



UGANDA BUREAU OF STATISTICS



QUARTERLY GOVERNMENT FINANCE STATISTICS BULLETIN

Q3 2023/24

July 2024

FOREWORD

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This bulletin contains detailed statistics for Quarterly Government Revenue and Expenditure compiled basing on the guiding principles of the Government Finance Statistics Manual of 2014.

The statistics incorporated in this publication provide information for the Central Government and can be used for public policy analysis and evidence-based decision making.

The Bureau would like to appreciate the continued cooperation of the Ministry Finance, Planning and Economic Development and Uganda Revenue Authority in providing data that facilitates the compilation of the statistics disseminated in this publication.

I also, commend the staff of the Government Finance Statistics Unit for putting together the information in this publication and I hope it will be used to make informed decisions.



Aliziki K. Lubega
Director Economic Statistics

PERFORMANCE AT A GLANCE

Net revenue decreased by 9.0 percent to Shs 6.8 trillion in Q3 2023/24 from Shs 7.4 trillion in Q2 2023/24.

Tax revenue was the biggest contributor to central government revenue accounting for 92.8 percent of total central government revenue in Q3 2023/24.

There was a 64.6 percent reduction in the grants from Shs 354.8 billion in Q2 2023/24 to Shs 125.4 billion in Q3 2023/24 and they accounted for 1.9 percent of the total revenue in Q3 2023/24.

Central government expenditure (including local government grants and donor disbursements) decreased by 8.4 percent to about Shs 9.4 trillion in Q3 2023/24 from Shs 10.3 trillion registered in Q2 2023/24, *See Table 1 Summary.*

Central government recurrent expenditure (excluding local government transfers) increased by 0.5 percent to Shs 5.6 trillion in Q3 2023/24 from Shs 5.5 trillion registered in Q2 2023/24 while development expenditure (excluding local government transfers) decreased by 67.8 percent to Shs 745.7 billion in Q3 2023/24 compared to Shs 2.3 trillion recorded in Q2 2023/24.

Transfers to local government increased by 7.2 percent to Shs 1.6 trillion in Q3 2023/24 from Shs 1.5 trillion recorded in Q2 2023/24, *See Table 1 Summary.*

Donor disbursements increased by 67.5 percent to Shs 1.4 trillion in Q3 2023/24 from Shs 840.8 billion disbursed in Q2 2023/24, *See Table 1 Summary.*

INTRODUCTION

The principal function of government is to provide public services such as law and order, defense, education, health, and welfare to its citizens as well as redistribute income. To manage its operations and provide accountability to its citizens, government needs an accounting and reporting system. Two kinds of reporting systems are used, fiscal accounting and statistical reporting. A government fiscal accounting system is primarily designed to fulfill the requirements of fiscal accountability, which is a demonstration of compliance in the use of resources allocated by the budgetary process. The Government Finance Statistics (GFS) reporting system is concerned with measuring the effectiveness of spending and the sustainability of fiscal policies. It deals with the stocks and flows in revenue, expense, assets, and liabilities. Therefore, Government Finance Statistics (GFS) measure the financial activities of the government in an economy.

Purpose of GFS

- To provide input to the compilation of Government Consumption Estimates (GCE) for the General Government in the compilation of Gross Domestic Product (GDP).
- To provide statistics used in the compilation of the Supply and Use tables.
- To provide analysis of operations of specific levels of government and transactions between levels of government as well as the entire general government.
- To provide summary information on the overall performance and financial position of the general government.

Coverage

The bulletin covers Central Government which comprises Ministries, Departments and Agencies (MDA) and referral hospitals. Currently, this includes 23 ministries, 66 agencies; 22 referral hospitals; 36 missions abroad and 13 public universities.

GFS COMPILATION PRACTICES

The GFS compilation is in line with the current Government Finance Statistics Manual (GFSM 2014).

Data sources

The primary source of data is IFMS at the Ministry of Finance, Planning and Economic Development (MFPED), Department for Development Assistance and Regional Cooperation (DARC) at MFPED and Uganda Revenue Authority.

Classification

The classification of transactions is consistent with internationally accepted standards, guidelines, and best practices. Data is classified in accordance with the new chart of accounts issued in 2018, which is aligned to the classifications of GFSM 2001/14.

Basis of recording

The general government sector uses a modified cash basis of recording in their accounting and budgeting systems with all its transactions recorded on cash except for interest which is on accrual basis of accounting.

