

## A) Microeconomic Developments

Issue	Market Updates
<b>Employment</b>	Formal Employment, as captured under the PAYE Register, increased by 1.25% from 788,801 employees in January 2024 to 798,680 employees in February 2024. On the other hand, the number of migrant workers captured by the Immigration Department increased by 63.57% from 1,570 migrant workers in January 2024 to 2,568 workers in February 2024.
<b>Living Standards</b>	Monthly inflation for Food and Non-alcoholic Beverages increased by 0.8% in February 2024 compared to the 0.2% drop recorded in January 2024. On the other hand, monthly EFU Inflation reduced by 0.4% in February 2024, compared to the 1.3% reduction recorded in January 2024.
<b>Equity and Economic Inclusion</b>	The number of members subscribing to the National Social Security Fund increased by 5.9% from 2,213,257 members in FY2021/22 to 2,344,737 members in FY2022/23 (15% of the work force in 2021).
<b>Environmental Sustainability</b>	The air quality in Kampala has improved, with particulate matter decreasing by 68.3% from 71.65 $\mu\text{g}/\text{m}^3$ in January 2024 to 22.65 $\mu\text{g}/\text{m}^3$ in February 2024. Additionally, noise pollution has reduced by 8.9% from 62.96 decibels in January 2024 to 57.35 decibels in February 2024. On the other hand, natural disasters affected 3,935 individuals in February 2024 compared to 7,052 individuals in January 2024. A total of 993 households were affected and 271 were displaced in five sub-regions i.e. Elgon, Teso, Buganda South, West Nile and Lango. The rainfall forecast for February 2024 indicated dry and sunny weather in most parts of the country. This is in contrast to January 2024, when normal rainfall was experienced in the sub-regions of Kigezi highlands, Lake Victoria Basin, and Eastern parts of the country.
<b>Productivity</b>	Malaria prevalence reduced by 20% from 2.89 in January 2024 to 2.31 in February 2024. This significant reduction can be attributed to the countrywide mass distribution of insecticide-treated mosquito nets which commenced in July 2023 under the collaborative efforts of Global Fund and Against Malaria Foundation.
<b>Competitiveness</b>	The monthly Liquid Energy Fuels Inflation decreased by 0.1% in February 2024 compared to the 0.5% recorded in January 2024. Investments in Q1 FY2023/24 grew by 11.1% compared to 9% in Q4 FY2022/23, largely due to increased investment in ICT and Transport Equipment, which saw growth rates of 27% and 25% respectively. On the other hand, there was a 4.2% decrease in export growth in Q1 FY2023/24, with services showing the largest decline.
<b>Markets &amp; Regulation</b>	The IMF commodity price index increased by 0.06% from 159.1 in January 2024 to 159.2 in February 2024. The All-Share Price Index recorded a 1.11% reduction from 902.28 recorded in January 2024 to 892.19 in February 2024. This is attributed to profit warnings in some companies. Furthermore, new business registrations rose by 93.6% from 2,772 recorded in January 2024 to 5,271 recorded in February 2024.
<b>Local Content</b>	Uganda's trade deficit decreased by 30.23% from US\$ 269.6 million in December 2023 to US\$ 188.1 million in January 2024, due to a 14% reduction in import receipts compared to an 8.3% reduction in export receipts.

**B) Policy Response Measures:** This edition of the MIND focuses on Competitiveness with a special emphasis on Communication Rates

