



PERFORMANCE OF THE ECONOMY REPORT
MARCH 2020

MACROECONOMIC POLICY DEPARTMENT
MINISTRY OF FINANCE, PLANNING AND ECONOMIC
DEVELOPMENT

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TABLE OF CONTENTS

LIST OF FIGURES	ii
LIST OF TABLES	ii
LIST OF ACRONYMS	iii
GLOSSARY	iv
SUMMARY	v
1.0 REAL SECTOR DEVELOPMENTS	1
Inflation	1
Quarterly GDP	2
Indices of Economic activity	3
Economic perceptions	4
2.0 FINANCIAL SECTOR DEVELOPMENTS	5
Exchange rate movements	5
Interest rate movements	6
Treasury bills	7
Government securities	8
Outstanding private sector credit	9
3.0 EXTERNAL SECTOR DEVELOPMENTS	10
Merchandise trade balance	10
Merchandise exports	11
Destination of exports	13
Merchandise imports	14
Origin of imports	15
Trade balance by region	16
4.0 FISCAL SECTOR DEVELOPMENTS	17
Fiscal overview	17
Revenues	18
Expenditure	18
5.0 EAST AFRICA COMMUNITY DEVELOPMENTS	19
EAC Inflation	19
EAC exchange rates	20
Trade balance with the EAC	21
Annex 1: Selected Economic Indicators Real, Financial and External Sectors	22
Annex 2: Private Sector Credit: Detail by sector	23
Annex 3: Export volumes	24
Annex 4: Composition of Exports	25
Annex 5: Composition of Imports	26
Annex 6: Fiscal Trends, Shs. Billion	27

LIST OF FIGURES

Figure 1: Annual Headline & Core Inflation (Source: UBoS).....	1
Figure 2: Annual Food and EFU Inflation (Source: UBoS).....	1
Figure 3: Quarterly GDP Performance (Source: Uganda Bureau of Statistics).....	2
Figure 4: Composite Index of Economic activity [CIEA] (Source: BoU).....	3
Figure 5: Purchasing Managers' Index [PMI] (Source: Stanbic Bank Uganda).....	3
Figure 6: Business Tendency Index (Source: BoU).....	4
Figure 7: Exchange rates (Source: BoU).....	5
Figure 8: Interest rates (Source: BoU).....	6
Figure 9: Treasury bill yields (Source: BoU).....	7
Figure 10: Average bid to cover ratio (Source: MoFPED).....	7
Figure 11: Breakdown of government securities (Source: MoFPED).....	8
Figure 12: Outstanding private sector credit (Source: BoU).....	9
Figure 13: Monthly growth of private sector credit.....	9
Figure 14: Merchandise exports and imports (Source: BoU).....	10
Figure 15: Merchandise trade balance (Source: BoU).....	10
Figure 16: Export volume monthly change (%) (Source: BoU).....	11
Figure 17: Percentage shares of merchandise exports by destination (Source: BoU).....	13
Figure 18: Monthly Comparison of Value of Merchandise exports by destination (Source: BoU).....	13
Figure 19: Merchandise imports (Source: BoU).....	14
Figure 20: Merchandise imports by origin (Source: BoU).....	15
Figure 21: Headline inflation for EAC partner states (Source: Respective authorities).....	19
Figure 22: Monthly EAC currency appreciation and depreciation against the US\$ [%] (Source: BoU).....	20
Figure 23: Trade balance with EAC Partner States (Source: Bank of Uganda).....	21

LIST OF TABLES

Table 1: Details of Government Securities in Billion Shs (Source: MoFPED).....	8
Table 2: Merchandise exports by product, million US\$ (Source: BoU).....	11
Table 3: Merchandise trade balance by region, million US\$ (Source: BoU).....	16
Table 4: Summary table of fiscal operations March 2020 (Source: MoFPED).....	17

LIST OF ACRONYMS

BTI	Business Tendency Index
BOU	Bank of Uganda
B.Franc	Burundian Franc
CIEA	Composite Index of Economic Activity
COVID-19	Corona Virus Disease 2019
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
UAE	United Arab Emirates
Shs	Ugandan Shilling
US\$	United States Dollar
VAT	Value Added Tax

GLOSSARY

Bid to cover ratio	This is an indicator for the 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 of less than 1 means the auction is undersubscribed and a ratio of greater than 1 means that the auction is oversubscribed.
BTI	The Business Tendency Index measures the level of optimism that executives have about the 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.
CIEA	CIEA is an index that is correlated with the current level of economic activity (such as real GDP). It 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.
Core Inflation	This is a subcomponent of inflation that excludes energy, fuels, utilities, food crops and related items.
Domestic Fiscal Balance	The difference between domestic revenues and expenditure excluding external interest and externally financed development expenditure.
Headline Inflation	This refers to the rate at which prices of general goods and services in an economy change over time, usually a year.
Non-Performing Loans	This is a sum of borrowed money upon which the debtor has not made scheduled payments for a period usually at least 90 days.
Tenor	This refers to the time-to-maturity of an instrument, for example, if a certain instrument matures after 91 days – it is called a 91-day tenor.
PMI	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 monthly by Stanbic Bank Uganda.
Refinancing	Refinancing is the replacement of an existing debt obligation with another debt obligation under different terms.
Yield to Maturity (YTM)	Yield to maturity (YTM) is the total return anticipated on a treasury instrument if the instrument is held until it matures.

SUMMARY¹

Real Sector

- Initial measures to curtail the spread of the coronavirus pandemic in Uganda commenced in the last 10 days of March, including a suspension to all transportation activities, leading to disruptions to economic activities. Together with the inevitable impact of the global disruptions on Uganda, the measures are expected to dampen the performance of the economy.
- Indices of domestic economic activity - Purchasing Managers' Index (PMI) and Business Tendency Index (BTI) – weakened in March 2020, as the impact of the disruptions to global supply chains fed through.
- **The annual headline inflation rate for March 2020 declined to 3.0%** from the 3.4% that had been recorded for February 2020 majorly driven by a reduction in annual core inflation from 3.1% in February 2020 to 2.7% in March 2020.

Financial Sector

- The Uganda shilling **depreciated by 2.6% against the US Dollar**, trading at an average midrate of Shs 3,772.9/US\$ in March 2020 compared to Shs 3,679.8/ US\$ the previous month.
- **Shillings denominated lending rates eased** in February 2020, to an average of 19.1% compared to 19.9% recorded for the previous month.
- **Marginal increase in yields (interest) on Treasury Bills**, with the 91, 182 and 364 recording values of 9.58%, 11.00% and 13.38% in March 2020, compared to 9.57%, 10.95% and 12.63% in February 2020, respectively.
- **Government auctioned securities worth Shs 693.56 billion** in March 2020. All the amount raised was used to refinance part of maturing domestic debt.
- The **stock of private sector credit reduced by 0.4%** from Shs 15,794.68 billion in January 2020 to Shs 15,735.48 billion in February 2020.

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

External Sector

- **Merchandise trade deficit** narrowed further between January and February 2020, as a fall in demand for imports more than offset the lower realised value of exports.
- The value of merchandise imports declined from US\$ 587.06 million in January 2020 to **US\$ 546.73 million in February 2020**.
- The value of **exports was recorded at US\$ 352.91 million in February 2020**, lower than the US\$ 383.62 million recorded for January 2020.

Fiscal Sector

- Government operations during March 2020 were affected by slower execution of the development budget resulting in a lower than planned deficit. The lower than planned spending partially offset shortfalls in revenue collections during the month.
- Revenues collections amounted to **Shs 1,383.49 billion**, registering a shortfall of **Shs 278.67 billion** (or 16.8%) as both tax and non-tax revenues fell short of their respective targets.
- Expenditure was recorded at **Shs 1,603.11 billion** representing a performance of 78.5% against the planned target of Shs 2,041.30 billion.

East Africa Community

- **Annual headline inflation** for Uganda, Kenya, Rwanda and Tanzania registered slight reductions in the year ending March 2020.
- During March 2020, currencies of all EAC partner states with exception of Tanzania depreciated against the US Dollar when compared to the month before.
- In February 2020, Uganda traded with the rest of the EAC at a surplus of **US\$ 54.9 million** compared to a deficit of USD 1.32 million recorded for January 2020. Uganda exported merchandise worth **US\$ 141.5 million** and imported merchandise worth **US\$ 86.5 million**.

1.0 REAL SECTOR DEVELOPMENTS

Inflation

Figure 1: Annual Headline & Core Inflation (Source: UBoS)

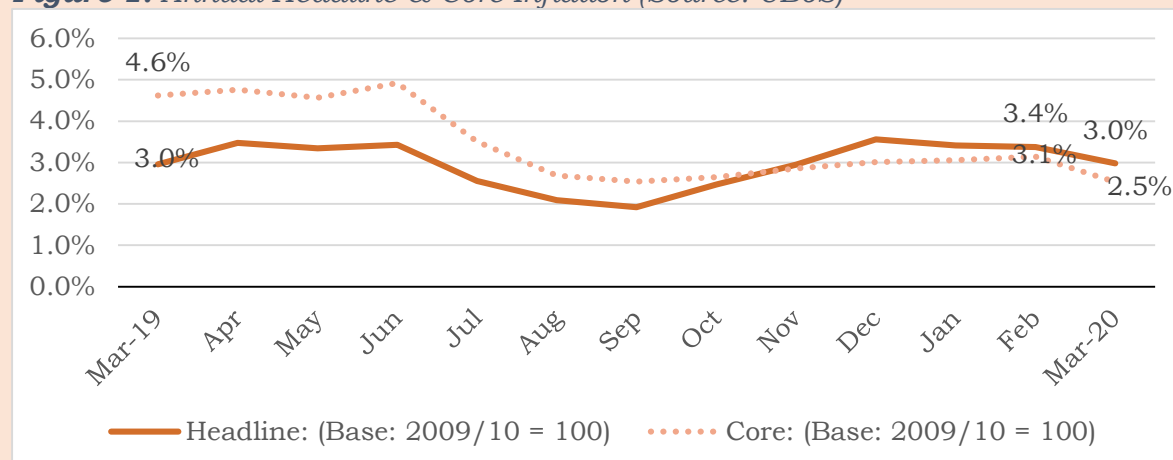
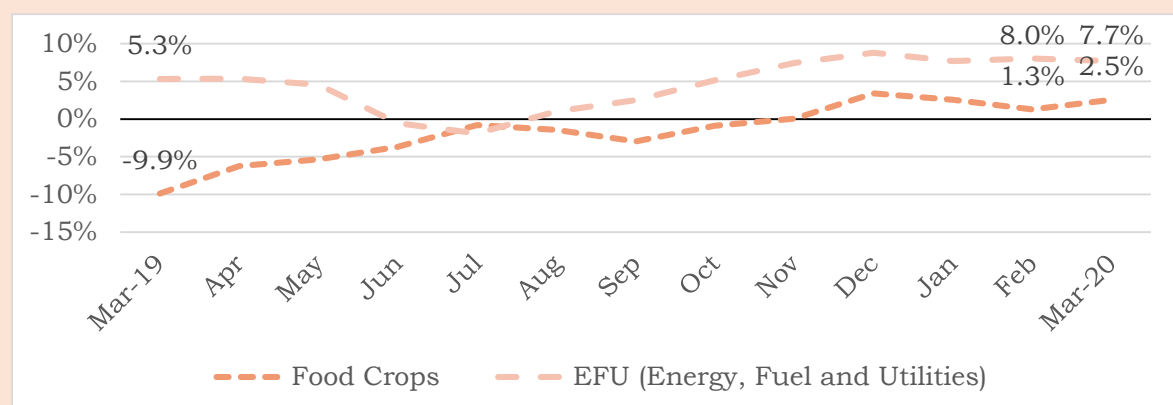


