FY 2026/27

September Edition

Microeconomic Indicators and Developments

A) Microeconomic Developments

Issue	Market Updates
Employment	Formal employment returns, as captured under the PAYE Register, increased by 19% from 805,428 employees in August 2026 to 958,751 in September 2026. There were no officially registered migrant workers in September 2026, following the Ebola travel bans to Qatar, UAE and Saudi Arabia.
Living Standards	Monthly inflation for Food & Non-alcoholic Beverages increased by 2.6% in September 2026 compared to the 0.5% increase registered in August 2026. This was mainly due to an increase in monthly food inflation, which rose by 2.7% in September 2026 compared to the 0.6% rise registered in August 2026. On the other hand, monthly Energy, Fuels and Utilities (EFU) inflation increased by 0.5% in September 2026, compared to the 0.2% increase registered in August 2026. This was mainly attributed to an increase in diesel and petrol prices by 1.8% and 1.5 in September 2026, compared to the 0.8% increase and no change registered in August 2026, respectively. The quarterly inflation for residential properties for the Greater Kampala Metropolitan Area (GKMA) increased by 0.1% in Q1 FY2026/27 compared to the 1.2% decrease registered in Q4 FY2025/26. The increase was attributed to residential property prices in Wakiso, which increased by 1.3% in Q1 FY2026/27 from the 2% decrease registered in Q4 FY2025/26.
Equity and Economic Inclusion	National Social Security Fund's registered and active members increased by 6% and 8% from 3.4 million and 850,000 in 2025 to 3.6 million and 920,000 in 2026, respectively. The number of Agent Banking agents increased by 10% from 37,585 in June 2026 to 41,498 in June 2026.
Environmental Sustainability	Air quality in Kampala improved, with particulate matter dropping by 29% from 49.4µg/m³ in August 2026 to 34.9µg/m³ in September 2026. The improvement was partly attributed to seasonal rainfall that commenced in September 2026, which helped to reduce airborne particles and suppress road dust. However, this remains above the World Health Organization's threshold of 25 µg/m³. Most parts of the country received near-average rainfall during the month of September 2026.
Productivity	Malaria prevalence remained unchanged at 0.8 deaths per 1,000 persons in September 2026.
Competitiveness	Monthly inflation for Liquid Energy Fuels increased by 1.5% in September 2026, compared to the 0.1% increase recorded in August 2026. Transit Times from Mombasa to Kampala during the period July to September 2026 remained unchanged at 4.8 days.
Markets & Regulation	The International Monetary Fund (IMF) Commodity Price Index increased by 9% from 204.93 in August 2026 to 222.43 in September 2026. This was partly attributed to an increase in the prices of Industrial Inputs and Base Metals, which increased from 201.53 and 233.77 in August 2026 to 204.44 and 237.73 in September 2026, respectively. The increase could raise the cost of imported production inputs, potentially increasing manufacturing and construction costs and pressuring domestic prices. The USE All-Share Price Index increased by 8% from 2,248.47 in August 2026 to 2,444.72 in September 2026. New business registrations reduced by 23% from 2,142 new businesses in August 2026 to 1,639 in September 2026.
Local Content	The monthly trade deficit widened by 289% from US$210.03 million in July 2026 to US$817.03 million in August 2026. This was mainly due to higher import bills for Mineral products such as iron and steel (excluding petroleum) and animal products, which rose from US$567.77 million and US$7.21 million in July 2026 to US$1,160.21 million and US$10.04 million in August 2026, respectively. In addition, there was a reduction in export receipts, notably for cotton and coffee, which reduced fromUS$1.80 million and US$204.08 million in July 2026 to US$0.73 million and US$181.65 million in August 2026, respectively.

B) Policy Response Measures: This edition of the MIND focuses on Competitiveness as a thematic area, with a specific focus on Power Tariffs.

