



Export Growth for Economic Development and Transformation





MINISTRY OF TRADE, INDUSTRY AND COOPERATIVES



The screenshot shows the Uganda Trade Portal website. At the top is the logo and name 'UGANDA TRADE PORTAL' with the URL 'ugandatrades.go.ug'. Below this are navigation tabs for 'HOME' and 'PROCEDURES'. The main banner features a background image of an airplane cargo hold being loaded and the text 'STEP-BY-STEP GUIDES FOR IMPORT, EXPORT AND TRANSIT'. Below the banner is a search bar with a dropdown menu currently set to 'Product'. Other search options visible are 'Pre-clearance procedures' and 'Clearance procedures'. Below the search bar are two dropdown menus labeled 'Operation' and 'Commodity'. At the bottom of the page are three red buttons: 'TRADE FACILITATION AGREEMENT REPOSITORY', 'FORMS, LAWS & CONTACTS', and 'TFA FA'.

- An online step-by-step guide to trade related procedures.
- A trade facilitation tool for transparency and simplification
- Reliable information on trade procedures, forms, requirements and contacts available online
- Platforms for complaints, compliments and suggestions for simplification
- Import, export and transit procedures

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Foreword

The National Development Plan II highlights export oriented growth as one of the strategic approaches for ensuring macroeconomic stability and ensuring economic and social transformation. Similarly, the National Trade Policy envisages implementation through two key instruments: the National Trade Sector Development Plan and the National Export Development Strategy. In this context, the NDP II lists reviewing and refocusing the National Export Development Strategy (NEDS) as one of the key activities to be undertaken. Therefore, the exercise of reviewing and refocusing the NEDS has been undertaken to operationalize these key strategic policy direction decisions. The exercise has been undertaken at a time when the country is registering undesirable macroeconomic indicators, notably exchange rate volatility and rising inflation on account of, *inter alia*, imported inflation. Increasing the country's foreign exchange earnings through increased exports of both goods and services is one sure way of propping up these key macroeconomic indicators, and of fostering economic and social transformation.

Analysis undertaken in the course of designing this Strategy indicates that the trade deficit has been widening at an average of 23.2% per annum for the period 2005-2014. This widening trade deficit is not on account of declining exports, but rather on account of fast rising import demand. The country's export to import ratio for 2014 is estimated at 51%, implying that for every Uganda Shillings Fifty One (Ushs 51) we earn from exports, we spend Uganda Shillings One Hundred (Ushs 100) on imports! Incidentally, deeper analysis of the composition of imports indicates that some of the products imported in significant volumes and values can be produced domestically, with significant surpluses for exports as well, if deliberate efforts were expended to invest in those sectors. Therefore, import substitution – which is also complementary to the recently passed 'Buy Uganda Build Uganda' Policy – is one of the approaches to be pursued in context of the NEDS 2015/16 – 2019/20. The analysis also establishes that the country has done well in opening up markets through negotiating preferential trade arrangements, but our penetration of those markets remains wanting. This is mainly on account of limited production, low levels of value addition, poor post harvest handling, financing that is skewed towards importation, information asymmetry, and inadequate infrastructure for export development, *among others*.

In view of this, the NEDS 2015/16-2019/20 is hinged on two tenets: export development and export promotion. Export development should enable us to produce the required quantities and quality on a sustainable and regular basis and to add value to what we produce, while export promotion should enable us to 'get'

our products and services onto the market and ‘keep’ them there. To achieve this, the Strategy adopts the approach of product and market focusing: over the next five years, we will focus on particular products for specific markets. Our main focus will be on the preferential markets; and the approach with respect to the selected priority products and services will address issues along entire value chains. It is appreciated that services exports outstripped merchandise exports in 2014 and that the sub-sector has experienced higher average growth rates than merchandise exports over the last ten years. Therefore, the NEDS 2015/16-2019/20 spells out deliberate interventions to further accelerate growth in services exports, including the finalization and implementation of the National Policy on Trade in Services.

The process of developing this Strategy has been widely consultative; and thorough analysis has been undertaken to inform the policy actions. Implementation, just like formulation, will involve several Ministries and Agencies as well as the private sector. It is by working together in a complementary way that we can make a positive contribution to economic and social transformation of our country; and I urge all those that will be involved in one way or another in implementing this Strategy to bear this in mind.

Finally, I wish to commend all those who worked tirelessly to produce this Strategy.



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CHAPTER ONE: INTRODUCTION

1.1 Contextual Background

1.1.1 Uganda operates under a liberal trade policy, and interventions in the trade sector are guided by the National Trade Policy. The Policy, formulated in 2007, envisions transforming Uganda into a dynamic and competitive economy in which the trade sector stimulates the productive sectors; and trading the country out of poverty, into wealth and prosperity. The Policy is based on using domestic trade as a springboard for engagement in international trade; and on product and market diversification. The Policy envisages pursuit of regionalism, bilateralism and multilateralism as key tenets of achieving its Vision.

1.1.2 Consequently, Uganda subscribes to a number of regional integration bodies and initiatives notably the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), and the COMESA-EAC-SADC (Southern Africa Development Community) Tripartite Free Trade Area; is a Member of the World Trade Organization (WTO) and is a party to several bilateral trade agreements/initiatives notably the Economic Partnership Agreement (EPA) with the European Union (EU), the Special Preferential Trade Regime of China, and the African Growth and Opportunity Act (AGOA) of the United States of America (USA). In addition, during the 2012 Summit of COMESA Heads of State and Government, Uganda announced its accession to the COMESA Free Trade Area and implementation of its commitments under the COMESA Free Trade Area became effective on 1st July 2014.

1.1.3 The implementation of the Policy is envisaged to be through two main instruments: the National Trade Sector Development Plan (NTSDP), and the National Export Development Strategy (NEDS); both of which are to be five-year rolling instruments. The Ministry of Trade, Industry and Cooperatives is the Government institution with the primary responsibility for trade development, a function it exercises through its Agencies notably the Uganda Export Development Board (UEPB), and the Uganda National Bureau of Standards (UNBS). The Ministry will therefore overall be responsible for political and technical leadership and supervision, liaison with other MDAs and coordination for regular monitoring as the NEDS is implemented.

1.1.4 The National Export Development Strategy 2015/16 - 2019/20 succeeds the first version which covered the period 2008 – 2012; and has been designed in the context of

the Vision 2040, National Development Plan (NDP) II, the National Trade Policy, and Uganda's membership in regional integration blocs and the World Trade Organization. The design of the Strategy has also been informed by the Report of the Final Evaluation of the first National Export Strategy, and the desire to place the export sector in a more strategic position to drive national development given the potential and opportunities.

1.1.5 The final evaluation of the National Export Strategy (NES) 2008-2012 found that the Strategy was well aligned to the country's development goals, but achievement of the Vision and Objectives was not rated highly. It is noted that with respect to impact, whereas there was considerable increase in overall exports, the target set was not achieved; and nor could that increase be directly attributed to implementation of the NES. Besides, the implementation of the strategy left a lot to be desired. Key lessons from the National Export Strategy 2008-2012 are identified as:

- i. Focusing on few export sectors that can be coordinated effectively using the capacity and resources available ensures successful implementation of the Export Strategy
- ii. An Export Strategy can be a powerful tool in influencing allocation of resources by Government to export promotion activities
- iii. Export Development Strategies mainstreamed in lead and implementing institutions are more likely to be implemented
- iv. Clarity in financing of the Strategy is critical for its success, and
- v. Articulation of roles of coordinating and implementing organizations and providing them with required capacity is a necessary prerequisite for success

1.2 Vision

1.2.1 The Vision of the National Export Development Strategy 2015/16 – 2019/20 is ***a focused and dynamic export sector fully responsive to available export opportunities, especially in preferential markets.*** The sector should be a key driver of economic development and transformation in the country; and the trade deficit as a percentage of exports should be narrowed to a maximum of negative 35% from the current average of negative 85%.

1.3 Mission and Objectives

1.3.1 The overall Mission of the National Export Development Strategy 2015/16 – 2019/20 is *to integrate the Ugandan productive sectors with international export markets, with the ultimate objective of increasing the market share of the country's goods and services.*

1.3.2 The overriding Objective of the Strategy is *to increase the value of Uganda's exports of the specified products and services to the targeted markets over the next five years.* The Specific Objectives are:

- i. To narrow the trade deficit as a percentage of total exports from the current annual average of negative 96% to at most negative 35% over the next five years
- ii. To control exchange rate volatility through increased and sustained export earnings
- iii. To increase the value of priority products exported to the negotiated preferential markets¹ by an average of 25% for the regional markets (EAC & COMESA) and 40% for the EU annually over the next five years
- iv. To increase the value of priority products exported to the selected unilateral preferential markets (US, India and China) by an average of 40% annually over the next five years
- v. To increase the value of priority products exported to the selected non preferential markets (Singapore, UAE and Hong Kong) by an average of 35% annually over the next five years
- vi. To provide a two-way communication mechanism between the productive sectors and export markets with a view to fostering export oriented investment and production.

1.4 Principles

1.4.1 The National Export Development Strategy 2015/16 - 2019/20 is guided by the major principle of *market and product focusing* with a view to increasing the market share of the selected products in the targeted markets. The subsidiary principles are:

¹ EAC, COMESA and EU

- i. Domestic trade development shall be used as a spring board for enhanced engagement in export trade
- ii. Development of entire value chains for the selected products
- iii. Inter-agency collaboration and coordination
- iv. Enterprise development, especially the Small and Medium Enterprises (SMEs)
- v. Growing exports for exchange rate stabilization and other key macroeconomic indicators
- vi. Mindset change for increased engagement in investment and production for exports
- vii. National ownership of the Strategy and interactive partnership between the public and private sectors
- viii. Public sector led investment in strategic export development infrastructure
- ix. Market driven investment in export production, with Government participating actively in partnership with the private sector.

1.5 Targeted Sectors/Products

1.5.1 Twenty products (that is, the country's top twenty exports) were initially selected to form part of the priority product analysis. The selection comprised of coffee, iron and steel products, fish and fish products, cement, tea, hides and skins, tobacco, sugar, cocoa, flowers, sesame seed, maize, plastic products, animal and vegetable oils and fats, rice, beans, soap, cotton and fruits and vegetables.

1.5.2 Data Sources – The analysis used data from the Uganda Bureau of Statistics (UBOS), Bank of Uganda statistics and the COMTRADE database of the United Nations Statistical Division available through the International Trade Centre (ITC), among others.

1.5.3 Methodology: The NEDS priority products were selected based on the following parameters:

- i. *Available/un-utilized market* – This indicator gives the market opportunities in the global market place that currently are served by suppliers other than Uganda. It is a comparison of total world exports for given product vis-à-vis Uganda's exports of the same product expressed as a percentage of total world exports. Therefore:

$$Ma = \left(\frac{X_w - X_u}{X_w} \right) \times 100$$

Where: M_a is the available market
 X_w is the value of global exports of the product
 X_u is the value of Uganda's exports for the product.

Any M_a product score above 98% is ranked "High", 65-97.9% ranked "Medium" and less than 65% is ranked "Low".

- ii. *Average exported value* expressed as a percentage of total exports in the last 5 years. Any product that scored above 5% was ranked "High", 2-4.9% ranked "Medium" and below 2% was ranked "Low".
- iii. *Product's national history* – This is a measure of comparative advantage in products that have been produced locally and exported over years. This means that with a certain level of familiarity in production and marketing a given product, nationals require minimal adaptation and learning before venturing into increased production and export. The measure for this indicator was number of years, where 10 years or more of export experience represented adequate familiarity and therefore ranked "High"; 5-9 years was ranked "Medium" and less than 5 years ranked "Low".

1.5.4 Using the above criteria and assigning 3 points for "High" ranking, 2 for "Medium" and 1 for "Low" ranking, the following priority products were arrived at:

- i. Priority One (12 points scored): *cement, coffee, fish and fish products, flowers, iron and steel, sugar, tea, and tobacco.*
- ii. Priority Two (11 points): *cocoa, cotton, fruits & vegetables, hides & skins, maize, plastic products, rice, and sesame seeds.*
- iii. Priority Three (10 points): *beans.*

1.5.5 It is worth noting that the prioritization in the NEDS has taken due cognizance of the priorities (at commodity level) as set out in the NDP II and the Agriculture Development and Strategic Investment Plan (DSIP). It is also appreciated that the NEDS and DSIP are designed to address closely related but non-identical challenges, hence some difference in the priority products². The main thrust of the NEDS 2015/16-

² For example, whereas as a product such as cassava is prioritized in the DSIP for food security purposes, they are not prioritized in the NEDS since it does not look at food security.

2019/20 is to export such finished products that can be made from available as well as imported raw materials so that the full range of goods exported by Uganda is transformed over time to consist mostly of finished value added products.

1.6 Targeted Markets

1.6.1 Using export statistics for the last five years, the top 21 destinations by total value were selected for detailed analysis. They were: Belgium, Burundi, China, Democratic Republic of the Congo, France, Germany, Hong Kong, India, Italy, Kenya, Rwanda, Singapore, South Sudan, Spain, Switzerland, Tanzania, the Netherlands, the Sudan, the United Arab Emirates, the United Kingdom, and the United States of America. An analysis of these markets for identification of the priority/target markets was conducted using the following criteria:

- i. *Market access*: A country with which Uganda has negotiated preferential market access was ranked “high”, those offering unilateral preferential access ranked “medium” and those offering no preferential access were ranked “low”.
- ii. *Market size*: This was assessed in terms of population and purchasing power parity GDP (Gross Domestic Product).
- iii. *Market familiarity* based on the number of consecutive years the country’s exporters have been operating in a given market. Familiarity also considered market aspects such as language, knowledge of consumer tastes and preferences, distribution channels and transport routes. A country to which Uganda has exported during 10 or more consecutive years was ranked “high”, 5 - 10 years was ranked ‘medium’ and less than 4 years ranked “low”.
- iv. *Trade balance* (trade deficit) as %age of total exports) – The NEDS aims at reducing Uganda’s merchandise trade deficit in the next 5 years. One way to do this is to direct more exports to countries with which the country has a big trade deficit. This parameter is computed as follows;

$$Tb = \left(\frac{(X-M)}{X} \right) * 100$$

Where:

Tb is Trade balance as a percentage of total exports

X is Uganda’s exports to a given country, and

M is Uganda’s imports from the given country

Where the trade balance as a percentage of total exports is negative 85% or higher, the market is ranked “high”, negative 35% to negative 84.9% ranked medium and negative 35% or less ranked “low”.

1.6.2 Using the above criteria and assigning 3 points, 2 points and 1 point to “high”, “medium” and “low” rankings respectively, the following priority markets emerged:

- i. In the European Union – UK, Germany, Italy, Spain, Netherlands, Belgium and France
- ii. Within COMESA (other than EAC Partners States) – Sudan and Democratic Republic of Congo (DRC)
- iii. All the EAC Partner States (Kenya, Rwanda, Burundi and Tanzania).
- iv. Other Africa: South Sudan
- v. From the Middle East – the United Arab Emirates
- vi. From the Americas – the USA, and
- vii. From Asia – China, India, Hong Kong and Singapore.

