



THE REPUBLIC OF UGANDA

# MINISTRY OF TRADE, INDUSTRY & COOPERATIVES

## THE 8<sup>TH</sup> ANNUAL SECTOR REVIEW CONFERENCE, 2017



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UWRSA	0.000	0.905	0.000	0.000	0.000	0.000	0.000	0.905
UIRI	3.720	2.162	7.623	0.000	0.100	0.000	0.700	14.305
UNBS	6.356	4.013	3.660	0.000	14.300	0.000	0.000	28.327
LG Grant – DCOs	0.000	0.208	0.000	0.000	0.000	0.000	0.000	0.208
<b>Total</b>	<b>13.177</b>	<b>21.411</b>	<b>35.366</b>	<b>1.420</b>	<b>18.710</b>	<b>2.625</b>	<b>0.700</b>	<b>93.409</b>

The above received funds enabled the undertaking of the following activities;

### POLICY AND LEGAL ENVIRONMENT

As we strive to achieve the sector priorities, we need a conducive regulatory framework for effective implementation of programs and during the Financial Year under review; the Sector formulated the following policies and regulations;

#### Bills Passed by Parliament

- Sale of Goods and Supply of Services Act was passed by Parliament and awaiting the president to assented to.
- The COMESA Treaty Implementation Act

#### Bills before Parliament:

Anti Counterfeit Bill, The Sugar Bill, Accreditation Bill, The Cooperative Societies Act Amendment Bill

#### Bills under Development:

Agricultural Produce Regulatory Bill, Alcohol Bill, National Industrial Development Bill, Legal Metrology Bill, Industrial and Scientific Metrology Bill, Consumer Protection Bill, Competition Bill, The World Trade Organization (WTO) Domestication Bill

#### Policies and Strategies Passed by Cabinet:

National Policy on Services Trade, Packed Water Policy, National Export Development Strategy, Ratification of the EAC-COMESA-SADC Tripartite Free Area Agreement (FTA), Ratification of the WTO Trade Facilitation Agreement

#### Policies and Strategies under Development:

National Industrial Development Policy, Iron and Steel Policy, The Gift Policy, Tea Trade Policy, Sanitary and Phytosanitary Policy, National Trade Fair and Exhibition Policy, Poultry Trade Policy, Fruits and Vegetables Trade Policy, Packaging Policy, Spices and Condiments Policy, Cross Border Trade Strategy

### TRADE DEVELOPMENT

The sector notes the persistent trade deficit through the period (2012-2016) with the highest trade deficit of US\$3.462 Million registered in 2014/15. The situation is mainly arising out of the low value of exports which are mainly unprocessed agricultural commodities while exchanging them for high value

manufactured products.

**Exports:** In 2016 the trade deficit reduced to US\$1.993 Billion from US\$2.926 Billion in 2015 which is attributed to the overall increase in export earnings by 8.8% in 2016. Total export earnings were US\$2.901 Billion of which US\$ 2.482 Billion were formal exports. The formal exports increased by 9.5 percent from US\$ 2.267 Billion in 2015 to US\$ 2.482 Billion in 2016 while informal exports increased by 5 percent from US\$ 399.1 million to US\$ 419.2 million over the same period.

Overall, coffee remained the main merchandise foreign exchange earner of the country for the above period. However, its share to total formal exports reduced from 17.91% in 2015 to 16.50% in 2016.

**Imports:** The total imports bill in 2016 stood at US\$ 4.89 Billion, of which, formal imports accounted for US\$ 4.82 Billion, while informal imports were estimated at US\$ 64.9 million. The total imports expenditure declined by 12.5 percent in 2016 after a decrease of 8.9 percent in 2015.

Uganda continues to pay high bills for imports of Machinery Equipments, Vehicles & Accessories goods amounting to US\$ 947.11 million (23.99%) in 2016/17; followed by Petroleum Products of US\$ 693.80 million (17.57%); Vegetable Products, Animal, Beverages, Fats & Oil of US\$ 454.66 million (11.52%); Chemical & Related Products of US\$ 430.61 million (10.91%) and others in that order as shown in the above figure.

