



PERFORMANCE OF THE ECONOMY REPORT  
MARCH 2019

MACROECONOMIC POLICY DEPARTMENT  
MINISTRY OF FINANCE, PLANNING AND ECONOMIC  
DEVELOPMENT

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## LIST OF ACRONYMS

BTI	Business Tendency Index
BOU	Bank of Uganda
B.Franc	Burundian Franc
CIEA	Composite Index of Economic Activity
EAC	East African Community
EFU	Energy, Fuels and Utilities
FX	Foreign currency
FY	Financial Year
HIPC	Heavily Indebted Poor Countries
HPP	Hydro Power Plant
ICBT	Informal Cross Border Trade
KShs	Kenyan Shilling
MDAs	Ministries, Departments and Agencies
MOFPED	Ministry of Finance, Planning and Economic Development
NGO	Non-Government Organisation
PAYE	Pay as You Earn
PMI	Purchasing Managers Index
PSC	Private Sector Credit
R.Franc	Rwandese Franc
T-Bills	Treasury Bills
T-Bonds	Treasury Bonds
TShs	Tanzanian Shilling
Shs	Ugandan Shilling
US\$	United States Dollar
UBOS	Uganda Bureau of Statistics
VAT	Value Added Tax

## GLOSSARY

<b>Bid to cover ratio</b>	This is an indicator for demand of Government securities in a given auction. A ratio equal to 1 means that the demand for a particular security is equal to the amount offered by government. A ratio less than 1 means the auction is under subscribed and a ratio greater than 1 means that the auction is over subscribed.
<b>BTI</b>	The Business Tendency Index measures the level of optimism that executives have about current and expected outlook for production, order levels, employment, prices and access to credit. The Index covers the major sectors of the economy, namely construction, manufacturing, wholesale trade, agriculture and other services. The Overall Business Tendency Index above 50 indicates an improving outlook and below 50 a deteriorating outlook.
<b>CIEA</b>	CIEA is constructed using seven variables, that is; private consumption estimated by VAT, private investment estimated by gross extension of private sector credit, government consumption estimated by its current expenditure, government investment estimated by its development expenditure, excise duty, exports and imports. Data comes with a lag of one month.
<b>Core Inflation</b>	This is a subcomponent of headline inflation that excludes items subject to volatility in prices. It therefore excludes energy, fuels, utilities, food crops and related items.
<b>Headline Inflation</b>	This refers to the rate at which prices of general goods and services in an economy change over a period of time usually a year.
<b>Non-Performing Loans</b>	This is a sum of borrowed money upon which the debtor has not made scheduled payments for a period usually at least 90 days.
<b>Tenor</b>	This refers to the time-to-maturity of a financial instrument, for example, if a certain instrument matures after 91 days – it is called a 91-day tenor.
<b>PMI</b>	The PMI is a composite index, calculated as a weighted average of five individual sub-components; New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%), and Stocks of Purchases (10%). It gives an indication of business operating conditions in the Ugandan economy. The PMI above 50.0 signals an improvement in business conditions, while readings below 50.0 show a deterioration. The PMI is compiled on a monthly basis by Stanbic Bank Uganda.
<b>Yield to Maturity (YTM)</b>	Yield to maturity (YTM) is the total return anticipated on a treasury instrument if the instrument is held until it matures.

## SUMMARY<sup>1</sup>

### Real Sector

- **Headline inflation** was recorded at 3.0% for the year ending March 2019, the same rate recorded for the year ended February 2019.
- There were improved sentiments and confidence in the Economy in March 2019, according to the BTI.
- The CIEA measure of **Economic activity** remained unchanged in February 2019. **However**, the PMI fell, for the second month in a row, owing to weaker agricultural activity during the month.

### Financial Sector

- The **Ugandan Shilling** traded at an average of **Shs 3,706** to the US Dollar in March 2019, recording a **depreciation** of 0.9%.
- **Lending rates** for both the Shilling and the foreign currency denominated credit registered declines in February 2019.
- **Interest Rates on Treasury Bills** went up for the 91-day and the 365-day treasury bills while they reduced slightly for the 182-day treasury bill.
- In March 2019, the sale of **Government securities** raised **Shs 623.09 billion** (at cost) in the primary market; of which Shs. 318.32 billion was for deficit financing while Shs 304.77 billion was for redemption of maturing securities.
- The stock of outstanding **private sector credit registered growth of 0.5%** in February 2019, which was an upturn from a decline in the stock recorded for the month before.
- **Credit worth Shs. 901 billion** was extended to the private sector in February 2019, with the agricultural sector continuing to account for the largest share (25%).

### External Sector

- Uganda's **merchandise trade deficit** remained unchanged in February 2019 at US\$ 204 million.
- **Export receipts** declined to **US\$ 300.4 million** in February 2019 from US\$ 304.2 million in January 2018. Coffee exports posted the largest decline of US\$ 6.6 million.

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<sup>1</sup> Data on Private Sector Credit, CIEA and External sector has a lag of one month.

- Merchandise worth **US\$ 504.2 million** was imported in February 2019, down from US\$ 507.8 million the previous month.
- In February 2019, **Uganda's largest merchandise trade deficit** of US\$ 179 million was with Asia. However, Uganda traded at a surplus (US\$ 6.9 million), for the first time in over a year, with the Middle East.

## **Fiscal Sector**

- Government operations during March 2019 resulted in an overall **deficit of Shs 65.1 billion**. This was against a programmed fiscal surplus of Shs 64.3 billion at budget time as total expenditure during the month was higher than anticipated. This was further exacerbated by the shortfalls registered in revenues and grants during the month.

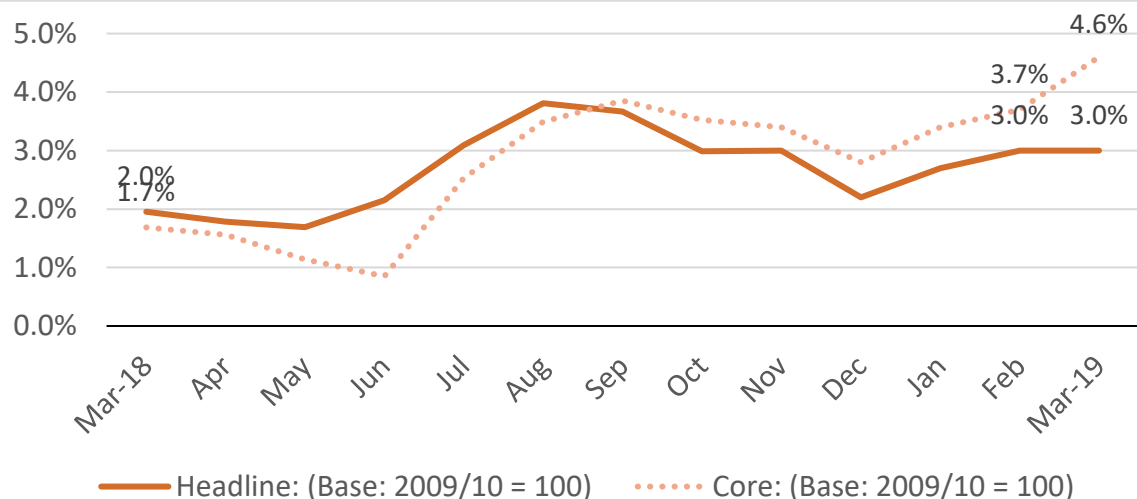
## **East Africa Community**

- **Inflation** remained fairly stable within the EAC region in March 2019. Annual headline inflation in Kenya and Tanzania registered marginal increases while in Uganda, it remained unchanged when compared to the previous month.
- **Exchange rates** within the EAC were relatively stable in March 2019 with all the currencies registering depreciations of not more than one percentage points against the US Dollar.
- Uganda posted a **merchandise trade deficit** with the EAC in February 2019. This trade deficit narrowed down to **US\$ 4.8 million** from the US\$ 8.5 million in January, 2018.

