



BPD/103/155/01

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**PRESS RELEASE ON THIRD QUARTER EXPENDITURE RELEASES
FOR FY 2025/26**

1. I wish to welcome the media and other stakeholders to this press briefing for the release of the FY 2025/26 Third Quarter Expenditure limits.
2. The expenditure limits have been issued at a time when the country is experiencing extended periods of macroeconomic stability evidenced through a fast-growing economy, stable prices and the exchange rate. This impressive state of the economy is unlike previous election years that were largely characterised by inflation and a volatile exchange rate. This achievement is not by chance but rather, on account of prudent economic management, attained through close coordination between monetary and fiscal policies.
3. In view of the timing, the Quarter Three Expenditure Limits have been informed by our fiscal consolidation agenda that prioritises implementation of Government's objective of sustaining macroeconomic stability and maintaining fiscal discipline.
4. Therefore, the following principles have been considered in programming of the FY 2025/26 third Quarter expenditure Limits:
 - i) Maintaining total expenditures within the available resources to live within our means;
 - ii) The need to sustain law, order, peace and security;
 - iii) Providing fully for election related expenditure to ensure that all Ugandans exercise their democratic rights to elect their leaders in a peaceful and secure environment;

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"

- iv) Providing for the minimum required critical operational expenditure for all Ministries, Departments, Agencies and Local Governments; and
- v) Sustaining financing to wealth creation, highly critical priority actions within the ATMS and their enablers of health, education and infrastructure development;

5. The objectives of this press briefing therefore are to:

- i) Brief the country on the State of the Economy;
- ii) Communicate to the country the release of funds to Government Institutions for the Third Quarter (Q3) of FY 2025/26; and
- iii) Provide guidance to Accounting Officers on execution of the Budget.

6. Let me start by summarising the State of Economy.

A. STATE OF THE ECONOMY

Economic Growth

7. As reported severally by H.E the President, the Hon. Minister of MFPED and myself, Uganda's Economy continues to exhibit impressive performance and resilience amidst changes in the global environment and the election year business cycles. In particular:

- i) **GDP growth** was registered at 6.3 percent in FY 2024/25 and is projected between 6.5 to 7% this financial and double digit in the medium term. As a result, the size of the economy is projected to increase to USD 68.4 billion (Shs 249.4 trillion) this financial year.
- ii) **Inflation** remained stable for November and December 2025 at 3.1 percent. This is uncharacteristic of an election year. Indeed, Uganda registered Africa's lowest Inflation rate in the past decade. Our ability to maintain stable inflation lies in Government's strategic investment in food production, effective

monetary policy which has kept the shilling stable against major currencies, and the strategic Government decision on direct importation of fuel by UNOC which together have stabilised prices.

- iii) **Exchange rate:** The Uganda Shilling has remained stable and strong against major currencies particularly the US dollar. The Shilling has appreciated by 2.45 in the year ending December 2025. Currently, the Uganda Shilling is the most stable currency in the World followed by the UK Pound Sterling and Hong Kong dollar.
- iv) **Export of** goods and services reached USD 13.4 billion in FY 2024/25, of which USD 10.6 billion was earned from export of goods only. For the year ending November 2025, Export of goods reached USD 12.79 billion. Consequently, Uganda registered Balance of Payment (BOP) Surplus of USD 2.37 billion for the year ending October 2025 from a deficit of USD 683 million a year ago. This is the highest in the last 15-years. The BOP surplus is also on account of an all time high financial account surplus of USD 5.6 billion driven by good performance of FDI and portfolio inflows.
- v) **Foreign direct investment (FDI)** increased to USD 3.5 billion for the year ending October 2025.
- vi) **Portfolio inflows** were USD 1.7 billion for the year ending October 2025.
- vii) **Remittances** from Ugandans abroad reached USD 1.6 billion (Shs 5.76 trillion) in FY 2024/25, from USD 1.1 billion in FY 2020/21.
- viii) **Tourists** have renewed optimism. Tourism earnings reached USD 1.7 billion in fiscal year 2024/25. This impressive growth is attributed to the sustainable peace, increased competitiveness of Uganda's tourism industry, Government

investment in strategic tourism infrastructure and the impact of our Economic and Commercial Diplomacy interventions.

ix) Despite being an election year, Business Executives have maintained optimism in Uganda's Economy as high frequency indicators show. As of November 2025, the Business Tendency Index (BTI) reached 57.2 (above the 50-mark threshold), the Composite Indicator of Economic Activity (CIEA) rose by 0.6 to 183.50 and the Purchasing Manager's Index (PMI), increased slightly to 53.8 (above the 50 threshold).