Objective	Interventions
Reduced power tariffs and increased access to reliable and affordable electricity	The NDPIV Sustainable Energy Development Programme identifies high electricity costs, limited access, and unreliable supply of power as constraints to industrialization, private-sector competitiveness, and economic transformation. Through this Programme, Government commits to increase access to reliable, affordable, clean and modern energy services. To achieve this, Government has and is undertaking the following interventions: 1. **Structural reform and contractual revention of power distribution in April 2025,** with the transfer of electricity distribution operations from the private concession of Umeme Limited to Uganda Electricity Distribution Company Limited (UEDCL). As a result, electricity access has expanded, with active grid customers increasing to approximately 2.76 million by March 2026 from 2.45 million in April 2025. 2. **Implementing the Electricity Access Scale-Up Project (2022-2027) with support from the World Bank.** The Project is expanding distribution networks and electricity connections for households, businesses, industrial parks, refugee communities and public institutions. The Project also supports off-grid electricity access and clean cooking initiatives. As of August 2026, the Project had supported 235,000 electricity connections and received 123,000 prepaid metres. 3. **Continued implementation of the Uganda Rural Electricity Access Project (UREAP).** In June 2026, Ministry of Energy and Mineral Development received funding from the African Development Bank (AfDB) and the Climate Investment Funds (CIF) to implement UREAP Phase II (2026-30). The overall objective of UREAP II is to increase electricity access for households, public institutions, as well as MSMEs across Uganda through a combination of main grid and mini-grid solutions. 4. **Continued subsidization of last-mile connections.** Under the Electricity Connection Policy 2018-2027, Government has enabled eligible households requiring no-pole or one-pole connections to receive a 100% subsidy for connection, including paying Ushs 20,000 for a premises inspection. This has reduced the upfront cost of joining the national grid. 5. **Implementing UEDCL's Five-Year Investment Master Plan (2026–2030) valued at over US$994 million.** The Plan focuses on expanding electricity access and connecting new customers, improving network reliability through feeder refurbishment, automation and substation upgrades and replacing obsolete equipment, including transformers and distribution lines. Government has already secured and approved a funding package of about US$ 135 million for electricity network investments. 6. **Electricity tariff regulation and differentiated pricing by the Electricity Regulatory Authority (ERA).** ERA regulates electricity tariffs and applies differentiated pricing mechanisms to improve affordability for selected consumer categories, protect low-consumption households, and support essential public services. 7. **Launched the development of the National Electricity Distribution Master Plan 2024.** The Plan is a strategic initiative aimed at improving electricity planning, reducing infrastructure costs and ensuring that households, businesses, schools, health facilities and industries have access to a more reliable power network.

C) Microeconomic Outlook: The depreciation of the Uganda shilling against the US dollar is expected to exert upward pressure on domestic prices by increasing the cost of imported fuel, machinery, industrial raw materials and agricultural inputs. This could raise production and transport costs, reduce household purchasing power and constrain private-sector investment. On the other hand, depreciation of the shillings may improve the competitiveness of Ugandan exports and increase earnings from tourism and remittances.

