AFRICA RISK CONSULTING

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Uganda Summary 12 November 2026

Uganda People's Defence Forces (UPDF) chief of defence forces, General Muhoozi Kainerugaba, announces on 6 November that he intends to leave the military in approximately a year, likely in preparation to succeed his father, President Yoweri Museveni (1986-present). Bank of Uganda (BoU) (central bank) calls a special monetary policy committee (MPC) meeting on 14 October, raising its main interest rate by 225 basis points, from 9.75% to 12%, in a bid to stop the shilling's slide into record lows. The MPC also revises inflation projections upwards and economic growth downwards, reflecting tight economic conditions. The health ministry on 25 October introduces new Ebola border controls, as the country seeks to limit local exposure to the virus after the significant economic impacts when cases were registered in Uganda.

Muhoozi says he will step down

Uganda People's Defence Forces (UPDF) chief of defence forces, General **Muhoozi Kainerugaba**, announced on 6 November that he intends to leave the military in approximately a year, likely in preparation to succeed his father, President **Yoweri Museveni** (1986-present). Muhoozi said in his announcement that he felt he had achieved all the tasks God had assigned him during his time in office, and would dedicate his life to Christ moving forward.

Several laws in Uganda prevent active members of the military from participating in politics, including serving as president, prompting speculation that the move is aimed at preparing Muhoozi for succession. While Muhoozi has not announced a successor for his role, Muhoozi's son, **Ruhamya Kainerugaba** was commissioned as a second lieutenant in the UPDF in October.

In August, Muhoozi declared his intention to run in the 2031 presidential election, when his father will be 86 years old. Muhoozi already leads the **Patriotic League of Uganda (PLU)**, a political pressure group that has thrown its support behind his presidential bid, but he does not have a guaranteed spot on the ruling **National Resistance Movement (NRM)** ballot. Although some NRM members belong to the PLU, showing that Muhoozi has some support, it does not appear to be enough.

This was reportedly clear during an 11 November meeting of the NRM, when party sources told the media that a proposal to back Muhoozi as the 2031 candidate was met with strong opposition, leading the proposal's vote to be cancelled. The party is reportedly divided between Museveni seeking a sixth term and Muhoozi garnering more political experience in a civilian role, something his resignation from the UPDF will allow for.

Muhoozi is a divisive figure in the NRM. He is known for his bombastic social media posts, which often spark diplomatic rows, such as his threat to invade and capture **Kenya**'s capital, **Nairobi**. Most recently, on 9 November, he urged vice president **Jessica Alupo** to resign in a series of posts, and suggested that he take over her role, stating that she had been *"warming my seat for long enough"*. At the time of writing, Muhoozi's **X** (formerly **Twitter**) account appears to be suspended, indicating that he may have faced significant backlash to his posts.

Muhoozi faces competition in the succession battle. His brother-in-law, **Odrek Rwabwogo**, has presented himself as a sober and more consultative alternative. However, Muhoozi has military backing, the links to his father – who has not condemned his son – and support within the NRM. With

his planned resignation and capacity to build on his experience and support in a politically-focused position, he remains the frontrunner in the succession.

Central bank raises rates and sells dollars in attempt to revive shilling

The **Bank of Uganda (BoU)** (central bank) called a special monetary policy committee (MPC) meeting on 14 October, raising its main interest by 225 basis points, from 9.75% to 12%, in a bid to stop the shilling's slide into record lows. On 12 October, the rate stood at USh 4,224/$, its lowest level since 1993. The interest rate hike initially helped to lift the shilling, trading up more than 6%, but it was short-lived, as it continues to face headwinds.

Central bank governor **Michael Atingi-Ego** said the hike was also intended to help contain inflation, which at that stage was below the bank's 5% target. However, on 30 October, **Uganda Bureau of Statistics (UBS)** announced that annual inflation had increased from 4.6% in September to 5.8% in October, a three-year high. The jump was largely attributed to an increase in food prices – 4.5% in September to 10.7% in October – alongside higher oil prices and the weak shilling.

The significant hike comes after the central bank raised the cash reserve requirement in September from 11% to 13.5%, in a bid to reduce money supply in the financial system and stabilise the currency *(see ARC Briefing Uganda Oct 2026)*. At the time of the 15 September circular, the shilling was trading at USh 3,930/$, but the move clearly was not enough to stop the shilling's slide.

Although Atingi-Ego had asserted that the central bank could take steps to intervene, Museveni, ahead of the special MPC meeting, ordered the BoU not to sell its **United States (US)** dollar reserves – estimated to be $6 billion – to support the shilling. However, the shilling continued to slide despite the significant interest rate increase, and the central bank confirmed via a circular to banks on 22 October that it would sell an undisclosed amount of foreign currency. Uganda's foreign reserves were only enough to cover approximately three months of imports, which limits its capacity to intervene again.

