



PERFORMANCE OF THE ECONOMY

AUGUST 2018

MACROECONOMIC POLICY DEPARTMENT
MINISTRY OF FINANCE PLANNING AND
ECONOMIC DEVELOPMENT

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TABLE OF CONTENTS

LIST OF TABLES	ii
LIST OF FIGURES	III
LIST OF ACRONYMS	IV
KEY HIGHLIGHTS	V
1.0 REAL SECTOR DEVELOPMENTS	1
1.1 Inflation	1
1.2 Economic Activity	2
2.0 FINANCIAL SECTOR DEVELOPMENTS	3
2.1 Exchange Rate Trends	3
2.2 Interest Rate Movements	4
2.3 Private Sector Credit	5
2.4 Government Securities	6
2.5 Yields on Treasury Bills	7
3.0 EXTERNAL SECTOR DEVELOPMENTS	7
3.1 Merchandise Trade Balance	7
3.2 Merchandise Exports	8
3.3 Merchandise Imports	9
4.0 FISCAL SECTOR DEVELOPMENTS	11
4.1 Revenues	11
4.2 Expenditure and Net Lending	12
5.0 DEVELOPMENTS WITHIN EAC REGION	13
5.1 Inflation Rates within the EAC	13
5.2 Exchange Rates within the EAC	13
5.3 Trade Balance with EAC	14
ANNEX 1: SELECTED MACROECONOMIC INDICATORS	16

LIST OF TABLES

Table 1: Summary Statistics on Annual Inflation (%)	1
Table 2: The Ugandan Shilling Against Major Foreign Currencies	4
Table 3: Credit Extension by Sector (Million UShs).....	5
Table 4: Government Securities FY 2018/19, Billion UShs	7
Table 5: Composition of Exports in USD Million.....	8
Table 6: Destination of Exports	9
Table 7: Composition of Imports in USD Million	10
Table 8: Government Fiscal Operations for August 2018, UShs billion.....	12
Table 9: EAC Headline Inflation (%).....	13
Table 10: EAC Exchange Rates against the US Dollar	14

LIST OF FIGURES

Figure 1: Annual Inflation (%), August 2017 – August 2018.....	2
Figure 2: Composite Index of Economic Activity (CIEA)	2
Figure 3: Business Tendency Index (BTI)	3
Figure 4: UShs/USD Exchange Rate Trends from August 2017 – August 2018	3
Figure 5: Commercial Lending Rate versus Central Bank Rate (RHS)	5
Figure 6: Share of Credit Extension by Sector.	6
Figure 7: Movement of Treasury Bill Yields	7
Figure 8: Origin of Imports.....	11
Figure 10: Trade Balance with EAC Partner States in USD million	14

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
FY	Financial Year
ICBT	Informal Cross Border Trade
KShs	Kenyan Shilling
MDAs	Ministries, Departments and Agencies
MOFPED	Ministry of Finance, Planning and Economic Development
N/A	Not Available (at the time of writing the report)
NGO	Non-Government Organisation
PAYE	Pay As You Earn
PSC	Private Sector Credit
R.Franc	Rwandese Franc
T-Bills	Treasury Bills
T-Bonds	Treasury Bonds
TShs	Tanzanian Shilling
UShs	Ugandan shilling
USD	United States Dollar
UBOS	Uganda Bureau of Statistics
VAT	Value Added Tax

KEY HIGHLIGHTS

Inflation: Annual Headline inflation increased from 3.1% in July 2018 to 3.8% in August 2018, driven by an increase in Core inflation which increased from 2.5% in July 2018 to 3.5% in August 2018.

Economic activity: The real sector leading indicators continued to depict a positive performance in economic activity. The CIEA¹ improved by 0.6% from 215.8 in June 2018 to 217.1 in July 2018, implying that there was a slight improvement in the level of economic activity.

Investors' sentiments about doing business in Uganda remained positive, with the Business Tendency Index² improving from 56.1 in July 2018 to 56.3 in August 2018. Agriculture, manufacturing and other services sectors registered improved investor sentiments during the month.

Exchange rate: The Ugandan Shilling appreciated against the US Dollar by 0.8%, from an average mid-rate of USShs 3,760.4 /USD in July 2018 to USShs 3729.5 /USD in August 2018. This appreciation is partly attributed to increased inflows from NGOs, offshore players and Coffee receipts which was more than the demand for the US Dollar from manufacturing, oil and telecom firms.

Lending Rates: Commercial Banks' Shilling denominated lending rates slightly edged upwards from a weighted average of 17.7% in June 2018 to 19.2% in July 2018. Foreign currency denominated lending rates however, declined from a weighted average of 8.4% to 7.6% over the same period.

Private Sector Credit: The total stock of outstanding private sector credit³ decreased by 0.2% from USShs 13,404.9 billion in June 2018 to USShs 13,379.0 billion in July 2018.

¹ 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

² The Business Tendency Index (BTI) measures the sentiments that investors have about current and future production levels, employment, prices and access to credit. An index less than 50 implies negative expectations (pessimism) while one above 50 implies positive expectations (optimism).

³ Data comes with lag of one month

Rates on Treasury Bills: The average weighted interest rates for August 2018 were 10.6%, 12%, 14.1% for the 91, 182 and 364 day tenors respectively compared to 10.5%, 12%, and 14.5% in July 2018.

Merchandise Trade Balance: Uganda's merchandise trade deficit narrowed by 7% (USD 13.1 million) from USD 188.4 million in June 2018 to USD 175.3 million in July 2018. This is mainly attributed to the reduction in the import bill that offset a smaller reduction in export receipts.

The import bill reduced by 4.1% from USD 486.4 million in June 2018 to USD 466.6 million in July 2018, while export earnings reduced by 2.3%, from USD 298.0 million registered in June 2018 to USD 291.3 million in July 2018.

Fiscal Operations: Government operations in the month of August 2018 resulted in a fiscal deficit of US\$ 647.3 billion which is lower than the programmed US\$ 1,763.4 billion. This was mainly due to lower than projected government spending during the month.

Domestic revenues amounted to US\$ 1,294.2 billion in August 2018 registering a surplus of US\$ 96.8 billion against the target for the month while total Government spending during August 2018 amounted to US\$ 2,002.0 billion against a program of US\$ 3,122.4 billion.

1.0 REAL SECTOR DEVELOPMENTS

1.1 Inflation

Annual Headline inflation increased from 3.1% in July 2018 to 3.8% in August 2018, its highest level since November 2017. This was mainly driven by an increase in Core inflation. In addition, there was a slower decline in Food crops and Related Items inflation compared to the previous month. Table 1 below provides a summary of annual inflation by category.

