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# MONITORING WORKERS' REMITTANCES AND BENEFITS IN UGANDA: THE STATISTICAL ISSUES

**E.S.K. Muwanga-Zake (PhD)**[1]

## ABSTRACT

Due to the increasing importance of remittances to Uganda, efforts are underway by the Central Bank and Central Statistics Office in the country to improve the regulatory and monitoring of environment. A multifaceted approach is used. This includes the enactment of a new law and regulations, improving administrative reporting and carrying out surveys in the major remitting countries and in Uganda. However, these have issues of collecting complete, accurate and timely data.

## 1. Background

Workers' remittances are current transfers by migrants employed in another country and have lived in those countries for at least one year. The players involved are mainly related persons (IMF, 1993). In many of the least developing countries (LDCs) international remittances now constitute the second largest capital flow after Foreign Direct Investment (FDI). Remittances constitute the fastest growing and most stable capital flow to developing countries. The exact amounts of these flows are, however, uncertain and the statistical compilation of remittances needs improvement especially in Sub-Saharan Africa. Official remittance statistics reported in the balance of payments (BOP) typically underestimate actual levels, and in several countries unrecorded remittances are significant. (Terry, F.D. et. al. 2005).

[1] Institute of Statistics and Applied Economics (ISAE), Makerere University, P.O. Box 7026 KAMPALA, Uganda: (Formerly, Director, Trade and External Debt Department (TEDD), Bank of Uganda, P.O. Box 7120 KAMPALA) E-Mail: emuwangazake@isae.mak.ac.ug; muwangazake@hotmail.com.
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## 2. Why is the Bank of Uganda interested in workers' remittances?

In Uganda, Balance of Payments (BOP) estimates of remittances for the period 1996 to 2000, averaged 32% of exports. The figure increased to 65% of exports during the period 2001 to 2005 while for 2006 the figure is estimated at US$ 652million equivalent to about 6.5 percent of GDP (US$ 10 billion). Workers' remittances are, therefore, the second largest contributor to foreign exchange inflows after exports of goods and services, thereby contributing significantly to the BOP, exchange rate stability and also affecting monetary policies (Tumusiime Mutebile 2006).

More specifically, workers' remittances are important because:

a) They are a regular source of income of recipient households and spending power for their families.
b) They impact on poverty reduction and welfare improvement through their macro-economic effects.
c) They increase investments of households on education, capital for business ventures and health.
d) They are less volatile sources of foreign exchange as they tend to be counter cyclical increases in times of economic depression, political turmoil and natural disasters unlike other forms of inflows like Foreign Direct investment (FDI) and External Debt.
e) They are a steady stream of Foreign exchange earnings that can improve the countries' creditworthiness.

The Uganda Government, through the Bank of Uganda (the Central Bank) in conjunction with the Uganda Bureau of Statistics (the Central Statistics Office), has embarked on a programme to monitor workers' remittances to and from the country.

The major characteristics of remittances need to be clearly established in order to improve the understanding of remittance impacts. Studies and surveys are required in both the sending and receiving countries.

## 3. Conceptual and Measurement Issues of Remittances

The economic significance of remittances is not fully captured in the official BOP statistics in either sending or receiving countries. Monetary transfers increase the supply of foreign exchange in the country of origin of the migrant, while "in-kind" remittances in the form of goods and services save scarce foreign exchange in the recipient country. The measurement of both cash and in-kind remittances has proven to be very difficult, imprecise, and incomplete. Only some of these transactions are recorded.

Where remittances are sent through formal channels, they are recorded by the receiving country's official statistics as an inflow in the current account of the BOP. Conversely, cash remittances sent informally through couriers are usually unrecorded in official statistics. In-kind remittances, or goods and services sent to households in the home country or brought on their return home, may be only partially captured as imports in official data. Very little data exists on the size of remittances in kind. Other transfers in the form of charitable donations or payments and deposits for relatives and friends (such as insurance premiums, tuition, and travel costs) function as an economic form of remittances, but are rarely recorded as such.

