

# ***State of the Nation Address***

***By***

***H.E. Yoweri Kaguta Museveni***  
**PRESIDENT OF THE REPUBLIC OF UGANDA**

***State House Entebbe***

***4<sup>th</sup> June, 2020***

His Excellency the Vice President;

Rt. Hon. Speaker of Parliament;

His Lordship the Chief Justice;

Rt. Hon. Deputy Speaker of Parliament;

His Lordship the Deputy Chief Justice;

Rt. Hon. Prime Minister;

Rt. Hon. Deputy Prime Ministers;

Hon. Ministers;

Hon. Members of Parliament;

Members of the Diplomatic Corps;

Distinguished Guests;

Ladies and Gentlemen, all of you the citizens of Uganda  
and our visitors.

Madam Speaker,

In fulfillment of the Constitutional requirement under Article 101 (1) of the Constitution of the Republic of Uganda, I am here to deliver the State of the Nation Address, 2020.

While still fighting, precisely at Kanyaara camp in Ngoma, the combined meeting of the High Command and NRC, adopted the 10 points of NRM political programme. These 10 points were:

POINT NO. 1

**Restoration of Democracy**

POINT NO. 2

**Restoration of Security**

POINT NO. 3

**Consolidation of national unity and elimination of all forms of sectarianism**

POINT NO.4

**Defending and consolidating national independence**

POINT NO. 5

**Building an independent, integrated and self-sustaining national economy**

POINT NO.6

**Restoration and improvement of social services and rehabilitation of war-ravaged areas**

POINT NO. 7

**Elimination of corruption and the misuse of power**

POINT NO. 8

**Redressing errors that have resulted in the dislocation of some sections of the population**

POINT NO. 9

**Co-operation with other African countries**

POINT NO. 10

**Following an economic strategy of a mixed economy**

As far as the economy is concerned, of these 10 points, the crucial ones are nos: 5, 9 and 10. Point no.5, talks of building an economy that is independent, integrated and self-sustaining. Point no. 9, talks of co-operation among African countries, in other-words, markets integration among other factors. Point no. 10, talks of using the strategy of a mixed economy (Government and private enterprises), in doing all this – rather than being morbidly fixated, ideologically, to either private enterprise alone or public enterprises alone. As usual, many of the people did not bother to grasp the importance of these points or, indeed, of the other 7 points. They thought that we were just talking to justify our role in national issues. On account of this, even when we captured power, we continued to face resistance in pushing these points from elements of the political class and the

bureaucratic class. We have actually continued to be in the bush even when we are in the Government and have continued to wage guerrilla warfare against the neo-colonial and colonial interests in Uganda. Much more could have been achieved, if it was not for this opposition.

It is the partial implementation of our programme, that is helping us to survive in this crisis of the virus and to even use the virus to take off in terms of the social-economic transformation, we have been talking about since the 1960s.

When this global crisis, therefore, descended on the World, I started hearing screams of pessimism coming from all sorts of sources. Immediately, I authored two documents that I will distribute to all the Honourable Members of Parliament (MPs) that talked about the “Real Economy”, on the one hand, as well as the “Vulnerable Economy”, on the other hand. The Real Economy is the economy that deals with the nine (9) basic human needs of: food, clothing, shelter, medicine, security, physical infrastructure (the railways, the roads, the electricity, the telephones, etc.), health infrastructure (hospitals etc.), the education infrastructure (schools, etc.) as well as the teaching

of numeracy, literacy, skilling and intellectuality and the spiritual work (churches, mosques, radios, TVs, etc). This is the real economy. It deals with the basic human needs. It is durable. Even in wars, this economy will survive. It is comprised of: agriculture, industry, ICT and some of the services (the professional services such as engineering, medical, legal, etc). This economy deals with basic human needs, as already pointed out; it is, as already pointed out, also durable and reliable. It is also beneficial to the society. If we were talking of nutrition, human nutrition, we would say that it would be body-building or body-nourishing – Adding nutrients to the body. It is also an economy for survival and prosperity. If you want to survive as a people, that is the way to go. If you want to prosper as a country, that is the way to go – Real Economy. If you want to benefit, the way to go is the way of the Real Economy.

