









INDICATIVE BUDGET AT A GLANCE FY 2018/19

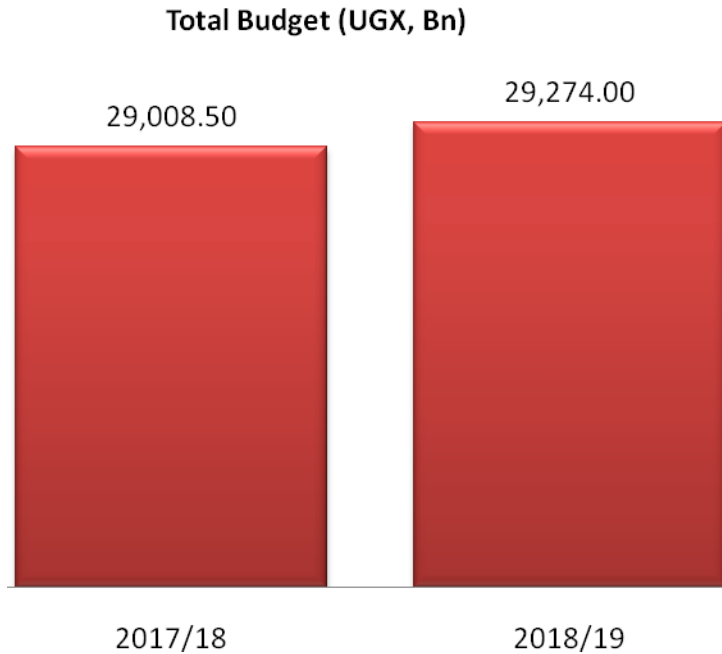
Parliamentary Budget Office
January 2018

Macroeconomic Policy Framework

The overall macroeconomic goal is to accelerate and sustain inclusive economic growth while maintaining macroeconomic and debt sustainability during FY 2018/19.

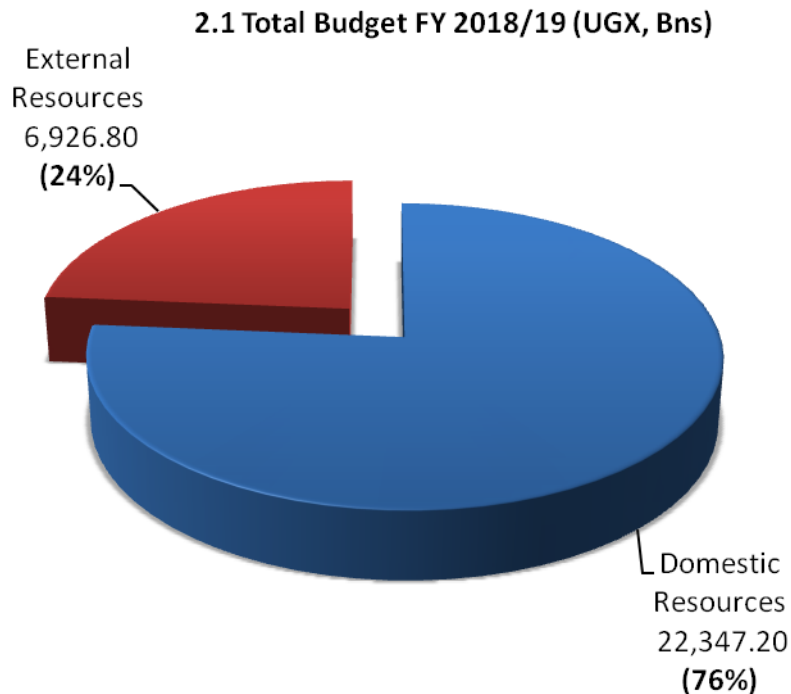
Key macroeconomic forecasts	
	The fiscal deficit, as a share of GDP, is projected to decrease to 5.4 percent in FY 2018/19 from 6.2 percent projected in FY 2017/18 and an increase from 3.9 percent in FY 2016/17.
	The Present Value of public sector debt to GDP stood at 27.1 percent in FY 2016/17 and is projected to increase to 31.2 percent in FY 2017/18 below the thresholds of 50 percent stipulated in the Charter of Fiscal Responsibility.
	The economy grew by 4.7 percent during the FY 2015/16, 4.0 percent in FY 2016/17 and is projected to grow by 5.0 percent in FY 2017/18, before reaching 5.5 percent in FY 2018/19. This is consistently lower than the NDP II targets of 5.8, 5.9 and 6.4 percent respectively.
	Annual Headline inflation is projected to decline to 5 percent in FY 2018/19 compared to 6.6 percent registered in 2015/16. The decline is largely on account of improved food supply due to more favorable weather conditions.
	The Shilling depreciated by 1 percent from UGX 3601.5 per USD in July 2017 to UGX 3638.8 per USD in November 2017. The exchange rate is projected to remain stable in the medium term supported by foreign direct investment especially in the Oil and Gas Sector.
	Bank of Uganda has continued to conduct a supportive monetary policy stance, gradually lowering the Central Bank Rate (CBR) from 15 percent in July 2016 to 9.5 percent in October 2017. This is to support recovery in private sector activity.
	Government securities for the 91 and 364-day tenors declined from an average of 17.5 and 20.06 percent in FY 2015/16 to an average of 13.2 and 15 percent in FY 2016/17 respectively.
	Growth in Private sector credit improved from 4.8 percent recorded in FY 2015/16 to 5.8 percent in FY 2016/17.