1.6.3 The South Sudan was not rated highly because: it is not a preference giving market; most sales to the country are actually re-exports; operations are informal or at best semi-formal; the market is small and highly volatile; and business operators are confronted with many unpredictable non-tariff barriers. However, all that notwithstanding, South Sudan remains a leading foreign exchange earner for local business operators and for the country. South Sudan will, therefore, be included among regional priority markets for further development. Under the NEDS 2015/16-2019/20 actions for such development will focus mostly on political and diplomatic initiatives aimed at restoring stability there and setting up the systems necessary for formal trading relations between the two countries.

1.6 Best Practices in Export Development and Promotion

1.7.1 A review of best practices in export development and promotion covered six countries with varying levels of development (as measured by GDP per capita derived from purchasing power parity calculations), but with all ranked better than Uganda. The review covered Mauritius (GDP per capita US\$ 17,714), Chile (GDP per capita US\$ 21,911), Costa Rica (GDP per capita US\$ 13,876), Colombia (GDP per capita US\$ 12,424), Australia (GDP per capita US\$ 43,544), and Canada (GDP per capita US\$ 43,247). Uganda’s GDP per capita is given as US \$ 1,413.

1.7.2 Mauritius

Enterprise Mauritius is the Government agency charged with developing and promoting Mauritian exports. Their approach is of focusing on a few sectors (currently listed as agro, textiles and garments, light engineering, paints and chemicals, printing and publishing, and jewellery); and on preferential markets. Enterprise Mauritius runs grant schemes aimed at promoting exports: a 25% freight subsidy on exports to selected African countries for Mauritian manufactured or produced products (re-exports not eligible); and participation of exporting or export ready enterprises in fairs, and potential importers meeting Mauritian producers (the international fair grant scheme). The country also provides market intelligence and training for her exporting community; and has Trade Representatives/Consuls across several target markets. Priority focus is on the Small and Medium Enterprises (SMEs). Mauritius' total exports of goods and services in 2014 are given as US\$ 6.112bn. This is against Uganda's total exports of goods and services for the same period that are recorded at US\$ 5.006bn.

1.7.3 Chile

In Chile, the Small and Medium Enterprises (SMEs) are the focus of government incentives in export development and promotion. Chile has developed a substantial export-readiness program that includes face-to-face counselling and other customized services. The country has a co-financing policy for export development and promotion, with provision of a number of co-financing arrangements for exporters. It has long subsidized the execution of company export plans on a case-by-case basis through an annual Export Grant competition; and provides 50 percent co-funding for company participation in foreign trade shows. Its co-financing policy places greater emphasis on a sectoral approach. Chile's export promotion strategy involves setting up and running overseas offices; and hiring 'Product Managers'- one for each key sector. The Product Managers respond to requests for information from exporters or potential exporters about demands for Chile's products and services in foreign markets, respond to requests from outpost Export Promotion staff for information about Chilean products, and collaborate with qualified companies in their responses. Priorities are established through a combination of market analysis and collaboration with industry associations; and the governing policy is to give priority to markets with the most potential for export growth, especially those where Free Trade Agreements are in effect. Priority sectors are those with the best match of capabilities with the demands of those markets. There is also

special focus on building export readiness at company level, with programs in place to provide Chilean companies with systematic training in exporting issues faced by SMEs. Companies in the same industry are urged to work together to reach their intended markets at a lower cost. Chile's total exports of goods and services in 2014 are given as US\$ 87.884bn. This is against Uganda's total exports of goods and services for the same period that are recorded at US\$ 5.006bn.

1.7.4 Costa Rica

As in the case of Chile and Mauritius, in Costa Rica, assistance is highly focused on SMEs. The Government of Costa Rica has recently shifted from helping individual companies to helping sectors. It advocates a Promotion Alliance concept whereby companies from the same sector join forces to promote products, combine production volume, or purchase common raw materials. It encourages the establishment of export promotion consortia to bring together companies from the same sector to develop strategies and consolidate markets to reduce overall promotion costs. Costa Rica also runs a co-financing policy and offers the most generous subsidies of any of the countries studied, covering about 70 percent of the costs of trade missions and fairs and 100 percent of the cost of an annual incoming buyer's mission. At the same time it is very selective in qualifying companies for participation in these events, and offers training and other export-readiness programs to those that do not qualify. Costa Rica also runs foreign offices; and the foreign offices are responsible for gathering market intelligence, conducting market research, and supporting the activities of visiting exporters. The focus is on the priority sectors selected on the basis of SWOT analysis and market research on countries with which Costa Rica has Free Trade Agreements. The focus is really on developing company/firm level competitiveness. The national export promotion agency conducts market studies for individual SMEs in sectors that have the potential to export to key markets. Trade missions are organized on a sector basis and for a company to participate, it must be judged by officials to have the productive capacity to fill initial orders. The Costa Rican export development and promotion philosophy is that the most effective approach to helping SMEs is to address export-readiness on an integrated basis by coordinating training, counselling, market research, and export promotion. In addition, any program for assisting SMEs should also address financing because the costs of becoming export ready will be wasted if the company still cannot export because of a lack of capital. The approach is that SMEs should be directed first to nearby markets

where language, cultural identity logistics, and pricing work more in their favour as this enables them to gain export experience close to home before taking on the risks of venturing further. Costa Rica's total exports of goods and services in 2014 are given as US\$ 18.129bn. This is against Uganda's total exports of goods and services for the same period that are recorded at US\$ 5.006bn.

1.7.5 Colombia

The Colombian approach to export development and promotion does not differ from those of other countries reviewed. Colombia also runs a co-financing policy with a sectoral focus. Only companies in core agribusiness sectors are eligible for individual co-financing for trade missions, trade shows, and similar events. Other exporters are supported only at the sector level. Access to co-financed trade promotion vehicles is being integrated with broad training programs. Colombia offers two such programs, one for new exporters and one for companies with some export experience. In both cases companies that complete the training get preferred access to co-financing.

Colombia has also set up foreign offices, with the offices being specifically tasked to facilitate entry of Colombian companies in the given countries. Her export development and promotion initiatives focus on non-traditional exports as it is deemed that traditional exports such as coffee, bananas, flowers, and oil already enjoy well-established government-funded promotion programs. The Colombian export development and promotion initiatives also focus on SMEs; and the approach aims at 'developing export skills' and 'building an exporting culture'. There is specific focus on enterprise development, mainly through training and mentorship. Colombia's total exports of goods and services in 2014 are given as US\$ 61.732bn. This is against Uganda's total exports of goods and services for the same period that are recorded at US\$ 5.006bn.

1.7.6 Australia

In Australia, export development and promotion efforts are shaped partly by the fact that the country has only about 25,000 exporters, just 4 percent of all businesses. Most exports are handled by very large enterprises and Australia is far from its principal trading partners. Export development and promotion initiatives are strongly focused on new exporters, especially SMEs. Australia also runs a co-financing scheme. Co-financing through EMDG provides assistance for SME export development activities in general, with exporters selecting the specific vehicles. The philosophy that drives the effort is that the principal justification for government assistance is to correct the

information asymmetry between SMEs and larger firms. Therefore services that help “intenders” and “new exporters” build export-readiness, select target markets, and obtain initial market information are free. Customized services that help companies understand and enter new export markets are billed on a full cost-recovery basis. Financial assistance is provided through Export Market Development Grants (EMDG), a co-funding system that is structured to cover a wide range of costs. Australia also has foreign offices. The Australian export promotion agency, Austrade, has a recruiting program that stresses business knowledge. Export-readiness and export preparation programs are delivered through a large number of private and public partner agencies. Priorities, therefore, are largely established through consultations with these partners. There is strong Inter Agency collaboration, and Austrade is active in the government-wide Market Development Group, which coordinates all federal government trade-related activities. Australia’s total exports of goods and services in 2014 are given as US\$ 294.689bn. This is against Uganda’s total exports of goods and services for the same period that are recorded at US\$ 5.006bn.

1.7.7 Canada

In Canada, export development and promotion initiatives are premised on the fact that overall, 4.2 percent of exporters account for 84 percent of the value of exports and that SMEs that export less than US\$1 million annually represent the bulk of the exporter population, which totals about 38,000. For these reasons, Canada’s export promotion efforts are oriented to SMEs. Canada also runs a co-financing policy, which is informed by the Government’s determination that the principal obstacles to SME exports are a lack of export capabilities within firms, a lack of market information, and an inability to effectively manage risk. Export promotion therefore focuses on the provision of information, training, market intelligence, and expert counselling. Financial subsidies for direct promotion are limited, with only a few direct subsidies for specific export promotion activities carried out by individual companies. A co-financing scheme for general export development in individual companies is repayable based on exporting success. A non-repayable grant program targets sectoral export associations. Canadian export development and promotion initiatives are delivered from offices both at home and in foreign countries. There is close Inter-Agency collaboration as several other federal departments contribute sector expertise, and in some cases run their own export assistance programs.

Export promotion efforts of individual SMEs and industry associations are co-funded through the Program for Export Market Development (PEMD). This program provides broad-based support instead of subsidizing activities like trade shows. Companies that have developed one-year international marketing plans are eligible for the Market Development Strategies component. They can obtain funding for market visits, incoming buyers missions, and trade show participation, product testing for market certification, legal fees, transportation costs for offshore trainees, and various other costs. Canada's total exports of goods and services in 2014 are given as US\$ 559,160bn. This is against Uganda's total exports of goods and services for the same period that are recorded at US\$ 5.006bn.

1.8 Addressing Uganda's Export Challenge; *lessons from the best practices*

1.8.1 From the review of best practices in export development and promotion, there are several lessons for Uganda. These lessons have, to the extent possible and applicable, been taken into consideration in the design of the National Export Development Strategy 2015/16-2019/20. The lessons are:

- i. In an environment of fiscal prudence, success in export development and promotion comes from a tailored and targeted approach. *Tailored* means assessing the needs of each client individually. *Targeted* means focusing resources on sectors and companies most likely to succeed and on markets where they are most likely to prosper. Any initiative to develop the country's export sector must take into account the country's strengths and weaknesses in international markets. Export development and promotion programs must take advantage of the strengths and help Ugandan companies overcome the weaknesses. They must also target products that have good prospects in key export regions and sectors.
- ii. To maintain and improve its international competitiveness, Uganda must strive to increase productivity throughout its economy and especially in exporting sectors. Achieving productivity goals will require new investment in exporting industries and technology acquisition. This, in turn, will require attracting tailored foreign investment, mobilizing and focusing domestic investment, and improving the availability of Medium-Long Term credit.

- iii. Export development and promotion should concentrate on products and industries where medium-term competitiveness can be established and sustained, and where markets with significant growth potential can be identified. Uganda must emphasize production and export of products having high value and significant domestic value-added (i.e., products that are highly differentiated and that embody significant intellectual content). As opportunities permit, Ugandan exporters should seek to ascend the international value-added chain by marketing and distributing branded products within targeted export markets.
- iv. For a successful export development and promotion initiative, there must be sector/product and market targeting. In all the countries studied, the market focus has been on preferential markets – those with which a country has a Free Trade Agreement. The best practice for sector/market priority setting involves a combination of market analysis and stakeholder consultation. In most countries, priority sectors are those with a promising market for the country’s products, based on a combination of market size and access and the competitiveness of the industry. This determination has to be based on detailed market analysis and exporter capability studies. All of the countries studied have some form of stakeholder consultation and there is a strong consensus that this should be done on a sectoral basis, so that key sectors are chosen first, with target markets then selected for each sector. Sector demands take priority over those of individual companies. There is a consensus that the key criterion should be the company’s (or the sector’s) prospects for achieving significant exports.
- v. Export development and promotion initiatives must focus on SMEs, and address the challenges that SMEs face in their quest to engage in trade. All of the agencies studied are focused on SMEs, providing nearly all of their services to those companies, but for different reasons. Some focus on SMEs because they comprise the majority of exporting enterprises, while large Multi-National Enterprises account for the bulk of export volume. Others focus on SMEs because they are under-represented in the exporter mix, and they are seen as the next generation of new exporters who offer the best hope for increasing overall exports. Another reason is that SMEs are seen to suffer from “information asymmetry”; and reducing the costs and risks of their entry into foreign markets

is considered to be in the national interest. The consensus is that SMEs should not be offered traditional export training piecemeal, but should be marshalled through an organized system that encourages them to advance from one level of export preparation to the next.

- vi. Co-financing is an integral component in any export development and promotion initiative. There is a consensus among trade promotion agencies that it is appropriate for government to provide free services to SMEs without export experience because of information asymmetry and because they offer the best prospects for increased exports in most countries – including Uganda. There is also general agreement that export-readiness programs should be publicly financed for a second reason: they ultimately improve the cost-effectiveness of other trade promotion efforts by focusing them on companies that are positioned to succeed. On the other hand, for companies that are export-ready, a willingness to commit resources is seen as a critical success factor, so progressively conditioned co-funding is considered the best approach.
- vii. Inter-agency collaboration is essential for having a successful Export Promotion and Development Strategy. Such a strategy must be seen as a national strategy rather than an institutional strategy.

1.9 Process of Developing the Strategy

1.9.1 The National Export Development Strategy 2015/16 - 2019/20 has been developed following a participatory approach. A core team from the Ministry of Trade, Industry and Cooperatives and the Uganda Export Promotion Board spearheaded the formulation of the Strategy. The process started with a review of relevant Government and private sector documents in the area of trade development, private sector development and the National Development Plan II and Vision 2040 as well.

1.9.2 A comprehensive review and analysis of Uganda's participation in international trade was also undertaken; and so was a review of monitoring and evaluation reports on previous interventions in the export and related sectors. On the basis of these, an initial draft of the NEDS 2015/16 – 2019/20 was formulated. The initial draft was then subjected to stakeholder consultations and further refining by a technical team. Overall, the Strategy has been formulated using a rigorous technical analysis approach and stakeholder consultation.

CHAPTER TWO: SITUATION ANALYSIS

2.1 GDP Composition and Growth Rates (2005-2014)

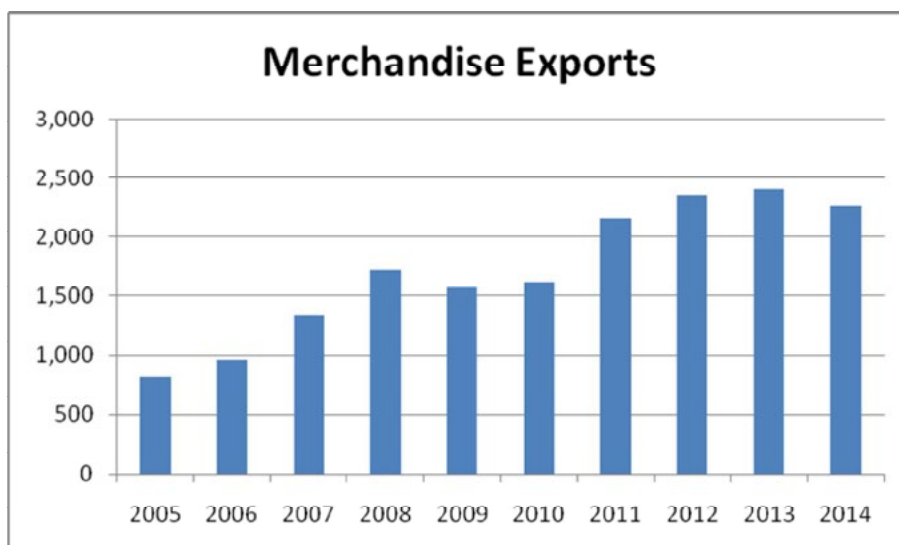
2.1.1 The Ugandan economy has experienced tremendous growth over the last ten years. Gross Domestic Product (GDP) at market prices has risen steadily from US\$ 10.04 billion in 2005 to US\$ 26.086 billion in 2014. This makes Uganda No. 101 in world rankings according to GDP (Current Prices, US Dollars) in year 2014. The world's average GDP (Current Prices, US Dollars) value is US\$ 1679.38 Billion; Uganda is US\$ 1,653.29 billion less than the world average.

