

A) Microeconomic Developments

Issue	Market Updates
Employment	Formal Employment, as captured under the PAYE Register, increased by 4.77% from 736,541 employees in October 2023 to 771,701 employees in November 2023. On the other hand, the number of migrant workers captured by the Immigration Department reduced by 40.2% from 2,229 migrant workers in October 2023 to 1,332 migrant workers in November 2023.
Living Standards	Monthly Inflation for Food and Non-alcoholic Beverages decreased by 0.3% in November 2023, compared to the 1.1% increase recorded in October 2023. On the other hand, monthly EFU Inflation decreased by 0.2% in November 2023, compared to the 0.4% rise recorded in October 2023.
Equity and Economic Inclusion	In November 2023, Post Bank Uganda unveiled the “Wendi App”, a platform designed to foster collaboration between multiple banks. The App is poised to transform the banking landscape in Uganda, offering customers a one-stop solution to access a myriad of banking services across multiple institutions. As at 30 th November 2023, a total of 268,746 PDM beneficiaries had enrolled on the Wendi App platform. Of these, 172,707 beneficiaries received PDM funds using the platform. In addition, the shared agent banking platform continues to be a key enabler for the mobilization of deposits especially in the rural areas. As of 30 th June 2023, a total of 23 institutions (22 commercial banks and 1 Microfinance Deposit-taking Institution) had signed up to the platform.
Environmental Sustainability	Air Quality in Kampala improved significantly, with particulate matter dropping by 34.9% from 22.57 $\mu\text{g}/\text{m}^3$ in October 2023 to 14.7 $\mu\text{g}/\text{m}^3$ in November 2023. The rainfall for November 2023 remained above-normal rainfall (enhanced rainfall), in most parts of the country.
Productivity	The monthly incidence of malaria increased by 4.15% from 2.89 persons per 1,000 persons in October 2023 to 3.01 persons in November 2023.
Competitiveness	The monthly Liquid Energy Fuels Inflation increased by 1% in November 2023, compared to the 1.7% drop recorded in October 2023. The rise was mainly attributed to the 3.2% increase in charcoal inflation, compared to the 2.9% drop registered in October 2023.
Markets & Regulation	The IMF primary commodity price index, which gauges international commodity prices, declined by 1.97% from 167.8 in October 2023 to 164.5 in November 2023. The All Share Price Index, produced by Uganda Securities Exchange (USE), reduced by 2.5% from 925.12 in October 2023 to 902.28 in November 2023. The number of new business registrations increased by 37.1% from 3,956 new businesses in October 2023 to 5,426 businesses in November 2023.
Local Content	Uganda’s Trade deficit narrowed by 35% from US\$ 293.5million in September 2023 to US\$ 190.6million in November 2023. The reduction was attributed to a decrease in import receipts from US\$ 925.6million in September 2023 to US\$ 879.3million in October 2023. In addition, export receipts increased by 8.9% from US\$ 632.1million in September 2023 to US\$ 688.7 in October 2023.

B) Policy Response Measures: This edition of the MIND focuses on Household Expenditure in Uganda.

