

**BANK OF UGANDA**



# **MONTHLY ECONOMIC REVIEW**

**FEBRUARY  
2006**

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## EXECUTIVE SUMMARY

### Monetary Policy Stance and Actions:

Monetary policy remained focused on containing inflation at low and stable levels. To achieve this, BOU's monetary policy operations ensured that liquidity management does not exacerbate instability in the goods market, the domestic money market and the foreign exchange market.

A review of developments for the four-week period ended January 31, 2006 suggests that:

- In the four weeks to January 31, 2006, total treasury bill issues of Shs88.21 billion (at cost) fully offset treasury bill maturities of Shs69.98 billion leading to a net withdrawal of liquidity of Shs18.23 billion, contrasting with the net injection of Shs19.68 billion observed in the corresponding four-week period to December 31, 2005.
- In a continuous effort to promote the development of financial markets alongside the conduct of monetary policy, Bank of Uganda issued a new 2-year bond on January 11, 2006 with a face value of Shs 25.00 billion.
- On the short-term liquidity management front, gross issues of the REPO instrument, whose maturities ranged from 1 to 14 days, amounted to Shs97.00 billion during this period, against maturities of Shs92.08 billion. This is compared to issues and maturities of Shs224.60 billion and Shs275.02 billion, respectively over the preceding period ended December 31, 2005. By January 31, 2006, the outstanding stock of repos was Shs35.04 billion including the longer dated REPOS offered but have not matured.
- In line with developments in the Treasury bill market, the Rediscount rate and Bank rate marginally increased from 13.36 percent and 14.36 percent, by end December 2005, to 13.46 percent and 14.46 percent, respectively by January 31, 2006.

### Inflation Developments

- During the year ending January 2006, the annual headline inflation rate increased to 6.2 percent from a low of 3.5 percent recorded in the year ended December 2005. The rise in annual headline inflation rate was attributed to increases in the average prices of items in all the groups. In particular, higher prices of food items, beverages, footwear, and transport fares exerted the most potent upward pressure on annual headline inflation.
- The annual underlying inflation rose to 5.6 percent during the year ended January 2006, up from 4.8 percent registered in the year ended December 2005. The average price of goods increased by 5.1 percent during the year ended January 2006 compared to 4.1 percent recorded in the year ended December 2005, caused mainly by increases in the average prices of milk, sugar, soft and alcoholic drinks, and children's shoes. While, the average price of services rose by 6.5 percent in both January 2006 and December 2005 respectively.
- The annual food crop inflation <sup>1</sup> rate increased to 9.2 percent in January 2006, up from -0.5 percent in the year ended December 2005. Similarly, the monthly food crop inflation rate rose to 3.3 percent in January 2006 from -2.3 percent registered during the month of December 2005.

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<sup>1</sup> Food crops refer specifically to grown food crop items that are typically sold fresh in the markets.

## **Real Sector Developments**

- Activity at the Uganda Securities Exchange (USE) was sluggish, recording a 90 percent decrease in turnover which stood at Ushs 0.16 billion. The number of shares recorded in January dropped by 91 percent to 345,013, compared to December 2005. The DFCU counter continued to dominate the activity at the USE in January 2006.
- In January 2006 the value of assets leased dropped by 51.4 percent to Ushs 0.95 billion from Ushs 1,955.2 billion recorded in December 2005. The Manufacturing sector pulled the largest share of credit (49.2%), followed by Commerce and trade with a share of 23.1 percent. The Transport sector, which usually dominates the credit beneficiaries' list, came in third with a share of 17.8 percent.
- In the quarter ending December 2005, import volumes of all three major fuel products dropped by 33.9 percent, 26.1 percent and 20.3 percent for Petrol, Kerosene and Diesel from the volumes recorded for the quarter ending September 2005.
- During the period October – December 2005, the number of projects licensed rose by 46 percent to 98 from 67 recorded in the period July – September 2005. Total estimated investment, as well, rose by 40 percent to US\$ 176.5 million, from US\$ 126.2 million over the same observation period. Planned employment rose by 54 percent to 9,523 positions from 6,195 recorded over July- September 2005.
- Over September – December 2005, most licenses were issued to the manufacturing sector, which accounted for 23.9 percent of total planned investment. This was followed closely by the Real Estate sector with 22 percent of total planned investment. The Agricultural sector improved to a share of 13.7 percent in the last quarter of 2005 from the share of 10.1 percent recorded in the quarter ending September 2005. The Transport and Communications sector, which usually dominates investment activity, with the largest share of planned investment, declined to a share of 12.5 percent in the period under observation.

## **Domestic Securities and Money Market Developments**

- In line with the monetary policy objectives and financial markets development, Bank of Uganda issued a new 2-year bond on January 11, 2006 with Shs25.00 billion. The issue was over subscribed by Shs18.05 billion and realized a cover ratio of 189.56 percent. At a weighted average price of 95.13 per Shs100, the resultant yield for the 10.00 percent coupon bond was 12.84 percent, compared to 13.27 percent for the 2-year bond that was reopened in December 14, 2005.
- This new issue brought the total outstanding stock of treasury bonds to Shs680.00 billion. By end of January 2006 this stock had been reduced to Shs630.16 billion as a result of a 2-year bond redemption of Shs49.84 billion that took place on January 17, 2006.
- 2-year and 3-year bond coupon payments totaling to Shs10.02 billion were effected during the month.
- The four week-period average indicative bid/offer yields-to-maturity in the secondary market were quoted at 13.32/13.09, 15.06/14.81, 15.44/15.19, and 15.82/15.57 percent for the 2-year, 3-year, 5-year, and 10-year bond tenors, respectively. This is compared to the respective average yields to maturity of 13.37/13.14, 14.96/14.66, 15.34/15.09, and 15.89/15.64 percent, in the previous four-week period ended December 31, 2005.

- Within the month of January 2006, Shs1.32 billion, and Shs1.00 billion were traded in the 2-year, and 3-year bonds at respective average yields-to-maturity of 12.98 percent, and 14.00 percent.
- Two Treasury bill auctions with offers of Shs40.00 billion and Shs 55.00 billion each were held in the month of January 2006 and both were over subscribed. The respective weighted annualized yields on the 91-day, 182-day, and 364-day bills stood at 7.76, 8.88, and 10.23 percent for the auction of January 18, 2006. This compares to rates of 7.76, 8.87 and 11.03 percent, recorded in the auction held on December 21, 2005. The average discount rates on Treasury bills in January 2006 were lower than those registered in January 2005 which ranged between 9.02 percent and 11.97 percent.
- The average bid/offer yields-to-maturity in the secondary market for Treasury bills for the 91-day, 182-day and the 364-day papers increased with the exception of 182 day paper to 7.81/7.55, 9.08/8.83 and 10.38/10.10 percent in January 2006 compared to 7.67/7.41, 9.16/8.89 and 10.17/9.88 percent in December 2005, respectively.
- In the four weeks ended January 31, 2006, total secondary market trades of treasury bills amounted to Shs 17.12 billion, of which Shs 1.00 billion was related to horizontal repos. This was higher than the Shs 3.85 billion for the four weeks ended December 31, 2005. The average discount rates on these trades for the 91, 182, and 364-days securities were 7.97, 8.66, and 8.63 percent, respectively. The yield curve remained gently upward sloping, albeit with a relatively steeper slope between the 364-day and 3-year papers.
- Total volume of transactions in the domestic inter-bank money market (i.e. transactions of less than 30 days in tenor) for the four weeks ended January 31, 2006 marginally declined to Shs 254.75 billion at a weighted average rate of 6.31 percent compared to transactions worth Shs 260.29 billion at a weighted average rate of 6.58 percent recorded in December 2005. The over night and 7 day transactions were the most dominant recording 46 and 32 out of a total of 150 transactions. The over night transactions amounted to Shs 80.30 billion at a weighted average rate of 6.20 percent and the other durations (2 – 30 days) amounted to Shs 174.45 billion at a weighted average rate ranging between 5.80 – 7.12 percent.
- Transactions between domestic banks and foreign entities<sup>2</sup> in the money market amounted to Shs 3.50 billion, at an average rate of 7.29 percent compared to Shs 16.57 billion at 6.64 percent in the previous month. All the commercial banks participated in the inter bank market during the four weeks.
- There was no revision in the commercial banks' prime lending rate during the four weeks to January 27, 2005. Consequently there were no changes in the number of banks charging rates for the various range categorizations. The range of these rates for the entire industry also remained at 16-21 percent.
- There was an increase in the effective lending rate on the shilling denominated loans from 18.79 percent to 19.37 percent but a decline on the foreign denominated loans to 7.15 percent from 8.13 percent reported in November 2005.
- The weighted rates on shilling denominated demand and saving deposits rose from 1.17 percent and 1.88 percent to 1.18 percent and 1.92 percent respectively. The rate on time deposits however declined from 9.18 percent to 7.85 percent in the period under review. The weighted rates on the foreign currency denominated demand and saving deposits were reported stable at 1.03 percent and 1.45 percent respectively as in the month of November

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<sup>2</sup> A distinction is made between the interbank market in which only domestic commercial banks participate and the money market where foreign banks also carry out transactions.

2005. The weighted rates on time deposits however declined from 3.70 percent to 3.51 percent in December 2005.

### **Developments in Monetary and Financial Aggregates**

These developments cover both the banking system and the non-bank financial institutions for the period ending December 2005.

- During December 2005, Broad Money M3, which comprises currency in circulation plus all private sectors deposits, expanded by 2.76 percent to Shs3,101.45 billion. This represents a slowdown in growth of M3 from 3.22 percent registered in November 2005 to 2.76 percent in Dec 2005. Relative to June 2005, M3 grew by 10.33 percent at end-December 2005.
- M2A, comprising of M3 less foreign currency deposits of the private sector expanded by 4.13 percent in December 2005, slightly lower than the growth of 4.43 percent in November 2005.
- Over the month under review, the NFA of the banking system grew by 10.08 percent or Shs250.14 billion to Shs2731.70 billion. In particular, NFA at BoU rose by 9.54 percent or Shs193.26 billion to Shs2218.79 billion. At commercial banks NFA grew by 12.47 percent or Shs56.86 billion to Shs512.91 billion. Foreign reserves at BoU expanded by an equivalent of Shs177.66 billion, compared to a decline of Shs79.48 billion in the previous month.
- The government's net position with the banking system (NCG) as at end-December 2005 was a lending of Shs123.60 billion, compared to a Government borrowing of Shs79.47 billion at the end of November 2005. This represents increased Government saving of Shs203.06 billion. At BoU, net claims by government dropped by Shs259.99 billion over the month, on account of an increase in Government deposits of Shs229.52, coupled with a decline in advances to Government of Shs30.47 billion. At commercial banks, net claims on Government rose by Shs56.93 billion in December 2005, on account of an increase commercial banks' investment in Government securities of Shs30.37 billion, coupled with a decline in Government deposits of Shs26.57 billion.
- At end-December 2005, the stock of outstanding credit to the private sector by the banking sector stood at Shs1289.32 billion, of which Shs20.38 billion was from BOU and Shs1268.94 billion was from commercial banks. This represents a decline of 0.97 percent or Shs12.69 billion during the month of December 2005. In comparison, during November 2005, PSC grew by 2.63 percent or Shs33.34 billion.
- On the liabilities side, foreign currency accounts at commercial banks declined to Shs665.80 billion in December 2005. In US dollars, foreign currency accounts fell to US\$366.46 million<sup>3</sup>. Demand deposits fell by 1.56 percent to Shs896.33 billion, while term deposits (time, savings and CDs) grew by 6.31 percent to Shs827.12 billion as at end-December 2005. Currency in circulation (CIC) increased by 9.54 percent to Shs710.22 billion.
- Reflecting these developments, the ratio of foreign currency deposits to M3 fell to 21.5 percent at end-December 2005 from 22.5 percent end-November 2005. The ratio of CIC to M3 rose to 22.9 percent from 21.5 percent, the ratio of demand deposits to M3

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<sup>3</sup> The end period mid exchange rate is used to value forex items.

also fell to 28.9 percent from 30.2 percent, while that term deposits to M3 also rose to 26.7 percent from 25.8 percent.

- The total assets of the Credit Institutions (CIs) increased marginally by 0.4 percent to Shs213.68 billion from Shs212.85 billion at the end of November 2005. This is lower than an increase of 2.9 percent observed over the same period a year ago.

### **Developments in the Foreign Exchange Market**

- The Uganda shilling posted a stable trend in January 2006 against strong appreciation recorded in December 2005, which had been driven by strong seasonal inflows of foreign exchange. Despite the shilling stability in January, the domestic currency depreciated relative to December 2005 largely due to a base effect. The currency ended the month at Shs. 1,820.19 compared to the December close of Shs. 1,816.86 per US dollar. The average mid-rate depreciated by 0.2 percent in January compared to an appreciation of 1.0 percent in December 2005.
- Bank of Uganda (BoU) resumed the daily sales of foreign exchange for sterilisation of excess liquidity and conducted one intervention operation to stabilize the foreign exchange market during January 2006.

### **Fiscal Developments**

- During the month of December 2005, total revenue and budget support grant receipts (excluding project grants) was estimated at Shs 413.15 billion, more than twice the total revenue recorded in November 2005.
- Total domestic revenue collected in December 2005 was estimated at Shs 244.00 billion with URA collections contributing 99.5 percent. The URA revenue collections were higher than in the previous month by Shs. 66.72 billion and higher than the programmed target for the month of December by Shs. 49.05 billion. The preliminary outturn for non-URA revenue collections for December 2005 was estimated at Shs 1.33 billion, lower than the program figure of Shs3.79 billion, and also lower than the November 2005 collection of Shs1.65 billion.
- Receipts from budget support grants are estimated at Shs 169.15 billion during December 2005, compared to Shs 15.70 billion realised in November 2005. This is Shs. 72.11 billion higher than Shs. 97.04 billion programmed for December 2005.
- In December 2005, government expenditure and net lending decreased by 26.5 percent to Shs 211.01 billion mainly attributed to a decrease in current expenditure. In December 2005, current expenditure decreased to Shs 170.98 billion, from Shs 222.52 billion in the previous month mainly on account of decreases in other recurrent expenditures. The outturn for total government expenditure was also contained below the programmed level during the month of December 2005.
- The overall fiscal balance for December 2005 was a surplus of Shs 202.14 billion compared to a deficit of Shs 93.60 billion recorded in November 2005. Excluding grants, the surplus reduces to Shs 32.99 billion, which compares with a deficit of Shs. 109.30 realised in November 2005. Net domestic financing and net external financing amounted to Shs -6.66 billion and Shs. -195.48 billion, respectively.

