

## A) Microeconomic Developments

Issue	Market Updates
<b>Employment</b>	Formal employment returns, as captured under the PAYE register, increased by 0.3% from 889,422 employees in July 2025 to 892,525 employees in August 2025, the highest number ever recorded. The number of migrant workers captured by the Immigration Department reduced by 4.8% from 2,980 migrant workers in July 2025 to 2,837 migrant workers in August 2025.
<b>Living Standards</b>	Monthly inflation for Food & Non-alcoholic Beverages registered no change in August 2025, compared to the 0.1% decrease registered in July 2025. On the other hand, monthly EFU inflation increased by 0.7% in August 2025, compared to the 0.3% increase registered in July 2025. The quarterly Residential Property Price Index for Greater Kampala Metropolitan Area (GKMA) increased by 2.9% in Q1 FY2025/26 compared to 2.7% increase in Q4 FY2024/25. This was attributed to residential properties inflation in Wakiso that increased by 7.3% in Q1 FY2025/26 compared to 6.9% in Q4 FY2024/25.
<b>Equity and Economic Inclusion</b>	The Public Service Pension Fund Bill, 2024 was passed by Parliament that introduces a contributory pension scheme for public servants, a shift from the current non-contributory. Under this new scheme, public servants will contribute 5% of their gross salary to the pension scheme and the Government will contribute 10% of the employee's gross salary.
<b>Environmental Sustainability</b>	Air quality in Kampala improved significantly, with particulate matter dropping by 24.4% from 54.70µg/m <sup>3</sup> in July 2025 to 41.33µg/m <sup>3</sup> in August 2025. The month of August 2025 experienced dry and sunny conditions particularly around Lake Victoria basin, Central, Western and some parts of Eastern region.
<b>Productivity</b>	Malaria prevalence reduced by 15.8% from 2.53 deaths per 1,000 persons in June and July 2025 to 2.13 deaths in August 2025.
<b>Competitiveness</b>	Monthly inflation for Liquid Energy Fuels registered a 0.2% increase in August 2025, compared to the 0.1% decrease recorded in July 2025. This was attributed to a 0.3% increase in petrol prices in August 2025 compared to the 0.2% decrease registered in July 2025. The transit times from Mombasa to Kampala, average freight costs and electricity connection days remained the same during the month of August 2025.
<b>Markets &amp; Regulation</b>	The IMF Commodity Price Index reduced by 1.3% from 165.0 in July 2025 to 163.1 in August 2025. The USE All-Share Price Index slightly increased by 4.4% from 1,333.26 in July 2025 to 1,392.40 in August 2025. New business registrations increased by 7% from 5,074 new businesses in July 2025 to 5,427 new businesses in August 2025.
<b>Local Content</b>	The monthly trade deficit significantly increased by 8.8% from US\$272.9 million in June 2025 to US\$296.8 million in July 2025. The increase was mainly attributed to a rise in import bills for mineral products (from US\$454.82 million in June 2025 to US\$559.77 million in July 2025) and Machinery Equipment, Vehicles & Accessories (from US\$198.52 million in June 2025 to US\$295.84 million in July 2025).

**B) Policy Response Measures:** This edition of the MIND focuses on Competitiveness as a thematic area, with specific emphasis on Electricity and Water Connections.

Objective	Interventions
Increased access to Electricity and Water connection	<p>The Sustainable Energy Development Programme of NDPIV aims at enhancing energy access, reliability and sustainability including increasing access to electricity from 60% in FY2024/25 to 70% in FY2029/30. On the other hand, Government through National Water and Sewerage Corporation Corporate Plan (2024-2027) aligned to NDPIV, with five-year projections (2024-2029) targets at increasing water connections from 950,000 connections in 2024 to 1.2 million water connections by 2029. To achieve the above set targets, Government has moved as follows:</p>
	<p><b>Electricity Connection</b></p> <ol style="list-style-type: none"> <li><b>1. Launched the USD 638 million Electricity Access Scale-up Project (EASP)</b> aimed at offering free electricity connections and providing all Ugandans with universal access to power by 2030. Government subsidized electricity connections to Ushs. 30,000 for customers who require a one-pole or no-pole to their premises. The cost of wiring of their homes is borne by the electricity user. Currently the Project targets to benefit 4.5 million people. Furthermore, 13 transmission projects are being implemented to increase access and connections on the national grid.</li> <li><b>2. Approved the Revised Energy Policy for Uganda, 2023 (EP2023)</b> aimed at increasing electricity access and strengthening electricity generation, transmission and distribution infrastructure. As a result of the Policy, access to electricity increased from 57 percent in FY2023/24 to 60 percent in FY2024/25, connecting over 197,000 new customers.</li> <li><b>3. Facilitated the Uganda Electricity Distribution Company Limited (UEDCL) buy out of UMEME Limited.</b> As a result of this, the cost of electricity reduced by 14%, saving consumers Ushs.250 billion annually.</li> <li><b>4. FY2025/26 Budget:</b> Government has also provided Ushs1.04 trillion in FY2025/26 to facilitate rehabilitation and acquisition of infrastructure to ensure affordable, efficient and reliable distribution of electricity to consumers to meet to meet the growing demand.</li> </ol> <p><b>Water Connection</b></p> <ol style="list-style-type: none"> <li><b>5. Expanded National Water and Sewerage Corporation (NWSC) services countrywide.</b> The number of towns served by NWSC increased by three (3) towns from 273 towns/cities in 2023 to 276 towns/cities in 2024 i.e. 6 towns/cities in Kampala region, 74 towns/cities in the Central region, 41 towns/cities in the Eastern region, 30 towns/cities in the Northern region and 125 towns/cities in the Western and South Western region. Overall, NWSC services have benefited over 19 million Ugandans in 10,800 villages.</li> <li><b>6. Facilitated development of water related infrastructures such as solar-powered water supply systems, piped town supply systems.</b> In FY2024/25, Government constructed 259 medium and large solar-powered water supply systems and gravity flow schemes and commenced construction of piped town water supply systems in 32 towns across the country. In addition, the construction of 42 large solar-powered water systems commenced. Furthermore, villages in Uganda with at least one safe water source increased to 8 out of every 10 villages; and nationwide, 57,951 villages (81.3%) out of 71,225 have been connected to a safe water source.</li> </ol>

