



The Republic of Uganda

BUDGET SPEECH
FINANCIAL YEAR 2024/2025

Theme: *Full Monetisation of Uganda's Economy through Commercial Agriculture, Industrialisation, Expanding and Broadening Services, Digital Transformation and Market Access.*

Delivered By

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Kololo Independence Grounds

PREAMBLE

Your Excellency the President,
Your Excellency the Vice President,
Right Honourable Speaker of Parliament,
Your Lordship the Chief Justice,
Right Honourable Deputy Speaker of Parliament,
Your Lordship the Deputy Chief Justice,
The Vice Chairman of the NRM Party,
The Right Honourable Prime Minister,
The Honourable Leader of the Opposition,
Honourable Ministers,
Honourable Members of Parliament,
Your Excellencies, the Ambassadors, and Heads of Diplomatic
Missions,
Distinguished Guests,
Ladies and Gentlemen.

1. INTRODUCTION

1. Madam Speaker, in fulfilment of Article 155(1) of the Constitution and on behalf of His Excellency the President, I rise to present to Parliament and to the nation at large, the Budget for the Financial Year 2024/2025 as approved by Parliament.
2. Madam Speaker, I want to start by thanking H.E the President for once again demonstrating a vote of confidence in me by extending my mandate as the Minister responsible for Finance, Planning and Economic Development, together with my entire political team at the Ministry.
3. Madam Speaker, I congratulate H.E. the President for successfully hosting the 19th Summit of the Non-Aligned Movement (NAM) and the Third South Summit of the G77+China, and assuming the Chairmanship of both in January 2024.
4. Madam Speaker, according to the 2024 Annual Investment Meeting (AIM) held in Abu Dhabi, United Arab Emirates, Uganda is now the best investment destination in Africa.
5. Madam Speaker, His Excellency the President declared the 2021–2026 political term, a “*Kisanja* for socio-economic transformation”. He guided that Government and the entire country should focus on creating jobs, wealth, and increasing household incomes.
6. The Budget for FY 2024/25 is the fifth, and therefore the last to implement the Third National Development Plan (NDPIII). It will also set the foundation for implementing the Government’s strategy for expanding the size of our GDP from about USD 50 billion in FY2022/23 to USD 500 billion by the year 2040.

7. In order to consolidate the gains so far achieved, the theme for the coming financial year has been maintained as: ***“Full Monetisation of the Uganda’s Economy through Commercial Agriculture, Industrialisation, Expanding and Broadening Services, Digital Transformation and Market Access”***.
8. Madam Speaker, in this Speech, I will:
 - i) Account to Parliament and the people of Uganda for the commitments that Government made for the FY2023/2024 that is coming to an end in a few days;
 - ii) Provide an outlook for the medium-term economic performance;
 - iii) Summarise the medium-term priorities and strategies for growing the economy tenfold starting with FY 2024/2025; and
 - iv) Present the financing strategy for the FY 2024/25 Budget.

II. RECENT ECONOMIC PERFORMANCE

9. Madam Speaker, I am pleased to report that Uganda’s economy has fully recovered from various internal and external shocks that impacted performance in the past four years. GDP is projected to grow by 6 percent this financial year 2023/24 compared to 5.3 percent in FY2022/23. This year’s growth of 6 percent is even more impressive when compared to Sub-Saharan Africa’s average of 3.8 percent, and the global average of 2.9 percent projected for the year 2024.
10. As a result of this robust growth, the size of the economy is now estimated at Shs 202 trillion (USD 53.3 billion) up from Shs 184.3 trillion (USD 48.8 billion) in nominal terms. If

Ugandans agreed to share this GDP equally, each citizen would enjoy a GDP per capita of USD 1,146 compared to USD 1,081 registered last Financial Year 2022/23.

11. Madam Speaker, the improved performance of the economy is on account of higher growth in all sectors. Services, agriculture, and industry, are estimated to grow at 6.6 percent, 5.1 percent, and 5.8 percent, respectively, in FY2023/24. In particular, growth in the services sector has been impressive, mainly driven by strong recovery in retail and wholesale trade, tourism as well as communication and real estate activities.
12. Growth in industry was mainly driven by manufacturing, construction and mining, while increased production of food and cash crops, as well as livestock supported growth in the agriculture sector. Agriculture's performance, estimated to have expanded at 5.1 percent this year compared to 4.5 percent registered in FY2022/23, is attributed to streamlined implementation of the Parish Development Model (PDM); and fairly good weather conditions.
13. Other factors which supported strong economic growth include:
 - i) Low inflation and relatively stable exchange rate which have allowed good investment planning and supported export competitiveness;
 - ii) Increased investments in the oil and gas sector related projects, supported by Foreign Direct Investment;
 - iii) Higher external demand for Uganda's products including agricultural and industrial products;

- iv) Recovery of tourism supported by increased investment in tourism infrastructure and marketing; and
 - v) Peace and security for persons and their property.
14. Madam Speaker, in March 2024, Uganda met the requirements to graduate from the category of Least Developed Countries (LDCs). Uganda also moved from the category of low human development to medium human development. This is a result of consistent improvement in health, education, economy, and a decent standard of living. This is a big milestone achieved well before the country starts earning from oil exports. When oil and gas start to flow, in FY2025/26, with deliberate value addition to our raw materials, and productive utilisation of the PDM and other wealth creations initiatives, attainment of prosperity for all and socio-economic transformation will be faster.

Inflation

15. Madam Speaker, Uganda has contained inflation. At an average rate of 3.2 percent in the twelve (12) months to May 2024, Uganda's inflation is one of the lowest in the region. Annual headline inflation has reduced from the peak of 10.7 percent in October 2022 to 3.6 percent last month. The reduction has been a result of good coordination of monetary and fiscal policies, leading to low inflation for most food crops, manufactured foods, and essential commodities like laundry bar soap, sugar and cooking oil.

Interest Rates

16. Madam Speaker, the commercial bank lending interest rates for shilling-denominated credit reduced to 17.7 percent in April 2024 compared to 19.3 percent in April 2023. Interest rates in the domestic debt market have remained broadly

stable averaging 11.2 percent on the one-year Government Treasury Bills.

17. To further reduce lending rates, Government will continue to provide long-term affordable capital through various interventions. In particular, Government will continue to capitalise the Uganda Development Bank, the Parish Development Model, the Agricultural Credit Facility, and the Small Business Recovery Fund to provide capital for wealth creation.
18. Government is also continuing with capitalisation of the *Emyooga* Fund to support micro enterprises, as well as the Presidential Skilling and Industrial Hubs for the youth. Grants will also be extended to women in business through the Generating Growth Opportunities and Productivity for Women Enterprises (GROW) project. For exporters of manufactured products who face working capital challenges, the Investment for Industrial Transformation and Employment (INVITE) Fund worth USD 210 million (Shs 800 billion) is going to kick-off next financial year.

Private Sector Credit

19. Madam Speaker, private sector credit increased to Shs 21.54 trillion in April 2024 from Shs 20.47 trillion in April 2023, an increase of 5.2 percent. There has also been a slight increase in the share of credit going to productive areas of the economy. For example, the share of credit going to agriculture increased slightly to 11.3 percent by April 2024 compared to 11.1 percent by April 2023, while the share of credit to manufacturing remained the same at 13.4 percent

Exchange Rate

20. Madam Speaker, despite the depreciation pressure on the shilling since the beginning of this year, the value of our currency has remained largely stable against key global currencies. Between May 2023 and May 2024, the official exchange rate against the US dollar has averaged Shs 3,771. The depreciation pressure, on the account of exit of some of the offshore investors searching for more attractive interest rates offered on government papers in competing markets, has been contained thanks to our good export performance and Foreign Direct Investment (FDI) inflows.

External Trade

21. Madam Speaker, Government's Export Promotion Strategy has continued to produce positive results. During the year ending April 2024, Uganda's exports increased by USD 2.534 billion to USD 7.471 billion compared to USD 4.938 billion in April 2023, representing a 34 percent growth. This increase was largely driven by increased exports of gold (75.7 percent), coffee (21.9 percent), oil re-exports (21.8 percent), sim-sim (20.2 percent), tobacco (10.3 percent), cotton (6.9 percent), and light manufactured products (4.9 percent). The major destinations of our exports are the East African Community (EAC) countries which account for 29 percent, COMESA 29 percent, Middle East 24 percent, and Asia 20 percent.
22. Madam Speaker, efforts to increase value addition to exports have continued to yield positive results. Exports of manufactured products have continued to be significant contributors of export earnings. In particular, in 2023, cement exports reached USD 91.1 million, sugar USD 75.8 million, plastic products USD 62.6 million, soap USD 33.9

million, beer USD 25.8 million. This Financial Year 2023/24, efforts to increase export performance have been strengthened through investing in targeted value addition initiatives and implementing several enabling trade policies.

23. Madam Speaker, in the financial year ending, Uganda imported goods worth USD 12.9 billion compared to USD 10.3 billion in the year ending April 2023. This increase in imports was largely driven by an increase in private sector imports of 23 percent, mainly to develop our nascent oil and gas sector.