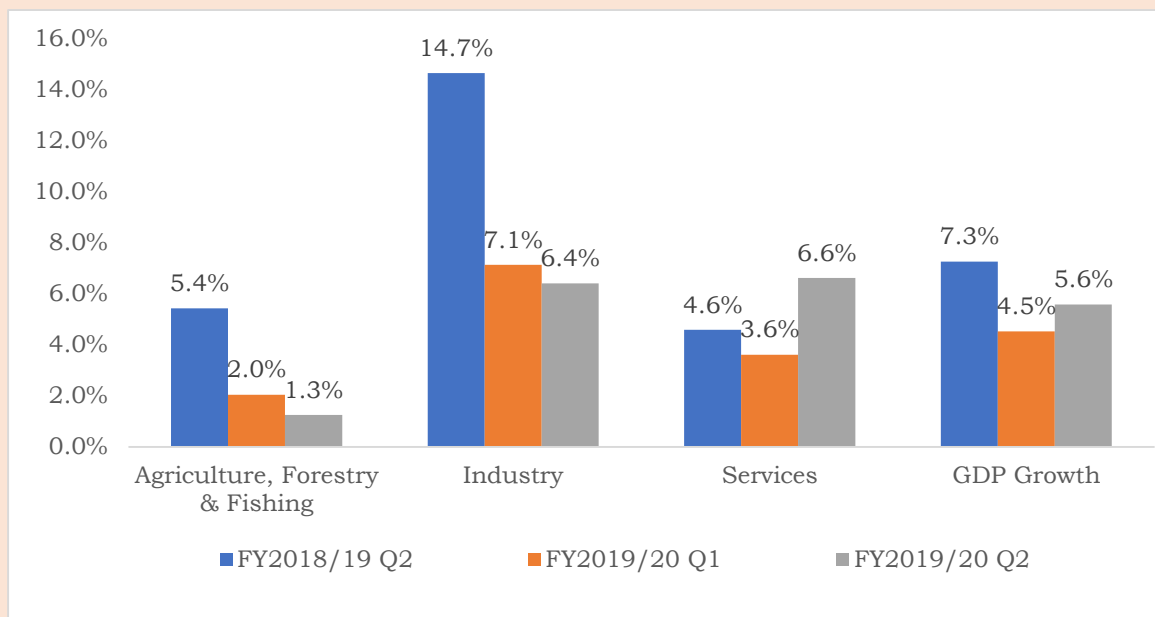
Figure 2: Annual Food and EFU Inflation (Source: UBoS)



Annual Headline Inflation for March 2020 was recorded at 3.0% compared to the 3.4% recorded in February 2020. This was majorly attributed to the decline in annual Core Inflation from 3.1% in February to 2.5% in March. At the same time, **Energy Fuel and Utilities (EFU) Inflation** also fell to 7.7% in March from 8.0% in February, largely on account of lower prices of fuel, firewood and charcoal. On the contrary, **annual Food Crops Inflation increased to 2.5% in March 2020 from 1.3% recorded in February 2020**, as increases in prices of fruits especially bananas more than offset the fall in vegetables prices.

Quarterly GDP

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



Recently released data shows the **economy expanded by 5.6%** during the second quarter (Q2) as compared to the 7.3% growth registered for the same quarter of last year. The slow-down in growth was largely on account of weaker performances in cash-crops, fishing and mining & quarrying sub-sectors. The quarter two growth was driven by stronger performances in trade, transportation, and hospitality sub-sectors. However, the global and government's response to the coronavirus pandemic outbreak is expected to severely affect economic activities during the second half of the financial year. As a result, **GDP growth projection for FY2019/20 has now been revised downwards to 3.9% from a pre-pandemic projection of 6%**, on account of the impact of supply chain disruptions to manufacturing and trade activities, while travel restrictions will dampen key service sectors such as tourism and hotels.

Indices of Economic activity

Figure 4: Composite Index of Economic activity [CIEA] (Source: BoU)

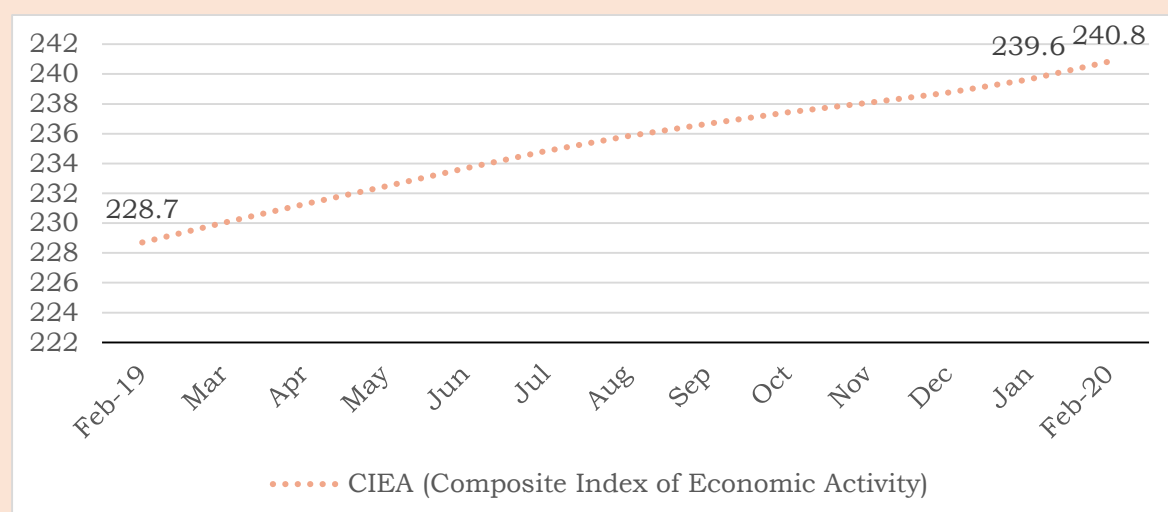
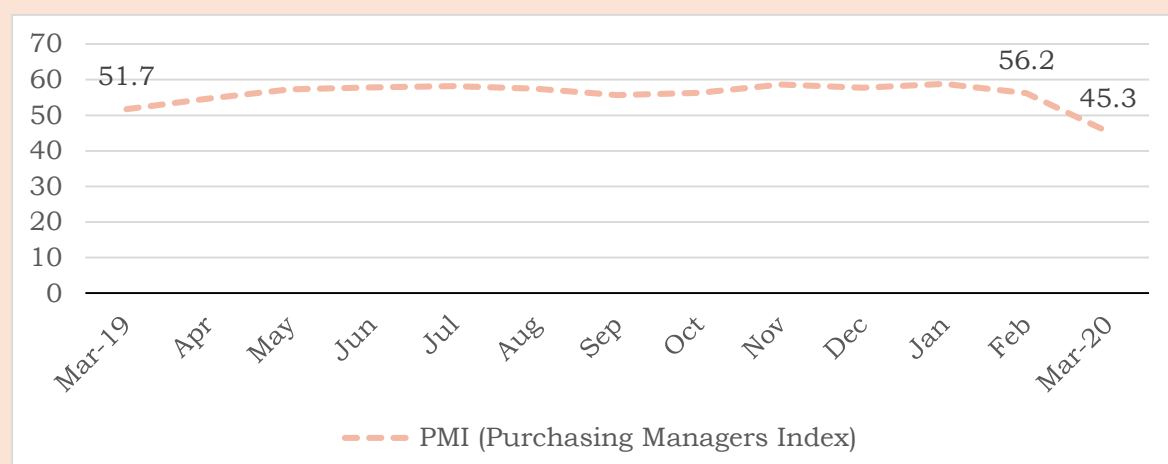


Figure 5: Purchasing Managers' Index [PMI] (Source: Stanbic Bank Uganda)

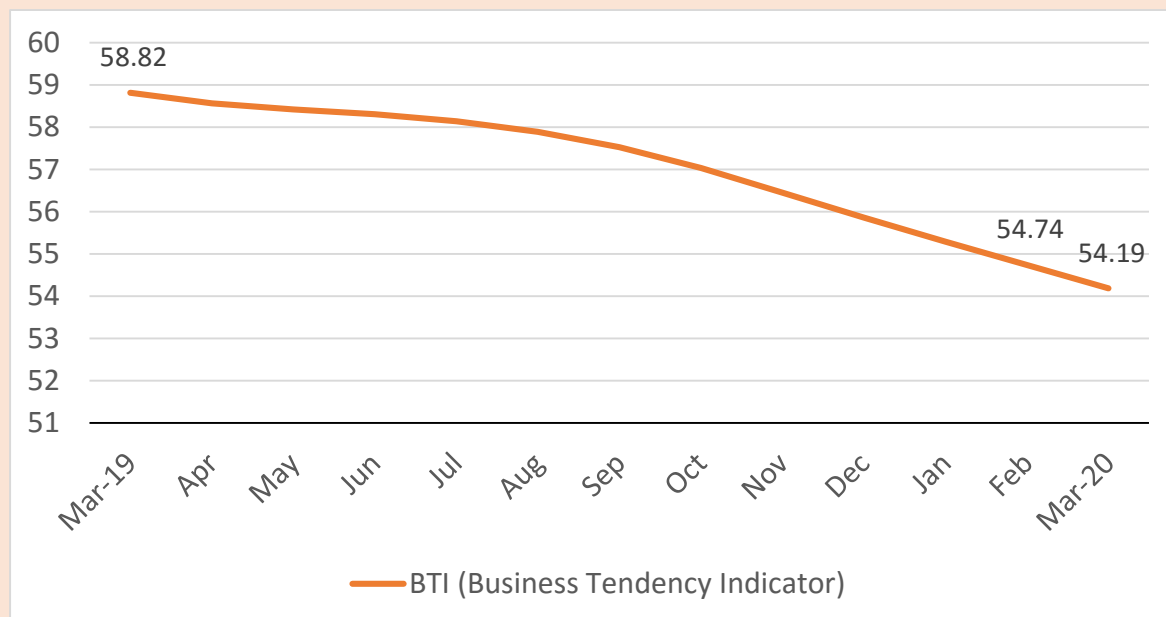


The two indices (CIEA and PMI) give an indication of domestic economic conditions, with the CIEA produced with a one-month lag. The February CIEA was recorded at **240.8**, reflecting a 0.5% increase from the January 2020 level. This pointed to improvements in the level of economic activity during that month, and before the impact of the disruption to the global supply chains fed through to the domestic economy.

On the other hand, the PMI fell below the threshold of 50 in March 2020 - the first time in the series history, signalling a decline in the domestic business conditions. The **PMI** was recorded at **45.3** as the global and domestic response to the **COVID-19** pandemic led to a fall in new businesses, temporary closure of companies and hardships in the supply of materials during the month.

