



PARLIAMENT OF UGANDA

# PARLIAMENTARY DEBATES

(HANSARD)

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OFFICIAL REPORT

FOURTH SESSION - FIRST MEETING

THURSDAY, 13 JUNE 2024





PARLIAMENT OF UGANDA

## IN THE PARLIAMENT OF UGANDA

### Official Report of the Proceedings of Parliament

#### FOURTH SESSION - 2ND SITTING - 1ST MEETING

Thursday, 13 June 2024

*Parliament met at 2.35 p.m. at Kololo Ceremonial Grounds, Kampala.*

*The National Anthem*

*The East African Community Anthem*

#### PRAYERS

*(The Speaker, Ms Anita Among, in the Chair.)*

*The House was called to order.*

PROCLAMATION BY THE RT HON.  
SPEAKER OF THE PARLIAMENT OF  
UGANDA

**THE SPEAKER:** This is under Statutory Instrument 2024 No.24, “Proclamation by the Rt Hon. Speaker of Parliament on the Presidential Address on the National Budget for the Financial Year 2024/2025.”

*“WHEREAS Article 101(2) of the Constitution of the Republic of Uganda requires that His Excellency, the President of the Republic of Uganda, may, in consultation with the Speaker, address Parliament from time to time, on any matter of national importance;*

*AWARE that His Excellency, the President of the Republic of Uganda has, in accordance with Article 101(2), indicated to the Speaker of Parliament his intention to address Parliament and the nation on the National Budget for the Financial Year 2024/2025;*

*NOW, THEREFORE, in accordance with Rule 17(1) of the Rules of Procedure of Parliament, I hereby proclaim that:*

- 1. Parliament shall sit at Kololo Ceremonial Grounds on Thursday, 13 June 2024 at 1400 hours, to receive the address of His Excellency, the President, on the National Budget for the Financial Year 2024/2025; and*
- 2. The Kololo Ceremonial Grounds to be the precincts of Parliament for the abovementioned purpose.*

*Given under my hand at Parliament House, Kampala this 7<sup>th</sup> Day of May 2024.*

*Anita Annet Among,  
Speaker of Parliament.”*

#### COMMUNICATION FROM THE CHAIR

**THE SPEAKER:** Your Excellency, the President of the Republic of Uganda; Gen. Yoweri Kaguta Museveni, accompanied by the First Lady, *Maama* Janet Kataha Museveni, who also doubles as the Minister of Education and Sports, Her Excellency, the Vice-President of the Republic of Uganda, Maj. (Rtd) Jessica Alupo; His Lordship, the Chief Justice, Chigamoy/Alfonse Owiny-Dollo; the Rt Hon. Deputy Speaker of Parliament, Rt Hon. Thomas Tayebwa; the Deputy Chief Justice, His Lordship Richard Butera; the Rt Hon. Prime Minister, Ms Robinah Nabbanja and her deputies; the Leader of the Opposition in Parliament, Hon. Joel Ssenyonyi; Cabinet

ministers and ministers of state; the Vice Chairperson of NRM, Al-Hajji Kigongo, plus all the Central Executive Committee members, Your Excellencies the High Commissioners, Ambassadors and members of the diplomatic corps, honourable Members of Parliament of Uganda and the East African Legislative Assembly; the Inspector General of Government, Ms Betty Olive Kanya Namisango; the guest Speakers from our sister countries of EALA, the Head of Public Service and Secretary to the Cabinet; the traditional, cultural and religious leaders that are present; the former leaders, the heads of public agencies, corporations and parastatals; distinguished guests, ladies and gentlemen,

I welcome you to the Second Sitting of the Fourth Session of the 11<sup>th</sup> Parliament. You are most welcome.

As you may recall, last week on 6 June 2024, we had the honour of hosting His Excellency the President at the occasion of opening the Fourth Session of the 11<sup>th</sup> Parliament.

During this significant event, His Excellency delivered a compelling address on the state of nation. Let us put our hands together and clap for His Excellency for the address that he gave us on that day. (*Applause*) That was for the good of our country, Uganda.

Today, we are once again, immensely privileged and highly gratified to host His Excellency, the President, who is here to deliver the Budget Speech for the Financial Year 2024/2025, in fulfilment of his constitutional obligation, under Article 155(1) of the Constitution of the Republic of Uganda. It states, "*The President shall cause to be prepared and read before Parliament in each financial year, but in any case, not later than the 15<sup>th</sup> day before the commencement of the financial year; the estimates and expenditure of the Government for the next financial year.*"

Honourable members, today's Budget Speech is a culmination of a rigorous and comprehensive consultative process, which usually spans from a period of August to

May, in any given financial year. This process involves various stakeholders, majorly guided by the 1995 Constitution of the Republic of Uganda, the Public Finance Management Act, 2015, the National Audit Act, 2008, and the Local Government Act, 1997.

Your Excellency, the Parliament of Uganda has appropriately adopted its Rules of Procedure in Part 24, to preserve and foster participation and consultation during the entire budget process. This part of the Rules of Procedure comprises 11 rules covering aspects such as the National Budget Framework Paper, Ministerial Policy Statements, Supplementary Budget, and Appropriation. By doing so, Parliament is able to gather a wide range of perspectives, views and opinions in shaping and informing the consideration of the National Budget. In all this, the legislature is guided by the principle that the National Budget should reflect the shared values and priorities of our beloved nation and its people.

Your Excellency, allow me to briefly underscore some key milestones achieved by the Legislature during the budget consideration process. Pursuant to Section 9, 5 and 8 of the Public Finance Management Act, 2015, and Rule 145 of the Rules of Procedure, the House approved the National Budget Framework Paper 2024/2025, 2028/2029 on 31 January 2023.

Pursuant to Section 12 of the Public Finance Management Act, 2015, and Rule 149 of the Rules of Procedure, Parliament approved the Ministerial Policy Statements for the Financial Year 2024/2025, between 4 and 12 April 2024.

Pursuant to Section 8 of the Public Finance Management Act, 2015, and Rule 150 of the Rules of Procedure, Parliament passed five tax and revenue Bills, from 6 to 16 May 2024, to enable the realisation of revenues to finance the National Budget for the Financial Year 2024/2025.

In furtherance of Section 14 of the Public Finance Management Act, 2015, and Rule 151-152 of the Rules of Procedure, Parliament

approved the National Budget for the Financial Year 2024/2025, on 16 May 2024. That is why we are here today.

Your Excellency, we take this opportunity to commend the Members for their dedication throughout the budget process, in ensuring that we not only met the legal and constitutional timelines but also adequately interrogated the Budget together with the Minister of Finance, Planning and Economic Development, the Attorney-General, and the entire Front Bench. We thank you so much.

I will specifically single out the Minister of State for Finance, Planning and Economic Development (General Duties), Hon. Henry Musasizi, for devoting time and effort to the relevant committees and the House throughout the budget process. Henry, thank you so much. I also commend the Permanent Secretary/Secretary to the Treasury for his technical support to the Minister and the continuous legal guidance from the Attorney-General. Thank you so much.

Without pre-empting the President's speech on the Budget, I will highlight very salient issues that arose during the Budget consideration process.

- i) The need for continuous resource allocation to agricultural mechanisation, agro-industrialisation, and value addition as a bedrock to wealth creation and sustainable development.
- ii) The need to increase funding to the development of the tourism sector to optimally hasten Uganda's tourist potential.
- iii) The need to align resource allocation with the prevailing Government policy on the Rationalisation of Agencies and Public Expenditure (RAPEX), which should translate into enhanced efficiency and elimination of duplication and wasteful expenditure.
- iv) The need for resource efficiency measures to address the risk of the debt burden.

v) The need to increase public investment in productive growth areas, deepen financial inclusion and aid the growth of a taxable formal sector to widen our tax base and improve on the GDP ratio.

vi) Your Excellency, considering your consistent advocacy for integration of the East African Community, Parliament is cognizant of the need for strengthening and cascading the East African integration to ease the movement of people, goods and services. Your Excellency, we share your passion and commitment towards the realisation of the total federation of the East African Community. Parliament pledges absolute support towards the realisation of your vision for a united and viable East African Community, to widen, strengthen, tighten and deepen the economic, political, social and cultural integration. This would help us in improving production, trade and investment in East Africa.

vii) The need to enhance human capital development as a way of leveraging the competitiveness of the Ugandan population.

Your Excellency, the Budget that we are receiving today is a product of complementary working relationship between the three arms of Government; the Executive, Legislature and Judiciary. This has led to improved transparency in the budgeting process. We pledge to continue with this cooperation in the best interest of our beloved country.

Today's Budget Speech is an opportunity to demonstrate our commitment to prioritise the needs of our people and make sure that we achieve the vision of His Excellency on the prosperity of a money economy through Emyooga, the Parish Development Model and the Four-Acre Prosperity Development Model, etcetera.

Your Excellency, as we embark on the Financial Year 2024/2025, I urge the accounting officers as entrusted stewards of public resources, to exercise diligence and due care in safeguarding

and ensuring the efficiency and effective utilisation of public resources.

Previously we have urged accounting officers to share with the leadership of the Legislature any incidences of influence peddling. However, we have not received any such information. We urge the accounting officers to maintain open channels of communication and coordination with the leadership, for transparency and accountability.

Honourable members, in the discharge of our oversight and appropriation roles, let us avoid any inducements from these accounting officers. This is prescribed in Appendix F of our Rules of Procedure, which talks about the conduct of Members while on duty.

Your Excellency, in the Financial Year 2024/2025, Parliament will duly exercise its oversight role of public expenditure through relevant committees in fulfilment of our commitment to transparency and accountability.

Last, but not least, Your Excellency, we would like to thank you so much for according us an opportunity, especially for Members who visited Gomba, Sembabule and Kisozi on the Four-Acre Development Model for prosperity. This visit was an eye-opener for a practical transformation of the household economy.

Your Excellency, your continuous inspiration and transformation approach to development and creating awareness to the populace that has led the people to follow your guidelines of transforming people from grass-thatched houses to *mabati*. It is written in Runyankole, I may not be able to mention how it is written in your book but we know what is written in it and we have used it and tried to transform our communities.

Your Excellency, I kindly request you to consider inviting the other Members of Parliament who have not been there to see what has been done there so that they can come back and preach the same gospel to their constituents. As we go for recess, we will be

available and request that maybe, you invite the Members of Parliament to visit that Four-Acre Prosperity Development Model.

As I conclude, I wish all our Muslim brothers and sisters a happy Eid Al – Adha 2024. May Allah fulfil all your wishes as you have been praying.

I say all this for God and my country. (*Applause*)

PRESENTATION OF THE BUDGET  
SPEECH BY HIS EXCELLENCY THE  
PRESIDENT OF THE REPUBLIC OF  
UGANDA

**THE SPEAKER:** Honourable members, I have been duly notified that the Minister of Finance, Planning and Economic Development will deliver the speech on behalf of His Excellency the President, who is the Chief Minister of Finance. The President will then, after the delivery of the speech, make his brief remarks on the Budget of this financial year.

I now take this opportunity to invite Hon. Matia Kasaija, the Minister of Finance, Planning and Economic Development, to deliver the speech on behalf of the President. You are most welcome.

3.02

**THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Matia Kasaija):** Your Excellency, the President of the Republic of Uganda, Your Excellency *Maama* - the First Lady, the honourable Vice President, the Rt Hon. Speaker of Parliament, Your Lordship the Chief Justice, the Rt Hon. Deputy Speaker of Parliament, Your Lordship the Deputy Chief Justice, the Vice Chairperson of the NRM Party, Hon. Prime Minister, the Leader of the Opposition, honourable ministers, honourable Members of Parliament, Your Excellencies the Ambassadors and Heads of Diplomatic Missions, distinguished guests, ladies and gentlemen, all protocol observed.

Madam Speaker, in fulfilment of Article 155(1) of the Constitution, and on behalf of His

Excellency the President, I rise to present to Parliament and the nation at large, the Budget for the Financial Year 2024/2025 as approved by Parliament.

I would like to start by thanking His Excellency the President for once again demonstrating a vote of confidence in me *-(Laughter)-* by extending my mandate as the Minister responsible for Finance, Planning and Economic Development together with my entire political team at the Ministry. *Banange mwandibadde munkubiramu obugalo awoo. (Applause)*

Madam Speaker, I congratulate His Excellency the President for successfully hosting the 19th Summit of the Non-Aligned Movement (NAM) and the Third South Summit of the G77+China and assuming the chairmanship of both, in January 2024.

