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Uganda—Background Paper

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UGANDA

Background Paper on the Response of Output and Investment to Adjustment Programs, and Statistical Appendix

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Approved by the African Department

April 10, 1995

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I. Introduction

This background paper presents a long-term perspective on investment and output performance in Uganda, beginning after the country gained independence in the early 1960s. Against the background of long-term trends in savings, investment, and output, the paper describes the initial conditions that led to the adoption of adjustment policies. The macroeconomic policy mix, together with important structural policies, is analyzed and the outcomes are assessed for the period 1987-94, during which Uganda pursued an ongoing adjustment program supported by successive arrangements with the Fund under the structural adjustment facility (SAF) and the enhanced structural adjustment facility (ESAF).

Since the end of the civil war in 1986, Uganda has made significant and impressive progress in improving its growth performance under the Government's Economic Recovery Program (ERP). Much of this progress has been achieved in the context of a conducive political environment, and through the pursuit of sustained macroeconomic stability and important structural reforms. 1/ Despite the successes achieved so far and the relatively high levels of growth, averaging almost 6 percent per annum, still higher levels of growth may be required in order to make a more significant impact on the lives of Ugandans through increased employment generation, poverty reduction, and adequate provision of social services. For higher growth, Uganda needs to raise both its domestic saving and its investment efforts, and to rigorously pursue structural reform programs, particularly in the financial sector. The paper addresses Uganda's growth potential and aims to draw out policy implications for faster growth by analyzing the long-term performance of the economy, the obstacles to more rapid capital accumulation, and the response to structural adjustment.

Section II of the paper presents a brief description of Uganda's long-term growth record and highlights trends in the sectoral composition of output. Section III presents the initial conditions that led to the need for adjustment policies, the macroeconomic policy mix, and key outcomes. Section IV focuses on the role of fiscal policies in fostering higher growth. Section V considers structural policies, and Section VI presents concluding remarks.

A study of this nature is naturally constrained by a number of factors. First, the analysis presented here is largely qualitative and tentative in nature, given inadequate data and the limited availability of previous research on Uganda's early post-independence period. The data constraints for Uganda are extreme, especially for the 1970s as a result of the civil

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1/ While this background paper focuses on the long-term growth performance of the Ugandan economy, a more detailed account of the adjustment efforts during 1987-94 is provided in Sharer, De Zoysa, and McDonald (1995). The current study draws heavily on that paper when discussing the period 1987-94.

unrest. Consequently, important quantitative relationships between investment, savings, and their determinants are difficult to establish. Second, this task is made more difficult because of the prolonged periods of extreme political and social instability that have characterized Uganda's recent history, all of which have influenced investment and saving responses to economic stimuli. Third, although it is apparent that structural reforms are important to investment and saving behavior, it is not always easy to quantify the magnitude of their importance.

II. Growth Record and Cross-Country Comparisons 1/

During the period 1965 through 1994, Uganda experienced annual average rates of real GDP growth of 2.3 percent. The path of growth, however, varied markedly over the period under consideration, reflecting the military, political, economic, and social events that characterized the country in the past 30 years.

Following its independence in 1962, the country initially witnessed a period of considerable economic progress which was sharply halted in the 1970s when a military regime assumed power under General Idi Amin, and the country moved away from the outward-oriented policies pursued in earlier years. There was a relatively brief attempt to stabilize and revitalize the economy during the regime of Milton Obote in the early 1980s, with financial support from the Fund through three stand-by arrangements and a purchase under the compensatory financing facility (CFF), loan commitments from the World Bank, and debt rescheduling from Paris Club creditors. This attempt was halted by the eruption of a civil war in the early 1980s, which led to the collapse of the economic stabilization efforts. The ensuing period was one of economic devastation until the National Resistance Movement (NRM) Government came to power in early 1986. In 1987/88, the NRM launched a comprehensive ERP with the support of the IMF, the World Bank, and bilateral donors.

For purposes of this paper, Uganda's long-term performance over the last three decades can be usefully divided into five main periods. The first period, covering the years from 1965 through 1970, encompasses Uganda's economic situation before the military and social crisis which enveloped the country in later years. Over this period, Uganda experienced a good economic growth record of an average of 4.8 percent annually, led by the secondary sector, which averaged annual growth rates of 8.4 percent (Chart 1). The primary sector and the tertiary sectors averaged annual growth rates of 5.0 percent and 3.3 percent, respectively. Ratios of gross domestic investment and gross domestic savings to GDP averaged 14.4 percent and 16.0 percent per annum, respectively (Charts 2 and 3). Real per capita GDP growth averaged 2.5 percent per annum (Chart 4). In terms of sectoral

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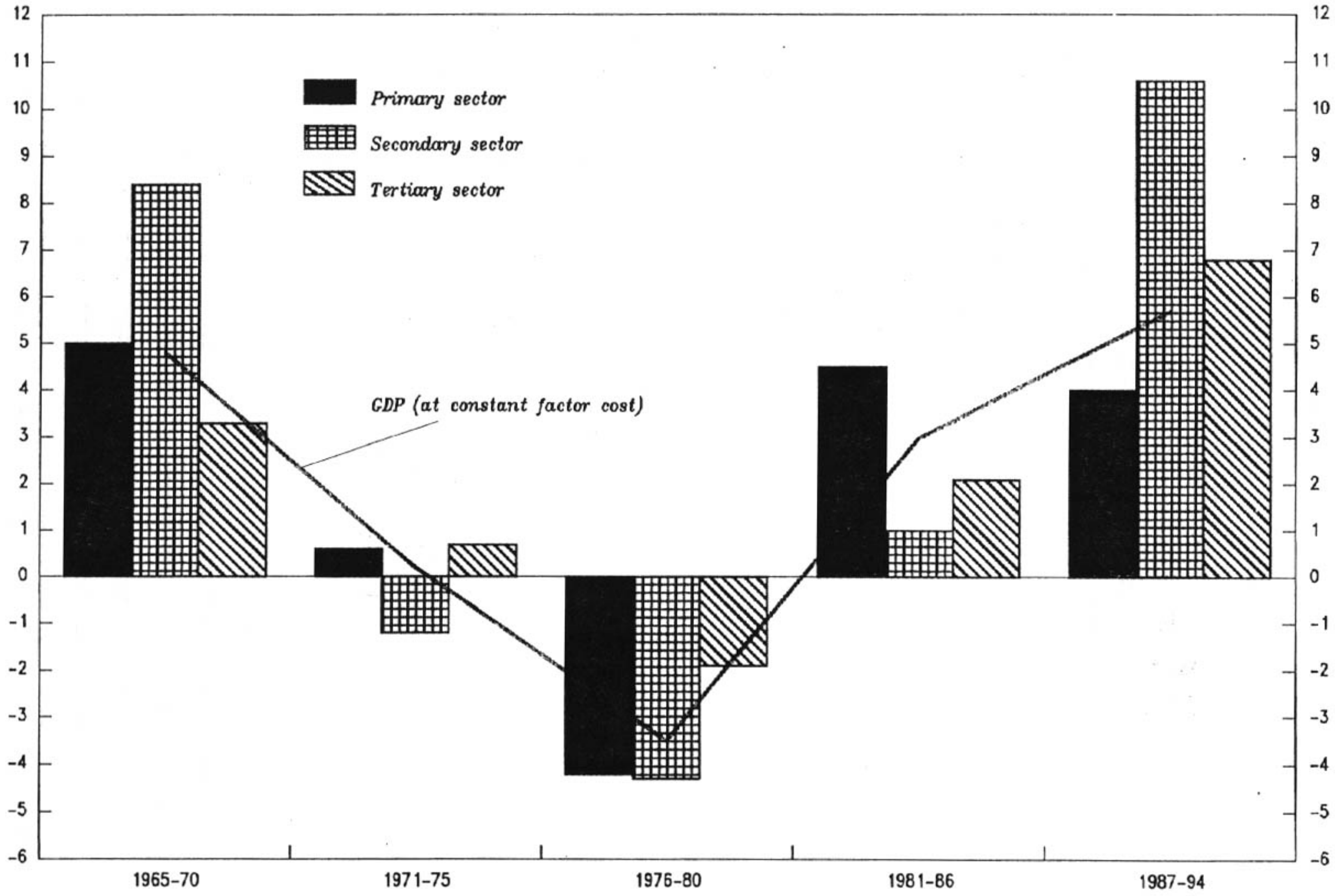
1/ All data provided in the text, charts, and tables refer to fiscal years (July-June).

CHART 1
UGANDA
REAL GDP AND SECTORAL GROWTH, 1965-94
(In percent)



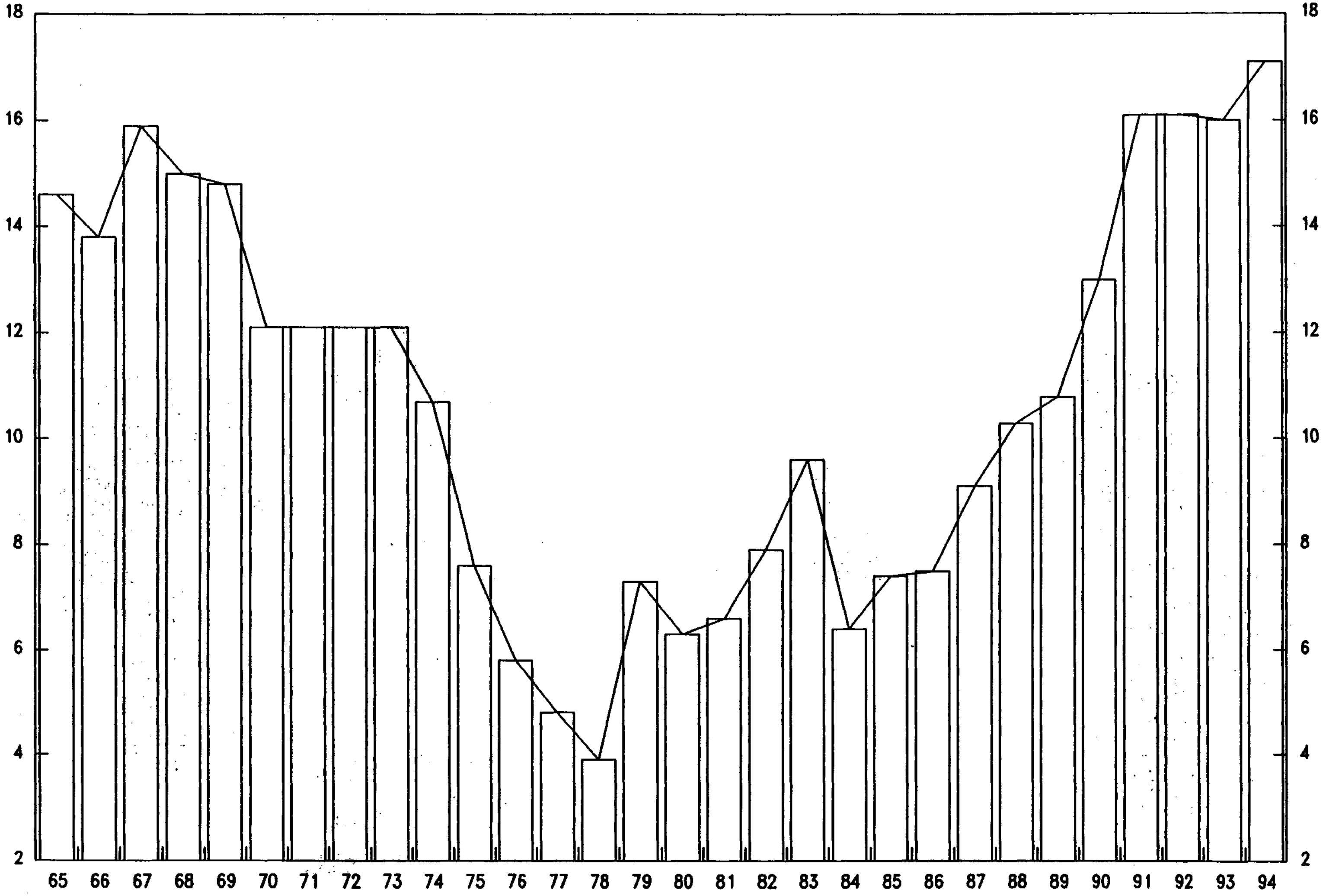
Sources: Data provided by the Ugandan authorities; and staff estimates.

CHART 2

UGANDA

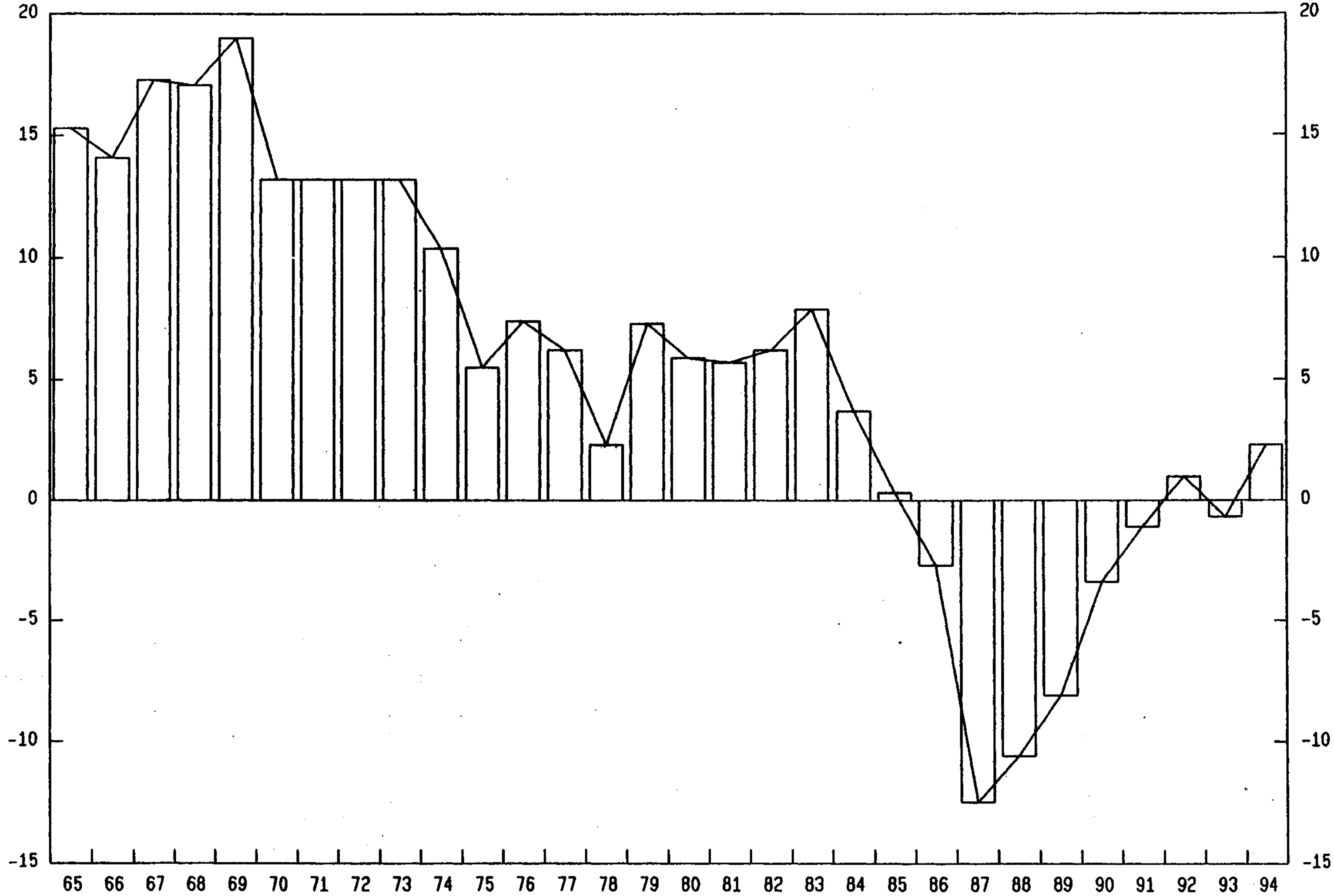
GROSS DOMESTIC INVESTMENT, 1965-94

(In percent of GDP at current factor cost)



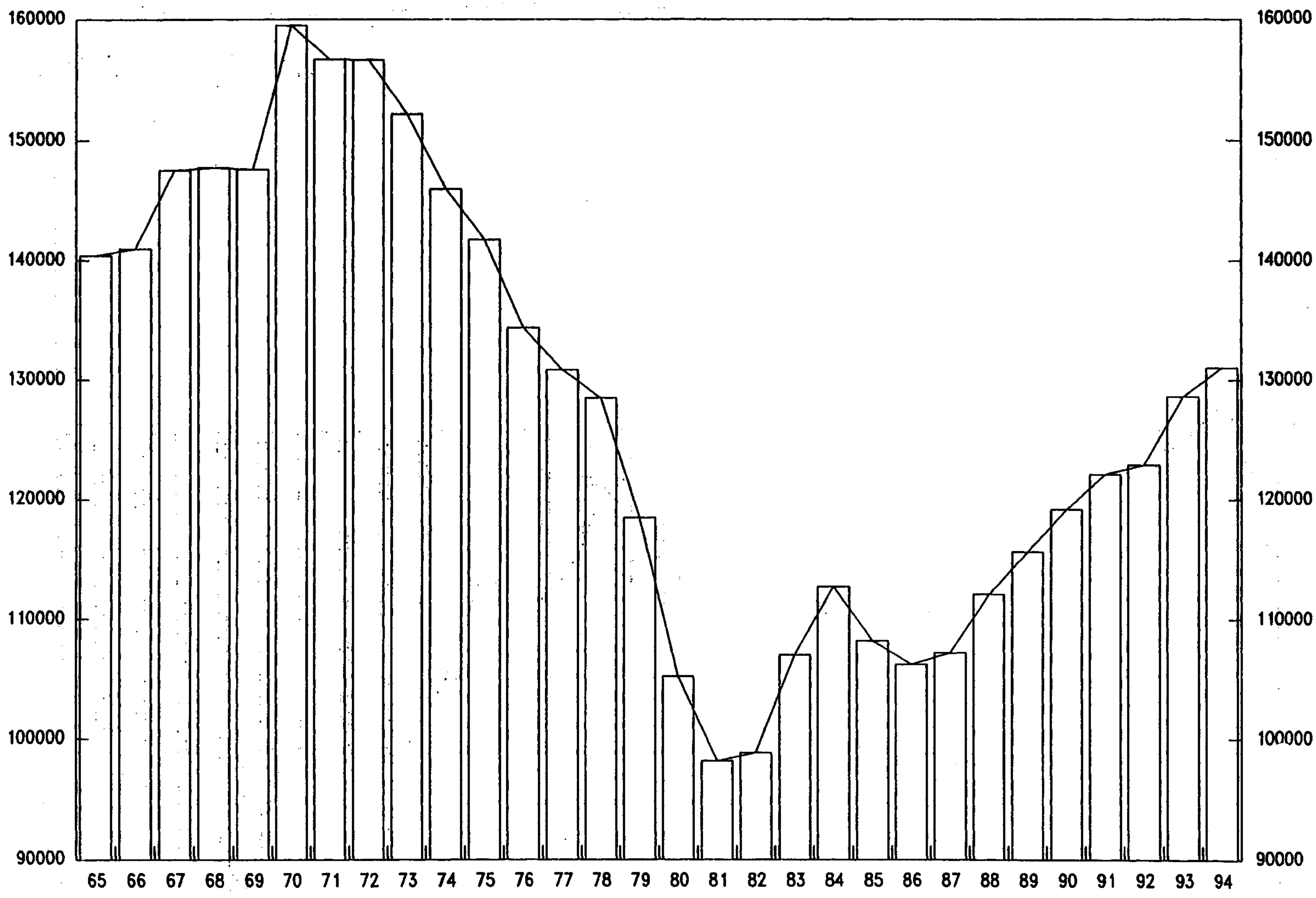
Sources: Data provided by the Ugandan authorities; and staff estimates.

CHART 3
UGANDA
GROSS DOMESTIC SAVINGS, 1965-94
(In percent of GDP at current factor cost)



Sources: Data provided by the Ugandan authorities; and staff estimates.

CHART 4
UGANDA
REAL PER CAPITA GDP, 1965-94
(In Uganda shillings)



Sources: Data provided by the Ugandan authorities; and staff estimates.

contribution, the primary sector increased its share to 51.4 percent of GDP, in 1970, from 49.1 percent in 1965 (Chart 5). For most of this period, the country's external accounts were in balance as well.

The second period, covering the years from 1971 through 1975, is indicative of the beginning of economic stagnation following the coming to power of the Amin regime. Local industries were granted significant protection, and the size and involvement of the public sector in economic activity expanded considerably. Efficiency and financial discipline suffered, and substantial damage was done to the competitiveness of the economy, particularly to the export sector. As a result, real economic growth decreased sharply and averaged 0.2 percent per annum, and the secondary sector recorded average negative growth rates of 1.2 percent annually. The primary and tertiary sectors also recorded sharp declines in their average growth rates equal to 0.6 percent and 0.7 percent per annum, respectively. Ratios of gross domestic investment and gross domestic savings to GDP declined to an average of 10.9 percent and 11.1 percent per annum, respectively. Real per capita GDP posted an average negative growth of 2.3 percent annually, and the contribution to output growth of services in 1975 fell to 32 percent, from 37 percent in 1965.

The third period (1976-80) was a phase of continuous contraction in economic activity, which set the initial conditions for the economic adjustment programs that were needed in the 1980s. By 1980, Uganda had become dependent on one crop (coffee) for 98 percent of its exports, and, largely because of the sharp decline in incentives on account of the overvalued exchange rate, the volume of coffee exports was barely half the volume in the early 1970s. The volume of other traditional exports--particularly cotton, tea, and tobacco--became negligible, and copper exports ceased. Over these years, economic activity collapsed and, in real terms, a negative average GDP growth rate of 3.5 percent per annum was recorded. All sectors of the economy were in deep crisis: the secondary sector achieved an average negative growth rate of 4.3 percent annually, followed by the primary and tertiary sectors, which posted average negative growth rates amounting to 4.2 percent and 1.9 percent per annum, respectively. The gross domestic investment and gross domestic savings to GDP ratios declined to an average of 5.6 percent and 5.8 percent per annum, respectively. Real per capita GDP declined sharply to a negative average growth of 5.7 percent annually.