On 5 November, the central bank confirmed it would hold its next rate meeting on 9 November. It should be noted that the BoU usually only holds MPC meetings once a quarter. At the meeting, the MPC held the rate at 12%. However, the BoU did increase the bank rate to 17% and the rediscount rate to 16%. Increasing the bank rate – the rate charged to commercial banks when they borrow from the central bank – will discourage banks from relying on central bank funding and instead force them to manage their own liquidity more carefully.

The increase in the rediscount rate is a similar tactic, with the goal of reducing inflationary pressures, supporting the shilling and discouraging reliance on the central bank for funding. If the shilling does not stabilise between the interest rate hike and the central bank's intervention on the foreign exchange market, the MPC may opt to increase rates again.

At the meeting, the MPC also revised its inflation forecast upwards, projecting core inflation to average between 6% and 6.5% over the next 12 months, and headline inflation between 7.5% and 8%. The MPC also noted that risks to inflation remain skewed to the upside due to exchange rate deprecation, higher oil prices, and adverse weather.

The MPC further revised its 2026/27 financial year economic growth forecasts downwards, from an initial 6.3% to 5.8%, reflecting the tighter financial conditions, with the MPC also citing the lagging effects of the drought experienced in the first half of 2026. Agriculture is a significant contributor to Uganda's GDP, as reflected below.

Uganda: Top five contributors to GDP, 2021 – 2025 (%)					
Rank	2020/21	2021/22	2022/23	2023/24	2024/25
1	Agriculture, forestry and fishing (23.8%)	Agriculture, forestry and fishing (24%)	Agriculture, forestry and fishing (24.1%)	Agriculture, forestry and fishing (24.6%)	Agriculture, forestry and fishing (26.1%)
2	Manufacturing (16.4%)	Manufacturing (16.4%)	Manufacturing (15.6%)	Manufacturing (15.1%)	Manufacturing (14.5%)
3	Trade and repairs (7.9%)	Trade and repairs (8.4%)	Trade and repairs (9.1%)	Trade and repairs (9.4%)	Trade and repairs (9.6%)
4	Real estate activities (6.3%)	Real estate activities (6.3%)	Real estate activities (6.1%)	Real estate activities (6%)	Real estate activities (5.7%)
5	Construction (5.2%)	Construction (5.5%)	Construction (5.3%)	Construction (5.3%)	Construction (5.5%)

Source: Uganda Bureau of Statistics

The continued dominance of agriculture highlights Uganda's exposure to climatic shocks, agricultural commodity price fluctuations and productivity constraints. Further, while economic growth is still registering strong numbers and Uganda's economy is expanding, the changing composition of GDP raises questions about the pace of structural transformation and economic diversification.

Uganda tightens Ebola controls

The health ministry on 25 October introduced new **Ebola** border controls, as the country seeks to limit local exposure to the virus after its significant economic impacts when cases were registered in Uganda. Under the new restrictions, any citizens returning from **Democratic Republic of the Congo (DRC)**, the epicentre of the current outbreak, must quarantine for 21 days at their own expense. Non-essential travellers from DRC are not allowed the enter the country, while screening at **Entebbe International Airport** has been increased. The announcement comes after a **Swiss** diplomat's wife reportedly contracted Ebola while travelling to Uganda.

Uganda confirmed its first cases of the current **Bundibugyo** outbreak in May, and confirmed a total of 20 cases and two deaths before the health ministry declared the country Ebola free on 28 July. Following a 42-day monitoring period, the **World Health Organisation (WHO)** and **Africa CDC** confirmed the end of the outbreak on 27 August.

In the wake of the first cases, several international governments introduced travel advisories and other Ebola-related restrictions, which crippled the tourism sector, with hotels, especially near the Congolese border, reporting a sharp drop in occupancy *(see ARC Briefing Uganda Jul 2026)*. Tourism is a vital sector for Uganda, earning approximately $1.62 billion in 2025 and employing close to 900,000 Ugandans. Uganda is now focused on ensuring that there are no new cases registered in Uganda, especially as it enters one of its peak tourism periods.

The new restrictions will increase expenses for companies operating across border, as well as logistical burdens. Despite the new restrictions, porous borders between the countries increase the likelihood that cross-border travel will continue.

