

A) Microeconomic Developments

Issue	Market Updates
Employment	Formal Employment, as captured under the PAYE Register, reduced by 45% from 798,680 employees in February 2024 to 438,873 employees in March 2024. The reduction is attributed to the lower-than-expected filing of PAYE returns despite a 0.2% increase in PAYE revenue in March 2024. On the other hand, the number of migrant workers captured by the Immigration Department reduced by 1.7% from 2,568 migrant workers in February 2024 to 2,524 workers in March 2024.
Living Standards	Monthly inflation for both Food and Non-alcoholic Beverages and EFU remained unchanged in March 2024 compared to the 0.8% and 0.4% drop in February 2024 respectively.
Equity and Economic Inclusion	Post Bank in partnership with MTN Uganda launched the Mobile Wallet (Wendi) platform in July 2023 to support Government in the seamless disbursement of PDM funds. To date, 62% of SACCOs, have been capitalized through Wendi platform. 200,542 beneficiaries have received money via mobile platform..
Environmental Sustainability	Air quality in Kampala improved significantly, with particulate matter reducing by 16%, from 22.65 $\mu\text{g}/\text{m}^3$ in February 2024 to 19.02 $\mu\text{g}/\text{m}^3$ in March 2024. However, noise pollution increased by 9.78%, from 57.35 decibels in February 2024 to 62.96 decibels in March 2024. Natural disasters affected a significant number of individuals in March 2024 as compared to February 2024. A total of 10,390 individuals were affected, 2,387 households being affected and 426 individuals being internally displaced in areas of Kanungu, Bunyangabu, Namisindwa, Wakiso, Buikwe, Mubende, Kampala and Bundibugyo. The rainfall forecast for March 2024 revealed a near-normal rainfall outlook in most parts of the country compared to the dry and sunny weather experienced in February 2024.
Productivity	Malaria prevalence increased by 9% from 2.31 in February 2024 to 2.4 in March 2024. The increase could be attributed to the rainy season currently in the country as well as the inappropriate use of mosquito nets.
Competitiveness	The inflation rate for Liquid Energy Fuels remained unchanged in March 2024 compared to February 2024. Average transit time from Mombasa to Kampala dropped by 6.3% from 4.8 days in 2022 to 4.5 days between July 2023 to September 2024.
Markets & Regulation	The IMF commodity price index increased by 2.51% from 159.2 in February 2024 to 163.2 in March 2024. This increase was due to volatility in energy prices, caused by logistical disruptions in the Red Sea and geopolitical tensions in the Middle East. Additionally, the All-Share Price Index rose by 8.68% from 892.19 in February 2024 to 969.66 in March 2024. Furthermore, new business registrations increased by 0.34% from 5,271 recorded in February 2024 to 5,253 in March 2024.
Local Content	Uganda's trade deficit increased by 46.8% from US\$ 188.1 million in January 2024 to US\$ 276.2 million in February 2024 mainly due to a 4% reduction in coffee receipts compared to the 190% increase in Mineral Products receipts.

B) Policy Response Measures: This edition of the MIND focuses on Market and Regulations with a special emphasis on All Share Price Index

Objective	Interventions
Increased access to investment finance	<p>The Private Sector Development Programme of NDP III posits that capital markets are a good source of patient capital for private investment. However, the country’s secondary markets are underdeveloped and are unable to provide equity and debt finance to a significant number of investors. The NDP III targets to deepen and widen capital markets as a major source of alternative financing. To this end, Government:</p> <p>a) Implemented the provisions of the National BroadBand Policy 2018 and the National Telecommunications Operator licence. These policies require that telecommunications companies list at least 20% of their shares on a Securities Exchange. The requirement is beneficial to companies since it enables them to secure additional capital.</p> <p>As part of the licensing reforms, CMA approved two prospectuses of MTN Uganda and Airtel Uganda equities on the Uganda Securities Exchange (USE). The two listings bring a combined market capitalisation of approximately Ushs 1,105 billion. This brings the total number of companies listed on USE to 19.</p> <p>b) Developed and published Uganda Securities Exchange Listing Rules 2021 to provide for requirements of initial admission to the securities exchange, issuance of additional shares and continuing listing obligations. Additionally, the CMA enacted the Investor Compensation Fund Regulations, 2023 to compensate investors who suffer losses as a result of failure of licensed brokers or dealers failure to meet their obligations.</p> <p>c) Continues to create Investor Education and Awareness; Through CMA, Government implemented the Issuer Education Program. The program aims to conduct sensitization and awareness to prospective issuers i.e. business owners, founders, board members, Chief Executive Officers and Chief Financial Officers about the long-term capital raising opportunities available through non-bank and market-based financing.</p> <p>d) Implemented the Deal Flow facility in collaboration with Financial Sector Deepening and the European Union to facilitate business access to market-based financing. The Facility offers Business Support Services to a select group of enterprises to enhance their competitiveness and unlock opportunities to benefit from market-based financing.</p>

