

- 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
<b>Employment</b>	Formal sector employment increased by 3.6% between May and June 2022. Formal employment has impressively increased throughout the last quarter of the FY 2021/22 by 3.8% from 769,752 employees <sup>1</sup> in April 2022 to 799,060 employees in June 2022 <sup>2</sup> . This has demonstrated a full recovery in formal employment out-turns since the onset of Covid-19 pandemic. Externalized migrant labour has had a mixed picture. Throughout the FY 2021, migrant workers have been as low as 4,703 migrant workers in September 2021 <sup>3</sup> to as high as 10,887 migrant workers in January 2022; and reducing to 8,307 migrant workers in June 2022 <sup>4</sup> .
<b>Living Standards</b>	The domestic water tariff increased by 6.2% from Ushs 3,516 per unit (1,000 litres of water) to Ushs 3,735. Domestic consumers will now pay an additional Ushs 4.22 per 20 litres of water they consume. Monthly Inflation for Food and Non-alcoholic Beverages increased by 1% for the month of June 2022 from the 3.5% rise recorded in May 2022. Monthly EFU Inflation increased by 1% for the month of June 2022 from the 0.2% drop recorded in May 2022.
<b>Equity and Economic Inclusion</b>	The number of SAGE beneficiaries increased by 13.6% from 304,555 beneficiaries in 2020 to 345,867 beneficiaries in 2021. Government effected payment of SAGE grants to beneficiaries for the months of April, May and June 2022.
<b>Environmental Sustainability</b>	Air quality improved by 23.47% from 72 µg/m <sup>3</sup> in May 2022 to 55.1 µg/m <sup>3</sup> in June 2022. In June, Uganda had normal rainfall on average with some regions experiencing below normal rainfall. The harsh weather conditions in some regions have led to a threat of food security in parts of Uganda, especially Northern Uganda and Teso sub-region.
<b>Productivity</b>	The average national monthly malaria incidence increased by 47% to 5.6 per 1,000 persons in June 2022 from 3.8 per 1,000 persons in May 2022. In June 2022, Ministry of Health announced a resurgence in malaria infections in 71 districts across the country with districts such as Alebtong, Amuru and Otuke having a positivity rate above 80%.
<b>Competitiveness</b>	The Liquefied Energy Fuels inflation – which measures the rate of change in fuel prices, rose from 6% in April 2022 to 7.5% in May 2022 on account of the prolonged war in Ukraine. This has resultantly contributed to rising transport fares and general price hike of essential commodities.
<b>Markets &amp; Regulation</b>	Inflationary pressures on the economy resulted in the drop in share prices, causing the All Share Price Index to plummet from 1249.07 in May 2022 to 1,195.38 in June 2022.
<b>Local Content</b>	Trade balance deficit increased by 21.1% from US\$ 229.6m in April 2022 <sup>5</sup> to US\$ 278.1m in May 2022 <sup>6</sup> . The deficit was mainly driven by higher growth in imports <sup>7</sup> of 9.1%, particularly Vegetable Products, Animal, Beverages, Fats & Oil (64.8%), compared to a modest growth in exports <sup>8</sup> of 3.8% in the same period.

<sup>1</sup> Uganda Revenue Authority (URA), “Pay As You Earn -April 2022.”

<sup>2</sup> Uganda Revenue Authority (URA), “Pay As You Earn -June 2022.”

<sup>3</sup> Ministry of Gender, Labour and Social Development, “Migrant workers statistical register for September 2022.”

<sup>4</sup> Ministry of Gender, Labour and Social Development, “Migrant workers statistical register for June 2022.”

<sup>5</sup> Bank of Uganda, “Monthly Macroeconomic Indicators-April, 2022”

<sup>6</sup> Bank of Uganda, “Monthly Macroeconomic Indicators-May, 2022”

<sup>7</sup> Bank of Uganda, “Composition of Imports for April, 2022.”

<sup>8</sup> Bank of Uganda, “Composition of Exports for February, 2022”

**B) Policy Response Measures:** This edition of the MIND focuses on Productivity as a Thematic Area with a particular emphasis on malaria incidence. It highlights, policy measures and interventions of Government aimed at addressing the issues around the rising malaria incidence.