## **Balance of Payments Developments**

- In December 2005, the current account balance was estimated at a surplus of US\$54.3 million, while the capital and financial account was estimated at a surplus of US\$23.4 million. As a result, the overall balance was estimated at a surplus of US\$77.7 million.
- Total export earnings increased over the last month, amounting to US\$73.8 million in December 2005. Coffee exports in the month of December 2005 accounted for 20.1 percent of the total export.
- The import bill (fob) was estimated at US\$158.7 million during December 2005 compared to the US\$166.8 million<sup>4</sup>, which was recorded for the month of November 2005.
- Official aid (excluding project aid but including resources from the HIPC Initiative) inflows amounted to about US\$56.8 million. Private sector transfer inflows exceeded outflows by US\$111.6 million in December 2005, and services and income outflows exceeded inflows by about US\$55.0 million.
- Official debt service (excluding IMF payments) was estimated at US\$9.5 million for the month of December 2005. IMF principal payments worth US\$5.6 million were made during the month under review.
- Official foreign reserves (including valuation changes) were estimated at US\$1,286.1 million in December 2005, equivalent to 5.7 future months of imports of goods and services.

## **Policy Stance**

- BoU's Monetary policy will continue to aim at keeping inflation at low and stable levels. Likewise the implementation of monetary policy will take into account the need to ensure financial market stability both in the money and foreign exchange markets.

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<sup>4</sup> Effective May 2004, import values are reported f.o.b.

## **A MONETARY POLICY STANCE AND ACTIONS**

Bank of Uganda (BOU)'s monetary policy is focused on containing inflation at low and stable levels. However, operations of its instruments are cautiously undertaken in order not to exacerbate instability in the money and foreign exchange markets. Sterilization of excess liquidity is usually effected through a combination of sales of Treasury bonds, Treasury bills and foreign exchange. This notwithstanding, BOU actively uses the Repurchase Agreements (REPOs) as a fine-tuning instrument in order to smooth out unexpected liquidity developments in the short run. This is in addition to adjustments in the pricing of the liquidity providing windows at the BOU i.e. the Rediscount Rate and Bank rate, to ensure a consistent monetary policy stance.

In line with its policy of a market-determined exchange rate, the Shilling value against other currencies continues to be determined by the supply and demand in the foreign exchange market. BOU only intervenes in the inter-bank foreign exchange market (IFEM) to curb instability.

In the four weeks to January 31, 2006, total treasury bill issues of Shs88.21 billion (at cost) fully offset treasury bill maturities of Shs69.98 billion leading to a net withdrawal of liquidity of Shs18.23 billion, contrasting with the net injection of Shs19.68 billion observed in the corresponding four-week period to December 31, 2005. In a continuous effort to promote the development of financial markets alongside the conduct of monetary policy, Bank of Uganda issued a new 2-year bond on January 11, 2006 with a face value of Shs 25.00 billion. On the short-term liquidity management front, gross issues of the REPO instrument, whose maturities ranged from 1 to 14 days, amounted to Shs97.00 billion during this period, against maturities of Shs92.08 billion. This is compared to issues and maturities of Shs224.60 billion and Shs275.02 billion, respectively over the preceding period ended December 31, 2005. By January 31, 2006, the outstanding stock of repos was Shs35.04 billion.

## **B DOMESTIC PRICE DEVELOPMENTS**

During the year ending January 2006, the annual headline inflation rate<sup>5</sup> went up to 6.2 percent from a low of 3.5 percent recorded in the year ended December 2005. The rise in annual headline inflation rate was attributed to increases in the average prices of items in all the groups. In particular, higher prices of food items, beverages, footwear, and transport fares exerted the most potent upward pressure on annual headline inflation.

The annual food group<sup>6</sup> index went up by 6.6 percent in January 2006 compared to 1.6 percent in December 2005; the beverages and tobacco group index increased by 5.7 percent compared to 2.3 percent in December 2005; the clothing and footwear group index rose by 4.2 percent in January 2006 compared to 3.2 percent in December 2005; the rent, fuel and utilities group index rose by 6.6 percent in January 2006 compared to 7.8 percent in December 2005; the household and personal goods index increased by 0.1 percent in January 2006 compared to a decline of 0.8 percent for the year ended December 2005; and the transport and communication group index rose by 12.6 percent in January 2006 compared to 9.3 percent recorded in the year ended December 2005..

Similarly, the monthly headline inflation rate rose to 1.5 percent during the month of January 2006, up from -0.5 percent in December 2005. The increases in food, beverages and tobacco; clothing and footwear; household and personal goods; and health, education, and entertainment prices pushed up monthly headline inflation. However, the declines recorded in the rent, fuel and utilities; and transport and communication prices partly mitigated the overall rise in the monthly headline inflation.

The annual underlying inflation rose to 5.6 percent during the year ended January 2006, up from 4.8 percent registered in the year ended December 2005. The higher pace of increases in goods prices during January 2006 compared to that of December 2005 exerted the highest impact on annual underlying inflation rate. The

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<sup>5</sup> Inflation is the percentage change in the Consumer Price Index compared with the same month (or previous month) one year (month) previously.

<sup>6</sup> Food group comprises of the entire basket of food crops and other food items e.g. manufactured food goods – margarine, cooking oil, etc.

average price of goods increased by 5.1 percent during the year ended January 2006 compared to 4.1 percent recorded in the year ended December 2005, caused mainly by increases in the average prices of milk, sugar, soft and alcoholic drinks, and children's shoes. While, the average price of services rose by 6.5 percent in both January 2006 and December 2005 respectively.

The monthly underlying inflation rate rose to 1.0 percent in January 2006 from 0.0 percent in December 2005. This average price of goods rose by 1.7 percent in January 2006, offsetting the decline in services prices by 0.2 percent recorded in the same period.

The annual food crop inflation <sup>7</sup> rate increased to 9.2 percent in January 2006, up from -0.5 percent in the year ended December 2005. Similarly, the monthly food crop inflation rate rose to 3.3 percent in January 2006 from -2.3 percent registered during the month of December 2005.

The development in inflation during the year ended January 2006 were attributed to the following factors, among others:

- The high rise in prices of food particularly staples, fruits and vegetables, fish, milk and eggs, and sugar, tea, and spices. The drought conditions being experienced in most parts of the country have affected the output of most food items. In addition, the increased demand for food items from Kenya and Tanzania following prolonged drought amidst limited supply have put upward pressure on prices of food items.
- The increase in prices of both non-alcoholic and alcoholic drinks following increase in retail prices by the producers.
- The rise in prices of children's shoes due to increased demand due to the opening of the new school term. In addition, the depreciation of the Ugandan shillings against Kenya shillings led to increased cost of importation of footwear. Kenya is one of the major sources of Uganda's footwear through BATA (U) Ltd.
- The increased costs of domestic consumption of electricity and water. UMEME Ltd has been increasing their tariffs on a quarterly basis since July 2005 to cater for the increased costs of thermal power generation, while National Water and Sewerage Corporation (NWSC) raised their tariffs in July 2005 to cater for the increase in VAT.

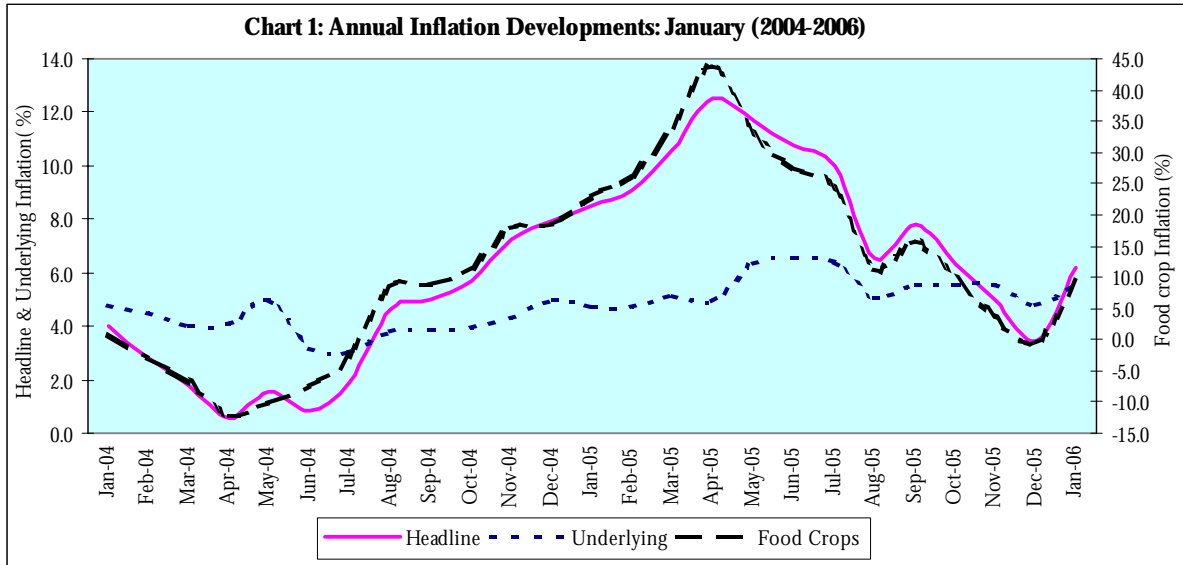
The above developments in inflation are depicted in Table 1 and charts 1 and 2 below.

Table 1. Developments in Inflation Rates: November 2005– January 2006

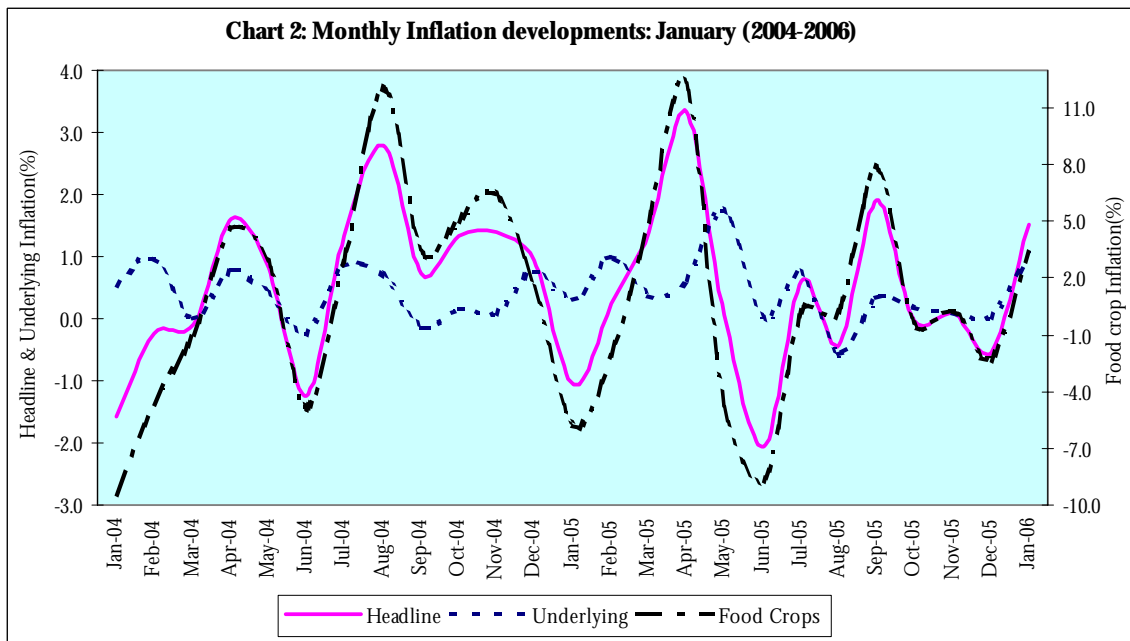
Period	Headline Inflation (%)		Underlying Inflation (%)		Food Crops Inflation (%)	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
November 2005	0.1	5.0	0.1	5.6	0.2	3.4
December 2005	-0.5	3.5	0.0	4.8	-2.3	-0.5
January 2006	1.5	6.2	1.0	5.6	3.3	9.1

Source: Uganda Bureau of Statistics

<sup>7</sup> Food crops refer specifically to grown food crop items that are typically sold fresh in the markets.



Source: Uganda Bureau of Statistics



Source: Uganda Bureau of Statistics

## C REAL SECTOR DEVELOPMENTS

This section highlights developments in the Finance, Energy and Investment sectors using the latest available data on: activity at the Uganda Securities Exchange (USE), Leasing, Consumption of fuel products, electricity and Investment activity for the period to January 2006.

### Finance Sector

#### *Uganda Securities Exchange (USE)*

Trading activity at the Uganda Securities Exchange (USE) grew during December 2005 compared to November 2005. Total turnover increased by Ushs 1.59 billion (3205.8%), with an increase of 3.8 million in the number of shares traded in December 2005 compared to November 2005. The boost in performance at the USE in December 2005 was attributed to the substantial purchase of 3,750,426 shares at the DFCU counter on December 13<sup>th</sup>, 2005, which pulled a turnover of Ushs 15.75 billion. Subsequently, the DFCU counter dominated activity with a 99.4 percent share of the total turnover of the month of December 2005. Fallen prices at the DFCU counter, attracted institutional investors to whom the substantial trading of December 13<sup>th</sup> is attributed. Prices at the DFCU counter dropped by 2.2 percent from the average price of 426 per share in November 2005 to an average price of 416 per share in December 2005. Other counters that shared in the turnover for December 2005 were: <sup>8</sup>BATU (0.01%), BOBU (0.34%) and UCL (0.30%). No trading was recorded at the EABL, KA and NVL counters in December 2005.

USE's market capitalisation dropped by 0.1 percent to Ushs 3,375 billion from Ushs 3,376.9 billion recorded for the month of November 2005. This however shows an 80.3 percent increase in the market capitalisation of the USE compared to the value of Ushs 1,871.5 billion recorded in December 2004. The mismatched decrease in market capitalisation could be attributed to the 0.03 percent drop in the average equity price at the USE to Ushs 3,467.2 in December 2005 from Ushs 3,468.3 recorded for November 2005.

In January 2006 however, activity at the USE drew in, recording a 90 percent decrease in turnover which stood at Ushs 0.16 billion. The number of shares recorded in January dropped by 91 percent to 345,013, compared to December 2005. The DFCU counter continued to dominate activity at the USE in January 2006 as it has since its listing at the Securities Exchange (October 2004).

Prices at the USE on January 31, 2006 stood at Ushs 735, Ushs 850, Ushs 420, Ushs 3,479, Ushs 2,358, Ushs 250 and Ushs 16,630 at the BATU, BOBU, DFCU, EABL, KA, NVL and UCL counters respectively. Market capitalisation stood at Ushs 3,576.6 billion while the USE All Share Index held at 734.58.

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<sup>8</sup> BATU = British American Tobacco LTD, BOBU = Bank Of Baroda Uganda, UCL = Uganda Clays Limited, EABL = East African Breweries LTD, KA= Kenya Airways, NVL = New Vision LTD

**Table 2: Trading at the Uganda Securities Exchange: Sep 2005 – Jan 2006**

	Sep '05	Oct '05	Nov '05	Dec '05	Jan '05
<b>Trading Days</b>	8	8	8	7	7
<b>Total Turnover</b>	116,261,041	133,299,325	49,689,300	1,642,613,880	160,738,440
<b>No. Shares</b>	167,706	238,607	85,284	3,900,643	345,013
<b>Market Capitalization (Billion Ushs, E.O.P)</b>	3518.6	3,549.26	3,376.87	3,375.00	3,510.57
<b>All Share Index</b>	722.7	729.01	689.03	693.11	691.25

*Source: Uganda Securities Exchange*

### ***Leasing Activities***

The value of assets disbursed in December 2005 increased by 71.5 percent to Ushs 1.96 billion from Ushs 1.14 billion recorded for November 2005 and by 47 percent compared to the corresponding period in 2004 when total disbursements amounted to Ushs 1.33 billion.

