



Address by

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President of the Republic of Uganda

At the  
47<sup>th</sup> Independence  
Anniversary of Uganda

*Unity: A key factor in protecting Uganda's  
Destiny and Independence*

Kampala

9<sup>th</sup> October 2009

Fellow Ugandans,

Uganda today celebrates 47 years of Independence from colonial rule. I congratulate all Ugandans upon this occasion. Fellow Ugandans, our nation remains strong, peace and stability are assured, and our economy continues to register high economic growth. While celebrations have the potential to become routine, it is imperative that we continually define and determine the meaning of true independence. These important milestones which have been established since the NRM came to power in 1986 have been largely due to the peace and political stability as well as the prudent macroeconomic management. It is the duty of all Ugandans to ensure that these important achievements, the key tenets of our continued progress and existence, are maintained. Ugandans must remember what has transpired over the last five decades and be prepared to ensure that they build on the foundation that the NRM Government has set following many years of civil strife and misdirection.

### **Economic Growth**

The NRM Government has registered impressive economic performance over the past two decades, with GDP growth averaging 8.3% per year over the last five years. The economy registered a robust growth rate of 7% per annum last financial year despite the global financial crisis and recession which have adversely affected the global economy. This growth was largely driven by strong performances in transport, communications, financial services, health services, and manufacturing. In addition, there were improvements in agricultural production as compared to the previous year. Growth would have been even much faster, at least 8% per annum, if the World economy had not been faced with the global recession which was triggered by the financial crisis in United States and Europe. Nonetheless, because of our deliberate effort to diversify the economy, coupled with prudent macroeconomic management, our growth at 7% per annum in 2008/09 was enviable compared to many others which were devastated by the chaos in the global economy.

Our economic growth momentum can be compared with the economies of China and India, although these are much larger, more sophisticated economies. No one, in Uganda, or internationally, can now doubt the country's steady and deliberate path to a middle-income country status in the near future. This is more so with the reasonable discoveries of oil which, without any doubt, will accelerate our progression to a middle-income country status.

When we assumed leadership of this country in 1986, the economy was in ruins, poverty was extremely high, many private businesses had closed and some left the country, and unemployment including underemployment was high. Prior to 1986, the economy had contracted as compared to the time of our independence in 1962. Infrastructure was completely destroyed. Those of you who are old enough will recall the sorry state of our hotels prior to 1986, with run-down nonfunctional facilities. There were virtually no tourists or visitors. Production had almost completely collapsed and there were limited supplies both domestically produced and imported from abroad.

By 1986, per capita income had dropped by 40 percent of its level in 1970. Since 1986 to date, per capita income has almost doubled from US\$ 264 in 1986 to US\$504 by June 2009. Also there are no shortages of both consumer goods and production inputs, in a fully liberalized environment.

Despite some income inequality in some parts of the country especially the North as a result of the long insurgency by the LRA, poverty has declined significantly on the whole. By 2006, for instance, poverty among Ugandans had dropped to 31 percent from 56% in 1992. The on-going household survey by the Uganda Bureau of Statistics will soon give us the current poverty status.

The economy has been transformed from one which was predominantly agricultural to a modern economy driven by services and industry, including agro-based industrial processing. The services sector now accounts for more than 51% of GDP and industry 24%, while the contribution of agriculture to GDP is now 15%. Although the services and industry sectors, have increased

much faster than agriculture, the agricultural sector remains the primary sector that still employs the majority of our people, given that about 70% of Ugandans live in rural areas.

During this financial year 2009/10, real GDP is projected to grow by at least 6%, reflecting the likely impact of the global recession on the economy, but this is much higher than projected growth in many other economies in the region. Based on the economic data for the last three months, the Ugandan economy should quickly recover from the effects of the global economic recession and the negative impact be relatively small and temporary. Therefore, growth is expected to recover in the coming financial year 2010/11 to about 6.5% - 7% per annum.