Objective	Intervention
<p><b>Reducing the Incidence of Malaria and Vulnerability</b></p>	<p>One of the interventions on the NDP III Programme on Human Capital Development is to improve population health, safety and management through reducing the burden of communicable diseases with focus on high burden diseases (Malaria, HIV/AIDS, TB, Neglected Tropical Diseases, Hepatitis). The expected key result areas is reduced Mortality due to high risk Communicable Diseases (Malaria, TB &amp; HIV/AIDS) from 60% in 2017 to 30% in 2024/25. To lower the rate of malaria incidence, Government has implemented a range of interventions, highlighted below:</p> <ol style="list-style-type: none"> <li>Government is implementing the Malaria Reduction Strategic Plan 2021-2025, which aims to reduce malaria infections by 50%, morbidity by 50% and mortality by 75% by 2025. The Plan includes elimination, seasonal malaria chemoprevention, private sector engagement, indoor residual spraying, antimalarial commodities and mosquito nets.</li> <li>In 2022, Ministry of Health launched a new USD 38 million USAID grant dubbed PMI<sup>9</sup> Uganda Malaria Reduction Activity (PUMRA) aimed at reducing malaria infections by 50% and malaria-related deaths by 75%. PUMRA will also enhance household and community capacity to prevent Malaria and access high quality health services. The activity is being implemented in the five regions of; West Nile, Acholi, Busoga, Karamoja and Lango.</li> <li>Uganda commemorated the World Malaria Day on 25<sup>th</sup> April, 2022. The annual event was used to raise awareness and advocate for more resources for the fight against malaria, under the theme; “Domesticating the Fight against Malaria”</li> <li>In March, 2022, the Ministry of Health launched the Zero Malaria Businesses Leadership Initiative. The main objectives of the initiative are: i) to promote domestic resource mobilization for sustainable funding of malaria control and elimination, ii) to mobilize businesses leaders for malaria control and elimination. Ecobank Uganda registered its commitment by joining the Malaria-Free Uganda board and announcing a contribution of Shs427.5m (US\$120,000)<sup>10</sup>.</li> <li>The Malaria consortium is implementing a new project ‘Supporting Uganda’s Malaria Reduction and Elimination Strategy (SUMRES). (SUMRES) project focuses on building capacity at the district, health facility, and community levels and ensuring that health service providers at public, private and community levels collect and consistently use quality data to target interventions to the most vulnerable populations and areas. The project is expected to directly benefit close to three million people across 11 districts, including pregnant women and children under five years’ old.</li> <li>Distribution of mosquito nets. In May 2022, Ministry of Health boosted the malaria epidemic response by distributing 60,000 long lasting mosquito nets to the most affected districts including Buyende, Jinja, Mayuge, Kamuli, Iganga and Bugiri<sup>11</sup>.</li> </ol>

**c) Microeconomic Outlook:** The rise in inflation continues to constrict consumers’ real income and overall domestic demand. The cost of living is also increasing fueled by a significant rise in the cost of essential commodities, especially fuel, increasing by close to 75% over the last 6 months. GDP growth projections for FY2022/23 have been revised from 5.5-6.0 percent as of April 2022 to 4.5 -5.0 percent.

<sup>9</sup> PMI- Presidents’ Malaria Initiative

<sup>10</sup> Ministry of Health.

