



# MONTHLY ECONOMIC REVIEW

JULY  
2004

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## **EXECUTIVE SUMMARY**

### **Monetary Policy Stance and Actions**

The primary objective of monetary policy remains to contain inflation at low and stable levels. This notwithstanding, BOU ensures that its monetary operations are cautious not to exacerbate instability in both the domestic money and foreign exchange markets.

For the four-weeks period ended July 09, 2004:

- Net-issuance of Treasury bills, Treasury bonds and daily sales of foreign exchange under the sterilization strategy were used to sterilize liquidity, while the Repo instruments and the forex swaps facilitated the short-term, normally fine-tuning operations.
- In line with market developments, the Rediscount rate and Bank rate that were 11.35 percent and 12.35 percent, respectively, by June 04, 2004, had increased to 12.10 percent and 13.10 percent, respectively by July 09, 2004.
- Bank of Uganda maintained its presence in the foreign exchange market under the sterilization profile and also intervened to curb instability therein.

### **Inflation Developments**

The downward pressure on inflation that had been halted in May 2004, resumed in June 2004.

- The annual headline inflation rate for June 2004 was 0.9 percent, lower than 1.6 percent for May 2004.
- The annual underlying inflation rate declined to 3.2 percent in June 2004, from 5.0 percent of May 2004.

### **Real Sector Developments**

- Updates on the manufacturing activity available to May 2004, indicate considerable fluctuations in production, but with a growth of 5.75 percent in the month of May 2004, which contrasts an expectation of a decline, in line with seasonality. Indeed, the decline of 18.1 percent in textiles production, 14.9 percent in cigarettes production and 11.2 percent in soft drinks production was more than fully offset by exceptional growth in other items, particularly sugar, cement, laundry soap and beer.
- Investment indicators, based on licenses issued by UIA show a marked increase in value of planned investments in the 3-months to June 2004, compared to what was realized in the 3-months to March 2004. The largest share of these investments is planned for the water and energy sector.
- Trading at the Uganda Securities Exchange (USE) recovered substantially in June 2004 with the total turnover rising by 92.4 percent in June 2004, mainly on account of activity at the Uganda Clays counter. Market capitalization rose by 4.6 percent and the All Share index rose from 319.7 of May 2004 to 334.9 in June 2004.

## Domestic Securities and Money Market Developments

Interest rates in the domestic securities and money markets were on a gradual upward trend over the four weeks ended July 09, 2004.

- In the Treasury bond primary market, in line with its policy of promoting existing benchmark issues, Bank of Uganda re-opened the 3-year bond in amounts of Shs 30.0 billion and issued a 2-year bond worth Shs 30.0 billion. Both auctions were oversubscribed, and the yields to maturity were 15.13 percent and 13.67 percent, respectively. The outstanding stock of Treasury bonds had risen to Shs 165.0 billion by July 09, 2004.
- In the primary auction market for Treasury bills, the respective weighted annual discount rates for the 91-day, 182-day, 273-day, and 364-day bills stood at 6.66 percent, 7.96 percent, 10.40 percent and 10.19 percent, respectively, at the auction held on July 07, 2004. This compares to levels of 5.95 percent, 7.39 percent, 9.18 percent and 10.06 percent, respectively, recorded in the auction held on May 26, 2004.
- In spite of their being listed on the stock exchange, the secondary market for all government securities is still minimal and mainly concentrated in the over-the-counter trades by primary dealers as the spreads in the bid/offer rates are still very attractive. The average indicative bid/offer quotations for the 2-year, 3-year, 5-year and 10-year bonds over the four-week period to July 09, 2004 were 19.23/18.94 percent, 15.15/14.87 percent, 13.40/13.19 percent, 17.73/16.75 percent, respectively. On the other hand, the bid/offer discount rates in the secondary market for respective Treasury bills were on an upward trend and averaged 6.33/6.08 percent, 7.75/7.50 percent, 9.49/9.24 percent and 10.27/10.02 percent, respectively over this period.
- The yield curve, based on the average yield-to-maturity quotations in the secondary market continued to evolve in line with the developments in the primary market – mainly distorted at the longer end.
- There was no transaction recorded at the secondary market for Treasury bonds, but volume of activity in the secondary market for Treasury bills picked up over the four weeks ended July 09, 2004 to Shs 9.21 billion, compared to Shs 2.81 billion of the four weeks ended June 04, 2004. One commercial bank rediscounted Treasury bills worth Shs 10.57 billion, albeit at a higher cost of 11.87 percent, the prevailing Rediscount rate then.
- The domestic inter-bank money market remained buoyant over the period. However, the weighted average inter-bank market rate maintained an upward trend to close at 7.70 percent over the four weeks to July 09, 2004, compared to 6.37 percent, recorded for the corresponding period ended June 04, 2004.
- One commercial bank made a downward adjustment in its prime rate over the period under review, but the range of these rates for the banking system remained at 16-21 percent as was recorded in the previous four weeks to June 04, 2004.
- The commercial banks' effective rates were generally higher in May 2004, compared to April 2004. The average effective lending rate on shilling denominated loans increased from 19.77 percent to 20.80 percent, and the time deposit rates rose from 5.71 percent to 6.15 percent over the same period.

## **Monetary and Financial Aggregates Developments**

These developments cover both the banking system and the non-bank financial institutions.

- In May 2004, broad money M3 and broad money excluding forex deposits (M2) both declined by 0.1 percent and 0.7 percent, respectively, compared to the contraction of 2.4 percent and 4.4 percent, respectively in April 2004. The year-on-year growth rates for M3 and M2 were 2.4 percent and 1.3 percent, respectively.
- While net credit by the banking system to government decreased by 60.3 percent during May 2004, private sector credit (PSC) grew by 0.9 percent over this period. The year-on-year growth in PSC was 19.7 percent.
- On the liabilities, the respective shares in M3 of currency in circulation, shilling term deposits, shilling demand deposits and forex denominated deposits stood at 20.8 percent, 24.1 percent, 29.1 percent and 26.0 percent, respectively, by end-May 2004, compared to respective levels of 21.4 percent, 24.5 percent, 27.9 percent and 26.2 percent in April 2004.
- In May 2004, the total assets of the Non-Bank Financial Institutions grew by 1.62 percent. This compares to 2.7 percent observed over May 2003. The growth in assets in May 2004 was mainly attributed to increases in balances with commercial banks, while the strongest growth on the liabilities was on account of savings deposits that grew by 5.7 percent to partially offset the decline in time deposits of 12.2 percent.
- Under the leasing activity, the value of assets leased in June 2004 reduced by 1.4 percent to Shs 2.46 billion, but was higher than the levels observed in June 2003 by 136.5 percent.

## **Fiscal Developments**

- Government revenue and budget support amounted to Shs 441.1 billion in May 2004, representing an over-performance of Shs 272.6 billion or 161.8 percent relative to the programme level.
- Government expenditure and net lending amounted to Shs 246.2 billion, compared to Shs 227.3 billion anticipated in the programme.
- The overall fiscal balance (including grants) was a surplus of Shs 194.9 billion compared to a deficit level of Shs 58.9 billion anticipated in the programme. Excluding grants, the surplus deteriorates to a deficit level of Shs 106.0 billion.

## **Foreign Exchange Market**

- The Shilling maintained an appreciating trend over the four weeks to July 04, 2004. Over this period, the Shilling appreciated by 4.39 percent against the U.S. Dollar, compared to an appreciation of 2.89 percent over the four weeks period ended June 04, 2004
- The average spreads between the weighted inter-bank buy and sell rates, increased from Shs 14.04 during the previous period to Shs 16.45 for the period under review.

- BOU maintained its presence in the IFEM under the sterilization strategy geared at mopping up excess liquidity injected by poverty reduction government expenditures. While foreign exchange swaps in amounts of US \$ 8.4 million were effected to supplement the liquidity management effort, BOU was also in the foreign exchange market to curb instability.
- The net sales of forex by BOU over this period, on account of sterilization, short term swap transactions and intervention strategies, amounted to US \$ 29.4 million, compared to the previous period amount of US \$ 26.50 million.

### **Balance of Payments Developments**

- In May 2004, the current account balance is estimated at a surplus of US\$88.19 million, while the capital and financial account is estimated at a surplus of US\$25.59 million. Thus, the overall balance is estimated at a surplus of US\$113.79 million.
- Total exports proceeds for the month of May 2004 are estimated at US\$50.39 million, out of which coffee accounted for 17 percent. Meanwhile, coffee exports that had been registered at US \$ 8.62 million in May 2004, increased to US \$ 12.67 million during June 2004, hence an increase in value of 47.0 percent. This was on account of the rise in both the unit price from US \$ 0.79 per Kg to US \$ 0.80 per Kg and the volume by 45.7 percent, between May 2004 and June 2004.
- The import bill (fob) is estimated at US\$122.82 million during May 2004. This is an increase of 12 percent compared to the import bill of the previous month, which was estimated at US\$109.80 million.<sup>1</sup>
- Official aid (excluding project aid but including resources from the HIPC Initiative) inflows amounted to about US\$160.05 million. Provisional estimates of Private transfers indicate that inflows exceeded outflows by US\$15.42 million in May 2004, but that Services and income outflows exceeded inflows by US\$38.80 million.
- Official debt service (excluding IMF payments) is estimated at US\$8.93 million for the month of May 2004. IMF principal obligations amounting to US\$10.51 million were externalized in the same month. Short-term inflows of US\$16.13 million exceeded outflows by US\$4.24 million.
- Official foreign reserves (including valuation changes) are estimated to have increased by US\$98.78 million to US\$1,166.37 million in May 2004, equivalent to 6.79 months of imports of goods and services.

### **Policy Stance**

- Bank of Uganda is set to maintain the cautious monetary policy stance to ensure that inflation remains low and stable. It is also committed to manage liquidity in a manner that does not cause instability in both the domestic and foreign exchange markets.

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<sup>1</sup> Effective May 2004, import figures are reported at fob value.

## A MONETARY POLICY STANCE AND ACTIONS

Bank of Uganda (BOU)'s monetary policy is focused on containing inflation, but operations of its instruments are cautious not to exacerbate instability in the markets. While sterilization of excess liquidity is effected through sales of Treasury bonds, net issues of Treasury bills and daily sales of foreign exchange, the Repurchase Agreements (REPOs) are also actively used to fine-tune operations and manage short-term liquidity movements. The liquidity management effort is supplemented by adjustments in the pricing of the liquidity providing windows, the Rediscount Rate and Bank rate, to ensure a consistent monetary policy stance.

In line with its policy of a market-determined exchange rate, BOU intervenes in the inter-bank foreign exchange markets (IFEM) to curb instability.