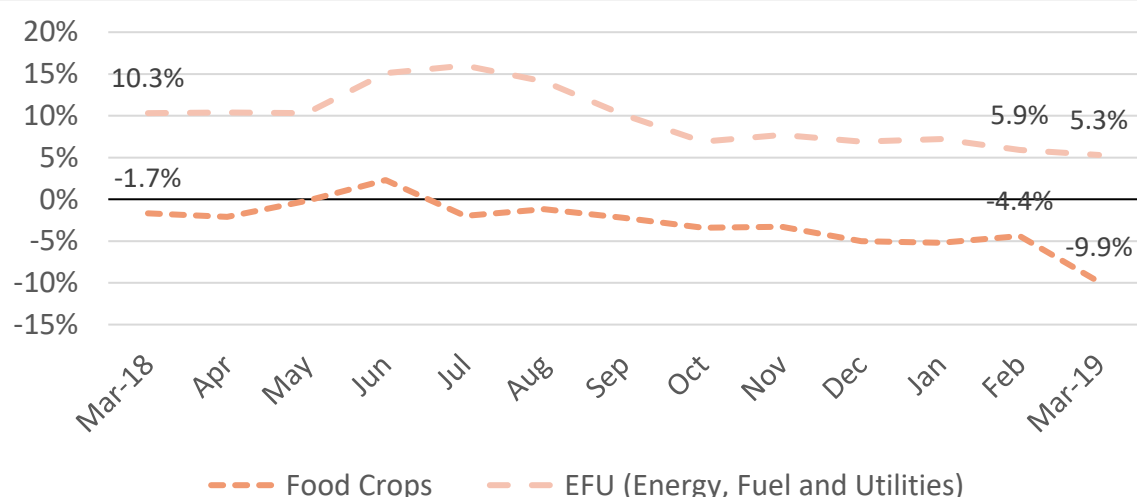
## REAL SECTOR DEVELOPMENTS

### Inflation

**Figure 1: Inflation [Headline & Core]** (Source: Uganda Bureau of Statistics)



**Figure 2: Inflation [Food and EFU]** (Source: Uganda Bureau of Statistics)



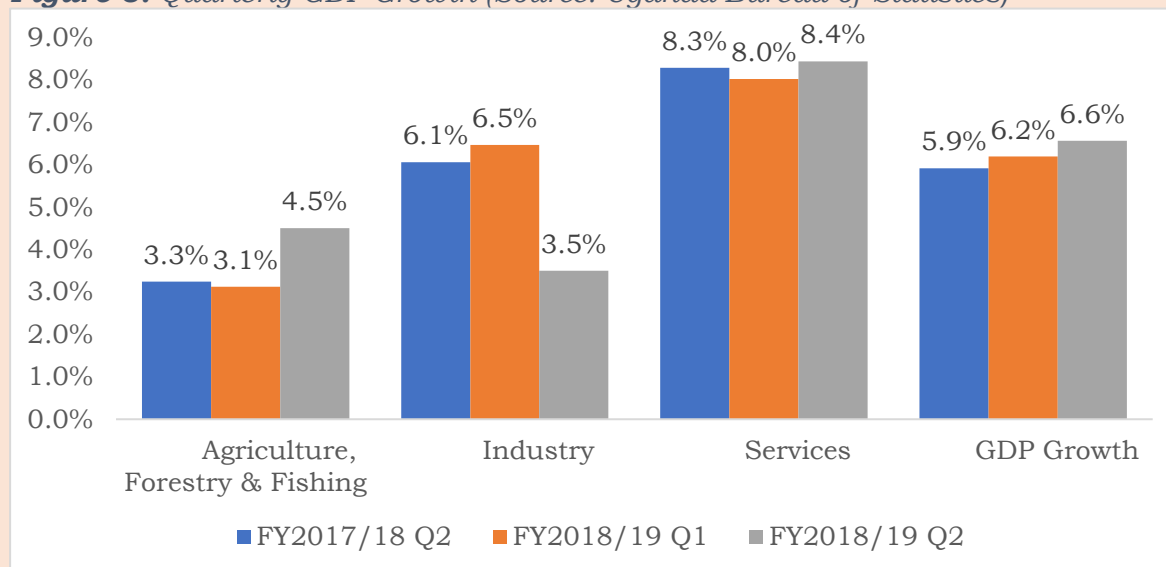
**Headline inflation for the year ending March 2019 remained unchanged at 3.0%.** Whereas there was an increase in the annual core inflation for March 2019 to 4.6% from 3.7% recorded in the previous month, this was offset by a slowdown in annual EFU inflation from 5.9% in February 2019 to 5.3% in March 2019 coupled with a further deceleration of food crop inflation from minus 4.4% in February to minus 9.9% in March 2019.

**The drop in prices of food crops** was higher in March 2019 than it was the previous month. This was premised on increased supply in the market as a result of higher production, especially of fruits and vegetables compared to March 2018. A slowdown in price increases of diesel and petrol also saw a further decline in EFU inflation in March compared to February 2019. A pick-up in economic activity partly is responsible for the slight increases in core inflation in recent months, March 2019 inclusive.



## GDP growth

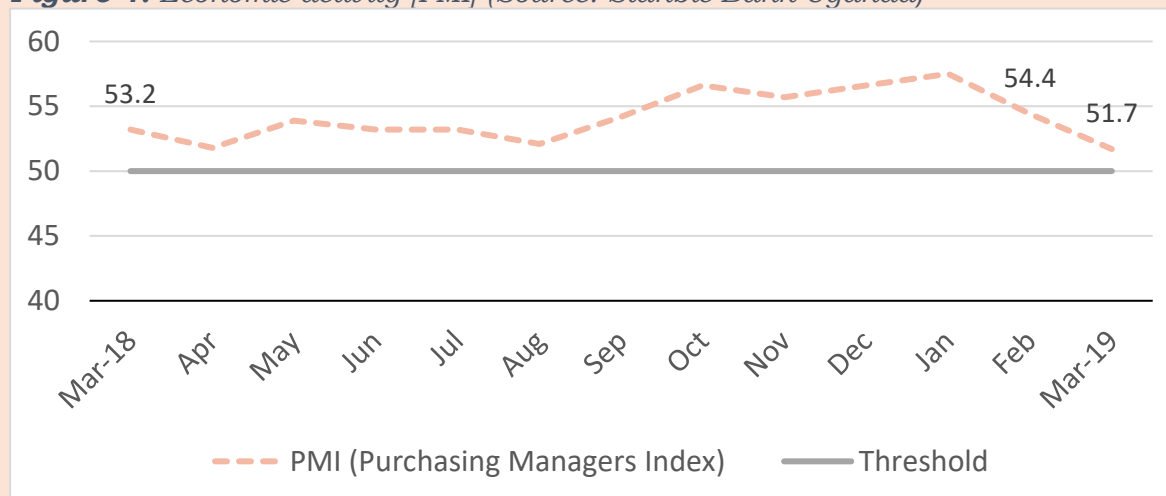
**Figure 3: Quarterly GDP Growth (Source: Uganda Bureau of Statistics)**



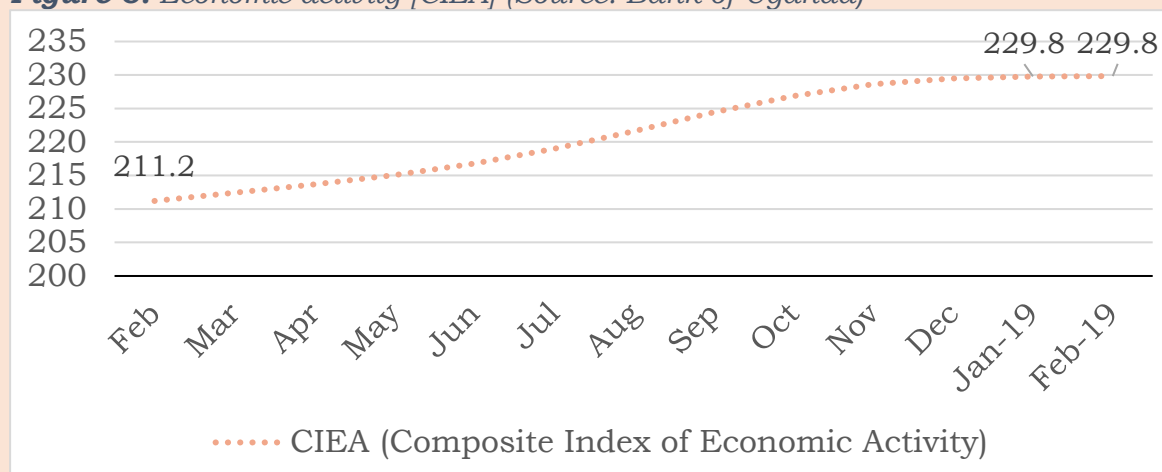
Uganda Bureau of Statistics (UBOS) released the year on year quarterly GDP Growth statistics for Quarter two of FY2018/19. These statistics indicate that the **Economy grew by 6.6%** in the quarter compared to the 5.9% growth registered for the same quarter of last year. This growth was mainly driven by the Services and Agriculture sectors. Only the Industry sector registered a slowdown in growth compared to the same period of last financial year.

## Economic activity

**Figure 4:** Economic activity [PMI] (Source: Stanbic Bank Uganda)



**Figure 5:** Economic activity [CIEA] (Source: Bank of Uganda)



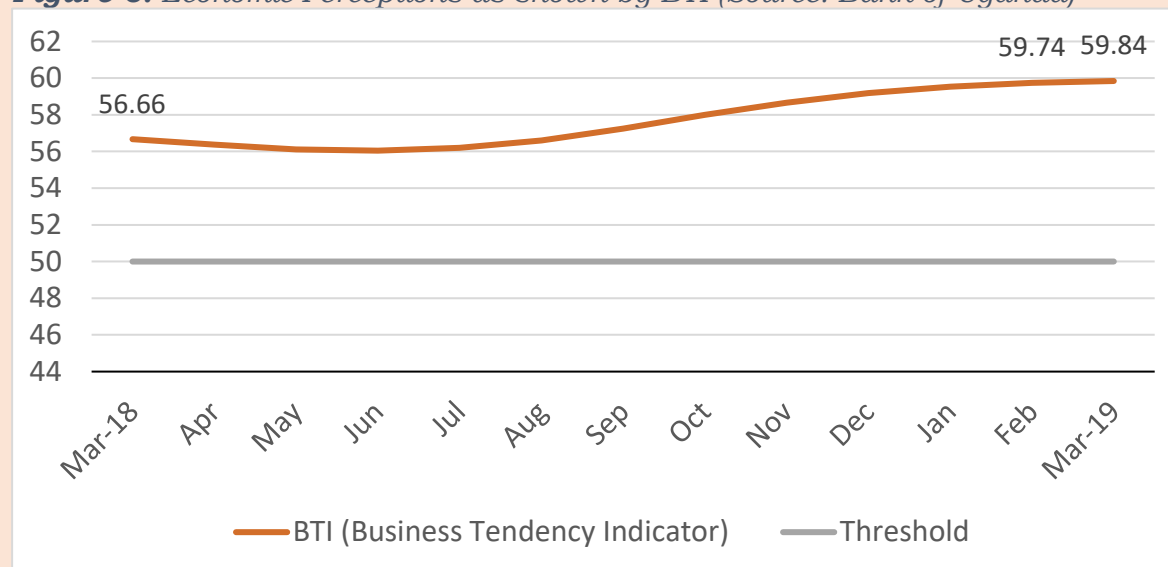
The **CIEA**<sup>2</sup> remained unchanged in February 2019 at 229.8, implying that the level of economic activity during the month was the same as for the previous month.

The **PMI**, positive above the threshold of 50, fell by 5% to **51.7** in March 2019. This was mainly due to weaker agricultural activity owing to the dry weather conditions.

<sup>2</sup> CIEA data come with a lag of one month.

## Economic perceptions

**Figure 6:** Economic Perceptions as shown by BTI (Source: Bank of Uganda)

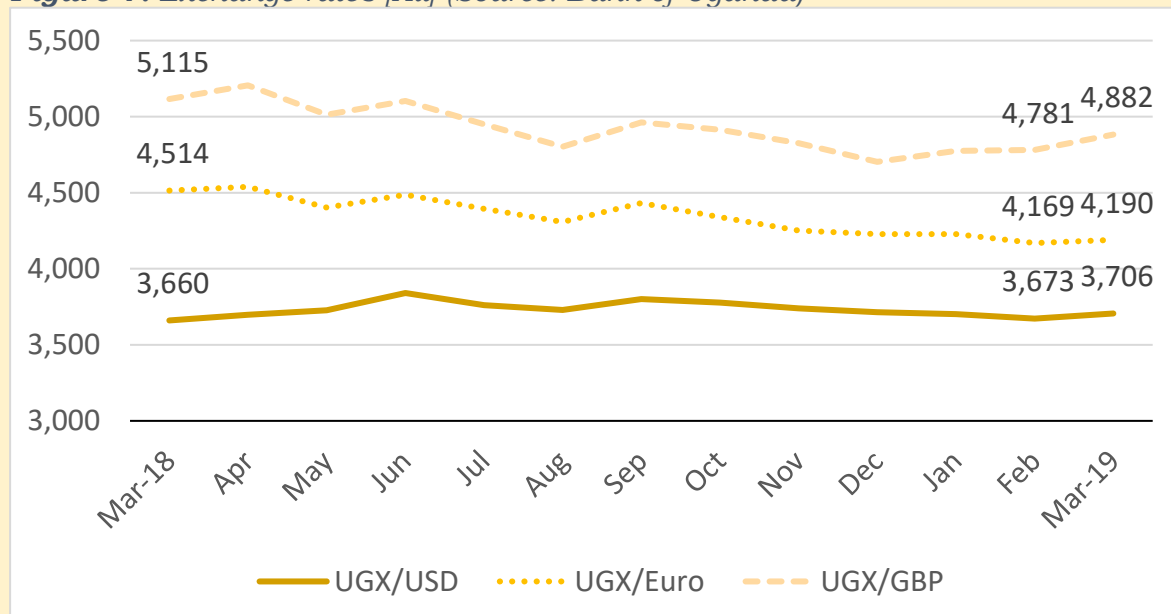


Business perceptions remained positive throughout March as shown by the **BTI** at **59.8**. This also marked a slight improvement from the 59.7 recorded for the previous month. There were slight improvements among most of the components of the survey.

