

Defining Musevenomics

Musevenomics, represents the economic management policies and philosophy implemented by President Yoweri Museveni that have transformed Uganda from a failed state in 1986 to one of Africa's most promising and stable economies today. From collapse to growth —the story continues

It was coined by leading development economists in Uganda and comes from two words:

a) **Museveni:** The name of the philosopher behind the Musevenomics philosophy, President Yoweri Museveni of Uganda

b) **Nomics:** which means "Management" as applied to economics, derived from ancient Greek word "nomos" - representing principles of economic management and governance

The future of Musevenomics?

Musevenomics seeks to Transform Uganda into an independent, integrated, **self-sustaining upper middle-income economy where every Ugandan prospers.**

Musevenomics isn't just about economic history of Uganda—it's our roadmap to prosperity. By 2040, this philosophy aims to deliver better healthcare, education, infrastructure, and living standards for every Ugandan family, from Kampala to the remotest villages.

Musevenomics also seeks to build:



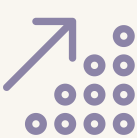
Robust Private Sector Growth

Supporting local businesses and entrepreneurs to create more jobs and opportunities for ordinary Ugandans across all regions



Increased Domestic Production

Growing what we eat and making what we use locally, reducing dependence on expensive imports whilst strengthening our economy



Enhanced Competitiveness

Making Ugandan products and services competitive globally, opening new markets and increasing exports for sustainable prosperity

The Crisis Point: Uganda 1986

When President Museveni assumed leadership in 1986, Uganda was a failed state and our people faced seemingly insurmountable challenges.

The economy lay in ruin! Fifteen years of political chaos had destroyed our economy, institutions, and social fabric. This was the starting point for the remarkable Musevenomics transformation.

Human Catastrophe Statistics

1.2M

**Internally
Displaced**

People forced from homes

3.2M

Facing Starvation

Ugandans without food
security

400K

Refugees

Ugandans living abroad

41.4

**Male Life
Expectancy**

Years—among world's
lowest

Economic Devastation Indicators

4.8%

Manufacturing Capacity

Only fraction of factories operational

240%

Inflation Rate

Currency losing value rapidly

70%

Urban Unemployment

No jobs in cities

85%

Poverty Rate

Most Ugandans in extreme poverty

Forex reserves could only cover imports for just two week



Infrastructure Collapse

Transportation

95% of major roads riddled with potholes, making commerce nearly impossible

Electricity

Generation dropped to 30% capacity; only 2% of rural areas connected

Institutions

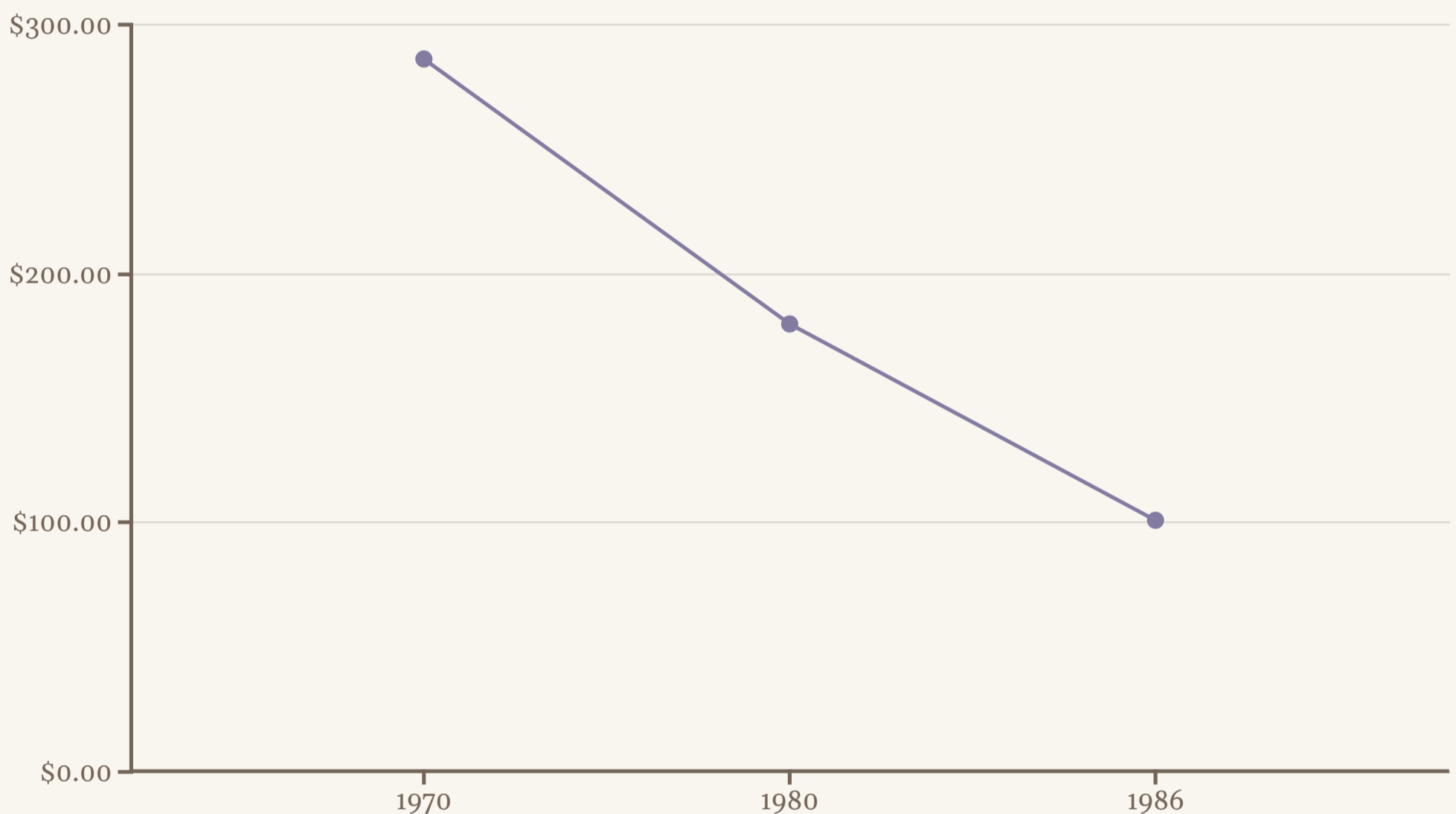
Government systems dysfunctional; formal economy replaced by black markets

