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BUDGET AT A GLANCE FOR FY 2015/16

Theme: “Maintaining Infrastructure Investment and Promoting Excellence in Public Service Delivery”

I. Introduction

The budget strategy for the FY 2015/16 has been formulated in the context of our long term transformation Vision 2040, the Second National Development Plan (NDP2) and the NRM 2011-16 Manifesto. This is also the maiden budget for the new Minister of Finance, Hon. Matia Kasaija.

The budget has been highly informed by the findings of the 2014 Population and Housing Census, the recent rebasing of our Gross Domestic Product (GDP) and the roadmap for the forthcoming general elections 2016 while taking into account the prevailing macroeconomic conditions and outlook.

The agriculture and industrial sectors, as the main productive base of the economy require major impetus to spur continued growth and competitiveness. Uganda’s external trade suffers from an increasing imbalance between the strong growth of imports against the [stagnation] of export earnings. Also, the competitiveness of our private sector remains constrained by infrastructure gaps due to unreliable electricity and an inadequate rail and road network. The issue of unemployment particularly among the youth is also a cause for concern. These are some of the immediate challenges that the budget is expected to address.

Who should expect what in the Budget

1. **Unemployed Youth** – skill building to increase suitability for the employment market and assistance of skilled youth to establish Small and Medium Enterprises that create jobs.
2. **Agriculture and Industry** – emphasis on an industrialisation and agro-processing for value addition.
3. **Private Sector and Business community** – Emphasis on bridging infrastructure gaps such as unreliable electricity and an inadequate rail and road network.
4. **Small businesses** – Increased the threshold for the presumptive regime from a gross turnover of UGx. 50 million to UGx. 150 million to reduce the cost of compliance among small businesses and increase certainty of tax.

MACROECONOMIC PERFORMANCE FOR FY 2014/15 AND OUTLOOK FOR FY 2015/16

Economic Performance

Economic Outlook

Medium Term Macroeconomic objective; **To accelerate infrastructure development to address the constraints to private sector growth and increase efficiency in service delivery.**

Strategy to attain objective;

- increase in public investment to finance infrastructure projects in energy and roads which will reduce the cost of doing business
- rebound in private sector activities

Key macroeconomic forecasts

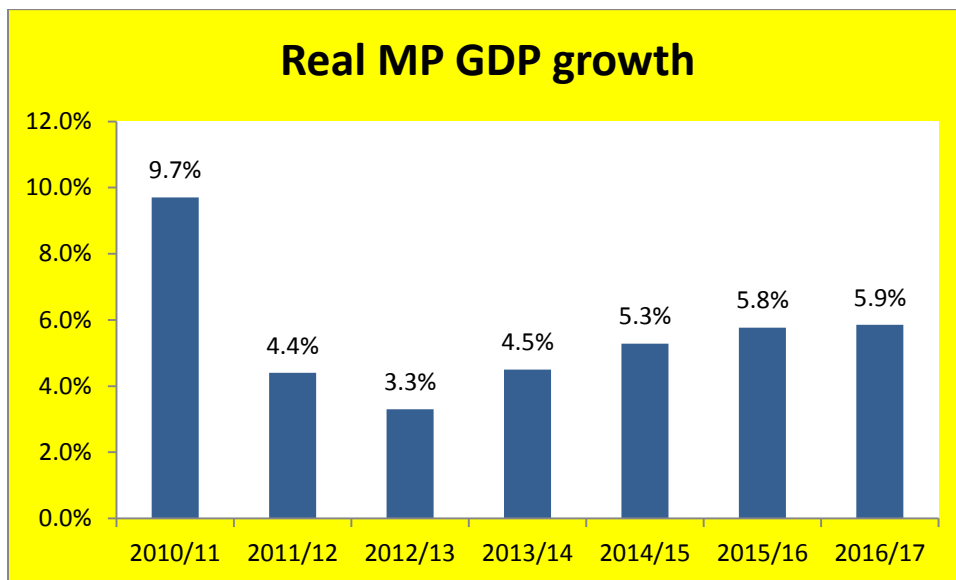
- Real GDP expected to continue its recovery path to 5.8 % for FY2015/16, and averaging about 6.5 % in the next 5 years.

- Consumer prices are expected to remain within the 5 % policy target although likely to increase in FY 2015/16.
- Current account deficit is projected to widen

Budget deficit for FY 2015/16 is projected to increase to 6.9 % of GDP

National Output

- GDP growth is expected to grow at 5.8% in FY 2015/16 compared to 5.3% in FY 2014/15.
- The re-basing of Uganda’s economy showed that it was 17 percent larger than previously estimated, now valued at Ushs 75.183 Trillion.
- Uganda’s economy has almost fully recovered from the slowdown in economic growth that happened in financial year 2012/13.
- This economic growth is largely due to increased private sector consumption, as well as acceleration in both public and private investment.



Key growth sectors

Agriculture

- Growth is projected at 2.3% this financial year.

- Cash crops rebounded strongly from average negative growth of 1.5% per year for the last five years to a positive growth rate of 6.6% this financial year.
- Growth in fishing has also bounced back on account of improved regulations and supervision of the sub-sector.

Industry

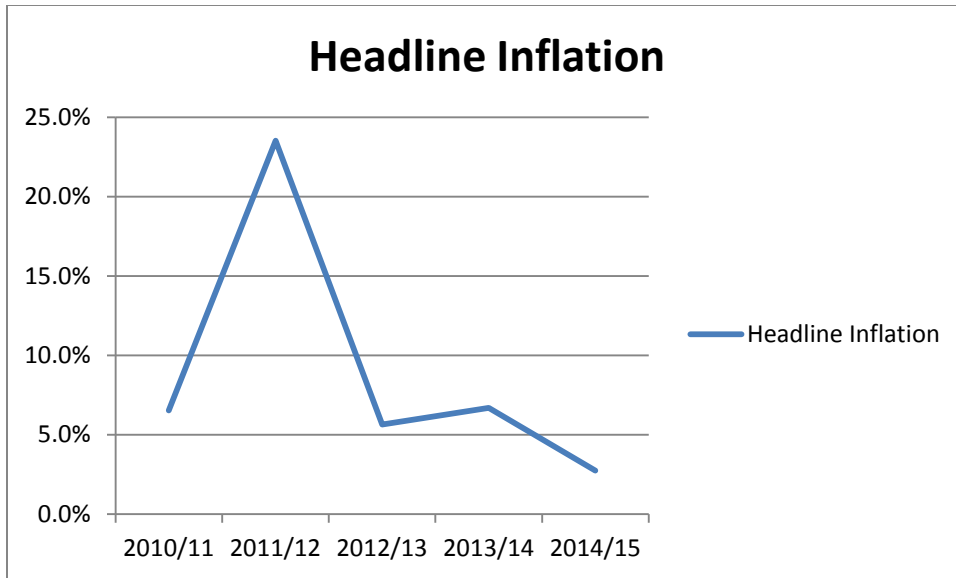
- Real growth of the industry sector is estimated at 5.5% in FY 2014/15.
- Growth in manufacturing is estimated at 4.1%.
- Construction has continued to be a major driver of growth in the industry sector and is estimated to have expanded by 6.6% in the current financial year on account of infrastructure development.