## **Exports**

The NRM Government has been promoting exports as a means to creating wealth for Ugandans and to reduce our dependency on external donor aid. This has included opening up export opportunities in the region, in addition to ensuring export diversification. We have promoted non-traditional exports both to Western countries and within the region. We are building infrastructure to increase intra-regional trade so as to benefit from a bigger market as one of the advantages of regional integration. Because of these diverse strategies, our exports have increased substantially from US\$ 505 million in 1986 to US\$ 4.53 billion (cross-border trade US\$ 1.388 billion; tangible goods US\$ 1.7 billion; services e.g. tourism, construction, US\$ 0.722 billion; remittances US\$ 0.723 billion)<sup>1</sup> in financial 2008/09, of which about half (US\$ 1.6 billion) was what is referred to as Informal Cross-Border Trade -- trade with our immediate neighbours such as Southern Sudan, DRC, Kenya, Rwanda and Burundi. Informal cross border export receipts were only US\$ 133 million equivalent five years ago in financial year 2004/05. Uganda's exports grew by 19% percent annually during financial year 2008/09, despite the global recession that has reduced the demand for exports in Europe and America. While formal exports mainly to the rich Western

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<sup>1</sup> UBOS and BOU Statistics, 2008

countries excluding coffee increased by only US\$20 million in financial year 2008/09 compared to the previous year, there was an increase of US\$481 million in export receipts to the immediate regional markets. Informal cross border exports, comprising mainly manufactured goods ( 84%) and food (16%) to Southern Sudan, grew strongly in the second half of the fiscal year. Quarterly export data shows that informal cross border export receipts increased by 73% in the 3<sup>rd</sup> Quarter of the financial year 2008/09 and 102% in the 4<sup>th</sup> Quarter. For the year as a whole, informal exports grew by 45 percent during financial year 2008/09.

As a result of the above movements, trade balance also improved significantly to an average trade surplus of US\$ 13 million per month for the period April to July 2009. This exceptional performance of the export sector and the balance of payments generally, at the time when other economies were contracting because of the global recession signifies an untapped potential in the region that we need to harness in the context of regional integration. As our experience with the global economic recession has shown, deliberate and sustained efforts towards improving the welfare of our people by ensuring trade openness has paid dividends and will continue to do so. Despite the challenges of accessing markets especially in Europe, our deliberate policy of diversification has also paid off. Our economy is now more able to withstand external shocks and therefore able to preserve the wealth that we are creating. Those of you who have been following up what has happened in the US and European economies, lack of adequate safeguards in their economies has led to significant reduction in the wealth of the people of those countries.

In Uganda, we are now able to foresee the dangers to our people and economy of sitting back and wait for other people to come and tell us what to do. To be independent means taking charge of your own destiny and we are now on the right track to gaining total independence after going through many episodes that undermined achievement of this noble objective. We have decided to take charge, and we will stay on course irrespective of external influences which have in the past interfered with our country's prosperity.

## **Inflation**

One of the key achievements of the NRM Government has been the restoration of macroeconomic stability which has increased investor confidence in the economy. Low inflation is good for investment planning and for maintaining economic welfare of individuals. Low inflation also helps to maintain the monetary value of our wealth. That is why one of the key priorities of the Government in the early 1990s was to control inflation, which was running in three digits. We have largely, and for a long time, achieved success. The success in ensuring a stable macroeconomic and business friendly environment has been partly responsible for sustaining high economic growth. The other important factor has been ensuring peace and security of persons and property. Over the last year and half, however, Ugandans have experienced increased prices of food. While the high inflation the country experienced in the 1980s and early 1990s was because of fiscal indiscipline, the recent increase in prices is mainly due to the regional demand for food, which is far greater than supply. In view of this, the Government response is to trigger increased food production for both domestic consumption and for regional export to meet the high demand.