2.1.2 The economy measured by GDP, registered an expansion of 63% since 2005, an average annual growth rate of 7.9%. The economy has also shown a definite restructuring, shifting away from reliance on agriculture to industry and, especially, to services. The services sector now contributes 52.3% of GDP compared to agriculture's 12.9% and industry's 25.9%. The corresponding data for 2005 were 48.4%, 19.2% and 24.7% respectively.

2.2 Trade performance

2.2.1 During the period 2005 to 2014, the volume of Uganda's international trade continued to grow, but with imports outstripping exports. In 2005 total exports of goods stood at US\$812.8m while services exports were recorded at US \$525.1 million giving total export earnings of US\$1.34 billion. During the same period the corresponding import figures are US\$2.054 billion and US\$608.8 million respectively, giving a total import value of US\$2.66 billion and a trade deficit of US\$ 1.34 billion. In 2014 total exports of goods stood at US\$2.262billion while services exports were recorded at US \$2.744billion giving total export earnings of US\$5.006billion. During the same period the corresponding import figures are US\$6.074 billion and US\$3.38 billion respectively, giving a total import value of US\$9.454 billion and a trade deficit of US\$ 4.448 billion. In effect, Uganda's trade deficit has grown by 232% over the past ten years, implying an annual average growth rate of the trade deficit of 23.2%. Looking at export trends, total merchandise exports have increased from US\$ 812.8m in 2005 to US\$ 2.262billion in 2014, an increase of 178%. This represents an impressive average annual growth rate of 17.8% per year over the past ten years. Figure 1 shows the annual total merchandise exports for 2005 -2014.

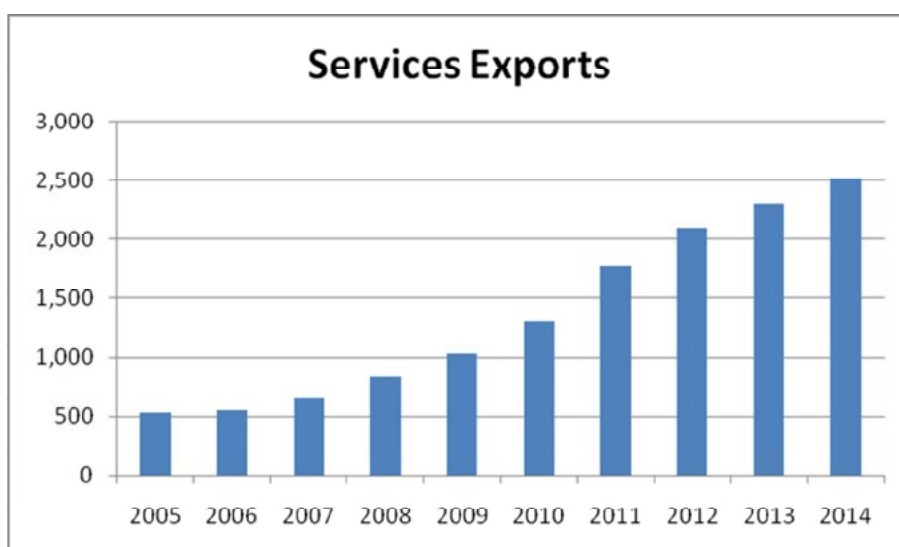
Figure 1: Trend of Total Merchandise Exports in US\$ millions, 2005 – 2014



Source: Calculations based on data from UN COMTRADE

2.2.2 Services exports, dominated by commercial services, have also been on the rise from US\$525 million in 2005 to US\$2.744 billion in 2014. Between 2005 and 2014, services exports grew by 423%, representing an annual average of 42.3%. This is much better than the annual average growth rate of 17.8% registered by merchandise exports; which underlines the great potential of the services sector.

Figure 2: Total Service Exports in US\$ millions, 2004 – 2014



Source: Calculations based on UN COMTRADE

2.2.3 Uganda's Top Ten Merchandise Exports: In 2014, the country's main exports were coffee (exported mainly to EU and the Sudan), oil re-export (DR Congo and South Sudan), iron and steel products (mainly to Rwanda and South Sudan), fish and fish products (EU and Hong Kong), cement (Rwanda, South Sudan and Burundi), Tea (Kenya –Mombasa tea auction), hides and skins (China and Italy) tobacco (Kenya, the Netherlands, Poland and Turkey), sugar (South Sudan, DR Congo and Rwanda), and cocoa beans (Germany, Malaysia and Switzerland). Table 1 below summarises Uganda's top ten exports and the respective destinations in 2014.

Table 1: Leading Merchandise Exports and Main Destinations 2014 (US\$ million)

Product	Value (US\$ million)	Main Destinations
Coffee	410.1	Europe, Sudan
Oil and Oil Products (Re-exports)	148.5	DR Congo, South Sudan
Iron & Steel (base metal) Products	122.5	Rwanda, South Sudan
Fish and Fish Products	118.7	Europe, Hong Kong
Cement	90.6	Burundi, Rwanda, South Sudan
Tea	84.8	Kenya
Hides and Skins	73.3	China, Italy
Tobacco	64.6	Kenya, Poland, the Netherlands
Sugar	60.9	DR Congo, Rwanda, South Sudan
Cocoa Beans	60.6	Germany, Malaysia, Switzerland

Source: Bank of Uganda & UN COMTRADE

2.2.4 It is observed that in value and quantitative terms, Uganda remains an insignificant player in the international market, including in our main export product – coffee – where we commanded only 1.98% market share in 2014. Outside of the top four, the rest of the products Uganda exports individually fetch extremely small amounts. Some previously flourishing export products have exhibited, at best, stagnant export performances in recent years. Notable among these are cotton lint, flowers, horticultural products, beans and vanilla. This is largely attributable to stagnant production levels.

2.2.5 Main Export Destinations: Analysis of export trends indicates that Uganda's main export markets have largely not changed since the mid-2000s. In 2014, Kenya remained the country's main export market, followed by South Sudan, Rwanda, DR Congo, United Arab Emirates, Sudan, Netherlands, China, Tanzania and Burundi. The regional markets mainly take manufactures, signalling the importance of regional markets for Uganda's industrial development drive. On the other hand, the EU and Asian markets mainly import products of the agricultural sector, implying that it is essential for Uganda to comply with the food and feed safety requirements (sanitary and phyto-sanitary/SPS measures) if she is to consolidate her presence in top ten export destinations and the main export products for the respective markets. It is worth noting that on average, the country's top ten export destinations account for 57% of the country's total merchandise export earnings.

Table 2: Top Ten Export Destinations, 2014 (US\$ million)

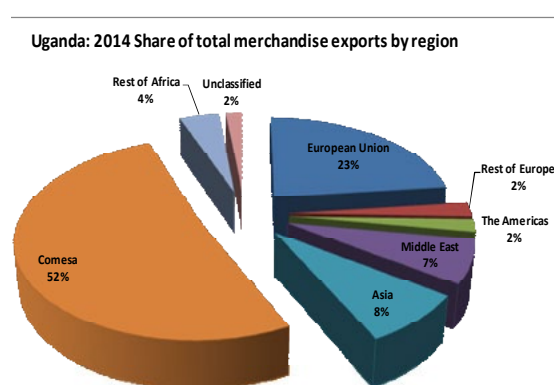
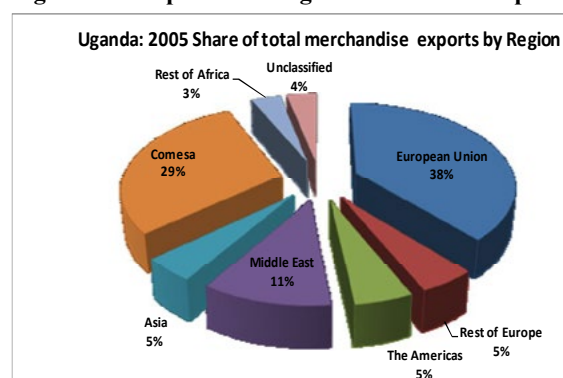
Country	Value (US\$ million)	Main Products
Kenya	347.3	Tea, tobacco, dairy products
South Sudan	283.9	Oil products, beer, sugar, vegetable oils
Rwanda	189.3	Iron/steel products, confectionery, cosmetics
DR Congo	183.4	Cereals
United Arab Emirates	140.4	Fish fillets, fruits and vegetables
Sudan	103.7	Coffee, tea
The Netherlands	85.2	Flowers, fruits and vegetables, fish
China	66.3	Hides/Skins, oil seeds, plastic scrap
Tanzania	56.0	Iron/steel, re-exports
Burundi	51.0	Cement, iron/steel, animal/vegetable oils and fats

Source: Calculations based on Bank of Uganda Statistics

2.2.6 From exporting to COMESA, Uganda earned US\$ 1.16 billion in 2014 compared to US\$ 1.27 billion in 2013, a decline of 8%. Despite the decline, COMESA remains Uganda's lead export destination accounting for 52% of all export earnings followed by the EU with 23%, Asia at 8% and the Middle East at 7%. However, when exports to the East African Community Partner States that are also members of COMESA are excluded, exports to COMESA drop to US\$ 577.4 million compared to exports to the EAC which amounted to US\$ 643.6 million in 2014. The country's integration in the EAC is, therefore, bearing fruit in terms of export growth. It is anticipated that with the recent accession to the COMESA Free Trade Area, Uganda's exports to the COMESA (excluding EAC) should increase significantly.

2.2.7 Although the EU share as a market for Uganda's exports has since declined from 38% in 2005 to 23% in 2014, overall the value exported to the EU has in fact risen from US\$313.2 million in 2005 to US\$527.4 million in 2014, an increase of 68.4%. Similarly, exports to COMESA have grown by 384.1%, while exports to the EAC have increased by 401.1%. Export trade with other regions has also recorded positive growth. Exports to Asia grew by 391.8%, Rest of Africa (238.7%), Middle East (82.1%), Rest of Europe (30.4%) and the Americas (13.6%).

Figure 3: Comparison of Uganda's Share of Exports by Region in 2005 and 2014



Source: Calculations based on Bank of Uganda statistics

2.2.8 Uganda has done quite well in negotiating market access arrangements whereby preferential treatment is accorded to virtually all its exports. For example, under the EAC all Ugandan exports are duty free and quota free; under COMESA all exports except those designated as “sensitive” are duty free and quota free; while under the EPA all exports to the EU are duty free and quota free. However, a closer examination of the country’s export performance in these markets reveals a mixed picture. While the country has performed relatively well in the negotiated preferential markets, (EAC, COMESA, and EU), performance under unilateral preference scheme remains wanting. The AGOA market has been particularly disappointing with exports of AGOA (excluding GSP) products having declined from US\$ 800,000 in 2011 to US\$ 464,000 in 2012, US\$ 47,000 in 2013 and US\$ 54,000 from January to September 2014 (US Department of Trade’s AGOA information portal).

2.2.9 With regard to imports, Uganda has seen phenomenal growth fuelled by various factors including a construction boom (imported inputs such as cement, plumbing materials, interior décor and furnishings, etc.), exploration for and development of

minerals notably oil and gas, and growing incomes that demand consumer and other investment goods that the local economy is unable to supply for now. However, there is also a significant number of products imported in huge volumes and values that could be produced domestically. These include: durum wheat with annual average imports of US\$108m between 2010 and 2014; crude palm oil with annual average imports of US\$ 217.7m; textiles and garments with annual average imports of US\$137.53m; salt with annual average imports of US\$ 22.7m; sauces and preparations – mixed condiments and seasonings with annual average imports of US\$ 7.8m, among others. This scenario lays a strong foundation for having an import-substitution approach as a key tenet of this strategy. Table 3 below summarizes the main imports and the respective countries of origin.

Table 3: Top Ten Imports in 2014 (US\$ million)

Product	Value	Main Sources
Mineral fuels, oils, distillation products	1,340.0	India, United Arab Emirates, Kenya
Vehicles other than railway, tramway	530.,3	Japan, India, China
Machinery, nuclear reactors, boilers, etc.	443. 4	India, China, United Arab Emirate
Electrical, electronic equipment	389.7	China, India, Hong Kong
Pharmaceutical products	347.7	India, France, Belgium
Iron and steel	256.0	South Africa, India, Kenya
Plastics and articles thereof	234.8	Saudi Arabia, Kenya, China
Animal, vegetable fats and oils, etc	228.0	Indonesia, Singapore, Malaysia
Cereals	221.8	Pakistan, India, Ukraine
Optical, photo, technical, medical, etc apparatus	152.3	USA, China , South Africa

Source: Calculations based on Bank of Uganda statistics

2.2.10 The top ten sources of imports in 2014 accounted for over 73% of the value of total imports. India (US\$ 1.2 billion), Kenya (US\$ 605.5 million) and China (US\$ 548.3 million) were the principal suppliers. It ought to be noted that India alone accounted for 50% of the country's trade deficit in 2014, while the country also had a significant deficit with Kenya. As part of the measures to reduce the trade deficit, and given the available market domestically and in the region, it is strategic to consider focused investment in the pharmaceutical industry and motorcycle production. The country's top ten import sources and respective products sourced from each market are given in Table 4.

Table 4: Top 10 Sources of imports, 2014 (US\$ billion)

Country	Value (US\$ billion)	Main Products
India	1.2	Petroleum oils, pharmaceutical products, motor cycles
Kenya	0.6	Petroleum oils, cements , Iron /steel
China	0.5	Electrical, electronic equipment, vehicles.
United Arab Emirates	0.3	Mineral fuels and oils, machinery, electrical, electronic equipment
Japan	0.3	Vehicles, iron/steel, machinery
South Africa	0.2	Iron & Steel, electrical, electronic equipment & vehicles

Indonesia	0.2	Animal vegetable fats & oils, miscellaneous chemical products & essential oils
Saudi Arabia	0.1	Plastics & articles, mineral fuels & fertilizers
Germany	0.1	Machinery, vehicles , electrical, electronic equipment
United Kingdom	0.1	Machinery, nuclear reactor, vehicles & electrical, electronic equipment

Source: *Calculations based on Bank of Uganda statistics*

2.2.11 Together these ten markets supplied nearly 71.1% of the country's imports in 2014. The main imports from India were: mineral fuels, oils and distillation products, pharmaceuticals machinery, motorcycles, vehicles and Iron and steel. However, India was also the source of a variety of other manufactures including food item such as packed cereals and beverages. From China, the main imports were electrical and electronic equipment, machinery, vehicles, and footwear and clothing. Like in the case of India, China was also the source of a large variety of other manufactured consumer products.

2.2.12 Imports from Kenya are dominated by mineral fuels, oils and distillation products (mostly petrol and diesel), cement, iron and steel products, plastics and articles of plastic, beverages and spirits, and pharmaceuticals. Kenya is also a source of many consumer manufactured goods which are mainly distributed through Kenyan originating retail chains with presence in Uganda. South Africa mainly supplies iron and steel products, electrical goods, vehicles and machinery. It is also a source for a variety of other consumer manufactured products also mainly supplied through South African based retail chains with presence in Uganda. Apparently this approach seems to be a best practice in export promotion by mainly, emerging economies.