### INTERVENTIONS TO ADDRESS THE DEFICIT

The Sector is employing several strategies to ensure increased volume of exports while reducing import volumes. These include:

#### 1. The National Export Development Strategy (NEDS):

The Strategy was approved by Cabinet on 25/08/2017. It envisions a focused and dynamic export sector fully responsive to available export opportunities, especially in preferential markets.

The overriding objective of NEDS is to increase the value of Uganda's exports of the specified products and services to the targeted markets over the next five years. It intends to narrow the trade deficit as a percentage of total exports from the current annual average of negative 96% to at most negative 35% over the next five years.

#### Priority Products under NEDS are categorized as follows:

- ✓ **High priority:** coffee, iron/steel products, fish, cement, tobacco, sugar, flowers and tea.

### Introduction

The Trade sector is one of the key sectors that contribute to the economic development of the country. Every year sector stakeholders meet at a conference to review the performance of the Sector and also establish feasible interventions and strategies to boost the Sector.

This year's Sector Review is organized under the theme "Promoting value addition and competitiveness in export growth".

The theme emphasizes the contribution of Value addition and competitiveness towards reducing the balance of payment deficit in the Country. It also stresses the need towards realization of the objectives of the Sector Development Plan, the NRM Manifesto, the National Development Plan II and the Vision 2040; all aimed at ensuring sustainable socio-economic transformation of Uganda.

**Sector Priorities:** During the last Financial Year 2016/2017, great strides were made in the development and implementation of sector policies and programmes. In line with the Ministry's mandate and in accordance with NDP II, the sector prioritizes; improving the Private Sector competitiveness and increase the market access for Uganda's products and services in regional and international markets; improving the stock and quality of trade infrastructure; increasing the share of manufactured goods and services in total exports; and promoting the formation and growth of cooperative enterprises.

### Achievements of the Sector

In the financial year under review, the sector received UGX 93.409 billion as shown in the table below;

Uganda Shillings Billions								
Entity	Wage	NWR	GoU Devt	Donor Devt	NTR	Arrears	Taxes	Total
MoTIC	1.941	7.883	3.204	1.420	0.000	2.625	0.000	17.073
AGO Secretariat	0.000	1.042	0.000	0.000	0.000	0.000	0.000	1.042
UEPB	1.160	2.161	0.396	0.000	0.180	0.000	0.000	3.897
MTAC	0.000	0.058	0.000	0.000	4.130	0.000	0.000	4.188
UDC	0.000	1.179	20.483	0.000	0.000	0.000	0.000	21.662



Minister Kyambadde launching the BUBU Campaign at Shoprite Lugogo



Minister Kyambadde with Officials from TMEA, URA and Ntungamo District LG touring the OSBP at Mirama Hills

- ✓ **Medium priority:** Hides & skins, cocoa, sim sim, maize, plastics, rice, cotton, fruits & vegetables.
- ✓ **Low priority:** beans.

### 2. Promotion of trade in services

A National Policy on Services Trade was approved by Cabinet on 19/07/2017 which is aimed at boosting trade in services and cause a reduction in the trade deficit. Successful implementation of the policy is expected to contribute significantly to achieving the targeted USD 5 Billion value in exports by 2020, incrementally growing by US\$ 500 annually over the next five years.

**Priority sectors include:** tourism, transport/distribution, education, business services, construction and related engineering services, insurance, among others.

### 3. Implementation of Buy Uganda Build Uganda Policy

The Ministry is implementing the BUBU Policy. The Policy aims at increasing the consumption of locally made products through Government procurement and private sector.

Implementation of BUBU is underway and a number of successes have been registered.

- ✓ On July 12, 2017, Hima Cement signed an MoU with China Communication Construction Company (CCCC) to supply 120,000 tonnes of cement for three major projects: expansion of Entebbe Airport, Mubende-Kakumiro-Kagadi road project and Soroti-Moroto highway.
- ✓ Standard Gauge Railway (SGR) Project has apportioned USD 750 Million to local producers and manufacturers. Hima Cement will supply 830,000 tonnes of cement towards SGR and 3 steel companies (Steel & Tube, Madhvani and Roofings) which will supply 850,000 tonnes of steel. MTIC is to work with the project to ensure that other local companies form consortiums to take advantage of the offer.
- ✓ The Permanent Secretary MFPED issued a directive to all Government agencies to use services of Uganda Telecom in support of BUBU.
- ✓ Sinohydro Corporation Ltd which is undertaking the construction of Karuma Hydro Power Project is now procuring all cement and iron bars from local producers.
- ✓ MDAs have commenced procuring office furniture from Uganda Prisons
- ✓ Picfare signed a contract with National Medical Stores to supply uniforms to all Government hospitals.
- ✓ Uganda Prisons and UPDF are procuring uniforms from Picfare Industries.
- ✓ The Shoprite Supermarket launched a week-long sales promotion of local products. The campaign will run monthly.

