

A) **Microeconomic Developments:**

Issue	Market Updates
Employment	Formal sector employment registered a slight increase of 2.4% from 808,664 employees in January 2023 to 828,170 employees in February 2023. In February 2023, URA issued a public notice stating that TINs would be mandatory for all resident persons whose tax is withheld and should be reflected in the Withholding Tax (WHT) and PAYE returns, effective from March 2023.
Living Standards	Monthly Inflation for Food and Non-alcoholic Beverages decreased by 1.2% in February 2023 compared to the 0.4% rise registered in January 2023. On the other hand, monthly EFU Inflation increased by 0.1% in February 2023 compared to the 0.9% rise recorded in January 2023. The water tariff for domestic consumers slightly decreased from Ushs 3,735 per m ³ in 2022 to Ushs 3,727 per m ³ in 2023.
Equity and Economic Inclusion	The number of mobile money agents more than doubled from 299,976 agents in June 2021 to 480,969 agents in June 2022 ¹ .
Environmental Sustainability	Natural disasters such as drought, fire, and some cases of hailstorms were experienced in some parts of the country due to dry weather conditions. This affected a total of 2,890 individuals in February 2023 ² up from 1,540 individuals in January 2023. The number of individuals who were internally displaced increased by 87.7% in the process.
Productivity	The average national monthly malaria incidence reduced by 39.5% from 3.8 per 1,000 persons in January 2023 to 2.3 per 1,000 persons in February 2023. Literacy and numeracy proficiency levels for P.6 declined in 2021 due to the effects of COVID-19.
Competitiveness	Liquid Energy Fuel inflation decreased by 3.1% in February 2023 compared to the 2.9% drop registered in January 2023. This is attributed to the drop in the February Petrol inflation which reduced by 2.8% from Ushs 5,297 per litre in January to Ushs 5,139 per litre in February 2023. This progressive decline in domestic fuel pump prices is associated with the general reduction in the price of crude oil, now estimated at US\$73 per barrel. Processing time for new electricity connection marginally reduced by 6.9% from 30 days to 28 days in February 2023, which signals efficiency gains by service providers.
Markets & Regulation	The All-Share Index dropped by 0.40 percent to 1,207.93 in February 2023 from 1,217.76 in January 2023. The drop is partly attributed to the continued inactivity with respect to corporate bonds, which certainly results in investor reluctance to trade on the stock exchange in anticipation of interest paid out semi-annually. The January 2023 EFRIS report ³ indicates that the number of small taxpayers issuing e-invoices increased to 63.9% (18,963 against 29,687) in January 2023 from 59% (17,581 against 29,729) between July and September 2022.
Local Content	Trade balance deficit narrowed by 21.4% from US\$ 295.2 in December 2022 to US\$ 231.8 in January 2023. This was due to an increase in monthly export earnings (from US\$ 371.81 million to US\$ 404.46 million) and a reduction in the import bill (from US\$ 816.62 million to US\$ 777.83 million). The growth in export earnings for the month of January 2023 was attributed to increased receipts for coffee and maize. Coffee export earnings increased by 13.1% while maize export earnings increased by 71%.

¹ Bank of Uganda Statistical Abstract, 2022² Uganda multi-hazard report, February 2023³ EFRIS Performance Report, January 2023

B) **Policy Response Measures:** This edition of the MIND focuses on Productivity as a thematic area, with a special focus on literacy, numeracy, and malaria morbidity.