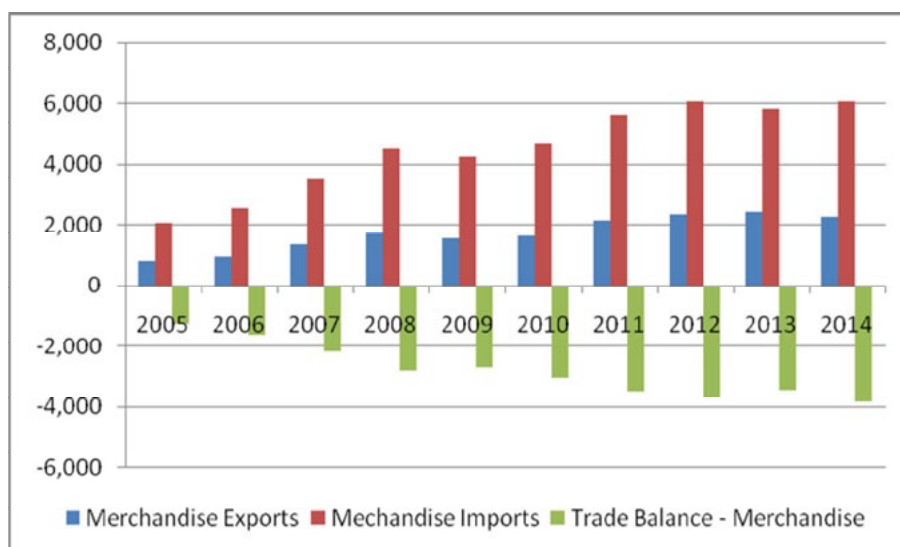
2.2.13 From the United Arab Emirates, the main imports are mineral fuels, oils and distillation products, machinery, electrical and electronic goods, plastics and textiles and wearing apparel. Japan supplies mainly vehicles, iron and steel and machinery, while Indonesia is the main source for vegetable oils. From France, Uganda imports mostly pharmaceuticals and electric and electronic equipment; and from the United States mostly machinery and equipment.

2.3 The merchandise trade balance and its implications

2.3.1 Uganda's balance of trade has been negative and widening for more than 10 years; and has reached unsustainable levels. Despite overall growth in exports of goods and services, Uganda continues to post a widening trade deficit, mainly on account of the

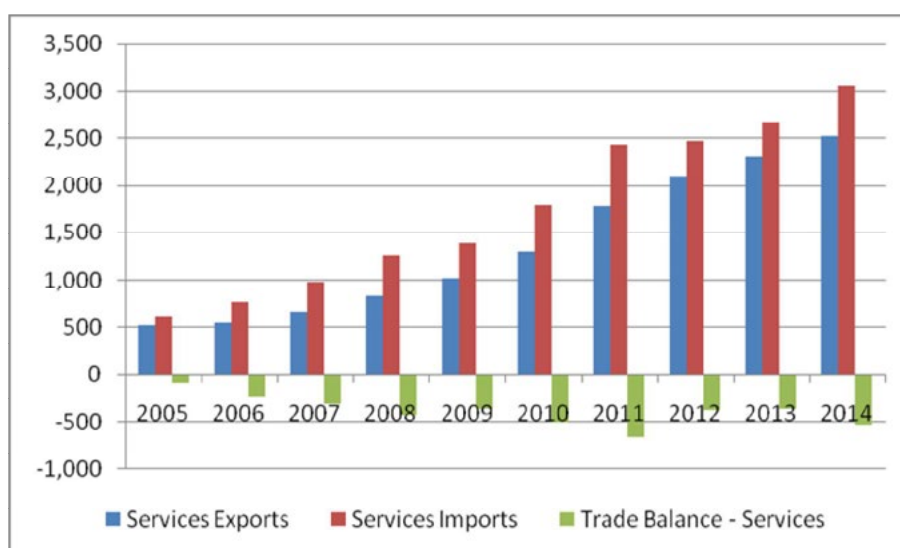
faster pace at which imports are expanding compared to exports. As illustrated in figures 4 and 5 below, in 2005 there was a near balance between imports and exports, and the deficit was small and manageable.

Figure 4: Balance of Trade – Merchandise Account, 2005-2014 (US\$ Million)



Calculations based on data from UN COMTRADE

Figure 5: Balance of Trade –Services Account, US\$ Million, 2005-2014



Calculations based on data from UN COMTRADE

2.3.2 In 2007, the countries with which Uganda had large merchandise trade deficits were Kenya, (US\$354.2 million) out of a total deficit of US\$ 2.16 billion, followed by India (US\$ 340.7 million), China (US\$ 259.9 million) and United Arab Emirates (US\$

242.6 million). In 2014, the deficit with India was US\$ 1.46 billion out of a total deficit of US\$ 3.81 billion, followed by China (US\$ 673.6 million, United Arab Emirates (US\$ 366.2 million) and Kenya (US\$ 296.4 million). In effect, just those four countries (India, China, Kenya and UAE) accounted for 73.4% of the country's merchandise trade deficit in 2014.

2.3.3 Currently, the export to import ratio is 51%! In other words, Uganda is spending 100 shillings on imports for every 51 shillings earned from exports. It is vitally important to halt this escalation by focusing on reducing the trade deficit as a top national priority; and galvanizing all efforts by all key MDAs to expand exports on a sustainable basis. This is achievable given the available opportunities. The continued escalation of the trade deficit also means that less foreign currency is autonomously earned to stabilize the exchange rate. As the demand for imports continues to grow, pressure is put on the exchange rate; and the shilling will tend to depreciate much faster than desirable. While a depreciated shilling in theory is good for export earnings, imported inputs including those used in production for export (farm implements, fertilizers, packaging materials, industrial raw materials) become more costly and can negate any theoretical benefits of a weaker shilling. In effect, the widening trade deficit causes exchange rate volatility and depreciation of the Uganda Shillings, which in turn drives up inflation, and slows down private sector development. It negatively affects key macroeconomic fundamentals. Thus, a relatively stable exchange rate benefits the whole economy and makes business forecasting more predictable.

2.3.4 It is on this basis that the National Export Development Strategy 2015/16 -2019/20 lays emphasis on narrowing the trade deficit through, *inter alia*, improving export performance given the impact of exports on other macro-economic indicators such as exchange rate movements, interest rates and inflation.

2.4 Opportunities for Export Development

2.4.1 *Preferential Market Access*: Uganda's membership in regional integration blocs, notably the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) guarantees her exports duty and quota free access to these markets, which makes them more competitive. With the ongoing consolidation/deepening of regional integration initiatives, including Uganda's recent accession to the COMESA Free Trade Area and conclusion of negotiations for

establishment of the Tripartite Free Trade Area (EAC, COMESA and SADC), the opportunities for Uganda to earn more from exporting to regional markets are immense. Besides the regional blocs, Uganda recently concluded a bilateral trade agreement – the Economic Partnership Agreement (EPA) - with the European Union (EU) which grants all our exports to the EU-the single largest and most affluent market in the world - duty free and quota free market access. Again, this initiative makes our products more competitive in the EU market.

In addition to the EAC, COMESA and EU trade preferences which are guaranteed under trade agreements and which account for an average of 69% of Uganda's exports, Uganda is a beneficiary of other unilateral trade preferences schemes such as the African Growth and Opportunity Act (AGOA) of the United States and the Special Preferential Treatment offered by China, and India, among others.

2.4.2 Government Investment in Infrastructure: Focused investment in infrastructure development (especially roads and electricity) and increased agriculture production by the government is expected to result in increased production, ease of transportation of products to the markets and enhanced value addition. It is logical that the anticipated increased production is successfully linked to the existing and growing export markets.

2.4.3 Political Stability: The importance of political stability for sustained economic gains cannot be overstated. Business activity tends to grow and thrive when a nation is politically stable. When a nation is politically unstable, multinational firms tend to pull out; and domestic investment is equally stifled. Political stability, therefore, is a catalyst to export oriented investment and can impact real export diversification. The country continues to enjoy political stability, which presents an opportunity for increased production and export.

2.4.4 Business Support Initiatives: Increased actions designed to enhance production such as distribution of seedlings (coffee, tea, research in horticulture) are an opportunity that should be fully taken advantage of. The Government has also taken measures to reorganize certain trade support agencies such as the Uganda Export Promotion Board (UEPB), National Agricultural Advisory Services (NAADS), Uganda Industrial Research Institute (UIRI), Uganda National Bureau of Standards (UNBS), Uganda National Roads Authority (UNRA), Uganda Registration Services Bureau (URSB), Uganda Communications Commission (UCC), Electricity Regulatory Authority (ERA), and Rural Electrification Agency (REA) among others. The recently established Uganda

Free Zones Authority is another initiative which will be specifically dedicated to supporting production for export. It is expected that such initiatives and measures will spur new business start ups and result in creation of supplies for domestic consumption and for export.

CHAPTER THREE: STRATEGIC CONSTRAINTS TO EXPORT DEVELOPMENT AND PROMOTION

Despite the high endowment with natural resources, including minerals, fertile soils and a conducive climate, coupled with the various export market openings, the country still faces some strategic constraints³ that inhibit full harnessing of the export potential. The strategic constraints, which this Strategy sets out to address, are:

3.1 Low Levels of Production

3.1.1 One of the major challenges for export development is extremely low production, production moreover that is always not market targeted. In spite of the favourable conditions put in place for export trade, including no requirement for licensing, no export tariffs and 100 percent retention of earned foreign currency, performance is below par. Although there has been a measure of export product diversification, only small quantities for most of the new products are being produced. One problem is that we produce too few of too many products. We, therefore, need to focus with a view to increasing production. In regard to the two traditional products – coffee and tea – a near stagnation in quantities produced needs to be addressed. More plantation coffee using modern methods and expanded tea plantations are a possible answer. State intervention through, for example, the UPDF and Uganda Prisons, is an option. A tabulation of production levels for the selected products is made in Table 5 for ease of reference.

³ In the context of the NEDS 2015/16-2019/20, Strategic Constraints is used to mean those constraints that are not of an operational nature, and which would require a strategic approach to fully address

Table 5: Production Levels and Growth Rates in Production for Selected Priority Products, 2009 – 2013

No.	Product		Unit	2009	2010	2011	2012	2013	Average
1.	Cement	Production	Tons	1,162,000	1,347,000	1,666,000	1,780,000	2,023,000	
		Growth rate	%	-3%	16%	24%	7%	14%	11%
2.	Coffee	Production	Tons	195,871	166,968	191,379	186,126	232,561	
		Growth rate	%	-10%	-15%	15%	-3%	25%	2%
3.	Fish	Production	Tons	366,600	385,940	421,100	407,600	419,000	
		Growth rate	%	0%	5%	9%	-3%	3%	3%
4.	Flowers	Production	Tons	6,468,000	5,361,000	5,765,000	6,444,000	7,634,000	
		Growth rate	%	-5%	-17%	8%	12%	18%	3%
5.	Sugar	Production	Tons	287,387	297,016	266,910	297,732	344,040	
		Growth rate	%	21%	3%	-10%	12%	16%	8%
6.	Tea	Production	Tons	48,663	49,182	54,178	57,939	59,934	
		Growth rate	%	7%	1%	10%	7%	3%	6%
7.	Tobacco	Production	Tons	31,994	27,138	28,444	20,993	33,719	
		Growth rate	%	10%	-15%	5%	-26%	61%	7%
8.	Cotton	Production	Tons	17,888	12,223	25,586	43,258	18,671	
		Growth rate	%	-22%	-32%	109%	69%	-57%	14%
9.	Maize	Production	Tons	2,355,000	2,374,000	2,551,000	2,734,000	2,748,000	
		Growth rate	%	2%	1%	7%	7%	1%	4%
10.	Rice	Production	Tons	206,000	218,000	233,000	212,000	214,000	
		Growth rate	%	16%	6%	7%	-9%	1%	4%
11.	Sesame Seeds	Production	Tons	115,000	119,000	142,000	124,000	124,000	
		Growth rate	%	16%	3%	19%	-13%	0%	5%
12.	Beans	Production	Tons	925,000	949,000	915,000	870,000	941,000	
		Growth rate	%	1%	3%	-4%	-5%	8%	1%

Source: UBOS, Various Years, *Statistical Abstract*; *UFEA*⁴, and own computation

⁴ Uganda Flower Exporters Association

3.1.2 The limited production manifests itself in form of limited exports of a given product even when there is a bigger market to tap into. For example, in 2013, of the total EU market (in which Uganda's exports are duty free and quota free under the EPA) for "edible fruits and nuts" of € 51 billion, Uganda only supplied € 3.38 million representing 0.01% market share; for coffee, Uganda supplied € 228.5 million out of total market of € 18.55 billion representing 1.2% market share; cut flowers Uganda exported € 46.54 million out of total market of € 98.27 billion representing 0.05% market share. With a duty free and quota free market already negotiated and guaranteed, Uganda should focus on increasing production so that it has more to get into such markets.

3.1.3 With respect to processing and manufacturing, the problems appear to revolve around a satisfaction with supplying the local market. There is no incentive to spur manufacturers to deliberately produce for export. It is only when there are surpluses or some extraordinary price hike in a neighbouring country that local producers or their agents venture there, and as soon as the price advantage dissipates, they withdraw.

3.1.4 Similarly, the other problem is that there is not enough competition in local manufacturing to generate the surpluses that would oblige producers to look beyond the domestic market. This is compounded by the fact that the sector is dominated by SMEs, most of them unable to compete in the region for lack of economies of scale. More SMEs need to be brought into production for export, with clustering being one option. This model is applied in some countries whose experiences can be adapted.

3.2 Limited Value Addition

3.2.1 Uganda continues to export agricultural products mostly in their primary form with little value added. All the traditional crops are exported in their most basic form when for some of them value could be enhanced by 10 to 12 times by processing into intermediate and final goods. Cotton and hides and skins are particular cases in point.

3.3 Uncompetitive Products and Services

3.3.1 Partly because of the low levels of production and the commercially disoriented production structure, much of what the country produces and aspires to place on regional and international markets is uncompetitive. Many products are price uncompetitive by virtue of high production costs stemming from obsolete technologies, high costs of raw materials, inputs production and export related services. Furthermore, many producers, notably SMEs, are in most cases unable to match minimum standards and food and feed safety requirements (Sanitary and Phytosanitary/SPS measures) for target markets. This

further compounds the constraints of limited quantities and no/limited value addition, further constraining Uganda from fully exploiting the existing export opportunities.

3.4 Sub-optimal Use of Factors of Production

3.4.1. *Under-utilisation of land for agricultural production:* Uganda's total area is 214,551 square kilometres, of which 36,527 is open water and 4,500 is wetland. By 2011 arable land represented 27.9% equal to 48,400 square kilometres. Land under permanent crops covered 9.1% or 15,800 square kilometres and land for other uses covered the rest – 109,000 square kilometres. This last category is land not arable or under permanent crops and includes permanent meadows and pastures, forests and woodlands, built-on areas, roads, barren land, etc. Much of this “other” land should be brought under plantation agriculture with a view to producing more and with a view to increasing our presence in both the domestic and export markets. It is surprising to note that even for products where there is ‘massive’ importation, very limited land has been put under cultivation for such crops. This is demonstrated in Table 5 below.