In the four weeks to July 09, 2004, the net redemption of Treasury bills amounting to Shs 60.10 billion was higher than Shs 31.74 billion in the corresponding four-week period to June 04, 2004. Sterilization of excess liquidity through re-opening of a 3-year Treasury bond worth Shs 30.0 billion, which at cost value, mopped up Shs 27.79 billion value-dated June 17, 2004, was later followed with a new issue of a 2-year bond amounting to Shs 30.0 billion, which at cost price value withdrew Shs 28.13 billion value-dated July 01, 2004. On the short-term liquidity management front, gross issues of the Repo instrument, whose maturity ranged over durations of 1 to 30 days, amounted to Shs 379.66 billion over this period, against maturities of Shs 457.21 billion. This is compared to issues and maturities of Shs 462.05 billion and Shs 409.90 billion, respectively over the preceding period ended June 04, 2004. Nonetheless, the outstanding stock of repos that stood at Shs 60.08 billion by June 04, 2004 had increased to Shs 62.28 billion, by July 09, 2004. BOU maintained its presence in the foreign exchange market under the sterilization profile, and also effected foreign exchange Swap transactions of US \$ 8.4 million to supplement the liquidity management effort. In addition BOU intervened in the market to curb instability. Over the four weeks to July 09 2004, the net effect of BOU's transactions in this market was a sale of foreign exchange worth US\$ 29.40 million, compared to US\$ 26.50 million in the preceding four weeks period ended June 04, 2004.

In line with the developments in the Treasury bill market, the Rediscount rate and Bank rate that were 11.35 percent and 12.35 percent, respectively, by June 04, 2004, had increased to 12.10 percent and 13.10 percent, respectively by July 09, 2004.

## B DOMESTIC PRICE DEVELOPMENTS

The **Annual Headline Inflation** for June 2004 dropped to **0.9 percent**, from 1.6 percent in May 2004. The fall in the annual headline inflation rate was due to decreases in the prices of items under the food and the clothing and footwear groups. Food prices fell by 2.5 percent compared to a rise of 19.7 percent for the year ended June 2003, while clothing and footwear prices fell by 1.5 percent in the year to June 2004 compared to a rise of 0.8 percent in the year to June 2003. The decline in food prices was driven by a 7.3 percent fall in staple food crops prices. Similarly, the decline in the clothing and footwear prices was driven by falling demand, coupled with poor quality of second hand clothes.

The **Monthly Headline Inflation** decreased to **-1.1 percent** in June from 0.9 percent registered in May 2004. This was due to monthly price decreases of 3.0 percent for food, 1.1 percent for Clothing and footwear, and 0.1 percent for health, education and entertainment. The largest downward effect on monthly headline inflation came from food crops, which fell by 4.8 percent. The price of matooke dropped by 11.6 percent from Shs.182.3 per kg. in May to Shs.161.1 percent per kg. in June 2004.

The **Annual Underlying Inflation** fell to **3.2 percent** in June 2004, from 5.0 percent in May 2004. The average prices of goods and services in the year ended June 2004 rose at a relatively slower pace than that of May 2004. Goods prices increased by 2.9 percent in June compared to 5.4 percent in May, while those of services rose by 3.7 percent compared to 4.2 percent in May 2004. The stronger downward impact on annual underlying inflation in June 2004 was from clothing and footwear prices, which fell by a larger percentage in June 2004 than in June 2003.

The **Monthly Underlying Inflation** was **-0.2 percent** in June 2004, compared to 0.4 percent recorded in May 2004. The decrease resulted from a 0.3 percent fall in the average prices of goods, which offset a rise 0.1 percent in the average prices of services. The three-month underlying inflation registered a lower level of 0.2 percent compared to 2.0 percent since January 2004.

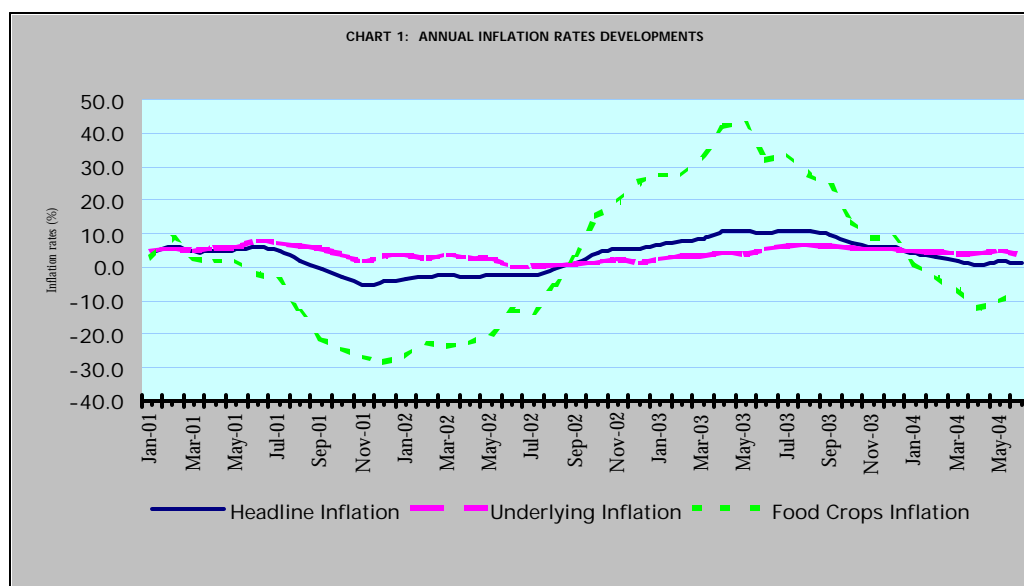
The **Food Crops Annual Inflation** increased to **-7.3 percent** in June 2004 from -10.2 percent in the year ended May 2004. On the other hand, the **Monthly Food Crops Inflation** dropped to **-4.8 percent** in June from 2.9 percent in May 2004. Decreases in prices of staple foods, especially matooke, were registered in most centres.

The developments in inflation rates are indicated in Table 1 and Figure 1 respectively as below.

**Table I: Three Months Rolling Inflation Rates Out-turn (April – June 2004)**  
( percent)

Period	Headline Inflation		Underlying Inflation		Food Crops Inflation	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
April 2004	1.5	0.5	0.8	4.1	4.6	-12.3
May 2004	0.9	1.6	0.4	5.0	2.9	-10.2
June 2004	-1.1	0.9	-0.2	3.2	-4.8	-7.3

Source: Uganda Bureau of Statistics



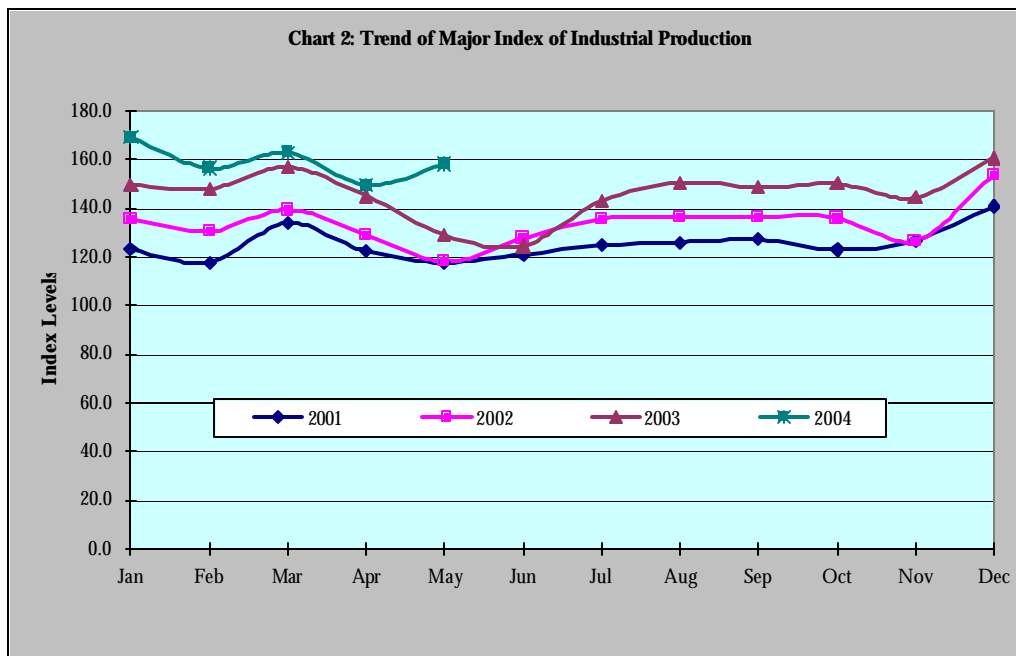
## C REAL SECTOR DEVELOPMENTS

On account of data availability, indicators of real sector developments in this report have concentrated on manufacturing sector based on the index of industrial production, electricity consumption, investment activity and trading at the Uganda Securities Exchange.

### (i) Production

#### a) Index of Industrial Production

Data on the Index of Industrial Production (IIP), which measures performance of the manufacturing sector, is currently available up to May 2004. As summarized in Chart 2, over the three months to May 2004, the performance of the manufacturing sector registered considerable fluctuations, in line with the seasonality. In May 2004, however, the positive growth of 5.75 percent in the all items index was in contrast to the downward trend that has been normally observed in this month over the previous three years. Indeed, the decline of 18.1 percent in textiles production, 14.9 percent in cigarettes production and 11.2 percent in soft drinks production was more than fully offset by exceptional growth in other items, particularly sugar, which grew by 14.9 percent; cement, with an increase of 15.7 percent; laundry soap with a growth of 15.7 percent and beer with growth of 11.2 percent.



The sectoral analysis, summarized in Table 2, shows that in the month of April 2004, with the exception of cigarettes, for which a 19.4 percent growth was registered, production of all items was on the decline, with the largest decrease recorded in laundry soap production at 21.2 percent, textiles production at 14.7 percent, and sugar production at 13.9 percent. In May 2004 however, production of most items improved with cement, laundry soap, sugar and beer recording the most positive growth rates of 15.7 percent, 15.7 percent, 14.9 percent and 11.2 percent, respectively. Textiles production however declined further, by 18.1 percent in May 2004.

On the construction sector, while indices relating to cement and limestone developed as indicators of performance of this sector are yet to be updated, the trends in the production indicated by the IIP, shows that while production of metal products remained at almost the same level, the decline in cement production of 3.0 percent recorded in April 2004, was more than fully offset by the growth of 15.7 percent in May 2004.