The Transport sector continued to record the largest share of assets disbursed (48.1%) in December 2005, which however is a decline from the share of 54.1 percent registered in the previous month. Trade and Commerce had the second largest share of 23.6 percent from 7.4 percent recorded in November 2005. The Agricultural sector pulled 1.3 percent while the manufacturing sector composed 3.6 percent of the total value of assets disbursed.

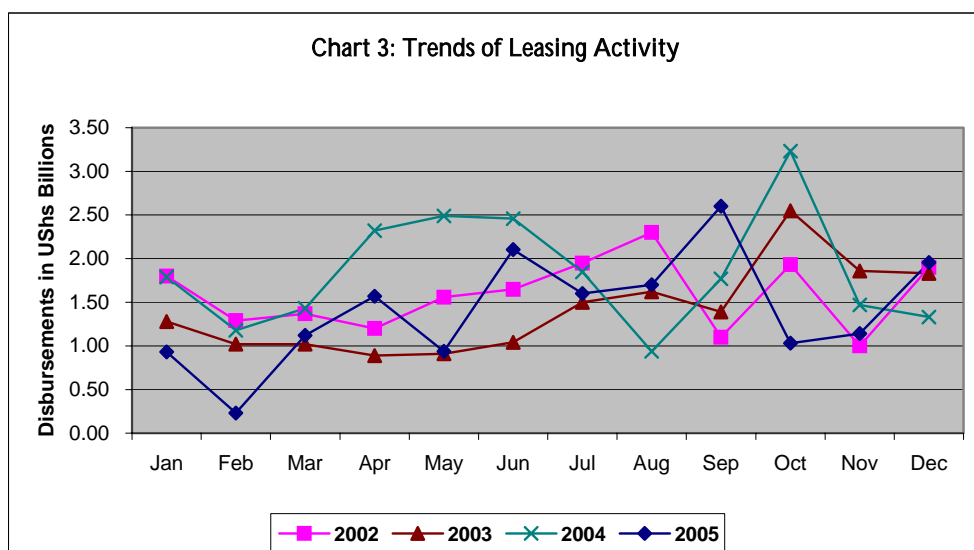
While the values of assets disbursed in October and November 2005 are observed to have trended at lower levels than those registered in the previous 3 years as can be seen from the Chart 3, credit for the month of December 2005 shows significant improvement.

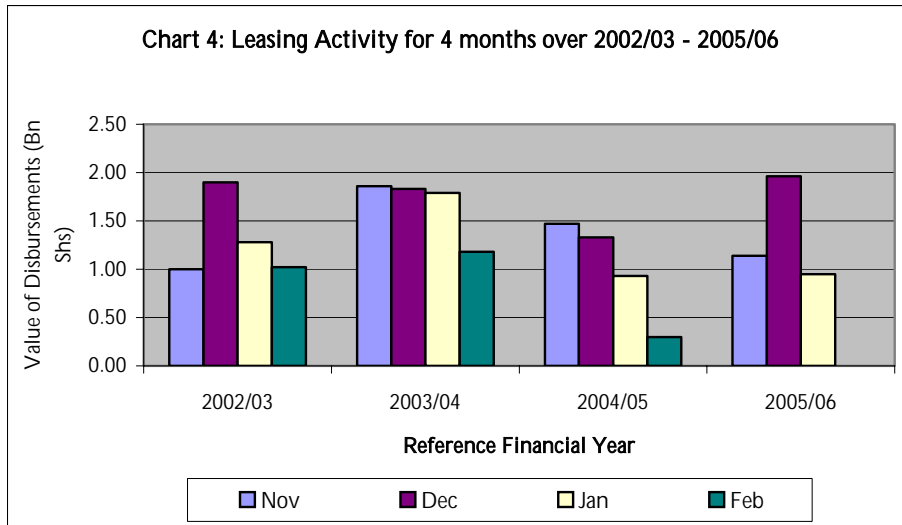
As has often been observed in the past and as shown in Chart 4, the value of assets leased drops in the month of January and further in February. In January 2006 the value of assets leased dropped by 51.4 percent to Ushs 0.95 billion from Ushs 1,955.2 billion recorded in December 2005. The Manufacturing sector pulled the largest share of credit (49.2%), followed by Commerce and trade with a share of 23.1 percent. The Transport sector, which usually dominates the credit beneficiaries' list, came in third with a share of 17.8 percent.

**Table 3: Sectoral Distribution of Assets Leased in Million Shillings: Oct 2005 – Jan 2006**

Sector	Oct '05	% Share	Nov '05	% Share	Dec '05	% Share	Jan '06	% Share
	<b>Transport</b>	420.80	40.87%	615.00	54.07%	940.07	48.08%	169.09
<b>Commerce &amp; Trade</b>	408.32	39.66%	84.00	7.39%	462.20	23.64%	219.78	23.12%
<b>Mining &amp; Construction</b>	-	-	-	-	43.00	2.20%	-	0.00%
<b>Tourism</b>	-	-	-	-	-	-	-	-
<b>Health</b>	22.00	2.14%	6.00	0.53%	111.71	5.71%	21.39	2.25%
<b>Agriculture</b>	10.91	1.06%	-	-	25.27	1.29%	-	0.00%
<b>Manufacturing</b>	49.50	4.81%	13.00	1.14%	69.89	3.57%	467.35	49.16%
<b>Education</b>	-	-	-	-	40.29	2.06%	21.80	2.29%
<b>Banking</b>	118.04	11.47%	238.00	20.92%	133.13	6.81%	3.64	0.38%
<b>Other Services</b>	-	-	181.40	15.95%	129.60	6.63%	47.60	5.01%
<b>TOTAL</b>	<b>1,029.56</b>	<b>100%</b>	<b>1,137.40</b>	<b>100%</b>	<b>1,955.16</b>	<b>100%</b>	<b>950.66</b>	<b>100%</b>

*Source: DFCU leasing*





**Source: DFCU Leasing**

## **Energy Sector**

### ***Fuel Imports***

In the quarter ending December 2005, import volumes of all three major fuel products dropped by 33.9 percent, 26.1 percent and 20.3 percent for Petrol, Kerosene and Diesel from the volumes recorded for the quarter ending September 2005. Compared to the quarter ending December 2004, while petrol and kerosene dropped by 4.1 percent and 1.5 percent, imports volumes of diesel rose by 30.8 percent in the quarter ending December 2005.

### ***Electricity Consumption***

Electricity consumption updates are currently available to the end of December 2005.

From September 2005, the number of live customers grew at decreasing rates of 1.1 percent, 0.02 percent and 0.7 percent in October 2005, November 2005 and December 2005 respectively. One of UMEME's objectives is to increase efficiency in electricity distribution against a background of low energy generation and consequently low purchases of electricity from Uganda Electricity Transmission Company Limited (UETCL). As can be seen from Table 4b, UMEME purchases of energy in GWH, from UETCL dropped between October and November 2005 before increasing by 1.9 percent in December 2005.

One of the reasons for the current increased load shedding is a rise in demand with unmatched movement in the amount of electricity generated. From the data in table 4a and 4b, consumption of electricity indicated by energy billings in GWH has grown since November 2005 (28.2%). In December 2005, consumption grew by 51.4 percent.

Tables, 4a and 4b below show energy consumption in Giga-watt hours and month-on-month changes for the period August to December 2005.

**Table 4a: Energy Consumption by Tariff Category in Giga Watt Hours (GWH): Aug- Dec 2005.**

<b>Number of Live Customers:</b>					
	<b>Aug-05</b>	<b>Sep-05</b>	<b>Oct-05</b>	<b>Nov-05</b>	<b>Dec-05</b>
Domestic	256,472	258,439	261,161	261,331	263,262
Commercial	27,151	27,359	27,647	27,665	27,838
Industrial	795	815	967	819	813
Street Lighting	316	324	316	322	324
<b>Total</b>	<b>284,734</b>	<b>286,937</b>	<b>290,091</b>	<b>290,137</b>	<b>292,237</b>
<b>Consumption in GWH:</b>					
	<b>Aug-05</b>	<b>Sep-05</b>	<b>Oct-05</b>	<b>Nov-05</b>	<b>Dec-05</b>
Domestic	31.53	30.19	25.17	33.41	53.48
Commercial	11.80	11.71	9.77	13.23	21.38
Industrial	50.61	49.83	52.47	65.37	94.61
Street Lighting	0.11	0.06	0.04	0.11	0.26
<b>Total</b>	<b>94.05</b>	<b>91.79</b>	<b>87.45</b>	<b>112.12</b>	<b>169.73</b>
<b>Purchases in GWH:</b>					
	<b>Aug-05</b>	<b>Sep-05</b>	<b>Oct-05</b>	<b>Nov-05</b>	<b>Dec-05</b>
UMEME purchases from UETCL	153.70	148.54	150.60	146.60	149.42
<b>Disconnection/Reconnections:</b>					
	<b>Aug-05</b>	<b>Sep-05</b>	<b>Oct-05</b>	<b>Nov-05</b>	<b>Dec-05</b>
Disconnections	40,084	32,375	27,317	33,646	29,853
Reconnections	16,952	14,028	12,665	11,505	11,561
<b>Net Disconnections</b>	<b>23,132</b>	<b>18,347</b>	<b>14,652</b>	<b>22,141</b>	<b>18,292</b>

Source: UMEME Limited

**Table 4b: Percentage Changes**

<b>Number of Live Customers: Month-month Changes</b>				
	<b>Sep-05</b>	<b>Oct-05</b>	<b>Nov-05</b>	<b>Dec-05</b>
Domestic	0.8%	1.1%	0.1%	0.7%
Commercial	0.8%	1.1%	0.1%	0.6%
Industrial	2.5%	18.7%	-15.3%	-0.7%
Street Lighting	2.5%	-2.5%	1.9%	0.6%
<b>Total</b>	<b>0.8%</b>	<b>1.1%</b>	<b>0.0%</b>	<b>0.7%</b>
<b>Consumption in GWH: Month-month Changes</b>				
	<b>Sep-05</b>	<b>Oct-05</b>	<b>Nov-05</b>	<b>Dec-05</b>
Domestic	-4.2%	-16.6%	32.7%	60.1%
Commercial	-0.8%	-16.6%	35.4%	61.6%
Industrial	-1.5%	5.3%	24.6%	44.7%
Street Lighting	-45.5%	-33.3%	175.0%	136.4%
<b>Total</b>	<b>-2.4%</b>	<b>-4.7%</b>	<b>28.2%</b>	<b>51.4%</b>
<b>Purchases in GWH: Month-month Changes</b>				
	<b>Sep-05</b>	<b>Oct-05</b>	<b>Nov-05</b>	<b>Dec-05</b>
UMEME purchases from UETCL	-3.4%	1.4%	-2.7%	1.9%
<b>Disconnection/Reconnections: Month-month Changes</b>				
	<b>Sep-05</b>	<b>Oct-05</b>	<b>Nov-05</b>	<b>Dec-05</b>
Disconnections	-19.2%	-15.6%	23.2%	-11.3%
Reconnections	-17.2%	-9.7%	-9.2%	0.5%
<b>Net Disconnections</b>	<b>-20.7%</b>	<b>-20.1%</b>	<b>51.1%</b>	<b>-17.4%</b>

Source: UMEME Limited

## Investment

Information on actual investment activity is not available thus analysis is based on licenses issued by the Uganda Investment Authority (UIA). Statistics on licensed projects are available on a quarterly basis. During the period October – December 2005, the number of projects licensed rose by 46 percent to 98 from 67 recorded in the period July – September 2005. Total estimated investment, as well, rose by 40 percent to US\$ 176.5 million, from US\$ 126.2 million over the same observation period. Planned employment rose by 54 percent to 9,523 positions from 6,195 recorded over July- September 2005.

As depicted in Chart 6 below and over September – December 2005, most licenses were issued to the manufacturing sector pulling 23.9 percent of total planned investment. This was followed closely by the Real Estate sector with 22 percent of total planned investment. The Agricultural sector improved to a share of 13.7 percent in the last quarter of 2005 from the share of 10.1 percent recorded in the quarter ending September 2005. The Transport and Communications sector, which usually dominates investment activity,

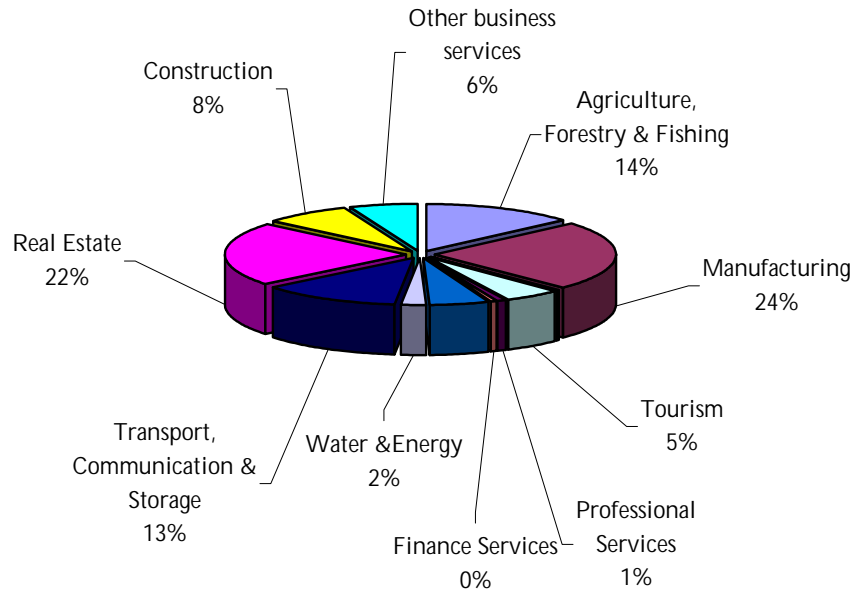
with the largest share of planned investment, declined to a share of 12.5 percent in the period under observation. Table 5 below summarizes investment activity for the period September – December 2005.