Table 1: Summary Statistics on Annual Inflation (%)

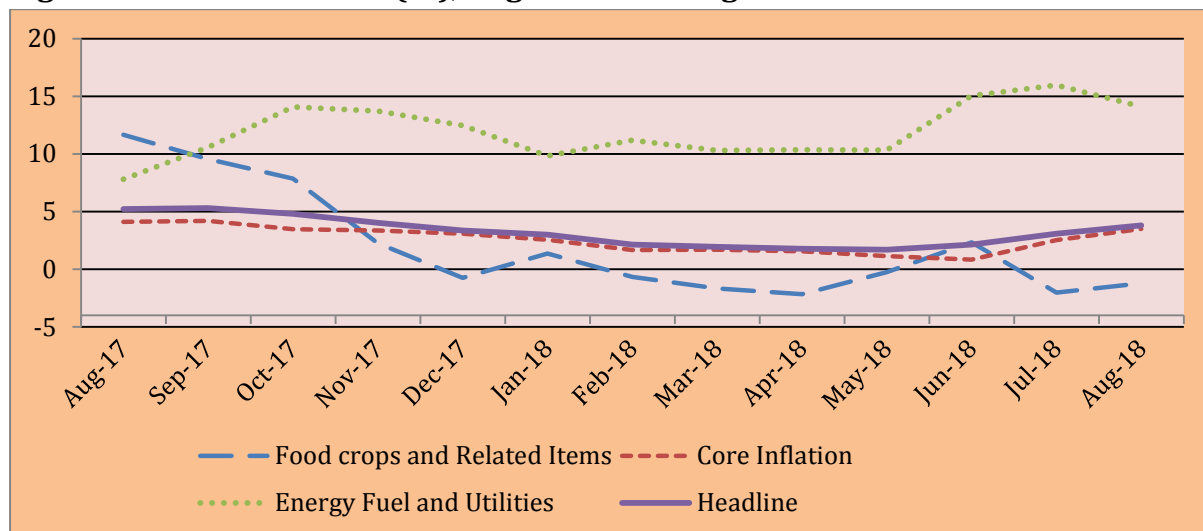
Inflation category	July 2018	August 2018
Headline	3.1	3.8
Core	2.5	3.5
EFU	16.0	14.1
Food Crops & Related Items	-2.0	-1.2

Source: Uganda Bureau of Statistics

Core inflation increased from 2.5% in July to 3.5% in August 2018, driven by a rise in both annual Services inflation (5.3% from 4.1%) and Other goods inflation (2.3% from 1.5%). The increase in Annual services inflation was majorly on account of a rise in prices for communication (which went up by 12.0% from 5.4%).

Though at a reduced pace, prices for Food Crops and Related Items continued to fall, majorly on account of a slower drop in prices for fruits and vegetables. The continued decline in prices for fruits and vegetables is as a result of increased supply on the market following the harvest season.

On the other hand, there was a decline in annual Energy, Fuel and Utilities (EFU) inflation, which fell from 16.0% in July to 14.1% in August 2018, driven by a slowdown in the increase of prices for solid fuels. Particularly, prices went up at a slower pace for charcoal and firewood. Figure 1 depicts recent trends in annual inflation.

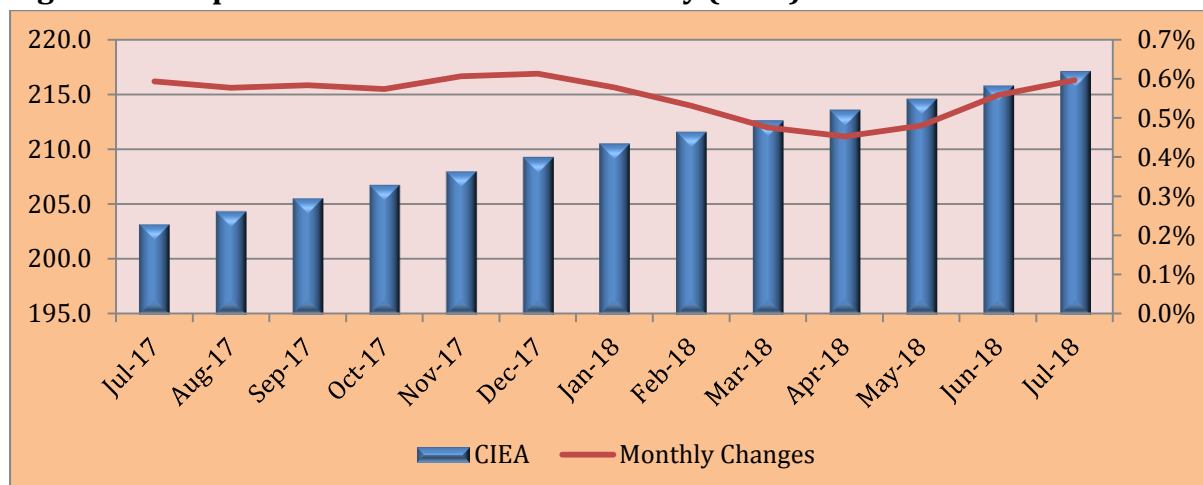
Figure 1: Annual Inflation (%), August 2017 – August 2018

Source: Uganda Bureau of Statistics

1.2 Economic Activity

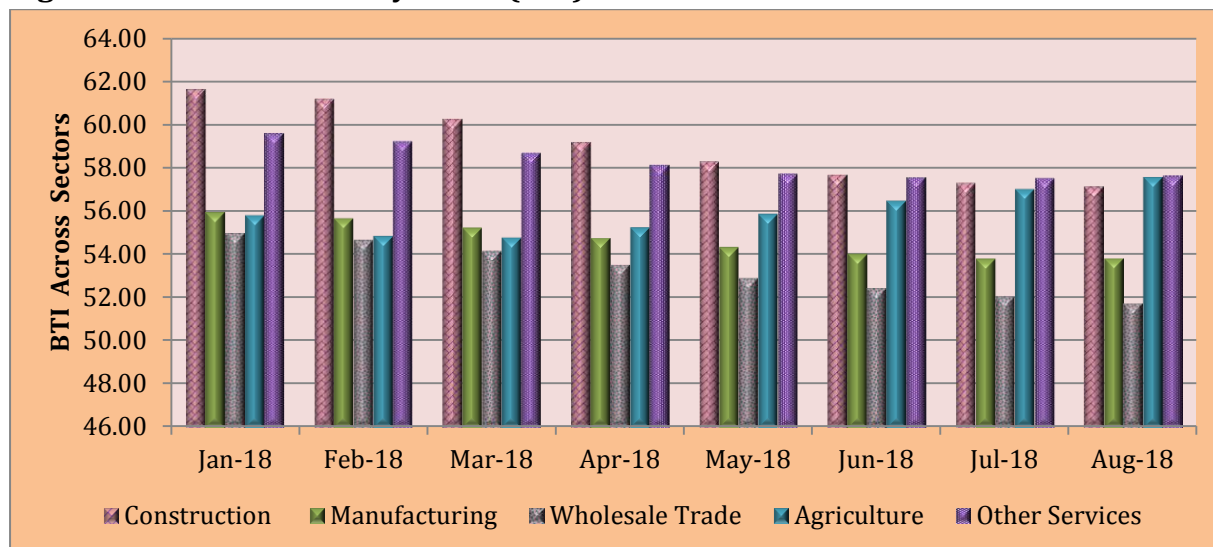
Composite Index of Economic Activity (CIEA) and Business Tendency Index (BTI)

