



CSBAG BUDGET NEWS BRIEF



260th EDITION | 14th - 20th May 2017

Advocating for a People Centered Budget that Dignifies Humanity



We need to boost our tax collections by eliminating exemptions - Musasizi

“In the run-up to the FY 2017/18, we caught up with the Chairperson of the Finance committee of Parliament, Hon. Henry Musasizi to talk about a wide range of issues surrounding the country’s budgeting priorities and processes. Below are the excerpts.”



Above on the left is the Chairperson of the Parliamentary Committee on Finance and MP, Rubanda East, Hon. Henry Musasizi. On the right is a past Parliament session. |@CSBAG2017

QN. How would you rate the 2017/18 financial year budget, is it a pro-poor budget?

AN. It is a budget that is focused on infrastructure development such as roads, electricity and the rest of the sectors. Most of the things have not changed; they have remained the same just like they were in the current budget. Sh15 trillion out of the total budget, will be available for spending and the rest of money will go into loan repayments and debt servicing.

But generally, the budget is not a bad one. It is in line and consistent with the National development plan; which is in line with the aspirations of the people.

QN. Don't you think it is high time for the government to consider cutting down on its wasteful expenditure (for instance, increase in the budget for special meals and drinks from UGX 99.422bn to UGX 139.097bn) and give priority to productive sectors like agriculture?

AN. In future, we need to focus and finance agriculture so that we can create impact. We need to invest more in irrigation. Currently, the weather patterns are very unpredictable. We have to devise scientific methods in order to have water throughout the year. Talk of value addition, you cannot talk about value addition without power, there is need for industrialization. However, government has tried to prioritize the agricultural sector by spreading money for this sector. There is still need, to execute our budget carefully to take care of other sectors that are important for the development of our economy.

Qn. There is a proposed 10% tax on sugar confectioneries; don't you think this is going to affect the sugar prices which are already high?

AN. There are many determinants for prices; taxes inclusive. However, there is no direct relationship between tax and general prices. There are times we have increased taxes and prices have gone down and times, we have reduced taxes and prices go up. The main aim for these taxes is to generate revenue. Sugar is not a basic need, and it can be done without. Our tax revenue collection is still low in the region. So, we need to boost it by eliminating tax exemptions as much as we can.

QN. As the parliamentary committee on finance, do you think there are other virgin areas government can explore to increase resource mobilization for the budget?

AN. Uganda is already an economy that is already tax burdened.

It is difficult now to identify areas where we can attract tax when the economy is not doing well. We should instead improve tax compliance so that all Ugandans can pay tax to improve our revenue collection levels, but not necessarily to introduce new tax measures.

QN. A number of tax proposals have been made to finance the 2017/18 financial year budget, take us through some of these proposed taxes?

AN. We have introduced taxes on cigarettes both locally produced and those imported into the country. We have also made proposals for tax on beers and winery especially those imported in the country. We believe these will generate the country over Sh300b in revenue collections in the next financial year among others.

UPCOMING CSO EVENTS

Event: Certificate for Gender and Equity Media briefing and Networking event

Date: 19th May, 2017

Convener: CSBAG and the EOC

Venue: Kati Kati, Lugogo Bypass, Kampala

OUR WORK IN PICTURES



CSBAG ED, Julius Mukunda making a presentation at the Ford Foundation Civic Engagement and Governance (CEG) meeting in Nairobi last week.



CSBAG Budget Policy Specialist, David Walakira speaks at the CSO-International Monetary Fund engagement meeting in Kampala last week. |@CSBAG2017



Participants in the mid-term review meeting of the Third Financial Management and Accountability Program (FINMAP III) at the CSBAG offices in Ntinda last week. |@CSBAG2017