According to the 2024 annual investment meeting headed in Abu Dhabi, United Arab Emirates, Uganda is now the best investment destination in Africa. Let me repeat this. According to the 2024 annual investment meeting held in Abu Dhabi, United Arab Emirates, Uganda is now the best investment destination in Africa.”

His Excellency, the President declared the 2021-2026 political term, *Ekisanja* for social economic transformation. He guided that the Government and the entire country should focus on creating jobs, wealth and increasing household income.

The Budget for the financial year 2024/2025 is the fifth and, therefore, the last to implement the Third National Development Plan. It will also set the foundation for implementing the Government’s strategy for expanding the size of our Gross Domestic Product(GDP)from about \$ 50 billion in the financial 2022/2023 to \$ 500 billion by the year 2040.

In order to consolidate the gains so far achieved, the theme for the coming financial year has been maintained as; *“Full Monetisation of the Uganda’s economy through Commercial*

*Agriculture, Industrialisation, Expanding and Broadening Services, Digital Transformation and Market Access.”*

In this speech I will:

- i) Account to Parliament and the people of Uganda for the commitments that the Government made for the Financial Year 2023/2024, that is coming to an end in a few days.
- ii) Provide an outlook for the medium-term economic performance.
- iii) Summarise the medium-term priorities and strategies for growing the economy tenfold, starting with the Financial Year 2024/2025; and
- iv) Present the financing strategy for the Financial Year 2024/2025 budget.

Recent economic performance

I am pleased to report that Uganda’s economy has fully recovered from various internal and external shocks that impacted performance in the past four years. Gross Domestic Product (GDP) is projected to grow by 6 per cent this Financial Year 2023/2024 compared to 5.3 per cent in the Financial Year 2022/2023.

This year’s growth of 6 per cent is even more impressive when compared to sub-Saharan Africa’s average of 3.8 per cent and the global average of 2.9 per cent projected for the year 2024.

As a result of this robust growth, the size of the economy is now estimated at Shs 202 trillion, equivalent to \$ 53.3 billion, up from Shs 184.3 trillion, or \$48.8 billion in nominal terms. If Ugandans agreed to share this GDP equally, each citizen would enjoy a GDP per capita of \$ 1,146 compared to \$ 1,081 registered last financial year, 2022/2023.

The improved performance of the economy is on account of higher growth in all sectors. Services, agriculture, industry are estimated to grow at 6.6 per cent, 5.1 per cent and 5.8 per cent respectively, in the financial year 2023/2024. In particular, growth in the services



sector has been impressive, mainly driven by strong recovery in retail and wholesale trade, tourism as well as communication and real estate activities.

Growth in the industry was mainly driven by manufacturing, construction and mining, while there was increased production of food and cash crops, as well as livestock, which supported growth in the agricultural sector.

Agriculture's performance, estimated to have expanded at 5.1 percent this year, compared to 4.5 per cent registered in the financial year 2022/2023, is attributed to the streamlined implementation of the Parish Development Model(PDM) and fairly good weather conditions.

Other factors, which supported strong economic growth include;

- i) Low inflation and relatively stable exchange rate, which have allowed good investment planning and supported export competitiveness;
- ii) Increased investment in the oil and gas sector related projects supported by foreign direct investment;
- iii) Higher external demand for Uganda's products, including both agricultural and industrial;
- iv) Recovery of tourism supported by increased investment in tourism infrastructure and marketing; and
- v) Peace and security for persons and their property. I repeat this. Peace and security for persons and their property.

In March 2024, Uganda met the requirements to graduate from the category of least developed countries. Uganda also moved from the category of low human development to medium human development. This is the result of a consistent improvement in health, education, economy and a decent standard of living. This is a big milestone achieved well before the country starts earning from oil exports.

When oil and gas start to flow in the year 2025/2026, with the deliberate value addition to our raw materials, productive utilisation of PDM and other wealth creation initiatives, attaining of prosperity for all and the social economic impact will be faster.

#### Inflation

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

#### Interest Rates

Madam Speaker, the commercial bank lending interest rates for shilling-dominated credit reduced to 17.7 per cent in April 2024, compared to 19.3 per cent in April 2023. Interest rates in the domestic debt market have remained broadly stable, averaging 11.2 per cent on the one-year Government Treasury Bills.

To further reduce lending rates, the Government will continue to provide long-term affordable capital through various interventions. In particular, the Government will continue to capitalise Ugandan Development Bank, Parish Development Model, the Agricultural Credit Facility and the Small Business Recovery Fund to provide the capital for wealth creation.

Government is also continuing with the capitalisation of the Emyooga Fund to support micro-enterprises, as well as Presidential Skilling and Industrial Hubs for the youth. Grants will also be extended to women in business through the Generating Growth Opportunity and Productivity for Women Enterprise – which we abbreviate as "GROW" – project. For exporters of manufactured products who face working capital challenges,



the investment for Industrial Transformation and Employment (INVITE) Fund, worth \$210 million (Shs 800 billion), is going to kick-off next financial year.

#### Private Sector Credit

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

#### Exchange Rate

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

#### External Trade

Madam Speaker, the Government's Export Promotion Strategy has continued to produce positive results. During the year ending April 2024, Uganda's exports increased by \$2.534 billion to \$7.471 billion, compared to \$4.938 billion in April 2023, representing a 34 per cent growth. This increase was largely driven by increased exports of gold (75.7 per cent), coffee (21.9 per cent), oil re-exports (21.8 per cent), simsim` (20.2 per cent), tobacco (10.3 per cent), cotton (6.9 per cent) and light manufactured products (4.9 per cent). The major destination of our exports are the East African Community countries, which account

for 29 per cent, COMESA, 29 per cent Middle East, 24 per cent and to Asia 20 per cent.

Madam Speaker, efforts to increase the value addition to exports have continued to yield positive results. Exports of manufactured products have continued to be significant contributors of export earnings. In particular, in 2023, cement exports reached \$91.1 million, sugar (\$75.8 million), plastic products (\$62.6 million), soap (\$33.9 million) and beer (\$25.8 million). This Financial Year 2023/2024, efforts to increase export performance have been strengthened through investing in targeted value-addition initiatives and implementing several enabling trade policies.

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

#### Foreign Direct Investment, Remittances and Tourism

Madam Speaker, the inflow of Foreign Direct Investment (FDI) to Uganda amounted to \$2.46 billion in Financial Year 2022/2023, and by December 2023/2024, additional FDI amounting to \$1.27 billion had been attracted. Remittances by Ugandans living and working abroad increased to \$1.43 billion in the calendar year 2023 from \$1.3 billion in 2022. Tourism revenues increased to \$1.28 in calendar year 2023, from \$1.07 billion in calendar year 2022.

#### Employment

Madam Speaker, job creation ranks top on the Government's socio-economic agenda. The number of workers subscribing to the various pension schemes in the country increased to more than 3.14 million members in Financial Year 2023/2024, an increase of 4.2 per cent compared to 3.01 million members in the Financial Year 2022/2023.

Madam Speaker, the latest reports indicate that the direct beneficiaries of the Presidential Initiative on Jobs and Wealth Creation (*Emyooga*) has reached 2,237,402 in December 2023. In the past one year alone, *Emyooga* funds have created 378,640 new direct jobs. This was about 40,000 additional new jobs created, compared to the new jobs created in the previous year.

On the other front, so far, 1.165 million households have received PDM funds worth Shs 1.126 trillion as of May 2024, and estimated to create about 2.5 million jobs.

A total of 23,083 youth projects have benefitted 263,897 youths under the Youth Livelihood Programme in areas of agriculture, trade, services and industry. This has created over 1,250,000 indirect jobs. Similarly, the National Special Grant for Persons with Disabilities is supporting 6,282 enterprises, benefitting 49,372 persons with disabilities.

Madam Speaker, the Government is also going to create more formal jobs and related livelihoods through a number of project-funded interventions. Notable among these are the GROW and INVITE projects. The GROW programme is expected to directly benefit over 80,000 (Report says 8,000) female-owned enterprises, 280,000 female entrepreneurs and 1.6 million indirect beneficiaries. Another 200,000 new jobs are expected to be created from new investments through the INVITE project.

#### Fiscal performance

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

Madam Speaker, the projected domestic revenue outturn for Financial Year 2023/2024 is Shs 27.725 trillion against the target of Shs

29.672 trillion, leading to a revenue shortfall of over Shs 1.9 trillion. The Uganda Revenue Authority is working hard in the remaining days to reduce this shortfall. The revenue to GDP ratio is estimated at 13.6 per cent of GDP in Financial Year 2023/2024. Domestic revenue for Financial Year 2024/2025 is projected to amount to Shs 31.982 trillion, equivalent to 14.2 per cent of our GDP.

#### Economic Growth Strategy and Outlook

Madam Speaker, Uganda's economic outlook is positive and optimistic. I will repeat this. Uganda's economic outlook is positive and optimistic. The economy has remained resilient and fully recovered from a myriad of internal and external shocks. Next financial year, the economy is projected to get back to Uganda's steady-state growth potential of between 6.4 per cent and 7 per cent, and double digit over the next five years. (*Applause*) We are there. (*Laughter*)

It is projected that next Financial Year 2024/2025, Uganda's GDP will further expand to Shs 225.5 trillion, which is equivalent to \$ 60 billion. These numbers exclude the anticipated oil and gas revenues, as well as the planned interventions to grow the economy tenfold. We shall update the projections in the medium term.

Madam Speaker, this growth will be driven by:

- i. Increased oil and gas activities as we move towards the first oil production in Financial Year 2025/2026;
- ii. Growth in exports, supported by the increase in regional trade in the East African Community and Common Market for Eastern and Southern Africa (COMESA), intra-Africa trade, and harnessing existing and new trading partners in the Middle East and Asia;
- iii. Increase in tourism activities, supported by investment in tourism infrastructure, branding and marketing, and effective implementation of the Meetings,

- Incentives, Conferences and Events (MICE) programme;
- iv. Agro-industrialisation and light manufacturing, supported by access to affordable credit through Uganda Development Bank, investments supported through Uganda Development Corporation (UDC), the Parish Development Model, Small Business Recovery Fund, Emyooga, the Presidential Industrial Hubs for Youth Entrepreneurs and programmes to support exporters, as well as growth and productivity of women enterprises;
  - v. Private investment growth, supported by Foreign Direct Investment remittances and a stable macroeconomic investment;
  - vi. Continued investment in industrial parks, construction and maintenance of roads and bridges; and finally
  - vii. Rehabilitation of the Metre Gauge Railway and commencement of the Standard Gauge Railway, expansion of ICT infrastructure and provision of reliable and affordable electricity.

Madam Speaker, Uganda's growth strategy for the next financial year and in the medium term is anchored on four key growth drivers:

- i. Agro-industrialisation;
- ii. Tourism development;
- iii. Mineral development, including oil and gas; and
- iv. Science, Technology and Innovation.

These are the anchor sectors that are going to propel Uganda to a \$500 billion economy in the next one and a half decades.

Madam Speaker, our growth prospects face some risks that will need to be mitigated. Let me repeat this. Our growth prospects face some risks that will need to be mitigated. These include:

- i. Climate change affecting agricultural production and infrastructure. We have just been seeing this a couple of months back;
- ii. Regional and global geopolitical tensions. I will not comment on that one; you all know;
- iii. High interest rates, which constrain access to affordable debt; and
- iv. Fluctuations in global commodity prices.

To minimise the effects of these risks, the Government is implementing climate change adaptation measures, exploring cheaper sources of financing including climate finance and ensuring frugality in Government expenditure. I repeat this - and ensuring frugality in Government expenditure.

I now want to account for Financial Year 2023/2024 and priorities for the year that we are talking about.

Madam Speaker, in the National Budget for the Financial Year 2023/2024, which I presented here on June 15th last year, the Government made a number of commitments intended to deliver on NDP III priorities, as well as the promises we made to the people of Uganda under the NRM Manifesto for 2021-2026. In this section, I provide accountability for what the Government has achieved so far and what it intends to do to ensure that commitments to the citizens are, to a large extent fulfilled.