**Table II: Major Manufacturing Indices of Industrial Production: February – May 2004**

Item	Feb '04	%age change	Mar '04	%age change	Apr '04	%age change	May '04
Sugar	225.7	-2.2	220.6	-13.9	190.0	14.9	218.3
Beer	104.5	16.1	121.3	-11.3	107.6	11.2	119.7
Soft drinks	152.2	15.7	176.1	-5.3	166.8	-11.2	148.1
Cigarettes	65.9	5.6	69.6	19.4	83.0	-14.9	70.7
Textiles	94.4	18.6	112.0	-14.7	95.5	-18.1	78.2
Cement	204.6	3.5	211.9	-3.0	205.6	15.7	237.9
Laundry soap	165.7	-1.1	164.0	-21.2	129.2	15.7	149.4
Edible Oil	152.6	16.4	177.5	-2.8	172.5	1.3	174.8
Metal Products	192.4	-10.0	173.2	-0.8	171.9	1.0	173.6
All Items	156.5	4.1	162.9	-8.2	149.5	5.7	158.1

*Source: Uganda Bureau of Statistics*

#### b) Investment

Information pertaining to actual investment activity is not available and the analysis presented uses quarterly intentions based on licenses issued by the Uganda Investment Authority. During the period April – June 2004, 43 projects valued at US \$ 201.54 million were licensed, compared to 46 projected valued at US \$ 99.6 million licensed during the period January–March 2004. This value of intended investments is also higher than that of the 37 projects valued at US \$ 73.4 million recorded for the quarter April – June 2003. Total estimated investment value for the period under review rose by 102.3 percent to US \$ 201.5 million, from US \$ 99.6 million during the first quarter of 2004 and by 174.3 percent compared to US \$ 73.5 million of the corresponding April – June quarter of the previous year. Planned employment dropped by 4.7 percent but rose by 20.5 percent to 5,178 positions from 5,435 and 4,296 jobs of January – March 2004 and April – June 2003 respectively.

**Table III. Indicators of Projects licensed by Uganda Investment Authority: April – June 2004.**

Sector	No. of Projects Licensed	Planned Investment (US\$)	Planned Employment	%age Share of Investment
Agriculture, Forestry & Fishing	5	13,871,000	572	6.9
Manufacturing	12	10,566,000	985	5.2
Mining & Quarrying	2	13,613,000	270	6.8
Tourism	5	22,910,000	329	11.4
Professional Services	4	4,964,000	289	2.5
Social Services	2	6,065,000	127	3.0
Water & Energy	1	105,000,000	1,607	52.1
Transport, Communication & Storage	2	1,090,000	61	0.5
Real Estate	2	1,000,000	47	0.5
Construction	5	21,754,000	835	10.8
Other business services	3	705,000	56	0.3
	<b>43</b>	<b>201,538,000</b>	<b>5,178</b>	<b>100</b>

*Source: Uganda Investment Authority*

The share of agriculture to total planned investment dropped to 6.9 percent in the period under review from 56 percent of January – March 2004 and 24 percent of April – June 2003 while manufacturing continued to take up only a meager share of below 10 percent. Water & Energy sector accounted for the largest share of 52 percent of total planned investment in the period under review. Table III below summarizes investment activity for the period April – June 2004.

## ii) Activity at the Uganda Securities Exchange (USE)

Trading at the Uganda Securities Exchange recovered substantially in June 2004 with 2,931 shares traded in 10 deals, compared to 600 shares in 2 deals traded in May 2004. Total turnover grew more almost tenfold, from Shs 0.62 billion in May 2004 to Shs 6.39 billion in June 2004, but was 36.7 percent lower than the turnover registered in June 2003. The Uganda Clays Limited counter dominated activity with a share of 79 percent of total turnover, and the Bank of Baroda counter followed with a share of 16.3 percent. The Kenya Airways counter, after more than a year of no trades, accounted for 4.7 percent of the total turnover. Also, with the ending of its financial year, Kenya Airways announced a first and final dividend of Shs 0.75 per share. Equity prices remained generally stable through June 2004 on all counters except those of Kenya Airways and East African Breweries counters. The monthly average price at Kenya Airways counter rose from Shs 283 to Shs 303 between May 2004 and June 2004, while that on the EABL counter dropped from Shs 10,273 to Shs 9,961 over the same period.

Market capitalization of the USE rose by 4.6 percent to Shs 1,342.2 billion at the end of June 2004 trading, from Shs 1,283.3 billion recorded at the end of May 2004 trading. The All Share Index, which had opened the month under review at a level of 326.1, also rose to 334.87.

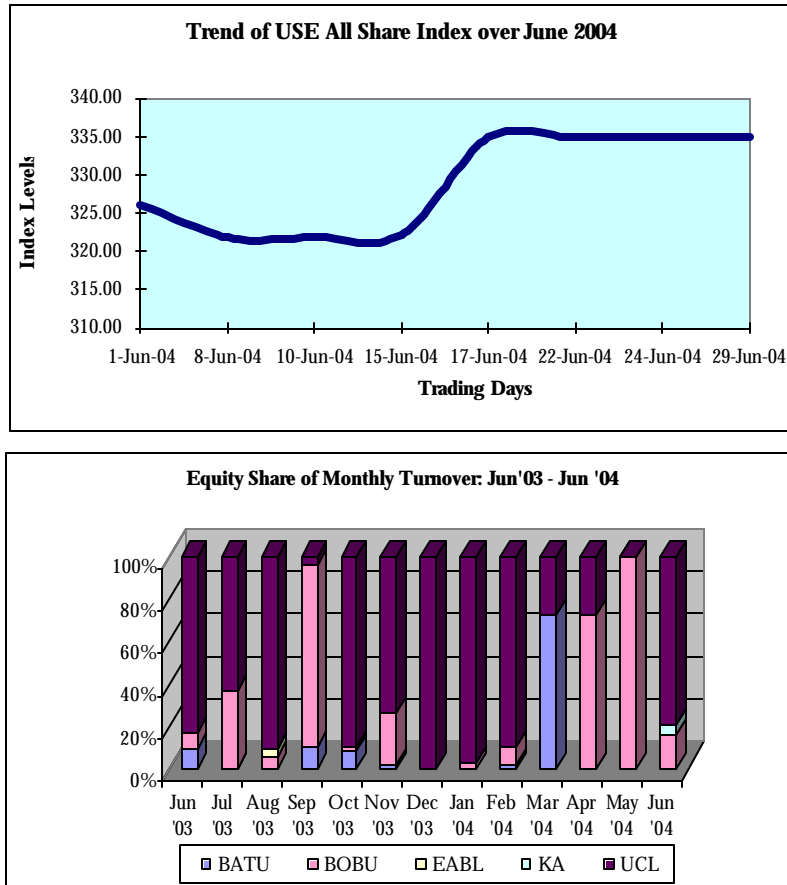
On government securities counter, no new securities were listed in June 2004. However, in line with the policy to make the existing benchmark securities more liquid, the stock of securities available for trading increased by Shs 60.0 billion through re-opening existing issues of the 2-years and 3-years bonds, first issued and listed in January 2004 and February 2004, respectively. The bulk of the trading in these instruments is however still handled through the over-the-counter vis-à-vis trading on the stock exchange by primary dealers, as the spread between the bid/ask rates is still attractive therein.

**Table IV: Trading at the Uganda Securities Exchange (May '03, February '04 – May '04)**

	June '03	Mar '04	Apr '04	May '04	June '04
No. of Shares Traded	4,465	26,447	11,390	800	2,931
Turnover (Millions Shs)	10,099	40,110	10,298	624	6,388
No. of Deals	44	12	32	3	10
Trading Days	7	9	9	8	8
Market Capitalisation (Billion Shs)	376.2	1,491.15	1,532.3	1,283.3	1,342.2
All Share Index Level	N.A	387.09	383.14	319.7	334.9

*Source: Uganda Securities Exchange Limited (USE)*

**Chart 3: Trend of the USE Index and Company Share Turnover**



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

A gradual increase in the rates of the domestic securities and the money market rates was observed over the four weeks ended July 09, 2004.

### **i) Primary market for Treasury bonds**

In an attempt to promote secondary market trading through widening the scope of tradable securities, and to create benchmark securities, Bank of Uganda re-opened the 3-year bond on June 16, 2004. The target amount of Shs 30.00 billion for this issue was over subscribed by Shs 14.81 billion, translating into a cover ratio of 149.37 percent. At a weighted price of 92.64 per Shs 100, the resultant yield for this 10.25 percent coupon bond was 15.13 percent, compared to 15.48 percent in the first issue effected February 2004, but remained higher than 12.80 percent and 13.48 percent recorded for the 5-years and 10-year bonds respectively. On June 30, 2004, Bank of Uganda auctioned the second issue of the 10.00 percent coupon rate 2-year Treasury bond. The Shs 30.00 billion issue was over-subscribed by Shs 16.78 billion, which translated into a cover-ratio of 155.92 percent. The resultant weighted price of Shs 93.76 per Shs 100 gave a yield-to-maturity of 13.67 percent.

The total outstanding stock of Treasury bonds now stands at Shs 165.00 billion. Table V below shows details of all the bonds on the market to-date, also listed at the Uganda Securities Exchange.

**Table V: Summary of Government Treasury bond Issues as at July 09, 2004**

Tenor/Issue date <sup>®</sup>	2 Years		2 Years	3 Years		5 Years	10 Years
	New issue Jan 14 04	Reopened Jun 03-04	New issue Jun 30-04	New issue Feb 25-04	Reopened Jun 16-04	New issue Mar 24-04	New issue May 19-04
Maturities (Billion Shs)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Offers (Billion Shs)	20.000	30.000	30.000	20.000	30.000	20.000	15.000
Total Bids (Billion Shs)	36.461	44.188	46.776	44.830	44.811	41.999	25.166
O/w Competitive	36.390	44.175	46.774	44.784	44.800	41.997	25.154
Over (Under) Subscription	16.461	14.188	16.776	24.830	14.811	21.999	10.166
Amount Sold (Face Value)	20.000	30.000	30.000	20.000	30.000	20.000	15.000
Amount Sold (Cost Price)	16.603	29.641	28.127	17.564	27.793	18.518	12.991
Cover Ratio (%)	182.305	147.292	155.920	224.149	149.370	210.00	167.773
Previous Cover Ratio (%)	...	182.305	147.292	...	...	...	...
WAP per Shs. 100	83.020	98.805	93.758	87.819	92.642	92.590	86.608
Previous WAP per Shs. 100	...	83.020	98.805	...	87.819	...	...
Yield to Maturity (%)	20.808	13.558	13.672	15.478	15.127	12.802	13.477
Previous Yield to Maturity (%)	...	20.808	13.558	...	15.478	...	...
Coupon Rate (%)	10.00	10.00	10.00	10.25	10.25	10.75	11.00

ii) **Secondary Market for Treasury bonds**

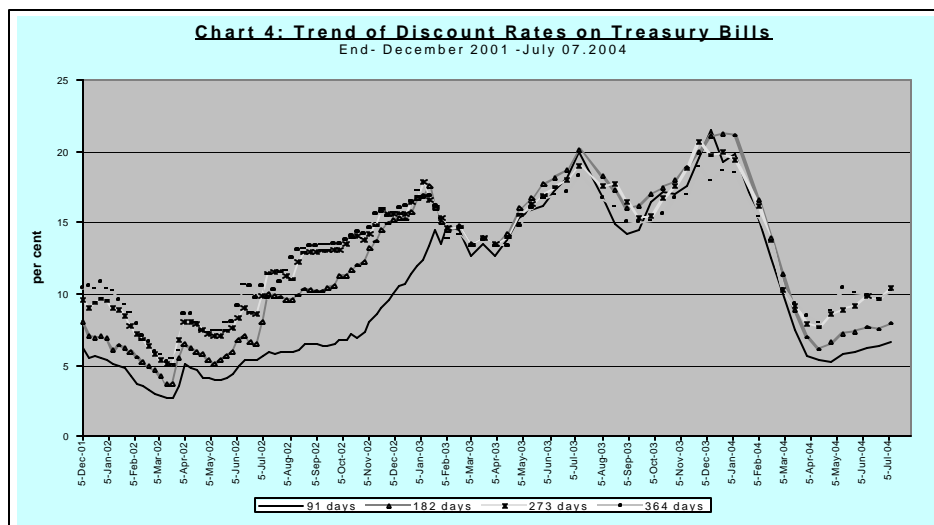
The four week-period average indicative bid/offer yields-to-maturity in the secondary market for the 3-year, 5-year and 10-year bonds were quoted at 15.09/14.87 percent, 13.40/13.19 percent, and 17.73/16.75 percent, depicting an increase from the respective 15.06/14.81 percent, 13.00/12.78 percent and 17.57/16.59 percent reported in the previous four week period. On the other hand, the 2-year bond quoted average bid/offer rates of 19.23/18.94 percent fell from the previous average rates of 19.31/19.15 percent (See Table VI). There were no reported secondary market trades in the bonds market in the period under review.

