

UGANDA BUDGET FY 2022/23 KEY HIGHLIGHTS

The budget FY 2022/2023 focuses on full monetization of Uganda's economy through commercial Agriculture, Industrialization, Market access and Digital transformation.

The budget has increased from FY 2021/2022 44.7 Trillion to 48.1 Trillion FY 2022/23 which will increase individual income from USD 936 to USD 1,046 in current prices which is equivalent to UGX3.7M Per Person per Year

FY 2021/22 FY 2022/23 ALLOCATION COMPARISONS

Sector	FY 2021/22	FY 2022/23	Remark
Agriculture	Ugx.500BN	Ugx.564.39BN	Increase production and productivity
Health	Ugx.1.4TN	Ugx.3.722TN	Increment in salary for Health workers
Education	Ugx.3.5TN	Ugx.4.14TN	Increment in salary for Science teachers
Trade and Industry	Ugx.1.67TN	Ugx.1.449TN	
Mineral development	Ugx.49BN	Ugx.904.1BN	
Works and Energy	Ugx.1.1TN	Ugx.1.573TN	Commercialization of Oil & Gas
Transport	Ugx.5.1TN	Ugx.4.3TN	Completion & maintenance of pending works.
Security & Governance	Ugx.6.9TN	Ugx.7.03TN	Improvement of security and security infrastructure.
PDM Implementation	Ugx.234bN	Ugx.1.059TN	Transformation from subsistence to money economy.
Digitization	Ugx.134.9BN	Ugx.124.2BN	

Tax measures

1. No new taxes in FY 2022/23
2. Zero rental income tax rate for individuals that earn annual rental income not exceeding shs 2,820,000 and a rate of 12% of rental income exceeding Shs. 2,820,000
3. 30% rental income tax rate on rental income with expenses capped to 50% for each of income
4. Exempted the supply of oxygen cylinders
5. Exempted the supply of assistive devices for persons with disabilities
6. Exempted the supply of airport user services charged by CAA
7. Nil stamp duty on instruments such as deeds, agriculture insurance, bonds and mortgage deed

Strategic interventions to achieve the economic growth

1. Restoration of business activities by increasing access to capital
2. Industrialization particularly focusing on agro industry and light manufacturing.
3. Enhancement of the wellbeing of the Ugandans by improving health, infrastructure systems and ensuring learning of students.
4. Improvement of productive infrastructure including ICT to support digitalizing the economy, energy reliability, affordability, effective transport development and maintenance.
5. Commercialize oil and gas resources, expedite mineral beneficiation and fully exploit Uganda's tourism potential.
6. Reform the public sector for greater effectiveness and efficiency. Restoring business activity and deepening financial inclusion.

The government will boost the household income through the following;

1. Emyooga funding to provide seed capital for special interest enterprising groups
2. Uganda Development Bank(UDB) capitalization and other financing schemes such as the agriculture credit facility
3. Strengthening private sector, institutional and organizational capacity by focusing on the establishment of functional business development support service centers regionally.

Industrialization; Agro industry and light manufacturing

1. Expand storage and processing capacity for agricultural commodities within the 18 zones of the country
2. Provide funds for private sector Uganda development cooperation to be invested in key commodity agro processing value chains.
3. Support industries that use locally sourced raw materials to produce most of the goods that we import.
4. Capitalize UDB to provide affordable and long term capital at lower interest rate to agriculture, agro-processing and manufacturing.
5. Develop the iron and steel industry to reduce the cost of construction.
6. Government is to invest and support private sector industries with untapped export potential especially in agro industry and light manufacturing.
7. Attract foreign direct investments through the implementation of the new investment code of 2019.(strengthens the Uganda investment authority establishing it as a one stop investment center)
8. Strengthen standards for quality assurance to improve access of Uganda's export to regional and international markets

Enhancing the wellbeing of Ugandans through the following;

1. Continued country wide vaccination of covid 19 pandemic
2. Maintaining resources to increase the capacity for other communicable and non-communicable diseases
3. Increase of all medical salaries countrywide
4. Fast- tracking the national health insurance policy, including the national ambulance systems to reduce on the cost of the services on government
5. Sustainably bringing back education to normality and attaining pre- covid 19 levels of access to education

Improving maintenance, availability and affordability of productive infrastructure;

The focus will be on;

1. Implementing last mile connectivity/ rollout broad band infrastructure in key government delivery unit.
2. Supporting the development and commercialization of local ICT products.
3. Supporting the roll-out of E-services such as E-education, E-extension, E-health as well as remote collaboration solutions.
4. Providing digital literacy training to SMEs

Minerals, Petroleum and Tourism

1. Sustaining upstream investment in ongoing product development and tourism-related infrastructure roads, internet, security.
2. Increasing access to recovery financing.
3. Intensification of domestic tourism.

Public sector effectiveness and efficiency will be improved through the following;

1. Rationalization of government.
2. Strategy of government to catalyze industrialization
3. The parish development model is a mechanism aimed at alleviating poverty by improving household income and welfare targeting 39% of household still outside the money economy.

Climate change mitigation actions

1. Commercial tree planting, eviction of wetland encroachers, restoration of the wetland and enactment of bi-laws by local government authorities.
2. Implementation of integrated fiscal and economic development plans in the new cities.
3. Implement projects in line with the greater Kampala metropolitan area (GKMA) strategy.

Conclusion

Government will ensure it controls the risks within its control to ensure the implementation of the budget.

The FY2022/23 budget is mainly focusing on socioeconomic transformation and recovery past pandemic of covid 19.

The government is finalizing the computation of the requirement for phased salary enhancement for scientist and health workers.