

- 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 employment has maintained a steady rise from 724,985 employees <sup>1</sup> in March 2022 to 769,752 employees in April 2022 <sup>2</sup> . Similarly, migrant labour registered a substantial increase of 110.3% in April from 4,672 workers in March 2022 to 9,826 workers in April 2022 <sup>3</sup> .
<b>Living Standards</b>	Monthly Inflation for Food and Non-alcoholic Beverages increased by 3.1% for April 2022 from the 1.4% rise recorded in March 2022. Monthly EFU Inflation increased by 2.1% for the month of April 2022 from the 0.5% rise recorded in March 2022. According to the Uganda Police Crime Report 2021, there was a 0.1% increase in the volume of crimes reported to police from 195,931 cases in 2020 to 196,081 cases in 2021. Theft was the most committed offence accounting for 22.2% of the total volume of crime followed by assault 14% and domestic violence 9%.
<b>Equity and Economic Inclusion</b>	The number of pension beneficiaries increased by 0.15% from 85,523 beneficiaries in January 2022 to 85,651 beneficiaries in February 2022.
<b>Environmental Sustainability</b>	Air quality improved by 17.85% from 68.69 $\mu\text{g}/\text{m}^3$ in March 2022 to 56.83 $\mu\text{g}/\text{m}^3$ in April 2022. There is deliberate efforts to improve air quality as evidenced in campaigns to increase air quality awareness as well as increasing air quality monitoring through installing more air quality monitors. There was a 7.3% decrease in noise pollution, from 65.62 decibels in March to 60.83 decibels in April. The Police tasked all regional and district Police commanders to enforce and regulate all acts of noise pollution in their respective jurisdictions.
<b>Productivity</b>	The average national monthly malaria incidence decreased by 15% to 2.7 per 1,000 persons in April 2022, from 3.18 per 1,000 persons in March 2022. The United States Mission in Uganda, through the USAID launched a \$38 million project that aims to reduce malaria infections in Uganda by 50% over the next five years. The project aims to reduce malaria infections by 50% and malaria-related deaths by 75% in the regions of West Nile, Lango, Acholi, Karamoja, and Busoga, where the malaria burden is highest.
<b>Competitiveness</b>	The global rise in petroleum prices triggered a sharp increase in inflation of the Liquefied Energy Fuels from 1.3% recorded in March 2022 to 4.3% in April 2022. On the other hand, the new electricity tariffs released at the start of April 2022 indicates a 12.2% reduction in tariffs for the medium industries while the rest of the categories remained unchanged.
<b>Markets &amp; Regulation</b>	The Uganda Securities Exchange All Share Index steadily declined by 4.3% from 1,348.93 in March 2022 to 1,292.37 in April 2022 on account of minimal price movements, hence signaling lower than expected business activity at the bourse. The IMF Commodity Price Index recorded a 5.9% reduction from 240.7 in March 2022 to 226.5 in April 2022. The reduction is attributed to the relative easing in price fluctuations of major commodities.
<b>Local Content</b>	The trade balance deficit increased by 6.3% from US\$249.9m in February 2022 to US\$ 265.6m in March 2022. There was an incremental change in total exports (10.1%), mainly driven by coffee exports which rose from US\$335.5m in February 2022 to US\$369.4m in March 2022. However, total imports have remained high with an incremental change of 9.5% from \$565.9m to \$619.8m in the same period. The increment is mainly driven by the increasing value in the imports of petroleum products (23.1%); Vegetables products, animals, beverages, fats and oils (10%).

<sup>1</sup> Uganda Revenue Authority (URA), "Uganda Revenue Authority Pay As You Earn -March 2022."

<sup>2</sup> Uganda Revenue Authority (URA), "Uganda Revenue Authority Pay As You Earn -April 2022."

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

**B) Policy Response Measures:** This edition of the MIND focuses on Environmental sustainability as a Thematic Area with a particular focus on Air Quality. This MIND edition, accordingly, highlights policy measures and interventions of Government that are being considered to address and improve air quality.

Objective	Intervention
<p><b>Improve air quality</b></p>	<p>The NDP III recognized Kampala as having the second worst air quality in Africa and that concentrations of particulate matter (PM2.5) were 3 times higher than the WHO air quality guidelines for ambient air which stand at 25 <math>\mu\text{g}/\text{m}^3</math>. To improve air quality across the country especially in urban areas, Government has implemented a range of interventions that are highlighted below:</p> <ul style="list-style-type: none"> <li>a) In 2021, NEMA drafted the National Regulations and Standards on Air Quality; these will set parameters and rules for public health, vehicular emissions, industrial emissions, pollution exposure for workplaces, among others. The regulations also establish a permit and compliance program for industrial sources and associated fees.</li> <li>b) In August 2021, Uganda joined the Climate and Clean Air Coalition. The coalition aims to improve air pollution by reducing short-lived climate pollutants with a focus of dealing with emissions from the transportation, energy, and industry sectors.</li> <li>c) Scaling up AirQo monitoring. As of March 2022, 120 air quality monitors had been installed across Kampala, Jinja and Fort Portal to collect relevant data to be used in guiding authorities and the public on corrective measures to be undertaken regarding improving air quality.</li> <li>d) In 2021, Makerere University developed an app - AirQo app. AirQo app is an air quality monitoring, research and analytics network. The App shares historical, real-time, and forecast air quality analytics based on different geographical locations. The app can be accessed on phones and computers to empower the public in terms of air quality awareness and make the case to authorities to address this challenge.</li> <li>e) KCCA is championing the Kampala Clean Air Action Plan and the SMART city agenda (by tarmacking more roads, increasing the number of signaled junctions and traffic management innovations as well as promoting and implementing green mobility). This is in line with the agenda to make the city attractive and sustainable.</li> <li>f) Government is encouraging stakeholders to undertake simple actions including planting trees (Tree Adoption Uganda), avoiding burning rubbish and idling car engines in traffic, adopting cleaner cooking practices, servicing cars in time, as well as embracing car-sharing and non-motorized transport options.</li> </ul>

