

A) Microeconomic Developments

Issue	Market Updates
Employment	The number of migrant workers captured by the Immigration Department decreased by 9.36% from 2,125 migrant workers in July 2024 to 1,926 migrant workers in August 2024. At the time of publishing, the number of formal employees captured on the PAYE Register had not yet been updated.
Living Standards	Monthly inflation for Food & Non-alcoholic Beverages increased by 0.7% in August 2024 compared to the 0.6% reduction registered in July 2024. On the other hand, EFU inflation registered a 0.3% drop in August 2024 compared 0.1% increase recorded in July 2024. Household Final Consumption Expenditure increased by 8.9% from Ushs 23,886 billion in Q3 FY2023/24 to Ushs 26,013 billion in Q4 FY2023/24.
Equity and Economic Inclusion	In FY 2023/24, National Social Security Fund's assets grew by 19% from UGX 18.6 trillion in FY2022/23 to UGX 22.13 trillion, total realised income grew by 15% from UGX 2.2 trillion in FY2022/23 to UGX 2.5 trillion. The dividend income earned in the year grew by 21% from UGX 145 billion in FY2022/23 to UGX 175 billion and lastly contributions collected grew by 13% from UGX 1.72 trillion in FY2022/23 to UGX 1.93 trillion.
Environmental Sustainability	Air quality in Kampala improved significantly, with particulate matter dropping by 18.94% from 50.42 $\mu\text{g}/\text{m}^3$ in July 2024 to 40.87 $\mu\text{g}/\text{m}^3$ in August 2024. The rainfall received in August 2024 was near normal in most parts of the country, except in Central and South Western Uganda which received dry conditions (suppressed rainfall). Furthermore, natural disasters affected 44,469 individuals in August 2024, displacing 25,422 folks from 1,973 households. 39 houses were completely destroyed, 112 houses partially damaged, 11 water facilities and 3 schools affected. Additionally, the Kitezi landfill collapse in Kampala Capital City resulted into loss of lives of over 35 people, injured 18 and destroyed millions of property.
Productivity	The 2023 National Assessment for Progress in Education (NAPE) indicated that Literacy rate for Grade 6 increased by 57.6% from 27.1% in 2021 to 42.7% in 2023. Additionally, Numeracy rate increased by 23% from 41.2% in 2021 to 50.8% in 2023.
Competitiveness	Monthly inflation for Liquid Energy Fuels further decreased by 1.3% in August 2024, compared to the 0.7% drop recorded in July 2024. Investment Growth as measured by the Gross Fixed Capital Formation (GFCF) increased by 1.7% from Ushs 10,076 billion in Q3 FY2023/24 to Ushs 10,248 billion in Q4 FY2023/24. On the other hand, Export earnings significantly reduced by 16.2% from Ushs 6,190 billion in Q3 FY2023/24 to Ushs 5,187 billion in Q4 FY2023/24.
Markets & Regulation	The IMF Commodity Price Index decreased by 2.10% from 166.3 in July 2024 to 162.8 in August 2024. The reduction is partly attributed to a 3.8% price drop in Energy (petroleum, natural gas, coal and propane). The All-Share Price Index increased by 3.67% from 987.3 in July 2024 to 1,023.54 in August 2024. New business registrations increased by 161.5% from 1,895 new businesses in July 2024 to 4,956 new businesses in August 2024.
Local Content	Uganda's trade deficit increased by 8.6% from US\$ 247.9 million in June 2024 to US\$ 269.3 million in July 2024. Total imports increased by 9.1% from US\$ 966.5 million in June 2024 to US\$ 1,054.4 million in July 2024 while total exports increased by 9.2% from US\$ 718.6 million in July 2024 to US\$ 785.0 in July 2024. The increase in imports was significant in Mineral products; Vegetable Products, Animal, Beverages, Fats & Oil and which increased by US\$ 81.51 million and US\$ 15.08 million respectively.

B) Policy Response Measures: This edition of the MIND focuses on Competitiveness as a thematic area, with specific emphasis on Export Growth (Coffee).