## FINANCIAL SECTOR DEVELOPMENTS

### Exchange rate movements

**Figure 7:** Exchange rates [All] (Source: Bank of Uganda)



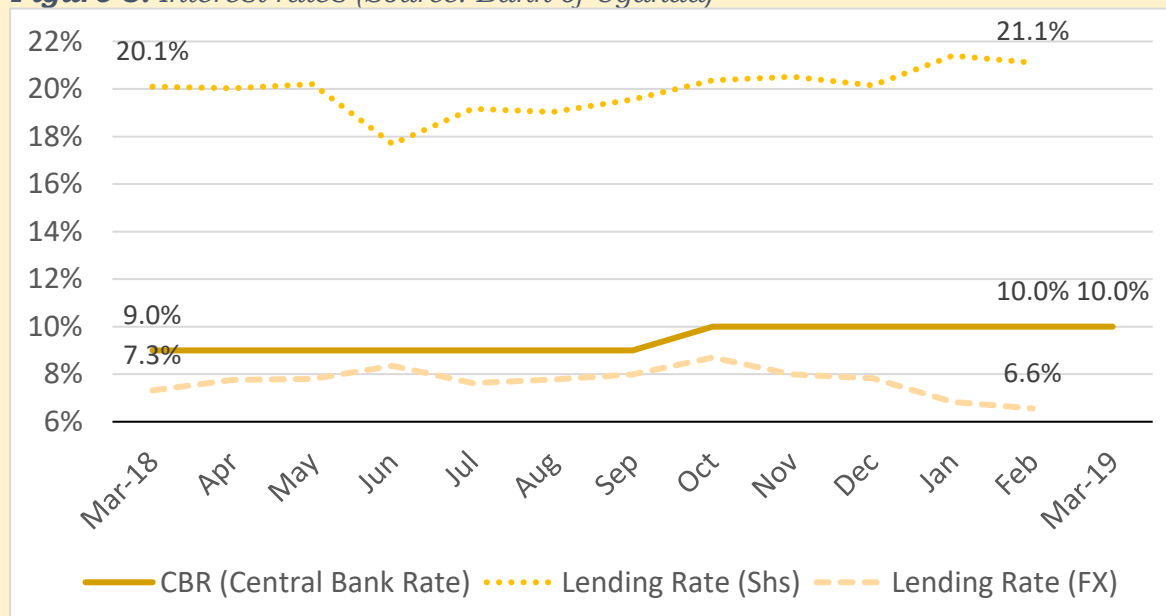
**The Ugandan shilling registered a depreciation against the US Dollar of 0.9% in March 2019**, a turnaround from a period of appreciation spanning from October 2018.

On average, the US Dollar traded at Shs 3,706 in March, 2019 compared to the average midrate of Shs 3,673 recorded the previous month. The depreciation was due to a pickup in dollar demand which coincided with reduced inflows during the month.

The Shilling also weakened against the other major currencies, depreciating by 0.5% and 2.1% against the Euro and the Pound Sterling, respectively.

## Interest rate movements

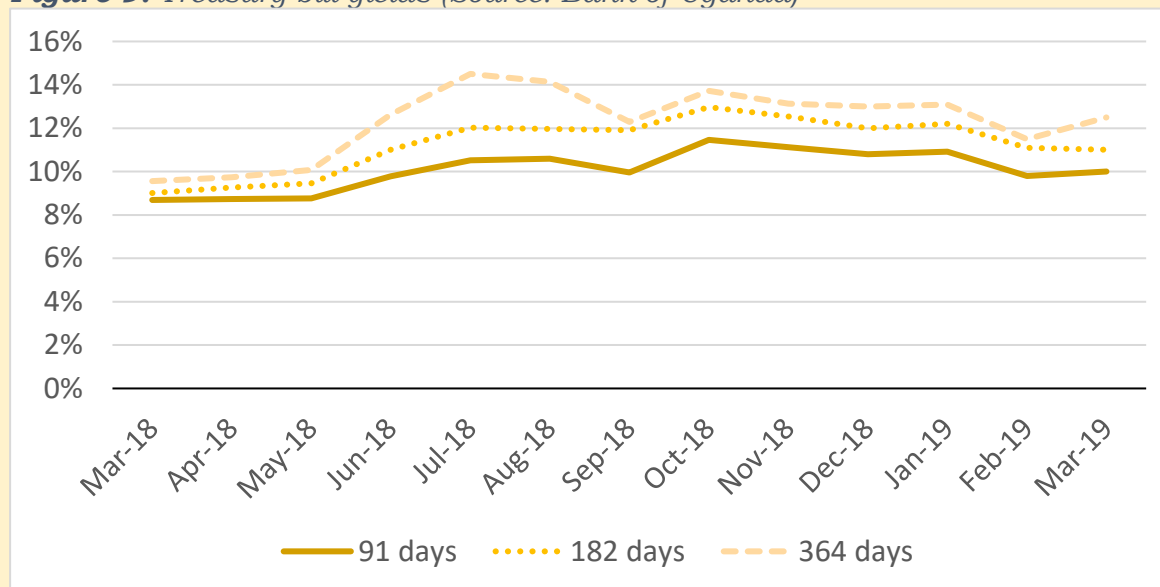
**Figure 8:** Interest rates (Source: Bank of Uganda)



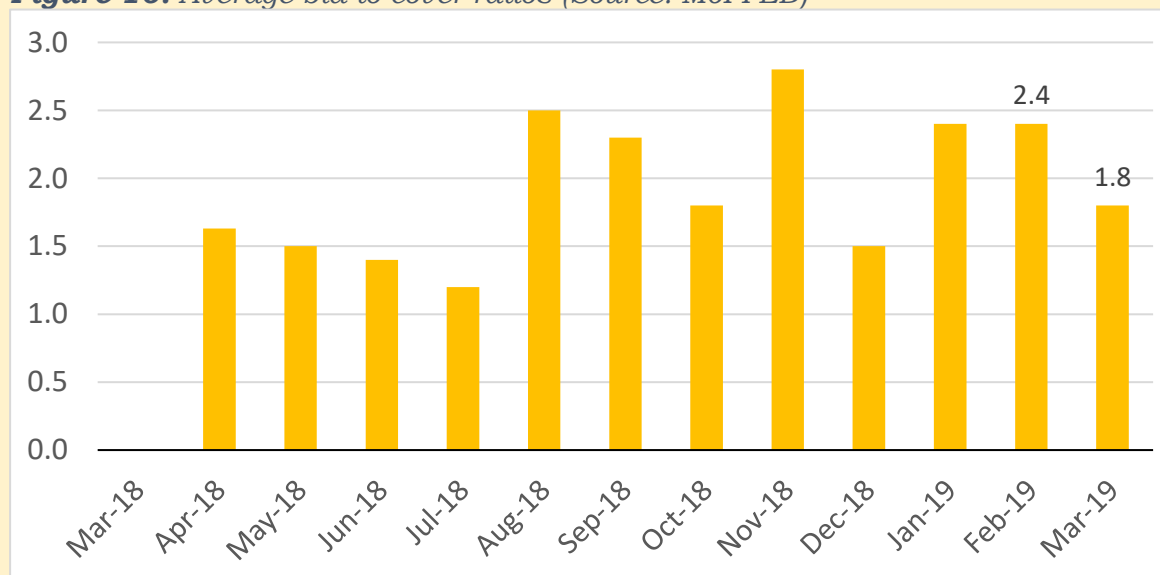
There was a slight decline in the lending rates for both the shillings and foreign currency denominated credit in February 2019. The average lending rate for shilling denominated credit was 21.1% in February down from 21.4% the previous month. Similarly, lending rates for foreign currency denominated credit averaged at 6.6% in February compared to the 6.8% in January 2019 as the shilling held strongly against the dollar in that period.

## Treasury bills

**Figure 9:** Treasury bill yields (Source: Bank of Uganda)



**Figure 10:** Average bid to cover ratios (Source: MoFPED)



**Yields (interest rates) on T-bills increased for all tenors save for the 182-day.** The annualised yield to maturity for 91-day tenor was 10% in March, recording an increase of 0.2 percentage points compared to February, while the 364-day tenor recorded an annualised yield to maturity of 12.5%, an increase of one percentage point over the same period. However, over the same period, the yield to maturity for 182-day tenor declined to 11% from the 11.5% recorded in the previous period. During the month, Government did not raise the required quota as some bids were rejected due to high yields.