Services

- Real growth of the services sector is estimated at 5.7% in FY 2014/15.
- The ICT sector has continued to register high growth rates estimated at 10.2% this financial year. The growth in this sector has been driven by improved services and innovation into new products, and other value added services such as mobile money and other payments systems.

Inflation and Domestic Prices

- Inflation rate has considerably slowed to an average rate of 2.7% in Financial Year 2014/15. This is largely due to the abundance of food supply in the country.
- Oil prices declined by 47% over the 12 months ending March 2015.



Inflation Peaked at 23.5% in 2011/12

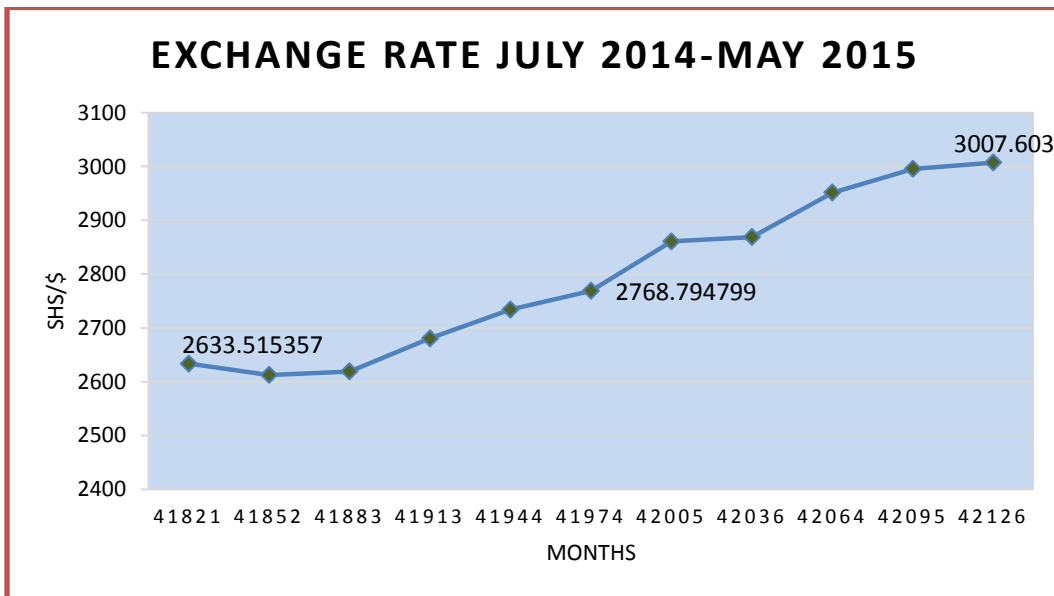
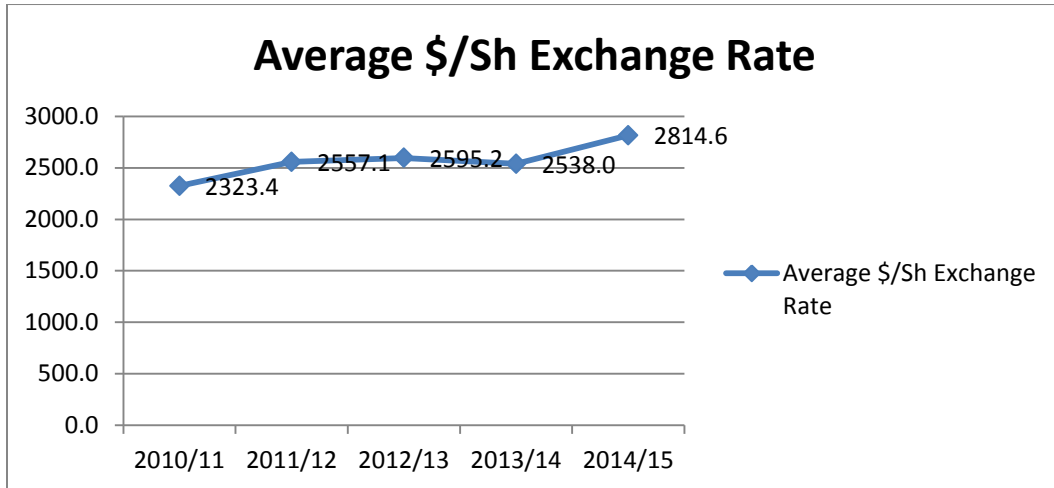
Interest rates

- Interest rates for borrowers still remain high largely due to;
 - (i) limited supply of long term capital in the economy due to lack of savings vehicles for long term capital,
 - (ii) Risk profile of borrowers which remains on the high side, associated with poor identification as well as quality of security of collateral.
- Government is implementing the National ID Project which will address the problem of poor identification

Balance of Payments

- Overall balance of payments has been negatively affected by the poor performance of exports to the region and a surge in import demand, as well as net outflow of short term capital in equity and government securities.

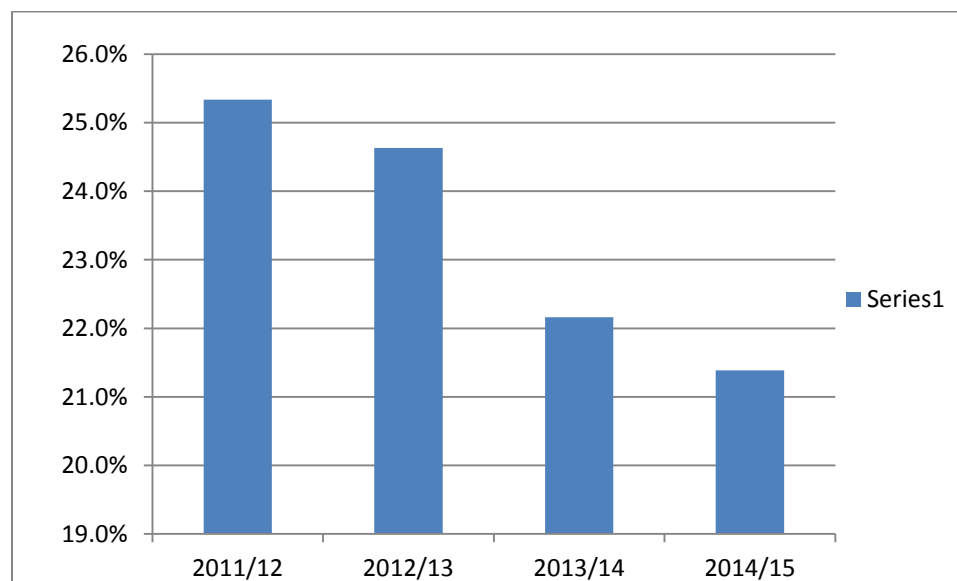
- Export revenue of goods and services for the period April 2014 to March 2015 are estimated at US\$ 2,701.6 million.
- Imports of US\$5,048.9 million in the same period.



