



THE REPUBLIC OF UGANDA

National Budget Conference

BUDGET STRATEGY FOR FY2020/21

DELIVERED BY:

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PREAMBLE

The Rt. Hon. Prime Minister and Leader of Government Business,
Colleague Ministers,
The Leader of the Opposition in Parliament,
Hon. Members of Parliament,
Development Partners,
Ladies and Gentlemen.

I greet you and welcome you all to this National Budget Conference.

This conference kick-starts the consultations on the Budget for the next financial year 2020/21 which is the first year of implementation of the third National Development Plan (NDPIII). The NDPIII seeks to consolidate the cumulative gains that we have made over the previous plans and unlock new opportunities for all Ugandans.

INTRODUCTION

In the Second National Development Plan, we set ourselves a goal to attain middle-income status. We have made significant strides. Every Ugandan now earns, on average, US\$825 per year. By the closure of the plan in June 2020, we will have moved even closer to the middle-income goal of US\$1,039.

Beyond the monetary measures of progress, it is noteworthy to mention that we have already laid a firm foundation for the economy to thrive. The stock of productive, social service, trade and export infrastructure has been increased significantly. Consequently, export earnings increased from US\$3.4Billion to US\$5.3Billion between 2011 and 2018. And, overall, the size of the economy more than doubled from Uganda Shillings 46.9 to 109.0 Trillion within the same space of time.

Several key non-income development targets of the Second National Development Plan, especially those relating to the quality of life, have already been achieved ahead of schedule. For instance, life expectancy is currently at 63 years. This is above the target of 60 years by the year 2020. The increase in life expectancy mirrors considerable improvement in the quality of social service outcomes. Most notably, the reduction in maternal mortality from 435 to 336; and, under-five mortality from 137 to 64, all between 2011 and 2018.

Ladies and gentlemen, these milestones now provide a solid foundation on which the successor third national development plan will drive higher and more inclusive

growth in the coming years, beginning FY2020/21. However, the following challenges to growth will have to be addressed decisively.

CHALLENGES TO ECONOMIC GROWTH AND DEVELOPMENT

We need to address the following five key constraints in order to unlock wealth creation opportunities for our people: -

- i) The first is the low level of productivity in agriculture. Over 68% of the population is in the subsistence economy, with little or no commercial endeavours. Climate change also poses a big risk to the economy. Low productivity also affects minerals and tourism. As a result of the low productivity, job creation in the economy has not kept pace with the surge in the number of youths joining the labour force.
- ii) The second is the uncompetitive private sector as a result of high cost of electricity, transport and money. As a result, Uganda has not been able to benefit fully from the abundant regional and international trade opportunities.
- iii) The third is that of existing gaps in social service delivery and widening inequality coupled with increase in poverty from 19.7% in 2013 to 21.4% in 2017. Most alarmingly, 56% of Uganda's children suffer from multidimensional poverty. Busoga, Bukedi and Bugisu – which, along with Karamoja, Acholi and West Nile rank amongst the poorest sub-regions in the country – and are very densely populated. They together account for one-third of Uganda's child population.
- iv) The fourth is constraints to private sector investment. The cost of credit has been a major constraint to private sector investments. Other constraints relate to the trade barriers and business regulatory gaps.
- v) And, the fifth is inefficiency from fiscal, monetary and administrative governance. As a result, returns to public investments are lower than expected. Also, the increase in administrative units has in most cases resulted into unplanned expenditures and the related supplementary budgets which undermines effective fiscal operations e.g. expenditures on elections.

PROPOSED BUDGET STRATEGY FOR FY2020/21

The budget strategy for FY2020/21 will be anchored on the medium-term growth and development objectives of the third National Development Plan. The plan seeks to consolidate the development gains, with a central focus on increasing household

incomes through a resource-led industrialisation drive. Special focus will also be on promoting equity, an efficient public sector and a vibrant private sector to support this growth agenda. The FY2020/21 budget, under the theme ‘**Industrialization for Job Creation and Shared Prosperity**’, will therefore focus on the following strategic areas: -

- i) *Efficient and sustained exploitation of the productive sectors;*
- ii) *Consolidating and increasing the stock and quality of productive infrastructure to support trade, industrialisation, exports and efficient urbanization;*
- iii) *Increasing the productivity, inclusiveness and wellbeing of the population;*
- iv) *Strengthening the private sector to drive growth; and,*
- v) *Enhancing the effectiveness of both fiscal and administrative governance.*

