

A) Microeconomic Developments

Issue	Market Updates
Employment	The number of migrant workers captured by the Immigration Department increased by 73% from 1,926 migrant workers in August 2024 to 3,332 migrant workers in September 2024.
Living Standards	Monthly inflation for Food & Non-alcoholic Beverages increased by 0.1% in September 2024 compared to the 0.7% increase registered in August 2024. EFU inflation registered a 1.4% drop in September 2024 compared to a 0.3% drop in July 2024. The residential properties index for the Greater Kampala Metropolitan Area (GKMA) increased by 3% in Q1 FY2024/25 compared to the 1.7% increase in Q4 FY2023/24 on account of a 9.5% rental inflation increase in Q1 FY2024/25 for Kampala and Makindye compared to 5.5% recorded in Q4 FY2023/24.
Equity and Economic Inclusion	In FY2023/24, the volume of agent banking transactions decreased by 5.7%, from 8.8 million in FY2022/23 to 8.3 million. However, in terms of value, transactions substantially increased by 33.6% from UGX 12.5 trillion in FY 2022/23 to UGX 16.7 trillion. This growth in transaction value was driven primarily by high-value purchases, such as float for mobile money agents.
Environmental Sustainability	Air quality in Kampala deteriorated again, with particulate matter rising by 1.86% from 40.87 $\mu\text{g}/\text{m}^3$ in August 2024 to 41.63 $\mu\text{g}/\text{m}^3$ in September 2024. The rainfall received in September 2024 was above normal in most parts of the country, except in some parts of the Cattle Corridor of South Western, Central and South Northern Uganda which received normal rainfall.
Productivity	Proficiency in literacy for learners in primary six improved from 21.7% in 2018 to 42.7% in 2023 according to the National Assessment of Progress in Education (NAPE) 2023. Similarly, proficiency in numeracy improved from 41.7% in 2018 to 58% in 2023. Only three districts (Kampala, Masaka, Wakiso, and Mbarara) performed above 75% in literacy while seven districts performed below 25%. In numeracy, only Kween performed below 25% while thirteen districts performed above 75%. Malaria prevalence reduced by 20.2% from 2.97 deaths per 1000 persons in August 2024 to 2.37 deaths in September 2024.
Competitiveness	Monthly inflation for Liquid Energy Fuels further decreased by 0.5% in September 2024, compared to the 1.3% drop recorded in August 2024, mainly attributed to 0.6% drop in petrol prices.
Markets & Regulation	The IMF Commodity Price Index decreased by 0.74% from 162.8 in August 2024 to 161.6 in September 2024. The reduction is partly attributed to 8.54% price drop in petroleum. The All-Share Price Index increased by 3.97% from 1023.54 in August 2024 to 1,064.17 in September 2024. New business registrations decreased by 23.7% from 4,956 new businesses in August 2024 to 3,779 new businesses in September 2024.
Local Content	Uganda's monthly trade deficit increased by 14.2% from US\$ 269.3 million in July 2024 to US\$ 314.1 million in August 2024. Total imports increased by 4% from US\$ 1,054.4 million in July 2024 to US\$ 1,103.7 million in August 2024 while total exports increased by 0.6% from US\$ 785 million in July 2024 to US\$ 789.6 million in August 2024.

B) Policy Response Measures: This edition of the MIND focuses on Competitiveness as a thematic area, with specific emphasis on Freight Costs and Transit Time (Mombasa – Kampala).

Objective	Interventions
Improved trade facilitation infrastructure	<p>The Private Sector Programme of NDP III aims to sustainably lower the costs of doing business. This is to be achieved by addressing non-financial factors leading to high costs of doing business, which include transport and related costs. Freight costs for a 40ft container has remained high at US\$ 3,500 from Mombasa to Kampala. Several measures have been put in place to address time and costs related to international trade, particularly for goods moving through the Northern Corridor (Mombasa – Kampala – Katuna). These measures include the following:</p> <ol style="list-style-type: none"> 1. Government, through the Ministry of Works and Transport in October 2024 signed a financing agreement for the construction of the USD 3 billion (about Shs 10 trillion) Standard Gauge Railway. The contract was signed with Yapi Merkezi, a Turkish company to build the 272 km railway from Malaba to Kampala. This is part of the planned 1,700 km which is expected to be completed within 48 months (4 years). Other routes include Tororo – South Sudan and Kampala – Mpondwe – Katuna. The SGR project, a joint initiative under the Northern Corridor Infrastructure Projects (NCIP), aims to connect Uganda with Kenya and other neighbouring countries. 2. Ongoing rehabilitation of the 375km meter gauge railway from Tororo to Gulu and refurbishment and rehabilitation of the Malaba-Kampala-Namanve MGR, which is nearing completion. 3. Government has developed alternative border posts such as Lwakhakha and Saum. In particular, the Lwakhakha border is being upgraded into a One Stop Border Post (OSBP). The upgrade will include the transformation of the existing 45km Mbale – Lwakhakha road into a two-lane carriageway. The feasibility study is expected by December 2024. This intervention is part of the efforts to decongest the Malaba and Busia OSBP and boost trade along the Northern Corridor. 4. Government has continued to prioritise inland water transport as a way of providing cheaper and reliable transport for goods entering Uganda. Phase one of the development of Bukasa Port is nearing completion and Phase two is being considered by the Development Committee. The port is designed to facilitate cargo transport from Kisumu to Kampala on Lake Victoria, providing an alternative to the Northern Corridor that connects Kenya and Tanzania. In addition, Government is also redeveloping Port Bell and Jinja Pier in the medium term to facilitate regional trade. 5. Rehabilitation and expansion of Entebbe International Airport is ongoing at 90% completion. This is expected to increase the capacity of the airport to handle the growing passenger and cargo traffic. The new cargo center, now capable of handling 100,000 metric tons per year, has been completed. This is a significant increase from the previous capacity of 50,000 metric tons. 6. Construction of the Kampala Jinja Expressway. By September 2024, the USD 1.1 billion project is currently undergoing procurement of a contractor and solicitation of financiers. The project is a 72 km road from Kampala to Jinja. Once complete, it is expected to significantly result in reduced transit time for both passenger and cargo vehicles as well as traffic decongestion.