**Table VI: Bid/Offer Rates and Transactions in the Secondary Market for Treasury bonds over the four week-period to July 09, 2004**

	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	13.25	13.00	13.00	12.75	12.00	11.75	15.01	14.76
Max	24.28	24.04	16.95	16.81	15.75	15.50	20.78	19.80
Average	19.23	18.94	15.09	14.87	13.40	13.19	17.73	16.75
<i>Compiled from Domestic Financial Markets Department records</i>								

### iii) Primary Market for Treasury bills

In the primary auction market for Treasury bills, the respective weighted annual discount rates for the 91-day, 182-day, 273-day, and 364-day bills stood at 6.66 percent, 7.96 percent, 10.40 percent and 10.19 percent, respectively, at the auction held on July 07, 2004. This compares to levels of 5.95 percent, 7.39 percent, 9.18 percent and 10.06 percent, respectively, recorded in the auction held on May 26, 2004 (see trends in Chart 4 below). The market was over subscribed for all the auctions held in the period under review, with the exception of the last one held on July 07, 2004.



### iv) Secondary Market for Treasury bills

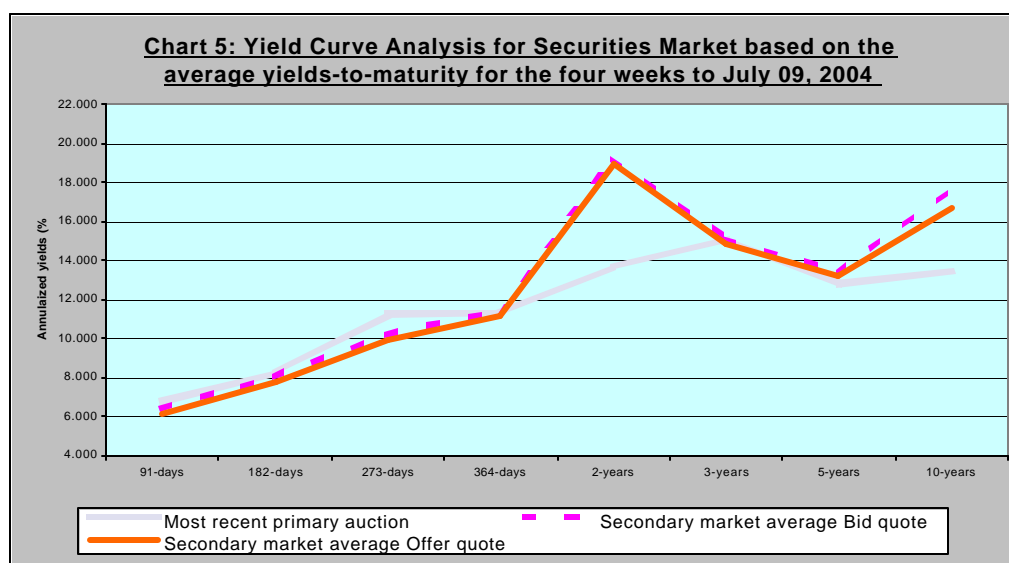
The average bid/offer discount rates in the secondary market for Treasury bills continued to trend upwards for all papers (maturities) in the period under review. As shown in Table VII, the average bid/offer rates for the four weeks to July 09, 2004 were recorded at 6.33/6.08 percent, 7.75/7.50 percent, 9.49/9.24 percent and 10.27/10.02 percent for the 91-days, 182-days, 273-days and 364-days securities, respectively. This compares to the respective 5.96/5.70 percent, 7.30/7.05 percent, 8.48/8.23 percent and 9.52/9.27 percent, respectively in the four weeks to June 04, 2004.

**Table VII: Bid/Offer Rates and Transactions in the Secondary Market for Treasury bills over the four- week period to July 09, 2004**

	Tenor of bills									
	91-days		182-days		273-days		364-days			
	Discount rate quotation ( percent)									
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer		
Min	5.75	5.50	7.30	7.05	8.05	7.80	8.25	8.00		
Max	7.25	7.00	10.00	9.75	11.50	11.35	12.00	11.75		
Average	6.33	6.08	7.75	7.50	9.49	9.24	10.27	10.02		
	Trading Activity									
	Transactions (Shs bill)		4.404		4.832		0.028		0.000	
O/w Horizontal repos	0.000		0.000		0.000		0.000		0.000	
- Av. H/Repo rate	-		-		-		-		-	
O/w - Outright sales	4.404		4.832		0.028		0.000			
Total trades across maturities	Shs 9.264 billion									
Rediscounts at BoU	Shs 10.568 billion									
Borrowing at BoU	Shs 20.000 billion									
- Av. Discount rate	11.95 percent		13.54 percent		8.64 percent		-		-	
- Av. Effective Yield	12.07 percent		14.22 percent		9.20 percent		-		-	
<i>Source: Compiled from Domestic Financial Markets Department records</i>										

Total trades in the Treasury bills for the four weeks ended July 09, 2004 amounted to Shs 9.26 billion, compared to Shs 2.81 billion of the four weeks ended June 04, 2004. The average discount rates on these trades for the 91-days, the 182-days, and the 273-days securities were 11.95 percent, 13.54 percent, and 8.64 percent, respectively. As was the case in the previous four-week period, all the trades were outright sales. One commercial bank rediscounted Treasury bills worth Shs 10.57 billion at the Rediscount rate of 11.87 percent.

The yield curve, based on the average yield-to-maturity quotations in the secondary market evolved relatively in line with the developments in the primary market except for the 2-year and 10-year bonds whose indicative bid/offer rates were higher than those recorded in the primary market (see Chart 5).



Activity in the domestic inter-bank money market for the four weeks ending July 09, 2004 continued to be buoyant in the call money market (i.e. transactions of less than 30 days in tenor). The most active period was the week ended July 02, 2004, when transactions worth Shs 54.95 billion were recorded, while the least activity was in the week of June 25, 2004, when Shs 26.90 billion was transacted. Over the period, there was a gradual increase in the weighted average interbank rate from 6.62 percent to 7.70 percent. All commercial banks participated in the market during the four weeks. The average of the inter-bank market rates of 7.12 percent over the four weeks to July 09, 2004, was higher than 6.37 percent recorded for the corresponding period ended June 04, 2004. One commercial bank borrowed Shs 20.00 billion from Bank of Uganda at the Bank rate of 12.87 percent.

v) **Commercial Banks' Retail Interest Rates**

One commercial bank adjusted its prime rate during the four weeks to July 02, 2004. This was a downward movement from 19 percent to 18 percent. Consequently, the number of commercial banks charging prime rates in the categories of 16.0-18.0 percent and 18.1-20.0 percent moved from 4 and 9 to 5 and 8, respectively. The range of these rates for the entire banking sector, however, remained unchanged at 16-21 percent. Table VIII below summarizes these developments.

One commercial bank adjusted the maximum savings rate from 4.50 percent to 5.00 percent in the period under review. The ranges of the savings and time deposits were maintained at 0-8.0 percent and 0.25-20.0 percent, respectively. The respective number of banks with maximum savings rates of at least 5.0 percent and those with a maximum time deposit rate of at least 8.0 percent remained unchanged at five (5) and seven (7), respectively.

**Table VIII: Weekly Movements in the Prime Lending Rates (Figures are end-period)**

<b>Prime Lending Rate (percent)</b>	<b>Mar 05, 04</b>	<b>Apr 08, 04</b>	<b>Apr 30, 04</b>	<b>May 28, 04</b>	<b>July 02, 04</b>
	No. of banks charging rates within range				
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	3	4	4	4	5
18.1 – 20.0	2	9	9	9	8
20.1 – 22.0	10	2	2	2	2
22.1 - >>	0	0	0	0	0
Range (Min – Max)	17 – 22%	17- 21%	17 – 21%	16 –21%	16 –21%
Source: Weekly Report of Interest rates by Commercial Banks					

Information on the commercial banks' effective lending and deposit rates is available only up to May 2004. As portrayed in Table IX, there was a marginal decline in the effective lending rate on foreign denominated loans from 9.85 percent in April 2004, to 9.45 percent at the end of May 2004. That on shilling denominated loans, on the other hand, increased from 19.77 percent where it had declined in the previous period, to 20.80 percent.

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

Weighted Average rates	Shilling Denominated				Forex Denominated			
	Feb 04	Mar 04	Apr 04	May 04	Feb 04	Mar 04	Apr 04	May 04
Lending	23.26	22.12	19.77	20.80	9.22	9.11	9.85	9.45
Demand Deposits	1.31	1.32	1.24	1.17	0.96	0.96	0.96	1.01
Savings Deposits	2.39	2.12	1.87	2.12	1.66	1.66	1.65	1.45
Time Deposits	10.23	6.94	5.71	6.15	1.73	1.51	2.76	2.49

*Source: Monthly Report, BS100 Returns by Commercial Banks*

The weighted rates on shilling denominated savings and time deposits also followed an upward trend, increasing from 1.87 percent and 5.71 percent in April 2004, to 2.12 percent and 6.15 percent, respectively. This contrasts with a decrease in the weighted rate on shilling denominated demand deposits from 1.24 percent to 1.17 percent over the same period. The demand deposit rate on foreign currency denominated deposits increased from 0.96 percent to 1.01 percent while the respective rates on savings and time deposits decreased from 1.65 percent and 2.76 percent to 1.45 percent to 2.49 percent.

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

### **(i) Banking Activities<sup>2</sup>**

#### **Broad Money**

Broad Money M3, which comprises currency in circulation plus all private deposits, contracted by about 1.0 percent to Shs2424.7 billion in May 2004. This represents a slower decline, compared to a drop of 2.4 percent in April 2004. Relative to June 2003, M3 expanded by 2.2 percent or Shs51.3 billion, while the year-on-year growth rate for M3 was recorded at 2.4 percent, compared to 11.0 percent growth in April 2004.