Efficient and Sustained Exploitation of the Productive Sectors

The industrial and manufacturing sectors hold the most enormous potential to employ more, drive more inclusive growth and faster economic transformation. The Government will therefore pursue a resource-led industrialisation agenda, focusing on commercialisation and value addition in the five areas with significant opportunities for economic transformation (i) Agro-based Industrialisation, (ii) Mineral Beneficiation, (iii) Petroleum Resource Exploitation, (iv) Labour intensive Manufacturing and Trade; and (v) Scientific Research and Innovation. Tourism development will also be pursued. In addition, the strategy will entail scaling up measures for environmental protection and integration of climate change mitigation and adaptation actions within the development plan.

Agro-based Industrialisation

A good foundation has already been laid to support the agro-industrialisation strategy. Commercial agriculture is emerging in some regions, with integrated agricultural value chains linking nucleus farmers and out-growers to agro-processing plants and markets. A notable example is the BIDCO vegetable oil processing plant in Kalangala, which closed a crucial gap in the value chain for palm oil production. The vegetable processing plant has provided a steady market to palm oil farmers and availed a steady supply of vegetable oil for both the national and regional markets. Consequently, several jobs have been created, poverty levels have been reduced in the region and the cooking oil import bill has also been reduced.

In the coming FY2020/21, the Government will prioritise replication of the BIDCO success story countrywide for vital commodity enterprises. The strategy will develop commodity enterprise-specific Value Chain Solutions covering research, production,

post-harvest handling, storage and market access elements that will entail the following strategic actions: -

- i) Organizing farmers into producer cooperatives or groups linked to nucleus commercial farmers/processors who will be encouraged to add value to farmers' produce, put up efficient storage and minimize post-harvest losses.
- ii) Providing agricultural extension services to improve farming practices and increasing the uptake of appropriate research and technologies.
- iii) Promoting Climate-smart Agriculture to reduce reliance on rain-fed agriculture and mitigate the impact of climate change through irrigation, including the use of solar-powered irrigation pumps; and rainwater harvesting.
- iv) Enhancing the rural electrification programme to develop relevant rural growth centres within Ecological Zones.
- v) Strengthening enforcement of regulations for standards and quality assurance.
- vi) Facilitating market access for agricultural products through export development.
- vii) Streamlining financing of Agriculture and attract investments into the sector.
- viii) Providing medium and long-term financing and fully implement the subsidized Agriculture Insurance programmes under the Uganda Agriculture Insurance Scheme (UAIS).

Mineral Beneficiation

The beneficiation of the abundance of mineral deposits such as iron ore, copper, and limestone, among others, will provide economy-wide benefits, far beyond creating wealth within the mineral sector. For instance, processing of phosphates, limestone, and Iron ore into fertilizers, cement and steel respectively provide inputs to commercial agriculture and the construction industry which are essential to spur industrialisation.

Good stride has been made already in the beneficiation of some minerals. A case in point is the processing of limestone into cement which has benefitted the construction industry. The total production capacity for cement now stands at 6.8 million metric tonnes compared to 1.6 million metric tonnes in 2011. Several jobs have been created as a result and there has been a reduction in the cost of cement. Imported cement has reduced.

To replicate this success for other minerals, the budget for the coming fiscal year 2020/21 will prioritise the following interventions: - (i) investment in infrastructure

for exploration (geo-survey and mapping) and value addition to vital minerals; (ii) establishment and review of legal framework for non-conventional minerals such as sand and rocks to support their commercialisation; and, (iii) enforcement of performance-based system for renewal of licenses. The Ministry of Energy and Mineral Development commenced development of the Mining Cadastre and e-business portal for renewal of mineral licenses. During FY2020/21, the sector will ensure the harmonisation of the system with the URA system. The establishment of a proper inventory of the national mineral resource base will also be undertaken to discover more mineral deposits.

Petroleum Resource Exploitation

The exploitation of petroleum resources will provide a new base to the economy. So far, we have put in place a strong legal framework and established key institutions for the sector. The development of supportive infrastructure is underway. In the coming fiscal year, the Government will need to speed up the development of oil and gas infrastructure and build local capacity to participate and benefit from the sector optimally. The following interventions will therefore be prioritized: -

- i) Strengthening human and institutional capacity to enable promotion and licensing, effective monitoring, regulation, and management of the commercial and business interests of the State through building the capacity of UNOC in exploration and other upstream and mid-stream management.
- ii) Finalization of the local content Bill under the Oil and Gas industry to promote local participation in the oil and gas supply chain.
- iii) Fast-tracking Investment in oil-related infrastructure.

