

State of the Nation Address

By

H.E. Yoweri Kaguta Museveni

PRESIDENT OF THE REPUBLIC OF UGANDA

At

Kololo Independence Grounds

4th June, 2021

Right Honourable Speaker,
His Lordship the Chief Justice
Rt. Hon. Deputy Speaker,
Rt. Hon. Secretary General of the NRM,
Hon. Members of Parliament,
Members of the Diplomatic Corp,
Ladies and Gentlemen.

In fulfillment of the Constitutional requirement under Article 101 (1) of the Constitution of the Republic of Uganda, I am here to deliver the State of the Nation Address, 2021.

Again, I congratulate the Honourable MPs on your Election on the 14th of January, 2021 and some of the special interest groups later. Pastor Kayanja told me that that 14th of January is a special day in the Bible. It is the day when, in the Book of Leviticus Chapter 23, verse 5, it says: “*On the fourteenth day of the first month evening shall be a Holy Convocation – a feast of the Lord’s passover*”. The Electoral Commission, in selecting that date, must have been guided by God.

As I said on my inauguration and on a number of other occasions, at this point in the history of our country, having restored the small enclave modern economy of 1971 that had been destroyed by Idi Amin in the 1970s, having greatly expanded it from US\$1.3billion in 1986 to now US\$40billion, we have a number of points that we need to concentrate on in order to transform Uganda into a Middle income country, on the road to becoming a First World country.

However, before we talk of our medium and long-term strategic plans, I need to, first, remind the country about the really interesting and challenging 2020 – pronounced as “twenny twenny” by some of the Bazukulu and some other interesting Ugandans. “Twenny twenny”, came with locusts, floods, the rising levels of the Lakes, land-slides, floating islands, etc. Soon after, corona came in, starting with March, 2020. I am happy to repeat to you what everybody knows. Uganda did not only manage to cope with these challenges, but also the economy managed a modest expansion of 3% for the financial year 2019-2020 and will manage an expansion of 3.3% for the financial year 2020-2021. If it had not been for corona, the economy was projected to grow by 6.3% and 6.2% in the financial years 2019-2020 and 2020-

2021, respectively. We defeated the locusts and coped with all the other problems. In 1964, on the 14th of May, Lake Victoria set a record when its water level reached 13.41 metres at Jinja for the first time since records started being kept in 1904. Indeed, right from 1961, there had been a lot of floods. My family being nomadic at that time, I remember the inconvenience of the flooded plains of Kashaari that time. The plains (*empita*) of Ruyonza, Kakigoonjo, Rweera, Katebe, Nyakisharara, etc., were all flooded for much of that time.

However, on the 19th of May, “twenny twenny”, the Lake achieved a record higher than that of 1964. It measured 13.49 metres. The Lake, not being satisfied with that record, on the 14th, 15th and 19th of May, 2021, it reached the highest point ever of 13.50 metres. On the 31st of May, it had slightly reduced to 13.42 metres. This is all in spite of us releasing much more water at Jinja than ever before. Normally, we release 800-1200 cubic metres of water per second. Today, however, we are releasing 2400 cubic metres per second. In 1964, they could only release a maximum of 1300 cubic metres per second. Today, however, because we built new outlets at Jinja, we can release up to 3000 cubic metres per second.

That is how we have been able to cope with this Lake that has been so high and for so long. In addition to dealing with the locusts, the rising Lakes levels, the land-slides, the floods, we had to deal with the deadly phenomenon of the corona pandemic. On account of the tough measures we took quite early, we avoided the sort of catastrophe we saw in other countries.

However, on account of the wide-spread reckless behavior, we are now entering a new phase with a wider spectrum of variants of the virus that may be more dangerous. 49,761 people have been infected cumulatively to-date (1st June); 46,150 have recovered. Therefore, many people recover from corona if they are well-treated and in time. However, the corona virus is very dangerous because it targets epithelial cells (*which line and create protective barriers*) in many organs of the human being (*including the lungs, heart, blood vessels, kidneys, liver and digestive tract*). This virus can cause the damage of those organs even if the patient recovers. Fortunately, as you can see, many Ugandans have recovered completely and with no damage that is permanent to their body systems. Nevertheless, the best is to avoid this disease until one is fully vaccinated and we maintain the SOPs until the pandemic in the World is defeated.