Economic perceptions

Figure 6: Business Tendency Index (Source: BoU)

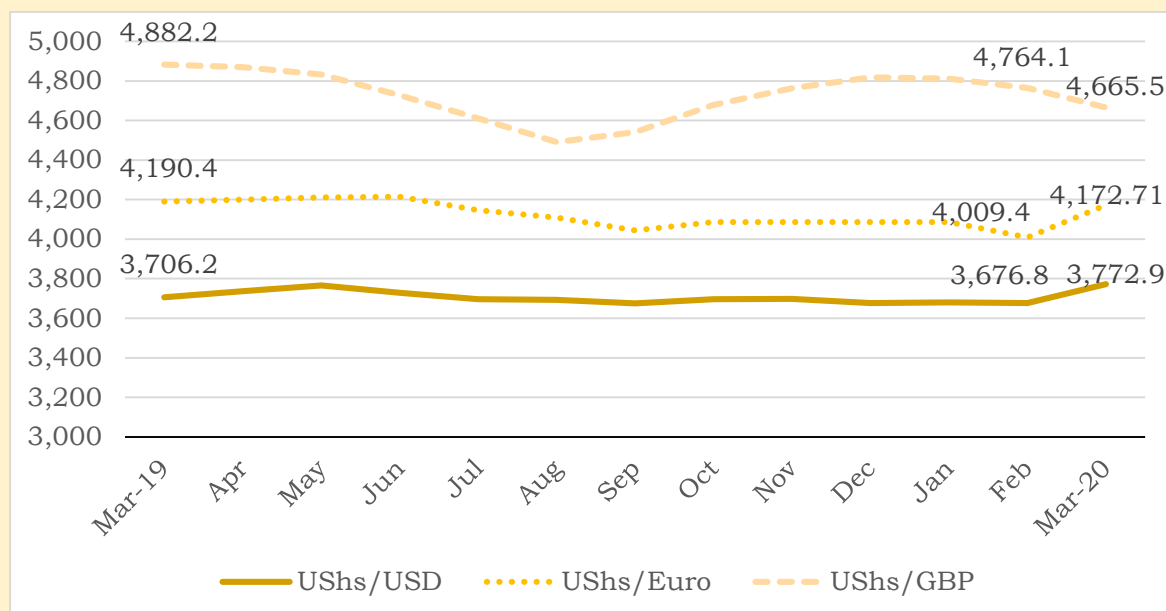


Sentiments about doing business in Uganda were less positive in March 2020 than they were in the previous month as shown by the **BTI which declined from the 54.74 recorded in February 2020 to 54.19 in March 2020**. However, the BTI being above the threshold of 50 implies that investor confidence and sentiments about doing business in Uganda remained positive during March, despite the disruptions caused by the COVID-19 pandemic outbreak.

2.0 FINANCIAL SECTOR DEVELOPMENTS

Exchange rate movements

Figure 7: Exchange rates (Source: BoU)

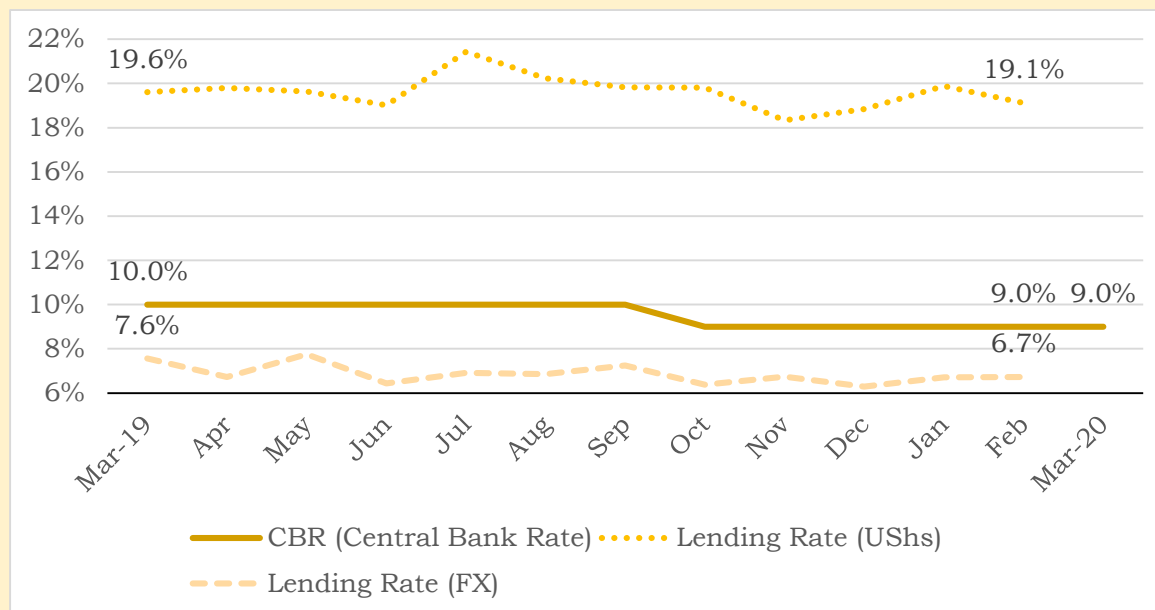


During March 2020, the Uganda Shilling depreciated by 2.6% against the US Dollar, to an average midrate of Shs 3,772.9/US\$ from Shs 3,679.8/US\$ in February 2020. There was increased demand of the US dollar during the month, as offshore portfolio investors exited the domestic market in anticipation of tightening in global financial market conditions following the global measures to combat the coronavirus pandemic.

Similarly, the shilling depreciated against the Euro, recording a depreciation of 4.1% mainly due to subdued inflows. However, the shilling appreciated against the pound sterling by 2.1%. This was mainly due to decline in demand of the pound in March 2020.

Interest rate movements

Figure 8: Interest rates (Source: BoU)



Lending rates for shilling denominated credit eased downwards in February 2020 and averaged 19.1% as compared to 19.9% recorded the previous month, while the rates on foreign currency denominated credit remained unchanged. The reduction in lending rates reflects improving credit market conditions and the easing in monetary conditions since October 2019. The Central Bank Rate (CBR) remained unchanged at 9.0% in March 2020 premised on a fairly stable inflation outlook.

Treasury bills

Figure 9: Treasury bill yields (Source: BoU)

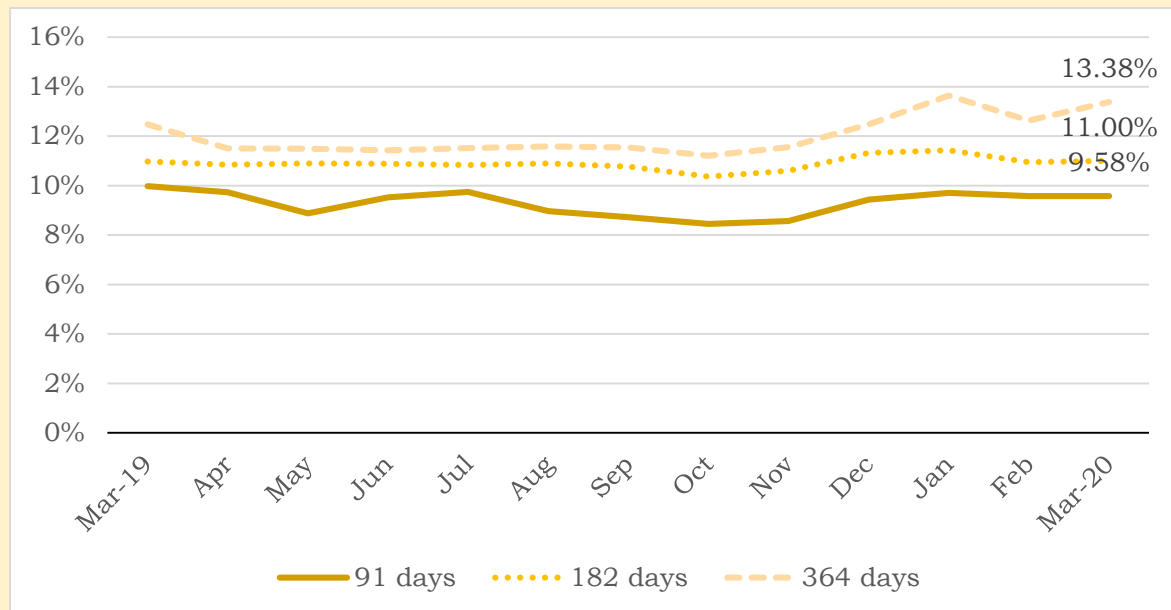
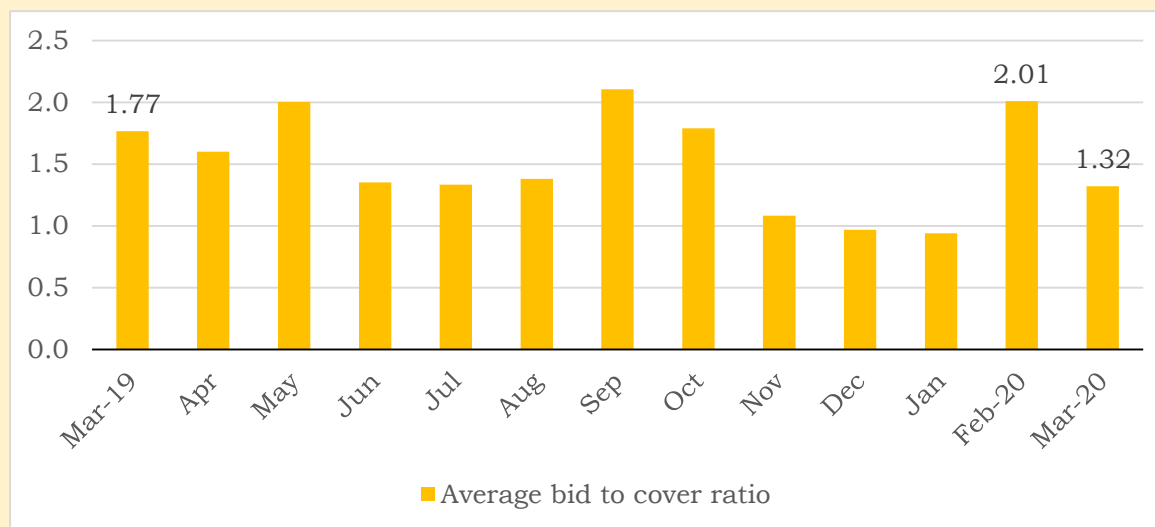


Figure 10: Average bid to cover ratio (Source: MoFPED)



Treasury bill yields (interest rates) increased marginally for all tenors during the month under review. The annualised treasury bill yields for March were 9.58%, 11.00% and 13.38% for the 91, 182 and 364-day tenors, respectively. This compares with 9.57%, 10.95% and 12.63% in February 2020. The marginal increase in yields was on account of reduced demand, especially from offshore sources. The lower demand was reflected by a fall in the **average bid to cover ratio** to 1.32 in March from 2.01 registered the previous month.

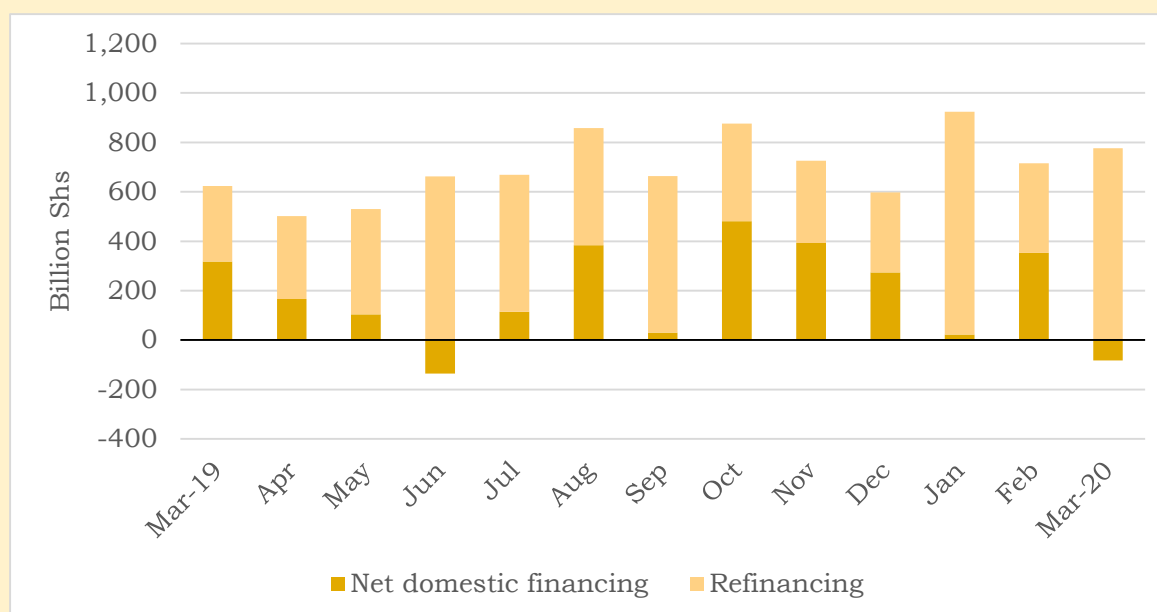
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Government securities

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

	Total issuances	Domestic borrowing for fiscal purposes	Refinancing
Q1 2019/20	2,190.83	528.44	1,662.40
Q2 2019/20	2,198.77	1,146.86	1,051.91
Jan-20	923.4	22.69	900.71
Feb-20	715.6	352.15	363.45
Mar-20	693.56	-82.5	776.0
Q3 2019/20	2,332.56	292.39	2,040.17
FY 2019/20 to date	6,722.16	1,967.69	4,754.48

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



During **March 2020**, there were 2 T-Bill auctions and 1 T-Bond auction in the primary market. Shs **693.56 billion** (at cost) was raised, of which Shs 430.42 billion was from T-Bills and Shs 263.13 billion was from T-bonds. All the amount raised was used for refinancing maturing domestic debt.