C) Microeconomic Outlook: The country's targeted public investments in major infrastructure projects, including railways, roads, and the East African Crude Oil Pipeline, is expected to enhance regional competitiveness in the short to medium term. These developments are projected to positively impact the country's balance of payments.

MICROECONOMIC ISSUES IN THE NEWS & REPORTS

SEPT 2024
TRANSIT TIME AND FREIGHT COSTS, BUKEDI ZONAL SUMMARY

<p><i>Border Crossing time at Malaba and Busia Border</i></p>	<p>According to the Northern Corridor Transport Observatory Survey Report of October 2023, the Northern Corridor Transit and Transport Coordination Authority carried out a survey to establish the average border crossing time for both Malaba and Busia borders. The survey showed that:</p> <ol style="list-style-type: none"> a) Trade and transport costs within the Northern Corridor are among the highest globally. b) Queuing time for Malaba border averaged 323 minutes (5.4 hours) and the crossing time averaged 549 minutes (9.15 hours) per week. c) 989 vehicles passed through Busia border per week and the queuing time averaged 71 minutes (1.2 hours). In addition, crossing time averaged 149 minutes (2.5 hours). <p>The report recommends that Member States should:</p> <ol style="list-style-type: none"> a) Implement mandatory goods pre-clearance process to expedite border crossing procedures. b) Provide an alternative mobile scanner to address the lack of non-functional scanners. c) Introduce and monitor a set of standard time for clearance of goods. d) Improve infrastructure at Malaba and Busia borders by constructing enough roadside parking yard and widening existing roads to improve traffic flow.
<p>Bukedi Sub-Region:</p> <p>Economy, Public Services, Industry</p>	<p>Bukedi sub-region is located in Eastern Uganda, with a population size of 2.37 million people. The subregion's population is 5.2% of the national population. Households in the sub-region consist of 4.8 persons on average. About 58.3% of the population in Bukedi sub-region is in the subsistence economy, higher than the national average of 39.2%, while 88.4% is engaged in the informal sector.</p> <ol style="list-style-type: none"> 1. State of the Economy: Bukedi is known for rice production and its strategic location as a transit sub region for import and export. The poverty rate in the sub-region significantly reduced by 20.8% from 43.7% in 2016/17 to 34.6% in 2019/20. Despite this reduction in poverty, it remains among the poverty hotspot sub-regions nationally. In addition, income inequality reduced by 2.6% from 0.344 in 2016/17 to 0.335 in 2019/20. On the other hand, unemployment in the sub-region is at 5.5%, lower than the national average of 8.8%. 2. Public Spending and Service Delivery: The sub-region hosts two major OSBPs i.e. at Malaba and Busia in addition to the significant road infrastructure that facilitates trade in the sub region. These include Nakalama – Mbale Road, Jinja – Tororo Road and Tororo – Mbale – Lwakhakha Road. 3. Trade, Industry and Local Economic Development: The leading value chains are cassava and rice. The presence of Simba, Hima, and Tororo Cement factories provides job opportunities to the sub-region but also account for intra-regional export of cement. Similarly, the presence of Tororo Rock for tourism and minerals such as phosphates are opportunities to harness. 4. Trade facilitation in Bukedi sub-region: Bukedi sub-region is a major entry point for most of the goods destined for East African countries. However, the facilities are overwhelmed with a large number of cargo trucks which increase the cost of doing business. For instance, at Malaba, the average crossing time is 549 minutes (9.15 hours) weekly while at Busia, the average crossing time is 149 minutes (2.5 hours) per week.