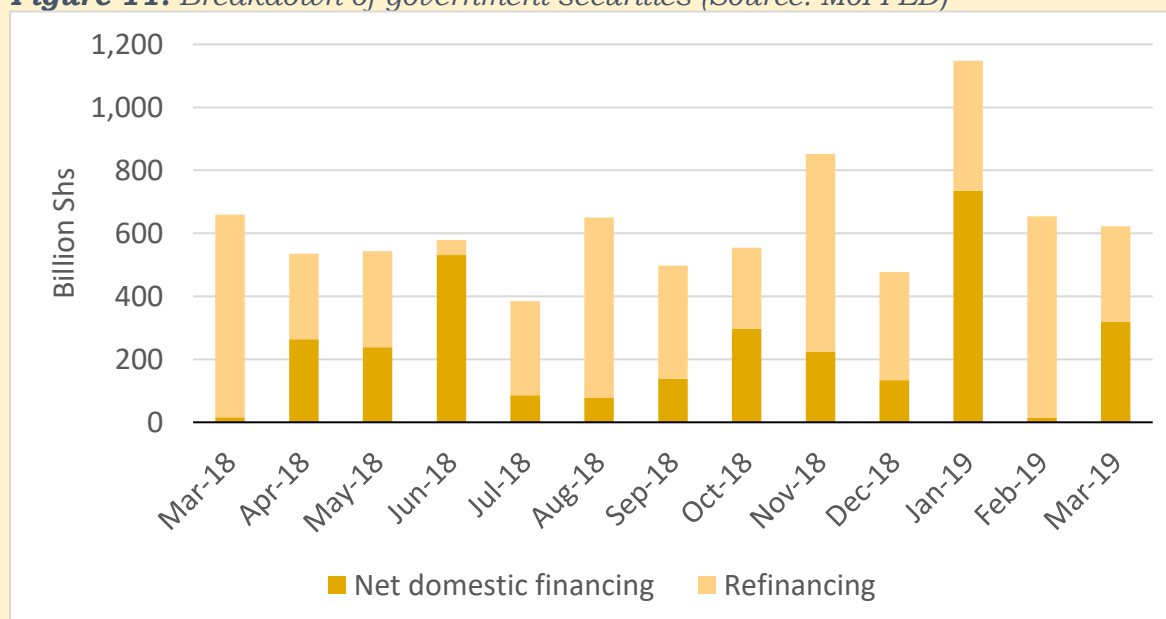
All tenors were oversubscribed with an **average bid to cover ratio of 1.8**, a decline from 2.4 registered the previous month.

## Government securities

**Table 1:** Breakdown of Government Securities in Billion Shs (Source: MoFPED)

	Total issuances	Net domestic financing	Refinancing
<b>Q1 2018/19</b>	<b>1,533.05</b>	<b>303.51</b>	<b>1,229.54</b>
<b>Q2 2018/19</b>	<b>1,883.78</b>	<b>655.88</b>	<b>1,227.89</b>
Jan-19	1,148.37	735.73	412.64
Feb-19	653.74	14.06	639.69
March-19	623.09	318.32	304.77
<b>July to date</b>	<b>5,842.03</b>	<b>2,027.5</b>	<b>3814.53</b>

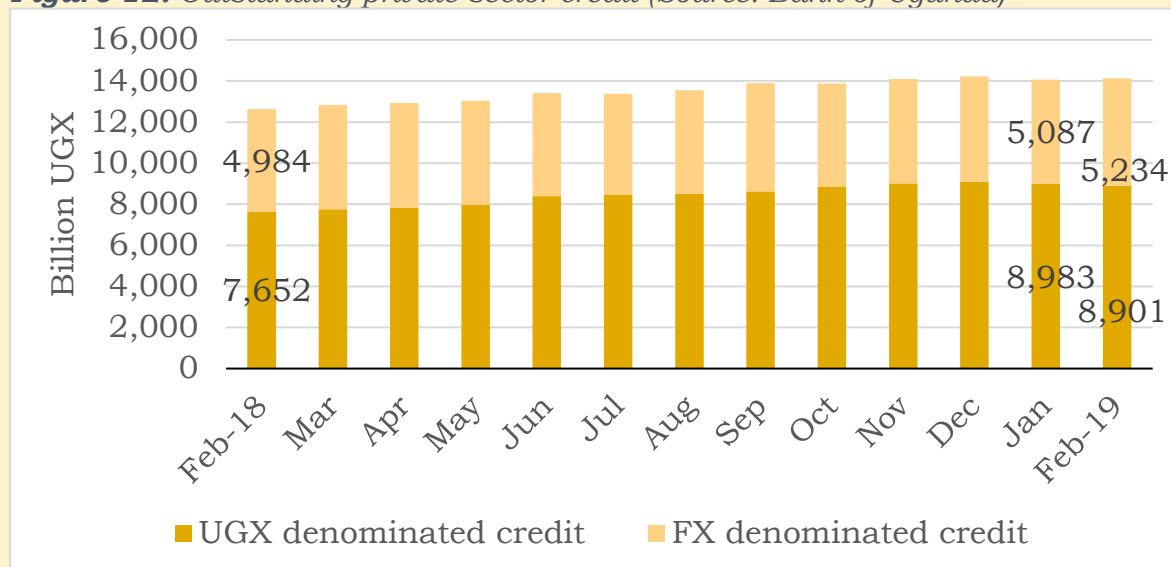
**Figure 11:** Breakdown of government securities (Source: MoFPED)



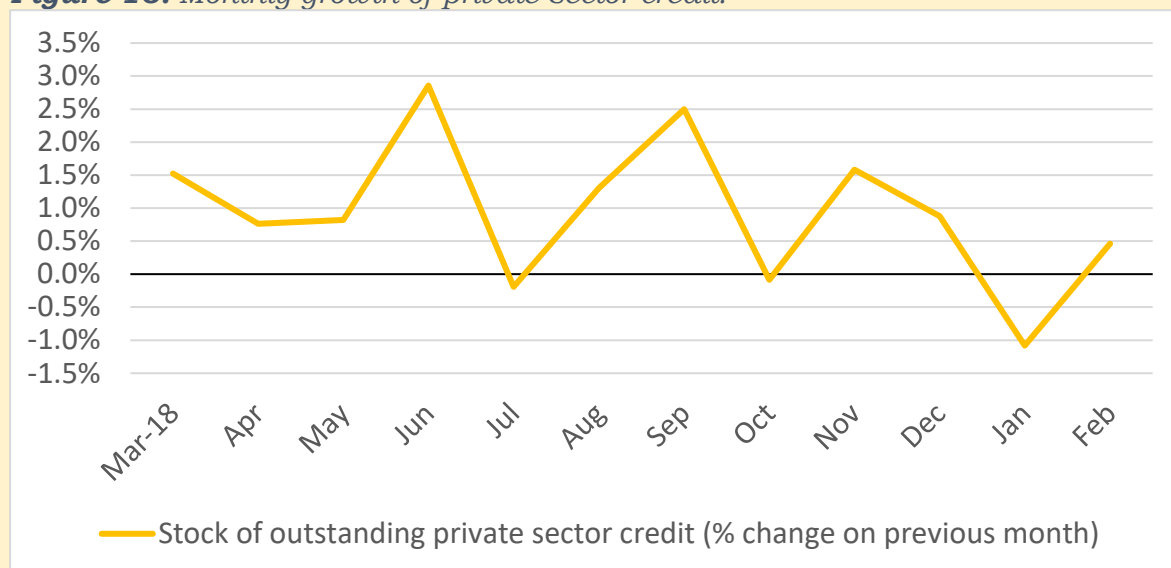
During the month, **Shs 623.09 billion (at cost)** was raised in the primary market. Of the amount raised, Shs 365.71 billion was from T-Bills and Shs 257.38 billion was from T-bonds. Securities worth Shs 304.77 billion were issued for the refinancing of maturing debt whilst Shs 318.32 billion went towards financing other activities in the Government budget.

### Outstanding private sector credit<sup>3</sup>

**Figure 12:** Outstanding private sector credit (Source: Bank of Uganda)



**Figure 13:** Monthly growth of private sector credit.



**The stock of private sector credit registered a monthly growth of 0.5%** from Shs 14,070 Billion in January 2019 to Shs 14,135 Billion in February 2019. This performance implies a recovery in the stock of private sector credit which had declined by 1.1% during the previous month.

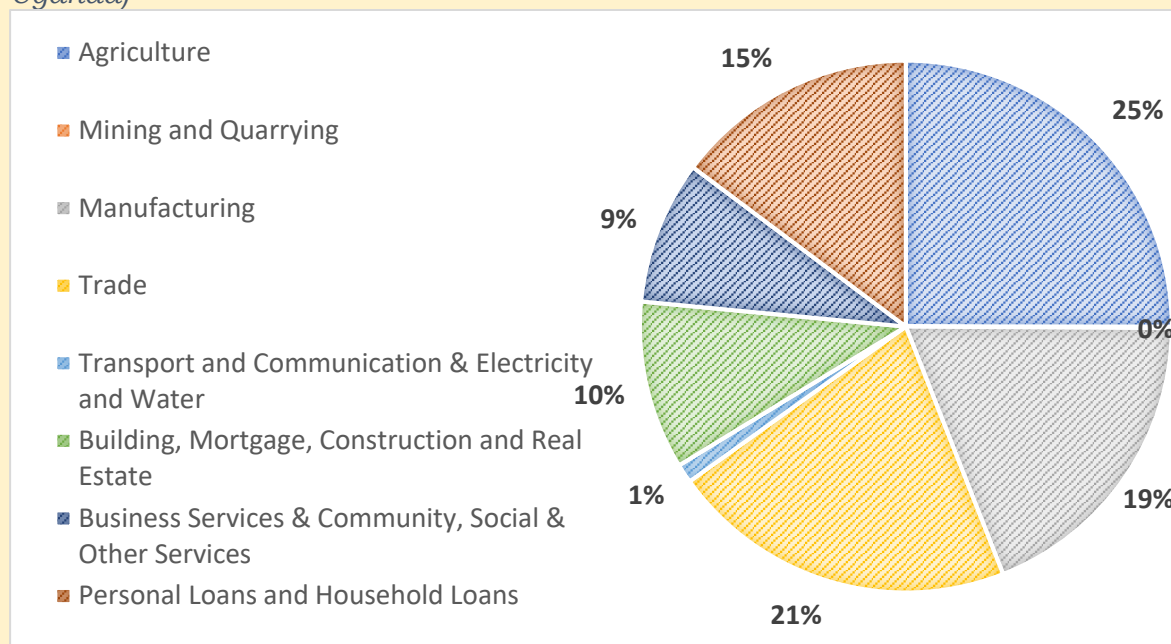
Comparing to the same period last year, the stock of private sector credit increased by 11.9% from Shs 12,636 billion in February 2018 to Shs 14,135 Billion as at end of February 2019. This was mainly due to the accommodative monetary policy stance adopted by the Central Bank that has led lending rates to remain stable around the 21.1% mark where they averaged in February of both 2018 and 2019.

<sup>3</sup> Data on private sector credit has a lag of one month.



## Credit extensions<sup>4</sup>

**Figure 14:** New credit extensions approved in February 2019 (Source: Bank of Uganda)



Just as in January 2019, **the Agricultural sector received the largest share of credit approved in February at 25.0%**, followed by the trade and the manufacturing sectors that accounted for 21.1% and 19.0% respectively.

All the other sectors accounted for a combined share of about 35% of the credit extended during the month.

<sup>4</sup> Data on private sector credit has a lag of one month.

