

STATE OF THE NATION ADDRESS 2012

BY

H.E. YOWERI KAGUTA MUSEVENI

PRESIDENT OF THE REPUBLIC OF UGANDA

AT

THE OPENING OF THE SECOND SESSION OF THE 9TH PARLIAMENT

7TH JUNE 2012

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UICC, SERENA, KAMPALA

H.E. the Vice President,
Rt. Hon. Speaker of Parliament,
His Lordship, The Hon. The Chief Justice,
Rt. Hon. Deputy Speaker of Parliament,
Her Ladyship, The Deputy Chief Justice,
Rt. Hon. Prime Minister,
Honourable Ministers,
Rt. Hon. Leader of the Opposition,
Honourable Members of Parliament,
Members of the Diplomatic Corps,
Distinguished Guests,
Ladies and Gentlemen.

As usual, I will start my State of the Nation Address with the economy. This time, however, I will concentrate on only four aspects:

- i) the recovery of the economy in the last 26 years;
- ii) disagreement amongst us on the priority of allocation of scarce resources and the consequent delay in infrastructure development, with its implications for the delay of socio-economic transformation;

- iii) sabotage of vital development projects by the indiscipline and, sometimes, selfishness of various actors, including some political leaders; and
- iv) corruption as well as selfishness.

Before I talk about the above four aspects, I should also talk about the five reasons that have caused the recovery of the economy since 1986 to-date. These are:

- i) security of person and property brought about by the NRM, but more especially by the discipline of NRA/UPDF;
- ii) the Private Sector, whose investments account for about 77% of all total investments in the economy, including investments of our citizens of Indian origin (who contribute 25-30% of all the total investments);
- iii) the macro-economic stabilization and liberalization of the economy, which enabled us to control inflation for a very long time and to free the Private Sector from bureaucratic interference;
- iv) the ever-expanding consumer demand in Uganda and in the Region; and
- v) some little support from Development Partners that enabled us to repair some roads, repair the Nalubaale power station, etc.

In particular, I would like to salute the former British Minister, Baroness Linda Chalker, who helped us to repair Nalubaale.

Most of these five are obvious and they need no explanation. The fact that people's property cannot be grabbed by soldiers and that Ugandans can no longer disappear without a trace needs no explanation. I will only comment on two of the five. These are the

nature of the Private Sector that propelled our recovery and the support from the Donors (Development Partners). Regarding the Private Sector that propelled our recovery, it comprises of three elements:

- i) those engaged in services such as transport (*matatus, boda bodas*, buses, etc.), hotels, restaurants, beauty saloons, fuel stations, real estate and shopping malls;
- ii) those engaged in light industry manufacturing for import substitution as well as some limited exports; and
- iii) those engaged in trading, especially importing – the Kampala City Traders Association (KACITA) type.

Some of the industrial activities are linked with agriculture like fruits, juices, coffee, cotton, etc. Agricultural production has certainly contributed to the recovery of the economy. Three players in agriculture have done so. These are:

- i) the plantation owners (sugar, tea and coffee);
- ii) the big scale farmers; and
- iii) the medium scale farmers.

The subsistence farmers, who, according to the 2002 census, comprised 68% of all homesteads, still have much of their potential untapped because we have not yet mobilized them to do. The Mrs. Josephine Kizza's model farm is the solution to their problem.

Nobody here can claim that I have not exposed all of you to this fact. If all the 40 million acres of land of Uganda that are suitable for arable farming are put to their full potential, there will be a revolution in this country. Everybody will be richer – the families themselves, the Local Governments, the churches and the mosques and the country. Through our zonal meetings, we identified the

packages of enterprises for each area according to the households' landholdings. Let all the leaders get moving on this one.

The first two elements of the Private Sector, i.e. those engaged in services and light manufacturing industries, are the most useful because they add value to the goods and services produced in Uganda. They are not like KACITA which concentrates on turning Uganda into a perpetual market for the products of foreign countries. This is where the future lies. We should have more and stronger enterprises of this type. These groups must be specifically encouraged. They should not be delayed in any way by anybody if we want our country to go beyond where we are now. Yet the economy cannot stay where it is now. This is because it is already being overtaken by the demand for jobs by the young people as well as the demand for dollars for imports.