BUBU is the springboard for Uganda's exports because through BUBU standards and volumes of local products will improve.

### 4. Strengthening Commercial Extension Services in the Local Governments

The Ministry has continued to support District Commercial Officers (DCOs) through the Commercial Services Conditional Grant to facilitate commercial

extension services at the Local Governments. In FY 2016/17, a total of shs.2.3 billion was released as conditional non wage grant to all districts and municipalities countrywide. The Ministry has continued to undertake trainings for DCOs to enhance their capacity to deliver commercial services.

### 5. Market Expansion through Regional and International Trade Agreements

The COMESA trading bloc is the main destination for Uganda's exports for the period of 2005/06 to 2016/17, with the share in total export earnings increasing on average throughout the years (from US\$ 223.15 million [26.58%] in 2005/06 to US\$ 1,243.29 [46.39%] in 2016/17).

The EU market ranked the second highest destination for Uganda's products, although the share in total export earnings has been reducing to 18.92% [US\$ 506.94 million] in 2016/17. Middle East bloc followed accounting for 18.85% [US\$ 505.26 million] of the total market share in the same period. Asia, Rest of Africa, Rest of Europe, America followed in that respective order.

Among the COMESA member Countries that contributed significantly to export earnings were Kenya, South Sudan, Rwanda, D.R. Congo, accounting for US\$ 422.99 million, US\$ 239.25 million, US\$ 193.98 million and US\$ 177.66 million in 2016/17 respectively (90.60% composition of Uganda-COMESA trade).

### Other Regional Trade Arrangements

Uganda is a signatory to a number of trade and trade-related agreements through which market opportunities have been achieved;

- o East African Community Customs Union
- o The African, Caribbean and Pacific- European Union (ACP/EU) Partnership Agreement (Cotonou Agreement)
- o World Trade Organization (WTO) and
- o African Union (AU)
- Uganda is also a beneficiary of non-reciprocal unilateral trade preferences such as Everything-But-Arms (EBA) by the European Union.
- EAC – SADC - COMESA Tripartite Agreement
- The African Growth and Opportunity Act (AGOA) of the United States and offers by Canada, Japan and China under the Generalized System of Preferences (GSP).
- Other on-going engagements include the Continental Free Trade Area (CFTA) negotiation and the EAC-EU Economic Partnership (EPA) negotiations among others.

### 6. Promotion of Cross Border Trade through the Development of Border Export Zones

The Government of Uganda, in 2010, developed and adopted a Border Export Zones/Border Market Program (BMP) to position the country and help in harnessing regional market opportunities.

### Implementation on progress

- The Project has been allocated land in seven districts of Amuru (247 acres at Elegu), Busia (173 acres at Masafu), Kabale (238.8 Acres at Katuna),

Kasese (3 acres at Mpondwe), Manafwa (89.3 acres at Lwakhakha), and Koboko (78 hectares at Oraba).

- **Feasibility Studies:** Development of Master Plans and documentation of Bills of Quantity have been undertaken for the following Border Export Zones: Elegu, Lwakhakha, Busia, Katuna, Kikagati and Oraba.
- Development of the Environmental Impact Assessment has been done for Katuna, Elegu, Busia, Lwakhakha and Oraba.
- Funding of 1m Euro was secured from COMESA under the RIIP 11 Project for construction of one border market in FY2017/2018.
- USD \$2m was secured from the World Bank under the GLTF to develop a border market at Mpondwe. Mpondwe border export zone was launched on 25<sup>th</sup> September, 2017

Government is in the process of mobilizing funds to ensure that construction of all the export zones are completed within 10 years.

