



PERFORMANCE OF THE ECONOMY REPORT
AUGUST 2019

MACROECONOMIC POLICY DEPARTMENT
MINISTRY OF FINANCE, PLANNING AND ECONOMIC
DEVELOPMENT

www.finance.go.ug

TABLE OF CONTENTS

LIST OF FIGURES	ii
LIST OF TABLES.....	ii
LIST OF ACRONYMS.....	iii
GLOSSARY.....	iv
SUMMARY.....	v
REAL SECTOR DEVELOPMENTS.....	1
Inflation	1
Economic activity	2
Economic perceptions.....	3
FINANCIAL SECTOR DEVELOPMENTS.....	4
Exchange rate movements.....	4
Interest rate movements	5
Treasury bills.....	6
Government securities.....	7
Outstanding private sector credit	8
Credit extensions	9
EXTERNAL SECTOR DEVELOPMENTS.....	10
Merchandise trade balance	10
Merchandise exports	11
Destination of exports.....	12
Merchandise imports.....	13
Origin of imports.....	14
Trade balance by region	15
FISCAL SECTOR DEVELOPMENTS.....	16
Fiscal overview	16
EAST AFRICA COMMUNITY DEVELOPMENTS	18
EAC Inflation	18
EAC exchange rates.....	19
Trade balance with the EAC.....	20
Annex 1: Selected Economic Indicators Real, Financial and External Sectors	21
Annex 2: Private Sector Credit: Detail by sector.....	22
Annex 3: Export volumes	23
Annex 4: Composition of Exports.....	24
Annex 5: Composition of Imports	25
Annex 6: Fiscal Trends.....	26

LIST OF FIGURES

Figure 1: Inflation [Headline & Core] (Source: UBoS)	1
Figure 2: Inflation [Food and EFU] (Source: UBoS).....	1
Figure 3: Economic activity [PMI] (Source: Stanbic Bank Uganda).....	2
Figure 4: Economic activity [CIEA] (Source: BoU).....	2
Figure 5: Economic Perceptions as shown by BTI (Source: BoU)	3
Figure 6: Exchange rates (Source: BoU).....	4
Figure 7: Interest rates (Source: BoU).....	5
Figure 8: Treasury bill yields (Source: BoU).....	6
Figure 9: Average bid to cover ratio (Source: MoFPED).....	6
Figure 10: Breakdown of government securities (Source: MoFPED).....	7
Figure 11: Outstanding private sector credit (Source: BoU).....	8
Figure 12: Monthly growth of private sector credit (Source: BoU).....	8
Figure 13: New credit extensions approved in July 2019 (Source: BoU).....	9
Figure 14: Merchandise exports and imports (Source: BoU)	10
Figure 15: Merchandise trade balance (Source: BoU).....	10
Figure 16: Merchandise exports by product (Source: BoU).....	11
Figure 17: Export volume monthly change (%) (Source: BoU).....	11
Figure 18: Merchandise exports by destination (Source: BoU).....	12
Figure 19: Monthly Comparison of Merchandise exports by destination, Million US\$ (Source: BoU).....	12
Figure 20: Merchandise imports (Source: BoU).....	13
Figure 21: Merchandise imports by origin (Source: BoU).....	14
Figure 22: Trade balance by region (million USD).....	15
Figure 23: Headline inflation for EAC partner states (Source: Respective authorities).....	18
Figure 24: Monthly EAC currency appreciation and depreciation against the US\$ [%] (Source: BoU).....	19
Figure 25: Trade balance with EAC Partner States (Source: Bank of Uganda).....	20

LIST OF TABLES

Table 1: Summary table of fiscal operations (Source: MoFPED).....	16
--	----

LIST OF ACRONYMS

BTI	Business Tendency Index
BOU	Bank of Uganda
B.Franc	Burundian Franc
CIEA	Composite Index of Economic Activity
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
Shs	Ugandan Shilling
US\$	United States Dollar
UBOS	Uganda Bureau of Statistics
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 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 headline inflation that excludes items subject to volatility in prices. It excludes energy, fuels, utilities, food crops and related items.
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.
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

- Headline inflation continued on a downward trend declining to 2.1% for the year ending August 2019 from 2.6% recorded for the year ended July 2019. The decline was majorly on account of a fall in core inflation coupled with a large decline in prices for Food Crops and Related Items.
- There was an improvement in the level of economic activity according to the Purchasing Managers' Index (PMI) and Composite Index of Economic Activity (CIEA).
- Investor's sentiments about doing business in Uganda remained positive in August 2019 as illustrated by the BTI which remained above the indicative threshold of 50, despite a slight reduction from 57.87 in July 2019 to 57.84 in August.

Financial Sector

- The Ugandan Shilling traded at an average of **UShs 3,693.73** to the US Dollar in August 2019, recording an appreciation of 0.1%, following the sustained increase in supply of foreign currency and particularly US Dollars, to the Interbank Foreign Exchange Market (IFEM).
- Lending rates for Shilling denominated credit increased from 19.02% in June to **21.44%** in July 2019. Similarly, lending rates for foreign currency denominated credit increased from 6.43% in June to 6.92% in July 2019.
- Yields (interest rates) on Treasury-bills reduced for the 91-day T-Bill, whereas they increased for the 182-day T-Bill and 364-day tenor.
- UShs **857.68 billion** (at cost) was raised from four auctions of Government securities in August. Securities worth UShs 474.05 billion were issued for refinancing of maturing debt whereas, UShs 383.63 billion went towards financing other activities in the Government budget.
- The **stock of private sector credit** increased by 0.9% from UShs. 15,092.2 billion in June to **UShs. 15,226.26** billion in July 2019,.

External Sector

- In comparison with June 2019, the **merchandise trade deficit** narrowed by 17% from US\$ 278.91 million to US\$ 231.42 million in July 2019. **Export**

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

August 2019 Performance of the Economy Report

earnings grew by 5.9% from US\$ 300.63 million in June 2019 to US\$ 318.43 million in July 2019, whereas, the value of merchandise **imports dropped by 5.12%** from US\$ 579.54 million in June 2019 to US\$ 549.85 million in July 2019.

- However, compared to July 2018, the merchandise trade deficit increased from US\$166.56 million to US\$ 231.42 million in July 2019 following high growth in the import bill (21.9%) that more than offset growth in export receipts (11.9%).
- In the month of July 2019, Uganda posted **merchandise trade deficits** with the regions of Asia, Rest of Europe, EAC, the Americas & Others, whereas, trade surpluses were registered for Rest of Africa, Middle East and the European Union.

Fiscal Sector

- Government operations in August 2019 resulted into a fiscal deficit of US\$ 1,076.66 billion which was lower than the program for the month of US\$ 1,893.1 billion. This was mainly due to underperformance in expenditure and net lending (by 31.6%) which more than offset the shortfalls in revenue and grants (of 18.7%)

East Africa Community

- There was a general decline in Annual Headline Inflation within the East African Community. **Annual Headline Inflation** for Kenya reduced from 6.27% in July to 5.0% in August. Similarly, Tanzania's Annual Headline Inflation slightly decreased to 3.6% in August 2019 from 3.7% recorded the previous month. In contrast, Rwanda's annual inflation rose to 2.8% in August from 1.6% in July, its highest level since October 2017
- Contrary to the strengthening of the Ugandan shilling against the US dollar, Kenya's, Burundi's and Rwanda's currencies slightly **depreciated** against the US Dollar in August 2019 by 0.1%, 0.3% and 0.4% respectively. The value of the Tanzanian Shilling **remained unchanged** from the previous month against the US Dollar.
-
- In July 2019, Uganda traded at a **deficit** with the EAC at US\$ 54.98 million compared to a surplus of US\$ 65.68 million recorded a year ago. Over the same period, exports to EAC declined by 41.8% whereas imports increased by 131.1%.

REAL SECTOR DEVELOPMENTS

Inflation

Figure 1: Inflation [Headline & Core] (Source: UBoS)

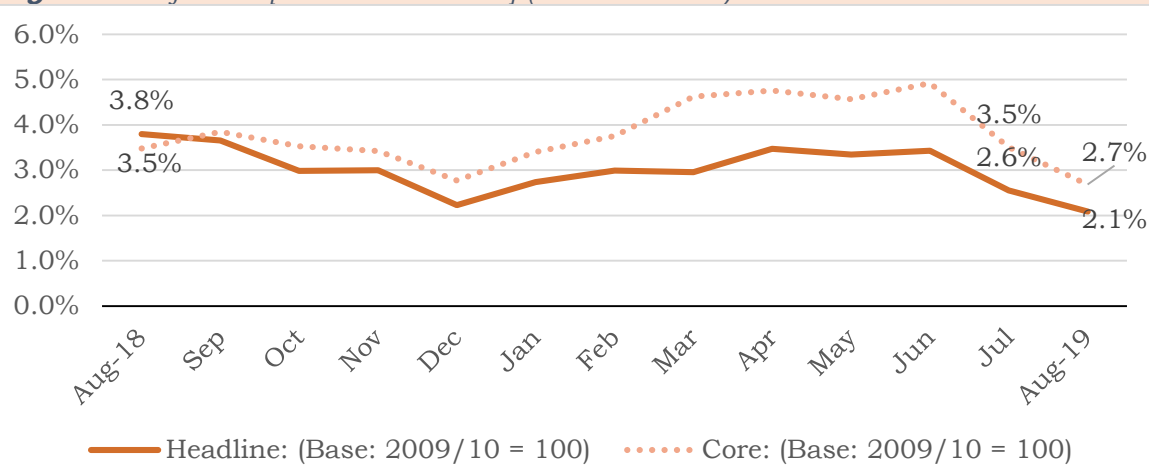
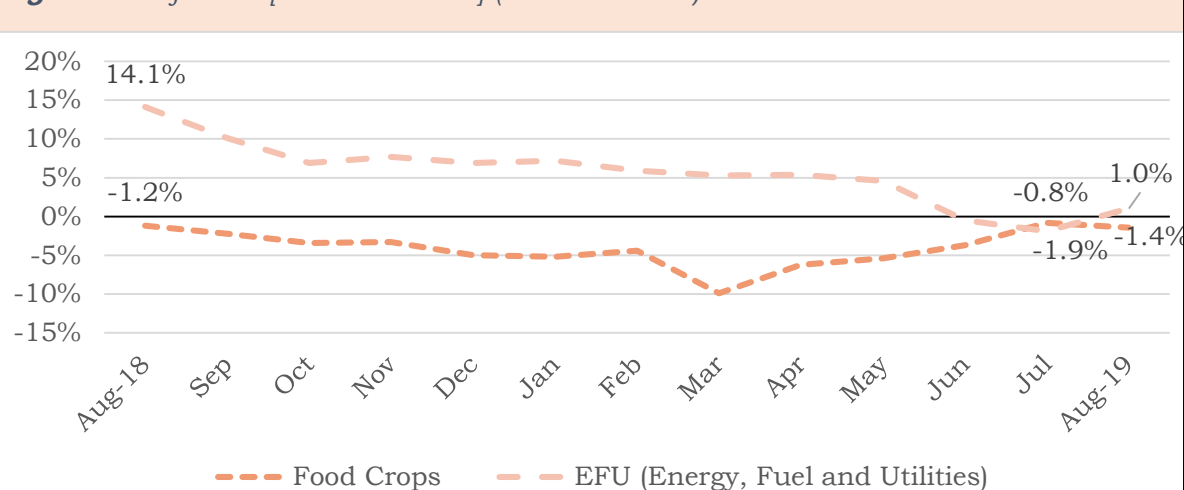


Figure 2: Inflation [Food and EFU] (Source: UBoS)



Headline inflation continued on a downward trend declining to **2.1%** for the year ending **August 2019** from 2.6% recorded for the year ended July 2019. The decline was majorly on account of a fall in core inflation coupled with a large decline in prices for Food Crops and Related Items. The slowdown in core inflation was mainly as a result of a more significant decline in prices for sugar (-13.4% from -4.2%), and a slowdown in price increases for clothing and footwear as well as services. **In contrast, EFU Inflation** rebounded from -1.9% recorded for the year ended July 2019 to 1.0% for the year ending August 2019, particularly driven by continued increase in charcoal prices. Nevertheless, prices for liquid fuels (kerosene, diesel, petrol) declined.