- Uganda Shilling, has been weakening against the US Dollar as a result of mainly two major factors;
 - (i) US Dollar has been gaining strength against other major international currencies with which we conduct trade.
 - (ii) High Imports vis-à-vis Exports
 - (iii)

Monetary Sector

Commercial Bank Lending rates

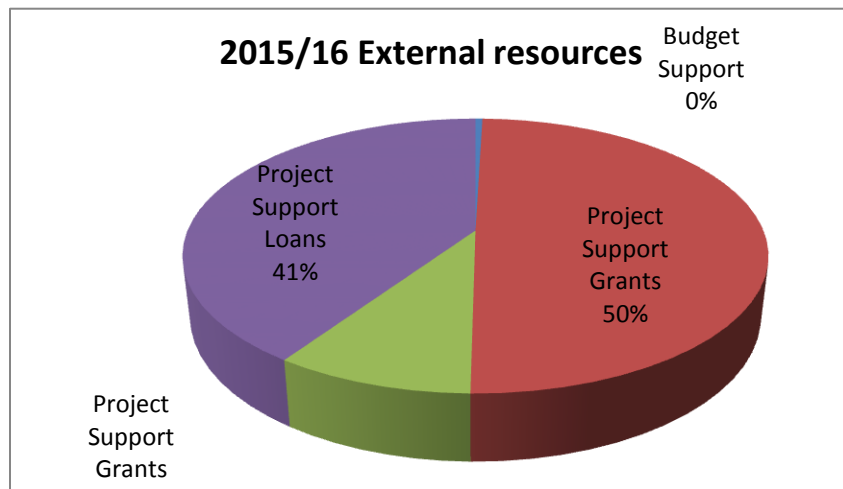
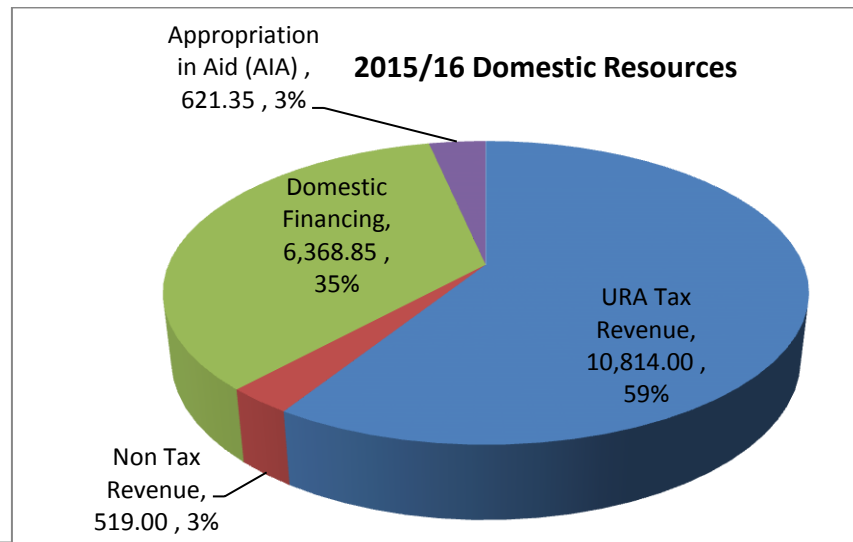


Commercial bank lending rates have continued to drop from 25.3% in FY 2011/12 to 21.4% FY 2014/15.

Fiscal Framework for FY 2015/16

- The total approved budget for the financial year 2015/16 is Shs 23.972 Trillion.
- Shs 17.329 Trillion is allocated for spending by MDAs
- Shs 6.643 Trillion is debt repayments plus interest on total debt.

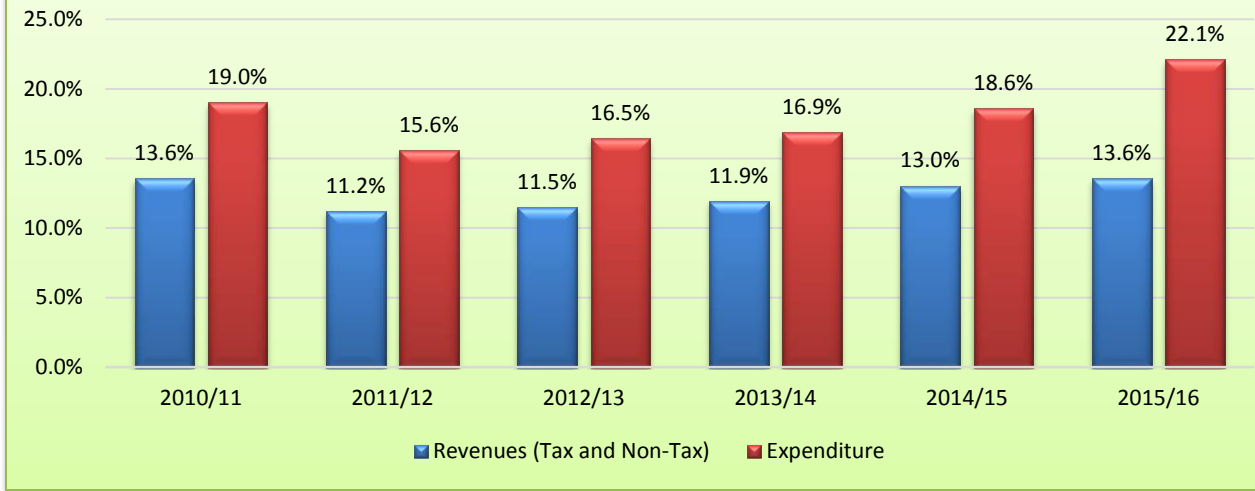
Budget Resources



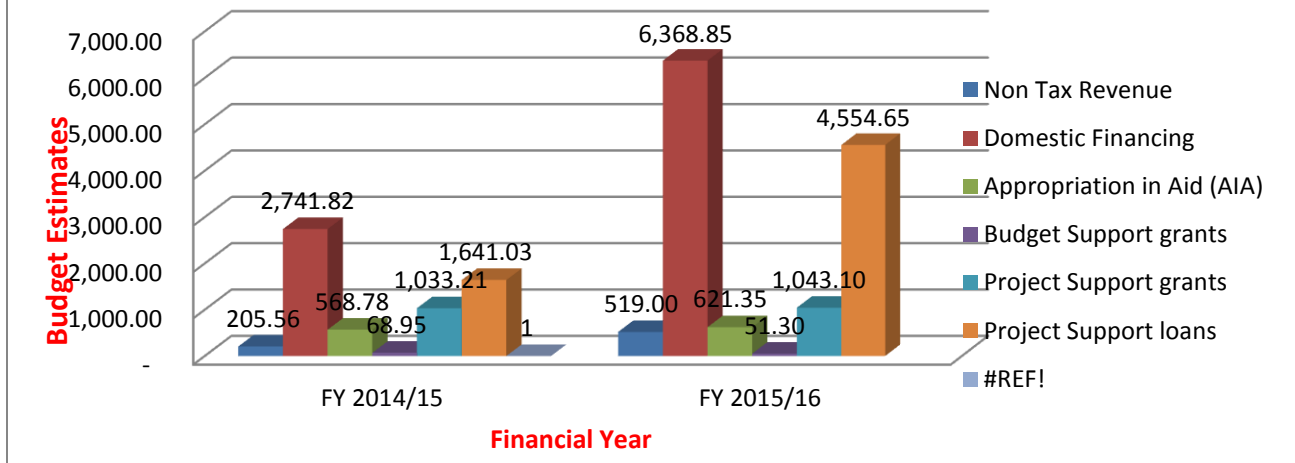
Domestic Revenue and Expenditure

- Domestic revenues are expected to increase to Shs. 11,310 billion from Shs. 9,799 billion in FY 2013/14.
- Achieved through a number of changes to the structure and coverage of taxes, and efficiency improvements in tax collection and compliance.

