

The Effect Of Covid-19 Pandemic On Economic Growth Of Uganda

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Abstract

As of September, 2020 Uganda had registered 5,380 cases of COVID-19 with 60 fatalities. The number of deaths is presently low compared to other countries in the world. This is attributed to the government measures to lessen the spread of the COVID-19 pandemic like countrywide curfew, sports club and bar closure, closing the airport, school closure at all levels of education in country this controlled the spread of the pandemic. With numerous Covid-19 associated deaths reported so far, fairly high numbers of confirmed cases and a high rate of recovery, Uganda's tightly- controlled response to the Covid-19 pandemic looks to have had more helpful results than its neighbours. Nevertheless, while the strategies have thrived in containing the pandemic so far, they have also triggered numerous damages to the economy. This is expected to affect most the deprived and most helpless groups of society. As a consequence, the economic results of Covid-19 are expected to seriously overshadow the encouraging efforts in health sector in Uganda.

Keyword: COVID-19 Pandemic, Measures, Businesses, Governance, Economic Growth, Response and Recovery.

Introduction

Since COVID-19 was announced by WHO on 31st December 2019 after receiving news from China, a month later, it was declared world of emergence and upgraded to pandemic in March 2020 (Spina et al., 2020; WHO, 2020). Uganda immediately registered decline in exports like fish, coffee, beans and maize and imports declined by 7% in February 2020, there was reduction in good bought from \$587.06 million dollars to \$546.73 million dollars in January, in the same month earnings reduced 8.0%. Export earnings too reduced from \$352.91 million dollars to \$383.62 million dollars in January 2020. There was a fall in the imports such as, tobacco 7%, beverages 7%, foods stuffs 7%, petroleum 8%, textile 6%, rubber and plastics 7%, manufacturing 25% and arms and accessories 76%. This implies that the government could only collect too little from taxes and government did not earn income from exporters (Independent, 2020) and shortage of supply of consumer inputs and consumer goods that could later lead to an increase in commodity prices and affect small businesses which will distress government revenue that resulted into financing gap (Focus, 2020; UN, 2020a).

Government of Uganda put up measures that had consequences and these include; economic stimulus packages, financing policy measure under taken by government of Uganda to benefit the vulnerable population i.e., access to agricultural inputs, social protection in line with food security, recovery of private businesses to continue operating and sustain jobs but aligned in tax accrual, banks and microfinance institutions provide a suspension on loan repayment, repayment domestic arrears (Reliefweb, 2020; WB, 2020).

Given that Ugandan companies are fragile, business revenues were projected to reduce and 91% of business registered revenue loss, employee attendance reduction and layoffs, export industry is vulnerable with large declines, some industries will increase 30% of their input costs, technological innovation will require change in business models, increased anxiety to run big businesses, government put in place measures to save businesses and businesses are expected to recover. Closure of business in China impacted on medium and small enterprises, the sector was affected by 13% yet 20% of the goods traded in Uganda are imported from China i.e., heavy machinery, pharmaceuticals, electronics, raw materials, steel and iron, building and construction material, textiles and apparels and household consumer goods (Lakuma, Sunday, Sserunjogi, Kahunde, & Munyambonera, 2020).

The Agriculture production value chain for instance farmers were required to plan in the season which was disrupted, lack of inputs making survival very difficult since many had planned to live by the first season, credit facilities were constrained and lack of support in extension services, presidential directives required few people on the farm to observe physical and social distance resulting into less yields, lack of access to financial systems and mechanization equipment and tools hence affecting the agrarian revolution of complex system involving consumers, producers, processors and storage. Meat supply reduced hence increased prices in meat products, quarantine and transport blockages affected fresh food supply chains hence increase loss and wastages of fresh food supplies and reduced prices which affected the on-farm activities since they were perishables and lacked transportation to access the markets which affected selling of their produce (GoU, 2020b).

There was also a possible upsurge in poverty due to slow down of economy. Some people have experienced reduction in income as a result of job losses, reduced remittance flow, foreign direct investment (FDI) and reduced demand for domestic products and loss of market for our products (L. Musinguzi, 2020; WB, 2020). The budget expenditure not focused to COVID-19, the 2020/21 has increased compared to 2019/20 though it doesn't reflect COVID-19 predicted expenditure on the resource basket and Uganda's economy. Most funded sectors remained on infrastructure (transport) and security although education received an increment.

Domestic revenue shortfalls as well as the was projected increase in the growth of revenue COVID-19 is assumed to register a decline (from 6.3 to 3 to 4% for financial year 2019/20) if control restrictive measures continue (Reliefweb, 2020; WB, 2020). Public debt estimated to increase due to increased borrowing to support both financial year 2019/20 and 2020/21 from 22.4% to 41% of the GDP which will lead to an increase in debt serving commitments will increase (Independent, 2020; Monitor, 2020; WB, 2020). The pandemic has also led to interruptions in the supply chain hence disruption of trade activities in the manufacturing sector which heavily relies on imported inputs and other sectors. The travel restrictions (Anguyo & Storer, 2020) dampen the service sectors such as hotels and tourism (ACODE, 2020; Biryabarema, 2020; Independent, 2020) since there is low demand for travel coupled with travel restrictions crippled the tourism sector i.e., cancellation of the G77 conference, Chinese new year that Chinese are supposed to celebrate back home were caught in Uganda (Focus, 2020).

Short fall worth 82.4 billion Uganda shillings in the remaining period of 2019/20 for March-June financial year and 187.6 billion for financial year 2020/21 was realized. Financing gap is worth 370 billion for 2020/21 (GoU, 2020a).