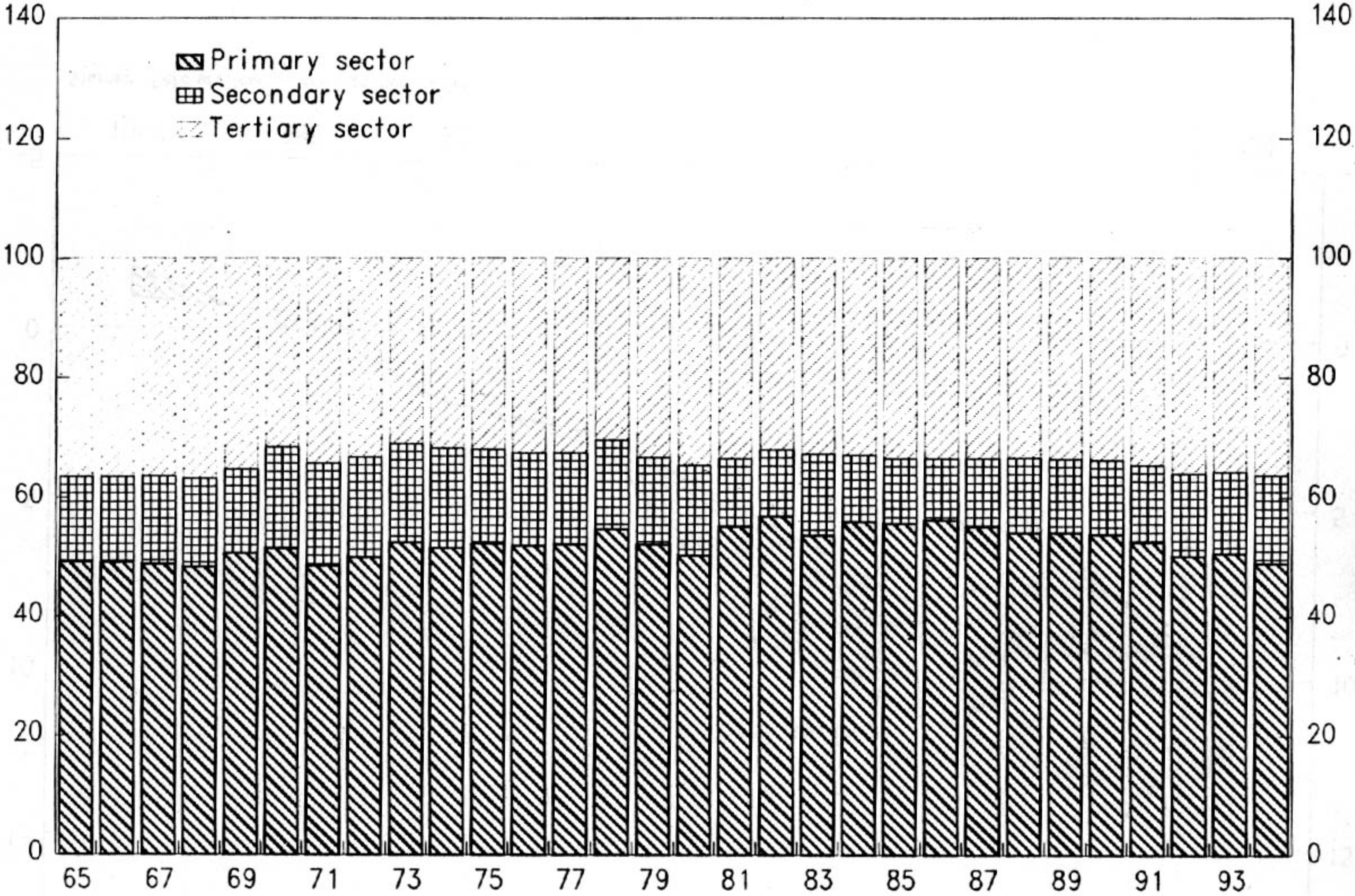
The fourth period, covering the years from 1981 through 1986, represents an end to the steep economic decline of the country following the crises of the late 1970s. However, the economic recovery was constrained by the major structural problems that had characterized the previous years. Nevertheless, between 1981 and 1986, real economic growth recorded an annual average growth rate of 3.0 percent. The primary sector led the output response with an annual average growth rate of 4.5 percent, followed by a lower recovery in the tertiary and secondary sectors, which posted annual average growth rates of 2.1 percent and 1.0 percent, respectively. Gross domestic investment also responded positively and, as a percentage of GDP, rose to an average of 7.6 percent, 2 percentage points higher than the average for the previous five-year period. However, the gross domestic savings/GDP ratio continued to decline, to an average of 3.5 percent, compared with an average of 5.8 percent in the previous five-year period, owing to the increased levels of consumption.

In 1986, for the first time during the period under consideration, the gross domestic savings/GDP ratio was negative (minus 2.7 percent). Real per capita GDP growth averaged 0.3 percent annually. In 1986, the share of agriculture in GDP exceeded 56 percent, with nonmonetary GDP representing 36 percent of total GDP and nontraded agriculture representing 55 percent of total agricultural production. This reflected the extent to which distortionary policies were reducing market transactions in the economy and leading to more subsistence activities.

The fifth period (1987-94) was one of sustained adjustment, characterized by renewed economic growth and major progress in structural adjustment. Substantial structural reforms took place in the economy in the areas of price liberalization, exchange and payments liberalization, public enterprise reform, financial sector reform, civil service reform, and army demobilization. As a result, real economic growth over this period recorded an annual average rate of 5.7 percent, with the secondary sector expanding by an annual average growth rate of 10.6 percent (almost 2 percentage points higher than the average recorded in the mid-1960s), and the tertiary sector following with an annual average growth rate of 6.8 percent, the highest average over the past 30 years. The primary sector posted an annual average growth rate of 4.0 percent, declining slightly with respect to the rates of the mid-1960s and in the mid-1980s, reflecting the transformation of the economy toward a more modern production structure and higher monetization levels. The contribution to output growth from industry in 1994 increased to 15 percent, from 10 percent in 1986, and for the first time in 30 years, agriculture fell below the threshold of 50 percent of GDP, recording a contribution to output growth of 49 percent, compared with 56 percent in 1986. The ratio of gross domestic investment to GDP also increased markedly, to an average of 13.6 percent, the highest level since the mid-1960s. The high levels of consumption, on the other hand, resulted in a decline in the ratio of gross domestic savings to GDP, averaging 4.1 percent per annum. This ratio was negative from 1987 through 1993, with the exception of 1992. In 1994 the gross domestic savings/GDP ratio became positive (2.3 percent) as a result of an improved trade balance, and a shift to positive real interest rates on financial savings instruments (for most of 1993/94) brought about by the combination of interest rate liberalization and declining inflation.

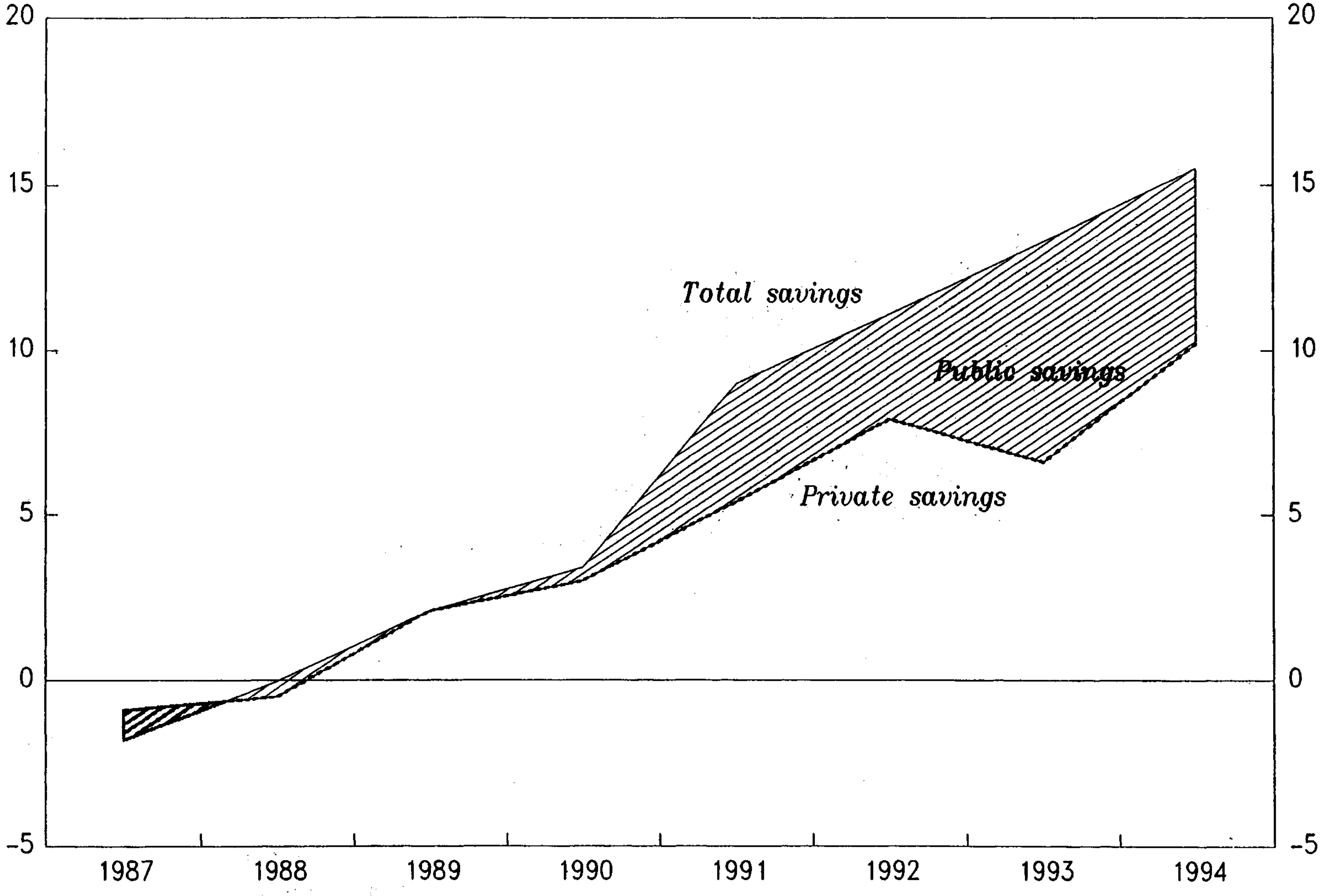
Between 1987 and 1994, the gross national savings/GDP ratio improved dramatically (Chart 6). This reflected a greater level of confidence brought about by political stability, and the substantial progress made in exchange and payments liberalization; the exchange market was unified, restrictions were eliminated, and the trade system was made freer, with major reductions in the number of quantitative restrictions and in average

CHART 5
UGANDA
REAL GDP BY SECTORS, 1965-94
(In percent)



Sources: Data provided by the Ugandan authorities; and staff estimates.

CHART 6
UGANDA
GROSS NATIONAL SAVINGS, 1987-94
(In percent of GDP at current factor cost)



Sources: Data provided by the Ugandan authorities; and staff estimates.

tariffs. In 1989, the gross national savings/GDP ratio amounted to 2.1 percent, but increased to 15.5 percent by 1994. Both the private and public components of this ratio remained positive from 1988/89 through 1993/94. One weakness in the improved savings performance is the continued reliance on foreign savings. This is true not only for private savings, but also the contribution of donor support to the Government's budget. This is discussed in more detail in Section IV. Nevertheless, the improvement in private savings and investment trends should continue over the remainder of the 1990s if the economic policies included in the ERP continue to be rigorously implemented.

Attempts at comparing Uganda's growth performance to sub-Saharan African (SSA) countries are severely constrained by data inadequacy; consequently, any comparative exercise is quite tentative in nature and must be restricted to basic economic indicators. Available data limit the comparative exercise over the period from 1976 through 1993. Uganda's real GDP growth over this period averaged 2.0 percent annually, in line with the average for the SSA countries, which was 1.9 percent per annum (Chart 7) By contrast, the ratios of gross domestic investment and gross domestic savings to GDP differed substantially from the ratios for the SSA countries: Uganda's average investment and saving ratios over the period under consideration were 9.2 percent and 0.8 percent per annum, respectively, compared with Sub-Saharan Africa's 18.2 percent and 11.6 percent per annum.

Uganda's performance is more impressive if comparisons are limited to the period 1986 through 1993. In this case, Uganda's real GDP growth recorded a much higher average of 5.2 percent annually, compared with the SSA average of 1.6 percent annually. Uganda's average ratio of gross domestic investment to GDP improved substantially (11.9 percent), thus reducing the gap with the average of SSA countries (17.9 percent). Nevertheless, over the period under consideration, Uganda's gross domestic savings/GDP ratio (an average of minus 4.0 percent) lagged behind that of SSA's average of 11.0 percent per annum.

A number of cross-country comparisons have been undertaken to investigate the factors influencing long-term economic growth. 1/ These comparisons focus on so-called "endogenous growth models" where the assumption is that "knowledge" and factor accumulation interact in such a

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1/ The simplest of these model specifications generally have the form:

$$Y_i = \alpha + \beta(INV_i) + \tau(PRIM_{it}) + \delta(SEC_{it}) + \zeta(POPG_i) + \theta(GAP_{it}) + \epsilon_i$$

where Y is the average annual growth rate of real per capita GDP, INV is the average ratio of investments to GDP, PRIM and SEC are the primary and secondary school enrollment rates at some specified time period t (proxies for human capital). POPG is the average annual growth rate of population, and GAP is the ratio of country i's per capita GDP at some specified time period t to that of the United States.

way as to produce nondecreasing returns to scale. One critical implication is that economic conditions and policies can influence the accumulation of factors and their productivity.

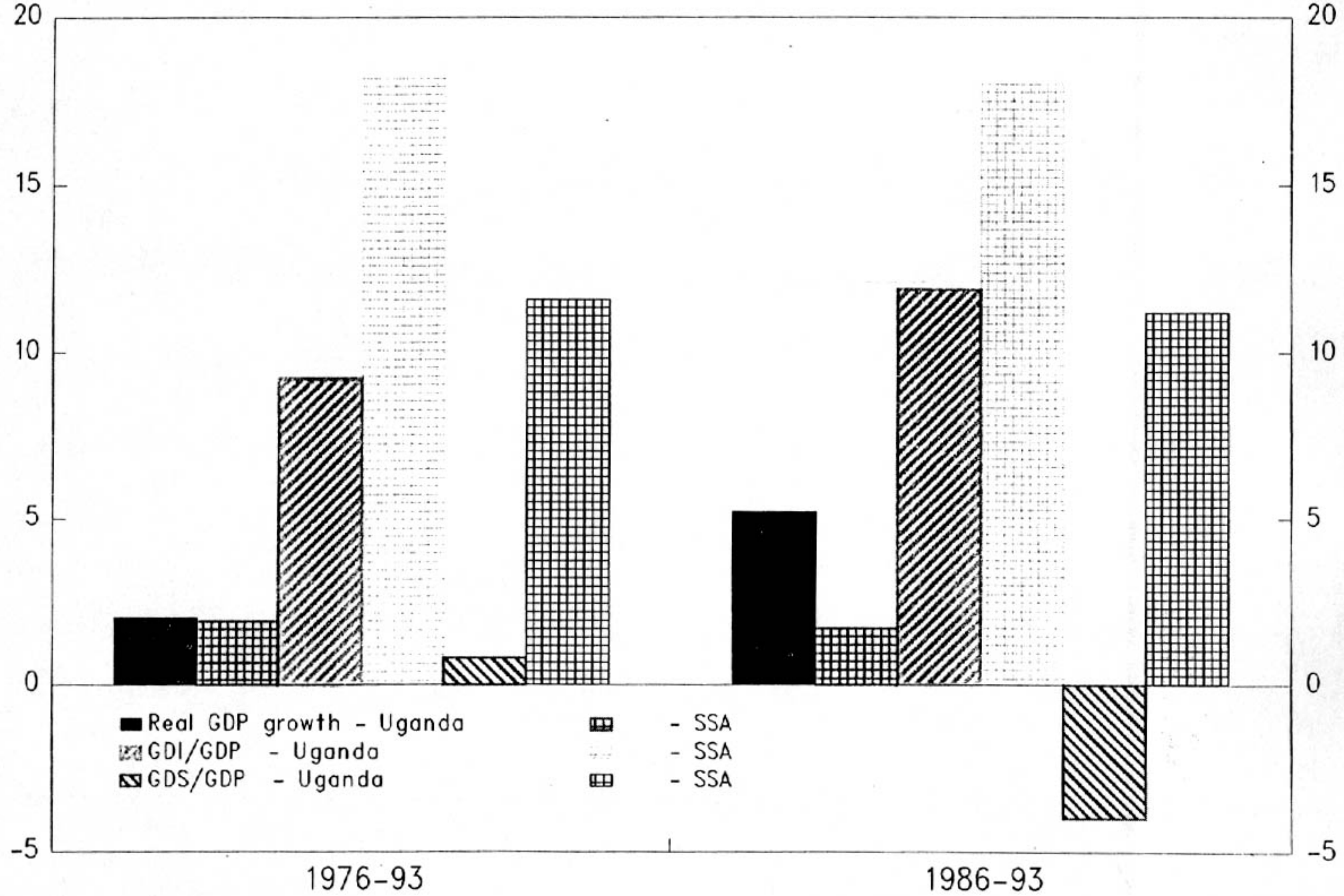
In most specifications, the accumulation of physical capital--measured by the investment/GDP ratio--and investments in human capital are significant. Notwithstanding the data problems and other shortcomings of such cross-country empirical analyses, the estimated models predict that, given Uganda's initial human capital in the mid-1960s, its accumulation of stock of physical capital and its population growth rate, per capita GDP growth over the last 30 years should have been higher. This finding suggests that other factors, including policy-induced distortions, as well as the long periods of civil unrest have been impediments to long-run growth in Uganda and possibly, higher rates of capital accumulation. The second exercise associated with these studies includes the impact of policies on growth and factor productivity. The results usually support the view that certain macroeconomic variables--such as inflation, budget deficits, exchange rate premiums, and worsening terms of trade--are negatively correlated with growth and capital accumulation. Other variables, such as the degree of monetization, trade regimes with relatively few distortions, and government savings, are positively correlated with growth, capital accumulation, and the growth in factor productivity. Despite the inability to quantify all of these relations for Uganda, and in particular, to provide a discussion on the evolution of human capital accumulation, these findings provide important terms of reference for assessing the country's performance. 1/

III. Initial Conditions of Crisis, Macroeconomic Policy Mix, and Key Outcomes

In this section, we consider the political instability, macroeconomic imbalances, and the consequences of policies pursued in the 1970s as creating the "initial conditions" leading to the need for the adoption of stabilization policies in the 1980s. The analysis includes an estimate of the deviation of output from Uganda's underlying growth potential, and the impact of export growth and consumption on aggregate demand. The association between the output gap and investment behavior is also examined. The impact of stabilization policies is then summarized. First, we briefly review the early adjustment attempts in the 1980s, then consider the more sustained efforts during 1987-94.

1/ An important contribution in this area can be found in Hadjimichael, et. al (1995). In their empirical work, cross-country regressions were run for 39 Sub-Saharan African countries (including Uganda) for the period 1986-92.

CHART 7
UGANDA
SUB-SAHARAN AFRICA (SSA) COMPARISON
(In percent)



Source: Data provided by the Ugandan authorities; and staff estimates.

Note: GDI = Gross domestic investment,
GDS = Gross domestic savings.

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1. The nature and causes of the output deviations

During the 1970s, the Ugandan economy was in a state of virtual stagnation or contraction. Real GDP growth averaged 0.2 percent between 1971 and 1975, and declined to an average of minus 3.5 percent in 1976-80. Fitting a simple time trend of actual output growth rates for the period 1965-94 suggests that growth deviations during the 1970s from trend averaged about minus 2.3 percent a year (Chart 8). Relating actual output growth to the underlying trend in Uganda, however, is subject to serious qualifications. Such an approximation does not fully capture the output potential of the economy, since economic performance in the 1970s was affected by major disruptions which, it could be argued, caused a significant pause in economic activity. Alternatively, one can consider Uganda's output potential in terms of a peak-to-peak trend (simple time trend of GDP growth peaks) over the period and measure actual output growth deviations in relation to this trend. In this regard, the average deviation in growth from peak-to-peak trend was minus 6.8 percent per annum during the period 1970-80. Although none of these measures is satisfactory, it is difficult to come up with more rigorous estimates of output potential, given the inadequacy of data--in particular, unemployment data and capacity utilization rates.

Nevertheless, it is apparent that the poor performance during this decade reflected in large part the severe disruptions to the economy generated by sociopolitical factors, such as the expulsion of members of the Asian community, who dominated the industrial and commercial sectors. The result was an acute shortage of technical and managerial expertise and a marked neglect of the productive sectors. This situation was later aggravated by the disruption in transportation facilities and the general uncertainties that surrounded the liberation war, which led to the fall of the Amin regime in the late 1970s.

In addition to these instabilities, macroeconomic policies were generally inappropriate. The exchange rate remained overvalued for much of the period, budgetary deficits in 1970-77 averaged over 33 percent of total expenditures, and bank borrowing covered an average of 60 percent of the overall deficit. Domestic credit expansion averaged 28 percent per annum, while the increase in broad money averaged 23 percent. These fiscal and monetary policies, combined with the declines in output, exerted considerable pressure on domestic prices, leading to an average annual inflation rate of 30 percent in 1970-77. The situation worsened considerably in the late 1970s, with the inflation rate increasing to an average of over 70 percent between 1978-80 on account of an even more rapid growth in money supply and expansionary fiscal policies.