Domestic Revenue and Expenditure Trend (% of GDP)

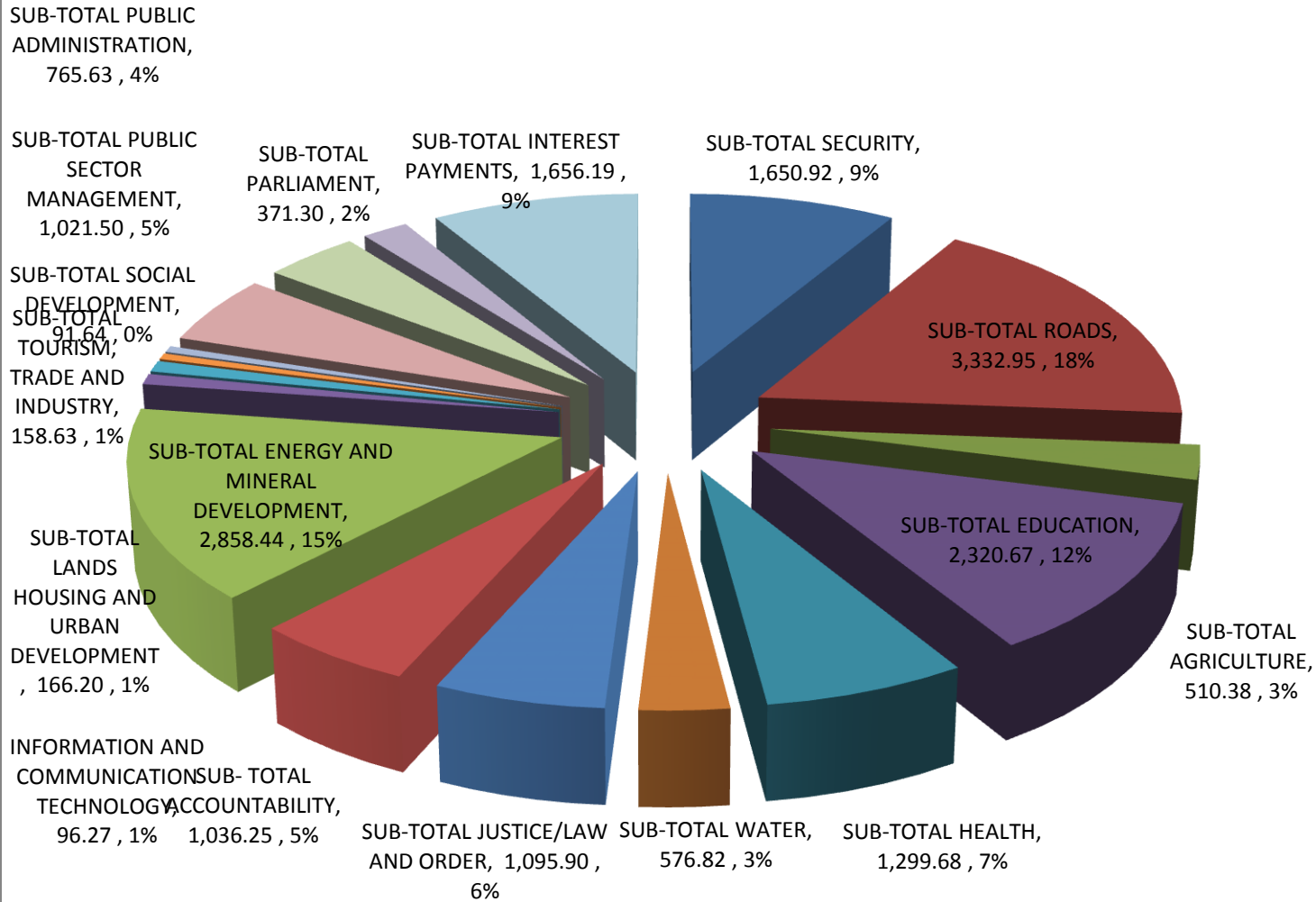


Total Revenues FY 2014/15 & FY2015/16



Expenditure Allocations

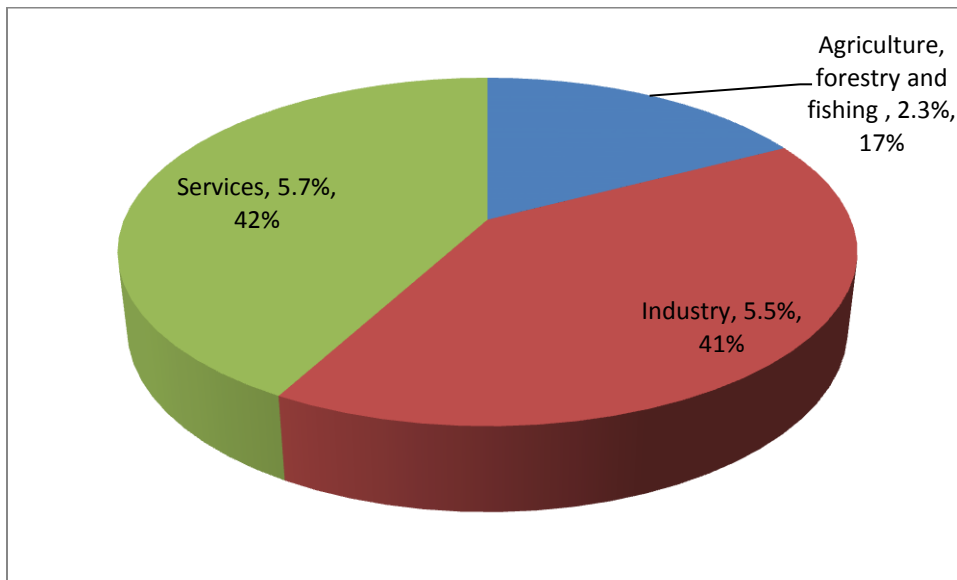
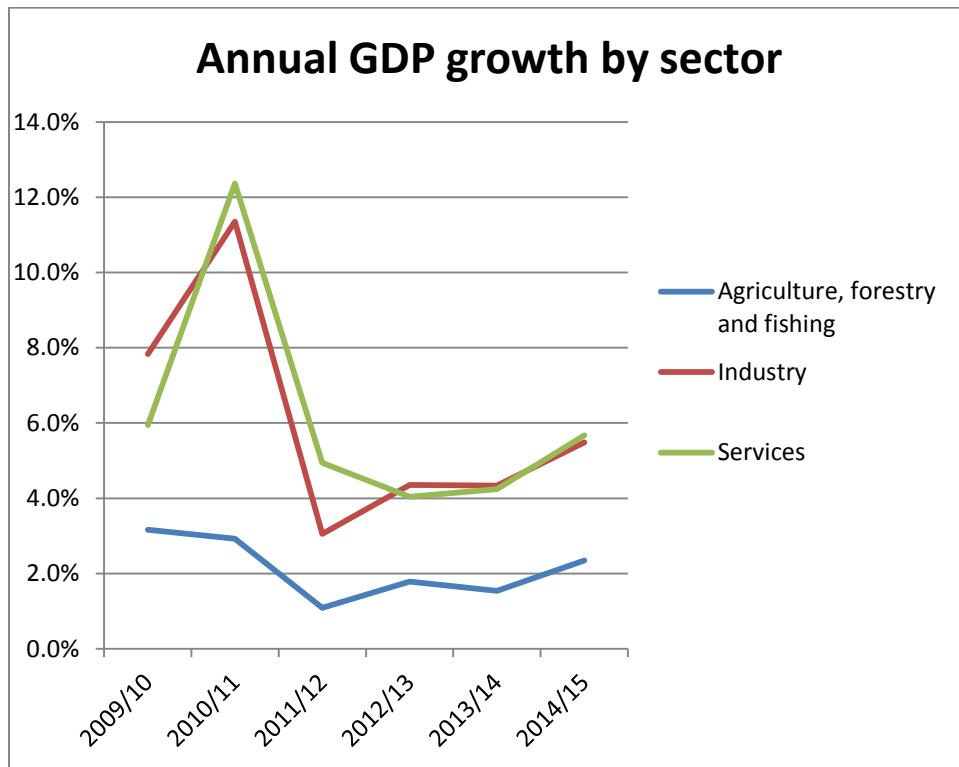
Total Budget