**Table 5: Sectoral Distribution of Projects Licensed by Uganda Investment Authority: Sep – Dec 2005**

<b>Sector</b>	<b>Number of Projects Licensed</b>	<b>Planned Investment (US\$)</b>	<b>Planned Employment</b>	<b>Percentage Share of Investment</b>
Agriculture, Forestry & Fishing	22	24,133,000	2,081	13.7
Manufacturing	34	42,257,000	2,471	23.9
Mining & Quarrying	1	174,000	138	0.1
Tourism	10	9,005,000	494	5.1
Professional Services	4	1,665,000	100	0.9
Finance Services	1	500,000	22	0.3
Social Services	1	9,608,000	1,370	5.4
Water & Energy	1	3,695,000	121	2.1
Transport, Communication & Storage	3	22,100,000	210	12.5
Real Estate	3	38,850,000	631	22.0
Construction	5	13,870,000	1,016	7.9
Other business services	13	10,652,000	869	6.0
<b>TOTAL</b>	<b>98</b>	<b>176,509,000</b>	<b>9,523</b>	<b>100.00</b>

*Source: Uganda Investment Authority (UIA)*

**Chart 5: Percentage Share of Investment: Sep - Dec 2005**



## **D DEVELOPMENTS IN THE DOMESTIC SECURITIES AND MONEY MARKET**

### **Primary Market for Treasury Bonds**

In line with the monetary policy objectives and financial markets development, Bank of Uganda issued a new 2-year bond on January 11, 2006. The Shs25.00 billion issue was over subscribed by Shs18.05 billion and realized a cover ratio of 189.56 percent. At a weighted average price of 95.13 per Shs100, the resultant yield for the 10.00 percent coupon bond was 12.84 percent, compared to 13.27 percent for the 2-year bond that was reopened in December 14, 2005. This new issue brought the total outstanding stock of treasury bonds to Shs680.00 billion. By end of January 2006 this stock had been reduced to Shs630.16 billion as a result of a 2-year bond redemption of Shs49.84 billion that took place on January 17, 2006. 2-year and 3-year bond coupon payments totaling to Shs10.02 billion were effected during the month.

Table 6 below shows details of the most recent Treasury bond issues (*full details on all issues in the market so far are available on request*). All issues in the market so far are listed on the Uganda Securities Exchange.

**Table 6: Summary of Government Treasury bond Issues as at January 31, 2006**  
(In Billions of Uganda Shillings, unless otherwise stated)

Tenure/Issue date →	2 Year New Issue Jan 11-06	3 Year Re-opened Nov 16-05	5 Year Re-opened Oct 20-05	10 Year New Issue May 19-04
Maturity Date	Jan 10-08	Sept 18-08	Mar 19-09	May 08-14
Offers	25.000	20.000	20.000	15.000
Total Bids	47.389	35.295	42.776	25.166
O/w Competitive	47.368	35.273	42.765	25.154
Over (Under) Subscription	22.389	15.295	22.776	10.166
Amount Sold (Face Value)	25.000	20.000	20.000	15.000
Amount Sold (Cost Price)	23.782	18.320	17.888	12.991
Cover Ratio %	189.556	176.475	213.880	167.773
Previous Cover Ratio %	220.351	186.601	161.135	...
WAP per Shs. 100	95.130	91.600	89.438	86.608
Previous WAP per Shs. 100	94.877	88.233	85.463	...
Yield to Maturity % (p.a)	12.838	14.645	15.124	13.477
Previous Yield to Maturity %	13.274	15.286	16.039	...
Coupon Rate	10.000	10.250	10.750	11.000

Source: Research Department - Bank of Uganda

#### Secondary Market for Treasury bonds

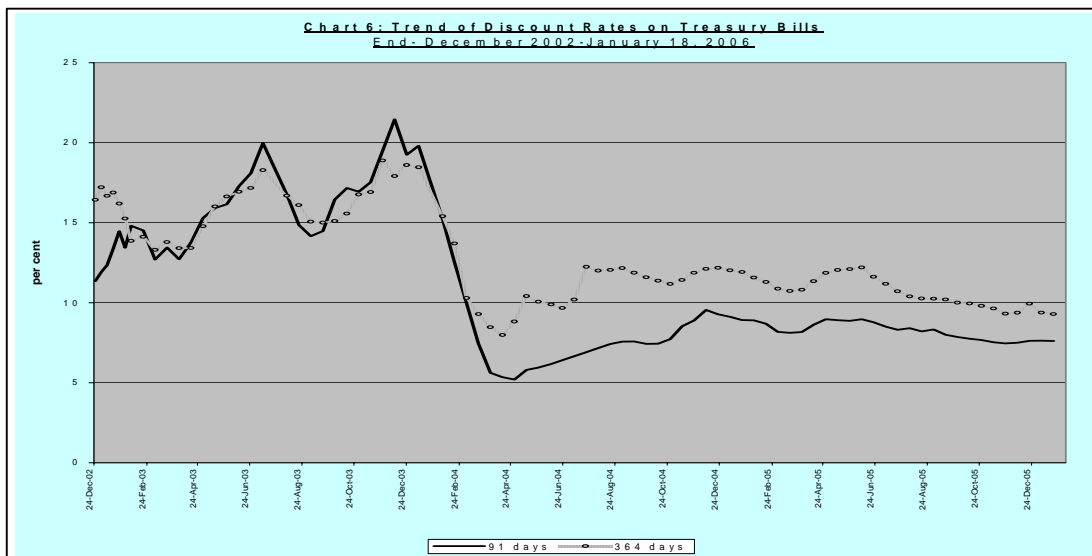
The four week-period average indicative bid/offer yields-to-maturity in the secondary market were quoted at 13.32/13.09, 15.06/14.81, 15.44/15.19, and 15.82/15.57 percent for the 2-year, 3-year, 5-year, and 10-year bond tenors, respectively. This is compared to the respective average yields to maturity of 13.37/13.14, 14.96/14.66, 15.34/15.09, and 15.89/15.64 percent, in the previous four-week period ended December 31, 2005 (See Table 7). Within the month of January 2006, Shs1.32 billion, and Shs1.00 billion were traded in the 2-year, and 3-year bonds at respective average yields-to-maturity of 12.98 percent, and 14.00 percent.

**Table 7: Bid/Offer Rates and Transactions in the Secondary Market for Treasury bonds over the four week-period to January 31, 2006**

	Tenor of bond							
	2-year		3-year		5-year		10-year	
	Yield-to-maturity quotation (percent)							
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
Min	13.00	12.75	14.75	14.50	15.20	14.95	15.00	14.75
Max	13.90	13.65	15.30	15.05	16.00	15.75	16.50	16.25
Average	13.32	13.09	15.06	14.81	15.44	15.19	15.82	15.57

Source: Compiled from Domestic Financial Markets Department records

Source: Research Department - Bank of Uganda



Source: Research Department-Bank of Uganda

### Primary Market for Treasury bills

Two Treasury bill auctions with offers of Shs40.00 billion and Shs 55.00 billion each were held in the month of January 2006 and both were over subscribed. The respective weighted annualized yields on the 91-day, 182-day, and 364-day bills stood at 7.78, 8.96, and 10.35 percent for the auction of January 04, 2006, and at 7.76, 8.88, and 10.23 percent for the auction of January 18, 2006. This compares to rates of 7.76, 8.87 and 11.03 percent, for the 91-day, 182-day, and 364-day bills respectively, recorded in the auction held on December 21, 2005 (see Chart 6 above). The average discount rates on Treasury bills in January 2006 were lower than those registered in January 2005 which ranged between 9.02 percent and 11.97 percent.

### Secondary Market for Treasury bills

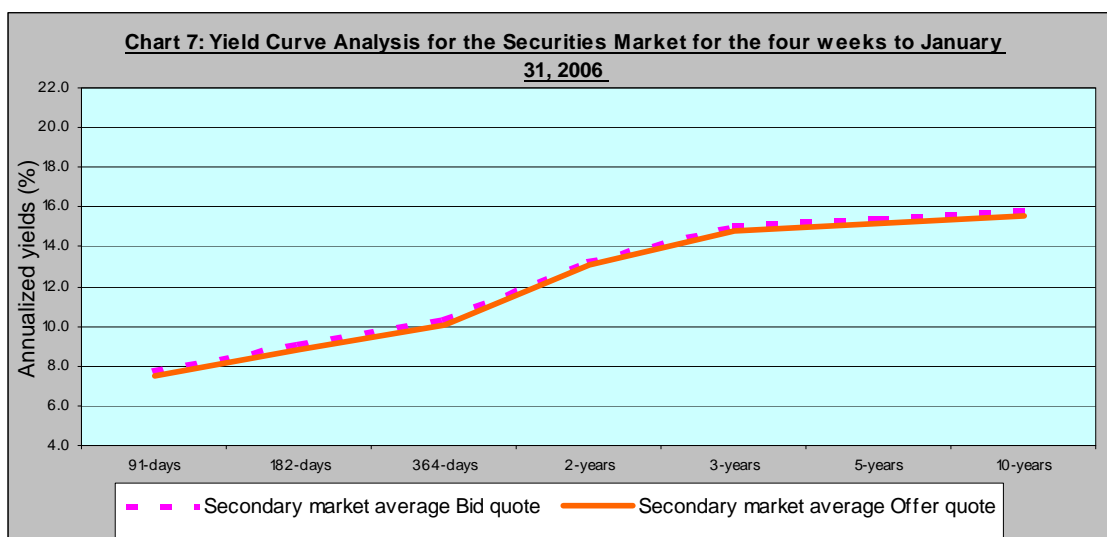
The average bid/offer yields-to-maturity in the secondary market for Treasury bills for the 91-day, 182-day and the 364-day papers increased with the exception of 182 day paper to 7.81/7.55, 9.08/8.83 and 10.38/10.10 percent in January 2006 compared to 7.67/7.41, 9.16/8.89 and 10.17/9.88 percent in December 2005, respectively.

**Table 8: Bid/Offer Rates and Transactions in the Secondary Market for Treasury bills over the four-week period to January 31, 2006**

	Tenor of bills							
	91-days		182-days		273-days		364-days	
	Yield-to-Maturity quotation (percent)							
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
Min	7.63	7.37	8.73	8.46	0.00	0.00	9.78	9.50
Max	8.22	7.96	9.45	9.18	0.00	0.00	12.56	12.26
Average	7.81	7.55	9.08	8.83	0.00	0.00	10.38	10.10
	Trading Activity							
Transactions (Shs billion)	10.729		3.290		-		3.099	
O/w Horizontal REPOs	1.000		-		-		-	
- Av. H/REPOs rate	6.50 percent		-		-		-	
O/w- Outright sales	9.729		3.290		-		3.099	
Total trades across maturities	Shs17.118 billion							
- Av Discount rate	7.97 percent		8.66 percent		-		8.63 percent	
- Av Yield to maturity	8.15 percent		8.98 percent		-		9.14 percent	
Rediscounts at BOU	-							
Borrowing at BOU	-							

**Source: Research Department-Bank of Uganda**

In the four weeks ended January 31, 2006, total secondary market trades of treasury bills amounted to Shs 17.12 billion, of which Shs 1.00 billion related to horizontal repos. This was higher than the Shs 3.85 billion for the four weeks ended December 31, 2005. The average discount rates on these trades for the 91, 182, and 364-days securities were 7.97, 8.66, and 8.63 percent, respectively. The yield curve remained gently upward sloping, albeit with a relatively steeper slope between the 364-day and 3-year papers. This curve is based on the monthly average indicative yield-to-maturity bid and offer quotations in the secondary market (see Chart 7).



**Source: Research Department-Bank of Uganda**

**i) Domestic Inter-bank market**

Total volume of transactions in the domestic inter-bank money market (i.e. transactions of less than 30 days in tenor) for the four weeks ended January 31, 2006 marginally declined to Shs 254.75 billion at a weighted average rate of 6.31 percent compared to transactions worth Shs 260.29 billion at a weighted average rate of 6.58 percent recorded in December 2005. The over night and 7 day transactions were the most dominant recording 46 and 32 transactions respectively as shown in table 9 below. The over night transactions amounted to Shs 80.30 billion at a weighted average rate of 6.20 percent and the other durations (2 – 30 days) amounted to Shs 174.45 billion at a weighted average rate ranging between 5.80 – 7.12 percent. Transactions between domestic banks and foreign entities<sup>9</sup> in the money market amounted to Shs 3.50 billion, at an average rate of 7.29 percent compared to Shs 16.57 billion at 6.64 percent. All the commercial banks participated in the inter bank market during the four weeks.

**Table 9: Summary of inter bank money market activity**

Tenor	Month of December 2005			Month Of January 2006		
	<i>No. of transactions</i>	<i>Amount (Shs bn)</i>	<i>Weighted Rate</i>	<i>No. of transactions</i>	<i>Amount (Shs bn)</i>	<i>Weighted Rate</i>
Overnight	<b>28</b>	<b>49.00</b>	<b>6.08</b>	<b>46</b>	<b>80.30</b>	<b>6.20</b>
2 days	<b>6</b>	<b>7.50</b>	<b>6.58</b>	<b>16</b>	<b>19.90</b>	<b>6.11</b>
3 days	<b>22</b>	<b>42.05</b>	<b>6.20</b>	<b>31</b>	<b>64.50</b>	<b>5.80</b>
4 days	<b>8</b>	<b>12.00</b>	<b>6.34</b>	<b>10</b>	<b>18.30</b>	<b>6.28</b>
5 days	<b>12</b>	<b>25.40</b>	<b>5.99</b>	<b>5</b>	<b>8.90</b>	<b>6.46</b>
6 days	<b>7</b>	<b>16.00</b>	<b>6.85</b>	<b>3</b>	<b>5.00</b>	<b>6.62</b>
1 week	<b>36</b>	<b>78.00</b>	<b>6.94</b>	<b>32</b>	<b>51.20</b>	<b>7.07</b>
> 1 week	<b>18</b>	<b>30.34</b>	<b>7.41</b>	<b>7</b>	<b>6.50</b>	<b>7.12</b>
<b>Total</b>	<b>137</b>	<b>260.291</b>	<b>6.58</b>	<b>150</b>	<b>254.75</b>	<b>6.31</b>

Source: Research Department-B.O.U

**vi) Commercial Bank's Retail Interest Rates**

There was no revision in the commercial banks' prime lending rates during the four weeks to January 31, 2006. Consequently, there were no changes in the number of banks charging rates for the various range categorizations. The range of these rates for the entire industry also remained at 16-21 percent. Table 10 below summarizes these developments.

**Table 10: Trends of the Prime Lending Rates During January 2006**

(Figures are end-period)

Prime Lending Rate (%)	Dec 30, 2005	Jan 06, 2006	Jan 13, 2006	Jan 20, 2006	Jan 27, 2006
0.0 – 10.9	0	0	0	0	0
11.0 – 13.9	0	0	0	0	0
14.0 – 15.9	0	0	0	0	0
16.0 – 18.0	5	5	5	5	5
18.1 – 19.9	7	7	7	7	7
20.0 – 21.9	3	3	3	3	3
Range (Min – Max)	16%-21%	16%-21%	16%-21%	16%-21%	16%-21%

Source: Commercial banks weekly returns

<sup>9</sup> A distinction is made between the interbank market in which only domestic commercial banks participate and the money market where foreign banks also carry out transactions.