Economic activity

Figure 3: Economic activity [PMI] (Source: Stanbic Bank Uganda)

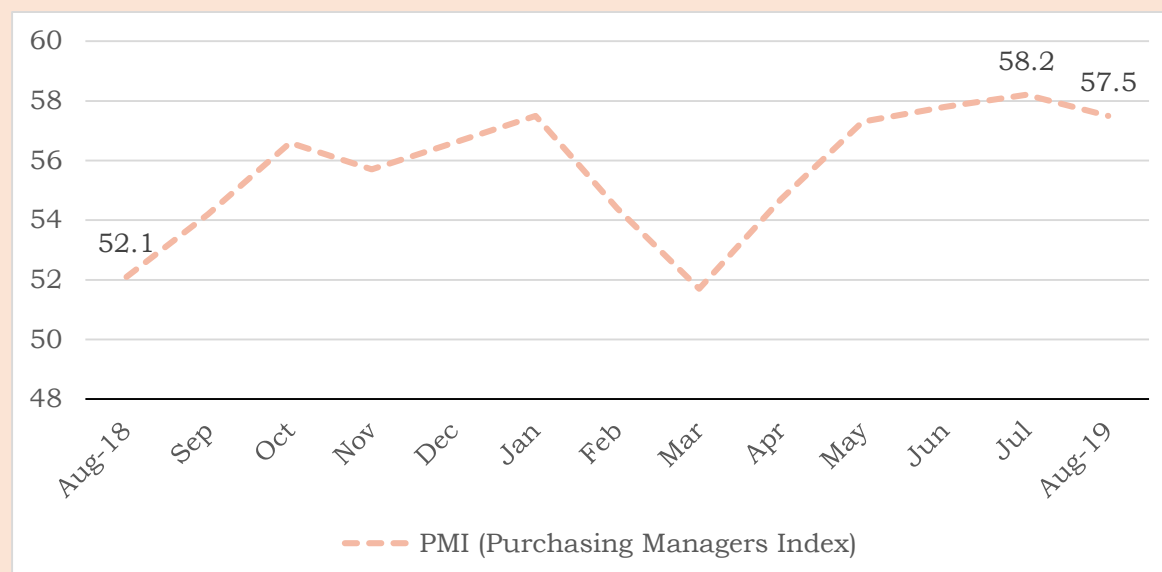
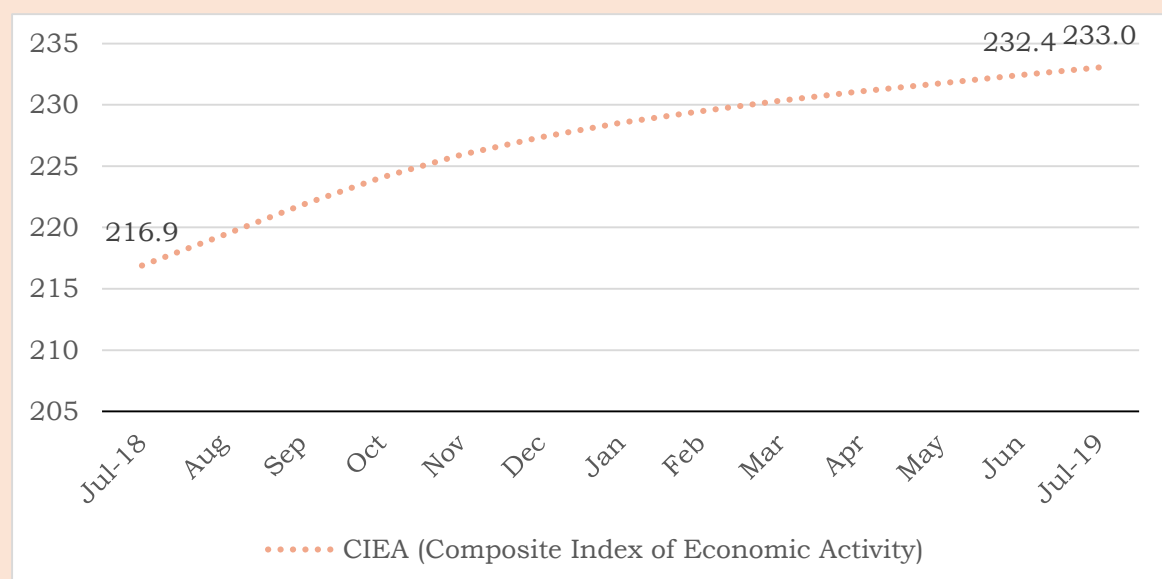


Figure 4: Economic activity [CIEA] (Source: BoU)



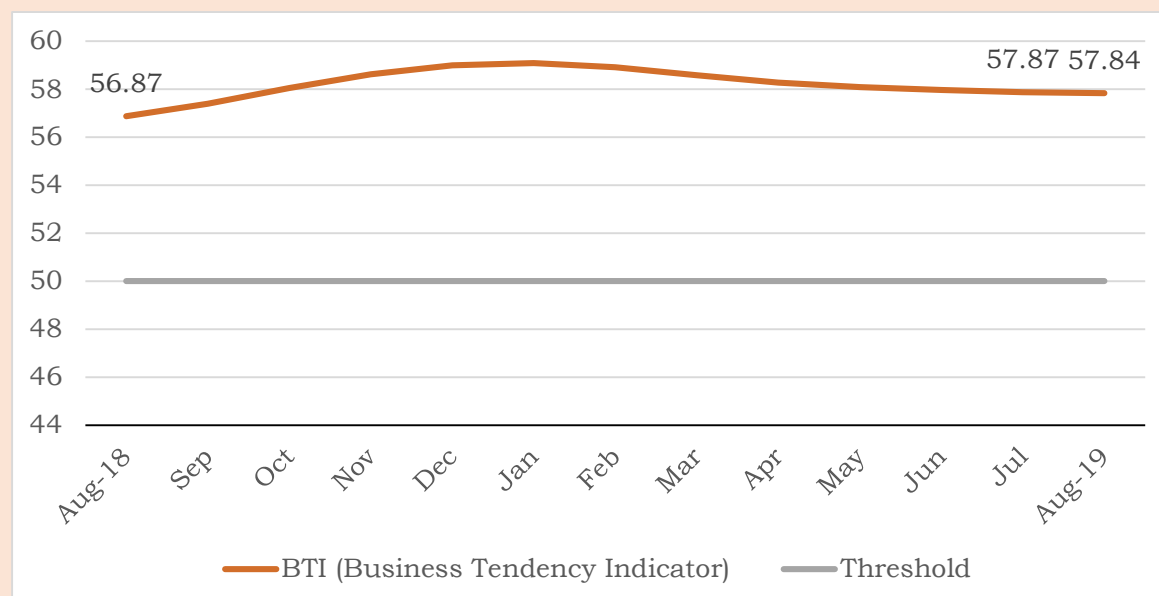
The **PMI** posted **57.5** in August above the threshold of 50.0 signalling an improvement in business conditions. The PMI of 57.5 in August is lower compared to 58.2 in July. The decline in the PMI can be explained by increased input costs. Nonetheless, there was an increase in new orders and output.

The **CIEA²** improved by 0.3% from 232.42 in June to 233.05 in July 2019 indicating improvement in the levels of economic activity. Growth rates for the last four months have been constant at 0.3%.

² CIEA data comes with a lag of one month.

Economic perceptions

Figure 5: Economic Perceptions as shown by BTI (Source: BoU)

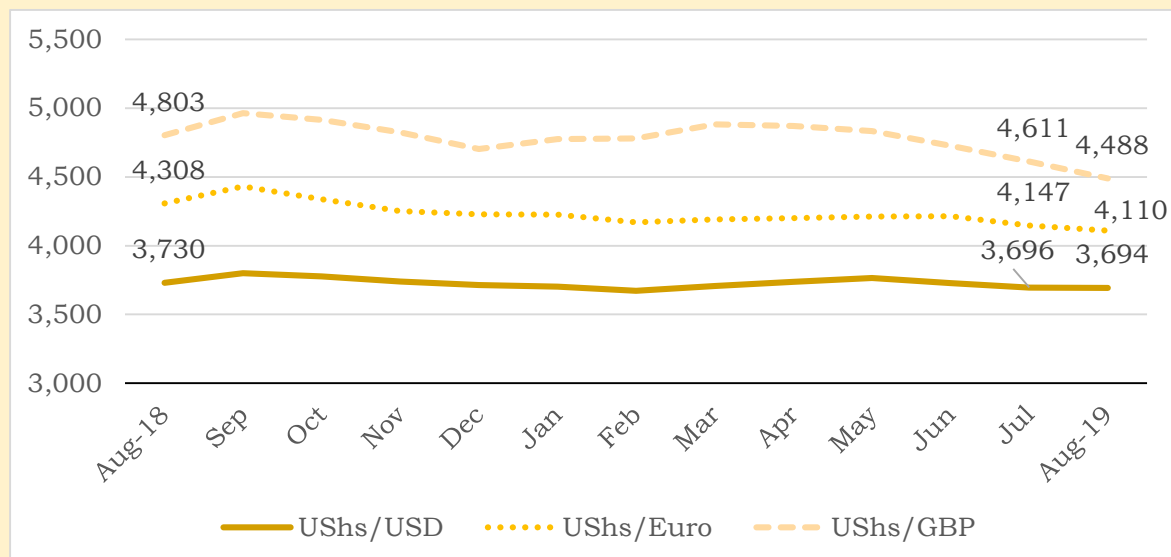


Investor's sentiments about doing business in Uganda **remained positive** in August 2019 as illustrated by the BTI which remained above the threshold of 50, despite a slight reduction from 57.87 in July 2019 to **57.84** in August. Business sentiments were highest in the agriculture sector and lowest in wholesale trade.

FINANCIAL SECTOR DEVELOPMENTS

Exchange rate movements

Figure 6: Exchange rates (Source: BoU)

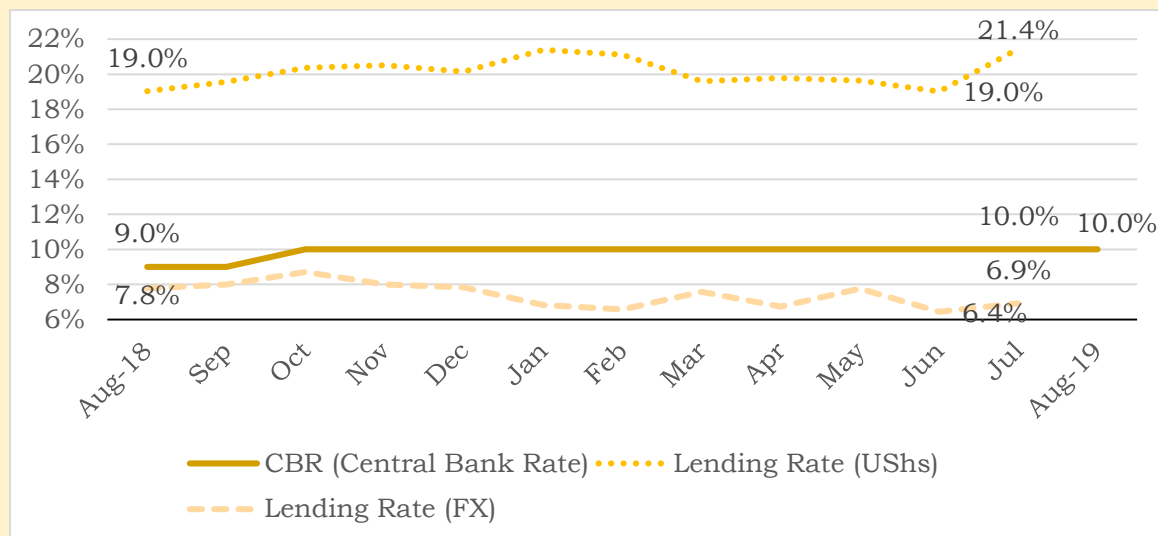


The Uganda shilling remained fairly stable against the US Dollar appreciating by a paltry 0.1% in August 2019. The US Dollar traded at an average midrate of **UShs 3,693.73** compared to UShs 3,696.49 the previous month. This was as a result of the sustained increase in supply of foreign currency and particularly US Dollars, to the Interbank Foreign Exchange Market (IFEM), coming mainly from NGO inward remittances, which more than met the demand from manufacturing and energy sectors.