### 7. Uganda Electronic Single Window System (UESW)

This is a trade facilitation initiative aimed at reducing the time it takes to clear goods. Since its inception, the following e-SW system interfaces for the respective MDAs have been developed and are now operational;

- URA - For application and issuance of Rules of Origin preferential certificates
- UCDA - For application, licensing and certification of coffee trade
- UNBS - For product inspection, licensing and e-payments
- NDA - For application, certification and licensing services for medicines
- MTIC - For licensing and certification of trade in tobacco.
- MAAIF - For plant, animal and fisheries inspection, including issuance of Sanitary and Phytosanitary certificates, among others
- Ministry of Energy and Mineral development - For fuel marking and licensing of companies

With support from the Danish International Development Assistance (DANIDA), through Trademark East Africa, we are now working to rollout the system to other Government Ministries, Departments and Agencies.

### 8. The Trade Information Portal

Government with support from TMEA launched a one stop portal for export, import and transit information in Uganda.



Ministers Kyambadde and Gume marching during the Africa Industrialization Day celebrations 2016

- It is an online platform where all the information regarding export, import and transit of goods in Uganda will be availed to traders, government agencies and all interested parties. The portal will address
- While the Electronic Single Window allows traders to clear their goods online, the Trade Information Portal will provide the traders with all the necessary information to enable them undertake the transaction on E-Single Window. The two platforms are therefore complementary

### 9. One Stop Border Posts(OSBPs)

With Support from the Department for International Development (DFID), through TradeMark East Africa, construction of three OSBPs was completed; these include Mutukula OSBP with Tanzania, Busia OSBP with Kenya, and Mirama Hills OSBP and Mirama Hills Road with Rwanda. All the border posts are operating under one stop control which means that a transporter or traveller clears only once, on one side of the border.

- Construction of Elegu border post with South Sudan is underway.

- **Elimination of Non-Tariff Barriers**

With support from TMEA the ministry is implement a web based Non-Tariff Barrier Reporting System that has helped in easing and enabling the reporting and resolution of NTBs among trade facilitating institutions. This, in turn has reduced on the delays and costs of moving goods in and outside of Uganda across trading member states.

- 86% resolution of all NTBs reported through the system by using the user dials USSD Code \*201#.

### 10. Compensation of South Sudan Traders

Government has undertaken a number of measures to address the matter and these include the following;

- The Ministry undertook a verification exercise to verify the claims by Ugandan traders. An additional verification exercise was conducted by the Ministry of Finance, Planning and Economic Development coming with claims totaling to USD171.02 million.
- In Dec 2016, the Hon Minister of State for Finance, Planning and Economic Development signed a Bilateral Agreement on payment of monies owed to Uganda –South Sudan traders by the Government of the Republic of South Sudan. The Agreement focuses on the 10 grain traders.
- My Ministry has written to Cabinet requesting for approval of a revolving fund at a tune of Shs.100 billion to alleviate the challenges of our traders and to direct the Micro Finance Support Centre to establish and administer the fund. The export financing scheme will shield Ugandan exporters and guarantee them continued business operations.

### INDUSTRIAL DEVELOPMENT

The growth rate of the industrial sector stands at 3.4 percent and the sector contributes 19.6 percent of GDP. Manufacturing contributes 9% to GDP with a growth rate of 2.5%.

**Major industries:** sugar, tea, Beverage, cement, steel production, cotton textiles

**Potential industries:** Oil and gas, Iron & Steel, gold refining, fertilizer, leather etc

### Government initiatives to develop the sector

The Ministry is undertaking the following initiatives to ensure growth of industrialization so as to increase the exportation of processed products for increased export earnings.

### 1. Legal and Regulatory Framework for industry

The Ministry is in the process of developing new laws to regulate the sector. These include; Industrial Development Bill, Legal metrology bill, Accreditation bill, Industrial and scientific metrology bill, Sugar Bill, Alcohol Bill. The Ministry is also developing sector policies like the iron and steel policy, packaged water policy among others

### 2. Rural Industrial Development Project (RIDP)

The Ministry is promoting value addition through the RIDP. A total of 53 projects have been supported across the country and out of these projects, 45 enterprises (85%) have been supported with value addition equipment and 8 enterprises were supported with capacity building in the areas of business management and value addition skills, product quality and standards requirements principles of cooperative movement.

### 3. Government Trustees

Three (3) institutions including the Textile development Agency, Uganda Leather Training and common Facility Centre, Uganda Cleaner Production Centre. The three have been made Government trustees for purposes of inclusion in Government planning, proper supervision of programs and activities, accountability and enhancing implementation of Government Policies.