The ranges of the savings and time deposits rates were maintained at 0-7.0 percent and 0.25-20.0 percent, respectively. The respective number of banks with savings rates of at least 5.0 percent and those with a time deposit rate of at least 8.0 percent remained unchanged at four (4) and eight (8), respectively.

Information on the commercial banks' effective lending and deposit rates is available up to December 2005. As portrayed in Table 11, there was an increase in the effective lending rate on the shilling denominated loans from 18.79 percent to 19.37 percent but a decline on the foreign denominated loans to 7.15 percent from 8.13 percent reported in November 2005.

Table 11: Commercial Banks' Lending and Deposit Rates (Percent)

Weighted Average rates	Shilling Denominated				Foreign Currency Denominated			
	Sept 2005	Oct 2005	Nov 2005	Dec 2005	Sept 2005	Oct 2005	Nov 2005	Dec 2005
Lending	19.18	19.59	18.79	19.37	7.80	8.87	8.13	7.15
Demand Deposits	1.21	1.14	1.17	1.18	1.03	1.02	1.03	1.03
Savings Deposits	1.97	1.94	1.88	1.92	1.45	1.45	1.45	1.45
Time Deposits	10.03	9.84	9.18	7.85	5.34	3.86	3.70	3.51

Source: Research Department-B.O.U

The weighted rates on shilling denominated demand and saving deposits rose from 1.17 percent and 1.88 percent to 1.18 percent and 1.92 percent respectively. The rate on time deposits however declined from 9.18 percent to 7.85 percent in the period under review. The weighted rates on the foreign currency denominated demand and saving deposits were reported stable at 1.03 percent and 1.45 percent respectively as in the month of November 2005. The weighted rates on time deposits however declined from 3.70 percent to 3.51 percent in December 2005.

## **E MONETARY AGGREGATES AND FINANCIAL SECTOR AGGREGATES**

### **(i) Banking Activities**

#### **Broad Money**

During December 2005, Broad Money M3, which comprises currency in circulation plus all private sector's deposits, expanded by 2.76 percent to Shs3,101.45 billion. This represents a slowdown in growth of M3 from 3.22 percent registered in November 2005 to 2.76 percent. Relative to June 2005, M3 grew by 10.33 percent at end-December 2005.

M2A, comprising of M3 less foreign currency deposits of the private sector expanded by 4.13 percent in December 2005, slightly lower than the growth of 4.43 percent in November 2005. Developments in money supply are shown in Table 12 below.

#### **Net Foreign Assets (NFA)**

Over the month under review, the NFA of the banking system grew by 10.08 percent or Shs250.14 billion to Shs2731.70 billion. In particular, NFA at BoU rose by 9.54 percent or Shs193.26 billion to Shs2218.79 billion. At commercial banks, NFA grew by 12.47 percent or Shs56.86 billion to Shs512.91 billion. Foreign reserves at BoU expanded by an equivalent of Shs177.66 billion, compared to a decline of Shs79.48 billion in the previous month.

#### **Net Claims on Government (NCG)**

The government's net position with the banking system (NCG) as at end-December 2005 was a lending of Shs123.60 billion, compared to a Government borrowing of Shs79.47 billion at the end of November 2005 (Table 12). This represents increased Government saving of Shs203.06 billion. At BoU, net claims by

government dropped by Shs259.99 billion over the month, on account of an increase in Government deposits of Shs229.52, coupled with a decline in advances to Government of Shs30.47 billion. At commercial banks, net claims on Government rose by Shs56.93 billion in December 2005, on account of an increase in commercial banks' investment in Government securities of Shs30.37 billion, coupled with a decline in Government deposits of Shs26.57 billion.

**Table 12: Developments in Monetary and Credit Aggregates (June 05 – December 05)**

(in billion shillings unless otherwise stated)	Jun 2005	Jul. 2005	Aug. 2005	Sept. 2005	Oct. 2005	Nov. 2005	Dec. 2005
Net Foreign Assets (NFA)	2648.0	2619.7	2701.5	2632.7	2601.1	2481.6	2731.7
Domestic Credit	982.0	1104.7	1227.8	1279.6	1277.0	1407.1	1181.3
Net Credit to Government (NCG)	-176.3	-106.5	19.8	18.0	-9.9	79.5	-123.6
Claims on the Private Sector	1150.2	1190.9	1191.8	1259.7	1268.7	1302.0	1289.3
M3	2811.1	2876.4	2971.6	2905.5	2923.9	3018.2	3101.5
Forex deposits	653.3	661.5	714.4	679.3	684.2	679.2	665.8
M2A	2157.9	2214.8	2257.2	2226.1	2239.8	2339.0	2435.7
Demand Deposits	860.1	891.4	900.8	863.9	876.0	910.6	896.3
Term Deposits	692.7	707.6	741.8	743.8	746.7	780.0	829.1
Currency	605.1	615.8	614.6	618.5	617.0	648.4	710.2
<b>Ratios to M3 (Percent)</b>							
Forex	23.2	23.0	24.0	23.4	23.4	22.5	21.5
Demand Deposits	30.6	31.0	30.3	29.7	30.0	30.2	28.9
Term Deposits	24.6	24.6	25.0	25.6	25.5	25.8	26.7
Currency	21.5	21.4	20.7	21.3	21.1	21.5	22.9

### Private Sector Credit (PSC)

At end-December 2005, the stock of outstanding credit to the private sector by the banking sector stood at Shs1289.32 billion (Table 12), of which Shs20.38 billion was from BOU and Shs1268.94 billion was from commercial banks. This represents a decline of 0.97 percent or Shs12.69 billion during the month of December 2005. In comparison, during November 2005, PSC grew by 2.63 percent or Shs33.34 billion.

### Credit Flows

During December 2005, the total (shilling and foreign currency) gross extensions by commercial banks amounted to Shs206.37 billion, while recoveries were Shs 193.50 billion resulting in net extensions of Shs 12.87 billion. After accounting for flows in capitalised interest, there was an increase in the stock of credit of about Shs19.34 billion (see Appendix 2a)<sup>10</sup>. During the month, commercial banks extended shilling denominated loans amounting to

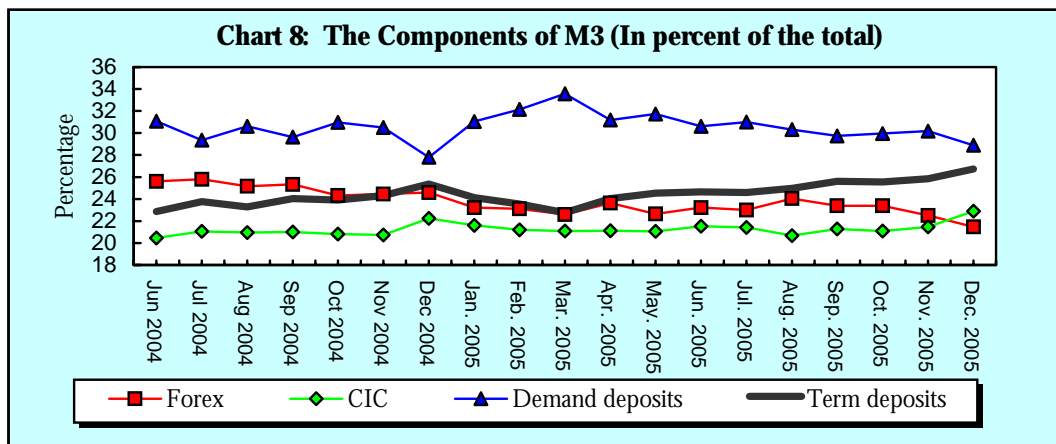
<sup>10</sup> The Gross Extensions and Recoveries include lending to Government and Parastatals. PSC as recorded by the Monetary Survey doesn't include lending to Government and parastatals.

Shs126.50 billion and recovered Shs116.59 billion, thus net extensions were Shs 15.16 billion. Net capitalised interest stood at Shs5.25 billion. Thus, there was a net increase in the stock of shilling loans to the non-bank public of Shs9.79 billion (see Appendix 2b). For foreign currency loans, gross extensions stood at Shs79.87 billion, while recoveries were higher at Shs 76.91 billion, yielding net recoveries of Shs 2.96 billion. After taking into account effects of capitalised interest, the stock of foreign currency loans recorded a net rise of Shs 4.58 billion (See Appendix 2c).

**Appendix 2a-2c summarise the evolution of the monthly change in outstanding loans and advances of commercial banks from July 2004 to December 2005.**

**Liabilities of the Banking System**

On the liabilities side, foreign currency accounts at commercial banks declined by an equivalent of Shs13.39 billion to Shs665.80 billion in December 2005. In US dollars, foreign currency accounts fell by US\$ 5.07 million to US\$366.46 million<sup>11</sup>. Demand deposits fell by 1.56 percent or Shs14.22 billion to Shs896.33 billion, while term deposits (time, savings and CDs) grew by 6.31 percent to Shs827.12 billion as at end-December 2005. Currency in circulation (CIC) increased by 9.54 percent or Shs61.84 billion to Shs710.22 billion. Reflecting these developments, the ratio of foreign currency deposits to M3 fell to 21.5 percent at end-December 2005 from 22.5 percent end-November 2005. The ratio of CIC to M3 rose to 22.9 percent from 21.5 percent, the ratio of demand deposits to M3 also fell to 28.9 percent from 30.2 percent, while that term deposits to M3 also rose to 26.7 percent from 25.8 percent. The trends of the ratios are shown in Chart 8 below and Table 12 above.



**(ii) Non-Bank Financial Institutions (NBFIs) Activities**

**(a) Credit Institutions<sup>12</sup>**

**Assets**

In the month of December 2005, the total assets of the Credit Institutions (CIs) increased marginally by 0.4 percent to Shs213.68 billion from Shs212.85 billion at the end of November 2005. This is lower than an increase of 2.9 percent observed over the same period a year ago. The increase in assets during December 2005 was mainly on account of an increase of 12.5 percent in notes and coins.

<sup>11</sup> The end period mid exchange rate is used to value forex items.

<sup>12</sup> Covers 7 credit institutions.

## Loans and advance

The stock of the outstanding loans and advances to the private sector remained stable at Shs129.81 billion as at end-December 2005. Mortgage loans, which accounted for 58.4 percent of total loans, however, increased by 2.1 percent to Shs75.79 billion while secured and unsecured loans declined by 4.7 percent to Shs29.77 billion at the end of December 2005. Administered loans decreased marginally by 0.3 percent to Shs24.25 billion. The building and construction sector accounted for the largest share (71.3 percent) of the total CIs advances as at end-December 2005 while the trade and commerce sector accounted for the second largest share of 18.2 percent.

## Deposits

In December 2005, private sector deposits<sup>13</sup> in the CIs decreased from Shs. 98.11 billion to Shs. 97.35 billion. Specifically, time deposits decreased by 7.5 percent to Shs30.95 billion while savings deposits increased by 2.7 percent to Shs66.39 billion. Agency funds (funds collected on behalf of government from the beneficiaries of the government's pool house sale scheme) increased by 1.1 percent to Shs32.88 billion over the same period.

Table 13: Developments in the Activities of Credit Institutions (Shs Billion)

	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005
Total Assets	205.99	208.15	212.28	212.85	213.68
O/w Loans and advances	123.30	128.54	129.97	129.79	129.81
Secured & unsecured	29.77	32.63	32.68	31.25	29.77
Mortgage	68.83	71.47	73.26	74.25	75.79
Administered	24.70	24.44	24.02	24.32	24.25
Other <sup>c</sup>	82.69	79.61	82.31	83.06	83.87
Total Liabilities	205.99	208.15	212.28	212.85	213.83
O/w Deposits Liabilities <sup>a</sup>	128.65	128.97	132.71	132.26	131.28
Savings	65.86	65.16	63.98	64.66	66.39
Time	29.08	29.79	34.10	33.45	30.95
Agency Funds	31.84	31.92	32.50	32.54	32.88
Other <sup>b</sup>	77.34	79.18	79.57	80.59	82.55
Source: CIs monthly reports to BOU					
a/ Includes accrued interest					
b/ Includes balances due to commercial banks, administered funds, other liabilities, provisions, capital, and Profit/loss.					
c/ Includes investments, balances with banks, cash, fixed assets, net due from own offices in Uganda for items in transit and other assets					

## (b) Micro finance Deposit-Taking Institutions (MDIs)<sup>14</sup>

In October 2005, the number of MDIs increased from three to four licensed institutions and submission of returns to Bank of Uganda from the new institution followed effectively in the same month. The developments for the period August to December 2005 are summarized in Table 14.

### Assets

In the month of December 2005, the total assets held by MDIs stood at Shs103.69 billion, representing a decrease of Shs0.79 billion (or 0.8 percent) from Shs104.48 billion in November 2005. Net loans outstanding, which accounted for the largest share at 60.9 percent of total assets, increased by Shs. 0.35 billion (or 0.6 percent) from Shs62.81 billion to Shs63.16 billion.

<sup>13</sup> This excludes Agency Funds

<sup>14</sup> Covers 4 Institutions

## Loans and advances

The stock of the outstanding loans to the private sector amounted to Shs65.74 billion up from Shs65.23 billion in November 2005. Allowances for loan losses (general and specific) amounted to Shs2.58 billion, representing an increase of 6.7 percent from Shs2.42 billion in November 2005.

## Liabilities

### Deposits

In December 2005, deposit liabilities in the MDIs amounted to Shs15.27 billion, of which Time and Savings deposits were Shs0.32 and Shs14.95 billion, respectively. This was an increase of Shs0.79 billion from Shs14.48 billion in November 2005.

### Borrowings

Borrowings of the MDIs decreased from Shs. 41.38 billion to Shs. 32.71 billion. Specifically, borrowings-short term (Market rate) decreased by 11.7 percent to Shs. 16.94 billion while borrowings-long term debt (Market rate) decreased by 0.9 percent to Shs. 15.77 billion. Loan insurance funds also declined by 0.6 percent from Shs15.26 billion to Shs15.17 billion recorded in December 2005.