**c) Microeconomic Outlook:** Uganda continues to face an increase in prices for basic essential commodities which is affecting peoples' ability to make ends meet. These changes are attributed to external shocks such as potential worsening of disruptions to global supply chains due to stringent controls of new strains of the COVID-19 virus e.g. China's 'zero-COVID' policy and the Russia- Ukraine war. The economy is, however, expected to stabilize in the medium term.

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**APRIL 2022**
**Improving Air Quality**

<b>Air quality standards and regulations</b>	<p>In September 2021, the World Health Organisation issued new Air Quality Guidelines.<sup>4</sup> The guidelines recommend new air quality levels to protect the health of populations, by reducing levels of key air pollutants, some of which also contribute to climate change. The guidelines reinforce the need for urgent action that would benefit the health of all, including vulnerable populations</p>
<b>Major drivers of air quality</b>	<p>According to the 2021 World Air Quality Report, Kampala was ranked among the most polluted cities, with pollution levels exceeding WHO recommended threshold by 5-7 times. Kampala City air quality monitoring systems also showed that the average particulate matter 2.5 levels were significantly higher (about 57.7 µg/m<sup>3</sup>) than the WHO recommended levels across all monitored urban centers. The main sources of air pollution are unpaved roads, domestic solid biomass energy uses, and exhaust and non-exhaust emissions from vehicles, industrial emissions and open burning of solid waste.</p>
<b>Monitoring Air Quality</b>	<ol style="list-style-type: none"> <li>1. Kampala Capital City Authority (KCCA) is to install at least 30 more air quality monitors around the city as one way of addressing air pollution. <sup>5</sup>The programme is part of an ongoing collaboration between the AirQo project in Makerere University, KCCA and the U.S. Mission to build on already existing air quality monitoring infrastructure</li> <li>2. NEMA monitors the air quality and pollution of businesses through; a) conducting Environmental and Social Impact Assessments b) conducting annual environmental audits on industries and c) routine inspection and monitoring.</li> </ol>
<b>Raising awareness about Air Quality</b>	<ol style="list-style-type: none"> <li>1. Uganda launched the 16<sup>th</sup> Air Quality awareness week on 3<sup>rd</sup> May 2022 under the theme 'Be Air Aware, Be Prepared'. The week was meant to create awareness and popularise actions to curb air pollution.</li> <li>2. On September 7, 2021, the world celebrated the second International Day of Clean Air under the theme 'Healthy Air, Healthy Planet'. This day emphasizes awareness of air quality and the health aspects of air pollution.</li> <li>3. The World Health Day celebrated on under the theme 'Our Planet, Our Health' focused on the dangers that arise on the health of the population due to Climate Change. Uganda committed to awareness raising and strengthening of health facilities to have the ability of tackling climate change.</li> <li>4. On June 5, 2022 Uganda will join the rest of the world to commemorate the World Environment Day 2022 under the theme 'Only One Earth'. The day is meant to encourage worldwide awareness and action for the environment. The national celebration will be held under the theme: 'Our Earth, Conserve for life'.</li> </ol>

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>4</sup> WHO Global Air Quality Guidelines 2021

<sup>5</sup> <https://www.kcca.go.ug/news/540/>

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector <sup>1</sup>	Monthly	769,752 (6.2%)		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	9,826 (110.3%)			Morbidity Rate (Malaria Incidence) <sup>a</sup>	Monthly	2.7 (15%)	
		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	954(5.4%)		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	3,516 (0%)		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	4.3	
	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	3.1 (6.9)		Investment Registration (Days)		Yearly	2		
	EFU <sup>4</sup> Inflation (%)	Monthly	2.1 (4.5)		Business Registration (Days)		Yearly	1		
	Residential Property Price Index (RPPI) for GKMA	Quarterly(-1)	103.82 (3.4%)		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%)			Markets and Regulations	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(-2)	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 (-5.9%)		
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		Local Content	Retail Sales/EFRI <sup>5</sup>	Quarterly	19.07%		
	Air Quality (PM <sub>2.5</sub> )	Monthly	Moderate, 56.83 (17.85%)			USE All Share Price Index	Monthly	1,294.72(-4.13%)		
	Noise Pollution (Decibels, Kampala)	Monthly	High, 60.83 (7.3%)			New Business Registrations	Monthly	3,926 (100.2%)		
	Seasonal Changes in Rainfall	Monthly	Normal Plus			Hotel Occupancy Rate	Quarterly	39% (8.9%)		
	Natural Disaster Incidences	Monthly	N/A			Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%		
						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 Q2, 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 10 years 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 2020.