Thank you for your resilience amid these unprecedented times. As Employers let us continue aiming higher in our work for lasting effects on our economy. Its mid-year and we have continuously engaged with you on various fronts. This month was quite eventful with the State of the Nation address, the National Budget reading, Heroes day and the commemoration of World Day Against Child Labour.

On 1st June, we represented Employers before the Parliamentary Committee on National Economy and presented the Employers position on the impact of COVID-19 on businesses and proposed ways to keep Employers in business. Thank you for sharing your valuable views on this matter.

All in all, business must continue with the new normal, where innovation is critical for business continuity and high productivity. Employers are therefore called upon to embrace the evolving technological trends to keep afloat in the disruptive world. This we can do through integrating innovation into our organizational culture, identifying and supporting employees with creative ideas.

I call upon Employers to take advantage of the wide range of desirable trainings and consultancies we have available. Also look out for our 2nd FUE Employers’ digital meeting coming soon.

Thank you.

Together for Employers!

Douglas Opio
Executive Director, FUE

EMPLOYERS’ POSITION ON THE IMPACT OF COVID-19 ON THE ECONOMY

In a bid to save lives through curbing the spread of COVID-19, Governments all over the world have taken drastic measures some of which have had a big impact on their economies. Uganda has also implemented some measures such as declaring a partial lockdown that seemed to rein in the public health crisis - but is taking a toll on economic activities.

The Parliamentary Committee on National Economy interfaced with the private sector and other stakeholders to examine the impact of COVID-19 on the economy and explore modalities of support for recovery, and inform the recommendation for Government stimuli for affected sectors of the economy.

FUE represented Employers at Parliament on 1st June 2020 with a comprehensive position on the impact of COVID-19 on business operations with sound solutions.

In summary, amidst the COVID-19 pandemic business is down by over 30%, labour demand has reduced by 31% with the most affected being low skilled workers and support staff, where up to 1.8 million workers in the formal sector have lost their jobs.

Summary of actions undertaken by employers

- Advising employers on day to day employment relations and guidance on labor laws.
- Sharing information on COVID-19 with employees on a regular basis.
- Maintaining high level of workplace hygiene and following the government's standard operating procedures for businesses in operation.
- Providing psychosocial support to employees.
- Putting employees on annual and/or unpaid leave, temporary layoff and pay cuts.
- Working with insurance companies to address certain concerns which are covered during this period.
Proposed policy actions for the Government of Uganda:

1. **PAYE waiver**: The waiver will be for two to three months. This would help reduce the burden on employers. It would significantly reduce the payroll costs and allow employers to retain workers during this difficult period.

2. **NSSF contributions** should be rescheduled for a much longer period (6 to 8 months) without attracting penalties or interests.

3. In addition, it is essential to fast track legislative reforms that can directly contribute towards making the situation better. This includes the NSSF amendment bill 2019 to provide for more benefits including unemployment and health care.

4. **Corporate tax relief (temporary suspension)**: This should target larger industries and companies that employ many people. Some may have laid off staff, frozen hiring, and frozen investment. Corporate tax relief can help them accelerate recovery and bring back thousands of lost jobs at large scale manufacturers, agri-based enterprises, financial services, telecoms, etc.

5. **Relief fund**: This should help with high emergency cases in the short term, but also create a structured emergency and sustainable emergency fund. How it would be funded:
   a. Selling tax-free treasury bonds (where NSSF could participate)
   b. Percentage of government revenue (0.5% - 3%)
   c. Cheap and subsidized borrowing
   d. Portion of NSSF contributions

   Such a fund would be uniquely managed like a sovereign wealth fund with a global diversification strategy. A key benefit in emergency situations such as covid-19 is that such a diversification strategy allows for a short-call on funds via executive order.

6. **Tax credits**: The government should also explore the option of offering tax credits for employee retention which employers can utilize while filing their future tax obligations.

7. **Government procurement**: This is an opportunity for the government to implement BUBU and to support local procurement which would allow more money to be available for both workers and employers.

8. **Job protection through enterprise assistance using wage subsidies**: The government should consider extending wage subsidies to companies and other organized bulk employers such as universities, schools and churches to prevent employees from being laid-off and keep workers on payroll. This will enhance job preservation, retention and employment prospects. Use Covid-19 as an opportunity for employment formalization.

9. **Invest in infrastructure**: There is a need for the Government to increase investment in infrastructure to create more employment opportunities and to provide meaningful opportunities for businesses to stay afloat. For example, boosting demand in the construction sector can be an important route to speedy recovery of jobs. The focus should be on employment intensive investment.