MIND is compiled by Economic Development Policy and Research Department (EDP&RD) in the Ministry of Finance, Planning and Economic Development

EDPRD: We generate and manage knowledge for effective formulation, implementation and communication of Uganda's economic development policy

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector ¹	Monthly	801,877 (74.6%)		Productivity	Literacy Rate (Grade 6) ¹¹	Yearly	42.7%(97.8%)	▲
		Informal Sector	Yearly (-1)	8,796,480			Numeracy Rate (Grade 6)	Yearly	58% (40.8%)	▲
		Migrant Workers	Monthly	3,332 (73%)	▲		Morbidity Rate (Malaria Incidence) ¹²	Monthly	2.37 (-20.2%)	▼
	Incomes	Per-capita GDP (US\$): 2022/23	Yearly	1,093 (0.46%)	▲		PIP Budget Absorption (GoU, IFMS %) ¹³	Yearly	91% (6.4%)	▲
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)	▼	Power Tariff (Ushs per Unit)	Medium	Quarterly	452.1(-1.67%)	▼
		Remittances (US\$,M)	Yearly	1,133.94 (-1.76%)			Large		383.4(-1.31%)	▼
					Extra Large		324.5(-1.19%)	▼		
Living Standards	Utilities (Retail Tariff Rates)	Water (M ³)	Quarterly	4,224 (13.3%)	▲	Competitiveness	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,500	
		Power/Domestic	Quarterly	819.4(-2.0%)	▼		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	-0.5%	▼
	Household Expenditure (HFCE), Ushs Bn	Quarterly (-1)	24,176 (0.02%)	▲	Customs Clearance (Hours)		Monthly	5.13 (0%)		
	Healthcare Expenditure (HH, Ushs)	Yearly (-2)	15,000 (-34.2)	▼	Transit Times (Mom-Kla, Days)		Monthly	4.8 (4.2%)	▼	
	Food Inflation (%)	Monthly	0.1 (-1.5)	▲	Investment Registration (Days)		Yearly	2		
	EFU ⁴ Inflation (%)	Monthly	-1.4 (4.5)	▼	Export Growth ¹⁶		Quarterly (-1)	-14.6%	▼	
	Residential Property Price Index (RPPI) for GKMA	Quarterly	110.57 (3.0%)	▲	Electricity Connection (Days)		Monthly	28 (-6.7%)	▼	
	Crime Rate (per 100,000):2023	Yearly	501 (9.6%)	▲	Water Connection (Days)		Monthly	3 (0%)		
							Investment Growth (GFCF)	Quarterly (-1)	-0.2%	▼
Equity and Economic Inclusion	Private Pension: Active Members	Yearly	733,588 (12.5%)	▲	Markets and Regulations	Communication Rates	Voice (Ushs Per Sec)	Quarterly	3 (33.3%)	▼
	Private Pension: Registered Members	Yearly	2,344,737 (5.9%)	▲		Data ¹⁷ (Unlimited)	Monthly	550,000(0%)		
	Public Pension (Beneficiaries)	Yearly	407,515 (-0.61%)	▼		IMF Primary Commodity Price Index	Monthly	161.6 (-0.74%)	▼	
	SAGE (Beneficiaries)	Yearly	323,315 (-2.8%)	▼		Average Monthly Net Salary (After Tax)	Yearly	628,611		
	Agent Banking (Volume of Transactions, Mn)	Yearly	8.3 (-5.7%)	▼		Retail Sales/EFRIS ¹⁸	Quarterly (-2)	84% (31.5%)	▲	
Environmental Sustainability	Water Quality (PM _{2.5}) ⁵	Quarterly	Low, 27.21(29.8%)		Local Content	USE All Share Price Index	Monthly	1,064.17 (3.97%)	▲	
	Air Quality (PM _{2.5}) ⁶	Monthly	41.63µg/m ³ (1.86%)	▲		New Business Registrations	Monthly	3,779 (-23.7%)	▼	
	Noise Pollution (Decibels, Kampala)	Monthly	High, 62.96 (9.78%)	▲		Hotel Occupancy Rate (Kla)	Quarterly	46.9% (-62.2%)	▲	
	Seasonal Changes in Rainfall	Monthly	Above Normal			Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%		
	Natural Disaster Incidences ⁷	Monthly	12,446 (-73.2%)			MUG Shelf-Presence ¹⁹	Yearly	N/A		
					Trade Balance (US\$, Millions)	Monthly	314.1 (14.2%)	▲		
					Contracts Awarded to Local Providers ²⁰	Yearly	77.12%(26.4%)	▲		

*Unless indicated all quarterly figures are for Q4, 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 2023) | ¹⁴ December 2021 | ¹⁵ Percentage Average change | ¹⁶ UBOS Quarterly GDP (constant prices) | ¹⁷ Average monthly price of data bundles for MTN (1705GB) and Smile (150GB) | ¹⁸ Electronic Fiscal Receipting and Invoicing System | ¹⁹ Made in Uganda (MUG) | ²⁰ By Value.