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PRESS RELEASE ON FOURTH QUARTER EXPENDITURE RELEASES FOR FY 2024/25

1. I wish to welcome the media and other stakeholders to this press briefing whose objective is to:
   i. Brief the country on the State of the Economy;
   ii. Communicate to the country the release of funds to Government Institutions for the Fourth Quarter (Q4) of FY 2024/25; and,
   iii. Provide guidance to Accounting Officers on execution of the Budget.

2. Let me start by summarising the State of Economy.

A. STATE OF THE ECONOMY

Economic Growth

3. GDP grew by 6.7% in the first quarter and 5.3% in the second quarter of the current FY 2024/25, compared to growth rates of 5.6% and 5.8% respectively over the same period in FY 2023/24. The economy is on track to achieve a projected growth of 6.4% this financial year.

4. This growth is mainly being driven by increased manufacturing activity (industry), food crop production (agriculture), as well as wholesale trade and transport activities (services).

5. High-frequency indicators of economic activity have continued to show improvements in the third quarter of the financial year. The Purchasing Managers' Index (PMI), which measures the health of the manufacturing and services sectors by tracking key areas like

employment, output, prices and new orders, stood at 52.6 above the benchmark of 50, which indicates economic expansion. The Composite Index of Economic Activity (CIEA), which monitors economic trends, was 170.4. The Business Tendency Index (BTI), which measures the level of optimism by industry players on the current and expected outlook for production, employment, new orders and access to credit, was recorded at 59.39 in February 2025, above the benchmark of 50, indicating an improved outlook.

Inflation and Exchange rate

6. Headline inflation decreased to 3.4% in March 2025, from 3.7% in February 2025. This was largely due to a reduction in core inflation, particularly in the cost of services such as passenger transport and hotel lodging. In addition, the decline in inflation was driven by lower prices of food crops, particularly onions, matooke, fresh cassava, and mangoes. Inflation is expected to remain within the policy target of 5% for the remainder of the financial year, supported by prudent monetary and fiscal policies.

7. Since the start of the financial year, the Ugandan shilling has maintained relative stability against the US Dollar (USD). In March 2025, the shilling appreciated by 0.3%, trading at an average midrate of UGX 3,667.9 per USD, compared to UGX 3,677.7 per USD in February 2025. This was partly due to increased dollar inflows, particularly from; offshore portfolio investors, good export performance; remittances; and, Foreign Direct Investment (FDI) especially in the oil sector.

8. In 2024, the Uganda shilling gained 6.1%, making it Africa's best performing currency. In the last 10 years, the shilling has depreciated by only 32.9% compared to the Kenyan shilling that depreciated by 42%. Other peers like Ethiopia, Egypt, Angola and Namibia had their currencies depreciate by more than 500%.

External Sector

9. Uganda's total export earnings in Q2 FY 2024/25 amounted to USD 2.17 billion, reflecting 12.1% growth compared to USD 1.93 billion in Q2 FY 2023/24. This growth was mainly due to an increase in coffee export prices. Additionally, exports of mineral products, fish, simsim, and electricity contributed to the improved earnings.

10. Similarly, Uganda's import bill grew to USD 3.43 billion in Q2 FY 2024/25, compared to USD 2.68 billion in Q2 FY 2023/24. This increase was attributed to higher value and volume of non-oil imports.

Foreign Direct Investment and Remittances

11. Remittances in Q2 FY 2024/25 amounted to USD 355.60 million, up from USD 351.69 million in the same quarter of the previous year, representing 1.1% growth.

12. Foreign Direct Investment (FDI) grew by 20.6% in Q2 FY 2024/25 compared to the same period in FY 2023/24. Total FDI reached USD 902.59 million, up from USD 748.28 million, mainly driven by investments in the oil and gas sector.

Domestic Revenue Mobilisation

13. By the end of March 2025, Government had collected domestic revenues amounting to **Shs 22.379 trillion** against a target of **Shs 22.516 trillion**, implying a cumulative shortfall of **Shs 136.64 billion**. During the final quarter of the financial year, Uganda Revenue Authority (URA) and other revenue collecting institutions are expected to collect a total of **Shs 9.37 trillion**.

Economic Outlook

14. Based on first-half performance, the economy is projected to grow by 6.4% by the end of the financial year. Inflation is expected to average 3.5%, while the foreign exchange rate is projected to remain stable, supported by continued inflows of FDI into the oil and gas sector, offshore investments, and export receipts. On the fiscal front, domestic revenue performance is expected to reach 100% of target.

B. HIGHLIGHTS OF EXPENDITURE RELEASES FOR THE FOURTH QUARTER OF FY 2024/25

15. The Q4 Expenditure Limits for FY 2024/25 were derived from the quarterly Work Plans and Procurement Plans of Ministries, Departments, Agencies and Local Governments while taking into consideration the projected resource inflows.