The other economy is the Vulnerable Economy. This vulnerable economy, also happens to be the economy of leisure and pleasure. Leisure and pleasure, are optional. If you can get them, it is all

right. If you cannot, you will, however, survive, nevertheless. These are activities that add leisure and pleasure to a human being; but, if necessary, he/she can survive without them. They are optional and additional. These are sectors like: tourism, entertainment, bars, night-clubs, cruises on ocean-liners, theatre-going, import-business for luxuries (carpets, perfumes, wines, spirits, wigs, etc). Some of these activities, are not only for pleasure, leisure and optional, they are also parasitic. They take nutrients from us and do not add any energies for our growth. These are activities like the imports of luxuries. Luxuries are good. We should, however, produce them ourselves. It is so wrong to buy luxuries from other countries when they buy little from us. Banyankore call this: “*obubaagyi*” (squandering wealth). Some of the leisure sectors, although vulnerable, they are, at least, beneficial. These are sectors like tourism, entertainment, etc. They bring in money instead of taking out money – out of Uganda.

Nevertheless, to have a firm economy, we must go back to the Bible, in the Book of Matthew, Chapter 7 Verses 26-27. It talks of a foolish man that built his house on sand: “*But everyone who hears these words of mine and does not put them into practice is like a foolish*

*man who built his house on sand. The rain came down, the floods came and the winds blew and beat on that house; and it fell – and great was its fall”.*

It is now 78 days since the lockdown we launched on the 18<sup>th</sup> of March, 2020, in response to the pandemic of the corona-virus. In that lockdown, we stopped all international passenger flights into and out of Uganda, the tourists are no longer coming, foreign investors are not coming, the Ugandans abroad are, may be, sending less money to their relatives because they are also facing problems where they are, etc.

However, Uganda is still standing and coping with the virus, the floods, the landslides, the rising water-levels in the Lakes, the locusts, the floating islands, the security of the country, the crime, feeding millions of our people, etc. Why? It is on account of some of the few of our ideas that we have managed to implement, in spite of the endless opposition that we always face.

We have built a strong Army; we have built a powerful LC system, the fact that it is not well facilitated financially notwithstanding; we have surplus electricity on account of the correct prioritization, with Parliament support, in 2006; we have a good road network of tarmac roads, totaling



5,111kms; on account of our correct agricultural policy, we have a lot of agricultural products for food-security and for commerce in the form of: bananas, maize, beans, irish-potatoes, cassava, coffee, tea, cotton, cocoa, milk, beef, fish, poultry, eggs, flowers, etc., etc. Apart from feeding us, these agricultural products end up by earning for us US\$2,005million (49% of total merchandise exports) if we take the year 2019. Even in this lockdown, since March, the following agricultural products have earned for us as follows:

(a) **Coffee:**

March	-	US\$45.87million
April	-	US\$36.928million
May	-	.....

(b) **Tea:**

March	-	US\$5.15million
April	-	US\$6.145million
May	-	.....

(c) **Fish:**

March	-	US\$14.98million
April	-	US\$6.831million
May	-	.....

(e) **Maize:**

March	-	US\$10.23million
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April	-	US\$6.256million
May	-	.....

Our agriculture is, therefore, not only feeding us almost 100%, but also earning dollars for us of the magnitude of US\$ 2.005billion.

Our correct policy on the private sector, the corruption and obstruction of many of our public servants notwithstanding, has also attracted a total of 5,200 factories. These are producing: cement, steel bars, soap, mattresses, mabaati, sugar, cooking oil, rubber tyres, textiles, beverages, beers, etc., that bring in a total of US\$2.09billion. This sector is ready for even a qualitative change by starting manufacturing buses, mini-buses, pick-ups, small cars, bicycles, etc.

The ICT sector is a growing one, employing 1,282,818 persons with 380,896 companies engaged in information technology, telecommunications, broadcasting, postal and courier and audio visual. Therefore, these are the sectors of the economy that will not easily collapse because of the corona-virus. The son of Mr. Warren Buffet, whom they claim to be the 2<sup>nd</sup> richest man in the World, came to visit me at Kisozi. I asked him how many cattle his father had.

He told me that he did not own any cattle, but owned railways, etc!! I had never seen a rich man without cattle and land and I told him so. Recently, I saw some people trying to get rid of shares in the Airline companies as hot potatoes because of the corona-virus pandemic. My farm-based wealth, land on which the farming takes place, are going nowhere. They were here yesterday, today and tomorrow.

In spite of the obstructions by the neo-colonial actors and foreign backers, Uganda is able to stand up today and weather this storm because of the correct actions we took. The vulnerable portions of the economy, have collapsed. However, the real economy is standing up and expanding, especially in agriculture and industry.