Percentage Shares of Sectoral Allocations for the FY 2015/16

The Total Budget for FY 2015/16 is **Shs 23,972,251,048,545**

II. BUDGET PRIORITIES FOR FY 2015/16 AND SECTORAL PERFORMANCE



Breakdown of GDP by Sector

Graph shows projected sector projected growth and sector contribution to GDP. For instance, industry grew at 5.5% in FY 2014/16 and its contribution to GDP is 41%.

FY2015/16 Budget Priorities

- Maintenance of National Security and Defence
- Facilitating Private Sector Enterprise and Increased Investment, Employment and Economic Growth
- Effective Delivery of Infrastructure Development and Maintenance
- Commercializing Production and Productivity in Primary Growth Sectors
- Enhancing Capacity for Increased Domestic Revenue Mobilization
- Increasing Social Service Delivery
- Enhancing Efficiency in Government Management

Maintenance of National Security and Defence

- Government has actively enhanced the capacity of Uganda's armed forces in order to strengthen peace and security of Ugandans through;
 - (i) Recruitment and Training of personnel,
 - (ii) acquisition of advanced and modern equipment,
 - (iii) undertaking peacekeeping, defence diplomacy and conflict resolution and;
 - (iv) Improving staff welfare through provision of accommodation, medical facilities, and access to credit facilities.
- The UPDF, has successfully secured the country against terrorist attacks and also executed peace keeping missions in Somalia, South Sudan and Democratic Republic of Congo.
- Next financial year, emphasis will be on further professionalization of the armed forces and other security organs.
- Specific emphasis will be placed on the acquisition of modern weaponry, strengthening intelligence capability, training and welfare.

Facilitating Private Sector Enterprise and Increased Investment, Employment and Economic Growth

- In FY 2015/16, Government will address the challenges related to the constraints that impede private sector enterprise in Uganda.
- Government will actively support Private sector development through the following actions:-
 - i. Develop entrepreneurship and provide technical expertise to both existing and potential private sector entrepreneurs, through business incubation;
 - ii. Enhance the skills base of the labour force through vocational and technical education to enhance labour productivity;
 - iii. Deepen the financial sector through pensions and capital market development in order to increase national savings from the current level of 14.5 percent of GDP to about 35 percent of GDP by 2040;
 - iv. Increase the availability of affordable long term capital for private sector investment financing;
 - v. Promote development of innovative financial products, including venture capital, for the private sector.

Uganda Industrial Research Institute has completed significant innovations for Small and Medium Enterprise (SME) commercialization, including:-

- i. Development of solar dryer prototypes including a wooden solar dryer of 100kg capacity to dry briquettes within 2 days;
 - ii. produced several antibiotics including Bacitracin, Nisin, Subtilin, Aspergillol, and Surfactin.
 - iii. locally fabricated value addition technologies including an energy efficient oven, ceramic bio-gas burner and a soap making machine.
- The Industrial and Business Parks at Namanve, Luzira, Mukono and Mbale will be operationalized to provide serviced areas for the development of manufacturing and other business enterprises.

Effective Delivery of Infrastructure Development and Maintenance

- Key strategic infrastructure investment priorities include;
 - (i) revamping the rail network through construction of the Standard Gauge Railway (SGR),
 - (ii) Investments in electricity infrastructure, including hydroelectric dams and associated transmission and distribution infrastructure to permit provision of reliable and affordable power to enterprises.

Transport Infrastructure

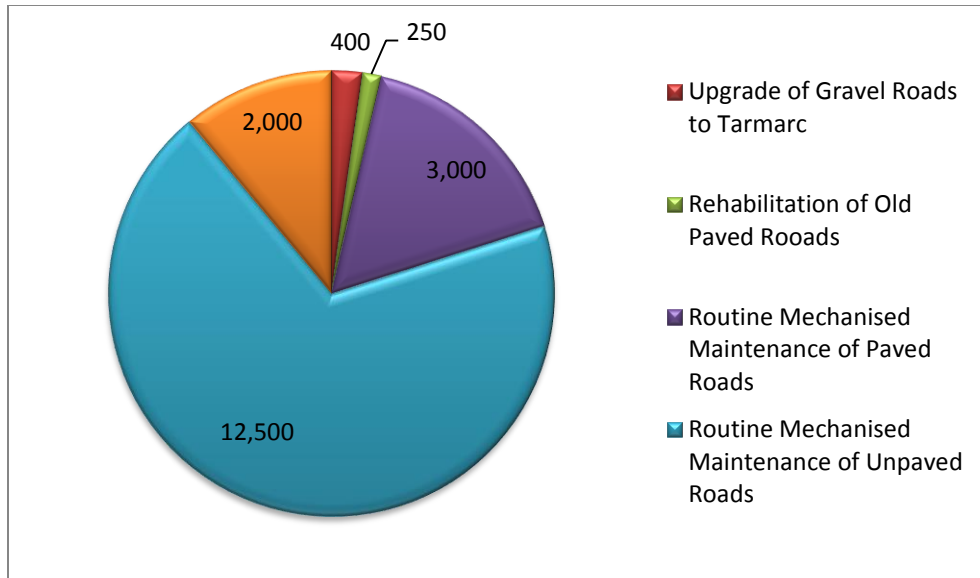
- Revamping the national road and railway network has been prioritized for FY 2015/16.
- An allocation of US\$2.5 trillion has been made to the Works and Transport Ministry. Over the last 5 years;
 - (i) the proportion of national paved roads in fair to good condition has increased from 74% in 2010/11 to 80% in 2013/14
 - (ii) The condition of national unpaved roads in fair to good condition has increased from 64 percent to 67 percent over the same period, exceeding the NDP1 target of 55 percent.
- Government has carried out total reconstruction of the urban road networks in Mbale, Arua, Jinja, Masaka, Entebbe, Kabale Municipalities.
- Local Governments have been equipped with road maintenance units since 2009 to enable regular road maintenance.
- Roads Completed in FY 2014/15 include; Hoima – Kaiso – Tonya, Vurra-Arua- Koboko – Oraba, Jinja – Kamuli, Buteraniro – Ntungamo, Kampala – Masaka, Mbale – Soroti, Gulu- Atiak and Namanve Industrial Park Access Road.
- Roads still under construction include; Kawempe – Kafu, Mokono – Jinja, Ntungamo – Katuna, Moroto – Nakapiripirit, Ishaka – Kagamba, Atiak – Nimule, Kamwenge – Fort Portal, Kampala – Entebbe Expressway, Mpigi – Kanoni (65km), Mukono – Katosi/Kisoga – Nyenga,(74km), Mbarara By-

pass, Kafu – Kiryandongo, Kiryandongo – Karuma – Kamdini, Kamdini – Gulu, Kampala Northern Bypass Phase 2, Acholibur – Kitgum –Musingo, Olwiyo (Anak) – Gulu, Gulu – Acholibur, Ntungamo – Mirama Hills and Luuku – Kalangala.