As you know, the light manufacturing has been in sugar, soft drinks, beer, soaps, some little textiles operations, vegetable oils (Mukwano and BIDCO), fish processing, cotton-ginning, coffee-hulling (removing the skin of the coffee berry), cement production, steel bars production (*mitayimbwa*), recycling of batteries, milk processing, fruit juice processing, plastics, etc. These light industries save or earn the equivalent of US\$ 1,230 million for Uganda per annum. This category has got a lot of potential for expansion. If we could, for instance, stop the bad fishing practices on our lakes, deepen coffee processing beyond coffee-hulling to coffee-roasting and grinding, expand juice and milk processing, link the steel mills with the iron-ore deposits at Muko and Sukuru hills, etc, this economy would be totally transformed.

We have seen that among the categories of the Private Sector, the most useful ones are: agriculture, services (transport, banking, hotels, etc) and light industry. The perpetual importers of products that can be made here are not a positive element in the long run.

As already mentioned, trading is partly positive if it involves internal distribution in Uganda and exporting our products to the Region or beyond.

Importers, however, have caused chronic haemorrhage in Africa, especially because most of the imports are simply luxury goods, not production inputs. It is important to point out that, even when they are inputs for production, it would be better if most of them were produced in Uganda and if the local products are comparable in price as well as quality to the imported ones.

Light industry is the most promising of all these. It produces products that are, indeed, very much needed for human sustenance. These include transport, food, clothing, building materials, medicines for human beings, drugs for pest control and for livestock and so on. These are all basics for human life and their demand is durable. In addition, light industries produce weapons for self-defence and, then, a country's future is assured. These days, brains, in the form of computers, are the ones that operate machines – guiding them to do work. These are the sectors where the whole political and administrative groups should focus their attention. This is where the future of the country lies. In time, light industries will move into sectors of heavy industry such as steel manufacturing out of our good iron-ore deposits, fertilizer manufacturing, earth-moving equipment and so forth.

Yet, if you examine the sectors that have been growing fast in the last decade, you will find that they are the following: importing vehicles i.e. transport in that sense – not in the sense of manufacturing the means of transport here; beauty saloons; restaurants and hotels; bars; real estate; shopping malls and many others. These have been growing at the following average annual growth rates: banking sector – 17.2%; transport and communication services including mobile telephones – 14.3%;

hotels and restaurants – 8.8%; real estate – 5.6%; other business services (saloons, stationery sales, etc) – 9.7%. If you compare them with growth in manufacturing and agriculture, the figures are as follows: 6.5% and 1.4% respectively (period 2004-2011). All these, except for hotels, are characterized by little employment potential, no export earnings and low or no technology. This is where Uganda is now.

High rates of growth but in sectors that create little employment, bring in little or no foreign exchange and, actually, sometimes squander the little foreign exchange we earn from coffee, etc, in the form of inputs imported for their operations. This source of growth does not bring socio-economic transformation quickly. Their main attraction is that they are of low technology and require little capital to start-up. These are what the indigenous Private Sector can afford as of now. This is the paradox of the present economy of Uganda: growth without creating enough employment and without earning enough foreign exchange but instead squandering the foreign exchange earned from coffee and other raw-material exports. I, therefore, think that it may be useful to distinguish between core industries that are a must in terms of sustaining human life and, then, peripheral or dependent industries that are either not as important as the other ones or dependent on the others to thrive.

The second category is easy to set up by the Private Sector as they have done in Uganda. The core ones need deliberate nurturing by the State even if they are done by the Private Sector. It is the country that needs them and not the Private Sector.

More often, you hear misnomers such as “factory *y’ omuyindi*”. There are no Indians’ factories in Uganda. The Indians’ factories are in India even if they are built and owned by non-Indians. What we have in Uganda are Ugandan factories operated or owned by Indian families. Those Indians are working for us. Those factories,

by whomsoever, expand our GDP, not that of India. Whose raw-materials do they buy? Whose utilities (electricity, water, telephones, etc) do they use? Which market do they produce products for? Who benefits from their export earnings? Whose youth are employed by these factories – ours or the Indian ones? To which Government do they pay taxes? When you answer each of the questions above, you will discover that these are Ugandan factories and not Indian factories. That ignorant talk should stop.

