



**LAUNCH OF THE CONSTRUCTION OF LWAKHAKHA
BORDER EXPORT ZONE**

**REMARKS BY THE MINISTER OF STATE FOR TRADE,
HON. MICHAEL WERIKHE**

3RD AUGUST 2020

LWAKHAKHA BORDER EXPORT ZONE SITE

Hon. Members of Parliament

District Chairperson

Chief Administration Officer

District Officials

Members of the business community, general public

The Media Fraternity

Ladies and Gentlemen

On my behalf and on behalf of Government, I thank all of you for coming here to witness the launch of the construction of Lwakhakha Border Export Zone and site handover here at Lwakhakha Border.

I thank you for being resilient and following Government SOPs to curb the spread of COVID 19 pandemic and also commiserate with the family that lost their dear one to this pandemic.

The Border Market program is one of the priority areas adopted by the National Development Plan that will not only enable Uganda increase its export base in the region but also enable Uganda benefit from its strategic link within the region that comprises of over 150 Million people within EAC and over 500 million people in the whole of the COMESA region.

Ladies and Gentlemen

Uganda is located in the heart of a rich hinterland of the great lakes region and is engaged in key regional integration initiatives. Most of the countries surrounding Uganda are either emerging from conflict or are prone to drought and are therefore deficient in food and other requirements.

Therefore, Ladies and Gentlemen,

This situation presents Uganda with an opportunity to supply these countries both with agricultural produce, mainly food stuffs, but also manufactured goods to countries such as Kenya, DRC, South Sudan and Tanzania.

Uganda and Kenya continue to enjoy good trade relations despite a few hiccups here and there, but these shall be resolved under the framework of the Joint Permanent Commission (JPC) between the two countries. Both countries are members of the EAC, COMESA Free Trade Area, the Tripartite (COMESA, SADC and EAC), and recently joined Africa Continental Free Trade Area (AfCFTA).

From the revival of the EAC in 2005, with the enactment of the Customs Union Protocol both Kenya and Uganda have continued to share cordial trade relations resulting into increasing trade flows between the two Countries from USD 593.1 million in 2005 to USD 1.0959 billion in 2018.

Major products exported to Kenya include;

- Sugar
- Grains
- Dairy products
- Fruits and vegetables
- Poultry products
- Cereals
- Art and crafts

It is expected that the border export zone will increase trade flows with Kenya especially exports.

My dear Friends

Realizing this strategic position, government developed the concept of establishing Border Export Zones at major borders of Uganda such as Lwakhakha where we are now, Elegu, Busia, Katuna, Mpondwe, and Oraba.

The main objectives of establishing these BEZs are to;

- Increase Uganda's competitiveness in, and penetration of Ugandan goods in regional markets
- Develop and enhance the capacity of Small and Medium Enterprises to take advantage of the existing and potential regional markets
- Enhance value addition and promotion of high value exports to the regional markets

The Border Market Program was 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/Namisindwa (89.3 acres at Lwakhakha), Koboko (78 hectares at Oraba) and Isingiro.

Following the preparation of master plans and completion of the Environmental and Social Impact Assessment studies at Oraba, Busia, Elegu, Lwakhakha, Kikagate and Katuna, the Ministry received additional funding of Euro two million to fund the establishment of the border export zones.

In line with the Border Markets concept, the Ministry resolved to provide an infrastructure to each of the first four border export zones of Busia, Katuna, Lwakhakha and Oraba.

The specific infrastructure to be provided was arrived at in consultation with the respective local Governments' leadership who chose infrastructure depending on the need in the localities.

The infrastructure requested was as follows;

1. Katuna- a warehouse and related facilities
2. Oraba- a commercial building and extension of water and electricity
3. Busia- a warehouse and related facilities
4. Lwakhakha- a central market and related facilities
5. Elegu- a flood mitigation plan and its implementation

The procurement process has been finalised and contractors have been awaiting site handover and launch of construction to commence the works that must take **not more than five months**.

I congratulate Lwakhakha for being among the very first borders to benefit from this program.

Ladies and gentlemen,

The Border Export Zones shall have these outcomes:

1. Increase in export earnings as a result of improved trade infrastructure and capacity building to the cross border traders.
2. Increase in value addition as a result of the demand for quality products and amenities to add value
3. Provision of employment, as the zone will become the main collection centres for example agricultural produce at Lwakhakha from Mbale, Manafwa, Pallisa, Bududa, Namisindwa etc.
4. Promotion of investment through Public Private Partnership at the export zone site

5. Reduction in wastage of produce during transportation, processing and drying
6. Improvement in standards and quality through the use of improved infrastructure.

Therefore the establishment of the border export zones will provide Ugandan producers and traders with an opportunity to consolidate their produce at one point thus increasing their bargaining power, rather than the current practice where foreign traders come into the country and deal directly with individual farmers at farm level.

Ladies and Gentlemen

As a core component of the Border Market Program, enterprise development will enable Ugandan Small and Medium Enterprises to penetrate into the regional markets through increased production, manifested in improved quality products, provision of commercial extension services at the community level so as to spur production units (farms/firms) through good investment and production decisions that create employment among the border community youths.

It is also foreseen that there will be growth and development in the services sector at borders where these markets will be constructed.

Ladies and gentlemen

As I conclude,

The National Development Plan and indeed, National Trade Policy, and the NRM manifesto all underpin the importance of the private sector as

an engine of growth. I therefore urge the private sector institutions to be part of the border market program from inception.

I also urge the management of the border export zone both at the District and at Central Government to perform their responsibilities diligently and professionally by applying core principles of corporate governance for sustainability of the Border Market Program.

To ensure that national and regional market standards, innovation and enterprise are undertaken, I commit that the Border export zone operations will be supported by other government agencies like Uganda National Bureau of Standards, Uganda Revenue Authority, Uganda Export Promotions Board and Uganda Industrial Research Institute.

It is my sincere hope that the Border export zone will lead to increased flow of trade between Uganda and Kenya, lead to innovation and generate employment opportunities to the many women and youth who are major players in cross border trade. It is my sincere hope that all of us shall utilize the BEZ to further improve our trade relations with Kenya.

The Launch

Minister launches the BEZ construction by breaking the ground and planting a tree to commemorate the occasion.

For God and my Country