1. Total Projected Resources for FY 2018/19



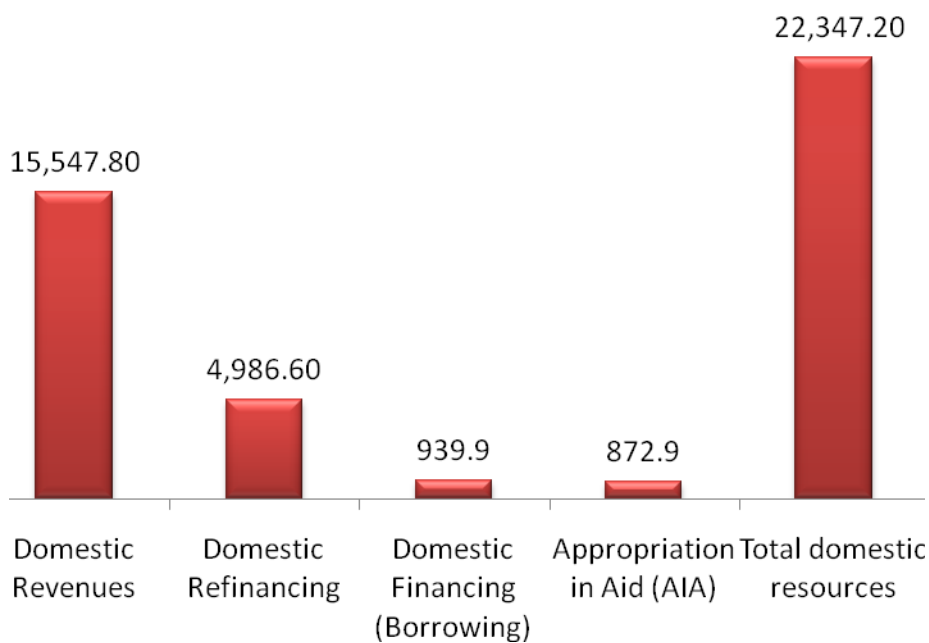
- ❖ The total proposed budget for FY 2018/19 is projected to increase by UGX 265 billion over the FY 2017/18 approved level.