The Manufacturing Breakdown

Of Uganda's 83 major factories in 1986, only 7 remained operational. Manufacturing capacity utilization plummeted to just 4.8% of installed capacity. The expulsion of 80,000 Asian entrepreneurs, who previously controlled 90% of commerce, had devastated the business ecosystem.

This industrial collapse meant Uganda could no longer produce basic goods, creating dependence on expensive imports even for basic products like milk, soap, sugar and maize flour. This limited employment opportunities for millions.

Per Capita Income Collapse



The dramatic decline in per capita income from \$286 in 1970 to below \$101 in 1986 illustrates the severity of Uganda's economic collapse, setting the stage for Musevenomics intervention.

Uganda's Economic Transformation Today

Today's Uganda represents one of Africa's most transformed and stable economies. The transformation since then has been remarkable. Our economy has expanded 17 times since 1986, from \$3.9 billion to \$61.3 billion, demonstrating the power of consistent, principled economic management.

This transformation touches every aspect of Ugandan life, from rural farmers accessing mobile banking to students using internet connectivity for education.

Key Economic Achievements

17x

Economic Growth

GDP expansion since
1986

6-7%

Annual Growth

Consistent GDP growth
rate

3.8%

Current Inflation

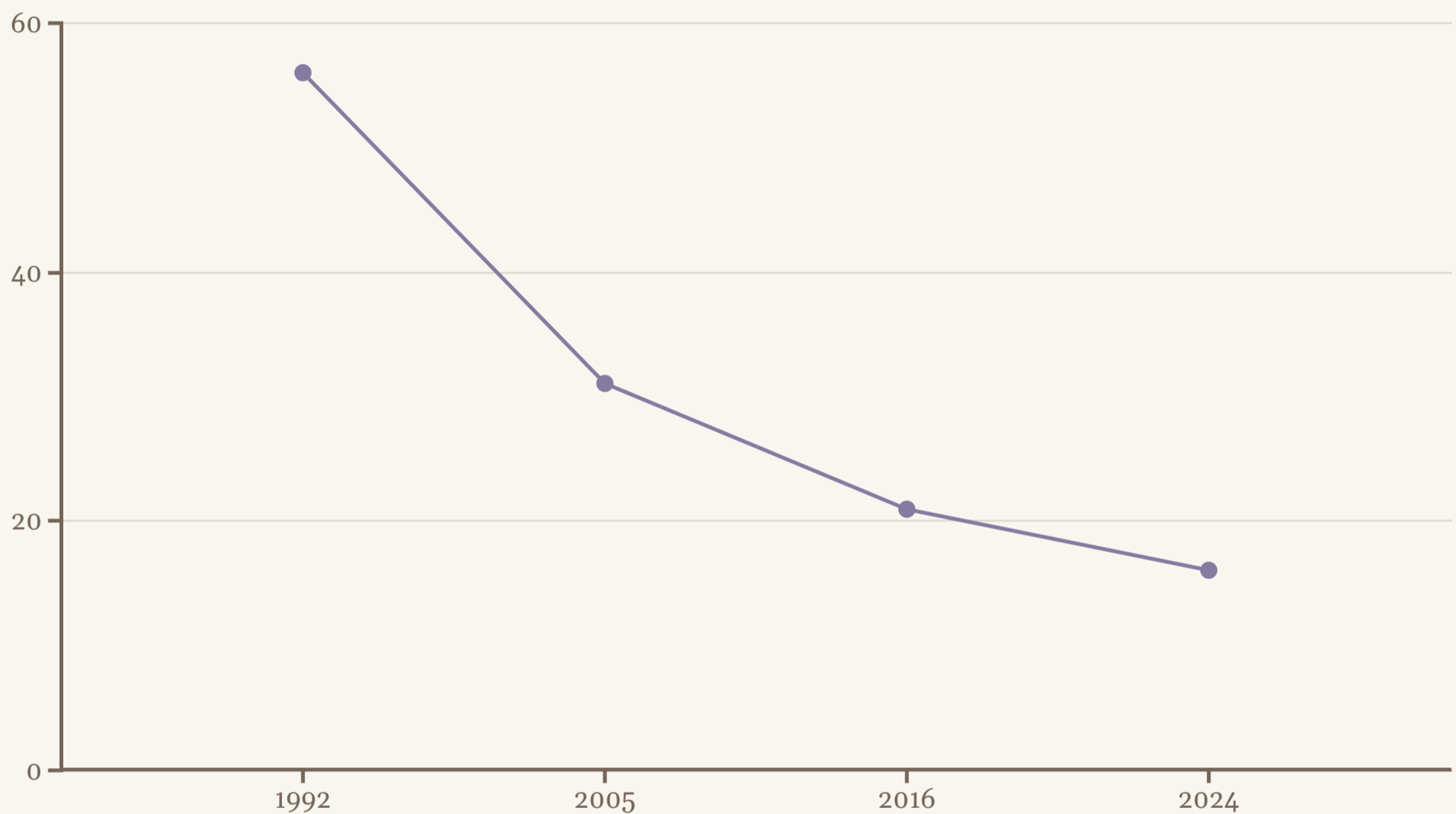
Africa's second lowest
rate

68

Life Expectancy

Years—up from 41 in
1986

Poverty Reduction Success



The dramatic reduction in poverty from 85% to 16.1% today demonstrates how Musevenomics policies have improved living standards for millions of Ugandans across all regions. The pursuit of a poverty free Uganda continues

Currency Stability Achievement

The Uganda Shilling has become Africa's most stable currency over the past decade, reflecting sound macroeconomic management under Musevenomics principles. This stability encourages investment, reduces business uncertainty, and protects citizens from currency devaluation.

Stable currency supports trade, maintains purchasing power, and demonstrates international confidence in Uganda's economic management capabilities.