One of the biggest constraints in achieving this objective is overreliance on rain water for agriculture for which we have no control. For example, while overall inflation had dropped to 11.6% in July 2009, prolonged drought, and the irregular and unpredictable rains which have caused a delay in food production led to increased prices averaging 14.5% per annum last month. Whereas inflation excluding food crops has continued to decline from 10.4% per annum in July 2009 to 9.7% per annum in September 2009, average food prices have increased, on an annual basis, from 22.8% to 49.5% respectively, in the same period. This shows that the current increase in inflation is driven solely by food shortages in some parts of the country due to the drought. So the long term solution to minimizing the impact of natural calamities on our livelihood is to be better organized and to harness the natural resources that we have.

In this regard, directives have been given to the Ministers of

Finance and of Agriculture, to prioritize the development of irrigation schemes across the country to optimize the use of water for production. In the case of livestock, the Government has procured equipment for private farmers to hire at subsidized rates to construct optimal valley dams. Once this programme is fully implemented, the country will be able to minimize the impact of weather changes on food production, and therefore improve our food security. Despite the increase in recent months, overall inflation is projected to decline to single digit this financial year.

### **Exchange Rate**

Although the panic that was caused by the global financial crisis in the second half of 2008 forced short term investors to sell off their equity and dispose off Government securities to raise funds to rescue their mother companies abroad (which subsequently caused sharp volatility of the exchange rate), stability has now been restored in the foreign exchange market. I am reliably informed that the foreign investors who had fled in panic have started coming back; partly because they have realized that their investments would be guaranteed here. The other important reason is that the return on their investments is much higher in Uganda and Africa in general, than in Europe, Japan and United States. The return of these investors is a very strong indicator of the soundness of our economy and, therefore, the increased confidence in the future of our country. We should be proud of these important milestones as we celebrate our independence, as important elements in our quest for total liberation from dependency on others.

When the shilling weakened in the first half of this calendar year, there were calls from various groups, including some Members of Parliament, for Government to reverse the exchange rate policy of liberalization and market determined, in order to reduce the cost of imports. They argued that the weakening of the shilling made imports more expensive and caused inflation. I was not convinced with their reasoning because I knew the advantages of a flexible exchange rate that is determined by the market. I argued that, first a depreciated shilling was good to the exporters. Second, because a weak shilling makes imports more expensive, it helps our balance of

payments by discouraging importation of especially non-essential items and therefore preserving our foreign reserves when there is a decline in foreign inflows. But most importantly, a flexible exchange rate helps the economy to adjust quickly to external shocks and therefore enables the economy to achieve internal and external balance without causing more painful distortions which would even be more costly in the longer term. For these reasons, we decided on the policy of no change. I have now been proved right. Our economic fundamentals remain strong, short-term foreign investors have returned, regional exports are doing well and as a result the shilling is appreciating again (from UShs 2,286 per US\$1 in mid May 2009 to now UShs 1,900 per US\$1).

As a result of the global financial crisis and the subsequent global economic recession, many countries lost their foreign reserves to very low levels, as measured in months of imports of goods and services. Those economies were therefore more vulnerable if the crisis was to continue. In Uganda, our foreign reserves remained broadly intact except for the small losses due to the Government intervention to stabilize the exchange rate and also because of the exchange rate re-alignment across major international currencies. By June 2009, our international reserves were US\$ 2,442 billion, equivalent to 5 months of future imports of goods and services. Also, the temporary turbulence in the foreign exchange market in the financial year 2008/09 was quickly dealt with because the country had adequate foreign reserves which were used, as I have said, to stabilize the market. The limited impact of the global financial crisis and recession on our economy has not been by accident. It is a consequence of being well organized and deliberate in our actions as NRM Government. Our economic policies are clear, sound, and aimed at the strategic vision of promoting trade and global competitiveness with regional integration as the launch pad. There is no doubt that Ugandans and foreign investors will continue to reap the benefits of these sound economic management policies and strategies.

## **Remittances**

Inflows in form of remittances of Ugandans working abroad increased by 36.5% from US\$ 546.4 million in financial year 2007/08 to US\$ 745.8 million last financial year amid fears in some quarters that these inflows were going to dry up because of the financial crisis. Although remittances dropped in the last quarter of financial year 2008/09 by 11% following an increase in the first three quarters of the financial year 2008/09 by 72%, 38% and 40%, respectively, there has been a strong rebound in the months of July and August 2009. This dispels another myth that remittances, as a source of development finance for Uganda, would decline in the face of the global financial crisis. Therefore, although some of the effects of the global recession will come with a lag, it is unlikely that our economy will be badly affected in a significant way.