The three sugar factories in Uganda i.e. Kakira, Lugazi and Kinyara save Uganda US\$ 232 million in import substitution per annum. They paid 400 billion shillings in taxes in the Financial Year 2010/2011. They employ 19,000 Ugandans and engage over 200,000 people in indirect employment including out-growers, transporters, traders, stockiest, etc. In the Financial Year 2010/2011, they earned US\$ 41 million in export earnings. When all the three expand as they plan to, these factories will earn about US\$ 60 million in export earnings and will pay over 600 billion shillings in taxes per annum. The three factories will also employ 25,000 Ugandans and produce a total of 450,000 metric tonnes of sugar per annum instead of the present 290,000 metric tonnes per annum.

What is planned for sugar should also be planned for coffee, milk, fruits, maize, rice, irish potatoes, beans, wheat, beef and so on. It should be the same plan for minerals, wood products and, of course, fish products.

This brings me back to the four factors I mentioned at the beginning of this speech, namely:

- i) the recovery of the economy in the last 26 years;

- ii) disagreement amongst us on the prioritization of the allocation of scarce resources and the attendant delays in our infrastructure projects;
- iii) sabotage of vital development projects; and
- iv) corruption as well as egocentrism based on monetary gain or political opportunism.

Political opportunism involves failure to tell the people what the country needs and instead pandering to uninformed, wrong and populist positions. This is suicidal. Calling cancer '*flu*' is the surest way of killing the patient. Uganda needs more factories, not just beauty saloons, bars, fuel stations, *boda bodas* and taxis.

As already said above, I have talked about elements of a modernized Ugandan economy based on natural resources such as agriculture, minerals, fishing, wood products, tourism, etc. There are, however, also knowledge-based industries. These are products of the brain such as cars, machines, computers, processing formulae for food (value addition), medicines, vaccines, etc. Fortunately, our people have designed an electric car. They have processed flour out of bananas. They have made juices out of our traditional foods and medicines out of our traditional medicinal herbs. They have made perfumes out of our traditional herbs (*emigaju*), etc. These have got huge economic potential – much more than coffee as a raw-material and the like. Scientific innovations and scientists in general must, therefore, be given priority, in terms of Government funding.

I have already told you the factors that led to the recovery of Uganda, namely:

- security of persons and property;
- macro-economic stabilization and liberalization;
- expanding national and Regional demand;

- the Private Sector that is responsible for most of the investments; and
- some little Donor support.

All these factors would, however, have assisted greater and faster expansion if we had dealt more decisively with the issue of infrastructure - especially electricity, roads and the railway. Depending on Donor support, we have done some roads, repaired Nalubaale, etc. However, socio-economic transformation needs much more than that. For example, to be where Malaysia is now, we need, at least 11,954 MW of electricity. With Bujagali, we shall be having only 781 MW. This will give us a kWh per capita of 196 compared to the one of the USA of 12,914. Although, we are still lagging behind other developed countries, we recognize that we have made progress in this area. In 1986, Uganda was generating only 60 MW and had a kWh per capita of 28. This was a big shame.

We must also tarmac all the major roads for both economic and political reasons. Depending on funding from foreign sources is not enough. The only sure answer is to rely on our own means. Tax collection in 1986 was only 5 billion shillings. Our tax collection next Financial Year is projected at 7,132 billion shillings. In the Financial Year ending June 2012, we collected 6,169 billion shillings. It was shared out as follows:

1)	Wage bill and allowances	-	1,807 billion
2)	Roads	-	1,284 billion
3)	Energy	-	1,200 billion
4)	Education	-	664 billion
5)	Health	-	792 billion
6)	Defence and Security	-	407 billion
7)	Local Government	-	212.9 billion

As you can see, the wage bill takes about 1,807 billion shillings. This is the largest share in our budget distribution. Recently, I

launched the construction of the Arua-Oraba-Kaaya road which will cost us 142 billion shillings including 10 billion shillings for compensating people's properties near the road. If, therefore, the wage bill was 1,000 billion shillings instead of being 1,807 shillings, we would have saved about 800 billion shillings per annum for roads and dams. Over a five year period, we would have accumulated about 4,000 billion shillings. That would enable us to do about 29 roads like Arua-Oraba-Kaaya. What impact would this have on the economy?