C) Microeconomic Outlook: Bank of Uganda's projection of economic growth indicate a positive growth trajectory due to the recovery of the services and industry sectors. This growth is expected to attract more attention from both domestic and regional institutional investors.

**Uganda
Securities
Exchange
Market
Performance
Report –
February 2024**

The Uganda Securities Exchange published its February 2024 Equity market performance report. The report highlights the following developments:

- a) The total trading volume decreased by 19.88% compared to the same period last year, from Ushs 1.17 billion in February 2023 to Ushs 0.94 billion in February 2024. Meanwhile, the market capitalisation slightly reduced by 3.58%, indicating a gradual decline in economic activity over the same period.
- b) Trading volume decreased by 42% from Ushs 1.62 billion in January 2024 to Ushs 0.94 billion in February 2024, on a month-to-month basis.
- c) During the month, transactions at the counters were dominated by UMEME, which accounted for 42.55% of the total turnover. Bank of Baroda followed in second place with 20.86%, while Airtel Uganda, National Insurance Company, Quality Chemicals, DFCU, Uganda Clays, and Newvision collectively accounted for 9.92% of the total turnover.
- d) The Local Company Index declined by 1.39% in February 2024 due to drops on the Airtel and NIC counters.
- e) The All Share Price Index increased by 7.16% over the same period, attributed to the changing environment on cross-listed stock.
- f) Out of the 15 sub-regions, Kampala has the highest concentration of listed companies on the Stock Exchange.

**Kampala sub-
region:**
**Economy,
Public Services
and Industry**

Kampala sub-region hosts the country's capital city, surrounded by Buganda South. With a population increase of 36.2% between 2015 and 2021, it accounts for 4% (1,730,000 people) of the national population (2021). The average household size for in the sub-region is 3.4 persons. About 3.3% of the population is in the Subsistence Economy.

The poverty rate in the sub-region stands at 1.6%, significantly below the national average of 20.3%. Inequality, as measured by the Gini Coefficient stands at 0.34 in 2019/20. The sub-region had a dependency ratio of 53% in 2019/20.

The share of unemployed persons in the sub-region was 14.6% in 2021. The sub-region has one of the lowest share of people engaged in the Informal Sector (85.7%), lower than the national average of 88%.

Kampala sub-region is home to a significant number of Government offices, banks and licenced Collective Investment Schemes (CIS) Managers. Presently, all of the eleven Fund Managers of CIS are currently situated in Kampala.

In the period between June 2023 to September 2023, CIS significantly grew, with Assets Under Management (AUM) growing by 11.8% from Shs 1.98 trillion to Shs 2.2 trillion. This performance is attributed to increased awareness of CIS among local investors. Public education campaigns on CIS have helped to increase awareness about financial inclusion, particularly in the Kampala sub-region. This partly explains the low levels of financial exclusion in Kampala (6%) compared to Central (16%), Western (17%), Northern (18%), and Eastern Uganda (26%).