16. For this Quarter (April – June 2025), **Shs 19.79 trillion,** has been released representing 25.64% of the revised budget. This is broken down as follows:

    i. **Shs 8.903 trillion** for wage, non-wage recurrent and development projects;
    ii. **Shs 2.677 trillion** – external financing;
    iii. **Shs 8.126 trillion** to cater for debt and treasury operations; and,
    iv. **Shs 83.85 billion** for local revenue.

17. The cumulative release in FY 2024/25 amounts to **Shs 76.422 trillion** against the revised budget of **Shs 77.196 trillion**, indicating a 99% performance as shown in Table 1:

Table 1: Expenditure releases for FY 2024/25 (Shs billion)

Category	Approved Budget	Supplementary	Reallocations	Revised Budget	Q1-Q3	Q4 release	Total release	% of Revised Budget
Wage	7,934.75	239.97	- 36.25	8,138.69	6,113.97	1,993.20	8,107.17	99.61%
Non-Wage	13,633.24	3,235.53	- 512.05	16,356.87	11,801.82	4,415.78	16,217.60	99.15%
GoU Development	5,902.58	1,736.03	- 207.02	7,431.22	4,350.49	2,480.52	6,831.01	91.92%
Arrears	199.93	46.06	-	245.99	232.49	13.47	245.96	99.99%
ICJ award to DRC	247.00	-	-	247.00	247.00	-	247.00	100.00%
Sub-total GoU	**27,917.50**	**5,257.59**	**- 755.32**	**32,419.77**	**22,745.77**	**8,902.97**	**31,648.74**	**97.62%**
External Financing - Devt	9,582.94	839.77	- 734.27	9,688.45	7,008.45	2,677.14	9,685.59	99.97%
Debt & treasury operations	34,342.16	433.62	-	34,775.78	26,650.16	8,125.61	34,775.78	100.00%
Local Revenue	293.90	17.79	-	311.69	227.83	83.85	311.69	100.00%
Total	**72,136.50**	**6,548.77**	**-1,489.59**	**77,195.68**	**56,632.22**	**19,789.57**	**76,421.79**	**99.00%**

18. The key highlights of the Q4 release per category are as follows:

<u>Statutory obligations</u>

i. **Shs 1.993 trillion** to cater for wages and salaries across Government;
ii. **Shs 288.75 billion** for Pension and Gratuity;
iii. Parliament – **Shs 172.64 billion**;
iv. Electoral Commission – **Shs 94.22 billion**;
v. Judiciary – **Shs 58.23 billion**;
vi. Auditor General – **Shs 17.46 billion**;
vii. National Planning Authority – **Shs 11.17 billion**

<u>ATMS</u>

i. Agro-industrialization (A) – **Shs 524.68 billion** has been released towards agro-industrialization. Of this, **Shs 130.77 billion** is for the operations and research while **Shs 393.91 billion** is for development projects. The institutions include Ministry of Agriculture, Animal Industry and Fisheries, National Animal

Genetic Resource Centre and Data Bank (NAGRC&DB) and National Agricultural Research Organization (NARO).

ii. Tourism development (T) – **Shs 41.12 billion** has been released for Ministry of Tourism, Wildlife and Antiquities and Uganda Tourism Board. Of this, **Shs 22.78 billion** for non-wage recurrent activities and operations and **Shs 18.34 billion** is for the development projects i.e. development of Source of the Nile project, among others;

iii. Mineral-Based Industrial Development including oil and gas (M) – **Shs 224 billion** for Uganda National Oil Company (UNOC) of which, **Shs 166.5 billion** is to cater for East African Crude Oil Pipeline (EACOP) financing; and, **Shs 6.88 billion** under Petroleum Authority of Uganda for both Non-wage recurrent and development budget;

iv. Science, Technology and Innovation including ICT – **Shs 169.31 billion** for interventions under Science, Technology and innovation, Ministry of ICT and National Guidance and National Information Technologies Authority of Uganda (NITA-U). Of this, **Shs 41 billion** is for last mile connectivity under the Uganda Digital Acceleration Project (UDAP) and **Shs 119.14 billion** to support the science economy.

Enablers of the ATMS

<u>Security</u>

i. Ministry of Defense and Veteran Affairs – **Shs 1.05 trillion** has been released. Of this, **Shs 407.97 billion** is for the operations while **Shs 639.5 billion** is for the development projects;

ii. Uganda Police Force – **Shs 144.72 billion,** of which **Shs 61.27 billion** is to cater for contractual obligations for intelligence systems, construction of accommodation for Officers and acquisition of specialized machinery and equipment, among other development obligations;

iii. State House – **Shs 196.07 billion** of which, **Shs 190.64 billion** is to cater for the operational costs under the vote;

iv. Uganda Prisons Service – **Shs 49.99 billion,** of which **Shs 9.47 billion** is for cotton and furniture production, construction of prisoner and staff accommodation, completion of silo storage facilities in Ruimi and Lugore Prisons.