10. **Making credit and grants available**: It is important for the Government to recapitalize Uganda Development Bank. Companies will require support to undertake reconversion of their facilities to produce specific goods and services needed during this period. They will also need finances to help them manage their cash flow situation during the crisis. SMEs need to be targeted as well. Grants could help companies to manage fixed costs such as payment of workers, loans and other bills.

11. **Outstanding arrears**: Government as an important consumer of services from the private sector should expedite the process of clearing its outstanding arrears that can help to improve the liquidity situation of companies.

12. **Reconsider decision on Digital Tax Stamps (DTS)**: The beverages sector (alcoholic and soft Drinks) has an issue relating to the negative consequences on the beverages sector of the Digital Tax Stamps (DTS) that the Uganda Revenue Authority (URA) implemented this financial year, if their financing is passed on to manufacturers with effect from FY 2020/21 (July 1st 2020). We thus request that Government commits to continue financing DTS that URA has mandated to be on all beverages packaging. The 20% cost increase from DTS to beverage manufacturers will put thousands of farmers out of business, and negatively affect their value chains. The most affected farming areas include: Acholi, Ankole, Busoga, Lango, Kigezi, Sebei, Teso, Toro and West Nile.

13. **Support from Banks**: There is need for banks to extend loan repayment for 6 to 12 months and whenever possible to reduce interest rates.

14. **VAT Waiver**: Government should consider waiving VAT and where applicable concession fees for 6 months on hotels and tourist related services.

15. **Readiness of workforce**: Prepare our workforce for post-COVID-19 and the opportunities it presents. There are emerging opportunities for youth in the revival of the economy post-COVID-19. This calls for equipping of youth with more and better employable skills, and also provide them with internship and work experience assistance. Better anticipation and matching of skills to jobs will help the workforce benefit from post-pandemic restructuring and new opportunities. Skills training packages should...
16. Employment orientation: Government should consider investing in sectors with both strong output and employment multipliers to simultaneously boost economic growth and employment. Under industry, agro-processing and light manufacturing are the key sectors with capacity to accelerate economic growth and employment. The specific agro-processing sub-sectors include; tea, coffee, grain and other food processing. Under services, growth and employment can be enhanced by tourism (especially accommodation), wholesale trade, passenger transport and education.

17. Invest more in ICT, innovation and training to promote R&D and provide opportunity and incentives for increased digitization of the economy. Uganda’s digital economy is still in its infancy yet early signs indicate the post-COVID-19 world will be digital-oriented. To further facilitate this, the cost of internet should be reduced.

18. Develop a programme to extend business development services (BDS) to support formal and informal businesses to recover and grow.

19. Offer 100% income tax relief for persons earning less than UGX 500,000 per month.

20. Food distribution: Majority of informal sector workers and temporary workers require food aid. The government can partner with established organizations such as Uganda Red Cross, TASO, etc to fast track the process of distribution.

21. Revise the national budget: The 2020/2021 budget was passed without due consideration to the realities of the current pandemic. It is important for it to be revised to respond appropriately to the current challenges. It is not all lost, IMF expects global growth to rise to 5.8% next year if the pandemic fades in the second half of 2020. COVID-19 has affected employers differently depending on the sector of operation. Some have gained new opportunities while some have lost as a result of the lockdown. It is important for us to make large amounts of public money available for employers, workers and communities during this period in order to be able to stimulate & revive the economy, and limit the adverse impacts. This should be based on a clear demand led employment strategy for a medium to longer term recovery of jobs.

FUE NEWS | JUNE 2020

On the 12th June 2020, Uganda joined the rest of the world to commemorate the World Day Against Child Labour (WDACL) under the theme, ‘COVID-19 Protect Children from Child Labour Now More Than Ever’. The day brought together Government, Workers, Employers, Civil Society Organizations (CSO), Private Sector and the general public to engage and highlight the plight of child laborers, and strategies of combating it.

According to ILO (2016/2017) child labour global estimates, 152 million children aged between 5 to 17 were subject to child labour – 64 million girls (42%) and 88 million boys (58%), accounting for almost 1 in 10 of all children worldwide. Nearly half of all those in child labour – 73 million children – are in hazardous work, endangering their health, safety, and moral development.

Child labour remains concentrated primarily in agriculture (71%). Almost one in five child labourers work in the service sector (17.1%), (11.9%) of child Labourers work in the industrial sector. Children 5 to 11 years form the largest share of those in child labour (48%) and also form a substantial share of those in hazardous work (26%).

FUE has promoted best human resource practices through encouraging labor law compliance among its core responsibilities. This includes though not limited to elimination of child labour at the work place and by extension outside the work place.

