

IMPACT OF COVID-19 ON UGANDA'S BUSINESSES

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Outline of the presentation

1. Context

2. Effects of measures

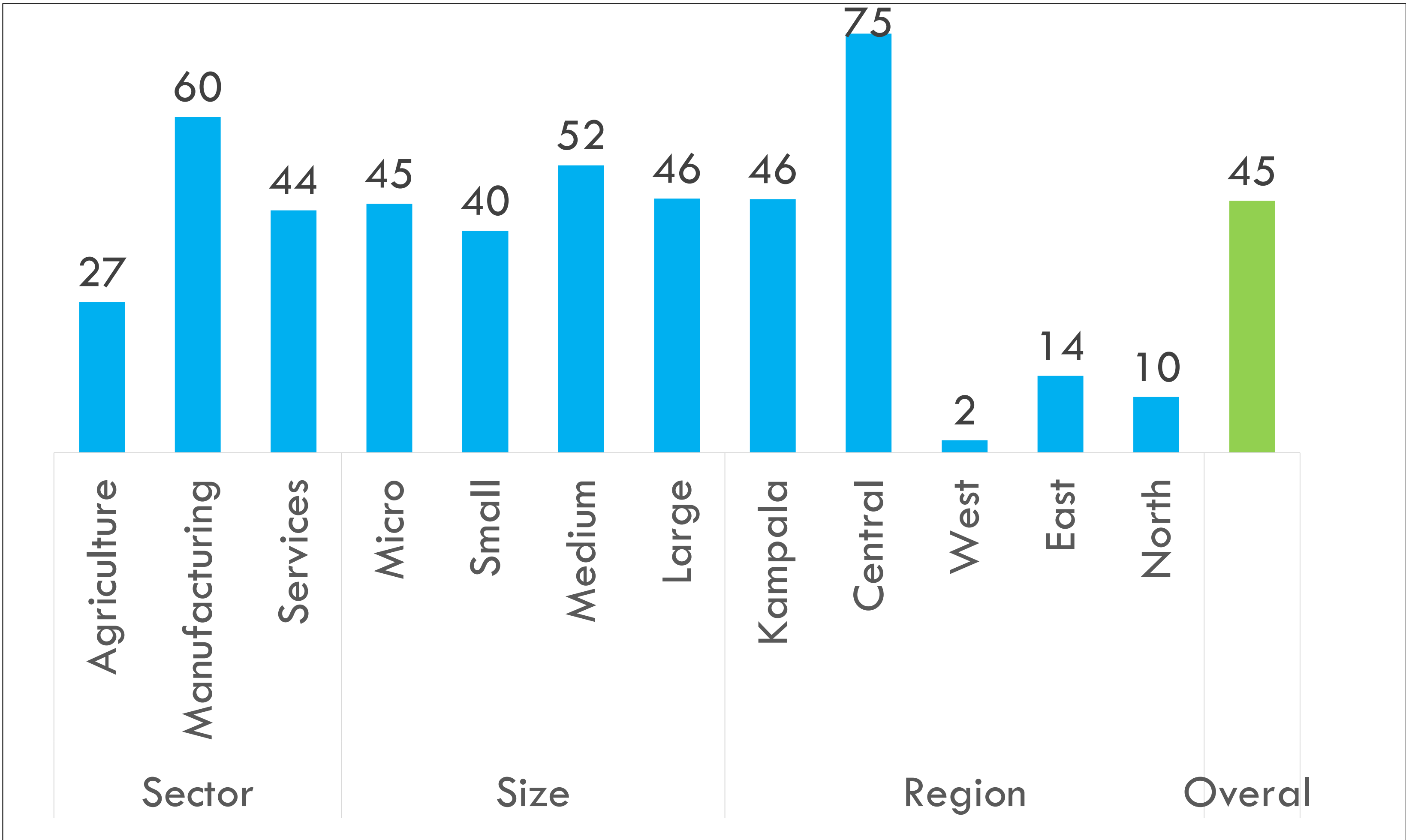
3. Policy Options

1. Context

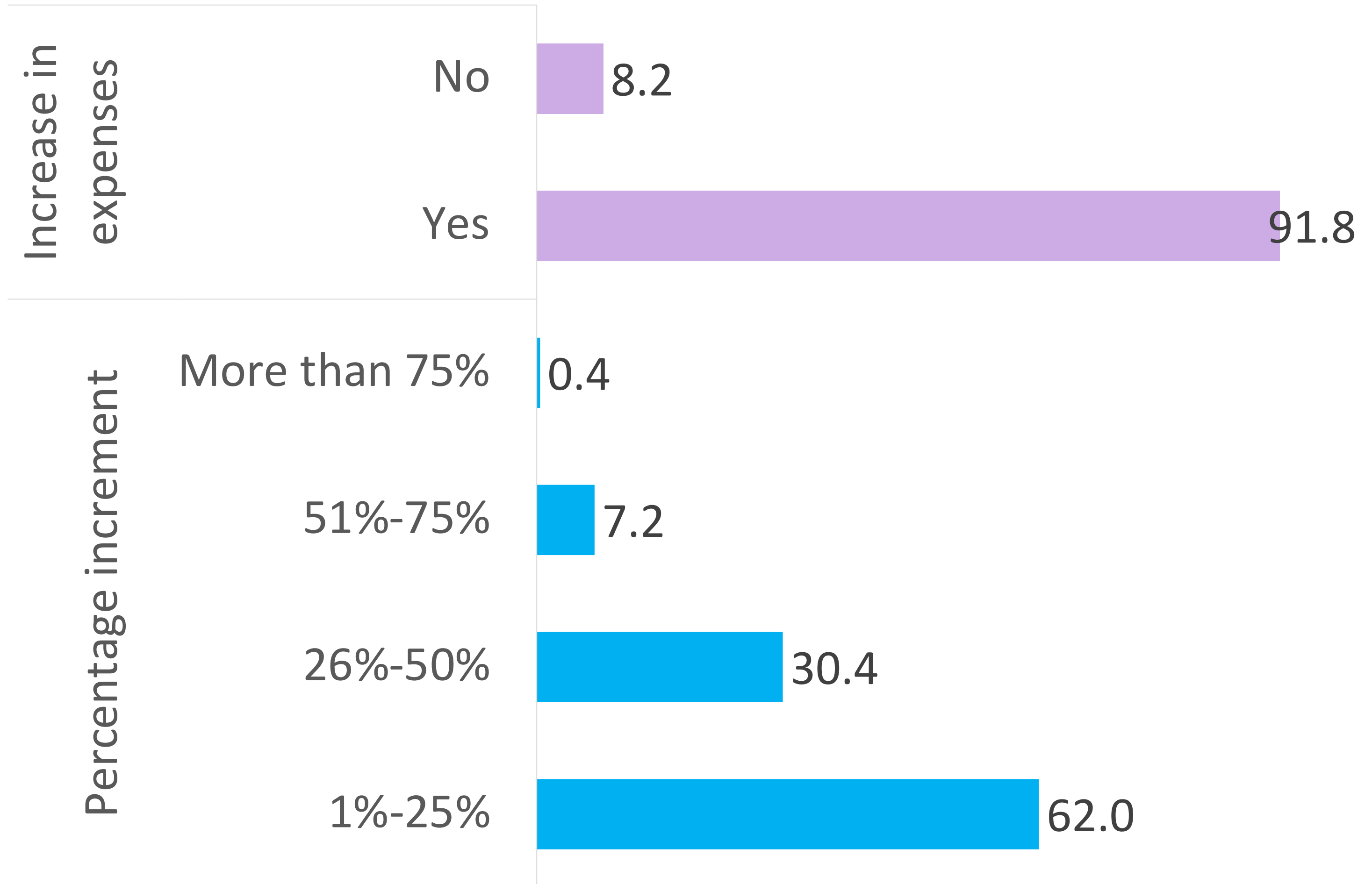
- Two pronged approach to contain impact of COVID-19
- Earlier on, adaptation of **containment measures**: sanitizer, closure of school, Lockdown etc
- Later on, adaptation of **policy responses**
- Measure have been largely short-term. While **policy responses** have been short, Medium and Long-term
- **Spread of virus** is increasing in the community, business have been hit hard
- Survey conducted in April 2020

2. Effects of measures

Agriculture, small businesses and businesses in western Uganda hardest hit



Expenditure (% increase)