If we take industry, in just the last few months of this crisis of the virus, by March, 2020, we had only two factories, known as Saraya East Africa Limited and the Luwero Industries making sanitizers. We now have 107 factories. By March, 2020, there was not even one factory making masks in Uganda and we were told that there was a global shortage, etc. I told some of our factories including Nytil, UIRI, NEC, etc., to make these masks. We now have factories making the masks – we received requests from 61

factories but, only 10 have been certified. There was a big shortage of PPEs in the World. I told some of our factories, including Mulwana, to solve this problem. They have risen to the occasion and they are producing the PPEs.

The pharmaceutical plants like the “Quality Chemicals”, the scientists like Dr. Nantulya, have all joined the battle of banishing the unhealthy dependency on the outside for our livelihood and paying alot of money in the process as well as losing alot of jobs. In the area of manufacturing medicines, there are young Ugandans that have been being tossed around and even persecuted by the unpatriotic and colonial agents in the system. These are people like Dr. Nambatya, Mathias Magoola, etc. However, their protracted struggle is, finally, going to succeed. Dr. Nambatya is moving ahead, with Government support, to isolate import substances that will help us to fight many viruses. Magoola and Dr. Kyakulaga, now supported by some African Banks such as Equity Bank of Kenya are creating a World class pharmaceutical group, known as Dei-Pharma, that will make any and all the medicines the country needs and even export. Incredibly, three days ago, a group answering to the description of the so called Financial Intelligence Authority had closed

their Bank accounts claiming that they did not know where their money was coming from and what it was doing. Yesterday, I visited one of their huge factories in Matugga, near my camp no. 3, near Buwambo, in that area during our bush war. Why couldn't Financial Intelligence check what these people were doing on the ground? How could they fail to know that the money was coming from Equity and other Banks? I am going to get to the bottom of these treacheries by all these elements that have been fighting our Revolution. Anyway, the Bible says that whatever you sow, that is what you harvest. *Omuntu ekyabiba nikyo agyesha (buri muntu yenna, kyasiga, kye kyakungula)*. This is in the Book of: Galatians, Chapter 6, verses 7-9. It says: *"Don't be deceived: God is not mocked. Whatever a man sows, he will reap in return. The one who sows please his flesh, from the flesh he will reap destruction; but the one who sows to please the spirit, from the spirit will reap eternal life. Let us not grow weary in well-doing for in due time we will reap a harvest if we do not give up"*.

As I was visiting Dei-Pharma factory yesterday, I could hardly recognize our ambush sites: Kawanda, Matugga, Kiggogwa. They are all built-up now, especially, especially with factories, factories. The only mistake is that some of the factories are built in the wetlands. Those already built or being built

should be allowed to continue. Demolishing an already built factory is not common-sense. They are very expensive and very useful. However, I direct UPDF to take an aerial map of that area that will show us the factories already in the wetlands or being built, so that no new ones will added. We want more and more factories, but build on dry land, not the wetlands. The CAOs, the Gombolola chiefs and the GISOs in these areas will be held accountable.

The Import Bill of Uganda is normally US\$7billion per year broken down as:

<b>Standard International Trade Classification (SITC) Description</b>	<b>US\$-2019</b>	<b>% share</b>
Animal & Animal Products	40.62	1%
Vegetable Products, Animal, Beverages, Fats & Oil	452.20	7%
Prepared Foodstuff, Beverages & Tobacco	220.06	4%
Mineral Products (excluding Petroleum products)	1,246.02	20%
Petroleum Products	956.65	15%
Chemical & Related Products	559.39	9%
Plastics, Rubber, & Related Products	380.47	6%
Wood & Wood Products	149.27	2%
Textile & Textile Products	243.72	4%

Miscellaneous Manufactured Articles	271.49	4%
Base Metals & their Products	439.12	7%
Machinery Equipment, Vehicles & Accessories	1,223.93	20%
Arms & Ammunitions & Accessories	0.39	0%
Electricity	2.80	0%
<b>TOTAL</b>	<b>6,186.14</b>	100%

When you look through this list, you see that there is no reason why we should import many of these items: medicines, textiles, leather products, industrial sugar for use by coca-cola, industrial starch for use by the Pharmaceutical Industries, paper, packaging materials, glass products, automobiles, bicycles, etc., etc. Many of these can and will be made here.

The corona-virus pandemic, by temporarily blocking the channels of dependency and collapsing the economy of leisure and pleasure, has re-inforced we, the patriots, that have, for long, stood against neo-colonial dependency of the unhealthy *kushaka* (*kusaka* in Luganda). *Kushaka* is the act of a homestead of a lazy family that does not grow their own food and have to buy from other families. It is a disgrace to be in that situation in the villages. This is different from *Kuchurika* (barter trade), because that one is symbiotic. You give what you produce

and get what you do not produce. Uganda's position, Africa's position, has been the unhealthy *kushaka*, even what we can produce ourselves.