Table 14: Developments in the Activities of Micro finance Deposit-Taking Institutions (Shs Billion)

	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005
Total Assets	80.71	80.39	105.49	104.48	103.69
O/w Net Loans outstanding <sup>a</sup>	47.55	48.92	61.45	62.81	63.16
Notes & Coins	1.13	1.56	2.13	1.96	2.29
Balances with financial institutions in Uganda	9.71	9.26	13.47	11.42	12.92
Investments in Securities	11.83	10.42	13.85	13.96	11.45
Net Fixed Assets	5.57	5.55	7.90	7.97	8.01
Other Assets	4.92	4.15	5.47	5.42	5.27
Total Liabilities & Equity	80.71	80.39	105.49	104.48	103.69
Total Liabilities	62.06	61.29	81.39	80.37	72.43
O/w Deposit Liabilities	10.39	10.60	14.55	14.80	15.48
Savings	9.86	9.95	13.95	14.19	14.95
Time	0.20	0.25	0.26	0.29	0.32
Accrued Interest	0.40	0.33	0.34	0.32	0.21
Loans insurance funds	10.51	10.91	14.64	15.26	15.17
Borrowings	37.02	35.85	43.76	41.38	32.71
Other Liabilities	3.69	3.42	7.47	7.96	4.60
Grants/Deferred Income	0.10	0.10	0.76	0.75	1.01
Total Equity	13.06	13.23	17.45	18.61	18.57
Year to date profit/loss	1.08	1.37	1.15	1.16	1.12
Subordinated Debt	2.50	2.50	3.51	3.51	9.79
Preference shares	2.00	2.00	2.00	2.00	2.90

*Source: MDIs monthly reports to BOU*  
<sup>a/</sup> Excludes allowances for loan losses

## Exchange Rate and Foreign Exchange Market

The Uganda shilling registered a stable trend in January 2006. However, relative to December 2005, the shilling depreciated by 0.2 percent, losing Shs. 2.99 against the US dollar in January 2006, compared to an appreciation of 1.0 percent in December 2005. The average mid-rate was Shs.1,819.1 per US dollar in January compared to Shs. 1,816.1 per US dollar in December 2005. The shilling posted an average daily depreciation of 0.01 percent in January 2006. The end-month mid-rate was 1,820.2 on January 31, 2006 compared to Shs. 1,816.9 per US dollar on December 30, 2005. The monthly average spread narrowed from Shs. 12.0 in December 2005 to Shs. 10.9 in January 2006. The shilling traded within a range of about Shs. 1,812.5 to Shs. 1,826.7 per US dollar in January implying a lower level of volatility than in December 2005 when it traded within a wider range of Shs. 1,797.9 to Shs. 1,836.1 per US dollar. The month-on-month depreciation of the Shilling in January relative to the previous month could be explained by the lower base on December 2005 which registered more robust foreign exchange inflows due to seasonal factors. The above developments are shown in charts 8 and 9 and appendix 3.

Commercial banks' daily retail sales averaged US\$ 10.1 million in January 2006 similar to US\$ 10.1 million in December 2005; while daily purchases averaged US\$ 10.3 million in January compared to US\$ 10.6 in December 2005. Similarly, commercial banks purchased a total of US\$ 206.5 million in January compared to US\$ 221.9 purchased in December 2005; while they sold US\$ 201.1 million in January compared to US\$ 211.8 million in December 2005. Interbank trading increased from US\$ 106.6 million in December to US\$ 110.3 million in January 2006. Daily interbank trading averaged US\$ 5.5 million in January compared to US\$ 5.1 in December 2005.

BOU resumed the daily sales of US\$ 0.3 million to the IFEM for liquidity sterilisation purposes. Strong appreciation pressures on January 25, 2006 necessitated BoU's intervention with a purchase of US\$ 2.5 million to stem the upward trend of the domestic currency against the US dollar. The shilling had opened strong against the dollar, with commercial banks' opening position at US\$ 12.0 million on January 25, 2006, which exerted upward pressure on the shilling leading to a gain of Shs. 5.98 against the dollar in the day's trading.

Coffee exports were relatively robust in January contrary to expectations of a seasonal easing in export inflows. In addition, corporate demand made some gains but remained somewhat subdued as firms' held conservative trading positions ahead of the national elections. On the other hand, supply of foreign exchange from nongovernmental organisations and diplomatic missions was reported robust. The demand and supply forces in the interbank foreign exchange market (IFEM) were broadly balanced with the Bank intervening to smoothen sharp movements in the rate. BoU would continue monitoring developments in the IFEM and stand ready to intervene to smoothen out destabilising spikes in the movement of the exchange rate.

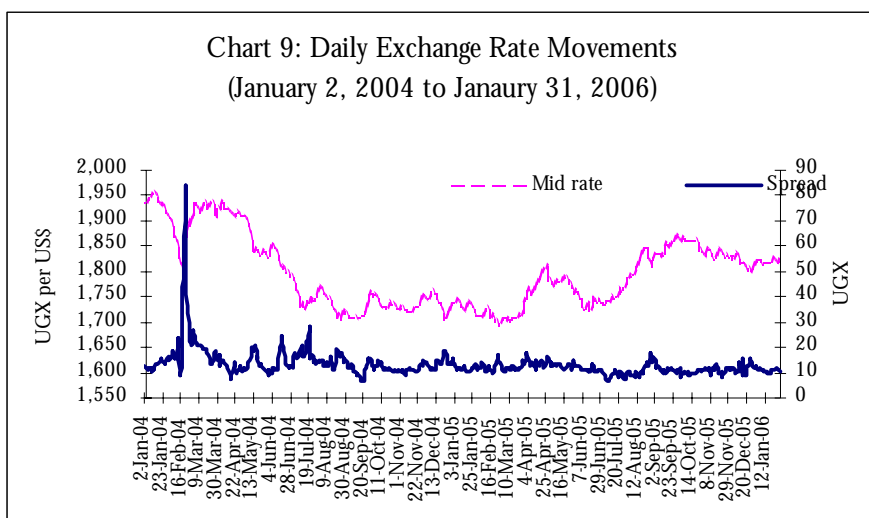
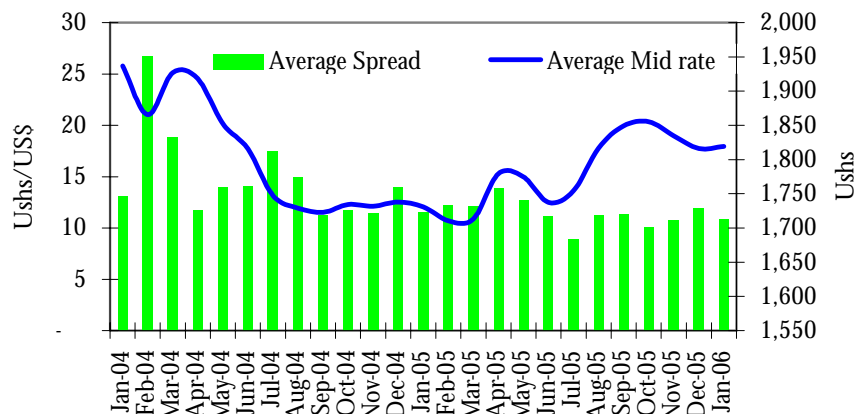


Chart 10: Monthly Exchange Rate Developments  
(January 2004 - January 2006)



## F GOVERNMENT BUDGETARY OPERATIONS

*This section reports preliminary fiscal performance for the month of December 2005.*

### i) Revenue and Grants

According to the preliminary figures from the Ministry of Finance, Planning and Economic Development, total revenue and budget support grant receipts (excluding project grants) was estimated at Shs 413.15 billion during the month of December 2005, more than twice the total of Shs. 193.29 billion recorded in November 2005.

Total domestic revenue collected in December 2005 was estimated at Shs 244.00 billion with URA collections contributing 99.5 percent or Shs. 242.67 billion. The URA revenue collections were higher than in the previous month by Shs. 66.72 billion. This performance was sustained by URA's improvements in tax administration through restructuring. The revenue collections were also higher than the programmed target for the month of December by Shs. 49.05 billion (25.3 percent). The preliminary outturn for non-URA revenue collections for December 2005 was estimated at Shs 1.33 billion, lower than both the program figure of Shs3.79 billion, and the November 2005 collection of Shs1.65 billion.

Receipts from budget support grants are estimated at Shs 169.15 billion during December 2005, compared to Shs 15.70 billion realised in November 2005. This is Shs. 72.11 billion (74.3 percent) higher than Shs. 97.04 billion programmed for December 2005.

**Table 15: Government Budgetary Operations: October – November 2005(Billion Shs)**

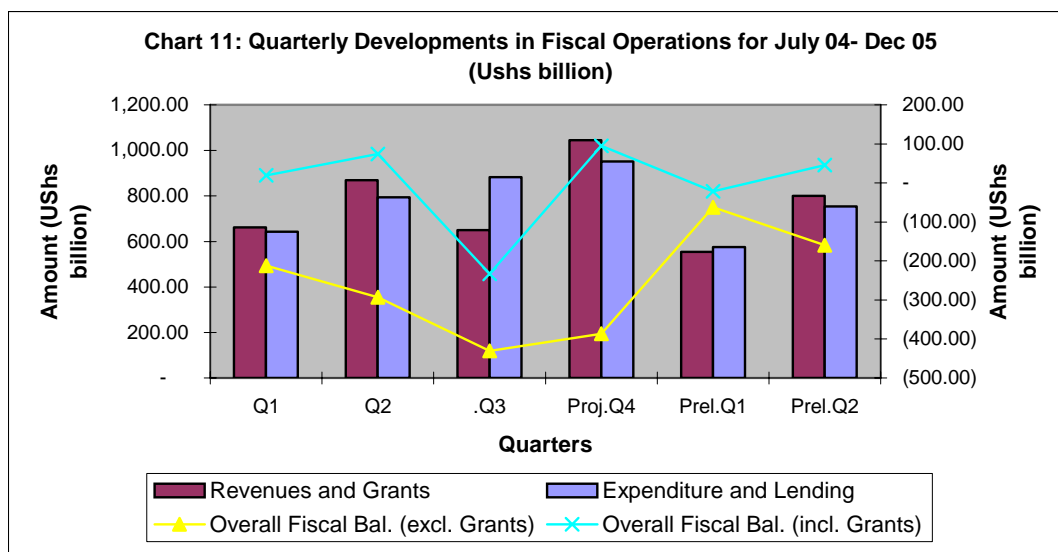
	Prel. Outturn 2004/05	Prog. Budget 2005/06	Approved Budget 2005/06	Prel. Nov 2005	Prel. Dec. 2005	Prog Dec 2005
Total Tax & Budget Support Receipts	2,763.58	3,441.67	2,894.13	193.29	413.15	334.77
Total Domestic Revenue	1,948.27	2,280.50	2,283.73	177.59	244.00	197.42
URA Excluding Refunds/Govt. Taxes	1,921.26	2,230.00	2,230.14	175.95	242.67	193.63
Non URA Revenues	27.01	50.50	-	1.65	1.33	3.79
Budget Support Grants 2/	815.31	611.11	610.40	15.70	169.15	137.35
Expenditure & Lending	2,530.11	3,849.06	2,842.77	286.89	211.01	330.87
Current Expenditure	1,978.76	2,148.13	2,148.13	222.52	170.98	179.10
Development Expenditure	487.05	1,557.28	541.00	48.80	35.34	121.61
Others 1/	64.30	143.64	68.64	15.58	4.68	30.15
Overall Fiscal Balance (Deficit)	233.47	(407.39)	61.35	(93.60)	202.14	3.90
Excluding Grants	(581.84)	(1,568.56)	(549.05)	(109.30)	32.99	(133.45)
Source: Ministry of Finance, Planning and Economic Development						
1/ Includes Net Lending/Repayments, Arrears Repayments and Contingency.						
2/ December program constitutes Budget support Grants of Shs97.04 billion and Project Support Grants of Shs40.31 billion.						

**ii) Expenditure**

In December 2005, government expenditure and net lending decreased by 26.5 percent or Shs 75.85 billion to Shs 211.01 billion. The increase was mainly on account of a decrease in current expenditures. In December 2005, current expenditure decreased to Shs 170.98 billion, from Shs 222.52 billion in the previous month mainly on account of a decrease in other recurrent expenditures. Expenditure on wages and salaries amounted to Shs 74.36 billion, which accounted for 43.5 percent of current expenditure, while other recurrent expenditures amounted to Shs 70.44 billion, representing 41.2 percent of current expenditures. The outturn for total government expenditure was also contained below the programmed level of Shs330.87 billion during the month of December 2005.

**iii) Overall Fiscal Balance and Financing**

The overall fiscal balance for December 2005 was a surplus of Shs 202.14 billion compared to a deficit of Shs 93.60 billion recorded in November 2005. Excluding grants, the surplus reduces to Shs 32.99 billion, which compares with a deficit of Shs. 109.30 billion realised in November 2005. The domestic financing (excluding net bank financing) amounted to Shs. -195.48 billion while net external financing amounted to Shs -6.66 billion. Chart 9 depicts quarterly developments in fiscal operations over the last FY 2004/05 to 2005/06.



## G DEVELOPMENTS IN THE BALANCE OF PAYMENTS

The overall balance was estimated at a surplus of US\$77.7 million in December 2005. The Current Account balance was estimated at a surplus of US\$54.3 million – an improvement from the deficit of US\$38.8 million registered in the preceding month. This was mainly on account of the increase in current transfers inflows – in particular workers’ remittances. The Capital and Financial account was estimated at a surplus of US\$23.4 million, deterioration from a surplus of US\$42.1 million recorded in November 2005. This is attributable to the decline in disbursements of aid in form of loans to general government.

### Exports

#### Total Exports (developments for the month of December 2005)

Total export proceeds in the month of December 2005 were estimated at about US\$73.8 million; an improvement of about 2.4 percent compared to the export earnings of US\$72.1 million recorded in the preceding month.

#### Coffee Exports

During the month of December 2005 coffee exports amounted to 180,344(60-kilogram) bags worth US\$14.8 million. This was an increase of 11.8 percent in volume and 29.7 percent in value compared to the previous month’s exports. The increase in volume during the month of December is due to the increased harvest as the new season sets in.

The average realized export price for coffee in December was US\$1.37 per kg – 4.2 percent more than the US\$1.32 per kg in November 2005.

#### Non-coffee Exports

There was an increase in the estimated earnings for a number of non-coffee exports in December 2005 vis-à-vis the previous month. The total value (of non-coffee exports) for December 2005 was estimated at US\$59.0 million – US\$1.3 million (or 2.2 percent) more than the value realized in the previous month. Specifically, export proceeds from gold, cotton, oil re-exports, simsim, and cobalt accounted for the increase.

Nonetheless, there was a decline in earnings from electricity (US\$0.01 million), tea (US\$0.16 million), tobacco (US\$0.16 million), Hides and skins (US\$0.05 million), maize (US\$0.02 million), beans(US\$0.35 million),

flowers(US\$0.40 million), Fish and its products (both regional and international) and other exports (US\$0.96 million) especially vanilla, cocoa beans and plastic products in the same month.

#### **i) Imports**

The total import bill for the month of December 2005 was estimated at US\$158.7 million, of which private sector imports accounted for US\$140.9 million. Oil imports values amounted to US\$23.8 million – US\$10.1 million more than the oil import bill of November 2005.

Government imports were recorded at US\$17.8 million in the month under review, compared to the US\$28.3 million in the previous month. The Government import bill in December 2005 accounted for approximately 11.2 percent of the total import bill.

#### **ii) Other Inflows and Outflows**

Official aid (excluding project aid but including resources from the HIPC Initiative) inflows amounted to about US\$56.8 million in the month under review. **Net private sector transfer inflows were estimated at US\$74.4 million in November – US\$32.4 million more than the net inflows recorded in October 2005.** This was to a large extent due to the increase in inflows from workers' remittances, which increased by US\$32.7 million for the holiday season. This trend has been observed during the past and could be linked to increased workers' remittances during the festive season. Services and income outflows exceeded inflows by about US\$55.8 million.