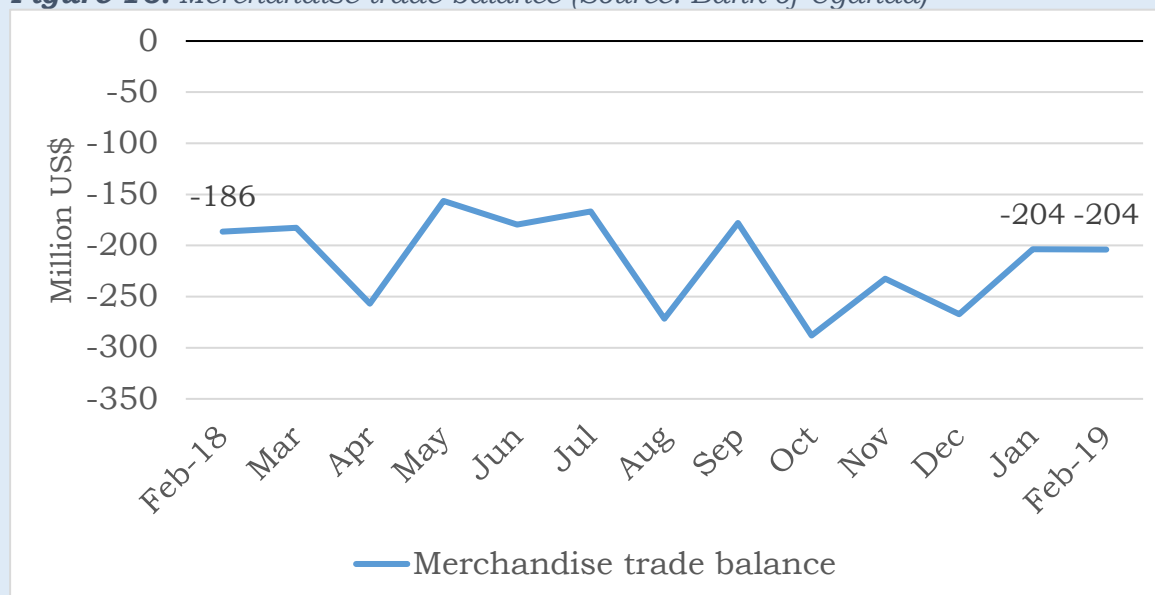
## EXTERNAL SECTOR DEVELOPMENTS

### Merchandise trade balance<sup>5</sup>

**Figure 15:** Merchandise exports and imports (Source: Bank of Uganda)



**Figure 16:** Merchandise trade balance (Source: Bank of Uganda)

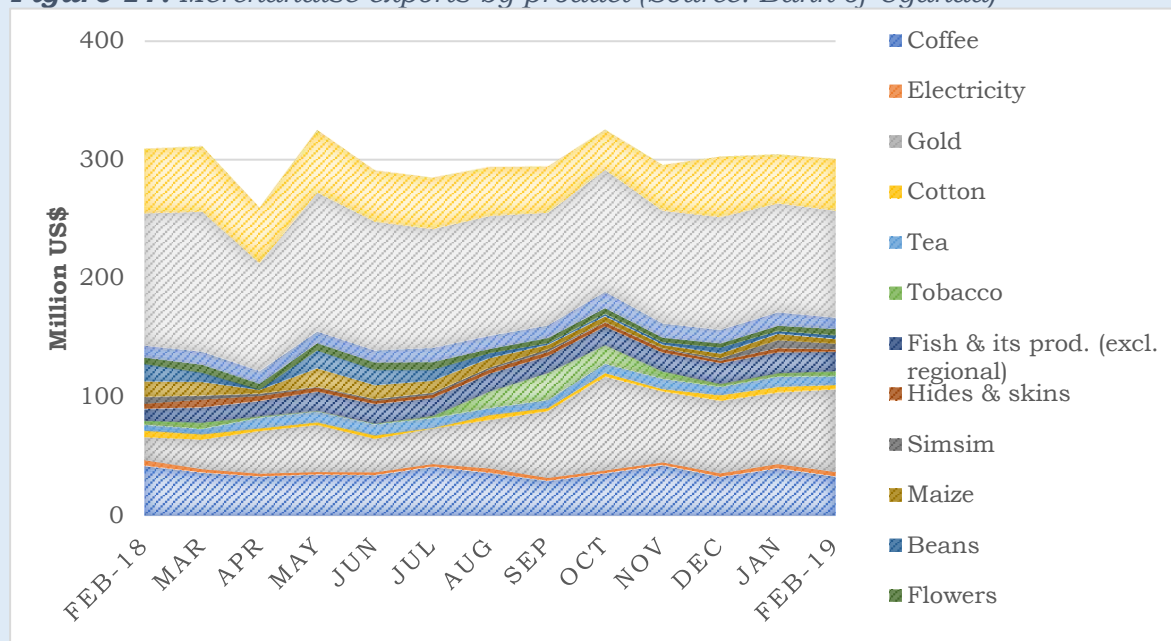


**Uganda's merchandise trade deficit remained largely unchanged in February 2019** in comparison with the preceding month. Merchandise trade deficit was USD 203.8 million in February 2019 compared to USD 203.6 million registered the previous month. Compared to February 2018, the merchandise trade deficit worsened by 9.3% from USD 186.5 million to USD 203.8 million in February 2019. This follows an increase in the import bill by 1.8% and a fall in exports by 2.7%.

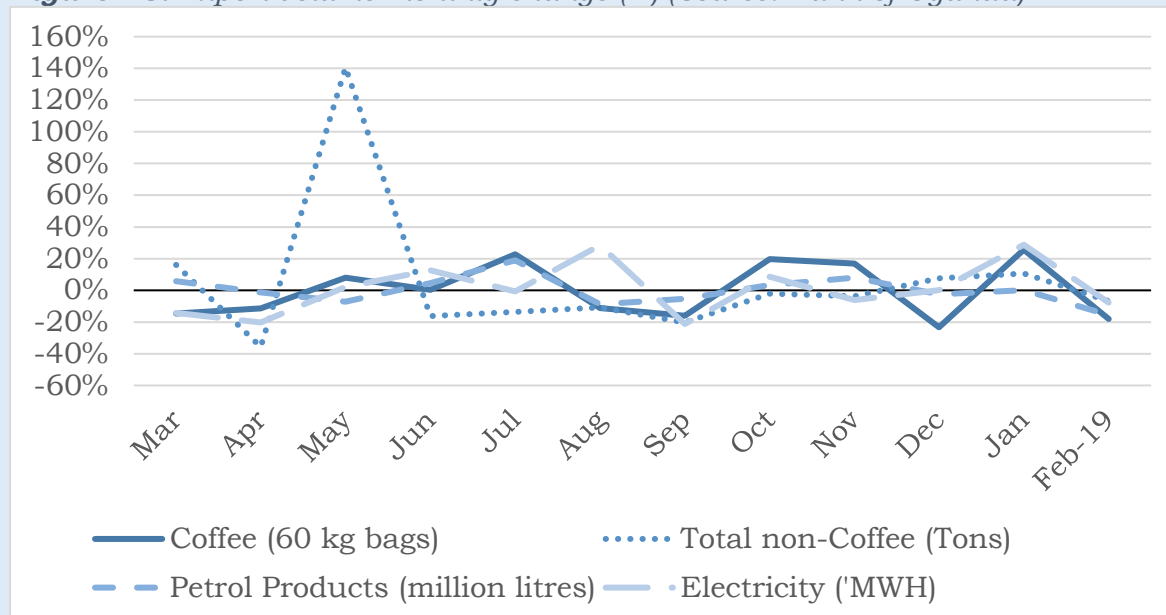
<sup>5</sup> Statistics on trade come with a lag of one month.

## Merchandise exports<sup>6</sup>

**Figure 17: Merchandise exports by product** (Source: Bank of Uganda)



**Figure 18: Export volume monthly change (%)** (Source: Bank of Uganda)



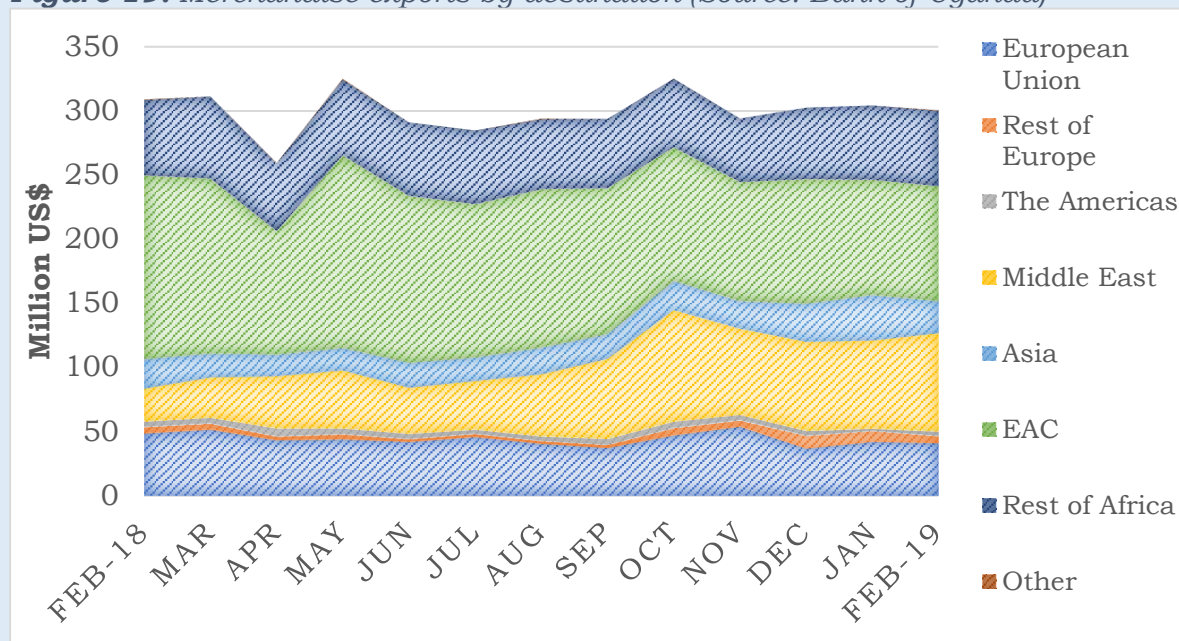
Merchandise exports fell by 1.3% to USD 300.41 million in February 2019 from USD 304.23 million in January 2019. Several exports registered decreased receipts following a decline in their respective volumes. Coffee receipts recorded the largest decline following a decline in both the quantity exported and value. Low global prices on account of higher supply from Brazil explains the fall in coffee receipts.

Compared to February 2018, export receipts declined by 2.7%.