The Cabinet has accepted this analysis of emphasizing and fully developing the Real Economy of survival and prosperity on a durable basis, as already pointed out at the beginning. The real economy capacity and potential of Uganda are in: Agriculture; Industry; ICT; and some of the services that have durable demand that is not easily affected by crises.

In agriculture, we have: bananas; maize; cassava; beans; irish-potatoes; sweet potatoes; millet; sugar-cane; cattle for dairy products; cattle for beef and leather; coffee; tea; cocoa; and fish. We are going to produce more and better each of these 14 crops or livestock activities and process industrially each one of them to achieve the full spectrum benefits of each for the local, regional and international markets. I can give a few examples to illustrate this point.

Our scientists, Dr. Florence Muranga, many years ago, discovered that flour from bananas can make better and safer bread than wheat flour that contains a substance known as gluten that is not good for human nutrition. With alot of resistance from the agents of colonialism, I have been funding the banana project, including the patenting of the



formula. This year, Shs.9.5billion has been released and next financial year, Shs.12billion will be released to conclude this project. The global demand for wheat is worth US\$43.6billion. This is, potentially, the market that is waiting for the banana flour. The wheat flour imported into Uganda alone today, takes US\$300million per annum.

You come to cassava. Out of cassava you can get pharmaceutical grade starch to use in making tablets. We have a young pharmaceutical industry (making medicines). Making tablets, for instance, needs high grade starch. This is now being imported from China and India. This cost adds 7% to the cost of medicine per unit, moreover, in foreign currency. We are getting cooking gas from the alcohol from the cassava starch. Animal feeds can be made from the cassava flour. Uganda has been importing animal feeds worth Shs.28billion per year. Yet, these are from cassava, maize, etc – crops that we have in plenty here – cassava, 4.1million tonnes per annum; and maize, 5million tonnes per annum. I have already mentioned the issue of industrial grade sugar for use by soft drinks makers like coca-cola and pharmaceutical grade sugar for use in making baby medicines that need sweeteners. With Uganda alone, we import industrial grade sugar worth

US\$40.251million per annum. Wasted foreign exchange; yet, we are suffering with unsold drinking sugar that simply needs more refinement to save the US\$40.251million that is spent on that unnecessary import. I have not checked on whether our people have isolated the amount of pharmaceutical grade sugar that is needed to sweeten all the baby medicines that we use in Uganda. However, Uganda imports medicines for humans and livestock including vaccines, worth US\$383.035million per year. We intend to make most of these here and also to make most of the inputs (raw-materials) here.

You come to dairy products. Uganda is now producing 2.6billion litres of milk per annum. This rose from 200million litres in 1986 when Uganda was importing powdered milk from Denmark, adding on Lake Victoria water and a funny little Government company that was answering to the description of the “Uganda Dairy Corporation”, would stamp that product as: “Made in Uganda”. The only Ugandan-ness in the product, was the water from Lake Victoria.

Today, we have a huge surplus because the demand in Uganda is 800million litres. Yet, the production has hit 2.6billion litres and is growing. Of course,

the “surplus” itself is artificial. It is simply because the Ugandans are still under-consuming when it comes to the milk the human body requires. According to the World Health Organization (WHO), a human being needs 210 litres of milk per annum to get all the calcium, phosphorous, etc., the body needs. With 43million Ugandans, the country needs 9billion litres of milk per annum. Hence, this “surplus” is artificial; but it is the present reality. This is, however, not a problem. The global demand for milk products is worth US\$718billion. Uganda can get quite abit of this. Our farmers and processors, however, need to know that to sell internationally, we must have good quality milk and cheaper than the milk of New-Zealand, Ireland, etc. The market, however, is there.

You come to beef, pork, poultry, etc. The global demand for these meats, is US\$945.7billion. Uganda can get quite abit of this money with our 14.4 million cattle, 15.6 million goats, 50 million chicken, 4.1 million pigs, 3.9 million sheep, etc. We just need to work on the quality.