Choosing between official or unofficial transfer channels is an important decision when sending remittances and depends on several factors. These include the availability and adequacy of banking services, transaction costs, “know-your-customer” requirements, and the potential for additional earnings through unofficial channels. When official means of remittance transfer are unattractive, the private sector or groups of emigrants themselves often set up parallel systems. Dealers in informal transfer systems sometimes provide competitive exchange rates, as well as other assistance and services of a personal nature.

All these mean that the data in Uganda is incomplete and inaccurate. It is not possible to accurately disaggregate official estimates of remittances by source due to the residual method of estimation, which is used in making the estimates.

## 4. What is Being Done in Uganda?

The Bank of Uganda (BOU) is using a multifaceted approach of measures, outlined below, aimed at improving the recording, management and integrity of workers’ remittances, while at the same time trying to maximize the benefits in terms contributing to economic development.

### 4.1. Publicity and awareness campaigns

A sensitization campaign amongst Ugandans in the Diaspora, and the recipients and service providers in the private sector is ongoing. The campaign emphasizes transparency, competition, and customer information, and is designed to highlight policy and operational issues. The campaign also works through the Uganda embassies and ethnic group based associations. The Bank is also considering creating links with web sites of the two Uganda newspapers, which are widely read by the Ugandans in the Diaspora.

### 4.2. Legal and Institutional Framework for the Money Transfer Business

The Ugandan Government has revised the law on foreign exchange transactions to provide for more money remittance services, thus making it easier for Ugandans abroad to send money home (Uganda Government, 2005). Apart from commercial banks and other financial institutions, Remittance Licenses may now, under certain conditions, be obtained by International Money Transfer Agencies and Foreign Exchange Bureau. BOU has also facilitated notable improvements in the payment system to make it more efficient and wide-spread.

These efforts include: installation of electronic banking with the national electronic switch; 230 Automatic Teller Machines (ATMs) spread countrywide; and the introduction of credit cards and debit cards. Some financial institutions are already considering introducing Internet banking. Mobile Banking Services are expected to reach an estimated 20,000 clients over a period of five years.

All these developments should facilitate a smoother flow of remittances and attract remittances into the formal system, and thereby move some of the hitherto informal remittances into the formal (official) channels and hence make them easier to record. This will improve data collection.

To cap all these, BOU created a Trade Statistics and Remittances Division in the then Trade and External Debt Department (TEDD) to concentrate all efforts in the estimation of remittances.

### 4.3. New Methods of Reporting/ Reporting Requirements for Money Remittance Business

The new law strengthens the capacity of BOU to monitor and regulate the transactions. Under this law, all licensed remitters are expected to make weekly and monthly returns to BOU and therefore provide information on remittances on a continuous basis. Unfortunately, details for remittances through commercial banks and other financial institutions are difficult to identify. Similarly, returns from the newly-licensed remitters are still faulty and incomplete.

As at 30th June, 2007, there were twenty eight (28) Non Banking Financial Institutions (NBFIs) licensed to engage in money remittance business comprising: 23 forex bureaus, four (4) Micro Finance Deposit-Taking Institutions and two (2) Credit Institutions. Financial Institutions (Banks) licensed under the Financial Institutions Act 2004 are exempted from complying with the provisions of the Foreign Exchange Act 2004.

All Money Remitters (MR) licensed under Section 5 of the Foreign Exchange Act 2004 are required to submit to Bank of Uganda the following returns: Weekly (Send and Receive), Monthly (Send and Receive) and a summary Monthly transactions as specified in Section 27 (4) and Schedule 8 of the Foreign exchange (Forex Bureau and Money Remittance) Regulations 2006.

