

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
Employment	Formal sector employment reduced by 8.9% from 799,060 employees in June 2022 ¹ to 728,237 employees in July 2022 ² . On the other hand, migrant workers as well reduced by 1.7% from 8,307 employees in June 2022 ³ to 8,169 employees in July 2022 ⁴ .
Living Standards	The Inflation for Residential Property for Greater Kampala Metropolitan Area (GKMA) registered a 10.5% rise for Q4 FY 2021/22 from the 1.4% drop registered for Q3 FY 2021/22. This was mainly due to an increase in the prices of Wakiso properties that registered a 14.4% rise in Q4 FY 2021/22, in contrast to the 2.8% drop in Q3 FY 2021/22. Monthly Inflation for Food and Non-alcoholic Beverages increased by 1.5% in July 2022 compared to the 1.0% rise recorded in June 2022. Monthly EFU Inflation increased by 0.3% in July 2022 from the 1.0% rise recorded in June 2022.
Equity and Economic Inclusion	The number of NSSF registered members increased by 4.66% from 2,054,933 members in 2020 to 2,150,721 members in 2021. NSSF active members also increased by 36.2% from 811,699 members in 2020 to 1,105,870 members in 2021 ⁵ . SAGE beneficiaries increased by 13.6% from 304,555 beneficiaries in 2020 to 345,867 beneficiaries in 2021. This demonstrates continuous efforts by Government to ensure lifelong income streams.
Environmental Sustainability	Water quality reduced by 27% from 20 milligrams/litre in June 2022 to 14.58 milligrams/litre in July 2022. Air quality worsened by 43.2% from 55.1 µg/m ³ in June 2022 to 78.806 µg/m ³ in July 2022. Noise pollution increased by 7.9% from a Moderate of 60.83 decibels in June 2022 to a High of 65.62 decibels in July 2022.
Productivity	The average national monthly malaria incidence decreased by 26.8% to 4.1 per 1,000 persons in July 2022 from 5.6 per 1,000 persons in June 2022. 48 districts are experiencing malaria upsurges, down from 71 districts in June 2022. Districts that moved out of upsurge include: Moroto, Serere, Bugweri, Kabale, Kikube, Kisoro, Kotido, Lamwo, Luuka & Luwero. ⁶
Competitiveness	The Liquefied Energy Fuels inflation – which measures the rate of change in fuel prices, declined to 6.2% in July 2022 from 7.5% in June 2022. The decline is on account of the falling global fuel prices. In addition, Government has not changed electricity tariffs since April 2022.
Markets & Regulation	The All Share Price Index improved from 1,195.38 in June 2022 to 1219.23 in July 2022. This improvement comes at a time when changes in different market prices of shares and the exchange rate caused a fall in share prices from April 2022 to June 2022. On the other hand, business registrations declined by 17.5% from 4,267 in June 2022 to 3,519 in July 2022.
Local Content	Trade balance deficit increased by 21.9% from US\$ 278.1m in May 2022 ⁷ to US\$ 339.0m in June 2022 ⁸ . Petroleum Products; and Machinery Equipment, Vehicles & Accessories imports were the biggest drivers of the imbalance as they increased by 40.6% and 24.6%) in the May 2022.

¹ Uganda Revenue Authority (URA), “Pay As You Earn -June 2022.”

² Uganda Revenue Authority (URA), “Pay As You Earn -July 2022.”

³ Ministry of Gender, Labour and Social Development, “Migrant workers statistical register for June 2022.”

⁴ Ministry of Gender, Labour and Social Development, “Migrant workers statistical register for July 2022.”

⁵ Uganda Retirement Benefits Regulatory Authority, “Pension Digest 2021”

⁶ MOH. Weekly malaria reports

⁷ Bank of Uganda, “Monthly Macroeconomic Indicators-May 2022”

⁸ Bank of Uganda, “Monthly Macroeconomic Indicators-June 2022”

B) Policy Response Measures: This edition of the MIND focuses on employment as a thematic area with particular emphasis on reducing Income Poverty and Income Inequality. It highlights, policy measures and interventions Government is undertaking to reduce Income Poverty and Income Inequality in Uganda.