- More progress made in FY 2014/15 includes;
 - (i) Total amount of roads upgraded from gravel to tarmac – 167km
 - (ii) Total amount of roads reconstructed /rehabilitated – 170km
 - (iii) Total amount of paved road that have undergone routine mechanized maintenance- 2,664km
 - (iv) Total amount of unpaved roads that have undergone routine mechanized maintenance - 12,500km

- Roads due for completion in FY 2015/16 include; Ishaka – Kagamba (35km); Moroto – Nakapiripit (92km); Atiak – Nimule (35km); Kamwenge-Fort Portal (65km); Rwentobo - Kabale – Katuna road (65km); Kafu – Kiryandongo (43km); and Kabale Town road (2.3km); Masaka - Nyendo (8km); Bundibugyo Town roads (6km); Maracha and Koboko town roads (6.9km); Mvara – Ediofe Cathedral road in Arua Municipality (10.1km); Seeta – Namugongo (7.2km), Kyaliwajala-Kira (3.5km), Naalya-Kyaliwajala (2.5km), Namugongo Ring road (1.8km) and Shrine Access (1.8km) and Nakasongola road (2km).

- Key output from the roads sector will include;
 - i. Upgrading 400km of roads from gravel to tarmac roads,
 - ii. Reconstructing and Rehabilitating 250km of old paved roads
 - iii. Undertaking routine mechanized maintenance on 3000km of paved roads
 - iv. routine mechanized maintenance on 12,500km of unpaved roads; and
 - v. Periodic maintenance on 2000km of unpaved roads.

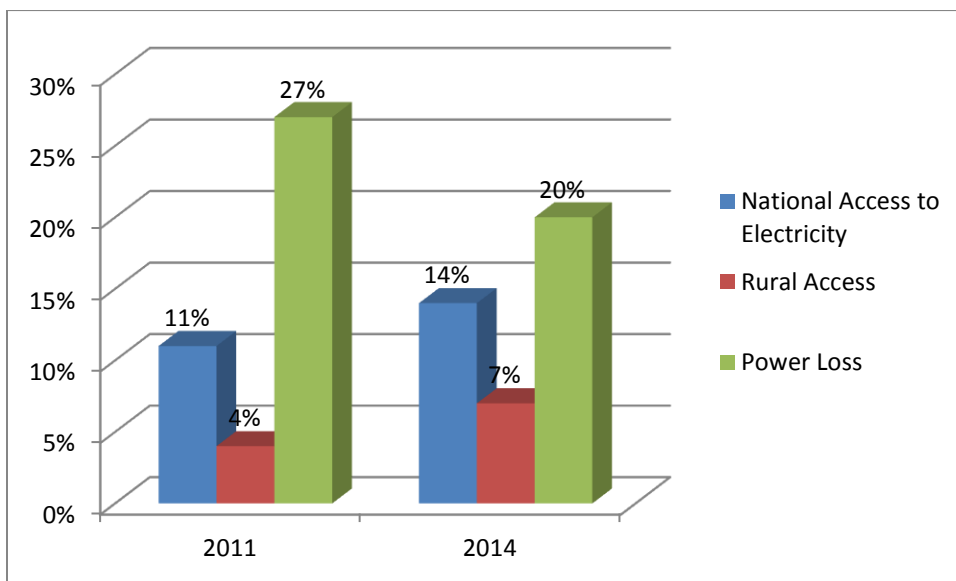


Road works done in km

Energy Infrastructure

- Governments' medium term goal is to address the high energy costs and unreliable power supply faced by consumers especially those engaged in production.
- Electricity generation capacity in Uganda has increased from 595MW in 2011 to 851.53 MW in 2014, including 100MW of thermal power on stand-by.
- This generation capacity includes: Nalubale (180MW), Kiira (200MW), Bujagali (250MW), Electromaxx (50MW), Jacobsen (50MW), Kakira (50MW) and KCCL (9MW). Other small stations include Kinyara (5MW), Mubuku (5MW), Ishasha (6.5MW), Mpanga (18MW), Bugoye (13MW), Kabalega (9MW), Nyagak 1 (3.5MW), Kisiizi (0.35MW), Kuluva (0.12MW), Kagaodo (2MW) and off grid thermal plants (2MW), giving a total of 851.53MW.
- National electricity access has increased from 11% in 2011 to 14% in 2014. During the same period, rural electricity has increased from 4% to 7%.
- Power losses in the Distribution Network now stand at 20% from 27% in 2011.

- Government will fast-track the construction of Karuma Hydropower Project (600MW); Isimba hydro power project (183MW), other mini-hydro power projects such as Muzizi HPP, construction of at least Five Small Hydropower plants (Nyamwamba-9.2MW, Siti 1 – 5MW, Waki – 5MW, Rwimi – 5.4MW, Kikagati 16MW and Nengo Bridge-7.5MW) as well as construction of transmission lines under the Rural Electrification Programme.
- Government will also continue to construct transmission lines across the country.



Access to Electricity and Reduction in Energy Loss

Oil, Gas and Mineral Development

- Land acquisition for the proposed Oil Refinery at Kabaale in Hoima is almost complete.
- Priority next financial year will be commencement of detailed engineering studies for the Oil Refinery
- Government shall fast track infrastructure development for the commercialization of oil, including the development of an airport near the Oil Refinery project site.
- Government will also continue the exploration and production of oil and other valuable minerals such as Iron Ore and Phosphates, and also

concretize the development of the Crude Oil Pipeline to the Indian Ocean and petroleum products pipelines

Information and Communication Technology (ICT) Infrastructure

- Access to efficient and affordable ICT services is key to promoting private sector investment.
- The ICT sector currently employs about 1.3 million people
- Sector generated US\$ 416.7 billion in 2014 up from US\$ 332 billion in 2013.
- Number of mobile telephone subscribers now stands at 19.5 million,
- Number of internet subscriptions increased from 3.4 million in 2013 to 4.3 million people in 2014.

- One Network Area for telecom services for partner states under the Northern Corridor Integration Project was established
- Calls originating and terminating in Uganda, Kenya, Rwanda and South Sudan being charged at the local call rates,
- Cost of cross-border business transactions has reduced from USD 18 cents to USD 10 cents per minute.
- Next financial years' interventions will include the following:-
 - i. Completion of the third phase of the National Backbone Infrastructure (NBI);
 - ii. Extension to include Short Messaging Services (SMS) and Data Services by December 2015;
 - iii. Connection of more MDAs to the NBI to reduce the cost of internet connectivity and promote e-Government;
 - iv. Strengthening the legal and institutional framework for ICT use and IT information security;
 - v. Establishment of a fully integrated one stop centre for investment linking the National Identity Card System, the Integrated Financial

Management System, Government Payroll System, (IPPS) and Computerized Education Management System (CEMAS), among other interventions;

- vi. Operationalization of the second phase of the National Backbone Infrastructure; and
- vii. Commencement of the construction of the National ICT Park and Innovation Centre at Namanve.