Response measures are unequally targeting COVID-19, close to 8 million (19.7%) Ugandans live below the poverty line. The government relief programs targeted 1.5 and two districts Kampala and Wakiso than the rural districts. The responses from government targeted the formal sector hence leaving out the vulnerable and poorest citizens. The poor should access government measure like tax benefits and loans hence further inequality, vulnerability and worsen poverty. Disorder in health service delivery and other sectors, majority of Ugandans rely on free healthcare have experienced reduced access in primarily healthcare and many services have been compromised (Bing, 2020; L. Musinguzi, 2020; WB, 2020).

Decline in tax collection since 42% of taxes are got from international trade through excise duty from petroleum products and VAT. Reduced economic activity in manufacturing, banking, transport, tourism, horticulture, externalization of labour, aviation industry, hostels, services, trade and hotels resulted into reduced VAT (Komuhendo, 2020). The government has also suggested that Buy Uganda Build Uganda (BUBU) will be supported as a strategy for economic recovery to create job and protect and sustain businesses in the country. Government of Uganda plans to buy shares in private struggling companies as part of the deal for recovery (Monitor, 2020). Loan disbursement was estimated to reduce by 50% for the rest of financial years 2019/20 (Focus, 2020).

Close to 75% of business in Uganda have laid off employees and ministry of finance reported diverse efforts and the worst of COVID-19 is yet to come (EPRC, 2020). Mobile operators should continue lowering the rates of sending and withdraw of money transactions, provide liquid assistance, save sound businesses heading for insolvency, interfere in foreign exchange markets limit mobile money transactions and supervisor financial institutions for customer safety (BoU, 2020). According to Bankers' association charges per day on bank wallet transaction should not exceed 30,000/- Ugandan shillings, waivers on withdrawals from bank agents up to 50,000/- Ugandan shillings and continuous monitoring of credit risk and liquidity (UBA, 2020). Reduction on internet costs and internet tax (OTT) and support women to integrate ICT in the informal sector, incentives for women, access to information, create new markets, make financial transactions easy and reachable, research based engagements and garden, skilling the population and market Apps (Sekanjako, 2020).

When Uganda recorded her first COVID 19 case in March 2020, several measures were set by the government to limit exponential growth of the virus in the country. Among the measures set by the government included; ban on international travel, ban on public transport, closure of borders and airport, closure of several businesses, closure of schools, closure of hotels and restaurants, and stay home. These measures affected the increase in exports and imports as well as decreased the number of tourism visitors who contribute significantly to the GDP of Uganda (Lakuma et al., 2020). It is against this background that this study examined the effect of COVID 19 outbreak on the Economic growth in Uganda.

Objectives

General Objective

The study goal was to examine the effect of the COVID-19 pandemic on the economic growth of Uganda.

Specific objectives

- i. To examine the effect of the growth in the number of COVID-19 cases on the imports and exports in Uganda.
- ii. To examine the effect of COVID-19 on the GDP in Uganda.
- iii. To establish the effect of the growth in the number of COVID-19 cases on the foreign exchange rate in Uganda.

Hypotheses (Alternative)

1. The growth in the number of COVID-19 cases has a significant effect on the imports and exports in Uganda
2. The growth in the number of COVID-19 cases has a significant effect on GDP in Uganda
3. The growth in the number of COVID- cases has a significant effect on the foreign exchange rate in Uganda

Methodology

The study employed a descriptive survey design with only quantitative approaches to determine the effect of the COVID-19 pandemic on economic growth in Uganda. The data on economic growth indicators was obtained from Trading Economics¹ and Uganda Bureau of Statistics (UBOS, 2020), while data on COVID 19 cases was acquired from Worldometer website (Worldometer, 2020). The study used Classical Linear Regression (CLR) model to get answers on study hypotheses while descriptive analysis was appropriate in showing the trend of the study variables over time.

¹ Trading Economics, <https://tradingeconomics.com/uganda>. Accessed 16 July, 2020.

Findings

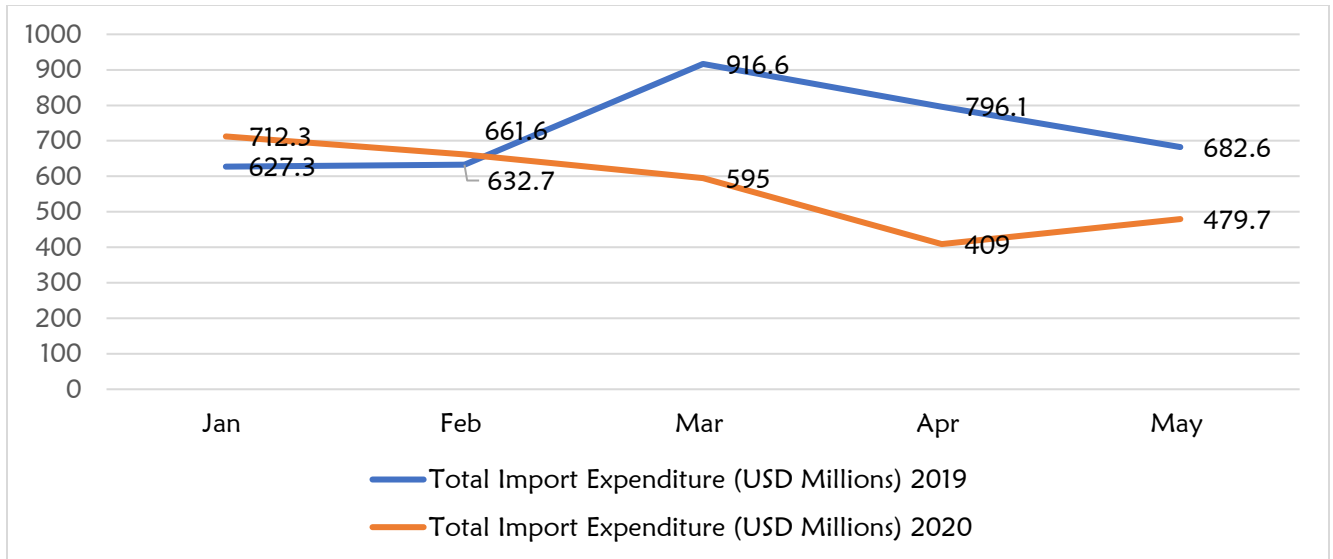
This section presents the findings on the extent to which COVID-19 pandemic has affected the economic growth in Uganda. The findings are presented in light with the specific objectives as indicated in the subsequent sections below;