Valuation

All general government transactions are valued at market prices. In respect to the stock of assets, no valuation has been done. This has therefore not enabled compilation of the

Consumption of Fixed Capital (CFC) estimates.

Periodicity

The bulletin is produced quarterly with a time lag of one (1) quarter.

ANALYSIS OF GOVERNMENT OPERATIONS

Central Government Revenue

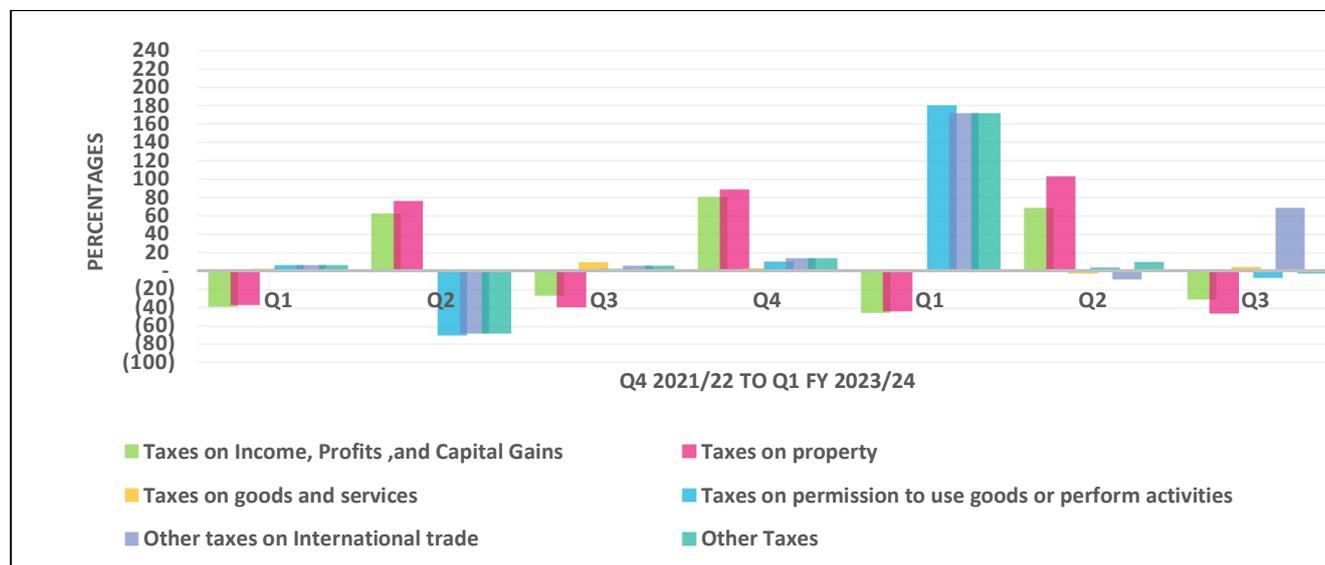
In Quarter three (Q3) of 2023/24, the net central government revenue (excluding tax refunds) was Shs 6.8 trillion compared to Shs 7.4 trillion collected in Quarter two (Q2) of 2023/24. This was a 9.1 percent decrease in the net quarterly central government revenue in Q3 2023/24 compared to Q2 2023/24.

During the period under review, the largest contributor to the net revenue was tax revenue accounting for 92.8 percent while non-tax revenue contributed only 7.2 percent to the total revenue.

Taxes on goods and services were the largest contributors to tax revenue items accounting for 47.4 percent in Q3 2023/24.

Among the non-tax revenue items, grants contributed 1.9 percent and other revenues contributed 5.4 percent to the total revenue, *See Figure 1 below.*

Figure 1: Composition of Quarter-to-Quarter Tax revenue changes from Q1 2022/23 to Q3 2023/24, Percentages



From figure 1 above, for the period under review, it can be observed that there was relatively high increase in only two tax categories from Q2 2023/24 to Q3 2023/24. These were taxes on international trade which

increased by 68.4 percent, taxes on goods and services which increased by 4.3 percent and. The highest reduction was in taxes on property (46.4 percent) and taxes on income, property and capital gains (31.1 percent).