Outstanding private sector credit²

Figure 12: Outstanding private sector credit (Source: BoU)

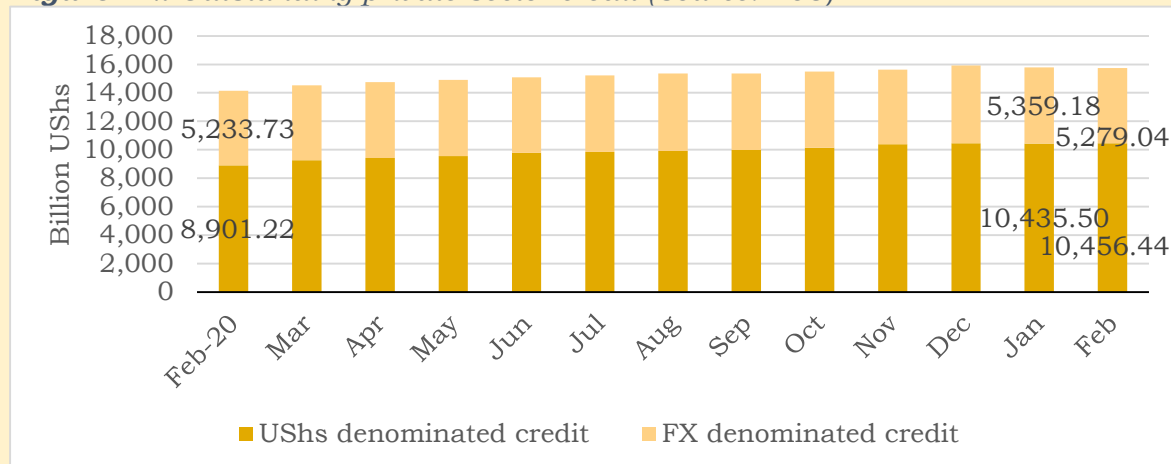
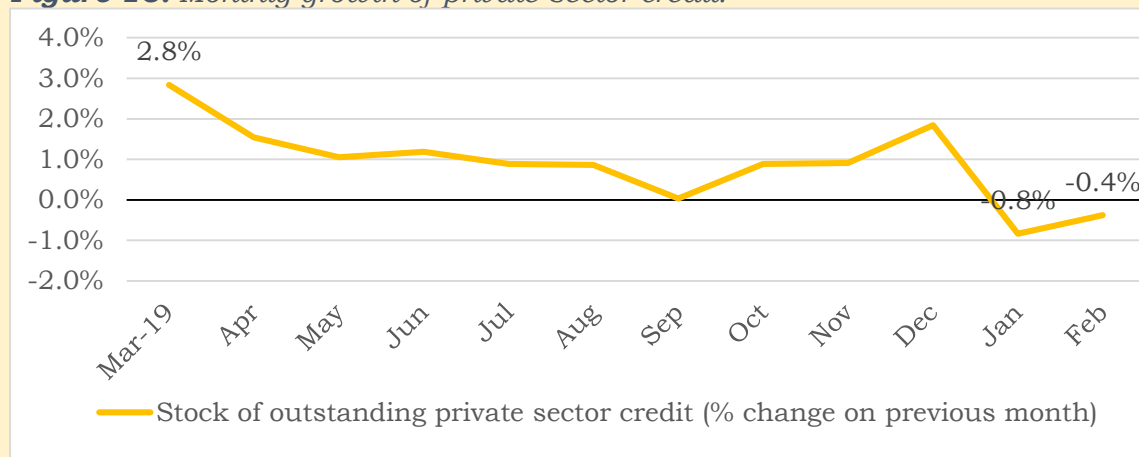


Figure 13: Monthly growth of private sector credit.



The **stock of outstanding private sector credit reduced by 0.4%** to Shs 15,735.48 billion in February 2020, marking the second month in a row of a stock reduction. The reduction in stock was attributed to foreign currency denominated credit, which fell by 1.5% and more than offset a slight growth of 0.2% in shillings denominated credit during the month. Demand for foreign currency denominated lending is expected to dampen given the anticipated pressures on the exchange rate – as the economic and financial impact of the coronavirus pandemic unfolds.

3.0 EXTERNAL SECTOR DEVELOPMENTS

Merchandise trade balance³

Figure 14: Merchandise exports and imports (Source: BoU)

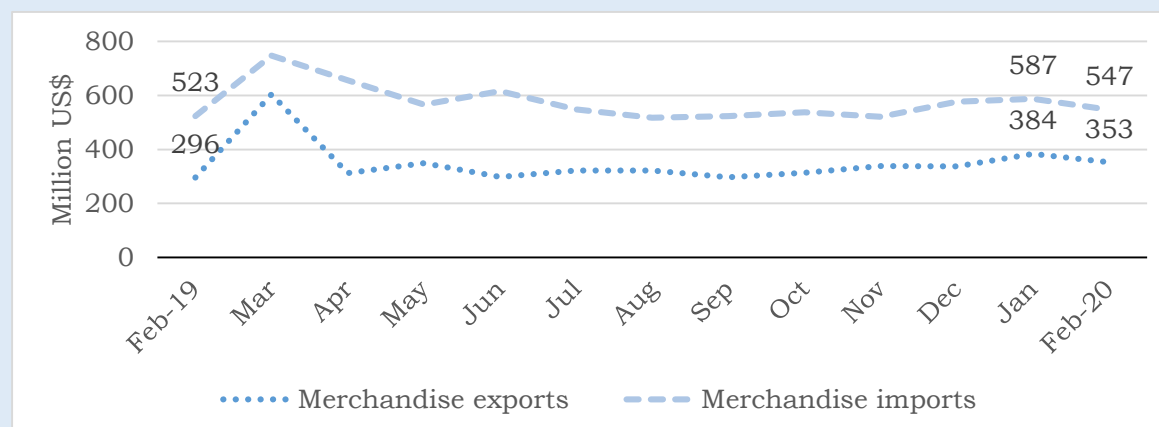
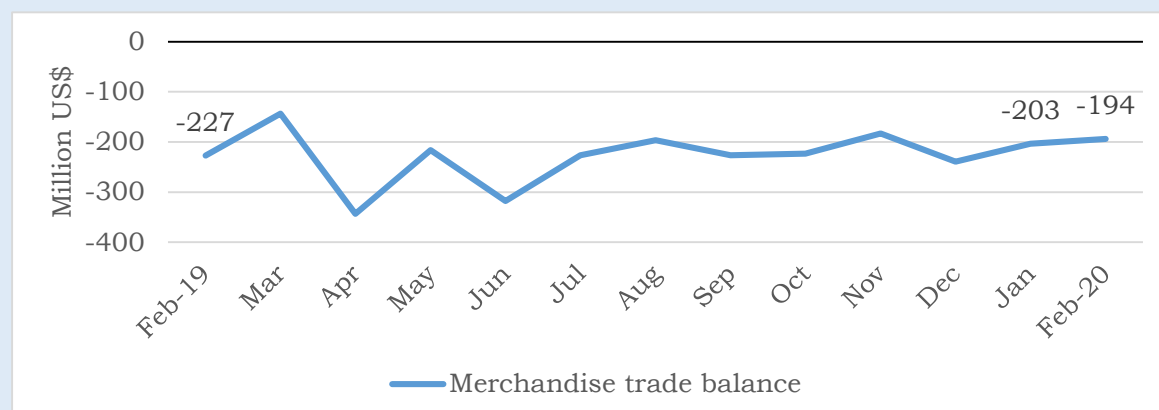


Figure 15: Merchandise trade balance (Source: BoU)



The **merchandise trade deficit** narrowed further between January and February 2020, on account of slowing import demand. The deficit declined by 4.7% to US\$ 193.82 million in February 2020, as a result of a higher reduction in the value of imports (down by US\$ 40.33 million) as compared to exports (down by US\$ 30.71 million).

In comparison to February 2019, the trade deficit reduced 14.7%, from US\$ 227.11 million to US\$ 193.82 million. The narrowing of the deficit in this case was on account of higher export earnings.

² Data on private sector credit has a lag of one month.

³ Statistics on trade come with a lag of one month.

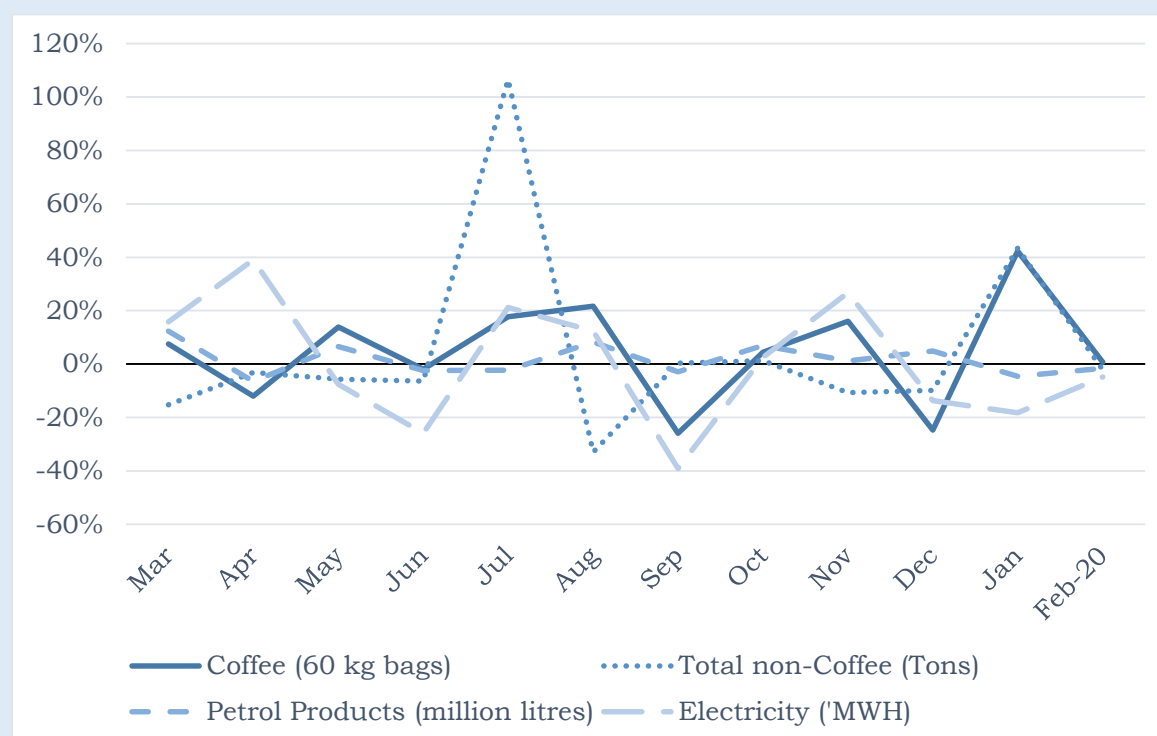
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Merchandise exports⁴

Table 2: Merchandise exports by product, million US\$ (Source: BoU)

	Feb-19	Jan-20	Feb-20	Feb-20 Vs Jan-20	Feb-20 Vs Feb-19
Total Exports	296.3	383.6	352.9	-8.0%	19.1%
1. Coffee (Value)	32.7	48.2	46.7	-3.0%	43.1%
Coffee (60 kg bags)	323,828	469,951	472,994	0.6%	46.1%
Av. unit value	1.68	1.71	1.65	3.6%	2.0%
2. Non-Coffee formal exports	224.2	288.0	257.9	-10.5%	15.0%
o/w Tea	7.1	6.6	5.9	-9.8%	-16.7%
Cotton	3.9	7.0	7.0	0.9%	82.5%
Fish & its products	16.4	14.2	11.3	-20.5%	-31.4%
Maize	3.8	15.1	10.9	-27.4%	184.2%
SimSim	4.8	4.8	6.2	30.5%	30.9%
Flowers	5.3	4.4	5.4	22.7%	1.0%
3. ICBT Exports	39.5	47.4	48.3	1.9%	22.4%

Figure 16: Export volume monthly change (%) (Source: BoU)



There was an 8.0% reduction in export receipts registered for February 2020 compared to the previous month. The value of exports was recorded at US\$ 352.91 million in February 2020, lower than the US\$ 383.62 million recorded for January 2020. Among the exports that registered a decline during the month included; coffee, fish & its products, tea, maize and beans. Export performance was affected

March 2020 Performance of the Economy Report

by falling external demand and trade disruptions following the coronavirus outbreak.