Education is therefore a powerful tool which can be used for the elimination of child labour in all its forms in order to preserve the future labour force for this country. Through education children attain required skills for gainful and decent employment.

In the fight against child labour;

• Employers have been involved in Social dialogue and policy reviews, advocacy and awareness raising, networking and information sharing on child labour and are further sensitizing their employees on the same. Some of the companies doing these are; Organisation for Community Action, Kinyara Sugar Ltd, Kakira Sugar Ltd and Mcleod Russel.

• FUE has collaborated with companies like Alliance One Uganda (with established Agricultural labour practices) to establish child labour committees in different sub-counties where they are operating to help monitor and report child labour activities in farms to local and district authorities for action.

• FUE has ensured that Employers continue to mainstream child labour issues into their company policies and collective bargaining agreements.

• Employers have provided support to vulnerable children’s education through provision of scholastic materials for example ECLT Foundation.

COVID-19 has posed a great risk on children. While schools are closed; agricultural activities across the country are going on. The closure of schools has increased the risk of exploitation of children in agricultural activities.

The UN Sustainable Development Goal 8 target 8.7 set by the international community calls for an end to child labour in all its forms by 2025. As a pathfinder country, Uganda aims to go further and faster to achieve this target.

You can make a difference as an Employer - be champions to end child labour, we are counting on your support as FUE.
On Thursday 4th June 2020, H.E the President Yoweri Kaguta Museveni delivered the State of the Nation Address at State House Entebbe. The address was centered on the 10 points of the NRM political programme highlighting points 5, 9 and 10. Point 5 talks of building an economy that is independent, integrated and self-sustaining, point 9 talks of co-operation among African countries, in other-words, market integration, and point 10 talks of using the strategy of a mixed economy (Government and private enterprises).

His Excellency re-echoed the two types of the economy namely the real economy which deals with the nine (9) basic human needs and is durable vis-a vis the pleasure and leisure economy that's optional and additional. The real economy that comprises of agriculture, industry and ICT has been quite beneficial even during the pandemic. He highlighted the value of these citing their income flow with agriculture bringing in $2,005 million (49% of total merchandise exports), private sector bringing in a total of US$2.09billion from 5,200 factories manufacturing cement, steel bars and other goods. ICT is employing 1,282,818 persons with 380,896 companies engaged in information technology, telecommunications, broadcasting, postal courier and audio visual. Despite the lockdown, these have stayed expanding and growing especially agriculture and industry.

The President commended the manufacturing industries that rose to the occasion to produce face masks and sanitizers to smoothly sail through this pandemic. Before the crisis, only two factories, were producing sanitizers but at the moment 107 factories are engaged. Museveni also reiterated the need to desist dependency on imports saying it costs about $7 billion per year and loss of jobs. He mentioned the different raw materials we can get locally instead of importing for example like use bananas to make bread, then cassava and maize can give pharmaceutical grade starch to make tablets and animal feeds currently imported at Shs.28 billion per year, sweeteners from industrial sugar for baby medicine and dairy products. Despite having the above local inputs, Uganda imports medicines for humans and livestock including vaccines worth $383.035 million per year.

President Museveni further added that with the real economy consolidated, the vulnerable economy will come back stronger when the pandemic is over since it is already integrated with portions of the real economy. The pandemic has led to innovation it is a chance for broader opportunities for instance among farmers, processed egg-yolk produces mayonnaise, shampoos, body creams and protein supplements, while milk gives casein, a protein supplement that is used by body builders, cancer patients and pharmaceutical companies to make the digestible shells of capsules that carry the medicine powder into our stomachs.

Disability inclusion is without a doubt vital in shaping the future work and for Employers who seek diverse talent and adherence to international and national non-discrimination, accessibility policies, legislation and regulations.

The Federation of Uganda Employers together with Uganda Business Disability Network, ADD international and Sight Savers International organized a workshop on disability inclusion at the workplace in the western region of Uganda with the objective of promoting and strengthening inclusive employment practices.

The workshop was held on 25th June 2020 at Nyaika Hotel in Fort Portal and brought about 30 participants in senior management position from organizations in Kasese, Kabarole, Kyenjonjo and Ntoroko districts.

Participants were enlightened on the importance of inclusion and how to assess their policies, plans and practices related to disability inclusion in the workplace.

Employers are encouraged to join the Uganda Business Disability Network (UBDN) that was launched last December. This network keeps Employers in check regarding disability inclusion policies in Uganda.
FUE TWEET CHAT

A live tweet chat was held under the topic Innovation Amid COVID-19 on the 26th June. If you missed out these are the questions that were posed for discussion. Ponder on them in relation to your organization.

