

- 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
<b>Employment</b>	Formal sector employment registered a decrease of 4% from 827,754 employees in October 2022 to 794,336 employees in November 2022. This was mainly due to late filing of returns by taxpayers. Migrant workers reduced by 38.2% from 7,963 migrant workers in October 2022 to 4,922 migrant workers in November 2022. This was due to the introduction of a certificate of good conduct as a requirement for issuance of Visa for domestic workers by the Saudi Arabian embassy in Uganda. Relatedly, suspension of inspection and accreditation of foreign firms by the Ugandan embassy in Saudi Arabia due to financing challenges, reduced the number of migrant workers given that the Kingdom of Saudi Arabia is Uganda's main destination of migrant workers.
<b>Living Standards</b>	Monthly Inflation for Food and Non-alcoholic Beverages increased by 0.2% for the month of November 2022, from the 3.6% rise registered in October 2022. On the other hand, monthly EFU Inflation increased by 0.1% for the month of November 2022 from the 0.6% drop recorded in October 2022.
<b>Equity and Economic Inclusion</b>	Agent banking has taken off at a good pace with transactions worth over USD 600 million every month. Shared agent banking network has significantly contributed to deepening access and uptake of financial services even in rural areas.
<b>Environmental Sustainability</b>	Noise pollution reduced by 7.3%, from 67 decibels in October 2022 to 62.1 decibels in November 2022. This is closer to 60 decibels, Uganda's recommended noise standard for commercial areas. The number of persons affected by natural disaster incidences increased by over 39 times, from 201 in October 2022 to 7,963 in November 2022. This increase was triggered by heavy storms, hailstorms, landslides and floods that were reported in the month of November 2022. Government unveiled Ushs. 1 trillion Disaster Management Fund as support for management of natural disasters around the country. Air quality worsened, rising by 7.5% from 108.3µg/m <sup>3</sup> in October 2022 to 116.41µg/m <sup>3</sup> in November 2022.
<b>Productivity</b>	The average national monthly malaria incidence reduced by 9.6% from 4.2 per 1,000 persons in October 2022 to 3.8 per 1,000 persons in November 2022. In November 2022, World Health Organization (WHO) launched a new strategy to respond to the urgent problem of antimalarial drug resistance in Africa. The strategy is aimed at addressing the growing concerns of emerging drug-resistant malaria in Africa. The strategy was released during the World Antimicrobial Awareness Week, a global annual campaign aimed at improving awareness of the growing threat of resistance to antibiotics and other medicines.
<b>Competitiveness</b>	Liquefied Energy Fuels (LEF) inflation decreased by 4.0% in November 2022, from the 4.4% reduction registered in October 2022. The continued reduction in fuel prices contributed to the steady decline of LEF inflation. Furthermore, the Integrated Transport and Infrastructure Services Programme performance report for FY 2021/22 shows a reduction in freight costs on rail from USD 11,440 in FY 2020/21 to USD 1,768 per ton/per km in FY 2021/22.
<b>Markets &amp; Regulation</b>	The All Share Price Index further dipped by 2.08% from 1,244.33 registered in October 2022 to 1,218.48 in November 2022. Furthermore, the number of businesses registering with URSB increased over the same period from 4,635 in October 2022 to 5,511 in November 2022 posting 18.8% growth.
<b>Local Content</b>	Monthly trade balance deficit reduced by 10.9% from US\$ 338.5m in September 2022 to US\$ 301.7m in October 2022. The reduction in the trade deficit was driven by an increase of 6.8% in exports and a reduction of 1.4% in imports in October 2022.

**B) Policy Response Measures:** This edition of the MIND will focus on Living Standards as a thematic area, with special attention given to Health Expenditure on Nutrition.

