

# Uganda Business Forecast Report Q2 2014

<https://marketpublishers.com/r/U6FD3FFD6B1EN.html>

Date: February 2014

Pages: 35

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

ID: U6FD3FFD6B1EN

## Abstracts

Includes 3 FREE quarterly updates

### Core Views

The Ugandan economy is poised for strong growth over the next few years. A combination of heavy public investment in infrastructure, surging foreign investment into the nascent oil sector and a buoyant consumer segment will see the economy grow by an average of 7.1% annually between 2014 and 2018. We believe monetary policymakers will continue to view the balance of risks as evenly weights over the coming months. This view is predicated on a relatively contained outlook for inflation in H114 and an economy still in recovery. President Museveni will face political challenges on a number of fronts over the coming months, with Uganda's military involvement in South Sudan and a contentious 'anti-homosexuality' bill chief among them. **Major Forecast Changes No Major Forecast Changes**

### Key Risks To Outlook

Weather always poses risks to our outlook, as the Ugandan economy is heavily reliant on agriculture. Adverse weather conditions could seriously hamper economic output and stoke inflationary pressures, while favourable weather could boost productivity. If there are further delays to oil production – currently scheduled to begin in 2017 – or if the industry moves more quickly than we anticipate, we would adjust our medium-to-long term forecasts accordingly. Although Uganda remains largely peaceful, infighting within the National Resistance Movement ruling party, as well as ongoing grievances from opposition groups and civil society, pose a threat to Uganda's long-standing stability if underlying concerns are not adequately addressed.

The ongoing crisis in South Sudan poses a risk to our forecasts. In addition to

heightened border insecurity, the conflict could impact Uganda's economic ties with its northern neighbour, notably through reduced export demand and supply chain disruption.

## Contents

Core Views  
Major Forecast Changes  
Key Risks To Outlook

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

SWOT Analysis

BMI Political Risk Ratings

Domestic Politics

Stern Challenges Ahead, But Museveni Steady At The Helm

President Museveni will face political challenges on a number of fronts over the coming months, with Uganda's military involvement in South Sudan and a contentious 'anti-homosexuality' bill chief among them. That said, the president continues to cut a strong figure, and a recovering economy will prove a timely tonic to the simmering social grievances felt by many Ugandans.

Table: Political Overview

Long-Term Political Outlook

Challenges For Museveni

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 Ratings

Economic Activity

Growth To Quicken As Consumer Sector Picks Up the Ugandan economy is poised for strong growth over the next few years. A combination of heavy public investment in infrastructure, surging foreign investment into the nascent oil sector and a buoyant consumer segment will see the economy grow by an average of 7.1% annually between 2014 and 2018.

Table: ECONOMIC ACTIVITY

Monetary Policy

Even Balance Of Risks For Rates the Bank of Uganda's decision to hold its benchmark rate steady at 11.50% at its latest meeting supports our view that contained inflationary

pressures and an economy still in recovery will dictate a neutral monetary policy stance over the coming months.

Table: MONETARY POLICY

Balance Of Payments

Wide C/A Deficit To Persist

Uganda will sustain a sizeable, albeit narrowing, current account deficit over the coming years driven in large part by surging demand for capital and consumer goods imports. We believe, however, over the medium term this shortfall will be mostly offset by financial account inflows on the back of rising foreign investment into the nascent oil sector and, from 2017, by oil exports as production begins.

Table: CURRENT ACCOUNT

Fiscal Policy

Soaring Spending Plans To Keep Fiscal Balance In The Red

We predict that Uganda will sustain a moderate fiscal deficit over the next few years due to surging capital expenditure, sizeable current spending commitments and persistent pressures facing revenue growth.

Table: FISCAL POLICY

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

the Uganda Economy to 2023

A Decade Of Promise But Also Of Risk

We are forecasting robust real GDP growth averaging more than 7.5 % 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 unpreven Table climatic conditions, certainly in the short term.

Table: Long -Term Macroeconomic Forecasts

### **CHAPTER 4: BUSINESS ENVIRONMENT**

SWOT Analysis

BMI Business Environment Risk Ratings institutions

Table: BMI BUSINESS AND OPERATION RISK RATINGS

Table: BMI LEGAL FRAMEWORK RATING

Table: LABOUR FORCE QUALITY infrastructure

Table: AFRICA – ANNUAL FDI INFLOWS

Table: TRADE AND INVESTMENT RATINGS

Market Orientation

Table: Top export destinations  
Operational Risk

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

Global Outlook

Fairly Benign Prognosis ... With Risks

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 Q2 2014

Product link: <https://marketpublishers.com/r/U6FD3FFD6B1EN.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/U6FD3FFD6B1EN.html>