

- 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 registered a slight increase of 0.33%, from 794,336 employees in November 2022 to 796,962 employees in December 2022. Migrant workers registered a slight increase of 8.1% from 4,922 migrant workers in November 2022 to 5,323 migrant workers in December 2022. This could be attributed to adjusting to the new requirement of a certificate of good conduct for issuance of a visa to Saudi Arabia.
Living Standards	Monthly Inflation for Food and Non-alcoholic Beverages increased by 0.6% for the month of December 2022 compared to the 0.2% rise registered in November 2022. On the other hand, monthly EFU Inflation decreased by 0.4% for the month of December 2022 compared to the 0.1% rise recorded in November 2022. The quarterly Residential Property Price Index (RPPI) decreased by 0.5% for Q2 FY2022/2023 compared to the 12.4% drop registered for Q1 FY2022/2023. This quarterly decline was mainly due to a reduction in the prices of property in Wakiso, Nakawa, Kawempe and Rubaga.
Equity and Economic Inclusion	The total annual activity on the shared Agent Banking Platform increased with the transaction volume rising from 5.6 million transactions in June 2021 to 8.6 million transactions in June 2022. The annual transaction values also posted a significant increase of 27.6% from Ushs 7.6 trillion in June 2021 to Ushs 9.7 trillion in June 2022.
Environmental Sustainability	Water quality, noise pollution and seasonal changes in rainfall remained constant during the months of November and December 2022. Air quality improved by 1.5% from 116.41 $\mu\text{g}/\text{m}^3$ in November 2022 to 114.68 $\mu\text{g}/\text{m}^3$ in December 2022. Banks are positioning themselves to fund projects that reduce carbon emissions and promote biodiversity conservation which is envisaged to improve environmental sustainability.
Productivity	The average national monthly malaria incidence stood at 3.8 per 1,000 persons in December 2022, same rate as November 2022.
Competitiveness	The Liquefied Energy Fuels (LEF) inflation declined by 3.1% in December 2022, from the 4.0% reduction registered in November 2022. The reduction is on account of falling global oil prices.
Markets & Regulation	Global commodity prices, measured by the IMF primary Commodity Index slightly increased by 1.5% points from 191 recorded in November 2022 to 194 in December 2022. The All Share Price Index continued to decline from 1,218.48 registered in November 2022 to 1204.74 in December 2022, representing a 1.1% reduction. The number of new businesses registering with URSB reduced by 70.6% from 5,511 in November 2022 to 1,622 in December 2022.
Local Content	Trade balance deficit reduced further by 1.8% from US\$ 305.2m in October 2022 to US\$ 299.9m in November 2022. This reduction in trade deficit was due to a reduction in both exports by 3.7% and imports by 3.6% in the same period.

