

## **Emmanuel Tumusiime-Mutebile: Improving financial literacy in Uganda**

Remarks by Mr Emmanuel Tumusiime-Mutebile, Governor of the Bank of Uganda, at the Annual National Secondary Schools' Performing Arts Festival for 2014 Launch with a Financial Literacy Theme "Simplify Money, Magnify Life: Manage Your Money wisely for a better future", Kampala, 1 July 2014.

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The State Minister for Primary Education;

Chargé d'affaires, Embassy of the Federal Republic of Germany in Uganda;

Chairperson, Uganda Bankers' Association;

Senior Management and Staff of the Bank of Uganda present;

Distinguished Guests;

Ladies and Gentlemen.

On behalf of the Board of Directors, Management and Staff of the Bank of Uganda, I would like to thank everyone who has come here today for this innovative 2014 Annual National Secondary Schools' Performing Arts Festival launch. The focus of this event is Financial Literacy which refers to the individual's ability to make informed judgements and effective decisions about the use and management of their money.

Financial Literacy is part of the broader concept of Financial Inclusion, which entails expanding access to financial services. We want the benefits of financial services spread more widely throughout the population to support broad based economic growth, reduce inequality and poverty.

Through the activities of the Financial Sector Reform Programme (FSRP), much has been achieved to strengthen the supply side of the financial market. Indicators of financial depth point to the great strides that have been made in as far as financial sector deepening is concerned. For example, domestic credit to the private sector as a proportion of GDP increased to 10.2 percent in 2013/14 from 6.4 percent in 2012/13. However, with the exception of the remarkable growth of mobile money services, access to formal financial services remains relatively low in Uganda; with about 46 percent of the population having no access to Bank of Uganda supervised financial institutions. Financial exclusion is partly the result of the high costs of serving low income customers, especially in rural areas, and partly because demand from potentially bankable customers is also low.

Consumer education can help to attract more economically active people into the formal banking system. The use of an infotainment programme like a Music, Dance and Drama festival is ingenious as it delivers the message subliminally which allows for a deeper internalization by the recipient. The theme "*Simply Money, Magnify Life: Manage Your Money wisely for a better future*" is a well thought out theme as many people live a life worrying about money.

Financial literacy skills such as managing personal finances are essential life skills in the modern world. In this regard, I would like to thank all the organizers of this festival. In a special way, I thank the Ministry of Education and Sports who agreed that this year's Annual Festival should focus on Financial Literacy. I also would like extend our gratitude to the commercial banks, the German Society for International Cooperation (GIZ) and other stakeholders for the efforts invested in this project.

The Financial Literacy Strategy launched in August 2013 recommended the incorporation of Financial Literacy into the secondary school curriculum as part of the overall reform of the curriculum. Curriculum reform is currently underway at the National Curriculum Development Centre and this process involves consultations with stakeholders such as GIZ and

commercial banks. One of the teaching tools that has been developed in the Financial Literacy Strategy's short term life span of eleven months is the "*Simplify Money Magnify Life*" website. The website is a teaching aid targeted at financial services and products consumers as well as suppliers by providing factual data that can be a basis of financial decision making.

I thank you all and wish you a pleasant 2014 Annual National Secondary Schools' Performing Arts Festival.