However, a comparison with February 2019 shows a 19.1% increase in export receipts from US\$ 296.3 million in February 2019 to US\$ 352.91 million in February 2020. In that period, coffee, cotton and maize exports improved by 43%, 83% and 184%, respectively, following higher export volumes.

⁴ Statistics on trade come with a lag of one month.

Destination of exports⁵

Figure 17: Percentage shares of merchandise exports by destination (Source: BoU)

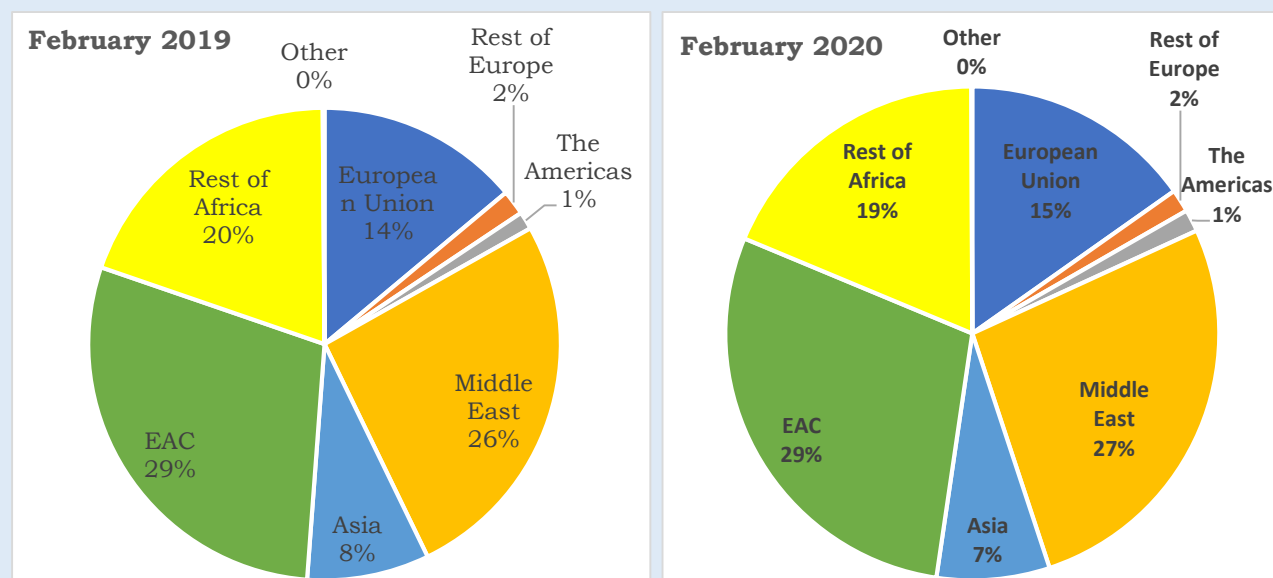
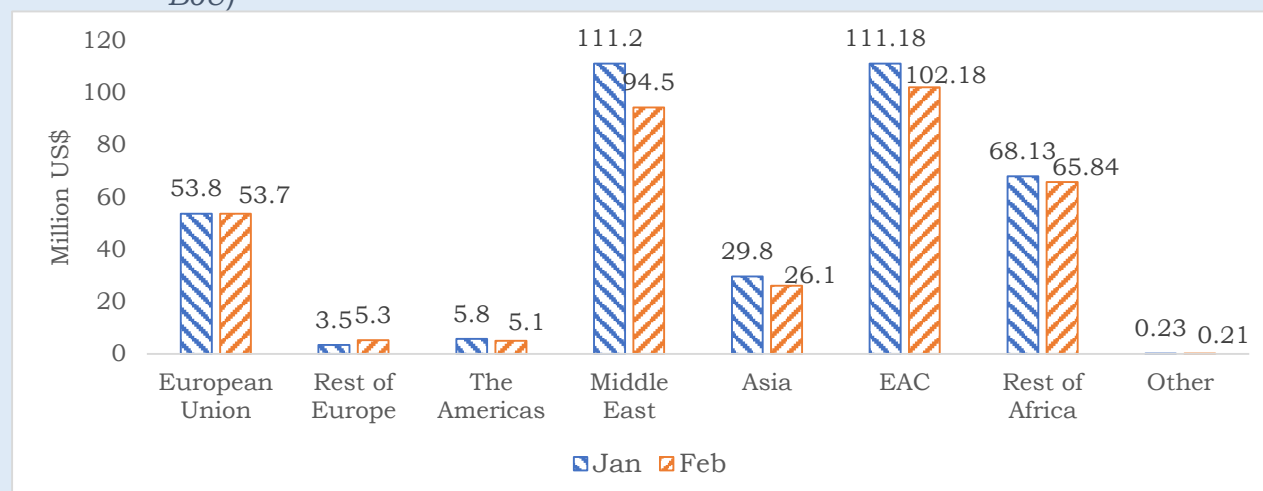


Figure 18: Monthly Comparison of Value of Merchandise exports by destination (Source: BoU)⁶



In February 2020, the East African Community (EAC) was the leading destination of Uganda's exports – accounting for 29% and was followed by the Middle East – at 26.8%. The Rest of Africa and the European Union were the other major destinations of our exports during February 2020 accounting for 18.7% and 15.2%, respectively.

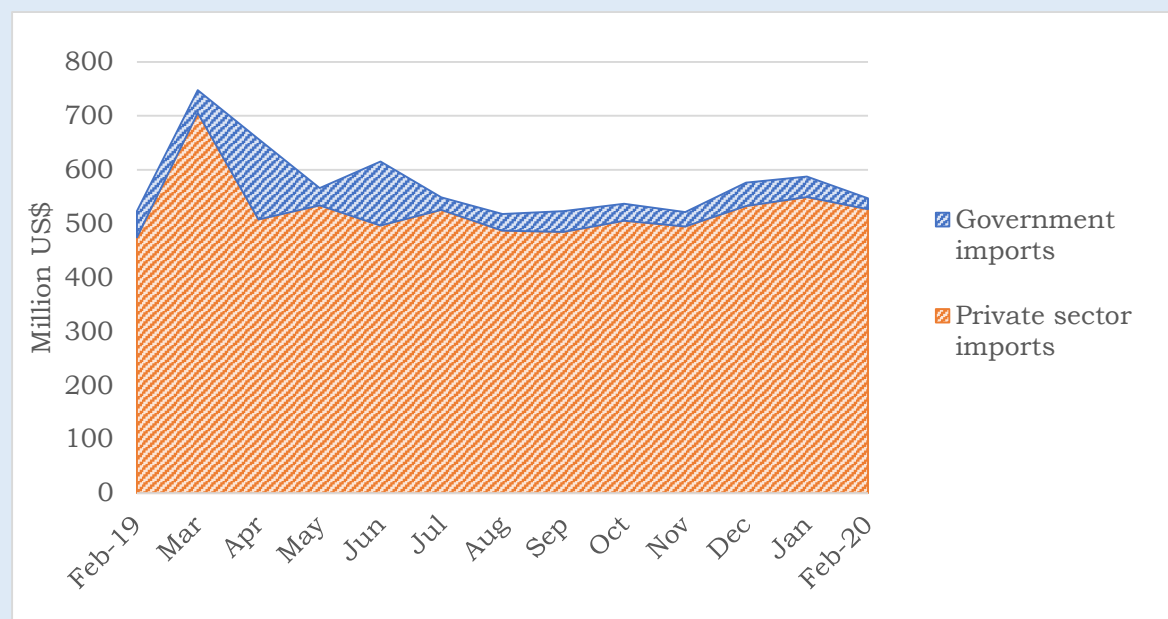
Except for the Rest of Europe, which accounted for only 1.5% of total export receipts, the value of exports to all other major destinations declined during the month.

⁵ Statistics on trade come with a lag of one month.

⁶ Others include: Australia and Iceland.

Merchandise imports⁷

Figure 19: Merchandise imports (Source: BoU)



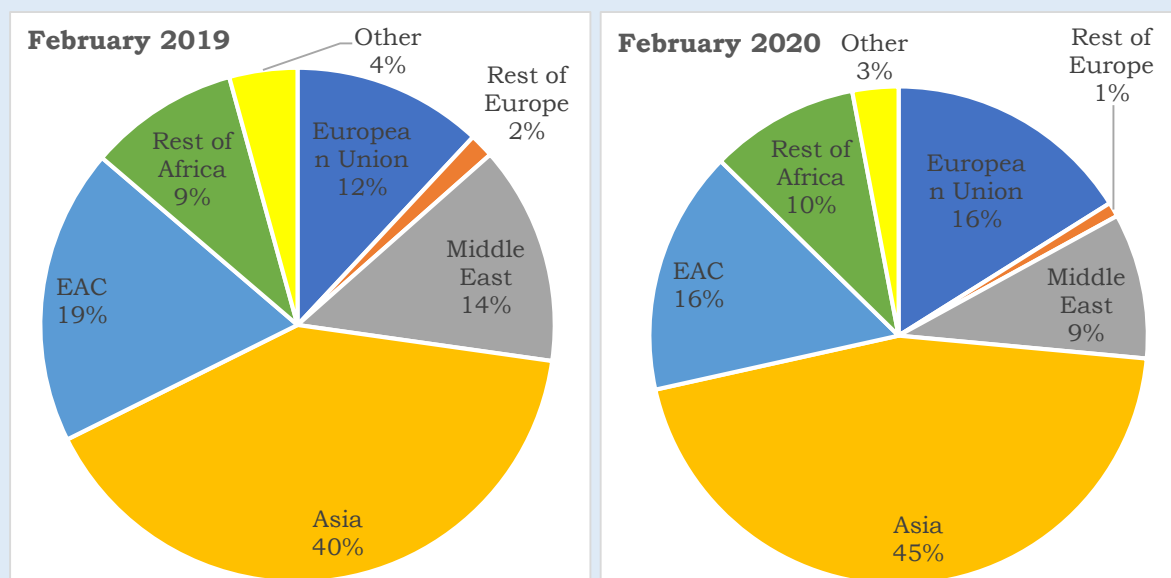
The value of merchandise imports declined **by 6.9% from US\$ 587.06 million in January to US\$ 546.73 million in February 2020**, as demand from both Government and private sector fell. Government imports declined by 46.2% and by 4.2% for the private sector. Some categories of items that registered major reductions included prepared foodstuffs, beverages and tobacco (down by 7%), mineral products excluding petroleum (down by 7%), petroleum products (down by 8%), plastics and rubber items (down by 7%), textile and textile products (down by 6%), miscellaneous manufactured articles (down by 25%) and arms, ammunitions & accessories (down by 76%) among others.