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

Objective	Interventions
Increased access to social security for vulnerable people	<p>The Human Capital Development Programme under NDP III recognizes the need to guarantee social security to the population through various social protection mechanisms. Social protection is a major development intervention because it directly reduces poverty; provides a foundation on which to build productive livelihoods and supports vulnerable citizens to maintain a minimum acceptable level of consumption. To reduce vulnerability and promote social inclusion, Government has continued to:</p> <p>a) Expand the scope and coverage of social protection services to improve the resilience and productive capacity of vulnerable persons.</p> <p>(i) Government introduced the Social Assistance Grant for Empowerment (SAGE) as one of the measures to guarantee the livelihood and income security of older persons but also as a strategy for rural transformation. Under this scheme, Government provides a monthly non-contributory transfer of Ushs 25,000 to older persons aged 80 years and above in all districts of Uganda. The number of SAGE beneficiaries increased by 13.5% from 304,555 beneficiaries in 2021 to 345,867 beneficiaries in 2022.</p> <p>(ii) Government also amended the NSSF Act 2021 to enable persons who have saved for at least 10 years have midterm access of up to 20% of their savings. The new Law also provides for mandatory contributions by all workers, regardless of the size of the enterprise or number of employees. This will subsequently increase social protection coverage.</p> <p>b) Strengthen affirmative action by facilitating women, youth and persons with disabilities.</p> <p>(i) As of June 2022, Government had disbursed Ushs 9.156billion to 1,248 women groups benefiting 10,562 women under the Uganda Women Empowerment Programme (UWEP). Additionally, Ushs 40.227billion out of the Ushs 78.1billion lent out was recovered from beneficiaries under the Youth Livelihood Programme (YLP). Of the recovered amount, Ushs 18.249billion has since been revolved financing 2,173 Projects; benefitting 20,086 Youths.</p> <p>(ii) In FY2020/21, the Special Grant for Persons With Disabilities (PWDs) was doubled from Ushs 5.0billion to Ushs 10.0billion to benefit PWDs that are well organized in groups of 5 to 6 people; with each group getting between Ushs 4 to 5 million depending on their projects. As of June 2021, a total of 817 PWD groups had benefitted from the special grant across 61 districts.</p> <p>(iii) To ensure inclusion and participation of all Special Interest Groups in the Parish Development Model, Government adopted an allocation criterion in the utilization of the Parish Revolving Funds as follows: Women (30%); Youth (30%); Persons with Disabilities and the elderly (10%); Older Persons (10%) and Men/General Community (20%). These interventions enable individuals to invest and start income generating activities for sustainable income and livelihoods.</p> <p>c) Implement the Labour Intensive Public Works (LIPW) under the NUSAF Project to improve the livelihoods of people. During the NUSAF 3 Project cycle, the LIPW component provided temporary employment opportunities to poor and vulnerable households. A total of 1,882,654 persons (1,036,644 females and 846,010 males) benefitting 376,531 households were facilitated. In addition, the LIPW component established 3,460 community assets in the sectors of roads, water, environment, trade, agriculture and fisheries. Furthermore, mandatory savings on earnings from wages of LIPW participating households were introduced. While the participants received Ushs5,500 as a daily wage, a portion of Ushs1,500 was retained as mandatory savings to capitalize further investments. A total of Ushs23.3 billion of the savings was accumulated over the project duration. The participating households were organized into groups at village level, given basic entrepreneurship training and guided to access loans from their savings. This intervention enabled the poor and vulnerable LIPW beneficiary households to undertake more durable and sustainable livelihood enterprises.</p>

C) **Microeconomic Outlook:**

The micro economic outlook in the near term has brightened with base effects associated with high prices of imported commodities including fuel, diminishing. In addition, the supply chain disruptions are easing over time. The main driver of inflation remains the lagged impact of climate change and drought which is putting upward pressure on food prices. This high food inflation however, is expected to reduce with onboarding of the current season's harvests.

**MICROECONOMIC ISSUES
IN THE NEWS & REPORTS**

DEC 2022

Social Protection in Uganda**URBRA 2021 Pension
Digest**

A vibrant Pension Sector leads to a growth in the return of members savings thus ensuring income security for households throughout the life-cycle. The latest Industry Report on the Pension Sector from URBRA, the 2021 Pension Digest, indicates that the Sector assets increased by 16.8% from 15.4 trillion in 2019/20 to 18.0 trillion in 2020/21, accounting for 12.2% of GDP. In addition, the sector coverage ratio increased from 18.4% (with 2,821,910 members) in 2019/20 to 18.6% (with 2,949,715 members) in 2020/21. This means that about 1 in every 3 Ugandans in the labour force (9.1 million, FY 2019/20) is a member of a Pension Scheme. NSSF registered members, in particular, increased by 4.7% from 2,054,933 members in 2019/20 to 2,150,721 members in 2020/21.

**National Labour Force
Survey 2021**

In December 2022, Uganda Bureau of Statistics (UBOS) released the latest National Labour Force Survey 2021. According to the Report, only 24.4% of the working population is covered under a social protection mechanism, with 14.5% employers paying for NSSF, 0.4% for other provident funds and 5.4% for pension. This implies that over 72.6% of the working population (14.8 million people) do not have access to any form of social protection. The lack of social security among the working population is mainly attributed to the lack of written employment contracts. The Report indicates that only 32.7% (6.7 million people) of the total working population of Uganda have written contracts while 67.3% (13.7 million people) are working based on oral contracts. Government needs to devise mechanisms to reduce the informal sector and improve the quality of employment to ensure that all workers are members of a social protection scheme.

**NSSF pays out Ushs
636billion in midterm
access**

As at the end of December 2022, National Social Security Fund (NSSF) had paid out Ushs 636billion in midterm access benefits since March 2022. The benefits have been paid out to 27,924 beneficiaries. Of the total payments made, Ushs 628.5billion was paid to 27,767 beneficiaries without disabilities while Ushs 7.6billion was paid out to 157 persons with disabilities.

The NSSF performance Report for FY 2021/22 indicates that the total assets of the fund have grown by 80% from Ushs 9.9 trillion in FY 2017/18 to Ushs 17.8 trillion in FY2021/22. The growth is attributed to increased member contributions and income growth.