With the vaccination, we, recently, hit a snag when, on account of the very bad situation that developed in India, that country stopped the fresh exports of the vaccine. My advice to the countries that are producing vaccines now, is to be careful with this point. I had the same problem with sanitizers here, as I said the other day. Being big Waragi producers, when the pandemic started, the only factory that was making sanitizers in East Africa, was Saraya Manufacturing (U) Ltd., in Jinja. In the Cabinet, while discussing this point, somebody suggested that we should stop the export of the sanitizers because we needed them badly here in Uganda. As a Christian and a traditional Munyankore, I could not accept such logic. It is called *okuhemuka* (to let down friends, colleagues, partners – anybody that trusted in your solidarity) by saying that because you are in great need, those who depended on your solidarity, can go to hell. Apart from the moral issues involved, there is also the issue of strategy. You should always remember that there is a tomorrow – *hariyo nyentsya*. If you let me down today when I am in such a great need as life and death for my people, just like you also have the same crisis, how will I ever depend on your partnership in future? It seriously undermines international partnership. What I decided in the case of the sanitizers, was to advise Hon. Jane Aceng, to put aside 40% of the

production for Uganda and share the 60% with other East Africans. I could not *kuhuunga* (to abandon) upon fraternal peoples and partners by *kuhemuka* upon them (let down anybody), just because I am in acute need myself. I share the hardships with my fraternal people or partners.

Nevertheless, the ego-centrism in the World is also good for us the patriots and Pan-Africanists in Africa. It makes it much easier to arouse even the most indifferent who are busy dancing and taking alcohol, that Africa must take care of itself. I salute our scientists who have developed the diagnostics, have been working on the therapeutics and also the vaccine. Two of our diagnostics are ready for manufacturing and we are in the process of putting up the factory to mass manufacture; the therapeutic has been tried in 53 patients and we need a minimum of 124. Up to now, results are good. With the vaccine, we have got to phase 4 out of 9 phases. At this stage, I need to renew my demand, but this time renew it as an order that should be implemented. Many years ago, I proposed that government scientists, must start with Shs.4million when they join the Public Service. The top scientists in the Research Institutions should be earning Shs.15million, like Professors in Public Universities.

This is because we want to retain the large number of scientists we have trained so that they solve our needs – health, nutrition, infrastructure, but also benefit from the pathogenic economy. Other people in the World, have been making money from our sicknesses. We shall earn more money from the pathogenic economy, than from coffee. Therefore, paying our scientists well, is not a favour to them. It is, first and foremost, in the enlightened self-interest of the country.

All these, are temporary phenomena: locusts, floods, rising water of the Lakes, land-slides, corona, etc. We are coping with them; but our real historical task is to cause social-economic transformation of our society. This society must go from its pre-capitalist, pre-industrial way of life, to a middle-class, skilled working class society. When the French Revolution took place in 1789, the French society, which I suspect, was a microcosm of the wider European societies, was a four-class society: feudalist, capitalist (bourgeois), working class (proletariat) and peasant. At that time, the society in Uganda was a three-class society: feudalists, artisans and peasants. Today, the European societies are two classes ones: middle-class (being sustained by profits from businesses) and the skilled working class – the proletariat (good salaries

sustain them, plus a welfare system when they are out of work). No more peasants in Europe. No more feudalists in Europe. Here, in Africa, so many actors are engaged in peasant conservation and also some elements of feudalism.

It is this incomplete metamorphosis of society, that I have been addressing ever since 1986 when we got a chance to run the country and even before, when we were still in the Student Movement. Our appeal is for everybody to join the money economy and get out of *okukolera ekidda kyoonka, tic me ici keken, Ateso-akoru lu akoik bon, Lugbara-azi-ngaza aleni.*

As you have seen, even modest waking up of sections of our people from *kulambaala, nino-matek, okwebaka, kugwejegyera, kulaala saana*, even using old methods, generated a lot of production. Some of the increased production, fortunately, has got big international demand. Coffee falls in this category. We have gone from 3 million bags to seven million bags. Fortunately, the global demand is able to take all the coffee because the global coffee demand is 166.34 million, 60kg bags. The global demand for milk products is 906 billion litres, valued at US\$458.1 billion. Therefore, our present production of 2.6 billion litres of milk, can enter the global market

provided we solve the problem of cattle diseases (*foot and mouth, CBPP, anthrax, etc.*) and, of course, also offer competitive prices. Therefore, the Banyankore I once met at Rwakitura clamoring for high milk prices, need to know more about this global competition for market with other countries – New-Zealand, Holland, etc.