Objective	Interventions
A well-nourished, healthy and productive population	<p>Good nutrition is a catalyst for social economic transformation and human development. There are several interconnected causes of child malnutrition in Uganda which include household food insecurity (mainly related to poor access to the range of foods needed for a diversified diet); Inadequate maternal &amp; child care and poor access to health care; among others. The Uganda Demographic Health Survey (UDHS) 2016 shows that the prevalence of stunting reduced from about 48% in 1988 to about 29% in 2016. The next results of the UDHS will be released in 2023. This current level of child stunting is categorized as “poor” in terms of its public health significance and is higher than the acceptable threshold of less than 20% for developing countries.</p> <p>As envisioned in NDP III, eliminating malnutrition in all its forms is critical in breaking the intergenerational cycle of poverty that propels underdevelopment. To address the challenge of malnutrition in a systematic way, Government has continued to:</p> <ol style="list-style-type: none"> <li>a) <b>Demonstrate commitment to alleviating malnutrition through a Multi-sectoral approach</b> bringing together eight key Government Ministries, Local Governments, UN agencies, Multilateral and Bilateral Development Partners, CSOs, academia, research institutions and the Private Sector with OPM playing the overall coordination role. Government Multi-sectoral efforts led to the development of the second Uganda Nutrition Action Plan (UNAP II) 2019-2025. This UNAP II reflects Uganda’s commitment to addressing high levels of malnutrition and translates into a single Common Results Framework (CRF) which is reflective of Uganda’s commitment to national, regional and international commitments on nutrition.</li> <li>b) <b>Increase access to and utilization of nutrition-specific services by children under 5 years of age, adolescent girls, pregnant and lactating women and older persons.</b> Government has continued to promote optimal Maternal, Infant, Young Child and Adolescent Nutrition (MIYCAN) practices such as promoting micronutrient intake among children (Vitamin A supplements), adolescents and women of reproductive age (Iron folic acid); promoting optimal breastfeeding practices; promoting healthy eating lifestyle practices among the population and implementing the Baby Friendly Initiatives in health facilities, communities and workplaces. These interventions have led to a reduction in the proportion of children who are stunted from 34% in 2009/10 to 25% in 2019/20 (UNPS 2020).</li> <li>c) <b>Promote production of diverse, safe and nutrient dense crops and animal products at household level.</b> Government has continued to support access to improved technologies with focus on climate smart technologies for increased production of diverse, safe, nutrient dense crop and animal products. With such interventions, the proportion of households that did not have enough food to feed on declined from 15.9% in 2019 to 14.1% in 2020.</li> <li>d) <b>Strengthen the enabling environment for scaling up nutrition specific and nutrition sensitive services.</b> Government strengthened systems to promote multi-sectoral Social Behavior Change Communication (SBCC) for nutrition at levels. In addition, Government developed and institutionalized a functional nutrition information platform for effective decision making.</li> <li>e) <b>Improve access to quality health care to mitigate household expenditure on health.</b> Government is in the process of establishing the National Health Insurance Scheme (NHIS) to improve access to quality affordable health services for all Ugandans based on their health needs. The NHIS will improve the current health insurance coverage which is still low at 4% in 2019/20, a reduction from the 5% registered in 2016/17 (UNHS). This health insurance coverage is far below the NDP III target of 25% and Vision 2040 target of 70%.</li> </ol>

### C) Microeconomic Outlook:

Although inflationary pressures remain relatively high, recent CBR increases coupled with fiscal tightening has contributed to the stability of the Uganda shilling which is expected to cushion inflationary pressures. This will subsequently impact on aggregate demand and as such, inflation pressures are forecast to peak in the first half of 2023.