Foreign Direct Investment, Remittances, and Tourism

24. Madam Speaker, the inflow of Foreign Direct Investment (FDI) to Uganda amounted to USD 2.46 billion in FY2022/23 and by December 2023/24, additional FDI amounting to USD 1.27 billion had been attracted. Remittances by Ugandans living and working abroad increased to USD 1.43 billion in calendar year 2023 from USD 1.3 billion in 2022. Tourism revenues increased to USD 1.28 billion in calendar year 2023 from USD 1.07 billion in calendar year 2022.

Employment

25. Madam Speaker, job creation ranks top on Government's socio-economic agenda. The number of workers subscribing to the various pension schemes in the country increased to more than 3.14 million members in FY2023/24, an increase of 4.2 percent compared to 3.01 million members in FY2022/23.
26. Madam Speaker, the latest reports indicate that the direct beneficiaries of the Presidential Initiative on Jobs and Wealth Creation (*Emyooga*) reached 2,237,402 in December 2023. In the past one year alone, *Emyooga* funds have created 378,640

new direct jobs. This was about 40,000 additional new jobs created compared to the new jobs created in the previous year.

27. On another front, so far, 1.165 million households have received PDM funds worth **Shs 1.126 trillion** as of May, 2024, and estimated to create about 2.5 million jobs.
28. A total of 23,083 youth projects have benefitted 263,897 youths under the Youth Livelihood Programme, in areas of agriculture, trade, services and industry. This has created over 1,250,000 indirect jobs. Similarly, the National Special Grant for Persons with Disabilities is supporting 6,282 enterprises, benefitting 49,372 persons with disabilities.
29. Madam Speaker, Government is also going to create more formal jobs and related livelihoods through a number of project-funded interventions. Notable among these are the GROW and INVITE Projects. The GROW Programme is expected to directly benefit over 8,000 female-owned enterprises, 280,000 female entrepreneurs and 1.6 million indirect beneficiaries. Another 200,000 new jobs are expected to be created from new investments through the INVITE Project.

Fiscal Performance

30. Madam Speaker, as a result of our fiscal consolidation agenda - which is intended to enhance revenue collection, limit borrowing for only critical and strategic investments, and control government expenditure - Government's fiscal deficit has reduced to 4.5 percent of GDP this financial year from 5.5 percent of GDP last year.

31. Madam Speaker, the projected domestic revenue outturn for FY2023/24 is **Shs 27.725 trillion** against the target of **Shs 29.672 trillion**, leading to a revenue shortfall of over **Shs 1.9 trillion**. The Uganda Revenue Authority is working hard in the remaining days to reduce this shortfall. The revenue to GDP ratio is estimated at 13.6 percent of GDP in FY2023/24. Domestic revenue for FY 2024/25 is projected to amount to **Shs 31.982 trillion**, equivalent to 14.2 percent of GDP.

III. ECONOMIC GROWTH STRATEGY AND OUTLOOK

32. Madam Speaker, Uganda's economic outlook is positive and optimistic. The economy has remained resilient and has fully recovered from a myriad of internal and external shocks. Next financial year, the economy is projected to get back to Uganda's steady-state growth potential of between 6.4 and 7 percent, and double digit over the next five years.
33. It is projected that next Financial Year, 2024/25, Uganda's GDP will further expand to **Shs 225.5 trillion** (equivalent to USD 60 billion). These numbers exclude the anticipated oil and gas revenues as well as the planned interventions to grow the economy tenfold. We shall update the projections in the medium term.
34. Madam Speaker, this growth will be driven by:
- i) Increased oil and gas activities as we move towards first oil production in FY2025/26;
 - ii) Growth in exports, supported by the increase in regional trade in the EAC and COMESA, intra-Africa trade, and harnessing existing and new trading partners in the Middle East and Asia;

- iii) Increase in tourism activities supported by investment in tourism infrastructure, branding and marketing, and effective implementation of the Meetings, Incentives, Conferences and Events (MICE) Programme;
 - iv) Agro-industrialisation and light manufacturing supported by access to affordable credit through Uganda Development Bank (UDB), investments supported through Uganda Development Corporation (UDC); the Parish Development Model, Small Business Recovery Fund, *Emyooga*, the Presidential Industrial Hubs for Youth Entrepreneurs, and programmes to support exporters as well as growth and productivity of women enterprises;
 - v) Private investment growth supported by Foreign Direct Investment, remittances and a stable macroeconomic environment;
 - vi) Continued investment in industrial parks, construction and maintenance of roads and bridges; and
 - vii) Rehabilitation of the Metre Gauge Railway and commencement of the Standard Gauge Railway, expansion of ICT infrastructure, and provision of reliable and affordable electricity.
35. Madam Speaker, Uganda's growth strategy for next financial year and in the medium term is anchored on four key growth drivers: (i) Agro-industrialisation; (ii) Tourism development; (iii) Mineral development including oil and gas; and (iv) Science, technology and innovation (STI). These are the anchor sectors that are going to propel Uganda to a 500-billion-dollar economy in the next one-and-a-half decades.

36. Madam Speaker, our growth prospects face some risks that will need to be mitigated. These include: (i) climate change affecting agricultural production and infrastructure, (ii) regional and global geopolitical tensions, (iii) high interest rates which constrain access to affordable debt, and (iv) fluctuations in global commodity prices.
37. To minimise the effects of these risks, Government is implementing climate change adaptation measures, exploring cheaper sources of financing including climate finance, and ensuring frugality in Government expenditure.

IV. ACCOUNTABILITY FOR THE FY 2023/2024 AND PRIORITIES FOR FY 2024/25

38. Madam Speaker, in the National Budget for the financial year we are ending, 2023/24, that I presented here on June 15th last year, Government made a number of commitments intended to deliver on NDP III priorities as well as the promises we made to the people of Uganda under the NRM Manifesto for 2021–2026. In this section, I provide accountability for what Government has achieved so far, and what it intends to do to ensure that our commitments to the citizens are to large extent fulfilled.
39. Madam Speaker, I will start with what we have achieved **by investing in the people of Uganda through prioritisation of healthcare, education, water, sanitation and hygiene**. I have provided **Shs 10.216 trillion** for these priorities, which is 27 percent of the national budget as detailed below.

Health

40. Madam Speaker, during this FY 2023/24 the following milestones have been achieved in the health sector:
- i) Government commenced the construction of the East African Centre of Excellence for Cardiovascular care at the Uganda Heart Institute located in Naguru and fast-tracking the completion of the East African Centre of Excellence for Oncology in Kampala and associated regional centres in Gulu, Mbarara, Arua and Mbale;
 - ii) Under the Uganda Inter-Governmental Fiscal Transfers (UGIFT) Programme, 371 Health Centre IIs were planned for construction and upgrade to Health Centre III Status. So far 261 Health Centre IIs have been upgraded to Health Centre IIIs and are fully operational. An additional 110 are on-going at different stages. Meanwhile, 11 hospitals were rehabilitated, in Busolwe, Kapchorwa, Kambuga, Buwenge, Koboko, Amuria, Kotido, Kaberamaido, Kawolo, and Kitgum Districts;
 - iii) Three regional Blood Banks in Arua, Soroti, and Hoima have been completed;
 - iv) Government distributed a total of 25 million Long-lasting insecticide treated mosquito bed-nets countrywide for the prevention of malaria; and
 - v) Government also provided 116 new ambulances to 100 constituencies, another 10 ambulances for the Regional Referral Hospitals and six (6) for the Command Centre at Naguru; among others.
41. Madam Speaker, to further enhance the health of Ugandans, a total of **Shs 2.946 trillion** has been provided next financial year, 2024/25. The following interventions will be prioritised:

- i. Promotion and implementation of interventions for the disease prevention and health education initiatives against communicable, non-communicable and neglected tropical diseases and injuries;
- ii. Provision of essential medicines where an additional Shs 100 billion has been provided;
- iii. Improvement of the welfare of the health workers including medical interns and doctors designated as senior house officers. I have provided more wage allocations to facilitate the recruitment of staff for the upgraded HC IIIs;
- iv. Construction and rehabilitation of more health infrastructure and provision of medical equipment to improve quality of care and provision of specialised healthcare. These include, among others: the Uganda Cancer Institute and Regional Cancer Centres; the Uganda Heart Institute, Intensive Care Units and an imaging centre for referral hospitals.
- v. Digitisation of the national health system to facilitate service delivery and tracking of medical supplies and health workers' performance.
- vi. Construction, rehabilitation and equipping of dilapidated hospitals across the country including in the Kampala Metropolitan Area.
- vii. Strengthening of the network of medical reference laboratories including the establishment of the East African Community Regional Centre of Excellence for Virology at the Uganda Virus Research Institute, and the National Public Health Institute in Uganda.

- viii. Establishment of a Pharmaceutical Industrial Park; and strengthening the National Drug Authority Regulatory Framework.

