



THE REPUBLIC OF UGANDA

**OPENING REMARKS AT THE POST BUDGET SPEECH E-
CONFERENCE FY2021/22**

By

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Heads of Government Institutions,
Members of the Media Fraternity,
Fellow Ugandans,
Ladies and Gentlemen.

I welcome all of you to the Post Budget Speech E-Conference for FY2021/22, which is being held as part of the National Budget Month FY2021/22. We are all aware that the Budget Speech for FY2021/22 was read on Thursday, 10th June 2021, with the theme Industrialization for Inclusive Growth, Employment and Wealth Creation.

The Budget Month is a consultative process which continues to ensure that the interventions spelt out by Government as proposed in the Budget, are able to address the needs and daily aspirations for all Ugandans. The E-Conference forms part of that consultative process and has the following objectives:

1. To provide a platform for discussion of the National Budget priorities to enable the public gain further understanding of the Budget; and,
2. To obtain feedback that can be used as we implement the interventions in the Budget for FY2021/22.

We have so far carried out a number of activities under the National Budget Month FY 2021/22 and these include;

1. The launch of the National Budget Month FY 2021/22;
2. The High-level Pre-Budget Speech Dialogue;
3. The Reading of the Budget Speech; and,
4. The Post-Budget Dialogues with key stakeholders

This E-conference ladies and gentlemen, forms the additional activity under the National Budget Month for FY 2021/22.

It is your Budget, fellow Ugandans, and I call upon you to listen in and provide constructive feedback and later the information will be used in the implementation of the Government programmes, through enhanced monitoring and vigilance, for better economic outcomes and improved service delivery.

In that regard, I would like to draw you to the highlights of our recent economic performance before I delve into the critical interventions for growth and economic recovery in FY2021/22.

Economic Performance

Despite the impact of COVID-19, the Ugandan economy grew by 3.3 percent during the Fiscal Year (FY) 2020/2021 compared to the revised 3.0 percent registered in FY

2019/2020. The size of the economy in nominal terms increased to US\$ 148,278 Billion in 2020/21 from US\$ 139,711 Billion in 2019/20.

As indicated in the Budget Speech for FY 2021/22 that was read out by the Minister, we are projecting a growth rate of **4.3%** in FY2021/22. This is based on the assumption that the negative consequences of the pandemic will subside with COVID-19 vaccinations and other clinical trials. But how will we achieve the above growth rate, and how will the Budget lead to top economic recovery?

Economic Growth Strategy

The Budget for FY 2021/22 will focus on interventions which will sustain recovery from the socio-economic setbacks caused by Covid-19 and other domestic shocks such as the locusts invasion and floods and external shocks such as supply disruptions caused by lockdowns world over, and trade barriers that affected export of some commodities. In order for the economy to pick up, the Budget strategy prioritizes investment in Public Infrastructure and supporting the private sector to increase production and productivity plus interventions to address the health impact of COVID-19.

The strategy focuses on six broad and interlinked agenda that were highlighted in the Budget Speech for FY2021/22, that is:

- i. Maintenance of Security, Peace and Good Governance;
- ii. Accelerating the pace of industrialization, research and innovation;
- iii. Enhancing the capacity to deal with both the demand and supply side challenges anchored on import substitution and export promotion;
- iv. Human Capital Development by investing in community health, education and water;
- v. Strengthening the private sector by improving enterprise competitiveness with emphasis on improved physical infrastructure; and,
- vi. Championing inclusive growth through implementation of the Parish Development Model.

Critical Interventions for Economic Recovery and Growth in FY2021/22

The critical Government interventions for economic recovery and growth in FY2021/22 in line with the above growth strategy are highlighted below:

- 1. The most immediate priority of the Government is to procure vaccines and speed up vaccination to enable all sectors of the economy to open:** With weak compliance to SOPs, vaccination provides the only safe way government can lift up curfew and open up all sectors of the economy to enable 24-hour operations

of the economy. The Government intends to immunise at least 22million Ugandans before the economy can fully open.

- 2. Continued support to MSMEs will be critical for spurring production, jobs and trade:** Government will extend the Credit Relief and Liquidity Assistance measures, and most importantly, create an SME Recovery Fund (with clear guidelines for eligibility and access) by earmarking part of the UDB fund for SMEs to support SMEs in distress.
- 3. Safeguarding against poverty vulnerability:** The Parish Development Model will be critical in supporting Local Economic Development (LED) initiatives through the financing of viable parish-specific enterprises that offer local solutions & provide opportunities for both self and wage employment at the parish level, targeting the 39% households in the subsistence economy. This will translate into an increase in both household incomes and aggregate demand.
- 4. Harnessing the growth opportunities: -**
 - i) Taking the FiD for oil and gas & related infrastructure development will spur investments in the economy, including FDIs, both direct and indirect jobs, local enterprise growth, including forward and backward linkages to agriculture, tourism and the development of petrochemical industries.
 - ii) Export market opportunities: Africa Continental Free Trade Area (AfCFTA) and the infrastructure development to DRC to provide alternative export market.
 - iii) The COVID 19 silver lining for local enterprise development: Increased funding to UDB, ACF, UDC etc. to provide cheap credit; and import substitution i.e., filling up the local demand vacuum created by COVID19 supply disruptions.
- 5. Quickly address competitiveness constraints: -**
 - i) Improving reliability and affordability of economic infrastructure
 - ii) Balancing economic and social investments/human capital development to provide the labour market with a skilled and healthy workforce.
 - iii) Continue to avail affordable long-term credit for private investments

Public Debt

Whereas public debt is projected to rise to 51.9 percent of GDP in FY2021/22 on account of borrowing to finance key infrastructure projects, especially in the transport and oil & gas sectors, it is projected to decline thereafter on account of increased Domestic Revenue as Government implements the Domestic Revenue Mobilization Strategy.

Conclusion

I believe that the growth strategy above will facilitate economic recovery and re-engineer economic growth. The Ministry welcomes any ideas that can improve efficiency in planning, budgeting, spending, prioritization of interventions, generation of more domestic revenues as well as accountability for public resources.

I therefore wish to thank all the partners, the panelists and guests that have made this event possible. Any additional on the Budget can be obtained from the budget website www.budget.go.ug and budget toll free hotline **0800229229**.

I thank you.

For God and my Country.