On a year to year basis, **the total import bill increased by 4.5%** from US\$ 523.41 million in February 2019 to US\$ 546.73 million in February 2020. The rise in the value of imports is attributed to a 10.9% increase in private sector imports which more than offset a decline in Government imports over the same time period.

⁷ Statistics on trade come with a lag of one month.

Origin of imports⁸

Figure 20: Merchandise imports by origin (Source: BoU)⁹



During February 2020, 45.1% of Uganda's total imports were sourced from Asia up from the 39.4% recorded in the previous month, while 16.1% was from the European Union. Imports from the EAC region accounted for 15.8% of Uganda's imports during the period.

Imports from all the trading regions, except for the European Union and Asia, declined in February 2020 when compared to the previous month.

⁸ Statistics on trade come with a lag of one month.

⁹ Others include USA, Brazil, Canada, Australia, Chile, Colombia, Jamaica, Mexico, Argentina, New Zealand, Cuba, Liechtenstein

Trade balance by region¹⁰

Table 3: Merchandise trade balance by region, million US\$ (Source: BoU)

	Feb-19	Jan-20	Feb-20
European Union	-21.3	11.9	-34.2
Rest of Europe	-2.9	-3.7	0.1
Middle East	4.9	3.1	42.8
Asia	-186.8	-201.4	-220.2
EAC	-11.2	0.6	15.7
Rest of Africa	8.6	1.4	13.0
The Americas & Others	-18.4	-15.3	-11.0

In February 2020, Uganda traded at a surplus with the Middle East, the East African Community, Rest of Africa, and the Rest of Europe, and our trade position with all regions improved except for Asia and the European Union. Uganda's trade deficit with Asia deteriorated from US\$201.4 million in January 2020 to US\$ 220.2 million in February 2020. Similarly, the trade position with the European Union changed from a surplus in January to a deficit during February 2020 (see table 3) following increased importation from that region.

A comparison with February 2019, shows Uganda's trade position improved against all regions except for Asia and the European Union with whom our trade deficits expanded.

¹⁰ Statistics on trade come with a lag of one month.

4.0 FISCAL SECTOR DEVELOPMENTS

Fiscal overview

Table 4: Summary table of fiscal operations March 2020 (Source: MoFPED)¹¹

(Billion US\$)	Program	Outturn	Performance	Deviation
Revenues and grants	1,769.75	1,385.10	78.3%	-384.64
Revenues	1,662.17	1,383.49	83.2%	-278.67
Tax	1,513.95	1,295.55	85.6%	-218.40
Non-tax	148.22	87.94	59.3%	-60.28
Grants	107.58	1.61	1.5%	-105.97
Budget support	22.34	0.00	0.0%	-22.34
o/w HIPC debt relief	0.00	0.00	-	0.00
Project support	85.23	1.61	1.9%	-83.62
Expenditures and lending	2,041.30	1,603.11	78.5%	-438.19
Current expenditures	915.45	1,103.24	120.5%	187.79
Wages and salaries	380.98	381.87	100.2%	0.89
Interest payments	235.82	310.96	131.9%	75.14
o/w domestic	184.70	255.86	138.5%	71.16
o/w external	51.12	55.10	107.8%	3.97
Other recurrent expenditure	298.66	410.41	137.4%	111.75
Development expenditures	1,066.18	488.57	45.8%	-577.61
Domestic	410.74	238.28	58.0%	-172.47
External	655.44	250.30	38.2%	-405.14
Net lending/repayments	59.66	2.00	3.3%	-57.66
HPP GoU	0.00	2.00		2.00
HPP Exim	59.66	0.00	0.0%	-59.66
Domestic arrears repayment	0.00	9.30	-	9.30
Overall fiscal balance (incl. grants)	-271.55	-218.01		
Domestic Balance	335.98	30.68		

Government operations during the month resulted into **an overall fiscal deficit of Shs 218.01 billion** which was lower than the planned deficit of Shs 271.55 billion. The lower deficit was on account of lower than programmed expenditure during the month and more than offset the shortfalls in revenues and grants.

A domestic fiscal surplus of only Shs 30.68 billion was registered during the month against a planned surplus of Shs 335.98 billion implying that expenditure, excluding externally financed development spending and external interest, was above program for the month.

¹¹ Fiscal data is preliminary

Revenues

Revenues recorded a shortfall of **Shs 278.67 billion** (or 16.8%) against the target of Shs 1,662.17 billion in March 2020, as both tax and non-tax revenues fell short of their respective targets. Tax revenues amounted to Shs 1,295.55 billion or 85.6% of the target for the month while non-tax revenues performed at 59.3% against the monthly target. The performance of revenues during the month was affected by the global domestic responses – including transport and trade restrictions following the outbreak of coronavirus pandemic.

International trade taxes were affected by a reduction in the volume of imports due to the global supply chain disruptions. Trade tax collections amounted to a shortfall of Shs 91.40 billion or 14.4% below the target for the month. Similarly, restrictions imposed within the domestic economy to curb the spread of the virus had a negative impact on domestic taxes.

Direct domestic taxes registered a shortfall of Shs 87.12 billion or 17.2% against the target, as corporate taxes, PAYE, and withholding tax – the three largest items in the tax head underperformed. Similarly, **indirect domestic taxes** registered a shortfall of Shs 44.33 billion or 11.2% against the target owing to reduced sales and a general decline in demand during the month. Excise duty on the major consumables (for instance beer, soft drinks, spirits, and cement) was lower than earlier projected, while lower consumption affected Value Added Tax (VAT) collections.

Expenditure

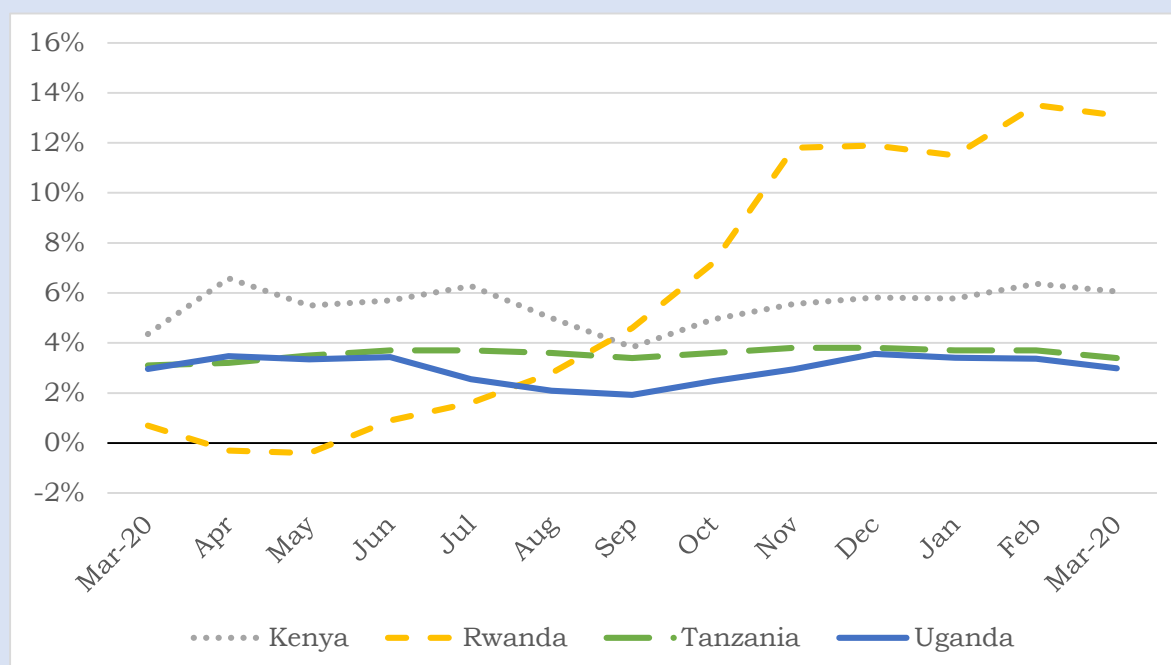
Government spending during March 2020 totalled to Shs 1,603.11 billion, resulting into a 78.5% performance rate against planned levels for the month. This underperformance is attributed to lower than expected execution (45.8%) of development spending for the month. This performance is explained by two main factors; firstly, a portion of spending on domestically financed projects initially planned for March was front-loaded and undertaken earlier during January and February. Secondly, the global and domestic restrictions on movements affected execution of a number of externally financed development projects.

However, low execution on development spending was partially offset by higher execution on recurrent activities, which was 20.5% above planned levels for the month. Expenditures on non-wage recurrent activities and debt service obligations were 37.4% and 31.9%, respectively above planned levels for the month.

5.0 EAST AFRICA COMMUNITY DEVELOPMENTS

EAC Inflation¹²

Figure 21: Headline inflation for EAC partner states (Source: Respective authorities¹³)



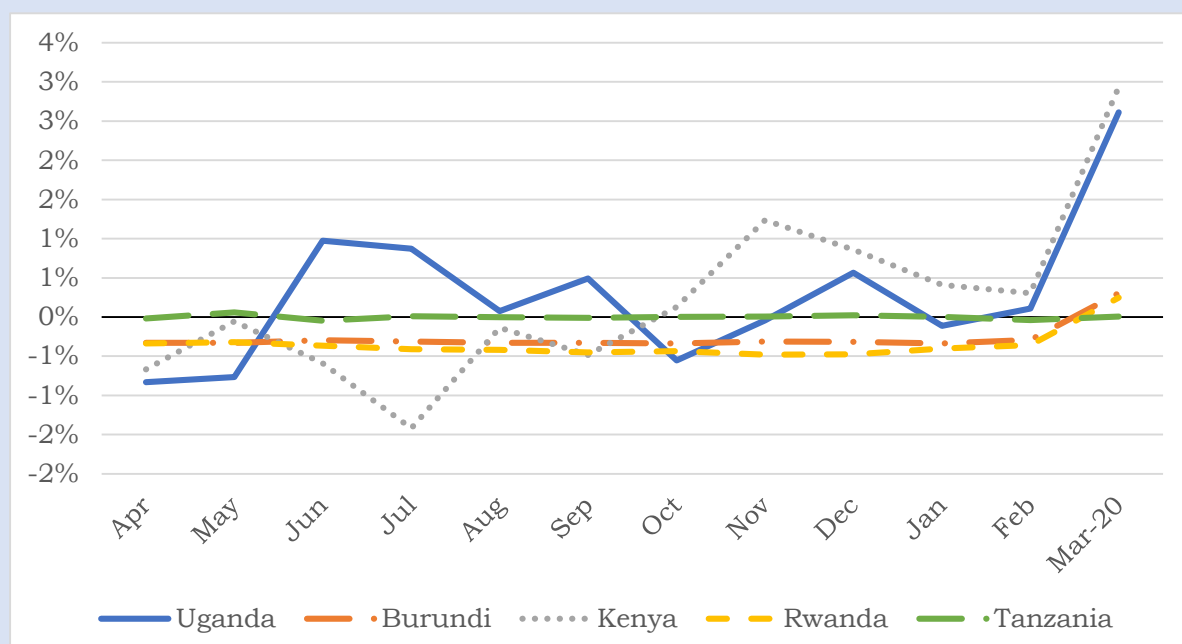
Annual headline inflation for Uganda, Kenya, Rwanda and Tanzania registered slight reductions in the year ending March 2020. Kenya registered 6.1% down from the 6.4% recorded in February 2020 while Tanzania and Rwanda registered 3.4% and 13.1% in March down from 3.7% and 13.5% respectively, recorded in February 2020. The decline in Kenya, Tanzania and Rwanda was due to a slowdown in the price increases of mainly food and non-alcoholic beverages during the month.