Objective	Interventions
Subsidized Household Expenditure	<p>Household expenditure consists of six major expenses that include housing and utility expenses, food expenses, healthcare expenses, education expenses, transport expenses and clothing expenses. Over the years, Government has implemented various interventions to subsidize household expenditure. Household Final Consumption Expenditure (HFCE) declined by 4.7% in Q4 FY 2022/23 compared to the 9.4% growth recorded in Q4 FY 2021/22. To subsidize household expenditure, Government has:</p> <ul style="list-style-type: none"> a) Provided free Primary and Secondary Education to all children in the country. Government's expenditure on Universal Primary Education (UPE) has significantly increased over the years, with capitation grant more than doubling from Ushs 67.84 billion in 2017/18 to 185.34 billion in FY 2023/24. The increase has largely been attributed to increased enrollment of pupils (from 7,174,717 pupils in 2017/18 to 8,825,699 pupils in 2023/24) and an increase in the unit cost per pupil from Ushs 7,000 in 2017/18 to Ushs 20,000 in 2023/24. Similarly, public expenditure on Universal Secondary Education (USE) has increased by 13.9% from Ushs 126.98 billion to Ushs 144.69 billion in FY 2023/24, largely due to construction of new secondary schools under the Uganda Inter-Governmental Fiscal Transfer (UGIFT) programme. Enrollment under USE has increased by 12% from 491,697 students in 2017/18 to 773,782 students in FY 2023/24. b) Facilitated healthcare provision to reduce Out of Pocket (OPP) expenditure. According to the National Health Accounts, there was a 29% reduction in Out of Pocket expenditure from 41% in 2018/19 to 29% in 2020/21. The approved budget for the health sub-program increased by 2.7% from Ushs 3.331 trillion in the 2021/22 to Ushs 3.685 trillion in 2022/23, representing 7.6% of the national budget. Similarly, the per capita allocation to health in the last seven years has risen to over 62% from Ushs 49,910 in FY2016/17 to 80,879 in FY 2022/23. This increase reflects Government's continued commitment to improve the health needs of the population and subsidize healthcare expenditure. c) Formulated resolutions to reduce transport expenses across the country. In November 2023, Parliament approved a legislation granting Government exclusive rights to import and supply fuel and petroleum products in a deal to be implemented with the Dutch-registered Vitol Group. The law-which, if assented to by the President, is expected to come into force on 1st January 2024 and will lead to lower fuel prices by removing Kenyan middlemen from the fuel supply chain. Uganda currently imports 90% of its petroleum products through Kenya and 10% through Tanzania. The system currently imposes three layers of middlemen from overseas refineries to the Ugandan oil marketing companies. Each of the middlemen companies adds a profit margin which is ultimately fed into the final pump price. This is anticipated to reduce transport expenses. d) Facilitated interventions to improve food security and increase household incomes. Government has facilitated wealth creation programmes such as Youth Livelihood Programme (YLP), Uganda Women Economic Empowerment Programme (UWEP), EMYOOGA, Parish Development Model (PDM), among others to improve average household incomes to enable citizens meet household expenses. According to the UNHS, the mean per household monthly income increased by 1.4% from Ushs 324,288 in 2016/17 to UGX 339,263 in 2019/20. In addition, Government has facilitated various agricultural interventions to improve food security across the country.

C) Microeconomic Outlook: The microeconomic outlook in the near term projects positive signs with a rebound in agricultural production owing to the abundant rainfall experienced in November 2023. Food prices are expected to reduce with the current season's harvests.

