



CSBAG BUDGET NEWS BRIEF



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Advocating for a People Centered Budget that Dignifies Humanity



IMF Advises Sub-Saharan Africa on Public Debt

OUR WORK IN PICTURES

"...African countries are on a recovery path with rising income per capita and strong growth in the Non-Resource Intensive countries."



(L-R) Acting PS/ST Ministry of Finance, Patrick Ocaïlap, IMF Resident Representative, Uganda, Clara Mira and Deputy Governor, Bank of Uganda, Louis Kasekende during a meeting on the IMF Regional Economic Outlook for Sub-Saharan Africa at Sheraton Hotel, Kampala on 22nd May. | @CSBAG2019

The International Monetary Fund (IMF) has advised Sub-Saharan countries to improve tax revenue collections, public financial management, as well as their spending efficiency in order to reduce their public debt.

While presenting the IMF's Regional Economic Outlook for Sub-Saharan Africa at Sheraton Hotel in Kampala last week, IMF's Resident Representative, Uganda, Clara Mira, said that debt vulnerabilities have notably elevated within the region where more Sub-Saharan countries are in debt distress and cannot pay back. Mira however noted that the IMF has made key policy recommendations for both Resource Intensive and Non-Resource Intensive countries upon whose adoption these countries will reduce their public debt.

"Non- Resource Intensive countries should focus on handing over the reins of growth from public to private while Resource Intensive countries should complete the required adjustments to lower commodity prices," Mira advised.

Sub Saharan Regional Economic Outlook

The IMF's Sub Saharan Regional Economic Outlook shows positive economic trends for the region's economy indicated in the regional aggregate growth which is projected to hit 3.5% in 2019, registering an increment of 0.5% from the 3% aggregate growth registered in 2018. The regional aggregate growth is also projected to stabilize between four and five percent in the medium term with exception of Nigeria and South Africa.

Deputy Governor, Bank of Uganda, Dr. Louis Kasekende acknowledged that some of the positive findings by IMF show that African countries are on a recovery path with rising income per capita and that growth is strong in the Non-Resource Intensive countries.

The IMF also projects that Uganda's economy will grow from 6.1% recorded in FY 2017/18 to 6.3% by end of FY 2018/19. The economy is also projected to remain at 6.3% in FY 2019/20, which is above the 3.5% growth projected for the entire Sub Saharan region. Uganda's 6.3% economic growth is projected to be supported by manufacturing, construction and the services sectors. Over the medium term, Uganda's economy is projected to grow at 7% with support from investments in the oil sector, infrastructure and a supportive private sector credit. The IMF however hinted that Uganda's economic growth

does not necessarily translate into improved welfare progress on social as evidenced with the rise in poverty rates from 19% in 2012 to 21% in 2016.

Uganda's Fiscal Policy

The Acting Permanent Secretary/ Secretary to the Treasury at the Finance Ministry, Patrick Ocaïlap reported that Uganda is implementing various mega development projects especially those earmarked as necessary to facilitate oil exploration. Mira also noted that in FY 2019/20, one out of every five shillings collected in Uganda will be spent on interest payment, a projection made on the assumption that global economy remains stable, private sector confidence is maintained, expected growth dividend from infrastructure investment is realized, and that Uganda realizes the anticipated oil proceeds.



Executive Director, CAN-U, Robson Odongo(L) PBC from Kamwokya, Eddie Mwebe (4th Left) PBC from Kansanga, Solome Nakazibwe (C) and CSBAG staff planting a tree during a tree planting activity along Bombo Road on 24th May. | @CSBAG 2019



CSOs under the Tax Justice Alliance during a press conference on the 500bn tax waiver and the proposed payment of tax on over the top services for MPs on 22nd May at SEATINI offices in Kampala. | @CSBAG 2019a



CSBAG ED Julius Mukunda (L), and IMF Resident Representative, Uganda, Clara Mira (R) having a chat during a meeting on the IMF Regional Economic Outlook for Sub Saharan Africa at Sheraton Hotel, Kampala on 22nd May. | @CSBAG 2019