Economic Diversification Progress

Modern Agriculture

Value-added farming and agro-processing

Manufacturing

Textiles, food processing, and construction materials

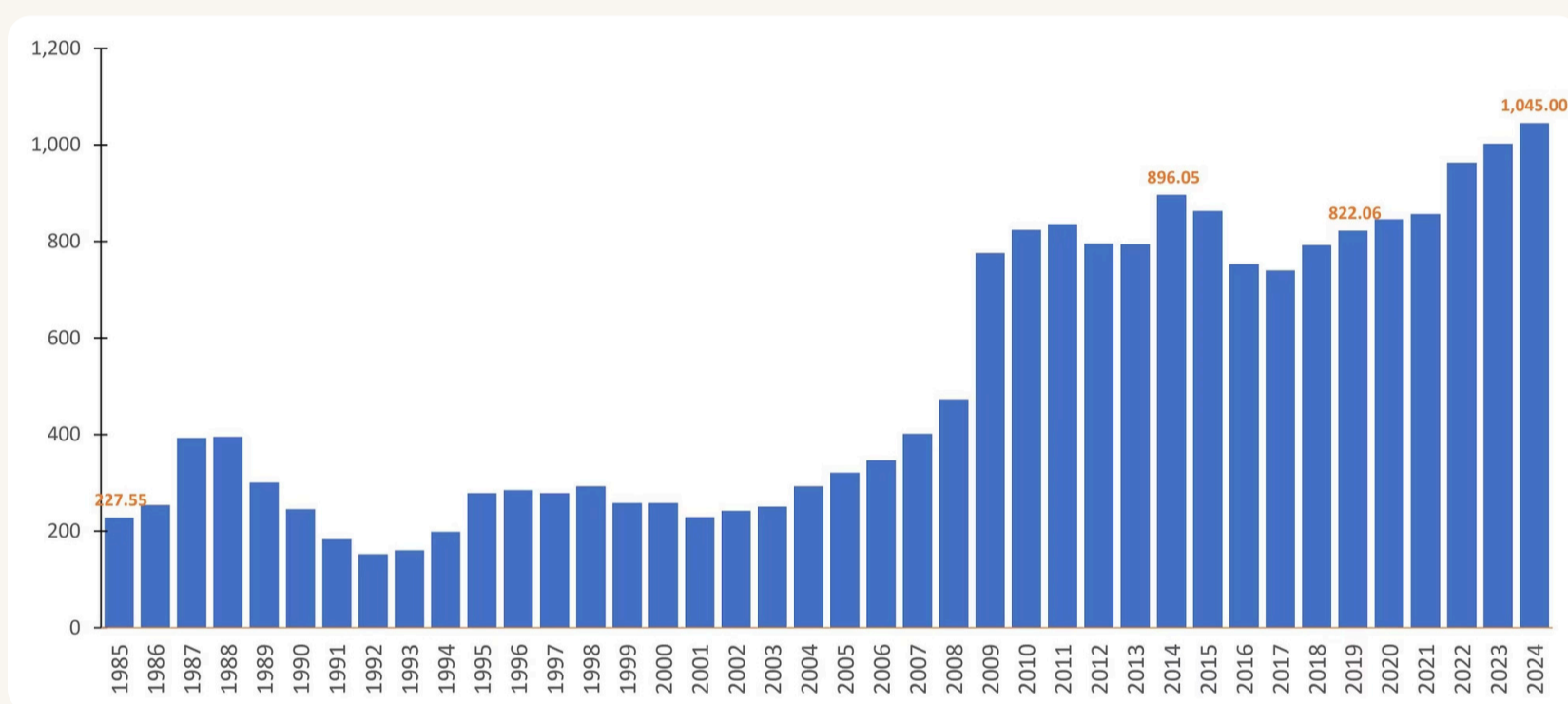
Services

Banking, telecommunications, hotels, transport and tourism

Technology

Digital services and innovation hubs

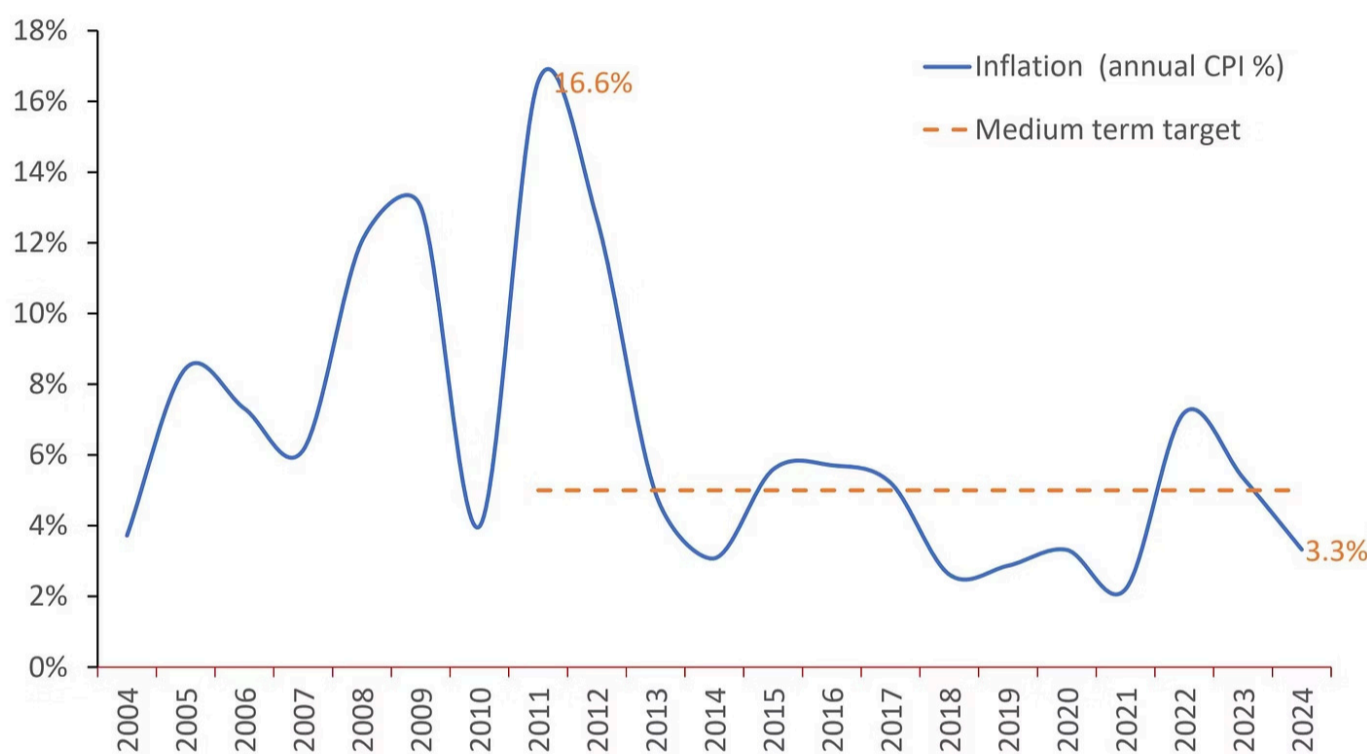
Tracking Musevenomics: GDP Per Capita Growth



World Bank data clearly shows Uganda's remarkable per capita income recovery and growth under Musevenomics. From the devastating low of \$101 in 1986, steady implementation of sound economic principles has restored and expanded prosperity.

This trajectory demonstrates that with consistent application of Musevenomics principles, the Vision 2040 target of \$3,000 per capita is achievable.

