



THE REPUBLIC OF UGANDA

REMARKS BY THE PERMANENT SECRETARY

AT

THE COMMEMORATION OF AFRICA INDUSTRIALISATION DAY

2021

GOLDEN TULIP HOTEL, KAMPALA

NOVEMBER 19, 2021

Hon. Minister of Trade, Industry and Cooperatives

Honorable Members of Parliament

Development Partners

Representatives of the Private Sector

Academia

Government Officials

Members of the Media Fraternity

Distinguished Guests

Ladies and Gentlemen

I warmly welcome you all to this function to commemorate this year's Africa Industrialization Day. Thank you all for honoring our invitation and sparing time to come and attend this function. This clearly demonstrates the importance you all attach to industrialization and more so, manufacturing.

Ladies and Gentlemen

As you are aware, the United Nations General Assembly proclaimed 20th November as Africa Industrialization Day, which has been celebrated since 1989. This year's commemoration of Africa Industrialization Day presents a unique opportunity to highlight the progress made in Uganda's Industrialization Agenda and emphasize promotion of inclusive and sustainable local manufacturing as the main strategy for bolstering the Industrial sector.

This year's theme of ***“Promotion of Inclusive and Sustainable Local Manufacturing to Bolster Uganda’s Industrial Sector”*** is very appropriate at this time when Uganda’s quest for industrialization is fully highlighted in the Vision 2040 and National Development Plan (NDP). The third National Development Plan (NDPIII) prioritizes industrialization as a key driver for Uganda’s prosperity in line with the Vision 2040. In fact, the overall theme of the NDP-III is sustainable industrialization for inclusive growth, employment and sustainable wealth creation.

This symposium seeks to create awareness on;

- i. Inclusive and sustainable industrialization as one of the conditions for economic growth and eradication of poverty in Uganda.
- ii. Uganda’s industrialization Agenda, and to rejuvenate high-level political commitment especially towards promotion of inclusive and sustainable local manufacturing.

Ladies and Gentlemen

The economic and social impact of the COVID-19 pandemic has injected more urgency into the drive to industrialize our country, just as the African Continental Free Trade Area is set to reshape the continent into a singular market of 2.5 billion people by 2050.

The pandemic has also spurred opportunities for Uganda to strengthen local manufacturing capabilities for basic and essential medicines, Personal Protective Equipment and other medical

equipment, among others thereby converting the Country's huge import bill into an opportunity for boosting domestic manufacturing.

Furthermore, the global supply-chain disruptions caused by the Pandemic is seen as a window of opportunity for industrialization in Uganda. Some opportunities have arisen that the manufacturing industries can exploit. These opportunities will best be harnessed through investments and production that focus on addressing the essential needs of humanity, namely: Food, Clothing, Shelter, Medicine/health, Defense/security, Physical infrastructure, and Education.

National perspective

This year's commemoration of Africa Industrialization Day presents a unique opportunity for Government to highlight the progress made in Uganda's Industrialization Agenda.

Over the last two decades, the NRM Government has steadily established build a strong foundation to increase value addition and growth industrial sector. These included: investment in improving the business environment by increasing industrial support infrastructure such as roads, railway, air and water transport, energy, information, communication and technology (ICT) networks; construction of industrial parks, strengthening investment and financial institutions Standards and quality assurance, Research and Vocational institutions, among others.

The industry's sector contribution to the economy has increased slightly from 26.0% in 2016/17 to 27.4% in 2020/21; Manufacturing sector diversified into many new products such as industrial refined sugar, ethanol, sanitizers, paper and plastic packaging, masks, casein and powdered milk, medical oxygen and steel products.

The number of Industries has increased from 81 units in 1986 to more than 5200 Units in 2020 and the manufacturing sector employs over 21,396 direct workers.

Government through Cabinet approved the National Industrial Policy in December, 2020. The goal of the Policy is to: increase the manufacturing value added (MVA) to Gross Domestic Product (GDP) from 8.3% 2018/19 to 16% by 2029/30'. The Policy highlights key value chains for development to increase employment, import substitution, exports promotion, increased house hold incomes and social inclusion; among others.

As part of the implementation of the Industrial Policy and the Industrial Licensing Act, the Ministry is currently developing regulations for licensing all industrial operations, update the industries database and monitor compliance to regulations by the manufacturing industries. The industries database will be hosted on the Ministry of Trade, Industry and Cooperatives under the industry portal with provisions for online registration of new industries and licensing of operations of all industries.

The licensing of industrial operation will be simplified,

automated and ensure orderly establishment of industries in the Country. Accurate data and information on the industries that includes; category, size, ownership, location, employment, technology, raw materials, energy, products and byproducts and waste generation requirement will be collected.

To reduce on the cost of doing business, the roads, water, and energy and ICT network infrastructure has been greatly improved in Uganda. In addition, Government has increased investments in power generation, efforts are being made to ensure stable supply of electricity at USD 5cents/KW/hr and recapitalization of Uganda Development Corporation (UDC) and Uganda Development Bank (UDB) to provide affordable and long-term financing for manufacturing industries.

Moving forward

As the Ministry responsible for industrialization, we commemorate this year's Africa Industrialization Day with renewed commitment to use industrialization as a key lever in the economic transformation of our country. Government is committed to creating an enabling environment for the growth of the manufacturing sector by addressing key issues such as like Fair Competition, Policy coherence and complimentary, access to finance, increased power generation and distribution, combatting corruption as well as creation of trade related infrastructure; among others.

Your Excellency, Today the Ministry will launch the following tools designed to grow and ensure sustainable development of the Industrial Sector;

- i. **The National Industries Database.** The Ministry with support from Global Green Growth Institute (**GGGI**) **has developed a software for data collection, analysis and storage.** This is going to help solve the problem of lack of data required for policy planning and implementation. All manufacturers will be required to register online and submit to the Ministry on the quarterly basis. The data will be kept with utmost confidentiality as required by law and reports will be shared on the Ministry's website under the industry portal.
- ii. The green manufacturing strategy. This will enhance development and adoption of green manufacturing strategies and practices for improved resource productivity, environmental sustainable performance and competitiveness. This was developed with support from United Nations Capital Development Fund (UNCDF). Thank you so much (GGGI & UNCDF) for your support.

As I conclude, I implore all the key stakeholders to explore the opportunities for industrial and trading negotiated by Government in regional, continental and global markets. The Ministry in collaboration with other MDAs will provide the necessary support to enable you strengthen your capacities to promote economies of

scale and value chains that can boost your competitiveness on international markets.

Let me take this opportunity to thank all those that have supported us in organizing this function. Special thanks go to all our Development Partners and the Private Sector especially Global Green Growth Institute (GGGI), United Nations Industrial Development Organization (UNIDO), COMESA, Great Lakes Institute of Strategic Studies (GLISS) and Southern Range Nyanza Limited (NYTIL).

Once again, you are all most welcome and thank you for your kind attention.

FOR GOD AND MY COUNTRY