Economic activity continued to improve, as illustrated by positive movements in the CIEA. The CIEA improved by 0.6% from 215.8 in June 2018 to 217.1 in July 2018 as illustrated in Figure 2. This implies that there was a slight improvement in the level of economic activity.

Figure 2: Composite Index of Economic Activity (CIEA)

Source: Bank of Uganda

Investors' sentiments about doing business in Uganda remained positive, with the Business Tendency Index improving from 56.1 in July 2018 to 56.3 in August 2018. Agriculture, manufacturing and other services sectors registered improved investor sentiments during the month.

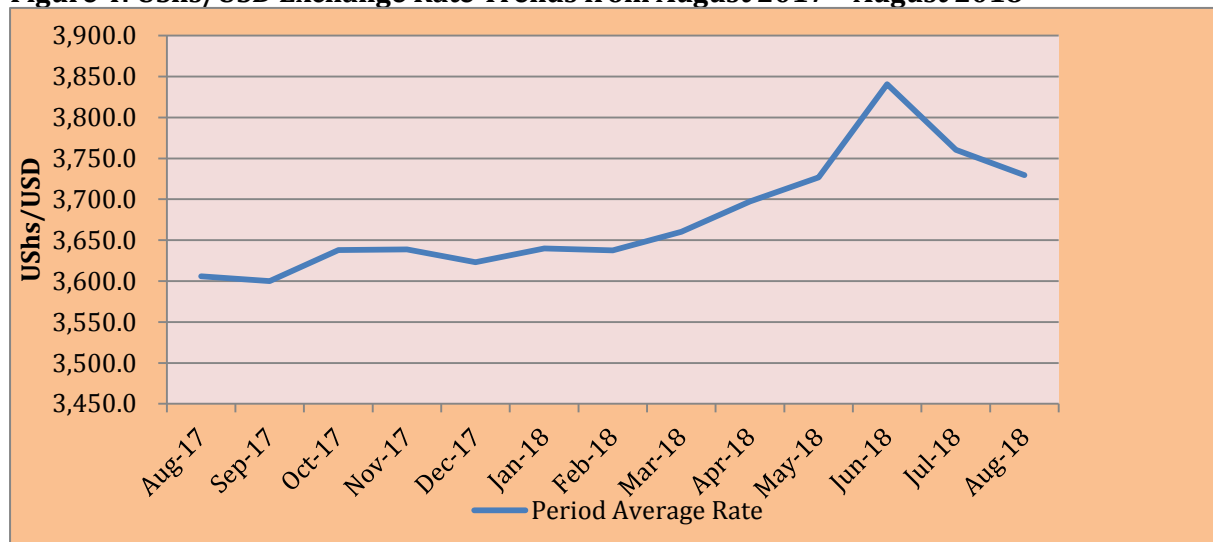
Figure 3: Business Tendency Index (BTI)

Source: Bank of Uganda

2.0 FINANCIAL SECTOR DEVELOPMENTS

2.1 Exchange Rate Trends

The Ugandan Shilling appreciated by 0.8%, against the US Dollar from an average mid-rate of US\$ 3,760.4 /USD in July 2018 to US\$ 3729.5 /USD in August 2018 as shown in Figure 4. This appreciation is partly attributed to increased inflows from NGOs, offshore players and Coffee receipts which was more than the demand for the US Dollar from manufacturing, oil and telecom firms.

Figure 4: US\$ /USD Exchange Rate Trends from August 2017 – August 2018

Source: Bank of Uganda

The Ugandan Shilling gained value against other major currencies during the month of August 2018. The Shilling appreciated against the Euro and Pound Sterling by 2.0% and

3.0% respectively. The Euro traded at an average of UShs 4,307.6 whilst the pound sterling traded at an average of UShs4,803.0 in August 2018 compared to UShs 4,393.4 and UShs 4,950.1 in July 2018 respectively.

Table 2: The Ugandan Shilling Against Major Foreign Currencies

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
UShs/USD	3660.1	3697.2	3726.8	3840.5	3760.4	3729.5
%change	0.6	1.0	0.8	3.0	-2.1	-0.8
UShs/EUR	4,513.6	4,538.6	4,401.7	4,486.3	4,393.4	4,307.6
%change	0.5	0.6	-3.0	1.9	-2.1	-2.0
UShs/GBP	5,115.2	5,205.7	5,011.9	5,103.0	4,950.1	4,803.0
%change	0.8	1.8	-3.7	1.8	-3.0	-3.0