According to Uganda National Road Authority (UNRA) and according to me, in my capacity as President who travels across the country quite often, there are 44 roads in Uganda with a total length of 3,466 kms that should be tarmacked. The list is attached as appendix I. The estimated cost is US\$ 4,076 million or 9,791 billion shillings. UNRA puts these roads in two categories: A and B. There are 19 roads in category A. These need US\$ 1,428 million or 3,435 billion shillings. These roads are the following:

1. Olwiyo-Gulu-Kitgum (167 kms)
2. Moroto-Nakapiripirit (92 kms)
3. Muyembe-Nakapiripirit/Moroto-Kotido (193 kms)
4. Soroti-Katakwi-Moroto-Lokitanyala (208 kms)
5. Kapchorwa-Suam (77 kms)
6. Villa Maria-Sembabule (48 kms)
7. Mpigi-Maddu-Sembabule (135 kms)
8. Mukono-Kyetume-Katosi-Nyenga (74 kms)
9. Ntungamo-Kakitumba/Mirama Hills (37 kms)
10. Rukungiri-Kihihi-Kanungu-Ishasha (74 kms)
11. Kyenjojo-Kabwoya (102.4 km)
12. Buwaya-Kasanje-Mpigi-Kibibi-Mityana (90 kms)
13. Hoima-Butiaba-Wanseko (111 kms)
14. Kayunga- Bbale-Galiraya (88.5 kms)
15. Kabale (Ikumba)-Kanungu-Buhoma (120.0 kms)
16. Ishasha-Katunguru (88.0 kms)
17. Kabale-Bunyonyi (6.0 kms)
18. Mbale-Lwakhakha (41.0 kms)

19. Atiak-Adjumani-Moyo-Afoji (104.0 kms)

Today, I stand here with pride as one of the founders of NRM, ever since 1971, when we started the struggle against criminality and misrule in Uganda. As I have repeatedly told you, tax collection was only 5 billion shillings in 1986. It is now 7,000 billion shillings. If this money was distributed in a *kiyekera* (guerrilla) way, we could certainly do these roads ourselves – at least the 19 roads in the UNRA’s category A that need 3,400 billion shillings. If the wage bill was only 1,000 billion shillings instead of 1,800 billion shillings, by saving 800 billion shillings per annum, we would accumulate 4,000 billion shillings in five years. This sum of money is more than enough to do the 19 roads we have been struggling with.

The clamour for higher pay by public servants and political leaders is, therefore, untimely and unfair to the 34 million Ugandans. Remember political and public service workers are only 300,000 in number. Even if you assume that each one of them has 5 persons under him or her, that would put the figure at 1.5 million beneficiaries. How about the other 32.5 million? The correct thing to do, now that we have some money, is to serve the many before we serve the few. If we were patriotic and undertook a voluntary salary cut for a number of years, we would build these roads ourselves.

While I still await patriotic offers about the voluntary salary cuts, I have initiated some talks with National Social Security Fund (NSSF) regarding the possibility of borrowing some money from them to do some of the roads. The NSSF does not have that much money. It only has 2,800 billion shillings. Possibly, we could borrow something like 1,000 billion shillings from them. That would cover some of the roads but not all of them.

There are other funding options which we are looking at with some people in connection with European and Chinese Banks, with some foreign countries, etc.

With our oil, matters will be easier. We shall be able to fund the roads, the railway and the power stations easily using our own money.

For some of the roads, we may have to forego some of the expenditure items and concentrate on the roads instead.

In the meantime, I demand that the clamour for more pay and allowances by public servants and political leaders must stop so that we concentrate on the roads and power. The only public servants that deserve pay rise are the scientists because they contribute decisively to the economy and their contribution is unique. It is not easy to replicate. The promise we had made to the teachers and other public servants of 250 billion will go ahead for at least this Financial Year. I feel very bad to see this 6,169 billion shillings we have succeeded in generating being used in a manner that does not build a higher threshold for our economy. Once we build a road, it will be there for 20 years. Salaries are monthly. Increment of salaries should wait until we have dealt with infrastructure or until our oil and gas are operational so that we can use the proceedings to fund infrastructure. Then, we can start moving again on wages.

I know inadequate salaries are also a challenge to the families of public servants. Uganda, however, is not like Europe. Many of the public servants have land at home and can grow food to supplement the yet small salaries until the situation improves. When we build the base of our economy, we shall all be better off.