<sup>6</sup> Statistics on trade come with a lag of one month.

## Destination of exports<sup>7</sup>

**Figure 19: Merchandise exports by destination (Source: Bank of Uganda)<sup>8</sup>**

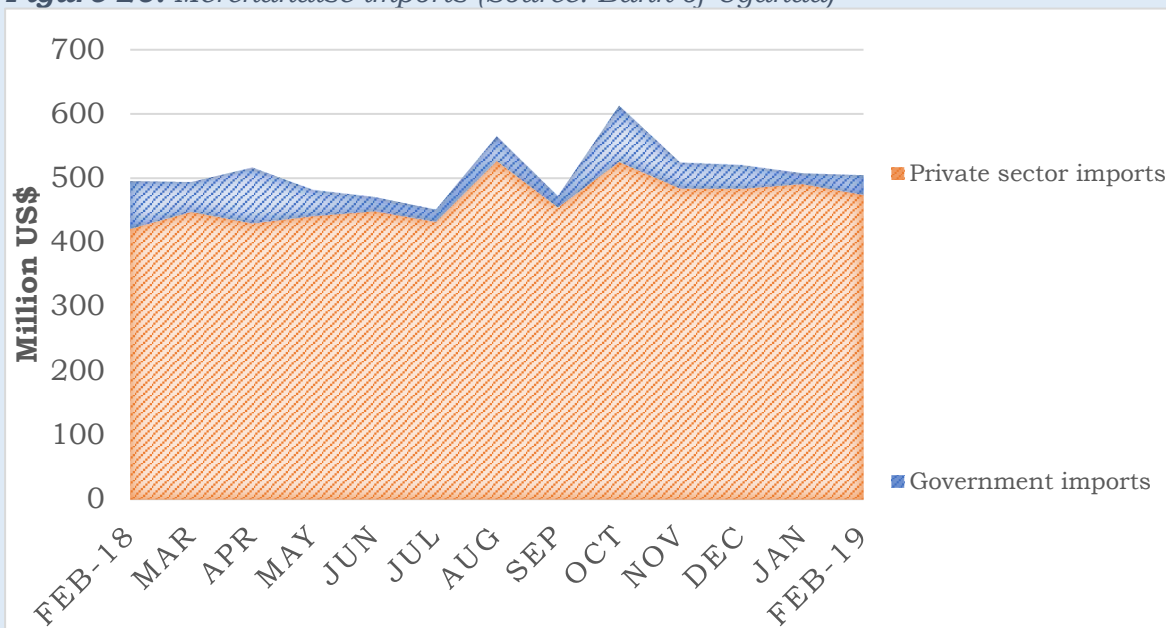


The East African Community<sup>9</sup> remained the top destination for Uganda's exports followed by the Middle East. Compared to January 2019, exports to all regions declined save for the Americas and the Middle East. Exports to the Middle East and the Americas increased by 11.8% and 87.6% respectively. This follows increased exports to the United Arab Emirates and the United States of America.

<sup>7</sup> Statistics on trade come with a lag of one month.

<sup>8</sup> Others include: Australia and Iceland

<sup>9</sup> East African Community Partner States include Kenya, South Sudan, Tanzania, Burundi, Rwanda

**Merchandise imports<sup>10</sup>****Figure 20: Merchandise imports** (Source: Bank of Uganda)

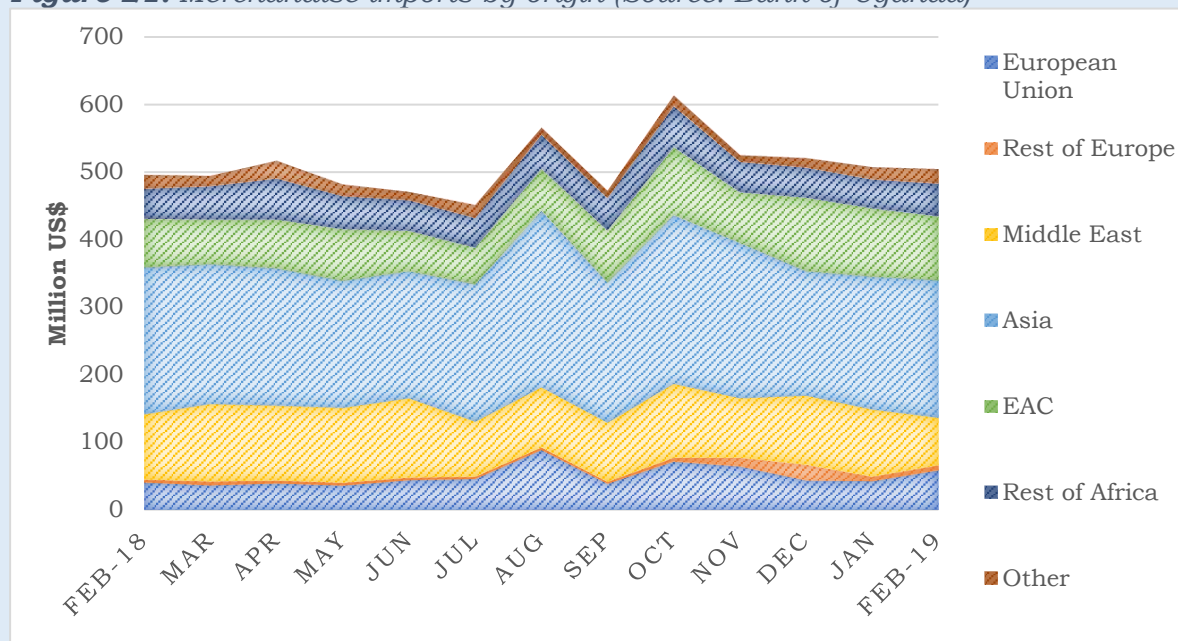
**Merchandise worth US\$ 504.24 million was imported in February 2019**, down from US\$ 507.85 million registered in the previous month. This resulted in a slight decline of 0.7%, primarily due to a decline in private sector imports (down by 3.5%). Lower import volumes during the month contributed to the decline in the value of merchandise imports.

On the contrary, merchandise imports registered a 1.8% value increment compared to February 2018. The increment was mainly driven by non-oil private sector imports that posted a higher value boosted by a 24.6% increase in volumes imported.

<sup>10</sup> Statistics on trade come with a lag of one month.

## Origin of imports<sup>11</sup>

**Figure 21:** Merchandise imports by origin (Source: Bank of Uganda)

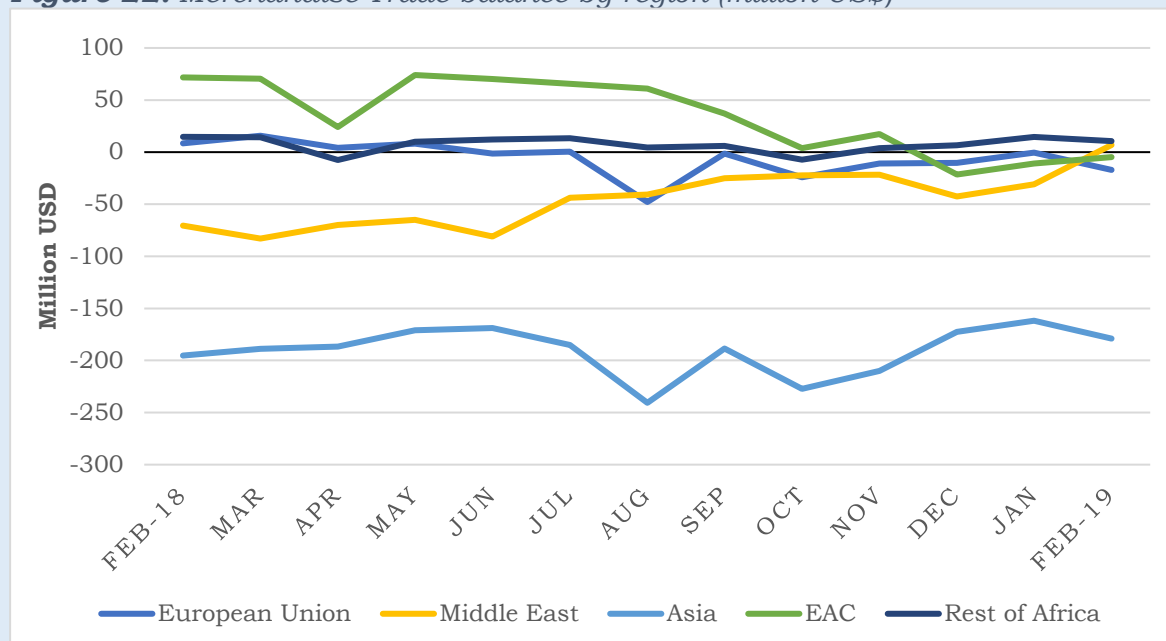


Asia, whose contribution amounted to 40.4%, was the largest source of imports in February 2019. EAC and Middle East were the second and third largest sources of imports, contributing 18.7% and 13.9% respectively. Kenya and Tanzania contributed 98% of the total imports from EAC.

<sup>11</sup> Statistics on trade come with a lag of one month.

## Merchandise trade balance by region<sup>12</sup>

**Figure 22:** Merchandise Trade balance by region (million US\$)



Uganda's trade balance with most regions deteriorated except for the Middle East and the EAC regions. Uganda traded at a surplus (of US\$ 6.9 million) with the Middle East for the first time in over a year owing to reduced imports coupled with increased exports to this region. The trade deficit between Uganda and the EAC region also declined to US\$ 4.9 million in February from the US\$ 11.0 million recorded in the previous month.

The country's trade balance with the Rest of Africa posted a surplus of US\$ 10.6 million in February 2019 which is a decline compared to US\$ 14.6 million recorded for the previous month.

Uganda's biggest trade deficit remains with Asia. The trade deficit with Asia deteriorated from US\$ 161.9 million in January 2019 to US\$ 179.0 million in February 2019. This was mainly due to increased imports from that bloc.

<sup>12</sup> Statistics on trade come with a lag of one month.