Source: Bank of Uganda

2.2 Interest Rate Movements

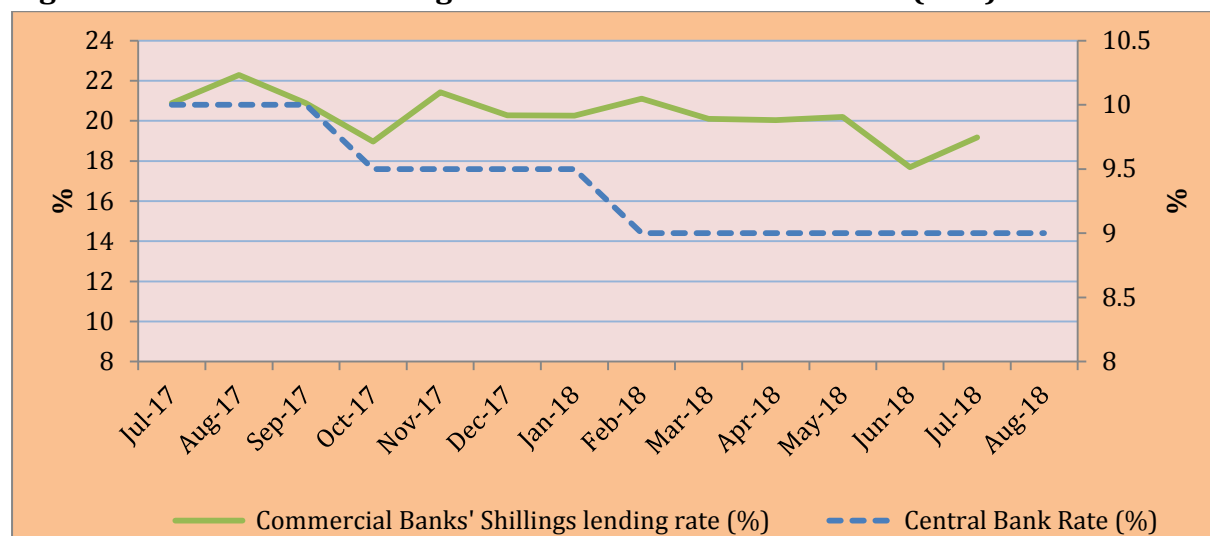
During the month of August 2018, the Central Bank maintained its policy rate at 9.0%, which has been the status quo since February 2018. The Central Bank Rate (CBR) has been kept at single digit since October 2017, with the expectation that inflation will remain within the 5% target both in the medium and long run.

Lending Rates⁴

Commercial Banks' Shilling denominated lending rates slightly edged upwards from a weighted average of 17.7% in June 2018 to 19.2% in July 2018. Foreign currency denominated lending rates however, declined from a weighted average of 8.4% to 7.6% over the same period.

Despite the accommodative monetary policy stance, commercial lending rates remain sticky downwards (see figure 5) due to other structural rigidities in the financial sector majorly associated with operational costs and the risk aversion tendency of lenders.

⁴ Data on lending rates comes with a month's lag

Figure 5: Commercial Lending Rate versus Central Bank Rate (RHS)

Source: Bank of Uganda

2.3 Private Sector Credit⁵

The total value of loans approved increased by 8.2% from US\$ 1,278.3 million in June 2018 to US\$ 1,383.3 million in July 2018. However, the stock of outstanding private sector credit amounted to US\$13,379.1 billion in July 2018 down from US\$ 13,404.7 billion in June 2018, registering a decline of 0.2%. This could be explained by higher payback during the month that offset the extensions. Table 3 shows credit extension in million shillings to all sectors in June 2018 and July 2018.

Table 3: Credit Extension by Sector (Million US\$)

Sectors	Jul-17	Jun-18	Jul-18	Growth rate (Jul-18 Vs Jun-18)
Agriculture	89.2	122.2	97.8	-19.9%
Mining and Quarrying	0.2	5.4	1.6	-69.4%
Manufacturing	49.4	280.6	398.9	42.1%
Trade	175.5	298.8	249.8	-16.4%
Transport and Communication	25.7	234.6	245.4	4.6%
Electricity and Water	12.8	1.2	0.8	-29.2%
Building, Construction and Real Estate	179.9	122.9	150.5	22.5%
Business Services	32.6	45.5	72.5	59.1%
Community, Social & Other Services	33.3	18.7	17.5	-6.8%
Personal Loan and Household Loans	109.5	136.4	131	-3.9%
Others Activities	8.4	11.8	17.3	47.9%
TOTAL	716.6	1278.3	1383.3	8.20%

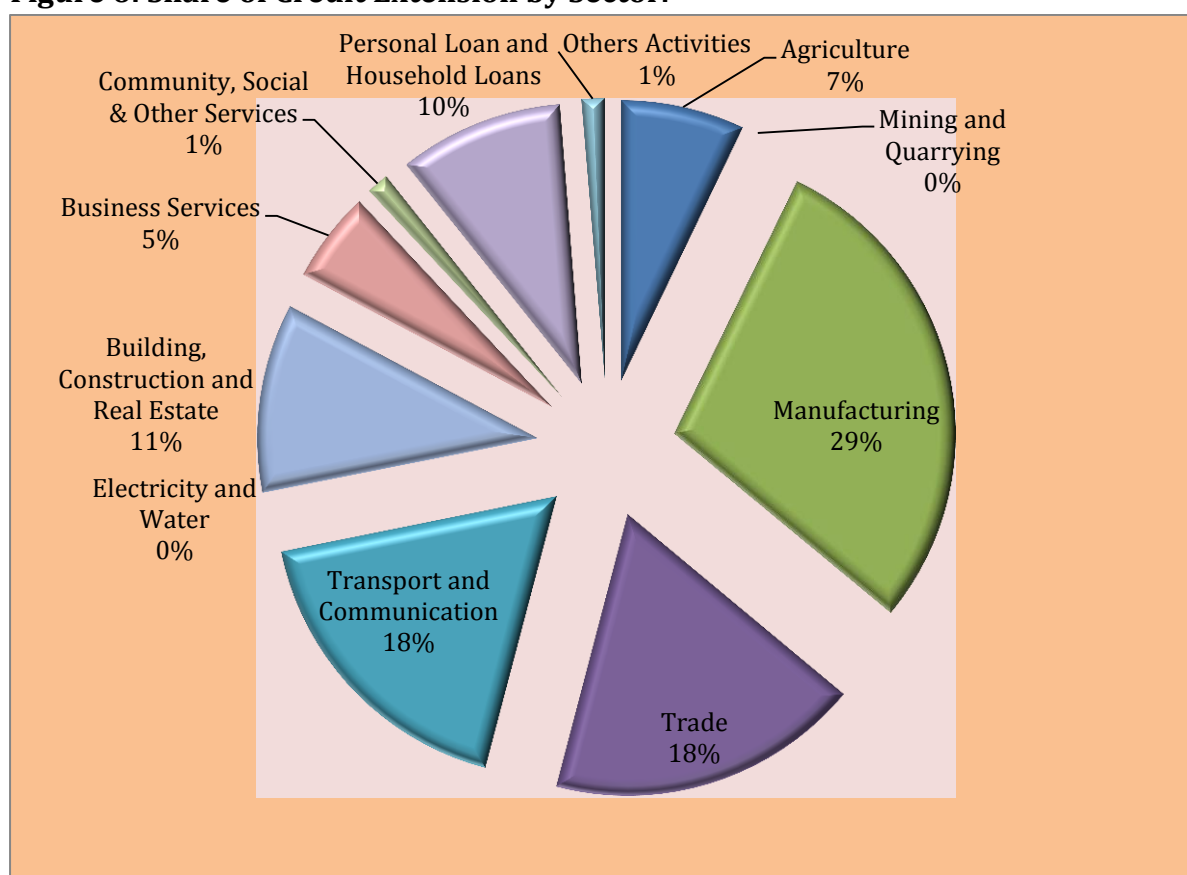
Source: Bank of Uganda

⁵ Data on credit to the private sector is reported with a lag of one month.