Labour-intensive light Manufacturing, Export and Trade Promotion

Uganda is well-positioned to benefit from the many trade blocs that the Government has established through multilateral arrangements, e.g. COMESA, EAC and AGOA, among others. However, this will require increasing manufacturing capacity as well as addressing trade-related issues. The most problematic being the non-tariff barriers. To increase penetration in these trade blocs, the Government will, therefore, prioritize the following interventions in the coming fiscal year: -

- i) Development of the special economic zones; and
- ii) Continued Development of Border Export Zones/Market Program (BMP) to position the country and help in harnessing regional market opportunities.

- iii) Enforcing standards/quality through enhancing certification of products, market surveillance/inspections, laboratory analysis and testing of equipment used in trade and calibration of industrial products.
- iv) Continued investment in transport, energy and ICT infrastructure.
- v) Identifying opportunities for technology importation and streamlining the existing support to the informal sector (Juakalis).

Scientific Research and Innovation

An important aspect of industrializing our economy will be hinged on our ability to enhance scientific research, innovation and technological development. Science, technology, engineering and innovation are essential for the sustainability of the industrialization process. Therefore, in the coming FY2020/21, the Government will ensure that a holistic approach is geared towards innovation, which includes brain work/product diversification, technology adaptation, research and development. This will entail creation of an enabling environment for a concerted effort of all practitioners and stakeholders in the Science, Technology and Innovation ecosystem. Therefore, the following strategic actions will be undertaken: -

- i) Facilitate generation of novel products and technologies backed up by Intellectual Property Rights for the innovators/inventors; and,
- ii) Establish Science, Technology and Innovation infrastructure and enabling regulatory environment for a National Innovation ecosystem to enable harnessing the various opportunities of high potential, notwithstanding the fourth industrial revolution era.
- iii) Operationalization of the National Science, Technology and Engineering Skills Enhancement Centre in Uganda to enhance the technological and skills base of Ugandan graduates, craftsmen, technicians and engineers, among others.

Exploiting the Rich Biodiversity of Tourism

According to the Civil Aviation Authority (CAA), passenger traffic in Entebbe Airport has been increasing by 7% on average, year-on-year, majorly attributed to growth in the number of tourists to the country.

The various marketing campaigns have contributed significantly to the increase in the number of visitors, laying an excellent foundation to increase earnings from the tourism sector. Unlocking Uganda's tourism sector should now go beyond efforts to increase the number of tourists. The focus should be on increasing the number of high-end tourists who come on holiday and leisure, can stay longer and are interested

in coming back again. In the next FY2020/21, the Government will consequently prioritise the following: -

- i) Development of high-value tourism products to attract high-end tourists, with potential for higher earnings, e.g. the design and construction of the equator monument in Queen Elizabeth National Park.
- ii) Provision of adequate tourism infrastructure, i.e. roads, ICT, regional aerodromes, water and sanitation facilities on tourism sites.
- iii) Incentivizing private sector investments in world-class holiday/leisure facilities. The tourism industry taxes and incentives structure will be further reviewed to harmonize taxes and fees such as the registration of hotels, hotel/lodge License tax, and license fees on tourism vehicles, among others.
- iv) Government will engage EAC member states to operationalise the EAC single tourist visa.
- v) Developing Skills essential for Tourism growth. The government will speed-up completion of the Crested Crane Training Institute to facilitate the training of more assessors to improve the classification and grading of tourism facilities.

Climate Change Adaptation and Mitigation

Climate change has resulted in noticeable changes in rainfall patterns, and total annual rainfall amount is expected to reduce in the near future if redress actions are not taken. The changes in the climate system have consequently led to increased food insecurity, the incidence of tropical diseases/pests, land degradation and infrastructure damage caused by flooding. The government will therefore take urgent actions to protect the ecosystem and promote climate mitigation, adaptation and resilience through: -

- i) Attracting climate change financing in the country through strengthening the institutional capacity in the development of bankable projects to lobby for and utilise global climate change financing mechanism, e.g. the Green Climate Fund.
- ii) Enhancing efforts to reduce emissions and build resilience to climate change through the establishment of regional centres of excellence for demonstrating local champions for climate actions.
- iii) Strengthening the coping capacity of vulnerable populations to the effects of climate change and disasters through adaptation and mitigation strategies entailing; access to accurate meteorological information, sensitization and the implementation of climate-smart agricultural practices.