Objective	Interventions
<p>Improved Human Capital Resource and Productive Potential</p>	<ol style="list-style-type: none"> 1. The NDP III recognizes the role of human capital development in raising the country’s household incomes and quality of life through increased productivity and inclusiveness. The NDP III further attributes low productivity among the population to a weak foundation of human capital, lack of appropriate skills, poor health and safety, among others. The impact of COVID-19 exacerbated the decline in foundational skills in education and also weakened the health system. Government accordingly instituted the following measures to restore the economy to its pre-COVID-19 levels: 2. Introduction of malaria vaccines as a measure to reduce the disease burden on the Ugandan population and to reduce the out-of-pocket expenditure on health, currently at 41% of the total health expenditure budget. The inclusion of the Malaria Vaccine as an additional tool to existing interventions is in response to the recommendation of the World Health Organization (WHO) in October 2021, for all countries with moderate to high transmission to start using the vaccine as an additional tool. 3. Launch of the National Community Health Strategy (2021/22- 2025/26) to improve community health and livelihoods of the population through provision of basic health services for both rural and urban communities. The strategy is anchored on the Parish Development Model which requires health services to be accessible to all persons right from the grassroots. 4. Improving Learning Outcomes: Government rolled out a revised new curriculum for lower secondary in 2020 to make it competency-based for employable skills in addition to the provision of learning materials to schools. Accordingly, an Education Review Commission was instituted to assess the performance of Uganda’s Primary and Secondary Education with the view of establishing the effectiveness and relevance of the Education Policy to the achievement of the education needs of users and the goals of Government. The objective of the review is to: <ol style="list-style-type: none"> a. Identify policy, program, and project gaps in the Government 1992 White Paper on Education, causes, and relationship to implementation failure. b. Identify challenges to implementation of the 1992 Government White Paper on Education policy decisions and suggest how the challenges can be addressed c. Inquire into the need and readiness to adopt open and distance learning including use of e-learning or online learning methodologies to enable multiple forms of interaction and dialogue to bridge the distance between teachers and learners and provide access to interactive, independent, collaborative, multimedia learning and resources, and to design learning environments for learners in diverse circumstances.

C) **Microeconomic Outlook:**

In the short term, the microeconomic outlook has improved with the commencement of the rainy season which is envisaged to trigger production. In addition, the easing of global fuel prices will have a positive impact on production and the general cost of living.

National Assessment of Progress in Education (NAPE) 2021 Report	<p>According to the NAPE 2021 Report, learners' literacy and numeracy proficiency declined for primary school learners while the same improved for secondary school learners. The findings indicate that the proportion of P.6 learners' who were proficient in literacy in English declined by 4.4% from 31.8% in 2018 to 21.7% in 2021. A drop in numeracy was observed by a margin of 13.4% from 54.6% in 2018 to 41.2% in 2021. On the other hand, their counterparts in S.3 registered improvement in proficiency in the English language – increasing by 10.3% from 47.4% in 2018 to 57.7% in 2021. A similar improvement was registered for proficiency in mathematics – increasing by 3.2%.</p>
Global Malaria Report 2022	<p>The Report indicates that globally, despite the considerable progress in investments in malaria prevention, achievement of the SDG targets on malaria prevention may not be made unless urgent action and concerted efforts are taken. The Report reveals that malaria case incidence (per 1000 persons at risk) reduced from 82 in 2000 to 57 in 2019, before increasing to 59 in 2020 mainly because of the COVID-19 disruption that affected service delivery, especially in rural areas.</p> <ol style="list-style-type: none"> Africa accounted for 95% of global malaria cases. Uganda represents 5.1% of the total global malaria cases. The other countries include Nigeria (26.6%), DRC (12.3%), and Mozambique (4.1%). Africa accounted for 96% of global malaria deaths, with Uganda contributing 3.2% of the total death. Uganda's high increase in malaria cases from 100,000 in 2021 to 199,695 cases in 2022 is worrying and requires urgent actions to reverse the trend. Government and the private sector ought to keenly work together through partnerships in creating awareness about proper use of Insecticide Treated Nets, clearing of bushes, and adopting hygienic behaviours by households.
National Malaria Control Division Newsletter (October-December 2022)⁴	<p>The Ugandan Malaria Reduction and Strategic Plan 2020-2025 (UMRSP) aims to reduce malaria infection and morbidity from 50% to 75% by 2025. The Mid-term review of the strategic plan reveals that</p> <ol style="list-style-type: none"> Total malaria incidence increased from 246/1000 in 2019 to 306/1000 persons per year in 2022, a 24.4% increase. Inpatient malaria incidence increased by 6.9% from 16/1000 in 2019 to 17.1/1000 persons per year in 2022. Over the same period, the proportion of malaria deaths to total deaths in health facilities decreased from 7% to 4.8%. Interventions such as the mass distribution of long-lasting Insecticide Mosquito Nets to households, the targeted indoor residual spraying among other interventions will be critical in reducing the incidence of malaria-related cases. For instance, by 2021, Government had distributed a total of 28,411,160 nets across all administrative units – 1,856 sub-counties in 137 districts, achieving 98% distribution. However, despite the mass distribution, improper use of the nets by households continues to render the intervention suboptimal.