The effect of COVID-19 pandemic on imports and exports in Uganda

The COVID-19 outbreak in Uganda led to the closure of the country boarders and stopping of flights which might have affected the international trade in the country. This study enlightens on how the exports and imports were affected given the growth in COVID 19 cases in the country. The study first presents the trend of imports and exports during the COVID 19 period and later presents a regression analysis to examine the extent to which the growth in COVID 19 cases affected exports and imports.

Effect of COVID 19 on total import expenditure in Uganda

Given the fact that 2019 was the base year period where Uganda had no case related to COVID-19, it was imperative for the current study to make comparison in the import expenditure between 2019 and 2020. The findings are presented below;



Source: Own Computations based on TradingEconomics.com and UBOS (2020)

Figure 1: Comparison between the total import expenditure (Million USD) in 2019 and 2020 from January to May

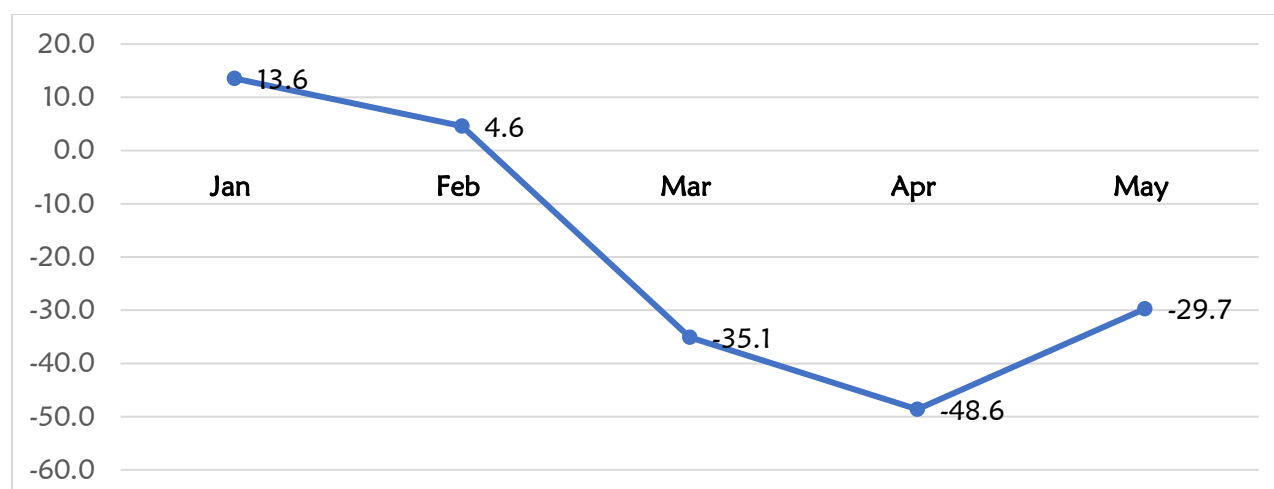
The study findings indicate that after the outbreak of COVID in March 2020, there was decline in import expenditure from March up to May 2020 compared to import expenditure in 2019. It is evident that total import expenditure decreased significantly from 682.6 Million USD in May 2019 to 479.7 million USD during the same period in 2020. The decrease in import expenditure was attributed to closure of borders and airport due to the outbreak of COVID-19 which limited the inflow of goods from other countries into Uganda (Focus, 2020; WB, 2020). The decline may also be attributed to the decrease in domestic demand for goods like motor vehicles, motorcycles, clothes, and construction materials among others (L. Musinguzi, 2020).

Table 1: Comment on the Import expenditure during Outbreak of COVID in 2020 compared to 2019

	Total Import Expenditure (USD Millions)		% of Increase/Decrease in Import Expenditure	Comment
	2019	2020		
Jan	627.3	712.3	13.6	Increased
Feb	632.7	661.6	4.6	Increased
Mar	916.6	595	-35.1	Decreased
Apr	796.1	409	-48.6	Decreased
May	682.6	479.7	-29.7	Decreased

Source: Own Computations based on TradingEconomics.com and UBOS (2020)

The evidence from table 1 shows that in January and February 2020 the import expenditure increased by 13.6% and 4.6% respectively while there was a decline in import expenditure in March, April, and May by 35.1%, 48.6%, and 29.7% respectively. The decline in import expenditure between March and May 2020 was due to fall in domestic demand and COVID 19 measures that limited the inflow of goods (B. Musinguzi, 2020).



Source: Own Computations based on TradingEconomics.com and UBOS (2020)

Figure 2: Percentage change (%) in Import expenditure in 2020 compared with 2019 in Uganda

From figure 2 above, before the outbreak of COVID 19 in January and February 2020, the expenditure on imports was positive while after the outbreak in March, the import expenditure drastically reduced into negatives as evidenced above. The negative expenditure was because of imported goods in 2019 were above those imported during the same period in 2020 when COVID 19 emerged (Lakuma et al., 2020; Sekanjako, 2020).