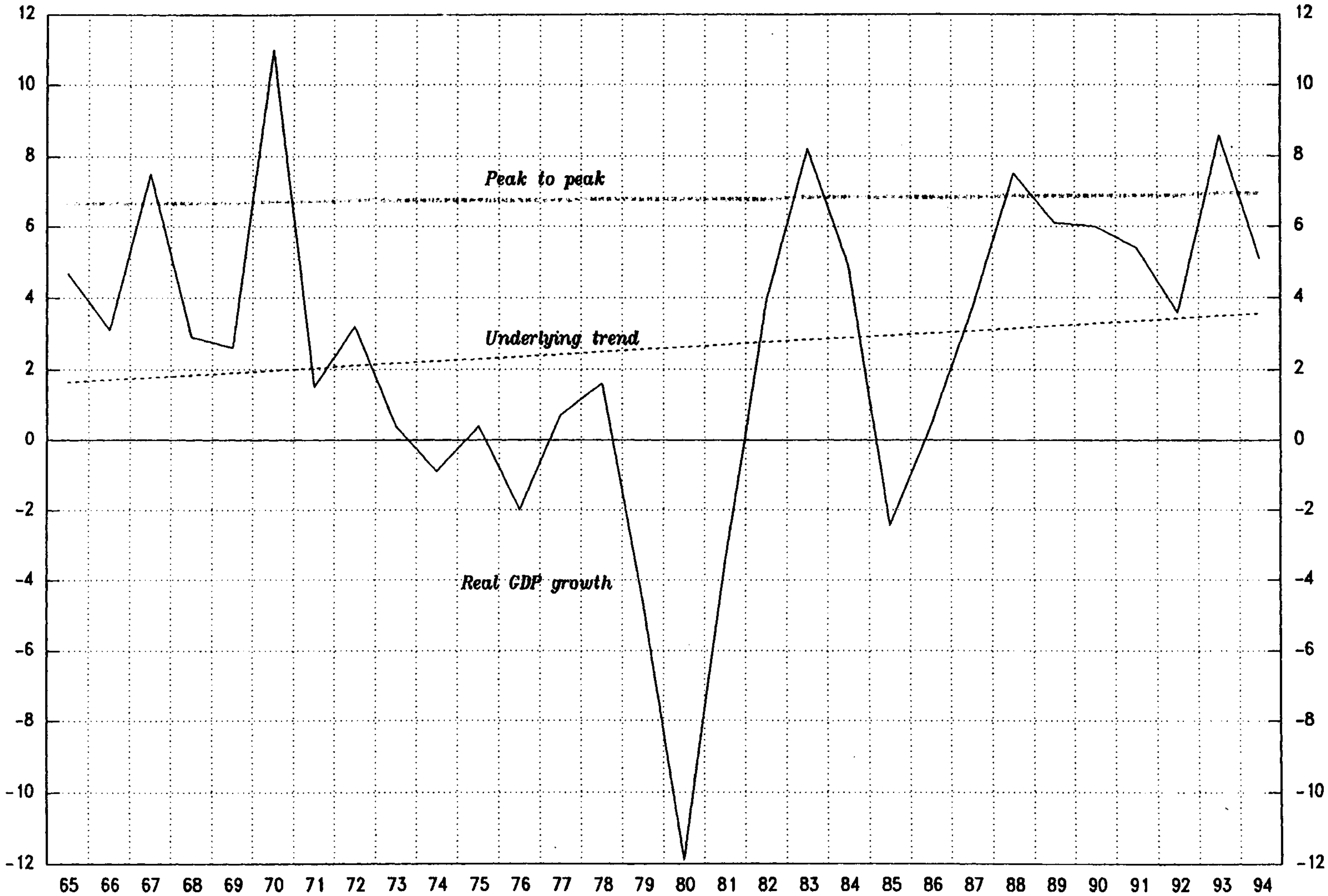
2. The role of external shocks

Although a significant part of the macroeconomic imbalances can be explained by war-related disruptions--especially in the late 1970s--and the expansionary monetary and fiscal policies pursued by the Government, Uganda also experienced severe movements in the terms of trade in the mid- to late 1970s. Following a 27 percent deterioration in the terms of trade in 1975 associated with higher import prices and the decline in coffee prices in that year, the terms of trade regained the 1974 level in 1976, and improved significantly in 1977 (by 79 percent). By 1978, however, the terms of trade deteriorated to the 1976 level, and this worsening trend continued to the end of the decade as a result of declining coffee prices and the oil price increases of the late 1970s. The mounting cumulative balance of payments deficit and the accumulation of external arrears were a result of the increasingly unfavorable external environment, the maintenance of an over-valued exchange rate, the lack of flexibility in adjusting administered prices, and the expansionary fiscal and monetary policies. For example, between 1970 and 1977, the cumulative overall balance of payments deficit amounted to SDR 60 million, of which SDR 20 million was financed through the accumulation of payments arrears. In 1978, of an overall balance of payments deficit of SDR 46 million, the accumulation of arrears amounted to SDR 58 million.

The macroeconomic imbalances created by government policies reflected, in part, an inappropriate response to the adverse movements in the terms of trade as well as a futile attempt to maintain consumption levels in the face of these external developments and war-related disruptions. This was to have a negative impact on investment and savings behavior in the economy. Although in nominal terms, aggregate demand rose nearly fourfold between 1974 and 1978, real aggregate demand fell by about 7 percent, and when compared with the average for 1970-73, by about 11 percent. In 1978, for example, the real value of exports of goods and nonfactor services was only 40 percent of the level in 1970. On the other hand, consumption as a proportion of total domestic demand is estimated to have increased from an average of 88 percent in the years 1970-73 to over 95 percent by the late 1970s. Most of this increase was due to tremendous expansions in government consumption expenditures. The consequence of this higher consumption was a decline in overall domestic savings ratios, as noted in the previous section.

In principle, one would have expected the consumption response to negative terms of trade movements and a declining trend of real exports to depend on whether these adverse developments are perceived to be permanent or temporary. If the shocks are permanent, the fall in real income should precipitate a decline in consumption. On the other hand, with temporary shocks, it may be possible to smooth the consumption path by temporary dissaving, and hence the consumption/GDP ratio should rise in the short run, but subsequently adjust to a lower permanent income path. In the case of Uganda, the extent and the persistence of the decline in real exports throughout the 1970s warranted an adjustment in fiscal policies to reflect the substantial fall in national incomes. Additionally, the vulnerability of the economy to an increasing dependency on coffee exports made a powerful case for reforms in the areas of trade and payments and domestic pricing policies in order to encourage diversification of the economy.

CHART 8
UGANDA
REAL GDP GROWTH AND TRENDS, 1965-94
(In percent)



Sources: Data provided by the Ugandan authorities; and staff estimates.

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3. The relationship between the output gap and investment

Between 1970 and 1980, the output gap (measured as actual growth deviations from underlying trend) changed from 9 percent above trend to 14.5 percent below trend. Over this same period, investment as a ratio of GDP declined almost steadily from 12.1 percent to 6.3 percent. Because of the difficulty of obtaining data on capacity utilization, it is not possible to explain the extent to which the variability in investment can be attributed to the existence of spare productive capacity. Also, for this period, separate data on private and public investments are not available. Nevertheless, it is plausible that the deficiency in real aggregate demand contributed to the fall in the investment ratio. Although there are no precise data on the sectoral behavior of investment, the decline in the real value of exports, largely as a result of terms of trade changes in 1975 and the late 1970s, would certainly have influenced investment levels in the affected export sectors, causing an overall decline in investment levels.

The output gap was also clearly influenced by the Government's public investment programs. The difficulties in implementing public investment projects and their relation to terms of trade movements can be demonstrated by considering allocations to the Government's development budget in the second half of the 1970s. After a moderate nominal growth rate of 10 percent during 1975/76-1976/77, development expenditures rose sharply, by almost 70 percent, in 1977/78. This reflected significantly higher revenues from coffee exports accruing from the temporary but significant improvement in the terms of trade in 1977. However, although the 1978/79 development budget originally provided for an almost doubling of the 1977/78 level, the declining terms of trade, the return of foreign exchange shortages, and the increasing diversion of funds to military activity slowed project implementation considerably. Consequently, development expenditures fell sharply by 37 percent from the outturn for 1977/78.

4. The adjustment policy mix and key outcomes

a. The period 1981-86

The attempt to stabilize and revitalize the Ugandan economy in the early 1980s against the rapid deterioration of conditions in the late 1970s met with limited success (Table 1). The stabilization program included the introduction of a more flexible exchange rate policy, decontrol of many prices, and regular review of producer prices. Substantial assistance was also provided by the World Bank in the areas of reconstruction, industrial and agricultural rehabilitation, and technical assistance. Despite a recovery in the growth of real GDP, which averaged about 6 percent a year during 1981/82-1983/84, the recovery remained weak because of the major structural problems that had emerged during the previous decade, as well as the uncertainty of the political climate caused by the eruption of the civil war in the early 1980s. Gross domestic investment rebounded from its all-time low of 3.9 percent of GDP in 1978 to 9.6 percent of GDP by 1983.

Table 1. Uganda: Selected Economic and Financial Indicators, 1980/81-1985/86

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86
			(Annual percentage change)			
Real GDP	-3.4	3.9	8.2	4.9	-2.4	0.4
Inflation	81.2	106.2	26.7	29.0	100.0	129.0
Broad money	56.8	63.8	47.0	61.0	139.0	148.0
			(In percent of GDP)			
Budget deficit 1/	-4.3	-3.2	-4.0	-2.6	-5.2	-4.5
Current account 2/	-1.6	-2.2	-2.3	0.1	-0.9	1.1
Gross reserves 3/	3.0	1.3	0.4	3.1	1.9	2.0

Source: Data provided by the Ugandan authorities

1/ On a commitment basis, including foreign grants.

2/ Includes grants.

3/ In months of imports of goods and nonfactor services.

However, by the end of 1983/84, increased political instability and the intensification of the civil war led to the collapse of the economic stabilization efforts.

The starting point for adjustment in the mid-1980s was characterized by an environment that was unfavorable, both internally and externally. Internally, the civil war devastated transportation, power, and water facilities. Manufacturing plants had either closed or were operating at very low rates of capacity utilization, and much of the formerly productive agricultural sector had reverted to producing for subsistence consumption. The financial sector suffered severe repression, as interest rates were negative in real terms, reflecting inflation rates (on an annual basis) that approached 240 percent by June 1987. Externally, a fixed nominal exchange rate had further eroded Uganda's competitiveness, leading to a considerable spread between the rates in the official and parallel markets, an acute shortage of foreign exchange, and increasing payments arrears. These developments were made worse by a further steep deterioration in the terms of trade associated with the collapse of the International Coffee Agreement.

b. The period 1987-94

The objectives of the reform efforts during this period were varied, including the principal task of stabilization and improving the use of market signals to determine prices, interest rates, and the exchange rate. Achievement of these objectives was seen as being critical in providing an environment for enhanced investment and growth. The broad policy objectives were focused on: (i) the need to stabilize the economy, in part through the restoration of fiscal and monetary discipline, notwithstanding demands for considerable outlays to restore and rehabilitate the devastated infrastructure; (ii) the liberalization of consumer and producer prices, with the objective of realigning prices in favor of export-oriented production and import substitution; (iii) the progressive movement toward a realistic, market-determined exchange rate within a system free of exchange restrictions; (iv) the strengthening of the balance of payments and the normalization of relations with creditors; (v) the removal of trade restrictions; (vi) the privatization and rationalization of state enterprises; (vii) the downsizing of the civil service and the army; and (viii) the liberalization of interest rates within a restructured and more efficient financial system capable of mobilizing savings and increasing investments, with the aim of raising the rate of economic growth.

From the outset, the Government viewed the implementation of strong macroeconomic policies and structural measures as essential to the attainment of its recovery program. This commitment provided a basis for a coherent set of policy actions and a determination to implement policies consistently. Policy implementation was, however, affected by a marked deterioration in the terms of trade as a result of declining coffee prices. Although there were slippages in the fiscal area as well as in some important structural reforms in the initial years, consistent implementation of stabilization policies characterized by a decidedly strong anti-inflation bias met with success in later years. Although it is difficult to quantify its significance, the credibility of government actions in terms of consistency cannot be overstressed. Additionally, the contribution of the sequencing and pace of the reforms to business confidence in Uganda is likely to have been quite significant. These issues are discussed in more detail below.

The outcome is that Uganda achieved stabilization with strong economic growth (Table 2). Over the eight-year stabilization period under review, growth averaged almost 6 percent per annum. Although it could be argued that this strong performance was influenced by the low starting point, appropriate economic policies were critical. This improved growth was accompanied by rising investment/GDP and saving/GDP ratios. In 1986/87, total recurrent revenue had shrunk to only 5 percent of GDP, and the overall deficit was financed almost entirely from the domestic banking system. By 1993/94, total recurrent revenue had risen to about 9 percent of GDP, thus reducing the Government's reliance on credit from the banking system and raising public sector savings. Despite unfavorable terms of trade for most of the period, the external current account deficit (excluding grants) as a percentage of GDP also declined markedly, from 16.9 percent in 1988/89 to 8.5 percent in

Table 2. Uganda: Selected Economic and Financial Indicators, 1986/87-1993/94

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94
				(Annual percentage change)				
Real GDP	3.7	7.5	6.1	6.0	5.4	3.6	8.6	5.1
Inflation	237.0	199.1	76.8	26.9	32.0	63.0	-0.6	16.1
Broad money	95.0	202.9	122.4	56.0	46.8	53.4	42.0	33.3
				(In percent of GDP)				
Budget deficit 1/	-4.3	-4.5	-3.6	-5.0	-4.1	-7.6	-3.3	-4.0
Current account 2/	-1.3	-9.6	-9.8	-10.5	-8.1	-4.8	-3.1	-1.8
Gross reserves 3/	0.7	0.7	0.8	0.5	1.3	2.2	1.8	2.9

Source: Data provided by the Ugandan authorities.

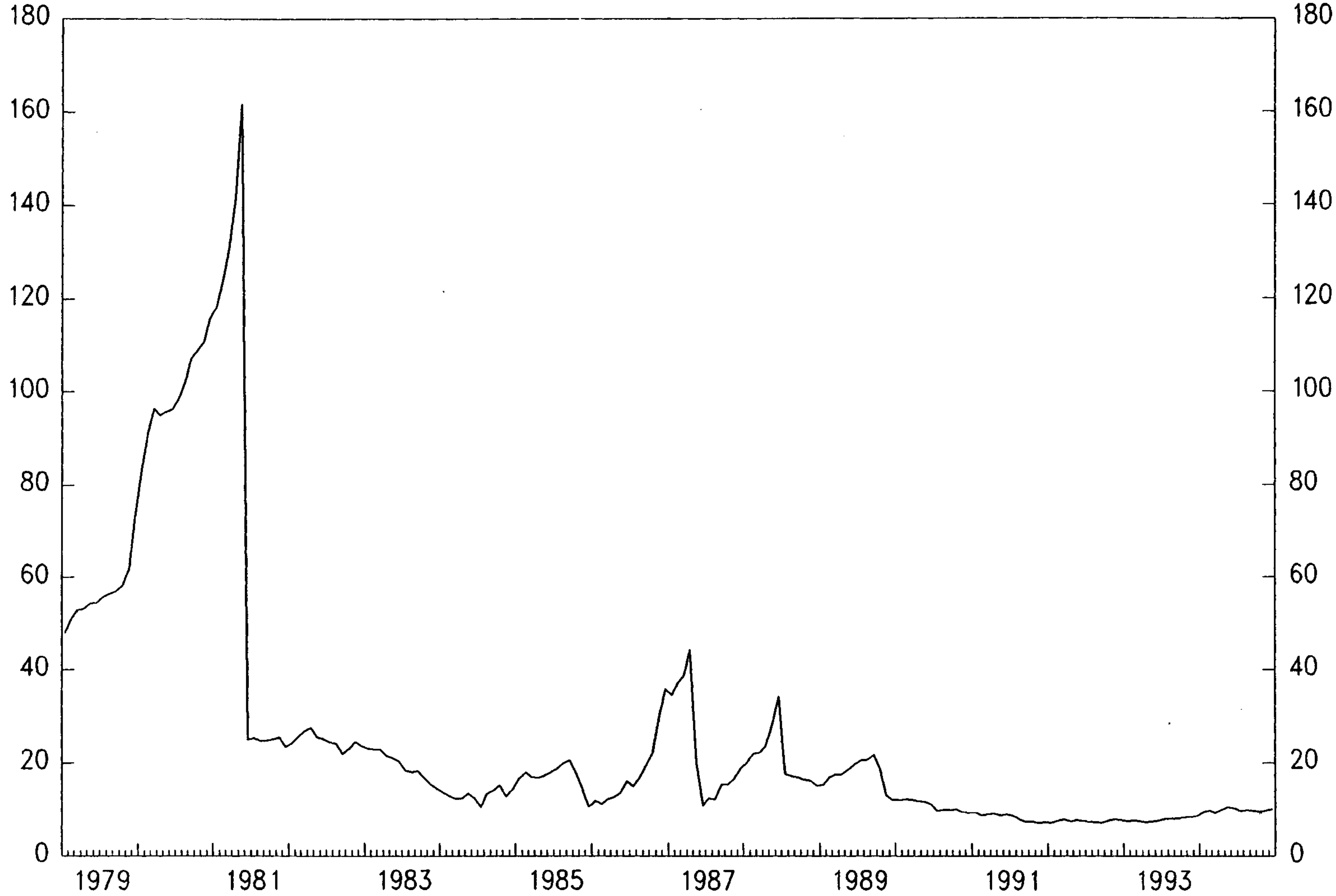
1/ On a commitment basis, including foreign grants.
2/ Includes grants.
3/ In months of imports of goods and nonfactor services.

1993/94, while the exchange rate remained competitive, depreciating from U Sh 100 per U.S. dollar at end-1987 to around U Sh 925 at end-December 1994. Although the real effective exchange rate (REER) appreciated somewhat during 1993/94, Uganda's external competitiveness is now substantially better than it was in 1987 (Chart 9). Successes were recorded in many structural areas, notably, marketing, the foreign exchange system, civil service reform, and army demobilization. Progress was also made in financial sector reforms, albeit with delays.

IV. The Role of Fiscal Policies

For Uganda, fiscal adjustment during the years since 1987 has been important in determining the pace of reforms and the overall savings and investment levels. Not only has strong fiscal adjustment affected public savings directly, but it can be argued that it has also had a positive effect

CHART 9
UGANDA
REAL EFFECTIVE EXCHANGE RATE, 1979-94
(1980=100)



Source: IMF Information Notice System.

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on private savings, contrary to the usual Ricardian substitutability theory. 1/ The improved fiscal performance has been a major factor in building confidence in the economy and achieving stabilization through lower inflation--both of which, it can be argued, have a positive effect on private saving behavior. This commitment by the Government to prudent fiscal policies could have the effect of reassuring private savers that the Government would supplement private savings rather than absorb them, thus increasing individuals' expectations of a higher return on savings because of lower inflationary expectations, and generally a more optimistic outlook concerning economic growth.

In assessing the stance of fiscal policy and its direct impact on investment and aggregate demand/output growth during the adjustment period, one has to consider the degree to which fiscal policies were contractionary or expansionary. In this regard, the adjustment policies faced the task of stabilizing the economy while at the same time preventing a too contractionary impulse from stifling investment and growth. While the achievement of the broad objective of financial stabilization required the pursuit of a restrictive fiscal policy, the desirability of strengthened economic performance necessitated larger outlays on the restoration and the rehabilitation of devastated infrastructure. The authorities reconciled these objectives by focusing on tax reform to augment revenue and by raising donor disbursements.

Tax revenue performance as a percentage of GDP has shown a rising trend since the adjustment efforts in 1987, rising from around 5 percent of GDP to over 8 percent of GDP by 1993/94. Nevertheless, the tax revenue/GDP ratio is well below that achieved two decades earlier (about 11 percent in 1974/75) and less than half of the average current tax/GDP ratio in Sub-Saharan African countries. Of significance is the strong rise in the grant element of budgetary financing during the adjustment period. While total recurrent revenues rose from about 6 percent of GDP in 1987/88 to about 9 percent of GDP in 1993/94, recurrent revenues and grants grew from around 7 percent of GDP to almost 16 percent of GDP during the same period. This enabled total expenditures to grow from around 11 percent of GDP in 1987/88 to around 20 percent in 1993/94, having a somewhat stimulative effect on the economy.

Thus, although in terms of GDP the overall deficit excluding grants almost doubled over the period, from 6 percent to 11 percent, the deficit including grants remained relatively stable at around 5 percent of GDP. The high level of foreign financing clearly enabled Uganda to sustain a sufficiently expansionary policy to maintain adequate aggregate demand even while reducing its reliance on the domestic banking system and facilitating the stabilization of the economy. Nevertheless, in recent years a number of

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1/ See, for example, Asilis and Ghosh (1992) and Leiderman and Blejer (1988). It is argued in some studies that fiscal policies can shift an economy to a higher saving and growth path if individual saving behavior is dependent on aggregate savings.

aggressive measures have been taken to increase the revenue effort. These include enlarging the coverage of the income tax base, streamlining investment incentives, rationalizing import duties, and improving tax administration through the establishment of the Uganda Revenue Authority (URA) in 1992. These measures have enabled increased government savings and significant net repayments to the banking system, which have been critical to restraining monetary growth.