## FISCAL SECTOR DEVELOPMENTS

### Fiscal overview<sup>13</sup>

**Table 2:** Summary table of fiscal operations March 2019 (Source: MoFPED)

(Billion Shs)	Program a	Outturn b	Performance (b/a)	Deviation (b-a)
<b>Revenues and grants</b>	<b>1,381.1</b>	<b>1,339.8</b>	<b>97.0%</b>	<b>-41.3</b>
Revenues	1,351.6	1,331.9	98.5%	-19.7
Tax	1,309.4	1,293.2	98.8%	-16.2
Non-tax	42.2	38.7	91.7%	-3.51
Grants	29.5	7.8	26.6%	-21.6
Budget support	2.8	0.0	0.0%	-2.8
o/w HIPC debt relief	0.0	0.0	-	0.0
Project support	26.7	7.8	29.4%	-18.8
<b>Expenditures and lending</b>	<b>1,316.8</b>	<b>1,404.8</b>	<b>106.7%</b>	<b>88.1</b>
Current expenditures	856.2	965.7	112.8%	109.4
Wages and salaries	338.4	356.1	105.2%	17.7
Interest payments	305.3	252.8	82.8%	-52.5
o/w domestic	269.7	220.5	81.8%	-49.1
o/w external	35.6	32.3	90.5%	-3.4
Other recurrent expenditure	212.5	356.8	167.9%	144.3
Development expenditures	458.0	426.3	93.1%	-31.7
Domestic	199.4	341.6	171.3%	142.2
External	258.6	84.7	32.8%	-173.9
Net lending/repayments	2.5	2.6	103.3%	0.1
HPP GoU	1.1	2.6	230.2%	1.5
HPP Exim	1.4	0.0	0.0%	-1.4
Domestic arrears repayment	0.0	10.3	-	10.3
<b>Overall fiscal balance (incl. grants)</b>	<b>64.3</b>	<b>-65.1</b>		

<sup>13</sup> Fiscal data in this report is preliminary and can be subject to revision.



## Fiscal detail

**Revenues and grants** were lower than programmed by Shs 41.3 billion (3.0%). Both domestic revenues as well as grants from development partners contributed to this shortfall as both were below their respective targets for the month.

**Domestic revenue** collection amounted to Shs 1,331.9 billion during the month, which translated into a shortfall of Shs 19.7 billion (1.5%) against the target for the month. Of the total collections, Shs 1,293.2 billion was inform of taxes while Shs 38.7 billion was non-tax revenue.

**Tax revenue** was below its target for the month by 1.2%. This was mainly due to lower than anticipated taxes on international trade as VAT on imports fell short by Shs 10.3 billion and taxes from petroleum duty also failed to hit the target. This was largely driven by lower than projected import volumes in the month. Indirect domestic taxes also performed below projections for the month as both excises and VAT were below target.

**Non-tax revenue (NTR)** collections were also below target for the month by 8.3% as most of the agencies that collect these revenues performed below expectations. The biggest shortfall (over 74% of the shortfall) in the NTR was registered under the category that is not collected by the Uganda Revenue Authority (URA) which suggests capacity constraints of the collecting agencies.

The government had expected to receive **grants** worth Shs 2.8 billion inform of budget support and Shs 26.7 billion inform of project support. However, only Shs 7.8 billion was received to support development projects while nothing was disbursed for budget support. This is mainly due to MDAs meant to receive these grants having not fully met the conditions and processes required for disbursement.

**Total government spending** during the month was higher than what had been programmed to be spent in this month at budget time. Government spending amounted to Shs 1,404.8 billion against a program of Shs 1,316.8 billion.

This higher than programmed expenditure was mainly on **recurrent items** as MDAs finalised payments for the third quarter in March, some of which were pending from the previous two months of the quarter. Of the recurrent items, only interest payments were lower than program.

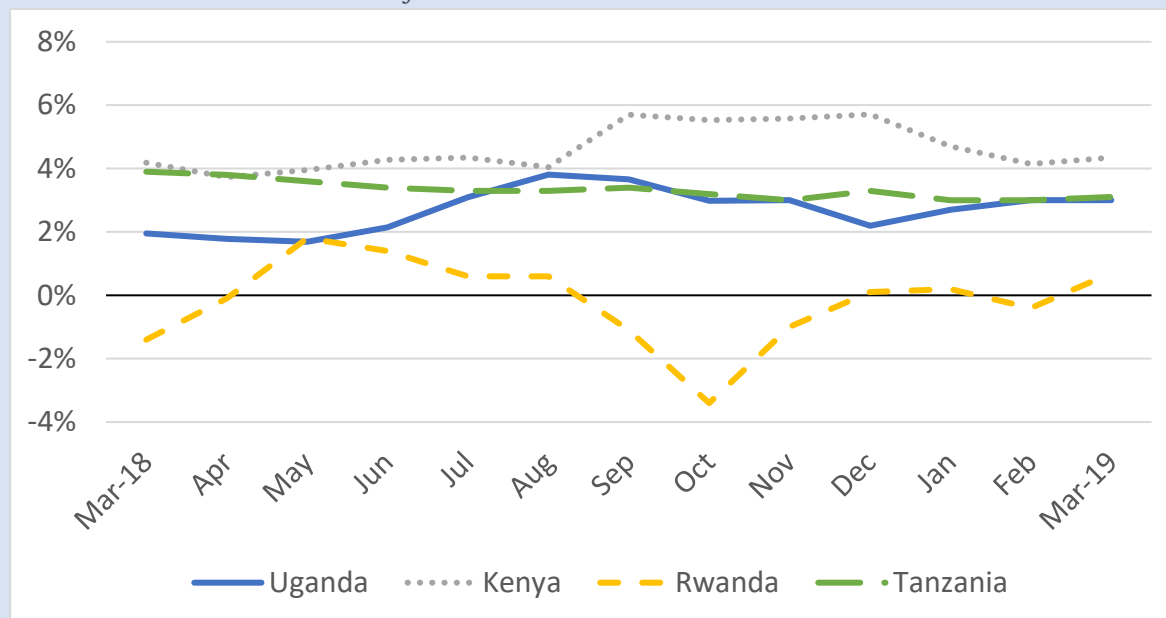
In keeping with Governments commitment to clear all arrears, Shs 10.3 billion was paid out to clear part of outstanding arrears although this had not been programmed for the month.

**Total development expenditure** was still lower than programmed for the month owing to lower disbursements by some development partners for projects that are externally financed. Projects financed by the Government of Uganda spent more than anticipated during the month.

## EAST AFRICA COMMUNITY DEVELOPMENTS

### EAC Inflation

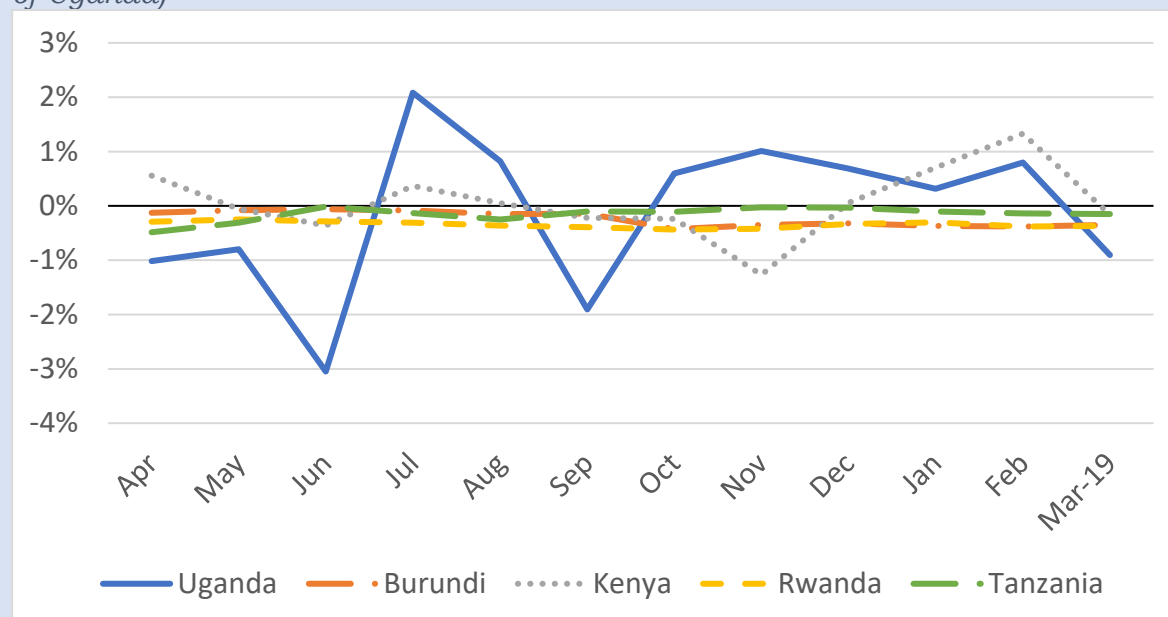
**Figure 23:** Headline inflation for EAC partner states (Source: Bank of Uganda, Kenya National Bureau of Statistics, National Institute of Statistics Rwanda, Tanzania National Bureau of Statistics)



Annual Headline Inflation remained fairly stable within the EAC region. Kenya's headline inflation went up to 4.4% in March from the 4.1% registered the month earlier. This was explained by increase in prices of food crops and related items emanating from reduced supply caused by the prevailing drought conditions in the country. Tanzania's headline inflation marginally increased to 3.1% in March from 3.0% registered for February. Rwanda registered a turnaround in their headline inflation from a deflation of 0.4% in February to an inflation of 0.7% in March 2019.

## EAC exchange rates

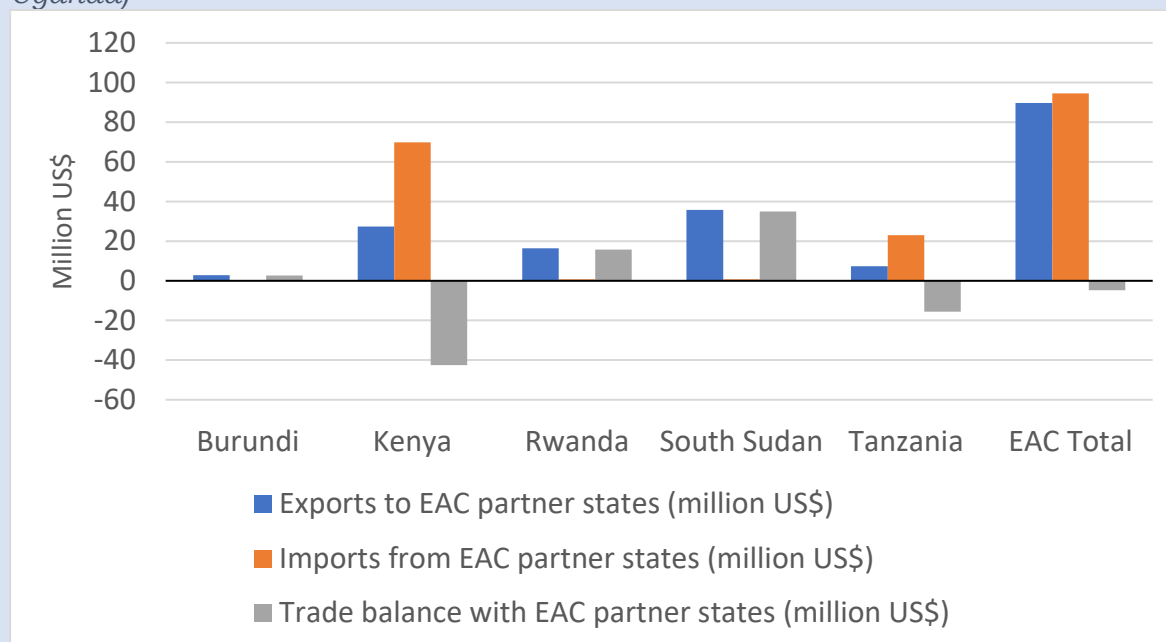
**Figure 24:** Monthly EAC currency gains/losses against the US\$ [%] (Source: Bank of Uganda)



The local currencies in Burundi, Tanzania and Rwanda remained relatively stable against the US Dollar. All currencies recorded depreciations of less than one percentage point in March 2019.

