

# Uganda Business Forecast Report Q1 2015

<https://marketpublishers.com/r/U80EA26E34DEN.html>

Date: November 2014

Pages: 36

Price: US\$ 1,195.00 (Single User License)

ID: U80EA26E34DEN

## Abstracts

### Core Views

While economic conditions in Uganda are steadily improving following several years of lacklustre growth, the pace of the recovery is proving slower than expected. The ongoing conflict in South Sudan (a key trade partner) is acting as a major drag on Ugandan exports, while the economy is also still feeling the lingering effects of the 2011-2012 downturn in the banking sector.

The sacking of Prime Minister Amama Mbabazi puts President Yoweri Museveni firmly on course to secure a fifth term in office in Uganda's 2016 general elections. Nevertheless, the move will fuel tensions and harden divisions within the ruling party that will need to be managed carefully by the president if repercussions are to be minimised.

Uganda will sustain a sizeable fiscal shortfall in the range of 4.0%- 6.0% of GDP over our 2015-2019 forecast period as efforts to boost a narrow tax base are more than offset by heavy public investment in infrastructure and persistent recurrent spending pressures. Inflation in Uganda will rise modestly in 2015 but stay largely contained, averaging 7.0% year-on-year (y-o-y) growth compared to an expected 6.4% in 2014. Headline price growth will continue to be anchored by the relatively favourable outlook for food prices and a subdued external price environment. That said, currency concerns will dictate a wait-and-see approach to monetary policy over the coming months.

### Major Forecast Changes

We have made some downward revisions to our economic growth forecasts. We now expect real GDP growth to come in at 5.2% in 2014, compared to 6.3% previously, and by 5.7% in 2015, compared to 6.4%.

## Contents

Executive Summary  
Core Views  
Major Forecast Changes  
Key Risks To Outlook

### **CHAPTER 1: POLITICAL OUTLOOK**

SWOT Analysis

BMI Political Risk Index

Domestic Politics

Museveni Makes Ambition Clear With PM's Sacking

The sacking of Prime Minister Amama Mbabazi puts President Yoweri Museveni firmly on course to secure a fifth-term in office in Uganda's 2016 general elections.

Nevertheless, the move will fuel tensions and harden divisions within the ruling party that will need to be managed carefully by the president if repercussions are to be minimised.

Table: Political Overview

Long-Term Political Outlook

Political Challenges For Museveni Ahead

Uganda will face several challenges over the coming decade, including a presidential succession as well as the need to overcome the legacy of civil war in the north and create jobs for its youthful population. That said, we maintain a positive outlook on Uganda and foresee a relatively successful resolution of these challenges.

### **CHAPTER 2: ECONOMIC OUTLOOK**

SWOT Analysis

BMI Economic Risk Index

Economic Activity

On The Up, But Not At Potential

We maintain our view that economic growth in Uganda will accelerate over the next few years, driven by a fast-growing consumer segment and accelerating investment into the infrastructure and extractive sectors. Still, we believe the outlook over the next one to two years has softened slightly in recent months and we have made some downward revisions to our forecasts.

Table: Economic Activity

Balance Of Payments

### Rising Imports To Drive C/A Deficit Wider In 2015

A structural dependence on consumer and capital goods imports will keep Uganda's current account balance deep in the red over the next few years. We predict that the current account deficit will widen in 2015 owing to a recovery in imports and the continued impact of the South Sudan crisis on exports.

Table: Current Account

### Monetary Policy

#### Currency Concerns Dictate Wait-And-See Monetary Policy

Despite low inflation and an economy yet to hit its straps, we believe that renewed currency concerns will see the BoU maintain a neutral monetary policy stance until further notice.

Table: Monetary Policy

### Fiscal Policy

#### Spending Ambition, Low Tax-Take To Keep Deficit Wide

Uganda will sustain a fiscal deficit in the region of 4.0%-6.0% of GDP over our 2015-19 forecast period as efforts to boost a narrow tax base are more than offset by expansionary spending commitments.

Table: Fiscal Policy

## **CHAPTER 3: 10-YEAR FORECAST**

### The Ugandan Economy To 2023

#### A Decade Of Promise But Also Of Risk

We are forecasting robust real GDP growth averaging more than 6.2% over our 10-year forecast period as private consumption and agricultural exports continue to grow; the country starts producing oil; and electricity generation increases, which together have the potential to stimulate non-agricultural sectors and reduce the country's energy import bill. That said, the country will remain vulnerable to energy shortages and adverse unpreventable climatic conditions, certainly in the short term.

Table: Long -Term Macroeconomic Forecasts

## **CHAPTER 4: OPERATIONAL RISK**

### BMI Operational Risk Index

#### Operational Risk

Table: Operational Risk

### Transport Network

Table: Sub-Saharan Africa Transport Network Risks

### Economic Openness

Table: Sub-Saharan Africa Economic Op enn ess Ris ks  
Table: Exports

## **CHAPTER 5: BMI GLOBAL ASSUMPTIONS**

Global Outlook

Reality Check: Uncertainty Reigns

Table: Global Assumptions

Table: Developed States, Real GDP Growth, %

Table: BMI VERSUS BLOOMBERG CONSENSUS REAL GDP GROWTH FORECASTS, %

Table: Emerging Markets , Real GDP Growth, %

## I would like to order

Product name: Uganda Business Forecast Report Q1 2015

Product link: <https://marketpublishers.com/r/U80EA26E34DEN.html>

Price: US\$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

[info@marketpublishers.com](mailto:info@marketpublishers.com)

## Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/U80EA26E34DEN.html>