The global demand for maize (corn) and maize products is 852million metric tonnes, valued at US\$153.4billion. Therefore, our production of 5million tonnes of maize, can be absorbed provided we solve the problem of quality – getting rid of the shameful aflatoxins – caused by people who mishandle food in harvesting. Why do you mishandle people’s food? Wait for the maize to dry properly on the *kikoonko* (maize stalk); when you harvest it, put it on a canvass (*ntundubaare*) or cemented drying ground, etc. The maize will dry properly and simply and there will be no aflatoxins. The Iranians came here and they wanted to buy all our maize. Their annual demand is 9.4million tonnes. They import 7million tonnes. The problem was ourselves – negligence in handling food we want to sell to people. Are we *barogo* (witch-doctors, poisoners) or are we *bashakisa* (sellers of food)? Algeria imports 300million tonnes of powder milk per annum.

To produce this milk powder, you need 3 billion litres of milk. Nigeria imports 4.1 million tonnes of powdered milk. With many of Uganda's products, there is a global market; but we must solve the issues of safety. I will not talk of quality, because our agricultural products are the best quality in the World.

I have been telling the World what you know – the huge surpluses of so many products as a consequence of the limited waking up of sections of our people. Yet, this is a mere *ndozo* (tasting something before buying). If you take the beef – dairy sector, for instance; the big increase in the milk production, is in spite of still using the free-range method (*kuseetura*), where cattle are sent to the bush (farm) to graze, when the farm is bush cleared (*kukora omwaanya*). In this method, the stocking – ratio is only one and half cattle per acre per annum. Some years ago, I went to Israel and saw 1,000 freesians, being managed in one acre.

Recently, I met somebody from UAE, who told me that their company has a herd of 18,000 heads of cattle in 250 acres. We should systematically shift to zero-grazing. With 18 million heads of cattle, one third of which would be milking at any one time, each giving 20 litres, the total production would be 44 billion

litres of milk in a year. The same for bananas. While the rural farmers have been producing 5 tonnes of bananas per hectare per year, Dr. Muranga, at Nyaruziinga, has got to 53 tonnes per hectare per year and I hear that in Brazil, they go up to 80tonnes. This increased production is partly due to irrigation, fertilizers, etc.

This is why, in my inauguration speech, I emphasized the question of the market for African products, for Ugandan products, if the Ugandans wake up (*kuzukuka, kusimuka, Ateso-akwenyun, Acholi-choo, Lugbara-mi enga*). Again, to remind everybody, the answers are four: the internal market of Uganda boosted by increased purchasing power when all homesteads join the money economy by producing for the stomach but also producing for the pocket; the East African market through the EAC; the African market through CFTA; and the Global market, through the trade access agreements like AGOA, the Chinese preferential access market, the EU, EBA and also access to other markets on the merit of the quality and pricing of our products.

Once all the leaders are clear on these points, we shall more easily be able to implement the guidelines we have put out for the whole country. Who is to produce low value crops but on a large scale – such as sugarcane, cotton, maize, tobacco, etc. and who is to produce high value products on a small scale such as coffee, milk, fruits, poultry, piggery, horticulture and who should do both?

Let all the leaders stop confusing people by sending contradictory or divergent messages. The NRM message ever since 1966 has been: all homesteads to join the money economy using *ekibaro* (*cura, otita, aimar* – profitability assessment) to guide their enterprise selection; prices of products are determined by the market, not by governments unless we provide subsidies which we cannot afford and few have sustainably afforded them in the World; moreover, our products must be safe for consumption, good quality and competitive in prices; and the markets are four: internal, EAC, African and global. The colonial approach is no longer possible: “produce the coffee and cotton, etc., we guarantee to buy them at guaranteed prices”. The World of production is now for competition and it can be done.