Education

42. Madam Speaker, Government considers education as a key opportunity equaliser for Ugandans, equipping them with knowledge and skills required for productive employment as well as enabling them to live longer, happier and affluent lives. For this reason, the following commitments were prioritised and delivered in FY2023/2024:
- i) Skilling in Science, Technology, Engineering and Mathematics (STEM);
 - ii) Construction and equipping of 21 laboratories across the country, in selected secondary schools using the UPDF Engineering Brigade;
 - iii) Upgrading learning facilities in 12 Technical Institutes, and four Vocational Education Centres of Excellence at Uganda Technical Colleges in Bushenyi, Bukalasa, Lira, and Elgon; and
 - iv) Out of 259 seed secondary schools planned under UGIFT, 105 have been completed and 144 are on-going.
43. Madam Speaker, I have provided **Shs 2.497 trillion** to further improve the quality of education, and the following are among the priorities:
- i) Supporting the new curriculum for S1-S4 students;
 - ii) Operationalisation of all the 111 seed secondary schools and completing the 27 seed secondary schools under the UGIFT Programme;

- iii) Commencing the construction of 60 secondary schools and expansion of 61 existing secondary schools under the Uganda Secondary Education Expansion Project;
- iv) Providing loans to 5,192 degree and 1,125 diploma students who are on the Government-funded loan scheme, both continuing students and new beneficiaries; and
- v) Government take-over of Bunyoro and Busoga Universities for inclusive and equitable access to university education.

Social Protection

44. Madam Speaker, in the year we are concluding Government has provided social protection as follows:
- i) Continued with the provision of the Senior Citizens Grant to 439,069 older persons across the country amounting to a cumulative total of **Shs 565.7 billion**;
 - ii) Under the Special Enterprise Grant for Older Persons Programme (SEGOP), Government supported 590 group enterprises benefitting 3,636 older persons;
 - iii) Under the Youth Livelihood Programme (YLP), a total of 23,083 youth projects have benefitted 263,897 youths in areas of agriculture, trade, services and industry. This has created over 1,250,000 indirect jobs; and
 - iv) Through the National Special Grant for Persons with Disabilities, Government is supporting 6,282 enterprises, benefitting 49,372 persons with disabilities.
45. Madam Speaker, Government will continue to support the welfare of the elderly to keep them healthy and productive to their communities. While Social Assistance Grant for Empowerment (SAGE) targets those above 80 years, SEGOP

ensures the inclusion of those in the age bracket of 61 to 79 years.

46. Government will also continue to support the youth and women beneficiary groups using the recovered funds from the Youth Livelihood Programme (YLP) and the Uganda Women's Enterprise Programme (UWEP). For greater efficiency, management of the two programmes (YLP and UWEP) has been unified.
47. Madam Speaker, I have provided an additional **Shs 355.79 billion** for social protection next financial year.

Water, Sanitation and Environmental Protection

48. Madam Speaker, as a result of Government intervention, more Ugandans now have access to safe clean water. Coverage in rural areas is now estimated at 67 percent, and 73 percent in urban areas. Out of 71,225 villages, 56,617 villages have been served with at least one safe water source.
49. In FY2024/25, clean water coverage will increase to 70 percent and 85 percent in rural and urban areas, respectively. In the rural areas, the target is to reduce the distance to the nearest source of clean and safe water for human and animal consumption to less than one kilometre while in urban areas to less than 500 metres. The following are among the priorities we have budgeted for next financial year:
 - i) Construction of 52 large solar-powered water supply systems in 19 districts that are currently at less than 50 percent water coverage. These are Agago, Yumbe, Amudat, Kaabong, Bulambuli, Buvuma, Buyende, Namayingo, Rakai, Nakaseke, Sembabule, Kibaale, Kasese, Kyegegwa, Mubende, Lyantonde, Kakumiro, Kassanda and Kisoro.

- ii) Construction of another 15 solar-powered water supply systems in the Rural Growth Centres of Lwentulege, Bugwara, Kabamba, Kikoora, Mwitazinge, Lugala, Kitenga, Bukizibu/Bumwena, Igwaya, Kidera, Bugomolwa, Kitonge-Nakasero, Kikonge, Kasese and Lubaali. This will cover a population of over 272,000 persons.
- iii) Completion of the construction of 31 town water supply systems and sanitation facilities in Bulangira, Kanapa, Aligoi, Opengate Kawo, Karago, Nyakashaka, Buikwe, Bundibugyo, Kapchorwa, Kamuli, Namasale, Kaliro-Namungalwe, Butaleja-Busolwe, Budaka-Kadama-Tirinyi-Kibuku, Kyankwanzi, Butemba, Ngoma, Lunya, Palabek-Kal (Lamwo), Obongo, Lamwo, Rhino Camp, Arra/Dufile, Amuru, Kole, Alangi, Zeu, Kakingol, Iriiri, and Lorengacora.
- iv) Construction of 17 rural water supply systems in the refugee-hosting districts of Adjumani, Lamwo, Madi Okollo, Moyo, Terego, and Yumbe.
- v) Progress the construction of 26 water supply systems at various stages in Manafwa (now at 80 percent), Mukura (40 percent), Kidera (40 percent), Atatur (40 percent), Kadungulu (10 percent), Kaproron (10 percent), Iyolwa (20 percent), Bukumi (5 percent), Rubaya - 50 percent, Bethlehem-Nabigasa Phase 1-50 percent, Kabura-Mwizi Phase 1 - 50 percent, Mabira - 50 percent, Bukiro - 50 percent, Nyabisirira - 50 percent, Bugarama-Karweru - 50 percent, Rwere-Kateretere - 50 percent, Kagarama-Bushura-Kibuzigye - 50 percent, Nyanseke (80 percent), Busaale (95 percent), Kibuzi (100 percent), Adilang, Puranga (Pader), Kasawo-Phase 1 (5 percent), Kyebando-Kasimbi (5 percent), Nabilatuk and Losilang.

- vi) Increasing the water for production storage capacity for commercial farmers from 52.6 million cubic metres to 76.8 million cubic metres.
50. Madam Speaker, to support the restoration of our environment and reverse the effects of climate change, Government shall undertake the restoration of 42,450 hectares of degraded wetlands along the Awoja, Kandekye-Ruhorobero, Nchwera, Chambura, Kiruruma, Naigombwa, Kibimba, Tochi, Aswa, Sezibwa, Mayanja, Muzizi, Mpanga and Lumbuye water systems.
51. In addition, Government shall demarcate a 750-kilometre boundary with concrete pillars along the following wetlands; Kibimba, Tochi, Sezibwa, Mayanja, Muzizi, Awoja, Mpologoma, Ishasha, Kandekye-Ruhorobero, Nchwera, Chambura, Kiruruma and Naigombwa.
52. A total of 15 million seedlings of assorted tree species shall be procured and distributed to individual farmers in several districts, as well as to refugee-hosting communities in the Albertine region and in West Nile, as well as individual farmers.
53. Madam Speaker, I have provided **Shs 516.78 billion** next financial year for climate change mitigation, natural resources, environment and water resources management.

INCREASING EFFECTIVENESS OF WEALTH CREATION INITIATIVES

The Parish Development Model

54. Madam Speaker, the PDM has now been fully rolled out. A total of **Shs 2.4 trillion** has so far been provided. The money is being transferred directly to the beneficiaries in 10,585 parishes across the country. The introduction of the WENDI Application, by the Government-owned Post Bank and its partners, has saved beneficiaries the inconvenience of travelling long distances to open up bank accounts or withdraw their money. It has also enhanced transparency by providing full visibility and traceability for all the funds up to last-mile beneficiary. The extensive mobile telephone coverage (both smartphones and 'Kabiriti') has helped to lower transaction costs for the PDM beneficiaries.
55. Going forward government will deepen the use of WENDI and other digital technologies and innovations to enhance financial inclusion and drive efficiency, accessibility, and effectiveness of the programme. These technologies will gradually be extended to other wealth creation initiatives.
56. The total of 1.165 million households that have so far received PDM funds have invested in intensive agriculture projects that include poultry, dairy, coffee, piggery, fish, fruits and food crops. In the next few days, I will release the remaining Shs 529 billion for this financial year directly into the accounts of the PDM SACCOs. Each PDM SACCO will continue to receive **Shs 100 million**.
57. Madam Speaker, **Shs 1.059 trillion** has been provided next financial year for an additional **Shs 100 million** per parish to

benefit more households. Government will also ensure effective implementation of Pillar One which includes input certification, provision of extension services, storage, value addition, and market linkages.

Emyooga

58. Madam Speaker, to-date Government has provided a total of Shs 480 billion through *Emyooga*. Out of this, a total of **Shs 268 billion** has been disbursed to 6,810 *Emyooga* SACCOs. The beneficiaries have been able to save **Shs 85 billion** to further grow their SACCO funds. As a result, 607,636 individuals across the country have benefitted from the *Emyooga* funds, and **Shs 80.28 billion** has been recovered from the first-round beneficiaries and it is being advanced to others.
59. Madam Speaker, in the next Financial Year 2024/25, I have provided an additional **Shs 100 billion** under *Emyooga* to support more Ugandans to create wealth and boost their incomes.

