



## **-PRESS STATEMENT-**

### **THE REGIONAL DEBT CONFERENCE ON PUBLIC DEBT MANAGEMENT AND SUSTAINABLE ECONOMIC GROWTH IN SUB-SAHARAN AFRICA 26-28<sup>TH</sup> FEBRUARY 2020**

1. Fellow Ugandans, I am here to make a statement in fulfilment of Government's commitment to provide updates to the public on the status of implementation of programs and policies geared towards strengthening economic growth.
2. Some of the proposed policy shifts can be successfully achieved when Africa and more so the Sub-Saharan African region comes together and aligns itself to an agreed position in addressing challenges faced during execution of their respective development programs.
3. I have always reiterated our cautiousness regarding contracting public debt. In this spirit, Government of Uganda, under the auspices of the Ministry of Finance Planning and Economic Development in partnership with the Royal Dutch Government of the Netherlands and support from the United Nations Department of Economic and Social Affairs have organized a regional Debt Conference.
4. The three-day conference is scheduled to take place on **26-28 February 2020, at Speke Resort Munyonyo** and is targeting most of the Sub- Saharan African Countries to have discussions on ***sustainable public debt management and a strengthened economic growth.***



5. This conference is a unique opportunity to bring together senior government officials from across Sub-Saharan Africa and a wide range of experts and stakeholders, including bilateral and multilateral creditors; representatives from civil society organizations; academia; think tanks and private sector actors. To explore ways to elucidate on the complexities facing sovereign borrowers in Sub-Saharan Africa.
6. It will also focus on best practices and new strategies for getting the best deal for financing national development plans, including the sustainable development goals.
7. As you know, over and above our revenue collection, debt financing is a vital source for funding our national budget specifically committing this financing to development of key infrastructure projects and for the provision of social services.
8. However, there has been major changes in the composition of external public debt over the past decade, which has given sovereign borrowers more choices but has as well-made prudent debt management more challenging.
9. The shift from concessional loans provided by bilateral and multilateral agencies towards market-based loans to private lenders and less concessional loans from bilateral official creditors has led to more expensive and riskier debt portfolios in several countries.
10. Therefore, the objective of the conference is to empower public debt and financial managers in Sub-Saharan Africa identify practical steps to ensure that external borrowing is used to ultimately foster sustainable economic growth. In addition,



devise ways to strengthen our position in negotiating the terms and conditions of debt to be more favorable.

11. These discussions on current challenges and trends on debt financing, will provide a platform for a regional joint position through exchange of ideas, perspectives as well as identifying policy options and follow-up actions to tackle shared challenges. We hope this will lead to sustainable public debt management and strengthened economic growth across the region.

### **Update on Uganda's Debt Situation**

Members of the press, let me now give you the current position on Uganda's debt status.

12. The stock of total public debt grew from **US\$ 12.55 billion** (UGX 46.36 Trillion) at end June 2019 to US\$ 13.33 billion by end December 2019 (UGX 48.91 Trillion). Of this, external debt was **US\$ 8.59 billion** (UGX 31.53 Trillion), while domestic debt was US\$ 4.73 billion (UGX 17.38 Trillion). This represents an increase in nominal debt to GDP from **36.1%** in June 2019 to **36.97%** in December 2019.
13. Measured in present value terms, the total stock of debt as at end December 2019 amounted to **28.54%** of GDP up from **27.3%** as at end June 2019.
14. Based on the recent Debt Sustainability Analysis (DSA) report 2019, the nominal total public debt is projected to increase to 40.9% of GDP in FY2019/20, before peaking at 49.5% in FY2023/24.



15. In present value terms, total public debt will follow a similar trend, increasing to 31.1% of GDP in FY2019/20. Uganda continues to be at low risk of debt distress, with public debt found to be sustainable over the medium to long term.
16. Government will continue borrowing cautiously with priority being given to those projects that are growth drivers and are identified in the National Development Plan strategic direction as key/flagship projects. We intend to share our experience on how, we have managed to ensure this sustainable stance with our regional partners.
17. In conclusion as we prepare to welcome our regional colleagues and other international partners to this interactive three-day conference, I call upon the public to give them all the moral support and hospitality in this beautiful pearl of Africa.

**I thank you.**

**MINISTER OF FINANCE PLANNING AND ECONOMIC DEVELOPMENT**

**February 2020**