

- A) **Microeconomic Developments:** This Section provides a summary commentary on the eight thematic areas under the Micro-Economic Indicator (MIND) framework. The indicators are provided in the Dashboard on page 4.

Issue	Market Updates
Employment	Formal sector employment reduced by 3% from 686,097 employees in November 2021 to 665,502 in December 2021 ¹ . Migrant labour declined by 2.14% from 10,586 workers in November 2021 to 10,359 workers in December 2021. The decline is due to the declining backlog of trained workers before lockdown, and the continued closure of training institutions in December 2021 ² .
Living Standards	Monthly Inflation for Food and Non-alcoholic Beverages increased by 0.4% for the month of December 2021 up from the 0.3% drop recorded in November 2021. On the other hand, monthly EFU Inflation registered a 0.5% decrease for the month of December 2021, from the 0.2% rise recorded in November 2021. This was mainly attributed to Electricity, Gas and Other Fuels Inflation that registered a 1.6% drop for the month of December 2021 from the 0.5% rise recorded for the month of November 2021.
Equity and Economic Inclusion	The number of SAGE beneficiaries increased by 13.5% from 304,555 beneficiaries in 2020 to 345,867 beneficiaries in 2021. Pension beneficiaries increased by 17% from 85,932 beneficiaries in November 2021 to 86,080 beneficiaries in December 2021.
Environmental Sustainability	The air quality improved from 77.5 µg/m ³ (PM 2.5) in November 2021 to 68.9 µg/m ³ (PM 2.5) in December 2021. However, it is still way above the recommended WHO ceiling of 25µg/m ³ (PM 2.5). The Air Quality Index for December 2021 indicated below average quality of air (above 100 µg/m ³) for areas around Kampala and Kasese.
Productivity	The malaria incidence increased by 3.4% from 2.9 in November 2021 to 3.0 in December 2021. The reopening of schools on 10th January 2022 is expected to have a positive impact on the numeracy and literacy rates that currently stand at 50.9 % and 76.1% respectively.
Competitiveness	Liquefied Energy Fuels inflation rose from 2.8% in November 2021 to 3.1% in December 2021, due to an increase in the global fuel prices. The rise in fuel prices negatively affected the cost of production. This was reflected in the high transport fares, hence leading to an increase in the prices of goods and services.
Markets & Regulation	The All Share Index has experienced a downward movement for three months (October to December 2021). The Index declined from 1487.79 in October 2021 to 1450.09 in November 2021 and further down to 1392.37 in December 2021, representing a 6.4% decline over the period. New business registrations reduced by 8.87% from 2,152 registrations in November 2021 to 1,961 registrations in December 2021.
Local Content	The Hotel Occupancy Rate increased by 8.9% from 35.8% in November 2021 to 39% in December 2021. The trade balance deficit also increased by 22.2% from US\$ -222.9m in October 2021 to US\$ 270.9m in November 2021 ³ . The increase in the deficit was largely driven by an all-time high in imports of petroleum products (US\$ 102.20m; and Plastics, Rubber (US\$ 52.08m) since July 2018 and an all-time high in imports of Machinery Equipment, Vehicles & Accessories (US\$ 124.79m) since January 2021.

¹ Uganda Revenue Authority, Pay As You Earn (PAYE) November and December 2021.

² Ministry of Gender, Labour & Social Development, Ugandan Migrant Workers

³ Bank of Uganda, Monthly Macroeconomic Indicators-December 2021.

B) Policy Response Measures: This edition of the MIND will focus on Equity and Economic Inclusion as a thematic area, with particular emphasis on Social Protection.

Objective	Interventions
<p>Increased access to social security for vulnerable people</p>	<p>Government implements social protection interventions to address risks and vulnerabilities that expose people to income insecurity, social deprivation, leading them to live destitute and undignified lives. The third National Development Plan (NDP III) aims at reducing vulnerability and gender inequality along the lifecycle under the Human Capital Development Programme. To reduce vulnerability and promote social inclusion, Government has:</p> <ul style="list-style-type: none"> a) Enacted the NSSF (Amendment) Act, 2021 to among others, ease access to savings. This is intended to provide relief to households resulting from the adverse effects of the COVID-19 pandemic. b) Rolled out the Senior Citizens Grant (SCG) to all Ugandans aged 80 years and above in FY 2019/20⁴. A direct income support sum of Ushs. 25,000 is paid to eligible older persons per month to provide income security. The grants support older persons and their households to access basic services such as health, better nutrition, education, etc. They also enable individuals to invest and start income generating activities that provide them more income security and sustainable livelihoods. c) Reached out to 11,700 households in 2020 through Northern Uganda Social Action Fund (NUSAF 3) Labor Intensive Public Works programs, with grants for Livelihood Investment Support (LIS) benefitting 174,045 females and 43,218 males. These programs provide effective household income support and build resilience of the poor and vulnerable households in Northern Uganda. Government has also continued to provide Disaster Risk Financing (DRF) to respond to exogenous shocks such as drought and the influx of refugees. d) Designed an Urban Cash for Work Programme (UCWP) under Ministry of Gender, Labour and Social Development to mitigate against the impact of the COVID-19 pandemic on vulnerable people. Pilot surveys are on-going in various districts to understand how the project will operate when it commences. The Programme aims to: Provide income to the most vulnerable families affected by COVID-19 in urban areas and by flooding in rural areas (including labour-constrained families); Impart skills to participating beneficiaries; and Create assets that positively impact beneficiaries' communities. e) Launched a Single Registry for social protection in February 2021⁵. The Registry is a digital platform that consolidates information on all the social security schemes in the country for purposes of improved coordination. The platform will assist Government to eliminate duplication and ensure proper planning and coordination of social protection interventions.