Similarly, the shilling strengthened against both the Euro and the Pound Sterling, appreciating by 0.9% and 2.7% respectively.

Interest rate movements

Figure 7: Interest rates (Source: BoU)



In the month of August, the Central Bank policy rate remained unchanged at **10.0%** as a result of a fairly stable 12-month inflation forecast/ outlook. This Rate has been maintained at this level since October 2018. Notwithstanding, the **shilling denominated lending rates** remain elevated, increasing from 19.02% in June to **21.44% in July 2019**. This is in-part due to the high operational costs borne by the commercial lenders coupled with their risk averse tendencies.

Likewise, foreign currency lending rates slightly increased from 6.43% in June to 6.92% in July 2019.

Treasury bills

Figure 8: Treasury bill yields (Source: BoU)

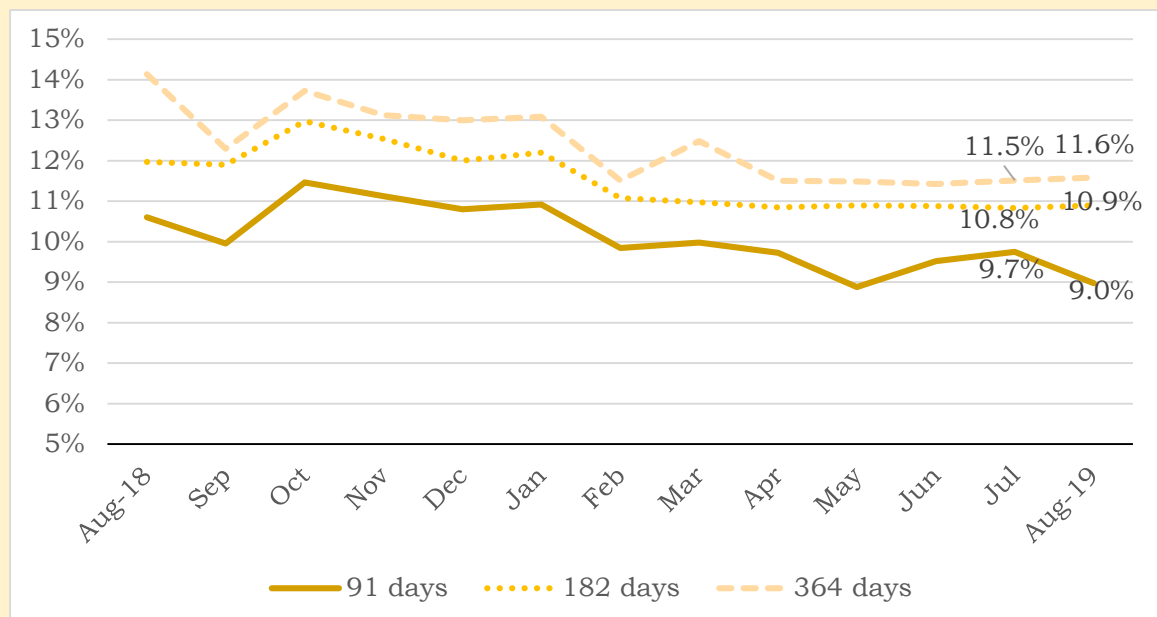
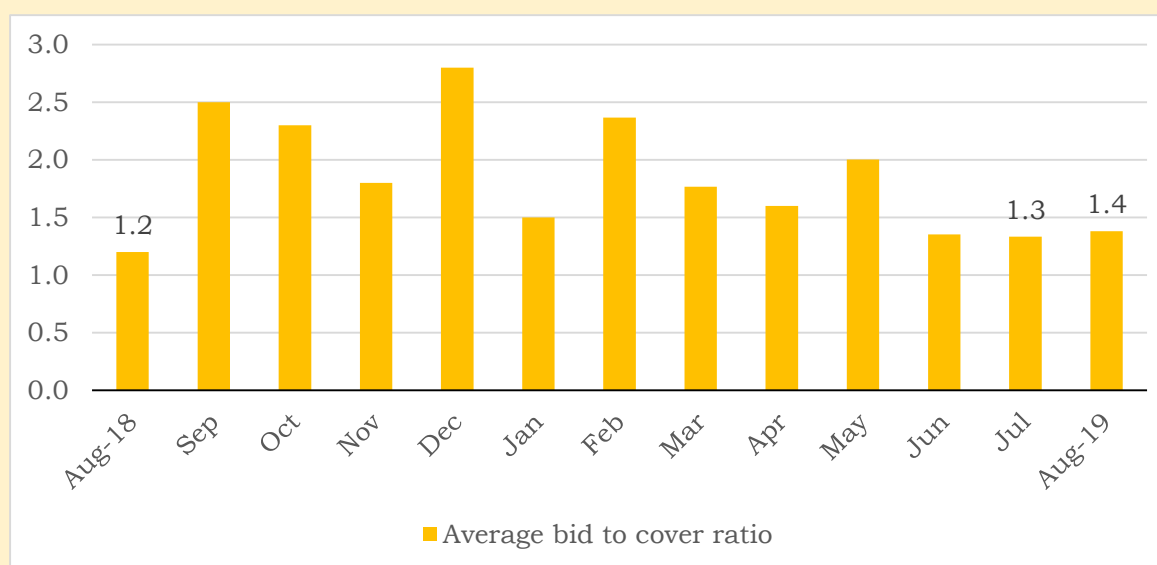


Figure 9: Average bid to cover ratio (Source: MoFPED)



Treasury bill yields (interest rates) increased for all tenors except the 91-day tenor. The annualised treasury bill yields for August were 8.97%, 10.89% and 11.58% for the 91, 182 and 364 day tenors, respectively. This compares with 9.75%, 10.83%, 11.51% in July 2019.

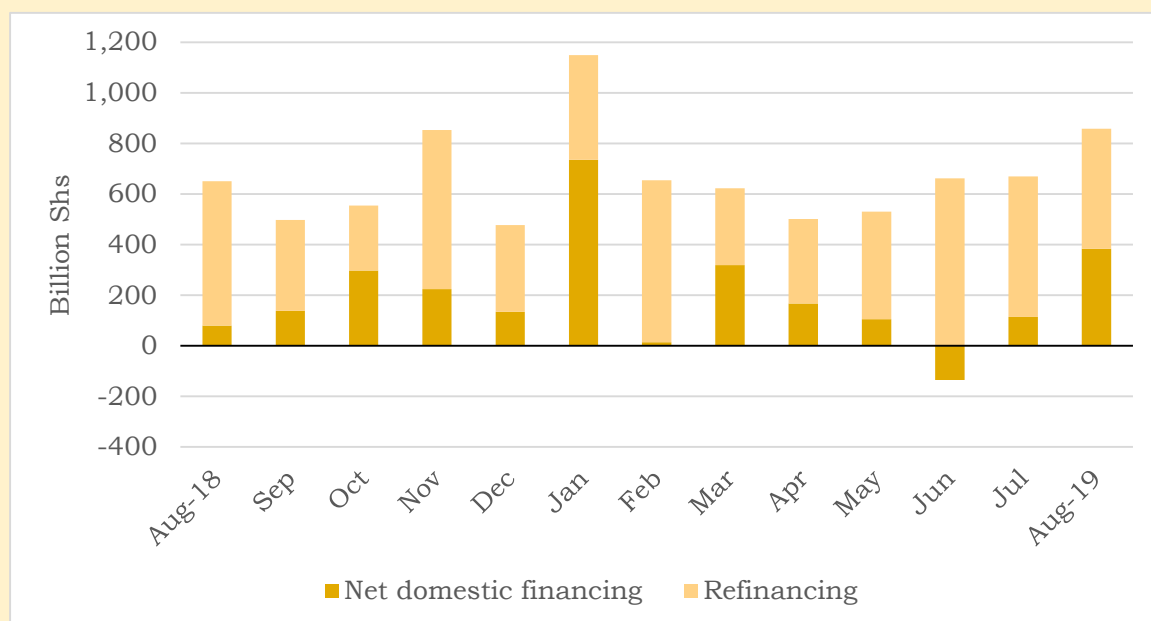
The **Average bid to cover ratio** for the month of August was 1.4 compared to 1.3 registered the previous month.

Government securities

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

	Total issuances	Net domestic financing	Refinancing
July 2019	669.34	114.62	554.72
August 2019	857.68	383.63	474.05
FY 2019/20 to date	1,527.02	498.25	1028.77

Figure 10: Breakdown of government securities (Source: MoFPED)



During the month of **August 2019**, there were 3 T-Bill auctions and 1 T-Bond auction in the primary market. US\$ **857.68 billion** (at cost) was raised, of which US\$ 580.5 billion was from T-Bills and US\$ 277.18 billion was from T-bonds. Securities worth US\$ **474.05** billion were issued for refinancing of maturing debt whereas, US\$ **383.63** billion went towards financing other activities in the Government budget.

Outstanding private sector credit³

Figure 11: Outstanding private sector credit (Source: BoU)

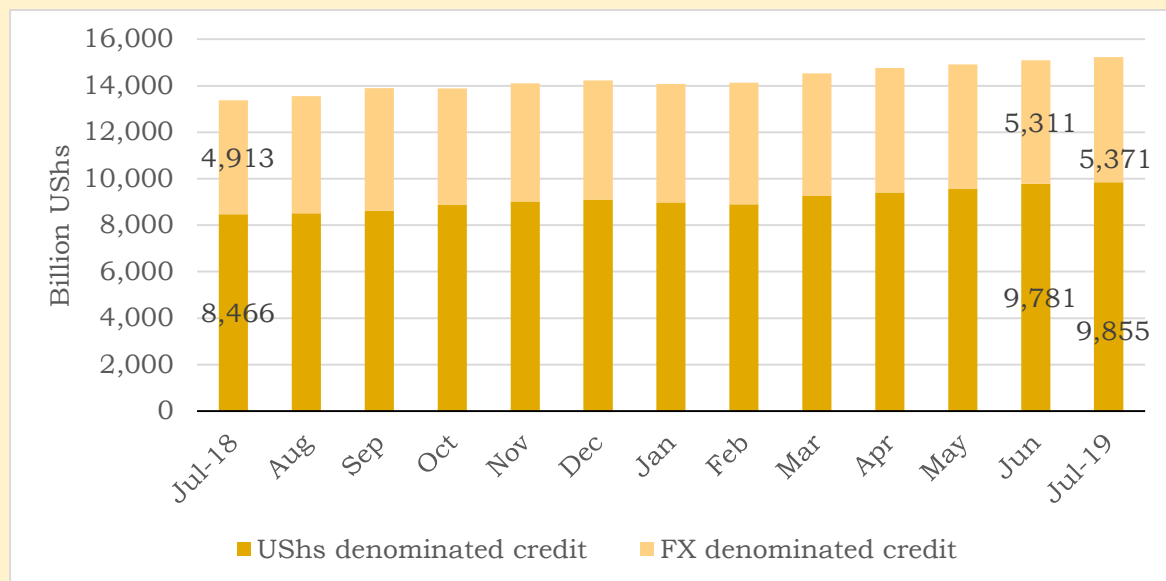


Figure 12: Monthly growth of private sector credit (Source: BoU)

