

- A) **Microeconomic Developments:** This Section provides a summary commentary on the eight thematic issues of the Micro-economic Indicator (MIND) framework. The indicators are provided in the Dashboard on page 4.

Issue	Market Updates
Employment	Following the partial opening of the economy at the end of July 2021 formal employment data on the PAYE Register rebounded with a 5.2% increase from 612,726 employees in July 2021 to 644,500 employees in August 2021 ¹ . In parallel, migrant labour increased by 7.7% from 7,566 migrants in July to 8,148 in August 2021. Nevertheless, these figures remain slightly below the pre-COVID-19 period.
Living Standards	Households' out of pocket median monthly expenditure on health reduced from Ushs.22,800 in 2016/17 to Ushs.15,000 in 2019/20, ² with male-headed households in urban areas spending more on a monthly basis. This may be attributed to provision of free health services across the country by Government. Health insurance coverage among persons aged 15 and above is still low at 4% (2019/20), reducing from the 5% coverage registered in 2016/17. This coverage is still below the NDP III target of 25% and Vision 2040 target of 70%.
Equity and Economic Inclusion	The monthly number of public pension beneficiaries decreased by 0.06% from 83,373 members in July 2021 to 83,320 members in August 2021. A significant share of Ugandans (43%) is financially excluded from both formal and informal financial services ³ . Those that are financially excluded are usually characterised by being poor, single, very young, and not employed. Registered members under NSSF increased by 5.1% (2,054,933). However, the active members constitute only 39% of this number (811,699).
Environmental Sustainability	Air quality slightly improved by 14.6% from 103 µg/m ³ in July 2021 to 88 µg/m ³ in August 2021. However, this remains more than 3 times higher than the WHO recommended ceiling of 25 µg/m ³ of particulate matter. The pollution in Kampala and other urban areas arises mainly from fumes emitted by car engines, factories, open burn sites and homes ⁴ .
Productivity	Literacy rates of persons aged 10 years and above increased by 2.6% during NDP II from 73.5% in 2016/17 to 76.1% in 2019/20 ⁵ . The literacy rate for males (81%) is still higher than that of females (72%). The average malaria incidence decreased from 2.5 per 1,000 persons in July 2021 to 2.1 per 1,000 persons in August 2021.
Competitiveness	Liquid Energy Inflation increased from 0.4% in July 2021 to 1.9% in August 2021. This is on account of an increase in the prices of major fuels such as Diesel and Petrol. Investment registration has stagnated at 2 days, but this is expected to improve once the One Stop Centre starts operating 24 hours.
Markets & Regulation	Average commodity prices reduced by 1.5% between July 2021 and August 2021. The reduction is characterised by the improvement in economic activity resulting from the slowdown in the COVID-19 infections and the worldwide campaign on mass vaccination of people. Trade activities at the Uganda Securities Exchange improved following the slump recorded between June and July 2021. The All Share Index accordingly grew by 0.78% from 1,534.19 in July 2021 to 1,546.17 in August 2021.

¹ URA, 'Uganda Revenue Authority Pay As You Earn Registers - July and August 2021'

² UBOS, 'Uganda National Household Survey 2019/20'

³ Uganda Bureau of Statistics (UBOS)

⁴ IQAir, 'Kampala Air Quality Index (AQI) and Uganda Air Pollution | Air Visual'

⁵ UBOS, 'Uganda National Household Survey 2019/20'

B) Policy Response Measures: This edition of the MIND focuses on Employment as a Thematic Area, with particular emphasis on youth employment. It highlights policy measures and interventions by Government, both under implementation and consideration to provide tangible job opportunities.

Objective	Interventions
Youth Employment	<p>Youth, in the age group of 18-30 years, represented 19% of the total population in 2019/20. Approximately four in ten youth (37.4%) are employed. Most of these youth are employed in the services sector (47.5%); followed by agriculture, forestry and fishing (35.9%); and Production (16%)⁶. The National Development Plan (NDP) III identifies the youth bulge in Uganda as an opportunity for potential abundant labour force and future demand (demographic dividend)⁷. In order to achieve the potential demographic dividend, Government has invested in social and economic policies using the following interventions.</p> <p>a) Skills Development: Through the Skills Development Facility under the Private Sector Foundation Uganda (PSFU) and the Skills Development Component under the Youth Livelihood Programme (YLP), Government is committed to unlocking the supply side barriers to employment. Under these initiatives, youth, in both formal and informal work places, are trained to acquire job-specific technical and non-technical skills to prepare them for the dynamic job market.</p> <p>b) Business Development Services: Enterprise Uganda and the United States of African Development Foundation (USDAF) are among the entities providing Business Development Services (BDS) to youth entrepreneurs. These services include book keeping, marketing, mentorship and packaging. This has been complemented by the Apprenticeship programme and Internship placements sourced under the SDF⁸ for the youth to work in SMEs.</p> <p>c) Entrepreneurship Promotion: Innovative entrepreneurial activities can promote job-rich growth and accelerate economic diversification paths through productivity and competitiveness⁹. The livelihood component under the YLP is one of the interventions through which government is addressing the demand side barriers by providing asset capital for viable income generating activities in selected areas such as Dairy production, high value crops, poultry/egg production, piggyery, aquaculture¹⁰. The EMYOOGA programme will also complement efforts to promote entrepreneurship among the youth.</p> <p>d) Labour-Intensive Public Works: Tailored programmes such as the Third Northern Uganda Social Action Fund (NUSAF3) and the community works under the Kampala City Council Authority as well as other Local Governments are geared towards employing the youth. This ensures improvements in livelihood and improvement in the infrastructure to support access to markets and services¹¹.</p>
Industrial Development	<p>Cabinet approved the development of at least 25 serviced Industrial Parks in 20 zones – to accommodate industrialists and Small and Medium Enterprises (SMEs). Industrial Parks will be developed and serviced with infrastructure such as electricity, roads, railways, piped water, internet in order to enable factories to set up in these parks. To this end, Local Governments are required to provide a minimum of 500 acres of land. Standards and guidelines for Industrial Parks will also be developed, together with Feasibility Studies and Master Plans. These will ensure that Parks drive value addition especially in agriculture, where 66% of the youth find work.¹²</p>