¹² Data for Burundi and South Sudan not readily available for March 2020.

¹³ UBoS, Kenya National Bureau of Statistics, National Institute of Statistics Rwanda, Tanzania National Bureau of Statistics.

EAC exchange rates

Figure 22: Monthly EAC currency appreciation and depreciation against the US\$ [%] (Source: BoU)¹⁴

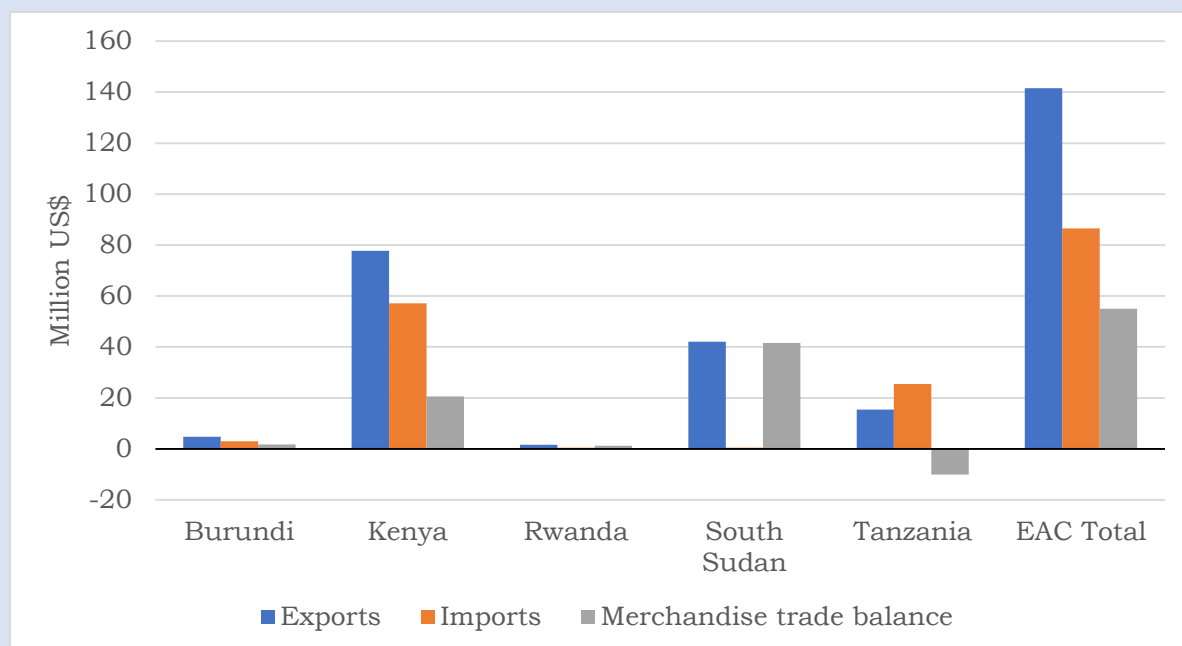


During March 2020, all the currencies of the EAC partner states save for the Tanzanian Shilling, registered depreciations against the US Dollar. The Rwandan and Burundian Francs depreciated by 0.2% and 0.3% respectively, while the Kenyan Shillings depreciated by 2.9%. The depreciation of these currencies was mainly due increased capital flight to more developed and secure markets. The Tanzanian Shilling however largely remained unchanged posting a slight appreciation of 0.01% over the same period.

¹⁴ A positive point on the graph indicates a depreciation while a negative point indicates an appreciation.

Trade balance with the EAC¹⁵

Figure 23: Trade balance with EAC Partner States (Source: Bank of Uganda)



In the month of February 2020, Uganda registered a trade surplus of **US\$ 54.99** million compared to a deficit of US\$ 1.32 million recorded January 2020. Uganda exported merchandise worth **US\$ 141.52 million** (US\$ 32.56 million more compared to January 2020) and imported merchandise worth **US\$ 86.53 million**. Exports increased by 29.9% while imports decreased by 21.5% when compared to January 2020.

On a country specific level, Uganda traded at surplus with all East African Partner States except for Tanzania. Kenya remained the biggest destination of Uganda's exports and the largest source of her imports. South Sudan was the second largest destination of Uganda's exports while Tanzania was the second largest source of Uganda's imports.

¹⁵ Data comes with a lag of one month

March 2020 Performance of the Economy Report

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

Real Sector	Mar-19	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar-20	Source
Headline Inflation	3.0%	3.5%	3.3%	3.4%	2.6%	2.1%	1.9%	2.5%	3.0%	3.6%	3.4%	3.4%	3.0%	UBOS
Core Inflation	4.6%	4.8%	4.6%	4.9%	3.5%	2.7%	2.5%	2.6%	2.9%	3.0%	3.1%	3.1%	2.5%	UBOS
Food Crops	-9.9%	-6.2%	-5.4%	-3.7%	-0.8%	-1.4%	-3.0%	-0.9%	0.0%	3.4%	2.6%	1.3%	2.5%	UBOS
EFU (Energy, Fuel and Utilities)	5.3%	5.4%	4.6%	-0.5%	-1.9%	1.0%	2.5%	5.1%	7.4%	8.8%	7.7%	8.0%	7.7%	UBOS
Business Tendency Indicator	58.82	58.57	58.42	58.31	58.14	57.89	57.53	57.03	56.46	55.87	55.29	54.74	54.19	BoU
CIEA (Composite Index of Economic Activity)	230.02	231.26	232.43	233.66	234.83	235.80	236.65	237.43	238.06	238.75	239.64	240.83		BoU
Financial Sector	Mar-19	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar-20	Source
UGX/USD (Average)	3,706	3,737	3,766	3,729	3,696	3,694	3,675	3,696	3,697	3,677	3,681	3,677	3,773	BoU
Central Bank Interest Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	BoU
Lending rate for Shillings	19.6%	19.8%	19.6%	19.0%	21.4%	20.2%	19.8%	19.8%	18.3%	18.8%	19.9%	19.1%		BoU
Treasury bill yields 91-day	10.0%	9.7%	8.9%	9.5%	9.7%	9.0%	8.7%	8.4%	8.6%	9.4%	9.7%	9.6%	9.6%	BoU
Treasury bill yields 182-day	12.5%	11.5%	11.5%	11.4%	11.5%	11.6%	11.5%	11.2%	11.6%	12.5%	13.6%	12.6%	13.4%	BoU
Treasury bill yields 364-day	1.8	1.6	2.0	1.4	1.3	1.4	2.1	1.8	1.1	1.0	0.9	2.0	1.3	BoU
Average Bid-to-Cover Ratio	623.1	501.7	530.0	526.7	669.3	857.7	663.8	875.3	725.6	597.9	923.4	715.6	693.5	MoFPED
External Sector	Mar-19	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar-20	Source
Merchandise exports (million USD)	603.9	313.0	349.6	298.0	322.1	321.4	296.7	313.6	338.2	336.9	383.6	352.9		BoU
Merchandise imports (million USD)	747.6	656.6	566.1	615.5	548.6	517.9	523.4	537.0	521.4	576.2	587.1	546.7		BoU
Merchandise trade balance (million USD)	-143.6	-343.6	-216.5	-317.5	-226.5	-196.5	-226.6	-223.4	-183.2	-239.2	-203.4	-193.8		BoU

March 2020 Performance of the Economy Report

Annex 2: Private Sector Credit: Detail by sector

Stock of outstanding private sector credit (<i>billion UGX</i>)	Mar-19	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar-20	Source
Agriculture	1,848	1,842	1,923	1,937	2,004	2,110	2,082	2,129	2,139	2,160	2,080	2,122		BoU
Mining and Quarrying	115	112	99	81	94	77	76	83	87	91	85	74		BoU
Manufacturing	1,900	1,975	1,960	2,028	2,009	1,991	1,953	1,975	1,985	1,936	1,857	1,824		BoU
Trade	2,924	2,979	3,079	3,099	3,076	3,114	3,149	3,208	3,235	3,318	3,304	3,270		BoU
Transport and Communication & Electricity and Water	1,011	1,019	873	968	958	907	874	871	899	956	892	835		BoU
Building, Mortgage, Construction and Real Estate	2,919	2,961	3,032	3,003	3,100	3,154	3,187	3,170	3,117	3,183	3,254	3,276		BoU
Business Services & Community, Social & Other Services	1,251	1,282	1,332	1,349	1,309	1,318	1,353	1,333	1,386	1,482	1,469	1,453		BoU
Personal Loans and Household Loans	2,568	2,589	2,617	2,627	2,675	2,686	2,689	2,730	2,791	2,801	2,853	2,881		BoU
Total	14,536	14,760	14,915	15,092	15,226	15,357	15,363	15,499	15,639	15,928	15,795	15,735		BoU

March 2020 Performance of the Economy Report

Annex 3: Export volumes

Export volume growth on previous month (%) ¹⁶	Mar-19	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Coffee (60 kg bags)	348,230	306,315	348,632	341,628	401,930	489,184	362,219	378,238	438,815	330,248	469,951	472,994	BoU
Cotton (185 kg Bales)	16,780	22,726	26,570	26,812	28,248	8,616	2,750	8,870	22,574	22,978	26,344	25,952	BoU
Tea	5,770	4,351	7,021	6,948	5,946	4,891	4,356	5,333	6,096	5,400	6,219	5,543	BoU
Tobacco	907	596	1,213	1,400	737	1,928	5,002	5,271	2,517	1,833	748	1,104	BoU
Beans	7,150	4,277	1,255	7,308	49,232	4,869	4,679	1,930	7,627	8,741	7,213	4,045	BoU
Simsim	3,153	706	1,061	344	4,221	2,243	2,060	424	1,181	3,057	3,691	5,036	BoU
Other Pulses	366	160	73	106	3,537	1,003	964	739	1,600	1,029	1,357	2,846	BoU
Maize	14,248	17,379	5,700	12,203	41,785	41,499	40,197	35,894	24,490	12,875	42,486	32,995	BoU
Sorghum	5,962	1,632	1,416	1,155	11,720	2,468	2,618	2,127	3,316	4,355	7,087	4,129	BoU
Fish & its Products*	2,872	2,157	2,868	2,644	1,537	2,734	2,372	2,581	2,165	1,869	2,230	1,734	BoU
Fruits & Vegetables	5,410	6,533	4,828	4,298	13,474	3,441	3,657	4,558	6,839	6,385	5,497	7,648	BoU
Hides & Skins	1,492	1,226	1,311	662	3,053	837	598	732	830	905	974	892	BoU
Cement	30,969	35,287	28,574	29,833	22,840	28,765	31,292	32,123	29,487	32,324	36,072	40,544	BoU
Flowers	149	567	631	185	446	551	474	525	461	490	518	677	BoU
Cocoa Beans	3,741	2,853	3,594	1,731	3,232	1,080	1,845	2,252	3,444	3,724	5,609	4,093	BoU
Sugar	10,022	12,681	23,874	9,468	8,135	13,090	13,681	18,897	12,832	8,721	11,872	17,869	BoU
Rice	4,556	3,716	4,898	3,920	4,420	7,138	3,733	5,428	2,219	2,154	3,213	2,467	BoU
Vanilla (Kgs)	239	6,754	4,593	4,245	108	1,066	357	3,616	2,545	1,963	50	0	BoU
Gold (Kgs)	8,692	2,198	1,903	1,977	935	1,755	1,530	1,540	1,809	2,253	2,097	1,965	BoU
Cobalt	0	0	0	0	0	0	0	0	0	0	0	0	BoU
Edible Fats & Oils	648	918	435	539	1,389	516	688	322	779	1,398	2,423	2,134	BoU
Soap	3,189	2,239	2,248	1,931	3,535	1,808	1,668	1,729	1,587	2,366	2,689	3,162	BoU
Plastic Products	1,733	1,835	2,463	2,786	1,433	2,133	1,523	2,071	2,229	1,192	1,786	1,711	BoU
Petroleum Products (millions of litres)	10,002	9,354	9,965	9,724	9,493	10,271	9,976	10,661	10,779	11,300	10,785	10,617	BoU
Electricity (MWH)	24,476	34,027	31,426	23,275	28,198	31,671	19,259	19,736	24,996	21,578	17,636	16,779	BoU
Beer (mls)	1,899	2,506	2,715	1,442	1,583	2,114	2,399	2,057	3,609	3,195	2,332	2,460	BoU
Coffee (60 kg bags)	348,230	306,315	348,632	341,628	401,930	489,184	362,219	378,238	438,815	330,248	469,951	472,994	BoU