Infrastructure

i. Ministry of Works and Transport – **Shs 2.11 trillion** has been released. Of this, **Shs 1.901 trillion** to cater for debt for contractors for National Roads and the District, Urban and Community access road (DUCAR) network; preliminary works for the implementation of Standard Gauge Railway; Kalangala Infrastructure Services (KIS) ferry; among other projects;

ii. Ministry of Energy and Mineral Development – **Shs 515.92 billion**. For development purposes, **Shs 311.17 billion** is to cater for Rural electrification; transmission lines; construction of a dedicated power line in Ntungamo to provide power to Inspire Africa Coffee factory and H5 Tin factory; and, mineral development;

iii. Ministry of Kampala Capital City and Metropolitan Affairs – **Shs 111.4 billion** for the implementation of the Greater Kampala Urban Development Project and operations for the Ministry;

Human Capital Development

i. **Shs 290.28 billion** has been released for Ministry of Education and Sports. **Shs 155.81 billion** is to cater for the non-wage recurrent activities and **Shs 134.47 billion** for Uganda Secondary School Expansion Project (USEEP), rehabilitation of secondary schools and rehabilitation of health training institutions;

ii. **Shs 110.35 billion** has been released for all Public Universities, Uganda Management Institute and Law Development Centre in line with their requirements. Of this, **Shs 17.97 billion** is allocated to their capital development projects;

iii. **Shs 303.46 billion** for Ministry of Health. **Shs 272.71 billion** will support Global Alliance for Vaccines and Immunization (GAVI) in order to sustain the routine immunization program, construction and rehabilitation of selected health facilities and procurement of medical equipment for the selected health facilities and outstanding contractual obligations;

iv. **Shs 110.65 billion** has been released to National Medical Stores (NMS) for the purchase of essential drugs and medicines.

v. **Shs 93.8 billion** for Ministry of Gender, Labour and Social Development. Of this, **Shs 43.9 billion** is to cater for the operational budget as well as subventions under the Ministry including the Social Assistance Grants for Empowerment (SAGE) requirements.

vi. **Shs 57.65 billion** has been released under Uganda Cancer Institute and Uganda Heart Institute. Of this, **Shs 43.29 billion** for contractual obligations and **Shs 14.36 billion** for their operations;

vii. Regional Referral hospitals including Mulago and Butabika Hospitals have been allocated **Shs 36.89 billion,** of which **Shs 32 billion** is for the non-wage recurrent budget;

viii. Local Governments – **Shs 316.06 billion** has been released. All Budget balances for Development were released in Q3 and therefore no development funds have been released in this quarter.

Wealth Creation funds

i. **Shs 529 billion** for Parish Development Model (PDM);
ii. **Shs 115 billion** for Uganda Development Corporation;
iii. **Shs 18 billion** for Uganda Development Bank; and
iv. The funds for Emyooga were released in the first half of the financial year.

Revenue Generating Votes

i. **Shs 124.43 billion** under Uganda Revenue Authority to facilitate their operations and development projects;
ii. **Shs 5.03 billion** for Uganda Registration Services Bureau;
iii. **Shs 17.1 billion** has been allocated National Citizenship and Immigration Control,
iv. **Shs 1.79 billion** for Uganda National Bureau of Standards

CONCLUSION

19. As I conclude, I would like to emphasize the following:

i. The budget for this financial year is designed to support the implementation of the Ten-fold Growth Strategy. Emphasis is towards the ATMS and the corresponding accelerator actions (enablers). As government, our main objective is to promote technical efficiency by ensuring that all Ministries, Department, Agencies and Local Governments deliver better services to Ugandans at the lowest cost; as we put more emphasis on growth drivers and their enablers;

ii. All Accounting Officers are instructed to comply with the commitment to pay salaries, pensions and gratuity by the 28th day of every month as per the approved salary scales;

iii. In order to eliminate the accumulation of domestic arrears and penalties, Accounting Officers are directed to prioritize payment of service providers on time. Accounting Officers should stick to the requirement of not committing government without a sufficient budget;

iv. Parliament approved the full transfer of budget functions for the institutions affected by the Rationalization of Government Agencies and Public Expenditure (RAPEX) process and the funds have been released accordingly. Therefore, there should be no gap in service delivery.

20. Once again, I wish to thank the Press and Civil Society for supporting our budget transparency initiative. I urge you to make use of our website www.budget.finance.go.ug where we post more detailed information. You may also call our Budget Call Centre on **0800 229 229** for any information on the Budget.

Ramathan Ggoobi
PERMANENT SECRETARY/ SECRETARY TO TREASURY