Madam Speaker, I will start with what we have achieved by investing in the people of Uganda through prioritisation of healthcare, education, water, sanitation and hygiene. I have provided Shs 10.216 trillion for these priorities, which is 27 per cent of the national budget as detailed below;

#### Health

During this Financial Year 2023/2024, the following milestones have been achieved in the health sector:

- i) The Government commenced the construction of the East African Centre

- of Excellence for Cardiovascular Care at the Uganda Heart Institute located in Naguru and fast-tracking the completion of the East African Centre of Excellence for Oncology in Kampala and associated regional centres in Gulu, Mbarara, Arua and Mbale. *(Applause) Iyii, engalo ezo nga si z'amaanyi; they do not encourage me. (Laughter);*
- ii) Under the Uganda Inter-Governmental Fiscal Transfers (UGIFT) Programme, 371 health centres II were planned for construction and upgrade to health centres III status. So far, 261 health centres II have been upgraded to health centres III and are fully operational. I hope the Minister of Health can certify this. An additional 110 are ongoing at different stages. Meanwhile, 11 hospitals were rehabilitated in Busolwe, Kapchorwa, Kambuga, Buwenge, Koboko, Amuria, Kotido, Kaberamaido, Kawolo and Kitgum Districts;
  - iii) Three regional blood banks in Arua, Soroti and Hoima have been completed;
  - iv) The Government distributed a total of 25 million long-lasting insecticide treated mosquito bed nets countrywide for the prevention of malaria; and
  - v) The Government also provided 116 new ambulances to 100 constituencies, another 10 ambulances for the regional referral hospitals and six for the Command Centre at Naguru, among others.
- Madam Speaker, to further enhance the health of Ugandans, a total of Shs 2.946 trillion has been provided for the next Financial Year 2024/2025. The following interventions will be prioritised;
- ii) Provision of essential medicines where an additional Shs 100 billion has been provided;
  - iii) Improvement of the welfare of the health workers including medical interns and doctors designated as senior house officers. I have provided more wage allocations to facilitate the recruitment of staff for the upgraded health centres III;
  - iv) Construction and rehabilitation of more health infrastructure and provision of medical equipment to improve quality of care and provision of specialised healthcare. These include, among others, the Uganda Cancer Institute and Regional Cancer Centres, the Uganda Heart Institute, Intensive Care Units and an imaging centre for referral hospitals;
  - v) Digitisation of the national health system to facilitate service delivery and tracking of medical supplies and health workers' performance;
  - vi) Construction, rehabilitation and equipping of dilapidated hospitals across the country including the Kampala Metropolitan Area;
  - vii) Strengthening of the network of medical reference laboratories including the establishment of the East African Community Regional Centre of Excellence for Virology at the Uganda Virus Research Institute and the National Public Health Institute in Uganda; and
  - viii) Establishment of a pharmaceutical industrial park and strengthening the National Drug Authority Regulatory Framework.

#### Education

- i) Promotion and implementation of interventions for the disease prevention and health education initiatives against communicable, non-communicable and neglected tropical diseases and injuries.
- The Government considers education as a key opportunity equaliser for all Ugandans, equipping them with the knowledge and skills required for productive employment as well as enabling them to live longer, happier and affluent lives. For this reason, the following

commitments were prioritised and delivered in the Financial Year 2023/2024:

- i) Skilling in Science, Technology, Engineering, and Mathematics;
- ii) Construction and equipping of 21 laboratories across the country in selected secondary schools using the Uganda People's Defence Force (UPDF) Engineering Brigade;
- iii) Upgrading learning facilities in 12 technical institutes and four vocational education centres of excellence at Uganda Technical Colleges in Bushenyi, Bukalasa, Lira and Elgon; and
- iv) Out of 259 seed secondary schools planned under UGIFT, 105 have been completed and 144 are ongoing.

I have provided Shs 2.497 trillion to further improve the quality of education and the following are among the priorities:

- i) Supporting the new curriculum for S1 to S4 students;
- ii) Operationalisation of all the 111 seed secondary schools and completing the 27 seed secondary schools under the UGIFT programme;
- iii) Commencing the construction of 60 secondary schools and expansion of 61 existing secondary schools under the Uganda Secondary Education Expansion Project;
- iv) Providing loans to 5,192 degree and 1,125 diploma students who are on the Government-funded loan scheme both continuing students and new beneficiaries; and
- v) The Government takeover of the proposed Bunyoro and Busoga universities for inclusive and equitable access to university education. Banyoro, you can

talk and clap because it has been a thorn in my flesh. *(Applause)*

Social protection

Madam Speaker, in the year we are concluding, the Government has provided social protection as follows:

- i. Continued with the provision of the Senior Citizen Grant to 439,069 older persons across the country amounting to a cumulative total of Shs 565.7 billion;
- ii. Under the Special Enterprise Grant for Older Persons Program (SEGOP), the Government supported 590 group enterprises benefiting 3,636 older persons;
- iii. Under the Youth Livelihood Program (YLP), a total of 23,083 youth projects have benefited 263,897 youth in areas of agriculture, trade, services and industry. This has created over 1,250,000 indirect jobs; and
- iv. Through the National Special Grant for Persons with Disabilities, the Government is supporting 6,282 enterprises, benefiting 49,372 persons with disabilities.

Madam Speaker, Government will continue to support the welfare of the elderly to keep them healthy and productive in their communities. While the Social Assistance Grant for Empowerment (SAGE) targets those above 80 years, Special Enterprise Grant for Older Persons (SEGOP) ensures the inclusion of those in the age bracket of 61 to 79 years. That is for us now.

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



## Water, sanitation and environment protection

As a result of Government intervention, more Ugandans now have access to safe, clean water. Coverage in rural areas is now estimated at 67 per cent and 70 per cent in urban areas. Out of the 71,225 villages, 56,617 villages have been served with at least one safe water source.

In the Financial Year 2024/2025, clean water coverage will increase to 70 per cent and 85 per cent in rural and urban areas respectively. In the rural areas, the target is to reduce the distance to the nearest source of clean and safe water for human and animal consumption to less than one kilometre while in urban areas to less than 500 metres. The following are among the priorities we have budgeted for the next financial year:

- v. Construction of 52 large solar-powered water supply systems in 19 districts that are currently at less than 50 per cent water coverage. These are - let me mention them; Agago, Yumbe, Amudat, Kaabong, Bulambuli, Buvuma, Buyende, Namayingo, Rakai, Nakaseke, Sembabule, Kibaale, Kasese, Kyegegwa, Mubende, Lyantonde, Kakumiro, Kassanda and Kisoro;
- vi. Construction of another 15 solar-powered water supply systems in the rural growth centres of Lwentulege, Bugwara, Kabamba, Kikoora, Mwitanzige, Lugala, Kitenga, Bukizibu/Bumwena, Igwaya, Kidera, Bugomolwa, Kitonge - Nakasero, Kikonge, Kasese and Lubaali. This will cover a population of over 272,000 persons;
- vii. Completion of the construction of 31 town water supply systems and sanitation facilities in Bulangira, Kanapa, Aligoi, Opengate Kawo, Karago, Nyakashaka, Buikwe, Bundibugyo, Kapchorwa, Kamuli, Namasale, Kaliro - Namung'alwe, Butaleja-Busolwe, Budaka-Kadama-Tirinyi-Kibuku, Kyankwanzi, Butemba, Ngoma, Lunya, Palabek-Kal (Lamwo), Obongo, Lamwo, Rhino Camp, Arra/

Dufile, Amuru, Kole, Alangi, Zeu, Kakingol, Iriiri and Lorengacora;

- viii. Construction of 17 rural water supply systems in the refugee hosting districts of Adjumani, Lamwo, Madi-Okollo, Moyo, Terego and Yumbe;
- ix. Progress of the construction of 26 water supply systems at various stages in Manafwa (now at 80 per cent), Mukura (40 per cent), Kidera (40 per cent), Atutur (40 per cent), Kadungulu (10 per cent), Kaproron (10 per cent), Iyolwa (20 per cent), Bukumi (5 per cent), Rubaya (50 per cent), Bethlehem - Nabigasa, Phase 1 (50 per cent), Kabura - Mwizi Phase 1 (50 per cent), Mabira (50 per cent), Bukiro (50 per cent), Nyabisirira (50 per cent), Bugarama - Karweru (50 per cent), Rwere - Kateretere (50 per cent), Kagarama - Bushura - Kibuzigye (50 per cent), Nyanseke (80 per cent), Busaale (95 per cent), Kibuzi (100 per cent), Adilang, Puranga (Pader), Kasawo, Phase 1 (5 per cent), Kyebando - Kasimbi (5 per cent), Nabilatuk and Losilang; and
- x. Increasing the water for production storage capacity for commercial farmers from 52.6 million cubic metres to 76.8 million cubic metres.

To support the restoration of our environment and reverse the effects of climate change, Government shall undertake the restoration of 42,450 hectares of degraded wetlands along the Awoja, Kandekye - Ruhorobero, Nchwera, Chambura, Kiruruma, Naigombwa, Kibimba, Tochi, Aswa, Sezibwa, Mayanja, Muzizi, Mpanga and Lumbuye water systems.

In addition, Government shall demarcate a 720-kilometre boundary with concrete pillars along the following wetlands; Kibimba, Tochi, Sezibwa, Mayanja, Muzizi, Awoja, Mpologoma, Ishasha, Kandekye, Ruhorobero, Nchwera, Chambura, Kiruruma and Naigombwa. A total of 15 million seedlings of assorted tree species shall be procured and distributed to individual farmers in several districts as well as to refugee-



hosting communities in the Albertine Region and in West Nile, as well as individual farmers.

Madam Speaker, I have provided Shs 516.78 billion next financial year for climate change mitigation, natural resources, environment and water resource management.

Increasing Effectiveness of Wealth Creation Initiatives

The Parish Development Model (PDM)

The PDM has now been fully rolled out. A total of Shs 2.4 trillion has so far been provided. The money is being transferred directly to beneficiaries in 10,585 parishes across the country. The introduction of the *Wendi* Application, by the Government-owned Post Bank and its partners, has saved beneficiaries the inconvenience of travelling long distances to open up bank accounts or withdraw their money.

It has also enhanced transparency by providing full visibility and transparency for all funds up to the last mile beneficiary. The extensive mobile telephone coverage, both smartphone and *Kabiriti*, has helped to lower transaction costs for the PDM beneficiaries.

Going forward, the Government will deepen the use of *Wendi* and other digital technologies and innovations to enhance financial inclusion and drive efficiency, accessibility, and effectiveness of the programme. These technologies will gradually be extended to other wealth-creation initiatives.

The total of 1.165 million households that have so far received PDM funds have invested in intensive agriculture projects that include poultry, dairy, coffee, piggery, fish, fruits and food crops. In the next few days, I will release the remaining Shs 529 billion for this financial year directly into the accounts of PDM SACCOs. Each PDM SACCO will continue to receive Shs 100 million.

Madam Speaker, Shs 1.059 trillion has been provided next financial year for the additional

Shs 100 million per parish to benefit more households. The Government will also ensure effective implementation of Pillar One, which includes input certification, provision of extension services, storage, value addition and market linkages.

*Emyooga*

Madam Speaker, to-date, the Government has provided a total of Shs 480 billion through *Emyooga*. Out of this, a total of Shs 268 billion has been disbursed to 6,810 *Emyooga* SACCOs. The beneficiaries have been able to save Shs 85 billion to further grow their SACCO funds. As a result, 607,636 individuals across the country have benefited from *Emyooga* funds, and Shs 80.28 billion has been recovered from the first round beneficiaries and is being advanced to others. We should clap for my colleague, Hon. Kasolo.

Can I repeat this? Let me repeat - I see you did not get it well.

*Emyooga*

Madam Speaker, to-date, the Government has provided a total of Shs 480 billion through *Emyooga*. Out of this, a total of Shs 268 billion has been disbursed to 6,810 *Emyooga* SACCOs. The beneficiaries have been able to save Shs 85 billion to further grow their SACCO funds. As a result, 607,636 individuals across the country have benefited from *Emyooga* funds, and Shs 80.28 billion has been recovered from the first round beneficiaries and is being advanced to others.

Madam Speaker, in the next Financial Year, 2024/2025, I have provided an additional Shs 100 billion under *Emyooga* to support more Ugandans to create wealth and boost their incomes.

Agriculture Credit Facility (ACF)

Madam Speaker, since 2009, the Government has partnered with banks to support the commercialisation of agriculture through a credit guarantee scheme that provides up to

50 per cent of the money loaned to a farmer. Cumulatively, the Government has invested Shs 303 billion, causing a cumulative loan disbursement of Shs 860 billion. This money has enabled a total of 3,868 agricultural projects to access patient capital for commercial on-farm investment, post-harvest management, agro-processing and trade in agricultural produce. Next financial year, the Government will continue to capitalise the ACF with an additional of Shs 30 billion.