Although I am not in favour of salary increases in the public service, there are two categories that are still left out. These are the councilors at the district level and the LCI Chairpersons. These persons monitor Government programmes, maintain security in villages and adjudicate cases. Yet, they have been getting very little or no facilitation at all. A provision of about 20 billion shillings per annum could cater for these two groups provided creation of new villages and new sub-counties stops.

Therefore, those who have been pushing for salary and allowance increases at this time, when we have not finished the base of the economy, are committing a serious mistake. The only people that should get salary increases should be the scientists, as I have already said. These are people we cannot easily replace. Yet we need them for the knowledge-based economy such as making cars, making computers, adding value to agricultural products, fabricating machines and machine-parts, etc. I have already talked about this above.

Those who push for salary and allowance increases as well as endless travels abroad are the same ones that complain that this road is not done, that project is not done, etc. This is hypocritical and should stop. Our discipline of *Buhekyera* (guerrilla strategy) educated us in the art of first dealing with the core issues and then dealing with peripheral issues later. As bush fighters, I have always told you that we concentrated on the gun and its ammunition, the recruit and some food. The rest, including clothes, medicine, etc., would be got by attacking the enemy units. This is how we built our Army.

The core issues in this economy are:

- defence and security;
- law and order;
- electricity;

- roads;
- the railway;
- piped water for the big towns;
- education;
- health;
- tourism; and
- scientific innovation.

With this foundation in place, we can, then, start looking at wage increases. It was not accidental that the salary of the President was 150,000 shillings between 1986 and 1996. It was deliberate. If one consumes little and invests more, the future will be guaranteed. If one consumes a lot and invests little, the future will be doomed. Spending prematurely on wages is really bad planning. It makes Government spend too much on recurrent costs, yet with capital projects, you spend only once and you do not repeat such expenditure for decades.

Since I am always under harassment for roads and electricity by people who at the same time agitate for higher salaries and allowances, as I have already pointed out above, I may resort to one alternative i.e. borrowing from NSSF to do some of the urgently required roads. We may have to give a ten-year bond to NSSF in order to get 1.4 trillion shillings to construct about ten good roads like Arua-Oraba-Kaaya. Internal borrowing should always be looked at before we look at external borrowing. Therefore, those who have been talking about the roads in the manifesto should know that these roads will be done in one way or the other.

I have spent a lot of time talking about two of the four factors I said were the main themes of this Address as far as the economy was concerned. These are: the recovery of the economy in the last 26 years and disagreements amongst us on the prioritization for the use of scarce resources.

There are two other factors I need to talk about briefly. These are: sabotage or delay of vital projects as well as corruption and selfishness. It is bad enough for villagers to not fully understand the importance of factories. It is a disaster for leaders to do the same while at the same time they are drawing salaries out of salaries paid by the very factories. We have had delays of factories in Lugazi, Amuru, Tororo, etc caused by this failure of leadership. This is not acceptable. If a leader has a criticism about the method of introducing a factory in one's area, bring out the criticism in a constructive manner, in the right forum, as you also quickly bring forward a solution. There should be no acrimony, no delays because this is our factory.

Do not deceive yourselves that investors are dying to come here. They have got many places to go to. I attracted BIDCO to come to Kalangala. After some hassles, they started. Kalangala is now completely transformed because of their effort. They, from the beginning wanted to expand since they have idle machinery here. As usual, there were delays by the system here manned by people who do not know where the future belongs. Meanwhile, BIDCO has already got 70,000 hectares of land in Nigeria where they are going to produce 350,000 metric tonnes of palm oil. This is compared to 16,000 metric tonnes of palm oil produced in Kalangala where Government gave them 6,200 hectares of land plus 2,800 hectares of land from out-growers. Who is the loser? Certainly, not the investor. The ones tied to an under-developed Uganda are not the investors; it is the Ugandans, especially the poor ones who cannot go for greener pastures. The investors are mobile with their money.