The relatively high growth rates achieved in the Ugandan economy over the adjustment period 1987-94 were led by an increase in the rate of investment activity, which responded positively to the fiscal policies described above, as well as numerous structural, price, and exchange reforms. Although the investment/GDP ratio has increased substantially, this growth has slowed in recent years to 16-17 percent, raising concerns about bottlenecks, implementation capacity, efficiency issues related to the pace of financial sector reforms, or the possibility that the stimuli provided by reconstruction activities have run their course. A further disaggregation of estimates on capital formation shows that whereas public fixed investment as a ratio of GDP tripled from 2.6 percent in 1986/87 to about 8 percent in 1993/94, the private fixed investment ratio increased less sharply, from 6.5 percent to 9.5 percent. Given the implementation capacity constraints on the public investment program in recent years, future increases in gross domestic investment will most likely have to come from the private sector, unless significant bottlenecks affecting the efficiency of public investment programs can be resolved.

Although it is difficult to gauge, achieving a sustainable deficit is critical to facilitating enhanced growth prospects in Uganda. This is necessary to avoid reverting to destabilizing fiscal policies while providing for rising real levels of outlays on key economic and social services. In this regard, improving the extremely low revenue/GDP ratio and reducing the reliance of the budget on donor support is critical. Further rationalization of recurrent expenditures to increase investments in human capital--in particular, education and health--are needed, and though the impact may not be to immediately raise output levels, cross-country analyses have demonstrated that it is significant in the long term.

V. Structural and Pricing Policies

The path of output, saving, and investment in Uganda has been influenced by a number of structural distortions in the economy, which, although difficult to quantify, have probably been quite significant. These distortions included agricultural pricing policies, domestic marketing arrangements, trade policies, foreign exchange restrictions and unrealistic exchange rates, inefficient public enterprises, a bloated civil service, excessive military expenditures, interest rate restrictions, and a distressed financial system. Substantial progress has been made in correcting these distortions, but in some areas they still present obstacles to higher growth. In addition, at issue is whether reforms could have been more closely coordinated and sequenced to encourage a more timely response by investment, and possibly higher growth.

1. Agricultural pricing and marketing policies

The return of investment and growth in the agricultural sector in Uganda has been facilitated by the adoption of market-oriented policies, including the decontrol of food prices and trade. All farmgate agricultural prices in Uganda became market determined during the period of adjustment, although indicative prices continue to be announced for the traditional export crops, such as coffee and cotton, in order to strengthen the bargaining position of producers. The liberalization of agricultural commodity prices and the abolition of various marketing boards have had the effect of increasing revenues to farmers as well as lowering marketing costs, thus significantly raising the profitability of agricultural production. Additionally, the progressive liberalization of the exchange system and the abolition of the surrender requirement on export proceeds from traditional crops have resulted in higher returns to producers, processors, and exporters. However, increased investments and further growth in the food crop subsector are constrained by its reliance on the domestic market. Demand is likely to rise only in relation to population growth rates, and to a lesser extent, increases in income, given the relative inelasticity of food crop demand to changes in income. Higher growth rates in food crop production will have to focus on the diversification of export markets and the development of agro-industries.

Traditional agricultural exports have been a key determinant of Uganda's growth performance. Export growth has not only been significant in the generation of incomes and demand for domestic output but has also eased foreign exchange constraints, making possible higher import levels, which support economic growth. Until recently, declining export prices were a major factor affecting the production levels of the main export, coffee. Coffee exports in 1993/94 totaled about 2.2 million (60 kg) bags, considerably below the peak of 3.5 million bags achieved in 1972/73. The recovery in volume, albeit slow, has been helped by a new system for pricing and taxing coffee adopted in 1991, which allows the producer price, as well as processor and exporter margins, to be determined by market forces. In 1992, in response to the very low levels of world prices, the tax on coffee exports was abolished, and the Government removed the Coffee Marketing Board's monopoly on buying and marketing. The Board was subsequently converted into a commercial operation in competition with private exporters.

Other traditional exports such as cotton and tea remain critical to Uganda's growth potential. In 1970, Uganda exported 78,000 tons of cotton and earned approximately US$49 million. By 1988, output had fallen to 2,100 tons, with earnings of US$3 million. Over the past several years, all of the ginneries--which are owned by cooperatives--have become heavily indebted and incapable of operating profitably. The greatly improved overall incentive framework and the liberalized environment, together with steps taken by the Government, have improved the outlook for the industry. The Lint Marketing

Board's monopoly on the export of lint has been removed, and a Cotton Development Statute was enacted in 1994, which abolished the union monopoly over cotton exports, eliminated licensing and other regulatory barriers, and established the Cotton Development Organization to regulate cotton seed production. Although the cotton industry is far from a recovery, the decline was arrested during the adjustment period, and production volumes picked up to about 5,000 tons in 1993/94. With respect to tea, output fell from about 15,000 tons in 1970 to about 2,000 tons in 1987. Reforms in the industry, although limited, have included a shift in policy to allow firms to export directly, and privatization efforts. The result has been some recovery in output, to 10,000 tons in 1993/94.

2. <u>Trade and foreign exchange policies</u>

One of Uganda's more important and successful external sector reform measures during 1987-94 was the move to a flexible foreign exchange system. This was supported by a continuous effort to liberalize the trade system. The result was the realistic pricing of foreign exchange, which not only gave powerful incentives to exporters, but also encouraged the inflow of private capital, which increasingly has become important in financing the balance of payments. Between 1986/87 and 1993/94, private transfers averaged about 6 percent of GDP. The result was the easing of the foreign exchange shortage that had disrupted productive activity in the past. The increased inflow of private transfers has also been significant in raising overall national savings, thus providing a further boost to the economy's growth potential.

Following the initial 77 percent devaluation in 1987, the Uganda shilling was adjusted periodically through 1989. In 1990, foreign exchange bureaus were licensed, and the spread between the rates in the parallel and official markets narrowed significantly. Finally, the exchange system was unified in November 1993, with the introduction of an interbank system and the abolition of the auction for donor import support funds. The move toward a liberalized trade regime was also fairly rapid, beginning with the open general licensing scheme (OGL) in 1987/88, which focused on allocating donor balance of payments assistance for the importation of raw materials for specified firms. The list of firms and industries was subsequently expanded periodically through 1990. By 1993, this scheme had been phased out, as the payments and foreign exchange system was liberalized and a broadly based import scheme was implemented with a short negative list.

While it is difficult to establish a definitive link between growth and reforms in the external sector, Uganda may have benefitted from these reforms through the increase in resource accumulation--in particular, foreign exchange. Subjecting the economy to increased external competition may also have had a positive impact on productivity growth and efficiency in the use of resources.

3. Public sector adjustment

Public sector structural adjustment in Uganda has many facets. Chief among these are the privatization of public enterprises and the improvement of their efficiency, followed by reform and downsizing of the civil service, and demobilization of significant numbers of soldiers. These reforms can have a significant impact on public sector saving rates through reduced expenditures, and potentially can influence on long-run growth by allowing for a reorientation of expenditure towards the accumulation of human capital through increased allocations for education and social services. Privatization also allows for an improvement in the efficiency of enterprises that previously relied on direct or indirect subsidies from the budget.

Privatization of public enterprises began slowly in the first year after the enactment of the Public Enterprises Reform and Divestiture (PERD) program in 1993, with only two enterprises sold and nine liquidated. The slow implementation of these reforms may have restrained the investment and output response of the economy during the adjustment period, but with the current accelerated efforts in this area, the economy is likely to see significantly higher investment levels in several large enterprises in the coming years. In the second half of 1994, for example, progress in this area accelerated, and eight enterprises were privatized.

Key issues in reforming the civil service have been the rationalization and downsizing of the service, the reform and decentralization of government functions, and the introduction of improved personnel management systems. Since 1992, the Government has been implementing reforms in these areas, with the civil service being downsized from 320,000 positions in 1990 to about 150,000 at end-December 1994. Substantial progress has also been made in simplifying the salary structure by the abolition of a wide range of non-monetary allowances and their consolidation into a basic salary. The challenges for decentralization are significant, however, since local administrative capacity is either low or nonexistent in key areas. In the area of military demobilization, approximately 33,000 soldiers have been discharged since 1992. The Government is now implementing the third and final phase of this program, which should ultimately reduce the size of the army from around 90,000 to 45,000.

4. Interest rate and financial sector reforms

Several issues need to be addressed in assessing the possible role of financial sector performance in enhancing or retarding growth and investment in Uganda. First is the issue of financial repression. The key point here is the extent to which controls on interest rates or directed credit allocation may have distorted the financial sector. As far as the latter is concerned, there is evidence that the allocation of credit to some firms and sectors by political dictate during earlier years--particularly in the 1970s--may have contributed to the current high levels of nonperforming loans in the banking sector. Most of these extensions of credit were made without due regard to creditworthiness and profitability of projects.

Until 1992, the level and structure of interest rates were administered by the Bank of Uganda (BOU), which, in consultation with the Ministry of Finance and Economic Planning, made periodic adjustments. The resulting interest rate policy, combined with a persistently high inflation, led to highly negative real interest rates throughout most of the 1980s, which inhibited savings. The liberalization of interest rates generally resulted in the achievement of positive real rates. Some rates, however, continued to be formally linked to the annualized discount on treasury bills. These included maximum lending rates for term loans, development loans, and agricultural loans. In June 1994, this formal link to a reference rate was abolished, and all interest rates are now freely market determined. The repression of interest rates, however, is only one aspect of the problem. A second issue is the spread between deposit and lending rates, which measures financial intermediation costs. Deposit rates have fallen in response to lower inflation and, most recently, to lower yields on treasury bills, but there has been a general stickiness in lending rates. The result is that the spread has widened, from around 9 percentage points in 1991 (between savings and commercial lending rates) to around 12-14 percentage points at end-December 1994. The large spread is principally accounted for by the profitability problems associated with the large stock of nonperforming assets in the banking system, and the general inefficiency of the banks.

The problems of profitability of the banking system, liquidity management, and capital adequacy have all made it difficult for the financial system to effectively mobilize savings and channel these resources into profitable investments during the adjustment period. The current high real lending interest rates may be constraining investments and can potentially be damaging to further growth in the economy. In this regard, the acceleration of the financial sector reforms is crucial. These reforms include the restructuring and eventual privatization of the Uganda Commercial Bank (UCB), and the reform of several weak banks to achieve stated prudential objectives related to capital and profitability.

Another important issue is the depth of the financial sector. This can be measured by the ratio of the stock of monetary aggregates to GDP. Financial depth can be important, as one would expect a high degree of monetization to be correlated with economic growth by providing greater opportunities for savings and thus investment. In Uganda, the ratio of broad money (M2) to GDP grew from around 7 percent in 1987/88 to around 9 percent in 1993/94. This should be compared with that of Kenya, where the ratio is about 40 percent, or Tanzania, with a ratio of 35 percent. Although GDP growth may have been facilitated by increasing monetization, this remains a clear obstacle to higher growth.

5. <u>Reform sequencing, pace, and the efficiency of investment</u>

With any adjustment, the need for appropriate sequencing of reforms in the presence of adjustment costs and political and administrative constraints is unavoidable. Related to the issue of sequencing is the speed of the adjustment. It is difficult to establish principles on the proper sequencing of reforms, and we can only make judgments as to the appropriateness of Uganda's reform agenda. In assessing this issue, the primary concern is the likely impact on the efficiency of investment and the contribution to growth.

It is generally accepted that stabilization should come first. From the start, this was a primary concern in Uganda's adjustment efforts and was critical in establishing credibility and in reducing the distortionary effect that high and variable inflation has on potential investors. To enhance credibility, the simultaneous initiation of structural reforms in the areas of pricing and marketing was also critical. Given Uganda's reliance on the export of cash crops such as coffee, the early attempts to correct the overvaluation of the currency and the reform of the trade regime were also well timed, although delays in this area could have led to some distortionary effects in the allocation of resources away from export crops.

The proper sequencing of the privatization of enterprises should depend on the efficiency gains expected in the short and medium term and the likelihood that a more competitive environment is created. Additionally, early privatization efforts can enhance credibility and improve the Government's fiscal balance. For Uganda, the slow start of the privatization program may have retarded investment growth and the efficiency of resource allocation. In such key sectors as banking, the delay in completing the restructuring of the UCB and in effecting its privatization may be contributing to the overall weakness of the sector and the difficulty in achieving efficient financial intermediation.

The speed and efficiency of financial sector reforms in Uganda has been constrained by the general weakness of banks and the need to develop an infrastructure that could accommodate market-based indirect monetary instruments. One consequence, as mentioned above, is the continued wide spread in interest rates. This implies that the liberalization of interest rates may have occurred too early, or alternatively, that more effort should have been placed on improving the profitability of problem banks earlier in the adjustment program, as well as on developing the necessary institutions and instruments to influence monetary variables.

VI. Concluding Remarks

Uganda has made impressive strides toward achieving a high and sustained growth in economic activity. This progress has been made possible by the successful implementation of stabilization policies during the period 1987-94, and by important structural reforms. The evidence from the study of Uganda's long-term economic performance confirms what is true of other countries, that is, although economic growth is determined by factors such as the accumulation of physical and human capital, these variables can be significantly affected by policy variables. In general, the sequencing and pace of Uganda's reforms have been appropriate and have elicited the expected responses from investment and saving. Starting from a low base, these variables nevertheless remain inadequate when compared with those of other countries and with Uganda's potential as demonstrated by past performance.

In addition to mobilizing the resources through higher savings to increase the accumulation of physical capital, Uganda needs to invest more in human capital, which has been shown to be a major influence on economic performance over long periods of time. The consolidation of the fiscal position along a sustainable path is required to allow a greater share of resources in such areas as education and health services to build the human capital of the country. Investment in human capital, together with the growth in physical capital, has the potential to also enhance the technological capability of the country to absorb imported technologies, thus leading to greater dynamism in the growth process.

In the medium term, Uganda's growth process can be further enhanced through the encouragement of foreign direct investment. This should be given a boost immediately through the various privatization efforts currently under way. However, there is a real potential for sustained inflows of direct investment as a result of the success of the stabilization efforts, the achievement of political stability, the ongoing investments in infrastructure, the liberalized exchange and payments system, and the current reforms being undertaken in the tax and incentive environment.

To achieve a sufficiently higher growth rate and be able to reduce poverty, Uganda needs to accelerate certain structural reforms, primarily in the banking and financial areas. The current weak state of the banking system is preventing the achievement of financial depth and is contributing to distortions in the allocation of resources because of the stickiness of real lending interest rates and the large spread between lending and saving rates. In addition, the economy still remains substantially unmonetized and largely cash based. The achievement of financial depth requires that this situation be improved, and the key to this process may lie in an aggressive attempt to develop rural finance.

Finally, Uganda's adjustment efforts have relied to a great extent on disbursements by multilateral institutions. As a consequence, its external debt grew from US$1.3 billion in June 1987 to around US$3 billion at end-December 1994, but since the debt is highly concessional, the average interest rate and maturity improved substantially. Nevertheless, the debt-service ratio has been high over the adjustment period, reaching a peak of 128 percent in 1991/92, before beginning a falling trend to 54 percent in 1993/94, and projected at around 25 percent in 1994/95. While manageable, the high level of debt and debt service demonstrates the fragility of the economy and its reliance on the continued financial support of the international community. In this regard, Uganda needs to vigorously deepen its structural reforms so as to diversify its economy and achieve a substantially higher growth path. This final goal will continue to be crucially dependent on the firm commitment of the authorities to the economic and financial adjustment efforts, as envisaged in the ongoing programs, as well as on the support of the donor community.

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Uganda: Summary of Tax System as of February 1995

(All amounts in Uganda shillings)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1. Taxes on companies, corpo rations, or enterprises			
1.1 (Income Tax Decree, 1974, as amended)	Tax payable by companies which are incorporated under the laws of Uganda, or where management and control of their affairs are exercised in Uganda. Resident companies' tax is levied on income and profit accrued or derived from Uganda. Losses can be carried forward. Capital gains are not subject to tax.	Income of local authorities' pension scheme, provident funds, nonprofit educational and charitable organizations, royalties on cinematographic films (including films for radio or television broadcasting). Income deriving from interest on tax reserve certificates and interest payable to nonresidents on specified government securities, dividends of resident company controlling more than 25 percent of the voting power of the paying company. A dividend forming part of the investment income of the life insurance fund of a resident insurance company, and the income from investment of an annuity fund of an insurance company. Deductions include initial investment deduction of 20 percent for new investment in industrial buildings (including hotels) and machinery. "Shipping investment deduction" of 40 percent and annual allowances for capital expenditure as follows: Industrial buildings, 4 percent (as percent of written-down value); vehicles, in Classes I, II, III, 37.5 percent; other motor vehicles, II & III 25 percent in the year expenditure incurred; and 12.5 percent for agricultural land improvements. In ascertaining total income, all expenditure incurred in the production of income is deductible, including bad and doubtful debts, capital expenditure on farm land, and interest on money employed in the production of income. For resident companies taxes paid on income derived from Uganda are deductible against corporation tax, as are taxes withheld on interest and dividends. Permanent establishment of nonresident companies cannot deduct royalties, and management or professional fees paid to head office.	The corporation tax rate is 30 percent.

Uganda: Summary of Tax System as of February 1995 (continued)

(All amounts in Uganda shillings)

Tax	Nature of Tax	Exemptions and Deductions	Rates	
1.2 Taxes on Resident individuals 1.2.1 Individual Income Tax (Income Tax Decree, 1974, as amended)	This is charged on any income accruing in or derived from Uganda. Income of a married woman living with her husband is assessed separately except when they request that the income of the wife be deemed to be the income of husband for tax purposes. A PAYE system is operational for employees in the private sector, including parastatal bodies, and civil servants. Self-employed professionals, owners of certain businesses, and traders are required to make provisional payments of specified amounts on accounts of income tax. Refunds or additional taxes are paid when actual tax liability is determined.	a. In ascertaining income, all expenditure incurred in the production of that income is deductible. b. Exemptions for interest on post office savings and bank deposits. c. Allowance of one third of insurance premium.	Taxable income (In U Sh)	Tax amount (In U Sh)
			Below 840,000	Nil
			Between 840,000 and 2,100,000	10% of the amount by which total income exceeds 840,000
			Between 2,100,000 & 4,200,000	125,000 plus 20% of the amount by which total income exceeds 2,100,000.
			Above 4,200,000	546,000 + 30% of the amount by which total income exceeds 4,2000,000
1.2.2 Individual (Non-Resident) income tax. (Income Tax Decree 1974 as amended)			Below 2,100,000	10%
			Between 2,100,000 and 4,200,000	210,000 + 20% of the amount by which total income exceeds 2,100,000
			Above 4,200,000	630,000 + 30% of the amount by which total income exceeds 4,200,000
			Residents' withholding tax rates	

Uganda: Summary of Tax System as of February 1995 (continued)

(All amounts in Uganda shillings)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.2.3 Individual income tax Income Tax Decree, 1974, as amended			In percent a. Management or professional fee 4 b. Royalties (except films/tapes for radio/TV broadcasting which are free) 4 c. Dividends 4 d. Interest 10 Nonresidents' withholding tax rates (on gross amounts) a. Management or professional fees 15 b. Royalties (except films/tapes for radio/TV broadcasting which are free) 15 c. Rent on property 15 d. Dividends 15 e. Interest 10 f. Pension or retirement annuity in excess of U Sh 5,000 per annum 15

Uganda: Summary of Tax System as of February 1995 (continued)

(All amounts in Uganda shillings)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.2.4 Withholding tax on transactions	Imports and domestic transactions and supplies.	Up-to-date taxpayers as published by the URA.	4 percent
1.2.5 Graduated tax (Section 54-74 of Local Administration Act, 1976, as amended)	A local government tax levied on all residents in recognized employment. A standard rate of tax is levied, as a minimum, regardless of income. Farmers' incomes are assessed on the basis of acreage and nature of crop; cattle owners' income on the basis of number of cattle.	Diplomats and visitors to Uganda who stay for less than four months. Partial or complete exemption can be granted for reasons of poverty, old age, infirmity. No deductions are allowed.	Highest is U Sh 80,000 and lowest is U Sh 6,000.
2. Taxes on property			
2.1 Real estate taxes	There are no central government taxes on land and urban property. However, local government rates apply on all rateable property.	Land owned or occupied by any government department or local authority. Land occupied by nonprofit organizations is exempt.	Amount or rate payable is determined by the relevant local authority and varies from area to area.
3. Taxes on goods and services			
3.1 Sales tax (Sales Tax Act, 1970, as amended)	This is a single tax levied on all manufactured goods, local and imported. It is collected from registered manufacturers and importers. The taxable price is the customs value or ex factory price inclusive of customs duty and excise duty where applicable.	Fertilizers, pharmaceutical products, tires and tubes for tractors, re-exports.	All goods are now taxed at 5 different ad valorem rates varying from 0 percent to 30 percent. Raw materials, machinery and intermediate goods are generally taxed at 10 percent. Remission of the 30 percent sales tax rate to 10 percent for locally manufactured furniture. Consumer goods and luxury items are taxed at higher rates. Illustrative rates are: (In percent) Tea 10 Soft drinks 30 Beer 30 Cigarettes 30 Plastics 12 & 20

Uganda: Summary of Tax System as of February 1995 (continued)

(All amounts in Uganda shillings)

Tax	Nature of Tax	Exemptions and Deductions	Rates
			Mattresses 12 Paints 12 School chalk 0 Soap 12 Wine and spirits 30 Automobiles 0-30
3.2 Excise tax (The Excise Tariff Act, Chapter 174, as amended)	Ad valorem duties levied on selected goods manufactured in Uganda and payable by the manufacturer.		Ad valorem rates on all exciseable goods. (In percent) Beer 70 Cigarettes 100 Soft drinks 40 Soap 0 Sugar 0 Wine and spirits 30
3.3 Commercial transactions levy (CTL) (Finance Decree 14, 1972, and Decree 1973, as amended)	Levied on services including hotel accommodations and board, cinema admissions, and other public entertainment, electricity consumption, air travel, advertising media, construction, professional services, telephone services, hire of rental vehicles.	Medical services and telephone services at public call boxes.	(In percent) Hotel accommodation,) Advertisements,) 15 dry cleaning,) and others.)
3.4 Business and professional licenses	All firms are required to have a license for all categories of business in which they are engaged.	Charitable, religious, and other welfare organizations are exempt.	Fees vary according to the type and location of the business.
4. Taxes on international trade and transactions.	Uganda maintains a single-column tariff schedule based on the Harmonized System (HS).	Imports for President's use, diplomats; fertilizers, drugs, medical equipment, imports under Investment Code except construction materials. Exemptions can be by statutory or by Ministerial residual powers.	Four ad valorem rates ranging from 0 to 30 percent. Most intermediate goods, raw materials and machinery taxed at 10 percent. The rate of 30 percent applies to final products manufactured in the country (soap, apparel, leather goods) and to luxury items (motor vehicles: 10-30 percent; beverages: 30 percent; premium gasoline, kerosene, and diesel are ad valorem. They are currently 225; 165 and 110 percent, respectively. All other

Uganda: Summary of Tax System as of February 1995 (continued)

(All amounts in Uganda shillings)

Tax	Nature of Tax	Exemptions and Deductions	Rates
			petroleum products are taxed at 0-30 percent.
4.1 Export duties	Stabilization tax on coffee export proceeds when price is in excess of U Sh 1,100 per kg.	None.	32 percent.
4.2 Foreign vehicle entry tax (Temporary road license)	Foreign registered vehicles entering Uganda.	None.	Lorry, trailer, semi trailer each US$ 100 for every 30 days. Pick-ups, station wagons, and Omnibus each US$30. Small cars US$20.
5. Other Taxes			
5.1 Stamp duties	Duty is levied on a range of specified instruments including: agreements, articles of association of a company, bill of exchange, bills of sales, deeds leases, etc.	General exemptions including instruments on which duty would be payable by government and certain savings bank documents. Duty on mortgages from loans for developmental purposes, such as those from IDA, EEC, World Bank, etc.	Rate of duty is 1 percent. Where the value cannot be ascertained the general rate is U Sh 1,000.
5.2 Airport Tax	Tax is payable by all passengers leaving the country.	None	Nonresidents, US$20; residents, equivalent of US$20 in Uganda shillings.
5.3 Road User Tax	Toll payable by all individuals driving vehicles through selected road points.	Government and diplomatic vehicles	(In U Sh) Cars] 200 Pick-up trucks] Lorries and buses up to 8 tons] Lorries and buses over to 8 tons] 500

Uganda: Summary of Tax System as of February 1995 (concluded)

(All amounts in Uganda shillings)

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.4 Surtax	Applicable on luxury goods	None	Luxury goods which had previously been subject to a high tariff rate will now be subject to a compensating surtax. (eg. motor vehicle, engine capacity exceeding 2000 will be 30 percent, 3000cc it is 50 percent. Cosmetics 50 percent.

