

Telephone: 256 414707000/232095  
Fax : 256 41 4233524  
Email : [finance@finance.go.ug](mailto:finance@finance.go.ug)  
[treasury@finance.go.ug](mailto:treasury@finance.go.ug)  
Website : [www.finance.go.ug](http://www.finance.go.ug)  
Plot No. 2-8 Apollo Kaggwa Road  
In any correspondence on  
This subject please quote No.



Ministry of Finance, Planning &  
Economic Development,  
P.O. Box 8147  
Kampala, Uganda

## **PRESS RELEASE ON THE SUCCESSFUL COMPLETION OF THE FIFTH REVIEW OF THE IMF-ECF BACKED ECONOMIC PROGRAM**

**March 7<sup>th</sup>, 2024**

---

1. Government of Uganda is implementing a three-year economic program supported by the Extended Credit Facility (ECF) of the International Monetary Fund (IMF). The program was approved by the IMF Executive Board on June 28, 2021 and will run until June 2024. The economic program aims at;
  - i. Supporting economic recovery
  - ii. Ensuring public debt remains sustainable.
  - iii. Supporting Uganda's external position (Balance of Payment)
  - iv. Increasing domestic revenue mobilization
  - v. Increased efficiency in public expenditure.
  
2. The ECF-backed economic program is premised on two equally important components;
  - i. Budget Financing of approximately US\$ 1.0 billion (SDR 722 million) over the three years. This is an interest free loan from the IMF.

---

**Mission**

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*

- ii. Adoption of economic policies and structural reforms that will maintain the country's fiscal stability and ensure low risk of debt vulnerabilities.
3. Indeed, the financing and the structural reforms we are implementing under the program have resulted in positive outcomes.

### **Economic Growth**

4. The rate of economic growth has been improving, from 3.0% in FY2019/20, to 3.5% and 4.6% in the two subsequent financial years.
5. In FY2022/23, the economy expanded by 5.2% partly supported by continued implementation of growth supportive government programs and an increase in private sector activity, as well as the reforms undertaken under the ECF backed economic program.
6. We are on course to achieving economic growth of 6.0% for FY2023/24 propelled by increased output in the services, industry, and agriculture sectors. Already, the high frequency indicators of economic activity such as the Composite Index of Economic Activity (CIEA), Purchasing Managers' Index (PMI), and the Business Tendency Index (BTI) show an increase in economic activity and better business sentiments within the first half of the Financial Year 2023/24.

### **Macroeconomic Stability**

7. Over the course of the program, there has been maintenance of macroeconomic stability. Appropriate and well-coordinated monetary and fiscal policies have resulted in a decline in headline inflation from a peak of 10.7% in October 2022 to 3.4% in February 2024.
8. Similarly, over the program period, the foreign exchange rates have been stable compared to peers in the region.
9. Additionally, the foreign exchange reserves have also been maintained at healthy levels throughout the program period.

### **Public Debt**

10. Public debt also remains sustainable, with the ratio of nominal debt to GDP recorded at 46.9% in FY2022/23 which is within the target for the economic program as well as the Charter for Fiscal Responsibility.

### **Fiscal Operations**

11. The fiscal deficit has been reduced from 9.0% of GDP in FY2020/21 to 5.5% in FY2022/23. It is projected to reduce further to 3.8% in FY2023/24. This is largely due to Government's commitment to its approach of a two-pronged fiscal consolidation involving increased domestic revenue mobilization coupled with expenditure rationalization.
12. The financing under the ECF backed economic program has been crucial in the maintenance of fiscal sustainability. So far,

a total of US\$ 750 million (SDR 541.5 million) has been disbursed following the previous four reviews of the program.

13. With the successful conclusion of the fifth review, another SDR 90.25 million (approximately US\$ 120 million) will be disbursed in the next few days which will go a long way in supporting activities in the budget and the economy in general.
14. Beyond the ECF disbursement, the successful conclusion of the fifth review shows the confidence that IMF has in Uganda's economic trajectory. This confidence is shared by other development partners as well as foreign investors leading to continued growth in the country's FDI.

### **Conclusion**

15. We are keen to continue our partnership with the International Monetary Fund (IMF). Whereas the current program is ending in June 2024, we intend to engage the Fund on having a successor program.