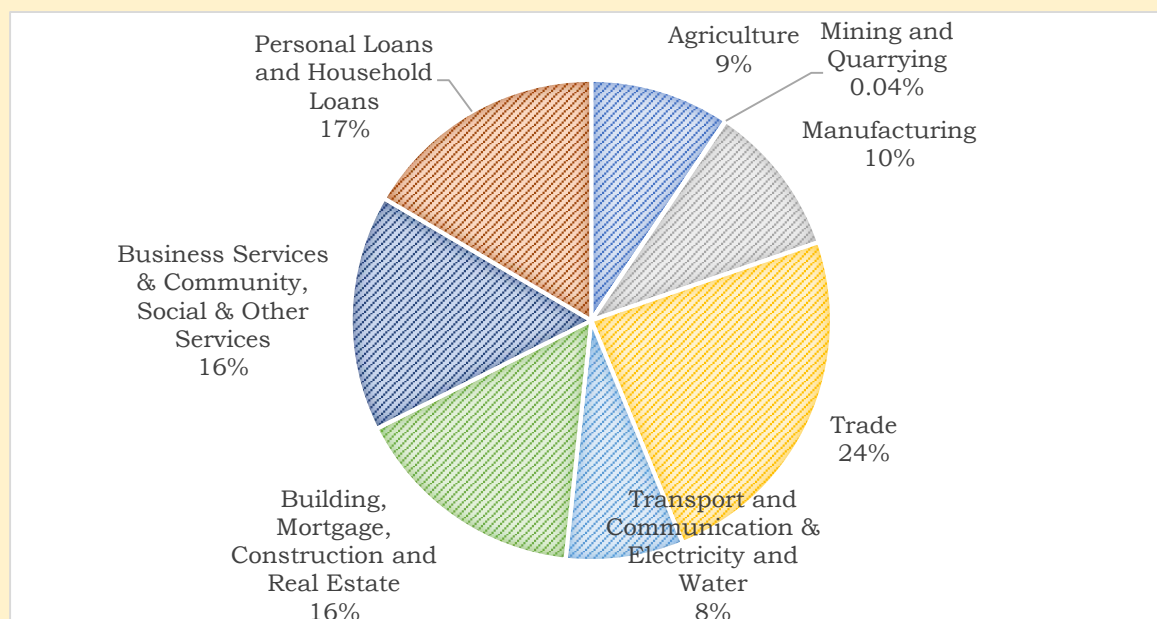


The **stock of private sector credit** increased by 0.9% from US\$ 15,092.2 billion in June to **US\$ 15,226.26** billion in July 2019. The continuous growth in the stock of credit is partly attributable to the sustained improvement in economic activity and the supportive monetary policy stance.

³ Data on private sector credit has a lag of one month.

Credit extensions⁴

Figure 13: New credit extensions approved in July 2019 (Source: BoU)



Similar to the previous month (June 2019), the **Trade sector** received the largest share of credit approved in July 2019 at **24.1%**. Other notable sector recipients of new credit during the month were Personal loans and Household loans (16.5%), Building Construction and Real Estate (15.9%) followed by Manufacturing sector at 10.3%.

⁴ Data on private sector credit has a lag of one month.

EXTERNAL SECTOR DEVELOPMENTS

Merchandise trade balance⁵

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

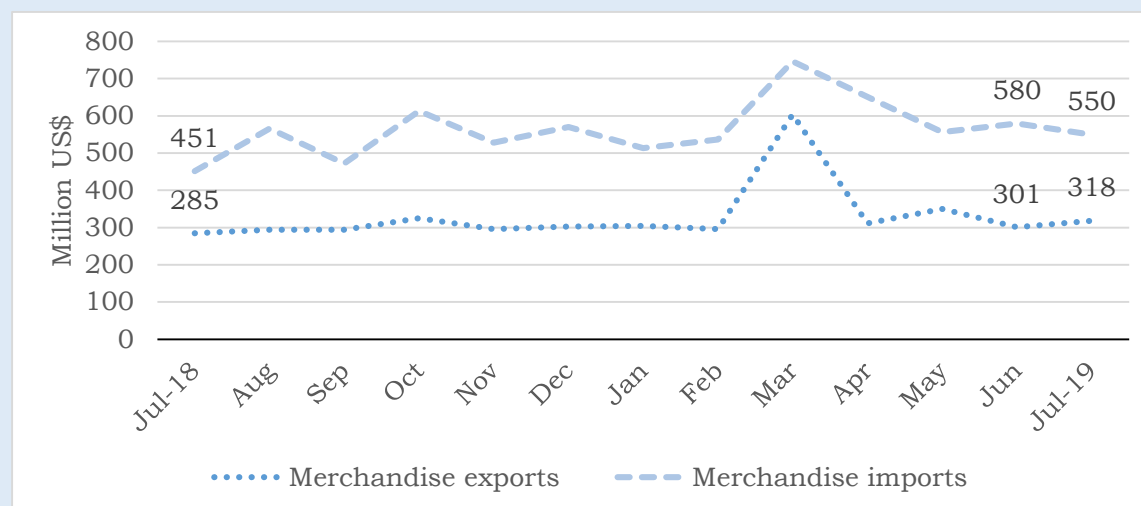
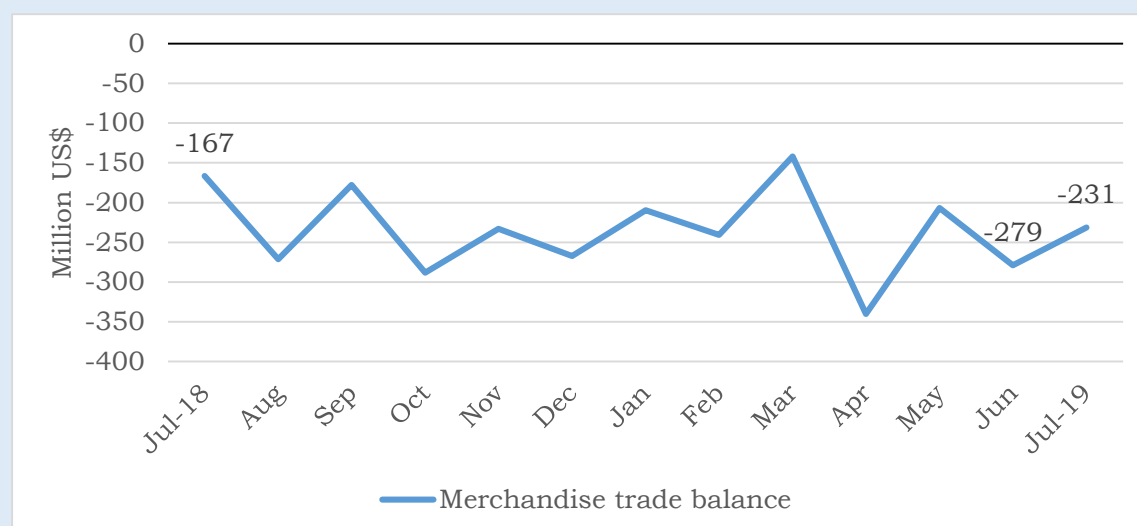


Figure 15: Merchandise trade balance (Source: BoU)



Uganda's **merchandise trade deficit narrowed on a monthly basis** whereas it increased on an annual basis. In comparison with the previous month, the merchandise trade deficit narrowed by 17% from US\$ 278.91 million to US\$ 231.42 million in July 2019, following a decline in imports and an increase in exports.

Compared to July 2018, the merchandise trade deficit increased from US\$166.56 million to US\$ 231.42 million in July 2019. This was explained by higher growth in imports that more than offset growth in exports.

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

Merchandise exports⁶

Figure 16: Merchandise exports by product (Source: BoU)

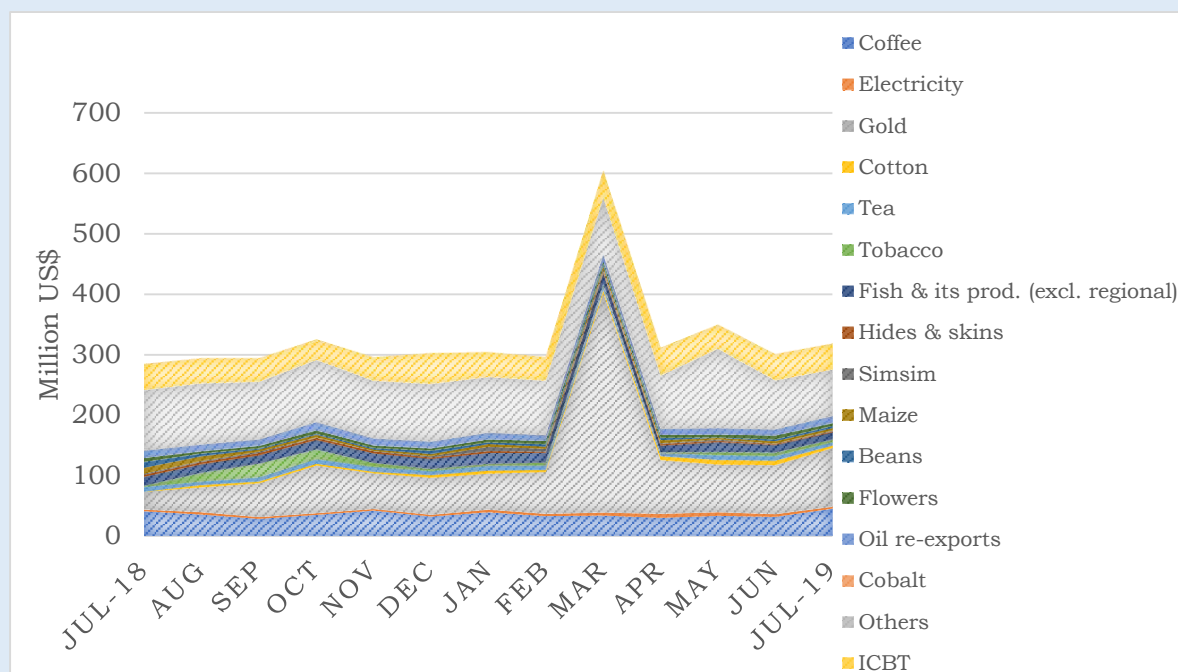
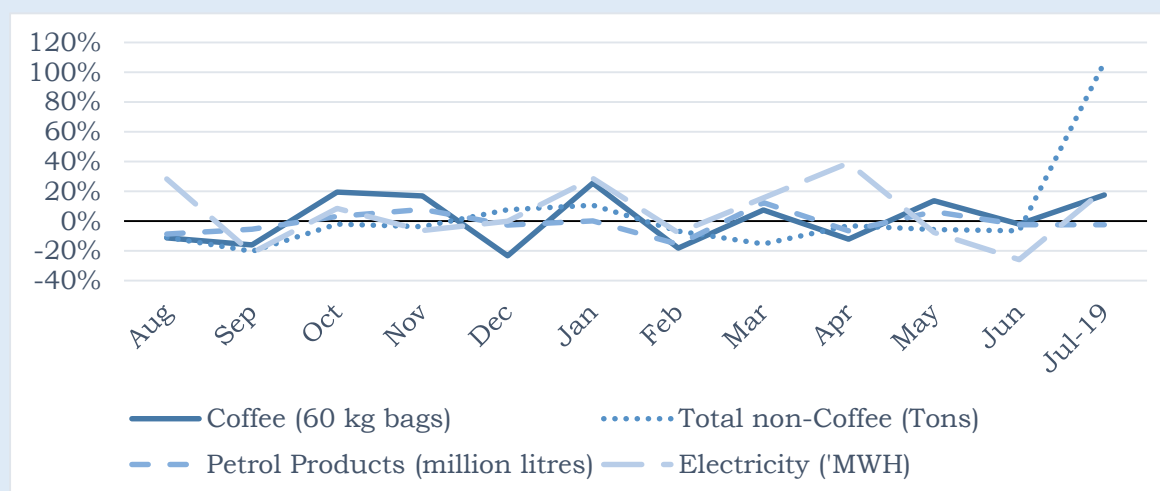


Figure 17: Export volume monthly change (%) (Source: BoU)



Uganda's **export** earnings **increased** both on an annual and monthly basis. Export earnings grew by 5.9% from US\$ 300.63 million in June 2019 to US\$ 318.43 million in July 2019. This growth was attributed to increased earnings from different export commodities such as coffee, cocoa beans, rice, base metals, fruits & vegetables. Earnings from coffee increased following increases in both its volume and the international price.

