Parliament passes Shs84t budget amid opposition

The budget approved by Friday's sparse session shows a sharp rise of the resource envelope for the Financial Year 2026/27 to Shs84.391 trillion from Shs72.376 trillion.

BY ARTHUR WADERO

The 11th Parliament on Friday afternoon finalised its final budgetary task when it passed the Shs84.3 trillion budget amid strong resistance from the Opposition wing.

The House sitting that commenced at 10am largely saw Opposition legislators, including the Shadow Finance Minister, Mr Ibrahim Ssemujju Nganda and the Shadow Constitutional Affairs Minister, Mr Jonathan Odur, largely caution the government for what is believed to be fiscal indiscipline in the country's economic realm.

Whereas opposition painted a gloomy picture of the budget okayed by Parliament yesterday, the budget committee chairperson, Mr Remigio Achia, who authored the report that informed the debate for appropriation and approval, insisted that the Shs84.3 trillion budget will grow Uganda's economy in the next 12 months, starting in July when the said budget comes into effect.

"Overall, the FY2026/27 budget reflects a growth-oriented but concentrated expenditure pattern, with significant increases in infrastructure, energy, manufacturing and human capital alongside notable contractions in housing and extractives," Mr Achia said.

The budget approved by Friday's sparse session shows that "the resource envelope for the Financial Year 2026/27 amounts to Shs84.391 trillion, a rise from Shs72.376 trillion in FY2025/26."

The incoming financial year's budget will be financed using domestic resources and external resources.

The budget committee tabled in the plenary sitting that was chaired by Speaker Anita Among, showed that Uganda's economy will expand from 7.3 per cent to 10.4 per cent by the close of the incoming Financial Year. "Uganda's economy is forecasted to expand by 10.4 percent by the close of FY2026/27, marking a significant growth rate from the estimated 7.3 per cent at the end of FY2025/26," the report read in part.

It goes to state "this robust growth outlook will be primarily driven by the commencement of oil production, which is expected to generate substantial revenue and stimulate productivity through strong inter-sectoral linkages."

On the contrary, Mr Ssemujju believes this budget is largely inconsiderate to the general population that mostly needs to be factored in the country's planning process.

The Shs84.3 trillion budget has undergone three upward financial revisions. After legislators returned from the 2026 general elections in January, the draft estimates then stood at Shs69.3 trillion before the Ministry of Finance used the second budget call circular to elevate it to 78.2 trillion in February. It was not until this month that final adjustments stretched the budget to Shs84 trillion, a figure heavily questioned by the Leader of Opposition Joel Ssenyonyi.

Shs84t
APPROVED BUDGET
2026/2027

On April 7, Mr Joel Ssenyonyi, the Leader of Opposition through his alternative budget priorities for Financial Year 2026/27, criticised the government budget when he unveiled what he termed as 'practical options to the government's budget.'

Based on the theme "safeguarding lives, livelihoods and institutions," Mr Ssenyonyi's budget makes a direct attack on the government's fiscal plan, which he says has not only undergone a non-transparent process but also been littered with patterns of indiscipline. Whereas the Budget Framework Paper indicated total expenditure estimates of Shs78.2 trillion with domestic revenue projections of Shs41.5 trillion, the Minister of Finance has since indicated that revised estimates of Shs84.2 trillion, with tax revenue projected at Shs44.5 trillion, will be tabled before Parliament," the Nakawa West MP said.

He added "Such significant adjustments, made within a short span of time and outside a transparent and consultative process, point to a pattern of fiscal indiscipline that undermines the integrity of the budgeting process." He said: "These weaknesses in fiscal credibility and discipline that necessitate a renewed focus on what truly matters: safeguarding lives, securing livelihoods, and strengthening institutions." The Nakawa West lawmaker unveiled his Shs71.4 Trillion budget, emphasing three major proposals to be effected. The alternative budget largely zooms into polishing education, bettering healthcare and pumping heavier resources into the agricultural sector, which they reason will serve as a major trigger to Uganda's growth. "The Alternative Government budgeting framework for FY 2026/2027 advocates for responsible governance, with a focus on maintenance and accountability to establish a higher standard for public service. Only through these efforts can Uganda realise a future that fulfils the aspirations of all citizens," Mr Ssenyonyi said.

Government records aggregated in the Parliament's Budget committee report show that "Uganda's economy remained resilient in the first half of the FY2025/26 despite the challenging global environment."

The same report disclosed that "annual inflation remained low and stable with headline inflation (or overall inflation) averaging 3.5 percent and core inflation (or inflation excluding food and energy prices) averaging 3.7 per cent."

A bruising strain on the economy trickled in through an increase in public spending that according to the vice chairperson of the Budget committee, rose by 8.9 per cent.

"The stock of public debt ros[illegible] 8.9 per cent to Shs126.18 trillion (or USD34.86 Billion) in the second half of FY 2025/26, up from Shs115.39 Trillion (or USD32.24 Billion) in FY2024/25, raising the debt-to-GDP ratio from 50.97 per cent," Mr Achia revealed. As Parliament okayed seven Bills this past work week, instructing URA to collect at least Shs2.3 trillion of the Shs4.8 trillion anticipated in the fresh tax reforms, a section of motorists were grappling with escalating pump fuel prices across the country.

The executive director of the Civil Budget Advocacy Group (CSBAG) fears "the proposed FY 2026/27 tax measures reflect a continued reliance on increasing tax rates within an already narrow tax base."

He reasons that "While these measures may generate short-term revenue gains, they raise important concerns regarding their impact on the c[illegible]f living, economic activity, and long-term revenue sustainability."

Whereas a sizeable section of the public fears that a rougher economic journey in the FY that commences in July, Budget committee vice chairperson, Mr Achia, holds a contrary view.

Members of the 11th Parliament during a plenary session on July 2, 2024. PHOTO/FILE