With this clear vision, I strongly urge our people to join the 4 sectors: commercial agriculture, industries, services and ICT. With commercial agriculture, we are emphasizing the parish-model. At the parish, you are able to know all the homesteads: Ndangaaro 3,330 homesteads; Rwengaaju 3,196 homesteads; Mawale (Kawumu) 1,480 homesteads; etc. You will be able to know who has woken up and who is still asleep. Our aim is to make all the homesteads, to wake up.

On the side of industries, we shall continue to deal with the issue of costs of manufacturing in Uganda. The cost-pushers are three: the cost of money-interest rates of the exploitative commercial Banks; the cost of transport (to Mombasa, Dar-es-Salaam, Juba, Kigali, Congo. Ethiopia, etc.); and the cost of electricity. The other cost would be the cost of labour. However, that is still low. It is not a problem, yet. Ugandans should be informed that with our fraternal States of the EAC, we are handling the issue of transport costs. By road, a 20ft container, costs US\$1900 and a 40ft, costs US\$3200 to Mombasa and vice-versa. Yet, by rail, it is US\$1400 for a 20ft and US\$1900 for a 40ft, respectively. Hence, in addition to our long-term goal of building a modern standard gauge railway, we are, together with Kenya, rehabilitating the metre-gauge railway for immediate use.

The metre gauge railway, is the old railway. When repaired, its cost of transport will be much lower than the road transport.

On the cost of money, we are continuing to fund the UDB – so that it can give loans for manufacturing, agriculture, some services (tourism, medical, etc.) and ICT (BPOs) at not more than 12% and the more they lend, the lower the interest rate will become. The cost of electricity is distorted by mistakes committed by some of our actors without my knowledge, even when I was heading the Government. Especially the mistakes of Bujagaali and Umeme, add 55.3% to the cost of electricity per unit. Otherwise, the cost of power from Kiira is US cents 1.19per unit, Nalubaale – US cents 1.119per unit, Isimba-US cents4.16per unit, Karuma-US cents 4.97 per unit; but Bujagali US cents 8.30 per unit. Bujagaali, at one time, was US cents13.8 per unit. We shall see how to get out of this mistake. One solution that I have already ordered for Industrial Parks, is to supply power direct from some of the Government dams to them. I will not be deflected from that.

The services sectors — tourism, hotels, banking, music, sports, professional services, etc., were moving very well, until corona came in. As I said above, the answer for corona, apart from the preventive measures we continue to take, are the vaccines and the therapeutics. Above, I talked about the *kuhemuka* (let down partners) by our partners. We are continuing to talk with India, the USA for the Johnson-Johnson vaccine, China and Cuba.

I am sure we shall succeed with some of them. With the therapeutics, one of our products has been tried among 53 patients and 43 of them have fully recovered, while the others are still on treatment. We target to reach 124 patients before we are sure that this medicine treats Covid-19 patients. On the side of the vaccine, we are moving very well only that we were delayed with the perception that Africa is not supposed to manufacture vaccines but was only supposed to buy from others and also work as foot-soldiers in doing field research for others to develop and own the vaccines. I salute the few outsiders that helped us. I am sure God has created space for them in heaven for their Christian-like actions of sharing with other children of God.

Making a vaccine in a *kutumbuura* (starting a new garden from the bush), involves 9 or 8 phases if WHO allows you to skip one phase. Our researchers are now entering stage 4. I congratulate them. We hope to get to stage 8 by November, 2021. I can assure Ugandans that by end of 2021, we shall no longer be waiting for outsiders to rescue us from *ekyorezo* (mass death). By controlling corona, our services will resurrect. Before the corona, we were earning US\$1.5billion from Tourism alone.

Since some decades ago, I have been urging our people in the ICT sector to take advantage of the BPO business in the World. Since many of our children speak Kampala-Parents English, they can, through the internet, do jobs for companies in the USA, Canada, etc., such as call centre services for utilities, hospitals, auditing accounts from here and be paid. India is earning US\$191billion per year from this business of BPOs and employing 1.1million young people. The ICT has been un-serious in relation to this sector.