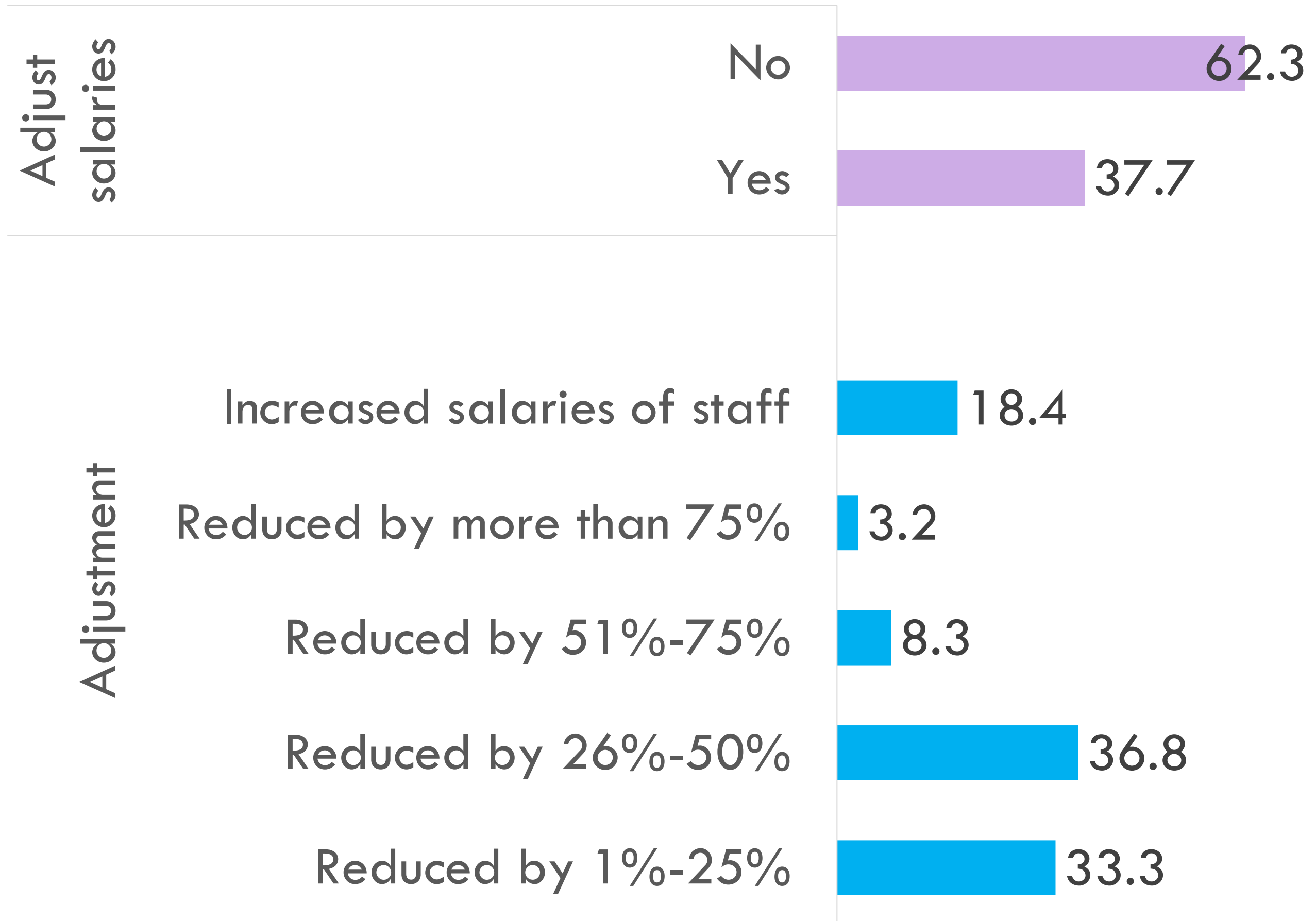
Millions to lose jobs if measures persist

Table 1: Forecast of the number of people to lose jobs if the situation was to last for six months