## **Foreign Direct Investment**

Foreign direct investment (FDI) remains strong, reflecting continued sound economic fundamentals and therefore investor confidence in the economy. This is also reflected in the improved sovereign rating of Uganda from B to B+ by **Standard and Poor's**, and from "B stable" to "B Positive" by **Fitch** in their latest rating in August 2009. Foreign Direct Investment was US\$ 736 million during fiscal year 2008/09, though slightly down by US\$ 42 million when compared with the level recorded in fiscal year 2007/08. This small decline during financial year 2008/09 was associated with uncertainty in the global economic situation at the time. More recently, we have observed increased FDI demand in the country, which is another measure of the competitiveness of our economy. Another indicator of competitiveness is the level of firm profits reinvested in the country. Reinvested capital from company profits increased by 6.4% to about US\$ 188 million in the financial year 2008/09 compared to the previous year, when many companies around the world were struggling to remain in business and many actually collapsed. This indicates, on average, continued profitability of private companies operating in Uganda, in contrast to what is currently happening in many other countries around the world.

This performance, however, is not good enough. Investors still face bureaucratic hurdles to start their businesses; and some of these hurdles are created by corrupt public officials who are undermining the delivery of public goods and services such as roads, affordable electricity, health, skills development, and so on.

As I stated a few days ago at the retreat of Ministers and Permanent Secretaries, the time for dancing around with corruption is over and anyone denying Ugandans services in the form of corruption will be dealt with in a manner that does not give them another chance. The Head of Public Service should ensure that Accountants and Procurement staff in the public sector are transferred more regularly as a principle of good corporate governance. In any case, no Government Procurement staff and Accountants, including Internal Auditors, in the public sector should stay in the same office for more than three years. These people stay in one place for a long time and in the process facilitate entrenchment of corruption through well-coordinated networks. This must stop.

### **The financial Sector**

Although the contagion from the financial crisis spread to the financial systems in many countries of the world, the Ugandan financial system was largely unaffected. Uganda's financial sector is sound and adequately capitalized. There are three main reasons for this. First, our financial system is dominated by commercial banks and these banks had very little exposure to either the type of toxic assets which caused havoc in the advanced economies (most notably mortgage backed securities) or to any of the failed financial institutions in the advanced economies.

Second, banks in Uganda do not rely on short-term foreign borrowing to mobilise funds, unlike for example banks in the transition economies of Eastern Europe; and as a consequence they have not suffered a liquidity crunch from the drying up of access to foreign loans.

Third, the Bank of Uganda monitors the financial condition of commercial banks closely. The Ugandan banking system did not

suffer any outflow of funds as a result of the global financial crisis; **in fact, the total liabilities in the form of shilling deposits and foreign exchange accounts of the banking system increased in every quarter of the 2008/09 fiscal year.** Consequently, there has been no threat to banking system liquidity from the global financial crisis. In addition, there was virtually no impairment to the asset quality of the banks in the last fiscal year, while the key measure of capital adequacy – core capital to risk weighted assets – remained at a very healthy 19 percent during the fiscal year. A manifestation of this healthy financial sector environment is the strong growth in private sector credit, which averaged over 43% per year in the last two years.

### **Domestic Revenue**

Although import demand remains strong, domestic revenues were below target last year by about 0.6% of GDP (or US\$ 188bn). This was partly because the economy grew at a slower pace of 7% per year instead of the projected 8.1% p.a. It was also because most of the imports were in the investment category, which enjoy significant tax incentives. However, for the first two months of this financial year, the URA has exceeded their targets by 7% and 2% for July and August, respectively. This financial year 2009/10, and in the near term, the Government has provided an indirect fiscal stimulus by reducing taxes further, and in line with the EA Customs Union Protocol.