<sup>11</sup> <https://allafrica.com/stories/202205290023.html>

**MEDIA  
WATCH  
POST**
**MICROECONOMIC ISSUES IN  
THE NEWS & REPORTS**
**JUNE 2022**
**MALARIA INCIDENCE IN UGANDA**

<b>Malaria Upsurge</b>	<p>a) In month of May 2022, the Ministry of Health noted that there had been a gradual increase in the number of malaria confirmed cases, and an upsurge in about 71 districts including Budaka, Kween, Bugiri, Namutumba and Alebtong.<sup>12</sup>The Ministry attributed the surge to the rainy season and warned that malaria cases are expected to continue rising and thus urged the public to stay alert.</p> <p>b) In June 2022, the Ministry of Health reported an upsurge in malaria cases in five sub-regions across the country. The affected sub-regions include Karamoja, Acholi, Lango, Bukedea and Busoga. A stock out of anti-malarial drugs was also observed in most of the Health Centers and patients were forced to purchase from private suppliers at costs that many could not afford. Some facilities were unable to receive anti-malarials in the last two delivery cycles</p>
<b>Reducing Prevalence and Incidence of Malaria</b>	<p>c) In May 2022, the <u>Great Lakes Malaria Initiative (GLMI)</u> was launched by East and Central African countries (including Uganda) with a goal of halving malaria cases and deaths in the region by 2025. GLMI will launch over 35 border-area health posts throughout the region to provide malaria prevention and curative services, along with other essential health services, and will support disease surveillance efforts.<sup>13</sup>The health posts have laboratory capacity and are able to process tests—including rapid diagnostic tests for malaria—on-site.</p> <p>d) At the 2022 Kigali Summit on Malaria and Neglected Tropical Diseases, African countries renewed their bid to cut malaria cases by 90%. Development partners pledged more than US\$ 4 billion for this cause. The new funding is intended to get countries back on track by significantly reducing new cases of malaria by the end of the decade.</p> <p>e) Government through Ministry of Health continues to carry out Mass Action Against Malaria using a number of measures including; <sup>14</sup>Malaria integrated vector control using Long-lasting insecticidal nets (LLINs), Larviciding and environment management, Malaria testing and treatment, Chemoprevention in high-risk population groups, Epidemic Prevention, Preparedness and Response and Advocacy, Social Mobilization and Behavior Change Communication among others.</p>
<b>Mutation of malaria parasite and drug resistance</b>	<p>a) There is evidence of emerging artemisinin-resistant. Artemisinin and artemisinin combination therapies (ACTs) are the most effective and widely used treatment for malaria in Uganda.<sup>15</sup>A study conducted at a hospital in Northern Uganda found that 5.8% of malaria patients treated with an artemisinin derivative from 2017 through 2019 had evidence of slow parasite clearance, and analysis of parasite DNA samples from patient blood samples identified genetic mutations associated with delayed parasite clearance and artemisinin resistance.<sup>16</sup></p> <p>b) Many malaria patients are misdiagnosed and experiencing treatment failure because of mutation of the malaria parasite and drug resistance, health experts have warned. The warning comes amid a sustained upsurge in malaria cases in various districts.</p>

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

EDPRD: Simplified, seamless and speedy knowledge services for monitoring, assessment and communication of Uganda's economic development policy and its results

<sup>12</sup> Health.go.ug

<sup>13</sup> United Nations Foundation

<sup>14</sup> Mass Action for malaria Free Uganda

<sup>15</sup> New England Journal of Medicine

<sup>16</sup> New England Journal of medicine, <https://www.cidrap.umn.edu/news-perspective/2021/09/artemisinin-resistant-malaria-detected-uganda>

