

## PRESS RELEASE

### The COVID-19 Pandemic: The journey towards resuscitating the economy of Uganda: An opportunity not to be missed.

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**KAMPALA, UGANDA – Private Sector Foundation Uganda (PSFU)** has had many discussions with Government, in particular Ministry of Finance, the Prime Minister, various key players and partners to devise measures on how the economy can be revived during, and post COVID-19 pandemic. We see it as an opportunity to rethink and restructure our economy for a dynamic and sustainable future for Uganda, the region and Africa. It is a definite challenge to change our mindset and understand how the economy of the world is organized. Therefore, we are convinced that Government and private sector must work together in order to succeed.

The following intervention areas were proposed for Government's consideration;

1. Pay all domestic arrears (money owed by Government to companies & individuals in Uganda). This will increase liquidity in the economy. A list has been provided to Government.
2. Domestic Tax:
  - a) Deferment of Payroll Tax payments to ease business cash flows for the next 6 months
  - b) Payment of Outstanding VAT refunds by Uganda Revenue Authority
  - c) Proposal of Turnover-tax (*for those companies who file losses to URA*) in the current budget proposal should be postponed to next FY (21/22).
  - d) Tax on rental properties be frozen for six months effective April 2020 and no taxes should be increased on rental properties.
  - e) Lower taxes on products produced with locally sourced raw materials.
3. Financing:
  - a) Restructure Uganda Development Bank (UDB) to manage the new development bank dynamics
  - b) Capitalize UDB so that it can effectively support the financing requirements of Ugandan entities.
  - c) Support the tourism sector with a line of financing through UDB
  - d) Improve the Administration and structure of the Agriculture Credit Fund
  - e) Enact the NSSF (amendment bill) 2019 to increase the supply of long term financing for a cheap source of resources.



*Business growth is our business*

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- f) Recapitalize and procure more cargo aircraft for Uganda Air Cargo to ensure foreign market expansion.
  - g) Review the merits of merging Uganda Airlines in the Uganda Air Cargo and ground handling.
4. Production:
- a) Promote producer groups & cooperatives and an efficient Warehouse Receipt System to ensure food security.
  - b) Ensure value addition for both domestic and export markets.
  - c) Enhance the Buy Uganda-Build Uganda initiative (BUBU) in order to insure import substitution and make the young population find it attractive to go into manufacturing and value addition.
  - d) Strengthen capacity of UNBS to ensure standards of products which will also support our export receipts.
5. Transport & Logistics:
- a) The national task force and private sector are finalizing the management of truck drivers' movement
  - b) Promote and enforce a digitalization transport system for Ugandans to be able to access essential services.
  - c) The e-system should manage and monitor movements during this crisis like UAE has done. This will support the stickers being given by the Ministry of Transport, as well as distribution of food
6. Implementation of Policies
- a) Government and private sector to ensure that there's implementation and monitoring of service delivery in a scientific manner (Private sector has definite proposals to share with Government)

### **Our pledge;**

As representatives of the business community, we pledge to involve and reach out to the youth and women groups, Government and development partners to have a mindset change to cooperate in the fight against corruption, support the new education curriculum and to put emphasis on agriculture, manufacturing, digitalization, markets, & marketing Uganda for our tourism and value addition in all sectors.

We thank our President and Government especially Ministry of Health for a great job done in curbing the virus. Please keep washing your hands with soap, wear a face mask, and keep observing standard operating procedures as prescribed by the Ministry of Health.

**Hon. Dr. Elly Karuhanga**  
**CHAIRMAN, PRIVATE SECTOR FOUNDATION UGANDA**

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