Inflation Control Success



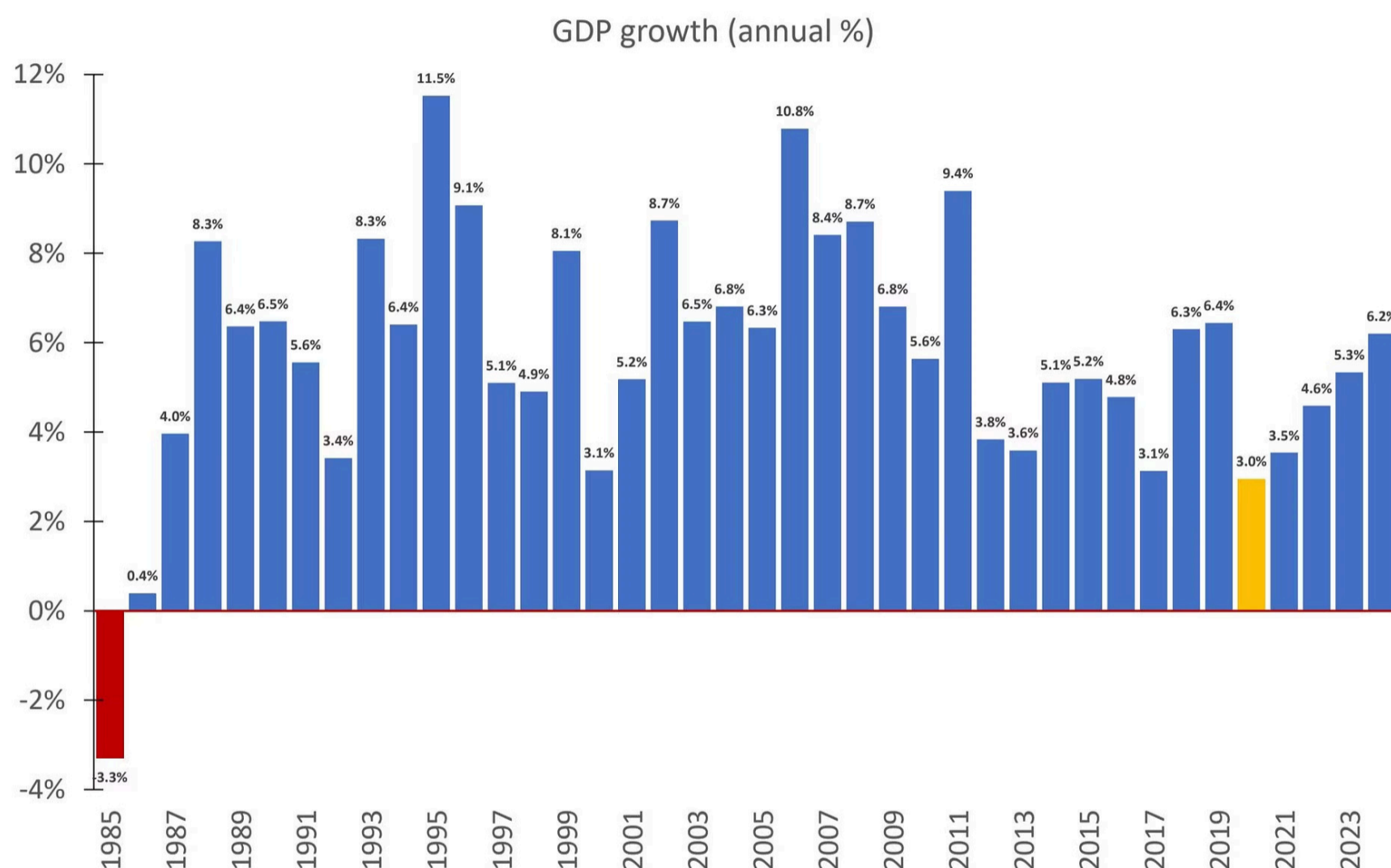
Inflation remain low and stable around the 5% medium term target, since 2013.

Monetary policy actions by the BoU.

A commitment to price stability.