With the recent discoveries of oil in Western Uganda, the country's prospects for domestic revenue and self-reliance in financing public investments and programs are much brighter today than any other time in the past. Therefore, our country's over-reliance on donor aid, which often comes with unrealistic and unreasonable conditions, will soon be over. However, we shall continue to cooperate with our development partners in these and other important aspects of our social, economic and political progression, particularly in the areas of capacity development.

## **DEVELOPMENTS IN SELECTED PRIORITY AREAS**

I have relentlessly continued to spell out the achievements in several sectors of the economy we have made so far, while noting the need to make concerted effort towards the further development of Uganda. This is because we all need to appreciate where we have come from over the last 40 years of independence, which sets the basis for what we need to do to become a modern country. On several occasion I have noted the need to ensure that we have a firm foundation for development and socio-economic progress by emphasizing public investments in infrastructure, including energy, roads, rails and water transport; in human development to ensure an educated an healthy population and labour force. These interventions remain the bedrock for economic progress and development in years to come.

### **Government Investment Strategy and Priorities**

The NRM Government has achieved much success in rehabilitating the economy it found in ruins. New private investment has come on stream, financed through domestic resources and foreign direct investment. The policy of liberalization and privatization has therefore served us well. In spite of this success, it is now clear that in order to **sustain high** economic growth, **reduce** poverty **faster** and create employment, a new investment approach is required to increase productivity and competitiveness of the economy. This is because, future high economic growth will result from productivity growth in the economy **since we have now fully recovered from under**utilization.

After learning from our own experience, the government has decided to scale up investment in infrastructure and agriculture in addition to continuing with efforts to further improve the business policy environment. For those strategic areas where the private sector finds it difficult to start on their own; either because it is too risky or involves large capital outlays, Government will partner with them. Where necessary and the private sector is not forthcoming, the Government will invest in those strategic areas, with a view to relinquishing them to the private sector at a later stage. These

actions will help us to avoid a situation where poor infrastructure is taking a big toll on the economy and employment. Uganda does not have enough factories to employ our youth and the private sector is not expanding fast enough because of the high cost of doing business. However, for this **quasi-market approach** to succeed, the high cost to the economy of inefficiencies, including corruption, in the implementation of public programs and projects must be dealt with. Spending ministries and other Government agencies must show value for public resources and must account for the utilization of these resources. The Minister of Finance should organize quarterly reviews of progress in the implementation of Government programs and projects which I will personally chair.

Before we start getting oil revenue, I envisage a temporary increase in our external borrowing to finance especially roads development, railways, irrigation and other priority projects and programs.

The Government, through the National Planning Authority, has prepared the National Development Plan which will guide investment priorities and which will be closely linked to the budgeting process. What I like about the National Development Plan is that it reflects the new public investment paradigm I just outlined, that is, Government playing a much bigger role in investment decisions and directly investing in areas which previously we were told were exclusively for the private sector.

### **Agriculture and Value Addition**

Following the restructuring of NAADS and the concerted efforts to remove wastage and theft of resources by officials, Government will now actively promote value addition in agriculture. The Government has put in place an agricultural credit guarantee scheme to encourage banks to lend to agriculture at lower interest rates. The Government has provided US\$ 30 billion under the scheme primarily for acquisition of agricultural equipment and agro-processing. Commercial banks are to provide another US\$ 30 billion. The Government has also provided resources for water for production especially in the cattle corridors and plans are underway to intensify irrigation. Government is also promoting

commercial farming and the linkage with small farmers as a means of improving rural agricultural productivity.

## **Infrastructure Development**

### *Energy Infrastructure*

In energy infrastructure, the expansion of generation capacity that we have witnessed in the recent past with thermal power as a stop-gap measure will continue until cheaper sources such as the Bujagali Hydropower Project come on board. To alleviate the damage to business of inadequate power, Government invested in thermal power production. A total of 100 MW of additional thermal power plant capacity was procured and installed at Namanve in Kampala (50 MW) and at Mutundwe Sub-station in Kampala (50 MW), with Government continuing to provide a subsidy to make the tariff affordable. The completion of the major and mini-hydro power stations will help to reduce production of expensive thermal power.