OBJECTIVE	INTERVENTION
<p>Reducing Income Poverty and Income Inequality</p>	<p>The third National Development Plan (NDPIII) set out to increase household incomes and quality of life of all Ugandans, as its main goal, through increasing productivity, inclusiveness and well-being. The Uganda National Household Surveys (UNHS) of 2016/2017 and 2019/20 revealed a decrease in income poverty and income inequality. Income poverty reduced by 1.1% from 21.4% to 20.3% between the two periods.</p> <p>At national level, as measured by the Gini Coefficient, income inequality reduced by 1.4% from 0.491 to 0.413 between 2016/17 and 2019/20. This reduction was driven by Kampala, Lango Ankole and Bunyoro sub-regions which experienced the highest reduction in income inequality within the reference period. However, a cross section of sub-regions experienced an increase in inequality. The affected sub-regions include Tooro, Elgon, Karamoja and Buganda South. Other subregions with a slight increase in income inequality include Buganda North and West Nile. In terms of residence areas, income inequality increased by 1.4% in urban areas compared to a decrease of 1.6% in rural areas over the same period. Income inequality also varies by main source of income. Small-scale crop-farmers in Agriculture suffer the highest level of income poverty (26.5%).</p> <p>Government is undertaking various measures to reduce the income gap between the different sub-regions and households, through implementation of the following measures:</p> <ol style="list-style-type: none"> Implementation of the Parish Development Model (PDM) to improve agricultural production and productivity of households in the subsistence economy by transitioning them into the monetary economy. This will include extending critical services such as processing facilities and marketing; as well as agricultural extension services to the Parishes to aid this transformation. Extension of social protection services to the vulnerable households in society through programmes such as Social Assistance Grant for Empowerment (SAGE) and Senior Citizens Grant. Sensitization of the households on family planning in order to have optimal household sizes. This will ensure that the country is able to reap the demographic dividends as households have manageable household levels based on their levels of incomes. Investment in adaptation systems and infrastructure such as valley dams; irrigation facilities; drought resistant seeds in order to ensure steady food and income security. Implementation of area and group specific programmes such as Development Responsive to Development Impact Project (DRDIP); EMYOOGA; National Youth Council funding under the Skills Development project) to restore and improve the livelihoods of the households that have been affected by natural disasters, conflict and disadvantaged groups such as the youth and women.

c) Microeconomic Outlook: The cost of living has continued to rise due to the rising inflation albeit at a slower pace in July. Inflation rose from 6.8% in June 2022 to 7.9% in July 2022⁹. This rise was mainly driven by maize flour; transport services, especially the motorcycle fares; and liquid energy fuels, particularly petrol. It's projected that economic activity will remain modest due to shocks to commodity prices; production, exacerbated by the lengthy dry season in Uganda. Furthermore, global inflation will continue to constrain household consumption and production.

⁹ Uganda Bureau of Statistics, "Uganda Consumer Price Index (2016/17=100)."

**Understanding
poverty beyond
the income
measure**

Sustainable Development Goal 1 aims at ‘reducing at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions’ according to national definitions by 2030. This target requires measuring poverty beyond the income dimension to cover other different dimensions of household welfare.

On 28th July 2022, the Uganda Bureau of Statistic (UBoS) launched the National Multi-dimensional Poverty Index (MPI) report with the first national benchmark to track progress in the multiple deprivations in line with the SDG target. The MPI used four dimensions of deprivation and vulnerability with relevant indicators to complement the income dimension. These include Education; Health; Living Standards; and Employment and Financial Inclusion. Using the 2019/20 UNHS data, the incidence of multi-dimensional poverty (those that face deprivations in 40% of the indicators under the four dimensions) is 42.1%, which is more than twice the population share below the income poverty line (20.3%). According to the MPI report, 27.4% of the population are multi-dimensionally poor but income non-poor¹⁰. This illustrates the importance of using a wider measure of poverty beyond the income dimension.

The rural areas experienced the highest incidence of multi-dimensional poverty (50.2%) compared to 19.7% in urban areas in 2019/20. Only four subregions (Kampala, Buganda South, Buganda North and Elgon) experienced a lesser incidence of multi-dimensional poverty than the national average (42.1%).

**Uganda Achieves
the NDP II per-
capita Income
Target**

Uganda Bureau of Statistics (UBoS) estimated Uganda’s Gross Domestic Product (GDP) for Financial Year (FY) 2021/22 at US\$ 45.7 billion with a population of 43.7 million. This translates to a GDP per capita of US\$ 1,046; which is above the second National Development Plan (NDP) II target (US\$ 1,039).

The NDP II used GDP instead of Gross National Income (GNI) in setting the NDP II target for Uganda’s graduation criteria from a Low-Income to Middle Income country. This was done because the size of income of Ugandan nationals living abroad was not large enough to cause a significant difference in the net primary income position within the Balance of Payments in 2014 when the criteria was instituted.

However, based on Uganda’s aspirations of transforming its society from a peasant to a modern and prosperous country by 2040; and in the interest of comparing our progress with that of other countries globally, UBoS will commence calculation and communication of Uganda’s GNI and GNI per capita figures annually under NDP III.