2. Budget Financing by Source



- ❖ Domestic resources will account for 76 percent of the total Budget and are projected to increase by 2 percent from FY 2017/18 approved level of UGX 21,898.2 billion.
- ❖ External resources will account for 24 percent of the total Budget and are projected to reduce by 2.5 percent from FY 2017/18 approved level of UGX 7,110.3 billion.

2.2 Domestic Resources for FY 2018/19 (UGX, Bn)



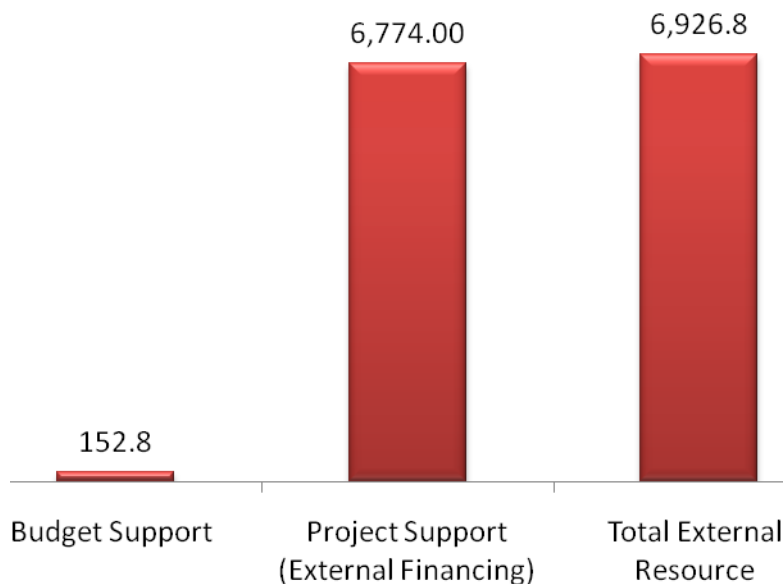
- ❖ Domestic revenues will account for 70 percent of domestic resource. As a share of GDP, domestic revenues will result into 0.3 percentage growth from its FY 2017/18 level.

- ❖ Tax Revenues are projected to contribute UGX 15,130 billion to domestic revenues.

- ❖ Domestic refinancing (borrowing to finance domestic debt) will account for 22 percent of total domestic resources.

- ❖ Domestic borrowing for purposes of financing the deficit is projected to amount to UGX 939.9 billion.

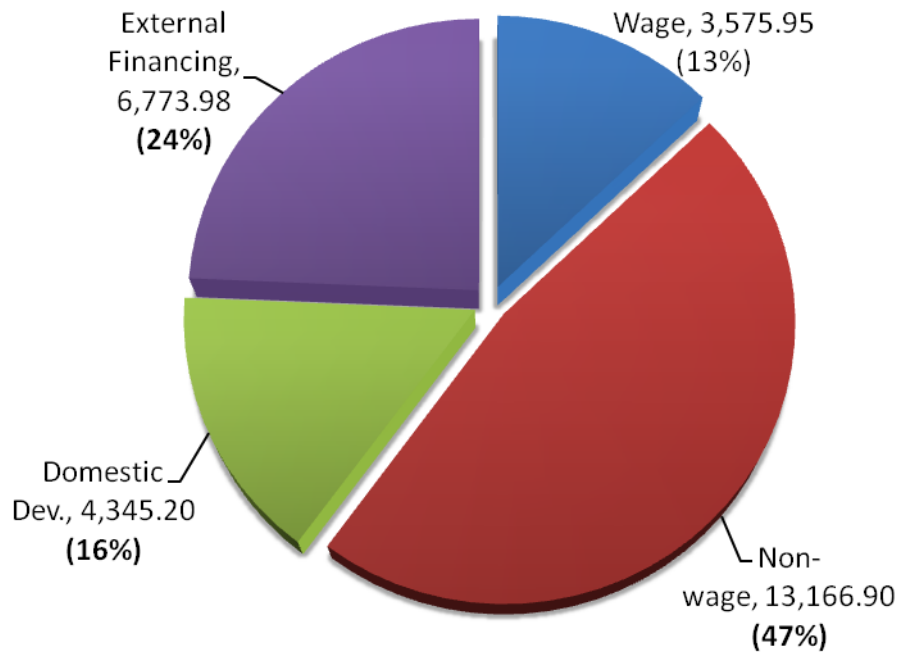
2.3 External Resources , FY 2018/1 (UGX, Bn)