Agricultural Credit Facility (ACF)

60. Madam Speaker, since 2009 Government has partnered with banks to support commercialisation of agriculture through a credit guarantee scheme that provides up to 50 percent of the money loaned to a farmer. Cumulatively, Government has invested **Shs 303 billion**, causing a cumulative loan disbursement of **Shs 860 billion**. This money has enabled a total of 3,868 agricultural projects to access patient capital for commercial on-farm investment, post-harvest management, agro-processing, and trade in agricultural

produce. Next financial year, Government will continue to capitalise the ACF with an additional **Shs 30 billion**.

Capitalisation of UDB

61. Madam Speaker, Uganda Development Bank has grown into a formidable **Shs 1.6 trillion** bank in assets, providing patient and relatively affordable capital to those adding value to agricultural raw materials, manufacturers, as well as investors in tourism and hospitality, infrastructure, and education. It has created a total of 51,841 jobs.
62. During FY2024/25, the Bank will continue to provide capital to businesses involved in value addition, including promotion of innovation in the areas of science and technology. It will also support youth-led enterprises, manufacturers, and also provide working capital to exporters and those involved in import substitution. Green financing is also going to be enhanced to ensure climate adaptation and mitigation. To achieve this, Government is going to further capitalise UDB with another **Shs 55 billion**. Government is also in the process of acquiring for UDB credit lines worth Shs 1.083 trillion to lend more to wealth creators.

Support to SMEs

63. Madam Speaker, two years ago, Government set up the Small Business Recovery Fund (SBRF) to provide soft-loans to SMEs that had suffered financial distress during COVID-19. Government provided **Shs 100 billion** to be equally matched by banks to extend credit to the target beneficiaries at 10 percent interest rate. At a disbursement of Shs 18.4 billion so far, supporting 1,459 businesses, uptake of this fund has been low. Next financial year, Government and Bank of

Uganda are going to relax the requirements to ensure increased uptake of the SBRF to support SME growth.

INVITE and GROW Programmes

64. Madam Speaker, Government is also implementing two programs namely; the Generating Growth Opportunities and Productivity for Women Enterprises (GROW) worth **USD 217 million (Shs 824 billion)**; and the “Investment for Industrial Transformation and Employment (INVITE)” worth **USD 210 million (Shs 800 billion)**. These funds are intended to support women-owned enterprises and value addition for exports.
65. Madam Speaker, Government is also working hard to reduce the time, cost, and complexity of business registration and licensing. A Business Facilitation Centre has been set up to centralise all business/investor-related services to speed up registration and operationalisation of businesses. Services that used to require weeks or months are now accomplished in just a couple of hours. This is going to enhance Uganda’s competitiveness even further.

AGRO-INDUSTRIALISATION

66. Madam Speaker, Government is committed to commercialising agriculture to enhance production and productivity and improve competitiveness of agricultural products in both regional and international markets. The following are some of the key milestones achieved during this financial year in the area of agro-industrialisation:
 - i. Establishment of an afla-safe facility at Namulonge to help in the management of aflatoxins in cereals and nuts;

- ii. Construction of a local anti-tick vaccine manufacturing facility, also at Namulonge, to produce vaccines against tick borne diseases. This will save the country USD1.1 billion which is lost annually due to tickborne diseases, and tap into the **Shs 3 trillion** regional market for meat and milk.
 - iii. Increased coverage of large-scale farmer mechanisation to 40 percent from 32 percent in FY 2022/23. A total of 240 tractors with all their accessories and additional 750 units of single-axle tractors were procured and distributed countrywide. Government also provided a number of policy/tax related support to the private sector to mechanise.
67. Madam Speaker, in the FY 2024/25 Budget, I have allocated a total of **Shs 1.878 trillion** towards deepening agro-industrialisation with increased focus on commercialisation and value addition in agriculture. The priority areas include:
- i. More investment in research and genetic development of selected value chains for animal, fish and crop varieties;
 - ii. Support for pest, vector and disease control and prevention. In particular I have provided an additional **Shs 427.21 billion** to procure and distribute 44 million doses of vaccines against foot and mouth disease. After the current vaccination exercise, farmers will access the vaccines through Government Stores by meeting 100 percent cost of the vaccine, while Government will cover the cost of vaccine administration;
 - iii. Support to NARO to roll-out the anti-tick vaccine, starting with 20 million doses;

- iv. De-risking agriculture through supporting increased production and productivity as well as value addition for all the priority value chains;
- v. More support for agricultural mechanisation;
- vi. Increased investment in small and large irrigations systems, particularly solar-powered irrigation;
- vii. Support for seed multiplication through the Uganda Prisons to increase seed availability for PDM beneficiaries; and
- viii. Additional credit support to large-scale commercial farmers to ensure food security and increased exports.

TOURISM DEVELOPMENT

- 68. Madam Speaker, Uganda has increasingly regained her global position among the top ten best tourism destinations in global tourism rankings. In the year 2023, international tourist arrivals increased by 56 percent to **1.274 million** tourists compared to **814,085 arrivals** in 2022 and the peak of **1.52 million** in 2019. The international tourism receipts reached **USD 1.03 billion** in 2023.
- 69. Madam Speaker, tourism has a high return on investment. In FY2024/25, I have provided **Shs 289.6 billion** to the tourism development programmes to undertake the following:
 - i. Support international and domestic tourism marketing and promotion activities;
 - ii. Modernise our tourism products to make them more competitive. These include completion of the pier and related infrastructure at the Source of the Nile; upgrading the Uganda Museum; construction of 8,000 metres of climbing ladders

and boardwalks on the Rwenzori Mountains to make hiking safer;

- iii. Continue with the grading, supervision and classification of tourism facilities to enhance the quality of services and ensure adherence to the required global standards;
 - iv. Complete the upgrade of the Uganda Hotel and Tourism Training Institute infrastructure in an effort to make it an International Centre of Excellence for training and skills development in tourism and hospitality; and
 - v. Enhance the conservation of Uganda's 22 Wildlife Protected Areas with a focus on the mitigation of human wildlife conflicts. Government is going to construct an additional 150 kms of electric fence and maintain the existing 106-km fence; carry out boundary surveillance through more than 13,904 patrols; uproot invasive species and construct four (4) water dams in protected areas.
70. Madam Speaker, apart from the Shs 287.6 billion that I have directly provided to the tourism sector, an additional **Shs 1.629 trillion** has been provided for several critical interventions associated with tourism including support to Uganda Wildlife Authority, construction of tourism roads, road rehabilitation and upgrade under Kampala Capital City Authority, support to AFCON'27 and completion of key stadia, strengthening security, law and order in our tourism destinations, and extension of the internet to tourism destinations, among others.
71. In particular, I have provided an additional **Shs 55 billion** to Uganda's Missions Abroad to support the Uganda Tourism Board (UTB) to market Uganda to potential tourists, market our exports and attract more investors.

SCIENCE, TECHNOLOGY AND INNOVATION

72. Madam Speaker, Government has earmarked Science, Technology, and Innovation (STI) as a key catalyst for the qualitative leap to achieve tenfold growth of our economy. This financial year, building on investments made in recent years, the following are the key achievements attained:

a) Kiira Motors Corporation (KMC)

73. Government has supported Kiira Motors to construct and equip a magnificent 2,500 vehicles per year manufacturing plant in Jinja Industrial Park. This facility has capabilities for bus and truck body manufacture; vehicle painting; powertrain manufacture; electrical, electronic systems and trim integration; and production quality inspection and testing.

74. The complex has so far manufactured 39 buses of which 27 are electric and 12 are low-emission diesel. The company has orders for more than 100 buses from Tanzania, South Africa, Eswatini (formerly Swaziland), and Nigeria. This demonstrates the huge market potential for the vehicles. Kiira Motors Corporation (KMC) currently directly employs 168 people (in engineering, production, marketing and sales, and finance and administration). This number will increase to 600 once the plant in Jinja is fully operational.

75. Madam Speaker, next financial year Government is going to support Kiira Motors with **Shs 32.5 billion** to complete the plant and access working capital.

b) Presidential Initiative on Banana Industrial Development (PIBID)

76. Madam Speaker, Government has supported PIBID to establish semi-automated plant in Bushenyi with a daily processing capacity of 14 metric tons of fresh matooke. This project has shown potential for import substitution by replacing wheat, and also by providing gluten-free starch products. These have high global demand. The company has started fulfilling international orders including from South Korea, the Royal Kingdom of Saudi Arabia, Qatar, and Italy. PIBID currently employs 150 staff and collaborating with 6,543 farmers
77. Next financial year, Government has provided an additional **Shs 50 billion** to complete the capitalisation of the company to transition into a self-sustaining business.

c) The Pathogen Economy

78. Madam Speaker, the pathogen economy has made tremendous progress in developing vaccines, therapeutics, diagnostics and other healthcare tools for our public health security and import substitution. The scientists at Makerere University developed a PCR diagnostics kit that has so far been used for conducting more than 2 million COVID-19 tests. This kit effectively halved the cost of COVID-19 testing, and saved Government more than **USD 37 million (Shs 140 billion)**. A Clinical Trials Platform for natural therapeutics, the first on the African continent, has been established. The human vaccines have completed animal studies and are under preparation for clinical trials.