M2A, comprising of M3 less foreign currency deposits of the private sector, contracted by 0.7 percent to Shs1794.3 billion at end-May 2004, from Shs1 806.2 billion at end-April 2004. This compares to a decline of 4.1 percent over the month of April 2004. Relative to June 2003, M2A had grown by 2.6 percent, while on a year-on-year basis; it grew by 1.3 percent compared to 8.7 percent for end-April 2004. The developments in money supply are shown in Table X below.

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

Between April 2004 and May 2004, the NFA of the banking system rose by 5.7 percent or Shs131.2 billion to Shs2418.5 billion. At BOU, NFA expanded by 7.9 percent or Shs129.3 billion, to Shs1770.6 billion. Specifically, the foreign reserves at BoU rose by an equivalent of Shs97.6 billion, compared to Shs2.9 billion in the previous month. At Commercial banks, NFA grew by 0.3 percent or Shs1.9 billion to Shs647.9 billion compared to an increase of 2.9 percent in April 2004.

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

The government's net position with the banking system (NCG) improved by Shs 169.4 billion from a borrowing position of Shs 281.1 billion in April 2004 to Shs 111.7 billion in May 2004

<sup>2</sup> Based on the Preliminary Monetary Survey for May 2004.

(Table X). At BoU, the government increased its savings by Shs. 169.4 billion over the month, on account of growth in government deposits of Shs259.9 billion, and a slight decline in Advances to Government of Shs 9.5 billion, which more than offset an increase in BoU investment in Government securities of Shs100 billion. At commercial banks, Government remained in a net borrowing position of Shs449.5 billion. Relative to June 2003, the claims of the banking system on government decreased by Shs278.7 billion or 71.4 percent.

**Table X: Developments in Monetary and Credit Aggregates (May 03 – May 04)**

<i>(in billion shillings unless otherwise stated)</i>	May 2003	June 2003	Sep. 2003	Dec. 2003	Apr. 2004	May 2004
Net Foreign Assets (NFA)	1695.0	2101.3	2078.3	2255.7	2287.3	2418.5
Domestic Credit	1682.1	1246.2	1431.9	1291.6	1298.2	1137.8
Net Credit to Gov't (NCG)	830.8	390.4	534.9	320.5	281.1	111.7
Claims on the Private Sector	843.5	848.6	888.2	962.0	1001.4	1010.1
M3	2368.6	2373.4	2365.2	2407.0	2448.1	2424.7
Forex deposits	598.1	624.2	580.0	587.3	641.9	630.4
M2A	1770.4	1749.2	1785.2	1819.7	1806.2	1794.3
Demand Deposits	778.3	725.1	741.3	692.2	682.3	704.6
Term Deposits	527.1	562.7	570.4	581.3	599.9	585.4
Currency	465.0	461.4	473.4	546.2	523.9	504.4
Forex/M3 ( percent)	25.3	26.3	24.5	24.4	26.2	26.0
Demand Deposits/M3 ( percent)	32.9	30.6	31.3	28.8	27.9	29.1
Term Deposits/M3 ( percent)	22.3	23.7	24.1	24.1	24.5	24.1
Currency/M3 ( percent)	19.6	19.4	20.0	22.7	21.4	20.8

*Source: Monetary Survey, Research Department, Bank of Uganda*

### Private Sector Credit (PSC)

By end-May 2004, the stock of outstanding credit to the private sector by the banking sector stood at Shs1010.1 billion (see Table X), of which Shs7.0 billion was from BOU and Shs1004.1 billion from commercial banks. This represents a growth of 0.9 percent (or Shs8.7 billion) over the end April 2004 position. Relative to June 2003, PSC grew by Shs161.5 billion or 19.0 percent, while the year-on-year growth rate in PSC was recorded at 19.7 percent for end-May 2004.

### Credit Flows

During May 2004, the total (shilling and foreign currency) gross extensions by commercial banks amounted to Shs118.06 billion, while recoveries were Shs110.98 billion resulting in net extensions of Shs 7.08 billion. After accounting for flows in capitalised interest, there was a rise in the stock of credit of approximately Shs9.90 billion (see Appendix Table 1), though net extensions to the private sector alone were recorded at Shs8.69 billion<sup>3</sup>. During the month, commercial banks extended shilling loans amounting to Shs72.36 billion, and recovered Shs65.17 billion, thus net extensions were Shs7.20 billion. Net capitalised interest stood at Shs2.68 billion. Thus, there was a net increase in the stock of shilling loans to the private sector of Shs9.88 billion (see Appendix Table 2). For foreign currency loans, gross extensions stood at Shs45.70 billion, while recoveries were slightly higher at Shs45.81 billion, yielding net recoveries of Shs0.11 billion.

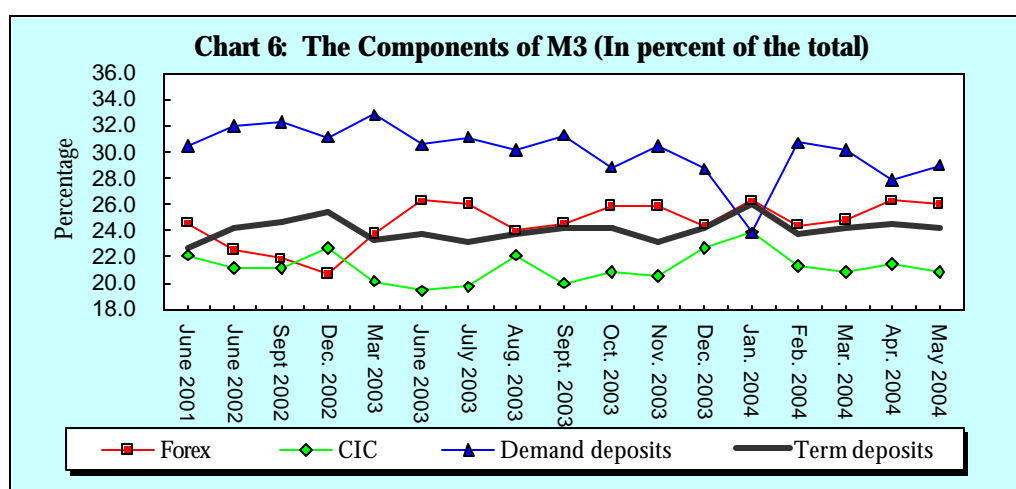
<sup>3</sup> The Gross Extensions and Recoveries include lending to Government and Parastatals. PSC as recorded by the Monetary Survey doesn't include lending to Government and parastatals.

After taking into account effects of capitalized interest, the stock of foreign currency loans recorded a net rise of Shs0.02 billion (See Appendix Table 3).

**Appendix Tables 13 summarize the evolution of the monthly change in outstanding loans and advances of commercial banks for the period July 2002 to May 2004.**

### Liabilities of the Banking System

On the liabilities side, foreign currency accounts fell by 1.8 percent or Shs11.5 billion to Shs630.4 billion in May 2004. In US dollars, foreign currency accounts grew by US\$8.0 million to US\$343.9 million. Demand deposits grew by 3.3 percent or Shs22.3 billion to Shs704.6 billion, while term deposits (time, savings and CDs) fell by 2.4 percent to Shs585.4 billion as at end-May 2004. Currency in circulation (CIC) fell significantly by 3.7 percent or Shs19.6 billion to Shs504.4 billion. Reflecting these developments, the ratio of foreign currency deposits to M3 fell to 26.0 percent from 26.2 percent at end-April 2004. The ratio of demand deposits to M3 rose to 29.1 percent from 27.9 percent in April 2004, while that of term deposits fell to 24.1 percent from 24.5 percent in April 2004. The ratio of CIC to M3 fell to 20.8 percent from 21.4 percent in April 2004. The trends of the ratios are shown in Chart 6 below and Table X above.



### (ii) Non-Bank Financial Institutions (NBFIs) Activities<sup>4</sup>

#### Assets

In the month of May 2004, the total assets of the Non-Bank Financial Institutions rose by 1.62 percent, from Shs.150.59 billion at the end of April 2004 to Shs.153.03 billion. This outturn compares to a growth rate of 2.7 percent observed over the same period a year ago. The growth in assets in May 2004 was mainly attributed to a 10.5 percent increase in balances with commercial banks. Loans and advances grew by a marginal 0.27 percent.

#### Loans and advances

The balances of the NBFIs in commercial banks, both within and outside Uganda grew by Shs 2.26 billion to Shs.23.75 billion, while the stock of the outstanding loans and advances to the private sector rose by Shs.0.24 billion to Shs 89.62 billion as at end-May 2004, up from Shs 89.38 billion at end-April 2004. Mortgage loans, which account for 59.0 percent of the loans rose by 0.8

<sup>4</sup> Only covers 7 credit institutions.

percent to Shs 52.84 billion while secured and unsecured loans rose slightly by 0.5 percent to Shs 12.15 billion at the end of May 2004. By contrast, administered loans fell by 1.0 percent to Shs 24.62 billion, down from Shs 24.87 billion registered in April 2004. The building and construction sector accounted for the largest share of loans and advances from the NBFIs at 83.35 percent of the total as at end-May 2004. The trade and commerce sector retained the second largest share at 11.2 percent.

### Deposits

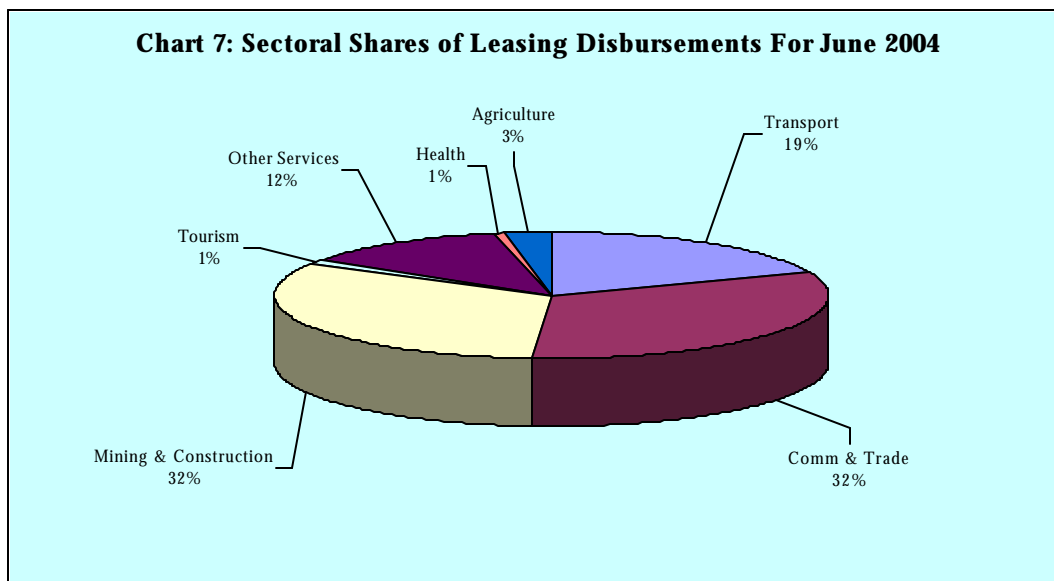
In May 2004, private sector deposits in the NBFIs rose by 2.6 percent to Shs 66.80 billion, from Shs 65.13 billion in April 2004. Savings deposits went up by 5.7 percent to Shs 56.76 billion, while the time deposits fell by 12.2 percent to Shs 10.04 billion. Other deposits, which represent funds collected on behalf of government from the beneficiaries of the government pool house sale scheme rose by 1.4 percent to Shs 25.68 billion over the same period.