All the 28 NBFIs are submitting these returns as specified by the regulations. Compilation of the returns into meaningful reports commenced in the second quarter of 2007 and as at 30th June, 2007, total inflows amounted to US$17.301Million while outflows captured were US$0.585Million. This is a clear indication that either the formal means of remitting money is not in use as expected or the mode of capturing the data is not ideal/ accurate. It may therefore be preferable to capture such information from the source countries and through commercial banks since the eventual settlement of such cross-border transactions is through a commercial bank.

### 4.4. Surveys on Remittances

Although balance of payment data on remittances are commonly used for estimating the volume of remittances, they could be misleading since informal remittance flows are not accounted for in these calculations. The Bank of Uganda, in collaboration with the Uganda Bureau of Statistics (UBOS), have institutionalized surveys on remittances to Uganda. The objective is to estimate the specifics of the remittances in terms of source and size of remittances, frequency and channels of remitting, use of remittances, seasonal pattern, the demographic characteristics of the recipients and the location of the remitters, the socio-economic conditions and intentions of the senders, etc.

Surveys have been carried out in the major sending countries, beginning with the UK, the USA and South Africa. The remittances to Uganda are mainly from the UK, the USA, Japan, South Africa and Sweden. Informal service providers reveal that the UK, the USA, and the Scandinavian countries account for about 60%, 20% and 10% of transfers, respectively.

In order to enhance the existing knowledge on remittances to developing countries, the Financial Market Integrity Unit (FPDFI) has launched a series of studies called Bilateral Remittance Corridor Analysis (BRCA). The intention is to use the knowledge gained through these studies to develop best practices to protect the integrity of remittance markets and to improve efficiency and transparency of transfer channels for remittance flows.

This study was initiated at the request of the Bank of Uganda (BoU) as a World Bank-BoU joint study. The purpose of the joint study is to share knowledge and expertise of World Bank's Bilateral Remittance Corridor Analysis (BRCA) with the Bank of Uganda. For this purpose, a mission was jointly conducted in the United Kingdom and the United States. For these missions, the German Gesellschaft für Technische Zusammenarbeit (GTZ) provided financial support. Being the first BRCA study to be conducted with the partnership of a local authority adds to the significance of this study.

The study evolved from an original United Kingdom–Uganda remittance corridor to three corridors including the US-Uganda and South Africa-Uganda. These two corridors were included in consequence of a supplementary request made by the Bank of Uganda. Initial remittance data from a pilot survey indicated that a large volume of remittances seems to originate in the United States and anecdotal evidence of remittance flows from South Africa. The South Africa-Uganda corridor added value to the study since it allows the study to compare North-South corridor (UK-Uganda and US-Uganda) and South-South corridor.

The main objective was to describe how characteristics of the three remittance corridors affect remittance flows to Uganda and implications of such characteristics on the desired shift from informal to formal remittance flows. In order to achieve this objective, analysis was made for the remittance senders, remittance flows and market players, regulations, risks of money laundering and the existing Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) framework, and challenges to expanding access to financial services. Based on the analysis, the report provides a set of focused policy recommendations to regulators and market players in order to foster a competitive and transparent formal market. This report is the culmination of the efforts and contributions of FPDFI, Central Bank of Uganda and The German Gesellschaft für Technische Zusammenarbeit, and many others.

The fieldwork was conducted in Uganda, the United Kingdom, the United States, and South Africa. They included interviews with the authorities, international organizations, private sector entities (banks, money transfer operators, and research organizations), Non-governmental organizations, and Ugandan migrants.

## 4.5. The Uganda National Household Survey (UNHS) 2005/06

During the UNHS 2005/06 carried out by UBOS, information was collected on receipt and use of both domestic and international remittances at household level. As shown in Table 1, overall proportion of recipients of remittances from local sources (41%) was much higher than that for remittances from abroad (2%). The capital City, Kampala, had the highest proportion of households receiving remittances from abroad (7%). The national mean monthly value of remittances from abroad was about US$40.