79. Madam Speaker, other Government support under the pathogen economy has been directed towards the following special initiatives:

- i. Dei Biopharma Ltd is establishing Africa's largest pharmaceutical and vaccine manufacturing facility here in Uganda. The facility will create job opportunities for more than 10,000 science professionals and 30,000 others in the support ecosystem. Production of generic drugs, cancer drugs, and human vaccines is scheduled to start by November 2024. Government is in the process of finalising equity acquisition in exchange for its **Shs 723 billion** investment.
- ii. The anti-tick vaccine project at Makerere University, spearheaded by Dr. Margaret Saimo-Kahwa, has undergone clinical trials. I have provided an additional **Shs 25 billion** to produce and commercialise the anti-tick vaccines.
- iii. Government has also supported Jena Herbals of Prof Patrick Ogwang (known for COVIDEX) to undertake clinical trials of his natural therapeutics and establish an internationally certified production facility to manufacture and commercialise them. I have provided an additional **Shs 2.07 billion** for this purpose next financial year.
- iv. Support to Prof Jennifer Serwanga Sempala to advance her research in human vaccines. I have provided an additional **Shs 25.24 billion** needed to complete the research and start producing the vaccine.

d) Coffee Value Chain Development

80. Madam Speaker, Government has partnered with the private sector to fast-track local value addition to coffee. We have started with three apex centres for high-value coffee

processing under the Coffee Investment Consortium, Great Lakes Coffee, and Inspire Africa Coffee. All have acquired modern roastery, freeze-dry and spray-dry technologies to produce instant, roast and ground coffee products, coffee capsules, cold brew and instant coffee with a total capacity of 5,850 metric tons per year. One of the facilities is complete while the other is 62 percent complete.

81. Government will support the completion and expansion of these facilities, their operationalisation and market penetration of the products on the local, regional and international markets. The target is to aggregate, add value and market at least 1 million bags of medium-to-high quality green coffee beans by 2025. This will earn Uganda USD 560 million from value added coffee in the next five years, which would catalyse the whole sector to bring in at least USD 5 billion in line with our tenfold growth strategy. **Shs 75 billion** has been provided next financial year to improve coffee value chain development.

e) Space Programme

82. Madam Speaker, Government has supported rapid human capital development of the Aerospace Programme by training our engineers in Japan, China and Egypt. Government has partially refurbished the headquarters of the Space Programme, the Mpoma Satellite Earth Station to enhance weather prediction, and monitoring of landslides and the environment.
83. Government will support completion of these initiatives including the establishment of a satellite development laboratory and a modern Geospatial Centre to be able to obtain data from a broad spectrum of satellites from partner

nations. I have provided **Shs 3.3 billion** for Space Programme activities next financial year.

84. Madam Speaker, I want to commend H.E the President for spearheading the development of the knowledge economy through targeted funding of research and development, and scientists in general.

MINERAL DEVELOPMENT

85. Madam Speaker, mineral development is another growth accelerator that has been earmarked by Government to expand Uganda's economy by tenfold. It is going to support resource-based industrialisation into light manufacturing and high-tech exports.
86. During the financial year we are ending, the following have been achieved in the minerals sector:
- i) The entire country has now been fully mapped using airborne and ground geophysical technologies;
 - ii) The National Mining Company has been incorporated as a commercial vehicle for investment and trading in minerals on behalf of Government;
 - iii) Several key mineral development projects and mineral value addition centres have been developed, including Wagagai gold mining in Busia, rare earth metals in Bugweri; a graphite project in Kitgum; a limestone mining project by Sunbird Resources Limited in Moroto; and Seven Gold Refineries in Kampala, among others.
 - iv) M/s Woodcross Tin Smelting Company Ltd has established a tin smelter in Western Uganda to produce tin ingots to 99.95 percent tin grade.

87. Madam Speaker, next financial year, I have allocated **Shs 41.55 billion** to undertake the following interventions for further mineral development:
- i) Fast-tracking quantification and market studies for all minerals for the purpose of investor promotion;
 - ii) Operationalising the National Mining Company;
 - iii) Further reviewing and strengthening the fiscal regime for minerals, including regulation of artisanal and small-scale miners;
 - iv) Developing the e-government mineral production system and data bank for mineral statistics;
 - v) Commencing construction of the Busia and Moroto beneficiation centres; and strengthening the Ntungamo and Fort Portal centres; and
 - vi) Facilitating private sector participation in exploration, mining and value addition to minerals.

OIL AND GAS

88. Madam Speaker, Uganda is progressing steadily towards the first oil in FY 2025/26. During the financial year we are ending, the following have been achieved:
- i) The Upstream Petroleum Project has advanced with drilling works in preparation for production;
 - ii) The East African Crude Oil Pipeline (EACOP) Project is on track with 500 km of pipeline delivered in Tanzania. The target is to lay 100 km per month;

- iii) The thermal insulation plant for heating the EACOP in Tabora Tanzania was commissioned in March 2024;
 - iv) The Ministry of Energy and Mineral Development has issued two new exploration licences to Uganda National Oil Company and DGR, an Australian-based company;
 - v) The planned 60,000 barrels per day Refinery in Kabaale, Kikuube District, is progressing well. The land for the project sites and associated terminal has all been acquired by Government. Technical designs for the project are ready. Government is working with Alpha MBM Investments from the United Arab Emirates (UAE) to build the Refinery;
 - vi) Government enforcement of the National Content Policy has ensured that up to 93 percent jobs in the oil & gas sector go to Ugandans, a total of 13,607 jobs so far;
 - vii) In addition, the companies investing in the oil and gas sector are contracting locally. Since 2021, contracts worth **USD 1.796 billion** have been awarded to Ugandan companies, out of the total contract investment of **USD 7.162 billion**.
89. Madam Speaker, in a bid to ensure security of supply of petroleum products, UNOC in partnership with the private sector will commence the importation of all our petroleum products beginning in the first week of July 2024.
90. Madam Speaker, next financial year I have provided **Shs 920.86 billion** for the oil and gas sector to prioritise the following:
- i) Development of the East African Crude Oil Pipeline (EACOP) hub in Tanga;

- ii) Continued construction of the EACOP including the necessary infrastructure to facilitate adherence to high quality environmental standards;
- iii) Procurement and dissemination of the 57,000 Liquefied Petroleum Gas (LPG) cylinders to promote clean cooking; and
- iv) Establishment of the Petroleum Geoscience Laboratory; and
- v) Equity contribution for the Refinery Project.

INTEGRATED TRANSPORT INFRASTRUCTURE AND SERVICES

- 91. Madam Speaker, a total of 205 km was added to the paved network during FY2023/24, increasing the total paved national road network to 6,338 km, representing over 30 percent of the national road network.
- 92. The following roads were completed during the financial year: Atiak-Laropi (66 km); Masindi-Biiso, Hohwa-Nyairongo-Kyarusheesha-Butoole, and Kabaale-Kiziranfumbi Roads (97 km); Moroto-Lokitanyala (42 km); Rukungiri-Kihihi-Ishasha/Kanungu (78.5 km); Kapchorwa-Suam (73 km); and Masindi Park Junction and Tangi Junction-Para-Bulisa Roads (159 km);
- 93. In addition, three (3) bridges were completed and construction of 36 critical strategic bridges is ongoing. The completed bridges are:
 - i) Kampala Flyover and Road Upgrading;

- ii) Lugogo Bridge, connecting Nakasongola District and Ngoma in Nakaseke via Kasozi; and
 - iii) Saaka Swamp Crossing in Pallisa.
94. With regard to air transport, the following were accomplished during FY2023/24:
- i) 90 percent completion of Kabalega International Airport in Hoima; the remaining 10% comprises of critical air navigation, meteorology, communication and airport operational facilities;
 - ii) 90 percent completion of the expansion and rehabilitation of Entebbe International Airport including the modernization of the departures and arrival areas of the terminal building; and
 - iii) Maintenance of 13 aerodromes including; Arua, Gulu, Pakuba, Masindi, Lira, Kidepo, Moroto, Soroti, Tororo, Jinja, Mbarara, Kasese, and Kisoro.
95. Madam Speaker, with regard to water transport, the following were accomplished during FY2023/24:
- i) Completed the construction of three strategic ferries, namely: Amuru-Rhino Camp Ferry; and Two ferries for Bukungu-Kagwara-Kaberamaido (BKK) route on Lake Kyoga.
 - ii) Completed construction of the Maritime Training Institute in Namasagali, and commenced construction works for the Maritime Rescue Coordination Centre (MRCC) at Mwanza.
 - iii) Completed 46 percent construction works for Search and Rescue Centres at Kaazi and 25 percent at Kaiso, Panyimur and Zengebe landing sites; and
 - iv) Continued with the development of the new Kampala Port at Bukasa.