Compared to July 2018, export receipts increased by 11.9% from US\$ 284.65 million to US\$ 318.43 million in July 2019.

Destination of exports⁷

Figure 18: Merchandise exports by destination (Source: BoU)

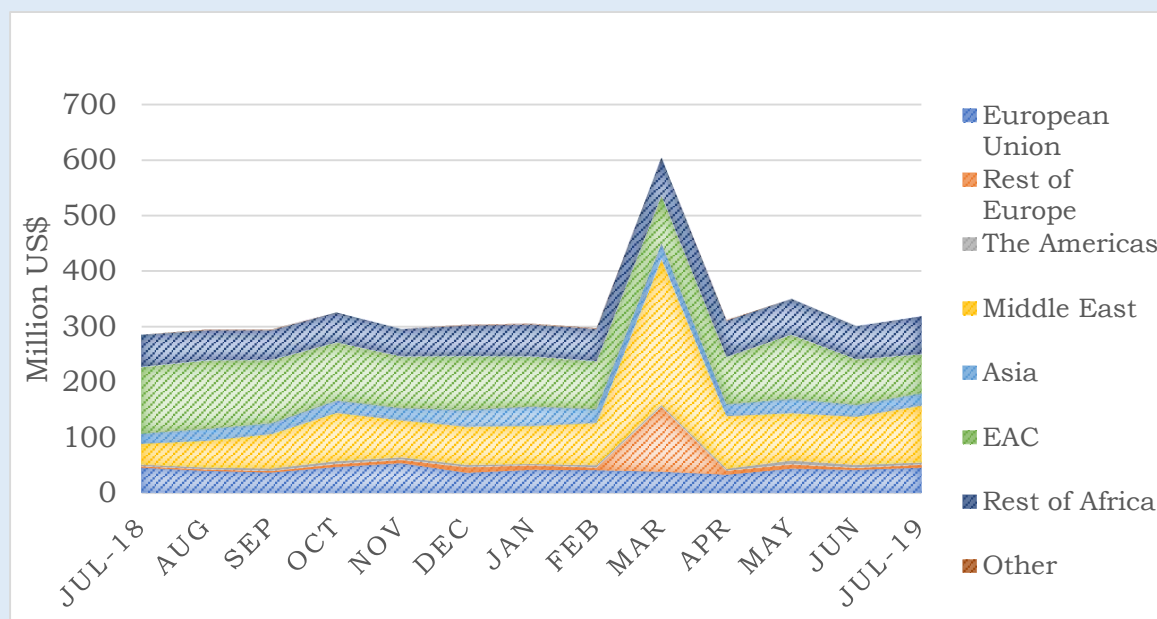
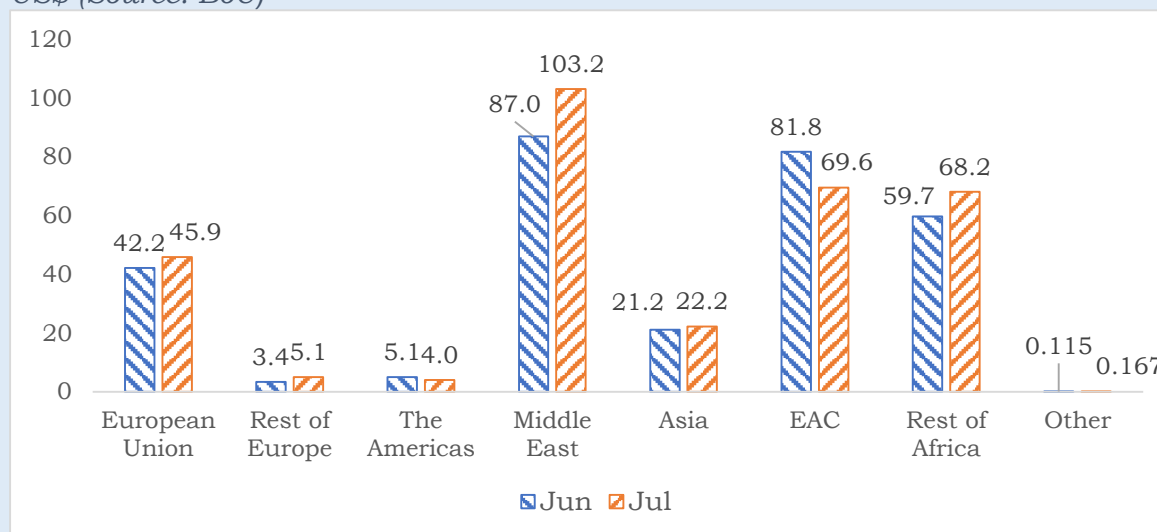


Figure 19: Monthly Comparison of Merchandise exports by destination, Million US\$ (Source: BoU)⁸

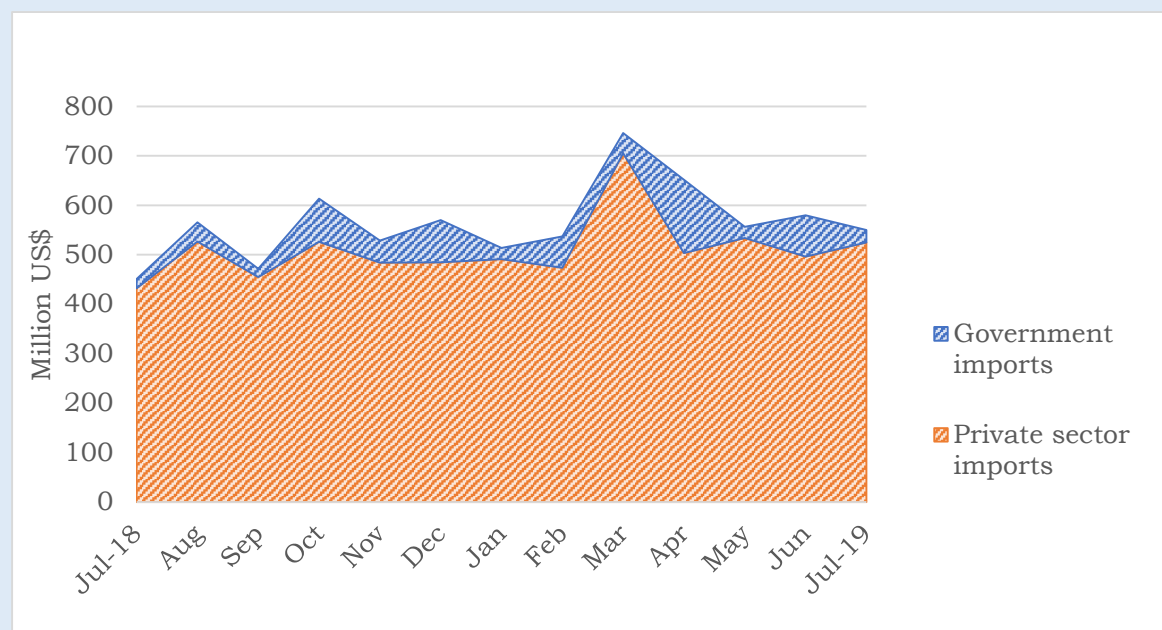


In the month of July 2019, the **Middle East** was Uganda's **top destination** for merchandise exports, followed by EAC, then the Rest of Africa. 32.4% of Uganda's merchandise exports were absorbed by the Middle East in July 2019. Exports to the Middle East increased from US\$ 38.08 million in July 2018 to US\$ 103.17 million in July 2019.

Compared to July 2018, Uganda's exports to all regions grew with an exception of the EAC. Exports to all EAC Partner States dropped save for Burundi.

Merchandise imports⁹

Figure 20: Merchandise imports (Source: BoU)



During the month of July 2019, the value of merchandise **imports declined on a monthly basis** but increased on a yearly basis. The value of merchandise imports dropped by 5.1% from US\$ 579.54 million in June 2019 to US\$ 549.85 million in July 2019. This decline was attributed to a decrease in Government imports. Government imports declined by 70.2% whereas private sector imports increased by 5.8%.

In comparison with the same month the previous year, the import bill increased by 21.9% from US\$ 451.21 million to US\$ 549.85 million in July 2019. Both Government and private sector imports registered increases.

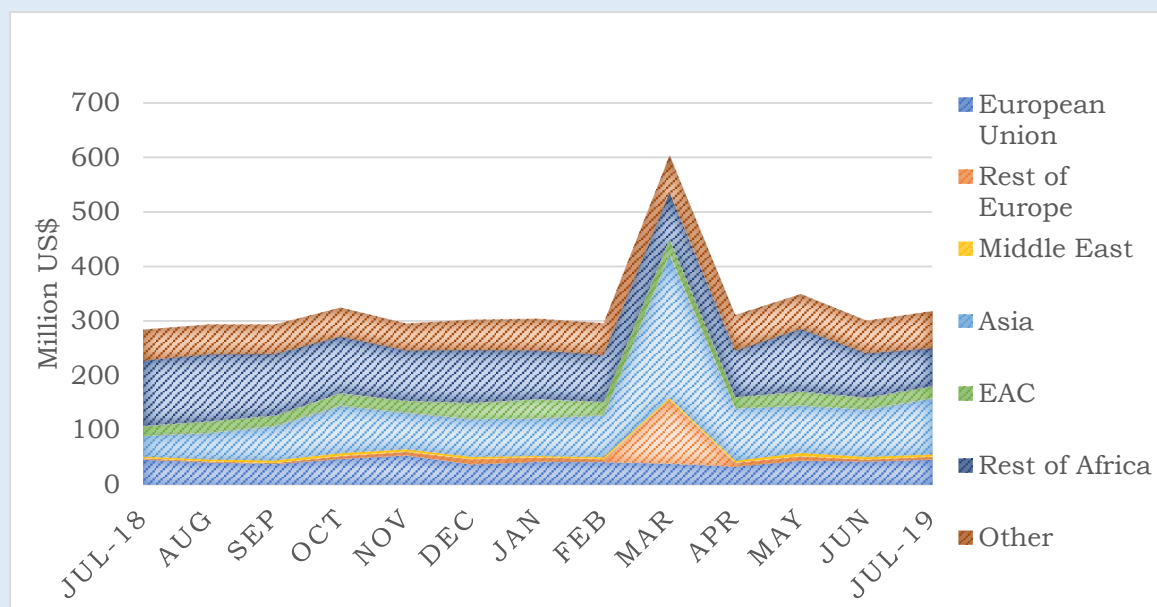
⁷ Statistics on trade come with a lag of one month.

⁸ Others include: Australia and Iceland.

⁹ Statistics on trade come with a lag of one month.