B. HALF YEAR BUDGET PERFORMANCE FY 2025/26

17. The approved Budget for FY 2025/26 amounted to **Shs 72.376 trillion**. Parliament approved a Supplementary of Shs 8.104 trillion which has increased the Budget to **Shs 80.48 trillion**. I have summarized this information in Table 1 below:

Table 1: Breakdown of the Approved Budget for FY 2025/26 (Shs Billion)

Category	Approved Budget	Supp.	Revised Budget	Half Year	% of approved
Wage	8,577.97	23.46	8,601.44	4,401.80	51.3%
Non-Wage	16,113.93	2,666.35	18,790.97	10,660.31	66.2%
GoU Development	6,913.64	2,919.25	9,822.20	5,354.92	77.5%
Arrears	1,400.78	30.87	1,431.65	497.67	35.5%
Sub-total GoU	33,006.32	5,639.93	38,646.26	20,914.70	63.4%
External Financing	11,325.06	602.29	11,927.34	5,357.48	47.3%
Treasury Operations	27,716.43	1,849.14	29,565.57	15,595.64	56.3%
Local Revenue	328.67	13.03	341.69	164.33	50.0%
Total	72,376.48	8,104.39	80,480.87	42,032.15	58.1%

18. From the above table, we note the following on the half year performance:

- i) Overall, we have released 58.1% of the approved budget;
- ii) 63.4% of the GoU budget has been released;



- iii) 77% of the Development budget has been released. This is mainly on account of the **Shs 1.2 trillion** that was released to the Ministry of Works and Transport to ensure continued road construction and maintenance.
- iv) Full facilitation of all election related expenditure.
- v) We have also fully paid Government workers.

C. EXPENDITURE LIMITS FOR THE THIRD QUARTER OF FY 2025/26

19. The total release for Quarter Three for FY 2025/26 amounts to **Shs 16.537 trillion** summarized as follows:

- a) Wage –**Shs 2.175 trillion**;
- b) Non-Wage –**Shs 2.898 trillion**;
- c) GoU Development –**Shs 514 billion**;
- d) External Financing –**Shs 3.277 trillion**;
- e) Treasury Operations –**Shs 7.591 trillion**; and
- f) Local Revenue – **Shs 82 billion**.

Statutory Obligations and Institutions

- i. **Shs 7.59 trillion** for debt and treasury operations;
- ii. **Shs 2.175 trillion** to cater for wages and salaries across Government;
- iii. **Shs 318.24 billion** for Pension and Gratuity;
- iv. **Shs 91.65 billion** for Parliament;
- v. **Shs 28.27 billion** for Judiciary; and
- vi. **Shs 18.351 billion** for Office of the Auditor General.

ATMS to drive tenfold growth

- i. Agro-industrialization (A) – **Shs 167 billion** for; agro-industrial research & innovations especially fast-tracking roll-out of the anti-tick vaccine, operations and critical programme interventions;
- ii. Tourism development (T) – **Shs 32.8 billion** for; tourism development and promotion interventions including the “Explore



Uganda” drive, and development of Uganda Marty’s Namugongo Shrine.

- iii. Mineral-Based Industrial Development including oil and gas (M) – **Shs 469.69 billion** for continuing the implementation of interventions towards fast-tracking first oil; and
- iv. Science, Technology and Innovation including ICT and creatives industry – **Shs 166.15 billion** for expanding internet connectivity and digitization of the economy.

Enablers of the ATMS

Security

- i. Ministry of Defense and Veteran Affairs – **Shs 270.05 billion**;
- ii. Uganda Police Force – **Shs 42.12 billion**;
- iii. State House – **Shs 17.92 billion**;
- iv. Uganda Prisons Service – **Shs 73.04 billion**;
- v. Office of the President – **Shs 45.68 billion**;
- vi. ISO – **Shs 42.92 billion**; and
- vii. ESO – **Shs 18.39 billion**.