Then, there is the fish. The global demand for fish and fish products is US\$125.6billions. The Uganda portions of the Lakes: Nalubaale (Victoria), Kyoga,

Mwitanzigye (Albert), Rweeru/Masyooro (George), Butuumbi/Rutshuru (Edward), can produce a total of 447,000 tonnes of fish per annum if we eliminate the cancer of bad fishing by parasites in our society. In addition to fishing from the Lakes, I have been promoting fish-farming using the *miiga* (edges of our papyrus swamps), the *myegyeeego* (the edges of the other swamps), to do fish-farming instead of destroying our precious wetlands with low-profits rice, yams, etc. The example we have shown at Limoto in Pallisa district, where the population is now earning Uganda shillings 70 million (after removing the operation expenses) per annum from 5 fish ponds, only using 1.23 acres, instead of the previous Shs. 7million per annum, using almost 10 acres of the swamp area. The swamp in that zone is now fully restored and the community is earning better. At Kawumu, my 4 fish ponds in one (1) acre, are earning, for my people, Shs. 68 million per year. Fish farming can generate more fish than even the Lakes. The swamps of Busoga, Bukedi, Teso, Lango, Kigyezi, Ankole, Buganda and the Nile valley between West Nile and Acholi, should only be utilized for this highly profitable fish-farming and for the environmental protection. Nothing else should be allowed in or near those swamps, lakes and rivers. The recent losses to those who had

encroached on the land for the lakes, the wetlands and the river valleys, should be an eternal lesson to all of us. In the Bible, in the Book of Genesis, Chapter 11, verses 1-9, there is the story of the Tower of Babel. It says: *“And the whole earth was of one language, and of one speech. <sup>2</sup> And it came to pass, as they journeyed from the east, that they found a plain in the land of Shinar; and they dwelt there. <sup>3</sup> And they said one to another, Go to, let us make brick, and burn them thoroughly. And they had brick for stone, and slime had they for mortar. <sup>4</sup> And they said, Go to, let us build us a city and a tower, whose top may reach unto heaven; and let us make us a name, lest we be scattered abroad upon the face of the whole earth. <sup>5</sup> And the LORD came down to see the city and the tower, which the children of men builded. <sup>6</sup> And the LORD said, Behold, the people is one, and they have all one language; and this they begin to do: and now nothing will be restrained from them, which they have imagined to do. <sup>7</sup> Go to, let us go down, and there confound their language, that they may not understand one another's speech. <sup>8</sup> So the LORD scattered them abroad from thence upon the face of all the earth: and they left off to build the city. <sup>9</sup> Therefore is the name of it called Babel; because the LORD did there confound the language of all the earth: and from thence did the LORD scatter them abroad upon the face of all the earth.*

It is neither common sense nor good economics for anybody to oppose what God arranged. In the Book of Genesis, chapter 1, verses 9-10, God marked the boundaries between dry land and water. It says: *“And God said, “Let the water under the sky be gathered to*

*one place, and let dry ground appear.” And it was so. <sup>10</sup> God called the dry ground “land,” and the gathered waters he called “seas.” And God saw that it was good.*

Most of what we have said above is the implementation of the point no. 5 of the NRM 10 Points programme: “building an economy that is independent, integrated and self-sustaining”. Have we not sustained ourselves in this crisis or in a bunch of crises: corona-virus, locusts, rising waters of the Lakes, floods, landslides or floating islands? Much of what we said above, is the partial integration between agriculture and industry. Our plan is to intensify, broaden and fully take advantage of that integration to fill all the unnecessary gaps that I pointed out above and also fully benefit from the global economy by joining the export businesses. The economics of Africa are correctly described as under-developed because, indeed, they have a lot of potential which is not fully utilized. It is under-utilized, under-developed. We are going to fully develop that potential and become developed countries. We are lucky because we have everything: agriculture that produces so many products; entrepreneurial classes that can process all and every agricultural product using appropriate factories; electricity and other infrastructure

elements that assist processing; a large, educated, young population that can run modern economies; a big regional market created by the African Pan-Africanists ever since the time of the Lagos Plan of Action; and huge international markets available to Africa, Uganda included, on account of the historical factors that favour Africa.

In the other document, I quote two examples, that of Ireland and New-Zealand. Ireland is a very small country, with a land area of 68,883 sq. kms, about one third of Uganda. 80% of that little country is used for the Dairy Industry. They earn US\$5.2 billion from that activity alone. New-Zealand, from the Dairy sector, earns US\$7.8 billion. Here, in Uganda, we are not talking of one or two activities. In agriculture alone, I have identified for you 14 products, each with a potential for earning for us billions of dollars and creating very many jobs. The little we have done in the direction of building an independent, integrated and self-sustaining national economy, has seen us through endless regional crises of: South Sudan, Rwanda, Congo, Somalia, etc.; as well as navigating us now through a pandemic of the corona-virus and the other natural calamities I have already pointed out above.