#### Capitalisation of UDB

Madam Speaker, Uganda Development Bank has grown into a formidable Shs 1.6 trillion bank in assets, providing patient and relatively affordable capital to those adding value to agricultural materials, manufacturers, as well as investors in tourism and hospitality, infrastructure and education. It has created a total of 51,841 jobs.

During Financial Year 2024/2025, the Bank will continue to provide capital to businesses involved in value addition, including the promotion of innovation in the areas of science and technology. It also supports youth-led enterprises, and manufacturers and also provide working capital to exporters and those involved in imported substitution.

Green financing is also going to be enhanced to ensure climate adaptation and mitigation. To achieve this, the Government is going to further capitalise UDB with another Shs 55 billion. The Government is also in the process of acquiring for UDB credit lines worth Shs 1.083 trillion to lend more to wealth creators.

#### Support to SMEs

Madam Speaker, two years ago, the Government set up small business recovery fund to provide soft loans to SMEs that had suffered financial distress during COVID-19. Government provided Shs 100 billion to be equally matched by banks to extend the credit to the target beneficiaries at a 10 per cent interest rate. At a disbursement of Shs 18.4 billion so far, supporting 1,459 businesses,

uptake of this fund has been low. Next financial year, the Government and the Bank of Uganda are going to relax requirements to ensure increased uptake of the SBRF to support small and medium enterprise growth.

#### INVITE and GROW Programmes

Madam Speaker, the Government is also implementing two programmes namely the Generating Growth Opportunities and Productivity for Women Enterprises (GROW) worth \$217 million (Shs 824 billion) and the “Investment for Industrial Transformation and Employment (INVITE) worth \$210 million, which is equivalent to Shs 800 billion. These funds are intended to support women-owned enterprises and value addition for export.

Madam Speaker, Government is also working hard to reduce the time, cost and complexity of business registration and licensing. A Business Facilitation Centre has been set up to centralise all business-investor-related services to speed up the registration and operationalisation of businesses. Services that used to require weeks or months are now accomplished in just a couple of hours. This is going to enhance Uganda’s competitiveness even further.

#### Agro-industrialisation

Madam Speaker, the Government is committed to commercialising agriculture to enhance production and productivity and improve the competitiveness of agricultural products in both regional and international markets. The following are some of the key milestones achieved during this financial year in the area of agro-industrialisation:

- i) Establishment of afla-safe at Namulonge to help in the management of aflatoxins in cereals and nuts;
- ii) Construction of a local anti-tick vaccine manufacturing facility, also at Namulonge, to produce vaccines against tick-borne diseases. This will save the country \$1.1 billion, which is lost annually due to tick-borne diseases and tap into the Shs 3 trillion regional market for meat and milk;

iii) Increased coverage of large scale farmer mechanisation to 40 per cent from 32 per cent in the Financial Year 2022/2023. A total of 240 tractors with all their accessories and additional 750 units of single axle trucks were procured and distributed country-wide. The Government also provided a number of policy/ tax related support to private sectors so that the - we forget about that. Somebody messed me up.

Madam Speaker, in the Financial Year 2024/2025 budget, I have allocated a total of Shs 1.878 trillion towards deepening Agro-Industrialisation with increased focus on commercialisation and value addition in Agriculture. The project areas include:

- i. More investment in research and genetic development of selected value chains for animal, fish and crop varieties;
- ii. Support for pest, vector and disease control and prevention. In particular, I have provided an additional Shs 427.21 billion to procure and distribute 44 million doses of vaccines against the foot and mouth disease. After the current vaccination exercise, farmers will access the vaccines through Government stores by meeting 100 per cent cost of the vaccine while the Government will cover the cost of vaccine administration;
- iii. Support to NARO to roll out the anti-tick vaccine starting with 20 million doses;
- iv. De-risking agriculture through supporting increased production and productivity as well as value addition for all priority value chains;
- v. More support for agricultural mechanisation;
- vi. Increased investment in small and large irrigation systems, particularly solar-powered irrigation;

vii. Support for seed multiplication through the Uganda Prisons to increase seed availability for PDM beneficiaries; and

viii. Additional credit support to large-scale commercial farmers to ensure food security and increased exports.

#### Tourism Development

Madam Speaker, Uganda has increasingly regained her global position among the top 10 best tourism destinations in the global tourism ranking. In the year 2023, international tourist arrivals increased by 56 per cent to 1.274 million tourists compared to 814,085 arrivals in the year 2022, and the peak of 1.52 million in the year 2019. The international tourism receipts reached \$1.03 billion in the calendar year 2023.

Tourism has a high return on investment. In the Financial Year 2024/2025, I have provided Shs 289.6 billion to the tourism development programme to undertake the following;

- i. Support international and domestic tourism marketing and promotion activities;
- ii. Modernise our tourism products to make them more competitive. These include; completion of the pier and related infrastructure at the source of the Nile, upgrading the Uganda Museum, construction of 8,000 meters of climbing ladders and boardwalks on the Rwenzori Mountains to make hiking safer;
- iii. Continue with the grading, supervision and classification of tourism facilities to enhance the quality of services and ensure adherence to required global standards;
- iv. Complete the upgrade of Uganda Hotel and Tourism Training Institute infrastructure in an effort to make it an international centre of excellence for training and skills development in tourism and hospitality; and

- v. Enhance the conservation of Uganda's 22 wildlife-protected areas with a focus on mitigation of human wildlife conflicts. The Government is going to construct an additional 150 kilometres of electric fence and maintain the existing 106 kilometre fence, carry out boundary surveillance through more than 13,904 patrols, uproot invasive species and construct four water dams in the protected areas.

Madam Speaker, apart from the Shs 287.6 billion that I have directly provided to the tourism sector, an additional Shs 1.629 trillion has been provided for several critical interventions associated with tourism, including support to Uganda Wildlife Authority, construction of tourism roads, road rehabilitation and upgrade under Kampala Capital City Authority, support to AFCON'27 and the completion of key stadia, strengthening security, law and order in our tourism destinations and extension of internet to tourism destinations, among others.

In particular, I have provided an additional Shs 55 billion to Uganda's missions abroad to support Uganda Tourism Board to market Uganda to potential tourists, market our exports and attract more investors.

#### Science, Technology and Innovation

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

##### a. Kira Motors Corporation (KMC)

Government has supported Kira Motors to construct and equip a magnificent 2,500 vehicles per year manufacturing plant in Jinja Industrial Park. This facility has capabilities for bus and truck body manufacture, vehicle painting, power train manufacture, electrical, electronic key systems and trim integration, and production quality inspection and testing. The complex has so far manufactured 39

buses, of which 27 are electric and 12 are low emission diesel.

The company has orders of more than 100 buses from Tanzania, South Africa, Eswatini (formerly Swaziland) and Nigeria. This demonstrates the huge market potential for the vehicles. Kira Motors Corporation currently directly employs 168 people in engineering, production, marketing and sales, finance and administration. This number will increase to 600 once the plant in Jinja is fully operational.

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

- b. Presidential initiative on Banana Industrial Development (PIBID) - Madam Speaker, Government has supported PIBID to establish a semi-automated plant in Bushenyi with a daily processing capacity of 14 metric tons of fresh matooke. (*Interjections*) This project has shown potential for import substitution by replacing wheat and providing gluten-free starch products. These have high global demand. The company has started fulfilling international orders, including from South Korea, the Royal Kingdom of Saudi Arabia, Qatar and Italy. The PIBID currently employs 150 staff and collaborates with 6,543 farmers.

Next Financial Year, the Government has provided an additional Shs 50 billion to complete the capitalisation of the company to transition into a self-sustaining business.

##### c. Pathogen Economy

Madam Speaker, the pathogen economy has made tremendous progress in developing vaccines, therapeutics, diagnostics and other health care tools for our public health security and import substitution. The scientists at Makerere University developed the Polymerase Chain Reaction (PCR) diagnostic kit that has so far been used to conduct more than two million COVID-19 tests.

This kit effectively halved the cost of COVID-19 testing and saved Uganda more than \$37 billion, that is Shs 140 billion. A clinical trials platform for natural therapeutics, the first on the African continent - let me repeat this- when I hear something so good about Uganda, I want everybody to listen;

A clinical trial platform for natural therapeutics, the first on the African continent has been established. The human vaccines have completed animal studies and are under preparation for clinical trials.

Other Government support under the pathology economy has been directed towards the following special initiatives:

- i. Dei Biopharma Ltd is establishing Africa's largest pharmaceutical and vaccine manufacturing facility here in Uganda. You can take the road to Bombo and see. The facility will create job opportunities for more than 10,000 science professionals and 30,000 others in support of the ecosystem.

Production of generic drugs, cancer drugs and human vaccines is scheduled to start by November this year. Government is in the process of finalising its equity acquisition in exchange for its Shs 723 billion investment;

- ii. The anti-tick vaccine project at Makerere University spearheaded by Dr Margaret Saimo-Kahwa has undergone clinical trials. I have provided an additional Shs 25 billion to produce and commercialise the anti-tick vaccine;
- iii. The Government has also supported Jena herbals of Prof Patrick Ogwang, known for Covidex, to undertake clinical trials of his natural therapeutics and establish an internationally certified production facility to manufacture and commercialise them. I have provided an additional Shs 2.07 billion for this purpose in the next Financial Year. We congratulate him;

- iv. Support Prof Jennifer Serwanga Sempala to advance research in human vaccines. I have provided an additional Shs 25.24 billion needed to complete the research and start producing the vaccine.

#### Coffee Value Chain Development

The Government has partnered with the private sector to fast-track local value addition to coffee. We have started with three apex centres for high value coffee processing and the coffee investment consortium, Great Lakes Coffee and Inspire African Coffee. All have acquired modern roastery, freeze-dry and spray-dry technologies to produce instant roast and ground coffee products, coffee capsules, cold brew and instant coffee with a total capacity of 5,850 metric tons per year. One of the facilities is complete while the other is 62 per cent complete.

The Government will support the completion and expansion of these facilities, the operationalisation and market penetration of the products on the local, regional, and international markets. The target is to aggregate, add value and market at least one million bags of medium to high quality coffee, green coffee beans by 2025. This will earn Uganda \$560 million from value added coffee in the next five years, which would catalyse the whole sector to bring in at least \$5 billion in line with our 10-fold growth strategy. Shs 75 billion has been provided in the next financial year to improve coffee value chain development.

#### Space Programme

The Government has supported the rapid human capital development of the aerospace programme by training our engineers in Japan, China and Egypt. Government partially furnished the headquarters of the space programme, the Mpoma satellite earth station, to enhance weather prediction and monitoring landslides and the environment.

The Government will support completion of these initiatives, including the establishment of a satellite development laboratory and a



modern geospatial centre, to be able to obtain data from a broad spectrum of satellites from partner nations. I have provided Shs 3.3 billion for space programme activities in the next Financial Year.

I would like to commend His Excellency the President for spearheading the development of the knowledge economy through targeted funding of research and development and the scientists in general. *Tumukubireko mungalo. (Applause)* You are very mean. The president does this kind of thing and you do not clap for him? *Nze nkankyekoleleko nzeka. (Applause)*

#### Mineral Development

Madam Speaker, mineral development is another growth accelerator that has been earmarked by the Government to expand Uganda's economy by ten-fold. It is going to support resource-based industrialisation into light manufacturing and high-tech exports.

During the financial year we are ending, the following have been achieved in the mineral sector:

- i. The entire country has been fully mapped using airborne and ground geophysical technologies;
- ii. The National Mining Company has been incorporated as a commercial vehicle for investment and trading in minerals on behalf of the Government of Uganda;
- iii. Several key mineral development projects and mineral value addition centres have been developed, including; Wagagai, for gold mining in Busia, rare earth metals in Bugweri, a graphite project in Kitgum; a limestone mining project by Sunbird Resources Ltd in Moroto and Seven Gold Refineries in Kampala, among others;
- iv. M/s Woodcross Tin Smelting Company Ltd has established a tin smelter in Western Uganda to produce tin ingots to 99.95 percent tin grade.

Next financial year, I have allocated Shs 41.55 billion to undertake the following interventions for further mineral developments:

- i. Fast-tracking quantification and market studies for all minerals for the purpose of investor promotion.
- ii. Operationalising the National Mining Company.
- iii. Further reviewing and strengthening the fiscal regime for minerals, including regulation of artisanal and small-scale miners.
- iv. Developing the e-government mineral production system and data bank for mineral statistics;
- v. Commencing construction of Busia and Moroto beneficiation centres and strengthening the Ntungamo and Fort Portal centres; and
- vi. Facilitating private sector participation in exploration, mining and value addition to minerals.