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector ¹	Monthly	438,873 (-45%)	Productivity	Literacy Rate (Grade 6) ¹¹	Yearly	21.7%(66.8%)	Productivity	
		Informal Sector	Yearly (-1)	8,796,480		Numeracy Rate (Grade 6)	Yearly	41.2% (-19.1)		
		Migrant Workers	Monthly	2,524 (-1.7%)		Morbidity Rate (Malaria Incidence) ¹²	Monthly	2.4 (9%)		
	Incomes	Per-capita GDP (US\$): 2022/23	Yearly	1,093 (0.46%)	Competitiveness	Power Tariff (Ushs per Unit)	Medium	Quarterly	448.7(-2.8%)	Competitiveness
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)			Large	397.2(-1.4%)		
		Remittances (US\$,M)	Yearly	1,133.94 (-1.76%)			Extra Large	320.6(-1.4%)		
Living Standards	Utilities (Retail Tariff Rates)	Water (M ³)	Quarterly	3,727(0.2%)	Competitiveness	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,500	Competitiveness	
		Power/Domestic	Quarterly	793.3(-0.96%)		Commercial Case Backlog ¹⁴	Yearly (-1)	6,178 (1.38%)		
		Data (Ushs, 1GB)	Monthly	5,000 (25%)		Fuel Prices (Liquid Energy Fuel Inflation) ¹⁵	Monthly	0.0%		
	Household Expenditure (HFCE), Ushs Bn	Quarterly	29,499 (17.6%)	Customs Clearance (Hours)		Monthly	5.13 (0%)			
	Healthcare Expenditure (HH, Ushs)	Yearly (-2)	15,000 (-34.2)	Transit Times (Mom-Kla, Days)		Monthly	4.5 (6.3%)			
	Food Inflation (%)	Monthly	0.4 (-0.7)	Investment Registration (Days)		Yearly	2			
	EFU ⁴ Inflation (%)	Monthly	-0.4 (7.6)	Export Growth		Quarterly	-4.2%			
	Residential Property Price Index (RPPI) for GKMA	Quarterly	105.57 (0.1%)	Electricity Connection (Days)		Monthly	28 (-6.7%)			
	Crime Rate (per 100,000):2023	Yearly	511 (-2.3%)	Water Connection (Days)		Monthly	3 (0%)			
	Equity and Economic Inclusion	Private Pension: Active Members	Yearly	733,588 (12.5%)		Markets and Regulations	Investment Growth (GFCF)	Quarterly		11.1%
Private Pension: Registered Members		Yearly	2,344,737 (5.9%)	Communication Rates	Voice (Ushs Per Sec)		Quarterly	3 (33.3%)		
Public Pension (Beneficiaries)		Yearly	407,515 (-0.61%)	Data ¹⁶ (Unlimited)	Monthly		550,000(0%)			
SAGE (Beneficiaries)		Yearly	323,315 (-2.8%)	IMF Primary Commodity Price Index	Monthly		163.2 (2.51%)			
Agent Banking (Volume of Transactions, Mn)		Yearly	8.8 (2.3%)	Average Monthly Net Salary (After Tax)	Yearly		628,611			
Environmental Sustainability	Water Quality (PM _{2.5}) ⁵	Quarterly	Low ,27.21(29.8%)	Local Content	Retail Sales/EFRIS ¹⁷	Quarterly	84% (31.5%)	Local Content		
	Air Quality (PM _{2.5}) ⁶	Monthly	Moderate,19.02µg /m ³ (-16.03%)		USE All Share Price Index	Monthly	969.66 (8.68%)			
	Noise Pollution (Decibels, Kampala)	Monthly	High, 62.96 (9.78%)		New Business Registrations	Monthly	5,253 (-0.34%)			
	Seasonal Changes in Rainfall	Monthly	Near Normal		Hotel Occupancy Rate (Kla)	Quarterly	29.1% (-33.9%)			
	Natural Disaster Incidences ⁷	Monthly	10,390(164%)		Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%			
					MUG Shelf-Presence ¹⁸	Yearly	N/A			
					Trade Balance (US\$, Millions)	Monthly	-276.2 (46.8%)			
					Contracts Awarded to Local Providers ¹⁹	Yearly	77.12%(26.4%)			

*Unless indicated all quarterly figures are for Q2, 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 | ⁸ Persons aged 10 years and above | ⁹ Cases per 1,000 population | ¹⁰ Cumulative Absorption in Q2 (31st Dec 2022) | ¹¹ December 2021 | ¹² Percentage Average change | ¹³ Average monthly price of data bundles for MTN (170SGB) and Smile (150GB) | ¹⁴ Electronic Fiscal Receipting and Invoicing System | ¹⁵ Made in Uganda (MUG) | ¹⁶ By Value.