The above, is all based on the utilization of our agriculture potential and integrating it with manufacturing (industry). How about then, minerals, forestry and the human resource (products of the brain through IT, engineering, etc.)? There is even bigger potential there. We are already self-sufficient in cement and we are exporting cement worth US\$57million (2019), a decline from US\$103million exported in 2013, due to the increased internal usage of cement on account of the heavy infrastructure investments we are undertaking and the growth in the real estate sector. We produce 289,183 metric tonnes of recycled steel (*mitayimbwa*, etc.) and we earn US\$110 million from exporting steel products. We are in the process of developing vertically integrated steel industry from our iron-ore (obutare) at Usukuru in Tororo, Muko in Rubaanda and Butogota in Kanungu. The global steel industry is US\$2.5trillion. Although we are making steel products using recycled scrap, strong structures like dams need fresh and alloyed steel that we are still importing. We end up using US\$444.619millions for this imported higher quality steel products. This we are going to end by developing our own vertically integrated steel industry as already pointed out.



We built a Gold Refinery at Entebbe. That gold refinery was and is still being fought by the neo-colonial agents. We shall, however, defeat them. The refinery is earning US\$1.256billion per annum. When I was trying to control the mining of gold in Uganda, I was opposed even by members of Parliament. They do not want Uganda to have a Gold Refinery. Refineries do not belong to countries like Uganda. They should be in Dubai, South Africa, etc., but not in Uganda, according to these enemies. We say: “No, the Gold Refinery in Uganda will be defended by all the policy instruments”. Now that gold is being refined here, Madam Nakyobe, using my small innovation fund, should start to teach some of the grand-children the skills of jewellery. The rich Ugandan ladies will be able to buy the gold jewellery made here instead of squandering money buying the same from distant sources. We already have a good ceramics’ industry at Kapeeka, making ceramic tiles, saving US\$28.5million in imports and also bringing in US\$3.05millions earned from exports. These ceramic tiles are from our clay (*eibuumba*). When the copper mining resumes at Kilembe, that sector will be linked to the making of cables for electricity, transformers for electricity, etc., rather than what was happening in the 1950s and 1960s when the copper would only be processed

to 94% purity (blister copper), that could only be exported as a semi-processed raw-material. It could not be used in our cables' industry. To do that, you need to purify copper to 99.9%, known as cathodes copper. Even uranium, I rejected the plans of the neo-colonial agents of exporting uranium so that others use it to generate electricity when Uganda has only a total potential of 4000mgwts on all the River Nile sites and those of its tributaries. A country like Japan generates a total of 298,350mgwts. Where will Uganda get all the power it needs if hydro-power is not enough? Or has it been biologically proven that Africans do not need electricity? As long as I am in charge of the country, no uranium will ever be exported from Uganda. Let it remain in the ground. When solar-power becomes as cheap as hydro-power, then the politics and economics of energy will change. Until then, *sita-kange* (I do not give up what is mine).

Having fully exploited our mineral wealth, by linking minerals with industries, with the real economy, that leaves the wealth based on the human brain and human skills in the form of IT knowledge, engineering, etc. With our educated population, literacy rate of 75%, this is now a real opportunity. Our scientists, in particular, apart from being active in the agro-based industries of starch, processed fruits, dairy products, etc., they have also moved

into engineering of designing and fabricating automobiles, the bio-chemistry of vaccines, etc. Besides, the private sector is also active in import-substitution by assembling computers, TV-sets, mobile phones, radio-sets, etc., here.

How will all this be funded? Some of the funding is FDI, mainly from our Chinese and Indian friends. A lot of new factories are coming up funded in this way. The recent examples of these are: Simi factory – mobile phones and radios; Saachi factory – TVs, flat irons, radios; Goodwill factory – ceramics; etc. With the Ugandan entrepreneurs, the Government has put Uganda shillings 1,040.5 billions in the (Uganda Development Bank (UDB) to give low interest loans to anybody that wants to go into manufacturing and, may be, commercial agriculture. We shall continue putting more money for this purpose into UDB. The third source of money for this effort is our wealth funds that need to be reinforced. These are, especially, the Myooga Funds (funds based on the respective specializations – metal works, carpentry, etc).

This is on top of the Youth, the Women and the NAADS funds. A Ugandan family named one of their children: “Balibaseka” (they used to laugh at my efforts, not believing that value will come out of them). Those who thought that not much would come out of NAADS,

should do something to themselves, maybe *kwetuga* (suicide), out of honour, because what they laughed at has now pushed Ugandan's production of coffee from 4 million, 60kgs bags, to 7 million bags. Only, now Agriculture needs to tell us on what more guidance that is needed to ensure that the coffee gives the big size berries, known as screen 18, etc. We shall sensitize our people and they will do it correctly as we mobilized them for war and they did or recently for corona-virus and they are doing it.