- iv) Leveraging of research, innovation and adoption of appropriate green technologies to incentivise conservation and diversify economic opportunities for communities in the vicinity of natural resources.

Consolidating and Increasing the Stock and Quality of Productive Infrastructure

The Government has made very good progress on the development of infrastructure for energy generation and road transportation. We now need to ensure that energy is evacuated and transmitted to production centres and household consumption units. The maintenance of the existing transport and electricity network, and the development of urban infrastructure to support efficient urbanisation is also very crucial. The following strategic actions will therefore be undertaken: -

Energy

- i) Investment in evacuation of power from completed hydroelectricity plants, the transmission infrastructure and associated substations.
- ii) Electricity distribution and connections to last-mile users. Finalisation of the UMEME Concession extension and enabling its implementation to attract investment in the distribution segment. Besides, the Government will intensify the implementation of the free connections policy and other rural electrification interventions to spread to the last mile users of electricity.

Information and Communication Technology

The Government will continue expanding the National ICT Infrastructure coverage by continued extension of the National Backbone Infrastructure (NBI). Implementation of the GovNet project will be critical to facilitate the last-mile connectivity to service delivery centres which are currently not connected.

It is also crucial to attract investment in assembly/manufacturing of ICT end-user devices which has an impact on job creation. To support this, the Government will put in place a supporting tax regime to attract investment. Also, the support to ICT innovation through the Innovation Fund need to be enhanced.

Transport Infrastructure

- i) Modifying existing road contracts to include a provision for road maintenance over the medium and long-term. This will help to improve the quality of road infrastructure as well as reduce the road maintenance burden on the Government.

- ii) The rollout of the Rural Transport Infrastructure (RTI) which is currently supporting the construction of roads using low-cost seal technologies in twenty (22) districts in Eastern and Northern Uganda to all Local Governments.
- iii) Investment in export corridors, that is to say, the northern and southern transport corridors to facilitate ease and competitive access to export markets, and the expansion of the operations of the Uganda Railways Corporation railway line to cover other requisite urban centers to decongest cities, reduce road fatalities and improve on the traffic burden.
- iv) Map and acquire infrastructure corridors well in advance to avoid unnecessary delays in infrastructure projects on account of Right of Way disputes and high costs of compensations.
- v) Prioritize funding for the completion of the capitalization and operations of the Uganda National Airline.
- vi) Prioritise funding for thirteen (13) upcountry aerodromes essential to facilitate the tourism sector.

Regional Cities/Urban Infrastructure

It is estimated that by 2040 over 20 million Ugandans will reside in urban areas. The majority (54%) of Kampala residents live in slums with inadequate housing, poor sanitation and limited access to basic services, including education and employment.

In order to facilitate healthy growth of urban centres, the Government will: - (i) urgently develop physical plans for the approved cities, including the district and lower local governments in line with the national urban policy; (ii) commence work with the private sector to finance the design and development of satellite cities to decongest Kampala city and other neighbouring areas; (iii) continue to upgrade municipal urban infrastructure across the country; and, (iv) prioritize investments in urban social protection programmes to alleviate high level of deprivation across vulnerable populations, with a focus on adolescent girls.

Increasing the Productivity, Inclusiveness and Wellbeing of the Population

Improving the productivity of the population

About 60% of the Ugandan population is below 18 years of age. The Government's vision to achieve Vision 2040 is therefore highly contingent upon our ability to invest in children, young men and women. Such investments demand greater emphasis in (i) pre-primary education services and the effective implementation of the integrated early childhood development policy, (ii) heightened and urgent prioritization of the

quality of the education system, as well as (iii) firm assurance of adequate financing for basic health and nutrition commodities. These areas of intervention ought to be supported by improved governance and efficiency in budget execution with a view to prioritize human resource planning to match growth and development needs, including skills and vocational advancement. Such efforts demand the systematic expansion of national social protection programmes, informed by rigorous research and bold financial and programmatic innovations aimed at promoting equitable growth across all regions.

In that regard, the focus will be on skilling, social protection and access to education and health services.

Education and Skilling

The education sector must prioritize improving the quality of the education system at all costs. The key interventions should target: -

- i) Investment in pre-primary education to improve the efficiency of the UPE by better preparing students entering the primary system and minimizing the risk of high repetition and drop out.
- ii) The development of a more targeted approach to teacher training and management of the school inspection grant.
- iii) Operationalization of international certification for TVET Programs to uplift them to International standards will be fast-tracked to help uplift the institutes to a global and competitive standard.
- iv) Retooling of new public universities to improve their functionality. These should cover aspects of equipment for practical courses, classrooms and adequate academic staff.
- v) Implementation of the recently reviewed national curriculum for secondary education.

