

- 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 registered an increase of 3% from 803,538 employees in September 2022 to 827,754 employees in October 2022 ¹ . Ugandan migrant workers reduced by 19% from 9,830 migrant workers in September 2022 to 7,963 migrant workers in October 2022 ² .
Living Standards	Monthly Inflation for Food and Non-alcoholic Beverages increased by 3.6% for the month of October 2022 compared to the 3.5% rise recorded in September 2022. Monthly EFU Inflation decreased by 0.6% in October 2022 compared to the 0.3% rise recorded in September 2022. Quarterly Inflation for Residential Property Price Index (RPPI) decreased by 12.4% in Q1 FY 2022/23 from the 10.5% rise registered in Q4 FY 2021/22. The Power tariff for domestic consumers increased by 9.8% from Ushs 747.5 per unit to Ushs 820.9 per unit. However, Government introduced a cooking subsidy where energy units between 81-150 Kwh will be charged at Ushs 412.0 per unit.
Equity and Economic Inclusion	The 2021 statistical report by the World Council of Credit Unions indicated that Uganda had 896 financial cooperatives with 1,002,530 members representing about 2% of the population. BoU's data shows that members' deposits stood at Ushs.884.96 billion, while shares and other equity, as well as loans, amounted to Ushs.865.61 billion and Ushs. 1,471.63 billion, respectively, as at September 2022. SACCOs offer enormous prospects for broadening access to financial services thus enhancing economic inclusion.
Environmental Sustainability	Water quality, noise pollution and seasonal changes in rainfall remained the same for the period September and October 2022. Air quality increased by 4.4% from 103.7µg/m ³ in September 2022 to 108.3µg/m ³ in October 2022. NEMA cited Kisenyi and Kawempe as Kampala's most polluted areas, with an air quality index of 157 µg/m ³ . The increase in air quality is attributed to the ever-increasing pollution by manufacturing companies.
Productivity	The average national monthly malaria incidence stood at 3.6 per 1,000 persons in October 2022, same rate as September 2022.
Competitiveness	Electricity tariffs increased by about 9.5% for all the categories of customers. The increase resulted from a variety of factors including the depreciation of the shilling and a higher inflation rate. However, Liquefied Energy Fuels (LEF) inflation declined by minus 4.4% in October 2022, from minus 1.2% registered in September 2022. The reduction in fuel prices globally contributes significantly to the steady decline of LEF inflation.
Markets & Regulation	The share of taxpayers in the wholesale and retail trade, including motor vehicle and motorcycles using EFRIS, registered an improvement from 54% in June 2022 to 55% in September 2022. This performance is on account of the full implementation of the requirement for all VAT Taxpayers to register on EFRIS. Additionally, the number of businesses registering with URSB increased by 11.4% from 4,160 in September 2022 to 4,635 in October 2022.
Local Content	Trade balance deficit increased by 11.3% from US\$ 310.7m in August 2022 to US\$ 345.7m in September 2022 ³ . Despite a reduction in imports by 20.4% (driven by a reduction in Mineral Products -excluding Petroleum products), the deficit was exacerbated by a reduction in exports by 35.6% that was mainly as a result of a reduction in gold exports in September 2022.

¹ URA, PAYE register September and October 2022.

² Ministry of Gender, Labour and Social Development, Migrant Workers Statistical Register September and October 2022.

³ Bank of Uganda, Monthly macroeconomic Indicators –September 2022.

B) Policy Response Measures: This edition of the MIND will focus on Living Standards as a thematic area, with special attention given to food inflation and food security across the country.