Commercializing Production and Productivity in Primary Growth Sectors

- Agriculture, forestry, manufacturing, tourism, mining, oil and gas have been identified in the NDP as the primary growth sectors.
- In order to commercialize these sectors, Government will undertake the following measures;
 - i. increase access to affordable long-term capital,
 - ii. efficient input-supply-distribution mechanism,
 - iii. disseminate appropriate technologies,
 - iv. add value for key commodity value chains,
 - v. Improve the institutional framework for promotion of Production, Productivity and Value Addition in various sectors.

Agriculture

- Government goal is to expedite the transformation of this sector from subsistence farming to viable commercial enterprise.
- Agriculture's contribution to GDP increased to 26% in 2013/14 from 22% in 2011/13.
- With an allocation of Ushs. 417billion, Government will continue to focus on its medium term priorities of improving agricultural production and productivity, as articulated in NDP1 and the Draft NDP 2.

Tourism Development

- Government has developed a 10 year tourism master plan and a 5 year sector Development Plan to guide the implementation of critical activities to drive tourism growth in the country.

- A holistic tourism promotion strategy that builds on our comparative tourism advantage has been implemented by the Uganda Tourism Board.
- Single tourism Visa introduced to ease cross border transits within East Africa.

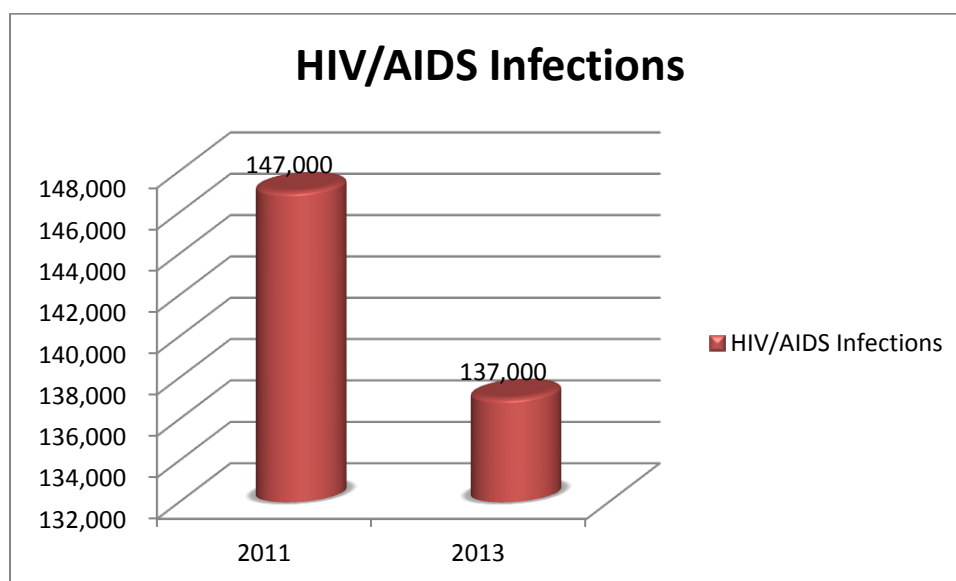
Increasing Social Service Delivery

Education and Skills Development

- The key priorities to be financed in the budget include the following:
 - i. Increase in the Capitation and School Facilities Grants to ensure better effectiveness of the UPE, USE and UPOLET programmes;
 - ii. Construction and equipping of classrooms, staff houses, latrines, science and computer laboratories; as well as providing software to government secondary schools that received computers
 - iii. Provision of instruction materials and teaching aids for UPE, USE and UPOLET;
 - iv. Enhancing vocational and skills development by implementing the Skilling Uganda Project;
 - v. Increase access to tertiary education by expanding the Student Loan Scheme;
 - vi. Support to the Teachers SACCO in order to increase access to affordable financial and credit facilities.
 - vii. Strengthen monitoring and supervision at the school level
 - viii. address the challenges of staff absenteeism, “ghost” staff and pupils; and
 - ix. Increase of salaries for Lecturers in all Public Universities.
- In 2014, Government launched the implementation of the Youth Livelihood Programme in response to the job creation for the youth.
- By December 2014, a total of 36,144 youth had directly received technical and financial.
- A total 2,788 youth projects worth UGX 19.6bn have been supported under the programme.
- Government will continue to support and expand this programme.

Health Service Delivery

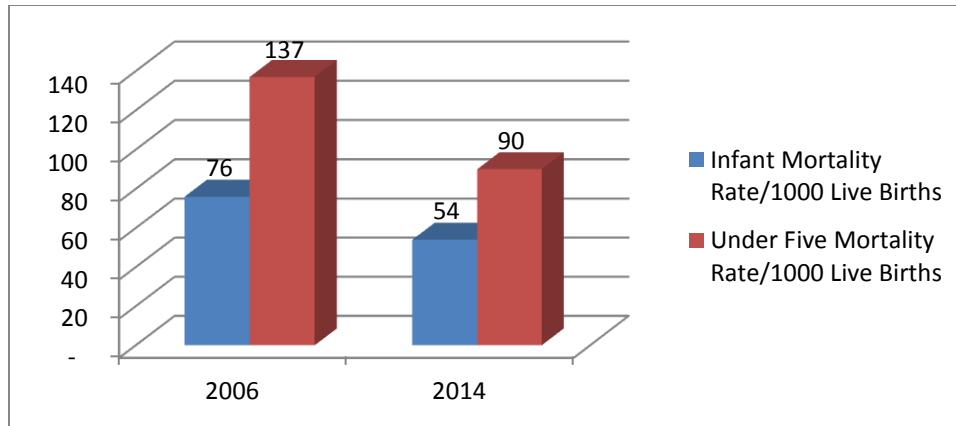
- Government is committed to achieving good standard of health by increasing access to quality health care services.
- Government's interventions, together with development partner support, have yielded significant improvements in a number of health service delivery indicators. For instance:
 - i. Under Five (5) mortality reduced from 137 to 90/1000 live births and Child stunting decreased from 38% to 33%.
 - ii. DPT 3 coverage improved from 76% to 93%
 - iii. Measles coverage improved from 56% to 91%,
 - iv. Antiretroviral therapy coverage increased from 53% to 77%, and
 - v. Contraceptive Prevalence Rate from 24% to 30%.
 - vi. Reduced new HIV/AIDS infections from 147,000 in 2011 to 137,000 in 2013) and the HIV prevalence is estimated at 7.3%.
 - vii. Increased the number of accredited health facilities that provide ARVs from 475 in 2011 to 1,603 by December 2014



- During the financial year now ending, Government, with support from the World Bank, is reconstructing and rehabilitating nine (9) major hospitals.