Health Care and Nutrition

The health sector should prioritise the interventions that target: -

- i) Development of Centres of Excellence for delivery of specialized medical care. Fast-tracking the construction of specialised hospitals such as Regional Hospital for Paediatric Surgery and the International Specialised Hospital of Uganda.
- ii) Investment in disease prevention by addressing critical determinants of health in a multisectoral approach. The Government will undertake mass sensitization of

the public on improving nutrition, especially for children, immunization, use of mosquito nets and HIV/AIDS prevention services.

- iii) Investing in prevention and management of non-communicable diseases (NCD) by expanding the geographical coverage of services. Mass sensitization on prevention of NCDs, speeding up the construction of a standalone home for Uganda Heart Institute and the establishment of the proposed regional centres for cancer treatment will also be undertaken.
- iv) Strengthening the supply chain for medicines and medical supplies to improve the availability of medicines and ensure accountability for medicines.

Given that nutrition is cross-cutting in nature, the sectors of Health, Agriculture, Water, Education, and Social Development, among others, will be required to ensure that their work plans and associated budgets support the effective implementation of thematic cross-sectoral investments in nutrition.

Promoting Equity

Social protection plays a key role in alleviating the burden of multiple deprivations on Uganda's vulnerable populations. In this regard, prioritised investments in social protection represent an important avenue to elevate the national equitable growth agenda.

The most immediate actions of the Government will target the most vulnerable groups/regions and those at higher risks of food insecurity, social and health related problems. The proposed strategic interventions include: -

- i) Promoting food security especially in high poverty regions through targeted investment in production of priority fast-growing food crops. Tailor-made regional economic empowerment initiatives for high poverty areas of Busoga, Teso, Bukedi, Bugisu, Karamoja and Acholi will also be identified and pursued drawing on the successful agri-led model implemented in the Rwenzori region.
- ii) Fast-tracking implementation of Universal Health Coverage. In particular, efforts to increase access to health insurance will be undertaken.
- iii) Increasing investment in social protection, encompassing the expansion of the coverage of Social Assistance Grant to the Elderly (SAGE) to all the vulnerable elders of 80 years and above, while maintaining all those already on the scheme, irrespective of the age.

- iv) Facilitating strategic investments in areas not attractive to the private sector. Government will pursue regionally balanced key strategic public investments to spur private investment in key growth areas.
- v) Undertaking further fiscal reforms to support equitable distribution of government financing for education and health services at the local government level.

Strengthening the Private Sector to drive Growth

The growth and development of the private sector is vital for generation of jobs, increasing the revenue base and closing the gaps on publicly provided services, mostly under education and health sectors. The Government should thus provide an enabling environment for growth of the private sector through maintaining macroeconomic stability, provision of long-term finance at affordable rates and putting in place a conducive legal and regulatory policy framework.

To further increase capacity for private sector financing, the Government will enhance capitalization of government owned commercial banks such as UDB and UDC.

In addition, the Government will work to continually improve the business environment. Specifically, the review of legal and regulatory framework to remove restrictive legislation and fast-tracking of pending business-related bills will be undertaken. And, implementation of the local content policy framework specially to increase participation of local firms in public investment programmes across all sectors.

Enhancing the Effectiveness of Fiscal and Administrative Governance

Fiscal Governance

Inefficiencies in fiscal management are majorly a result of weaknesses in the enforcement of public finance laws and reforms. While Government priorities over the years have been consistent with the growth and development needs of Ugandans, the absence of fiscal discipline has hindered progress. To counteract this, the Government will prioritise the following: -

- i) The Government will introduce the e-citizen program by linking all key Government systems together, including the Land information system, the NIN and the TIN as a crucial reform for increasing revenue collection.
- ii) Rationalization of the entire Government architecture, to come up with a lean and efficient government.

- iii) Intensifying the fight against corruption to ensure that public resources are strictly utilized for the intended purpose. All Government institutions must implement the recently reviewed rewards and sanctions framework.
- iv) Programmatic planning and execution. The Government will operationalize the program-based planning and program-based budgeting in line with NDPIII programme areas in readiness for the full rollout of the reform in FY2021/22.