**Table XI: Developments in the Activities of Non -Bank Financial Institutions  
(Shs Billion)**

	May 2003	Jan 2004	Feb 2004	Mar 2004	Apr 2004	May 2004
Total Assets	130.97	142.37	146.15	147.26	150.59	153.03
O/w Loans and advances	73.47	84.55	85.46	88.14	89.38	89.62
Secured & unsecured	9.91	11.82	11.33	12.38	12.09	12.15
Mortgage	36.74	47.18	48.80	50.79	52.42	52.84
Administered	26.82	25.56	25.34	24.96	24.87	24.62
Total Deposits	72.74	80.84	83.67	87.92	90.45	92.47
Savings	43.42	48.07	50.62	53.12	53.70	56.76
Time	7.95	8.41	8.57	9.05	11.43	10.04
Agency Funds	21.37	24.37	24.48	24.97	25.32	25.68
<i>Source: Bank of Uganda</i>						

### b) Leasing

The value of assets leased in June 2004 dropped slightly by 1.2 percent to Shs 2.46 billion from Shs 2.49 billion disbursed in May 2004 although it increased by 136.5 percent from Shs 1.04 billion for June 2003. The total amount of leases for the year to June 2004 of Shs 22.42 billion is 37.2 percent higher than Shs 16.34 billion extended in the year-ended- June 2003. Commerce & trade and Mining & construction sectors accounted for substantial shares, each accounting for 32.1 percent of total value leased in the period under review. The share of the transport sector, that was 71 percent in May 2004, dropped to 19.2 percent in June 2004. The share for Agriculture, though still meager, rose to 2.7 percent in June 2004 from 0.01 of May 2004. The manufacturing sector for the third consecutive month did not feature on the list of beneficiaries. Chart 7 below shows the breakdown of the leasing disbursements by sector for the month of June 2004.



## F GOVERNMENT BUDGETARY OPERATIONS

In the month of May 2004, government revenue and budget support amounted to Shs 441.1 billion, representing an over-performance of Shs 272.6 billion or 161.8 percent relative to the programme level. Government expenditure and net lending amounted to Shs 246.2 billion, compared to Shs 227.3 billion anticipated in the programme. The overall fiscal balance (including grants) was a surplus of Shs 194.9 billion compared to a deficit level of Shs 58.9 billion anticipated in the programme. Excluding grants, the overall fiscal balance reduces to a deficit of Shs.106.0 billion.

### i) Revenue and Grants

In May 2004, total revenue and budget support grants amounted to Shs 441.1 billion compared with Shs 136.1 billion recorded in April 2004. This outturn was also higher than the programmed level by Shs 272.6 billion due to higher budget support grants received during the period.

Total domestic revenue amounted to Shs 140.2 billion compared to Shs 135.6 billion collected in April 2004, representing an increase of 3.4 percent in revenue. Out of the total domestic revenue for May 2004, URA collections amounted to Shs 135.6 billion compared with Shs 133.8 billion for April 2004 and the targeted level of Shs 144.7 billion, respectively. The growth in domestic revenue collections during the month was attributed to higher collections on international trade. The Non-URA revenue collections for May 2004 over-performed by Shs 0.9 billion, against the programme level due to payment of dividends by institutions in which government has a stake.

External budget support grants were estimated at Shs 301.0 billion in May 2004, compared to the projected amount for the month of Shs 20.2 billion. The over-performance in these disbursements was largely on account of the higher donor support towards the Poverty Action Fund during the month.

**Table XII: Government Budgetary Operations: January - May 2004 (Billion Shs)**

	Revised Budget 2003/04	Prel. Jan 2004	Prel. Feb 2004	Prel. Mar 2004	Prel. Apr 2004	Prel. M ay 2004	Prog. May 2004
Total Tax & Import Support Receipts	2,228.6	151.4	131.0	198.7	136.1	441.1	168.5
Total Domestic Revenue	1,690.9	133.9	123.0	136.9	135.6	140.2	148.3
URA Excluding Refunds/Govt. Taxes	1,655.2	132.1	119.7	135.2	133.8	135.6	144.7
Non URA Revenues	35.7	1.8	3.3	1.7	2.0	4.5	3.6
Import Support Grants	537.7	17.5	8.0	61.9	0.3	301.0	20.2
Expenditure & Lending	2343.8	205.1	178.7	147.5	217.3	246.2	227.3
Current Expenditure	1,732.4	164.4	157.5	146.0	178.3	156.4	152.7
Development Expenditure	536.9	40.4	19.2	28.5	37.1	73.7	70.1
Others 1/	73.5	0.3	2.0	-27.0	1.9	16.1	4.6
Overall Fiscal Balance (Deficit)	(114.7)	(53.7)	(47.7)	51.2	(81.2)	194.9	(58.9)
Excluding Grants	(652.4)	(71.2)	(55.7)	(10.6)	(81.6)	(106.0)	(79.0)

Source: Ministry of Finance, Planning and Economic Development  
1/ Includes Net Lending/Repayments, Arrears Repayments and Contingency.

## ii) Expenditure

In May 2004, government expenditure and net lending rose by 13.2 percent to Shs 246.2 billion. This outturn was higher than the projected level for the period by Shs 18.9 billion. The expansion reflected mainly growth in expenditure of Shs 36.6 billion in respect of development expenditures. Current expenditures for the month amounted to Shs 156.4 billion, down from Shs 178.3 billion recorded in the April 2004. Out of the current expenditures, a total of Shs 56.7 billion or 36.3 percent was spent on wages and salaries. Interest payments fell from Shs 24.6 billion in the April 2004 to Shs 16.8 billion. Out of this amount, Shs 3.2 billion was on account of external loans. Other recurrent expenditures for the month stood at Shs 78.1 billion, while development expenditure was Shs 73.7 billion.

The overall fiscal balance for May 2004 was a surplus of Shs 194.9 billion compared to a deficit level of Shs 81.2 billion recorded in the previous month. Excluding grants, the surplus diminishes to a deficit level of Shs 106.0 billion. In the month under review, government borrowed (net) Shs 43.4 billion from external sources, compared to Shs 1.4 billion in the preceding month. The government, however, repaid Shs 55.9 billion, on a net basis, the domestic agents.

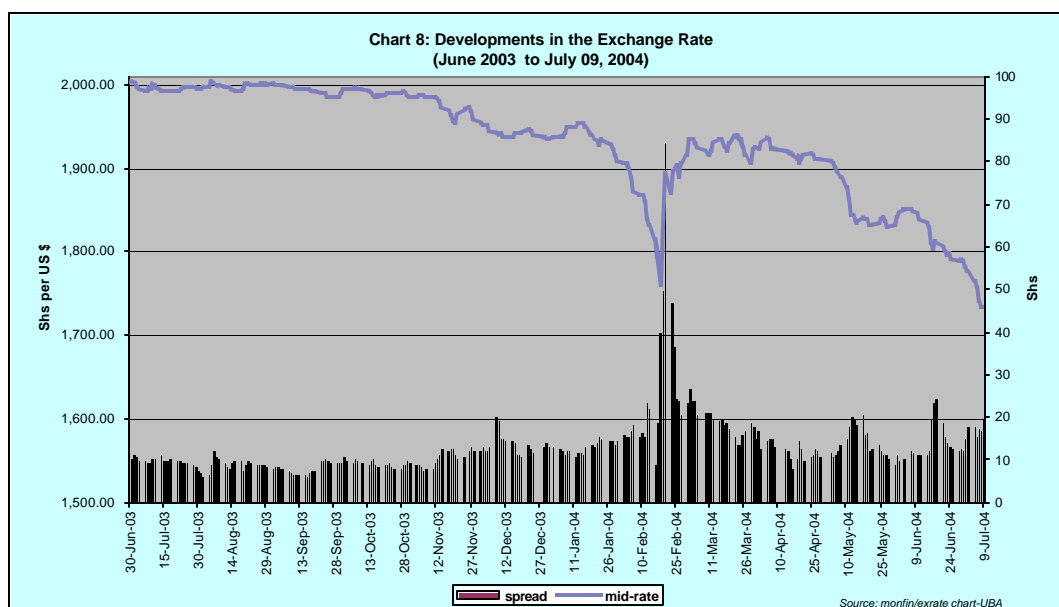
## G EXCHANGE RATE AND FOREIGN EXCHANGE MARKET

The Uganda Shilling continued to gain against the US Dollar over the four weeks to July 9, 2004. The apparent strength of the Shilling against the Dollar is on account of substantial inflows from coffee, gold, and cut flower exports receipts as well as inflows from NGO's and diplomatic missions amidst subdued demand.

By end June 2004, the Shilling, recorded at Shs 1788.76 per US \$, had appreciated by 3.4 percent, when compared to the level of Shs 1851.47 of June 4, 2004. Appreciation pressures that have persisted into July 2004, saw the Shilling close at Shs 1733.94 per US \$ by July 09, 2004. Overall, the Shilling appreciated by 4.39 percent against the US Dollar over this period compared to the appreciation of 2.89 percent recorded in the preceding period ended June 4, 2004. On a period average basis, the Shilling appreciated by 2.98 percent from Shs 1839.94 per US Dollar for the four weeks ended June 4, 2004, to Shs 1785.10 per US Dollars for the corresponding period to July 9, 2004. The average spreads between the weighted inter-bank buy and sell rates, also increased from Shs 14.04 during the previous period to an average of Shs 16.45 for the period under review. (See Chart 8).

The average volume of commercial banks' daily retail purchases and sales transactions were US \$ 6.63 million and US \$ 7.75 million respectively during the period four-weeks period to July 09, 2004. This is higher than the average of US \$ 6.51 million for purchases, but equal to US \$ 7.75 million for sales in the corresponding period ended June 04, 2004.

BOU maintained its presence in the IFEM under the sterilization strategy geared at mopping up excess liquidity injected by poverty reduction government expenditures. In addition, BOU was in the market with a 1-month foreign exchange Swap and also intervened to curb instability. The total net sales of forex in the period under review amounted to US \$ 29.4 million, only slightly higher than US \$ 26.5 million, recorded in the preceding period to June 2004. Bank of Uganda continues to watch market developments very closely and ready to take any action to ensure market stability.