MEDIA WATCH POST

MICROECONOMIC ISSUES IN THE NEWS & REPORTS

SEPTEMBER 2026

POWER SUPPLY AND KIGEZI ZONAL SUMMARY

Power supply at a national glance	**The Electricity Regulatory Authority (ERA) 2025 Annual Report shows that:** a) Distribution network increased by 9% from 65,129 Km in 2024 to 71,346 Km in 2025. b) Installed generation capacity increased by 2% from 2,048.5 MW in 2024 to 2,094.6 MW in 2025. c) Customers connected increased by 7% from 2,270,758 in 2024 to 2,430,489 in 2025. d) Energy purchases increased by 7% from 6,207.8 GWh in 2024 to 6,623 GWh in 2025, while energy sales increased by 10% from 5,739.5 GWh to 6,301.1 GWh. e) Domestic peak demand increased by 22% from 987.8 MW in 2024 to 1,202.85 MW in 2025. **ERA Electricity Tariff rates between July–September 2026 and October–December 2026 remained unchanged across all consumer categories as follows:** a) Domestic Consumers. Lifeline Tariff (1st 15 Units) charged at Ushs 250 per kWh, applicable to households with a 6-month average consumption below 100 kWh; 16–80 units at Ushs 779.4 per kWh; 81–150 Units at Ushs 412.0 per kWh; and above 150 Units at Ushs 779.4 per kWh. b) Commercial Consumers: Average energy charge is Ushs 562.1 per kWh. c) Medium Industrial & Service Consumers: Manufacturers with demand of up to 500 kVA at an average tariff of Ushs 363.8 per kWh, while service consumers pay Ushs 423.9 per kWh d) Large and Extra-Large Industrial Consumers. Extra-large manufacturing consumers with demand over 1,500 kVA experience average rates as low as Ushs 207.7 per kWh. e) Public Amenities charges were maintained at a flat average energy charge of Ushs 360 per kWh.
Kigezi Sub-Region: Economy, Public Services, Industry and Power supply	**Kigezi sub-region** is located in Western part of Uganda, with a population size of 1.79 million people. 1. **State of the Economy:** Households in the sub-region comprise of 4.2 persons on average. 32.8% of the households are in the subsistence economy, below the national average of 33%. The poverty rate reduced from 27.7% in 2019/20 to 11.1% in 2023/24. Income inequality reduced from 0.337 in 2019/20 to 0.335 in 2023/24. Unemployment stands at 8.1%, below the national average of 12.6%. 2. **Public Spending and Service Delivery:** Uganda Registration Services Bureau (URSB) services are obtained from Kabale, Rukungiri and Kisoro Taxpayer Register Expansion Programme (TREP) Centres. Each district has a National Identification and Registration Authority (NIRA) office. There are Uganda Revenue Authority (URA) service stations in Kabale, Rukungiri and Kisoro. Kigezi is served by two Ministerial Zonal Land Offices and High Court Circuits located in Kabale and Rukungiri. 3. **Trade, Industry and Local Economic Development:** The leading value chains are Irish potatoes, sweet potatoes, Sorghum, and potential mineral occurrences such as limestone. The sub-region has four border points, including Katuna, Kamwezi, Cyanika, and Bunagana, that are crucial for cross-border trade with Rwanda and the Democratic Republic of Congo. There is a Zonal Presidential Industrial Hub (Kabale) and Kisoro Industrial and Business Park, covering 620 acres, located in the sub-region. However, the Industrial Park is still at its preparatory stage of development. 4. **Energy status in Kigezi sub-region:** The backbone of the region's grid capacity is the 132 kV Mirama–Kabale Transmission Line coupled with the 132/33 kV Kabale Substation. UEDCL upgraded the Kabale substation transformer capacity from 2.5 MVA to 5 MVA, significantly boosting regional distribution reliability to meet growing commercial and institutional demand. 13% (51,915) of the households in Kigezi sub-region use electricity for lighting (2024 Census).

Microeconomic Indicator Dashboard (MIND)

MIND UPDATE

FY2026/27

DASHBOARD: SEPTEMBER 2026 Version 1.0

Issues	Indicators		Frequency	Status	
Employment	Jobs	Formal Sector[1]	Monthly	958,751 (19%)	▲
		Informal Sector	Yearly (-1)	7,350,199 (-16.4%)	▼
		Migrant Workers	Monthly (-3)	1,241	
	Incomes	Per-capita GDP (US$): 2025/26	Yearly	1,420 (4%)	▲
		Income Poverty (%)	Yearly (-3)	16.1% (20.6%)	▼
		Remittances (US$, M): CY2025	Yearly	2,500 (59.4%)	▲
Living Standards	Utilities (Retail Tariff Rates)	Water (M^3)	Quarterly	4,307 (1.96%)	▲
		Power/Domestic	Quarterly	779.4 (3%)	▲
		Data (Ushs, 1GB)	Monthly	2,930 (44%)	▲
	Household Expenditure (HFCE), Ushs Bn		Quarterly (-1)	37,787 (4.7%)	▲
	Healthcare Expenditure (HH, Ushs)		Yearly (-3)	32,000 (113.3%)	▲
	Food Inflation (%)		Monthly	2.6 (4.7)	▲
	EFU Inflation[2] (%)		Monthly	0.5 (14.5)	▲
	Residential Property Price Index (RPPI) for GKMA		Quarterly	121.07 (0.1%)	▲
	Crime Rate (per 100,000):2025		Yearly	427.8 (-10%)	▼
Equity and Economic Inclusion	Private Pension: Active Members		Yearly	920,000 (8%)	▲
	Private Pension: Registered Members		Yearly	3,604,189 (6%)	▲
	Public Pension (Beneficiaries)		Yearly (-2)	365,000 (-4.6%)	▼
	SAGE (Beneficiaries)		Yearly	489,673 (60%)	▲
	Agent Banking (Volume of Transactions, Mn)		Yearly	15	▲
Environmental Sustainability	Water Quality ($PM_{2.5}$)[3]		Quarterly	Low, 20.54	
	Air Quality ($PM_{2.5}$)[4]		Monthly	34.9µg/m^3 (-29%)	▼
	Noise Pollution (Decibels, Kampala)		Monthly	High, 64.17 (0.76%)	
	Seasonal Changes in Rainfall		Monthly	Near Average	▲
	Natural Disaster Incidences[5]		Monthly	120,936	