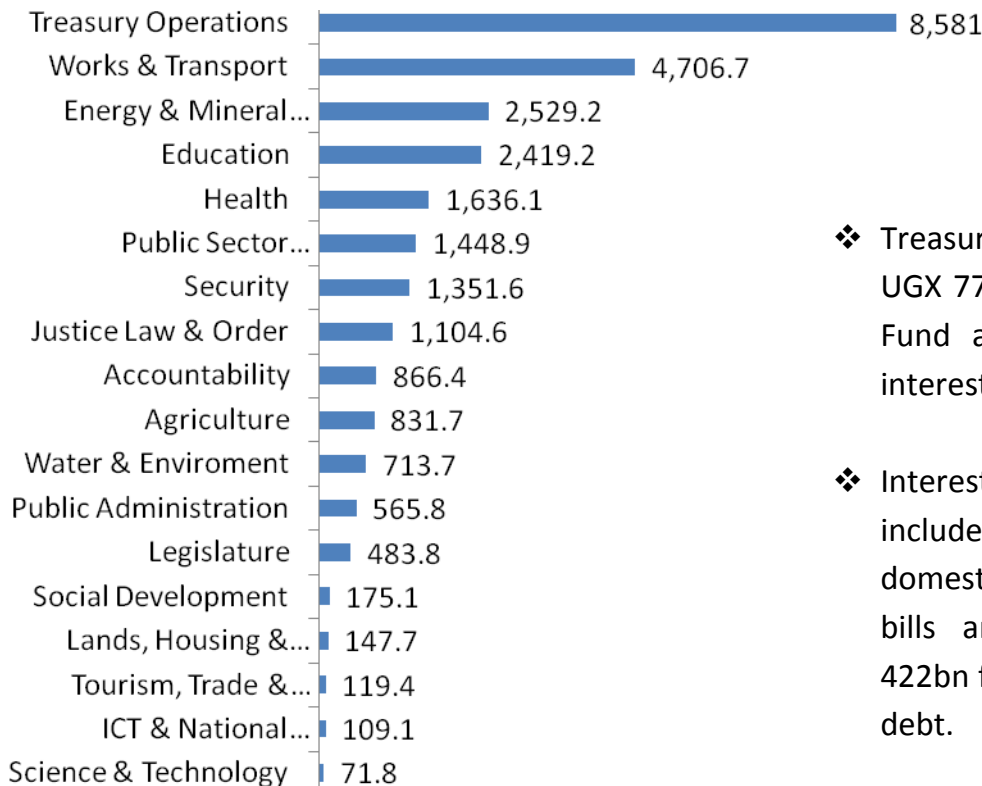
- ❖ Project support will account for 97 percent of the total external resources while budget support will account 3 percent (from the World Bank and part of the PTA loan).

