



THE REPUBLIC OF UGANDA

SPEECH

BY

**HON. MINISTER OF TRADE, INDUSTRY AND
COOPERATIVES**

AT

**THE GROUND BREAKING CEREMONY OF THE
CONSTRUCTION OF MPONDWE BORDER EXPORT ZONE
AND THE ONE STOP BORDER POST**

11th MARCH, 2021

Hon. Minister of Works and Transport

Hon. Members of Parliament

Permanent Secretaries

Country Manager, World Bank

L C V Chair Person

Local Government Officials

Government Officials

The Press

Distinguished Guests

Ladies and Gentlemen;

I take the pleasure to welcome you to this delightful ground breaking ceremony for the construction of a Border Export Zone and a One Stop Border Post (*OSBP*). Thank you for accepting our invitation and dignifying the occasion with your presence.

This development is funded by the World Bank through Great Lakes Trade Facilitation Project. The Project Development Objective is to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at targeted locations in the borderlands.

Implementation of the project is in three countries of the Great lakes' region bordering with the Democratic Republic of Congo of the namely; the key border points are Bunagana, Mpondwe and Goli.

The Project has four major components:-

- 1: Improving core trade infrastructure and facilities in the border areas of Bunagana, Goli and Mpondwe
2. Policy and Procedural Reforms to Facilitate Cross-Border Trade
3. Performance Based Management in Cross Border Administration
4. Support for Project implementation, communications and M&E

Ladies and Gentlemen,

Facilitating trade is a key mechanism for reducing poverty by reducing costs faced by traders, increasing the availability of food and critical farm inputs, and increasing the number of jobs. Linking producers to markets can lead to improved returns to farmers and a reduction in prices faced by consumers.

There are also considerable opportunities to increase trade in services, including professional services, logistics services, construction services and financial services. Facilitating trade in both goods and services requires a holistic approach requiring investments in infrastructure, policy reforms and capacity building.

Numerous studies have shown that Uganda can double her export earnings from the current level of USD 2.3 billion if we facilitate trade, diversify exports, improve competitiveness of our commodities and remove trade barriers with our neighbors. As Government, we are implementing measures that will create deeper links between Ugandan producers and regional markets. Our target is to unleash our exports potential by eliminating restrictions in the strategic transaction and logistical services.

Such interventions would support efforts by countries in the Great Lakes region to exploit the huge potential for trade-driven growth. Increased

incomes for vulnerable households around the borders shall increase communities' resilience against outside socio-economic shocks and tendencies towards violent mobilization.

Ladies and Gentlemen,

In order to maximize exploitation of the expected benefits of regional integration that Uganda pursues under the EAC (CU and CM), COMESA FTA and the Tripartite FTA, my Ministry developed and adopted a Border Export Zone (BEZ) Program to position the country and help in harnessing regional market opportunities.

The program envisages establishment of 18 BEZ's at key strategic border points neighboring with EAC and COMESA partner states. With support from other development partners, the Ministry is finalizing construction of initial investments at Busia, Oraba, Lwakhakha and Katuna Border Export Zones.

At both EAC and COMESA levels, the concept of a One Stop Border Post (*OSBPs*) was contextualized to help implement measures that;

- a. mitigate the effects of non-tariff barriers,
- b. enhance effective trade facilitation and;
- c. to enhance competitiveness of the private sector in the regional markets especially on issues relating to rules of origin, immigration procedures, applicable tariffs, standards/ marketing, value addition and product development among others.

To this date, the Government of Uganda in conjunction with various development partners such as the World Bank, Trade mark East Africa have constructed six OSBP's at Busia, Malaba, Mutukula, Mirama Hills, Katuna and Elegu.

With funding from the World Bank, Government is to establish;

- a. a One Stop Border Post at Mpondwe, Kasese
- b. a Border Export Zone at Mpondwe, Kasese
- c. Upgrade of the existing border offices to a better standard at Bunagana, Kisoro district

The procurement process was finalized and contractors are already on site for the construction works.

I congratulate Kasese district for being among the very first areas to benefit from this program.

Ladies and gentlemen,

Our exports to Democratic Republic of Congo were over USD \$580 million in 2019/20. Exports through Mpondwe majorly comprise of agricultural produce (beans, maize, millet, sugar, fish, and banana) and industrial products. These products are commonly exported in their raw form without any kind of value addition and yet a lot of our youth are unemployed plus other resources that can be exploited if we could add more value to the products .after completion of the BEZ, some light processing and value addition is envisaged for that matter.

The Government of Uganda has continued to preserve its strong trade relationship with DRC and therefore has come to an agreement to jointly fund the construction of three Roads from Uganda's border towns into DRC. One road will run from Kasindi to Beni (80km) and another will integrate the Beni-Butembo (54km). The third will stretch for 89 kilometers from the border town of Bunagana, through Rutshuru to the strategic city of Goma, the capital of the North Kivu Province in DRC. With this kind of infrastructural development, trade is expected to double and relations between Uganda and DRC strengthened further.

The Mpondwe Border Export Zone and One Stop Border Post are envisaged to have these outcomes;

- a. Increase in export earnings as a result of improved trade infrastructure and capacity building to the cross border traders.
- b. Increase in value addition as a result of the demand for quality products and amenities to add value.
- c. Provision of employment
- d. Promotion of investment through Public Private Partnerships at the export zone site
- e. Reduction in wastage of produce during transportation, processing and drying
- f. Improvement in standards and quality through the use of improved infrastructure.

It is my pleasure that, through the Buy Uganda Build Uganda Policy, the Government of Uganda has been able to realize capacities in the local companies that have been contracted to execute the works at the two sites and the consulting firm (*Ambitious Construction Company Limited and Oubuntu Consulting Limited*).

As we launch construction today, I implore the people of Kasese and Mpondwe to take advantage of the construction works through;

- i. Provision of both skilled and non-skilled labour at the site
- ii. Supply of construction materials such as aggregates, sand, cement and welding services etc.
- iii. Provision of food and other survival requirements.
- iv. Ensuring quality works at the site by the contractor

I implore the management of the Border Export Zone and One Stop Border Post to apply core principles of corporate governance for

sustainability and profitability of the infrastructure.

To ensure national and regional standards, innovation and enterprise development are undertaken, presence of key Government agencies like UNBS, URA, UEPB, NDA and Uganda Industrial Research Institute will be ensured.

As I conclude, I am hopeful that the Border Export Zone and One Stop Border Post that will be complete in the next twelve and 18months respectively will lead to:

- i. Increased flow of trade between Uganda and DRC
- ii. Improved standards and adherence to the quality standards and quality requirements
- iii. Enhanced investment from the private sector through the PPP approach
- iv. Reduction in wastage of produce through drying, sorting and storage

It is also my great pleasure to recognize and extend our sincere appreciation to our development partners for the support to this project, specifically, the World Bank for the financial resources. On behalf of the Government of Uganda, I would like to affirm to you that my Ministry is committed to ensuring successful implementation and management of the Great Lakes Trade Facilitation Project.

It is now my honor to officially break ground for construction of Mpondwe BEZ and OSBP.

Thank you.

FOR GOD AND MY COUNTRY