Objective	Interventions																																									
Improved Food Security across the country	The Uganda National Household Survey, 2019/20 reported that households, on average, spend the highest share (40%) of their income on food and non-alcoholic beverages. Therefore, changes in food prices have immense consequences for overall household welfare. The inflation (%) for staple foods has more than doubled over the last one year as shown in the table below:																																									
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The Agro-Industrialization Programme of NDP III is Government's primary Programme for increasing household incomes and food security. To reduce food inflation and ensure food security across the country, Government has continued to:																																										
<p>a) Enhance food production and productivity across the country. Government through NARO, intensified Agricultural research which led to the introduction of new crop varieties with attributes of early maturity, drought tolerant and disease resilient especially beans, maize and rice. In addition, Government procured and distributed 325 tractors and matching implements to 115 District Local Governments. MAAIF piloted provision of tractor hire services using 16 tractors and implements for hire at a subsidized rate. These tractors and implements are accessed at a subsidized hire rate of Ushs40,000 per acre for ploughing, harrowing and spraying compared to the Ushs120,000 per acre charged by private equipment owners. Access to heavy earth moving equipment is subsidized at a Government rate of Ushs480,000 per acre compared to Ushs 1,200,000 per acre charged by the private sector. These interventions will subsequently enhance agricultural production and productivity thus increasing food security.</p> <p>b) Facilitate the Micro-Scale Irrigation Program where farmers are supported to purchase irrigation equipment through a matching grant scheme, in which the cost of the equipment is co-financed by the farmer and the Government. This Program will enable smallholder farmers to cope with dry spells, produce during the dry season, transition to higher value crops, such as horticultural crops and coffee, and hit the market when prices are more advantageous.</p> <p>c) Improve post-harvest handling and storage of agricultural products to reduce post-harvest losses that average about one third of the grains and staple foods and 50% in horticulture. Government, in collaboration with the private sector, increased the storage capacity from 550,000MT in FY2017/18 to 792,714MT in FY2020/21.</p> <p>d) Promote climate smart agriculture by strengthening surveillance, forecasting and early warning systems in order to reduce the impact of natural disasters. Through Operation Wealth Creation (OWC), Government has also improved dissemination of research findings on soil testing, high-yielding varieties and pest control to address production and productivity constraints.</p> <p>e) Promote Commercialization of Agriculture through capitalization of UDB and the Agricultural Credit Facility (ACF). The cumulative ACF loans disbursed grew by 5.7% from Ushs 624.68 billion in September 2021 to Ushs 660.50 billion in December 2021.</p>																																										

B) Microeconomic Outlook:

Most parts of the country received near-normal (average) rainfall in the months of September and October 2022. Therefore, the second season of crop production is expected to have more harvests than the first season. The surplus harvest is expected to lead to a slight reduction in the prices of some staple foods such as maize and beans, leading to an overall reduction in food inflation.

**MICROECONOMIC ISSUES
IN THE NEWS & REPORTS****October 2022****Food Security in Uganda**

The State of Food Security and Nutrition in the World 2021 Report	The 2022 Report on the State of Food Security and Nutrition in the World highlights the intensification of the major drivers of food insecurity and malnutrition as conflict; climate extremes and economic shocks; combined with growing inequalities. The Report indicates that severe food insecurity became more prevalent with 11.7% of the global population facing food insecurity. In addition, the number of people unable to afford a healthy diet around the world rose by 112 million, to almost 3.1 billion, providing additional evidence that more people were not able to access nutritious and sufficient food ⁴ .
Annual Agricultural Survey 2019 Report	<p>In April 2022, Uganda Bureau of Statistics (UBOS) released the Annual Agricultural Survey 2019 Report. The Report, among others, indicates that⁵:</p> <ul style="list-style-type: none"> i) Agriculture is still the main source of livelihood in Uganda with 80% of households engaged in agricultural activities. ii) The most popular temporary crops grown in Uganda are maize, beans and cassava, with more than 50% of the agricultural households involved in their cultivation. iii) Banana-food (matooke) is the main permanent crop cultivated by 47% of the agricultural households in 2019. iv) In 2019, 21% of agricultural households grew Robusta coffee while 7% grew Arabica coffee. v) The number of households that experienced some form of shock reduced from 74% in 2018 to 65% in 2019. vi) The share of agricultural households reporting food shortages reduced from 47% in 2018 to 36% in 2019. vii) 55% of agricultural households reported experiencing drought in 2019. Of these, 29% suffered from erratic or heavy rains while 30% reported suffering pest or disease outbreaks. Other shocks considered included floods, hailstorms, insecurity and diseases in the household.
Uganda kick-starts Palm Oil Production⁶	<p>The rising global prices of oil, wheat, food and some precious minerals used in the manufacturing industry is attributed to a disruption in the global supply chains of crude palm oil caused by the effects of the COVID- 19 pandemic and worsened by the ongoing war between Russia and Ukraine. In FY 2022/23, Government allocated Ushs 9 billion to NAADS Secretariat to support strategic interventions for increasing the production of key oil crops notably sunflower and soya bean due to their high potential for vegetable oil extraction. This is meant to promote import substitution to mitigate the rising prices of edible oils, cleaning products, and personal care items on both the local and international markets.</p> <p>In addition, Government facilitated farmers in Buvuma district to expand palm oil planting under the National Oil Palm Project. Physical planting kicked off in April 2021 and the first harvest is expected in 2024. The crude palm oil will then be taken to Jinja for refining to produce final products in 2024.</p>

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

⁴ The State of Food Security and Nutrition in the World 2021 Report.⁵ Annual Agricultural Survey 2019 Report.⁶ NAADS Secretariat Website.

