Opposition MPs urge govt to prioritise agriculture, tourism

By Moses Mulondo

The Opposition shadow cabinet has proposed that Government reallocates resources in the budget to give more funds to the production sectors of agriculture, tourism, information and communication technology.

In a policy alternative statement for the finance ministry, the shadow minister for finance, Anthony Akol (Kilak North County), decried the Government's continued underfunding of the above four sectors, saying they were identified as key sectors in boosting Uganda's economy.

"The Second National Development Plan (NDP II) is soon coming to an end and, therefore, the failure to adequately fund the priority sectors identified in it, means it is unlikely that Government will achieve the 2020 middle-income status," Akol said.

The shadow minister for tourism, Robert Centenary (Kasese Municipality MP), presented the statement to the parliamentary finance committee yesterday.

Akol said whereas the agricultural sector is where Uganda has a comparative advantage, the Government continues to underfund it with only 3% of the total budget.

The Opposition shadow cabinet says there is a disconnect between the theme of the 2018/2019 budget of industrialisation for job creation and the actual proposed allocations because the industry sector had been allocated less than 1% of the total budget.

"The means of achieving industrialisation in terms of interventions and resource allocation are inadequate. Key priorities for industrialisation such as scaling up value addition, developing the steel and iron industry, re-establishment of co-operatives, developing industrial parks and capitalisation of the Uganda Development Bank to the tune of sh500b, have not been prioritised in the proposed budget," the shadow finance minister said.

Kasese MP Robert Centenary before the finance committee of Parliament yesterday

The MPS also faulted the Government over the high rate of borrowing

The Opposition also faulted what it called the high rate of borrowing by the Government to fund the national budget. It said the move was unsustainable.

Akol said it was worrying that the biggest portion of Uganda's national budget now goes to debt repayment.

According to budget documents from the finance ministry, 29% (sh9.2 trillion) of the sh30.9 trillion 2018/2019 budget is for debt repayment.

Akol said the Government's financing challenges are worsened by its failure to widen the tax base to bring on board more taxpayers, especially those in the informal sector.

He suggested that the Government should embark on ensuring that all businesses in the country, including those in the informal sector are registered and those that are not paying taxes are made to pay.

Noting that the provision for supplementary budgets is grossly abused as the Government keeps asking for supplementary budgets which are not of an unforeseeable nature, Akol emphasised the need for an amendment to the existing law so that no funds can be spent as supplementary without prior parliamentary approval.

"In the 2017/2018 financial year, the supplementary budget reached sh1.5 trillion. However, the Government usually comes to Parliament after it has already spent the money. Supplementary budgets are used to misuse public funds," he said.

The Opposition shadow minister commended the Government for increasing the budget for clearing domestic arrears from sh110b to sh356b in the next budget.

He, however, urged the Government to do more since the domestic arrears amount to about sh2.2 trillion and that the Government's delay in paying suppliers was killing some of the businesses.

Parliamentary committees are in the final stages of scrutinising and considering budget proposals from the Government.

The process will be concluded at the end of May when Parliament is expected to pass the budget.