**Table 1.** Households that received a Remittance during the last 12 months by Residence (%)

| Residence | Percentage of households | | Mean monthly Value* of amount received (USh) | |
|---|---|---|---|---|
| | from domestic sources | from abroad | from domestic sources | from abroad |
| **Rural/Urban** | | | | |
| Urban | 39.6 | 5.0 | 38,000 | 119,300 |
| Rural | 41.8 | 1.7 | 14,500 | 39,700 |
| **Region** | | | | |
| Kampala | 35.2 | 7.3 | 50,700 | 130,500 |
| Central | 47.0 | 2.4 | 20,500 | 98,500 |
| Eastern | 41.7 | 3.3 | 15,600 | 29,500 |
| Northern | 56.4 | 0.9 | 13,700 | 27,700 |
| Western | 26.9 | 0.7 | 14,700 | 28,300 |
| **Uganda** | **41.4** | **2.3** | **18,500** | **70,500** |

**Note: The Value of remittances includes both cash and in- kind.*

Source: UNHS 2005/06

As Table 2 shows, most recipients used the remittances to purchase consumption goods and services irrespective of their source. This was followed by payment for education expenses. It reinforces the findings by Bank of Uganda that the shilling tends to appreciate during the time of paying school fees and Christmas holidays when the immigrant workers send funds to support their families.

**Table 2.** Recipients by Purpose and Source of Remittances (%)

| Main Purpose of Remittances | Source of Remittances | |
|---|---|---|
| | domestic | abroad |
| Purchase consumption goods and services | 63.4 | 51.7 |
| Pay for education expenses | 13.6 | 26.1 |
| Pay for health expenses | 6.6 | 2.9 |
| Working capital for non-farm enterprises | 0.9 | 5.7 |
| Purchase building materials | 0.5 | 3.9 |
| Buy land | 0.1 | 1.5 |
| Buy farm inputs, tools and implements | 0.6 | 0.3 |
| Pay for ceremonial expenses | 1.1 | 2.0 |
| Other | 13.2 | 5.9 |
| **Total** | **100.0** | **100.0** |

Source: UNHS 2005/06

### 4.6.Pilot Survey 2006

A pilot survey was carried out in January 2007 to test the questionnaire for the subsequent countrywide survey on remittances. The preliminary findings revealed that almost 50% of the beneficiaries received under US$100 per annum. The same percentage of the respondents indicated preference to use informal channels for sending money to Uganda. The origins of remittances are diverse but the UK, and the USA dominate.

The results also showed that remittances are used mainly for consumption, health care, childcare and education. There is also a noticeable use of remittance funds for business support and real estate. For example, 16% of the recipients indicated that remittances are spent on building works and land purchase.

### 4.7.Survey on Remittances to Uganda 2007

The main objective of the nationwide survey, jointly conducted by BOU and UBOS, was to collect high quality data on remittances received in 2006 at household level so as to improve the accuracy of the BOP and therefore strengthen the formulation of monetary and exchange rate policies. There was also a community questionnaire to determine the contribution of remittances at community level.

The survey covered over 4,000 randomly selected households. The survey sought to establish an accurate estimate of the value and volume of remittances received during 2006, the origin of such remittances and the characteristics, e.g. amounts, frequency, use of received remittances received. The results are outlined below.

The up-rated estimated remittance value from the survey of US$406.5 million was below the official estimate (US$665m) for the year 2006. However, the official estimate was derived as a residual from BOP computations. This was the country's first attempt in empirical assessment of the size of inward remittances, hence this estimate was thought to be encouraging and considered to be indicative of the magnitude of such flows. There were also identifiable methodological gaps which could be addressed through refinement of sampling procedure, limiting the geographical scope of the survey, revision of the survey instruments, enhanced training of field staff, a strategic sensitization programme to create awareness and build confidence in the respondents, among others.