## H DEVELOPMENTS IN THE BALANCE OF PAYMENTS (BOP)

The overall balance is estimated at a surplus of US\$113.79 million in May 2004. The current account balance is estimated at a surplus of US\$88.19 million, an improvement from the deficit of US\$54.81 million posted in April 2004. The capital and financial account is estimated at a

surplus of US\$25.59 million down from a surplus of US\$53.97 million registered in the preceding month.

### **(i) Exports**

Total export proceeds in the month of May 2004 are estimated at about US\$50.39 million. This is US\$12.5 million or 20 percent less than the export earnings recorded in April 2004.

#### **Coffee Exports**

During the month of May, coffee export earnings amounted to US\$8.62 million accounting for 17.10 percent of the total export proceeds. In terms of volume, exports of coffee amounted to 181 thousand (60-kilogram) bags. In June 2004, coffee exports amounted to 264 thousand (60-kilogram) bags worth US\$12.67 million. This showed an increment of 45.7 percent in volume and 47.0 percent in value compared to the previous month's performance. The average realized export price in June stood at 80.1 US cents per kilogram, up from an average unit price of 79.4 US cents per kilogram in May 2004.

#### **Non-coffee Exports**

The total value for non-coffee exports for the month of May 2004 is estimated at US\$41.77 million. This is a decline of 22.8 percent when compared to US\$54.12 million realized in the previous month.

There was a decline in the performance of most non-coffee exports in May 2004 compared to the previous month. The most significant declines were recorded in export proceeds from gold, tobacco, fish and its products (to both regional and international markets), hides and skins, simsim and beans, which decreased by 71.4 percent, 64.7 percent, 6.2 percent, 23.3 percent and 57.5 percent, respectively. On the other hand, cotton export proceeds increased by 7.7 percent from US\$5.04 million in April 2004 to US\$5.43 million in the period under review. The value from exports of tea increased by 32.6 percent to US\$3.97 million during the month of May 2004 and flowers export proceeds increased by about 15.6 percent to US\$2.79 million recorded in the month of May 2004.

### **(ii) Imports**

The total import bill (f.o.b) for the month of May 2004 is estimated at US\$122.82 million. Private sector imports are estimated at US\$98.30 million, 11.9 percent higher than the level in April 2004. Oil imports are also estimated to have declined by 5.7 percent to US\$12.16 million, from the April 2004 oil bill.

Government imports amounted to US\$14.14 million for the month of May 2004, about 37.5 percent higher than the previous month's value of US\$10.28 million. (See Table 2: Imports of Goods).

### **(iii) Other Inflows and Outflows**

Official aid inflows (excluding project aid but including resources from the HIPC<sup>5</sup> Initiative) amounting to about US\$160.05 million were disbursed in May 2004. Private transfer inflows for the period under review are estimated at US\$44.05 million while outflows of private transfers are estimated at US\$28.64 million.

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<sup>5</sup> Includes HIPC from grants only.

Services and income outflows exceeded inflows by US\$38.80 million during the month of May 2004.

Official debt service (excluding IMF payments) was estimated at US\$8.93 million for the month of May 2004 while IMF principal obligations worth US\$10.51 million were externalized in the same month. Short-term inflows of US\$16.13 million exceeded outflows by US\$4.24 million.

#### **(iv) Foreign Reserves**

In May 2004, the level of gross foreign reserves is estimated at US\$1,166.37 million, up from US\$1,067.59 million in April 2004. This reserve level is estimated to cover 6.79 months of imports of goods and services.

## **I POLICY OUTLOOK**

Bank of Uganda is set to maintain the cautious monetary policy stance to ensure that inflation remains low and stable. It is also committed to manage liquidity in a manner that does not cause instability in both the domestic and foreign exchange markets.

## Appendix

**Table 1: Monthly Change in Outstanding Loans and Advances of Commercial Banks**  
(Total of local and foreign Currency, billion Shs)

Period	Extensions	Recoveries	Net ext.	Cap interest	Repd cap int	Net Cap int	Net change
	1	2	3=1+2	4	5	6=4+5	7= 3+6
1999/2000	404.75	(311.48)	93.27	30.58	(91.27)	(60.69)	32.58
2000/2001	852.28	(769.56)	82.71	40.98	(71.61)	(30.64)	52.08
<b>2001/2002</b>							
Q1	254.33	(246.12)	8.21	6.20	(15.67)	(9.47)	(1.26)
Q2	255.69	(250.61)	5.08	5.05	(14.99)	(9.94)	(4.86)
Half 1 2001/02	510.02	(496.74)	13.29	11.25	(30.66)	(19.41)	(6.12)
Q3	249.06	(219.55)	29.52	7.02	(21.24)	(14.22)	15.30
Q4	264.20	(255.30)	8.90	10.03	(15.77)	(5.74)	3.16
Half 2 2001/02	513.27	(474.85)	38.41	17.06	(37.01)	(19.95)	18.46
2001/2002	928.31	(886.08)	42.23	27.01	(64.65)	(37.64)	4.59
<b>2002/2003</b>							
Q1	271.05	(255.55)	15.50	13.98	(15.89)	(1.91)	13.59
Q2	322.26	(228.74)	93.51	21.69	(17.52)	4.16	97.68
Half 1 2002/03	593.31	(484.29)	109.01	35.67	(33.41)	2.25	111.27
Q3	348.69	(284.65)	64.04	9.48	(9.18)	0.30	64.34
Q4	347.21	(351.54)	(4.33)	14.37	(6.83)	7.54	3.20
Half 2 2002/03	695.90	(636.19)	59.71	23.85	(16.01)	7.84	67.55
2002/2003	1,289.21	(1,120.48)	168.72	59.51	(49.42)	10.09	178.81
<b>2003/2004</b>							
July	111.51	(97.42)	14.09	5.24	(3.82)	1.41	15.50
August	105.06	(97.69)	7.37	13.10	(8.62)	4.48	11.85
September	126.64	(122.07)	4.57	6.73	(3.11)	3.62	8.19
Q1	343.22	(317.19)	26.03	25.07	(15.56)	9.51	35.54
October	140.28	(113.42)	26.86	7.50	(4.69)	2.81	29.67
November	97.20	(80.86)	16.35	8.49	(5.29)	3.20	19.54
December	130.14	(109.10)	21.03	9.64	(6.15)	3.48	24.52
Q2	367.62	(303.38)	64.24	25.63	(16.14)	9.49	73.73
Half 1 2003/04	710.84	(620.57)	90.27	50.70	(31.70)	19.00	109.27
January 2004	128.99	(111.91)	17.08	5.76	(2.75)	3.01	20.10
February 2004	117.57	(126.30)	(8.73)	4.28	(2.09)	2.19	(6.54)
March 2004	135.08	(116.00)	19.09	5.12	(2.75)	2.37	21.45
Q3	381.64	(354.20)	27.44	15.16	(7.59)	7.57	35.01
April 2004	114.41	(112.39)	2.02	6.36	(3.56)	2.80	4.83
May 2004	118.06	(110.98)	7.08	7.72	(4.91)	2.81	9.90

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

**Table 2: Monthly Change in Outstanding Loans and Advances of Commercial Banks  
(Shilling loans, 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>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>Q1</b>	<b>167.24</b>	<b>(178.30)</b>	<b>(11.06)</b>	<b>4.39</b>	<b>(13.47)</b>	<b>(9.08)</b>	<b>(20.14)</b>
<b>Q2</b>	<b>169.88</b>	<b>(173.45)</b>	<b>(3.57)</b>	<b>4.38</b>	<b>(11.29)</b>	<b>(6.91)</b>	<b>(10.49)</b>
<b>Half 1 2001/ 02</b>	<b>337.12</b>	<b>(351.75)</b>	<b>(14.63)</b>	<b>8.77</b>	<b>(24.77)</b>	<b>(16.00)</b>	<b>(30.63)</b>
<b>Q3</b>	<b>171.14</b>	<b>(160.07)</b>	<b>11.07</b>	<b>5.83</b>	<b>(18.36)</b>	<b>(12.52)</b>	<b>(1.45)</b>
<b>Q4</b>	<b>190.31</b>	<b>(181.50)</b>	<b>8.81</b>	<b>8.05</b>	<b>(11.83)</b>	<b>(3.79)</b>	<b>5.03</b>
<b>Half 2 2001/ 02</b>	<b>361.45</b>	<b>(341.56)</b>	<b>19.89</b>	<b>13.88</b>	<b>(30.19)</b>	<b>(16.31)</b>	<b>3.57</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>Q1</b>	<b>196.42</b>	<b>(181.95)</b>	<b>14.47</b>	<b>12.56</b>	<b>(13.18)</b>	<b>(0.62)</b>	<b>13.85</b>
<b>Q2</b>	<b>229.36</b>	<b>(172.61)</b>	<b>56.75</b>	<b>19.35</b>	<b>(15.86)</b>	<b>3.49</b>	<b>60.24</b>
<b>Half 1 2002/ 2003</b>	<b>425.78</b>	<b>(354.56)</b>	<b>71.22</b>	<b>31.91</b>	<b>29.03</b>	<b>2.88</b>	<b>74.09</b>
<b>Q 3</b>	<b>222.02</b>	<b>(183.05)</b>	<b>38.97</b>	<b>8.01</b>	<b>(8.44)</b>	<b>(0.43)</b>	<b>38.54</b>
<b>Q 4</b>	<b>239.84</b>	<b>(215.38)</b>	<b>24.46</b>	<b>11.95</b>	<b>(5.63)</b>	<b>6.31</b>	<b>30.78</b>
<b>Half 2 2002/ 03</b>	<b>461.86</b>	<b>(398.44)</b>	<b>63.43</b>	<b>19.96</b>	<b>(14.07)</b>	<b>5.89</b>	<b>69.31</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>							
July 2003	74.54	(70.30)	4.24	4.79	(2.99)	1.79	6.03
August	71.59	(64.13)	7.46	11.74	(8.14)	3.60	11.06
September	88.15	(87.69)	0.47	6.43	(2.24)	4.20	4.66
<b>Q 1</b>	<b>234.28</b>	<b>(222.12)</b>	<b>12.16</b>	<b>22.96</b>	<b>(13.37)</b>	<b>9.59</b>	<b>21.75</b>
October	111.23	(77.65)	33.58	6.85	(3.88)	2.98	36.55
November	72.59	(49.96)	22.64	7.69	(3.80)	3.89	26.53
December	87.06	(87.83)	(0.77)	8.06	(5.57)	2.49	1.72
<b>Q2</b>	<b>270.88</b>	<b>(215.44)</b>	<b>55.44</b>	<b>22.61</b>	<b>(13.25)</b>	<b>9.36</b>	<b>64.80</b>
<b>Half 1 2003/ 04</b>	<b>505.16</b>	<b>(437.56)</b>	<b>67.61</b>	<b>45.57</b>	<b>(26.62)</b>	<b>18.95</b>	<b>86.55</b>
January 2004	86.09	(67.71)	18.39	5.01	(2.26)	2.74	21.13
February 2004	77.25	(87.94)	(10.69)	2.91	(1.67)	1.24	(9.45)
March 2004	85.48	(73.79)	11.69	4.50	(2.18)	2.32	14.01
<b>Q3</b>	<b>248.82</b>	<b>(229.44)</b>	<b>19.38</b>	<b>12.42</b>	<b>(6.11)</b>	<b>6.30</b>	<b>25.69</b>
April. 2004	80.28	(82.95)	(2.67)	5.32	(2.90)	2.42	(0.24)
May 2004	72.36	(65.17)	7.20	7.07	(4.39)	2.68	9.88