C) **Microeconomic Outlook:**

The micro economic outlook in the near term has brightened with the progress made on the Covid-19 vaccination drive and full re-opening of the economy in January 2022. Signs of recovery in consumer demand have been noted. Additional boost to growth is expected from different sectors. Improved credit supply, stronger global economic recovery and increased public investment is expected in the short to medium term.

⁴ Initially older persons of 60 years and above were benefitting from SAGE in 40 districts, however due to inadequate funding, cut off age of 80 years and above in all districts across the country was agreed upon by Government.

⁵ Ministry of Gender, Labour and Social Development.

**MEDIA
WATCH
POST****MICROECONOMIC ISSUES
IN THE NEWS & REPORTS****DEC 2021****SOCIAL PROTECTION IN UGANDA****President Signs
the NSSF
(Amendment)
Bill, 2021**

H.E The President Yoweri Kaguta Museveni signed the NSSF (Amendment) Bill, 2021 in January 2022. The Bill seeks to, among others, allow workers who are 45 years and above and have saved for at least 10 years to have a midterm access of up to 20% of their savings, whilst Persons With Disabilities (PWDs) who have saved with the Fund for more than 10 years can have access of up to 50% of their accrued savings.

Voluntary contributors will have access to their savings as and when they so wish, subject to the prescribed regulations to be issued by the Minister of Finance in consultation with the Board. On the supervisory role of NSSF, Parliament also voted that the Ministry of Gender, Labour and Social Development takes the lead role in handling social security matters with the role of Ministry of Finance limited to handling matters on finances and investments of the Fund. This has been one of the most contentious clauses in the Bill. The new law as passed also streamlined the role of the Managing Director by revoking his or her voting right as an ex-officio member of the Board to avoid conflict of interest.

Section 13 (A) of the new NSSF Act also provides a tough deterrent penalty to employers who deduct a voluntary contribution and fail to remit to the fund. In accordance with the new law, an employer who offends this Section will pay 20% of the amount deducted but not remitted. This will help to increase on the number of active NSSF members.

**Retirement
Benefits Sector
Performance
Report 2020**

The Retirement Benefits Sector delivered a solid performance for 2020 in terms of both its operational and financial results despite the COVID-19 pandemic and related restrictions on economic activity. In the Report, the sector coverage ratio increased from 16% in 2019 to 18% in 2020⁶. Member contributions increased by 5.3% to Ushs. 1,578 billion in 2020 from Ushs. 1,498 billion in 2019. NSSF registered members also increased from 1,954,787 members in 2019 to 2,054,933 members in 2020 with an increase in the percentage of active NSSF members going up from 34.2% in 2019 to 39.5% in 2020.

**URBRA
develops
Regulations
enabling
members to use
their savings for
housing loans
and mortgages**

Members of retirement benefits schemes can look forward to apportioning up to 50% of their savings for a mortgage or a loan to purchase a residential house. This follows URBRA's development of enabling Regulations, which awaits the Minister's signature so that it becomes law upon publication in the Gazette. The law will support members to use their savings as collateral to access loans so that they invest in productive projects when they are still young and strong enough. The provision for a mortgage or housing loan is provided for in the URBRA Act, 2011 under Section 68, 2 (a). The Authority is also in the process of developing regulations to enable members apportion a part of their savings to medical expenses, as provided for in the URBRA Act, 2011 under Section 68, 2 (b).

MIND is compiled by Economic Development Policy and Research Department (EDP&RD) in the 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

⁶ This means that only 18% of the working population are under a retirement benefits scheme.