Objective	Interventions
Improved communication effectiveness	<p>The Digital Transformation Programme of the NDP III identified Information and Communication Technology (ICT) sector as an accelerator of national productivity and efficiency in Government and the private sector. The Programme seeks to expand ICT infrastructure coverage. Government has taken significant steps towards developing ICT infrastructure to lower communication costs. The following measures have been undertaken.</p> <ul style="list-style-type: none"> <li>a) <b>Developed the Broadband Policy in 2018</b> to harmonise the country's planning and development of broadband infrastructure. This is aimed at increasing internet connectivity, reducing the cost of internet and quality of internet services across public and private sectors. The Policy's objectives include optimising usage and increasing the efficiency of broadband infrastructure, increasing access countrywide and reviewing the licencing regime of telecom and broadcast operators.</li> <li>b) <b>Implemented the National Data Transmission Backbone Infrastructure and e-Government Infrastructure Project (NBI/EGI)</b> to connect all major towns within the country to an Optical Fibre Cable Network. The following are milestones. <ul style="list-style-type: none"> <li>i) 1,523 Government sites, 53 districts and 9 border points are connected to the NBI, with a total length of 4,353.87 km laid.</li> <li>ii) 603 MDAs, Local Government sites and Government service centres such as hospitals and universities. This has therefore enabled all Government services such as National Data Centre, internet bandwidth, etc to be online as well as increased internet access.</li> </ul> </li> <li>i) <b>Reduced the cost of internet for Government offices.</b> The National Information Technology Authority (NITA-U) has lowered the monthly cost of internet for government offices connected to the National Backbone Infrastructure (NBI) from \$70 to \$35 per Mbps per month. This initiative is aimed at ensuring that Government offices can access/consume the internet at the most competitive rates available, thereby facilitating prompt and effective delivery of services to citizens.</li> <li>j) <b>Promoted digital literacy</b> by extending the internet to 176 schools, equipping 1,285 school ICT labs and establishing e-learning platforms in schools and universities. In addition, Government developed the Digital Skills Acceleration programme (2023/24 – 2025/26) to foster digital skills development at early childhood development and schooling levels. The outcomes envisaged include enhancing the country's global competitiveness, job creation and increased uptake of digital services.</li> <li>k) <b>Lowered the cost of interconnection fees.</b> The Uganda Communications Commission lowered interconnection fees between telecom companies from Ushs 65 to Ushs 55 in 2019 to reduce the cost of voice calls for consumers. This intervention effectively halved the cost of voice calls from Ushs 6 per second to Ushs 3 per second.</li> </ul>

**C) Microeconomic Outlook:** Investors' confidence in Uganda's economic prospects has been heightened on account of the country's removal from the FATF grey list. With this positive development, Uganda is expected to attract more foreign direct investment and increase remittance in the medium to long term.

**Towards an  
Inclusive  
Digital  
Economy,  
UCC  
Supplement,  
2023**

In commemorating its 25<sup>th</sup> Anniversary, the Uganda Communication Commission has reported that since its inception:

- a) The contribution of the ICT sector to the GDP has increased to Ushs 3,086.1 billion in FY2022/23, from Ushs 2,998.7 billion in FY2021/22.
- b) Over the past decade, Government has extended fibre optic network to 30,161km, a significant increase from the 5,700km recorded in 2013.
- c) Telephone subscriptions have also increased by 76%, with 34,260,440 subscriptions recorded in 2023 compared to 19,506,550 subscriptions in 2013.
- d) In addition, the price of internet has significantly reduced from Ushs 25,000 per GB in 2013 to Ushs 5,000 per GB, leading to a surge in internet subscriptions from 4,303,013 in 2013 to 26,922,506 in 2023.
- e) Digital literacy was extended to 7,540 SMEs, 3,482 boarder communities, 11,800 farmers and 19,800 community members
- f) The number of telecommunication towers increased by 53% from 3,208 towers in 2013 to 4,907 towers in 2023.
- g) Of the 15 sub-regions in the country, Teso has one of the lowest internet access at 4.4% compared to Buganda South (24.9%), Kampala (17%) and Elgon (7%).

**Teso sub-  
region:**
**Economy,  
Public Services  
and Industry**

Teso sub-region, located in the north eastern part of Uganda, has nine (9) districts (Soroti, Bukedea, Kumi, Serere, Amuria, Katakwi, Kaberamaido, Ngora and Kapelebyong). With a population growth rate of 3.2% between 2022 and 2023, the sub-region accounts for 5% (2,303,923 people) of the national population in 2023. Households in the sub-region averagely comprise of 5.9 persons. About 48.6% of the population is in the Subsistence Economy.

The poverty rate in the sub-region stands at 21.9%, slightly above the national average of 20.3%. Inequality, as measured by the Gini Coefficient stands at 0.288 in 2019/20, the lowest nationally. The sub-region had a dependency ratio of 100% in 2019/20.

The share of unemployed persons in the sub-region was 6.7% in 2021. The sub-region has one of the lowest share of people engaged in the Informal Sector (81.5%), lower than the national average of 88%.

Teso sub-region is home to several sub-regional Government offices that offer public services such as national water connections (NWSC), land administration, and national road development (UNRA). Other services can be accessed through the Elgon and Lango sub-regions.