MIND is compiled by Economic Development Policy and Research Department (EDP&RD) in the Ministry of Finance, Planning and Economic Development

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⁴ National Malaria Control Division Newsletter Vol 3 Edition 1 Issue1 (October – December 2022)

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector ¹	Monthly	828,170 (2.4%)	▲	Productivity	Literacy Rate (Grade 6) ¹¹	Yearly	21.7%(66.8%)	▼
		Informal Sector	Yearly (-1)	8,796,480	▲		Numeracy Rate (Grade 6)	Yearly	41.2% (-19.1)	▼
		Migrant Workers	Monthly	7,588 (0%)	▲		Morbidity Rate (Malaria Incidence) ¹²	Monthly	2.3 (-39.5%)	▲
		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	472.3(-2%)
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)	▲	Large		386.3 (-0.57%)	▲	
Remittances (US\$,M)		Yearly	1,133.94 (-1.76%)	▲	Extra Large	326.6(-0.58%)		▲		
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	808.9 (1.5%)	▼	Commercial Case Backlog ¹⁴	Yearly (-1)	6,178 (1.38%)	▲	
		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	-1.2 (20.9)	▼	Investment Registration (Days)	Yearly	2	▲		
	EFU ⁴ Inflation (%)	Monthly	0.1 (5.0)	▲	Business Registration (Days)	Yearly	1	▼		
	Residential Property Price Index (RPPI) for GKMA	Quarterly	98.52(-0.5%)	▼	Electricity Connection (Days)	Monthly	28 (-6.7%)	▼		
	Crime Rate (per 100,000):2022	Yearly	523(18%)	▼	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	85,651 (0%)	▲	Data ¹⁶ (Unlimited)	Monthly	550,000(0%)	▲		
SAGE (Beneficiaries)		Yearly	345,867(13.56%)	▲	Markets and Regulations	IMF Primary Commodity Price Index	Monthly	182.1 (-6.1%)	▼	
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	Quarterly	Low, 20.97 (31.1%)	▲		Retail Sales/EFRI ¹⁷	Quarterly	63.9% (16.1%)	▲	
	Air Quality (PM _{2.5}) ⁶	Monthly	High, 39.56 µg/m ³	▲		USE All Share Price Index	Monthly	1,207.93 (-0.81%)	▼	
	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	2,890 (87.7%)	▲	Plant Utilisation Rates (SME-Large Firms)	Quarterly	53.6%	▲		
Local Content	Environmental Sustainability	MUG Shelf-Presence ¹⁸	Yearly	N/A	▲	Trade Balance (US\$, Millions)	Monthly	-231.8 (21.4%)	▼	
		Contracts Awarded to Local Providers ¹⁹	Yearly	61%(-17.6%)	▼					

*Unless indicated all quarterly figures are for Q1, FY2022/23.¹ Active PAYE Register Jobs² Labour Intensive Public Works³ Average household expenditure on Primary education |⁴Energy, 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 Receiving and Invoicing System |¹⁸ Made in Uganda (MUG) |¹⁹ By Value.