Table 1. Uganda: Gross Domestic Product at Factor Cost by Industry, at Current Prices, 1989/90-1993/94 1/

(In millions of Uganda shillings)

	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
Agriculture	735,988	905,511	1,329,292	1,881,102	2,020,304
Cash crops	30,190	51,393	90,994	106,306	143,893
Food crops	530,407	621,652	896,227	1,351,514	1,388,814
Livestock	119,794	154,728	228,439	279,288	319,512
Forestry	24,001	32,452	44,795	59,819	69,752
Fishing	31,596	45,286	68,837	84,175	98,333
Industry	150,440	224,773	367,731	505,290	591,151
Mining and quarrying	2,047	4,732	8,585	12,171	12,844
Manufacturing	74,629	103,139	170,641	229,633	279,713
Coffee, cotton, and sugar	9,005	12,254	22,877	25,800	32,287
Food products	10,723	13,923	21,448	28,096	33,094
Miscellaneous	54,901	76,962	126,316	175,737	214,332
Public utilities	16,180	24,360	34,523	49,560	63,417
Construction	57,584	92,542	153,982	213,926	235,177
Services	420,947	598,303	928,803	1,316,748	1,508,144
Trade	186,602	223,828	339,766	466,769	496,597
Transport and communications	47,131	67,657	102,027	137,011	153,884
Road	35,116	50,320	76,931	105,809	117,534
Rail	3,152	4,422	5,193	5,984	7,698
Air and support services	4,428	5,762	10,090	12,948	14,096
Communications	4,435	7,153	9,813	12,270	14,556
General government	26,527	52,292	106,539	157,333	198,989
Education	40,227	64,484	90,213	153,866	195,693
Health	12,805	23,933	39,136	56,397	59,247
Rents	65,352	106,721	156,864	213,949	245,713
Miscellaneous	42,303	59,388	94,258	132,423	158,021
GDP at current factor cost	1,307,375	1,728,587	2,625,826	3,703,140	4,119,599
Of which: nonmonetary	(461,371)	(559,137)	(794,640)	(1,144,191)	(1,174,297)
Indirect taxes	80,098	119,495	156,691	244,450	329,211
GDP at current market prices	1,387,473	1,848,082	2,782,517	3,947,590	4,448,810
Per capita GDP at factor cost 2/	80,727	103,757	153,190	208,264	224,562
Old Series (December 1993)					
GDP at current factor cost	1,314,975	1,701,990	2,562,179	3,650,101	4,119,064
Indirect taxes	80,098	119,495	156,691	244,450	329,211
GDP at market prices	1,395,073	1,821,485	2,718,870	3,888,676	4,445,064

Source: Data provided by the Ministry of Finance and Economic Planning, Uganda.

1/ The national accounts series was revised in December 1994.
2/ In Uganda shillings.

Table 2. Uganda: Gross Domestic Product at Factor Cost by Industry, at Constant 1991 Prices, 1989/90-1993/94 1/

(In millions of Uganda shillings)

	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
Agriculture	1,040,109	1,069,049	1,056,897	1,157,211	1,177,284
Cash crops	66,328	68,437	72,028	74,319	80,480
Food crops	715,074	729,161	705,707	792,566	801,112
Livestock products	175,141	182,016	186,067	192,900	198,595
Forestry	35,205	36,593	38,170	40,347	42,016
Fishing	48,361	52,842	54,925	57,079	55,081
Industry	237,382	261,354	290,549	312,416	352,718
Mining and quarrying	3,269	5,954	6,690	7,459	7,917
Manufacturing	107,389	117,271	139,467	148,679	170,573
Coffee, cotton, and sugar	11,271	12,837	19,834	17,228	20,591
Food products	13,098	15,639	17,051	18,225	19,452
Miscellaneous	83,020	88,795	102,582	113,226	130,530
Public utilities	16,564	17,611	19,351	20,378	21,471
Construction	110,160	120,518	125,041	135,900	152,757
Services	652,130	703,218	758,934	817,459	873,773
Trade	233,920	252,815	276,187	302,365	329,107
Transport and communications	78,525	84,329	88,109	94,569	100,568
Road	59,303	63,363	66,596	71,446	75,512
Rail	4,604	5,554	5,034	5,206	5,624
Air and support services	6,784	7,086	7,506	8,125	8,610
Communications	7,834	8,326	8,973	9,792	10,822
General government	65,705	70,666	78,985	84,016	88,298
Education	70,543	74,629	75,726	76,208	77,184
Health	28,089	29,049	30,807	32,067	33,270
Rents	114,141	122,670	131,955	141,599	150,343
Miscellaneous	61,207	69,060	77,165	86,635	95,003
GDP at factor cost	1,929,621	2,033,621	2,106,380	2,287,086	2,403,775
Of which: nonmonetary	(647,825)	(653,697)	(633,295)	(685,158)	(681,329)
Per capita GDP at factor cost 2/	119,149	122,066	122,885	128,625	131,032
Old series (December 1993)					
GDP at factor cost	1,930,939	2,016,089	2,068,083	2,216,059	2,304,527
Of which: nonmonetary	(662,897)	(677,355)	(669,199)	(726,167)	(739,242)

Source: Data provided by the Ministry of Finance and Economic Planning, Uganda.

1/ The national accounts series was revised in December 1994.
2/ In Uganda shillings.

Table 3. Uganda: Gross Domestic Product by Expenditure in Current Prices, 1989/90-1993/94

(In millions of Uganda shillings)

	1989/90	1990/91	1991/92	1992/93	1993/94 Prov
GDP by sector (new series December 1994)					
GDP at factor cost	1,307,375	1,728,587	2,625,826	3,703,140	4,119,599
Indirect taxes	80,098	119,495	156,691	244,450	329,211
GDP at market prices	1,387,473	1,848,082	2,782,517	3,947,590	4,448,810
Resource balance	(215,591)	(290,931)	(397,237)	(618,362)	(608,499)
Exports (goods and nonfactor services)	80,922	126,014	198,893	234,996	346,994
Imports (goods and nonfactor services)	296,513	416,945	596,130	853,358	955,493
Consumption	1,493,911	1,925,814	2,869,566	3,953,948	4,472,449
Private	1,374,124	1,765,820	2,544,605	3,585,832	3,994,509
Public	119,787	159,994	324,961	368,116	477,940
Fixed investment	171,353	271,586	423,984	593,845	704,731
Gross domestic investment	170,479	277,885	421,837	593,845	704,731
Private	113,005	172,821	225,853	297,398	379,123
Public	57,474	105,064	195,984	296,447	325,608
Gross domestic expenditure	1,665,264	2,197,400	3,293,550	4,547,793	5,177,180
GDP at market prices	1,449,673	1,906,469	2,896,313	3,929,430	4,568,681
Discrepancy (expenditure - production)	62,200	58,387	113,796	(18,159)	119,871
In percent of GDP (production)	4.5	3.2	4.1	(0.5)	2.7
Gross domestic savings	(44,238)	(19,344)	26,747	(24,518)	96,231
Private	(29,867)	(10,703)	136,171	29,780	166,841
Public	(14,371)	(8,641)	(109,424)	(54,298)	(70,610
Net factor service income	(11,781)	(32,063)	(83,590)	(52,701)	(60,828)
Private transfers	51,869	62,814	150,455	289,754	295,920
Official transfers	48,900	144,283	198,021	279,023	282,987
GNP	1,437,892	1,874,406	2,812,723	3,876,729	4,507,853
Gross national savings	44,750	155,690	291,633	491,559	614,311
Private	38,826	94,146	206,413	245,154	397,379
Public	5,924	61,544	85,220	246,405	216,932
Memorundum items:					
Population (millions; 1991 census)	16.4	16.8	17.3	17.8	18.0
Per capita GNP by expenditure at current prices					
In Uganda shillings	87,832	111,439	162,754	218,321	250,436
In U.S. dollars	275	202	170	203	229

Sources: Data provided by the Ugandan authorities; and staff estimates.

Table 4. Uganda: Gross Domestic Product by Expenditure as a Percentage of GDP at Market Prices, 1989/90-1993/94 1/

	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
Resource balance	-14.9	-15.3	-13.7	-15.7	-13.3
Exports (goods and nonfactor services)	5.6	6.6	6.9	6.0	7.6
Imports (goods and nonfactor services)	20.5	21.9	20.6	21.7	20.9
Consumption	103.1	101.0	99.1	100.6	97.9
Private	94.8	92.6	87.9	91.3	87.4
Public	8.3	8.4	11.2	9.4	10.5
Fixed investment	11.8	14.2	14.6	15.1	15.4
Gross domestic investment	11.8	14.6	14.6	15.1	15.4
Private	7.8	9.1	7.8	7.6	8.3
Public	4.0	5.5	6.8	7.5	7.1
Gross domestic expenditure	114.9	115.3	113.7	115.7	113.3
GDP at market prices	100.0	100.0	100.0	100.0	100.0
Gross domestic savings	-3.1	-1.0	0.9	-0.6	2.1
Private	-2.1	-0.6	4.7	0.8	3.7
Public	-1.0	-0.5	-3.8	-1.4	-1.5
Net factor service income	-0.8	-1.7	-2.9	-1.3	-1.3
Private transfers	3.6	3.3	5.2	7.4	6.5
Official transfers	3.4	7.6	6.8	7.1	6.2
GNP	99.2	98.3	97.1	98.7	98.7
Gross national savings	3.1	8.2	10.1	12.5	13.4
Private	2.7	4.9	7.1	6.2	8.7
Public	0.4	3.2	2.9	6.3	4.7
Gross national savings (without official transfers)	-0.3	0.6	3.2	5.4	7.3
Private	0.7	1.1	7.0	6.8	8.8
Public	-1.0	-0.5	-3.8	-1.4	-1.5

Sources: Data provided by the Ugandan authorities; and staff estimates.

1/ Calculated using GDP at current prices over GDP by expenditure.

Table 5. Uganda: Gross Domestic Product by Sector at Constant 1991 Prices, 1989/90-1993/94 1/

(Annual growth rates)

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
Agriculture	6.3	5.4	2.8	-1.1	9.5	1.7
Cash crops	6.9	11.9	3.2	5.2	3.2	8.3
Food crops	6.9	5.3	2.0	-3.2	12.3	1.1
Livestock products	5.6	3.7	3.9	2.2	3.7	3.0
Forestry	4.0	2.5	3.9	4.3	5.7	4.1
Fishing	1.0	7.0	9.3	3.9	3.9	-3.5
Industry	4.1	6.6	10.1	11.2	7.5	12.9
Mining and quarrying	-13.3	128.0	82.1	12.4	11.5	6.1
Manufacturing	9.3	7.5	9.2	18.9	6.6	14.7
Coffee, cotton, and sugar	29.3	-0.2	13.9	54.5	-13.1	19.5
Food products	5.4	-9.4	19.4	9.0	6.9	6.7
Miscellaneous	7.6	11.9	7.0	15.5	10.4	15.3
Public utilities (electricity and water)	4.6	2.1	6.3	9.9	5.3	5.4
Construction	-0.2	4.8	9.4	3.8	8.7	12.4
Services	6.6	6.7	7.8	7.9	7.7	6.9
Trade	7.4	7.1	8.1	9.2	9.5	8.8
Transport and communications	6.4	6.9	7.4	4.5	7.3	6.3
Road	8.2	7.3	6.8	5.1	7.3	5.7
Rail	-1.8	10.1	20.6	-9.4	3.4	8.0
Air and support services	0.2	4.4	4.5	5.9	8.2	6.0
Communications	4.6	4.6	6.3	7.8	9.1	10.5
General government	3.9	2.7	7.6	11.8	6.4	5.1
Education	5.8	7.7	5.8	1.5	0.6	1.3
Health	3.9	3.4	3.4	6.1	4.1	3.8
Rents	6.9	7.4	7.5	7.6	7.3	6.2
Miscellaneous	8.4	9.0	12.8	11.7	12.3	9.7
Total GDP at factor cost	6.1	6.0	5.4	3.6	8.6	5.1
Of which: nonmonetary	(5.5)	(3.7)	(0.9)	(-3.1)	(8.2)	(-0.6)
Old series (December 1993)						
Total GDP at factor cost	6.5	5.5	4.4	2.6	7.2	4.0
Of which: nonmonetary	(6.0)	(4.7)	(2.2)	(-1.2)	(8.5)	(1.8)

Sources: Data provided by the Ministry of Finance and Economic Planning, Uganda.

1/ The national accounts series was revised in December 1994.

Table 6. Uganda: Composite Consumer Price Index, September 1989-January 1995

(Base: September 1989=100)

	Food				Nonfood				All Items			
	Index	Percent change			Index	Percent change			Index	Percent change		
	0.501 weight	Monthly	Year-end	Average	0.500 weight	Monthly	Year-end	Average	1.000 weight	Monthly	Year-end	Average
1989 September	100.0	...	...	...	100.0	...	...	...	100.0	...	...	...
October	106.7	6.7	...	...	104.3	4.3	...	...	105.4	5.4	...	...
November	108.6	1.8	...	...	107.3	2.9	...	...	107.9	2.4	...	...
December	110.0	1.3	...	...	110.4	2.9	...	...	110.1	2.0	...	...
1990 January	112.8	2.5	...	...	126.7	14.7	...	...	119.7	8.7	...	...
February	109.4	-3.0	...	...	129.3	2.1	...	...	119.3	-0.3	...	...
March	107.9	-1.4	...	...	130.8	1.1	...	...	119.4	0.1	...	...
April	109.7	1.7	...	...	129.0	-1.4	...	...	119.3	-0.1	...	...
May	104.6	-4.6	...	...	129.9	0.6	...	...	117.2	-1.8	...	...
June	100.3	-4.1	...	...	131.0	0.8	...	...	115.7	-1.3	...	...
July	95.3	-5.0	...	...	135.3	3.3	...	...	115.4	-0.3	...	...
August	102.3	7.3	...	...	136.5	0.9	...	...	119.4	3.5	...	...
September	110.8	8.3	10.8	...	139.2	2.0	39.2	...	125.0	4.7	25.0	...
October	119.3	7.7	11.8	...	143.6	3.2	37.6	...	131.5	5.2	24.8	...
November	120.6	1.1	11.0	...	145.7	1.5	35.7	...	133.1	1.2	23.4	...
December	118.2	-2.0	7.5	...	148.4	1.9	34.3	...	133.4	0.2	21.2	...
1991 January	123.0	4.1	9.0	...	159.5	7.5	25.9	...	141.3	5.9	18.0	...
February	122.7	-0.2	12.2	...	162.4	1.8	25.5	...	142.6	0.9	19.5	...
March	129.3	5.4	19.8	...	162.7	0.2	24.4	...	146.1	2.5	22.4	...
April	139.1	7.6	26.8	...	163.2	0.3	26.5	...	151.2	3.5	26.7	...
May	138.1	-0.7	32.0	...	165.7	1.6	27.6	...	152.0	0.5	29.7	...
June	134.9	-2.3	34.5	...	170.9	3.1	30.5	...	153.1	0.7	32.3	32.9
July	133.1	-1.3	39.7	...	178.1	4.2	31.6	...	155.9	1.8	35.1	...
August	133.2	0.1	30.2	20.1	185.0	3.9	35.6	30.8	159.2	2.1	33.3	26.0
September	132.9	-0.2	19.9	20.8	190.4	2.9	36.8	30.8	161.7	1.6	29.4	26.4
October	137.7	3.6	15.4	21.1	192.3	1.0	33.9	30.7	165.1	2.1	25.6	26.4
November	145.3	5.5	20.5	21.8	196.2	2.0	34.7	30.7	170.8	3.5	28.3	26.8
December	152.5	5.0	29.0	23.7	201.4	2.7	35.8	30.9	176.8	3.5	32.5	27.7
1992 January	160.0	4.9	30.1	25.5	216.9	7.7	36.0	31.8	188.2	6.4	33.2	29.0
February	168.5	5.3	37.3	27.7	229.1	5.6	41.1	33.2	198.6	5.5	39.3	30.8
March	195.8	16.2	51.4	30.6	238.5	4.1	46.6	35.1	216.8	9.2	48.4	33.1
April	232.4	18.7	67.1	34.6	247.8	3.9	51.9	37.3	239.7	10.6	58.5	36.0
May	246.6	6.1	78.6	39.0	256.0	3.3	54.5	39.6	251.3	4.8	65.3	39.2
June	251.3	1.9	86.3	43.7	257.8	0.7	50.9	41.3	254.5	1.3	63.0	42.2
July	245.4	-2.3	84.4	47.6	272.4	5.7	53.0	43.1	259.0	1.8	66.1	44.9
August	238.7	-2.7	79.2	51.6	274.3	0.7	48.3	44.1	256.3	-1.0	61.0	47.2
September	234.6	-1.7	76.5	56.0	278.4	1.5	46.2	44.8	256.3	--	58.5	49.5
October	239.3	2.0	73.8	60.6	281.5	1.1	46.4	45.8	260.4	1.6	57.7	52.0
November	237.6	-0.7	63.5	63.9	281.7	0.1	43.6	46.3	259.6	-0.3	52.0	53.8
December	233.5	-1.7	53.1	65.5	280.3	-0.5	39.1	46.4	257.0	-1.0	45.4	54.5
1993 January	224.4	-3.9	40.3	65.7	281.0	0.2	29.5	45.5	252.6	-1.7	34.2	54.1
February	210.7	-6.1	25.0	63.7	286.1	1.8	24.9	43.7	248.1	-1.8	24.9	52.2
March	207.6	-1.5	6.0	58.2	282.7	-1.2	18.5	40.9	244.9	-1.3	13.0	48.3
April	213.3	2.7	-8.2	49.3	282.2	-0.2	13.9	37.4	247.5	1.1	3.3	42.5
May	215.8	1.2	-12.5	39.5	282.7	0.2	10.4	33.5	249.0	0.6	-0.9	36.1
June	209.2	-3.1	-16.8	29.7	288.3	2.0	11.8	30.2	248.5	-0.2	-0.6	28.3
July	207.3	-0.9	-15.5	21.4	302.6	5.0	11.1	26.7	254.5	2.4	-1.7	24.3
August	200.0	-3.5	-16.2	14.1	303.0	0.1	10.5	23.7	251.1	-1.3	-2.0	19.3
September	210.9	5.5	-10.1	8.3	305.3	0.8	9.7	20.8	258.2	2.8	0.7	15.1
October	218.5	3.6	-8.7	3.1	304.3	-0.3	8.1	18.0	261.2	1.2	0.3	11.1
November	223.8	2.4	-5.8	-1.1	303.5	-0.3	7.7	15.3	263.6	0.9	1.5	7.8
December	235.8	5.4	1.0	-4.0	299.6	-1.3	6.9	13.0	267.6	1.5	4.1	5.1
1994 January	237.8	0.8	6.0	-5.7	306.7	2.3	9.1	11.6	272.1	1.7	7.7	3.5
February	240.4	1.1	14.1	-6.1	306.4	-0.1	7.1	10.2	273.0	0.3	10.0	2.6
March	245.3	2.0	18.2	-5.1	304.7	-0.5	7.8	9.4	274.8	0.7	12.2	2.7
April	259.5	5.8	21.7	-2.8	309.0	1.4	9.5	9.1	283.9	3.3	14.7	3.6
May	267.3	3.0	23.9	0.1	312.5	1.1	10.6	9.1	289.4	1.9	16.2	5.0
June	263.6	-1.4	26.0	3.7	313.9	0.5	8.9	8.9	288.4	-0.3	16.1	6.5
July	251.3	-4.7	21.2	6.8	310.4	-1.1	2.6	8.2	280.3	-2.8	10.1	7.5
August	240.0	-4.5	20.0	9.9	308.8	-0.5	1.9	7.4	273.9	-2.3	9.1	8.5
September	234.3	-2.4	11.1	11.8	310.9	0.7	1.8	6.8	272.1	-0.6	5.4	8.9
October	240.5	2.6	10.1	13.6	313.4	0.8	3.0	6.3	276.4	1.6	5.8	9.3
November	249.9	3.9	11.7	15.2	315.3	0.6	3.9	6.0	282.4	2.2	7.1	9.8
December	257.2	2.9	9.1	15.9	314.9	-0.1	5.1	5.8	286.0	1.3	6.9	10.0
1995 January	252.1	-2.0	6.0	15.9	319.0	1.3	4.0	5.4	285.8	-0.1	5.0	9.8

Source: Data provided by the Ugandan authorities.