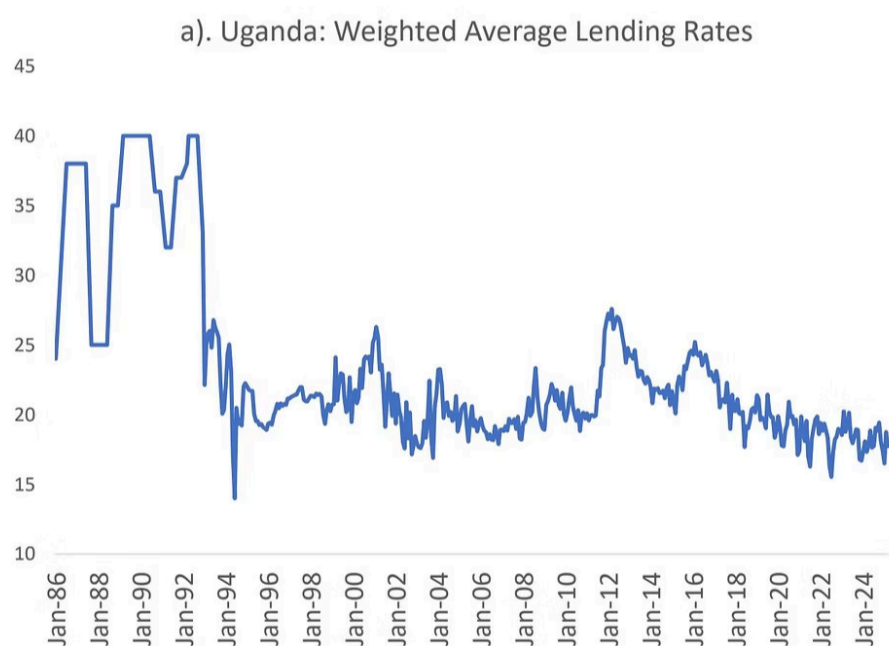
Bank of Uganda data reveals how Musevenomics has tamed the inflation monster that destroyed our economy in the 1970s and 1980s. Controlling inflation protects citizens' purchasing power and encourages saving and investment.

Sustained Economic Growth Pattern

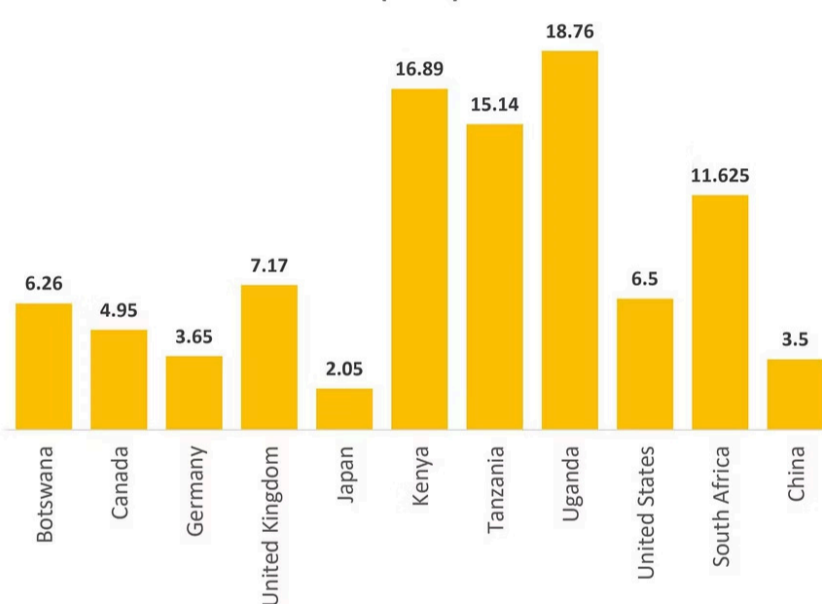


World Bank data shows sustained real economic growth since 1987 despite negative shocks. Strong recovery since COVID-19 pandemic demonstrates Musevenomics resilience, with growth expected to reach double digits in outer years.