Table 2 Model findings on the effect of the growth in the number of COVID-19 cases on the import expenditure in Uganda (March-May 2020)

Model Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	513.844	109.698		4.684	.134
	Number of COVID Cases per month	-.107	.445	-.233	-.240	.850
a. Dependent Variable: Import expenditure (Million USD per month)						

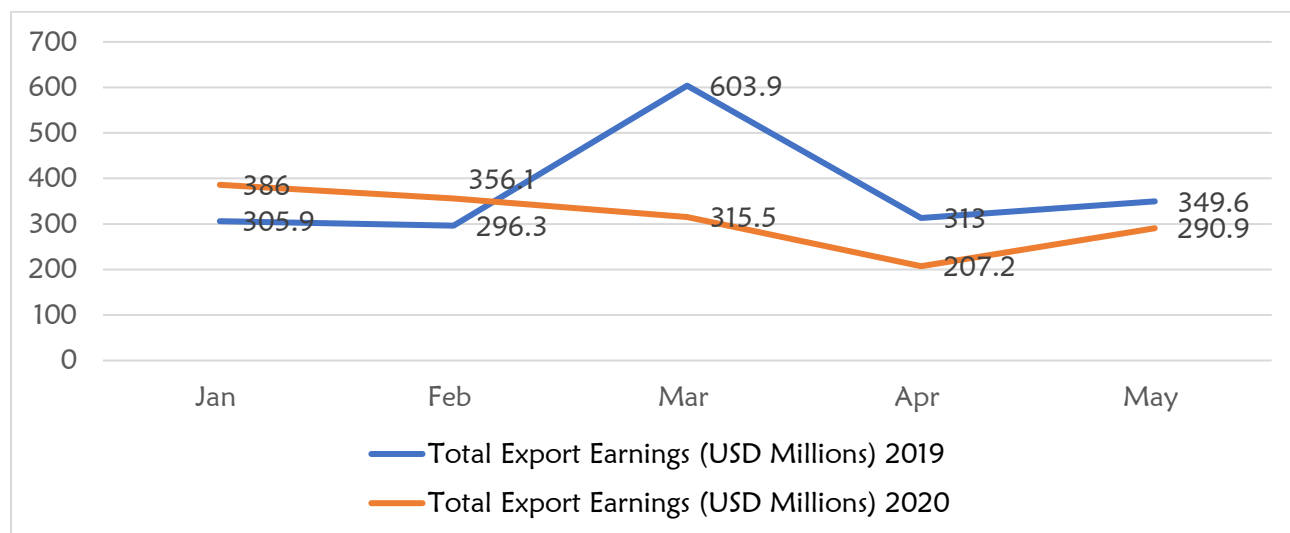
Source: Own Computations based on TradingEconomics.com and UBOS (2020)

The findings from table 2 indicates that there was a negative but insignificant effect of the growth in the number of COVID-19 cases on import expenditure in Uganda from March to May 2020 (P-value>0.05, B=-0.107). The findings may imply that as the number of COVID cases accumulated between March and May 2020, it had no influence on import expenditure. The decline in import expenditure might have resulted from the closure of airport and borders as well as decline in Public

demand for goods and services but not growth in the number of COVID 19 cases in Uganda (WB, 2020).

Effect of COVID-19 on total export earnings in Uganda

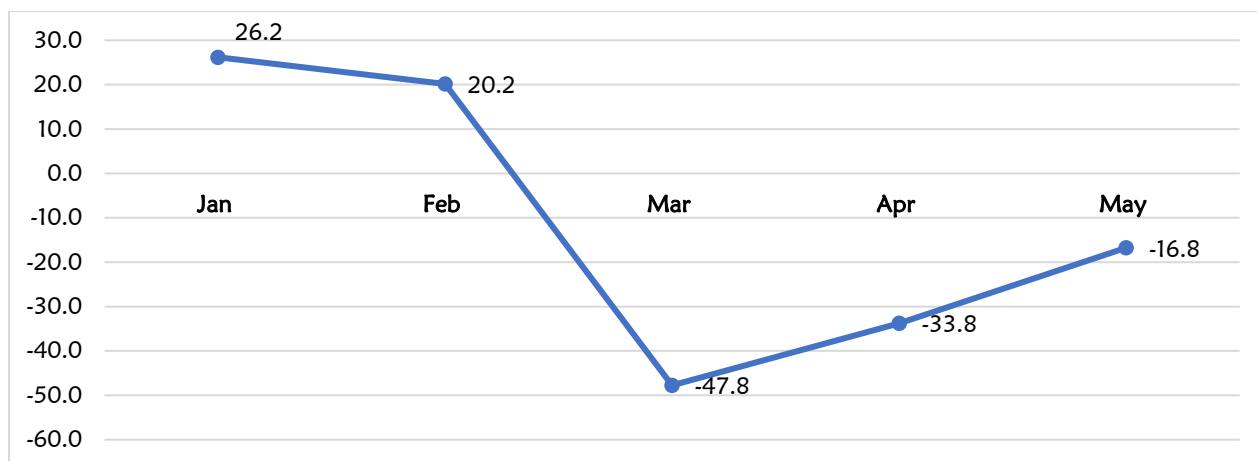
When a country’s exports are reduced, this may interfere with the Balance of Payment (BoP) and the value of the local currency compared with the hard currencies since it may lead to increased importation of goods. The study investigated how the outbreak of COVID-19 interfered with Uganda’s export earnings. The study first presents the trend of export earnings in 2019 compared with 2020, and later linear regression model was applied to establish whether the growth in the number of COVID 19 cases had a significant effect on the export earnings in Uganda. The findings are presented below;



Source: Own Computations based on TradingEconomics.com and UBOS (2020)

Figure 3: Comparison between the total export earnings (USD Millions) in 2019 and 2020

The evidence in figure 3 above shows that after the outbreak of COVID 19 in March 2020, there was a decline in export earnings from 603.9 Million USD in March 2019 to 315.5 Million USD in March 2020. However, before COVID came in, it is observed that Uganda was earning more from its exports. The fall in export earning was resulting from closure of airport and borders as well as reduction in performance of sectors like agriculture and manufacturing which consequently affected the supply (GoU, 2020a; UBA, 2020).