96. With regard to railway transport, the following were accomplished during FY2023/24;
- i) Acquired a 161-km corridor for the Standard Gauge Railway between Tororo and Mayuge;
 - ii) 28 percent completion of rehabilitation of the Tororo-Gulu Metre Gauge Railway;
 - iii) Completed emergency refurbishment and rehabilitation of the Malaba-Kampala-Namanve Meter Gauge Railway.
97. Madam Speaker, during the FY 2024/25, more focus will be put on maintenance of the roads we have built, building of a few new strategic roads, accelerated rehabilitation of the Metre Gauge Railway, and commencement of construction of the Standard Gauge Railway. I have provided a total of **Shs. 4.989 trillion** for that purpose. In particular, the following transport infrastructures will be undertaken:

a) Roads and Bridges

- i) Tarmacking of an additional 306 km of roads under the ongoing projects;
- ii) Completion of the upgrading of 210 km of the following roads: Muyembe-Nakapiripirit (92 km) and 25 km of service roads; Kira-Matugga Road and improvement of 5 junctions (21 km); Tororo-Busia Road (26 km) and Mayuge and Busia Town Roads (18 km); Kawuku-Bwerenga Road (6.6 km) & Namugonde-Bugiri Road (1.6 km); selected town roads (7.5 km) in Pallisa and Kumi (12.2 km); and remedial works on Ntungamo-Kabale-Katuna Road (65 km);
- iii) Commencing the upgrading/construction of 643 km of the following road projects: Kisoro-Lake Bunyonyi Road and Kisoro-Mgahinga National Park Headquarters Road (33.2

- km); Koboko-Yumbe-Moyo (105 km); Yumbe-Ure Road (23.6 km); Kitgum-Kidepo (116 km); Namagumba-Budadiri-Nalugugu Road (39 km); Katine-Ochero Road (69.3 km) and 2.9 km of town roads in Kaberamaido and Kalaki towns; Kyenjojo (Kihura)-Bwizi-Rwamwanja-Kahunge and Mpara-Bwizi (105km); Iganga-Bulopa-Kamuli (56.3 km); and Jinja-Mbulamuti-Kamuli-Bukungu (127 km); and Jinja City roads (10 Km); Kisubi-Nakawuka-Natete/ Nakawuka-Kasanje-Mpigi/ Nakawuka-Mawugulu-Nanziga-Maya/ Kasanje-Buwaya (71 km).
- iv) Upgrading to bitumen standard (tarmac) 16.9 km of roads in the Greater Kampala Metropolitan Area (GKMA), and Gomba District;
 - v) Completing the construction of 20.2 km of Kayunga-Nabuganyi Road;
 - vi) Completing the construction of Kakiri-Masulita-Mawale Road (23 km);
 - vii) Rehabilitation of over 10,000 km of national and community access roads in various parts of the country. This will be in addition to routine maintenance under the Uganda Road Fund.
 - viii) Commencing the reconstruction works for Masaka-Kyotera-Mutukula Road (89.5 km) and Rehabilitation of Nyendo-Villa Maria Road (11 km) and access roads (7 km).
 - ix) Continuing with the ongoing construction of up to 30 bridges and structures on the national roads including Alla (Anzuu) Gazi (Rhino Camp), Aca (Rhino Camp), Lugogo Swamp Crossing, Nabukhaya, Nambola, Nametsimeri, Sahana and Khamitsaru Bridges, Rubongi Bridge, Maziba, Kiruruma, Rwembyo and Kajwenge Bridges, Kamirwa, Nyakambu, Kochi, Osu, Odrua, Dunga, Mahoma, Mpanga, Nabuswa (Nyabuswa) and Perepa Bridges, among others.

b) Development of Water Ferries

98. Madam Speaker, the construction of two (2) Lake Bunyonyi Ferries is currently underway, and will be completed next financial year.

c) Air Transport

99. Madam Speaker, **Shs 162 billion** has been provided for completion and operationalisation of Kabalega International Airport in Hoima; and plans are underway to acquire at least two (2) mid-range aircraft and 2 cargo aircraft to facilitate exports in the medium term.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

(ICT)

100. Madam Speaker, during the financial year we are concluding, the following have been achieved in the ICT sector:
- i) A total of 4,354 Km of optic fiber cable have been laid across the country connecting 1,523 key Government service delivery units to the National Backbone Infrastructure;
 - ii) The internet penetration in the country has increased to 64 percent from 25 percent in 2017, and the share of Government services provided online is now at 40 percent, up from 20 percent registered in 2017.
 - iii) A PDM Information System has been developed and rolled out in all the 10,585 parishes across the country.
101. Madam Speaker, next financial year I have provided over **Shs 246 billion** to continue developing the ICT and digital transformation through the following interventions:

- i) Further expansion of internet connectivity and digital infrastructure across the country;
- ii) Continuing the rollout of digital services across Government to improve efficiency of service delivery, transparency and accountability
- iii) Leveraging Business Process Outsourcing (BPO) and ICT to create employment opportunities for the young people;
- iv) Digital skilling to increase adoption of the digital services; and
- v) Cyber security, data protection and privacy.

ENERGY DEVELOPMENT

102. Madam Speaker, the country's power generation capacity has increased by 600MW from 1,378.7MW to 1,978.1MW following the connection of Karuma Hydropower Dam to the national grid. The electricity transmission capacity has now increased to 4,218 km of high voltage from 3,500 km in 2020.
103. In the next financial year, I have provided **Shs 982.56 billion** to undertake the following:
- i) Increased access to electricity through grid expansion and connectivity projects;
 - ii) More investment in the construction of transmission and distribution networks targeting load centres to promote value addition;
 - iii) Improving the quality of power supply through the systematic operation and maintenance of existing power infrastructure;
 - iv) Increasing access to clean energy by supporting clean cooking technologies;
 - v) Development of five (5) micro-grid power plants using wind and solar hybrids in Karamoja; and

vi) Preparatory activities for the 8,400MW Nuclear Power Plant in Buyende District.

INDUSTRIAL DEVELOPMENT AND MANUFACTURING

104. Madam Speaker, in our tenfold growth strategy Government is going to step up efforts to accelerate diversification of the economy, add value to raw materials to boost exports and import substitution to continue reducing our import bill, and also build more basic industries to produce items that Ugandans use on daily basis such as sugar, soap, cooking oil, clothes, medicines, construction materials, etc.
105. Our industrialisation efforts are being undertaken mainly through the private sector, but with the State playing a de-risking role. Government through the Uganda Development Corporation (UDC), is undertaking targeted investments to increase Uganda's manufacturing capacity. During the financial year we are ending, the following investments have been undertaken by UDC to increase local manufacturing capacity:
- i) The Atiak Sugar Factory has acquired modern mechanised equipment for the sugarcane fields in Amuru and Lamwo Districts and installed modern irrigation systems;
 - ii) Four tea factories have been supported to expand and process tea for both domestic market and export. These are: Kayonza Growers Tea Factory; Kigezi Highland Tea Factory; Mabale Growers Tea Factory; and Mpanga Growers Tea Factory;
 - iii) Continued support to Mutuma Commercial Agencies Ltd in Luuka district to produce intermediary and final

products such as surgical cotton, cotton cake, soap stock and cotton seed oil;

- iv) Investment in Bukona Agro-processors Ltd in Nwoya District to process cassava and cereals into ethanol for cooking. It produces 40,000 litres of ethanol per day;
- v) Investment in Budadiri Arabica Coffee Mills Ltd in Sironko District to process coffee for export;
- vi) Additional investment in Soroti Fruits Factory Ltd that is processing 6 metric tons of fruit (mangoes and oranges) per hour into fruit concentrates and juice; and
- vii) UDC has also invested in the East African Medical Vitals Ltd, manufactures of examination and surgical gloves, to increase the company's production capacity to create jobs and also save the country foreign exchange through import substitution.

106. Madam Speaker, Government is also continuing to develop industrial parks to provide investors with the required infrastructure and utilities. Work is progressing in the Namanve Park (with 190 companies operating); Liao Shen Park in Kapeeka (19 companies); Sino-Uganda Industrial Park in Mbale (18 companies); Luzira Park (11 companies); Bweyogerere Park (8 companies); and MMP in Buikwe (6 companies).
107. Other operational industrial parks include: Jinja, Soroti, Kasese, Mbarara, and Tian Tang-Mukono Industrial Parks. So far, over **USD 3.5 billion** have been invested in these parks in the form of Foreign Direct Investment. Over 266,812 direct and indirect jobs have so far been created.