Table 5: Area Planted and Imports for Selected Products, 2010-14 (Area in 000 Ha; Value in \$ 000)

Product	2010		2011		2012		2013		2014	
	Area	Value	Area	Value	Area	Value	Area	Value	Area	Value
Wheat	20	129,086	23	158,999	20	16,524	20	61,737	-	166,101
Rice	218	29,898	233	37,075	212	59,089	214	55,412	-	71,670
Maize	2,374	1,052	2,551	1,158	2,734	685	2,748	668	-	916

- denotes non availability of data

Source: UBOS and ITC Trade Map

3.4.2 *Mismatch between capital needs and financial services for export production:* Capital is the money or wealth needed to produce goods and services. All businesses must have capital in order to purchase assets and maintain their operations. The capital needs of farmers, especially smallholder farmers, are often different from those of processors and manufacturers. And the financial resources and instruments necessary to meet those capital needs are also different. Given that the majority of farm operations and SMEs are usually family funded, the two forms of businesses usually struggle to accumulate the capital needed to acquire modern production, value adding and loss minimising facilities. Productivity, and ultimately production is adversely affected.

3.4.3. *Low labour productivity:* Labour is a vital factor of production. However, most of Uganda's agriculture and SMEs are usually under the management of untrained people – usually drawn from the family. These are usually untrained in business management and

often have limited information about the markets for which they are required to produce. Skilling of enterprise promoters and their key staff must be addressed to increase focus on the market needs before decisions are made to produce. And given the history of how businesses are started and managed, perhaps skilling for export and business management generally should start at school and college levels. Uganda scores “well” under the labour component of the Doing Business Index, but this is mainly because labour in Uganda is fairly cheap and not rigorously regulated. Often workers in production facilities are casual labourers with no contracts, no retirement benefits and even no insurance at the workplace; firms are thus able to minimise the amount spent on labour. The downside of this is that such workers have little attachment to their employment and even less loyalty to the employer. Consequently labour productivity is low. Quality may also be affected. In those circumstances, export quality standards are certainly compromised.

3.5 Inadequacy of Financing for the Export Sector

3.5.1 Ugandan producers of export goods and services need medium to long term funding to make the necessary products and be able to compete in the export market. Funds are needed for putting up factories and other physical infrastructures such as warehouses, or for buying inputs. Producers of agricultural exports face challenges in getting funding. Towards the end of the export chain, the financing requirements are more of a short term nature as the operations there are essentially pure trade activities which are more attractive to financial institutions. But even here, and for perishable products especially, funding can be challenging in the face of competition from import and domestic trading. This situation is not helped by the fact that Ugandan exporters are competing against exporters who have been assisted in one way or another as seen in the section on ‘best practices’.

3.5.2 The National Development Plan II notes that the banking system is not the best suited to provide medium and long-term resources given that most of their deposit liabilities are of short-term nature. The Plan further notes that the commercial lending rate for Uganda as at June 2014 was 21.4% compared to 15.1% for Kenya, 16.7% for Rwanda and 15% for Tanzania. Worse still, figures from Bank of Uganda on sectoral shares of commercial banks’ credit to the private sector for the period 2010/11 – 2014/15 indicate that the export sector accounted for only 0.4% of total commercial bank lending compared to 3.6% for imports. In effect, commercial bank lending facilitates

importation more than it facilitates exportation; a scenario that warrants immediate remedial action. Detailed figures on sectoral shares of credit to the private sector as a percentage of total lending are presented in Annex II.

3.5.3 Pure development banks resident in Uganda are only two – Uganda Development Bank and East African Development Bank - which are designed to offer long term credit to the private sector. The PTA Bank (owned by COMESA) also provides investment and international trade financing products. However, funding from these development banks is beyond the reach of most potential producers of export products because of the thresholds within which they lend. The PTA Bank, for example lends within the range of US\$ 500,000 to US\$ 20,000,000. Not many Ugandan SMEs (if any) will be operating at those levels.

3.6 Inadequate Infrastructure for Export Development

3.6.1 Infrastructure for export development is a cross-cutting issue that has sector, product and even market specific dimensions. At the economy-wide level, GoU is already addressing many of the perceived infrastructure bottlenecks including upgrading and maintaining the trunk roads network. District roads are also receiving attention, but some of the inner feeder roads that are instrumental in linking production areas and markets/consolidation centres can become impassable at certain times of the year. The energy infrastructure is also being attended to including through rural electrification. The approach to rural electrification does not always take into account the business needs of the community (not just their lighting needs) and the export production requirements of the country.

3.6.2 Infrastructure constraints along the export value chain relate to inability to support modest value adding and post-harvest handling activities at the farm level in order to develop cottage industries that can feed into an export chain. In addition, quality assurance infrastructure such as laboratories for Sanitary and Phytosanitary (SPS) measures remains a significant challenge.

3.7 Information Asymmetry

3.7.1 Businesses need timely and accurate information in order to respond appropriately. The Internet has revolutionised information sharing and those engaged in business support services have an opportunity to make a tangible contribution to export development by leveraging this technology and targeting the particular persons in the export chain. Up to now GoU agencies have concentrated on inter-MDA coordination

and information sharing without going direct to those actually engaged in export production and movement of consignments. As a result, this information has at best reached those who need it when it is too late. More often than not, it does not reach them at all! For example, there is limited appreciation of the opportunities available under the trade preferences that Uganda is eligible to benefit from. Even those who have general information do not know how to go about getting into a market of interest. The capacity to identify the information needs of the actual operators will need to be enhanced by providing for more human and financial resources and investing in research. Information generation, packaging and dissemination are some of the key export development and promotion strategies learned from the ‘best practices’. The Uganda Export Promotion Board was set up to, *inter alia*, bridge this gap, but has not been adequately funded to execute it.

3.8 Lack of Specific Incentives for Exporting Enterprises

3.8.1 The incentives regime granted to investors is not sufficiently rewarding for the perceived higher risks that face exporting or intending exporter enterprises. The tax holidays and arrival benefits granted to all foreign investors are the same regardless of the sector or purpose of production. Exceptionally, attractive incentives including among others, a differential corporation tax rate (after expiry of tax holiday) could be considered. This is compounded by a regulatory regime that implicitly favours importation over production for exports. Consequently, domestic commerce and importation are seen as easier and as less risky than investing in export production. Moreover, any cash injected into most production for exports initiatives will be recovered much longer after those who imported have recovered theirs. There are other factors that could explain the anti-export bias in Uganda as summarized in the table below:

Table 6: A Comparative Analysis of Perceptions about the Processes of Importing and Exporting

Parameter	Importing	Exporting
Financing	<ul style="list-style-type: none"> • Import trade considered less risky and therefore commercial Banks prefer to lend to importers (short-term borrowers) • A Ugandan SME can easily muster the funds needed to import a small consignment 	<ul style="list-style-type: none"> • Production for export (particularly in agribusinesses) is considered more risky and long-term thus commercial banks reluctant to lend • Export consignments often call for large amounts of cash to mobilise and export cost effectively • Available export financing at Uganda Development Bank is not easily accessible to an ordinary export firm
Mindset	<ul style="list-style-type: none"> • Easy to import • Prestigious to be in import trade (offloading containers of imported cargo is viewed by many as prestigious) • Ugandans prefer to have physical contact with the market to manage external factors - this is linked to visa issuance to country of imports. Usually easier for importers 	<ul style="list-style-type: none"> • Cumbersome to export • Export trading is deemed by many as non-prestigious ,usually done by small companies • Physical contact to the export market is limited and acquiring a visa to the export market is usually unlikely for exporters
Supply related issues	<ul style="list-style-type: none"> • Products ready to sell on the market. The majority of imports are not immediately perishable 	<ul style="list-style-type: none"> • No product readiness with supply inabilities. Some products require adjustment to meet the tastes of consumers, which is time consuming
Information access	<ul style="list-style-type: none"> • Easy to access information on market suppliers and local buyers 	<ul style="list-style-type: none"> • Inadequate market information available to exporters and potential importers • Information on buyer profiles and prices hard to come by; Subscription fees required

Available data demonstrate the high propensity for Ugandan people and enterprises to engage in import trade and in domestic commerce as opposed to export trade. The international trade data alone is a proxy measure for import preference – with imports growing a lot faster than exports. But even more telling, the UBOS Census of Business Establishments of 2010/11 shows that there were 458,106 business establishments in Uganda in 2010/11 of which 61% (nearly 280,000 establishments) were in the trade sector. In contrast however, the UEPB database for 2014 has just 1,172 registered exporters. Although exporters are not obliged to register with the UEPB, the number registered with the institution is only 0.4% of all business establishments in the UBOS

census! There is, therefore, a conscious or unconscious anti-export business bias. The country has no critical mass of serious and committed exporters, and must embark on creating that critical mass; and incentives will need to be designed and applied.

3.9 Institutional Inadequacies for Export Development and Promotion

3.9.1 The African Union and UN Economic Commission for Africa note that “... the State in Africa has a crucial role to play in facing various current and emerging development challenges. Diversification of production and exports is an important element of transformation. Yet State leadership and vision are required for designing and pursuing policies to move Africa from its heavy dependence on commodity exports. Generating domestic sources of development finance calls for strong and effective States endowed with the legitimacy to raise the necessary revenue as well the capacity for efficient delivery of public services ...”. This calls for strong public institutions. In Uganda, public institutions charged with export development and promotion, including production for exports, remain weak; and very rarely do they work in a synchronised manner/approach. Some policies governing different sectors are in conflict with one another. It is, therefore, important to prioritise institutional development for export production, development and promotion, and ensuring that institutions work in a coordinated manner towards a common vision. The export development and promotion effort should be viewed as multi-dimensional calling on the input of different public and private sector agencies. The public sector institutions need to deliberately work on improving firm level competitiveness.

CHAPTER FOUR: STRATEGIC INTERVENTIONS FOR EXPORT DEVELOPMENT

The constraints holding back transformation and expansion of the export sector have been detailed in Chapter 3. Over the next five years, Government will address those constraints through a number of strategies, sub-strategies and actions including possible investment in productive capacity. However, the basic approach to let the private sector lead the provision of goods and services remains. Some of the strategies have been designed to address multiple constraints, while others address a single issue.

4.1 Product and Market Focusing

4.1.1 In order to address the constraint of low levels of production, and inability to control a commanding share in preferential and other lucrative markets, Government shall pursue product and market focusing for export development and promotion. The products, selected using the methodology described in Section 1.4, are:

- i. Tranche one: *cement, coffee, fish and fish products, flowers, iron and steel, sugar, tea, and tobacco*
- ii. Tranche two: *cocoa, cotton, fruits & vegetables, hides & skins, maize, plastic products, rice, and sesame seeds*
- iii. Tranche three: *beans*

The activities to be undertaken along entire value chains of the above products are described in the Sector Investment Plans annexed to this Strategy. 4.1.2 The priority markets, selected using the methodology described in section 1.5, are:

- i. EAC – all the other EAC Partner States (Kenya, Rwanda, Tanzania and Burundi)
- ii. COMESA – Sudan and the Democratic Republic of Uganda (DRC)
- iii. Other Africa – South Sudan
- iv. European Union – United Kingdom, Germany, Italy, Spain, Netherlands, Belgium, and France
- v. Middle East – United Arab Emirates
- vi. The Americas – United States of America
- vii. Asia – China, India, Hong Kong, and Singapore

4.2 Increasing Production

4.2.1 To address the constraints responsible for low levels of production, Government shall;

- i. Intensify and widen the scope of free distribution of seedlings and seeds for specific crops especially coffee, cocoa, cotton, maize, beans, tea, rice, and fruit trees
- ii. Raise acreages under the production of the prioritized products by using idle public lands for agricultural production, negotiating with land owners holding large and idle land holdings for use in production for export agriculture, and using the UPDF and Prisons Services in plantation and other agricultural production (mainly for coffee, cotton)
- iii. Mobilize and fund the youths including urban-dwelling youths into agricultural production of targeted high-value crops
- iv. Promote the use of improved technologies including affordable irrigation systems, improved seeds and greater application of fertilizers in order to raise yields per land unit and to increase reliability of supplies.
- v. Ensure availability of community based agricultural extension workers
- vi. Set up mechanisms to protect producers from wild fluctuations in prices of export targeted agricultural commodities, a phenomenon that contributes to unsustainable production levels
- vii. Seek and incentivize new investors in the cut flower and fruits and vegetables subsectors for market targeted production
- viii. Through the Uganda Development Corporation and following a public-private partnership, invest in the development of known iron ore deposits and in the production of higher value steel products
- ix. Offer a subsidized energy tariff to steel rolling mills adding 30% or more value to raw materials

4.3 Value Addition, Quality Assurance and Product Competitiveness

4.3.1 To promote value addition, quality assurance and product competitiveness, Government shall:

- i. Initially levy high duties on export of raw or semi-processed materials and eventually ban such export altogether

- ii. Immediately ban the export of live animals such as cattle, goats and sheep
- iii. Offer exceptional tax and other incentives to value adding exporting enterprises
- iv. Encourage development and use of technologies for safe value addition at SME and farm levels
- v. Dedicate 50% of all publicly financed enterprise development funds (Industrial Development, SME, Innovation, Youths, Women, etc) to export-oriented endeavours prioritized in the NEDS
- vi. Promote and spearhead development of entire value chains for the priority export products
- vii. Strengthen the institutions charged with quality surveillance and monitoring including with relation to manufacture, importation and distribution of agricultural and industrial inputs
- viii. Invest in public infrastructure necessary for quality assurance along entire value chains for the selected priority products
- ix. Encourage, through provision of appropriate incentives, the private sector to invest in infrastructure necessary for quality assurance along entire value chains for the selected priority products
- x. Assist SMEs that are producing for import substitution, or with a plan to export within three years, to have their products certified.