Table 7. Uganda: Production and Cultivated Areas of Selected Food Crops, 1989-94

(Areas in thousands of hectares; and production in thousands of metric tons)

	1989	1990	1991	1992	1993	1994 Prov.
Banana (Matooke)						
Area	1,322	1,388	1,430	1,459	1,488	1,511
Production	7,469	7,842	8,080	7,806	8,229	8,836
Cassava						
Area	392	412	389	362	369	380
Production	3,568	3,420	3,229	2,892	3,137	3,100
Sweet potatoes						
Area	405	414	425	442	460	473
Production	1,658	1,693	1,785	1,905	1,978	2,129
Irish potatoes						
Area	36	32	35	37	40	44
Production	248	224	254	268	320	368
Maize						
Area	430	401	420	441	503	563
Production	624	602	567	706	805	900
Finger millet						
Area	381	373	384	396	404	412
Production	610	560	576	634	610	610
Wheat						
Area	5	2	5	5	5	5
Production	11	4	9	9	9	9
Pulses 1/						
Area	615	630	643	673	694	722
Production	485	498	488	509	547	495
Oil seeds 2/						
Area	299	347	364	386	402	415
Production	206	257	264	272	290	282
Total						
Area	3,885	3,999	4,095	4,201	4,364	4,525
Production	14,879	13,821	15,252	15,001	15,925	16,729

Source: Data provided by the Ugandan authorities.

1/ Consists of beans, field peas, cow peas, and pigeon peas.
2/ Consists of ground nuts, soya beans, and sim-sim.

Table 8. Uganda: Production of Traditional Export Crops, 1989-94

(Production in thousands of metric tons)

	1989	1990	1991	1992	1993	1994 Prov
Coffee						
Production	169,042	128,747	147,368	110,295	141,085	166,590
Cotton						
Production	2,321	3,808	7,819	7,536	7,961	8,890
Tea						
Production	4,658	6,704	8,877	9,504	12,102	12,302
Tobacco						
Production	3,456	3,322	5,140	6,686	5,183	4,181

Source: Ministry of Finance and Economic Planning, Uganda.

Table 9. Uganda: Average Prices for Principal Cash Crops, 1990-94

(In Uganda shillings per kilogram)

	1990	1991	1992	1993	1994
			December		
Coffee					
Robusta	120	210	210	270	925
Arabica					
(Bagisu, Grade P)	350	471	471	770	1,650
Cotton					
AR (SAFI)	220	300	340	300	285
BR (Fifi)	110	110	170	150	135
Tea (green leaf)	45	60	80	100	100
Tobacco					
Flue-cured	480	851	1,035	1,100	850
Fire-cured	331	540	620	960	814
Cocoa (wet beans)	150	150	550	540	400

Source: Data provided by the Ugandan authorities.

Table 10. Uganda: Estimates of Livestock Population and Milk Production, 1990-94

	1990	1991	1992	1993	1994 Prov.
Livestock					
			(In thousands of animals)		
Cattle 1/	4,950	5,121	5,209	5,370	4,870
Sheep	780	820	845	871	899
Goats	4,710	4,950	5,070	5,227	5,388
Pigs	1,160	1,210	1,228	1,226	1,305
Poultry 2/	18,960	20,020	20,576	21,214	22,274
Milk production					
			(In thousands of gallons)		
Fresh milk	7,901	15,830	18,235	22,355	26,319 4/
Processed milk 3/	9,399	5,270	4,356	3,267	...
Total	17,300	21,100	22,591	25,622	26,319

Source: Data provided by the Ugandan authorities.

1/ Dairy and beef cattle.
2/ Total number of birds, including chickens, geese, turkeys, and ducks.
3/ Actual figures reported by the Diary Corporation, excluding milk fed to calves.
4/ From 1994, statistics record only fresh milk as an aggregate comprehensive of processed milk.

Table 11. Uganda: Fish Production by Region, 1990-94

(Quantity in thousands of metric tons; value in millions of Uganda shillings; and unit value in Uganda shillings per kilogram)

	1990	1991	1992	1993	1994 Prov.
Lake Victoria					
Quantity	119.9	124.7	129.7	134.9	114.5
Value	21,410.0	...	...	...	...
Lake Albert					
Quantity	19.5	20.2	21.0	21.8	23.7
Value	2,110.0	...	...	...	...
Albert Nile					
Quantity	1.4	1.5	1.5	1.6	7.8
Value	270.0	...	...	...	...
Lake Kyoga					
Quantity	94.9	98.7	102.6	106.7	54.3
Value	9,490.0	...	...	...	...
Lakes Edward, George, and Kazinga Channel					
Quantity	5.5	5.7	5.9	6.4	5.9
Value	600.0	...	...	...	...
Lake Wamala					
Quantity	--	--	--	--	--
Value	--	--	--	--	--
Other waters					
Quantity	4.0	4.1	4.2	4.6	0.7
Value	400.0	...	...	...	...
Total					
Quantity	245.2	254.9	264.9	276.0	206.9
Value	34,280.0	89,220.0	132,450.0	165,860.0	124,326.2
Average unit value	139.8	350.0	500.0	600.9	600.9

Source: Data provided by the Ugandan authorities.

Table 12. Uganda: Total Production of Round-Wood Timber and Charcoal, 1990-94 1/

(In thousands of metric tons)

	1990	1991	1992	1993	1994 Prov.
Sawn logs	256	273	295	321	350
Poles	438	464	479	497	516
Fuelwood	14,015	14,433	14,913	154,352	15,802
Household	11,751	12,068	12,400	12,740	13,089
Commercial	1,626	1,674	1,733	1,790	1,847
Industrial	638	691	780	822	866
Charcoal	1,520	1,596	1,692	1,795	1,902
Total wood production	16,229	16,766	17,379	17,965	18,570
Charcoal manufactured	190	200	211	224	237

Source: Data provided by the Ugandan authorities.

1/ Data are for total production from forest reserves and elsewhere.

Table 13. Uganda: Metered Rates for the National Water and Sewerage Corporation, 1990-94

(In Uganda shillings per cubic meter)

Effective dates:	1990	1991	1992	1993	1994 Prov.
Public stand pipes	125	145	210	250	400
Residential buildings	190	220	320	385	616
Institutions and Government	225	270	395	475	760
Major industrial and commercial users	425	510	550	660	1,056

Source: National Water and Sewerage Corporation, Uganda.

Table 14. Uganda: Electricity Capacity and Generation, 1990-94

Capacity/Generation	1990	1991	1992	1993	1994 Prov.
Installed capacity (megawatts)					
Owen Falls	150.0	150.0	162.0	168.0	175.0
Other stations	5.0	5.0	5.0	5.0	5.0
Total	155.0	155.0	167.0	173.0	180.0
Units generated (million kilowatt hours)					
Hydroelectric	736.5	783.8	992.6	976.5	976.8
Diesel	1.5	1.2	1.5	1.4	3.2
Total	738.0	785.0	994.1	977.9	980.0
Transit and distribution losses 1/	208.0	221.7	225.1	236.8	211.4
Units accounted for by consumption	530.0	569.6	769.0	739.1	768.6
Maximum demand (megawatts)	122.8	136.2	151.0	157.2	160.0
Annual load factor (percent) 2/	68.3	65.8	78.8	71.0	69.9

Source: Ministry of Finance and Economic Planning, Uganda.

1/ Including units unaccounted for by consumption.
2/ The load factor is the ratio of kilowatt hours produced to the maximum demand during the period.

Table 15. Uganda: Electricity Sales by Uganda Electricity Board, 1990-94

Category of consumer	1990	1991	1992	1993	1994 Prov.
			(Number of consumers)		
Domestic tariff	84,928	92,337	104,842	109,576	98,034
General tariff (hotels, clubs, etc.)	814	413	800	577	570
Commercial (security lighting)	18,066	2,760	4,997	6,562	5,924
Street lighting	83	30	127	135	178
Industrial	28	28	42	33	48
Kenya bulk supply	1	1	1	1	1
Tanzania bulk supply	--	--	--	1	1
Total	103,920	95,569	110,809	116,885	104,756
			(Number of units sold, in millions of kwh)		
Domestic tariff	196	370	264	273	259
General tariff (hotels, clubs, etc.)	9	55	73	71	69
Commercial (security lighting)	81	32	33	30	35
Street lighting	5	6	7	6	5
Industrial	61	63	110	97	85
Kenya bulk supply	155	144	283	258	231
Tanzania bulk supply	--	--	--	1	15
Total	507	670	770	736	699
			(Revenue collected, in millions of Uganda shillings)		
Domestic tariff	2,299	2,620	10,905	17,996	21,205
General tariff (hotels, clubs, etc.)	100	541	1,741	2,611	3,357
Commercial (security lighting)	930	1,002	3,907	6,750	7,371
Street lighting	9	33	320	571	706
Industrial	516	793	4,327	7,112	9,655
Kenya bulk supply	529	722	1,765	885	658
Tanzania bulk supply	--	--	--	109	1,533
Total	4,383	5,711	22,965	36,034	44,485

Source: Ministry of Finance and Economic Planning, Uganda.

Table 16. Uganda: Transport and Communications, 1990-93

	1990	1991	1992	1993
Railway transport				
Passenger traffic 1/	108,322	59,750	62,696	59,506
Goods traffic 2/	102,867	139,359	119,134	130,429
Road transport				
Stock of private motor vehicles	35,492	39,098	43,183	60,000 3/
Air transport				
Passengers 4/	151	156	166	199
Cargo (loaded and unloaded, tons)	9,965	7,887	12,837	41,485
Telephone services				
Telephone connections	27,886	28,525	36,270	24,051

Source: Uganda Railways Corp., Uganda Airlines Corp., Uganda Posts & Telecommunications.

1/ In thousands of passenger-kilometers.
2/ In thousands of ton-kilometers.
3/ Provisional (includes government, diplomat, and project fleet).
4/ In thousands of landed plus embarked passengers.

Table 17. Uganda: Pump Prices for Petroleum Products, 1990-94 1/

(Kampala pump prices; in Uganda shillings per liter)

Year and effective month of increase		Motor Spirit Premium (PMS)	Diesel (AGO)	Kerosene (BIK)	Exchange rate (U Sh/US$)
1990	February	250	195	175	379
	June	310	230	210	400
	August	360	270	240	440
	September	500	400	350	480
1991	March	500	400	350	620
	June	500	400	350	700
	July	650	500	460	800
	October	680	530	500	915
1992	January	740	600	570	970
	March	820	660	630	1,000
	June	850	680	630	1,015
	June	940	760	680	1,020
	August	950	770	680	1,023
1993	January	920	770	700	1,065
	March	850	750	680	1,069
	May	910	780	690	1,047
	June	910	810	690	1,048
	September	910	810	690	1,053
	October	950	830	710	1,192
	December	890	820	710	1,185
1994	January	890	820	710	1,113
	March	870	800	690	1,079
	May	920	830	710	966
	June	915	830	710	963
	August	918	830	693	935
	September	920	820	690	926
	October	910	780	670	924

Source: Ministry of Energy, Uganda.

1/ Following the liberalization of fuel prices in January 1994, prices quoted thereafter are average pump prices.

Table 18. Uganda: Index of Industrial Production, Annual Summary for Groups and Subgroups, 1990-94

(1987 = 100)

Group/Subgroup	Number of establishments	Weight	1990	1991	1992	1993	1994 1/
Food processing	54	20.70	174.9	227.4	245.6	245.8	330.1
Meat, fish, and dairy	12	1.70	127.2	166.8	201.0	245.9	276.6
Grain milling	13	4.30	134.7	114.9	104.7	106.9	149.0
Bakeries	9	1.40	206.6	284.1	325.2	322.8	387.7
Sugar and jaggery	4	1.80	789.3	1,220.5	1,501.3	1325.6	1902.7
Coffee roasting	3	0.20	74.2	74.3	107.3	46.0	19.9
Coffee processing	+ 2/	8.62	76.9	92.8	70.4	90.2	130.3
Tea processing	1+ 2/	1.39	184.1	238.1	245.4	312.1	319.9
Other food processing	4	0.30	100.9	91.1	69.5	73.6	65.1
Animal feed	8	0.99	116.7	161.2	142.2	130.6	162.8
Tobacco and beverages	13	26.10	155.2	176.1	155.2	170.9	214.7
Beer and spirits	5	6.61	125.0	129.3	124.5	155.6	190.0
Soft drinks	7	5.40	362.4	385.5	311.4	378.4	319.9
Cigarettes	1	14.09	89.9	117.7	109.8	98.4	97.0
Textiles and clothing	13	16.30	116.3	110.9	111.9	92.7	73.1
Textiles	4	12.00	79.8	88.2	88.7	67.1	42.8
Textile products	4	3.09	116.5	48.7	52.9	77.1	130.3
Garments	5	1.21	477.8	556.0	494.7	387.6	227.9
Leather and footwear	8	2.30	75.3	60.1	79.5	68.4	90.2
Timber, paper, etc.	24	9.00	183.6	198.2	223.4	251.1	299.2
Sawmilling and timber	4	3.20	58.0	58.1	62.7	102.2	106.7
Furniture and foam products	7	2.90	190.9	162.3	175.9	149.3	127.2
Paper and printing	13	2.90	315.2	389.0	448.4	517.4	684.0
Chemicals, paint, and soap	24	12.30	183.5	192.9	250.2	339.5	363.3
Chemicals	2	0.31	79.9	110.9	137.7	189.7	222.8
Paint	5	0.51	62.0	168.2	438.6	614.2	724.0
Medicines	6	0.50	284.3	103.6	296.8	461.0	604.8
Soap	11	10.98	187.4	200.4	242.7	325.5	339.6
Bricks and cement	14	4.30	154.2	162.6	203.1	261.1	272.5
Bricks, tiles, etc.	12	2.23	149.0	167.8	195.3	236.2	273.9
Cement	2	2.07	159.8	157.1	211.6	288.0	271.0
Steel/steel products	19	5.30	107.7	149.3	190.7	259.0	403.6
Iron and steel	6	1.51	57.5	130.8	254.3	526.0	951.3
Structural steel	4	2.28	131.0	166.9	141.6	105.6	94.4
Steel products	9	1.51	122.6	141.2	201.3	224.5	324.7
Miscellaneous	24	3.70	181.3	251.2	271.7	381.0	470.9
Vehicle parts/accessory	5	0.91	224.8	299.9	329.3	423.9	470.7
Plastic products	8	0.63	107.2	187.1	254.9	434.4	560.2
Electrical products	3	1.15	110.5	82.1	120.0	353.6	440.6
Miscellaneous products	8	1.01	269.0	440.1	402.9	340.3	450.1
Index - all items	193+ 2/	100.00	155.5	178.2	191.2	215.6	260.5

Source: Ministry of Finance and Economic Planning, Uganda.

1/ Average based on 9 months, January-September 1994.
2/ The symbol "+" is used to indicate that, in addition to the individual establishments covered in the index, production data for coffee and tea processing, as advised by the respective marketing boards, is included.

Table 19. Uganda: Production of Selected Manufactured Commodities, 1990-93

	Units	1990	1991	1992	1993
Beer	(million liters)	19.4	19.5	18.7	23.9
Uganda waragi	('000 liters)	376.0	369.0	331.0	280.0
Soft drinks	(million liters)	24.3	26.0	21.8	26.9
Cigarettes	(million liters)	1,289.7	1,688.2	1,575.0	1,412.5
Cotton and rayon	(million square meters)	8.2	8.9	9.6	7.5
Hoes	('000 pieces)	803.0	784.0	813.0	150.0
Blankets	('000 pieces)	69.0	38.0	50.0	81.0
Foam mattresses	(tons)	849.0	695.0	719.0	640.0
Sugar	('000 tons)	28.9	42.5	53.5	49.3
Soap	('000 tons)	30.6	33.3	38.7	47.6
Matches (small)	('000 cartons)	--	...	...	2.0
Matches (large)	(000 cartons)	0.1	...	...	--
Plywood	('000 square meters)	0.5	1.0	0.6	--
Steel ingots	('000 square meters)	...	...	...	--
Corrugated iron sheets	('000 tons)	1.3	2.3	5.8	14.3
Cement	('000 tons)	26.9	27.1	37.9	52.0
Paints	('000 tons)	148.0	331.0	923.0	1,221.0
Edible oil and fat	('000 litres)	79.0	47.0	628.0	1,654.0
Animal feeds	('000 tons)	15.0	21.5	20.0	18.2
Footwear	('000 pairs)	319.0	221.0	418.0	326.0
Fish nets	('000 pieces)	62.0	35.0	63.0	106.0
Bicycle tires/tubes	('000 pieces)	18.0	46.0	...	--
Motor batteries	('000 pieces)	19.4	27.3	33.1	43.9
Meat	(tons)	444.0	91.0	212.0	144.0
Processed milk	(million litres)	17.3	21.2	22.7	25.9
Wheat flour	('000 tons)	12.9	11.2	12.2	10.1
Electricity	(million kwh)	736.5	782.5	986.3	974.7

Source: Ministry of Finance and Economic Planning, Uganda.

Table 20. Uganda: Average Market Prices for Selected Consumer Goods, 1990-94

(In Uganda shillings)

	Unit	Second quarter				
		1990	1991	1992	1993	1994 Prov.
Banana (Matooke)	1 kg	56.58	83.82	151.50	141.08	176.07
Maize meal	1 kg	250.67	290.00	677.78	393.39	519.44
Groundnuts	1 kg	336.31	560.10	1,296.91	571.20	1,177.50
Sugar	1 kg	589.33	722.67	972.22	930.56	1,133.33
Dry fish	1 kg	1,106.66	1,403.68	1,177.15	1,054.40	1,418.79
Sweet potatoes	1 kg	47.17	104.79	214.21	114.55	237.28
Dry beans	1 kg	175.24	250.00	793.10	346.73	674.47
Dry cassava flour	1 kg	119.39	124.00	372.22	309.72	300.00
Green vegetables	1 kg	277.51	294.48	435.70	438.96	528.88
Bread	1 kg	700.00	778.52	560.56	636.11	672.22
Tea	1 kg	2,000.00	2,160.00	184.44	252.78	266.66
Salt	1 kg	151.08	202.96	213.89	177.78	166.67
Cooking oil	1 Pepsi bottle	236.67	288.67	536.11	611.11	550.00
Milk	1/2 liter	118.42	150.00	450.00	458.33	500.00
Rice	1 kg	441.33	476.00	905.55	816.67	841.67
Tomatoes	1 kg	184.09	287.61	479.56	389.90	511.31
Onions	1 kg	578.97	588.02	775.01	528.52	1,071.91
Meat	1 kg	700.00	856.67	1,361.11	1,222.22	1,544.44
Native beer	1 beer bottle	80.00	100.00	156.67	210.00	206.67
Bottled beer	1 beer bottle	450.00	713.33	1,044.44	1,000.00	1,200.00
Cigarettes	1 stick	10.00	10.00	15.00	24.17	27.58
Charcoal	1 kg	81.04	90.57	130.70	144.10	154.38
Paraffin	1/2 liter	130.00	300.00	453.33	443.33	428.33
Soap (Star)	1 kg	393.50	512.58	822.22	866.67	933.33
Sheet (American)	1 meter	500.00	670.83	1,108.33	1,108.33	1,158.33
Cotton blankets	one	3,555.55	3,500.00	6,316.67	6,653.33	5,280.00
Nytil material	1 meter	800.00	1,133.33	1,204.17	1,200.00	1,225.00

Source: Ministry of Finance and Economic Planning, Uganda.

