

PRESENTATION TO HON. MINISTERS OF
TRADE, INDUSTRY AND COOPERATIVES

AGOA COUNTRY RESPONSE OFFICE
RESPONSIBILITIES, ROLES AND PRIORITIES FOR
2021/2022 FY

BY

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Preamble

What is AGOA

- ❖ AGOA (Africa Growth Opportunity Act) is a U.S. Law, intended to expand trade and investment leading to economic development in Africa
- ❖ AGOA was established to grant Sub Saharan Africa Countries to export to the U.S duty free and quota free on 18th May 2000 under the Clinton administration.
- ❖ H.E President Museveni was the first President in Africa to endorse the AGOA initiative and he believed in “Trade not Aid” is what will eradicate poverty in Africa and stimulate economic development
- ❖ Eligible products include over 6,400 duty free tariff lines comprising GSP and AGOA.
- ❖ It was renewable every 5 years period
- ❖ In 2015 AGOA was extended for 10 year period to 2025

AGOA COUNTRY RESPONSE OFFICE

Roles & Responsibilities of the Unit

- ❖ It was set up by H.E The President of Uganda in 2002 after the passing of the AGOA law by Parliament.
- ❖ Administratively, the AGOA unit is under State House and its operation fund is managed by Ministry of Trade, Industry and Cooperatives (MTIC).
- ❖ The key role is specifically to monitor AGOA and trade related projects

Vision

To see Uganda's Value-added quality products exported to the American market under AGOA and other markets such as Canada and wealth creation through "Trade not Aid "as a means of poverty eradication for all Ugandans hence growing Uganda's private sector in international trade.

Major objectives

- ❖ To develop in collaboration with MTIC, private sector, the AGOA National Strategy and monitor its implementation
- ❖ To sensitize and create awareness within the public and private sector about the AGOA initiative
- ❖ To promote Uganda branded value added exports on the U.S market.
- ❖ To work closely with Government through MTIC and other Agencies to improve on quality, standards and branding of products for export.
- ❖ To monitor and supervise on behalf of the appointing authority all initiatives in relationship to AGOA.
- ❖ To inform the appointing authority about any success and challenges that hinder the success of AGOA.

Uganda Product exported to the U.S

Product	Company	Location
Casein	Amos Dairies	Western Uganda
Coffee	Gorilla Coffee, Kawacom,	Rwenzori, Mbale,
Cotton, Textile and Apparel	Fine Spinners, Southern Range	Kampala, Jinja
Dried Fruits (Mango, Banana)	Jakana Foods, Amfri	Luwero, Ibanda, Isingiro
Footwear	Sseko Designs	Wakiso
Fish	Lake Bounty	Central
Specialty Foods(Vanilla, Cocoa, Tea, Chocolate)	Sameer, Esco, Uvan, Latitude, Agri Exim	Bundibugyo, Mayuge, Buikwe, Kasese
Flowers	Wagagai	Central
Home Décor and Fashion, Cow Horn	Uganda Crafts 200, Wendi, Horn Products	Wakiso, Gulu, Kabarole, Ankole
Essential Oils (Shea Butter)	Guru Nanak	Gulu, Lira

Potential Products for export

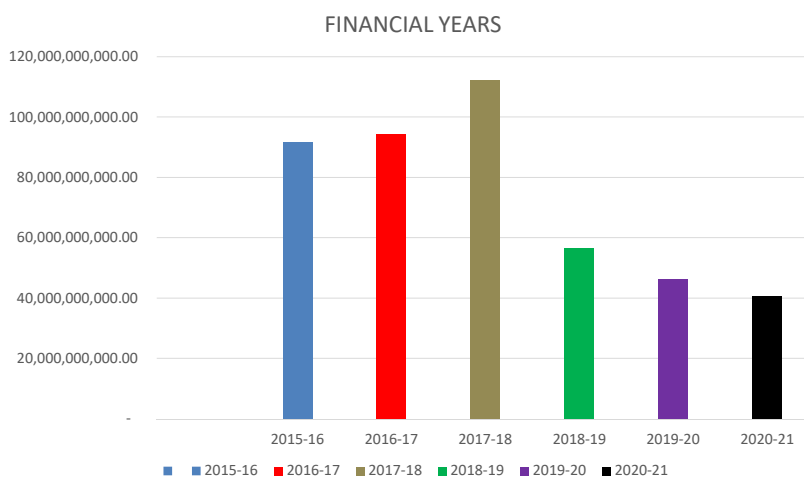
- Oil and Oil products
- Minerals
- Essential Oils
- Spices
- Organic products
- Cassava Flour
- Bananas