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector <sup>1</sup>	Monthly	799,060 (3.6%)		Productivity	Literacy Rate (Grade 6) <sup>9</sup>	Yearly (-1)	76.1% (24.2%)	
		Informal Sector	Yearly (-3)	8,824,252			Numeracy Rate (Grade 6)	Yearly (-1)	50.9%(-1.7%)	
		Migrant Workers	Monthly	8,307 (-12.6%)			Morbidity Rate (Malaria Incidence) <sup>a</sup>	Monthly	5.6 (47%)	
		LIPW <sup>2</sup> (Average)	Monthly	98,783 (-1)			PIP Budget Absorption (GoU, IFMS %) <sup>b</sup>	Yearly	86% (19.6%)	
	Incomes	Per-capita GDP (US\$): 2020/21	Yearly	1046(12.2%)		Power Tariff (Ushs per Unit)	Medium	Quarterly	439.1(12.2%)	
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)			Large		355.0 (0%)	
Remittances (US\$,M) 2021		Yearly	1,102.03 (-14.7%)		Extra Large		300.2(0%)			
Living Standards	Utilities (Retail Tariff Rates)	Water (M <sup>3</sup> )	Quarterly	3,735 (6.2%)		Competitiveness	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly(-1)	10,000 (1.63%)	
		Power/Domestic	Quarterly	747.5 (0%)			Commercial Case Backlog <sup>c</sup>	Yearly (-1)	6,094 (443.13%)	
		Data (Ushs, 1GB)	Monthly	5,000			Fuel Prices (Liquid Energy Fuel Inflation)	Monthly	7.5	
	Education Expenditure <sup>3</sup> (HH,Ushs)	Yearly (-1)	1,338,000(13%)		Customs Clearance (Hours)		Monthly	5.13 (0%)		
	Healthcare Expenditure (HH, Ushs)	Yearly (-1)	15,000 (-34.2)		Transit Times (Mom-Kla, Days)		Monthly	5 (41.1%)		
	Food Inflation (%)	Monthly	1.0 (13.0)		Investment Registration (Days)		Yearly	2		
	EFU <sup>4</sup> Inflation (%)	Monthly	1.0 (4.9)		Business Registration (Days)		Yearly	1		
	Residential Property Price Index (RPPI) for GKMA	Quarterly(-1)	102.35 (-1.4%)		Electricity Connection (Days)		Monthly	30 (0%)		
	Crime Rate (per 100,000):2021	Yearly	457(0.1%)		Water Connection (Days)		Monthly	3 (0%)		
	Equity and Economic Inclusion	Private Pension: Active Members <sup>f</sup>	Yearly (-1)	811,699 (39.5%)			Tax Refund (Months)	Monthly	N/A	
Private Pension: Registered Members		Yearly	2,054,933 (5.1%)		Communication Rates	Voice (Ushs Per Sec)	Quarterly	4 (33.3%)		
Public Pension (Beneficiaries)		Monthly(-4)	85,651 (-0.15%)		Data <sup>d</sup> (Unlimited)	Monthly	550,000(0%)			
SAGE (Beneficiaries)		Yearly	345,867 (13.56%)		IMF Primary Commodity Price Index	Monthly	226.5			
Agent Banking (Transactions) (2021)		Yearly (-1)	11,262(48.3%)		Average Monthly Net Salary (After Tax)	Yearly (-1)	628,611			
Environmental Sustainability	Water Quality (PM <sub>2.5</sub> ) <sup>8</sup>	Monthly	Low, 20.00		Retail Sales/EFRI <sup>5</sup>	Quarterly	19.07%			
	Air Quality (PM <sub>2.5</sub> )	Monthly	Moderate, 55.1 (23.47%)		USE All Share Price Index	Monthly	1195.38 (-4.3%)			
	Noise Pollution (Decibels, Kampala)	Monthly	High, 60.83		New Business Registrations	Monthly	2203 (-44%)			
	Seasonal Changes in Rainfall	Monthly	below Normal		Hotel Occupancy Rate	Quarterly	41% (5.12%)			
	Natural Disaster Incidences	Monthly	N/A		Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%			
Markets and Regulations	Local Content	MUG Shelf-Presence <sup>6</sup>	Yearly	N/A		Trade Balance <sup>e</sup> (US\$, Millions)	Monthly	-265.6 (2.63%)		
		Contracts Awarded to Local Providers <sup>7</sup>	Yearly (-1)	74%(26.7%)						

\*Unless indicated all quarterly figures are for Q3, FY2021/22.<sup>1</sup> Active PAYE Register Jobs | <sup>2</sup>Labour Intensive Public Works | <sup>3</sup>Primary Education expenditure in Kampala | <sup>4</sup>Energy, Fuel, and Utilities | <sup>5</sup>Electronic Fiscal Receipting and Invoicing System | <sup>6</sup>Made in Uganda (MUG) | <sup>7</sup>By Value | <sup>8</sup>Particulate Matter (April 2021) | <sup>9</sup>Persons aged 10years and above | <sup>a</sup> Cases per 1,000 population | <sup>b</sup> Cumulative Absorption in Q1 (31<sup>st</sup> Sep, 2021) | <sup>c</sup> December 2020 | <sup>d</sup>Average monthly price of data bundles for MTN (170GB) and Smile (150GB).  
Source: kompare.ug | <sup>e</sup> September 2021 | <sup>f</sup> NSRF: As at December 2021.