3. Where will money go?

3.1 Total Budget (excl. arrears) by Category for FY 2018/19 (UGX, Bn)



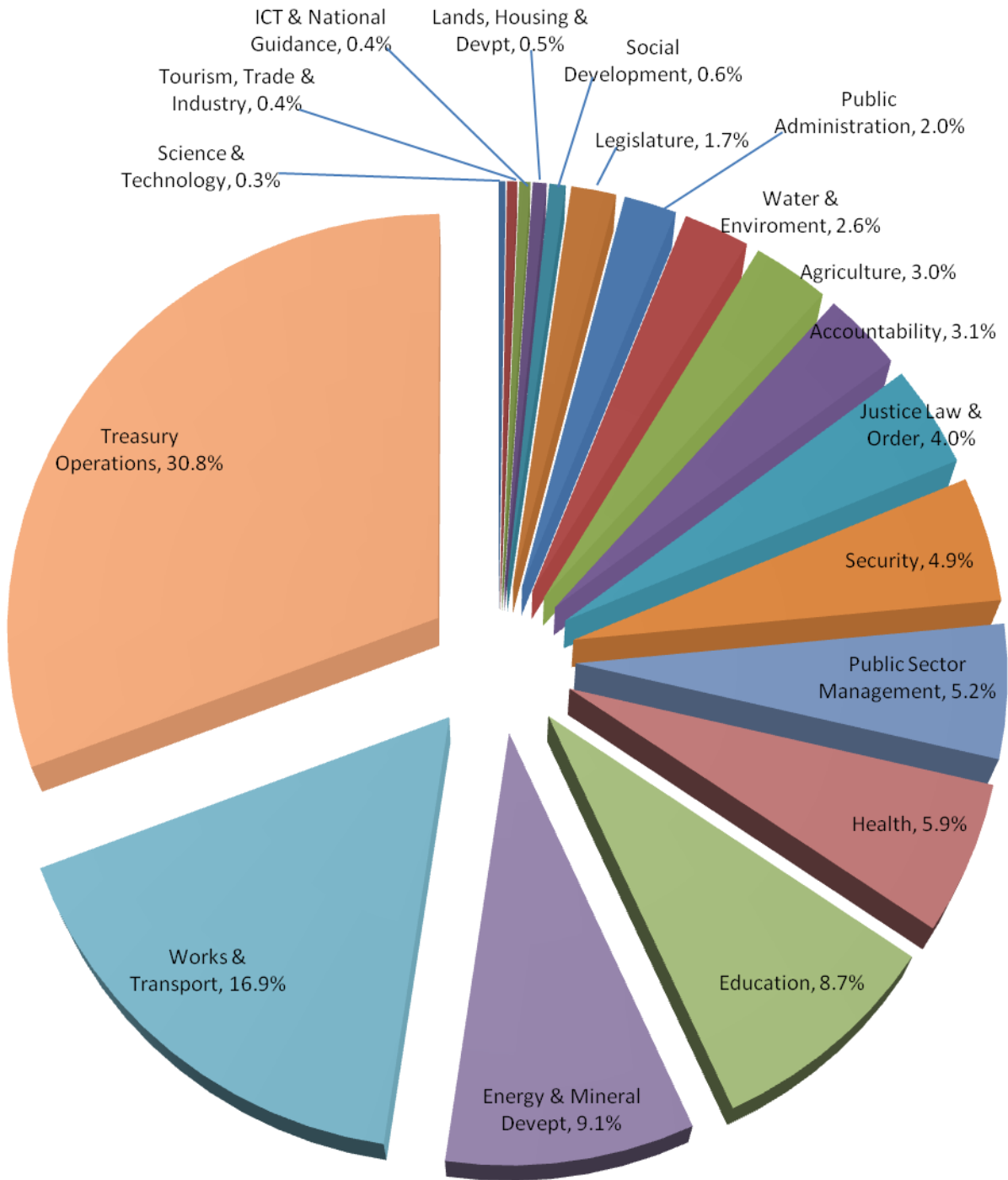
3.2 Total Budget (excl. Arrears) by Sector for FY 2018/19 (UGX, Bn)



❖ Treasury Operations includes UGX 77.07bn for Contingency Fund and UGX 2,701bn for interest payments.

❖ Interest Payment projections include UGX 2,279bn for domestic securities (Treasury bills and bonds) and UGX 422bn for interest on external debt.

3.3 Total Budget (excl. Arrears) Share by Sector for FY 2018/19



4. Budget Profile for FY 2018/19