4.4 Financing for Export Development

4.4.1 To address constraints related to financing for export development, Government shall:

- i. Establish an Export Development Fund (EDF), to be managed by the Uganda Development Bank
- ii. Implore commercial banks to increase lending to the export sector, and
- iii. Offer new investors in agricultural export development a rebate on interest rates from commercial banks

4.5 Export Enterprise Development and Incentives for Export Development

4.5.1 In order to foster the development of export oriented enterprises and streamline provision of incentives for export development, Government shall;

- i. Encourage Ugandan enterprises to formalize their operations

- ii. Train enterprises, especially SMEs, in various business management practices so as to improve corporate governance and skilling of labour necessary for their efficient operations
- iii. Proactively encourage SMEs to produce export priority products and concentrate public enterprise support to those SMEs including organizational support for bulking, financing, trade fair presentations, e.t.c.
- iv. Review the income tax regime so as to offer a lower rate of corporation tax to exporting firms that in each of three consecutive trading years have derived 75% or more of their revenue from export of NEDS priority value added or wholly obtained Ugandan products provided that in each year such revenue is not less than US\$ 3 million and the value added on exported products is *not less than 30%*
- v. Twin production entities with retail outlets, and encouraging the latter to set up shop in target export markets, especially regional markets
- vi. Review the Investment Code to focus investment promotion to value adding manufacturing and export oriented foreign investors and increase the threshold to US\$ 3 million for foreign investors to qualify for an investment license and the attendant benefits
- vii. Prioritize and operationalize Export Processing Zones with emphasis on the products targeted by the National Export Development Strategy

4.6 Import Substitution

4.6.1 To reduce importation of products that are or can potentially be produced domestically, Government shall;

- i. Fast track implementation of the ‘Buy Uganda Build Uganda’ (BUBU) Policy
- ii. Proactively encourage local and foreign investors to invest in import-substituting ventures including assembly of machinery, food processing and others
- iii. Particularly target investors from countries with which the bilateral trade deficit is large and in products most responsible for that deficit
- iv. Undertake feasibility studies in various areas for potential investment and avail them to the private sector on a cost recovery basis
- v. Promote and/or invest in import substituting production in the following products and product groups {based on analysis in Annex I}:
 - a. Wheat and wheat products such as wheat flour

- b. Rice, milled or semi-milled as well as other value added rice products
- c. Palm oil and palm oil derivatives
- d. Vegetable oils and fats and other oil seed products
- e. Refined sugar, glucose and ethanol (alcohol)
- f. Selected pharmaceutical products
- g. Fertilizers
- h. Textiles, garments and related value added products
- i. Leather based products including shoes, belts, wallets, and handbags
- j. Iron and steel products
- k. Salt
- l. Sauces and preparations – mixed condiments and seasonings

4.7 Services

4.7.1 To consolidate the country's services sector and increase service exports, Government shall;

- i. Build domestic capacity for the collection, analysis and dissemination of data on trade in services in order to further inform policy making in the area
- ii. Expedite implementation of the Services Trade Policy and Strategy
- iii. Work with the private sector to set up a strong private sector Services Association
- iv. Consult with stakeholders before and during regional and international negotiations on services trade and liberalization
- v. Support private sector professional service enterprises to establish commercial presence in target markets
- vi. Support local retail chains to establish presence in regional markets
- vii. Foster Business Process Outsourcing (BPO)
- viii. Set up ICT parks either within industrial parks or Free Zones

4.8 Building a Pro-export Mindset

4.8.1 Given the desire to interest more people and enterprises in production for export and exporting, Government shall deliberately work to build a pro-export mindset amongst the population. To this effect, Government shall;

- i. Foster peer teaching on export business, and use successful exporters to share their knowledge and experiences with the youths

- ii. Ensure that all MDAs embrace export development as a top priority and will direct all MDAs to mainstream export development in their policies, strategies and plans
- iii. Work with training institutions to inculcate an export oriented mindset amongst their trainees at a youthful age

4.9 Developing/Strengthening Institutions for Export Development and Promotion

4.9.1 To address challenges arising out of institutional inadequacies for export development and promotion, Government shall:

- i. Review the mandate and human and financial resource needs of the Uganda Export Promotion Board (UEPB)
- ii. Fully constitute the Uganda Development Corporation (UDC) and use it as the investment arm of Government in the context of implementing this Strategy
- iii. Operationalize the Uganda Free Zones Authority (UFZA)
- iv. Bolster the research function in the prioritized sectors through, *inter alia*, increased funding and promotion of collaborative research between the private sector, research institutions specializing in any of the prioritized products (such as NARO, NACORI) and public and private universities
- v. Take measures to protect the intellectual property accruing to or from research results and innovations by individuals, private and public universities and Uganda Industrial Research Institute
- vi. Set up ‘Export Promotion Offices’/Commercial Attaches in the priority/target markets and charge them with promoting specific/priority exports in the respective markets through, *inter alia*, gathering market intelligence, conducting market research, supporting activities of visiting exporters, and facilitating entry of Ugandan companies in the respective target markets/countries

4.10 Dedicated Export Promotion Initiatives

4.10.1 To further consolidate export promotion initiatives, Government shall:

- i. Significantly reduce information asymmetry by generating and disseminating export information (available markets and entry conditions such as tariffs and standards and SPS requirements) to exporters and potential exporters; and

information on Ugandan goods and services to potential importers in target markets and of target exports

- ii. Organize and facilitate private sector participation in outward export/trade missions/fairs
- iii. Intensify commercial diplomacy in the target countries by enlisting local business persons specifically to promote Ugandan exports and enterprises in their countries or regions
- iv. Raise the political profile of export promotion initiatives by facilitating the Ministers responsible for Trade to make business promotion trips, together with exporters to countries that the NEDS has targeted.

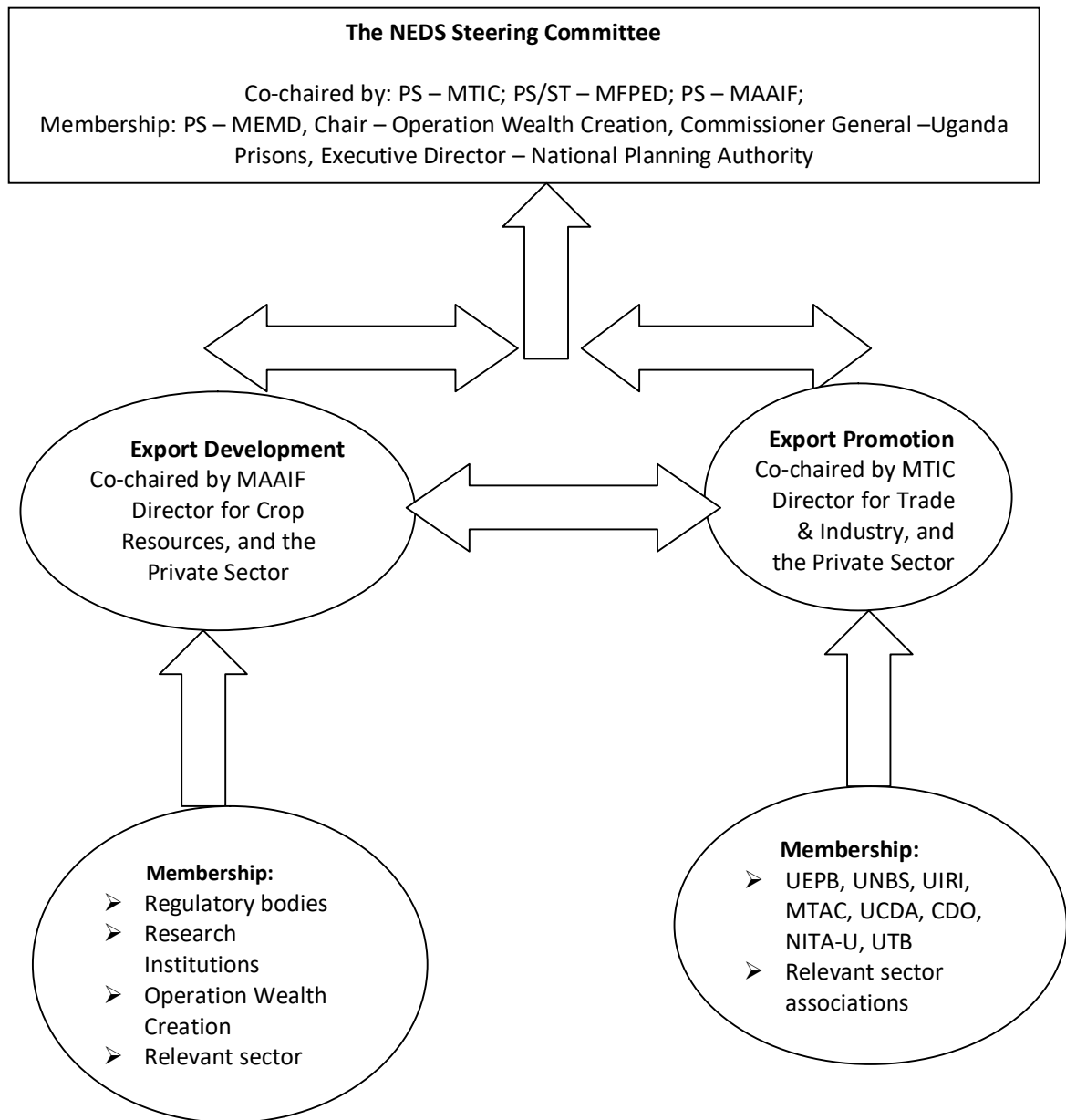
CHAPTER FIVE: EXECUTION, MONITORING AND EVALUATION

The National Export Development Strategy 2015/16-2019/20 adopts a two-tier approach to developing the country's export sector: export development and export promotion. Export development addresses aspects related to production, quality assurance, value addition and processing as well as financing. On the other hand, export promotion addresses aspects related to getting the product or service onto the market and keeping it there in a sustainable and growing manner. These aspects are mainly enterprise development and governance, branding, information generation and dissemination, and trade missions. The two key components of the approach are envisaged to constantly and regularly feed into each other in order to avoid any challenges related to information asymmetry.

5.1 Execution

5.1.1 In view of the two tier approach adopted, execution of the NEDS 2015/16 - 2019/20 shall cut across various agencies, with each agency taking the lead in its respective area of competence. Implementation will be under the overall leadership of the Ministry of Trade, Industry and Cooperatives, which will coordinate very closely with the Ministry responsible for Agriculture, Animal Industry and Fisheries, and the Ministry of Finance, Planning and Economic Development; as well as other relevant Ministries. This will be done through a Steering Committee alternately chaired by the Permanent Secretaries in the three Ministries. Membership to the Committee shall include key implementing Ministries, Department and Agencies, and the Sector Associations of the selected priority products. This level will be responsible for political and technical supervision, political accountability, as well as monitoring and evaluation. Below this level will be various Agencies and Departments whose mandates hinge on either export development or export promotion; or both. The structural presentation of the implementation framework is presented in Figure 5.

Figure 5: Structural Implementation Framework for the NEDS



5.1.2 Export Development: The Agencies under the Ministry of Agriculture, Animal Industry and Fisheries, notably the National Agricultural Advisory Services (NAADS) and National Agricultural Research Organization (NARO), and the newly created Directorate of Extension Services shall primarily be responsible for increasing agricultural production. The Department of Industry and Technology in the Ministry of Trade, Industry and Cooperatives and the Uganda Free Zones Authority shall be responsible for working with the private sector to scale up industrial production. Initiatives for value addition shall be led by the Uganda Industrial Research Institute while the Uganda National Bureau of Standards and the Directorates of Crop Resources, Fisheries, and Animal Resources in MAAIF shall be responsible for quality assurance and food and feed safety (Sanitary and Phytosanitary/SPS measures). The Uganda Development Corporation (UDC) shall be responsible for championing public investment in export oriented enterprises and sectors; and in a manner that the private sector might ordinarily on its own not venture into. Such investments would, as far as possible, be pursued in partnership with the private sector with a view that UDC completely divests itself from the enterprise once the private sector fully comes on board. Such investments shall be funded under the Export Development Fund set up under this Strategy. The Export Development Fund shall also be used to leverage commercial bank lending to export oriented enterprises with a view to having lower interest rates for such enterprises. Close collaboration with the Operation Wealth Creation (OWC) initiative shall be ensured.

5.1.3 Export Promotion: leadership on this aspect shall be provided by the by the Ministry responsible for Trade. The Ministry and its Agencies such as UEPB, UIRI, UNBS, MTAC, shall be responsible for information generation and dissemination, exporter training, organizing and facilitating outward trade missions/fairs, enterprise development, especially aspects related to management and governance of enterprises, and guiding the productive sectors, including research, on market requirements and preferences so that they are taken into account right from the production stage. There shall be close collaboration between MTAC and UEPB in orienting the enterprises towards the export market.

5.1.4 Execution shall follow a public-private partnership approach. At all stages of execution, the private sector will be involved through the respective sector associations as appropriate. Involvement of the private sector will primarily be at sector level.

Similarly, any interventions aimed at benefiting the private sector will be at sectoral level.

5.1.5 Implementation of this Strategy shall be guided by the National Export Development Strategy Implementation Plan (NEDSIP). The Implementation Plan focuses on sectoral interventions and details what shall be undertaken with respect to each of the priority products, along the entire value chain, and target markets. The NEDSIP has been formulated with significant input from the private sector as sector players along the entire value chains of the prioritized products guided in the selection and sequencing of the actions to be undertaken in the context of implementing the Strategy.

5.2 Monitoring and Evaluation

5.2.1 The Ministry of Trade, Industry and Cooperatives will be responsible for the overall monitoring of activities and results of the NEDS. The Steering Committee will have, as one of its functions, monitoring implementation and overseeing corrective measures when necessary. A Monitoring and Evaluation Framework for the NEDS is contained in the Implementation Plan.

5.3 Financing Implementation of the NEDS

5.3.1 Implementation of the Strategy is estimated to cost a total of Ushs 2,756.78 billion spread over five years as follows: Ushs 891.14b in year one, Ushs 497.68b in year two, Ushs 467.31b in year three, Ushs 451.52b in year four and Ushs 449.13b in the fifth year. In view of the fact that implementation is to follow a value chain approach, these costs will be embedded across entire value chains; implying that they are spread across budgets and work plans of the respective sectors. Therefore, sectoral budget reprioritization in context of the NEDS implementation is anticipated with a view to focusing existing resources on implementing the NEDS. This investment is projected to increase the country's (merchandise) export earnings from the current US\$ 2.262b to US\$ 8.3571b in 2020.

ANNEX 1: Potential Products for Import Substitution: Average Value of Uganda's Imports of Selected Products, 2010- 2014 (US\$ '000);

HS Code	Product	Imports, (\$ 000)	Remarks
100119 100190 100199 110100	Durum wheat (excl. seed for sowing); Wheat nes, and meslin; Wheat & Meslin (excl. seed); Wheat or meslin flour	107,919	Country has capacity to import substitute
100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	20,269	Country has capacity to produce more and export into the region.
151110 151190	Palm oil, crude Palm oil and its fractions, etc.	217,741	Level of imports would certainly suggest scope for import substitution, although it should be acknowledged that much of the importation ends up as re-export to regional markets.
151221 151229 151590 151620 151710 151790	Cotton-seed oil crude, whether or not gossypol has been removed Cotton-seed and its fractions refined but not chemically modified Vegetable fats & oils nes & their fractions, refined or not but not chemically modified Vegetable fats & oils & fractions hydrogenated, inter or re-esterified, etc, refined or not Margarine, excluding liquid margarine Edible mx/prep of animal/vegetable fats & oils/of fractions excluding heading No 15.16	14,446	Country has some capacity and is already producing these oilseeds and their derivatives. There is scope for expanded production if oil seeds production is enhanced. Also scope for regional export.
160100	Sausage & similar products of meat, meat offal/blood & food prep based on these products	868	Level if imports would perhaps not justify new investments for import substitution alone
170112 170113 170191 170199 170230 170290	Raw sugar, beet Raw cane sugar,.. Refined sugar, in solid form, containing added flavouring or colouring matter Refined ... sugar, solid, without, flavouring or colouring matter. Glucose & glucose syrup not containing fructose, etc.	104,200	Present capacity at sugar mills sufficient to produce ordinary white sugar for local consumption. It may be necessary for new investments to be made to manufacture other value added products. However the local demand for such products reflected in the import data appears small.