The pick-up in credit is majorly attributed to the supportive monetary policy stance, as well as eased credit standards resulting from lower risk of default which is reflected by a reduction in the ratio of non-performing loans to total gross loans (reduced from 5.3 in March 2018 to 4.4 in June 2018).

By Sector, Manufacturing received the largest share of credit extended in July 2018, at 28.8%. Other notable recipients of credit were; Trade (18.1%), Transport and Communication (17.7%) and Building, Construction and Real Estate (10.9%). Figure 6 maps the share of credit extended to each sector in the month of July 2018.

Figure 6: Share of Credit Extension by Sector.



Source: Bank of Uganda

2.4 Government Securities

During the month of August 2018, there were three T-Bill auctions and 1 T- Bond auction in the primary market. US\$ 650.46 billion (at cost) was raised, of which US\$ 453.23 billion was from T-Bills and US\$ 197.23 billion was from T-bonds. US\$ 571.17 billion was used for the refinancing of maturing debt whilst US\$ 79.29 billion went towards financing other activities in the Government budget; as shown in Table 4.

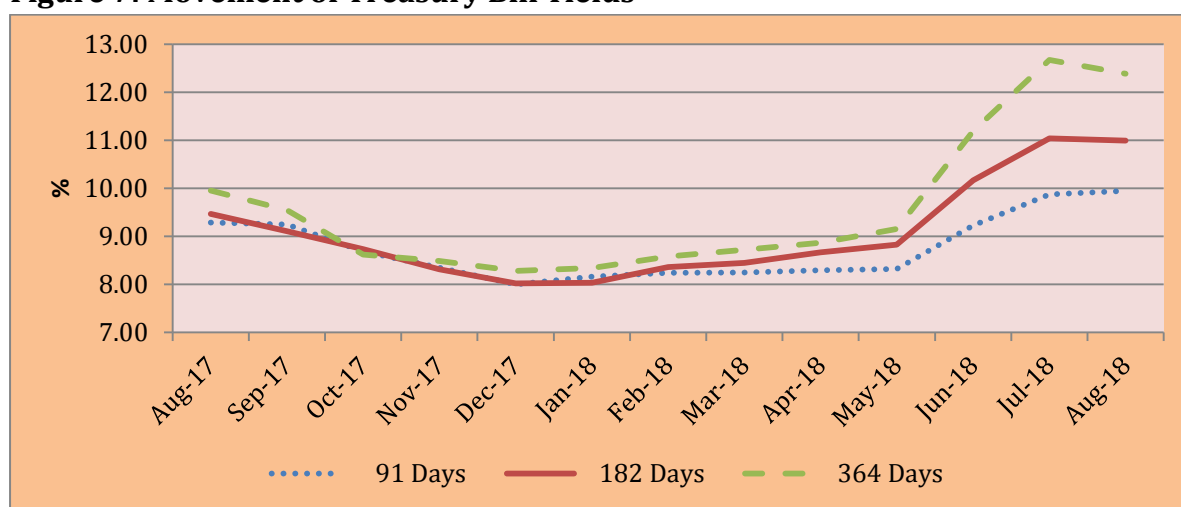
Table 4: Government Securities FY 2018/19, Billion UShs

	Total Issuances	Government Domestic Borrowing	Refinancing
Jul- 2018	385	85.7	299.3
Aug- 2018	650.46	79.29	571.17
July to date	1035.46	164.99	870.47

Source: Ministry of Finance, Planning and Economic Development

2.5 Rates on Treasury Bills

Treasury bill rates for the month of August 2018 were largely stable following the rejection of some bids in July 2018. The average weighted rates for August 2018 were 10.6%, 12%, 14.1% for the 91, 182 and 364 day tenors respectively compared to 10.5%, 12%, and 14.5% in July 2018. All auctions were oversubscribed with an average bid to cover ratio⁶ of 2.5 an improvement from 1.2 recorded the previous month. Figure 7 illustrates the movement of Treasury Bill yields on the primary market.

Figure 7: Movement of Treasury Bill Yields

Source: Bank of Uganda

3.0 EXTERNAL SECTOR DEVELOPMENTS⁷

3.1 Merchandise Trade Balance

Month-on-month, Uganda's merchandise trade deficit narrowed, mainly on account of reduced import payments, that offset a reduction in export receipts. The merchandise

⁶ The bid to cover ratio 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.

⁷ Data on the external sector comes with a lag of one month

trade deficit narrowed by 7% (USD 13.1 million) to USD 175.3 million from USD 188.4 million in June 2018.

Compared to July 2017, the merchandise trade deficit widened by 72.8% (USD 76.49 million) from USD 101.4 million to USD 175.3 million in July 2018. This development is explained by an increase of 24.9% in the import bill which offset the rise in export receipts.

3.2 Merchandise Exports

The value of merchandise exports increased on annual basis but decreased on a monthly basis. Export earnings reduced by 2.3% (USD 6.8 million), from USD 298.04 million registered in June 2018 to USD 291.3 million in July 2018. The drop in the value of exports is mainly explained by the drop in earnings of cotton, tea, beans, maize, hides & skins, and fish & its products following a decline in their respective volumes.

Table 5: Composition of Exports in USD Million

	Jul-17	Jun-18	Jul-18	Jun-18 Vs Jul-18 % change	Jul-17 Vs Jul-18 % change
Total Exports	272.1	298.0	291.3	-2.3%	7.0%
1. Coffee (Value)	49.5	33.6	40.7	21.1%	-17.8%
Volume (60 kg bags)	427,204	320,339	393,022	22.7%	-8.0%
Av. unit value	1.93	1.75	1.73	-1.3%	-10.6%
2.Non-Coffee formal exports	178.9	214.7	200.8	-6.5%	12.2%
o/w Gold	25.3	28.5	29.8	4.6%	18.0%
Cotton	2.1	2.9	0.6	-78.9%	-70.8%
Tea	6.0	9.0	8.4	-7.2%	39.4%
Fish & its prod. (excl. regional)	11.7	16.1	14.9	-7.6%	27.1%
Base Metals & Products	8.3	9.6	10.7	12.2%	29.6%
Maize	12.6	11.9	9.9	-16.9%	-21.5%
Beans	9.2	13.4	9.4	-29.5%	2.3%
Flowers	5.3	6.2	6.5	3.9%	21.6%
3. ICBT Exports	43.7	49.8	49.8	0.1%	14.0%

Source: Bank of Uganda

Export receipts increased by 7% (USD 19.2 million) from USD 272.1 million in July 2017 to USD 291.3 million in July 2018. The increase was attributed to higher earnings of gold, tea, fish & its products.