SECURITY, GOOD GOVERNANCE AND RULE OF LAW

108. Madam Speaker, peace and security, as well as the rule of law, are the foundation for all other things we aspire to achieve. It is the bedrock for socio-economic transformation, democracy and all the human rights and freedoms we all cherish. Accordingly, as we have done before, Government will continue to prioritise peace, security and the rule of law.
109. Next financial year, I have provided a total of **Shs 9.588 trillion**, of which **Shs 481.4 billion** is for the administration of justice to ensure that Uganda remains a peaceful and accountable country with law-abiding citizens. Some of the priorities in these programmes include:

a) Security of the Person and Property

- i. Strengthening the capacity of security agencies to address emerging security threats, and ensuring combat readiness of security agencies to protect life and property;
- ii. Enhancing military capability through acquisition of various assets, and strengthening the surveillance infrastructure;
- iii. Supporting joint military operations in the region;
- iv. Building effective crime response systems targeting sophisticated crimes such as terrorism, other transnational crimes, arms proliferation, illegal entry into the country, money laundering, cybercrime, espionage, smuggling of contraband, human trafficking, and others;
- v. Supporting the civil authorities in combating threats as well as managing the refugees in line with our Refugee Policy; and
- vi. Improving the welfare of the military, police, prisons, ISO and ESO personnel through salary enhancement.

b) Justice, Law and Order

- vii. Strengthening justice, law and order service delivery systems by:
- a. Recruiting 10 more High Court Judges in Commercial and Land Divisions to enhance adjudication of commercial and land cases to eliminate backlog;
 - b. Recruiting 5 more Justices of Court of Appeal in line with the Judicature (Amendment Act), 2024;
 - c. More investment in court automation to cover an additional 10 Courts to enhance efficiency, reduce human contact and by extension reduce incidents of corruption;
 - d. Promotion of the Alternative Dispute Resolution (ADR) Mechanism to complement the formal adjudication of cases;
 - e. Starting construction of Regional Courts of Appeal in Mbarara and Gulu; High Courts in Hoima and Mpigi; Chief Magistrate Courts in Amolatar, Bubulo, Rakai and Katine; and Magistrate Grade One Courts in Busembatia, Nyarushanje, Rubuguri and Adwari;
 - f. Promoting the use of scientific evidence in investigation and prosecution of cases, including construction of the National DNA Databank at the Government Analytical Laboratories at Wandegeya;
 - g. Mass enrolment for and renewal of National IDs, and automation of immigration and business registration services;
 - h. Reforming laws and the due process to ensure faster and expeditious resolution of disputes, among others.

NATURAL DISASTER RESPONSE AND MANAGEMENT

110. Madam Speaker, during FY2023/24, Government supported 53,930 households with relief food and non-food items such across the country. Next financial year, I have provided **Shs 18.1 billion** plus a Contingency Fund of **Shs 146.26 billion** to support disaster response and management, including:
- i. Operationalisation of the National Disaster Risk Management Plan;
 - ii. Support 50,000 households with food and non-food items across the country;
 - iii. Provision of funds to Uganda Red Cross Society to support disaster victims;
 - iv. Supporting the resettlement of 1,000 households that were displaced by landslides and floods in the Elgon Region including the districts of Bududa, Manafwa, Bulambuli, Namisindwa and Sironko.

V. GROWTH STRATEGY FOR FY 2024/2025 AND THE MEDIUM TERM

111. Madam Speaker, in line with H.E the President's guidance, my Ministry in collaboration with the National Planning Authority has developed a strategy for growing Uganda's economy tenfold. The target is to expand the size of the economy from about **USD 50 billion** last year to **USD 500 billion** by 2040.
112. Government has identified four anchor sectors to drive this growth. These are:

1. **A**gro-Industrialisation,
 2. **T**ourism Development,
 3. **M**ineral Development, including oil & gas, and
 4. **S**cience Technology and Innovation (STI), including ICT.
113. Madam Speaker, these are the **ATMS** that are going to mint money for Ugandans next financial year and in the medium term. The detailed enabling policies, interventions and actions will be contained in the forthcoming 4th National Development Plan (NDP IV).
114. Madam Speaker, to achieve this ambitious goal in the next 15 years, we must deliberately and pragmatically do the following:
- i. Double the size of GDP every 5 years for the remaining three National Development Plans;
 - ii. Raise per capita GDP six-fold from the current USD 1,146 to about USD 7,000 in FY 2039/40;
 - iii. Double the level of savings in the economy from 20 percent of GDP to 40 percent of GDP in 2040;
 - iv. Raise the share of exports in GDP from 12 percent in 2022 to 50 percent, and the share of manufactured products in merchandise exports from 13 percent to 50 percent; and medium high-tech products from 21 percent to 50 percent over the same period;
 - v. Increase the annual FDI inflows from **USD 2.9 billion** in 2022 to **USD 50 billion** by 2040; and
 - vi. Accumulate the stock and quality of human capital (skilled workers); physical capital (energy, railway, roads, air travel

and internet infrastructure); and natural capital (forests, swamps, rivers and lakes).

115. Madam Speaker, the success factors of this strategy are:
- i. Enhancing the capacity for effective national defence and security to avert any internal or external security risks;
 - ii. Maintaining constitutional order, an effective and efficient Judiciary, and a people-centred Legislature;
 - iii. Economic stability in line with commitments contained in the Charter for Fiscal Responsibility;
 - iv. A reformed Government-wide coordination of rationalised Ministries, Departments, Agencies, and Local Governments;
 - v. Effective and accountable public institutions prepared to fight corruption and impunity;
 - vi. Policy consistency to ensure effective implementation of Government programmes and interventions;
 - vii. Enforcement of local content in Government programmes and investments, and support to culture and the creative industry;
 - viii. Digitisation and automation including e-payments, e-commerce, e-Government procurement, e-health, e-education, etc.
 - ix. Support and take advantage of the full implementation of the EAC Common Market and economic integration under the African Continental Free Trade Area.

VI. FINANCING AND EXPENDITURE FOR FY2024/25

116. Madam Speaker, the total resource envelope for Financial Year 2024/25 amounts to **Shillings Seventy-Two Trillion, One Hundred and Thirty Six Billion, Five Hundred and Four Million, Two Hundred and Fifty Three Thousand, Four Hundred and Sixty Six Shillings (Shs. 72,136,504253,466/=) trillion** of which total revenue is as detailed below:
- i) Domestic revenues amount to **Shs 31.982 trillion**, of which **Shs 29.366 trillion** will be tax revenue and **Shs 2.616 trillion** will be non-nax revenue;
 - ii) Budget Support - **Shs 1.394 trillion**;
 - iii) Domestic Borrowing - **Shs 8.968 trillion**;
 - iv) Treasury bonds for settlement of Government outstanding obligations to Bank of Uganda as at 30th June 2024 - **Shs 7.779 trillion**;
 - v) Domestic Refinancing of maturing domestic debt - **Shs 12.022 trillion**;
 - vi) Petroleum Fund drawdown - **Shs 115.4 billion**;
 - vii) Project support (external financing) - **Shs 9.583 trillion**; and
 - viii) Local Government revenue collections - **Shs 293.9 billion**.
117. Madam Speaker, the total government expenditure for FY 2024/2025 is projected at **Shillings Seventy Two Trillion, One Hundred and Thirty Six Billion, Five Hundred and**

Four Million, Two Hundred and Fifty Three Thousand, Four Hundred and Sixty Six Shillings (Shs. 72,136,504,253,466/=) trillion; of which the total appropriation is **Shs 37.56 trillion** and statutory expenditure is **Shs 34.756 trillion**.

118. Wages and salaries are projected to amount to **Shs 7.926 trillion**, non-wage recurrent expenditure to **Shs 17.454 trillion**, development expenditure from own resources to **Shs 6.152 trillion**, external project financing **Shs 9.584 trillion**, appropriation in aid to **Shs 293.9 billion**, while external debt repayment will amount to **Shs 3.149 trillion**.
119. Madam Speaker, I have attached the details of the Resource Envelope and Expenditure Allocations by Vote for FY2024/2025.
120. Madam Speaker, the FY2024/25 budget has been designed to target seven key priorities. These are:
- i) Investing in the people of Uganda through education, health and water, sanitation and hygiene, for which I have provided a total of **Shs 10.204 trillion**;
 - ii) Peace and security of all persons in Uganda. I have allocated a total of **Shs 9.107 trillion**, including a 25 percent enhancement of salaries of all security personnel at the rank of Captain and below;
 - iii) Maintenance of all roads, construction of a few strategic roads, as well as rehabilitation of the Metre Gauge Railway and construction of the Standard Gauge Railway. I have provided **Shs 4.989 trillion** for these;

- iv) Investing in wealth creation initiatives, including commercial agriculture, value addition (UDB and UDC), the Parish Development Model (PDM), *Emyooga*, Agriculture Credit Facility, tourism, science-based research, and youth skilling, export promotion programme, and the GROW Project. I have allocated a total of **Shs 2.641 trillion**;
 - v) To facilitate electricity transmission, distribution and utilisation of existing energy stock, I have allocated **Shs 982.6 billion**;
 - vi) Natural disasters (Contingency Funding), to which I have allocated **Shs 146.1 billion**; and
 - vii) Our international commitments for regional and global partnerships, **Shs. 31.1 billion**.
121. Madam Speaker, the above priorities are in support of the anchor sectors that have been identified to drive rapid expansion of the economy.

