

Strong growth in the industry and agriculture, forestry and fishing continues to sustain Uganda's lower middle income status, according to data from Uganda Bureau of Statistics (Ubos).

A pre-election report released by Ubos indicates that the industry sector registered good growth expanding by 6.9 percent in the 2024/25 financial year.

The growth was 1.4 percentage points compared to 5.5 percent registered in the 2023/24 financial year.

Ubos noted that the expansion reflected strong momentum in both manufacturing and construction.

Despite the growth, a previous report by Uganda Manufacturers Association (UMA) indicates that Uganda's industrial capacity continues to perform below capacity, largely due to the high cost of doing business.

The Ubos report further shows that agriculture, forestry, and fishing also registered strong growth of 6.8 percent, up from 5.6 percent in the 2023/24 financial year.

However, the services sector, which remains a key contributor to economic activity, registered subdued growth, expanding by 5.4 percent, which was lower than the 6.4 percent registered in the 2023/24 financial year.

Lower middle income

The growth, the report notes, continued to sustain Uganda as a lower middle income country, with per capita growth in terms of gross domestic product improving to \$1,306 (Shs4.69m) in the 2024/25 financial year, which is above the entry measure of \$1,136 (Shs4.08m).

While delivering the 2022 State of the Nation Address, President Museveni announced that Uganda had attained the lower middle income status.

However, the World Bank, which institutes different measures for income attainment challenged the pronouncement as premature.

Government has, however, since maintained that Uganda had attained the lower middle income status, which would be cemented if the country maintains the income per capita income for at least three years.

Ubos data shows Uganda's lower middle income status firming up



Key figures

\$1,13

While delivering the 2022 State of the Nation Address, Mr Museveni said Uganda's income per capita had risen to \$1,136.

\$1,306

Ubos data shows that Uganda's gross domestic product per capita has improved to \$1,306 (Shs4.69m) in the 2024/25 financial year.

Ubos data indicates that Uganda's middle income status is now cemented with per capita income rising in the 2024/25 financial year to \$1,306 (Shs4.69m) from \$1,159 (Shs4.16m) in the 2023/24 financial year. PHOTO/FILE

Ubos data indicates that the status has now been cemented with per capita income rising in the 2024/25 financial year to \$1,306 (Shs4.69m) from \$1,159 (Shs4.16m) in the 2023/24 financial year.

The World Bank measures the middle income status under two categories, with lower middle income ranging between \$1,136 (Shs4.69m) and \$4,495 (Shs16.15m), while upper middle income ranges between \$4,496

(Shs16.16m) and \$13,935 (Shs50m).

Ubos data further indicates that Uganda's gross national income per capita during the 2024/25 financial year improved from \$1,131 (Shs4.06) in the 2023/24 financial year to \$1,278 (Shs4.59m) in the 2024/25 financial year.

The report further shows that on the demand side, during the 2024/25 financial year, aggregate demand grew by 10.5 percent, while investments and export receipts rose by 7.2 percent and 36 percent, respectively, reflecting broad-based growth and stronger domestic and external economic activity.

Strong growth momentum

Ubos executive director Chris Mukiza said in notes published with the report that government expects to maintain strong growth momentum going forward.

"Currently the domestic economy is projected to expand by 6.6 percent in real terms, and register above 7 percent growth in the medium term," he said.

Dr Mukiza said the growth will mainly be driven by expansion in oil and gas sector activities, with first oil production expected in the 2026/27 financial year, creating significant linkages with manufacturing, construction, transport, real estate, tourism, financial services, and agriculture sectors.

Other drivers will include continued investment in infrastructure development, including roads, railways, highways, bridges, industrial parks, and affordable electricity, facilitating increased industrial and manufacturing activity.

Government will also need to strengthen agricultural and agro-processing output, supported by the ongoing parish development model, increased access to irrigation equipment, machinery and extension services.

Dr Mukiza noted that government is also working towards expanding access to well established markets within the region and around the globe.