### 4. Support to Micro, Small Medium Enterprises (MSME)

The Directorate of MSMEs that was established in June 2016 is fully functional. the directorate is responsible for implementing the MSE policy which provides a regulatory and institutional framework for MSME Development activities with a theme "Sustainable MSMEs for wealth creation and socio economic transformation" as aligned with the objectives of the National Development Plan II (2015/2020).

The MSE Directorate signed an MOU with financial sector Deeping Uganda (FSDU) to promote the

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development of MSMEs

The directorate has so far profiled and evaluated 1500 MSMEs in the selected districts of Gulu, Hoima and Kiryandongo

### COOPERATIVES DEVELOPMENT

#### Registration

The Ministry registered 1,045 new cooperative societies since the last sector review meeting bringing the total number of registered cooperatives to **18,107**.

There are 7,083 SACCOs; 2,327 Agricultural Marketing Cooperatives; 168 Transport, 339 Diary Cooperatives, 52 Housing, 17 Energy, 50 Fishing, 91 Area Cooperative Enterprises, 499 Multipurpose, and 286 grouped as Others. Of the total registered cooperative societies, 83% are on permanent registration while 17% are registered on probation. The Co-operatives are generally categorised as follows: production and agricultural marketing (55%); savings and credit (23%), multipurpose (6%) and services (16%)

#### i) Support to cooperatives

- Government has provided processing/value addition facilities to cooperatives under rural industrialization strategy.
- A number of inspections and Special General Meetings have been conducted to address governance and management challenges in some cooperative societies and unions such as Bundibugyo Energy Cooperative Society, Biomass Traders Cooperative Society, Abasajja Kweyamba Mubuku Farmers Cooperative Society Ltd, Abasajja Ndemu Farmers Cooperative Society Ltd, Ssezibwa Taxi Drivers Cooperative Society Ltd etc.
- The Cabinet Memo on the Transfer of Cooperative Training Institutions from the Ministry of Education and Sports to the Ministry of Trade, Industry and Cooperatives was submitted to Cabinet Secretariat.

#### ii) Cooperative union claims compensation.

Government has continued to settle claims made by cooperatives for compensation of assets and property lost during the liberation wars and insurgencies. Currently the verification of such claims is ongoing so that those claims are settled fully.

### ACHIEVEMENTS UNDER THE AFFILIATE INSTITUTIONS

#### a. UGANDA DEVELOPMENT CORPORATION

The Uganda Development Corporation (UDC) was set up with the primary objective of promoting and facilitating industrial and economic development of Uganda.

**Board of Directors:** The members of board of directors have been approved and thus UDC can now recruit staff to enable it execute its mandate.

**UDC Strategic Plan 2017/18 – 2032/33:** "Driving Industrial and economic development for transformation"

The 15 year Strategic Plan is a guide to facilitate Government investment in strategic sectors of the economy for purposes of industrial and economic development of Uganda.



Installations in the production area at Soroti Fruit Factory the factory will be commissioned in 2018

UDC is currently executing the following interventions/investments:

- ✓ Fruit processing under the Soroti Fruit Factory
- ✓ Value addition to tea through lease financing
- ✓ Motor vehicle assembly and manufacturing under Kiira Motors Corporation (KMC)
- ✓ Provision of transport, water and electricity to Kalangala under Kalangala Infrastructure Services (KIS)
- ✓ Investment in the Uganda National Commodity

Exchange (UNCE)

For the period under review, UDC made the following achievements;

- Soroti fruit factory:** All equipment for the factory has been installed. The factory is to be commissioned in February 2018.
- Tea factories in Kabale and Kisoro:** Lease financing agreement was signed between UDC and Kigezi Highland Tea Ltd (Beneficiary) with 95% of civil works for the factories was complete.
- Tea factories in Kyenjojo and Kanungu:** Procurement process for the supply, installation and commissioning of equipment was on-going.
- Kalangala Infrastructure project**
  - ✓ Road works –rehabilitate, expand and upgrade the 66km main island road to class B gravel road - The 66km main island road was handed over to the Government of Uganda.
- Pipeline projects implemented by UDC**
  - Set up a food city complex
  - Cement plant in Moroto
  - Sheet glass project in Masaka
  - Lake Katwe Salt project
- Tea factory in Zombo and Nebbi**

#### b. UGANDA NATIONAL BUREAU OF STANDARDS

The Uganda National Bureau of Standards total approved budget for FY2016/17 was shs. 28,328,194,000 of which shs. 14,028,194,000 was from GOU Grants and shs. 14,300,000,000 from Non Tax Revenue (NTR). However, there was a shortfall of shs. 3,305,184,752 from GOU Budget support while NTR exceeded the target by shs. 2.44 billion.