Some of those funds will be modified to deal with the categories of our people that have been affected by the lockdown. Those affected, include: the boda-boda riders, the salon operators, the bars people, the night-clubs people, the artists, etc. These funds can be used, at low interest, for these categories of our people to, possibly, do other activities. A team from Operation Wealth Creation (OWC) has looked at the budget and suggested ways of savings that can save as much as Shs. 5 trillion from the budget that can do all those efforts mentioned above.

Besides, the Minister of Finance, Planning and Economic Development is proposing the following measures, to provide liquidity to private firms that have been affected by the COVI-19 Lockdown:

- (i) Allow corporations including small and medium sized enterprises (SMEs) to delay payment of corporation tax or presumptive tax for taxes due between April and June 2020 and for tourism, manufacturing, horticulture and floriculture to defer until September 2020;
- (ii) Defer payment of Pay-As-You Earn (PAYE) tax by those sectors which are most affected until September 2020;
- (iii) Waiver of interest on tax arrears;
- (iv) Support to water and electricity utilities in order to ensure continued supply of these essential services to consumers during the period April to June 2020;
- (v) Expedite payment of outstanding VAT refunds;
- (vi) Payment of domestic arrears for goods and services supplied to Government by the private sector;
- (vii) For those unable to pay their loans, Government through the Bank of Uganda has already put in the gazette the measures to support businesses; including allowing extension of repayment periods, postponement of loan repayment for a limited period, relaxing the conditions for non-performing loans, reduction of reserve funds commercial banks are required to keep with Bank of Uganda and creating a

special liquidity facility to rescue businesses that are not able to meet operational costs due to low demand or reduced production due to COVID-19;

- (iii) Capitalisation of Uganda Development Corporation (UDC) with Ug Shs. 100 billion to enable Government to invest in strategic areas;
- (ix) Boosting funding to Uganda Industrial Research Institute (UIRI) in FY 2020/21 to continue with innovation research and incubation of business start-ups.
- (x) Securing funding for the development of Kampala Industrial Business Park at Namanve and for power transmission and substations for Mbale, Kapeeka, Bweyogerere, Kasese, Soroti, Luzira, Jinja and Mbarara industrial parks; and
- (xi) Provision of additional UGX 300 billion immediately to boost agricultural production and productivity for seedlings, fertilizers, irrigation, storage facilities and value addition. The target crops are coffee, cotton, tea, palm oil and other oil seeds, cassava, maize, cocoa and dairy, beef, and fish production.

All these efforts will be much easier when our Government scientists are paid well. They will be able to contribute to the economy without being

distracted of having to survive when it comes to the basics of life. Our scientists must be paid at a level comparable to international standards, but of course, taking into account our low cost of living. The prices of food here and other products are much cheaper than in other parts of the World. This factor should be taken into account when fixing the salaries of scientists.

The Government will not allow the landlords evicting tenants on account of not paying rent. Discussions have started with both groups and a solution will be found. This lockdown is new for people in the towns. However, we the cattle keepers repeatedly face lockdowns lasting for many months whenever, there are epidemics of foot and mouth (*ejwa*) or CBPP (*Kihaha*). Quarantines are normally imposed. However, we survive and thrive later. The people affected should be registered and an appropriate formula of support will be found that does not create dependency. Food distribution for the genuine groups will continue until the problem is over. Nevertheless, many families in Uganda do not need free food; they just need seeds and low interest money for borrowing and markets for their products. These measures will deal with the deepening and expansion of the Real Economy.

This does not mean that we do not value or appreciate the Vulnerable Economy, the economy of leisure and pleasure. Of course, we value it if it is available. We only note its vulnerability. With real economy consolidated, the vulnerable economy will come back stronger when the pandemic is over. By correctly managing the pandemic, the reputation of Uganda will grow in the World. After the pandemic, people will flock here. The diaspora are now sure of a secure and respectable base, their homeland. Hence, to harvest from the economy of leisure and pleasure, we need to consolidate and expand the real economy. Happily, the leisure and pleasure economy was already integrated with portions of our real economy. The hotels in Kampala, were buying a lot of food from our agricultural sector. The drying up of the local hotel capacity, has created a marketing problem for the food industry. That is why some of the farmers are beginning to process the foods, e.g. eggs, into food supplements. Out of egg-yolk, they are extracting mayonnaise, shampoos, body creams, protein supplements and from the egg-white, they are making low density cholesterol and from the egg-shell (*ekishankara*), they get calcium and potassium.



