

REMARKS BY DAVID NYAKUNDI BONYI, CHIEF EXECUTIVE OFFICER, UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY, DURING THE MEDIA BRIEFING ON THE INAUGURAL RETIREMENT BENEFITS SECTOR PERFORMANCE REPORT AS AT DECEMBER 31ST 2014 AT URBRA BOARD ROOM ON THE 3RD FEBRUARY 2016.

Distinguished Members of the Media Fraternity,
Management of the URBRA,

Ladies and Gentlemen,

Today we are launching the pension sector performance report, an event we shall be holding annually. The performance report is important because it informs stakeholders about the industry status at a macro level and encourages players to continually work towards improved performance.

This is the very first performance report. Therefore, it lays a base on which subsequent results shall be measured. URBRA being a nascent institution, it has taken us longer to release this information because we were engaged in collecting, collating and analyzing industry data from schemes, which data was not readily available. Getting this inaugural benchmark industry data is a major milestone for us as a regulatory body.

In the future, we shall be prompt in providing this information to the public. Furthermore, we shall be posting this information on our website for easy access by members of the public.

Retirement Benefits schemes in the country have two financial year-ends: June 30, and 31st December. Most public sector related schemes end their financial years on June 30 while private sector related schemes have their financial years ending on 31st December. This report therefore combines the two financial year-ends to provide an indication of the performance for the period under review.

Ladies and gentlemen, the assets of the Retirement Benefits Sector as at 31st December 2014 were UGX. 5.1 Trillion. This translated to about 7.2% of the GDP. The assets are invested in various classes of investment with the bulk of over 57% invested in Government Bonds.

Ladies and Gentlemen, during the period, the investment income was 12% of the total assets. The total expenses were 8% of the total assets, a percentage we think is on the high side and efforts should be directed to efficient governance to reduce costs in the coming years.

The total membership recorded was 1.9 million individuals representing 14% of the total national labor force, which is 13.9

million. Of this membership, some are inactive in terms of saving for retirement.

Ladies and Gentlemen, URBRA continues to monitor the operations of licensed schemes to ensure that the objectives set out in the URBRA Act are attained. Additionally, in order to steadily grow this sector, URBRA will be commencing a number of activities during the 3rd quarter of this financial year. These activities include:

1. Drafting the remaining regulations under the Act;
2. Complete the development of risk based supervision framework;
3. Carry out a feasibility study on the informal sector with an aim of extending coverage to that sector;
4. Carry out public awareness campaigns on pension savings, which shall include training of service providers, trustees and scheme members.

Ladies and Gentlemen, the Government is continuing with the reforms of the retirement benefits sector. We look forward to the enactment of the Liberalization Bill when Parliament resumes. Once enacted, the Bill will avail more products in the market, which will attract more players and increase public awareness on retirement savings.

With those remarks, I now invite our Senior Research and Sector Development Officer to make a brief presentation on the sector performance and then we shall take some questions.

Thank You.