Official debt service (excluding IMF payments) for the month of December 2005 was estimated at US\$9.5 million. IMF principal obligations amounting to US\$5.6 million were made during the same month. Estimates of net trade credit amounted to outflows of US\$0.02 million, consisting of inflows (buyers' credit and suppliers' credit) estimated at US\$17.19 million and outflows (pre-finance shipments and suppliers' credit repayments) estimated at US\$17.21 million.

In December 2005, the level of gross foreign reserves amounted to US\$1,286.1 million; a run-down of US\$48.4 million compared to the preceding month. This reserve level is estimated to cover 5.7 months of future imports of goods and services.

## **I POLICY OUTLOOK**

In the coming months, Bank of Uganda monetary policy stance will aim at ensuring that inflation remains low and stable. It will also ensure that liquidity management does not cause instability in either the domestic or foreign exchange market.



**Appendix 1: Summary of the Treasury bond Auctions**

Tenure	2 Years New Issue	2 Year reopened	2 Years New Issue	2 Year reopened	2 Year reopened	2 Years New Issue	2 Year reopened	2 Year reopened	2 Years New Issue	2 Year New Issue on Conversion	3 Years New Issue	3 Year reopened	3 Year reopened	3 Years New Issue	3 Years reopened	3 Years reopened	3 Years New Issue	3 Years reopened	3 Years New Issue	3 Years reopened	3 Years New Issue	<b>3 Years reopened</b>	5 Years New Issue	5 Years reopened	5 Years reopened	10 Years New Issue
Issue date	January 14-04	June 03-04	June 30-04	August 11-04	Sept. 08-04	January 27-05	February 23-05	March 23-05	June 15-05	November 30-05	February 25-04	June 16-04	July 14-04	October 06-04	Nov. 03-04	Dec. 01-04	April 20-05	May 18-05	July 27-05	August 24-05	Sept. 21-05	<b>Nov. 16-05</b>	March 24-04	Nov. 17-04	Oct 19-05	May 19-04
Maturity Date	January 14-06	January 14-06	June 29-06	June 29-06	June 29-06	January 25-07	January 25-07	January 25-07	June 14-07	November 29-07	February 22-07	February 22-07	February 22-07	October 04-07	October 04-07	October 04-07	April 17-08	April 17-08	July 24-08	July 24-08	Sept 18-08	<b>Sept 18-08</b>	March 19-09	March 19-09	Mar 19-09	May 08-14
Offers (Bn Shs)	20.000	30.000	30.000	30.000	30.000	30.000	35.000	35.000	20.000	40.000	20.000	30.000	30.000	30.000	30.000	30.000	25.000	20.000	25.000	25.000	20.000	<b>20.000</b>	20.000	20.000	20.000	15.000
Total Bids (Bn Shs)	36.461	44.188	46.776	40.000	50.526	38.527	45.417	45.846	39.452	46.90	44.830	44.811	32.123	43.936	33.431	35.650	39.225	25.566	48.302	29.626	37.320	<b>35.295</b>	41.999	32.227	42.776	25.166
O/W Competitive	36.390	44.175	46.774	39.966	50.506	38.458	45.398	45.834	39.431	...	44.784	44.800	29.989	43.914	33.396	28.687	39.214	25.562	48.260	29.587	37.315	<b>35.273</b>	41.997	12.989	42.765	25.154
Over (Under) Sub	16.461	14.188	16.776	10.000	20.526	8.527	10.417	10.846	19.452	6.900	24.830	14.811	2.123	13.936	3.431	5.650	14.225	5.566	23.302	4.626	17.320	<b>15.295</b>	21.999	12.227	22.776	10.166
Amt Sold (FV)	20.000	30.000	30.000	30.000	30.000	30.000	35.000	35.000	20.000	40.000	20.000	30.000	30.000	30.000	30.000	30.000	25.000	20.000	25.000	25.000	20.000	<b>20.000</b>	20.000	20.000	20.000	15.000
Amt Sold (Cost Price)	16.603	29.641	28.127	27.892	28.260	27.598	32.797	33.059	18.430	37.388	17.564	27.793	27.144	26.187	26.352	25.709	21.656	16.862	21.942	22.246	17.647	<b>18.320</b>	18.518	17.093	17.888	12.991
Cover Ratio %	182.305	147.292	155.920	133.336	168.419	128.422	129.764	130.989	197.259	117.250	224.149	149.370	107.077	146.380	111.437	111.833	156.900	127.828	193.208	118.504	186.601	<b>176.476</b>	210.000	161.135	213.880	167.773
Previous Cover Ratio %	...	182.305	147.292	155.920	133.336	168.419	128.422	129.764	130.989	197.259	...	224.149	149.370	107.077	146.380	111.437	118.833	156.900	127.828	193.208	118.504	<b>186.601</b>	...	210.000	161.135	...
WAP/100	83.020	98.805	93.758	92.974	94.202	91.993	93.707	94.454	92.152	93.469	87.819	92.642	90.482	87.354	87.840	85.698	86.625	84.308	87.769	88.986	88.233	<b>91.600</b>	92.590	85.463	89.438	86.608
Previous WAP/100	...	83.020	98.805	93.758	92.974	94.202	91.993	93.707	94.454	92.152	...	87.819	92.642	90.482	87.354	87.840	85.698	86.825	84.308	87.769	88.986	<b>88.233</b>	...	92.590	85.463	...
YTM %	20.808	13.558	13.672	15.105	15.006	14.769	14.294	14.463	14.669	13.850	15.478	15.127	16.802	15.696	15.935	17.554	16.040	17.700	15.501	15.405	15.286	<b>14.645</b>	12.802	16.039	15.124	13.477
Previous YTM %	...	20.808	13.558	13.672	15.105	15.006	14.769	14.294	14.463	14.669	...	15.478	15.127	16.802	15.696	15.935	17.554	16.040	17.700	15.501	15.405	<b>15.286</b>	...	12.802	16.039	...
Coupon Rate	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.250	10.250	10.250	10.250	10.250	10.250	10.250	10.250	10.250	10.250	10.250	<b>10.250</b>	10.750	10.750	10.750	11.000

Source: Compiled from Domestic Financial Markets Department records

**Appendix 2a: Monthly Change in Outstanding Loans and Advances of Commercial Banks  
(Total of local and foreign Currency, billion Shs)**

<b>Period</b>	<b>Extensions</b>	<b>Recoveries</b>	<b>Net ext.</b>	<b>Cap interest</b>	<b>Repd cap int</b>	<b>Net Cap int</b>	<b>Net change</b>
	1	2	3=1+2	4	5	6=4+5	7= 3+6
<b>1999/2000</b>	<b>404.75</b>	<b>(311.48)</b>	<b>93.27</b>	<b>30.58</b>	<b>(91.27)</b>	<b>(60.69)</b>	<b>32.58</b>
<b>2000/2001</b>	<b>852.28</b>	<b>(769.56)</b>	<b>82.71</b>	<b>40.98</b>	<b>(71.61)</b>	<b>(30.64)</b>	<b>52.08</b>
<b>2001/2002</b>	<b>928.31</b>	<b>(886.08)</b>	<b>42.23</b>	<b>27.01</b>	<b>(64.65)</b>	<b>(37.64)</b>	<b>4.59</b>
<b>2002/2003</b>	<b>1,289.21</b>	<b>(1,120.48)</b>	<b>168.72</b>	<b>59.51</b>	<b>(49.42)</b>	<b>10.09</b>	<b>178.81</b>
<b>2003/2004</b>	<b>1,456.31</b>	<b>(1,348.15)</b>	<b>108.17</b>	<b>86.05</b>	<b>(51.98)</b>	<b>34.06</b>	<b>142.23</b>
<b>2004/2005</b>							
July. 2004	124.95	(130.26)	(5.32)	10.16	(3.51)	6.65	1.33
August. 2004	101.95	(124.85)	(22.90)	11.22	(3.99)	7.23	(15.67)
September. 2004	142.95	(132.41)	10.55	14.42	(4.63)	9.79	20.34
<b>Q1</b>	<b>369.67</b>	<b>(387.52)</b>	<b>(17.85)</b>	<b>35.86</b>	<b>(12.23)</b>	<b>23.63</b>	<b>5.79</b>
October. 2004	137.94	(100.73)	37.20	11.83	(8.11)	3.72	40.92
November. 2004	129.20	(121.69)	7.50	10.06	(3.55)	6.50	14.01
December. 2004	186.12	(149.42)	36.70	13.82	(12.14)	1.67	38.38
<b>Q2</b>	<b>453.26</b>	<b>(371.85)</b>	<b>81.41</b>	<b>35.70</b>	<b>(23.80)</b>	<b>11.90</b>	<b>93.31</b>
<b>Half 1 2004/05</b>	<b>826.23</b>	<b>(761.82)</b>	<b>64.40</b>	<b>71.56</b>	<b>(36.03)</b>	<b>35.53</b>	<b>99.94</b>
January 2005	150.71	(134.33)	16.38	10.13	(8.80)	1.34	17.72
February 2005	133.78	(134.78)	(1.00)	9.21	(9.51)	(0.30)	(1.30)
March 2005	78.33	(64.71)	13.62	9.56	(4.87)	4.68	18.30
<b>Q3</b>	<b>420.58</b>	<b>(386.31)</b>	<b>34.27</b>	<b>31.87</b>	<b>(25.86)</b>	<b>6.02</b>	<b>40.29</b>
April 2005	151.36	(138.49)	12.86	11.08	(4.12)	6.96	19.82
May 2005	139.73	(128.71)	11.02	9.31	(8.53)	0.78	11.80
June 2005	175.30	(128.07)	47.23	28.17	(6.21)	21.97	69.20
<b>Q4</b>	<b>466.38</b>	<b>(395.28)</b>	<b>71.11</b>	<b>48.57</b>	<b>(18.85)</b>	<b>29.72</b>	<b>100.82</b>
<b>Half 2 2004/2005</b>	<b>886.96</b>	<b>(781.58)</b>	<b>105.38</b>	<b>80.44</b>	<b>(44.71)</b>	<b>35.73</b>	<b>141.11</b>
<b>2004/2005</b>	<b>1,713.19</b>	<b>(1,533.27)</b>	<b>179.91</b>	<b>152.00</b>	<b>(80.74)</b>	<b>71.27</b>	<b>251.18</b>
<b>2005/2006</b>							
July 2005	181.90	(136.47)	45.43	9.66	(4.79)	4.87	50.29
August 2005	149.62	(159.26)	(9.64)	10.46	(2.89)	7.57	(2.07)
Sept. 2005	172.05	(81.29)	90.76	10.82	(5.56)	5.26	96.02
<b>Q1</b>	<b>503.57</b>	<b>(337.34)</b>	<b>166.23</b>	<b>30.94</b>	<b>(13.24)</b>	<b>17.70</b>	<b>183.93</b>
October. 2005	175.16	(99.09)	76.07	13.45	(5.98)	7.47	83.54
November 2005	216.48	(187.16)	29.31	12.99	(5.09)	7.91	37.22
December 2005	206.37	(193.50)	12.87	13.30	(6.43)	6.87	19.74
<b>Q2</b>	<b>598.00</b>	<b>(479.75)</b>	<b>118.25</b>	<b>39.75</b>	<b>(17.50)</b>	<b>22.25</b>	<b>140.50</b>
<b>Half 1 2005/2006</b>	<b>1,101.57</b>	<b>(817.09)</b>	<b>284.48</b>	<b>70.69</b>	<b>(30.74)</b>	<b>39.95</b>	<b>324.43</b>

*Source: Research Department, Bank of Uganda*

**Table 2b: Monthly Change in Outstanding Loans and Advances of Commercial Banks  
(Shilling loans, billion Shs)**

<b>Period</b>	<b>Extensions</b>	<b>Recoveries</b>	<b>Net extensions</b>	<b>Cap interest</b>	<b>Repd cap int</b>	<b>Net Cap int</b>	<b>Net change</b>
	1	2	3=1+2	4	5	6=4+5	7= 3+6
<b>1999/2000</b>	<b>309.57</b>	<b>(257.58)</b>	<b>51.99</b>	<b>21.91</b>	<b>(65.28)</b>	<b>(43.37)</b>	<b>8.62</b>
<b>2000/2001</b>	<b>602.42</b>	<b>(553.62)</b>	<b>48.80</b>	<b>32.75</b>	<b>(59.58)</b>	<b>(26.83)</b>	<b>21.97</b>
<b>2001/2002</b>	<b>698.57</b>	<b>(693.31)</b>	<b>5.26</b>	<b>22.65</b>	<b>(54.96)</b>	<b>(32.31)</b>	<b>(27.05)</b>
<b>2002/2003</b>	<b>887.64</b>	<b>(753.00)</b>	<b>134.65</b>	<b>51.87</b>	<b>(43.11)</b>	<b>8.76</b>	<b>143.41</b>
<b>2003/2004</b>	<b>984.69</b>	<b>(897.52)</b>	<b>87.17</b>	<b>75.49</b>	<b>(43.72)</b>	<b>31.77</b>	<b>118.94</b>
<b>2004/2005</b>							
July. 2004	91.22	(93.84)	(2.63)	8.46	(2.92)	5.53	2.91
August. 2004	75.68	(87.36)	(11.69)	8.85	(3.64)	5.20	(6.48)
September. 2004	92.67	(92.66)	0.02	12.54	(3.99)	8.55	8.57
<b>Q1</b>	<b>259.39</b>	<b>(273.87)</b>	<b>(14.47)</b>	<b>29.91</b>	<b>(10.65)</b>	<b>19.26</b>	<b>4.79</b>
October. 2004	89.31	(67.61)	21.70	10.55	(6.10)	4.45	26.15
November. 2004	77.37	(79.62)	(2.25)	8.62	(2.50)	6.11	3.87
December. 2004	116.94	(99.04)	17.89	8.50	(11.60)	(3.10)	14.79
<b>Q1</b>	<b>283.62</b>	<b>(246.27)</b>	<b>37.35</b>	<b>27.66</b>	<b>(20.20)</b>	<b>7.46</b>	<b>44.81</b>
<b>Half 1 2004/05</b>	<b>543.79</b>	<b>(520.22)</b>	<b>23.58</b>	<b>57.57</b>	<b>(30.85)</b>	<b>26.72</b>	<b>50.30</b>
January 2005	92.63	(76.73)	15.90	5.72	(8.15)	(2.44)	13.46
February 2005	71.72	(73.70)	(1.98)	5.00	(9.15)	(4.15)	(6.12)
March 2005	78.33	(64.71)	13.62	9.56	(4.87)	4.68	18.30
<b>Q3</b>	<b>242.69</b>	<b>(215.14)</b>	<b>27.54</b>	<b>20.28</b>	<b>(22.18)</b>	<b>(1.90)</b>	<b>25.64</b>
April 2005	85.22	(79.63)	5.59	8.34	(1.69)	6.65	12.24
May 2005	94.72	(83.27)	11.45	6.60	(6.80)	(0.20)	11.25
June 2005	106.11	(71.20)	34.91	5.85	(4.74)	1.11	36.02
<b>Q4</b>	<b>286.05</b>	<b>(234.09)</b>	<b>51.96</b>	<b>20.78</b>	<b>(13.22)</b>	<b>7.56</b>	<b>59.52</b>
<b>Half 2 2004/05</b>	<b>528.73</b>	<b>(449.23)</b>	<b>79.50</b>	<b>41.06</b>	<b>(35.40)</b>	<b>5.66</b>	<b>85.16</b>
<b>2004/2005</b>	<b>1,072.53</b>	<b>(960.22)</b>	<b>112.31</b>	<b>98.63</b>	<b>(66.25)</b>	<b>32.38</b>	<b>144.69</b>
<b>2005/2006</b>							
July 2005	103.08	(86.35)	16.73	6.27	(2.11)	4.16	20.89
August 2005	85.85	(99.03)	(13.18)	6.88	(2.07)	4.81	(8.38)
Sept. 2005	101.35	(77.54)	23.81	7.60	(4.82)	2.78	26.60
<b>Q1</b>	<b>290.28</b>	<b>(262.92)</b>	<b>27.36</b>	<b>20.76</b>	<b>(9.00)</b>	<b>11.75</b>	<b>39.11</b>
October 2005	111.28	(87.81)	23.47	10.32	(4.76)	5.56	29.03
November 2005	119.17	(115.67)	3.49	9.20	(2.90)	6.30	9.79
December 2005	126.50	(116.59)	9.91	9.71	(4.46)	5.25	15.16
<b>Q2</b>	<b>356.95</b>	<b>(320.07)</b>	<b>36.88</b>	<b>29.23</b>	<b>(12.12)</b>	<b>17.10</b>	<b>53.98</b>
<b>Half 1 2005/2006</b>	<b>647.23</b>	<b>(582.99)</b>	<b>64.24</b>	<b>49.98</b>	<b>(21.13)</b>	<b>28.85</b>	<b>93.09</b>

