

ffalo invasion res residents

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Residents of Lagwayo village Sub-county Pader living in fears after a herd of buffalo were seen in their area.

The herds were spotted near the village last week, the owner of a Daily Monitor that was leading near the area.

The chairperson, who said the herd was seen in Wad District last week.

and animals in Kileleshwa district.

They have been seen in their area.

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KAMPALA. After marking slower growth rate in the last two financial years, the Bank of Uganda is optimistic and says Uganda's economy is projected to recover gradually, with growth projected at 5 to 5.5 per cent in 2016/17 and averaging 6 to 7 per cent in the medium term.

The Central Bank explains that this growth is supported by projected growth in agriculture sector, due to predicted good weather but also partly as a result of government interventions in terms of seed distributions, irrigation schemes either in progress or in pipeline, and strong demand for agricultural products in the region.

The economy grew at a revised rate of 4.0 per cent in FY 2015/17, against an earlier estimate of 3.9 per cent.

However, the revised growth for FY 2016/17 is lower than 4.7 per cent recorded in FY 2015/16 and the FY 2016/17 budget target of 5.5 per cent.

In an interview with Daily Monitor on Monday, the executive director of research BoU, Dr Adam Mugume, said: "The service and manufacturing sectors are also projected to recover, in part supported by the current stimulative monetary policy."

He added: "The mining sector is also projected to spur growth in the medium to long term. These combined with oil sector that is likely to dominate the Ugandan economy at least in terms of foreign currency inflows; youthful labor force; gradually improving infrastructure, both road and energy, should stimulate Uganda's economic growth going forward. It is

BoU projects economic growth at 5.5%

these prospects in medium to long term that should create incentives for private investment in 2018 and also in outer years."

In terms of price stability, Dr Mugume said inflation in 2018 is projected to stabilise around 5 per cent given the outlook for good crop harvest and stable exchange rate.

He added that since inflation is well anchored around the medium-term target, and economic growth through recovering but is still below the potential, there would be no justification for increase in interest rates, except if fiscal policy became overly expansionary resulting in heavy domestic borrowing.

In the foreign exchange market and the state of Uganda's currency, the shilling exchange rate has largely been stable with trade weighted exchange rate depreciating by about 2 per cent in 2017 compared to 2016.

Overall in 2016 the shilling depreciated by 5.5 per cent against the US dollar.

Dr Mugume explained that the stability of the exchange rate is partly reflective of stable macroeconomic environment, with overall inflation averaging 5.7 per cent and core inflation averaging 4.4 per cent in 2017.

"Fiscal policy was also more prudent in 2017, with less domestic borrowing. Balance of payment was favorable with exports receipts increasing by 15 per cent while imports growing by 7.5 per cent in 12 months to November 2017 compared to the same period in

2016," he said.

He added: "These macroeconomic developments coupled with relatively less noise in 2017 compared to 2016, resulted in relatively stable exchange rate."

Going forward, Dr Mugume explained that exchange rate stability

2017/2018 FRAME WORK

In the in the National Budget Framework Paper 2018/19 the Ministry of Finance says the Economic conditions in FY 2017/18 have improved following a year of lower than projected economic growth.

"Over the last few years, global and regional economic developments posed a challenging macroeconomic environment resulting into lower economic activity. In addition, climate change characterised by more frequent droughts and geopolitical conditions, affected economic growth prospects. Recent global and domestic economic developments and trends show a recovery, meaning positive medium term economic growth prospects," reads budget framework paper.

will be hinged on macroeconomic developments, both domestic and external, as well as how fast the government will implement the public investments in oil sector and other supportive infrastructure.

"Exports are projected to continue growing, led by coffee exports, which increased by 59 per cent in 2017. However, as domestic aggregate demand strengthens, coupled with rising of international oil prices, total imports will grow much faster, which could hinder strengthening of the shilling," he pointed out.

The Ministry of Finance, in the National Budget Framework 2018/19 in the section of the Macroeconomic Policy Framework says the overall macroeconomic goal is to accelerate and sustain inclusive economic growth while maintaining macroeconomic stability and debt sustainability.

The ministry says the macroeconomic strategy therefore is to enhance the impact of public investment on growth through implementation of policies that foster efficiency in public investment, attract and crowd in private investment, increase domestic revenue mobilisation efforts, and achieve low and stable inflation.

"In addition, government will continue with measures to ensure that the external position with the rest of the world is stable and sustainable, through promoting a competitive exchange rate and building on the external foreign reserves," the NBFY states.