Therefore, again, the Honourable Members of Parliament (MPs), the 4 sectors are: Commercial Agriculture, Industries, Services and ICT. Given the correct policies of the NRM right from 1986, in spite

of obstacles erected by those who do not understand our strategy, the economy has grown from US\$1.3billion to US\$40billion – that is 31 times bigger!! This is if you use the foreign exchange method. If you use the PPP method, it is US\$114billion. By 2026, the economy is estimated to be US\$69billion or US\$193billion by the PPP method. I am, however, not, have I ever been, satisfied by this level of performance. Some companies in the USA have annual turnovers of US\$ in billions. You can take examples of the following as indicated in the table:

SN	Name	Industry	Revenue USD billions	Employees
1.	Walmart	Retail	560billion	2,200,000
2.	Amazon	Retail	387billion	1,225,300
3.	Apple Inc.	Electronics	275billion	137,000
4.	CVC Health	Healthcare	270billion	290,000
5.	ExxonMobil	Petroleum industry	265billion	74,900
6.	United Health Group	Healthcare	257billion	325,000
7.	Berkshire Hathaway	Conglomerate	255billion	392,500
8.	McKesson Corporation	Healthcare	215billion	70,000
9.	Amerisource Bergen	Pharmaceutical Industry	190billion	21,500

How and why should a company have a size of business that is bigger than the economy of a whole country? The combined GDP of East Africa is US\$440billion. You have seen how some of the individual companies have business sizes comparable to the combined economies of the whole of East Africa. Hence, in the medium term, we must aim at the size of economy of, at least, US\$300billion by the foreign exchange method.

By 2026, Uganda's population will be 48million people. If each person is earning US\$3,000, that will be US\$144billion. This will just be people's incomes, without including infrastructure. Yet US\$3,000 per person per year, translates to Shs.10.8millions per person per year and for a household of 5, this would translate to Shs.54million per year. Some of our households, using one acre, are already earning Shs.240million which translates to US\$67,000 per year and divided by 5, comes to US\$13,000 per person.

I, therefore, do not accept the minimalist approach by the Ministry of Finance where the people of Uganda generate wealth that is smaller than the businesses of individual companies in other parts of the World.

We shall earn more from coffee and its products, from milk, from fish, especially *ennuni* (the fish maw). Out of *ennuni* alone, Uganda can get around US\$156billion per year, bigger than what Saudi Arabia earns from oil in a year.

To achieve these aims, we must defeat corruption and disorientation and we shall defeat them. Corruption has become a real enemy. It starts in Finance, where projects are designed with supernumerary elements (extras); these bloated projects go to Ministries, then to Committees of Parliament and, then, to the Auditor-General, where there is collusion all the way. What the corrupt fraternity did not factor in their *kibaro* of corruption and criminality, was the large number of the young people the NRM has trained over the years, many of them coming from the middle-class, where they do not have the pressure of home poverty. I have been discussing with my children, who are now senior adults, the timeliness of creating the DRA (the Descendants' Resistance Army I) to take forward the work of the original NRA of their parents. This fraternity, recently recommended to me one of their group. When I talked to her about a certain job, her answer was: "No, Mzee, that is not my *"pession"*, as they speak in their exotic accent. These are people who work for passion, not money. Against resistance,

I put one of them, Ms. Irene Kaggwa, to manage Uganda Communication Commission (UCC). She is doing a commendable and clean job from the little I hear of. The young passionists are liberating the Uganda Airlines. It is easy for the NRM to defeat corruption. With disorientation, I want to appeal to the NRM MPs to grasp our strategy of everybody joining the money economy with *ekibaro* as we agreed at Kyenkwaanzi recently.