#### Oil and Gas

Madam Speaker, Uganda is progressing steadily toward the first oil in Financial Year 2025/2026. During the financial year we are ending, the following have been achieved:

- i. The Upstream Petroleum Project has advanced with drilling works in preparation for production;
- ii. The East African Crude Oil Pipeline (EACOP) project is on track with 500 kilometres of pipeline delivered in Tanzania. The target is to lay 100 kilometres per month;
- iii. The thermal insulation plant for heating the EACOP in Tabora, Tanzania was commissioned in March this year;
- iv. The Ministry of Energy and Mineral Development has issued two new exploration licences to Uganda National Oil Company and DGR Global, an Australian-based company;



- v. The planned 60,000 barrels per day refinery in Kabaale, Kikuube District, is progressing very well. The land for the project sites and associated terminal has already been acquired by the Government. Technical designs for the project are ready. The Government is working with Alpha MBM Investments from the United Arab Emirates to build the refinery;
- vi. The Government enforcement of the national content policy has ensured that up to 93 per cent of the jobs in the oil and the gas sector go to Ugandans. A total of 13,607 jobs have, so far, been given; and
- vii. In addition, the companies investing in the oil and gas sector are contracting locally. Since 2021, contracts worth \$1.796 billion have been awarded to Ugandan companies out of the total contract investment of \$7.162 billion.

Madam Speaker, in a bid to ensure the security of supply of petroleum products, Uganda National Oil Company Limited (UNOC), in partnership with the private sector, will commence the importation of all our petroleum products beginning in the first week of July this year – which is near.

Madam Speaker, next financial year, I have provided Shs 920.86 billion for the oil and gas sector to prioritise the following:

- i. Development of the East African Crude Oil Pipeline hub in Tanga;
- ii. Continued construction of the EACOP, including the necessary infrastructure to facilitate adherence to high-quality environmental standards;
- iii. Procurement and dissemination of the 57,000 liquefied petroleum gas cylinders to promote clean cooking;
- iv. Establishment of petroleum geoscience laboratory; and
- v. Equity contribution for the refinery.

#### Integrated Transport Infrastructure and Services

Madam Speaker, a total of 205 kilometres was added to the paved network during Financial Year 2023/2024, increasing the total paved national road network to 6,338 kilometres, representing over 30 per cent of the national road network.

The following roads were completed during the financial year: Atiak-Laropi (66 kilometres); Masindi-Biiso, Hohwa-Nyairongo-Kyarusheesha-Butoole and Kabaale-Kiziranfumbi Road (97 kilometres); Moroto-Lokitanyala (42 kilometres); Rukungiri-Kihihi-Ishasha/Kanungu (78.5 kilometres); Kapchorwa-Suam (73 kilometres); and Masindi Park Junction and Tangi Junctions-Para-Buliisa roads (159 kilometres).

In addition, three bridges were completed and construction of 36 critical strategic bridges is ongoing.

The completed bridges are:

- i) Kampala Flyover and road upgrading;
- ii) Lugogo Bridge connecting Nakasongola District and Ngoma in Nakaseke, via Kasozi; and
- iii) Saaka Swamp crossing in Pallisa.

With regard to air transport, the following were accomplished during the year we are talking about:

- i) Ninety per cent completion of Kabalega International Airport in Hoima. The remaining 10 per cent comprises critical air navigation, meteorological communication and airport operational facilities;
- ii) Ninety per cent completion of the expansion and rehabilitation of Entebbe International Airport, including modernisation of the departures and arrival areas of the terminal building; and

iii) Maintenance of 13 aerodromes, including Arua, Gulu, Pakuba, Masindi, Lira, Kidepo, Moroto, Soroti, Tororo, Jinja, Mbarara, Kasese and Kisoro.

the following transport infrastructure will be undertaken:

#### Roads and Bridges

Madam Speaker, with regard to water transport, the following were accomplished during the financial we are talking about - we are winding up:

- i) Completed the construction of three strategic ferries, namely; Amuru-Rhino Camp Ferry and two ferries for Bukungu-Kagwara-Kaberamaido (BKK) route on Lake Kyoga;
- ii) Completed the construction of the Maritime Training Institute in Namasagali, and commenced construction works for the Maritime Rescue Coordination Centre (MRCC) at Mwanza;
- iii) Completed 46 per cent construction works for search and rescue centres at Kaazi and 25 per cent at Kaiso, Panyimur and Zengebe landing sites; and
- iv) Continued with the development of new Kampala Port at Bukasa.

i. Tarmacking of an additional 306 kilometres of roads under the ongoing projects;

ii. Completion of upgrading of 210 kilometres of the following roads: Muyembe-Nakapiripirit (92 kilometres) and 25 kilometres of service roads; Kira-Matugga Road and improvement of five junctions (21 kilometres); Tororo-Busia Road (26 kilometres) and Mayuge and Busia town roads (18 kilometres); Kawuku-Bwerenga Road (6.6 kilometres) and Namugonde-Bugiri Road (1.6 kilometres); selected town roads (7.5 kilometres), in Pallisa and Kumi (12.2 kilometres); and remedial works on Ntungamo-Kabale-Katuna Road (65 kilometres);

iii. Commencing the upgrading/construction of 643 kilometres of the following road projects: Kisoro-Lake Bunyonyi Road Kisoro-Mgahinga National Park Headquarters Road; Koboko-Yumbe-Moyo Road; Yumbe-Ure Road; Kitgum-Kidepo; Namagumba-Budadiri-Nalugugu Road; Katine-Ochero Road and 2.9 km of town roads in Kaberamaido and Kalaki towns; Kyenjojo-(Kihura)-Bwizi-Rwamwanja-Kahunge and Mpara-Bwizi; Iganga-Buloopa-Kamuli; and Jinja-Mbulamuti-Kamuli-Bukungu; and Jinja City roads; Kisubi-Nakawuka-Natete; Nakawuka-Kasanje-Mpiggi; and Nakawuka-Mawugulu Nanziga-Maya-Kasanje-Buwaya roads;

With regard to railway transport, the following were accomplished during this financial:

- i) Acquired a 161-kilometre corridor for the standard gauge railway between Tororo and Mayuge;
- ii) Twenty eight per cent completion of rehabilitation of Tororo-Gulu Metre Gauge Railway; and
- iii) Completed emergency refurbishment and rehabilitation of the Malaba-Kampala-Namanve Metre Gauge railway.

iv. Upgrading to bitumen standard (tarmac) 16.9 km of roads in the Greater Kampala Metropolitan Area, and Gomba District;

v. Completing the construction of 20.2 km of Kayunga-Nabuganyi Road;

vi. Completing the construction of Kakiri-Masulita-Mawale Road (23 km);

Madam Speaker, during Financial Year 2024/2025, more focus will be put on maintenance of the roads we have built, building a few new strategic roads, accelerated rehabilitation of the metre gauge railway and commencement of construction of the Standard Gauge Railway. I have provided a total of Shs 4.989 trillion for that purpose. In particular,

- vii. Rehabilitation of over 10,000 km of national and community access roads in various parts of the country. This will be in addition to routine maintenance under the Uganda Road Fund;
- viii. Commencing the reconstruction works for Masaka-Kyotera-Mutukula Road and the rehabilitation of the Nyendo-Villa Maria Road and access roads; and
- ix. Continuing with the ongoing construction of up to 30 bridges and structures on the national roads including: Alla-(Anzuu)-Gazi (Rhino Camp), Aca (Rhino Camp), Lugogo Swamp Crossing, Nabukhaya, Nambola, Nametsimeri, Sahana and Khamitsaru bridges; Rubongi Bridge, Maziba, Kiruruma, Rwembyo and Kajwenge bridges; Kamirwa, Nyakambu, Kochi, Osu, Odrua, Dunga, Mahoma, Mpanga, Nabuswa (Nyabuswa) and Perepa bridges, among others.

#### Development of Water Ferries

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

#### Air Transport

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

#### Information and Communications Technology (ICT)

Madam Speaker, during the financial year we are concluding, the following have been achieved in the ICT sector:

- i. A total of 4,354 Km of optic fibre cable have been laid across the country connecting 1,523 key Government service delivery units to the National Backbone Infrastructure;

- ii. The internet penetration in the country has increased to 64 per cent from 25 per cent, in 2017, and the share of Government services provided online is now at 40 per cent, up from 20 per cent registered in 2017; and
- iii. A Parish Development Model Information System has been developed and rolled out in all the 10,585 parishes across the country.

Madam Speaker, next financial year I have provided over Shs 246 billion to continue developing the ICT and digital transformation through the following interventions:

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

#### Energy development

Madam Speaker, the country's power generation capacity has increased by 600MW, from 1,378.7MW to 1,978.1MW, following the connection of Karuma Hydropower Dam to the national grid. The electricity transmission capacity has now increased to 4,218 km of high voltage from 3,500 km in 2020.

In the next financial year, I have provided Shs 982.56 billion to undertake the following:

- i. Increase access to electricity through grid expansion and connectivity projects;
- ii. More investment in the construction of transmission and distribution networks targeting load centres to promote value addition;

- iii. Improving the quality of power supply through the systematic operation and maintenance of existing power infrastructure;
- iv. Increasing access to clean energy by supporting clean cooking technologies;
- v. The development of five micro-grid power plants using wind and solar hybrids in Karamoja; and
- vi. Preparatory activities for the 8,400MW Nuclear Power Plant in Buyende District.

#### Industrial development and manufacturing

Madam Speaker, in our tenfold growth strategy, the Government is going to step up efforts to accelerate the diversification of the economy, add value to raw materials to boost exports and import substitution to continue reducing our import bill, and also build more basic industries to produce items that Ugandans use daily such as sugar, soap, cooking oil, clothes, medicines, construction materials, et cetera.

Our industrialisation efforts are being undertaken mainly through the private sector, but with the State playing a de-risking role. The Government, through the Uganda Development Corporation (UDC), is undertaking targeted investments to increase Uganda's manufacturing capacity.

During the financial year we are ending, the following investments have been undertaken by UDC to increase local manufacturing capacity:

- i. The Atiak Sugar Factory has acquired modern mechanised equipment for the sugarcane fields in Amuru and Lamwo districts and installed modern irrigation systems;
- ii. Four tea factories have been supported to expand and process tea for both domestic market and export. These are: Kayonza Growers Tea Factory; Kigezi Highland Tea Factory; Mabale Growers Tea Factory; and Mpanga Growers Tea Factory;

- iii. Continued support to Mutuma Commercial Agencies (Ltd) in Luuka District to produce intermediary and final products such as surgical cotton, cotton cake, soap stock, and cotton-seed oil;
- iv. Investment in Bukona Agro-processors Ltd in Nwoya District to process cassava and cereals into ethanol for cooking. It produces 40,000 litres of ethanol per day;
- v. Investment in Budadiri Arabica Coffee Mills (Ltd) in Sironko District to process coffee for export;
- vi. Additional investment in Soroti Fruits Factory (Ltd) that is processing six metric tons of fruit (mangoes and oranges) per hour into fruit concentrates and juice; and
- vii. UDC has also invested in East African Medical Vitals (Ltd), manufacturer of examination and surgical gloves, to increase the company's production capacity to create jobs and also save the country foreign exchange through import substitution.

Madam Speaker, the Government is also continuing to develop industrial parks to provide investors with the required infrastructure and utilities. Work is in progress in Namanve Park (with 190 companies operating); Liao Shen Park in Kapeeka (19 companies); Sino-Uganda Industrial Park in Mbale (18 companies); Luzira Park (11 companies); Bweyogerere Park (eight companies); and MMP in Buikwe (seven companies).

Other operational industrial parks include Jinja, Soroti, Kasese, Mbarara, and Tian Tang-Mukono Industrial Park. So far, over \$3.5 billion has been invested in these parks in the form of foreign direct investment. Over 266,812 direct and indirect jobs have so far been created.

Security, good governance, and rule of law

Madam Speaker, peace and security, as well as the rule of law, are the foundation for all other

things we aspire to achieve. It is the bedrock for socio-economic transformation, democracy, and all the human rights and freedoms we all cherish. Accordingly, as we have done before, the Government will continue to prioritise peace, security, and the rule of law.

