



**SPEECH BY HON. AMELIA KYAMBADDE  
MINISTER OF TRADE, INDUSTRY AND COOPERATIVES  
AT THE INAUGURAL SUMMIT OF CONTRACTORS AND SERVICE  
PROVIDERS**

**12<sup>TH</sup>-13<sup>TH</sup> NOVEMBER 2019**

**KAMPALA SERENA HOTEL**

His Excellency  
The President of the Republic of Uganda;  
Honourable Ministers Present;  
Permanent Secretaries and other Government Officials  
present;  
Members of the Private Sector present  
Ladies and Gentlemen

Let me take this opportunity to welcome you all to this inaugural Contractors' and Service Providers' Summit under the Theme: ***"BUBU from the Contractors' Perspective."***

We introduced BUBU to promote the consumption of local goods and services, promote the use and conformity to standards and to provide capacity building programs to local suppliers of goods and services.

Further to this, the Ministry of Trade, Industry & Cooperatives commissioned the National policy on Services Trade in 2017 to provide strategic direction to enhance the participation of local stakeholders in the Services Sector. This policy was developed to create a conducive environment that nurtures the services sector competitiveness for Uganda's growth into prosperity.

According to WTO classification, services are categorized into twelve core sectors namely; business, communications, construction and related engineering, distribution, educational, environmental, financial, health related and

social services, tourism and travel related, recreational, cultural and sporting, transport and other services. The services sector in Uganda accounts for 54.7% of the Country's GDP.

The World Bank database indicates that the share of world trade in services as a percentage of GDP increased from 11.4% for 2006 to 12.35% in 2016

This contractors' summit has been organized in line with the BUBU Policy Guiding principles under partnership with the private sector. It creates awareness about local sourcing of procurements and adherence to quality, standards and competitiveness.

My Ministry has been in touch with local contractors and suppliers. We would like to assure you that your views and concerns are being streamlined into the PPDA Amendment Bill and the new Regulations under the PPDA Act. It has been a long and strenuous process as various stakeholders have got interest in all the laws in which Public Procurement is being regulated.

This summit should note that Reservation Guidelines under the PPDA Act and Presidential Directives have been issued in support of implementation of the BUBU policy and other related policies including the National Trade in Services Policy. The ongoing work to convert these Reservation Guidelines into Regulations under the PPDA Act will give the desired force of law for BUBU Policy implementation.

The main objective of this Summit, the first of its kind in the Region is to ensure the following:-

- Create awareness for the local contractor about their right and entitlements
- Address challenges faced by the contractors on daily basis for example: bureaucracy, insufficient information on bidding procedures, limited accessibility to affordable credit, corruption and discrimination against local contractors in favor of foreign contractors
- Increase effective participation of Uganda owned enterprises (Local Content).

### **Impact of BUBU Implementation**

As a result of BUBU Policy, PPDA started implementing the Reservation and Preference Scheme under Section 50 and 59 A. As a result, the following have been achieved;

- In the Financial year 2017/2018, UNRA awarded contracts worth UGX 3.7 trillion. Out of this, contracts worth UGX 450 billion (12%) were reserved to Local Providers by threshold and an additional UGX 423 billion (11%) was awarded to Local Providers through mandatory sub-contracting by foreign providers. Thus a total value of contracts awarded to Local Providers was 23% representing UGX 890 billion of the UNRA budget (UGX 3.7 trillion).
- In the Financial year 2017/2018, National Medical Stores procured medical supplies worth UGX 156 Billion from Local Manufacturers.

- In the Financial year 2017/2018, Uganda Electricity Distribution Company Ltd (UEDCL) awarded contracts to National Companies worth UGX 1.1 billion while Uganda Electricity Transmission Company awarded contracts to National Companies worth UGX 11.5 billion

### **Government Interventions**

The Government has made several interventions to curb corruption including the following;

- The Government has put Laws in place supportive policy/legal frameworks to support contractors and service providers. These include the Buy Uganda Build Uganda policy, National Trade in Services Policy, PPDA Reservation scheme guidelines and the PPDA Amendment Bill.
- The Government has set up institutions to curb corruption. E.g. IGG, Commercial court, Health Monitoring Unit, Land Commission of Enquiry and Anti-Corruption Unit.

### **Expectations by MTIC from the Forum**

- We expect the contractors to deliver contracted services on time and of a desired quality
- Enhanced local content in the entire procurement cycle
- Enhanced quality in trade in services for export and broaden our scope of contracted services globally

### **Appeal to Contractors and Service Providers**

- Avoid corruption tendencies in the procurement process
- Participate in the procurement process with integrity ,provide authentic information and maintain confidentiality in the bidding process
- Endeavour to Develop capacity to deliver quality services on time

### **Appeals to Government**

- Introduce bidding and contracting curriculum in our education institutions
- Digitalization of the bidding process to reduce costs of bidding and promote transparency

I also call upon the Banking fraternity to offer flexible/affordable financing products to the contractors and service providers to enhance their participation in the procurement cycle

Lastly, I would like to appeal to the participants in this summit to openly discuss the problems which confront them during the entire procurement cycle and accordingly make recommendations to the Regulators for improvement.

Last but not least, I wish to thank m/s Beautiful Partners and Uganda Contractors and Service providers Association for having worked with My Ministry to make this Summit a success.

FOR GOD AND MY COUNTRY

Amelia Kyambadde (MP)

**MINISTER**