MICROECONOMIC ISSUES IN THE NEWS & REPORTS

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HOUSEHOLD EXPENDITURE IN UGANDA AND KIGEZI ZONAL SUMMARY

Household Expenditure at a National glance	<p>On average, Ugandan households spend more than 40% of their income on food and non-alcoholic beverages, 17% on housing, fuels and utilities, 8% on transport, 8% on education, 5.6% on health and 3% on communication. The share of household expenditure on food and non-alcoholic beverages reduced by 2.6 percentage points from 45.5% in 2016/17 to 42.9% in 2019/20. Similarly, the share of household expenditure on housing, water, electricity, gas and other fuels increased by 1 percentage point from 16.4% in 2016/17 to 17.4% in 2019/20. Other groups that registered increases in the same period include transport (from 6.2% to 8.9%), education (from 7.8% to 8.5%), health (from 5% to 5.6%) and communication (from 1.7% to 3.5%).</p>
Kigezi sub-region: Economy, Industry, Public Services and Household Expenditure	<p>Kigezi sub-region, located in the southwestern part of Uganda, is renowned for its scenic landscapes including hills and mountains, which play a significant cultural and economic role in the country. With a population increase of 31% between 2016 and 2019, the sub-region has the second lowest zonal population of 1,730,000 people (3.8% of the national population in 2021) after Karamoja (1,232,000 people). On average, households in the sub-region comprise of 4.5 persons. About 48% of the population in Kigezi sub-region is in the Subsistence Economy.</p> <p>The Poverty Rate in the sub-region more than doubled from 12.2% in 2016/17 to 27.8 in 2020, ranking 5th highest nationally after Busoga (29.4%), Bukedi (34.6%), Karamoja (65.6%) and Acholi (67.7%). The sub-region has the highest Poverty Rate in Western Uganda. On the other hand, Income Inequality in the sub-region reduced by 8.2% from 0.367 in 2016/17 to 0.337 in 2019/20, slightly lower than the national average of 0.413. The dependency ratio of the sub-region reduced from 101% in 2013 to 90% in 2016/17, declining further to 84% in 2019/20, ranking 2nd lowest nationally after Kampala (53%). Unemployment rate in the sub-region reduced by almost half from 5.8% in 2016 to 2.5% in 2021, lower than the National Average of 11.9%. Notably, the sub-region has the lowest Unemployment Rate in the country. The sub-region has the fourth highest share of people engaged in the Informal Sector (89.9%), slightly higher than the national average of 88%.</p> <p>Kigezi sub-region has a comparative advantage in the production of irish potatoes, sweet potatoes and Sorghum. The sub-region is the second leading producer of irish potatoes after Tooro sub-region and has one SME Industrial Park located in Kisoro district. The sub-region has four border points, Cyanika, Katuna and Kamwezi (all close to Rwanda) and Bunagana (close to DRC). The boarder points play a significant role in Uganda's trade with Rwanda. In FY 2022/23, Uganda's exports to Rwanda amounted to USD 192.6 million while imports amounted to USD 10.55 million. In regard to service delivery, the sub-region has two Ministry Zonal Offices (MZOs), located in Kabale and Rukungiri districts for land services. All districts in the sub region have a NIRA office.</p> <p>On average, households in the western part of Uganda, where Kigezi sub-region falls, spend 46.9% of their income on food and non-alcoholic beverages, 15.3% on housing, fuels and utilities, 6.7% on transport, 14.1% on education, 4% on health and 2.7% on communication.</p>