Improving budget implementation, including Public Investment Management

Improving service delivery is still faced with several budget implementation challenges. In the budget for FY2020/21 the Government will emphasize addressing the implementation issues through the following measures: -

- i) Strengthening capacity among Ministries, Department and Agencies, especially in areas of project, contract and logistics management.
- ii) Enhancing supervision and monitoring of programmes by improving staffing, skilling and facilitation.
- iii) Promoting public awareness of Government programmes and demand for accountability.

THE FINANCING STRATEGY FOR THE BUDGET OF FY2020/21

The Government will enhance the domestic revenue mobilization to reduce reliance on borrowing. We have accordingly developed a Domestic Revenue Mobilization Strategy (DRMS), which is a result of a long period of collaborative working, from a wide range of Government institutions, our development partners, as well as civil society and the Ugandan business community.

The strategy aims to raise the ratio of revenue to GDP from 15.5% in FY2018/19 to between 18-20% over the next five years, bringing Uganda closer to its revenue potential.

Over the next financial year, the Government will undertake strategic actions, covering various aspects of tax policy and tax administration: -

Tax Policy Initiatives

- i) Development of evidence-based Tax Expenditure Governance Framework to limit leakages and improve transparency. The framework will be published annually as part of the budget documentation and will be used to re-assess the fiscal cost and benefits of all existing tax incentives, exemptions, and holidays.

- ii) Introduction of measures to encourage formalization of informal businesses as well as enhancement of compliance to regulatory frameworks and tax laws.
- iii) Streamlining tax policy and the tax laws to enhance clarity, compliance, and minimize unnecessary disputes between taxpayers and tax authorities. In addition, the Government will, where necessary propose adjustments to tax rates with a view of widening the tax base.
- iv) The review of the CET will be completed with the aim of enhancing the protection of EAC manufacturers by using relevant trade defence measures (safeguard measures, anti-dumping measures and countervailing measures), facilitate businesses to take advantage of various incentives in the EAC that favour exporters, at the same time reviewing the rules of origin to ensure that they are relevant to the trade regime of the region.
- v) Enhancing Non-Tax Revenues through the review of the relevance and appropriateness of the rates currently charged and propose any necessary adjustments to ensure that the rates are commensurate to the services offered by Government.
- vi) The government will work with local government authorities to strengthen their revenue base and to broaden the range of revenue instruments available to them to improve local government financing.
- vii) The Tax Appeal Tribunal will be facilitated to enhance its capacity to deal with the high number of pending tax disputes which tie up large amounts of tax revenue to Government and impact on business sentiments.

Tax Administration

In addition to the above policy measures, the Government will enhance tax administration and compliance. This will be achieved, among others, through: - lifting the human resource capacity at URA, improving ICT capacities and data access, expanding the taxpayer register to ensure accuracy of information, creating a predictable and consistent tax system, and most importantly tackling corruption within the tax authority.

STATE OF THE ECONOMY AND GROWTH PROSPECTS

Before I conclude, I want to re-state that Uganda's economy has recovered from the low growth average rate of 3.9% experienced in FY2016/17 to an average of over 6% over the last two financial years 2017/18 and 2018/19. The recovery in growth is majorly attributed to the recovery in global economic and domestic factors such as

the rise in demand, recovery in private sector as reflected by the growth in private sector credit, among others.

The policies and interventions that the Government is currently implementing in FY2019/20 are expected to translate into an economic growth rate of 6.3% and this will continue in FY2020/21. Based on Uganda's productive capabilities and the medium-term third National Development Plan agenda that government will undertake, the economy is expected to grow at an average of 6.4% in the medium-term.

CONCLUSION

What I have outlined is our strategic focus for the medium-term, starting with FY2020/21.

To sustain and accelerate inclusive economic growth, the budget for the fiscal year 2020/21 and the medium-term will focus on increasing productivity in the four areas critical for job creation and exports, that is to say, (i) Agriculture and Agro-industrialisation, (ii) Tourism Development, (iii) improving value addition to tradable minerals and commodities, and (iv) enhancing efficiency in public investments in provision and maintenance of productive and trade infrastructure, provision of health services and skill development programmes.

This proposed strategy is intended to kick-start budget consultations for FY2020/21. It will be further discussed at subsequent budget consultations with the local governments and other relevant stakeholders. The sector ministries should discuss these proposals in their respective sector working groups and come up with actionable areas and the critical priorities that are well sequenced within their strategic plans and Budgets.

Thank you for listening. For God and my Country.