All the Ugandan leaders must learn how to '*kwogeleza*' (to woe) as we do with brides when it comes to investors. You do not hold press conferences to discuss the issues with your intended bride. Matters are discussed confidentially and with respect. You may not agree, you may modify arrangements, but it is all done with

seriousness and courtesy. If you can do all that for a single bride how about this country of 34 million people? Are we not condemning to doom the future of this 'bridegroom' by our conduct, we, his agents? Nevertheless, the officials who handle these should also be serious. Ask the right questions quickly. Who is the legal owner of this land? If there are *bibanja*-owners, how are you engaging with them? If there are illegal squatters, how do we handle them? Handle issues thoroughly, knowledgeably but firmly and fairly. Knowledge creates confidence and firmness in decision making.

There is the issue of corruption and selfishness. Some of the frustrations to the investors are caused by corruption. Investors are harassed for bribes by these traitors. I do not know why the investors do not report this. I intend to bring a law to punish severely those who endanger our future on account of corruption, selfishness and opportunism.

Before I leave the sections on the economy, I would like to touch, briefly, on how the economy has performed since last year. You remember, soon after the elections of last year, the economy hit what I had long anticipated – some bad times. Owing to some drought but also due to increased Regional demand (which itself is a great opportunity for the region and serious producers), commodity prices went up. This was also due to increased world prices owing to the emergence of bigger middle classes in China, India, Brazil and to some extent, in Africa. As I told you in my previous speeches, it is, actually, good news for serious producers. On account of increased construction in the world, price for steel has gone up, price for sugar has gone up globally because of increased demand and so has the price of petroleum because of more people in the world, including Ugandans who are driving cars.

Additionally, the economies of the West are in decline because for long they have been leading an affluent lifestyle at the expense of the rest of the world especially Asia, Africa and Latin America. Prior

to the emergence of China, India, Brazil and to some extent some parts of Africa out of poverty, much of the global resources were only supplying the West. That is why in the 1990s, when I was trying to market our steel in Muko near Kabale and Sukuru hills near Tororo, I was told that there was too much steel in the world, that there was a “steel glut”, as a consequence of that there was nobody willing to invest in iron-ore processing. At that time, the price of a tonne of steel was US\$ 200. By last year, a tonne of steel had gone up to US\$ 900. Why? It is because steel which was previously being used by only a small population of the world for construction of houses, making cars, etc., is now being used by billions of the world population. This is good news for Africa and for Uganda. Indeed, in 2011, we earned US\$ 449 million from the export of coffee against US\$267 million which we earned in 2010. In previous years, we earned as less as US\$ 120 million annually from export of the same amount of coffee.

Therefore, Uganda had a lot of opportunities. On the one hand, Regional demand was going up and, on the other hand, prices for our commodities were also going up globally. The only negative aspect was that the consumption in Europe and USA was going down. We could, however, not fully take advantage of these opportunities because of previous mistakes committed against my advice and my entreaties to the various power centres. Particularly, relevant for these problems were the delays of Bujagali and sugar factories in Lugazi and Amuru. Instead of taking advantage of the Regional demand, the prices went up for the consumers. The price of sugar went up to about 10,000 shillings per kilogram.

The charlatans went into full gear. “*The NRM Government has failed*”. “*They are useless*”. I took time and explained to Ugandans on the radios and also explained to the NRM leaders at Kyankwanzi. You can go back and refer to my speeches and see that there is nothing I predicted that has not turned out to be true. The price of sugar is now at 3,000 shillings per kilogram. The exchange rate that had gone to 2,800 shillings per dollar has been hovering around 2,450 shillings per dollar, etc. Yet, we have not completed dealing with the real bottlenecks except electricity which is

beginning to work out miracles in the economy. With just three turbines operational at Bujagali, i.e. 150 MW of the 250 MW total, there is already a remarkable change. I am told that industrialists are already very excited. They have shut down the standby generators that were causing them to 'bleed' so much. This is just the beginning. The Banyankore say: *Ekihambo kirakutambire kikubanza obutuutu* – the pumpkin plant that will solve your hunger problems starts by giving you the young pumpkins. English is a poor language; you cannot easily translate these very precise statements. What, then, will happen when Lugazi is expanded, Amuru is built, Sango Bay is built, Ziwa Ranch is turned into a sugar-cane plantation, Casement sugar in Kaliro starts, irrigation around the Rwenzori and the Elgon areas are expanded and we start using fertilizers, etc? The sky is the limit!

Nevertheless, I should not forget to say “shame to the charlatans”, “shame to the liars”, “shame to the opportunists”.