Source: Own Computations based on TradingEconomics.com and UBOS (2020)

Figure 4: Percentage change (%) in export earnings in 2020 compared with 2019 in Uganda

The results in figure 4 above reveal that after the outbreak of COVID 19 in March 2020, the export earnings exponentially reduced. It is evident that export earnings in March, April, and May 2020 declined by 47.8%, 33.8%, and 16.8% respectively compared with 2019. However, it is observed that Uganda started regaining its export earnings slowly in May due to easing of some lockdown measures. It is evident that export earnings in May declined by 16% compared to the 47.8% when COVID had just emerged (Komuhendo, 2020).

Table 3 Model findings on the effect of the growth in the number of COVID-19 cases on the export earnings in Uganda (March-May 2020)

Model Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	260.883	66.746		3.909	.159
	Number of COVID Cases per month	.057	.271	.206	.211	.868

a. Dependent Variable: Export earnings (Million USD Per month)

Source: Own Computations based on TradingEconomics.com and UBOS (2020)

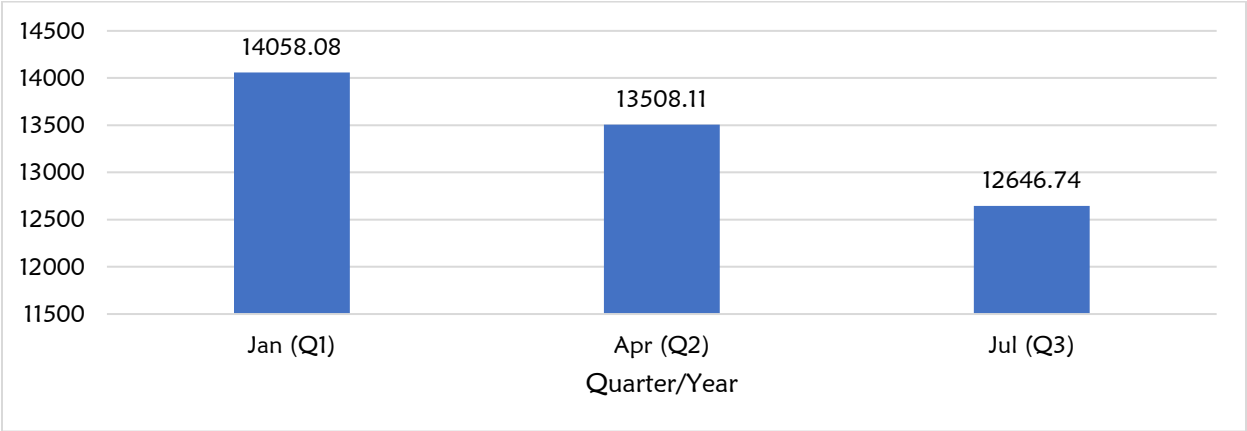
The study revealed that the growth in the number of COVID cases had no significant effect on the export earnings between March and May at 5% level (P-value>0.868). The findings may imply the change (small increase) in export earnings during COVID 19 was not depending on the growth in the number of COVID 19 cases every month but the tough measures imposed by the government to limit the spread of the Virus (Lakuma et al., 2020; Reliefweb, 2020).

The effect of COVID-19 pandemic on the GDP in Uganda

The study sought to examine how COVID-19 pandemic affected the GDP growth from different sectors in Uganda. The study investigated how GDP from the services, manufacturing, and agricultural sector was affected due to the outbreak of COVID-19 pandemic in Uganda. The findings are presented subsequent sections below;

The influence of COVID-19 pandemic on the GDP growth from the services sector in Uganda

The study made an attempt to find out how GDP from services sector was affected by the outbreak of COVID-19 in Uganda. The results are detailed in sections below;