The Bujagali Hydropower Project will in the course of the next eighteen months deliver the first electricity from the Dam, which will lower the costs of generation from the more expensive electricity generated by thermal generators. This will be followed by the development of other hydropower projects such as Karuma, which has been delayed following my insistence that a larger 700 Megawatt Project be built instead of the 200 Megawatts that had initially been proposed. Other potential hydropower sites at Ayago and Isimba will also forthwith be developed to provide much needed energy for development. These hydropower projects will be the first ever since the Kiira-Nalubaale Complex that was built over fifty years ago before Uganda got independence; and therefore marks the onset of a genuine development phase for Uganda.

In order to evacuate power from these stations to centers of electricity consumption such as industries, mines and urban areas, commensurate investments in High Voltage Transmission lines will be undertaken. The Hoima-Nkenda-Fort-Portal and the upgrading of the Kampala-Masaka transmission lines will also commence next year. Cheaper sources of power generation will also allow a massive

rural electrification programme to be implemented since power will be made affordable for rural populations that wish to engage in productive ventures that require electricity in addition to other domestic uses that will ultimately save our environment. Government has already extended electricity services to Kibaale, Kanungu and Kalangala Districts.

In addition, power supply has been extended to Bugiri-Nankoma up to Waka Waka fish landing site and Rugyeyo tea factory. A number of mini-hydro power stations are being constructed around the country under the rural electrification programme, in partnership with the private sector.

I have recently heard concerns being raised about the level of losses in the distribution of electricity. This problem is not new as I consciously directed the sector Minister to implement measures that would reduce electricity losses when the costs of electricity rose following low Lake Victoria levels resulting from the 2005 drought. It is clear that the sector has not done enough to reduce these losses and Government will be providing further support to reduce losses through greater investments over and above those the private sector contracted to undertake when the distribution concession was made. With respect to thieves of electricity, who contribute to large proportion of these non-technical losses, the Ministry of Energy, the Uganda Police should apprehend and prosecute these elements and I am appealing to the Courts of Law and the Electricity Tribunal to mete out the maximum sentences possible as deterrence to these detractors of development.

Regional projects in the energy sector, railway transport, and communications/ICT will be important stimuli for the regional economy, and these need to be harnessed. The under-sea cable internet connectivity and hinterland backbone internet infrastructure projects are underway.

### *Transportation Infrastructure*

On transportation infrastructure, there is no doubt that the NRM Government has made tremendous progress not only in

rehabilitating road infrastructure but building new roads and ensuring greater linkages between the remoteness point of our country. While many people deride the state of road infrastructure, they need to remember that the sustained rapid growth of the economy over the last twenty years has created much more road infrastructure needs given the many more vehicles on our roads.

The increase in economic activity that has occurred over the past many years of NRM leadership, together with the prospects for economic growth and development call for increased transport infrastructure. This requires not only greater investment in road construction and maintenance but the development of alternative routes and modes of transportation as well. The Road Fund that will finance road maintenance has now been operationalized and funded to start implementing road maintenance work plans for all districts beginning January 2010.

The increased economic activity brought about by the NRM Government's correct economic policy management also makes it mandatory that Uganda cannot continue to rely on only the traditional route to the sea through Mombasa. Therefore, the NRM Government will commence the development of the Southern Route to the Indian Ocean through Lake Victoria on a fast-track basis over the next year to provide an alternative to Mombasa for both exports and imports. The Minister of Transport should ensure the fast-track implementation of the re-opening of the Railway line to Kasese, Tororo and Gulu-Bibia to facilitate trades with Sudan and the construction of new rail links from Bihanga in Western Uganda to the Central Corridor in Tanzania. Water transport services also need to be developed along Lake Albert to Adjumani on the White Nile and also further the capacity of lake transportation on the Kyoga and Victoria lakes.