Table 1: Summary of Central Government Expenditure from Q1 2022/23 to Q3 2023/24, Billion shillings

| | Q2 2022/23 | Q3 2022/23 | Q4 2022/23 | Q1 2023/24 | Q2 2023/24 | Q3 2023/24 |
|--|----------------|----------------|-----------------|----------------|-----------------|----------------|
| Central Government excluding transfers to Local Government | 7,094.9 | 5,992.7 | 8,044.9 | 4,692.8 | 7,904.2 | 6,358.9 |
| Transfers to Local Government | 1,284.2 | 1,566.8 | 1,747.5 | 1,178.1 | 1,537.9 | 1,648.2 |
| Donor disbursements/releases | 1,129.3 | 1,927.2 | 3,422.0 | 967.3 | 840.8 | 1,408.6 |
| Total | 9,508.4 | 9,486.7 | 13,214.5 | 6,838.3 | 10,283.0 | 9,415.7 |
| Quarterly changes | | | | | | |
| Central Government excluding transfers to Local Government | 42.8 | -15.5 | 34.2 | -41.7 | 68.4 | -19.6 |
| Transfers to Local Government | 23.0 | 22.0 | 11.5 | -32.6 | 30.5 | 7.2 |
| Donor disbursements | 4.4 | 70.7 | 77.6 | -71.7 | -13.1 | 67.5 |
| Total | 34.0 | -0.2 | 39.3 | -48.3 | 50.4 | -8.4 |

Source: Uganda Bureau of Statistics

Central Government Expenditure

The total central government expenditure including transfers to local government and donor disbursements was Shs 9.4 trillion in Q3 2023/24. This was 8.4 percent decrease in expenditure in Q3 2023/24 compared to Shs 10.3 trillion recorded in in Q2 2023/24, *See Table 1 above.*

The central government recurrent expenditure excluding local government transfers for Q3 2023/24 was Shs 5,613 billion, representing a 0.5 percent increase from Shs 5,586 billion for Q2 2023/24. Central government recurrent expenditure including grants to local government was Shs. 6.9 trillion in Q3 2023/24, which was a 2.6 percent increase from Shs. 6.7 trillion recorded in Q2 2023/24.

The central government development expenditure excluding transfers to local government for Q3 2023/24 was Shs 745.7 billion, registering a 67.8 percent decrease from Shs 2.3 trillion recorded in Q2 2023/24. Central government development expenditure including local government transfers was Shs. 1.1 trillion in Q3 2023/24 which was a 58.4 percent decrease from Shs 2.8 trillion recorded in Q2 2023/24.

The donor disbursements for Q3 2023/24 were Shs 1,408.6 billion, reflecting a 67.5 percent increase from Shs 840.8 billion recorded in Q2 2023/24. Most donor disbursements made in

Q3 2023/24 were for economic affairs accounting for 40.1 percent, followed by general public services accounting for 36.4 percent.

Analysis of functional and economic classification of recurrent expenditure (including transfers to local government) and development expenditure has been assessed as follows:

In terms of government functions, the largest recurrent expenditure for GOU in Q3 2023/24 was on general public services sector, accounting for 44.8 percent of which, most of the expenditure was for public debt transactions (interest accrued) representing 24.1 percent, while financial and fiscal Affairs, general economic, social and statistical services 10.1 percent. This was followed by defense accounting for 11.1 percent which was followed by public order and safety accounting for 8.0 percent respectively to the total government recurrent expenditure.

Transfers to local government accounted for 18.2 percent of total government recurrent expenditure in Q3 2023/24.

The largest share of the development expenditure was attributed to the economic affairs sector, accounting for 31.7 percent in Q3 2023/24 of which the transport (includes roads, railway, air transport and other forms of transport) sub sector had a share of 21.1 percent. The general public services sector

was the second largest contributor to the development expenditure with 18.4 percent in Q3 2023/24.

The percentage contribution of health expenditure to the overall development expenditure increased to 1.3 percent in Q3 2023/24 compared to a 1.8 percent recorded in Q2 2023/24.

Economic analysis of the GOU expenses showed that total expense for Q3 2023/24 was Shs 7,507.4 billion (including transfers to local government) compared to Shs 7,553 billion that was expensed in Q2 2023/24. This was a

0.6 percent decrease in the GOU expense between the two periods.

In Q3 2022/23, expenditure on acquisition of non-financial assets was about Shs. 500 billion, of which about Shs. 234 billion was spent on net Buildings and structures which accounted for 46.8 percent. This was followed by expenses on machinery and equipment, representing 44.5 percent (Shs. 222.3 billion). Also, Shs. 37.8 billion was spent on net acquisition of non-produced assets (land) which accounted for 7.6 percent.