



CSBAG BUDGET NEWS BRIEF



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Advocating for a People Centered Budget that Dignifies Humanity



Cash usage fueling growth of informal economy- URA Boss

Continuous use of cash in business transactions is fueling growth of the informal sector, the Uganda Revenue Authority (URA) Commissioner General Doris Akol has said.

"Cash by its nature is not easy to track, so many of transactions that use cash are informal to the extend use of it doesn't enable formalization of business. For example, a person who is operating a whole sale which is informal, if all transactions are done in cash, you can't track how many people they have sold to," said Akol.

She said this during a high policy dialogue on Uganda's development strategy, organised by Advocates Coalition for Development and Environment (ACODE), Civil Society Budget Advocacy Group (CSBAG) in partnership with Finance Ministry at Protea Hotel on Thursday December 12th, 2019.

'There's now focus on informal sector'

According to her, there's a current focus by Government on informal sector to achieve inclusive growth and financial inclusion.

"If we are to make sure that private sector grows, we need to focus on financial literacy. Focus on informal sector is one of the ways we are getting inclusive growth, most of new businesses that are bringing money to people's pockets are informal," said Akol.

'Seek information on tax incentives'

The Commissioner General said people should always seek information about areas that have tax incentives hence best suited for investment.

She cited at tourism, agricultural produce and value addition ventures as some of areas with tax incentives. "It is important for citizens to know the existing sectors that are termed as growth sectors. They include tourism, value addition, agricultural produce, businesses in industrial parks; these are incentivized sectors enjoying tax incentives," said Akol.

She added: "If you invest in agribusiness whether you are a Ugandan or not, you enjoy corporate tax exemptions. It is important for people to know which incentives are existing and they take them up."



Front Row: From left to right: CSBAG's Executive Director Julius Mukunda, Dr. Albert Musisi, the Finance Ministry Commissioner Macroeconomic policy, economist Ramadhan Ggoobi. Behind Row: Left to Right; Clara Mira, the IMF Resident Representative Uganda, Dr. Elly Karuhanga, URA Commissioner General Doris Akol and Dr. Asuman Guloba during high level policy dialogue on Uganda's Development Strategy at Protea Hotel on December 12th, 2019. ©CSBAG

Uganda's economy has evolved

Dr. Albert Musisi, the Commissioner Macroeconomic Policy at the Finance Ministry noted that there has been tremendous growth in Uganda's economy from 1980s to date.

He, however, said that Uganda's growth is still faced with a number of challenges such as unemployment, high population growth, large informal sector and low industrialisation.

"Our country has grown and we have had a stable economy together with exchange rates. However, we felt that we need to change our poverty strategy plans and that's why we are here," said Dr. Musisi.

He added: "The question is what can we do to ensure that we enhance inclusive growth? How we accelerate growth and move faster in terms of structural where industrialisation is the key driver."

'Shift focus to result-based'

Julius Mukunda, the Executive Director CSBAG said with programme-based budgeting, Government should focus on accounting to citizens based on results.

"In this country, if we are to perform well, we need to stop accounting in terms of processes but in results. For example, if you are talking about education, look at the number of children going to school Vs the number of children excelling," he stated.

Dr. Arthur Bainomigisha, the ACODE Executive Director pointed out key areas that NDP Strategy must address.

According to him, they include unemployment, investment in agriculture and shrinking informal sector.

UPCOMING EVENTS

WHAT: End of year retreat

WHEN: 15th - 18th December, 2019

WHERE: Collins Hotel, Mukono

PARTICIPANTS: CSBAG staff and Partners

OUR WORK IN PICTURES



CSBAG's Budget Policy Specialist Siraj Magara, appearing on Radio One on spectrum show discussing about humanitarian emergencies. Together with commissioner Disaster preparedness and management Officer of Prime Minister on 9th December, 2019. Courtesy photo.



Shane Katuurebe, a winner in Poetry Category poses with a sh1m dummy cheque during the Budget Literacy Challenge Award Ceremony on December 13th, 2019 at CoBAM's auditorium, Makerere University. ©CSBAG