

# BRIEF NOTE

## GENERAL COMMENTS-CONSULTATIVE MEETING ON THE PRIVATE SECTOR BUDGET PROPOSALS FOR FY 2009/10 BUDGET HELD AT MoFPED ON THE 25<sup>TH</sup> MAY 2009

### 1. INTRODUCTORY REMARKS

The meeting started at 4:30pm with introductory remarks by the Minister of Finance planning and Economic Development; Hon. Syda Bbumba. She welcomed the members and emphasized the importance of consultations between government and the private sector as key partners.

#### Comments on the Global Crisis

The Minister noted that the current global crisis has posed *secondary effects* on the Ugandan Economy, which further calls for constant consultations to mitigate these impacts. Other secondary **effects** of the crisis include;

- Fluctuation in the foreign exchange rate (affecting the country's imports and exports)
- Imported inflation from countries like Kenya
- Reduction in foreign domestic investments (FDI's)
- Escalating interest rates (no longer affordable in the business environment)

#### Government's way forward to mitigate the effects of the crisis

- Infrastructural development as priority. In order to *reduce the cost of doing business* in Uganda, the roads and energy sector should be given due consideration.
- Agricultural produce; emphasis is to be put on enhancing agriculture through NADS to improve production hence trade since Uganda has a comparative advantage in agriculture
- The Government has also come up with a '*Think Tank*' to advise on how to mitigate the effects of the crisis.

### 2. CHAIRMAN'S REMARKS-PSFU

The Chairman, PSFU thanked the Minister on behalf of the Private Sector Task force members for the continued dialogue with government especially on pertinent issues such as the Budget process (*the Ugandan private sector should always be consulted in key negotiation grounds*). He also noted that due to the current Global Crisis, there is need to strengthen the Public-Private Partnership (*PPP*) in consultation with government. He advised that for government to achieve its objectives, it should carry out more research and increase field staff in agricultural research other than inject cash through programmes such as NADS (emphasis on monitoring and Evaluation of government programmes).

### 3. CONCLUSIVE REMARKS

- The Hon. Minister appreciates the *PPP- dialogue* in the current government
- Most of the Private Sector proposals for the 2009/10 Budget are to be considered; for example, recommendations on imports<sup>1</sup> in order to ease the cost of doing business.
- Government has focused resources on the major sectors of Agriculture and infrastructure to ease the cost of doing business in Uganda. For example the government launched the road fund<sup>2</sup> and is taking on energy as the number one priority, and pledges to support micro power providers.
- The FY 2009/10, Budget focuses on *reducing the cost of production and doing business* in Uganda. Therefore, the Hon. Minister advised traders not to relocate, but be more patient as the economic trend in Uganda is to change/improve.
- The Private Sector was urged to be very aggressive in the fight against corruption
- More emphasis should be on the *Value for money*, hence government should always carry out monitoring and evaluation of implementation programmes for instance, NAADS.
- The Chairman PSFU invited the Hon. Minister to a private sector Budget luncheon as chief guest, to be held on the 12<sup>th</sup> of June 2009 after the Budget is read.
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<sup>1</sup> See the PSFU '*Platform for Action*' policy document April, 2009 for details on the recommendations (imports)

<sup>2</sup> This was launched on the same day (25<sup>th</sup> May 09) by the Hon. Minister at MoFPED