The Ministry of Finance, Planning and Economic Development will build a database for GNI and GNI per capita figures, including projections. Relatedly, the National Planning Authority (NPA) is expected to update the indicator for the target on Uganda’s overall medium development goal from GDP per capita to GNI per capita. In addition, NPA will accommodate the complementary use of UN’s criteria for graduation of countries from the category of Least Developed Country (GNI per capita; Human Asset Index; and Economic Vulnerability Index) in order to enable measurement of Uganda’s socio-economic progress.

¹⁰ Uganda Bureau of Statistics, “Multi-Dimensional Poverty Index for Uganda.”

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector ¹	Monthly	728,237 (-8.9%)		Productivity	Literacy Rate (Grade 6) ⁹	Yearly (-2)	76.1% (24.2%)	
		Informal Sector	Yearly (-3)	8,824,252			Numeracy Rate (Grade 6)	Yearly (-2)	50.9%(-1.7%)	
		Migrant Workers	Monthly	8,169 (-1.7%)			Morbidity Rate (Malaria Incidence) ^a	Monthly	4.1 (-26.8%)	
		LIPW ² (Average)	Monthly	98,783 (-1)			PIP Budget Absorption (GoU, IFMS %) ^b	Yearly (-1)	86% (19.6%)	
	Incomes	Per-capita GDP (US\$): 2021/22	Yearly	1,046(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 ³)	Quarterly	3,735 (6.2%)		Competitiveness	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly (-2)	10,000 (1.63%)	
		Power/Domestic	Quarterly	747.5 (0%)			Commercial Case Backlog ^c	Yearly (-2)	6,094 (443.13%)	
		Data (Ushs, 1GB)	Monthly	5,000			Fuel Prices (Liquid Energy Fuel Inflation) ^d	Monthly	6.2	
	Education Expenditure ³ (HH,Ushs)	Yearly (-2)	440,000		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	1.5(14.9)		Investment Registration (Days)		Yearly	2		
	EFU ⁴ Inflation (%)	Monthly	0.3(5.2)		Business Registration (Days)		Yearly	1		
	Residential Property Price Index (RPPI) for GKMA	Quarterly (-1)	113.10 (10.5%)		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 ^f	Yearly (-1)	1,105,870 (36.2%)			Markets and Regulations	IMF Primary Commodity Price Index	Monthly	228.7 (-0.65)
Private Pension: Registered Members		Yearly	2,150,721 (4.66%)		Average Monthly Net Salary (After Tax)	Yearly (-1)		628,611		
Public Pension (Beneficiaries)		Monthly (-5)	85,651 (-0.15%)		Retail Sales/EFRIS ⁵	Quarterly		19.07%		
SAGE (Beneficiaries)		Yearly	345,867 (13.56%)		USE All Share Price Index	Monthly		1219.23 (2.0%)		
Agent Banking (Transactions) (2021)		Yearly (-2)	11,262(48.3%)		New Business Registrations	Monthly		3,519 (-17.5%)		
Environmental Sustainability	Water Quality (PM _{2.5}) ⁸	Monthly	Very Low, 14.58 (-27.1%)		Local Content	Hotel Occupancy Rate	Quarterly	41% (5.12%)		
	Air Quality (PM _{2.5})	Monthly	78.806 µg/m ³ (43.2%)			Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%		
	Noise Pollution (Decibels, Kampala)	Monthly	High, 65.62 (7.9%)			MUG Shelf-Presence ⁶	Yearly	N/A		
	Seasonal Changes in Rainfall	Monthly	below Normal			Trade Balance ^f (US\$, Millions)	Monthly	-339.0 (21.9%)		
	Natural Disaster Incidences	Monthly	N/A			Contracts Awarded to Local Providers ⁷	Yearly (-2)	74% (26.7%)		

*Unless indicated all quarterly figures are for Q4, FY2021/22.¹ Active PAYE Register Jobs²Labour Intensive Public Works³ Average household expenditure on Primary education in Uganda ⁴Energy, Fuel, and Utilities ⁵Electronic Fiscal Receiving and Invoicing System⁶Made in Uganda (MUG) ⁷By Value⁸Particulate Matter (July 2022) ⁹Persons aged 10years and above ^a Cases per 1,000 population ^b Cumulative Absorption in Q1 (31st Sep, 2021) ^c December 2021 ^dPercentage Average ^e Change Average monthly price of data bundles for MTN (170GB) and Smile (150GB). Source: kompare.ug | ^eSeptember 2021^fNSSF: As at December 2021.