HS Code	Product	Imports, (\$ 000)	Remarks
170490	Sugar nes, including invert sugar sugar confectionery nes (including white chocolate), not containing cocoa		
180100	Cocoa beans, whole or broken, raw or roasted	2,024	Import level not very significant.
180610	Cocoa powder, containing added sugar or other sweetening matter		
180620	Chocolate & other food preparations containing cocoa weighing more than 2 kg		
180690	Chocolate and other food preparations containing cocoa nes		
190110	Prep of cereals, flour, starch/milk f infant use, put up for retail sale	4,416	Imports not significant
190219	Uncooked pasta, not stuffed or otherwise prepared, nes		
190220	Stuffed pasta, whether or not cooked or otherwise prepared		
190230	Pasta nes		
190531	Sweet biscuits	14,201	There is some local capacity. Level of imports rather small.
200290	Tomatoes nes, prepared or preserved other than by vinegar or acetic acid	1,806	Imports too small to justify import substitution promotion.
200520	Potatoes prepared or preserved, other than by vinegar or acetic acid, not frozen	417	Imports too small to justify import substitution promotion.
200799	Jams, fruit, jellies, fruit/nut purée & paste, cooked sugared, sweetened ...	686	Imports too small to justify import substitution promotion.
210111	Coffee extracts, essences, concentrates	923	Imports too small to justify import substitution promotion.
210320	Tomato ketchup and other tomato sauces	7,809	Imports too small to justify import substitution promotion.
210390	Sauces and preparations nes and mixed condiments and mixed seasonings		
210690	Food preparations nes	6,655	Imports too small to justify import substitution promotion.
220210	Waters including mineral & aerated, containing sugar or sweetening matter or flavoured	8,996	Imports too small to justify import substitution promotion.
220290	Non-alcoholic beverages nes, excluding fruit/vegetable juices of heading No 20.09		
220710	Undenatured ethyl alcohol of an alcohol strength by volume of	24,825	

HS Code	Product	Imports, (\$ 000)	Remarks
	80% or higher		
230990	Animal feed preparations nes	1,634	Imports too small to justify import substitution promotion.
240220	Cigarettes containing tobacco		
240290	Cigars, cheroots, cigarillos and cigarettes, containing tobacco substitutes	11,083	
240399	Tobacco extracts and essences		
250100	Salt (including table salt & denatured salt) pure sodium chloride	22,712	
252310	Cement clinkers	41,444	
252329	Portland cement nes	57,643	
300410	Penicillins or streptomycins and their derivatives, in dosage		
300490	Medicaments nes, in dosage	218,283	Level of imports would justify investment in new capacity. However imports may include inputs.
310390	Mineral/chemical fertilizers, phosphatic, nes, in packages weighing > 10 kg		
310520	Fertilizers (NPK) ≤10kg	16472	Level of imports and a drive to promote greater fertiliser use in agriculture would justify investment in import substituting ventures in this area.
310551	Fertilizers containing nitrates & phosphates ,nes, in pack weighing ≤10kg		
310590	Fertilizers nes, in packages not exceeding 10 kg		
340119	Soap & organic surface cleaning preparations, shaped, nes; papers & nonwovens impregnated with soap/preparations ,nes		
340120	Soap nes	18,014	
340220	Surface-active prep, washing & cleaning preparations put up for retail sale		Levels of importation would not justify new investments in substituting enterprises
340290	Surface-active preparations, washing and cleaning preparations, nes		
390110	Polyethylene having a specific gravity of less than 0.94		
390120	Polyethylene , spec. gravity ≥ 0.94	55,481	Import levels would justify investment in import substitution, but data is probably influenced by imports of recently banned polythene bags.
392330	Carboys, bottles, flasks and similar articles of plastics		
392390	Articles for the conveyance or packing of goods nes, of plastics	14,518	Current imports may not be significant, but promotion of value added processed foods, etc would increase demand.
401110	Pneumatic tire new of rubber f motor car incl station wagons &	36,110	Currently there is no domestic production.

HS Code	Product	Imports, (\$ 000)	Remarks
401120	racing cars		
	Pneumatic tires new of rubber for buses or lorries		
	Belts and bandoliers of leather or of composition leather		
	Plain weave cotton fabric, >=85%, not more than 100 g/m2, unbleached		
	Woven fabrics of cotton, >=85%, not more than 200 g/m2, bleached, nes		
520811	Plain weave cotton fabric, >=85%, >100 g/m2 to 200 g/m2, printed		
520829	Plain weave cotton fabric, <85% mixed with man-made fabric, not more than 200 g/m2, printed		
520852	Woven fabrics of cotton, weighing not more than 200 g/m2, unbleached, nes		
521051	Textured yarn nes, of polyester filaments, not put up for retail sale		
521211	Yarn of synthetic filaments, multiple, nes, not put up for retail sale		
540233	Woven fabric of high tenacity yarns of nylon or other polyamides/polyesters		
540269	Woven fabrics, >=85% of textured polyester filaments, yarn dyed, nes		
540710	Woven fabrics, >=85% of textured polyester filaments, printed, nes		
540753	Woven fabric >85% non-textured polyester filaments		
540754	Woven fabric >85% polyester filaments, nes		
540761	Woven fabrics, containing >=85% of polyester staple fibres, other than unbleached or bleached		
540769	Plain weave polyester staple fibre fabric, <85%, mixed with cotton, <=170g/m2, unbleached/bleached		
551219	Woven fabrics of other synthetic staple fibre, <85%, mixed with cotton, <=170g/m2, unbleached/bleached		
551311	Plain weave polyester staple fibre fabric, <85%, mixed with cotton, <=170g/m2, unbleached/bleached		
551319	Woven fabrics of other synthetic staple fibre, <85%, mixed with cotton, <=170g/m2, unbleached/bleached		
551331	Plain weave polyester staple fibre fabric, <85%, mixed with cotton, <=170g/m2, unbleached/bleached		
551349	Woven fabrics of other synthetic staple fibre, <85%, mixed with cotton, <=170g/m2, unbleached/bleached		
551419	Plain weave polyester staple fibre fabric, <85%, mixed with cotton, <=170g/m2, unbleached/bleached		
551441	Woven fabrics of other synthetic staple fibre, <85%, mixed with cotton, <=170g/m2, unbleached/bleached		
551449	Plain weave polyester staple fibre fabric, <85%, mixed with cotton, <=170g/m2, unbleached/bleached		
551511	Woven fabric of other synthetic staple fibre, <85%, mixed with cotton, <=170g/m2, printed		
551519	Woven fabrics of other synthetic staple fibre, <85%, mixed with cotton, >170 g/m2, unbleached/bleached		
		22,302	These are all textiles and fabrics imported for the tailoring, furnishing and similar industries. Many are of mixed fibres including synthetics and cotton. The import data for textile fabrics alone may not suggest many possibilities for import substitution in textiles per se. But, allied to garments, wearing apparel, other textile based products (see below) and to regional as well as AGOA and EU exports, investments would be justified.
			See comment above.

HS Code	Product	Imports, (\$ 000)	Remarks
	Plain weave polyester staple fibre fabric, <85%, mixed with cotton, >170g/m2, printed		
	Woven fabrics of other synthetic staple fibre, <85%, mixed with cotton, >170 g/m2, printed		
	Woven fabric of polyester staple fibre mixed with viscose rayon staple fibre, nes		
	Woven fabrics of polyester staple fibres, nes		
	Nonwovens nes weighing >150g/m2		
560394	Men's/boys' ensembles, of other textile materials, knitted		
610329	Men's/boys' trousers and shorts, of other textile materials, knitted		
610349	Women's/girls' dresses, of other textile materials, knitted		
610449	Women's/girls' skirts, of other textile materials, knitted		
610459	Men's/boys' underpants and briefs, of man-made fibres, knitted		
610712	Men's/boys' underpants and briefs, of other textile materials, knitted		
610719	Women's/girls' briefs and panties, of man-made fibres, knitted		
610822	Women's/girls' briefs and panties, of other textile materials, knitted		
610829	Women's/girls' briefs and panties, of other textile materials, knitted		
610910	T-shirts, singlets and other vests, of cotton, knitted		
610990	T-shirts, singlets and other vests, of other textile materials, knitted		
611090	Pullovers, cardigans & similar articles of other textile materials, knitted		
611130	Babies' garments and clothing accessories of synthetic fibres, knitted		
611190	Babies' garments & clothing accessories of other textile materials, knitted		
611430	Babies' garments and clothing accessories of synthetic fibres, knitted		
611710	Babies' garments & clothing accessories of other textile materials, knitted		
620319	Babies' garments & clothing accessories of other textile materials, knitted		
620329	Garments nes, of man-made fibres, knitted		
620339	Shawls, scarves, veils and the like, of textile materials, knitted		
620349	Men's/boys' suits, of other textile materials, not knitted		
620413	Men's/boys' ensembles, of other textile materials, not knitted		
620419	Men's/boys' jackets and blazers, of other textile materials, not knitted		
620449	Men's/boys' trousers and shorts, of other textile materials, not knitted		
620453	Men's/boys' trousers and shorts, of other textile materials, not knitted		
620459	Men's/boys' trousers and shorts, of other textile materials, not knitted		
620469	Men's/boys' trousers and shorts, of other textile materials, not knitted		
620520	Men's/boys' trousers and shorts, of other textile materials, not knitted		
		115,225	

HS Code	Product	Imports, (\$ 000)	Remarks
620590	Women's/girls' suits, of synthetic fibres, not knitted		
620690	Women's/girls' suits, of other textile materials, not knitted		
620719	Women's/girls' dresses, of other textile materials, not knitted		
620799	Women's/girls' skirts, of synthetic fibres, not knitted		
620899	Women's/girls' skirts, of other textile materials, not knitted		
620990	Women's/girls' trousers & shorts, of other textile materials, not knitted		
621010	Men's/boys' shirts, of cotton, not knitted		
621020	Men's/boys' shirts, of other textile materials, not knitted		
621030	Women's/girls' blouses and shirts, of other textile materials, not knitted		
621040	Men's/boys' underpants and briefs, of other textile materials, not knitted		
621050	Men's/boys' bathrobes, dressing gowns, etc of other textile materials, not knitted		
621139	Women's/girls' panties, bathrobes, etc, of other textile materials, not knitted		
621490	Babies' garments & clothing accessories of other textile materials, not knitted		
630140	Garments made up of textile felts and of nonwoven textile fabrics		
630190	Men's/boys' overcoats & similar articles of impregnated, ...		
630210	Women's/girls' overcoats & similar articles, ...		
630229	Men's/boys' garments nes, made up of impregnated ... textile woven fabric etc		
630260	Women's/girls' garments nes, of impregnated ... textile woven fabric, etc		
630319	Men's/boys' garments nes, of other textile materials, not knitted		
630399	Shawls, scarves, veils & the like, of other textile materials, not knitted		
630419	Blankets (other than electric) and travelling rugs, of synthetic fibres		
630491	Blankets (other than electric) and travelling rugs, of other textile materials		
630499	Bed linen, of textile knitted or crocheted materials		
630520			
630539			
630710			
630900			

HS Code	Product	Imports, (\$ 000)	Remarks
	Bed linen, of other textile materials, printed, not knitted		
	Toilet & kitchen linen, of terry towelling or similar terry fabric, of cotton		
	Curtains, drapes, interior blinds & curtain ... other textile material, knitted		
	Curtain/drape/interior blind curtain/ valance, of other textile material, not knitted		
	Bedspreads of textile materials, nes, not knitted or crocheted		
	Furnishing articles of textile materials		
	Furnishing articles nes, of other textile materials, not knitted or crocheted		
	Sacks and bags, for packing of goods, of cotton		
	Sacks & bags, for packing of goods, of other man-made textile materials		
	Floor-cloths, dish-cloths, dusters & similar cleaning cloths, of textile material		
	Worn clothing and other worn articles		
	Footwear of rubber or plastics, upper straps assembled to sole by plugs	28,782	Again in this sector import data does not suggest a large domestic market that would justify narrow import substitution. But allied to regional as well as AGOA and EU exports and with the right incentives there would be justification to create local manufacturing capacity.
640220	Footwear, outer soles/uppers of rubber or plastics, covering the ankle, nes		
640291	Footwear, outer soles/uppers of rubber or plastics, nes		
640299	Footwear, outer sole/upper of leather, strap across the instep/around big toe		
640320	Footwear, outer sole of rubber/plastic/leather, uppers of leather w/met toe-cap		
640340	Footwear with uppers of leather or composition leather, nes		
640510	Footwear, nes		
640590	Hot rolled iron/steel, coils, >600mm, relief pattern		
720810	Hot roll steel, coil, pickled >600mm wide x >4.75mm	238,472	There is a wide variety of iron and non-alloy steel being imported. Much of the importation is of intermediate iron and steel for transformation into finished and other semi-finished products, and some is for specialised applications in construction. The current installed capacity is underutilised by nearly 80%. There
720825	Hot roll steel, coil, pickled >600mm wide <3mm thick		
720827	Hot roll steel, coil, pickled >600mm wide <3mm thick		
720837	Hot roll iron/steel nes, coil >600mm x 4.75-10mm		
720838	Hot roll iron/steel nes, coil >600mm x 3-4.75mm		
720839	Hot roll iron/steel nes, coil >600mm x <3mm		

HS Code	Product	Imports, (\$ 000)	Remarks
720840	Hot roll iron/steel, not coil >600mm relief pattern		may be some scope to import substitute if the right incentives are given.
720851	Hot roll iron/steel, not coil >600mm x >10mm		
720852	Hot roll iron/steel, not coil >600mm x 4.75-10mm		
720853	Hot roll iron/steel, not coil >600mm x 3-4.75mm		
720854	Hot roll iron/steel, not coil >600mm x <3mm		
720890	Flat rolled prod, i/nas, not further worked than hot rolled, nes		
720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm		
720918	Cold rolled iron/steel, coils >600mm x <0.5mm		
721012	Flat rolled products of iron & steel plated or coated with tin, >=600mm wide, <0.5mm thick		
721049	Flat rolled products of iron & steel, plated or coated with zinc, >=600mm wide, nes		
721061	Flat rolled iron & steel, coated with alum-zinc alloy, w >600mm		
721069	Flat rolled iron & steel, coated aluminium, w >600mm		
721070	Flat rolled products of iron & steel, painted, varnished or plast coated, >=600mm wide		
721090	Flat rolled prod, iron & steel, clad, plated or coated, >=600mm wide, nes		
721119	Flat rolled products of iron & steel, width <600, thickness <3mm ...		
721129	Flat rolled prod, of iron & steel, hr, <600mm wide nes		
721240	Flat rolled products of iron & steel, <600mm wide, painted, varnished or plast coated		
721250	Flat rolled prod, i/nas, <600mm wide, plated or coated, nes		
721310	Bars & rods, of iron & steel ... irregular wound coils, containing indented ,ribs, etc		
721391	Hot rolled bar/rod, irregular coils, <14mm		
721399	Hot rolled bar/rod, irregular coils, nes		
721420	Bars & rods, of iron & steel ... containing indented ribs, etc, ...		
721499	Bars & rods, iron & steel, forged etc., nes		
721590	Bars & rods, of iron& steel, nes		
721632	Sections, of iron & steel ... than hot rolled, drawn or extruded, height 80mm or more		
721650	Angles, shapes & sections of iron & steel ... rolled/drawn/extruded,		
721661			
721691			
721934			
722830			
730630			
730640			
730661			