Origin of imports¹⁰

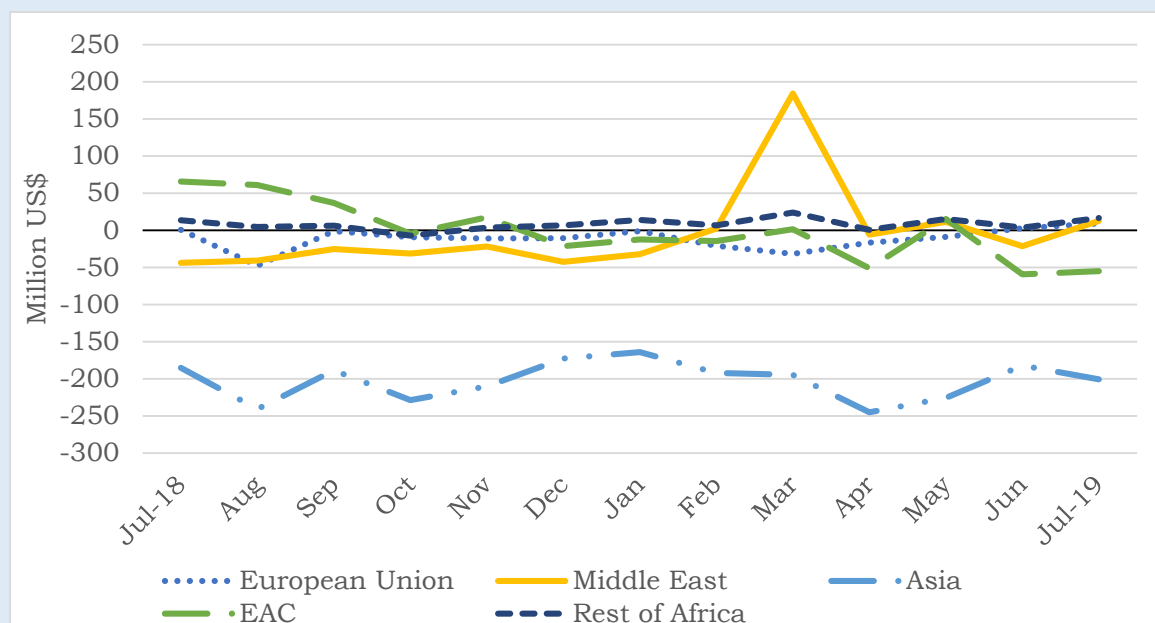
Figure 21: Merchandise imports by origin (Source: BoU)



Asia remained the main source of imports to Uganda in the month of July 2019, followed by the EAC, and the Middle East. China and India accounted for about 68.3% of the imports from Asia.

Within the EAC region, Kenya and Tanzania contributed 98.5% of the total imports.

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

Trade balance by region¹¹**Figure 22:** Trade balance by region (million USD)

Uganda posted merchandise **trade deficits** with the regions of Asia, Rest of Europe, EAC, the Americas & Others, whereas, trade surpluses were registered for Rest of Africa, the Middle East and the European Union. The country had the largest merchandise trade deficit with Asia followed by the EAC. The merchandise trade deficit with Asia deteriorated from US\$ 185.13 million in July 2018 to US\$ 200.47 million in July 2019.

In July 2019, Uganda traded at a deficit of US\$ 54.98 million with the EAC an improvement from a deficit of US\$ 59.33 million registered the previous month.

¹¹ Statistics on trade come with a lag of one month.

FISCAL SECTOR DEVELOPMENTS

Fiscal overview

Table 2: Summary table of fiscal operations August 2019¹² (Source: MoFPED)

<i>(Billion US\$)</i>	Program	Outturn	Performance	Deviation
Revenues and grants	1,701.75	1,383.46	81.3%	-318.29
Revenues	1,564.43	1,360.57	87.0%	-203.86
Tax	1,421.45	1,272.53	89.5%	-148.92
Non-tax	142.98	88.04	61.6%	-54.94
Grants	137.32	22.89	16.7%	-114.43
Budget support	0.00	0.00	-	0.00
Project support	137.32	22.89	16.7%	-114.43
Expenditures and lending	3,594.87	2,460.12	68.4%	-1134.75
Current expenditures	1,391.64	1,369.16	98.4%	-22.48
Wages and salaries	408.65	410.40	100.4%	1.74
Interest payments	259.63	237.98	91.7%	-21.65
o/w domestic	209.78	186.52	88.9%	-23.26
o/w external	49.85	51.46	103.2%	1.61
Other recurrent expenditure	723.36	720.78	99.6%	-2.58
Development expenditures	2,065.01	1,024.60	49.6%	-1040.41
Domestic	1,208.76	906.02	75.0%	-302.75
External	856.25	118.58	13.8%	-737.67
Net lending/repayments	44.23	16.94	38.3%	-27.29
HPP GoU	0.00	16.94	-	16.94
HPP Exim	44.23	0.00	0.0%	-44.23
Domestic arrears repayment	93.99	49.42	52.6%	-44.56
	-	-		
Overall fiscal balance	1,893.12	1,076.66		

¹² Fiscal data is highly preliminary

Fiscal Sector Overview

Government operations in August 2019 resulted into a fiscal deficit of US\$ 1,076.66 billion which was lower than the program for the month of US\$ 1,893.1 billion. This was mainly due to underperformance in expenditure and net lending (by 31.6%) which more than offset the shortfalls in revenue and grants (of 18.7%) Revenues and Grants for August 2019 amounted to US\$ 1,383.46 billion, registering a shortfall of US\$ 318.3 billion. Expenditure and net lending during the month amounted to US\$ 2,460.12 billion against the projection of US\$ 3,594.9 billion.

Domestic Revenues; Domestic Revenues amounted to US\$ 1,360.57 billion out of which US\$ 1,272.53 billion was tax revenues and US\$ 88.04 billion was non-tax revenue. Tax revenues registered a shortfall of US\$ 148.9 billion or 10.5 percent of the target for the month.

All the main tax categories registered shortfalls. Taxes on international trade posted the biggest shortfall of US\$ 70.62 billion, mainly due to lower imports than had been projected for the month. Indirect domestic taxes were also below their target for the month by US\$ 68.72 billion as both excise duties and Value Added Tax (VAT) turned out lower than anticipated for the month. Direct domestic taxes registered the lowest shortfall (US\$ 10.23 billion). This was mainly due to lower collection of rental income tax and corporation tax during the month.

Non-tax revenue (NTTR) also performed below its target for the month. NTR collections during the month amounted to US\$ 88.04 billion against a target of US\$ 142.98 billion. This was mainly due to lower collections for Appropriation in Aid (AIA) by US\$ 37.07 billion in August 2019.

Expenditure and Net Lending

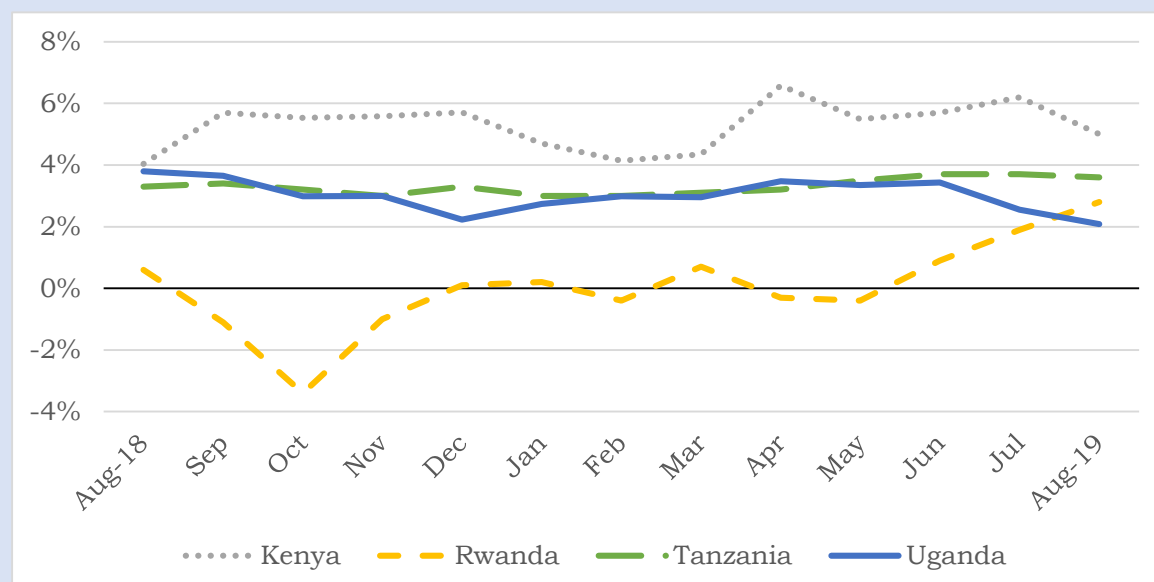
Total expenditures and net lending during August 2019 is estimated to have amounted to US\$ 2,460.12 billion shillings or an equivalent of 68.4% of the projected expenditure level. Both recurrent and development expenditures are estimated to be below their respective projections by 1.6% and 50.4% respectively. Under recurrent expenditures, payment of wages and salaries to public servants, as well as spending on non-wage recurrent items other than interest payments, were largely as planned.

Development expenditure is estimated to perform at only 49.6% as both domestically financed and externally financed development expenditures were below the projections for the month.

EAST AFRICA COMMUNITY DEVELOPMENTS

EAC Inflation¹³

Figure 23: Headline inflation for EAC partner states (Source: Respective authorities¹⁴)



There was **a general decline in Annual Headline Inflation** within the East African Community. Annual Headline Inflation for Kenya reduced from 6.27% in July to 5.0% in August as prices rose at a slower pace for food and non-alcoholic beverages. Likewise, Tanzania's annual headline inflation slightly decreased to 3.6% in August 2019 from 3.7% the previous month, as prices rose at a slower pace for housing & utilities and transport.

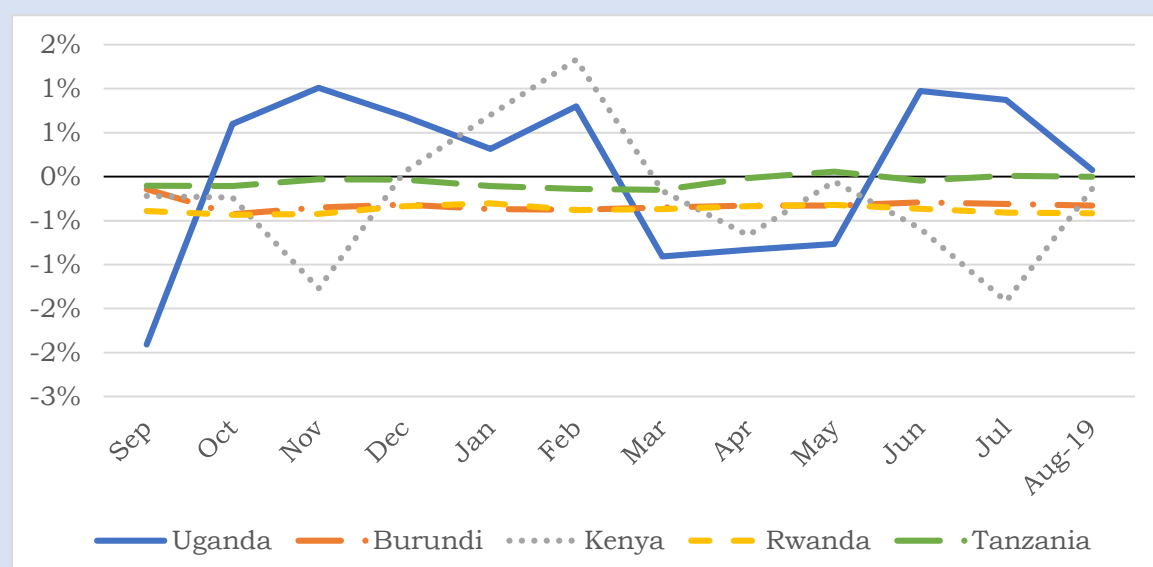
In contrast, Rwanda's annual inflation rose to 2.8% in August from 1.6% in July, its highest level since October 2017. This was mainly driven by higher prices of food & non-alcoholic beverages, particularly meat and bread & cereals.