Next financial year, I have provided a total of Shs 9.588 trillion, of which Shs 481.4 billion will be for the administration of justice to ensure that Uganda remains a peaceful and accountable country with law-abiding citizens. Some of the priorities in these programs include:

#### Security of person and property

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

#### Justice Law and Order

Strengthening justice, law, and order service delivery systems by:

- i. Recruiting 10 more High Court judges in commercial and land divisions to enhance adjudication of commercial and land cases to eliminate the backlog;
- ii. Recruiting five more justices of Court of Appeal in line with the Judicature (Amendment) Act, 2024;
- iii. More investment in court automation to cover an additional 10 courts to enhance efficiency, reduce human contact, and by extension reduce incidents of corruption;
- iv. Promotion of the Alternative Dispute Resolution (ADR) mechanism to complement the formal adjudication of cases;
- v. Starting construction of regional Courts of Appeal in Mbarara and Gulu; High Courts in Hoima and Masindi; Chief Magistrate Courts in Amolatar, Bubulo, Rakai and Katine; and Magistrates Grade I Courts in Busembatia, Nyarushanje, Rubuguri and Adwari;
- vi. Promoting the use of scientific evidence in the investigation and prosecution of cases, including the construction of the National DNA Data Bank at the Government Analytical Laboratories at Wandegaya;
- vii. Mass enrolment for and renewal of national IDs and the automation of immigration and business registration services; and
- viii. Reforming laws and due processes to ensure faster and expeditious resolution of disputes, among others.

#### Natural Disaster Response and Management

Madam Speaker, I am about to close. During the Financial Year 2023/2024, the Government supported 53,930 households with relief food



and non-food items across the country. Next financial year, I have provided Shs 18.1 billion plus a contingency fund of Shs 146.26 billion to support disaster response and management, including:

- i. The operationalisation of the National Disaster Risk Management Plan;
- ii. Support 50,000 households with food and non-food items across the country;
- iii. The provision of funds to Uganda Red Cross Society to support disaster victims; and
- iv. Supporting the resettlement of 1,000 households that were displaced by landslides and floods in the Elgon region, including the districts of Bududa, Manafwa, Bulambuli, Namisindwa, and Sironko.

Government strategy for the financial year 2024/2025 and the medium-term

Madam Speaker, in line with H.E, the President's guidance, my ministry in collaboration with the National Planning Authority has developed a strategy for growing Uganda's economy ten-fold. The target is to expand the size of the economy from about \$50 billion, last year, to \$500 billion, by 2040.

The Government has identified four anchor sectors to drive this growth. These are:

- i. Agro-industrialisation;
- ii. Tourism development;
- iii. Mineral development including oil and gas; and
- iv. Science, technology, and innovation, including ICT.

Madam Speaker, these are the ATMs that are going to mint money for Uganda's next financial year and in the medium term. The detailed enabling policies, interventions, and actions will be contained in the coming 4<sup>th</sup> National Development Plan.

Madam Speaker, to achieve this ambitious goal in the next 15 years, we must deliberately and pragmatically do the following:

- i. Double the size of GDP every five years for the remaining three national development plans;
  - ii. Raise per capita GDP six-fold from the current \$1,146, to about \$7,000 in Financial Year 2039/2040;
  - iii. Double the level of savings in the economy from 20 per cent of GDP to 40 per cent in 2040;
  - iv. Raise the share of exports in GDP from 12 percent, in 2022, to 50 per cent and the share of manufactured products in merchandise exports from 13 per cent to 50 per cent and the medium high tech products from 21 per cent to 50 per cent over the same period;
  - v. Increase the annual FDI inflows from \$2.9 billion in 2022 to \$50 billion by 2040; and
  - vi. Accumulate the stock and the quality of human capital (skilled workers); physical capital (energy, railway, roads, air travel, and internet infrastructure); and natural capital (forests, swamps, rivers, and lakes).
- Madam Speaker, the success factors of this strategy are:
- i. Enhancing the capacity for effective national defence and security to avert any internal or external security risks;
  - ii. Maintaining constitutional order, an effective and efficient Judiciary, and a people-centered Legislature;
  - iii. Economic stability in line with commitments contained in the Charter for Fiscal Responsibility;
  - iv. A reformed Government-wide coordination of rationalised Ministries, Departments, Agencies, and Local Governments;
  - v. Effective and accountable public institutions prepared to fight corruption and impunity;



- vi. Policy consistency to ensure effective implementation of government programmes and interventions;
- vii. The enforcement of local content in government programmes and investments, and support to culture and the creative industry;
- viii. Digitisation and automation including e-payments, e-commerce, e-government procurement, e-health and e-education; and
- ix. Support and take advantage of the full implementation of the East African Common Market and economic integration under the African Continental Free Trade Area.

#### Financing and expenditure for the Financial Year 2024/2025

Madam Speaker, the total resource envelope for the Financial Year 2024/2025 amounts to Shs 72,136,504,253,466 (Seventy-Two Trillion, One Hundred and Thirty-six Billion, Five Hundred and Four Million, Two Hundred and Fifty-Three Thousand, Four Hundred and Sixty-Six Shillings) of which total revenue is as detailed below:

- i. Domestic revenues amount to Shs 31.982 trillion, of which Shs 29.366 trillion will be tax revenue and Shs 2.616 trillion will be non-tax revenue;
- ii. Budget Support - Shs 1.394 trillion;
- iii. Domestic Borrowing - Shs 8.968 trillion;
- iv. Treasury bonds for settlement of Government outstanding obligations to Bank of Uganda, as at 30 June 2024, Shs 7.779 trillion;
- v. Domestic refinancing of maturing domestic debt - Shs 12.022 trillion;
- vi. Petroleum Fund drawdown - Shs 115.4 billion;
- vii. Project support (external financing) - Shs 9.583 trillion; and
- viii. Local government revenue collections - Shs 293.9 billion.

The total government expenditure for the Financial Year 2024/2025 is projected at Shs. 72,136,504,253,466; of which the total appropriation is Shs 37.56 trillion and the statutory expenditure will be Shs 34.756 trillion.

Wages and salaries are projected to amount to Shs 7.926 trillion, non-wage recurrent expenditure to Shs 17.454 trillion, development expenditure from, own resources, to Shs 6.152 trillion, external project financing to Shs 9.584 trillion, appropriation in aid to Shs 293.9 billion, while external debt repayment will amount to Shs 3.149 trillion.

I have attached the details of the resource envelope and expenditure allocations by Vote for the Financial Year 2024/2025. Madam Speaker, the Financial Year 2024/2025 budget has been designated to target seven key priorities. These are:

- i. Investing in the people of Uganda through education, health, water, sanitation, and hygiene, for which I have provided a total of Shs 10.204 trillion;
- ii. Peace and security of all persons in Uganda - I have allotted a total of Shs 9.107 trillion, including the 25 per cent enhancement of salaries of all security personnel at the rank of Captain and below; (*Applause*)
- iii. Maintenance of all roads, construction of a few strategic roads, as well as rehabilitation of the Metre Gauge Railway and construction of the Standard Gauge Railway. I have provided Shs 4.989 trillion for these;
- iv. Investing in wealth creation initiatives, including commercial agriculture, value addition (UDB and UDC), the Parish Development Model (PDM), *Emyooga*, agriculture credit facility, tourism, science-based research, youth skilling, export promotion programme, and the GROW Project. I have allocated a total of Shs 2.641 trillion;

- v. To facilitate electricity transmission, distribution, and utilisation of existing energy stock, I have allocated Shs 982.6 billion;
- vi. Natural disasters (contingency funding), to which I have allocated Shs 146.1 billion; and
- vii. Our international commitments for regional and global partnerships, Shs 31.1 billion.

The above priorities are in support of the anchor sectors that have been identified to drive rapid expansion of the economy.

Approved sources of funds to finance the Budget

The following principles guided the preparation of the Financial Year 2024/2025 budget:

- i. Strengthening domestic revenue mobilisation by providing adequate funding to revenue-generating entities;
- ii. Strengthening public finance management to ensure accountability and frugality, and avoiding misuse of public resources;
- iii. Repurposing of the budget towards high-impact economic growth areas;
- iv. Improving efficiency in the execution of projects and other public investments; and
- v. Borrowing for only strategic high-impact interventions.

Madam Speaker, starting Financial Year 2024/2025, accounting officers of revenue-generating entities will sign commitment contracts against the agreed revenue performance targets, upon which budget allocations have been made, in addition to the performance contracts they sign annually.

#### Domestic Revenue Mobilisation

To collect the projected revenue for the Financial Year 2024/2025 of Shs 31.982 trillion, a mix of modest tax policy measures were proposed and approved by Cabinet and Parliament. These will be complemented by

enhanced tax administration by the Uganda Revenue Authority (URA) and rationalisation of tax exemptions in line with the Domestic Revenue Mobilisation Strategy.

#### Tax measures for the Financial Year 2024/2025

The following are the modest changes in taxes that were approved by Parliament to raise more revenue and/or improve the budget environment:

#### Excise Duty

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

#### Value-Added Tax (VAT)

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

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

## Income Tax

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

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

## Tax administration measures

Madam Speaker, much of the anticipated additional revenues will be generated from compliance measures undertaken by the Uganda Revenue Authority (URA). These include:

- i. Expanding URA presence and coverage by opening up five liaison offices;
- ii. Strengthening the enforcement and use of the Electronic Fiscal Receipting and Invoicing System (EFRIS), - which was a battle recently as you heard –Digital Tax Stamps and the rental tax solution;
- iii. Strengthening the exchange of information with other tax authorities to combat illicit financial flows and under-declaration; and

## iv. Strengthening enforcement interventions.

Madam Speaker, I call upon all of you, colleagues and fellow Ugandans, to render URA and other revenue-collecting institutions the necessary support to mobilise the revenue required to meet the target for Financial Year 2024/2025.

We must raise more revenue so that we can reduce reliance on borrowing and external grants. *(Applause)* I repeat: we must raise more revenue and reduce reliance on borrowing and external grants. Those of us who go to borrow, they take us as if we are children. They look at you going today and coming tomorrow. No! We should really decide so that we can at least get a reasonable percentage.

## Public Debt

Madam Speaker, as of the end of December 2023, Uganda's total public debt stood at Shs 93.3 trillion, equivalent to \$24.69 billion. Of this amount, external debt was Shs 55.37 trillion, equivalent to \$ 14.64 billion, while domestic debt was Shs 38.01 trillion, equivalent to \$10.05 billion. The public debt is projected at Shs 97.638 trillion, equivalent to \$25.716 billion, by 30 June, this year.

In nominal terms, Uganda's public debt to GDP was estimated at 46.9 per cent, in June 2023 and is projected to end at 47.9 per cent this financial year ending June. This is below the 52.4 per cent threshold provided for in the Charter for Fiscal Responsibility for the Financial Year 2023/2024, and less than 50 per cent of the GDP Government policy target for debt sustainability.

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

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

Nonetheless, the ratio of total debt service to domestic revenue, excluding maturing domestic debt (redemptions), is projected to increase to 40.3 per cent, in Financial Year 2024/2025, from 33.4 per cent, in Financial Year 2023/2024, above the threshold of 20 per cent. This is the reason the Government is committed to exercising caution in borrowing to ensure debt sustainability by implementing the following measures:

- i) Prioritising concessional borrowing where available and reducing commercial borrowing at high interest rates. Such borrowing shall only be for very few strategic and high-impact projects;
- ii) Strengthening capacity for domestic revenue mobilisation;
- iii) Controlling Government spending to ensure allocative efficiency;

- iv) Boosting exports to increase foreign exchange inflows, and
- v) Ensuring project readiness and quality of public investment to increase the return on investment.

Madam Speaker, in conclusion, the economy has fully recovered from various shocks that have impacted it in the past four years. It is now poised to accelerate towards take-off, powered by value addition to our agricultural raw materials and the abundant natural resources, growth in industry, tourism, and innovations by our scientists.

This budget is greatly for Ugandans still stuck in the subsistence economy. Countrymen and women under this category, take full advantage of PDM and other wealth creation funds as well as other support services, to join the money economy in any of the four sectors; commercial agriculture, industry, services, and/or ICT.

To the private sector, this budget is anchored on the ten-fold growth strategy. It presents you with a multitude of opportunities. It has invested in several interventions to further improve the business environment. The macro-economy is stable; infrastructure is improving; affordable capital has been provided to you to engage in value addition and export; electricity is now reliable and the Government will work hard to reduce its cost; regional markets are expanding; and barriers to market access are being removed. Therefore, take full advantage of these opportunities to create wealth and prosperity. (*Applause*) Have we agreed with the businessmen? Yes.

To the youth, this budget offers opportunities to acquire more skills, access finance, innovate, and develop new and better products. Those with talents, I assure you that the creative industry is going to be supported. This budget is the beginning among many, in the medium-term intended to open up doors for you to escape unemployment and manipulation by self-interested individuals and groups. Take full advantage of the opportunities to make money and live a productive and long life, like some of us.