**C) Microeconomic Outlook:** MoFPED projects economic growth to increase to 7.0% in FY2025/26 and average to 8.0% in the medium term. This growth outlook is supported by continued implementation of strategic Government interventions like the Parish Development Model (PDM), Emyooga and capitalization of Uganda Development Bank, increased investment in the oil and gas sector, and public investment in infrastructure, including roads, highways, Industrial Parks, and electricity, to enhance economic activity.

# MICROECONOMIC ISSUES IN THE NEWS & REPORTS

AUGUST  
2025ELECTRICITY & WATER CONNECTION AND KIGEZI ZONAL  
SUMMARY

## Electricity and Water connection at a National glance

**New Vision news article (18<sup>th</sup> September 2025) on Uganda Electricity Distribution Company Limited (UEDCL)'s Performance since taking over from UMEME:**

- a) Between April 2025 and August 2025, UEDCL connected 648,404 new customers on the national grid. Total grid electricity connections in August 2025 stood at 2,430,489 million, increasing from 1,782,085 million before the takeover from UMEME. The number of grid connected households also increased from 1,687,267 to 2,327,898 in the same period.
- b) The grid length has also increased from 3,431km to 5,140km in the past half year.
- c) Energy losses have decreased significantly from 19.1% to 16.8%.
- d) The number of solar-powered water pumps stood at 1,190 pumps.

**National Water and Sewerage Corporation (NSWC) Annual Report 2023/24**

- a) The overall number of water connections increased from 892,099 connections in FY2022/23 to 943,984 connections in FY2023/24.
- b) On the other hand, the number of new water connections decreased from 50,591 in FY2022/23 to 49,717 new water connections in FY2023/24.
- c) NWSC served 276 towns, with majority (125 towns) in Western and South Western Uganda.

## Kigezi Sub-Region:

Economy,  
Public  
Services,  
Industry and  
Household  
Expenditure

**Kigezi sub-region** is located in the Western part of Uganda, with a population size of 1.79 million people. On average, households in the sub-region comprise 4.2 persons. About 32.8% of the population in the sub-region is in the subsistence economy, slightly below than the national average of 33% in 2024.

1. **State of the Economy:** Kigezi sub-region is endowed with scenic landscapes including hills and mountains, which play a significant cultural and economic role in the country. The poverty rate in the sub-region more than halved from 27.7% in 2019/20 to 11.1% in 2023/24. Income inequality also reduced from 0.337 in 2019/20 to 0.335 in 2023/24. Unemployment in the sub-region stands at 8.1%, below the national average of 12.6%.
2. **Public Spending and Service Delivery:** The sub-region has National Identification and Registration Authority (NIRA) Offices in all its districts as well as National Water and Sewerage Corporation offices (NWSC). The sub-region is also served by two Ministerial Zonal Land Offices and High Court Circuits stationed in Kabale and Rukungiri districts.
3. **Trade, Industry and Local Economic Development:** The leading commodities are Irish potatoes, sweet potatoes, Sorghum, potential mineral occurrences such as limestone. The sub-region has four border points which are crucial for trade with Rwanda and the Democratic Republic of Congo.
4. **Electricity and Water connection in Kigezi sub-region:** More than 1 in 10 households (13%) in the sub-region are connected to the national grid, below the national average of 25.3%. (Census 2024). On the other hand, 72.3% of the households (286,946 households) in the sub-region are connected to improved water sources.