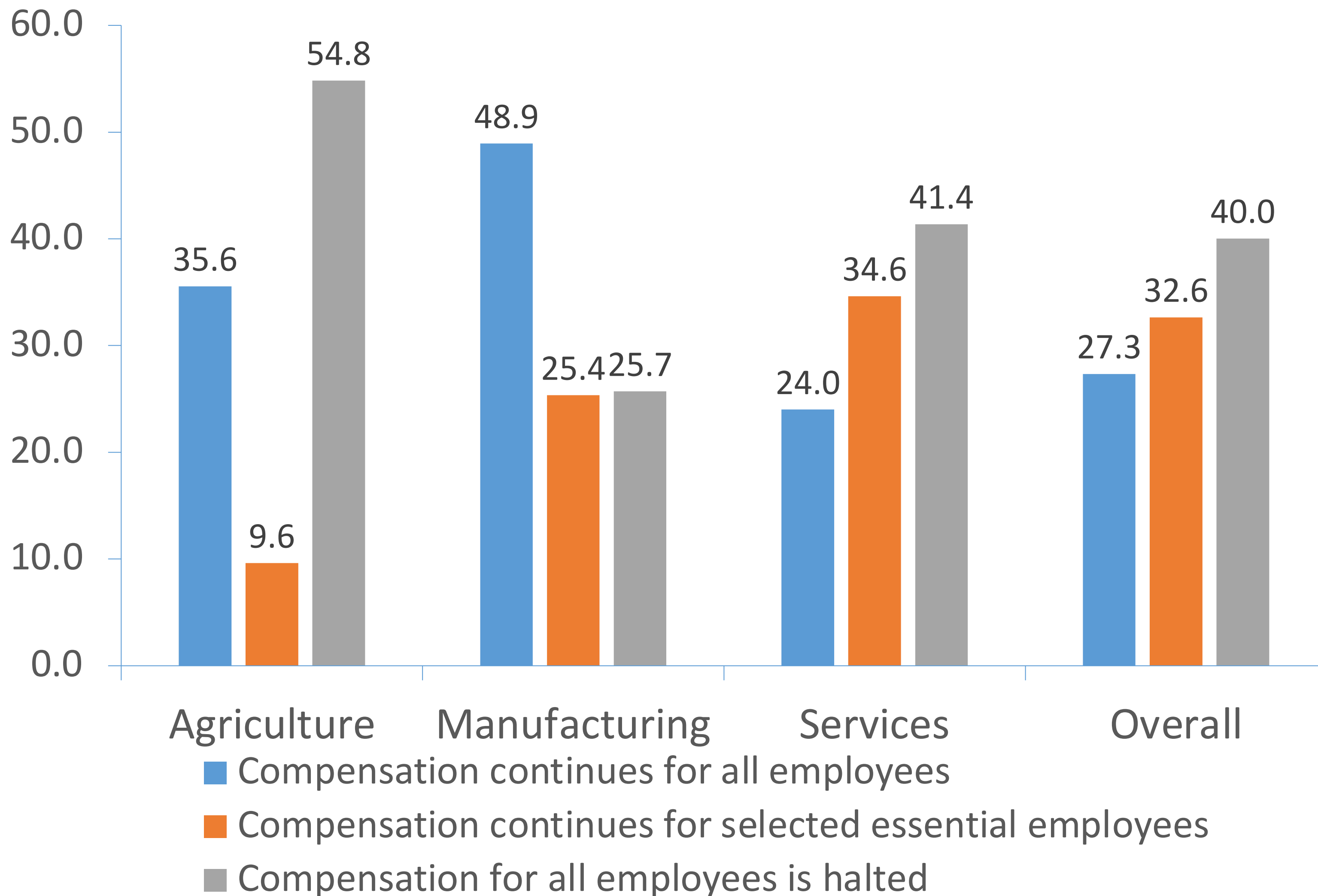
	Temporarily	Permanently
Overall	3,800,275	625,957
Sector		
Agriculture	123,610	
Manufacturing	788,693	150,316
Services	2,887,972	475,641
Size		
Micro	66,127	
Small	697,045	80,779
Medium	883,156	213,779
Large	2,153,948	331,399