These are: Moroto, Mityana, Nakaseke, Kiryandongo, Nebbi, Anaka, Moyo, Entebbe and Iganga. *Over the last five years Government has rehabilitated and expanded facilities at Jinja, Masaka, Hoima, Gulu, Lira, Mbale hospitals.* Interventions in the Health in FY 2015/16 will include the following:-

- i. Construction of specialized Maternal and Neonatal unit in Mulago hospital
- ii. Continue the construction, expansion, rehabilitation and equipping of Mulago Hospital will continue and expected to be completed by December 2016.
- iii. Construction of specialized Maternal and Neonatal unit in Mulago hospital
- iv. Procurement ten (10) ambulances for the planned Ambulance System for Kampala metropolitan area.
- v. Rehabilitate and upgrade Rukunyu,, Maracha, Kansunganyanja, and Rwashamaire health centers;
- vi. Procure assorted essential medical equipment and furniture for ten (10) General Hospitals, 10 HCIVs, 30HCIIIs and 20HCIIIs countrywide
- vii. Continue rehabilitation of the following hospitals:-Adjumani, Kitgum, Kabarole, Kiboga. Kapchorwa, KamwengePallisa, Itojo, KitagataBugiri, Atutur, Apac, Abim, Bundibugyo, Kaberamaido and Masindi
- viii. Reconstruct Kawolo and Busolwe Hospitals



Key Service Delivery Indicators in the Health Sector

Water and Sanitation

- Urban water supply has been enhanced with the completion of construction of Kiganda, Kakumiro, Nkoni, Kinogozi and Najjembe piped water systems. Construction works on Kyamulimbwa, Kinoni/Rugando, Purongo, Patongo, Ibuje, Opit, Dokolo, Ovujo, Oceru, Suam, Matany, Kachumbala, Mbulamuti, Namutumba and Buwuni are also ongoing. The rehabilitation of Kampala City Water Network at Ggaba has also increased daily water production to at least 240,000 litres per day.
- rainwater harvesting systems have been completed in Namayingo, Kaliro, Mukono and Sheema districts
- 20 production wells have been drilled for mini-piped schemes
- 177 boreholes have been drilled during the financial year.

Enhancing Efficiency in Government Management and Overall Service Delivery

- In order to enhance the effectiveness of Public Service delivery, the following key policy interventions will be implemented:-
 - (i) Introduce a Performance Management Framework
 - (ii) Strictly monitor and enforce performance contracts
 - (iii) To address the problem of ghost workers on the Government payroll, the biometric data of the Government payroll will be

integrated into the overall Government payroll and payment systems through the IPPS and the IFMS.

- (iv) Implementation of the Sanctions against errant officials
- (v) Clearance of all domestic arrears including Salary, Pension and Gratuity arrears.

Oil Sector Development

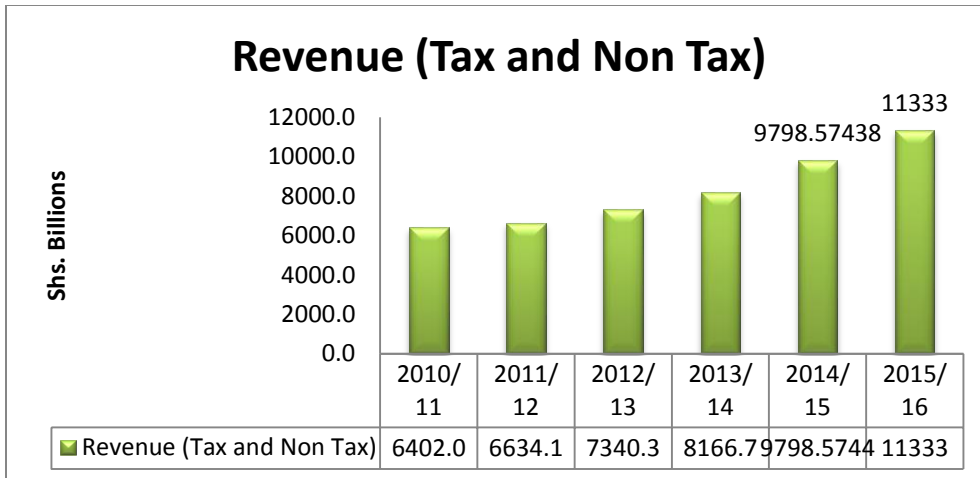
- Renewal of expired oil exploration licenses
- legal framework for the management of Oil and Gas Resources has been finalised.
- National Oil Company and the Petroleum Authority of Uganda is also being finalized
- The Environmental baseline study for the Oil Refinery project has been concluded

Private Sector Development

- Bridge infrastructure gaps due to unreliable electricity and an inadequate rail and road network to reduce on constraint to the private sector development
- Develop entrepreneurship and provide technical expertise to both existing and potential private sector entrepreneurs, through business incubation
- Enhance the skills base of the labour force through vocational and technical education to enhance labour productivity;
- Deepen the financial sector through pensions and capital market development in order to increase national savings from the current level of 14.5 percent of GDP to about 35 percent of GDP by 2040;
- Increase the availability of affordable long term capital for private sector investment financing;
- Promote development of innovative financial products, including venture capital, for the private sector

III. TAXATION AND REVENUE MOBILISATION

- Tax collections in this year are projected at Shs. 9,798 billion up from 8,031 billion in financial year 2013/14.
- Target is to attain a tax to GDP ratio of 16% by 2018



Challenges faced IN Tax Collection

- large informal sector that constitutes 43% of GDP
- Poor taxpaying culture among many Ugandans
- Lack of a comprehensive national data system

Income Tax

- Expenses to be deducted from income derived
- Presumptive tax regime has been simplified; businesses to be categorized and amount taxpayers are expected to pay fixed without need to file returns
- Mandatory payment of tax for all Public Service Vehicles and goods Motor Vehicles at time of renewal of annual licenses

Value Added Tax

- VAT on discounts has been imposed
- Third Schedule to the VAT Act has been amended to provide for zero-rating of VAT on cereals where they are grown, milled or produced in Uganda

Excise Duty

- Tax on non-premium beers and local malt beer rationalized to 30%

- Excise duty on wine and ready to drink spirits *increased from 70% to 80%.*
- Excise duty on Petrol and Diesel increased by Shs. 50/=
- Excise duty on soft cap and Hinge Lid cigarettes increased from shs.35,000/= and shs.69,000/= to shs.45,000/= and shs 75,000/= respectively
- Excise duty imposed on motor vehicle lubricants (5%), chewing gum, sweets, chocolate (10%) and furniture (10%).
- *Excise duty on international calls in the EAC One Area Network removed*

Environmental Levy

- Environmental levy on used motor-vehicles increased from 20% to 35% for motor vehicles of 5-10 years old and to 55% for those above 10 years.

Decisions Made at the EAC Pre-Budget Consultations by the Ministers of Finance

- Authority to import road tractors for semitrailers at a duty rate 0% instead of 10%
- Motor vehicle for the transportation of goods with gross vehicle weight 5 tones to 20 tones taxes at a rate of 10% instead of 25%
- Motor vehicles for transport of goods with gross weight exceeding 20 tones taxed at 0% instead of 25%
- Buses for the transportation of more than 25 persons taxed at a rate 10% instead 25%.

REPORT OF TAX EXPENDITURES FOR FY 2013/14

- Waived UGX 1,691,138,851/= and UGX. 132,454,284/= due and payable by Child Fund International USA and Bwindi Community Hospital

- Government UGX 20.11 billion in respect of hotels, textile manufacturers, hospitals and tertiary institutions, and Non-Governmental Organisations with Tax exemption clauses in their agreements.