¹³ Data for Burundi and South Sudan not readily available for August 2019.

¹⁴ UBoS, Kenya National Bureau of Statistics, National Institute of Statistics Rwanda, Tanzania National Bureau of Statistics.

EAC exchange rates

Figure 24: Monthly EAC currency appreciation and depreciation against the US\$ [%] (Source: BoU)¹⁵

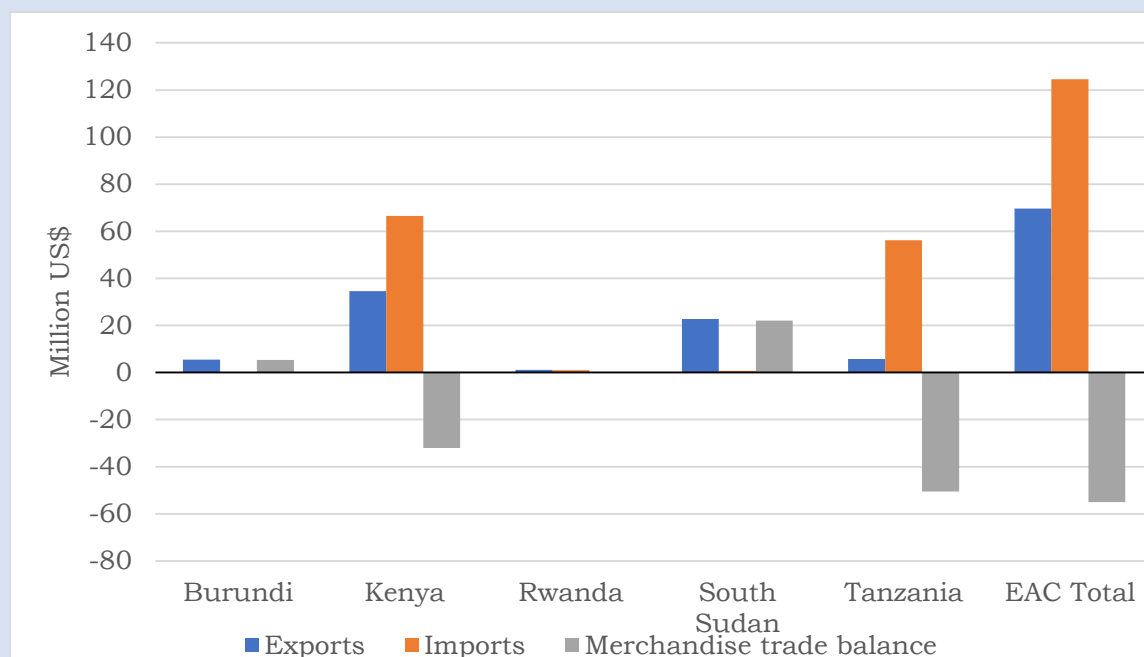


Contrary to the Ugandan shilling, Kenya's, Burundi's and Rwanda's currencies slightly depreciated against the US Dollar in August 2019 by 0.1%, 0.3% and 0.4% respectively. The value of the Tanzanian Shilling remained unchanged against the US Dollar compared to the previous month.

¹⁵ A positive point on the graph indicates a appreciation while a negative point indicates an depreciation.

Trade balance with the EAC¹⁶

Figure 25: Trade balance with EAC Partner States (Source: Bank of Uganda)



In July 2019, Uganda **traded at deficit** with the EAC at **US\$ 54.98 million** compared to a surplus of US\$ 65.68 million recorded a year ago. Over the same period, exports to EAC declined by 41.8% whereas imports increased by 131.1%. Exports to Rwanda registered the largest decline following the temporary closure of the Uganda- Rwanda border.

Uganda recorded a trade deficit with Kenya and Tanzania and a trade surplus with the rest of EAC Partner States.

¹⁶ Data comes with a lag of one month

August 2019 Performance of the Economy Report

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

Real Sector	Aug-18	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug-19	Source
Headline Inflation	3.8%	3.7%	3.0%	3.0%	2.2%	2.7%	3.0%	3.0%	3.5%	3.3%	3.4%	2.6%	2.1%	UBOS
Core Inflation	3.5%	3.8%	3.5%	3.4%	2.8%	3.4%	3.8%	4.6%	4.8%	4.6%	4.9%	3.5%	2.7%	UBOS
Food Crops	-1.2%	-2.2%	-3.4%	-3.3%	-5.0%	-5.2%	-4.4%	-9.9%	-6.2%	-5.4%	-3.7%	-0.8%	-1.4%	UBOS
EFU (Energy, Fuel and Utilities)	14.1%	10.1%	6.9%	7.7%	6.9%	7.2%	5.9%	5.3%	5.4%	4.6%	-0.5%	-1.9%	1.0%	UBOS
Business Tendency Indicator	56.87	57.40	58.05	58.62	59.00	59.09	58.92	58.59	58.28	58.08	57.97	57.87	57.84	BoU
CIEA (Composite Index of Economic Activity)	219.32	221.83	224.06	225.92	227.37	228.53	229.48	230.32	231.09	231.76	232.42	233.05		BoU
Financial Sector	Aug-18	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug-19	Source
UGX/USD (Average)	3,730	3,801	3,778	3,740	3,714	3,702	3,673	3,706	3,737	3,766	3,729	3,696	3,694	BoU
Central Bank Rate	9.0%	9.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	BoU
Lending rate for Shillings	19.0%	19.6%	20.4%	20.5%	20.1%	21.4%	21.1%	19.6%	19.8%	19.6%	19.0%	21.4%		BoU
Treasury bill yields 91-day	10.6%	10.0%	11.5%	11.1%	10.8%	10.9%	9.8%	10.0%	9.7%	8.9%	9.5%	9.7%	9.0%	BoU
Treasury bill yields 364-day	14.1%	12.3%	13.7%	13.1%	13.0%	13.1%	11.5%	12.5%	11.5%	11.5%	11.4%	11.5%	11.6%	BoU
Average Bid-to-Cover Ratio	1.2	2.5	2.3	1.8	2.8	1.5	2.4	1.8	1.6	2.0	1.4	1.3	1.4	BoU
Total Government Securities	650	498	554	852	477	1,148	654	623	502	530	527	669	858	MoFPED
External Sector	Aug-18	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug-19	Source
Merchandise exports (million USD)	294	294	325	296	302	304	296	604	311	350	301	318		BoU
Merchandise imports (million USD)	565	472	613	528	570	514	537	746	651	556	580	550		BoU
Merchandise trade balance (million USD)	-271	-178	-288	-233	-267	-210	-240	-142	-340	-207	-279	-231		BoU

August 2019 Performance of the Economy Report

Annex 2: Private Sector Credit: Detail by sector

Stock of outstanding private sector credit (billion UGX)	Aug-18	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug-19	Source
Agriculture	1,646	1,739	1,729	1,812	1,832	1,812	1,826	1,848	1,842	1,923	1,937	2,004		BoU
Mining and Quarrying	110	113	102	105	101	106	116	115	112	99	81	94		BoU
Manufacturing	1,679	1,750	1,749	1,747	1,760	1,715	1,774	1,900	1,975	1,960	2,028	2,009		BoU
Trade	2,764	2,824	2,874	2,865	2,866	2,796	2,802	2,924	2,979	3,079	3,099	3,076		BoU
Transport and Communication & Electricity and Water	995	1,061	1,024	1,096	1,155	1,076	1,031	1,011	1,019	873	968	958		BoU
Building, Mortgage, Construction and Real Estate	2,782	2,825	2,824	2,843	2,823	2,863	2,865	2,919	2,961	3,032	3,003	3,100		BoU
Business Services & Community, Social & Other Services	1,077	1,084	1,061	1,091	1,139	1,128	1,137	1,251	1,282	1,332	1,349	1,309		BoU
Personal Loans and Household Loans	2,501	2,496	2,517	2,541	2,549	2,573	2,583	2,568	2,589	2,617	2,627	2,675		BoU
Total	13,554	13,892	13,880	14,100	14,224	14,070	14,135	14,536	14,760	14,915	15,092	15,226		BoU
Approved credit extensions by sector (million UGX)	Aug-18	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug-19	Source
Agriculture	117	97	135	237	113	283	225	148	113	115	95	99		BoU
Mining and Quarrying	1	0	2	2	0	2	1	1	10	5	1	0		BoU
Manufacturing	289	223	92	62	41	28	171	144	281	176	102	108		BoU
Trade	207	205	331	260	194	184	190	236	212	407	220	253		BoU
Transport and Communication & Electricity and Water	21	86	158	114	14	148	10	120	22	17	42	83		BoU
Building, Mortgage, Construction and Real Estate	142	135	132	203	131	105	93	291	160	325	199	166		BoU
Business Services & Community, Social & Other Services	97	84	88	200	294	110	79	217	85	94	146	167		BoU
Personal Loans and Household Loans	171	164	175	156	115	140	133	151	145	165	142	173		BoU
Total	1,045	994	1,114	1,234	903	999	901	1,310	1,027	1,304	947	1,049		BoU

August 2019 Performance of the Economy Report

Annex 3: Export volumes

	Aug-18	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug -19	Source
Export volumes¹⁷														
Coffee (60 kg bags)	348,95 2	293,19 9	350,74 3	409,94 0	314,43 9	395,09 7	323,82 8	348,23 0	306,31 5	348,63 2	341,62 8	401,93 0		BoU
Cotton (185 kg Bales)	14,189	9,167	10,180	8,370	14,632	15,749	13,090	16,780	22,726	26,570	26,812	28,248		BoU
Tea	4,702	5,374	6,466	7,064	5,965	7,251	6,156	5,770	4,351	7,021	6,948	5,946		BoU
Tobacco	5,199	8,064	6,660	2,853	1,449	1,410	1,698	907	596	1,213	1,400	737		BoU
Beans	9,965	2,513	4,257	4,276	7,707	5,280	5,331	7,150	4,277	1,255	7,308	49,232		BoU
Simsim	1,326	1,479	386	366	1,511	4,677	3,637	3,153	706	1,061	344	4,221		BoU
Other Pulses	3,248	3,614	3,630	1,630	787	1,006	944	366	160	73	106	3,537		BoU
Maize	43,365	21,657	20,243	12,887	15,022	18,817	13,605	14,248	17,379	5,700	12,203	41,785		BoU
Sorghum	2,408	3,809	5,746	6,209	12,193	9,318	10,986	5,962	1,632	1,416	1,155	11,720		BoU
Fish & its Products*	2,214	2,269	2,370	2,603	2,513	2,874	2,590	2,872	2,157	2,868	2,644	1,537		BoU
Fruits & Vegetables	4,761	4,765	2,695	2,659	2,662	3,280	6,160	5,410	6,533	4,828	4,298	13,474		BoU
Hides & Skins	1,999	2,231	2,023	1,395	1,011	1,833	1,471	1,492	1,226	1,311	662	3,053		BoU
Cement	28,902	31,647	42,143	38,919	44,454	49,260	43,866	30,969	35,287	28,574	29,833	22,840		BoU
Flowers	416	143	606	279	403	461	618	149	568	631	185	446		BoU
Cocoa Beans	1,063	2,009	2,746	3,040	3,573	4,029	3,792	3,741	2,853	3,594	1,731	3,232		BoU
Sugar	21,513	15,814	3,951	12,323	9,000	9,108	10,016	10,022	12,681	23,874	9,468	8,135		BoU
Rice	5,470	3,786	1,856	3,917	3,069	3,227	3,547	4,556	3,716	4,898	3,920	4,420		BoU
Vanilla (Kgs)	1,127	1,888	8,403	5,551	368	0	1,954	239	6,754	4,593	4,245	108		BoU
Gold (Kgs)	1,069	1,463	3,215	758	1,521	1,451	1,714	8,692	2,198	1,903	1,977	935		BoU
Cobalt	0	0	0	0	0	0	0	0	0	0	0	0		BoU
Edible Fats & Oils	1,478	1,148	1,137	1,321	1,137	1,381	1,049	648	918	435	539	1,389		BoU
Soap	4,099	2,865	4,088	4,949	2,980	3,910	3,365	3,189	2,239	2,248	1,931	3,535		BoU
Plastic Products	2,225	1,920	1,763	1,928	1,529	2,270	1,876	1,733	1,835	2,463	2,786	1,433		BoU
Total non-Coffee (Tons)	144,36 7	115,11 7	112,77 6	108,62 4	116,98 0	129,40 7	120,71 9	102,35 4	99,137	93,487	87,488	180,70 0		BoU
Petrol Products (million litres)	10,233	9,684	10,003	10,793	10,515	10,538	8,901	10,002	9,354	9,965	9,724	9,493		BoU
Electricity (MWH)	22,181	17,473	18,980	17,810	17,818	22,944	21,149	24,476	34,027	31,426	23,275	28,198		BoU
Beer (mls)	1,891	1,892	1,990	2,194	2,629	1,998	1,339	1,899	2,506	2,715	1,442	1,583		BoU