DASHBOARD: AUGUST 2025

Version 1.0

Issues	Indicators		Frequency	Status			Issues	Indicators		Frequency	Status			
Employment	Jobs	Formal Sector <sup>1</sup>	Monthly	892,525 (0.3%)		▲	Productivity	Literacy Rate (Grade 6) <sup>11</sup>		Yearly	42.7% (0%)			
		Informal Sector	Yearly (-1)	8,796,480				Numeracy Rate (Grade 6)		Yearly	58% (0%)			
		Migrant Workers	Monthly	2,873 (-4.8%)		▼		Morbidity Rate (Malaria Incidence) <sup>12</sup>		Monthly	2.13 (-15.8%)		▼	
	Incomes	Per-capita GDP (US\$): 2024/25	Yearly	1,263 (10.2%)	▲	PIP Budget Absorption (GoU, IFMS %) <sup>13</sup>		Yearly	83.3% (-8.5%)		▼			
						Power Tariff (Ushs per Unit)	Medium	Quarterly	355.1(0%)					
							Large		300.4(0%)					
			Income Poverty (%)	Yearly	16.1% (20.6%)		▼	Av. Freight Costs (US\$, Mom-Kla, 40ft)		Monthly	3,500			
		Remittances (US\$, M)	Yearly	1,403 (0%)			Commercial Case Backlog <sup>14</sup>		Yearly	1,645 (0%)				
Living Standards	Utilities (Retail Tariff Rates)	Water (M³)	Quarterly	4,307 (1.96%)		▲	Competitiveness	Fuel Prices (Liquid Energy Fuel Inflation) <sup>15</sup>		Monthly	0.2%		▲	
		Power/Domestic	Quarterly	756.2(0%)				Customs Clearance (Hours)		Monthly	5.13 (0%)			
		Data (Ushs, 1GB)	Monthly	2,036 (0%)				Transit Times (Mom-Kla, Days)		Monthly	4.8 (0%)			
	Household Expenditure (HFCE), Ushs Bn		Quarterly	34,671 (2%)		▲		Investment Registration (Days)		Yearly	2			
	Healthcare Expenditure (HH, Ushs)		Yearly (-2)	32,000 (113.3%)		▲		Export Growth		Quarterly	4.9%		▲	
	Food Inflation (%)		Monthly	0.0 (3.7)		▲		Electricity Connection (Days)		Monthly	28 (0%)			
	EFU <sup>4</sup> Inflation (%)		Monthly	0.7 (1.1)		▲		Water Connection (Days)		Monthly	3 (0%)			
	Residential Property Price Index (RPPI) for GKMA		Quarterly	110.57 (2.9%)		▲		Investment Growth (GFCF)		Quarterly	-4.3%			
	Crime Rate (per 100,000):2024		Yearly	476 (-5%)		▼		Communication Rates	Voice (Ushs Per Sec)	Quarterly	0.45 (4.3%)		▼	
						Data <sup>16</sup> (Unlimited)			Monthly	550,000(0%)				
Equity and Economic Inclusion	Private Pension: Active Members		Yearly	733,588 (0%)				Markets and Regulations	IMF Primary Commodity Price Index		Monthly	163.1 (-1.3%)		▼
	Private Pension: Registered Members		Yearly	2,451,422 (0%)					Average Monthly Net Salary (After Tax)		Yearly	628,611		
	Public Pension (Beneficiaries)		Yearly	382,492 (0%)					Retail Sales/EFRIS <sup>17</sup>		Quarterly (-1)	63% (-25%)		
	SAGE (Beneficiaries)		Yearly	450,843 (0%)			USE All Share Price Index		Monthly	1,392.40 (4.4%)		▲		
	Agent Banking (Agents)		Yearly	30,092 (0%)			New Business Registrations		Monthly	5,427 (7%)		▲		
Environmental Sustainability	Water Quality (PM <sub>2.5</sub> ) <sup>5</sup>		Quarterly	Low, 20.54 (-24.5%)		▼	Local Content	Hotel Occupancy Rate (Kla)		Yearly	53.2% (13.4%)		▲	
	Air Quality (PM <sub>2.5</sub> ) <sup>6</sup>		Monthly	41.33µg/m³ (-24.4%)		▼		Plant Utilization Rates (SME-Large Firms)		Yearly	53.6%			
	Noise Pollution (Decibels, Kampala)		Monthly	High, 64.29 (0%)				MUG Shelf-Presence <sup>18</sup>		Yearly	N/A			
	Seasonal Changes in Rainfall		Monthly	Dry and Sunny		▲		Trade Balance <sup>1</sup> US\$, Millions)		Monthly (-1)	-272.9 (146.3%)		▲	
	Natural Disaster Incidences <sup>7</sup>		Monthly	19,869				Contracts Awarded to Local Providers <sup>19</sup>		Yearly	77.12% (0%)			

\*Unless indicated all quarterly figures are for Q4, FY2024/25.<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 (August 2025) | <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 FY2023/24 | <sup>14</sup> June 2024 | <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.