



## **OPENING REMARKS**

**By**

**Rt. Hon. Dr. Ruhakana Rugunda**

**Prime Minister**

**At**

**The National Consultative Budget Conference for FY 2016/17**

**Serena International Conference Centre KAMPALA**

**11<sup>th</sup> November 2015**

Rt. Hon. Deputy Prime Ministers,  
Honourable Ministers,

Your Excellencies the Ambassadors and Representatives of the Diplomatic Community,  
Honourable Members of Parliament,  
Permanent Secretaries,  
Resident District Commissioners,  
Local Government Representatives,  
Distinguished Participants,  
Ladies and Gentlemen

1. I welcome you all to this year's National Budget Consultative Conference in preparation for the 2016/17 Financial Year Budget. Today marks the climax of a comprehensive review of the Government annual performance for the FY 2014/15 which we undertook over the last two days in order to understand the state of the Public Service delivery in the country.
2. Therefore, the main focus of today's meeting is to build on the issues discussed in the review to provide input into the proposed strategy for the FY 2016/17 budget. I want to welcome our Development Partners and the rest of the participants for joining us.
3. The budgeting process for FY 2016/17 comes at a time when the country is facing macroeconomic challenges that have largely arisen out of external shocks which have culminated into the recent depreciation pressures on the Shilling against the US Dollar and other international currencies. While Government has intervened by tightening its monetary and fiscal policies, the depreciation of the Uganda Shilling is mainly on account of the insufficient foreign exchange earnings, especially from our exports compared to the value and levels of our imports. Under these circumstances, the most sustainable solution is to increase our foreign exchange earnings by increasing our exports and

ensuring that we export processed goods as opposed to primary products.

4. In addition, we still face other challenges such as;
  - i) Inadequate infrastructure;
  - ii) Weak public service delivery;
  - iii) Low levels of human capital;
  - iv) Low productivity in agriculture; and
  - v) High levels of youth unemployment.
5. All these challenges have been well analysed in Vision 2040 and the Second National Development Plan. Our main focus therefore now is to agree a coordinated mechanism for implementation.
6. The budget for the FY 2016/17 will form the second year of implementation of the Second National Development Plan (NDP II). Accordingly, the Budget should facilitate faster implementation of the key strategic interventions as identified in the NDP II which will go a long way towards addressing the above challenges.
7. Over the last 29 years of the NRM leadership, Government has pursued policies which have resulted into improved quality of public service delivery. As a result of these policies and reforms, there has been increased growth and stability of the economy resulting into infrastructural development, increase in electricity distribution countrywide, better health and education services, and improved water and sanitation, among others.
8. Notwithstanding the progress made so far, as I have already indicated, several challenges still remain. These must be addressed by tackling the

most fundamental bottlenecks towards long-term sustainable economic development and overall transformation of the economy.

9. Therefore the budget for FY 2016/17 should strive to address the above constraints by focusing on the following:
  - i) Increased production, agro-processing and manufacturing to take advantage of the domestic and regional market export opportunities;
  - ii) Providing the necessary policy environment and infrastructure to facilitate private sector competitiveness;
  - iii) Improved transport and energy infrastructure; and
  - iv) Improved delivery of social services.
10. Ultimately, these measures will be achieved by translating the Government Budget Strategy into specific actions for implementation.
11. Finally, the FY 2016/17 budget process will be the first year of full implementation of the Public Finance Management (PFM) Act 2015. The budget process will be anchored on the budget process calendar and will take into account the ongoing electoral process. You are therefore requested to take note of the timelines set out in PFMA and ensure that the budget process for FY 2016/17 is completed within the limited time.
12. With these few remarks, I declare this conference officially open.

**For God and My Country**