### Merchandise trade balance with the EAC<sup>14</sup>

**Figure 25:** Merchandise trade balance with EAC Partner States (Source: Bank of Uganda)



Just as in January 2019, both Exports to and Imports from the EAC dropped in February 2019. Exports declined by 2.7% while imports declined by 6.2% when compared to the previous month.

The **trade deficit with the EAC narrowed further to US\$ 4.8 million** in February 2019. The narrowing of the deficit was mainly due to a lower deficit with Tanzania resulting from a significant drop in imports from Tanzania during the month, coupled with a higher trade surplus with South Sudan where Uganda's exports increased during the month.

Within the EAC block, Kenya remained Uganda's main trading partner, but followed by South Sudan in February 2019. Uganda recorded a trade deficit with Kenya and Tanzania and a trade surplus with the rest of the EAC partner states.

<sup>14</sup> Data comes with a lag of one month

## Annex 1: Selected Economic Indicators Real, Financial and External Sectors

<b>Real Sector</b>	<b>Mar-18</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar-19</b>	<b>Source</b>
Headline Inflation	2.0%	1.8%	1.7%	2.1%	3.1%	3.8%	3.7%	3.0%	3.0%	2.2%	2.7%	3.0%	3.0%	UBOS
Core Inflation	1.7%	1.6%	1.1%	0.8%	2.5%	3.5%	3.9%	3.5%	3.4%	2.8%	3.4%	3.7%	4.6%	UBOS
Food Crops	-1.7%	-2.1%	-0.2%	2.3%	-2.0%	-1.2%	-2.2%	-3.4%	-3.3%	-5.0%	-5.2%	-4.4%	-9.9%	UBOS
EFU (Energy, Fuel and Utilities)	10.3%	10.4%	10.3%	15.1%	16.0%	14.1%	10.1%	6.9%	7.7%	6.9%	7.2%	5.9%	5.3%	UBOS
Business Tendency Indicator	56.52	56.23	56.01	55.98	56.17	56.60	57.25	57.98	58.72	59.18	59.53	59.74	59.84	BoU
CIEA (Composite Index of Economic Activity)	212.16	213.39	214.79	216.55	218.78	221.44	224.19	226.63	228.43	229.51	229.79	229.8		BoU
<b>Financial Sector</b>	<b>Mar-18</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb-19</b>	<b>Mar-19</b>	<b>Source</b>
Shs/US\$ (Average)	3,660	3,697	3,727	3,840	3,760	3,730	3,801	3,778	3,740	3,714	3,702	3,673	3,706	BoU
Central Bank Interest Rate	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	BoU
Lending rate for Shillings	20.1%	20.0%	20.2%	17.7%	19.2%	19.0%	19.6%	20.4%	20.5%	20.1%	21.4%	21.1		BoU
Treasury bill yields 91-day	8.7%	8.7%	8.8%	9.8%	10.5%	10.6%	10.0%	11.5%	11.1%	10.8%	10.9%	9.8%	10.0%	BoU
Treasury bill yields 364-day	9.6%	9.7%	10.1%	12.6%	14.5%	14.1%	12.3%	13.7%	13.1%	13.0%	13.1%	11.5%	12.5%	BoU
Average Bid-to-Cover Ratio	0.0	1.6	1.5	1.4	1.2	2.5	2.3	1.8	2.8	1.5	2.4	2.4	1.8	MoFPED
Total Government Securities	660	536	543	579	385	650	498	554	852	477	1,148	654	623	MoFPED
<b>External Sector<sup>15</sup></b>	<b>Mar-18</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb-19</b>	<b>Mar-19</b>	<b>Source</b>
Merchandise exports (million US\$)	311	260	325	291	285	294	294	325	294	289	300	300		BoU
Merchandise imports (million US\$)	494	516	481	470	451	565	472	613	524	520	507	504		BoU
Merchandise trade balance (million US\$)	-183	-257	-156	-179	-167	-271	-178	-288	-230	-232	-208	-204		BoU

<sup>15</sup> Trade data comes with a lag of one month.

## Annex 2: Fiscal History (Overall Fiscal Operations in billions of Shs)

	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19
Revenues and Grants	1,297.0	1,231.4	1,095.8	1,227.0	1,836.8	1,175.1	1,330.7	1,308.5	1,400.9	1,520.7	1,798.4	1,423.9	1,386.8
Revenues	1,161.4	1,199.4	1,078.8	1,205.6	1,772.8	1,163.5	1,295.1	1,255.3	1,377.7	1,344.0	1,779.4	1,408.6	1,295.7
Tax	1,125.2	1,163.4	1,046.9	1,167.6	1,728.7	1,124.5	1,260.5	1,222.2	1,311.4	1,264.6	1,742.7	1,367.3	1,257.5
NTR	36.2	36.0	31.9	38.0	44.1	39.0	34.6	33.0	66.3	79.4	36.7	41.3	38.2
Grants	135.7	32.0	17.0	21.4	63.9	11.6	35.6	53.2	23.2	176.7	19.0	15.3	91.1
Budget Support	33.0	8.6	5.4	11.3	9.1	2.2	16.4	13.9	11.7	11.4	8.8	2.0	33.3
Project Support	102.7	23.4	11.5	10.1	54.8	9.4	19.2	39.3	11.6	165.3	10.2	13.3	57.8
Expenditure and Lending	1,682.6	1,363.5	1,809.0	1,782.9	1,885.0	2,192.4	1,538.3	1,346.9	2,709.0	1,924.3	1,585.3	2,028.8	1,482.4
Current Expenditures	902.1	787.1	796.7	991.6	1,083.9	1,099.5	1,022.2	897.5	1,230.2	950.5	755.5	1,290.6	922.1
Wages and Salaries	292.8	281.1	279.3	273.7	277.8	336.1	339.5	336.2	351.7	340.2	349.2	355.0	353.9
Interest Payments	178.9	284.0	98.3	219.1	105.7	215.1	172.9	272.6	88.0	231.3	146.8	238.3	159.9
Domestic	152.3	259.0	68.7	207.8	88.9	162.3	145.9	225.4	70.3	212.4	119.9	173.6	125.4
External	26.6	24.9	29.7	11.3	16.8	52.7	27.0	47.2	17.7	19.0	26.9	64.8	34.4
Other Recurr. Expenditures	430.5	222.1	419.0	498.8	700.4	548.4	509.9	288.7	790.5	379.0	259.6	697.2	408.4
Development Expenditures	747.4	479.0	856.8	711.1	791.7	998.7	485.3	409.1	952.2	867.8	694.1	668.0	502.7
Domestic Development	273.03	167.5	567.8	603.4	581.8	545.1	550.4	223.7	789.4	452.0	178.9	510.2	295.1
External Development	474.4	311.5	289.0	107.7	209.8	453.6	(65.1)	185.5	162.8	415.8	515.1	157.8	207.6
Net Lending/Repayments	5.6	94.4	154.1	43.8	3.5	8.8	2.7	0.4	460.2	81.9	103.6	43.1	5.8
Domestic Arrears Repaym.	27.5	3.0	1.5	36.4	5.9	85.4	28.0	39.9	66.4	24.1	32.2	27.1	51.8
Domestic Balance	(20.3)	172.3	(411.5)	(458.2)	114.5	(522.6)	(281.3)	141.0	(1,150.8)	(145.6)	736.1	(397.6)	55.3
Primary Balance	(206.7)	151.9	(614.9)	(336.7)	57.5	(802.2)	(34.8)	234.2	(1,220.1)	(172.3)	359.8	(366.6)	64.3
Overall Fiscal Bal. (excl. Grants)	(521.3)	(164.1)	(730.2)	(577.3)	(112.1)	(1,028.9)	(243.2)	(91.7)	(1,331.3)	(580.3)	194.0	(620.2)	(186.7)
Overall Fiscal Bal. (incl. Grants)	(385.6)	(132.1)	(713.3)	(555.8)	(48.2)	(1,017.3)	(207.6)	(38.4)	(1,308.1)	(403.7)	213.0	(604.9)	(95.6)
Financing:	385.6	132.1	713.3	555.8	48.2	1,017.3	207.6	38.4	1,308.1	403.7	(213.0)	604.9	95.6
External Financing (Net)	409.9	238.2	213.3	307.1	84.1	379.2	263.4	62.0	464.8	229.1	430.6	130.5	145.6
Disbursements	462.0	296.9	355.8	344.0	165.4	390.3	281.8	117.7	594.2	255.2	492.8	211.7	190.1
Project Loans	462.0	296.9	355.8	344.0	165.4	390.3	281.8	117.7	594.2	255.2	492.8	211.7	190.1
Armotization	(52.1)	(59.3)	(142.1)	(36.9)	(81.4)	(10.9)	(18.4)	(55.6)	(132.7)	(26.0)	(62.1)	(80.9)	(44.5)
Domestic Financing (Net)	142.7	(80.1)	145.2	462.3	444.2	(185.8)	386.2	22.1	291.1	805.9	(468.1)	440.8	52.0
Bank Financing (Net)	43.2	(347.2)	28.6	322.3	175.3	(389.4)	219.2	(96.9)	155.9	832.4	(575.5)	297.2	127.6
Non-bank Financing (Net)	99.5	267.1	116.6	139.9	268.9	203.6	167.0	119.0	135.2	(26.6)	107.4	143.7	(75.6)
Errors and Omissions	(167.0)	(26.1)	354.8	(213.5)	(480.1)	823.9	(441.9)	(45.7)	552.2	(631.3)	(175.5)	33.5	(102.0)

Source: Ministry of Finance, Planning and Economic Development