More than half of the recipients received remittances once or twice a year. This finding is supported by the fact that December and January returned the highest proportion of remittances during 2006 confirming the practice of migrants sending money home during the festive season and school related expenditure. However, with one round of fieldwork it may not be possible to conclude on the regularity of inwards remittances.

In addition to monetary remittances, Ugandans also received remittances in kind mostly once a year and these were mainly clothes and domestic appliances. Such goods supplement household incomes. However, estimation of values for in-kind remittances was rather complicated due to omission of values at the onset. Future surveys should provide for this kind of estimation.

The sources of remittances to Uganda were diverse, with Europe and Africa being distinct in terms of share of total volume. This finding may be explained by the existence of historical ties in addition to proximity and ease in communication between Uganda and these regions. The results also revealed presence of south-to-south remittances to Uganda with 37 percent of the respondents indicating that they received remittances from Africa.

The findings on education and age revealed that the majority of remitters are young educated Ugandans. At the same time, more than half of the remitters had lived abroad for between 5-10 years. These findings are an indicator of the continued movement of Ugandans in search of employment abroad.

Over 65.5 percent of the respondents indicated that they would rather use formal channels for receiving remittances, a good indicator of how the population perceives and appreciates the formal financial services. The main reason for this preference is safety of the remittances. This inclination towards formal financial services should be leveraged in the financial deepening strategy and furtherance of the payments systems in Uganda. However, many Ugandans still use informal methods, that is, friends and acquaintances for remittance transmission, which may be attributed to avoidance of transaction costs associated with formal channels. There is therefore need to sensitise users on the various service providers available, the type of services that they are authorized to engage in and the risks associated with the use of informal methods of remitting.

Remittances benefit the remitters and recipients. However, there is a distinct difference in the respective use, with consumption for recipient and investment for remitter. While Remitters remit to maintain the immediate and extended families, they personally seem to have an interest in long-term development projects.

Though the survey did not directly ask a question on beneficiary sectors, from the expenditure pattern one can easily link expenditure with three major sectors, namely wholesale and retail trade-for consumption goods, education and health, for the benefit of both recipients and remitters. In addition to these three, investment stands out in cases where remittances benefit the remitter.

The report identified the under-listed lessons learnt and areas of focus for future surveys;

- The need to revisit the methodology to facilitate better estimation of the magnitude of remittances:
  - The sample frame: Remittances seem to originate in urban areas and distribution takes place thereafter. It would therefore be of benefit to conduct an urban survey on remittances;
  - Assessment of regional distribution and “pockets” of remittances if any; and
  - Assessment of the three-tier distribution system in terms of role of service providers along the chain and market share of each.
- In order to build on the survey results, there is need to conduct similar studies on annual basis. This may be followed by censuses after every 5 years.
- Subsequent surveys are also necessary to confirm the revealed seasonal pattern of remittance inflows.
- Assessment of the impact of remittances calls for drawing comparisons between households that receive and those that do not receive remittances. This may be achieved through the census.
- An independent survey on outward remittances with appropriate methodology is necessary to complete the country’s position on workers’ remittances for Balance of Payments.
- Incorporate continuous sensitization in the remittance monitoring strategy, not only for the survey activities.
- Remittances in kind are a reasonable proportion of total inflows. It is important to address valuation issues for better estimation of the value of remittances in kind.

### 4.8. Findings in the United States of America (USA)

There is an annual meeting of the Uganda Northern America Association (UNAA) during the Labour Day Week-end. These meetings are attended by over 2000 Ugandans leaving in the USA, Canada, the Caribbean, the UK and, sometimes South America to share ideas, challenges, and also fellowship. BOU has participated in these meetings since 2004 to discuss remittances. A survey was carried out during the convention in New York in 2006 as part of the ongoing joint World Bank/Bank of Uganda study on the USA-Uganda remittance corridor.