Uganda's Exports to the U.S

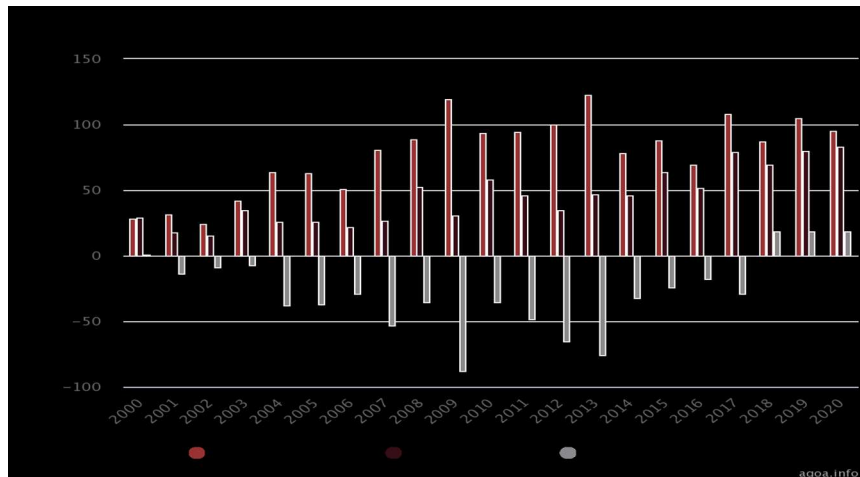
Source: URA - BOU

Financial Year	Amount UG shs in Billions
2015 - 2016	91, 744,956,662
2016 - 2017	94,289,323,772
2017 – 2018	112,148,758,205
2018 – 2019	56,670,672,031
2019 – 2020	46,145,193,396
2020 - 2021	40,489,473,560

Graphical Interpretation



Bilateral Goods U.S – Uganda Trade



AGOA Country Response Office Achievements

- ❖ Awareness and sensitization across the country
- ❖ Developed the AGOA National Strategy together with the external trade department -MTIC and the private sector
- ❖ Formed the Uganda AGOA Exporters Association
- ❖ Assisted companies to access the U.S market with information
- ❖ Worked closely with USAID through the East Africa Trade and Investment Hub Project to develop the AGOA Guide

Challenges affecting full utilization of AGOA

- ❖ Inconsistency in production and value addition
- ❖ Delayed approval of the AGOA National Strategy and its implementation
- ❖ Product Quality related Issues such Phyto-sanitary standards
- ❖ Inadequate Infrastructure for export development
- ❖ Costly and unreliable energy
- ❖ High cost of finance thus the high cost of doing business
- ❖ Human Capital Development hindering efficient production
- ❖ Low availability of appropriate technology
- ❖ Ever changing market trends in the U.S especially seasons
- ❖ Under funding of the AGOA Country Response Office
- ❖ Persistence of Non-Tariff Barriers (NTBs) such as standards.
- ❖ Information asymmetry about the US market

Proposed Interventions

- ❖ Prioritization of key products to be exported to the US through regional zoning for equitable growth
- ❖ Supporting companies already exporting to the U.S to increase their volumes through low cost financing
- ❖ Fast tracking the approval of the AGOA National Strategy by Cabinet
- ❖ Building synergies with related MDAs such as Ministry of Agriculture, Transport and Works, UNBS to improve production, value addition, standards Branding and marketing of Uganda's products competitiveness.
- ❖ Air transport for high value products such as vanilla should be made competitive
- ❖ Human Capital Development through skilling of labour
- ❖ Support exporters on product Branding, Labelling and Packaging
- ❖ Work closely with U.S Government towards Uganda hosting the AGOA Forum which would in turn attract FDI into Uganda
- ❖ Support Innovation centers such as MOTIV to enable SMEs export potential
- ❖ Facilitate the Ministers responsible for Trade and Private Sector players to make business promotion trips to the US.

Conclusion

Accessing markets is at the tail end. Africa is the world's new frontier for trade and investment. It is therefore important to develop a new trade paradigm and some common ideas. In America there three advantages; savings both Private and Public, technology and entrepreneurship while Africa has a market, human capital, natural resources. If we can import the three things from America it will be mutual re-enforcement.

Conclusion

- Our partnership should enable us to use trade as a spring board for development. In order for us to foresee AGOA's future and success we need to address the above bottlenecks starting with production, value addition, logistics and infrastructure, and only then can we hope to access the huge American market

Thank You

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