Table 21. Uganda: Central Government Budgetary Operations, 1989/90-1993/94

(In millions of Uganda shillings)

	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
Revenue and grants	114,821	206,992	380,639	595,182	651,423
Recurrent revenue	94,526	136,808	185,995	281,428	363,881
Tax revenue	92,231	133,365	172,700	259,024	338,818
Nontax revenue	2,295	3,443	13,295	22,404	25,063
Grants	20,295	70,183	194,644	313,754	287,542
Import support grants	12,895	45,515	56,900	134,746	95,742
Project grants	7,400	24,668	137,744	179,008	191,800
Expenditure and net lending	174,928	267,308	581,496	718,342	816,771
Current expenditure	98,296	128,723	323,017	323,452	390,566
Wages and salaries	12,973	24,132	47,846	62,691	84,427
Interest payments	8,557	18,656	90,093	69,386	63,677
Domestic	956	1,192	8,844	12,831	8,746
External	7,601	17,464	81,249	56,555	54,932
Transfer to URA	...	...	...	11,727	14,500
Other	76,766	85,935	185,078	179,648	227,962
Of which: defense	(...)	(...)	(64,927)	(64,623)	(74,800)
Development expenditure	76,632	134,085	249,978	393,690	423,405
External	48,620	91,870	213,272	357,926	383,600
Local capital	28,012	42,215	36,706	35,764	39,805
Net lending and investment	--	4,500	8,500	1,200	2,800
Overall deficit (commitment)					
Excluding grants	-80,402	-130,500	-395,501	-436,914	-452,890
Including grants	-60,107	-60,316	-200,857	-123,160	-165,348
Change in arrears (net)	-9,441	-12,282	2,491	-72,868	-51,017
Domestic	...	...	7,717	-34,698	-24,713
External	...	...	-5,226	-38,170	-26,304
Adjustment to cash	...	...	--	19,038	15,900
Overall deficit (cash)	-69,548	-72,599	-198,366	-176,990	-200,465
Financing	69,548	72,599	198,366	176,990	200,465
External financing (net)	91,816	63,229	142,338	200,816	243,227
Disbursement	75,640	96,622	131,605	252,077	339,763
Import support	40,237	39,277	56,077	73,159	147,963
Project loans	35,403	57,345	75,528	178,918	191,800
Amortization	-28,355	-58,361	-120,569	-118,838	-114,653
EADB 1/	-346	-7,878	-3,270	-6,700	--
Exceptional financing	44,877	32,846	134,573	74,277	18,117
Domestic financing	-22,268	9,372	56,028	-23,826	-42,762
Bank	-19,326	5,408	51,391	-17,291	-52,500
Nonbank	-2,942	3,964	4,636	-6,535	9,738

Source: Ministry of Finance and Economic Planning, Uganda.

1/ East African Development Bank.

Table 22. Uganda: Government Recurrent Expenditure, 1989/90-1993/94 1/

(In millions of Uganda shillings)

	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
Administration	83,346.9	98,769.0	152,237.0	215,616.3	317,787.4
General public service 2/	20,077.9	20,644.0	73,061.0	72,632.7	154,287.8
Security 3/	40,023.4	46,088.0	42,875.0	76,860.5	90,373.8
Of which: defense	(...)	(...)	(...)	(64,623.0)	(74,800.0)
Education 4/	14,634.9	21,490.0	13,157.0	45,763.1	47,097.0
Health 5/	4,502.2	6,907.0	4,585.0	16,492.5	18,930.7
Other social services 6/	4,108.5	3,640.0	18,558.0	3,867.5	7,098.2
Economic functions	7,831.5	10,600.0	58,558.0	20,586.1	23,588.5
Of which:					
Rural areas 7/	(2,932.4)	(4,216.0)	(7,389.0)	(8,104.1)	(7,061.0)
Other 8/	(4,899.1)	(6,384.0)	(51,169.0)	(12,482.0)	(16,497.5)
Other 9/	7,117.6	19,354.0	112,222.0	87,249.6	49,190.0
Total	98,296.0	128,723.0	323,017.0	323,452.0	390,566.0

Source: Ministry of Finance and Economic Planning.

1/ For 1989/90-1991/92, based on cash releases and for 1992/93 and 1993/94, on checks printed.
2/ Comprises President's Office, State House, Vice President, Prime Minister, Public Service, Foreign Affairs, Justice, Finance and Economic Planning, Judiciary, National Assembly, Audit, Local Government, Public Service Commission, and Law Reform Commission.
3/ Comprises Defense, Internal Affairs, Police, Prisons.
4/ Comprises Education, Makerere, and Uganda Management Institute.
5/ Health Ministry and Mulago hospital.
6/ Comprises Information and Broadcasting, Labor, Women in Development, Karamoja Development Agency, Mass Mobilization, and Inspectorate of Government.
7/ Agriculture and Commerce, Trade, and Industry.
8/ Comprises Lands, Works, Transport and Communications, Tourism, and Energy.
9/ Including interest payments and unallocated items.

Table 23. Uganda: Government Recurrent Revenue, 1989/90-1993/94

(In millions of Uganda shillings)

	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
Income tax	9,458	13,870	23,639	40,876	52,953
Export duties	13,449	12,728	2,005	--	--
Customs duties	25,085	49,582	76,588	124,230	152,575
Excise duty	7,247	12,416	15,027	18,779	40,505
Sales tax	30,963	36,559	35,689	62,905	75,307
Commercial Transactions Levy	2,005	3,054	5,417	9,601	15,291
Freight charges	--	--	7,660	--	--
Other tax revenues	4,024	5,156	6,675	2,633	2,187
Nontax revenue	2,295	3,443	13,295	22,404	25,063
Total recurrent revenue	94,526	136,808	185,995	281,428	363,881

Source: Ministry of Finance and Economic Planning, Uganda.

Table 24. Uganda: Government Development Expenditure by Ministry, 1989/90-1993/94 1/

(In millions of Uganda shillings)

Vote	Ministry	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
101	President's Office	95.8	421.0	208.0	911.8	1,905.1
	Reconstruction and Development	45.7	84	...	...	...
102	State House	476.3	1,230.0	1,969.0	2,372.0	1,107.8
103	Vice President	--	--	100.0	35.9	141.4
104	Prime Minister	23.8	119.0	177.0	375.1	1,908.9
105	Public Service	515.1	86.0	342.0	379.2	319.4
106	Foreign Affairs	21.4	9.0	496.0	35.3	5.3
	Regional Cooperation	5.7	--	...	...	...
107	Justice	34.5	10.0	72.0	26.8	1,366.9
	Constitutional Affairs	397.1	23.0	...	...	...
108	Finance and Economic	3,446.5	6,059.0	6,843.0	7,930.8	7,064.1
	Planning and Economic Development	96.4	1,852.0	...	...	...
109	Commerce, Industry	352.0	44.0	545.0	1,894.5	835.4
	Industry and Technology	26.7	23.0	...	...	...
	Cooperatives	243.0	291.0	...	...	...
110	Agriculture	695.5	1,155.0	2,556.0	2,143.6	1,680.9
	Animal Industry	123.8	497.0	...	...	...
111	Judiciary	69.7	119.0	230.0	89.8	286.2
112	Lands	224.8	24.0	453.0	588.2	340.6
	Housing and Urban Development	667.9	419	...	...	...
113	Education	533.6	1,661.0	1,337.0	2,484.3	2,756.1
114	Health	302.9	759.0	1,101.0	2,127.0	2,487.4
115	National Assembly	117.5	1,219.0	53.0	58.9	239.4
116	Works	4,405.0	8,415.0	8,214.0	1,651.4	2,855.7
	Transport and Communications	628.8	273.0	...	...	...
117	Audit	82.5	74.0	2,000.0	19.6	99.9
118	Information	202.2	136.0	47,000.0	138.7	179.8
120	Labour	11.8	60.0	100.0	169.2	248.1
	Rehabilitation	7.3	22.0	...	...	...
121	Defense	4,242.2	9,593.0	4,400.0	1,063.0	2,048.5
122	Internal Affairs	997.3	909.0	1,410.0	190.2	106.6
123	Mulago Hospital	419.7	242.0	769.0	714.9	539.5
124	Makerere	228.1	916.0	440.0	749.0	833.2
125	Local Government	1,006.3	3,959.0	3,794.0	5,511.0	4,200.2
127	Public Service Commission	538.0	--	4.0	--	8.9
128	Tourism	23.9	101.0	114.0	417.1	1,170.4
129	Energy and Natural Resources	7.7	111.0	738.0	2,432.1	2,099.7
	Environment	55.4	370.0	...	...	...
	Water and Minerals Development	1,138.9	470.0	...	...	...
130	Women	18.8	1.0	34.0	36.0	67.6
	Youth, Culture and Sports	37.6	144.0	...	...	...
131	Inspector General of Gov.	27.9	31.0	9.0	--	34.9
134	Mass Mobilization	106.0	89.0	68.0	1.9	30.8
135	Karamoja	263.0	121.0	81.0	25.5	245.7
136	Uganda Management Institute	--	--	--	--	25.0
137	Law Reform Commission	--	--	--	22.5	39.3
138	Police	730.9	--	--	1,069.2	2,017.1
139	Prisons	53.8	--	--	199.5	185.7
	Central Purchasing Unit	119.1	3.0	--	--	--
	Namalere Workshop	37.8	71.0	--	--	--
142	Mbarara University	...	...	...	...	24.3
143	National Agriculture Organization	...	...	...	...	137.5
Unallocated expenditure		(4,109.3)	--	--	--	--
	Total	28,012	42,215	36,706	35,764	39,805

Source: Ministry of Finance and Economic Planning, Uganda.

1/ Development expenditure excludes the donor component beginning in FY 1991/92. Data have been restructured to reflect the following ministries/Government departments that were merged, President's Office with Reconstruction and Development Dept; Foreign Affairs with Regional Cooperation; Justice with Constitutional Affairs; Finance with Planning and Economic Development; Commerce with Industry, Technology and Cooperatives; Agriculture with Animal Industry and Fisheries; Lands with Housing and Urban Development; Works with Transport and Communications; Labour with Rehabilitation; Energy with Environment, Water and Minerals Development; Women with Youth, Culture and Sports; Central Purchasing Unit originally under Finance but now a parastatal; and Namalere Workshop also included in Agriculture.

Table 25. Uganda: Government Securities Outstanding by Holders, 1989-94

(In millions of Uganda shillings; end of period)

	1989		1990		1991		1992		1993		1994	
	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec. Prov.
Government stocks	17.5	17.6	17.5	17.0	16.8	15.8	16.1	15.7	16.4	7.1	8.0	8.0
Bank of Uganda	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	--	--	--
Commercial banks	5.2	5.2	5.2	4.7	4.7	4.0	3.9	3.6	3.6	3.6	3.6	3.6
Insurance companies	0.6	0.6	0.6	0.6	0.4	0.4	2.5	2.2	0.4	0.4	0.2	0.2
Social Security Fund	2.7	2.7	2.7	2.7	2.6	2.4	--	--	--	--	--	--
Others	2.5	2.5	2.4	2.4	2.5	2.4	3.1	3.3	5.8	3.1	4.1	4.1
Treasury bills	1,520.5	2,275.8	3,190.9	4,870.6	7,177.8	8,628.2	22,010.4	15,387.1	20,083.4	23,492.1	45,801.4	48,061.1
Bank of Uganda	2.5	1.2	...	2.0	8.1	7.2	13.2	276.5	2,953.0	702.7	54.4	229.1
Commercial banks	...	...	...	...	1,017.4	568.9	9,020.6	8,834.3	10,689.0	16,612.1	32,711.8	35,479.4
Insurance companies 1/	262.8	716.0	850.7	813.7	789.5	589.6	1,336.5	732.4	1,225.7	1,682.1	3,353.6	4,371.3
Others 2/	1,255.3	1,558.7	2,340.2	4,054.9	5,362.8	7,462.5	11,640.1	5,543.9	5,215.7	4,495.2	9,681.6	7,981.3
Total	1,538.1	2,293.4	3,208.4	4,887.6	7,194.6	8,644.0	22,026.5	15,402.7	20,099.8	23,499.2	45,809.4	48,069.1
Banks	14.3	13.0	11.8	13.3	1,036.8	586.7	9,044.3	9,120.9	13,652.2	17,318.4	32,769.8	35,712.1
Nonbanks	1,523.8	2,280.4	3,196.6	4,874.3	6,157.8	8,057.3	12,982.2	6,281.8	6,447.6	6,180.8	13,039.6	12,357.0

Source: Bank of Uganda.

1/ Includes credit institutions.
2/ Includes the Coffee Marketing Board, the Social Security Fund, government creditors, and others.

Table 26. Uganda: Monetary Survey, 1989-94

(In billions of Uganda shillings; end-of-period)

	1989		1990		1991		1992		1993		1994	
	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec. Prov.
Net foreign assets	-43.1	-70.6	-87.3	-122.4	-151.5	-175.6	-271.0	-246.1	-205.3	-153.2	-76.1	29.8
Bank of Uganda	-45.2	-74.0	-91.6	-129.9	-165.8	-204.0	-313.1	-303.5	-277.4	-230.4	-148.5	-67.9
Commercial banks	2.1	3.4	4.3	7.5	14.3	28.4	42.1	57.4	72.1	77.2	72.4	97.7
Net domestic assets	103.4	150.2	181.8	239.6	290.1	366.8	507.8	535.9	543.3	546.6	524.9	529.6
Domestic credit	52.8	64.4	84.7	106.5	120.7	185.7	190.4	205.9	208.7	193.4	200.5	201.6
Claims on Government, net	10.2	7.5	14.0	15.4	12.9	73.2	57.2	53.4	40.0	-1.9	-12.5	-39.5
Claims on the private sector	42.6	56.9	70.7	91.1	107.8	112.5	133.2	152.5	168.7	195.3	213.0	241.1
Crop finance	19.5	25.0	24.4	33.2	40.5	42.1	38.4	43.5	48.0	43.8	53.6	64.8
Other private sector	23.1	31.9	46.3	57.9	67.3	70.4	94.8	109.0	120.7	151.5	159.4	176.2
Other items, net	50.6	85.8	97.1	133.1	169.4	181.1	317.4	330.0	334.6	353.2	324.4	328.0
Broad money-M2	60.5	79.1	94.4	117.2	138.6	191.2	212.7	248.8	301.9	353.9	402.5	483.9
Currency and demand deposits	54.5	69.6	81.4	97.9	116.1	160.5	166.5	186.6	221.9	257.7	292.5	354.0
Time and savings deposits	6.0	9.5	13.0	19.3	22.5	30.7	46.2	62.2	80.0	96.2	110.0	129.9
Other deposits 1/	--	--	--	--	--	--	24.3	41.0	36.1	39.5	46.2	75.8

Source: Bank of Uganda.

1/ Foreign exchange deposits of residents.

Table 27. Uganda: Summary Accounts of the Bank of Uganda, 1991-94

(In billions of Uganda shillings; end-of-period)

	1991	1992	1993	1994	
		June		June	Dec. Prov.
Net foreign assets	-172.0	-312.7	-277.4	-148.5	-67.3
External assets	39.9	90.4	140.7	216.0	299.4
Of which: foreign reserves	(38.8)	(85.7)	(134.2)	(212.6)	(295.0)
Foreign liabilities	211.9	403.1	418.1	364.5	366.7
Net domestic assets	46.3	92.3	64.6	20.4	-8.7
Claims on the Government (net)	14.3	64.2	46.5	-2.4	-36.3
Claims on the private sector (net)	26.5	26.1	15.1	19.5	19.1
Crop finance	24.4	15.7	12.2	12.7	13.6
Other	2.1	10.4	3.0	6.8	5.5
Claims on commercial banks	5.5	2.0	3.0	3.3	2.0
Other items (net)	193.1	341.7	358.0	335.5	335.7
Other assets	51.0	52.5	55.5	61.5	65.3
Other liabilities	-142.1	-289.2	-302.5	-274.0	-270.4
Of which:					
Revaluation	(--)	(13.1)	(7.8)	(-29.5)	(-34.9)
Currency revaluation	-192.7)	(-381.0)	(-387.4)	(-307.2)	(-294.0)
Monetary authorities					
Liabilities	67.3	121.3	145.3	207.4	253.1
Currency outside BOU	60.6	92.7	108.9	147.8	195.7
Commercial banks deposits	6.7	28.6	36.4	59.6	57.5

Source: Bank of Uganda.

Table 28. Uganda: Summary Accounts of the Commercial Banks, 1989-94

(In billions of Uganda shillings)

	1989		1990		1991		1992		1993		1994	
	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec. Prov.
Reserves	3.3	4.8	9.8	12.0	6.5	26.7	37.9	34.5	54.6	41.0	72.8	79.4
Cash	2.1	2.7	2.4	4.4	4.4	8.7	8.3	8.6	9.0	10.5	12.4	19.1
Balance sheet with Central Bank	1.2	2.1	7.5	7.6	2.2	18.7	29.6	25.9	45.6	30.5	60.4	60.3
Foreign assets	3.7	6.8	7.9	15.4	19.7	41.3	54.8	72.3	100.4	103.3	108.5	134.5
Forex deposits accounts	...	...	...	...	...	...	24.3	39.4	36.1	37.2	46.2	72.5
Domestic credit	27.7	35.0	48.4	59.7	80.1	92.2	95.3	129.2	147.0	161.6	183.4	219.1
Claims on the Government	0.1	0.3	-1.7	-1.7	-1.4	-0.9	-9.5	-7.2	-6.6	-16.6	-10.1	-2.8
Claims on the private sector	27.6	34.7	50.0	61.5	81.5	93.1	104.8	136.4	153.6	178.2	193.5	221.9
Of which:												
Crop financing	(5.6)	(6.3)	(9.0)	(12.1)	(16.2)	(23.4)	(22.8)	(27.9)	(35.8)	(32.5)	(40.9)	(51.2)
Official entities	(0.1)	(0.3)	(0.8)	(...)	(0.1)	(...)	(...)	(0.3)	(1.5)	(--)	(--)	(--)
Other assets	26.3	36.6	39.2	97.3	102.4	222.4	163.8	200.7	170.9	191.1	223.1	220.7
Assets = Liabilities 1/	62.5	88.2	107.4	178.9	228.9	355.8	351.8	436.7	472.9	497.0	587.8	653.7
Demand deposits	26.3	33.9	45.5	50.9	63.5	79.2	102.4	116.2	130.2	135.4	170.2	193.0
Central Government	1.2	0.7	1.7	1.6	2.4	...	10.4	8.1	8.2	10.3	13.0	15.5
Private sector	25.1	33.2	43.8	49.3	61.1	...	91.8	108.1	122.0	125.1	157.2	177.5
Time and savings deposits	6.0	9.1	13.6	21.4	25.2	30.7	46.3	58.2	80.6	97.1	111.6	129.9
Central Government	0.1	0.5	0.1	0.1	0.2	--	--	--	0.6	0.9	1.6	0.8
Private sector	5.9	8.7	13.4	21.2	25.0	...	46.3	58.2	80.0	96.2	110.0	129.9
Foreign liabilities	1.5	3.4	3.6	7.8	5.4	12.9	12.6	17.1	28.3	30.6	36.1	41.1
Credit from Central Bank	1.0	1.3	3.6	4.8	5.1	9.6	7.9	7.4	8.5	10.5	6.1	6.7
Other liabilities	26.2	35.5	38.1	99.7	106.0	198.4	182.7	237.8	225.4	223.3	263.8	282.9

Source: Bank of Uganda.

1/ Assets may not equal liabilities owing to certain accounting discrepancies.

Table 29. Uganda: Structure of Interest Rates, 1989-94

(In percent per annum; end-of-period)

	1989	1990	1991	1992	1993	1994											
						Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Bank of Uganda																	
Ways and means	15	14	14	14	18	19	21	22	20	14	11	9	8	7	7	6	6
Rediscount rate	48	43	40	40	23	23	23	23	23	23	19	17	17	17	17	14	14
Bank rate to commercial banks	55	50	46	41	24	24	24	24	24	24	20	18	18	18	18	15	15
Treasury bills																	
35 days	38	34	35	...	...	...	...	...	...	...	...	...	...	...	...	...	...
63 days	40	36	36	...	...	...	...	...	...	...	...	...	...	...	...	...	...
91 days	43	39	37	30	18	19	21	22	20	14	11	9	8	7	7	6	6
180 days	...	...	...	...	20	19	24	24	23	18	16	10	10	11	10	8	12
273 days	...	...	...	...	22	21	25	25	25	21	19	13	12	15	13	12	13
364 days	...	...	...	...													15
Government stocks 1/																	
5 years	45	40	40	42	...	...	...	...	...	...	...	...	...	...	...	...	...
10 years	47	42	42	44	...	...	...	...	...	...	...	...	...	...	...	...	...
15 years	50	45	45	47	...	...	...	...	...	...	...	...	...	...	...	...	...
Commercial banks																	
Deposit rates																	
Demand deposits 2/	20	18	13	opt	opt	opt	opt	opt	opt	opt	opt	--	--	--	--	--	--
Savings deposits 3/	33	30	32	21	8	10	12	13	11	5	2	4	2	3	3	3	3
Time deposits 4/																	
3-6 months	33	30	34	24	11	13	15	16	14	8	5	7	...	...	...	...	...
7-12 months	35	32	35	25	12	14	16	17	15	9	6	8	7	7	6	7	7
Minimum one year	37	33	36	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg
Lending rates (maximum) 5/																	
Agriculture 6/	25-40	36	37	33	20	22	24	25	23	17	14	20	19	20	19	22	22
Commerce 7/	50	45	41	neg	20	22	24	25	23	17	14	...	...	...	...	...	...

Source: Bank of Uganda.

1/ No new issues of government stocks since 1993.
2/ Rate of interest payable on demand deposits optional to banks since December 1992.
3/ Indicative interest rates in force until June 1994. Thereafter, weighted average used.
4/ Rate given for time deposits is the weighted average according to bank reporting data.
5/ Sectoral breakdown of interest rates unavailable for July-December 1994; weighted average is the lending rate for all loans extended.
6/ Short term, commercial in nature.
7/ Exceeding one year.