⁶ UBOS, 'Uganda National Household Survey 2019/20, pg 75.

⁷ National Planning Authority, "Third National Development Plan (NDP/III) 2020/21 – 2024/25," 6.

⁸ Private Sector Foundation Uganda, "Skills Development Facility."

⁹ Private Sector Foundation Uganda, "Skills Development Facility."

¹⁰ Ministry of Gender Labour & Social Development, "Youth Livelihood Programme (YLP)."

¹¹ Office of the Prime Minister (OPM), "The Third Northern Uganda Social Action Fund (NUSAF3): Endline Impact Evaluation."

¹² UBOS, "Uganda National Household Survey 2019/20," 67.

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Enterprise Development	<p>seen changes amongst the leading players in the retail sector. South African retail giants Massmart – operating as Game store; and Shoprite announced their intentions to source for a buyer for their interests in their respective stores in Uganda¹³. This is on the backdrop of other retails business like Uchumi; Tusky's and Nakumatt that have exited the Ugandan market in the last five years.</p> <p>It's expected that local retail businesses such as Capital Shoppers, Quality supermarket and Mega Standard supermarket will fill the void left by the multi-national retail business¹⁴. Government will continue support and promote a conducive business environment for businesses to thrive in Uganda.</p>
Migrant Labour	<p>Cabinet considered the performance of the externalisation of labour programme which has created new employment opportunities and generated US\$900m in remittances per annum, and resolved to:</p> <ol style="list-style-type: none"> Strengthen the legal and regulatory framework to ensure safe, predictable placements. Review and strengthen the Bilateral Agreement with the Kingdom of Saudi Arabia, to the intent that the employers in Saudi Arabia would pay the placement costs. This would be in tandem with existing arrangements for Qatar, Kuwait, UAE, etc. Cease the practice of issuing Certificates of Good Conduct by Interpol, as a pre-condition for Travel by migrant workers; among others.
Export Development	<p>Gold, one of Uganda's leading commodity exports, experienced a blank bill of export receipts for the first time since August 2015. Gold export receipts had been the highest since July 2018, overtaking Coffee exports and hitting an all-time high of US\$ 221.98m in June 2020, before declining to US\$ 0 in July 2021¹⁵.</p> <p>The decline in export receipts has been as a result of Government instituting a \$200 charge on each kilogram of Gold from a 10 percent charge on the value of exported Gold¹⁶. This led to Gold exporters halting the export of Gold in July 2021 and to an unfavourable trade balance.</p>

C) Microeconomic Outlook:

The containment measures instituted following the onset of the second wave of COVID-19 have begun to deliver some benefits, complementing the on-going rollout of the COVID-19 vaccination programme. The slowdown in overall economic recovery may take a while, especially for businesses affected during the previous lockdown. However, the addition of flight routes for Uganda Airlines and removal of more restrictions on mass gatherings in entertainment, tourism, places of worship bode well for the future.

MIND is compiled by Economic Development Policy and Research Department (EDP&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

¹³ Nakaweesi, "Sale of Game Store Operations in Uganda Could Cost \$1.5m - Expert."

¹⁴ Okoth, "Game Stores to Wind up Operations in Uganda."

¹⁵ Bank of Uganda, "Composition of Exports."

¹⁶ Nakaweesi, "No Gold Exports Were Recorded in July, Receipts Drop by 51%."