Infrastructure

- i. Ministry of Works and Transport – **Shs 1.34 trillion** of which **Shs 111.21 billion** is GOU and **Shs 1.23 trillion** is External Financing. This includes funding for Uganda Airlines, Uganda Railways, Kalangala Infrastructure Services and the Standard Gauge Railway.
- ii. Ministry of Energy and Mineral Development **Shs 468.48 billion** of which **Shs 23.992 billion** is GOU and **Shs 442.49 billion** is external, to implement rural electrification projects, finance development of transmission lines and power generation projects.



- iii. Kampala Capital City Authority – **Shs 99.53 billion** of which **Shs 66.82 billion** is GOU and **Shs 32.71 billion** is external, for **provision of social services (education and health) and implementation of development projects within the city especially roads, and drainage among others.**
- iv. Ministry of Kampala Capital City and Metropolitan Affairs- **Shs 294.50** of which **Shs 3.53 billion** is GOU and **Shs 290.97 billion under the Externally Financed** Greater Kampala Metropolitan Area Urban Development Project for improving roads, drainage, and sanitation within the Greater Kampala Metropolitan area.

Human Capital Development

- i. Ministry of Health - **Shs 344.67 billion** of which **Shs 44.49** is GOU and **Shs 300.19 billion** under external financing.
- ii. National Medical Stores (NMS) - **Shs 245.52 billion** for purchase of Essential Drugs and medicines including meeting the shortfall that was occasioned by the withdraw of USAID.
- iii. Uganda Cancer Institute and Uganda Heart Institute - **Shs 77.374 billion** for specialized oncology and cardiovascular health services;
- iv. Referral Hospitals (National and Regional) - **Shs 39.05 billion**
- v. National Council of Sports – **Shs 24.68 billion**
- vi. Ministry of Education and Sports - **Shs 115.50 billion**
- vii. Public Universities - **Shs 107.453 billion**

Local Governments

Shs 519,866 billion has been released. Of this, **Shs 328.581 billion** is for conditional and non-conditional grants and **Shs 191.284 billion** for capital development to enable timely implementation of Local Government projects.

Revenue Generating Votes

- i. **Shs 133.18 billion** under Uganda Revenue Authority to facilitate revenue collection;
- ii. **Shs 10.08 billion** for Uganda Registration Services Bureau;
- iii. **Shs 33.36 billion** has been allocated to National Citizenship and Immigration Control; and
- iv. **Shs 12.277 billion** for Uganda National Bureau of Standards (UNBS).
- v. **Shs 3.31 billion** for National Lotteries and Gaming Regulatory Board.

CONCLUSION

20. As I conclude, I would like to emphasize the following:

- i. All Accounting Officers should prioritise and fast-track implementation of programmes and projects. This is to ensure that we sustain momentum for realisation of the development results envisaged under the tenfold growth strategy, especially those targeting wealth and job creation.
- ii. Government will continue to safeguard macroeconomic stability by aligning expenditure execution with available financing, while maintaining consistency with the approved fiscal framework.
- iii. Citizens and stakeholders are encouraged to actively participate in Government programmes and utilize available public information platforms to track budget execution and service delivery outcomes; and
- iv. Government remains committed to transparency and open communication, and will continue to provide regular updates on economic performance and budget implementation.
- v. As we continue to implement our fiscal consolidation agenda, we shall endeavor to live within our means;



vi. I have noted that some Accounting Officers are still delaying to pay salaries and pensions against our guidelines. I am working with the Ministry of Public Service to devise appropriate measures and sanctions to these Accounting officers.

21. I wish to assure Ugandans that Uganda's economy is stable, vibrant and competitive and this shall be sustained in the short, medium and long-term. The economic outlook is positive, with economic growth expected to accelerate to between 6.5 and 7.0 percent in the year 2026 and to double digit when oil starts to flow. Generally, the economy is expected to be buoyant in all the sectors of agriculture, industry and services. Prices and the exchange rate are expected to remain stable in the medium term on account of prudent macroeconomic management, increased foreign direct investments and buoyance of our exports, powered by our ambition to grow to a USD 500 billion economy.
22. Once again, I wish to thank the Press and Civil Society for supporting our budget transparency initiative. I urge you to make use of our website www.budget.finance.go.ug where we post more detailed information. You may also call our Budget Call Centre on **0800 229 229** for any information on the Budget.



Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