A total of 124 questionnaires were returned. More than half of the remitters were graduates with a first degree, the majority having lived in the USA for periods ranging from 10 to 20 years. Western Union was the most preferred remittance channel with 39%, followed by MoneyGram (28%) and the banks (27%). Major reasons or considerations for choice of medium (in order of importance) included cost/rates, convenience, speed and safety/reliability of the given medium. Only 6% use informal channels. Costs are within 1-12% of the total remitted; remittance through banks was noted to be more costly as it involves payment of fees at both the sending and receiving points. Remitters prefer to use the money transfer companies for lower and banks for the bigger amounts. Family support was the major use (intended) of remittance as indicated by 59% of remitters while almost 37% were equally divided between education and investment/business projects. The mean remittance value was about US$700.

The 19th UNAA convention was held from 30th August to 3rd September 2007 in San Francisco, California. This and future UNAA conventions should provide a platform for feedback on the Bank's findings and more elaborate surveys on remittances.

### 4.9. Findings in the United Kingdom

Remittances service providers in the UK include banks, money transfer companies, and informal providers. The Financial Services Authority regulates the banks while the money transfer companies are registered, regulated and supervised by Her Majesty's Revenue and Customs (HMRC). There are 21 ethnic group based money transfer service providers to Uganda registered with HMRC under the Money Laundering Regulations (2003). These remitters have formed an association which could be used to collect data on the amounts of remittances. However, a few unregistered individuals are known to offer remittance services. The individuals operate outside the defined regulatory regime characterized by easy entry and operational requirements.

A preliminary study has been carried out on the registered remitters in the UK. The study gave some data on the volumes remitted and the costs of remitting. It confirmed that some of the remittances were very low. Remittance values of between 10 and 16 pounds (US$19-30) are not uncommon for remittances channelled through ethnic group based service providers. They are preferred because of the relatively low rates charged, additional personal service offered, less paper work and higher speed of delivering services.

Transaction charges range between 7 to 15 percent of the remittance value, through banks and international Money Transfer Organizations while ethnic group based ones charge 2–3 percent of the value.

### 4.10. Findings from South Africa

In South Africa, MoneyGram is the only international MTO providing remittance services by collaborating with banks. Quantifying the remittance flows is a challenging task, resulting from lack of proper methodologies, accuracy of recorded data, and extensive use of informal mechanisms. South Africa sends and receives cross-border remittances with multiple remittance corridors within and outside Africa. As a sending country, South Africa is the largest source of remittances in Sub-Saharan Africa. The volume of remittance flows from South Africa to Uganda is unknown. Unlike the information of Ugandans in the United States and the United Kingdom, there is limited data available on the Ugandan population in South Africa. The lack of information with regard to the size of per capita remittance, the size of population, and income level makes it difficult to develop an estimate of the remittance volumes.

### 4.11. Summary of Findings in the Three Bilateral Remittance Corridors

- **Uganda is not a major remittance destination in the three countries** although these remittances are important to the Ugandan economy. Remittance data are not available from South Africa, which is doubly important as a South-South corridor as well as a regional remittance corridor.
- **Different migration generations of both documented and undocumented Ugandans have entered the three corridors over the past 5 decades.** Identifying the size of the undocumented Ugandan migrant population is difficult, making estimating remittances flows complicated.
- **Immigration policies of the three countries have made it difficult for low-skilled migrants** to seek temporary employment in these countries; hence many low-skilled workers do not have proper immigration documentation, which leads to limited or no access to formal financial services.
- **Access to remittance services varies** although documented migrants have full access to formal financial services while undocumented workers in all three countries have limited or no access to formal financial services. The undocumented Ugandans in the United Kingdom have

access to formal remittance facilities if they have any government-issued ID, including Ugandan national identification.