¹⁶ Trade data comes with a lag of one month

March 2020 Performance of the Economy Report

Annex 4: Composition of Exports

Export value by product (million USD) ¹⁷	Mar-19	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar-20	Source
Coffee	34.1	30.1	33.3	31.9	45.3	46.3	34.7	36.9	42.2	31.9	48.2	46.7		BoU
Electricity	4.5	6.7	6.2	4.1	2.9	3.9	2.1	2.3	2.3	1.9	1.6	1.5		BoU
Gold	363.4	89.3	78.7	81.0	97.3	82.9	77.6	73.8	84.8	99.0	104.6	89.3		BoU
Cotton	4.8	6.9	7.9	7.9	4.5	2.4	0.8	2.0	6.1	6.2	7.0	7.0		BoU
Tea	7.0	5.2	8.4	8.0	5.8	4.8	4.4	5.8	6.9	6.0	6.6	5.9		BoU
Tobacco	2.3	1.4	4.8	5.4	4.2	4.6	12.8	13.8	6.0	4.4	2.4	3.2		BoU
Fish & its prod. (excl. regional)	18.9	11.5	16.7	12.9	12.4	14.5	11.7	15.2	15.5	13.1	14.2	11.3		BoU
Hides & skins	2.4	2.3	2.1	1.5	1.3	1.6	1.1	1.1	1.4	1.4	1.1	1.0		BoU
Simsim	4.3	1.1	1.9	0.6	0.9	3.1	2.8	0.7	1.7	3.9	4.8	6.2		BoU
Maize	5.2	5.7	2.6	4.2	5.3	13.0	10.7	8.8	8.6	5.2	15.1	10.9		BoU
Beans	3.6	3.3	0.5	2.5	3.1	2.6	1.7	1.0	5.5	6.0	4.2	1.8		BoU
Flowers	4.7	5.0	5.0	6.1	5.0	4.6	3.6	3.4	3.4	3.8	4.4	5.4		BoU
Oil re-exports	10.8	10.2	10.8	10.4	11.7	11.3	10.7	11.5	11.7	12.2	11.5	11.4		BoU
Cobalt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		BoU
Others	94.1	88.5	131.0	80.9	75.8	84.1	80.5	92.6	90.5	88.8	110.7	102.8		BoU
ICBT	44.0	45.9	39.7	40.6	46.6	41.7	41.6	44.7	51.6	53.2	47.4	48.3		BoU

¹⁷ Trade data comes with a lag of one month

March 2020 Performance of the Economy Report

Annex 5: Composition of Imports

Import value by product (million USD) ¹⁸	Mar-19	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar-20	Source
Animal & Animal Products	3.1	3.2	3.7	3.1	3.2	3.9	3.3	3.3	2.9	3.8	3.3	3.2		BoU
Vegetable Products, Animal, Beverages, Fats & Oil	36.3	41.2	45.6	38.8	38.5	32.6	36.2	40.9	35.8	38.2	40.8	44.4		BoU
Prepared Foodstuff, Beverages & Tobacco	19.4	18.1	16.8	21.1	17.1	16.3	16.9	17.2	22.1	18.5	21.2	19.6		BoU
Mineral Products (excluding Petroleum products)	312.7	91.2	102.4	87.7	96.1	85.3	75.6	76.7	82.8	96.7	97.9	90.9		BoU
Petroleum Products	75.6	85.1	84.4	81.2	78.8	69.5	83.5	83.3	78.0	86.2	87.6	81.0		BoU
Chemical & Related Products	46.1	47.1	42.6	45.6	43.1	43.2	40.6	50.9	51.4	49.8	47.6	53.5		BoU
Plastics, Rubber, & Related Products	31.8	34.2	33.3	28.0	34.0	30.2	28.9	31.0	29.0	32.2	33.1	30.8		BoU
Wood & Wood Products	14.0	13.5	10.9	13.1	12.1	13.1	10.9	10.9	10.7	10.1	10.9	10.7		BoU
Textile & Textile Products	14.9	20.5	19.5	18.3	19.3	19.1	20.1	22.8	21.5	24.8	22.7	21.2		BoU
Miscellaneous Manufactured Articles	18.7	19.4	25.9	19.3	23.6	22.6	24.3	25.4	22.3	25.1	31.1	23.2		BoU
Base Metals & their Products	34.1	33.6	42.7	36.1	45.1	42.1	33.8	36.0	34.6	32.3	35.8	32.8		BoU
Machinery Equipment's, Vehicles & Accessories	94.3	96.3	102.0	99.5	109.7	104.3	106.3	101.7	97.5	108.2	111.6	110.3		BoU
Arms & Ammunitions & Accessories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		BoU
Electricity	0.3	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.3	0.2	0.1		BoU
Other	46.3	153.2	36.3	123.7	27.8	35.6	42.7	36.6	32.6	50.1	43.3	24.8		BoU

¹⁸ Trade data comes with a lag of one month

March 2020 Performance of the Economy Report

Annex 6: Fiscal Trends, Shs. Billion

	Feb'19	Mar 19	Apr 19	May 19	Jun 19	Jul'19	Aug '19	Sep'19	Oct'19	Nov'19	Dec'19	Jan'20	Prel. Feb'20
Revenues and Grants	1,435.3	1,426.4	1,448.3	1,427.2	1,909.5	1,328.1	1,492.9	1,444.0	1,615.3	1,488.8	2,244.4	1,591.2	1,500.6
Revenues	1,296.7	1,331.9	1,294.7	1,300.0	1,856.5	1,282.5	1,370.3	1,381.3	1,447.2	1,428.1	2,199.4	1,523.4	1,408.4
URA	1,257.5	1,293.2	1,253.2	1,256.4	1,822.9	1,198.9	1,285.5	1,312.2	1,339.7	1,307.1	2,139.0	1,462.4	1,342.0
Non-URA	39.2	38.7	41.5	43.6	33.6	83.6	84.9	69.1	107.5	121.1	60.4	60.9	66.4
Grants	138.6	94.5	153.6	127.3	53.0	45.6	122.6	62.7	168.1	60.7	45.0	67.8	92.3
Budget Support	78.3	63.1	43.5	114.9	27.8	2.1	24.7	13.4	11.2	8.8	2.0	5.4	11.1
Project Support	60.2	31.4	110.1	12.4	25.2	43.5	97.9	49.3	156.9	51.9	43.1	62.4	81.1
Expenditure and Lending	1,721.2	1,567.1	2,666.4	2,156.5	2,163.3	2,129.8	2,732.2	2,253.1	2,983.2	1,726.2	1,652.4	3,079.2	2,097.8
Current Expenditures	945.9	972.3	1,110.7	1,011.6	976.0	1,217.3	1,339.9	1,129.8	1,455.9	1,051.0	1,050.3	1,455.9	1,195.3
Wages and Salaries	351.3	352.2	372.4	370.8	371.2	365.7	395.9	369.2	380.3	377.5	384.7	394.8	389.0
Interest Payments	200.6	291.4	127.9	195.3	201.7	307.5	238.0	335.0	169.0	174.3	197.7	338.0	255.8
Domestic	151.5	245.3	83.6	178.4	178.9	250.9	186.5	278.6	145.4	154.7	147.9	288.2	175.8
External	49.1	46.1	44.3	16.9	22.8	56.6	51.5	56.4	23.7	19.6	49.8	49.8	80.0
Other Recurr. Expenditures	394.0	328.7	610.4	445.5	403.1	544.1	706.0	425.5	906.7	499.2	467.9	723.2	550.5
Development Expenditures	564.2	455.1	1,264.9	1,105.6	1,025.7	847.5	1,326.2	1,080.3	1,436.5	654.3	585.0	1,612.1	854.2
Domestic Development	284.6	277.2	744.9	765.6	560.9	641.6	896.1	699.4	1,021.6	436.7	262.2	1,338.3	725.5
External Development	279.6	177.9	520.0	340.0	464.8	205.9	430.1	380.8	414.9	217.6	322.8	273.8	128.6
Net Lending/Repayments	159.4	129.4	284.9	11.4	142.3	-	16.9	4.2	18.4	4.6	1.7	6.3	1.4
Domestic Arrears Repaym.	51.8	10.2	5.8	27.9	19.3	65.0	49.2	38.8	72.4	16.4	15.4	4.9	46.9
Domestic Balance	(95.8)	(11.1)	(807.3)	(499.6)	180.7	(584.8)	(880.3)	(434.5)	(1,097.4)	(61.0)	919.5	(1,232.2)	(480.9)
Primary Balance	(85.3)	150.8	(1,090.2)	(534.0)	(52.1)	(494.2)	(1,001.3)	(474.0)	(1,198.8)	(63.1)	789.7	(1,150.0)	(341.4)
Overall Fiscal Bal. (excl. Grants)	(424.5)	(235.2)	(1,371.6)	(856.5)	(306.8)	(847.4)	(1,361.8)	(871.8)	(1,536.0)	(298.1)	547.0	(1,555.9)	(689.4)
Overall Fiscal Bal. (incl. Grants)	(285.9)	(140.7)	(1,218.1)	(729.2)	(253.8)	(801.7)	(1,239.2)	(809.1)	(1,367.9)	(237.4)	592.0	(1,488.0)	(597.2)
Financing:	285.9	140.7	1,218.1	729.2	253.8	801.7	1,239.2	809.1	1,367.9	237.4	(592.0)	1,488.0	597.2
External Financing (Net)	294.5	197.4	448.8	137.3	825.2	76.4	144.2	238.3	181.3	254.8	254.6	137.1	287.6
Disbursements	413.3	308.1	616.4	198.9	922.7	130.8	199.4	304.6	283.1	277.0	301.2	210.8	338.1
Budget Support Loans	-	-	-	-	188.3	-	-	-	-	-	-	-	204.8
Project Loans	413.3	308.1	616.4	198.9	734.4	130.8	199.4	304.6	283.1	277.0	301.2	210.8	133.3
Armotization	(118.8)	(110.6)	(167.6)	(61.6)	(97.5)	(54.2)	(55.2)	(66.3)	(101.8)	(22.2)	(46.4)	(73.3)	(50.5)
Domestic Financing (Net)	51.7	53.7	184.3	632.1	244.8	(272.8)	1,802.8	551.8	696.0	380.5	(721.6)	688.3	395.1
Bank Financing (Net)	128.6	(196.8)	112.4	515.5	253.6	(319.4)	1,527.7	461.4	570.7	122.9	(902.0)	313.8	290.9
Non-bank Financing (Net)	(76.8)	250.5	71.8	116.6	(8.8)	46.6	275.1	90.3	125.4	257.7	180.4	374.5	104.2
Errors and Omissions	(60.3)	(110.5)	585.0	(40.2)	(816.2)	998.1	(707.8)	19.0	490.6	(397.9)	(125.0)	662.6	(85.5)

Source: MFPED