Issues		Indicators		Frequency	Status		Issues		Indicators		Frequency	Status	
Employment	Jobs	Formal Sector ¹	Monthly	771,701 (4.77%)	▲	Productivity	Literacy Rate (Grade 6) ¹¹		Yearly	21.7%(66.8%)	▼		
		Informal Sector	Yearly (-1)	8,796,480	▲		Numeracy Rate (Grade 6)		Yearly	41.2% (-19.1)	▼		
		Migrant Workers	Monthly	1,332 (40.2%)	▼		Morbidity Rate (Malaria Incidence) ¹²		Monthly	3.01 (4.15%)	▲		
					PIP Budget Absorption (GoU, IFMS %) ^b		Yearly	85.5% (0%)	▲				
	Incomes	Per-capita GDP (US\$): 2022/23	Yearly	1,088 (4.3%)	▲	Competitiveness	Power Tariff (Ushs per Unit)	Medium	Quarterly	461.8 (0%)	▲		
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)	▲			Large		384.4 (0%)	▲		
Remittances (US\$,M)		Yearly	1,133.94 (-1.76%)	▲	Extra Large			325 (0%)		▲			
Living Standards	Utilities (Retail Tariff Rates)	Water (M ³)	Quarterly	3,727(0.2%)	▼	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,500	▲				
		Power/Domestic	Quarterly	805.0 (-0.48%)	▲	Commercial Case Backlog ¹⁴	Yearly (-1)	6,178 (1.38%)	▲				
		Data (Ushs, 1GB)	Monthly	4,000	▲	Fuel Prices (Liquid Energy Fuel Inflation) ¹⁵	Monthly	1%	▲				
	Household Expenditure (HFCE), Ushs Bn	Quarterly	29,021 (-4.7%)	▼	Customs Clearance (Hours)	Monthly	5.13 (0%)	▲					
	Education Expenditure ³ (HH,Ushs)	Yearly (-2)	440,000(13%)	▲	Transit Times (Mom-Kla, Days)	Monthly	4.8 (4.2%)	▼					
	Healthcare Expenditure (HH, Ushs)	Yearly (-2)	15,000 (-34.2)	▼	Investment Registration (Days)	Yearly	2	▲					
	Food Inflation (%)	Monthly	-0.3 (2.1)	▼	Export Growth	Quarterly (-1)	13%	▲					
	EFU ⁴ Inflation (%)	Monthly	-0.2 (3.6)	▼	Electricity Connection (Days)	Monthly	28 (-6.7%)	▼					
	Residential Property Price Index (RPPI) for GKMA	Quarterly	104.66 (0.11%)	▲	Water Connection (Days)	Monthly	3 (0%)	▲					
	Crime Rate (per 100,000):2022	Yearly	523(18%)	▼	Investment Growth (GFCF)	Quarterly (-1)	9.6%	▲					
Equity and Economic Inclusion	Private Pension: Active Members	Yearly	1,088,658 (48.27%)	▲	Markets and Regulations	Communication Rates	Voice (Ushs Per Sec)	Quarterly	4 (33.3%)	▲			
	Private Pension: Registered Members	Yearly	2,213,257 (2.9%)	▲			Data ¹⁶ (Unlimited)	Monthly	550,000(0%)	▲			
	Public Pension (Beneficiaries)	Monthly	85,651 (0%)	▲		IMF Primary Commodity Price Index	Monthly	164.5 (-1.97%)	▼				
	SAGE (Beneficiaries)	Yearly	332,793(-3.78%)	▼		Average Monthly Net Salary (After Tax)	Yearly	628,611	▲				
	Agent Banking (Volume of Transactions, Mn)	Yearly	8.8 (2.3%)	▲		Retail Sales/EFRIS ¹⁷	Quarterly (-1)	63.9% (16.1%)	▲				
Environmental Sustainability	Water Quality (PM _{2.5}) ⁵	Quarterly	Low, 20.97 (31.1%)	▲	Local Content	USE All Share Price Index		Monthly	902.28 (-2.5%)	▼			
	Air Quality (PM _{2.5}) ⁶	Monthly	High, 14.7 µg/m ³ (-34.9%)	▼		New Business Registrations		Monthly	5,426 (37.1%)	▲			
	Noise Pollution (Decibels, Kampala)	Monthly	Moderate, 58.33 (9.5%)	▲		Hotel Occupancy Rate (Kla)	Quarterly	44% (-15.4%)	▼				
	Seasonal Changes in Rainfall	Monthly	Above Normal	▲		Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%	▲				
	Natural Disaster Incidences ⁷	Monthly	2,557 (-11.9%)	▲		MUG Shelf-Presence ¹⁸	Yearly	N/A	▲				
				Trade Balance (US\$, Millions)	Monthly	-190.6 (-35%)	▼						
				Contracts Awarded to Local Providers ¹⁹	Yearly	77.12%(26.4%)	▲						

*Unless indicated all quarterly figures are for Q1, FY2023/24. ¹ Active PAYE Register Jobs | ² Labour Intensive Public Works | ³ Average household expenditure on Primary education | ⁴ Energy, Fuel and Utilities | ⁵ Particulate Matter (July 2022) | ⁶ 0-50 is good | ⁷ Total number of individuals affected by Natural Hazards | ¹¹ Persons aged 10 years and above | ¹² Cases per 1,000 population | ¹³ Cumulative Absorption in Q2 (31st Dec 2022) | ¹⁴ December 2022 | ¹⁵ Percentage Average change | ¹⁶ Average monthly price of data bundles for MTN (1705GB) and Smile (150GB) | ¹⁷ Electronic Fiscal Receipting and Invoicing System | ¹⁸ Made in Uganda (MUG) | ¹⁹ By Value.