*Source: Research Department, Bank of Uganda*

**Table 2c: Monthly Change in outstanding loans and advances of Commercial banks  
(Foreign Currency, billion Shs)**

Period	Extensions	Recoveries	Net extensions	Cap interest	Repd cap int	Net Cap int	Net change
	1	2	3=1+2	4	5	6=4+5	7= 3+6
<b>1999/2000</b>	<b>95.19</b>	<b>(54.30)</b>	<b>40.89</b>	<b>8.71</b>	<b>(26.04)</b>	<b>(17.33)</b>	<b>23.55</b>
<b>2000/2001</b>	<b>249.86</b>	<b>(215.95)</b>	<b>33.91</b>	<b>8.23</b>	<b>(12.03)</b>	<b>(3.80)</b>	<b>30.11</b>
<b>2001/2002</b>	<b>229.74</b>	<b>(192.77)</b>	<b>36.97</b>	<b>4.36</b>	<b>(9.69)</b>	<b>(5.33)</b>	<b>31.64</b>
<b>2002/2003</b>	<b>401.56</b>	<b>(367.49)</b>	<b>34.07</b>	<b>7.65</b>	<b>(6.31)</b>	<b>1.33</b>	<b>35.41</b>
<b>2003/2004</b>	<b>471.62</b>	<b>(450.63)</b>	<b>21.00</b>	<b>10.55</b>	<b>(8.26)</b>	<b>2.29</b>	<b>23.29</b>
<b>2004/2005</b>							
July 2004	33.73	(36.42)	(2.69)	1.70	(0.59)	1.11	(1.58)
August 2004	26.27	(37.49)	(11.22)	2.37	(0.34)	2.03	(9.19)
September 2004	50.28	(39.75)	10.53	1.88	(0.64)	1.24	11.77
<b>Q1</b>	<b>110.28</b>	<b>(113.66)</b>	<b>(3.37)</b>	<b>5.95</b>	<b>(1.57)</b>	<b>4.37</b>	<b>1.00</b>
October 2004	48.63	(33.13)	15.51	1.28	(2.01)	(0.73)	14.78
November 2004	51.82	(42.08)	9.75	1.44	(1.05)	0.39	10.14
December 2004	69.19	(50.38)	18.81	5.32	(0.55)	4.77	23.58
<b>Q1</b>	<b>169.64</b>	<b>(125.58)</b>	<b>44.06</b>	<b>8.04</b>	<b>(3.60)</b>	<b>4.44</b>	<b>48.50</b>
<b>Half 1 2004/05</b>	<b>282.43</b>	<b>(241.61)</b>	<b>40.83</b>	<b>13.99</b>	<b>(5.18)</b>	<b>8.81</b>	<b>49.64</b>
January 2005	58.08	(57.60)	0.48	4.42	(0.64)	3.77	4.26
February 2005	62.06	(61.08)	0.97	4.21	(0.36)	3.85	4.82
March 2005	136.08	(117.19)	18.89	12.53	(7.55)	4.98	23.87
<b>Q3</b>	<b>420.58</b>	<b>(386.31)</b>	<b>34.27</b>	<b>31.87</b>	<b>(25.86)</b>	<b>6.02</b>	<b>40.29</b>
April 2005	66.14	(58.87)	7.27	2.74	(2.43)	0.31	7.58
May 2005	45.01	(45.44)	(0.44)	2.72	(1.73)	0.99	0.55
June 2005	69.19	(56.87)	12.32	22.32	(1.46)	20.86	33.18
<b>Q4</b>	<b>180.34</b>	<b>(161.19)</b>	<b>19.15</b>	<b>27.78</b>	<b>(5.63)</b>	<b>22.16</b>	<b>41.31</b>
<b>HALF 2 2004/2005</b>	<b>358.23</b>	<b>(332.35)</b>	<b>25.88</b>	<b>39.38</b>	<b>(9.31)</b>	<b>30.07</b>	<b>55.95</b>
<b>2004/2005</b>	<b>640.66</b>	<b>(573.06)</b>	<b>67.60</b>	<b>53.37</b>	<b>(14.48)</b>	<b>38.89</b>	<b>106.49</b>
<b>2005/2006</b>							
July 2005	78.82	(50.12)	28.70	3.38	(2.68)	0.71	29.40
August 2005	63.77	(60.23)	3.54	3.58	(0.81)	2.77	6.30
September. 2005	70.70	(3.76)	66.94	3.22	(0.74)	2.47	69.42
<b>Q1</b>	<b>213.29</b>	<b>(74.42)</b>	<b>138.87</b>	<b>10.18</b>	<b>(4.24)</b>	<b>5.95</b>	<b>144.81</b>
October 2005	63.87	(11.28)	52.59	3.13	(1.22)	1.92	54.51
November 2005	97.31	(71.49)	25.82	3.80	(2.19)	1.61	27.43
December 2005	79.87	(76.91)	2.96	3.59	(1.97)	1.62	4.58
<b>Q2</b>	<b>241.05</b>	<b>(159.68)</b>	<b>81.37</b>	<b>10.52</b>	<b>(5.37)</b>	<b>5.15</b>	<b>86.52</b>
<b>HALF1 2005/2006</b>	<b>454.34</b>	<b>(234.10)</b>	<b>220.24</b>	<b>20.70</b>	<b>(9.61)</b>	<b>11.09</b>	<b>231.33</b>

Source: Research Department, Bank of Uganda

### Appendix 3: Mid Exchange Rate in the IFEM, Spreads, Commercial Banks' Purchases and Sales.

Date	Average of Mid rate	Average of Spread	Sterilisation	Intervention	Purchases	Sales	Interbank
1-Dec-05	1,833.82	11.36	0.00	0.00	7.88	7.24	1.76
2-Dec-05	1,828.29	11.72	0.00	0.00	9.19	13.07	3.22
5-Dec-05	1,826.04	12.09	0.00	0.00	12.41	8.31	2.68
6-Dec-05	1,829.98	10.34	0.00	0.00	12.81	10.43	5.35
7-Dec-05	1,836.10	9.97	0.00	0.00	8.87	8.33	5.33
8-Dec-05	1,833.16	10.52	0.00	0.00	7.36	10.94	3.07
9-Dec-05	1,823.62	10.83	0.00	0.00	10.65	13.79	4.07
12-Dec-05	1,819.03	13.79	0.00	0.00	11.06	11.92	4.97
13-Dec-05	1,818.40	11.92	0.00	0.00	7.56	8.58	2.84
14-Dec-05	1,814.85	8.58	0.00	0.00	13.40	15.63	5.61
15-Dec-05	1,813.61	15.63	0.00	0.00	14.44	8.95	5.36
16-Dec-05	1,810.98	8.95	0.00	0.00	9.73	9.51	6.23
19-Dec-05	1,798.77	9.51	0.00	0.00	12.43	11.87	3.64
20-Dec-05	1,805.33	11.87	0.00	0.00	14.80	12.41	5.35
21-Dec-05	1,805.82	12.64	0.00	0.00	12.46	9.05	13.97
22-Dec-05	1,797.85	14.41	0.00	3.00	6.35	7.65	4.76
23-Dec-05	1,798.52	15.25	0.00	2.00	5.65	6.61	4.05
27-Dec-05	1,804.66	14.18	0.00	0.00	11.01	11.79	6.32
28-Dec-05	1,809.93	13.34	0.00	0.00	10.98	8.70	6.65
29-Dec-05	1,813.26	11.99	0.00	0.00	7.64	8.27	6.35
30-Dec-05	1,816.86	12.29	0.00	0.00	15.21	8.73	4.99
Dec-05	1,816.13	11.96	-	5.00	221.90	211.78	106.57
2-Jan-06	1,826.74	11.80	0.00	0.00	15.21	8.73	4.99
3-Jan-06	1,824.41	11.18	-0.30	0.00	6.19	4.95	4.62
4-Jan-06	1,823.84	11.24	-0.30	0.00	9.25	6.08	6.97
5-Jan-06	1,817.44	11.95	-0.30	0.00	6.42	10.69	5.74
6-Jan-06	1,814.31	10.98	-0.30	0.00	7.59	12.23	3.42
9-Jan-06	1,812.51	11.28	-0.30	0.00	14.27	10.72	5.35
11-Jan-06	1,815.80	10.26	-0.30	0.00	10.87	10.34	3.34
12-Jan-06	1,819.58	10.53	-0.30	0.00	12.57	11.00	3.36
13-Jan-06	1,819.42	10.31	-0.30	0.00	8.86	8.60	3.20
16-Jan-06	1,816.70	9.74	-0.30	0.00	8.32	11.04	3.22
17-Jan-06	1,817.53	9.38	-0.30	0.00	10.34	10.26	5.99
18-Jan-06	1,816.84	9.51	-0.30	0.00	12.21	8.45	4.84
19-Jan-06	1,819.37	10.59	-0.30	0.00	8.43	10.39	6.43
20-Jan-06	1,824.72	11.06	-0.30	0.00	10.13	10.88	3.68
23-Jan-06	1,824.56	10.79	-0.30	0.00	12.39	9.81	2.12
24-Jan-06	1,820.51	11.49	-0.30	0.00	11.10	8.67	4.43
25-Jan-06	1,814.53	12.15	-0.30	2.50	10.19	11.26	9.24
27-Jan-06	1,813.46	12.24	-0.30	0.00	9.28	17.78	14.65
30-Jan-06	1,820.01	11.29	-0.30	0.00	12.27	10.66	9.73
31-Jan-06	1,820.19	10.52	-0.30	0.00	10.58	8.56	5.00
Jan-06	1,819.12	10.91	-	5.70	206.48	201.08	110.33

**Appendix 4: EXPORTS OF MERCHANDISE (US\$ millions)**

	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05
<b>Total Exports</b>	<b>76.70</b>	<b>71.80</b>	<b>73.16</b>	<b>62.48</b>	<b>69.48</b>	<b>72.11</b>	<b>73.82</b>
<b>1. Coffee</b>							
Gross coffee shipment, million (60-Kg) bags	0.23	0.25	0.22	0.14	0.12	0.18	0.18
Av. unit value	1.31	1.25	1.26	1.18	1.27	1.32	1.37
Value of total shipment (BOP)	18.07	18.62	16.54	10.03	9.28	14.41	14.84
<b>2. Non-Coffee exports</b>	<b>58.63</b>	<b>53.18</b>	<b>56.62</b>	<b>52.45</b>	<b>60.20</b>	<b>57.70</b>	<b>58.99</b>
Electricity	0.27	0.28	0.26	0.50	0.28	0.40	0.40
Gold	6.97	6.03	9.01	5.76	6.65	5.39	8.68
Cotton	4.29	1.44	0.53	0.07	0.64	0.26	0.46
Tea	3.02	2.80	2.57	3.06	2.89	3.14	2.98
Tobacco	1.35	2.37	2.45	1.86	3.08	1.51	1.35
Fish & its prod.(excl. regional)	12.73	10.98	10.58	11.14	13.28	13.01	12.24
Fish & its prod.(regional exports)	5.08	2.74	2.62	3.12	3.93	4.10	3.73
Hides & skins	0.82	0.57	0.82	0.45	0.54	0.52	0.46
Simsim	0.19	0.04	0.41	0.42	0.50	0.07	0.48
Maize	1.29	1.07	1.34	2.54	2.82	2.27	2.24
Beans	0.56	0.95	0.87	0.36	0.23	1.12	0.77
Flowers	2.81	2.87	3.00	2.62	2.88	2.67	2.28
Oil re-exports	2.49	2.33	2.16	2.16	2.48	2.22	2.68
Cobalt	1.02	2.55	1.31	0.79	1.57	1.39	1.57
Others	15.74	16.17	18.68	17.61	18.43	19.63	18.67

Source: Bank of Uganda

**Appendix 5: IMPORTS OF GOODS (US\$ millions)**

	<b>Jul-05</b>	<b>Aug-05</b>	<b>Sep-05</b>	<b>Oct-05</b>	<b>Nov-05</b>	<b>Dec-05</b>
<b>Total Imports</b>	<b>149.38</b>	<b>162.94</b>	<b>172.01</b>	<b>155.61</b>	<b>166.79</b>	<b>158.68</b>
<b>Government Imports</b>	<b>18.96</b>	<b>15.63</b>	<b>18.39</b>	<b>18.88</b>	<b>28.27</b>	<b>17.82</b>
Project	12.47	11.76	14.78	14.18	19.29	15.52
Non-Project	6.49	3.87	3.61	4.70	8.98	2.30
<b>Private Sector Imports</b>	<b>130.42</b>	<b>147.31</b>	<b>153.62</b>	<b>136.73</b>	<b>138.52</b>	<b>140.86</b>
Oil imports	17.28	19.35	21.96	20.15	23.71	23.82
Non-oil imports	113.14	127.96	131.66	116.57	114.80	117.04

Source: Bank of Uganda

Note: All import figures are reported at f.o.b value.