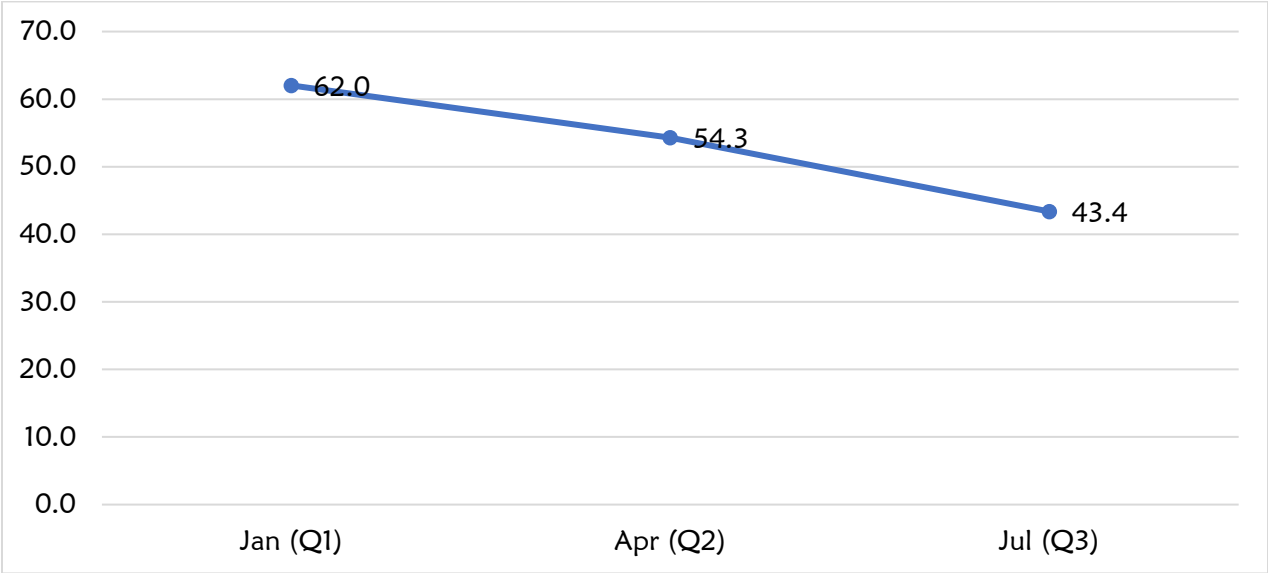


Source: Own Computations based on TradingEconomics.com and UBOS (2020)

Figure 5: Trend of GDP from the services sector during COVID-19 period (UGX Billions) in 2020

The study findings indicate that there was a slight reduction in the GDP from the services sector from 14058.08 billion UG shillings in January to 12646.74 billion UG shilling in July 2020. In the first quarter in January before the outbreak of COVID-19, the GDP was 14058.08 billion UG

shilling and later declined to 12646.74 billion UG shilling after the outbreak of COVID-19. The decline was mainly due to the halt in the business operations in the different subsectors like tourism, hotels and restaurants and transportation following the government measures which were put in place (Biryabarema, 2020; B. Musinguzi, 2020; Nabatanzi, 2020).



Source: Own Computations based on TradingEconomics.com and UBOS (2020)

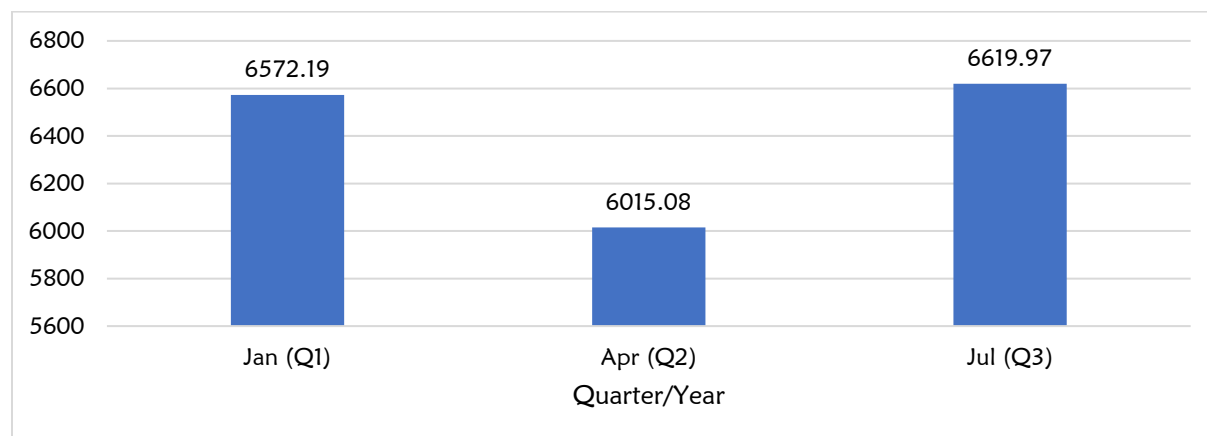
Figure 6: Percentage change (%) in GDP from the services sector during COVID period in 2020 compared with 2019

From figure 6 above, Uganda recorded a slight reduction in the proportion of GDP from service sector from 62% in January to 43.4% during the COVID time in July compared to the same period in 2019.

The effect of COVID-19 pandemic on the GDP growth from the agricultural sector in Uganda

The outbreak of COVID 19 in Uganda affected the demand for agricultural products and other activities, therefore the study made an investigation to establish whether the growth in GDP from agricultural sector was affected by the pandemic. The evidence from the study is presented in the figures below;

Figure 7: Findings on the effect of COVID-19 pandemic on the GDP from the agriculture sector in Uganda (UGX Billions) in 2020



Source: Own Computations based on TradingEconomics.com and UBOS (2020)

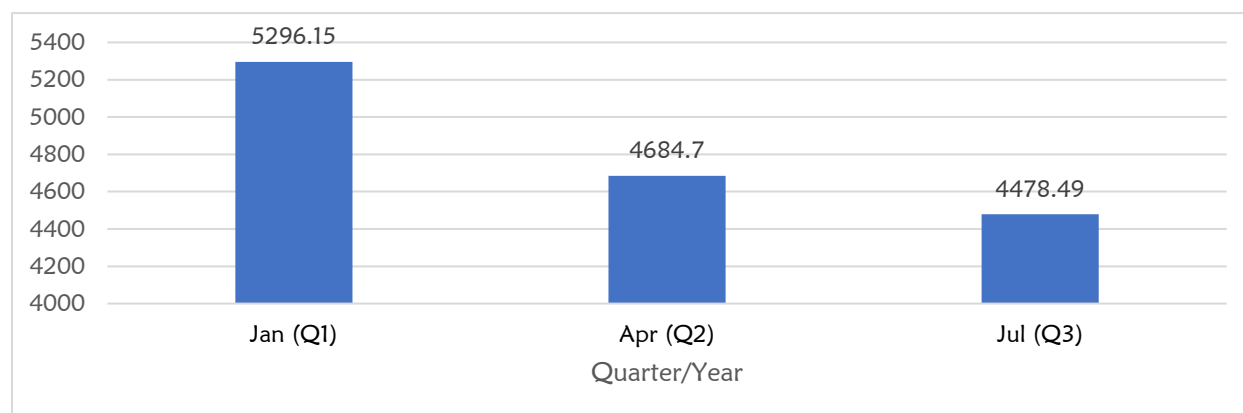
Figure 8: Findings on the effect of COVID-19 pandemic on the GDP from the agriculture sector in Uganda (UGX Billions) in 2020