## **Human Development**

The NRM Government has placed Human Development central to the achievement of the social and economic well-being of Ugandans. In the provision of public services in the education, health and water and sanitation sectors, the NRM Government has been

resolute in ensuring universal access and removing the traditional barriers to people accessing services that are their right.

### *Education*

In the Education sector, the NRM Government has ensured that all school-going aged children at primary and secondary levels can access free education. Today, up to 9 million Uganda school going age children are in primary school. Three million children who are of primary and school going age are not in school because of social constraints and other impediments that families have, even though education for them is free and available. The NRM Government will work towards ensuring that these other constraints are dealt with; and ensure measures that will enable all children get an education, including the enforcement of the Education Act 2008 that makes education compulsory. The resources for educating the children have been budgeted for and if it wasn't for the wastage and leakages by bureaucrats, better results would be evident.

To date the following achievements at the primary education level since 1997 are important to note.

1. Classroom stock rose from 69,990 to 82,165;
2. Teachers houses constructed rose from 531 to 21,229;
3. Number of textbooks rose from 4,380,768 to 12,258,914
4. Number of Pit Latrine Stances in Government Schools rose from 26,388 to 159,696;
5. Number of children passing PLE rose from 273,379 to 348,489
6. Drop out rates in all schools has stagnated at 4%
7. Achievement of numeracy in primary 6 has improved modestly from 20.5% (2003/04) to 33%

Since the NRM Government universalized secondary education in 2007, the percentage of pupils who are enrolled from Primary Seven and Senior Secondary 1 has increased from less than half the number who pass primary leaving examinations (43.5%) to almost three-quarter (73.3%). In addition, the NRM Government has over the same period built 39 seed secondary schools in sub-counties that did not have any secondary school and has sourced and

obtained funding from the African Development Bank to construct an additional 25.

Given that great strides have been made in formal education, the NRM Government will now place even greater emphasis on Business, Technical, Vocational Education and Training (BTJET) Institutions. This will ensure that graduates of the education system at all levels can acquire the necessary skills that will either make them employable as technicians and skilled workers in our growing economy or even become self-employed as artisans and craftsmen. Last Independence Day I announced that in addition to the 62 Government and private technical schools in Uganda, the NRM Government will be building one technical school in every district. These technical schools will provide the necessary technical skills such as carpentry, metalwork, ceramics, brick-laying, electrical studies, motor-mechanics, etc, as well as new subjects such as food technology, industrial chemistry, and ICT.

### *Health*

The NRM Government has over the years ensured that a minimum health care package that effectively targets the most common causes of ill-health and death are dealt with. Special attention has been given to increasing access for the poor and the disadvantaged to health services. As a result of this and the deliberate policy of abolishing user charges in government health units, there was an influx of patients especially from poor families seeking treatment from Government clinics.

The NRM Government in order to meet growing demand for health care services has also improved physical access to health services especially in the remote areas through expansion of health infrastructure.

For example, by 2004, 400 new Health Centres II had been constructed, 180 HC II upgraded to HCIII, theatre construction had been undertaken in 144 HCIVs and Medical Officers' Houses had been constructed in 133 HCIVs. During the last FY 2008/09, Government embarked on rehabilitation of 10 Regional Referral hospitals namely: Masaka, Lira, Soroti, Fort Portal, Jinja, Gulu, Hoima, Mbarara and Kabale. Partial rehabilitation has been

undertaken in 7 district hospitals of Kambuga, Bududa, Nebbi, Apac, Moyo, Tororo and Masafu. Through the Primary Health Care (PHC) Development Grant, 223 Health facilities have been partially rehabilitated in various districts countrywide.

Uganda continues to enjoy excellent relations on the international scene. The essence of independence is to consolidate socio-economic, political and ideological independence. Unity of all Ugandans is, therefore, an imperative in the protection of Uganda's destiny and independence. We must jealously guard our achievements, while we execute the vision of the transformation of our society.

I wish you all a happy independence.

I thank you.