Interest Rate Trends and Challenges

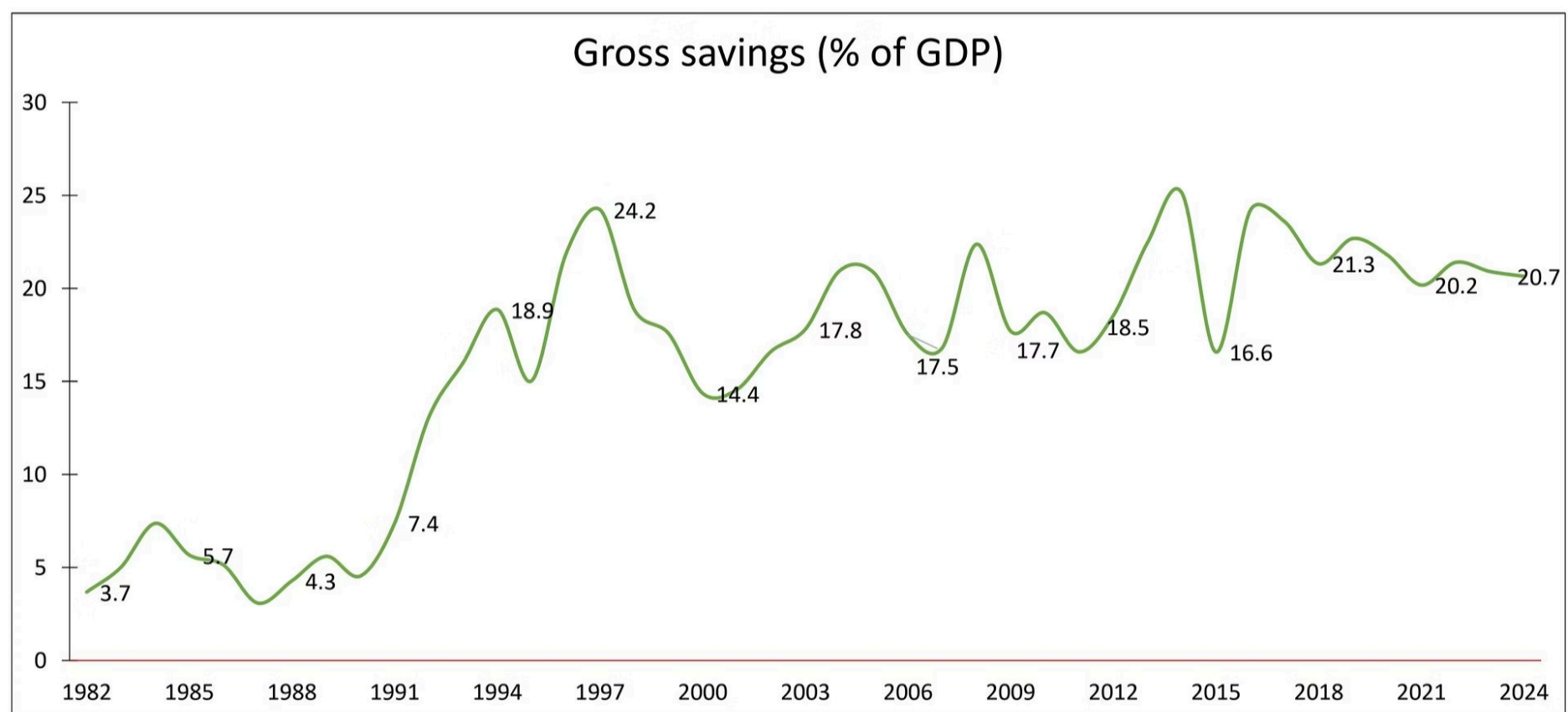


b). Comparison of Weighted Average Lending rates (2024)



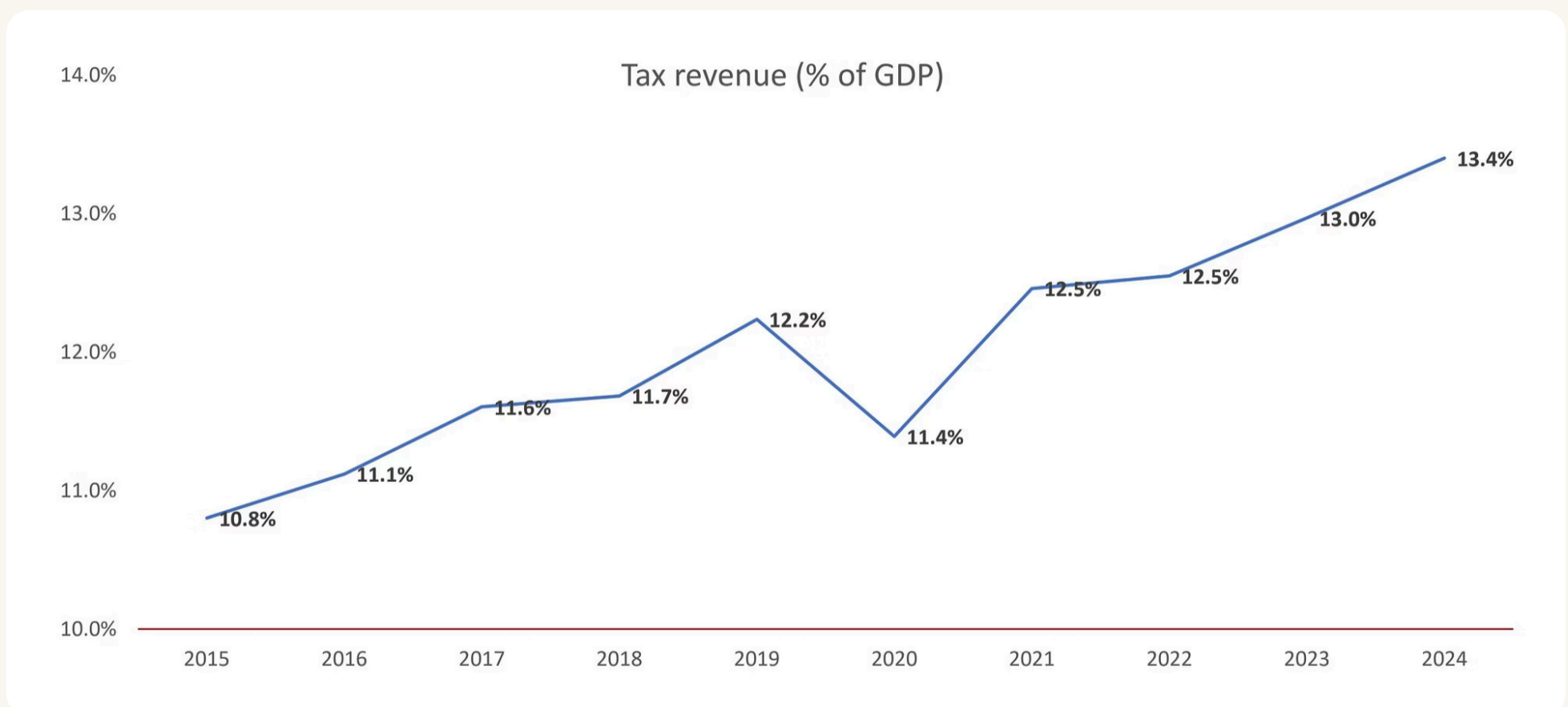
While lending rates are declining under Museveni's economic policies, they remain high compared to other countries. This presents an ongoing challenge that requires continued policy attention to make credit more accessible for business growth.