The target of all these efforts, is to ensure two things: prosperity of our people by helping them to create wealth for themselves as well as jobs for themselves and others and also ensuring security of our country. To achieve these, we must ensure the social-economic transformation of our society by phasing out the peasants and the feudalists and creating a middle-class and skilled working class society. It is a shame that we are still struggling with this social metamorphosis, 232 years from the time of the French Revolution in 1789 when, as already pointed out above, France already had a middle-class (the bourgeoisie) and a working class (the proletariat that led the anti-feudal revolution), in addition to the oppressive feudalists and the poor and badly exploited peasants (serfs). A lot of time was wasted, not only by the colonialists, the ignorant chiefs, but also some of

the post-colonial actors – politicians, cultural leaders, religious leaders, etc., that many times divert people’s attention to wrong positions of superstition, sectarianism, miracle wealth, etc. Mao Tse Tung in China, struggled against these parasite groups. That is why China is now on the verge of becoming a First World country. Eversince 1986, if you leave out the other years of struggle, the NRM has been insisting on four stimuli to cause this socio-economic transformation. These are: education for all; everybody joining the money economy, away from the pre-capitalist practice of primitive self-sufficiency of *okukolera ekidda kyoonka, tic me ici keken, Ateso-akoru lu aloik bon, Lugbara-azi-ngaza aleni*; private sector-led growth to attract actors that are already part of the money economy in big numbers; and infrastructure development so as to facilitate the 3 efforts above, including lowering the costs of doing business in Uganda so as to enable our economic actors to make profit in their businesses, thereby making Uganda more competitive. This vision, helped Uganda, as has been demonstrated again, in this speech. However, much more could have been achieved and can be achieved if all the politicians of the NRM and the civil servants understand and push this effort in a united way.

Many times, we have had to swim against the current. Yet, as Mwalimu Nyerere said, Africa “*needs to run while others walk*”, if we are to catch up. Some parts of the world are on the verge of the 4th Industrial Revolution while many parts of Africa have not entered the 1st Industrial Revolution. The 4th Industrial Revolution is the phenomenon of intelligent machines that can replace man in the work place – factories, etc. China and India, benefitted from cheap labour and lured businesses to the East. That migration of factories and businesses in search of cheap labour, forced the other societies to look for cheap labour that avoids expensive human beings that were demanding high wages, using Trade Unions power (the Labour Movement). The answer is intelligent machines as a consequence of AI (Artificial Intelligence). This is what is being referred to as the 4th Industrial Revolution. The 1st Industrial Revolution (Mechanization Revolution) was the use of steam power operating machines instead of the manually operated *enyoondo* (hammer). The 2nd Industrial Revolution (Technological Revolution) was the discovery of electricity to operate machines instead of the steam power. The third Industrial Revolution was automation (Automation Revolution). Uganda, under the NRM, will not miss the bus of history again.

Finally, security will be maintained in the whole country. Cattle – rustling that has been showing resurgence in Karamoja, will be defeated. We are expanding the brigades of 3rd Division and 1st Division. The criminality around Kampala was defeated and is being defeated. The only element to get rid of is the corruption and poor procedures within the Police. NRM people were reporting intimidation and harassment by terrorists at the Police Posts. These good for nothing characters, would tell them that there is no “political desk”. If you do not have a desk for terrorism in your Police Post, you will go home and somebody else will do the job.

The recent shooting of Gen. Katumba by the usual shallow actors, showed the poor organization of the Police. The cameras I put in place did their work. As you saw the killers were running from one area to the other area. Why didn't the Camera centre alert all the patrol cars and even the UAVs to chase and block these killers? No. These wonderful camera managers, think that their gadgets are only for storing videos for forensic analysis as part of the post-mortem of the operation. Yes, the cameras are for forensic but also for *enduuru* (alarm) while the crime is going on.

The criminals will be on continuous viewing by all the camera centres, if these Policemen adopt my directives and rationality on the use of those cameras.

Henceforth, the Police is directed to stop using mobile phones and go back to using radios that are open to all stations so that they act promptly in emergencies like the one of Gen. Katumba. In addition to the cameras, our security leaders have been working on my directive of installing digital monitors on all vehicles, all bodabodas, all boats on the Lake. They have taken long to implement this plan. This will make it easy to know which pikipiki, which car or which boat was at this point at this time.

The country is secure, is progressing and corruption and disorientation will be defeated.

The legislative programme of the Government will be communicated by the Prime Minister when that post is filled.

I thank everybody.

4th June, 2021

- *Kololo Independence Grounds*