1. What does innovation really mean?
2. How can we explore the opportunities presented by COVID-19 to remain afloat?
3. How can an Employer ensure that innovation is integrated into organizational culture?
4. How can a manager spot innovative employees? How can their ideas be supported?
5. Technology is constantly evolving. How can innovative ideas be in tune with technology?

Follow us on twitter at @FUEmployersUg and retrieve the discussion at #InnovationAmidCOVID19.

Special thanks to all that participated.
ADVERTORIAL

Book your desired training and consultancy service with us for elevated growth!

FUE TRAINING AND CONSULTANCY SERVICES FOR EMPLOYERS

Desirable Trainings

Building a Strong Digital Strategy
Discipline and Grievance Handling at the Workplace
Employment Laws and Regulations
Managing Emerging Health Issues at the Workplace
Managing Employment Contracts and Outsourcing
Managing Organizational Change
Managing Terminations and Dismissals
Re-structuring and Redundancy
Stress Management at the Workplace
Leadership Supervisory Skills
Measuring Productivity of Remote Workers
Managing Life After Employment and Exit Management

Desirable Consultancies

Reorganization and Restructure
Business Strategy Review
Outsourcing Services and Retainers
Executive Recruitment
Salary Structure and Payroll Reviews
HR Audits
Job Analysis and Job Description Reviews
Team Building
Skills and Competence Audit

Learning Modalities

Long Distance Learning
Self Learning
Webinars
Face to Face

GET ALL THESE AT DISCOUNTED RATES

We offer all the above trainings and many more.
For any inquiries or to register for any of the above, contact Yusuf Nsubuga at yusuf.nsubuga@fuemployers.org or call on 0702780515 or 0783717110
Fellow business partners we acknowledge the long-term effects the Corona virus will potentially have on our businesses and the whole economy.
I encourage fellow CEOs to ensure that workplaces put in place and follow the recommended standard operating procedures for the continuity and sustained productivity of our businesses. In addition, we should support persons already in vulnerable situations such as persons with HIV, persons with disability and pregnant mothers to access the required specialised treatment and care in time.
As business leaders together we can defeat COVID-19.

Contact FUE for decent workplace health support and interventions.
0392-777410/1, 0414220201 | info@fuemployers.org
www.fuemployers.org

Irish Aid

Dr. Eng. Silver Mugisha
Managing Director, NWSC | Chairperson, FUE

Fellow business partners we acknowledge the long-term effects the Corona virus will potentially have on our businesses and the whole economy.
I encourage fellow CEOs to ensure that workplaces put in place and follow the recommended standard operating procedures for the continuity and sustained productivity of our businesses. In addition, we should support persons already in vulnerable situations such as persons with HIV, persons with disability and pregnant mothers to access the required specialised treatment and care in time.
As business leaders together we can defeat COVID-19.

Contact FUE for decent workplace health support and interventions.
0392-777410/1, 0414220201 | info@fuemployers.org
www.fuemployers.org

Irish Aid

Annet Mulindwa Nakawunde,
Managing Director, Finance Trust Bank | Vice Chairperson, FUE

Fellow business partners we acknowledge the long-term effects the Corona virus will potentially have on our businesses and the whole economy.
I encourage fellow CEOs to ensure that workplaces put in place and follow the recommended standard operating procedures for the continuity and sustained productivity of our businesses. In addition, we should support persons already in vulnerable situations such as persons with HIV, persons with disability and pregnant mothers to access the required specialised treatment and care in time.
As business leaders together we can defeat COVID-19.

Contact FUE for decent workplace health support and interventions.
0392-777410/1, 0414220201 | info@fuemployers.org
www.fuemployers.org

Irish Aid

MEMBER ENGAGEMENT

FUE OSH team at JUMIA Uganda
MEDIA APPEARANCES

NTV Uganda
Topic: Economy Analysis: Pre-State of the Nation Address

NTV Uganda
Topic: COVID19 Dialogue on Employment Relations in Uganda after the lockdown

UBC: Good morning Uganda Show
Topic: World Day Against Child Labour

NTV Uganda
Topic: World Day Against Child Labour

NTV Uganda
Topic: Role of Employers and Trade Unions in the COVID-19 aftermath
UPCOMING EVENT

FUE 2ND EMPLOYERS’ DIGITAL MEETING

on 8th July 11am to 1pm

under the theme “Covid-19 and workplace preparedness: The safe return to work”

Federation of Uganda Employers (FUE)
Plot 1207 Kiwanga Road, Namanve,
P.O. Box 3820, Kampala, Uganda
Tel: +256 392 777 410
Email: info@fuemployers.org
Website: www.fuemployers.org