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

**Table 3: 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>Q1</b>	<b>87.09</b>	<b>(67.83)</b>	<b>19.26</b>	<b>1.81</b>	<b>(2.20)</b>	<b>(0.39)</b>	<b>18.88</b>
<b>Q2</b>	<b>85.81</b>	<b>(77.16)</b>	<b>8.65</b>	<b>0.67</b>	<b>(3.69)</b>	<b>(3.02)</b>	<b>5.63</b>
<b>Half 1 2001/2002</b>	<b>172.90</b>	<b>(144.99)</b>	<b>27.92</b>	<b>2.48</b>	<b>(5.89)</b>	<b>(3.41)</b>	<b>24.51</b>
<b>Q3</b>	<b>77.92</b>	<b>(59.48)</b>	<b>18.44</b>	<b>1.19</b>	<b>(2.88)</b>	<b>(1.69)</b>	<b>16.75</b>
<b>Q4</b>	<b>73.89</b>	<b>(73.81)</b>	<b>0.08</b>	<b>1.99</b>	<b>(3.94)</b>	<b>(1.95)</b>	<b>(1.86)</b>
<b>Half 2 2001/2002</b>	<b>151.81</b>	<b>(133.29)</b>	<b>18.53</b>	<b>3.18</b>	<b>(6.81)</b>	<b>(3.64)</b>	<b>14.89</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>Q1</b>	<b>74.63</b>	<b>(73.60)</b>	<b>1.03</b>	<b>1.42</b>	<b>(2.71)</b>	<b>(1.29)</b>	<b>(0.27)</b>
<b>Q2</b>	<b>92.90</b>	<b>(56.13)</b>	<b>36.77</b>	<b>2.34</b>	<b>(1.67)</b>	<b>0.67</b>	<b>37.44</b>
<b>Half 1 2002/2003</b>	<b>167.53</b>	<b>(129.73)</b>	<b>37.80</b>	<b>3.76</b>	<b>(4.38)</b>	<b>(0.62)</b>	<b>37.17</b>
<b>Q3</b>	<b>126.67</b>	<b>(101.60)</b>	<b>25.07</b>	<b>1.47</b>	<b>(0.74)</b>	<b>0.73</b>	<b>25.80</b>
<b>Q4</b>	<b>107.36</b>	<b>(136.16)</b>	<b>(28.80)</b>	<b>2.42</b>	<b>(1.19)</b>	<b>1.22</b>	<b>(27.57)</b>
<b>Half 2 2002/03</b>	<b>234.03</b>	<b>(237.76)</b>	<b>(3.72)</b>	<b>3.89</b>	<b>(1.93)</b>	<b>1.95</b>	<b>(1.77)</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>							
July	36.97	(27.12)	9.85	0.45	(0.83)	(0.38)	9.47
August	33.47	(33.56)	(0.09)	1.36	(0.48)	0.88	0.79
September	38.49	(34.39)	4.10	0.30	(0.88)	(0.58)	3.52
<b>Q1</b>	<b>108.93</b>	<b>(95.06)</b>	<b>13.87</b>	<b>2.11</b>	<b>(2.19)</b>	<b>(0.08)</b>	<b>13.79</b>
October	29.05	(35.77)	(6.71)	0.65	(0.82)	(0.17)	(6.88)
November	24.61	(30.90)	(6.29)	0.80	(1.50)	(0.69)	(6.99)
December	43.08	(21.28)	21.8	1.57	(0.58)	0.99	22.8
<b>Q2</b>	<b>96.74</b>	<b>(87.95)</b>	<b>8.8</b>	<b>3.03</b>	<b>(2.90)</b>	<b>0.13</b>	<b>8.93</b>
<b>Half 1 2003/04</b>	<b>205.68</b>	<b>(183.01)</b>	<b>22.67</b>	<b>5.13</b>	<b>(5.08)</b>	<b>0.05</b>	<b>22.72</b>
January 2004	42.90	(44.20)	(1.30)	0.75	(0.49)	0.27	(1.03)
Feb. 2004	40.32	(38.36)	1.96	1.37	(0.42)	0.95	2.91
Mar. 2004	49.60	(42.21)	7.40	0.62	(0.57)	0.05	7.44
<b>Q3</b>	<b>132.82</b>	<b>(124.76)</b>	<b>8.06</b>	<b>2.74</b>	<b>(1.47)</b>	<b>1.26</b>	<b>9.32</b>
April 2004	34.13	(29.44)	4.69	1.04	(0.67)	0.38	5.07
May 2004	45.70	(45.81)	(0.11)	0.65	(0.52)	0.13	0.02

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

**Table 4: Mid Exchange Rate in the IFEM, Spreads, Commercial Banks' Purchases and Sales.**

Date	Mid rate UGX/US\$	Spread UGX	Purchases Million US\$	Sales Million US\$
4-May-2004	1,906.62	10.84	3.64	4.95
5-May-2004	1,901.87	11.00	7.34	7.97
6-May-2004	1,895.27	12.15	7.44	8.28
7-May-2004	1,889.51	13.29	6.41	9.12
10-May-2004	1,877.93	14.85	7.08	5.70
11-May-2004	1,863.47	17.52	5.34	11.15
12-May-2004	1,843.83	20.15	5.52	7.82
13-May-2004	1,844.48	19.39	6.01	8.10
14-May-2004	1,835.16	18.31	6.32	6.35
17-May-2004	1,842.24	20.77	4.93	6.02
18-May-2004	1,840.15	15.86	7.39	6.42
19-May-2004	1,839.92	16.32	6.53	9.22
20-May-2004	1,833.04	12.33	5.64	8.51
21-May-2004	1,831.37	12.60	6.31	8.17
24-May-2004	1,834.00	13.70	4.96	7.65
25-May-2004	1,838.28	12.04	11.44	7.60
26-May-2004	1,840.56	11.19	5.59	9.07
27-May-2004	1,837.63	11.38	4.85	7.57
28-May-2004	1,830.23	10.45	4.81	7.50
31-May-2004	1,833.10	8.64	8.06	9.83
1-Jun-2004	1,840.56	11.19	5.66	4.57
2-Jun-2004	1,846.96	9.59	7.74	8.22
4-Jun-2004	1,851.47	10.44	7.90	5.77
7-Jun-2004	1,850.90	12.06	7.46	8.38
8-Jun-2004	1,848.16	11.84	5.20	6.98
10-Jun-2004	1,845.51	11.20	7.03	11.19
11-Jun-2004	1,839.63	11.39	6.63	7.14
14-Jun-2004	1,834.16	11.29	6.58	6.36
15-Jun-2004	1,829.11	12.13	5.85	8.26
16-Jun-2004	1,810.02	19.74	7.07	11.38
17-Jun-2004	1,802.96	23.30	5.72	6.66
18-Jun-2004	1,812.09	24.40	5.70	8.11
21-Jun-2004	1,805.23	18.62	5.46	7.14
22-Jun-2004	1,800.79	15.23	4.77	8.64
23-Jun-2004	1,797.10	13.78	7.73	4.57
24-Jun-2004	1,797.91	12.89	5.33	7.37
25-Jun-2004	1,791.94	12.67	6.77	9.57
28-Jun-2004	1,789.98	12.19	8.35	4.53
29-Jun-2004	1,790.10	12.36	9.19	8.57
30-Jun-2004	1,788.76	11.95	8.81	7.62
1-Jul-2004	1,782.56	15.06	8.55	8.23
2-Jul-2004	1,777.22	17.80	4.47	7.61
5-Jul-2004	1,765.90	17.63	5.93	6.67

**Table 5: EXPORTS OF MERCHANDISE (in millions of US\$)**

	Jan2004	Feb2004	Mar2004	Apr2004	May2004	June2004
<b>Total Exports (in US\$ million)</b>	<b>64.00</b>	<b>58.84</b>	<b>68.75</b>	<b>62.88</b>	<b>50.39</b>	
<b>1. Coffee</b>						
Gross coffee shipment, million (60-Kg) bags	0.30	0.24	0.24	0.18	0.18	0.26
Average unit value	0.75	0.79	0.84	0.82	0.79	0.80
Value of total shipment (BOP)	13.39	11.22	11.92	8.77	8.62	12.67
<b>2. Non-Coffee export values(in US \$ million)</b>	<b>50.61</b>	<b>47.63</b>	<b>56.83</b>	<b>54.12</b>	<b>41.77</b>	
Electricity	1.19	0.90	0.96	1.13	0.98	
Gold	8.03	2.72	4.04	12.56	3.59	
Cotton	3.33	7.73	8.67	5.04	5.43	
Tea	3.40	2.29	3.27	3.00	3.97	
Tobacco	4.01	4.79	6.39	4.34	1.53	
Fish & its products (International)	9.26	8.14	8.25	8.44	7.92	
Fish & its products (Regional)	3.06	2.69	2.72	2.78	2.61	
Hides & Skins	0.68	0.46	0.33	0.53	0.37	
Simsim	0.23	0.35	0.91	0.50	0.39	
Maize	1.51	2.21	2.90	1.13	1.09	
Beans	0.34	0.66	0.54	0.66	0.28	
Flowers	1.83	3.09	2.70	2.41	2.79	
Oil re-exports	1.65	1.90	1.87	2.18	1.98	
Others	12.09	9.70	13.27	9.42	8.84	

Source: Bank of Uganda

**Table 6: IMPORTS OF MERCHANDISE (in millions of US\$)**

	<b>Jan2004</b>	<b>Feb2004</b>	<b>Mar2004</b>	<b>Apr2004</b>	<b>May2004</b>
<b>Total Imports (Millions US\$)</b>	<b>108.00</b>	<b>102.66</b>	<b>114.49</b>	<b>109.80</b>	<b>122.82</b>
<b>Government Imports</b>	<b>10.22</b>	<b>12.44</b>	<b>9.95</b>	<b>10.28</b>	<b>14.14</b>
Project	7.95	5.47	9.38	9.51	6.55
Non-Project	2.27	6.98	0.56	0.77	7.60
<b>Private Sector Imports</b>	<b>93.13</b>	<b>81.77</b>	<b>96.98</b>	<b>89.65</b>	<b>98.30</b>
Oil	11.43	10.62	13.42	12.90	12.16
Non-Oil	81.70	71.15	83.56	76.75	86.13
<b>Estimated Imports</b>	<b>4.65</b>	<b>8.45</b>	<b>7.57</b>	<b>9.86</b>	<b>10.38</b>

Source: Bank of Uganda

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