Out of milk, apart from cheese, butter, yoghurt, etc., they also get casein which is a protein supplement that is used for body builders, for cancer patients and it can be used by pharmaceutical companies to make the digestible shells of capsules that carry the medicine powder into our stomachs.

Therefore, the portions of the real economy that were integrated with the leisure and pleasure industries, will find ways of surviving the temporary collapse of that vulnerable economy. By the time the vulnerable economy stands up, again, our agriculture and industry will have broadened their opportunities. There is nothing to lose. Only, we are becoming wiser and stronger. We have everything.

Therefore, in conclusion, the pandemic should help those who had not believed the NRM before that there are two categories of the economy: the real economy around the nine human needs of: food, clothing, shelter, medicine, security, infrastructure, health, education and spirituality and the leisure and pleasure economy around: tourism, entertainment, holiday-making, sports, concerts, music, etc. The former is for survival and prosperity and the latter is additional and optional.

In this crisis, Uganda is emphasizing, consolidating and broadening the real economy; ultimately, Uganda will benefit from both.

I will conclude this address by asking the whole country to remember some of our well known citizens that died since the last State of the Nation address. These include:

- (i) Late Justice Ntabgoba; the former Principle Judge;
- (ii) Late Meddie Kaggwa; Chairman Uganda Human Rights Commission;
- (iii) Late Dr. Kanyerezi Masembe; Chairman and Co-founder of Kampala Hospital, former Head of the Department of Internal Medicine at Makerere University School of Medicine;
- (iv) Late Prof. Edward Ddumba; former Executive Director of Mulago National Referral Hospital and Medical Director of St. Francis Hospital Nsambya;
- (v) Late Maj. Gen. Benon Biraaro; a former Senior UPDF Officer;
- (vi) Late Maj. Akorimo Kanuti; who hoisted the Uganda National Flag for the first time on 9<sup>th</sup> October, 1962;

- (vii) Late Luwemba William Apuuli; the Under-Secretary, Ministry of Justice and Constitutional Affairs;
- (viii) Late Jimmy Kirunda; a former footballer who captained the National team to the African Cup finals in 1978 and;
- (ix) All other Ugandans who have passed away since the last State of the Nation Address.

Let us stand for a minute of silence to remember, them. May their souls in eternal peace.

I thank you and wish you good luck.

### **ENACTMENT OF LAWS**

25 Bills were passed into Law as shown below:

<b>DATE</b>	<b>BILL</b>
02/06/20	The Administration of the Judiciary Bill, 2018
28/05/20	The National Payment Systems Bill, 2020
20/05/20	The National Local Content Bill, 2019
24/04/20	The Appropriation Bill, 2020
21/04/20	The Excise Duty (Amendment) Bill, 2020
16/04/20	The Income Tax (Amendment) Bill, 2020
15/04/20	The Value Added Tax (Amendment) Bill 2020

- 14/04/20 The Stamp Duty (Amendment) Bill, 2020
- 14/04/20 The Tobacco Control (Amendment) Bill, 2020
- 18/03/20 The Sugar Bill, 2019 which had been returned to the House by H.E the President in accordance with Article 91(3)(B) of the Constitution and Rule 142 of the Rules of Procedure.
- 05/03/20 The Electoral Commission [Amendment] Bill, 2019
- 05/03/20 The Political Parties and Organizations [Amendment] Bill, 2019.
- 04/03/20 The Local Government [Amendment] Bill, 2019
- 03/03/20 The Parliamentary Elections [Amendment] Bill, 2019.
- 27/02/20 The Presidential Elections [Amendment] Bill, 2019
- 31/01/20 The Public Procurement and Disposal of Public Assets (Amendment) Bill, 2019
- 29/01/20 The Traffic and Road Safety Act 1998 (Amendment) Bill, 2019
- 27/11/19 The Institute of Parliamentary Studies Bill, 2019
- 03/10/19 The Physical Planning (Amendment) Bill, 2018
- 11/09/19 The Law Revision Bill, 2019
- 11/09/19 The Supplementary Appropriation Bill, 2019
- 20/08/19 The Law Revision (Penalties in Criminal Matters) Miscellaneous (Amendment) Bill, 2015
- 15/08/19 The Kampala Capital City Authority (Amendment) Bill,

2015

25/07/19 The Anti-Money Laundering (Amendment) Bill, 2019

26/06/19 The Landlord and Tenant Bill, 2018