



MINISTRY OF TRADE, INDUSTRY AND COOPERATIVES

MINISTRY OF TRADE, INDUSTRY AND COOPERATIVES

Statement at the Commemoration of the International Micro, Small and Medium Enterprises (MSME) Day

27th June 2021

THEME: IMPACT OF THE COVID19 PANDEMIC AND MEASURES TO SUPPORT SMES RESILIENCE IN UGANDA

Today, Uganda marks the *International Micro, Small and Medium Enterprises (MSME) Day* under the theme: **“IMPACT OF THE COVID19 PANDEMIC AND MEASURES TO SUPPORT SMES RESILIENCE IN UGANDA”**.

On 6th April, 2017, the United Nations General Assembly declared June 27 as International MSME Day; the resolution was adopted in 2017 to recognise the valuable contribution made by small businesses towards sustainable development, in particular, in promoting innovation, creativity and decent work for all. According to the International Council for Small Business (ICSB), formal and informal MSMEs make up over 90% of all firms and account, on average for 70% of the total employment and 50% of the Gross Domestic Product (GDP).

According to Uganda’s National Development Plan 3, MSMEs constitute over 90 per cent of the private sector and contribute approximately 2.5 million jobs. MSMEs contribution to the GDP according to the National MSME Policy 2015 stands at 18%. In 2019/2020, they contributed 20%. However, their operations and contribution have been disrupted and declined by the COVID19 Pandemic.

The advent of the global crisis; the Covid19 pandemic which has affected businesses world over is a time for the country to learn from the overwhelming consequences and challenges that have come forth. As Uganda commemorates this Day in solidarity with the rest of the world, we strive to ensure that MSMEs withstand this storm, overcome the crisis, and mitigate its effects and challenges to wealth creation, sustainable industrialisation and competitive trade.

Without doubt, this year’s theme is timely as it presents an opportunity to enhance, promote and support MSMEs in the pursuit to globalization, competitiveness, entrepreneurship and technological development and digital transformation. This will be achieved through rethinking

Website: www.mtic.go.ug **Facebook:** @mticuganda **Twitter:** @mtic_uganda

Email: ps@mtic.go.ug, mintrade@mtic.go.ug

General: Tel: 0312 324 000 / 0414 230 916

private-public partnerships, encouraging standardization and encouraging formalization in the sector, training, business skills development, financing schemes and marketing of MSME products.

Government interventions

Government aims at making Uganda a middle income country. Key Government interventions to support the growth of MSMEs include, among others:

- Conducive regulatory framework; such as the National MSMEs Policy 2015, National Grain Trade Policy 2015, National Grain Trade Policy Implementation Strategy, 2018-2022, National MSME Strategic Plan 2016/17-2021, BUBU Policy that are all under implementation and the Green Manufacturing Strategy 2020/21-2024/25 due for launch.
- Establishment of the Directorate of MSMEs in the Ministry of Trade to coordinate MSMEs activities including formulation of Policies and Strategies.
- Under the Rural Industrial Development Project (RIDP), the Ministry has supported 27 enterprises in 18 districts countrywide with value addition equipment and capacity building.
- Through UNBS, government provided Shs.2Bln to support Product Certification in MSMEs, where over 200 enterprises benefited.
- Government through Uganda Development Bank (UDB) disbursed Shs 555bn in the current FY 2020/21 to support MSMEs affected by the COVID-19 pandemic; and has allocated another Shs 103b to UDB for the next FY 2021/22 to support MSMEs among others. In addition, it also recapitalised UDC and Microfinance Support Center to finance among other projects including MSMEs.
- Promotion of ecommerce: The Ministry is promoting adoption of digitalization by MSMEs. For instance, the Ministry is supporting the private sector in the area of online trading, some of these include; BUBU Online Shopping, Soko Uganda, Zoctu, among others.
- Construction of Cross border markets along Borders with DR Congo, Oraba South Sudan, and others.

Key areas of focus for growth of MSMEs

The Government in collaboration with development partners has created an enabling environment for the MSMEs to start and grow their businesses despite the COVID19 pandemic crisis. Areas of focus include the following:

- Promotion of Digitalization process and practices which has facilitated on-line Business Registration, access to financial services and payment transactions of all kinds, and marketing of goods and services.

Website: www.mtic.go.ug **Facebook:** @mticuganda **Twitter:** @mtic_uganda

Email: ps@mtic.go.ug, mintrade@mtic.go.ug

General: Tel: 0312 324 000 / 0414 230 916

- Promotion of local content and local production which has sustained production of essential commodities such as soaps, detergents, sanitizers and face masks, and foodstuffs and other supplies for local and export markets.
- Promotion of jobs and wealth creation through skills development and business development support services, formation of SACCOs, Agriculture farmer groups, processors and traders.

The Government therefore congratulates the MSMEs and wishes them to keep safe and observe the Standard Operating Procedures (SOPs) to guard against COVID19 as we continue to thrive.

Website: www.mtic.go.ug **Facebook:** @mticuganda **Twitter:** @mtic_uganda

Email: ps@mtic.go.ug, mintrade@mtic.go.ug

General: Tel: 0312 324 000 / 0414 230 916