Before I conclude this section, I would like to add that Besigye's lawlessness added to the problem of the relative scarcity of the dollars hence the loss of value of the Uganda shilling. The *fujjo* and the false stories that were being sent out of Uganda scared tourists for some time. This meant less dollar inflows, dollar appreciation and more difficulties for KACITA, the importers. However, for exporters and those who are dependent on local production, it meant more opportunities. Whenever you would export, you would earn more because a dollar was giving you more shillings. It should, however, be sacrilege to have political actors who tell lies about the destiny of Ugandan people.

The Minister of Finance, in the budget speech, will deal with the short-term and medium-term tactical issues that are meant to further help the economy. I have been dealing with the strategic issues in this speech.

Apart from the economy, the other issue has been the indiscipline of Dr. Besigye and a small clique of his. I congratulate the

Parliament of Uganda for administering democratic political *kiboko* to the Forum for Democratic Change (FDC) during the East African Legislative Assembly (EALA) elections. I congratulate all the candidates that were elected - NRM and non-NRM. The egocentrism of Dr. Besigye and his group has totally isolated them from all positive thinking people. Once you pass the Public Order and Management Bill and I sign it, the *fujjo* will stop. I congratulate the Police for defeating this conspiracy by Dr. Besigye of attempting to overthrow the Constitution by insurrection.

The Police was able to protect people's property in the markets and shops from looters organized by Dr. Besigye. Unfortunately, there were some deaths including that of a Police officer. The Public Order and Management Act will make all this impossible. There is, however, some laxity in the legal system. Why should any judicial officer release on bail somebody who has repeatedly abused the terms of the bail? Is this not an abuse of office? Is this not possibly corruption?

The media is also another corrupt, irresponsible and unprofessional group. Some of my supporters have been asking me for money to bribe characters that are called DJs so as to get favourable coverage in the media. I told my supporters that I would never give them that money. It is the duty of every Media House (radio, TV or news paper) to ensure that they give balanced and objective coverage of any story. It is an obligation on them and not a favour to the public. Any Media House that does not do it will lose out. I will show you how if they continue. We do not have to bribe anybody. The power of licensing belongs to the State. The State of Uganda has got a historical mission: Nationalism, Pan-Africanism, Socio-economic transformation and Democracy. It is the duty of every Media House to further these aims. I hope they will listen to my advice.

Otherwise, the country is peaceful. The UPDF is much stronger than ever before. There are only a few gaps in our overall defence, which will be closed in the coming years' budgets.

Ugandans have relaxed on HIV/AIDS. I hear the prevalence rate has gone up to 7%. More dangerously, new infections were 129,000 in 2011 up from 115,000 in 2007. This is an increase of about 3,500 new infections per annum. What a big shame! Why should anybody get HIV/AIDS today when all the information on prevention is available? HIV/AIDS only is transmitted through promiscuity. Close this gap. Some of the interventions cover up this failure. Anti-promiscuity measures must be emphasized.

Madam Speaker, I congratulate you, your Deputy and Hon. Members upon completing some of the work of Parliament over the past year, who as at 21st May 2012 had been able to transact business as follows:

- (i) Bills passed – 11
- (ii) Motions for Resolutions – 40
- (iii) Reports considered and adopted – 23
- (iv) Petitions considered – 20
- (v) Ministerial Statements presented and debated – 35
- (vi) Other Statements – 15
- (vii) Questions for oral answer responded to – 07

Among the Bills passed were:

- (i) The Companies Bill 2009.
- (ii) The Prohibition and Prevention of Torture Bill, 2010.
- (iii) The Uganda National Meteorological Authority Bill 2010.
- (iv) The Transfer of Convicted Offenders Bill 2007.

I thank you Madam Speaker, Your Deputy, Hon. Members and the Technical Support Staff for what you have been able to accomplish during the last twelve months. Since quite a number of Bills are still pending, I request the Business Committee to look at what is pending and sort out what can be fast tracked.

A list of Bills from Ministries/Departments which may be presented to Parliament during the next twelve months is appended hereto. (Appendix II).

Finally, I congratulate the Honourable Margaret Zziwa who was elected as Speaker of EALA the other day. There was some confusion in the Newspapers to the effect that there was an NRM official candidate. There was no official candidate because the NRM Caucus had not chosen one.

I thank you very much.

Encls...