outlook: The onset of the rainy season is projected to boost agricultural output across the country and consequently result in a decline in the prices of agricultural commodities. This anticipated production is expected to yield a substantial increase in export earnings, particularly for coffee and maize in the short and medium term.

**MICROECONOMIC ISSUES
IN THE NEWS & REPORTS**

JULY 2024

FUEL PRICES, BUNYORO ZONAL SUMMARY**Liquid
Energy
Fuels prices
at a glance****According to the Global Commodity Prices Report April 2024,**

- a) Fuel prices have seen significant increases globally due to supply cuts by the OPEC+, including major producers like Russia and Saudi Arabia, and disruptions due to geopolitical tensions in the Middle East. This pushed oil prices to US\$90 per barrel in April 2024 up from US\$83 per barrel in 2023.
- b) By the end of 2024, oil prices are projected to average US\$84 per barrel before reducing to US\$79 per barrel in 2025. The assumptions underlying the reduction are the de-escalation of conflicts in the Middle East, addressing transportation hurdles, and subduing global oil consumption.

The Consumer Price Index Report by UBoS highlighted the following,

- a) Petrol prices per litre reduced, albeit slower, from Shs 5,460 in June 2024 to Shs 5,436 in July 2024.
- b) Diesel prices dropped by 1.3% from Shs 4,989 per litre in June 2024 to Shs 4,919 in July 2024. These developments reflect Uganda's dependence on fuel imports, and global disruptions in oil supply and demand have a direct impact on domestic pump prices. This is evidenced through the rise in transportation inflation, which rose from 0.1 in June 2024 to 0.4 in July 2024.

**Bunyoro
Sub-
Region:**Economy,
Public
Services,
Industry

Bunyoro sub-region is located in the Western part of Uganda, with a population size is 2.79 million people (6.08% of the national population as of July 2024). On average, households in the sub-region comprise 4.9 persons. About 47% of the population in Bunyoro sub-region is in the subsistence economy, slightly higher than the national average of 39.2%, while 89.1% is engaged in the informal sector.

- State of the Economy:** Bunyoro is an oil-rich subregion with an estimated volume of 6.5 billion barrels of which, 1.4 billion barrels are discoverable. The poverty rate in the sub-region significantly reduced by 43.3% from 17.3% in 2016/17 to 9.8% in 2019/20. The sub-region recorded the third lowest poverty rate nationally after Kampala (1.6%) and Buganda South (6.9%). Income inequality in the sub-region reduced by 10.1% from 0.386 in 2016/17 to 0.347 in 2019/20. On the other hand, the sub-region registered the second-highest unemployment rate of 17.3%.
- Public Spending and Service Delivery:** The sub-region has a URSB regional office in Hoima, a zonal land office in Masindi and URA service station. In addition, the sub-region has two high courts located in Hoima and Masindi, and magistrate courts in Hoima, Masindi, Kiryandongo, and Kibaale.
- Trade, Industry and Local Economic Development:** The leading value chains are bananas and oil and gas. The construction of Hoima City Stadium in Bunyoro sub-region commenced and is expected to be used for the 2027 Africa Cup of Nations (AFCON). The Kabalega Industrial and Business Park (IBP) is under development and the Kabalega International Airport, whose construction is 90% complete.
- Oil and Gas development in Bunyoro sub-region:** Bunyoro sub-region is endowed with mineral and petroleum resources and is the principal prospective area for oil resources in the Albertine region estimated at 6.5 billion barrels. Once crude oil production commences, and the attendant infrastructure such as the refinery is in place, there is potential to lower the prices of petroleum products, particularly oil and gas.

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector ¹	Monthly	801,877 (74.6%)		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	2,125 (30.6%)			Morbidity Rate (Malaria Incidence) ¹²	Monthly	2.97 (-1.7%)	
	Incomes	Per-capita GDP (US\$): 2022/23	Yearly	1,093 (0.46%)			PIP Budget Absorption (GoU, IFMS %) ¹³	Yearly	91% (6.4%)	
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)		Power Tariff (Ushs per Unit)	Medium	Quarterly	452.1(-1.67%)	
		Remittances (US\$,M)	Yearly	1,133.94 (-1.76%)			Large		383.4(-1.31%)	
Extra Large							324.5(-1.19%)			
Living Standards	Utilities (Retail Tariff Rates)	Water (M ³)	Quarterly	4,224 (13.3%)		Competitiveness	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,500	
		Power/Domestic	Quarterly	819.4(-2.0%)			Commercial Case Backlog ¹⁴	Yearly (-1)	6,178 (1.38%)	
		Data (Ushs, 1GB)	Monthly	5,000 (25%)			Fuel Prices (Liquid Energy Fuel Inflation) ¹⁵	Monthly	-0.7%	
	Household Expenditure (HFCE), Ushs Bn	Quarterly	24,720 (-15.6%)		Customs Clearance (Hours)		Monthly	5.13 (0%)		
	Healthcare Expenditure (HH, Ushs)	Yearly (-2)	15,000 (-34.2)		Transit Times (Mom-Kla, Days)		Monthly	4.8 (4.2%)		
	Food Inflation (%)	Monthly	-0.6 (-0.2)		Investment Registration (Days)		Yearly	2		
	EFU ⁴ Inflation (%)	Monthly	0.1 (6.2)		Export Growth		Quarterly	2.6%		
	Residential Property Price Index (RPPI) for GKMA	Quarterly	107.35 (1.7%)		Electricity Connection (Days)		Monthly	28 (-6.7%)		
	Crime Rate (per 100,000):2023	Yearly	501 (9.6%)		Water Connection (Days)		Monthly	3 (0%)		
	Equity and Economic Inclusion	Private Pension: Active Members	Yearly	733,588 (12.5%)			Investment Growth (GFCF)	Quarterly	7.8%	
Private Pension: Registered Members		Yearly	2,344,737 (5.9%)		Communication Rates	Voice (Ushs Per Sec)	Quarterly	3 (33.3%)		
Public Pension (Beneficiaries)		Yearly	407,515 (-0.61%)		Data ¹⁶ (Unlimited)	Monthly	550,000(0%)			
SAGE (Beneficiaries)		Yearly	323,315 (-2.8%)		IMF Primary Commodity Price Index	Monthly	166.3 (-0.60%)			
Agent Banking (Volume of Transactions, Mn)		Yearly	8.8 (2.3%)		Average Monthly Net Salary (After Tax)	Yearly	628,611			
Environmental Sustainability	Water Quality (PM _{2.5}) ⁵	Quarterly	Low, 27.21(29.8%)		Markets and Regulations	Retail Sales/EFRIS ¹⁷	Quarterly	84% (31.5%)		
	Air Quality (PM _{2.5}) ⁶	Monthly	50.42µg/m ³ (32%)			USE All Share Price Index	Monthly	987.03(-1.76%)		
	Noise Pollution (Decibels, Kampala)	Monthly	High, 62.96 (9.78%)			New Business Registrations	Monthly	1,895 (-54.5%)		
	Seasonal Changes in Rainfall	Monthly	Near Normal			Hotel Occupancy Rate (Kla)	Quarterly	29.1% (-33.9%)		
	Natural Disaster Incidences ⁷	Monthly	12,446 (-73.2%)			Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%		
Local Content					MUG Shelf-Presence ¹⁸	Yearly	N/A			
					Trade Balance (US\$, Millions)	Monthly	-247.9 (31.7%)			
					Contracts Awarded to Local Providers ¹⁹	Yearly	77.12%(26.4%)			

*Unless indicated all quarterly figures are for Q4, FY2023/24. 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 2023) | 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.