Savings Rate Development

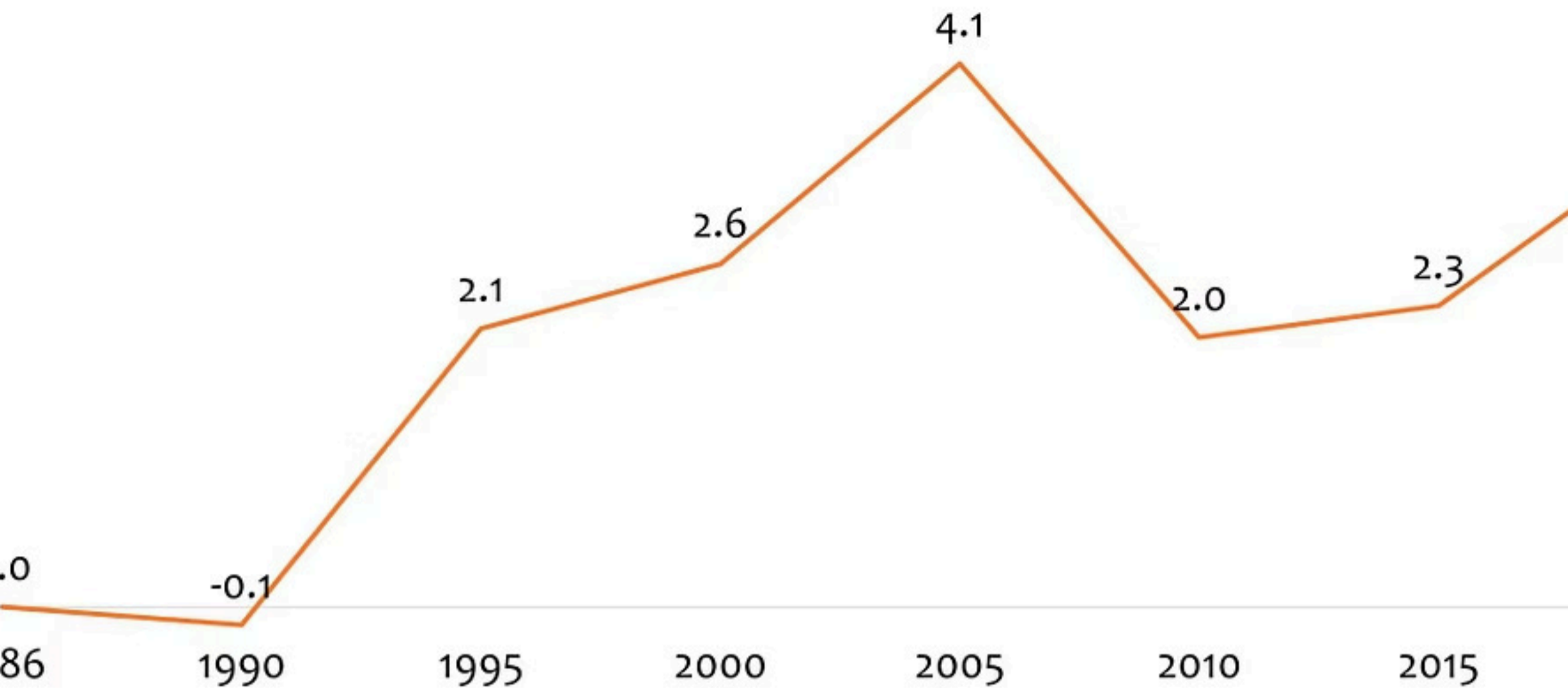


World Bank data shows how Musevenomics has encouraged higher savings rates as percentage of GDP, providing domestic capital for investment and reducing dependence on foreign financing for development projects.

Tax Revenue Collection Progress



Improved tax revenue to GDP ratio demonstrates how Musevenomics has formalized the economy, bringing more businesses and individuals into the tax system while maintaining competitive tax rates.



Foreign Direct Investment Attraction

World Bank data shows how Musevenomics policies have successfully attracted foreign direct investment, bringing capital, technology, and expertise that accelerates economic development and job creation for Ugandans.

Consistent FDI flows demonstrate international confidence in Uganda's economic management and future prospects under continued Musevenomics implementation.

Exchange Rate Stability

Stable exchange rates under Musevenomics create predictable business environment, encourage trade and investment, and protect citizens from imported inflation caused by currency devaluation. Today, the Uganda Shilling is the second most stable currency in the world.