**NSSF unveils first
social security Smart
Card in East Africa**

In June 2022, NSSF in partnership with Visa and Centenary Bank unveiled a three-in-one social security smart card that embeds NSSF functionality, bank functionality and a loyalty program. The initiative is the first of its kind in East Africa. The card forms a critical component of the Fund's digitalization strategy geared at leveraging new technology to improve efficiencies, customer experience and ultimately make savings a way of life for Ugandans. The new card will support the Fund's transition from a laminated membership card to a functional Chip and PIN plastic option. With the new card, the Fund's members will be able to directly withdraw their NSSF savings upon qualification, deposit and withdraw money from their bank accounts, pay bills, make transactions online, at ATM's and Point of Sale terminals. In addition, they will access exclusive deals from selected merchants. The innovation will go a long way in driving financial inclusion and promoting efficient service delivery.

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector ¹	Monthly	796,962 (0.33%)	▲	Productivity	Literacy Rate (Grade 6) ¹¹	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	5,323 (8.1%)	▲		Morbidity Rate (Malaria Incidence) ¹²	Monthly	3.8 (0%)	■
		LIPW ² (Average)	Monthly	N/A	■		PIP Budget Absorption (GoU, IFMS %) ^b	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		Quarterly	388.5 (9.4%)	▲
Remittances (US\$,M)		Yearly	1,133.94 (-1.76%)	▼	Extra Large	Quarterly		328.5(9.4%)	▲	
Living Standards	Utilities (Retail Tariff Rates)	Water (M ³)	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 ¹⁴	Yearly (-2)	6,094(443.1%)	◆	
		Data (Ushs, 1GB)	Monthly	10,000	■	Fuel Prices (Liquid Energy Fuel Inflation) ¹⁵	Monthly	-3.1	▼	
	Education Expenditure ³ (HH,Ushs)	Yearly (-2)	440,000(13%)	▲	Customs Clearance (Hours)	Monthly	5.13 (0%)	■		
	Healthcare Expenditure (HH, Ushs)	Yearly (-2)	15,000 (-34.2)	▼	Transit Times (Mom-Kla, Days)	Monthly	5 (41.1%)	■		
	Food Inflation (%)	Monthly	0.6(23.0)	▲	Investment Registration (Days)	Yearly	2	■		
	EFU ⁴ Inflation (%)	Monthly	-0.4(5.0)	▼	Business Registration (Days)	Yearly	1	▼		
	Residential Property Price Index (RPPI) for GKMA	Quarterly	98.52(-0.5%)	▼	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) as at Feb 2022		Monthly	85,651 (-0.15%)	▼	Data ¹⁶ (Unlimited)	Monthly	550,000(0%)	■		
SAGE (Beneficiaries)		Yearly	345,867(13.56%)	■	IMF Primary Commodity Price Index	Monthly	194 (1.5)	▲		
Agent Banking (Agents)		Yearly	26,858(16.8%)	▲	Average Monthly Net Salary (After Tax)	Yearly	628,611	■		
Environmental Sustainability	Water Quality (PM _{2.5}) ⁵	Monthly	Low, 20.97 (31.1%)	▲	Retail Sales/EFRIS ¹⁷	Quarterly	55%	■		
	Air Quality (PM _{2.5}) ⁶	Monthly	High, 114.68µg/m ³ (1.5%)	▲	USE All Share Price Index	Monthly	1,204.74 (-1.1%)	▼		
	Noise Pollution (Decibels, Kampala)	Monthly	High, 62.10 (7.3%)	▼	New Business Registrations	Monthly	1,622 (-70.6%)	▼		
	Seasonal Changes in Rainfall	Monthly	Normal Plus	■	Hotel Occupancy Rate (Kla)	Quarterly	44% (-15.4%)	▼		
	Natural Disaster Incidences ⁷	Monthly	7,963(39%)	■	Plant Utilisation Rates (SME-Large Firms)	Quarterly	53.6%	■		
Markets and Regulations	Local Content	MUG Shelf-Presence ¹⁸	Yearly	N/A	■	MUG Shelf-Presence ¹⁸	Yearly	N/A	■	
		Trade Balance (US\$, Millions)	Monthly	-299.9 (-1.8%)	▼	Trade Balance (US\$, Millions)	Monthly	-299.9 (-1.8%)	▼	
		Contracts Awarded to Local Providers ¹⁹	Yearly	61%(-17.6%)	▼	Contracts Awarded to Local Providers ¹⁹	Yearly	61%(-17.6%)	▼	

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