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status			
Employment	Jobs	Formal Sector ¹	Monthly	827,754 (3%)	Productivity	Literacy Rate (Grade 6) ¹¹	Yearly (-2)	76.1%(24.2%)			
		Informal Sector	Yearly (-3)	6,900,509		Numeracy Rate (Grade 6)	Yearly (-2)	50.9% (-1.7)			
		Migrant Workers	Monthly	7,963 (-19%)		Morbidity Rate (Malaria Incidence) ¹²	Monthly	3.6(0%)			
		LIPW ² (Average)	Monthly	N/A		PIP Budget Absorption (GoU, IFMS %) ^b	Yearly	85.5%(-0.5%)			
	Incomes	Per-capita GDP (US\$): 2021/22	Yearly	1,046 (12.2%)		Competitiveness	Power Tariff (Ushs per Unit)	Medium	Quarterly	482.3 (9.8%)	
		Income Poverty (%)	Yearly (-1)	20.3% (-1.1)				Large	388.5 (9.4%)		
Remittances (US\$,M)		Yearly	1,133.94 (-1.76%)	Extra Large	328.5(9.4%)						
Living Standards	Utilities (Retail Tariff Rates)	Water (M ³)	Quarterly	3,735(6.2%)	Av. Freight Costs (US\$, Mom-Kla, 40ft)		Monthly	3,800 (0%)			
		Power/Domestic	Quarterly	820.9 (9.8%)	Commercial Case Backlog ¹⁴		Yearly (-2)	6,094(443.1%)			
		Data (Ushs, 1GB)	Monthly	10,000	Fuel Prices (Liquid Energy Fuel Inflation) ¹⁵		Monthly	-4.4			
	Education Expenditure ³ (HH,Ushs)	Yearly (-2)	440,000(13%)	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	3.6(22.2)	Investment Registration (Days)	Yearly		2				
	EFU ⁴ Inflation (%)	Monthly	-0.6(5.0)	Business Registration (Days)	Yearly		1				
	Residential Property Price Index (RPPI) for GKMA	Quarterly	99.02 (-12.4%)	Electricity Connection (Days)	Monthly		30 (0%)				
	Crime Rate (per 100,000):2020	Yearly	457(0.1%)	Water Connection (Days)	Monthly		3 (0%)				
	Equity and Economic Inclusion	Private Pension: Active Members	Yearly (-1)	1,105,870(36.2%)	Tax Refund (Months)		Monthly	N/A			
Private Pension: Registered Members		Yearly (-1)	2,150,721(4.66%)	Communication Rates	Voice (Ushs Per Sec)		Quarterly	4 (33.3%)			
Public Pension (Beneficiaries)		Monthly(-8)	85,651 (-0.15%)	Data ¹⁶ (Unlimited)	Monthly		550,000(0%)				
SAGE (Beneficiaries)		Quarterly	345,867(13.56%)	Markets and Regulations	IMF Primary Commodity Price Index	Monthly	219(-9.13%)				
Agent Banking (Agents)		Yearly	26,858(16.8%)		Average Monthly Net Salary (After Tax)	Yearly	628,611				
Environmental Sustainability	Water Quality (PM _{2.5}) ⁵	Monthly	Very Low, 16.00 (9.7%)		Retail Sales/EFRIS ¹⁷	Monthly	19.07%				
	Air Quality (PM _{2.5}) ⁶	Monthly	High, 108.3 µg/m ³ (4.4%)		USE All Share Price Index	Monthly	1,259.05 (3.3)				
	Noise Pollution (Decibels, Kampala)	Monthly	High, 67 (2.11%)		New Business Registrations	Monthly	4,635 (11.4%)				
	Seasonal Changes in Rainfall	Monthly	Normal Plus	Hotel Occupancy Rate (Kla)	Quarterly	44% (-15.4%)					
	Natural Disaster Incidences ⁷	Monthly	25,494 (109%)	Plant Utilisation Rates (SME-Large Firms)	Quarterly	53.6%					
Local Content	Local Content	MUG Shelf-Presence ¹⁸	Yearly	N/A	Trade Balance (US\$, Millions)	Monthly	345.7 (11.3%)				
		Contracts Awarded to Local Providers ¹⁹	Yearly	61%(-17.6%)							

*Unless indicated all quarterly figures are for Q4, FY2021/22. 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 Q1 (31st Sept 2021) | ¹⁴ December 2021 | ¹⁵ Percentage Average change | ¹⁶ Average monthly price of data bundles for MTN (170GB) and Smile (150GB) | ¹⁷ Electronic Fiscal Receiving and Invoicing System | ¹⁸ Made in Uganda (MUG) | ¹⁹ By Value.