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status			
Employment	Jobs	Formal Sector ¹	Monthly	665,502 (-3%)	▼	Productivity	Literacy Rate (Grade 6) ⁹	Yearly (-1)	76.1%(24.2%)	▲	
		Informal Sector	Yearly (-3)	8,824,252	▲		Numeracy Rate (Grade 6)	Yearly (-1)	50.9%(-1.7%)	▲▼	
		Migrant Workers	Monthly	10,359(-2.14%)	▼		Morbidity Rate (Malaria Incidence) ^a	Monthly	3.0 (3.4%)	▲▼	
		LIPW ² (Average)	Monthly	98,783 (-)	▲		PIP Budget Absorption (GoU, IFMS %) ^b	Yearly	86% (19.6%)	▲	
	Incomes	Per-capita GDP (US\$): 2020/21	Yearly	954(5.4%)	▲	Competitiveness	Power Tariff (Ushs per Unit)	Medium	Quarterly	500.6(4.99%)	▲
		Income Poverty (%)	Yearly (-1)	20.3% (-1.1)	▼			Large	355 (0%)	▲	
Remittances (US\$,M)		Yearly	1,102.03 (-14.7%)	▼	Extra Large			300.2(0%)	▲		
Living Standards	Utilities (Retail Tariff Rates)	Water (M ³)	Quarterly	3,516 (0%)	▲	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,800 (0%)	▲		
		Power/Domestic	Quarterly	747.5 (0%)	▲	Commercial Case Backlog ^c	Yearly (-2)	1,122 (36%)	▼		
		Data (Ushs, 1GB)	Monthly	5,000	▲	Fuel Prices (Liquid Energy Fuel Inflation)	Monthly	3.1	▲		
	Education Expenditure ³ (HH,Ushs)	Yearly (-1)	1,338,000(13%)	▲	Customs Clearance (Hours)	Monthly	5.13 (0%)	▲			
	Healthcare Expenditure (HH, Ushs)	Yearly (-1)	15,000 (-34.2)	▼	Transit Times (Mom-Kla, Days)	Monthly	9 (0%)	▲			
	Food Inflation (%)	Monthly	0.4 (5.3)	▲	Investment Registration (Days)	Yearly	2	▲			
	EFU ⁴ Inflation (%)	Monthly	-0.5 (0.5)	▼	Business Registration (Days)	Yearly	1	▼			
	Residential Property Price Index (RPPI) for GKMA	Quarterly	100.36 (-12.6%)	▼	Electricity Connection (Days)	Monthly	30 (0%)	▲			
	Crime Rate (per 100,000):2020	Yearly	502(8.9%)	▼	Water Connection (Days)	Monthly	3 (0%)	▲			
	Equity and Economic Inclusion	Private Pension: Active Members ^f	Quarterly	811,699 (39.5%)	▲	Tax Refund (Months)	Monthly	N/A	▲		
Private Pension: Registered Members		Yearly	2,054,933 (5.1%)	▲	Communication Rates	Voice (Ushs Per Sec)	Quarterly	4 (33.3%)	▲		
Public Pension (Beneficiaries)		Monthly	86,080 (17%)	▲	Data ^d (Unlimited)	Monthly	550,000(0%)	▲			
SAGE (Beneficiaries)		Yearly	345,867 (13.56%)	▲	IMF Primary Commodity Price Index	Monthly	186.84 (1.65%)	▲			
Agent Banking (Transactions) (2020)		Yearly (-1)	34,200,000 (178%)	▲	Average Monthly Net Salary (After Tax)	Yearly	628,611	▲			
Environmental Sustainability	Water Quality (PM _{2.5}) ⁸	Monthly	Very Low, 15.22 (-26.44%)	▼	Retail Sales/EFRI ⁵	Monthly	19.07%	▲			
	Air Quality (PM _{2.5})	Monthly	Moderate, 68.9 (-11.09%)	▲	USE All Share Price Index	Monthly	1392.37(-3.98%)	▼			
	Noise Pollution (Decibels, Kampala)	Monthly	High, 64.13 (7.82%)	▼	New Business Registrations	Monthly	1,961 (-8.87)	▼			
	Seasonal Changes in Rainfall	Monthly	Normal Plus	▲	Hotel Occupancy Rate	Monthly	39% (8.9%)	▲			
	Natural Disaster Incidences	Monthly	N/A	▲	Plant Utilisation Rates (SME-Large Firms)	Quarterly	53.6%	▲			
Markets and Regulations	Local Content	MUG Shelf-Presence ⁶	Yearly	N/A	Trade Balance ^e (US\$, Millions)	Monthly	-222.9 (-1.8%)	▼			
		Contracts Awarded to Local Providers ⁷	Yearly	74%(26.7%)	▲						

*Unless indicated all quarterly figures are for Q1, FY2021/22. ¹ Active PAYE Register Jobs | ² Labour Intensive Public Works | ³ Primary Education expenditure in Kampala | ⁴ Energy, Fuel and Utilities | ⁵ Electronic Fiscal Receipting and Invoicing System | ⁶ Made in Uganda (MUG) | ⁷ By Value | ⁸ Particulate Matter (April 2021) | ⁹ Persons aged 10 years and above | ^a Cases per 1,000 population | ^b Cumulative Absorption in Q1 (31st Sep, 2020) | ^c December 2020 | ^d Average monthly price of data bundles for MTN (170GB) and Smile (150GB). Source: kompare.ug | ^e September 2021 | ^f NSSF: As at December 2020.