The sub-region's internet access is only 4.4%, lower than Bukedi and Acholi at 7% despite having a lower poverty rate. Government established the National Data Centre to host all Government ICT applications in Teso sub-region in a bid to improve efficiency and effectiveness of service delivery. Additionally, 17 public Wi-Fi hotspots have been established in Teso sub-region to increase internet connectivity.

The sub-region is a major producer of citrus fruits, cassava (12% of total national production), and groundnuts (12% of total national production).

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector <sup>1</sup>	Monthly	798,680 (1.25%)	▲	Productivity	Literacy Rate (Grade 6) <sup>11</sup>	Yearly	21.7%(66.8%)	▼
		Informal Sector	Yearly (-1)	8,796,480	▲		Numeracy Rate (Grade 6)	Yearly	41.2% (-19.1)	▼
		Migrant Workers	Monthly	2,568 (63.57%)	▲		Morbidity Rate (Malaria Incidence) <sup>12</sup>	Monthly	2.31 (-20%)	▼
	Incomes	Per-capita GDP (US\$): 2022/23	Yearly	1,093 (0.46%)	▲		PIP Budget Absorption (GoU, IFMS %) <sup>b</sup>	Yearly	91% (6.4%)	▲
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)	▼	Power Tariff (Ushs per Unit)	Medium	Quarterly	448.7(-2.8%)	▲
		Remittances (US\$,M)	Yearly	1,133.94 (-1.76%)	▲		Large	397.2(-1.4%)	▼	
					Extra Large	320.6(-1.4%)	▼			
Living Standards	Utilities (Retail Tariff Rates)	Water (M <sup>3</sup> )	Quarterly	3,727(0.2%)	▼	Competitiveness	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,500	▲
		Power/Domestic	Quarterly	793.3(-0.96%)	▼		Commercial Case Backlog <sup>14</sup>	Yearly (-1)	6,178 (1.38%)	▲
		Data (Ushs, 1GB)	Monthly	5,000 (25%)	▲		Fuel Prices (Liquid Energy Fuel Inflation) <sup>15</sup>	Monthly	-0.1%	▼
	Household Expenditure (HFCE), Ushs Bn	Quarterly	29,821 (14.6%)	▲	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	-0.8(0.3)	▼	Investment Registration (Days)		Yearly	2	▲	
	EFU <sup>4</sup> Inflation (%)	Monthly	-0.4(8.0)	▼	Export Growth		Quarterly	-4.2%	▼	
	Residential Property Price Index (RPPI) for GKMA	Quarterly	105.44 (0.7%)	▲	Electricity Connection (Days)		Monthly	28 (-6.7%)	▼	
	Crime Rate (per 100,000):2023	Yearly	511 (-2.3%)	▼	Water Connection (Days)		Monthly	3 (0%)	▲	
					Investment Growth (GFCF)		Quarterly	11.1%	▲	
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 <sup>16</sup> (Unlimited)	Monthly	550,000(0%)	▲	
	Public Pension (Beneficiaries)	Yearly	407,515 (-0.61%)	▼		IMF Primary Commodity Price Index	Monthly	159.2(0.06%)	▲	
	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 <sup>17</sup>	Quarterly	84% (31.5%)	▲	
Environmental Sustainability	Water Quality (PM <sub>2.5</sub> ) <sup>5</sup>	Quarterly	Low ,27.21(29.8%)	▲	Local Content	USE All Share Price Index	Monthly	892.19 (-1.1%)	▼	
	Air Quality (PM <sub>2.5</sub> ) <sup>6</sup>	Monthly	Moderate, 22.65µg/m <sup>3</sup> (-68.3%)	▲		New Business Registrations	Monthly	5,271 (93.6%)	▲	
	Noise Pollution (Decibels, Kampala)	Monthly	Moderate, 57.35 (-8.9%)	▲		Hotel Occupancy Rate (Kla)	Quarterly	29.1% (-33.9%)	▼	
	Seasonal Changes in Rainfall	Monthly	Dry and sunny	▲		Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%	▲	
	Natural Disaster Incidences <sup>7</sup>	Monthly	3,935(-44.2%)	▼		MUG Shelf-Presence <sup>18</sup>	Yearly	N/A	▲	
						Trade Balance (US\$, Millions)	Monthly	-188.1 (30.3%)	▼	
				Contracts Awarded to Local Providers <sup>19</sup>	Yearly	77.12%(26.4%)	▲			

\*Unless indicated all quarterly figures are for Q2, FY2023/24. <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 Q2 (31<sup>st</sup> Dec 2022) | <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.