Coffee earnings reduced by 17.8% from USD 49.5 million in July 2017 to USD 40.7 million in July 2018. The reduction was due to low international coffee prices on account of higher crop harvest in Brazil as well as lower production from the main harvest in Masaka and South-Western regions compared to the previous year. Coffee volumes and prices fell by 8% and 10.6 % respectively.

Destination of Exports

The East African Community was the largest market for Uganda's exports followed by the Rest of Africa as shown in Table 6. Exports to the EAC region grew by 28.5% from USD 98.4 million in July 2017 to USD 126.5 million in July 2018. Exports to all EAC Partner States increased save for Burundi which registered a drop of 34.6%.

Table 6: Destination of Exports

	Jul-17	Jun-18	Jul-18
Asia	8.8%	6.4%	6.3%
European Union	18.8%	14.2%	15.8%
Rest of Europe	0.7%	0.7%	0.8%
The Americas	2.2%	1.4%	1.1%
Middle East	11.4%	12.2%	13.1%
EAC	36.2%	46.2%	43.4%
Rest of Africa	21.9%	18.9%	19.6%
Others ⁸	0.06%	0.02%	0.01%

Source: Bank of Uganda

3.3 Merchandise Imports

The value of merchandise imports declined on a monthly basis and increased on annual basis. The import bill reduced by 4.1% (USD 19.8 million) to USD 466.5 million in July 2018 from USD 486.4 million in June 2018. This drop was primarily driven by a decline in Government project imports and oil imports. The decline in the value of oil imports is attributed to the lower import volumes⁹.

The value of merchandise imports increased by 24.9% in July 2018 compared to the same period last year. This increase was mainly driven by formal private sector imports (both oil and non-oil imports) which grew by 31.4%. Oil imports increased by 5.5% whereas non-oil imports increased by 38%. A combination of higher import prices and

⁸ Others include Australia and Iceland

⁹ Change over the previous Month: Oil Import Volumes decreased by 33% (Bank of Uganda)

volumes registered during the month contributed to the increase in the value of formal private sector imports. Import categories that recorded high increase included; miscellaneous manufactured articles; machinery equipment, vehicles & accessories; plastics, rubber, & related products; and vegetable products, animal, beverages, fats & oil as shown in Table 7.

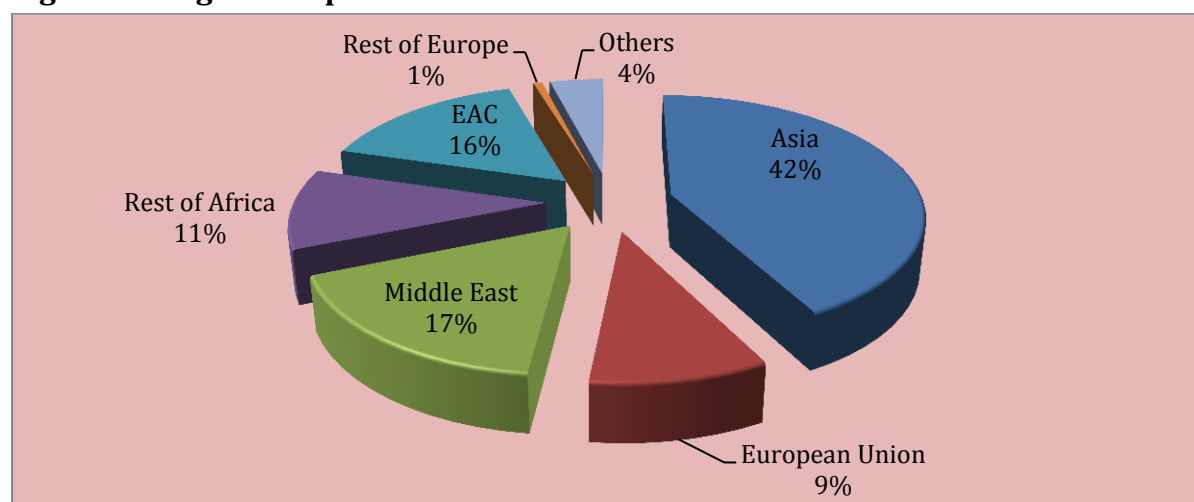
Table 7: Composition of Imports in USD Million

	Jul-17	Jun-18	Jul-18	Jun-18 Vs Jul- 18 % change	Jul-17 Vs Jul- 18 % change
Total Imports (fob)	373.5	486.4	466.5	-4.1%	24.9%
Government Imports	18.5	23.8	10.7	-55.0%	-42.1%
Project	16.3	23.2	9.8	-57.7%	-39.7%
Non-Project	2.22	0.6	0.9	49.5%	-59.4%
Formal Private Sector Imports	325.8	435.5	427.9	-1.7%	31.4%
Oil imports	66.5	102.4	70.2	-31.4%	5.5%
Non-oil imports	259.2	333.1	357.7	7.4%	38.0%
Estimated Private Sector Imports	29.2	27.1	27.9	3.0%	-4.6%
Total Private Sector Imports	355.0	462.6	455.8	-1.5%	28.4

Source: Bank of Uganda

Origin of Imports

During the month of July 2018, Asia remained the main source of Uganda's imports followed by the Middle East and EAC. Of the imports from Asia, 81.1% were from India, China and Japan combined. Within the EAC, 47.1% of the imports were from Kenya followed by Tanzania which contributed 39.4%. Figure 8 shows origin of imports.

Figure 8: Origin of Imports¹⁰

Source: Bank of Uganda

4.0 FISCAL SECTOR DEVELOPMENTS

Government operations in the month of August 2018 resulted in a fiscal deficit of US\$ 647.3 billion which was lower than the programmed US\$ 1,763.4 billion. This was mainly due to lower than expected government spending during the month. Table 8 shows a summary statement of government operations in August 2018.

4.1 Revenues

Domestic revenues amounted to US\$ 1,294.2 billion in August 2018 registering a surplus of US\$ 96.8 billion against the target for the month. Of the total domestic revenues collected, US\$ 1,241.5 billion was tax revenue while US\$ 52.8 billion was non-tax revenue. Both Tax and Non-tax revenue collections were above their respective targets for the month by US\$ 75.3 billion and US\$ 21.5 billion respectively.