**MICROECONOMIC ISSUES  
IN THE NEWS & REPORTS**

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**Nutrition in Uganda**

<b>Nutrition Status in Uganda</b>	<p>Findings from the Uganda National Panel Survey 2020 indicate that:</p> <ol style="list-style-type: none"> <li>The proportion of children who are stunted reduced from 34% in 2009/10 to 25% in 2019/20, with those who are stunted in rural households (28.0%) being higher than those in Urban households (15.5%). Stunting was higher in male children compared to female children (30.8% to 20.2% respectively);</li> <li>The Western region had the highest proportion of children who were stunted (33.1%) while Northern region had the least proportion (22.7%);</li> <li>The proportion of children who are thin for their height and weight reduced from 5% in 2013/14 to 3% in 2018/19;</li> <li>The proportion of children under the age of five that are underweight dropped from 10% in 2013/14 to 8% in 2015/16 and remained the same in 2018/19.</li> </ol>
<b>UNHS 2019/20</b>	<p>The Uganda National Household Survey (UNHS) 2019/20 reported that households' out of pocket monthly expenditure on health was Ushs 15,000 per year with households in urban areas spending more on health per month. The Report further indicates that 4 in every 10 households (47%) in urban areas are food poor compared to 2 in every 10 households (22%) living in the rural areas. In addition, the average estimated Dietary Energy Consumption (DEC) in Uganda is 2,393 kcal/person/day and households in urban areas have a slightly higher caloric intake compared to those in the rural areas.</p>
<b>Malnutrition and Regional equity</b>	<p>According to the Karamoja Response Report (July 2022) by UNICEF, the prevalence of acute malnutrition among children in Karamoja is at a serious level (13.1%) with Moroto (21.9%) and Kaabong (19.6%) being the most affected. A total of 22,740 children with severe wasting in the region require urgent treatment. In addition, the Report indicates that the main drivers of malnutrition are food insecurity (over the last three years, food insecurity in the sub-region has increased from 29% in 2020 to 55% in 2022); diarrhoea and fever/malaria associated with rainy season which compounds the situation of already malnourished children. UNICEF initiated its emergency response by addressing lifesaving needs for about 23,000 children with severe acute malnutrition through timely therapeutic care.</p>
<b>The Cost of Hunger in Africa (COHA) Report 2013</b>	<p>According to the Cost of Hunger in Africa (COHA) Report 2013, malnutrition is estimated to cost Uganda a total of Ushs 1.86 trillion which is equivalent to 5.6 % of the country's GDP. The negative impact of malnutrition is costly in terms of Human Capital Development (HCD) and productivity, Health and Education.</p>
<b>Climate shocks and Food Security</b>	<p>According to the Report published by EPRC<sup>1</sup>, Uganda continues to be prone to climate shocks especially drought which has an adverse impact on food security. The Report shows how different resilience capacities mitigate the impact of drought on food security in Uganda. Findings from the Report indicate that majority of the households in Uganda remain highly susceptible to food insecurity in the event of severe drought.</p>

MIND is compiled by Economic Development Policy and Research Department (EDP&amp;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

<sup>1</sup> How Specific Resilience Pillars Mitigate the Impact of Drought on Food Security (EPRC 2021).