To the women and mothers of the nation, the budget has provided funds to improve your health, to ensure your children are born in safe hands, are immunized, sleep under mosquito nets, drink clean safe water, and are educated in nearby schools for free. The budget has also allocated billions to support your businesses, however small they are now.

To the elderly, persons with disabilities, and other vulnerable persons, wherever you are in this country, the budget offers several social safety nets not only to shield you from poverty but also to ensure that you can be productive and begin to live a decent life.

To the gallant men and women in uniform, at the rank of captain and below, who are serving in the UPDF, Uganda Police Force, Uganda Prison Services, and internal and external intelligence services, this budget contains the first instalment of enhancement of your pay –(Applause)– continue to serve your country and keep it as safe as you have already done. Happy belated Heroes Day!

Madam Speaker, as I step off this podium, I would like to call upon all Ugandans to embrace the President's message. Let every adult Ugandan engage in producing a good or service for sale. That way, we shall be able to create a bigger pie for the greater good of our country. I dedicate this budget to all the wealth creators.

Madam Speaker, with that passionate statement, I beg to move. (Applause)

**THE SPEAKER:** Thank you very much, honourable minister. Honourable minister, everybody has appreciated your budget for this year and that is why nobody has even slept. We congratulate you so much and we thank you. By extension, we thank the President for the clarity of your delivery of the budget speech for this financial year. Thank you so much, honourable minister.

## REMARKS BY HIS EXCELLENCY, THE PRESIDENT

**THE SPEAKER:** Honourable members and distinguished guests, as I said, Hon. Kasajja was performing a delegated role. The Chief Minister of Finance, Planning and Economic Development, is now going to give us briefs on his budget. I now take this opportunity to invite His Excellency, the President of the Republic of Uganda, Gen. Yoweri Kaguta Museveni, to make his remarks on his budget. Welcome, your Excellency.

5.18

**THE PRESIDENT OF THE REPUBLIC OF UGANDA (Gen. Yoweri Kaguta Museveni Tibuhaburwa):** Her Excellency, the Vice President, the Rt Hon. Speaker of Parliament, His Lordship the Chief Justice, the Deputy Speaker and the Deputy Chief Justice, the Rt Hon. Prime Minister, the Vice Chairman of the NRM, all the other leaders and the *Wananchi* who are listening.

In the State-of-the-Nation Address recently, I reminded you of the three historical missions of the African revolution. I reminded you of the four ideological principles of the NRM and how the Ugandan economy has not only grown from \$ 1.5 billion, in 1986, to now \$ 55 billion by the exchange rate method, but also to \$ 180 billion, by the PPP method. I think the economists should get time to explain to you this difference between GDP by the exchange rate method, which is what the minister was talking about here, and GDP by the PPP method; the Purchasing Power Parity method.

The exchange rate method shrinks our economy because we are still importing items from abroad, unnecessarily; we are importing unnecessarily. If you look at the size of our GDP by the PPP method, it is now two times the size of the South African economy when Mzee Mandela took over the leadership of that country in 1994 because, at that time, the GDP of South Africa was about 89 billion or something. Therefore, if you use the PPP method, the GDP of Uganda now is twice the



size of the South African economy by the time Mzee Mandela took over the government there.

In the next few years - I am not waiting for 2040, because they keep talking about the 2040 vision - we shall catapult the economy to the size of the \$ 500 billion. Why am I sure of this? It is because much of our economy today is comprised of raw materials that are in value normally 10 per cent of the value of the final product. By adding value to coffee, maize, forest products, minerals, etc, our economy will grow exponentially.

You have seen the exports. In this year, they grew by 38 per cent. You saw the figure there, which the Minister was showing you. Export earnings in one year, from \$ 4 billion to \$7 billion. The rate of growth is 38 per cent - because we are just under-utilising everything. This is the problem.

Uganda, importing furniture. Can you imagine that? Importing furniture from Dubai, from India. Mama Janet here had to fight with those wonderful people in the Ministry of Education who were determined to buy furniture from India. Imagine? furniture, “entebe” also takes money outside.

Money is taken to buy dead people’s clothes from outside, ‘emicuzwiro’ ‘ That is what the Banyankole call brothers of dead people. They are called emicuzwiro. So that is why we spend \$ 800 million on imported textiles. The shirt I am putting on is made here. 100 per cent Ugandan. This shirt here.

Why should we import textiles? We had some issues with the traders here, the people they call traders. What they call traders are the importers. How about - there was a man called Walusiimbi Mpanga in the 1950s who used to buy cattle from the Ankole area and bringing them to Kampala. He was not an importer but an internal distributor.

According to the traders in Kampala, that one was not a businessman. The businessman is the one who is “okusaka”, who is buying from

outside. This slave mentality must go away. I am not a slave myself. I have never accepted a slave-dependency mentality.

That is how we were able to lead our revolution. So, this importing is what is creating the discrepancy. The economy is bigger, \$180 billion, but if you use the exchange rate method, it comes to \$55 billion; it shrinks. But if you solve that, the size in the figures will be much bigger than it is now.

We have the electricity and we shall continue to expand the generation. I want to thank the Minister because really, he showed everything here in detail and I am glad you gave him a standing ovation. I think you may go to heaven because of showing gratitude. “Entasiima ekolaki? Entasiima ekolaki? Ah, “Kale ebibiryawo” it means that the one who does not thank, nobody will give him again. We have the electricity and we shall continue expanding the generation and the transmission.

The private sector is the main engine of growth and transformation. We already have a well-educated population that is easy to skill and also innovative, as you saw in the science in the knowledge economy. Those are our young people who are doing all those scientific innovations.

For the economy to grow, the only thing I can add on now, because I do not want to give a long speech, in order for the economy to grow even more, we need to be competitive in the products we produce. And the Minister conveyed my message very emphatically, which I will repeat at the end of this short speech.

But in order to be competitive in the products and services we produce, our products and services must be cheaper and of better quality than products from other countries. However, in order to achieve that, we need affordable electricity, which is already being worked on. Because for you to be competitive, you need cheap electricity. And we are working on that, as you saw here.

We need low-cost money for the wealth creators, which is already available in the forms of PDM, *Emyooga*, and Uganda Development Bank loans (UDB). I really want to render irrelevant these money lenders and all these people who suck our people. We shall continue putting money in PDM, *Emyooga*, and UDB, so that the people who want wealth creation, have soft money; money that is not very expensive.

On labour, we have electricity is going to be cheaper. Money for wealth creation will be cheaper. Labour is still not expensive. However - and those are the crucial factors when you are producing a good or a service; the cost of electricity; the cost of the money you borrow; the labour costs or the wages and the salaries, which are being paid to the workers.

However, to further handle the issue of the cost of production that renders products and services competitive, correct this in my speech. This should be uncompetitive, we must reactivate rail and water transport for cargo. This is what is missing now. Electricity is being worked on, money for borrowing or production, not for importing - we are not giving you soft money for importing. If you want to import, you go to the moneylenders. You go to these other fellows, the commercial banks. Otherwise, if you are a wealth creator, we have money for you.

The cost of labour is still low. But how about the cost of transport? Transport, not for people who are going to nightclubs. Those can pay whatever cost they are charged; it is up to them. If you do not want to pay, you stay home. So, when I say the cost of transport, I am talking about transport of goods and cargo. That is why the railway is our next big target. Railway for the goods and - especially for the goods, even people, but mainly for cargo. We must reactivate rail and water transport for cargo.

We have repaired the old metre gauge from Malaba to Kampala, and also from Tororo to Gulu and Pakwach. We are going to start building the Standard Gauge Railway (SGR) from Malaba to Kampala, and from Kampala to Mpondwe in Kasese. Later we are going to expand the SGR to Gulu-Nimule.

The railway will transform our capacity to create wealth. 'Because once the railway is fully operational, then, the transport of goods from here up to Mombasa will be cheaper. From here up to Dar es Salaam, from here up to South Sudan and from here up to the Democratic Republic of Congo, it will be cheaper.

It will also save the roads - because this crowding you see on the roads by the heavy trucks is because the railway is not working. When the railway starts taking off the trucks from the road - then the pipeline. We are also making pipelines for petroleum. Now, the passengers are on the road, the cargo is on the road and you also have the petroleum products on the road. That is why the road is under such pressure.

The railway and the pipeline for petroleum will solve that problem. That means that only the passengers or light trucks will remain on the road. It will also cause less pollution and consume less fuel. This is because, on the road, you spend a lot of fuel due to slow movement. We are moving forward on the issue of introducing electric cars and electric boda-bodas - as you saw here.

Therefore, these are the two additional strategic interventions: the railway and the pipeline for petroleum products.

The other strategic intervention, which we need, to stabilise our economy forever, is irrigation for agriculture. The minister talked a bit about it here, but we need to put more emphasis on it. You know we are lucky that we have rains, but sometimes the rains delay and sometimes we have less rains and then we get a crisis of lack of food. So, to remove that occasional disturbance, we must have supplementary agriculture arrangements.

Much of the time, we shall have the rains, but if the rains do not come, there should be standby irrigation. With these, plus what I said in the State-of-the-Nation address and what has been said in the budget, there is nothing that will impede us. Remember that in the State-of-the-Nation Address, I addressed the issue of

regional integration, to solve the issue of the market.

The National Resistance Movement (NRM) is a mission-led organisation. We did not come into politics to improve our curriculum vitae (CV) – former this, former that – please! We are not here to improve our CVs. No, please! We started fighting in the 1960s because we had historical missions and aims. That is why we cannot move. We must achieve these aims – and we have achieved some of them as you can see.

You heard the minister telling you that the economy he was talking about, which he presented here, was all minus our petroleum, which is about to come online. When that comes online, the story of Uganda will be a totally different one. In a short while, our petroleum will start coming from the ground. This will enable the Government to earn an extra \$2 billion per year, assuming it is at today's prices. Even if the prices remain the way they are now when our oil starts coming out of the ground, the Government – not the whole economy, but the Government alone – will be having an extra \$2 billion per annum.

This is apart from other income streams for the country – this does not include the money to private groups and so on, but to the Government. This oil money will never be used for consumption, if the NRM is in charge. We shall never use this oil money to import perfumes, whisky and what have you. Never! It will never happen. It will only be used for infrastructure and science development.

Therefore, strategic items like the railway and irrigation will be funded by us, directly. So, this business of borrowing for this and that will stop. For the railway, power stations – infrastructure – and science, we shall use this oil money to do them, but not to import those *takatakas*. No! For those, you continue the way you are doing now.

People who do not bother to listen to our message keep talking about poverty, lack of jobs, etcetera. I am very happy that the

minister and his staff are now, finally, properly capturing the message of the NRM. (*Applause*) We have been having problems with them – the way they present things, the way they talk: “sustainable development”. What is that? What does it mean?

One time I asked, what does “sustainable pregnancy” mean? That somebody is “pregnant sustainably”? Never produces a baby?

Nature provides that you have quantitative growth and quantitative change. Pregnancy, after nine months, becomes a baby. A baby, after some time, changes into something else. That is how life is.

You cannot have a static situation indefinitely. So, we are very clear that prosperity means an adult person participating in producing a good or service and selling it. When we say “participation”, he may be the owner of the product or he may be an employee, but he will participate in producing a good or service and selling it. If you do that with *ekibaro* – with proper mathematics – you will get prosperity. That is what I have been telling you.

We have been telling you – and the minister has now repeated it emphatically. I am very happy with the finance ministry now. I have nothing useful to add. (*Applause*) He has told you that the sectors where prosperity is, are four:

1. Commercial agriculture with *ekibaro*, *cuura*, *aimar* and *otita* with the mathematics;
2. Manufacturing and artisanship;
3. Services; and
4. ICT.

So, in those areas - that is where you will get prosperity. You should choose to be somewhere as a wealth creator or an employee of the wealth creators.

Now, those people who do not bother to listen to our messages keep talking of poverty, lack of jobs, etcetera. The four sectors of commercial agriculture, artisanship and manufacturing, services, and ICT, if utilised in the manner

recommended by the NRM ever since 1995, will create so many jobs that will exceed the job levels of Uganda.

Uganda does not have enough - Once we develop our full capacity, Uganda will not have enough workers. By the way, this one happened during the time of the British. When they introduced a few activities here like coffee, cotton and sugar growing, that is how Africans from Rwanda, Burundi and South Sudan came here.

That small money economy during the British time, created so many jobs that the internal people were not enough. That is why our brothers had to come from Rwanda, Burundi and South Sudan to work here. Even now, if we all become wealth creators in the four sectors, there will be many jobs.