¹⁷ Trade data comes with a lag of one month

August 2019 Performance of the Economy Report

Annex 4: Composition of Exports

Export value by product (million USD) ¹⁸	Aug-18	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug-19	Source
Coffee	35.7	28.9	35.2	42.0	32.4	39.2	32.7	34.1	30.1	33.3	31.9	45.3		BoU
Electricity	3.6	2.5	2.6	2.6	2.8	4.0	3.7	4.5	6.7	6.2	4.1	2.9		BoU
Gold	41.1	56.2	78.8	59.5	61.3	60.2	69.7	363.4	88.6	78.7	81.0	97.3		BoU
Cotton	4.2	2.9	3.3	2.3	4.7	4.9	3.9	4.8	6.8	7.9	7.9	4.5		BoU
Tea	5.9	6.7	7.8	8.5	7.2	8.5	7.1	7.0	5.2	8.4	8.0	5.8		BoU
Tobacco	14.3	22.8	15.9	6.7	2.7	2.9	4.6	2.3	1.4	4.8	5.4	4.2		BoU
Fish & its prod. (excl. regional)	14.6	14.2	15.6	15.6	17.1	17.7	16.4	18.9	11.4	16.7	12.9	12.4		BoU
Hides & skins	3.5	3.5	3.3	3.1	2.2	3.3	1.9	2.4	2.2	2.1	1.5	1.3		BoU
Simsim	1.7	2.0	0.5	0.4	2.1	6.8	4.8	4.3	1.1	1.9	0.6	0.9		BoU
Maize	7.9	3.9	4.7	2.9	3.8	5.0	3.8	5.2	5.6	2.4	4.2	4.2		BoU
Beans	4.1	1.3	1.8	2.2	5.1	2.6	3.2	3.6	3.3	0.5	2.5	3.1		BoU
Flowers	3.6	4.5	5.0	4.2	3.7	4.7	5.3	4.7	5.0	5.0	6.1	5.0		BoU
Oil re-exports	11.1	10.5	13.9	11.9	11.4	11.3	9.6	10.8	10.2	10.8	10.4	11.7		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	101.1	95.1	103.0	95.1	95.0	91.8	90.1	94.1	87.8	131.2	80.9	76.9		BoU
ICBT	41.5	38.8	33.7	38.6	51.1	41.1	39.5	44.0	45.9	39.7	43.2	42.9		BoU

¹⁸ Trade data comes with a lag of one month

August 2019 Performance of the Economy Report

Annex 5: Composition of Imports

Import value by product (million USD) ¹⁹	Aug-18	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug-19	Source
Animal & Animal Products	3.5	3.7	3.6	3.5	3.3	4.2	2.9	3.1	3.2	3.7	3.1	3.2		BoU
Vegetable Products, Animal, Beverages, Fats & Oil	41.8	32.3	43.8	38.5	30.7	34.5	33.4	36.3	40.9	45.6	38.8	38.5		BoU
Prepared Foodstuff, Beverages & Tobacco	15.6	13.3	18.0	16.8	19.8	19.3	15.7	19.4	18.0	16.8	21.1	17.1		BoU
Mineral Products (excluding Petroleum products)	54.6	52.2	68.0	62.3	65.6	67.3	71.1	312.7	90.5	102.4	87.7	96.1		BoU
Petroleum Products	89.7	76.9	91.9	85.5	88.2	76.8	74.4	75.6	84.4	84.4	81.2	78.8		BoU
Chemical & Related Products	53.6	47.9	48.0	48.1	45.5	49.1	49.7	46.1	46.7	42.6	45.6	43.1		BoU
Plastics, Rubber, & Related Products	32.2	35.3	32.6	29.1	33.6	34.9	32.8	31.8	34.0	33.3	28.0	34.0		BoU
Wood & Wood Products	13.0	13.0	13.8	12.6	13.0	16.0	14.0	14.0	13.3	10.9	13.1	12.1		BoU
Textile & Textile Products	19.0	18.8	18.8	19.1	21.0	20.7	22.0	14.9	20.3	19.5	18.3	19.3		BoU
Miscellaneous Manufactured Articles	26.2	20.8	25.6	23.1	25.6	23.4	21.4	18.7	19.2	25.9	19.3	23.6		BoU
Base Metals & their Products	39.0	32.5	33.8	37.8	33.9	34.3	34.4	34.1	33.3	42.7	36.1	45.1		BoU
Machinery Equipment's, Vehicles & Accessories	133.9	102.9	122.5	102.5	98.3	105.4	96.7	94.3	94.9	102.0	99.5	109.7		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	0.4	0.6	0.6	0.6	0.7	0.3	0.7	0.3	0.1	0.1	0.1	0.1		BoU
Other	43.0	21.6	92.1	48.9	90.6	27.5	67.5	44.7	152.5	26.6	87.7	29.1		BoU

¹⁹ Trade data comes with a lag of one month

August 2019 Performance of the Economy Report

Annex 6: Fiscal Trends, *Billion Shillings*

	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	Jul'19
Revenues and Grants	1,175.1	1,330.8	1,307.4	1,373.3	1,488.2	1,793.4	1,424.4	1,390.2	1,372.1	1,408.1	1,315.7	1,883.7	1,270.8
Revenues	1,163.5	1,295.2	1,254.2	1,350.0	1,311.6	1,774.4	1,409.1	1,296.7	1,331.9	1,294.7	1,300.0	1,856.5	1,266.9
URA	1,109.5	1,260.9	1,222.6	1,311.8	1,264.6	1,743.1	1,367.3	1,257.5	1,293.2	1,253.2	1,256.4	1,822.9	1,195.9
Non-URA	54.0	34.3	31.6	38.2	47.0	31.3	41.8	39.2	38.7	41.5	43.6	33.6	70.9
Grants	11.6	35.6	53.2	23.2	176.7	19.0	15.3	93.5	40.2	113.4	15.7	27.2	3.9
Budget Support	2.2	16.4	13.9	11.7	11.4	8.8	2.0	33.3	8.7	5.5	11.4	8.8	2.1
Project Support	9.4	19.2	39.3	11.6	165.3	10.2	13.3	60.2	31.5	107.9	4.4	18.4	1.8
Expenditure and Lending	2,195.4	1,907.0	1,343.7	2,708.0	1,927.6	1,619.7	2,039.6	1,682.6	1,522.2	2,664.8	2,121.2	1,774.0	2,051.3
Current Expenditures	1,100.0	1,021.4	897.0	1,226.2	945.8	750.7	1,273.5	905.2	933.9	1,099.4	1,010.6	929.2	1,227.3
Wages and Salaries	336.9	339.8	336.6	348.2	336.9	345.7	351.3	351.3	352.3	372.4	370.8	371.5	373.7
Interest Payments	215.1	172.9	272.6	88.0	231.3	146.8	238.3	159.9	252.8	116.3	194.0	153.7	307.5
Domestic	162.3	145.9	225.4	70.3	212.4	119.9	173.6	125.4	220.5	85.7	182.3	136.3	250.9
External	52.7	27.0	47.2	17.7	19.0	26.9	64.8	34.4	32.3	30.6	11.7	17.4	56.6
Other Recurr. Expenditures	548.0	508.7	287.8	789.9	377.6	258.2	683.9	394.1	328.8	610.6	445.8	404.0	546.1
Development Expenditures	1,001.2	854.8	406.4	955.2	875.8	732.6	695.9	566.3	448.6	1,274.7	1,071.3	824.6	758.6
Domestic Development	543.5	548.8	221.0	790.8	453.7	206.1	501.2	284.6	277.2	745.2	765.7	561.4	642.3
External Development	457.7	306.1	185.5	164.4	422.1	526.5	194.7	281.7	171.3	529.5	305.6	263.2	116.3
Net Lending/Repayments	8.8	2.7	0.4	460.2	81.9	103.6	43.1	159.4	129.4	284.9	11.4	1.0	-
Domestic Arrears Repaym.	85.4	28.0	39.9	66.4	24.1	32.8	27.1	51.8	10.3	5.8	27.9	19.3	65.4
Domestic Balance	(521.4)	(278.8)	143.2	(1,175.8)	(175.0)	708.1	(371.0)	(69.8)	13.3	(810.0)	(504.0)	363.0	(611.6)
Primary Balance	(805.3)	(403.4)	236.3	(1,246.7)	(208.1)	320.5	(376.9)	(132.5)	102.8	(1,140.4)	(611.5)	263.3	(473.0)
Overall Fiscal Bal. (excl. Grants)	(1,031.9)	(611.8)	(89.5)	(1,358.0)	(616.1)	154.7	(630.5)	(385.9)	(190.3)	(1,370.1)	(821.2)	82.4	(784.5)
Overall Fiscal Bal. (incl. Grants)	(1,020.3)	(576.2)	(36.3)	(1,334.8)	(439.4)	173.7	(615.2)	(292.4)	(150.0)	(1,256.7)	(805.5)	109.7	(780.5)
Financing:	1,020.3	576.2	36.3	1,334.8	439.4	(173.7)	615.2	292.4	150.0	1,256.7	805.5	(109.7)	780.5
External Financing (Net)	383.4	268.5	62.0	466.5	235.4	442.0	167.4	370.9	251.5	508.1	141.7	335.0	136.7
Disbursements	394.5	286.9	117.7	595.8	261.5	504.2	248.6	415.4	301.4	628.0	172.5	398.3	82.8
Project Loans	394.5	286.9	117.7	595.8	261.5	504.2	248.6	415.4	301.4	628.0	172.5	398.3	82.8
Armotization	(10.9)	(18.4)	(55.6)	(132.7)	(26.0)	(62.1)	(80.9)	(44.5)	(50.5)	(119.6)	(30.8)	(63.3)	54.2
Domestic Financing (Net)	(180.1)	386.2	21.4	291.9	805.3	(468.2)	441.4	51.7	53.7	184.3	632.1	244.5	(272.8)
Bank Financing (Net)	(389.4)	219.2	(96.9)	155.9	832.4	(575.5)	297.2	128.6	(196.8)	112.4	515.5	253.3	(319.4)
Non-bank Financing (Net)	209.3	167.0	118.3	136.0	(27.2)	107.2	144.2	(76.8)	250.5	71.8	116.6	(8.8)	46.6
Errors and Omissions	817.1	(78.4)	(47.2)	576.4	(601.3)	(147.5)	6.4	(130.3)	(155.2)	564.3	31.7	(689.2)	916.5

Source: MoFPED