- **Investing in businesses and preparing for retirement in Uganda, in addition to supporting their families, is high on the agenda** of the Ugandan Diasporas in all three countries. Hence, most Ugandans show preferences to keep closer ties with their home country.
- **Registered money service businesses are allowed to provide remittance services** in the United Kingdom and the United States; on the other hand, in South Africa only authorized dealers, namely banks and foreign exchange bureaus (most of these entities are part of banks) are allowed to conduct remittances. In South Africa, only MoneyGram, among international MTOs, provides remittance services by collaborating with banks.
- **Remittance costs in the United Kingdom and South Africa are substantially higher than the costs in the United States.** The formal remittance market in South Africa lacks competition with only one international MTO, commercial banks and their subsidiary foreign exchange bureaus. In the UK–Uganda corridor, international MTOs have an advantage in overall pricing while ethnic MTOs are more competitive. In the US–Uganda market, international MTOs provide competitive services since they consider Africa as a single market and are competitive in all corridors to Africa.
- **AML/CFT laws and regulations exist in all three countries**, however, they are not similar. In the area of remittances, the FATF requires countries to ensure that money transfer businesses are registered or licensed. The United Kingdom and the United States require money service businesses to be registered; South Africa requires them to be licensed. The United Kingdom and South Africa have a centralized regulatory framework for the remittance market, while US regulations are fragmented among federal and state levels.

## 4.12. The African Development Bank – Workshop in May 2009

It was noted that data on remittances was initially collected as a residual of capital inflows after subtracting explainable inflows such as exports, and current transfers. More direct methods of estimating remittances have since been adopted, particularly the use of surveys in institutions through which remittances flow, i.e. banking institutions and companies registered to do the business of money transfer. It is believed that the new approaches produce more accurate data on remittances. The challenge Uganda is facing is that such surveys have been piecemeal. The key recommendation was to improve data collection on migration and remittances through a comprehensive survey to get a correct picture of remittances in Uganda.

## 5. Conclusion: Challenges and the Way Forward

From the above findings on remittances to Uganda, the following issues on the estimation of the remittances to Uganda can be identified:

(i) The preference for use of informal channels, for various reasons, and the attendant difficulties in obtaining data strongly suggest that available data on remittances could be understated which calls for improvement in methodology estimating the volume of remittances. Informality is explained by access issues – shallow banking system; poor technology; and low labour mobility explain the persistence of the informal system in remittances.

(ii) Issues of cost, less cumbersome paper work and personalized service seem to attract users to the informal system. The formal channels need to focus on the improving the delivery of these preferred characteristics of migrant remittances. While the "Know-Your-Customer" requirements are necessary for protecting the integrity of the financial sector, these clearly come out as constraints in the access to and use of formal channels. Harmonization of the more restrictive supervision and regulation of the financial sector at the receiving end with the more accommodative regime at the sending points is critical for increasing the use of formal channels of money transfer.

(iii) The use of cash as the major delivery instrument highlights the inefficiencies in, and the need for further development of the payments system.

(iv) The annual UNAA Meetings in USA and the Remitters' Association in the UK present unique opportunities to collect data on remittances to Uganda from the two major source countries. Obviously, it will be necessary to cover remitters who do not attend the UNAA convention or who do not remit through the Remitters' Association. Ugandans in Japan have also formed an Association and are planning a UNAA-like conventions.

(v) More work needs to be done to get complete and timely data from the formal remitters, including commercial banks and other financial institutions. It is also necessary to link remittances to poverty reduction and establish the seasonal pattern for purposes of exchange rate management, and conduct of monetary policy.

(vi) The diverse origin, small values and use to which remittances are channelled presents the challenge of identifying the respondents in any survey. However, the concentration of receiving points in the capital city, Kampala may mean that the surveys could be concentrated there to begin with.

(vii) The collection of data on remittances is a further illustration of the collaboration efforts in the Ugandan statistical system. Other examples include the collection of data on Private Capital Flows (PCF), Informal Cross Border Trade (ICBT), etc. Uganda has drawn up a Plan for National Statistical Development (PNSD).

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