All the three tax categories (international trade, direct domestic and indirect domestic taxes) registered surpluses. Taxes on international trade benefited from good performance of Value Added Tax (VAT) on imports, import duty, excise duty on petroleum among others as the value of dutiable imports was higher than what was expected for the month at budget time. Domestic taxes registered surpluses mainly in corporate taxes, withholding tax and Pay as You Earn (PAYE) among others.

¹⁰ Others include USA, Brazil, Canada, Australia, Chile, Colombia, Mexico, Argentina, New Zealand

Non-tax revenue collections were above the target for the month owing to more than anticipated receipts from Ministries, Departments and Agencies (MDAs) as well as Uganda's missions abroad.

Table 8: Government Fiscal Operations for August 2018, US\$ billion

	Outturn Aug-17	Plan Aug-18	Preliminary Outturn Aug-18	Performance Aug-18	Deviation Aug-18
Revenues and Grants	1,099.6	1,359.0	1,354.8	99.7%	(4.3)
Revenues	1,071.1	1,197.4	1,294.2	108.1%	96.8
Tax	1,034.3	1,166.1	1,241.5	106.5%	75.3
Non-Tax	36.8	31.3	52.8	168.8%	21.5
Grants	28.5	161.6	60.5	37.4%	(101.1)
Budget Support	15.9	-	-	-	-
O/w HIPC debt relief	15.9	-	-	-	-
Project Support	12.6	161.6	60.5	37.4%	(101.1)
Expenditure and Lending	1,870.0	3,122.4	2,002.0	64.1%	(1,120.4)
Current Expenditures	943.5	1,128.4	1,036.8	91.9%	(91.6)
Wages and Salaries	316.6	383.2	347.3	90.6%	(35.9)
Interest Payments	176.0	208.2	172.9	83.0%	(35.3)
Domestic	152.8	178.4	145.9	81.8%	(32.5)
External	23.2	29.8	27.0	90.5%	(2.8)
Other Recurr. Expenditures	450.9	537.0	516.7	96.2%	(20.3)
Development Expenditures	744.7	1,677.6	934.4	55.7%	(743.2)
Domestic	518.5	700.1	568.4	81.2%	(131.6)
External	226.2	977.5	365.9	37.4%	(611.6)
Net Lending/Repayments	107.2	234.5	2.7	1.2%	(231.8)
o/w HPP GoU	-	0.8	2.7	364.6%	2.0
o/w HPP Exim	107.2	233.8	-	0.0%	(233.8)
Domestic Arrears Repayment	74.5	81.9	28.1	-	(53.8)
Overall Fiscal Bal. (incl. Grants)	(770.4)	(1,763.4)	(647.3)	-	-

Source: Ministry of Finance, Planning and Economic Development

4.2 Expenditure and Net Lending

Total Government spending during August 2018 amounted to US\$2,002.0 billion against a program of US\$3,122.4 billion. This implies that expenditure was below projections for the month by 35.9 % or US\$1,120.4 billion. This performance is largely attributed to development expenditure and net lending which performed at only 55.7 percent and 1.2% respectively.

Expenditures on re-current activities during the month were also below what was anticipated by 8.1% or US\$ 91.6 billion as both wages and non-wage recurrent expenditure was slightly lower than expected.

5.0 DEVELOPMENTS WITHIN EAC REGION

5.1 Inflation Rates within the EAC

Annual headline Inflation generally remained unchanged for the rest of the EAC¹¹ partner states apart from Kenya, whose inflation dropped from 4.3% in July 2018 to 4.0% in August 2018 mainly due to a fall in prices of food and non-alcoholic beverages. Rwanda's inflation remained stable at 0.6% while that of Tanzania was also unchanged at 3.3%.

Table 9: EAC Headline Inflation (%)

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Burundi	6.1	-1.3	-2.6	-1.7	-1.3	-1.0	-0.80	n/a
Kenya	4.8	4.5	4.2	3.7	4.0	4.3	4.35	4.04
Rwanda	0.1	-1.3	-1.4	-0.1	1.8	1.4	0.6	0.6
South Sudan	125.0	112.7	161.2	186.6	83.9	88.5	122.9	n/a
Tanzania	4.0	4.1	3.9	3.8	3.6	3.4	3.3	3.3
Uganda	3.0	2.1	2.0	1.8	1.7	2.2	3.1	3.8

Source: Respective Bureaux of Statistics.

5.2 Exchange Rates within the EAC

The Ugandan and Kenyan Shillings gained value against the US dollar appreciating by 0.8% and 0.04% respectively compared to the previous month. The Burundian and Rwandese Francs continued to depreciate at 0.2% and 0.4% respectively; the Tanzanian Shilling also depreciated at 0.3% as detailed in Table 10.

¹¹ Excluding South Sudan and Burundi for which data for the month of August 2018 was not yet available by the time this report was written.

Table 10: EAC Exchange Rates against the US Dollar

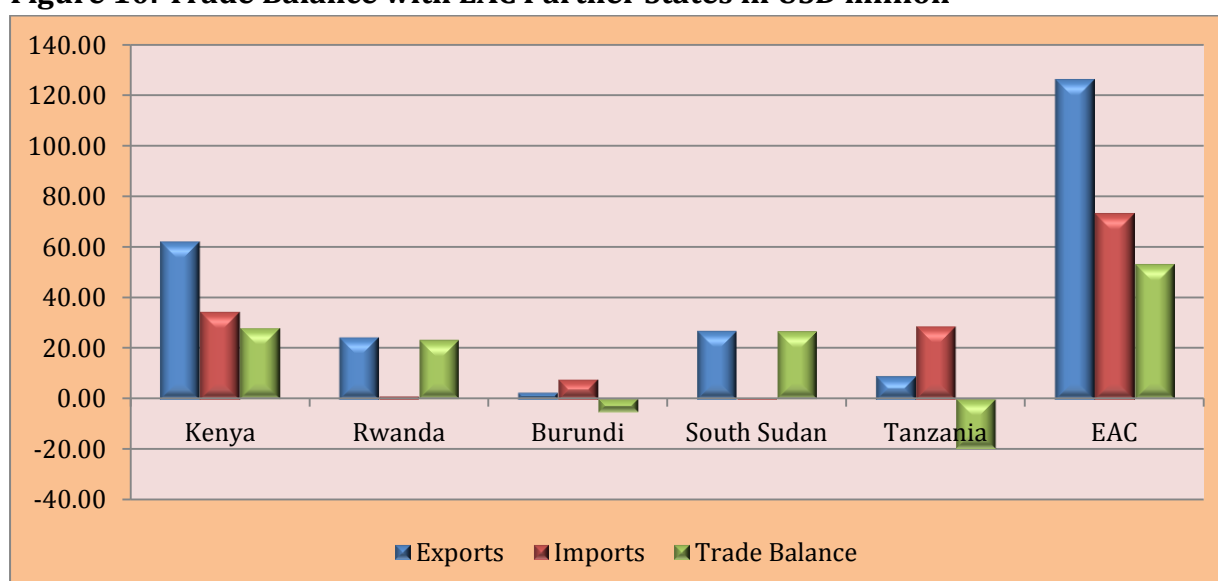
	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
US\$/\$	3637.6	3660.1	3697.2	3726.8	3840.5	3760.4	3729.5
%change	-0.1	0.6	1.0	0.8	3.0	-2.1	-0.8
KSh/\$	101.4	101.2	100.6	100.7	101.0	100.7	100.6
%change	-1.5	-0.2	-0.6	0.1	0.4	-0.4	0.0
TSh/\$	2253.8	2258.0	2269.0	2276.0	2276.3	2279.4	2285.1
%change	0.4	0.2	0.5	0.3	0.0	0.1	0.3
B.Franc/\$	1770.9	1774.0	1776.3	1777.7	1778.8	1780.3	1783.0
%change	0.2	0.2	0.1	0.1	0.1	0.1	0.2
R.Franc/\$	848.7	851.5	853.9	856.0	858.5	861.2	864.3
%change	0.3	0.3	0.3	0.3	0.3	0.3	0.4