For the period under review, the following annual physical performance was registered; 357 standards developed; 899 product certification permits issued; 1,128 market outlet inspections; 119,149 consignment of imported goods inspected; 12,799 equipment were calibrated; and 772,059 equipment were verified. Other key performance highlights include;

- 900 Uganda products were certified to enable them access regional and International Markets.
- Average time it takes to test some selected products reduced from 6days in 2016 to 5days in 2017
- 30 organization's quality management and safety management systems were certified to enhance product/service quality and food safety in order to access International Markets.
- 11 Laboratories were assisted to develop competence and implement good laboratory practices in order to expand testing capacity-available to industry to test their products for compliance to standards.
- 40 MSMEs mainly in agro processing were supported to implement standards and good manufacturing and Hygiene practices.
- 14 MSMEs products were certified to enable market access.
- 42 MSMEs mainly members of UWEAL and over 300 stakeholders including the participants of the CBS POWESA TRADE in the Districts of Kisoro, Kabale and Kampala benefited from standards awareness, implementation training workshops and information sessions.
- 26 trainings in Good manufacturing Hygiene Practices (GHP/GMP) and implementation of standards-Product and HACCP, ISO Management system standards were conducted to support industry to enhance productivity and product quality and safety to meet market requirements and demand. Over 600 Industry employees benefited from these trainings.
- 100% roll out of the Electronic portal (E-Portal) that provides for automation of the imports clearance processes enabling faster clearance of goods which is estimated at 2 hours when all required documentation is provided.
- Integrated the E-Portal with the national electronic window system (ESW).

#### Areas of Focus during FY 2018/19

- Curbing substandard goods on the market
- Decentralisation of UNBS services
- Construction of Laboratories
- Supporting Government in promoting BUBU Policy
- Diversification of NTR streams to supplement government grants
- Risk Management

#### c. UGANDA EXPORT PROMOTION BOARD

Uganda Export Promotion Board (UEPB) is mandated to facilitate the development, diversification, promotion

and coordination of all export related activities that lead to export growth on a sustainable basis.

For the period under review, UEPB received total of UG X. 3,100,448,848 in the FY 2016/17. This covered Wage, Non-wage and Capital development expenditure. Key Achievements Include;

- 181 companies were registered as exporters in the Exporters database
- Mobilisation and training of exporters to participate in the Uganda - UAE Convention August 24-26 2017 to learn and link with buyers in UAE
- 132 producer groups of sesame in the 7 selected sesame growing districts ( Nebbi , Arua, Lamwo, Kitgum, Pader, Amolatar and Kaberamaido), trained in export quality management
- 573 exporting firms were sensitized about the pre-shipment inspection requirement in South Sudan
- Trained thirty (30) sesame and horticulture exporters on EU and Asian market-entry requirements
- Supported and trained over 500 Cocoa producers in Bundibujjo about export market requirements and producing for specific export markets
- Over 80 Fruits and Vegetable potential exporters and exporters were trained on quality and export requirements to reduce the current inceptions and also supported through the EU Audit.

#### d. UGANDA WAREHOUSE RECEIPT SYSTEMS AUTHORITY (UWRSA)

The UWRSA total approved budget for FY2016/17 was shs. 905,000,000 as subvention from GoU. However, there was a shortfall of shs. 568,375,000 from GOU Budget support.

