**MINISTRY OF FINANCE PRESENTS NATIONAL BUDGET FRAMEWORK PAPER TO PARLIAMENT**

**22nd January, 2020**

Ministry of Finance has presented the National budget framework paper (NBFP) for FY 2020/21 to FY 2024/25 to the Finance Committee of Parliament. The National BFP is prepared in fulfilment of section 9 of the Public Finance Management (PFM) Act 2015.

According to the NBFP, Uganda's economy grew at 6.5% in real terms during FY 2018/19 and after rebasing of GDP, the size of the economy increased to Ushs 128.5 trillion up from the initial estimate of Ushs 108.5 trillion. Real GDP growth is projected at 6.3% and 6.2% in FY 2019/20 and FY 2020/21 respectively and is expected to reach 7.0% by FY 2024/25.

The overall focus of the budget strategy for FY 2020/21 is to address challenges hindering the speed of economic transformation, rural economic development, expansion of the industrial base, job growth and delivery of essential social services under the theme: "Sustainable Industrialization for inclusive growth, employment and wealth creation."

The total resource envelope for FY 2020/21 is projected to be UShs.39,640.8 billion (39.6 trillion) and it comprises of both domestic and external sources down from Ushs.40,487.9 billion (40.4 trillion). This is largely on account of reduction in external financing.

In order to ensure alignment of the budget to the objectives of the third National Development Plan, the interventions for FY 2020/21 will fall under strategic clusters namely: Increasing production and productivity in the productive sectors of the economy, enhancing private sector competitiveness as well as consolidation and increasing of the infrastructure stock.

Other clusters are: Improving social service provision and regional equity, improving the effectiveness of governance and maintaining peace and security.

The commitment towards debt sustainability will be through reducing reliance on debt by increasing domestic revenue through the operationalization of the domestic revenue mobilisation strategy (DRMS) among other measures.

As at end of June 2019, the stock of public debt amounted to US$ 12.55 billion of which external debt was US$8.35 billion (approx. Ushs 30.85 trillion) and domestic debt was US$ 4.2 billion (Ushs 15.51 trillion). This is equivalent to 36.1% of GDP in nominal terms and 27.3% in present value terms.

ENDS