Source: Bank of Uganda

5.3 Trade Balance with EAC

Uganda exported goods worth USD 126.5 million to the EAC and imported merchandise worth USD 73.2 million from EAC thereby resulting in a trade surplus of USD 53.3 million.

At country specific level, Uganda traded at a surplus with all EAC Partner States save for Tanzania and Burundi. Kenya took the largest share of Uganda's exports and, was also the main source of Uganda's imports. South Sudan was the second largest market for Uganda's exports in the region while Tanzania was the second largest source of Imports. Figure 10 shows Uganda's trade with EAC Partner States.

Figure 10: Trade Balance with EAC Partner States in USD million

Source: *Bank of Uganda*

Annex 1: Selected Macroeconomic Indicators

	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Real Sector													
Inflation (Inflation %)													
Headline: (Base: 2009/10 =100)	5.2	5.3	4.8	4.0	3.4	3.0	2.1	2.0	1.8	1.7	2.1	3.1	3.8
Core: (Base: 2009/10 = 100)	4.1	4.2	3.5	3.4	3.1	2.6	1.7	1.7	1.6	1.1	0.8	2.5	3.5
Food crops	11.7	9.6	7.9	2.3	-0.7	1.4	-0.7	-1.7	-2.1	-0.2	2.3	-2.0	-1.2
Energy, Fuel and Utilities	7.8	10.6	14.1	13.7	12.5	9.8	11.2	10.3	10.4	10.3	15.1	16.0	14.1
Business Tendency Indicator	57.9	58.5	58.7	58.5	58.1	57.5	57.0	56.6	56.3	56.1	56.1	56.1	56.3
Composite Index of Economic Activity	204.4	205.6	206.8	208.0	209.3	210.5	211.6	212.6	213.6	214.6	215.8	217.1	N/A
Financial Sector													
Private Sector Credit (Ushs Billion)	12,224.3	12,350.7	12,568.2	12,579.0	12,825.1	12,654.8	12,635.7	12,828.0	12,926.0	13,032.3	13,404.7	13,379.0	N/A
PSC growth rate	0.5%	1.0%	1.8%	0.1%	2.0%	-1.3%	-0.2%	1.5%	0.8%	0.8%	2.9%	-0.2%	N/A
Exchange Rate (Ushs/USD)													
Period Average	3,606.0	3,599.9	3,637.9	3,638.9	3,623.3	3,640.1	3,637.6	3,660.1	3,697.2	3,726.8	3,840.5	3,760.4	3,729.5
Interest Rates(%)													
Central Bank Rate	10	10	9.5	9.5	9.5	9.5	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Lending Rate	22.3	20.9	19.0	21.4	20.3	20.3	21.1	20.1	20.0	20.2	17.7	19.2	
91-day Treasury Bill Yield	9.9	9.8	9.2	8.8	8.4	8.6	8.7	8.7	8.7	8.8	9.8	10.5	10.6
364-day Treasury Bill Yield	11.1	10.6	9.4	9.3	9.0	9.1	9.4	9.6	9.7	10.1	12.6	14.5	14.1
External Sector													
Trade Balance (US\$ millions)	-139.7	-225.1	-203.6	-169.4	-140.9	-108.8	-189.6	-180.7	-228.9	-127.0	-188.4	-177.9	N/A
Total Exports of Goods - fob (US\$ millions)	259.5	252.5	285.9	301.9	313.3	329.2	285.0	304.7	259.3	324.9	298.0	291.3	N/A
Total Imports (fob)	399.1	477.6	489.5	471.3	454.3	437.9	474.6	485.4	488.2	452.0	486.4	469.2	N/A
Fiscal Sector (Ushs Billion) *													
Revenues and Grants	1099.6	1184.1	1218.2	1166.6	1671.9	1259.1	1297.0	1231.4	1095.8	1227.0	1836.8	1167.4	1354.8
Revenues	1071.1	1146.0	1080.9	1148.7	1516.9	1179.4	1161.4	1199.4	1078.8	1205.6	1772.8	1159.5	1294.2
URA	1034.3	1114.2	1046.1	1101.1	1487.8	1141.0	1125.2	1163.4	1046.9	1167.6	1728.7	1124.5	1241.5
Non-URA	36.8	31.8	34.9	47.6	29.1	38.3	36.2	36.0	31.9	38.0	44.1	35.0	52.8
Oil Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	28.5	38.1	137.3	17.9	155.0	79.7	135.7	32.0	17.0	21.4	63.9	7.8	60.5
Expenditure and Lending	1870.0	1558.1	2013.4	1674.0	1584.3	1620.0	1682.6	1363.5	1809.0	1782.9	1885.0	2143.7	2002.0
Overall Fiscal Bal. (incl. Grants)	-770.4	-374.0	-795.1	-507.4	87.6	-360.9	-385.6	-132.1	-713.3	-555.8	-48.2	-976.4	-647.3
Net Government Borrowing	133.9	58.4	52.3	115	27.2	167.7	-11.4	15.93	263.5	238.4	530.8	85.7	79.3

Source: Bank of Uganda, Uganda Bureau of Statistics, Ministry of Finance, Planning and Economic Development, *Fiscal data for August 2018 is preliminary