The study outcomes in figure 4 above indicate an oscillation in GDP from the agriculture sector during the COVID-19 period. For instance, in April during COVID period, GDP from agricultural sector reduced from 6572.19 billion UG shillings in January quarter one to 6015.08 billion UG shillings in April quarter two representing a percentage of decline of 8.5%. However, in July quarter three, the GDP from agriculture increased much more than that in January showing recovery from the COVID situation. The GDP increase in agricultural sector in July was attributed to the removal of some restrictions on the lockdown which witnessed subsectors like restaurants and hotels resuming their operation, thus increased demand for agricultural products (Anguyo & Storer, 2020; Focus, 2020).

The effect of COVID-19 pandemic on the GDP growth from the manufacturing sector in Uganda

The manufacturing sector majorly depends on imported raw materials especially those for manufacturing construction materials, thus the closure of borders and airport could have affected

the GDP growth from the sector in one way or another. The study presents evidence on how the GDP from manufacturing sector was affected during the COVID 19 period.



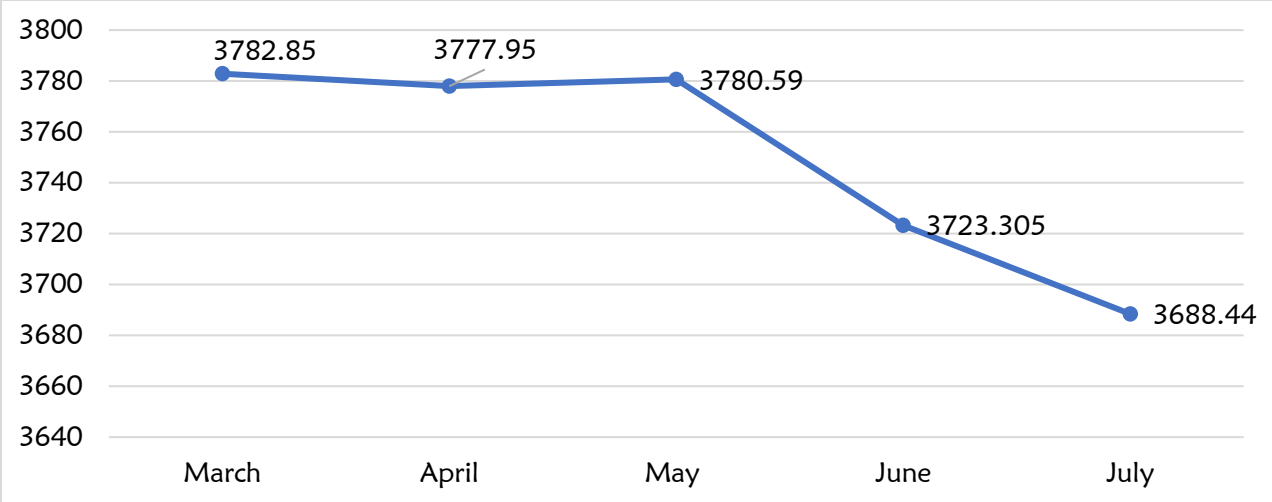
Source: Own Computations based on TradingEconomics.com and UBOS (2020)

Figure 9: Findings on the effect of COVID-19 pandemic on the GDP from the manufacturing sector in 2020 (UGX Billions)

The GDP from the manufacturing sector recorded a continuous decrease during COVID period in Uganda. It is indicated above that the GDP from manufacturing sector decreased from 5296.15 billion UG shillings in January quarter one to 4478.49 billion UG shillings in July quarter three representing a percentage of decline of 15.4%. The fall in GDP from manufacturing sector was a result of decline in demand from subsectors like construction industry which hindered the supply. During the outbreak of COVID 19, few construction activities were moving on which affected the supply from the manufacturing sector, thus decline in GDP growth (Focus, 2020).

The effect of COVID-19 pandemic on the foreign exchange rates in Uganda

The closure of airport and borders during the lockdown hindered international trade which consequently affected the exchange rates in the country. The study examined how the Dollar rate in Ugandan shillings was oscillating during the COVID period. The findings are detailed below;



Source: Own Computations based on TradingEconomics.com and UBOS (2020)

Figure 10: Trend in the foreign exchange rate during the time of COVID-19 in Uganda (USD-UGX) in 2020

From figure 9 above, it is indicated that there was a significant decrease in the Dollar rate from 3780.59 UG shillings in May to 3688.44 UG shillings in July 2020. The decline in exchange rate was attributed to the subdued domestic demand and boarder restrictions which affected the importation of goods from outside countries thus making Ugandan shilling appreciate. For instance, the decline in exchange rate was brought about by decline in importation of construction materials, motor vehicles, alcohol products and clothes among others due to COVID lockdown which led to closure of boarders and airports (ACODE, 2020; Independent, 2020).