Issues	Indicators		Frequency	Status	
Productivity	Literacy Rate (Grade 6)[6]		Yearly (-3)	42.7%	
	Numeracy Rate (Grade 6)		Yearly (-3)	58%	
	Morbidity Rate (Malaria Incidence)[7]		Monthly	0.8 (0%)	
	PIP Budget Absorption (GoU, IFMS %)[8]		Yearly (-2)	83.3% (-8.5%)	▼
Competitiveness	Power Tariff (Ushs per Unit)	Medium	Quarterly	363.8 (2.4%)	▲
		Large		308.1 (2.5%)	▲
		Extra Large		207.7 (2%)	▲
	Av. Freight Costs (US$, Mom-Kla, 40ft)		Monthly	3,500	
	Commercial Case Backlog[9]		Yearly (-2)	2,135 (29.8%)	▲
	Fuel Prices (Liquid Energy Fuel Inflation)[10]		Monthly	1.5%	▲
	Customs Clearance (Hours)		Monthly	5.13 (0%)	
	Transit Times (Mom-Kla, Days)		Quarterly	4.8 (0%)	
	Investment Registration (Days)		Yearly	2	
	Export Growth		Quarterly (-2)	-6.4%	▼
	Electricity Connection (Days)		Monthly	28 (0%)	
	Water Connection (Days)		Monthly	3 (0%)	
	Investment Growth (GFCF)		Quarterly (-2)	-1.9%	▼
	Communication Rates	Voice (Ushs Per Sec)	Quarterly	0.33 (26%)	▼
		Data[11]	Monthly	100,000 (-43%)	▼
Markets and Regulations	IMF Primary Commodity Price Index		Monthly	222.43 (9%)	▲
	Average Monthly Net Salary (After Tax)		Yearly	628,611	
	Retail Sales/EFRIS[12]		Quarterly (-1)	63% (-25%)	
	USE All Share Price Index		Monthly	2,444.72 (8%)	▲
	New Business Registrations		Monthly	1,639 (23%)	▼
Local Content	Hotel Occupancy Rate (Kla)		Yearly	53.2% (13.4%)	▲
	Plant Utilization Rates (SME-Large Firms)		Yearly	53.6%	
	MUG Shelf-Presence[13]		Yearly	N/A	
	Trade Balance (US$, Millions)		Monthly (-1)	-817.03 (289%)	▼
	Contracts Awarded to Local Providers[14]		Yearly	60%	▼

*Unless indicated all quarterly figures are for Q1, FY2026/27.[1] Active PAYE Register Jobs|[2]Energy, Fuel and Utilities |[3] Particulate Matter |[4] 9.1–35.4 is Unhealthy|[5] Total number of individuals affected by Natural Hazards |[6] Persons aged 10 years and above |[7]Cases per 1,000 population |[8] Cumulative Absorption in FY2024/25 |[9] June 2025|[10] Percentage Average Change|[11] Highest Mbps |[12] Electronic Fiscal Receipting and Invoicing System |[13] Made in Uganda (MUG)|[14] By Value.