Planner

2026 **(Uganda)** Commercial oil production at **Kingfisher** project expected to start

Feb 2027 **(Tanzania & Uganda)** First crude oil shipment via **East African Crude Oil Pipeline (EACOP)** expected

Q1 2027 **(Uganda)** Commercial oil production at the **Tilenga** project expected

Chronology

11 Nov 2026 **Kampala (Uganda)** *Africanews*. A succession battle is brewing within the ruling **National Resistance Movement (NRM)** after five senior officials reportedly voiced strong opposition at a closed-door meeting to President **Yoweri Museveni**'s plan to position his son, army chief **Muhoozi Kainerugaba**, as his successor;

11 Nov 2026 **Kampala (Uganda)** *The Citizen*. Chief of Defence Forces (CDF) General **Muhoozi Kainerugaba** has deactivated his **X** account after publishing a series of posts threatening vice president **Jessica Alupo** with dismissal and arrest;

9 Nov 2026 **Kampala (Uganda)** *CNBC Africa*. **Bank of Uganda** (the central bank) leaves its benchmark lending rate unchanged at 12%, saying it wants to allow sufficient time for the impact of last month's jumbo rate hike to be felt before adjusting policy;

8 Nov 2026 **Kampala (Uganda)** *CNBC Africa*. President **Yoweri Museveni** appoints 13 new permanent secretaries across key government ministries, departments and agencies in a major public sector shake-up aimed at boosting administrative efficiency and improving service delivery;

6 Nov 2026 **Kampala (Uganda)** *Citizen*. Chief of Defence Forces (CDF) General **Muhoozi Kainerugaba** announces that he plans to retire from his military leadership position in the coming months and prepare to hand over the office to another qualified military officer before turning his attention to his Christian faith;

2 Nov 2026 **Kampala (Uganda)** *BBC.* Uganda begins withdrawing troops deployed under bilateral agreements to **Somalia**, with complete withdrawal of all forces, including those under the **African Union Support and Stabilization Mission in Somalia (AUSSOM)**, scheduled to conclude by the end of 2027;

30 Oct 2026 **Kampala (Uganda)** *Uganda Bureau of Statistics.* The **Uganda Bureau of Statistics (UBS)** says Ugandan consumer prices increased 5.8% in October from 4.6% in September, mainly due to increases in energy and food costs;

28 Oct 2026 **Kampala (Uganda)** *The Monitor.* The Ugandan embassy in **Moscow (Russia)** says 27 Ugandans were killed or presumed dead fighting for Russia's armed forces in **Ukraine**;

28 Oct 2026 **Kampala (Uganda)** *Bloomberg.* Finance minister **Henry Musasizi** says Uganda is committed to seeing through the latest currency volatility fuelled by a combination of temporary shocks and deeper structural vulnerabilities;

25 Oct 2026 **Kampala (Uganda)** *CNBC Africa*. Health minister **Chris Baryomunsi** says Ugandan citizens returning to the country with a history of travel to the **Democratic Republic of the Congo (DRC)** will be quarantined for 21 days, as Uganda tightens **Ebola** precautions;

23 Oct 2026 **Kampala (Uganda)** *Monitor*. The shilling hits a record low against the **United States (US)** dollar, falling below Shs4,200 despite **Bank of Uganda (BoU)** (central bank) interventions to curb volatility in the foreign exchange market;

22 Oct 2026 **Kampala (Uganda)** *CNBC Africa*. The **Bank of Uganda (BoU)** (central bank) says in a notice to banks that it is actively seeking an undisclosed amount of foreign currency in the exchange market to support the depreciating Ugandan shilling;

22 Oct 2026 **Kampala (Uganda)** *Reuters.* Finance ministry reports export earnings rose 36% year-on-year in August, driven by an increase in gold exports, accounting for $889m of its $1.5 billion in exports;

21 Oct 2026 **Magamaga (Uganda)** *Defence Web.* President **Yoweri Museveni** commissions a military repair facility as part of a $53m military equipment and infrastructure package that **Russia** has donated;

21 Oct 2026 **Abuja (Nigeria)** *DW*. The health ministry confirms Nigeria's first known **Ebola** case in 12 years, involving a woman who recently arrived from **Uganda** and tested positive for the virus;

19 Oct 2026 **Kampala (Uganda)** *Monitor.* Police launch an investigation after the body of a former **Rwandan** soldier, Sergeant Major **Robert Kabera**, a known critic of the Rwandan government, was discovered in **Mpigi District**;

14 Oct 2026 **Kampala (Uganda)** *Business Day.* **Bank of Uganda (BoU)** (central bank) raises the main interest rate by 2.25% to 12% during an emergency meeting, as it seeks to address and stabilise the shilling's depreciation;

13 Oct 2026 **Kampala (Uganda)** *Investing.* The **Bank of Uganda** (central bank) will hold a special monetary policy committee meeting tomorrow after the shilling falls to a new 33-year low;

12 Oct 2026 **Kampala (Uganda)** *Business Insider Africa.* The Ugandan shilling falls to 4,134/USD, its lowest level since 1993 and marking a 10% loss in value since 25 August, as investors switch from local bonds to **United States (US)** dollar assets offering higher returns;

8 Oct 2026 **Kampala (Uganda),** *CNBC Africa*. The shilling is expected to set further record lows against the **United States (US)** dollar over the next week, driven by strong foreign-currency demand from merchandise importers, energy companies and the telecoms sector;

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