Author's own construct using survey data, 2020

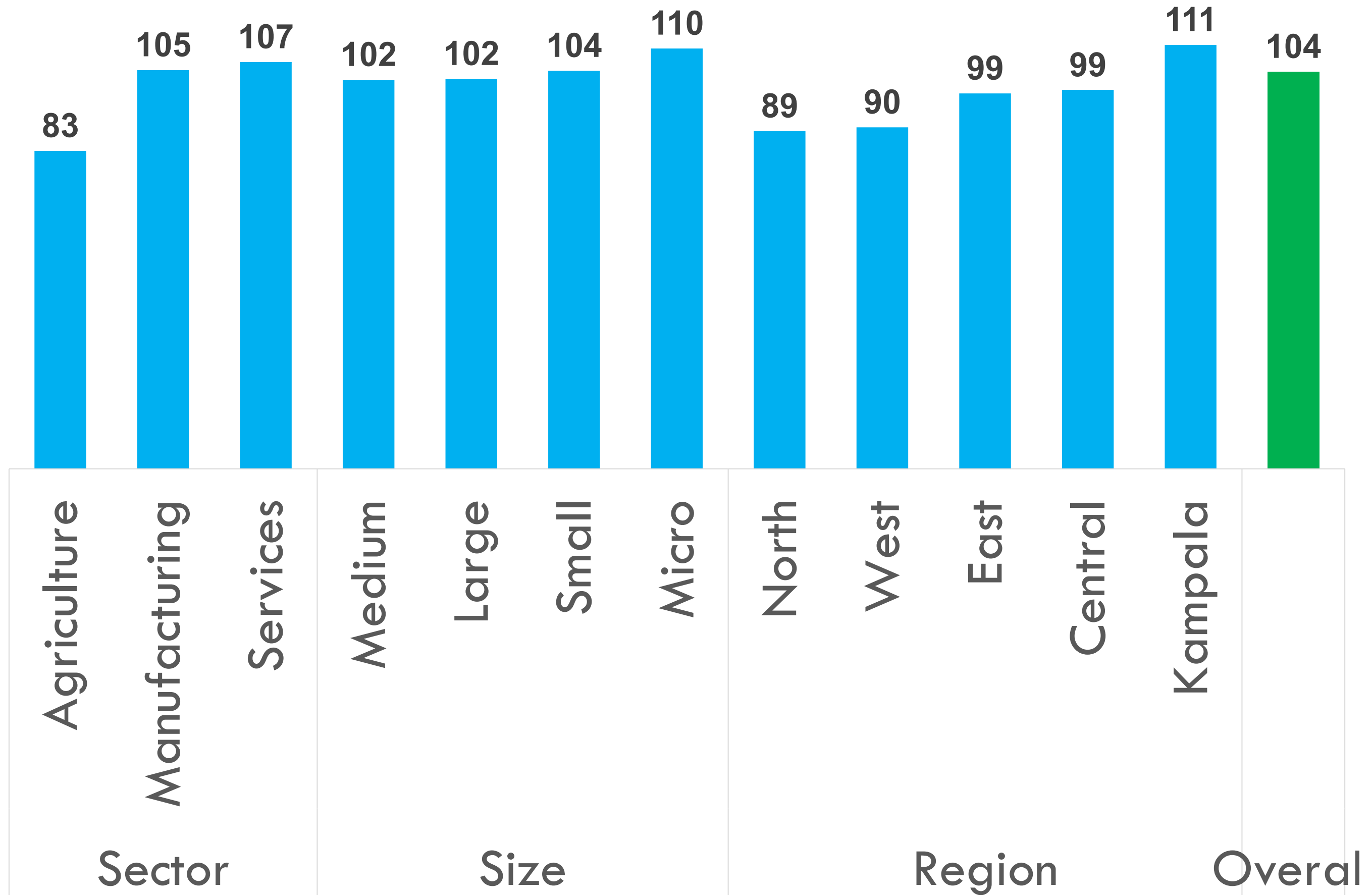
Salary cuts across board



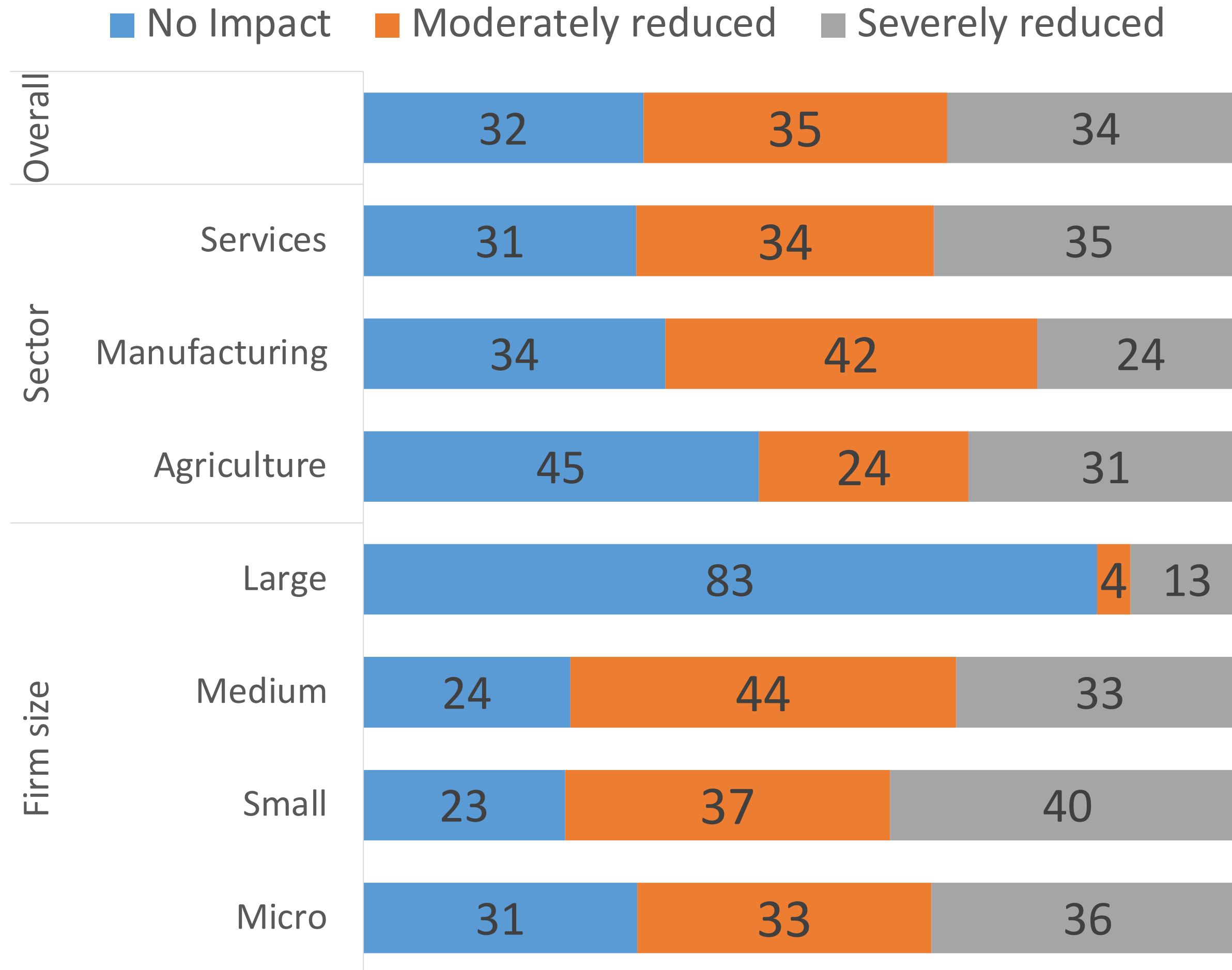
Suspension of salaries in 40% of firms



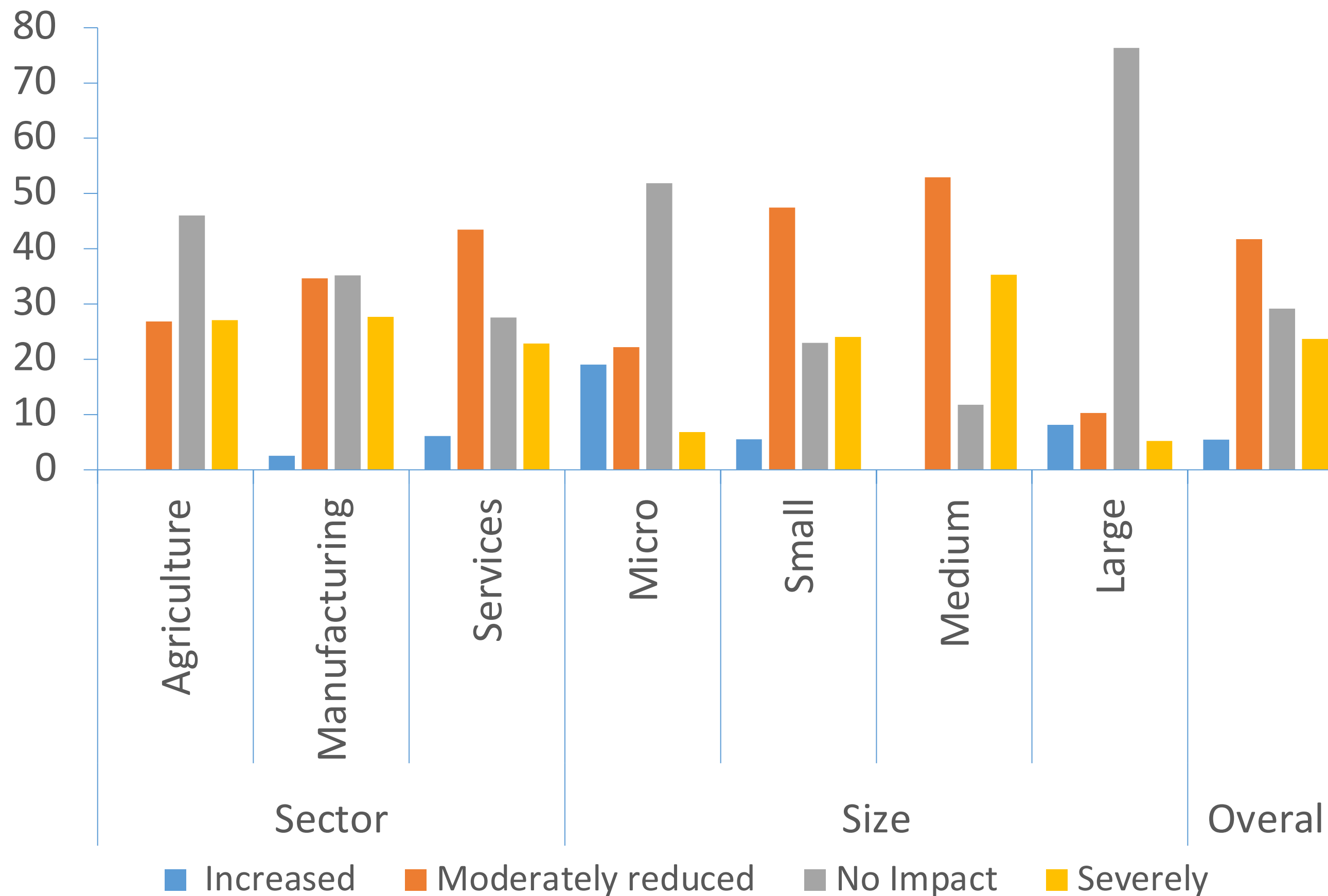
Index of Change in price of output



Change in access to credit (% firms)



Ability to pay outstanding debts (% of firms)



3. Policy options

Practical policy options

	Policy proposal	Firm size	Line/sector	Challenges
1	Safety nets (food distribution)	Micro/ Small	Agriculture/Services	Effectiveness and efficiency of the food distribution system
2	Public Equity	Medium and Large	Service sector/ Education	Who benefits/inclusivity/ fiscal gap
3	Bailout	Small, Medium and Large	all sectors	Who benefits/inclusivity/ fiscal gap
4	Initial Public Offer	Small, Medium and Large	all sectors	Governance/ transparency

Practical policy options

	Policy proposal	Firm size	Line/sector	Challenges
5	Data base of households and firms	Small, Medium and Large	all sectors	Informality/ coordination/duplication of efforts
6	Multisectoral	Necessary conditions		Working in silos, lack of synergies , lack of coordination
7	Reducing inequality			Lack of inclusivity in policy design
8	Trust			Accountability

Thank You!