I have given the example of Mr Nyakaana in Fort Portal, using one acre to employ 15 people. We calculated that if seven million people did that, we would create more jobs than the whole population of Uganda now. However, as of now, we already have 922,000 people employed in manufacturing. Show those factories again if you have them; show them on the screen. These are all new factories.

In 1986, we had only 80 factories when we launched the Uganda Manufacturers Association, we now have more than 8,000 like those. These are already employing 922,000 people and something. The whole of the public service - army, police and civil service - has 480,000 people. So, the factories are now employing two times the number of people working in this public service.

So, those saying, "Jobs, jobs, jobs"; the jobs are there, but you must be qualified for them by doing the right thing. All those are new jobs. You can see all of them are brand new factories; they are not old. These are the factories now, giving us 922,000 jobs.

The services - the hotels, tourism, transport and banks - are now employing five million people. Show one of the factories; the one which was

there now. Put it back; the one, which was showing - those are hotels. Go back to the one you had shown. It was a factory where workers were seated. No, there is another one, which is bigger. Anyway, they are all the same. You can see how many people - jobs are there. Look at that group now; all those young people. *(Applause)* "Jobs, jobs, jobs"; just talking. *(Laughter)* They do not listen and then they have their wonderful papers, like the wonderful - what do you call it? - *Daily Monitor*; that Monitor group. *Hovywo hawo, wajinga hawo.* *(Laughter)* They are like enemies of Africa.

The other day, I saw them when they tested Karuma power, 600 Megawatts. I think there was some blackout or something. So, they were celebrating in their paper, *Daily Monitor*, that "you see, the transmission network cannot handle the power" and I had heard that opinion. It is very interesting to see how the enemies of Africa link up.

So, the logic of the *Daily Monitor* newspaper is like what I used to hear from some of the civil servants in the Government who are also on the side of the *Daily Monitor*. They were saying, "But if we have the power station at Karuma, how shall we evacuate the power?" If you cannot evacuate it, have the factories near there. They can all be around Karuma if you do not have to carry it far away.

When the Owen Falls Dam was opened by Queen Elizabeth in 1954, electricity was only in Jinja. That is why the original factories concentrated there. We did not have electricity in Mbarara; we did not have it in Kabale. We did not have it but it was enough that it was in one part of Uganda and all the factories congregated there. That is a step forward.

If electricity is there but you cannot distribute it far away, let the people from nearby use it. That is not a problem; that is a step forward. It is not something to mourn about and demonise.

Now, out of the five million employed in services, 40,000 of them are employed in ICT, then 66,000 are employed in mining and quarrying. This is just *endozo*. *Endozo* is a word

for when somebody gives you something to taste. In Ntungamo at the trading centre, if you found the women selling local beer, you could say, “*Mubanze mundozeho*”. Give me *jaribu* first; let me taste. He tastes this one and says, “It is not good.” By the time he has finished six, he is drunk and he says - (*Laughter*) - he says that all the beer is bad; *Hati amaarwa ganyu goona ni mabi*.

So here, what we are showing you - you show the hotels - he had started showing the hotels; the services in the picture. All of those are employing people; and here in my small speech, I have those pictures.

Therefore, I want to repeat what the minister said. Ugandans, wake up and work; the work, wealth and prosperity are in the four sectors, commercial agriculture, artisanship and manufacturing, services and ICT.

The capital to help you go into any of these sectors is already available in the Uganda Development Bank (UDB), the Parish Development Model (PDM), *Emyooga*, etc. If the money there now is not enough, we can add more, but start.

Now, the only remaining problem is corruption. (*Applause*) As I said the other day, we are going to stamp out that corruption. (*Applause*). It is really amazing how people do not see- the National Resistance Army (NRA) is a very powerful force; I do not know how anybody thinks that you can play around with it.

We are very soft and use soft methods; we never force anybody and always talk to you. I am like a pastor preaching; repent, you are going to go to heaven - (*Laughter*) - but they do not know- I do not know why they forget that we have got a lot of capacity and power which we shall use if necessary.

I really cannot get it because these corrupt people insult our heroes. The other day, we were in Mpeenja celebrating Heroes Day. Now, those heroes in Mpeenja, we were told there were 250 skulls of dead people - there in that village.

Now, in the whole of Uganda, we lost 800,000 people; killed. In Luweero, we gathered 70,000 skulls. Therefore, this sacrifice is how you are here, you fellows: Your Excellency the President; Your Excellency the Vice President; Right Honourable this; Right Honourable that; His Lordship this; His Lordship that - all those powerful people - honourable - I do not know what; they are all here on the blood of our people.

You heard them when we were in Mpeenja; they still talked about *Akasimo*, this and that. They sacrificed and we are here but you come and get a chance to lead instead of helping people, now you start taking away the little that could help them. This is really amazing.

Now, in so doing, you delegitimise yourselves- because you see, the Ugandans are very dangerous. When they see that you are not honest, they just leave you but one day, they will get a chance to avenge you; that is what happened with the groups we had here.

When we got independence, all these were young people; Mesa was 39 years old, Obote was 35, Kakonge was 26 years old, Ibingira and Nekyon were 28; they were all young people. Uganda was in their hands - just a free gift but see what happened.

Amin was 39; he was a young man. I was like their smaller brother; at that time; I was 18. That is why I know all of them very well but you could see how those young people messed themselves up and how they ended up; they lost legitimacy.

Therefore, when I came onto the scene, we had studied all this and we could not afford it. Now, at that time, what we dealt with was the misbehaviour of the army because that was one of the biggest problems at that time. The army “*Nantagambwako*” - they have their word, the *wananchi* of ours - “*Nantagambwako*” I do not know how you translate that. How do you translate it in English?

**HON. MEMBERS:** The “untouchable”.



**GEN MUSEVENI:** The untouchable; the army was untouchable, but the Front for National Salvation (FRONASA) said, “No, for us, we can build a disciplined army.” We started and the army was disciplined.

Then in Semuto, in 1982, two of our drunk boys went to the village and killed three villagers near Semuto; one of whom was called Zaburoni. Oh, that was really the boundary, whether the NRA was to survive or be written off by the people. So we arrested these boys; Zaburoni was a good boy but he was fond of drinking.

I did not know him well, but I had not heard anything specifically bad about him. So, we tried them and the case came to the high command. The other day, the Speaker called me a former Speaker, which I was for 10 years, but I was also a Chief Justice some time ago. *(Laughter)*

In the high command, we had somebody who had studied law at Makerere; a man called Jim Muhwezi. He then told us in the meeting that, you see, what killed the people in Semuto, Mulule - the place is called Mulule - what killed people in Mulule was not Zaburoni, it was the beer inside Zaburoni. *(Laughter)*

Therefore, what do we do now? How do we separate the beer from Zaburoni? This is because Zaburoni was *ekidomola*, carrying beer, which made him kill people. What do we do? We had to shoot those young people in public. This is how the NRA was built. When we did that, the Baganda said, “*Bano balina amazima.*” That was the end of this group – the Uganda Federal Movement (UFM) of Kayiira - because they were talking in Buganda - they were in those things. The *wanainchi* could not listen because they had seen *amazima*. *Nti bano, balina amazima* – these are the people of truth.

Therefore, I would like you people, especially the Africans - I am very glad the Chief Justice is now talking about alternative justice, which is the Indigenous justice. This justice of the wigs and all that - when you see it there, some of it

is - for instance, with the African people and the problem of murder - you kill my brother, I must revenge. I am duty bound to revenge “*Okuhoora*” because if I do not, the spirits of my brother will do so; my brother’s spirit, for whom I did not revenge, will go against me. The only way you can escape revenge is *Okaraba* - you go back and - for the Africans, we have got restorative justice. It can be punitive and retributive but it is also restorative to say, “Okay, please, do not revenge against me, let us sit down. One of our people killed your brother, let us solve this.”

For instance, I still have a debt with the clan of the late Col. Engola Machodwogo. Remember he was killed by our soldier. I must make peace with the clan on behalf of the army. Otherwise, they will just keep quiet. You are powerful; you are the President, His Excellency - but they will never forget. When I went there, I said, we are going to do – the Banyankole call it “*Okaraba*”. Therefore, murder, rape - That is an unforgivable sin. It must be sorted out. It must be fully accountable. Other things like fighting in the bar - they mix up things.

There are things, which are very serious. Murder, rape and corruption now. Corruption is very dangerous –*(Interjections)*- and do not involve me in your struggles with the Commissioners and so on. Those are other matters. These three; murder, rape and corruption must be fully accounted for and promptly.

You should be very careful with some of these concepts. Some of them are foreign but some of them are distorted like bail. You emphasise bail. Why do you emphasise bail? Why don’t you emphasise trial so that we get the truth? That is what you should emphasise. When we talk of bail, you are playing in the hands of the enemy. The Banyankole will say, “*Akararayo ekiro kimwe yagaruka.*” When the Banyankole say that, you are finished. He spent one night and came back. There was nothing, in other words. You will not see your justice. You are talking of justice and freedom in the Constitution. That is a foreign concept; it is not our concept. Our concept is, “*Akabwa keiba*

*keihura omugongo gwako*” meaning a dog that steals pays with its back so you must handle it quickly and decisively.

Those concepts are very dangerous because they separate us from the people. There is another one, which says, I can come to court and keep quiet. Really? The Banyankole will say, “*Ogwo ni omushuma, tokureba ngu teine kyokugamba*” – he is a thief so he has nothing to say.

I do not know how those people involve those concepts but please, here, we should deal with our situation like we dealt with the issue of Zabron. That is how the NRA was saved. Otherwise, we would have been finished. In Buganda, people would have lost confidence in us and it would have been very difficult to recover. We had a chance to show who we were and we did it and that is how the NRM was built up.

The NRM of today, please - first of all, I am surprised that people can dare - I hear so many things - but who do these people think they are? We are going to smash them. We have the capacity. *(Applause)* Now that they have attracted our attention - I never concentrate on those things myself, but now that they do not listen when we advise, they have now attracted our full attention and will see. We shall crash this treachery. This is a betrayal and we are going to finish it.

On the borrowing, I am glad the minister explained - these newspapers and radios create panic among you people talking about debt. We actually had a very low debt level until the outbreak of the Coronavirus. Our debt - GDP ratio before Corona was 30 per cent. It was very low, but some people pushed, and we found that we had reached 40 per cent. However, my view is that I do not believe in this borrowing. I believe in cutting our coat according to our cloth and that is what we should be doing.

Finally, on the talk of external shocks, which ones are those now? That there was a war in Ukraine and that you are importing wheat from Ukraine and Russia and now you are

going to die. Why don't you eat *muhogo*? You remember, I said, “Why don't you eat *muhogo*? Why do you eat wheat in the first place? I do not eat wheat and rice. I have my food. For the last 80 years, I have my foods. The only time I ate rice was when I was in Tanzania fighting Amin. Therefore, the external shocks - which ones now? Now, the only one we have is petroleum; we are still importing from outside. Very soon we shall have our petroleum. So, therefore, let us concentrate on our strength and stop all this diversion.

With these few words, I congratulate the Minister of Finance Planning and Economic Development. He has done it very well; I have nothing useful to add *-(Applause)*. I thank the Speaker for presiding over the meeting and all of you for coming. Thank you very much.

**THE SPEAKER:** Your Excellency, we thank you so much for fulfilling your constitutional obligation of delivering a successful Budget Speech. As the Legislature, we reiterate our commitment to apply its mandate in the realisation of a progressive intention for the country and its citizens.

We still pledge that whenever we are needed we will be available to do whatever we are required to do. You have our unwavering support as the Legislature. Thank you so much for honouring our invitation.

#### ADJOURNMENT

**THE SPEAKER:** Once again, I thank you, Your Excellency and Maama, and all the dignitaries who have been able to make it here. We thank you, for honouring our invitation. We also request you, as we finish this special day of the President delivering the national Budget Speech, we want to invite all our guests to Serena for an evening. You are most welcome, all of you.

Honourable members, the House will reconvene tomorrow, Friday 14<sup>th</sup> 2024, to designate Members to sectoral committees in furtherance to Rules 187 and 188 of the Rules of Procedure. The House will reconvene at 2.00 p.m. in Parliament.

I now adjourn the House to tomorrow 14<sup>th</sup> at  
2.00 p.m.

*(The East African Community Anthem)*

*(The National Anthem)*

*(The House rose at 6.15 p.m. and adjourned  
until Friday 14<sup>th</sup> June 2024 at 2.00 p.m.)*