Objective	Interventions
<p>Increased coffee production and value addition</p>	<p>The Agro-Industrialization Programme of NDP III aims at transforming Uganda’s agricultural sector so as to increase productivity and value addition. Coffee is currently the most widely traded tropic agricultural commodity in international trade. It is a strategic commodity for Uganda as a major foreign exchange earner as well as providing income for over 1.5 million households. Government has instituted Policy measures and a number of interventions to increase the productivity, demand and supply of coffee to the export markets. These include:</p> <ol style="list-style-type: none"> 1. Launch of the Uganda Coffee Roadmap 2017. This was intended to: i) Build structured demand through country-country deals, especially with China; ii) Brand Uganda’s coffee to drive demand and improve value by up to 15%; iii) Support coffee local businesses for value addition, including primary processing and a soluble coffee ; iv) Strengthen farmer organizations and producer cooperatives; v) Support joint ventures between middle class owners of underutilized land and investors; vi) Provide and promote concessions for coffee production on large underutilized tracts of land; vii) Improve quality of planting material; viii) Improve access to quality inputs by reducing counterfeiting; and ix) Develop coffee finance programme with the Central Bank and Treasury to provide finance to farmer organizations. 2. Adoption of the National Coffee Policy (NCP) 2013. This was intended to: i) Promote adoption of best agronomic practices at farm level; ii) Encourage coffee production in new areas and expand acreage in traditional coffee areas; iii) Promote the use of improved varieties; iv) Improve the use of agro inputs in coffee production; v) Mainstream youth and women into the coffee value chain activities; vi) Promote coffee farming as a business among small holder farmers; etc. 3. Compliance with the European Union Deforestation Regulation (EUDR). Government of Uganda has planned to register all the coffee farmers and establish a National Traceability System. In FY2024/25, GoU has allocated Ushs13.9 billion for this activity, and also established a partnership between UCDA and aBi Development Limited. This partnership has seen aBi commit to providing about Ushs16 billion so as to comply with the above regulation. 4. Signed the Performance Agreements with China Construction and Communications Company (CCCC). Recently three Ugandan Coffee firms (Platinim Commodities, Nucafe and Mwanyi Teremba Limited) signed an Agreement with CCCC, a Chinese company to buy Ugandan coffee beans for value addition and branding promotion. This is aimed at adding value to Uganda’s coffee. 5. Introduction of Uganda Electronic Single Window System. The system is used for enrolment of coffee exporters, conducting online coffee export processes such as applying for export licenses, contract registrations, pre-shipment inspection requests, loading inspection requests and Central Excise and Service (CESS) payments online. 6. Established a Uganda Trade Hub ‘Uganda Connect’ in Serbian capital Belgrade. The Hub features a Ugandan coffee shop and is an Information Centre for many who did not know about Uganda as well as its great tourist destination sites.

C) Microeconomic Outlook: The strong growth in the Household Final Consumption Expenditure, Government intervention especially in agriculture (coffee in particular) and global economic growth recovery is projected to boost economic growth for FY2024/25 between 6.0% and 6.5%. With continued droughts in Brazil and Vietnam, Uganda is well placed to reap higher dividends from coffee exports if she successfully navigates the EUDR.

MICROECONOMIC ISSUES IN THE NEWS & REPORTS

**AUGUST
2024**
COFFEE EXPORTS, TOORO ZONAL SUMMARY

Coffee Exports at a Glance	<p>The UCDA August Report 2024 highlighted the following:</p> <ul style="list-style-type: none"> a) Coffee exports in August 2024 amounted to 837,915 60-kilo bags, worth US\$ 221.63 million contributing the largest share (76%) of total Uganda's agricultural commodities. b) UCDA successfully built capacity of 3,130 farmers through 99 specialized trainings across coffee-growing regions. The trainings focused on Good Agricultural Practices (GAP), Sustainable Land Management (SLM), Climate-Smart Agriculture, and Environmental Management. <p>The UCDA News Statement on FY2023/24 Performance highlighted that:</p> <ul style="list-style-type: none"> c) 6.13 million bags of coffee valued at us\$1.144 billion were exported in fy2023/24, an increase of 6.33% in volume and 35.29% in value compared to 5.8 million bags valued at us\$846 million of exports in fy2022/23. d) Effective regulation by UCDA has greatly improved coffee quality and this has resulted in high prices where currently, farmers are earning the highest prices in 30 years. e) The UCDA announced that Uganda earned Shs4.2 trillion from coffee in FY2023/24, the highest earnings ever recorded. f) Government of Uganda will spend Shs35billion on registration of coffee farmers as Uganda takes action to comply with EUDR requirements.
Tooro Sub-Region: Economy, Public Services, Industry	<p>Tooro sub-region is located in the Western part of Uganda, with a population size of 3.4 million people (7.3% of the national population as of July 2024). On average, households in the sub-region comprise 4.8 persons. About 37.4% of the population in Tooro sub-region is in the subsistence economy while 60.1% is engaged in the informal sector.</p> <ol style="list-style-type: none"> 1. State of the Economy: Tooro Sub-region is the leading tourism destination in Uganda The poverty rate in Tooro increased by 15.1%, rising from 11.1% in 2016/17 to 12.78% in 2019/20. Income inequality in the sub-region increased by 24.9% from 0.377 in 2016/17 to 0.471 in 2019/20. In addition, the sub-region has the third highest unemployment rate of 14.6% after Bunyoro (17.3%) and Bukedi (24.7%). 2. Public Spending and Service Delivery: The sub-region has a URSB regional office located in Hoima, a High Court Circuit in the districts of Fort Portal and Kasese. In addition there are Magistrate Courts in districts of Kasese, Kamwenge, Kyenjojo, Fort Portal and Bundibugyo. Also, the sub-region has Post Bank branches in Fort Portal, Kasese and Kamwenge. Pride Microfinance branches can be found in Fort Portal and Kasese. 3. Trade, Industry and Local Economic Development: The leading value chains in Tooro are bananas, potatoes and tea. The Sub-region has Kasese Industrial and Business Park in Kasese, Kabarole Industrial and Business Park located in Kyembogo. Tooro is also home to Mpondwe One Stop Border Post at the Uganda-DRC border in Mpondwe Lhubiri Town Council and Ntoroko border post at Kanara landing site, used mainly for cross-border trade. 4. Coffee production in Tooro sub-region: Tooro sub-region is located in the highland areas of Mountain Rwenzori, one of the conditions favoring coffee production. Arabica coffee is grown in the districts of Kabarole, Kamwenge and Kasese. The sub-region is the leading producer of Arabica coffee (contributing about 51.8% of the total Arabica coffee produced) in Uganda, compared to Elgon (34%) and Ankole (3.8%) sub-regions.