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector <sup>1</sup>	Monthly	794,336 (-4%)	▼	Productivity	Literacy Rate (Grade 6) <sup>11</sup>	Yearly (-2)	76.1%(24.2%)	▲
		Informal Sector	Yearly (-1)	8,796,480	▲		Numeracy Rate (Grade 6)	Yearly (-2)	50.9% (-1.7)	▼
		Migrant Workers	Monthly	4,922 (-38.2%)	▲		Morbidity Rate (Malaria Incidence) <sup>12</sup>	Monthly	3.8(-9.6%)	▼
		LIPW <sup>2</sup> (Average)	Monthly	N/A	■		PIP Budget Absorption (GoU, IFMS %) <sup>b</sup>	Yearly	85.5%(-0.5%)	▲
	Incomes	Per-capita GDP (US\$): 2021/22	Yearly	1,046 (12.2%)	▲	Power Tariff (Ushs per Unit)	Medium	Quarterly	482.3 (9.8%)	▲
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)	▼		Large	388.5 (9.4%)	▲	
Remittances (US\$,M)		Yearly	1,133.94 (-1.76%)	▼	Extra Large		328.5(9.4%)	▲		
Living Standards	Utilities (Retail Tariff Rates)	Water (M <sup>3</sup> )	Quarterly	3,735(6.2%)	■	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,500	◆	
		Power/Domestic	Quarterly	820.9 (9.8%)	▼	Commercial Case Backlog <sup>14</sup>	Yearly (-2)	6,094(443.1%)	▼	
		Data (Ushs, 1GB)	Monthly	10,000	■	Fuel Prices (Liquid Energy Fuel Inflation) <sup>15</sup>	Monthly	-4.0	▼	
	Education Expenditure <sup>3</sup> (HH,Ushs)	Yearly (-2)	440,000(13%)	▲	Customs Clearance (Hours)	Monthly	ss5.13 (0%)	■		
	Healthcare Expenditure (HH, Ushs)	Yearly (-2)	15,000 (-34.2)	▼	Transit Times (Mom-Kla, Days)	Monthly	5 (41.1%)	■		
	Food Inflation (%)	Monthly	0.2(22.7)	▲	Investment Registration (Days)	Yearly	2	■		
	EFU <sup>4</sup> Inflation (%)	Monthly	0.1(4.9)	▲	Business Registration (Days)	Yearly	1	▼		
	Residential Property Price Index (RPPI) for GKMA	Quarterly	99.02 (-12.4%)	▼	Electricity Connection (Days)	Monthly	30 (0%)	■		
	Crime Rate (per 100,000):2020	Yearly	457(0.1%)	▼	Water Connection (Days)	Monthly	3 (0%)	■		
	Equity and Economic Inclusion	Private Pension: Active Members	Yearly (-1)	1,105,870(36.2%)	▲	Tax Refund (Months)	Monthly	N/A	■	
Private Pension: Registered Members		Yearly (-1)	2,150,721(4.66%)	▲	Communication Rates	Voice (Ushs Per Sec)	Quarterly	4 (33.3%)	▲	
Public Pension (Beneficiaries)		Monthly(-9)	85,651 (-0.15%)	▼	Data <sup>16</sup> (Unlimited)	Monthly	550,000(0%)	■		
SAGE (Beneficiaries)		Quarterly	345,867(13.56%)	■	IMF Primary Commodity Price Index	Monthly	219(-9.13%)	▲		
Agent Banking (Agents)		Yearly	26,858(16.8%)	▲	Average Monthly Net Salary (After Tax)	Yearly	628,611	■		
Environmental Sustainability	Water Quality (PM <sub>2.5</sub> ) <sup>5</sup>	Monthly	Low, 20.97 (31.1%)	▲	Retail Sales/EFRIS <sup>17</sup>	Quarterly	55%	■		
	Air Quality (PM <sub>2.5</sub> ) <sup>6</sup>	Monthly	High, 116.41µg/m <sup>3</sup> (7.5%)	▲	USE All Share Price Index	Monthly	1,218.48 (-2.08%)	▼		
	Noise Pollution (Decibels, Kampala)	Monthly	High, 62.10 (7.3%)	▼	New Business Registrations	Monthly	5,511 (18.8%)	▲		
	Seasonal Changes in Rainfall	Monthly	Normal Plus	■	Hotel Occupancy Rate (Kla)	Quarterly	44% (-15.4%)	▼		
	Natural Disaster Incidences <sup>7</sup>	Monthly	7,963(39%)	▲	Plant Utilisation Rates (SME-Large Firms)	Quarterly	53.6%	■		
Markets and Regulations	Local Content	MUG Shelf-Presence <sup>18</sup>	Yearly	N/A	■	MUG Shelf-Presence <sup>18</sup>	Yearly	N/A	■	
		Trade Balance (US\$, Millions)	Monthly	301.7 (-10.9%)	▼	Trade Balance (US\$, Millions)	Monthly	301.7 (-10.9%)	▼	
		Contracts Awarded to Local Providers <sup>19</sup>	Yearly	61%(-17.6%)	▼	Contracts Awarded to Local Providers <sup>19</sup>	Yearly	61%(-17.6%)	▼	

\*Unless indicated all quarterly figures are for Q1, FY2022/23. <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 Q1 (31<sup>st</sup> Sept 2021) | <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.