Table 30. Uganda: Commercial Banks' Advances to the Private Sector by Economic Activity, 1989-94

(In millions of Uganda shillings; end-of-period)

	1989		1990		1991		1992		1993		1994	
	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec. Prov.
Agriculture	8,948.2	10,439.5	15,832.2	20,440.3	25,924.4	27,730.1	25,310.8	32,868.7	36,362.6	44,157.9	46,891.7	54,793.1
Production	3,387.9	4,096.5	6,838.7	8,319.9	9,776.0	3,917.3	2,542.6	5,854.4	541.4	6,721.8	6,000.3	3,582.2
Crop finance	5,560.3	6,343.0	8,993.5	12,120.4	16,148.4	23,812.8	22,768.2	27,014.3	35,821.2	35,456.1	40,891.4	51,210.9
Manufacturing	3,308.8	4,915.3	5,119.4	7,106.9	8,986.9	12,304.0	17,785.7	18,686.5	24,565.4	32,361.4	40,184.4	45,699.9
Foods, beverages, tobacco	1,348.9	2,084.2	1,178.8	1,641.4	2,345.7	2,212.3	2,371.4	3,799.8	4,812.6	5,160.1	11,243.6	14,903.3
Leather/textiles	396.6	360.6	423.0	550.1	822.5	718.1	1,394.2	960.2	1,727.9	817.0	2,023.6	2,220.6
Furniture and household	349.0	781.7	1,010.9	818.4	927.0	762.1	960.4	1,161.7	2,268.6	1,377.8	1,724.7	1,995.3
Chemical, pharmacy, and rubber product	135.4	222.5	530.1	701.2	714.3	221.0	226.5	376.0	536.7	204.0	743.8	710.4
Metal products and machinery	121.1	117.7	591.9	1,333.8	1,441.4	684.6	941.8	2,148.7	3,067.8	2,550.7	3,319.5	4,101.1
Building and construction material	202.4	405.9	832.0	1,007.9	993.0	1,375.9	1,421.3	2,162.9	3,291.7	3,126.6	5,352.7	5,323.9
Others	755.4	942.7	552.7	1,054.2	1,743.1	6,330.0	10,470.1	8,077.2	8,860.1	13,733.4	15,776.6	16,445.3
Trade and other services	8,791.2	12,748.3	17,619.9	22,971.2	30,228.6	34,704.0	44,777.4	59,386.8	73,745.1	70,645.9	85,386.8	96,167.7
Wholesale (imports + exports)	4,357.5	6,154.4	5,102.2	8,749.0	12,087.6	11,292.4	9,778.8	20,736.4	28,125.0	17,480.6	25,964.3	34,582.2
Retail	1,438.1	1,687.8	2,599.2	3,846.4	5,515.8	6,773.4	1,490.3	13,642.8	20,021.9	22,707.5	25,696.6	28,708.3
Others	2,995.6	4,906.1	9,918.5	10,375.9	12,625.2	16,638.2	33,508.3	25,007.6	25,598.2	30,457.8	33,726.0	32,877.2
Transport, electricity, and water	3,622.0	4,102.0	4,548.9	4,930.2	6,137.2	5,680.6	6,676.3	7,495.4	7,803.3	9,470.8	9,102.2	9,164.6
Transport	3,362.0	4,099.7	4,548.9	4,315.4	5,882.2	5,553.9	6,665.3	7,476.9	7,790.9	9,253.0	8,906.0	8,183.0
Electricity and water	260.0	2.3	--	614.9	255.0	126.7	11.0	18.5	12.4	217.8	196.2	981.6
Building and construction	1,428.5	2,460.9	4,360.6	4,278.9	5,650.4	7,748.7	10,134.7	10,944.0	11,547.4	11,503.3	12,695.0	18,070.1
Mining and quarrying	21.6	1.2	83.4	114.0	97.1	269.4	96.5	176.3	649.7	285.5	308.8	421.9
Total	26,120.3	34,667.2	47,564.4	59,841.5	77,024.6	88,436.8	104,781.4	129,557.7	154,673.5	168,424.8	194,568.9	224,317.2

Source: Bank of Uganda.

Table 31. Uganda: Balance of Payments, 1989/90-1993/94

(In millions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
Current account	-277.6	-187.4	-131.6	-96.3	-67.1
Trade balance	-374.7	-369.6	-278.6	-416.1	-463.8
Exports, f.o.b.	209.7	175.4	172.1	157.1	253.9
Coffee	159.3	126.9	116.9	99.1	172.3
Noncoffee	50.4	48.5	55.2	57.9	81.5
Imports, c.i.f.	584.4	545.0	450.6	573.2	717.7
Project-related	199.4	218.0	168.9	221.3	198.8
Other imports	385.1	327.1	281.7	352.0	518.9
Nonfactor services	-56.1	-102.1	-108.0	-131.1	-96.4
Net interest	-77.4	-58.2	-87.0	-48.9	-42.9
Private transfers	78.0	80.5	135.9	241.0	303.5
Official transfers	152.7	261.9	206.1	258,9	250.4
Import support	...	86.7	75.1	111.4	75.5
Project support	...	175.2	131.0	147.5	175.0
Other	...	...	...	--	-17.8
Capital account	232.6	86.1	10.4	88.1	172.9
Official (net)	215.1	121.9	38.0	127.3	178.8
Disbursements	292.3	214.1	163.4	231.4	294.1
Import support	167.0	98.7	69.2	83.9	119.2
Project support	125.3	115.4	94.2	147.5	175.0
Amortization due	-77.2	-92.2	-125.4	-104.1	-115.3
Private capital (net) 1/	17.5	-35.8	-27.6	-39.3	-5.9
Overall balance	-45.0	-101.3	-121.2	-8.2	105.8
Financing	45.0	101.3	121.2	8.2	-105.8
From monetary authorities	21.0	35.0	-5.5	-32.1	-89.7
Gross reserve change	22.0	-14.9	-23.8	-38.4	-107.4
IMF (net)	-1.0	51.9	22.0	9.7	17.7
Short-term		-2.0	-3.7	-3.5	--
Change in arrears (net)	-19.0	65.0	98.2	-329.7	-55.3
Exceptional financing	43.0	1.3	28.5	370.1	39.2
Memorandum items:					
Foreign exchange reserves, in months of imports	0.5	1.3	2.2	1.8	2.9
Current account/GDP	-10.5	-8.2	-4.8	-3.1	-1.8
Excluding official transfers	-16.3	-19.7	-12.4	-11.5	-8.5
Debt service ratio, before rescheduling (including IMF)	81.0	96.1	127.7	85.1	53.7
Debt/GDP	83.1	82.6	96.9	87.0	79.7
Coffee price (US$/kg)	0.96	1.04	0.86	0.82	1.14

Sources: Data provided by the Ugandan authorities; and staff estimates.

1/ Includes commercial banks, private direct investment, and errors and omissions.

Table 32. Uganda: Merchandise Imports, 1988-92 1/

(In percent of total imports)

SITC commodities		1988	1989	1990	1991	1992
1	Food and live animals	6.24	5.75	3.60	3.57	4.04
2	Beverages and tobacco	0.68	0.52	0.67	0.34	0.53
3	Crude materials, excluding fuels	2.40	2.23	1.98	2.47	4.17
4	Minerals, fuel, and electricity	15.27	16.66	18.03	15.59	13.43
5	Animal and vegetable oils and fats	2.15	1.64	2.77	1.94	5.79
6	Chemicals	5.66	6.64	7.04	7.20	8.35
7	Basic manufactures	17.31	19.21	15.71	21.17	21.87
8	Machinery and transport equipment	40.28	36.54	39.54	38.05	32.22
9	Miscellaneous manufactured goods	8.08	8.18	9.43	8.88	9.36
10	Goods not classified elsewhere	1.93	2.63	1.24	0.78	0.24
	Total	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Finance and Economic Planning, Uganda.

1/ Data are based on partner-country trade figures.

Table 33. Uganda: Imports by Economic Classification, 1989/90-1993/94

(In millions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
Projects	199	218	169	221	461
Other external financing	185	218	169	173	199
Barter trade	14	...	...	...	...
Petroleum products	78	87	57	53	198
Import support	53	66	43	53	13
Volume	292	279	...	...	...
Price (US$/liter)	0.51	...	...	...	...
Government imports	132	91	20	17	14
Barter trade	26	21	...	...	...
Bank of Uganda	106	70	20	17	14
Other	175	149	204	282	45
Private transfers	87	82	124	181	--
Barter trade	16	...	...	...	...
Bank of Uganda	72	67	80	99	...
Total imports	584	545	450	573	718
Of which: non-oil	(506)	(458)	(393)	(520)	(520)

Sources: Staff estimates, based on data provided by the Bank of Uganda and the Ministry of Finance and Economic Planning.

Table 34. Uganda: Merchandise Exports, 1989/90-1993/94

(Value in millions of U.S. dollars; volume in thousands of metric tons; unit value in U.S. dollars per kilogram)

	1989/90	1990/91	1991/92	1992/93	1993/94 Prov.
Coffee 1/					
Value of shipments	180.40	119.40	117.30	111.33	172.39
Cash	133.40	101.60	113.00	111.33	...
Barter	47.00	17.70	4.30	...	...
Volume	165.30	116.50	136.20	135.96	157.50
Volume (bags)	2,754	1,942	2,270	2,266	2,625
Unit value	1.09	1.03	0.86	0.82	1.14
Cotton					
Value	4.30	7.70	10.10	5.30	4.29
Cash	3.30	7.70	10.10	5.30	4.29
Barter	1.00	...	...	...	...
Volume	2.70	5.00	7.50	4.90	3.95
Unit value	1.59	1.54	1.35	1.08	1.09
Tea					
Value	3.20	5.40	4.40	6.53	8.94
Cash	2.10	3.90	4.40	6.53	8.94
Barter	1.10	1.50	...	...	...
Volume	3.60	6.50	5.40	8.42	10.39
Unit value	0.89	0.83	0.81	0.78	0.86
Other products 2/					
Value	35.40	35.40	40.70	46.00	68.32
Cash	33.10	34.10	40.70	46.15	68.32
Barter	2.30	1.30	...	...	...

Source: Bank of Uganda.

1/ Shipment data are from the Uganda Coffee Development Authority (UCDA), which may differ from the cash-flow data reported in the balance of payments.
2/ Includes hides and skins, timber, simsim, beans, tobacco, fish, maize, and electricity.

Table 35. Uganda: Bank of Uganda Auction and Parallel Bureau Exchange Rates, 1989-94 1/

(In Uganda shillings per U.S. dollar)

	1989		1990		1991		1992		1993		1994	
	Bank of Uganda 2/	Forex bureaus	Bank of Uganda 3/	Forex bureaus	Bank of Uganda 4/	Forex bureaus	Bank of Uganda 5/	Forex bureaus	Bank of Uganda 5/	Forex bureaus	Interbank mid-rate	Forex bureaus
January	165	396	375	763	570	779	967	1,217	1,039	1,218	1,113	1,160
February	165	406	379	716	600	787	991	1,223	1,041	1,215	1,047	1,082
March	200	460	379	642	620	815	1,000	1,192	1,042	1,212	1,079	1,107
April	200	520	379	644	640	847	1,000	1,156	1,044	1,216	1,007	1,066
May	200	566	384	650	670	888	1,009	1,165	1,046	1,211	966	1,011
June	200	612	440	657	700	939	1,019	1,166	1,048	1,197	963	973
July	200	613	440	637	800	957	1,022	1,178	1,049	1,191	967	976
August	200	592	450	697	800	973	1,025	1,185	1,050	1,190	921	944
September	200	610	480	731	850	982	1,029	1,185	1,053	1,183	921	937
October	340	633	480	725	915	1,002	1,032	1,182	1,130	1,167	920	928
November	340	715	510	749	915	1,070	1,034	1,210	1,165	1,185	920	925
December	370	751	540	769	915	1,184	1,035	1,217	1,146	1,186	930	...

Source: Bank of Uganda.

1/ Bank of Uganda or auction rates are middle rates as at end of period. Forex bureau rates are period averages.
2/ Special Import Programme II was launched in June 1989 and suspended in October 1989.
3/ Parallel market legalized in June 1990, forex bureaus established in July 1990.
4/ Bank of Uganda auction of donor import support began in January 1992.
5/ As of November 1, 1993, the interbank mid-rate became the Bank of Uganda's official exchange rate.

Table 36. Uganda: External Trade Indices, 1985-93

(1987 = 100)

	Exports			Imports				Terms of trade index
	Volume	Unit price	Value	Volume	Unit price	Value	Non-oil value	
1985	103.2	109.5	115.3	43.3	109.0	47.2	38.6	100.5
1986	95.7	132.5	127.8	69.4	105.5	73.2	72.3	125.5
1987	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1988	97.0	85.8	84.7	102.9	106.9	110.0	109.5	80.3
1989	118.4	69.9	83.0	107.8	114.8	123.7	124.3	60.9
1990	90.2	45.0	46.1	94.4	109.4	103.2	100.8	41.1
1991	81.6	43.3	40.4	72.6	109.2	79.3	75.6	39.7
1992	76.3	36.7	31.8	78.2	109.6	85.7	86.9	33.5
1993	73.6	42.6	35.3	95.3	108.5	103.4	105.8	39.3

Sources: Bank of Uganda; and staff estimate

Table 37. Uganda: Coffee Price, Volume, and Value, 1989-94

	1989			1990			1991			1992			1993			1994 1/		
	Quantity (60kg bags)	Price ($/kg)	Value ($)	Quantity (60kg bags)	Price ($/kg)	Value ($)	Quantity (60kg bags)	Price ($/kg)	Value ($)	Quantity (60kg bags)	Price ($/kg)	Value ($)	Quantity (60kg bags)	Price ($/kg)	Value ($)	Quantity (60kg bags)	Price ($/kg)	Value ($)
January	376,693	1.65	37,244,886	208,197	0.94	11,735,568	166,628	1.12	11,227,740	243,439	0.99	14,392,618	132,689	0.91	7,224,546	209,778	1.18	14,909,645
February	334,184	1.81	36,295,764	295,514	0.91	16,111,082	175,791	1.08	11,376,416	185,299	0.92	10,240,378	145,768	0.92	8,111,247	311,123	1.10	20,465,608
March	175,155	1.68	17,634,120	178,125	0.99	10,600,832	196,613	1.01	11,873,642	246,390	0.80	11,870,604	245,122	0.90	13,251,916	361,880	1.14	24,692,717
Q1	886,032	1.72	91,174,770	681,836	0.94	38,447,482	539,032	1.07	34,477,798	675,128	0.90	36,503,600	523,579	0.91	28,587,709	882,781	1.13	60,067,969
April	328,940	1.75	34,475,558	208,379	1.04	13,050,833	184,733	1.16	12,825,145	159,644	0.84	8,046,452	247,190	0.87	12,834,668	366,859	1.18	26,077,207
May	132,929	1.72	13,718,272	241,038	1.04	15,008,424	115,802	0.85	5,923,379	154,017	0.78	7,195,597	201,190	0.88	10,665,705	319,976	1.25	24,082,544
June	145,535	1.62	14,146,001	175,169	1.02	10,761,043	60,414	0.94	3,399,467	102,363	0.75	4,581,004	156,917	0.87	8,146,925	234,205	1.47	20,719,704
Q2	607,404	1.71	62,339,831	624,586	1.04	38,820,300	360,949	1.02	22,147,991	416,024	0.79	19,823,053	605,297	0.87	31,647,298	921,040	1.28	70,879,455
July	255,909	1.39	21,342,810	136,598	1.00	8,157,373	108,075	0.83	5,361,121	107,714	0.75	4,872,367	105,462	0.83	5,269,110	344,844	2.12	43,797,919
August	355,567	1.29	27,520,885	176,930	0.93	9,849,191	239,599	0.82	11,822,216	95,666	0.69	3,979,062	188,819	0.88	9,913,789	208,950	2.11	26,426,211
September	339,494	1.21	24,647,263	248,318	0.98	14,666,765	352,973	0.81	17,050,083	231,344	0.68	9,479,646	211,926	1.02	12,921,730	303,455	2.10	38,176,839
Q3	950,970	1.29	73,510,958	461,846	0.97	32,673,329	700,647	0.81	34,233,420	434,724	0.70	18,331,075	506,207	0.93	28,104,629	857,249	2.11	108,400,969
October	148,745	1.08	9,606,774	200,958	1.04	12,481,212	153,435	0.77	7,078,826	186,934	0.71	7,916,628	70,047	1.15	4,819,486	151,262	2.78	25,187,085
November	205,284	0.94	11,578,039	155,821	1.02	9,576,508	161,752	0.90	8,740,018	161,623	0.77	7,510,754	84,971	1.11	5,638,666	103,382	2.41	14,949,743
December	142,454	0.99	8,472,013	127,586	1.10	8,428,184	189,766	0.96	10,966,196	105,002	0.81	5,106,974	112,712	1.18	7,976,387	103,169	2.38	14,736,055
Q4	496,483	1.00	29,656,826	483,550	1.04	30,051,667	504,953	0.88	26,785,040	453,559	0.75	20,534,356	267,730	1.15	18,434,539	357,813	2.56	54,872,822
Total	2,940,889	1.58	256,682,385	2,351,818	0.99	139,992,778	2,105,581	0.93	117,644,249	1,979,435	0.80	95,192,084	1,902,813	0.94	106,774,175	3,018,883	1.62	294,221,276

Source: Uganda Coffee Development Authority.

1/ Data for October-December 1994 is provisional.

Table 38. Uganda: External Debt Outstanding, June 1991-December 1994

	1991	1992	1993	1994	
		June		June	Dec. Prov.
	(In millions of U.S. dollars)				
Total	2,592	2,647	2,682	2,993	3,170
Multilateral institutions 1/	1,644	1,756	1,843	2,150	2,284
AfDB	91	59	50	28	28
AfDF	18	139	142	197	197
BADEA	18	18	18	15	14
EIB	16	19	17	21	25
IBRD	28	24	22	18	16
IDA	957	1,043	1,152	1,418	1,533
IDB	19	21	22	16	14
IFAD	30	33	38	44	46
IMF	282	330	344	361	383
Other	185	69	39	32	28
Bilateral Paris Club	285	273	282	332	343
Pre-cutoff	...	161	171	176	181
Post-cutoff	...	113	110	156	162
Bilateral non-Paris Club	526	378	381	398	424
China	48	61	57	65	66
India	62	61	54	51	54
Libya	84	87	90	98	111
Tanzania	131	71	68	68	68
Korea, D.P.R. of	38	34	34	34	35
Other	163	65	79	82	91
Commercial banks	40	15	14	1	1
Commercial nonbanks	96	225	61	38	39
Other loans 2/	--	...	101	73	78
Adjustment 3/	...	...	...	...	...
	(In percent of total debt stock)				
Total	100.0	100.0	100.0	100.0	100.0
Multilateral institutions 3/	63.4	66.3	68.7	71.8	72.0
Bilateral Paris Club	11.0	10.3	10.5	11.1	10.8
Pre-cutoff	...	6.1	6.4	5.9	5.7
Post-cutoff	...	4.3	4.1	5.2	5.1
Bilateral non-Paris Club	20.3	14.3	14.2	13.3	13.4
Commercial banks	1.6	0.6	0.5	--	--
Commercial nonbanks	3.7	8.5	2.3	1.3	1.2
Other loans 2/	--	...	3.8	2.5	2.5
Memorandum item:					
Debt/GDP ratio (including IMF)	82.6	96.9	87.0	79.7	59.6

Sources: Data provided by Ugandan authorities; and staff estimates.

1/ AfDB, African Development Bank; AfDF, African Development Fund; BADEA, Arab Bank for Economic Development in Africa; EIB, European Investment Bank; IBRD, International Bank for Reconstruction and Development; IDA, International Development Association; IDB, Inter-American Development Bank; IFAD, International Fund for Agricultural Development; IMF, International Monetary Fund.
2/ Commercial borrowing uninsured by the public sector.
3/ For June 1994, includes an adjustment for understating of disbursement from multilateral institutions.

Table 39. Uganda: External Arrears, June 1991-December 1994

(In millions of U.S. dollars)

Creditors	1991	1992	1993	1994	
		June		June	Dec. Prov.
Multilateral institutions	52.0	59.1	19.2	--	--
World Bank	--	--	--	--	--
IMF	--	--	--	--	--
African Development Bank	--	--	--	--	--
Islamic Development Bank	0.4	8.9	--	--	--
European Investment Bank	2.2	1.5	1.2	--	--
East African Development Bank	45.3	48.1	15.3	--	--
Other 1/	4.1	0.6	2.8	--	--
Bilateral Paris Club	65.2	107.9	5.6	--	--
France	31.8	47.4	--	--	--
Italy	12.3	17.7	--	--	--
United Kingdom	5.0	9.8	--	--	--
Germany	--	1.7	--	--	--
United States	2.1	0.6	--	--	--
Spain	1.0	1.5	--	--	--
Japan	0.5	5.1	5.6	--	--
Israel	--	24.0	--	--	--
Other	12.5	--	--	--	--
Bilateral non-Paris Club	122.1	197.7	132.6	143.4	152.4
Abu Dhabi	1.4	2.3	3.1	3.8	4.0
China	11.9	28.7	3.3	3.3	4.4
India	50.0	52.2	--	--	--
Kuwait	0.9	0.4	--	--	2.9
Iraq	3.4	3.5	3.5	2.9	--
Cuba	0.3	1.3	0.2	--	--
U.S.S.R.	33.4	--	--	--	31.1
Yugoslavia	9.0	13.8	22.6	29.0	30.8
Libya	3.2	8.7	14.5	25.3	--
Saudi Arabia	1.3	--	--	--	3.5
Pakistan	1.4	2.0	2.7	3.4	3.4
Burundi	5.4	4.9	3.6	3.4	--
North Korea	0.4	4.4	7.5	--	67.5
Tanzania	0.1	71.2	67.6	67.5	0.9
Nigeria	...	--	0.3	0.9	3.8
Egypt	...	4.2	3.8	3.8	0.1
Other	--	--	0.1	--	--
Suppliers and banks/Private	138.4	244.6	122.3	77.5	82.7
IFC	4.1	6.9	6.9	10.0	10.1
CDC	10.1	16.6	15.8	21.1	25.4
EADB	...	...	33.6	--	--
Other (non-Banks/CWTel.)	124.2	221.1	66.0	46.4	47.3
Total	377.7	609.2	279.7	220.9	235.1

Sources: Data provided by the Ugandan authorities; and staff estimates.

1/ Includes the International Fund for Agricultural Development, the European Development Fund, the Arab Bank for Economic Development in Africa OPEC Fund, Shelter Afrique, and the Nordic Development Fund.