Table 4: Regression findings showing the effect of the growth in the number of COVID-19 cases on the foreign exchange rate (USD-UGS) in Uganda (March-July 2020)

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.946 ^a	.896	.861	15.93972		
a. Predictors: (Constant), Number of COVID Cases per month						
ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6534.140	1	6534.140	25.717	.015 ^b
	Residual	762.224	3	254.075		
	Total	7296.364	4			
a. Dependent Variable: Foreign exchange rate (USD-UGs)						
b. Predictors: (Constant), Number of COVID Cases per month						
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3793.586	11.071		342.647	.000
	Number of COVID Cases per month	-.084	.017	-.946	-5.071	.015
a. Dependent Variable: Foreign exchange rate (USD-UGs)						

Source: Own Computations based on TradingEconomics.com and UBOS (2020)

The study revealed that the growth in the number of COVID-19 cases every month had a negative significant effect on foreign exchange rate in Uganda ($B=-0.084$, $P\text{-value}<0.05$). The model findings show that additional case of COVID-19 every month reduces on the exchange rate by 0.084 shillings. This implies that as Uganda registers additional cases of COVID-19 every month, the Ugandan shilling appreciates against the Dollar. This means that increased cases of COVID resulted into decline in domestic demand which deterred importation of goods from outside countries such as motor cycles, construction materials, motor vehicles, alcohol and clothes among others. The coefficient of determination (Adjusted R-square) indicates that the model is a good fit since 86.1% of the total variations/changes in foreign exchange rate are explained by the growth in the number of COVID-19 Cases in Uganda.

Conclusions

The effect of COVID-19 pandemic on imports and exports in Uganda

The outbreak of COVID 19 generally led to the decline in both imports and exports in Uganda. The study noted that the decline in both imports and exports started in March 2020 when Uganda recorded her first COVID 19 case. However, evidence from the model indicated that the growth in the number of COVID 19 cases had no significant effect on export earnings and import expenditure. Thus, it is concluded that the factors which limited imports and exports growth were the COVID-19 tough measures which limited movement of goods in and out of the country, thus need to be addressed.

The effect of COVID-19 pandemic on the GDP in Uganda

The study revealed that Uganda recorded a continuous fall in GDP from the services and manufacturing sector during the period of COVID-19 pandemic in Uganda while GDP from agriculture improved after easing on the lockdown in July 2020 for example when hotels and restaurants resumed operating demand for agricultural products increased. The study concludes that the services and manufacturing sector were strongly affected by the outbreak of COVID-19 since they recorded a fall in the GDP generated compared to that of agriculture, thus need more interventions.

The effect of COVID-19 pandemic on the foreign exchange rate in Uganda

The growth in the number of COVID-19 cases was established to be a significant determinant of the decline in the foreign exchange rate in Uganda. It was learnt from the study that fall in the foreign exchange rate during the outbreak of COVID was attributed to decline in the importation of goods which limited the demand for hard currency (USD) compared to the local currency.

Fiscal policies can support in the reduction the effect of the weakening of the Balance of Payments. IMF to fund the Central Bank in safeguarding the global reserve buffers keep strong and the exchange rate retain stability. Ministry of finance will request budgetary support worth \$ 100 million dollars for financial year 2019/20 and \$90 million for 2020/21 from World bank. The need for implementation of the export promotion and import substitution strategies in short, medium and long-term policies to lessen dependency burdens on input importation and final goods in case of trade interruptions and other global economic shocks. Financial institutions should differ payments of all flexible distributions such as Bonus payments and Dividends effective March 2020 dependent on the development of the pandemic and the reduction of 1% to 8% points to ensure access to credit and allow smooth functioning of Financial Markets.

To boost exports and imports in the country, there should be lifting of some COVID-19 measures like closure of airport and borders. The government should come up with interventions where people learn to live with COVID-19. The government should consider export promotion strategies that would ensure that the local currency continues to appreciate against the hard currency even after the COVID 19 lockdown.

Ongoing informal and formal learning measures should be documented with mitigation measures in short, medium and long term. Clear response strategy from government is required protection of the vulnerable section of the community to guard against the impacts of the pandemic.

Additional funding for social protection and health bearing in mind the constraints of COVID-19 hence follow-up, sustainability and inclusion mechanism for people protection. Close attention on the rising fiscal deficit, upsurge in public debt should be controlled to sustainable levels. COVID-19 implications should be checked together with efficient management of available resources and good public debt management will help the economy recover (Adam Mugume, 2020; IMF, 2020; Lakuma et al., 2020; WB, 2020).

The weaknesses of restrictions under COVID-19 should be documented crosswise sectors to guide the reshaping of future responses in forthcoming crises this will help in mapping economic recovery. The government should continue supporting sectors like food distribution, give food relief to the vulnerable population, give unemployment benefit, and target sectors are key during the partial lockdown (L. Musinguzi, 2020).

Tax breaks on electricity, water, revision of interest rates, houses and factories should be given tax holidays, loans to private sector business owners. The need to improve the business climate through reforms driven by research- based solutions (ACODE, 2020).

Ugandans should resort to online as a solution to COVID-19 business disruptions. Restrictions resulted into sources of income drying up. Some business like Safeboda (motorcycle taxi), Uber or Lyft download an app and used mobile wallet for payment boomed in streets of Kampala and its out skirts. E-commerce is the way to go supported by United Nation Jumia foods created an online platform to reach out to its customers. The hit groups by the COVID-19 pandemic are 60% including youth, women and persons with disabilities. Close to 3000 smartphones were provided to market vendors with data bundles and credit to reduce on the cash economy and to help local people out grow the stigma online transactions and do away with cash hence e-commerce hence economic growth (UN, 2020b).

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