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector ¹	Monthly(-1)	801,877 (74.6%)		Productivity	Literacy Rate (Grade 6) ¹¹	Yearly	42.7%(57.6%)	▲
		Informal Sector	Yearly (-1)	8,796,480			Numeracy Rate (Grade 6)	Yearly	58.0% (23%)	▲
		Migrant Workers	Monthly	1,926 (-9.36%)	▼		Morbidity Rate (Malaria Incidence) ¹²	Monthly(-1)	2.97 (-1.7%)	▲
	Incomes	Per-capita GDP (US\$): 2023/24	Yearly	1,146 (4.8%)	▲		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	1,420 (25%)	▲		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	803 (-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	-1.3%	▼
	Household Expenditure (HFCE), Ushs Bn	Quarterly	26,013 (8.9%)	▲	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	0.7 (-0.6)	▲	Investment Registration (Days)		Yearly	2	▲	
	EFU ⁴ Inflation (%)	Monthly	-0.3 (4.7)	▼	Export Growth		Quarterly	-16.2%	▼	
	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%)	▲	
							Investment Growth (GFCF)	Quarterly	1.7%	▲
Equity and Economic Inclusion	Private Pension: Active Members	Yearly	733,588 (12.5%)	▲	Markets and Regulations	Communication Rates	Voice (Ushs Per Sec)	Quarterly	3 (33.3%)	▼
	Private Pension: Registered Members	Yearly	2,344,737 (5.9%)	▲		Data ¹⁶ (Unlimited)	Monthly	550,000(0%)	▲	
	Public Pension (Beneficiaries)	Yearly	407,515 (-0.61%)	▼		IMF Primary Commodity Price Index	Monthly	162.8 (-2.10%)	▼	
	SAGE (Beneficiaries)	Yearly	323,315 (-2.8%)	▼		Average Monthly Net Salary (After Tax)	Yearly	628,611	▲	
	Agent Banking (Volume of Transactions, Mn)	Yearly	8.8 (2.3%)	▲		Retail Sales/EFRIS ¹⁷	Quarterly	84% (31.5%)	▲	
Environmental Sustainability	Water Quality (PM _{2.5}) ⁵	Quarterly	Low, 27.21(29.8%)	▲	Local Content	USE All Share Price Index	Monthly	1,023.54 (3.67%)	▲	
	Air Quality (PM _{2.5}) ^{6c}	Monthly	40.87µg/m ³ (-18.94%)	▼		New Business Registrations	Monthly	4,956 (161.5%)	▲	
	Noise Pollution (Decibels, Kampala)	Monthly	High, 62.96 (9.78%)	▲		Hotel Occupancy Rate (Kla)	Quarterly	29.1% (-33.9%)	▼	
	Seasonal Changes in Rainfall	Monthly	Near Normal	▲		Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%	▲	
	Natural Disaster Incidences ⁷	Monthly	44,469 (257.3%)	▲		MUG Shelf-Presence ¹⁸	Yearly	N/A	▲	
					Trade Balance (US\$, Millions)	Monthly	-269.3 (8.6%)	▲		
					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.