DASHBOARD: AUGUST 2021

Version 1.0

Issues	Indicators		Frequency	Status		Issues	Indicators		Frequency	Status	
Employment	Jobs	Formal Sector ¹	Monthly	644,500 (5.2%)	▲	Productivity	Literacy Rate (Grade 6) ⁹		Yearly (-1)	76.1%(24.2%)	▲
		Informal Sector	Yearly (-3)	8,824,252	▲		Numeracy Rate (Grade 6)		Yearly (-1)	52.6%(1.3%)	▲
		Migrant Workers	Monthly	8,148 (7.7%)	▲		Morbidity Rate (Malaria Incidence) ^a		Monthly	2.1 (-16%)	▲
		LIPW ² (Average)	Monthly	98,783 (-)	▲		PIP Budget Absorption (GoU, IFMS %)		Yearly	86% (19.6%)	▲
	Incomes	Per-capita GDP (US\$): 2020/21	Yearly	932(1.7%)	▲		Competitiveness	Power Tariff (Ushs per Unit)	Medium	Quarterly	526 (-5.23%)
		Income Poverty (%)	Yearly (-1)	20.3% (-5.1%)	▼	Large			355 (-1.66%)		▼
						Extra Large			300.2(-0.49%)		▼
Remittances (US\$,M)	Yearly	1,102.03 (-14.7%)	▼	Av. Freight Costs (US\$, Mom-Kla, 40ft)		Monthly		3,800 (0%)	▲		
Living Standards	Utilities (Retail Tariff Rates)	Water (M ³)	Quarterly	3,516 (0%)	▲	Commercial Case Backlog ^c		Yearly (-2)	1,122 (36%)	▲	
		Power/Domestic	Quarterly	747.5 (-0.5%)	▲	Fuel Prices (Liquid Energy Fuel Inflation)		Monthly	1.9(375%)	▲	
		Data (Ushs, 1GB)	Monthly	5,000*	▲	Customs Clearance (Hours)		Monthly	5.13 (0%)	▲	
						Transit Times (Mom-Kla, Days)		Monthly	9 (0%)	▲	
	Education Expenditure ³ (HH,Ushs)		Yearly (-1)	1,338,000(13%)	▲		Investment Registration (Days)		Yearly	2	▲
	Healthcare Expenditure (HH, Ushs)		Yearly (-1)	15,000 (-34.2%)	▼		Business Registration (Days)		Yearly	1	▼
	Food Inflation (%)		Monthly	1.1 (1.3)	▲		Electricity Connection (Days)		Monthly	30 (0%)	▲
	EFU ⁴ Inflation (%)		Monthly	-0.2 (-0.7)	▼		Water Connection (Days)		Monthly	3 (0%)	▲
	Residential Property Price Index (RPPI) for GKMA		Quarterly	114.8 (5.6%)	▲		Tax Refund (Months)		Monthly	N/A	▲
	Crime Rate (per 100,000):2020		Yearly	502(-8.9%)	▼		Communication Rates	Voice (Ushs Per Sec)	Quarterly	4 (33.3%)	▲
					Data ^d (Unlimited)			Monthly	550,000(0%)	▲	
Equity and Economic Inclusion	Private Pension: Active Members ^f		Quarterly	811,699 (39.5%)	▲		Markets and Regulations	IMF Primary Commodity Price Index		Monthly	166.2(-2.78%)
	Private Pension: Registered Members		Yearly	2,054,933 (5.1%)	▲	Average Monthly Net Salary (After Tax) ^f		Yearly	N/A	▲	
	Public Pension (Beneficiaries)		Monthly	83,615 (0.35%)	▲	Retail Sales/EFRIS ⁵		Monthly	N/A	▲	
	SAGE (Beneficiaries)		Quarterly	304,555 (0%)	▲	USE All Share Price Index		Monthly	1546.17 (0.78%)	▲	
	Agent Banking (Transactions) ^g (2020)		Yearly (-1)	34,200,000 (178%)	▲	New Business Registrations		Monthly	3,143 (67.4%)	▲	
Environmental Sustainability	Water Quality (PM _{2.5}) ⁸		Monthly	Low, 14.3 (-4.4%)	▼	Local Content	Hotel Occupancy Rate (Kla)		Monthly	18% (100%)	▲
	Air Quality (PM _{2.5}) ⁸		Monthly	High, 88 (-14.6%)	▼		Plant Utilisation Rates (SME-Large Firms)		Quarterly	N/A	▲
	Noise Pollution (Decibels, Kampala)		Monthly ⁱ	High, 63.6(4.09%)	▲		MUG Shelf-Presence ⁶		Yearly	N/A	▲
	Seasonal Changes in Rainfall		Monthly	Normal Plus	▲		Trade Balance ^e (US\$, Millions)		Monthly	-196.4 (-58.9%)	▼
	Natural Disaster Incidences		Monthly	N/A	▲		Contracts Awarded to Local Providers ⁷		Yearly	74%(26.7%)	▲

*Unless indicated all quarterly figures are for Q4, FY2020/21 and annual figures for FY2019/20 | ¹ Active PAYE Register Jobs | ² Labour Intensive Public Works | ³ Primary Education expenditure in Kampala | ⁴ Energy, Fuel and Utilities | ⁵ Electronic Fiscal Receipting and Invoicing System | ⁶ Made in Uganda (MUG) | ⁷ By Value | ⁸ Particulate Matter (April 2021) | ⁹ Persons aged 10 years and above | ^a Cases per 1,000 population | ^b Cumulative Absorption in Q1 (31st Sep, 2020) | ^c December 2020 | ^d Average monthly price of data bundles for MTN (170GB) and Smile (150GB). Source: kompare.ug | ^e July 2021 | ^f NSSF: As at December 2020 | ^g As at December 2020