#### Achievements include:

- 09 storage facilities with capacity of 47,150MTs have been inspected for implementation of WRS as public facilities (accept commodity deposits from the public and generate Warehouse Receipts).
- 120 producers and small scale traders especially cooperatives were in Warehouse Receipt System and structured trading in general.
- Sensitized 50 Warehouse Handlers in the East African Standards for Storage facilities and commodities, the use of warehouse receipts as collateral and commodity bulk marketing.
- Developed a simplified version of Warehousing Standards for Bagged Grains (US 1648:2016)
- Secured clearance from Solicitor General's office to procure the Delivery Assurance Mechanism for WRS which would build confidence of stakeholders especially Depositors, Banks, Buyers and the Commodity Exchange in the system.
- Three applications for licensing were received from Aponye (U) Ltd (Mubende), UGAGrains (Jinja) and Tonga (Mityana).
- Carried out a supervisory inspection of Nyakatonzi Cooperative Union
- 250 Warehouse handlers trained in the Code of Conduct for Certified storage in conjunction with Trade Mark East Africa (TMEA) & The Grain Council of Uganda (TGCU).
- Trained 15 Operation Wealth Creation (OWC) commanders in WRS operations.

UWRSA will commence Licensing of storage in October, 2017, and Warehouse Receipts will be traded on the Commodity Exchange.

#### e. MANAGEMENT TRAINING AND ADVISORY CENTRE

**Development of the Strategic Plan 2017-2021:** MTAC concluded and is implementing the new Strategic Plan (SP) 2017-2021.

**Market Coverage and Outreach:** MTAC has continued to operate 7 outreach centres across the country and these include: Pader, Bushenyi, Mbarara, Ntungamo, Luweero, Iganga and Mbale.

**Vocational Skills Development Course:** MTAC continued to offer vocational skills development courses in: Bakery and Cookery; Hairdressing and Cosmetology; Shoemaking and Leather Works; and Tailoring, Fashion, Art and Design.

**Training Women Street Vendors:** MTAC has started to equip women vendors with vocational skills to enable them acquire relevant skills and start sustainable businesses. A total of **159** women vendors have been registered and are currently training in these vocational courses.



Minister Kyambadde vending bananas in show of support to the women vendors in Kampala. The Ministry launched a programme to train women vendors at MTAC.

**Job Creation Awareness Training (JCAT):** In a bid to enhance the employability of MTAC graduates, MTAC incorporated the Job Creation Awareness training curriculum in all the Centre's program areas. This is aimed at enhancing the graduates' capability to create jobs.

MTAC conducts tailor-made job creation awareness workshops for participants with funding from government. Since last year, MTAC has trained a total of **4,594** participants were trained in different parts of the country.

### KEY PLANNED ACTIVITIES FOR FY 2018/19

The budget for the Financial Year 2018/19 stands at shillings UGX 103.66 billion and the Sector plans to undertake the following activities for the Financial Year 2018/19:

- Enhance value addition and industrialization to support job creation;
- To revitalize the Cooperative Movement by mobilizing collective resources through cooperatives;
- Continue to improve the Regulatory Framework for creating an enabling environment for Trade that enhances wealth creation;
- Continue to address Non-Tariff Barriers to Trade in the Country;
- Ensure implementation of the National Development Export Strategy (NEDS) and;
- Continue undertaking Technical Guidance, Inspections & Compliance monitoring Field Visits aimed at enhancing implementation of Industrial Development Initiatives.

### SECTOR CHALLENGES

The Ministry still has challenges largely due to budget constraints. Other challenges facing the sector are;

- Lack of enough human resource capacity and physical infrastructure affects development at the Border Export zones.
- Under capitalization of UDC to be able to embark on a number of strategic projects that would lead to industrial and economic development of the country.
- UNBS- Low staffing levels which has limited UNBS capacity to decentralize its services to other regions and strengthening standards and quality infrastructure, Low consumer education and public awareness on quality and standards. This affects consumers in making informed choices in order to reject substandard goods and services in the market place.
- UNBS -Inadequate Laboratory space required to respond to increasing samples submitted for testing and analysis, limited Budget ceiling to fund core quality monitoring operations.
- Limited storage (warehouse, silos) capacity for effective post-harvest management and structured grain trade that would enable us to address the challenge of the volatility of the prices of agricultural products.
- High import taxes on the primary packaging material for the locally produced goods which hinders the competitiveness of Ugandan business persons to fully exploit the vast opportunities.
- Capitalization of UDC.
- MTAC - Lack of adequate funds to meet necessary rehabilitation of the Centre's infrastructure, settle long-outstanding statutory obligations and develop market outreach.