APPROVED SOURCES OF FUNDS TO FINANCE THE BUDGET

122. Madam Speaker, the following principles guided the preparation of the FY2024/25 budget:
- i) Strengthening domestic revenue mobilisation by providing adequate funding to revenue generating entities;

- ii) Strengthening public finance management to ensure accountability and frugality, and avoiding misuse of public resources;
 - iii) Repurposing of budget towards high impact economic growth areas;
 - iv) Improving efficiency in the execution of projects and other public investments; and
 - v) Borrowing for only strategic high impact interventions.
123. Madam Speaker, starting FY 2024/25, Accounting Officers of revenue generating entities will sign commitment contracts against the agreed revenue performance targets upon which budget allocations have been made, in addition to the performance contracts they sign annually.

Domestic Revenue Mobilisation

124. Madam Speaker, to collect the projected revenue for FY 2024/25 of **Shs. 31.982 trillion**, a mix of modest tax policy measures were proposed and approved by Cabinet and Parliament. These will be complemented by enhanced tax administration by Uganda Revenue Authority (URA) and rationalisation of tax exemptions in line with the Domestic Revenue Mobilisation Strategy.

Tax Measures for Financial Year 2024/25

125. Madam Speaker, the following are the modest changes in taxes that were approved by Parliament to raise more revenue and/or improve the budget environment:

Excise Duty

- i) Imposition of excise duty on powdered beer at Shs 1,000 per kilogram
- ii) Imposition of excise duty at a rate of 0.5 percent of the value of withdrawals of money from other platforms other than mobile money. This does not apply to withdrawals from agent banking or banking halls.
- iii) Increase excise duty on petrol by Shs 100 per litre.
- iv) Increase excise duty on diesel by Shs 100 per litre.
- v) Increase excise duty on imported wines from 80 percent or Shs 8,000 per litre to 100 percent or Shs 10,000 whichever is higher.
- vi) Imposition of excise duty on adhesives, grout, white cement and lime. The objective is to align the tax treatment of these products with that of cement.

Value Added Tax (VAT)

126. Madam Speaker, under VAT, the supply of electric motorcycles, vehicles manufactured or fabricated in Uganda and their respective charging stations and batteries for electric motorbikes, charging stations and related services are exempt from tax. The objective is to facilitate the growth of e-mobility and affordability of electric cars and motorcycles and protect the environment.

127. Madam Speaker, starting next financial year, the provision of taxable goods/services by an employer to an employee will attract VAT.

Income Tax

128. Madam Speaker, under the Income Tax Act, we provided incentives for the following:

- i) We have exempted investors from tax capital gains arising from the sale of holdings in private equity or venture capital funds regulated by the Capital Markets Authority. The intention is to incentivise private equity or venture capital investments in Uganda;
- ii) We have provided tax holidays on the income of a person who manufactures and fabricates electric motor vehicles, electric motorcycles, electric batteries and electric vehicle charging equipment, as well as the income of a person who develops, establishes or operates a medical facility or hospital facility;
- iii) We have extended the waiver of penalties and interest on arrears outstanding by June 2023. This waiver will apply when the taxpayer pays between July and December 2024; and
- iv) We have also introduced a 10 percent withholding tax on commission paid to the banking agents and fintech agents (payment service providers).

Tax Administration Measures

129. Madam Speaker, much of the anticipated additional revenues will be generated from compliance measures undertaken by URA. These include:

- i) Expanding URA presence and coverage by opening up 5 liaison offices;
 - ii) Strengthening the enforcement and use of Electronic Fiscal Receipting and Invoicing System (EFRIS) and Digital Tax Stamps (DTS) and the rental tax solution;
 - iii) Strengthening the exchange of information with other tax authorities to combat illicit financial flows and under-declarations; and
 - iv) Strengthening enforcement interventions.
130. Madam Speaker, I call upon all of you colleagues and fellow Ugandans to render URA and other revenue-collecting institutions the necessary support to mobilise the revenue required to meet the targets for FY2024/25. **We must raise more revenue and reduce reliance on borrowing and external grants.**

PUBLIC DEBT

Public Debt Stock

131. Madam Speaker, as at the end of December 2023, Uganda's total public debt stood at **Shs 93.38 trillion**, equivalent to **USD 24.69 billion**. Of this amount, external debt was **Shs 55.37 trillion** equivalent to **USD 14.64 billion** while domestic debt was **Shs 38.01 trillion** equivalent to **USD 10.05 billion**. The public debt is projected at **Shs 97.638 trillion**, equivalent to **USD 25.716 billion** by 30th June 2024.
132. In nominal terms, Uganda's public debt to GDP was estimated at **46.9 percent** in June 2023, and is projected to end at **47.9 percent** this financial year ending June 2024. This is below the **52.4 percent** threshold provided for in the Charter for

Fiscal Responsibility for the financial year 2023/24, and **less than 50 percent of GDP** Government policy target for debt sustainability.

133. Madam Speaker, although our debt has increased, it is still sustainable and Government is committed to keeping it sustainable. Most importantly, the money we have borrowed has been invested well and these investments have started to give good returns. The borrowed money has been spent as follows:

- i) 29 percent was invested in improving the transport infrastructure including, the oil roads, tourism roads, Kampala-Entebbe Express Way, the Kampala Flyover, and the several tarmacked roads linking the whole country; airports including upgrading of Entebbe International Airport, and building of Kabalega International Airport, rehabilitation of the Metre Gauge Railway, etc;
- ii) 28 percent has been invested in the development of energy infrastructure, including Karuma and Isimba Dams, power transmission lines, and rural electrification;
- iii) 12 percent has been invested in improving water sources for both human consumption and for irrigation and livestock;
- iv) 5 percent in agro-industrialisation; and
- v) The development of industrial parks, extension of the National Backbone Infrastructure which has improved the quality of internet and communication, as well as investment in education and health, among others.

134. Nonetheless, the ratio of total debt service to domestic revenue excluding maturing domestic debt (redemptions) is

projected to increase to 40.3 percent in FY2024/25 from 33.4 percent in FY2023/24, above the threshold of 20 percent. This is the reason Government has committed to exercising caution in borrowing to ensure debt sustainability by implementing the following measures:

- i) Prioritising concessional borrowing where available, and reducing commercial borrowing at high interest rates. Such borrowing shall only be for very few strategic and high impact projects.
- ii) Strengthening capacity for domestic revenue mobilisation.
- iii) Controlling Government spending to ensure allocative efficiency.
- iv) Boosting exports to increase foreign exchange inflows.
- v) Ensuring project readiness and quality of public investments to increase the return on investment.

VII. CONCLUSION

135. Madam Speaker, in conclusion, the economy has fully recovered from various shocks that have impacted it in the past four years. It is now poised to accelerate towards takeoff, powered by value addition to our agricultural raw materials and the abundant natural resources, growth in industry, tourism and innovations by our scientists.
136. This budget is greatly for Ugandans still stuck in the subsistence economy. Country men and women under this category, take full advantage of the PDM and other wealth creation funds as well as other support services to join the

money economy in any of the four sectors - commercial agriculture, industry, services, or ICT.

137. To the private sector, this budget is anchored on the tenfold growth strategy. It presents to you a multitude of opportunities. It has invested in a number of interventions to further improve the business environment. The macroeconomy is stable; infrastructure is improving; affordable capital has been provided for you to engage in value addition and export; electricity is now reliable and Government will work hard to reduce its cost; regional markets are expanding and barriers to market access are being removed. Therefore, take full advantage of these opportunities to create wealth and prosperity.
138. To the youth, this budget offers opportunities to acquire more skills, access finance, innovate and develop new and better products. To those with talents, I assure you that the creative industry is going to be supported. This budget is the beginning among many in the medium term intended to open up doors for you to escape unemployment and manipulation by self-interested individuals and groups. Take full advantage of the opportunities to make money and live a productive life.
139. To the women and mothers of this nation, the budget has provided funds to improve your health, to ensure that your children are born in safe hands, are immunized, sleep under a mosquito net, drink clean safe water, and are educated in a nearby school for free. The budget has also allocated billions to support your businesses, however small they are now.
140. To the elderly, persons with disabilities, and other vulnerable persons, wherever you are in this country, the budget offers several social safety nets not only to shield you from poverty

but also to ensure that you can be productive and begin to live a decent life.

141. To the gallant men and women in uniform, at the rank of Captain and below – who are serving in the UPDF, in the Uganda Police, in the Uganda Prisons, in internal and external intelligence services- this budget contains the first instalment to enhance your pay. Continue to serve your country and keep it as safe as you have always done. Happy belated Heroes Day.
142. Madam Speaker, as I step off this podium, I would like to call upon all Ugandans to embrace the President's message. Let every adult Ugandan engage in producing a good or a service for sale. That way, we shall be able to create a bigger pie for the greater good of our country. I dedicate this budget to all the wealth creators.
143. Madam Speaker, I beg to move.