HS Code	Product	Imports, (\$ 000)	Remarks
730820	height>=80mm	222,969	The level of imports of vehicles would in theory suggest some scope for import substitution (possibly at assemble level). However the technology required and skills necessary to support such a venture would need to be created and assimilated over several years. It should also be stated that the majority of imports are of fairly cheap reconditioned vehicles with which any domestic production would have to compete. For motor-cycles see next section.
732620	Angles, shapes etc., iron & steel, cold formed from flat		
	Angles, shapes etc., iron & steel, cold formed from flat		
	Flat rolled prod, stainless steel, w>=600mm, 0.5mm<=thick <1mm		
	Bars & rods, alloy steel, other than stainless hot rolled/drawn/extruded, nes		
	Tubes, pipe & hollow profiles, iron or steel, welded, of circular cross section, nes		
	Tube, pipe & hollow profile, stainless steel, welded, of circular cross section nes		
	Tubes and pipes and hollow profiles, welded, of square or rectangular		
	Towers and lattice masts, iron or steel		
	Articles of wire, iron or steel, nes		
	Road tractors for semi-trailers (truck tractors)		
870120	Wheeled tractors nes		
870190	Diesel powered buses seating > 9 persons		
870210	Buses with a seating capacity of more than nine persons nes		
870290	Automobiles w reciprocating piston engine displacing not more than 1000 cc		
870321	Automobiles w reciprocating piston engine displacing > 1000 cc to 1500 cc		
870322	Automobiles w reciprocating piston engine displacing > 1000 cc to 1500 cc		
870324	Automobiles with reciprocating piston engine displacing > 3000 cc		
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc		
870333	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc		
870421	Automobiles with diesel engine displacing more than 2500 cc		
870422	Diesel powered trucks < 5 tonnes		
870423	Diesel powered trucks 5 - 20 tonnes		
	Diesel powered trucks > 20 tonnes		

ANNEX II: Sectoral Shares of Commercial Banks' Credit to the Private Sector (in percent of the total lending)

SECTOR	2010/11	2011/12	2012/13	2013/14	2014/15
Agriculture					
Production 2/	6.8	6.7	6.7	8.0	9.4
Farming (Crops, Livestock and Poultry)	3.5	3.4	3.2	3.3	3.7
Fishing	2.8	2.8	2.5	2.6	3.1
Forestry	0.2	0.2	0.3	0.2	0.2
Other	0.0	0.0	0.0	0.0	0.0
Processing & Marketing(crop finance)	0.4	0.3	0.4	0.4	0.4
O/w Marketing	3.3	3.3	3.6	4.7	5.7
Mining and Quarrying					
Crude Petroleum & Natural Gas	1.4	1.5	1.4	1.7	1.9
Other Mining & Quarrying	0.6	0.3	0.4	0.3	0.4
	0.0	0.1	0.1	0.2	0.3
	0.6	0.2	0.3	0.2	0.1
Manufacturing					
Food, Beverages and Tobacco	13.8	12.9	14.6	14.4	14.3
Textiles, Apparel and Leather	6.1	6.2	6.1	5.2	4.8
Wood, Wood Products & Furniture	0.5	0.5	0.4	0.4	0.6
Paper, Paper Products, Printing & Publishing	0.2	0.2	0.3	0.3	0.2
Chemicals, Pharmaceuticals, Plastic and Rubber Products	0.9	0.7	1.1	1.1	1.1
Basic and Fabricated Non-Metal and Metal Products	1.2	1.1	1.5	1.6	1.2
Building & Construction Materials.	1.4	1.2	1.8	1.8	1.6
Other Manufacturing Industries	1.9	1.7	2.1	2.2	1.8
Trade					
Wholesale Trade	1.6	1.3	1.3	1.9	3.0
Retail	22.2	21.5	20.4	19.2	19.3
	7.9	7.1	7.7	7.2	8.6
	7.9	7.6	7.2	7.9	6.8

SECTOR	2010/11	2011/12	2012/13	2013/14	2014/15
Restaurants and Hotels	1.6	1.2	1.3	1.2	1.4
Exports	0.7	0.4	0.4	0.4	0.1
Imports	4.0	5.2	3.8	2.6	2.3
Re-Exports	0.0	0.0	0.0	0.0	0.0
Transport and Communication	7.7	7.1	6.4	5.5	5.2
Land (Road & Rail) Transport	2.3	2.1	1.8	2.1	2.2
Water Transport	0.0	0.0	0.2	0.1	0.0
Air Transport	0.5	0.4	0.4	0.4	0.3
Travel Agencies	0.2	0.3	0.1	0.1	0.2
Postal & Courier Services	0.1	0.0	0.0	0.0	0.0
Telecommunications	4.6	4.4	3.8	2.8	2.4
Electricity and Water	0.9	0.9	1.4	1.3	1.7
Electricity, Lighting & Power	0.6	0.7	1.3	1.1	1.4
Water, Water Works & Supply	0.3	0.2	0.2	0.1	0.3
Building, Mortgage, Construction and Real Estate	19.6	21.2	24.0	22.7	23.3
Mortgage	11.2	11.8	11.9	11.2	12.4
Residential Mortgages	8.0	6.3	6.6	6.9	7.2
Commercial Mortgages	3.2	5.5	5.3	4.4	5.1
Land Purchase	0.7	0.3	0.4	0.6	1.0
Road Construction and Maintenance	0.5	0.5	0.6	0.4	0.4
General Construction Contractors e.g. Building/Construction Companies	2.2	3.0	4.0	3.4	3.6
Specialized Contractors e.g. Plumbers, Roof Repair, Electrical Contractors etc	0.2	0.2	0.2	0.2	0.1
Property Developers, Estate Agents and Letting Agents	4.8	5.4	6.9	6.8	5.8
Business Services	4.0	4.3	4.7	4.6	4.5

SECTOR	2010/11	2011/12	2012/13	2013/14	2014/15
Working Capital	1.3	2.0	1.8	1.9	2.1
Other	2.7	2.3	2.9	2.8	2.3
Community, Social & Other Services	3.1	3.5	3.3	3.2	3.4
Education Services	1.7	1.6	1.8	2.2	2.3
Health Services	0.5	0.5	0.6	0.5	0.6
Membership Organizations, Community Development	0.8	1.2	0.7	0.2	0.1
Recreational, Cultural and Sporting Services	0.1	0.2	0.2	0.3	0.3
International Organizations	0.0	0.0	0.0	0.0	0.0
Personal Loans and Household Loans	16.2	16.3	13.6	16.7	16.5
Purchase of Durable Goods	4.7	6.1	7.4	7.7	9.2
o/w Auto (car) loans	0.7	0.4	0.1	0.2	0.4
Non-durable goods and services	11.5	10.2	6.3	9.1	7.3
Other Services	5.1	5.3	4.5	4.0	2.0
Total	100.0	100.0	100.0	100.0	100.0

Source: Statistics Department, Bank of Uganda

Annex III: Statistical Appendix

Table 1: Uganda's International Trade, 2009 to 2014 (US\$ Million)

MERCHANDISE	2009	2010	2011	2012	2013	2014
Imports	4,258	4,664	5,631	6,044	5,818	6,074
Exports	1,568	1,619	2,159	2,358	2,408	2,262
Balance	-2,690	-3,045	-3,472	-3,687	-3,410	-3,812
SERVICES						
Imports	1,393	1,803	2,404	2,451	2,635	3,380
Exports	1,027	1,303	1,774	2,094	2,391	2,744
Balance	-366	-500	-630	-356	-244	-636
MERCHANDISE & SERVICES	2009	2010	2011	2012	2013	2014
Imports	5,651	6,467	8,035	8,495	8,453	9,454
Exports	2,595	2,921	3,933	4,452	4,798	5,006
Balance	-3,056	-3,545	-4,102	-4,043	-3,655	-4,448

Source: UN COMTRADE

Table 2: Uganda's Top 20 Exports, 2014 (US\$ Million)

Product (Six Digit HS Level)	2010	2011	2012	2013	2014
All products	1,619	2,159	2,357	2,408	2,262
Coffee, not roasted, not decaffeinated	267	459	371	424	409
Light petroleum oils and preparations	72	104	0	0	144
Portland cement nes	71	94	107	103	88
Fresh, chilled fillets: Nile Perch	0	0	31	90	83
Black tea fermented	27	34	51	59	67
Cocoa beans, whole or broken, raw or roasted	35	45	38	55	59
Vegetable fats & oils & fractions hydrogenated, ...	35	53	47	47	55
Refined cane or beet sugar, solid, without flavouring or	10	25	71	68	55
Sesamum seeds, whether or not broken	13	17	11	28	55
Full grains, unsplit and grain splits, in the wet state	6	9	13	36	39
Fish heads, tails and maws, smoked, dried, salted ...	0	0	5	15	36
Tobacco, unmanufactured, not stemmed or stripped	2	0	0	31	35
Electrical energy	13	16	16	17	34
Grain sorghum	1	0	0	0	33
Palm oil and its fractions refined but not modified	17	43	51	40	33
Bars & rods, of iron and steel	23	31	32	37	30
Wheat or meslin flour	2	3	13	30	29
Roses, grafted or not	22	21	27	29	29
Flat rolled products of iron and steel	15	23	27	29	29
Cuttings and slips, unrooted	24	31	26	26	28

Source: UN COMTRADE

Table 3: Uganda's Top 25 Export Markets 2014 (US\$ Million)

PRODUCT	2010	2011	2012	2013	2014
World	1,619	2,159	2,357	2,408	2,262
Sudan (North + South)	209	329	424	415	385
Kenya	190	227	254	314	297
Rwanda	149	194	226	216	245
Democratic Republic of the Congo	184	182	241	268	182
Italy	31	58	47	57	99
Belgium	42	64	47	59	90
Netherlands	90	97	95	104	89
Germany	74	88	71	83	75
China	22	27	29	38	66
Tanzania, United Republic of	38	42	54	48	56
Switzerland	58	119	124	158	56
Burundi	51	41	46	49	43
United States of America	21	35	24	37	40
Spain	36	47	32	30	37
Hong Kong, China	19	32	29	27	36
United Arab Emirates	121	143	176	83	35
United Kingdom	37	61	58	48	33
Singapore	24	71	54	36	32
India	14	19	14	14	28
France	12	12	20	17	16
Malaysia	1	1	6	10	14
Israel	7	10	8	6	11
Portugal	11	15	12	7	10
South Africa	10	8	9	7	9
Poland	13	10	9	11	9

Source: UN COMTRADE

Table4: World Imports of NEDS Priority Products Compared to Uganda Exports, 2010 to 2014 (US\$ Million)

Product	2010			2011			2012			2013			2014		
	World Imports	Uganda Exports		World Imports	Uganda Exports		World Imports	Uganda Exports		World Imports	Uganda Exports		World Imports	Uganda Exports	
		Value	%share		Value	%share		Value	%share		Value	%share		Value	%share
Coffee Beans, not roasted, not decaffeinated	17,538	267	1.52	27,422	459	1.67	24,278	371	1.53	19,594	424	2.16	20,715	410	1.98
Coffee Beans, not roasted, decaffeinated	621	3	0.48	981	1	0.10	840	0	0.00	748	0	0.00	726	0	0.00
Value Added Coffees	5,801	3	0.05	8,076	4	0.05	8,288	0	0.00	8,643	0	0.00	9,446	0	0.00
Tea - Green, not fermented	892	4	0.45	1,069	2	0.19	1,139	3	0.26	1,270	4	0.31	1,370	4	0.29
Tea - Black, fermented or semi-fermented	4,804	64	1.33	5,413	70	1.29	5,432	71	1.31	5,699	82	1.44	5,095	81	1.59
Cotton, not carded or combed	16,302	1	0.01	24,566	4	0.02	21,810	7	0.03	19,164	4	0.02	15,245	3	0.02
Cotton waste	471	0	0.00	770	0	0.00	667	0	0.00	691	0	0.00	515	0	0.00
Cotton, carded or combed	229	19	8.30	296	82	27.70	277	68	24.55	199	28	14.07	178	19	10.67
Cotton sewing thread	203	0	0.00	234	0	0.00	198	0	0.00	272	0	0.00	169	0	0.00
Cotton yarn 85% or more cotton	11,519	0	0.00	12,545	0	0.00	11,832	0	0.00	14,390	0	0.00	13,701	0	0.00
Cotton yarn less than 85%cotton	1,214	0	0.00	1,669	0	0.00	1,522	0	0.00	1,725	0	0.00	1,705	0	0.00
Cotton yarn put up for retail sale	311	0	0.00	460	0	0.00	462	0	0.00	365	0	0.00	224	0	0.00
Woven cotton fabrics, 85% or more cotton	10,577	2	0.02	12,225	1	0.01	10,457	2	0.02	10,794	1	0.01	12,197	1	0.01
Woven cotton fabrics, 85% or more cotton	8,183	0	0.00	9,720	0	0.00	8,831	0	0.00	8,894	0	0.00	8,327	0	0.00
Woven cotton fabrics, less than 85% cotton,	1,757	0	0.00	2,380	0	0.00	1,942	0	0.00	2,011	0	0.00	2,468	0	0.00
Woven fabrics of cotton, less than 85%.mxd	1,938	0	0.00	2,547	0	0.00	2,500	0	0.00	2,761	0	0.00	3,046	0	0.00
Woven fabrics of cotton, nes	920	0	0.00	1,056	0	0.00	716	0	0.00	862	0	0.00	625	0	0.00
Articles of apparel, knit or crocheted	170,908	2	0.00	194,716	1	0.00	185,882	1	0.00	195,862	0	0.00	214,883	1	0.00
Articles of apparel, not knit or crocheted	173,478	1	0.00	200,900	1	0.00	190,908	2	0.00	199,268	3	0.00	213,730	1	0.00

Product	2010			2011			2012			2013			2014		
	World Imports	Uganda Exports		World Imports	Uganda Exports		World Imports	Uganda Exports		World Imports	Uganda Exports		World Imports	Uganda Exports	
		Value	%share		Value	%share		Value	%share		Value	%share		Value	%share
Maize Grain	25,644	27	0.11	36,502	17	0.05	38,610	42	0.11	38,480	27	0.07	36,198	29	0.08
"Beans" - dried - including peas, chick peas etc	8,111	10	0.12	9,004	17	0.19	9,728	13	0.13	10,076	19	0.19	10,364	24	0.23
Cocoa beans, whole or broken	10,024	35	0.35	12,830	45	0.35	8,526	38	0.45	7,875	55	0.70	9,776	59	0.60
Cocoa Powder	2,587	0	0.00	3,501	0	0.00	3,319	0	0.00	2,695	0	0.00	2,128	0	0.00
Chocolate	19,371	0	0.00	22,814	0	0.00	23,278	0	0.00	25,383	0	0.00	26,850	0	0.00
Fish Fillets, Tilapias	n.a	n.a	n.a	n.a	n.a	n.a	207	0	0.00	274	0	0.00	262	0	0.00
Fish Fillets, Nile Perch	n.a	n.a	n.a	n.a	n.a	n.a	203	31	15.27	213	90	42.25	205	83	40.49
Dairy Products - Milk, etc.	23,035	13	0.06	29,926	17	0.06	28,407	19	0.07	33,135	24	0.07	36,511	23	0.06
Iron and Steel	395,916	54	0.01	487,120	78	0.02	438,529	83	0.02	406,141	94	0.02	419,978	93	0.02
Articles of Iron and Steel	255,444	31	0.01	301,387	41	0.01	310,558	47	0.02	313,388	42	0.01	318,939	34	0.01
Rice	20,138	27	0.13	23,625	17	0.07	23,852	42	0.18	23,521	27	0.11	24,600	29	0.12
Cut flowers	16,693	47	0.28	19,238	53	0.28	17,619	53	0.30	18,661	56	0.30	19,112	58	0.30
Edible vegetables and certain roots and tubers	56,961	14	0.02	61,703	23	0.04	60,576	21	0.03	67,847	32	0.05	68,641	40	0.06
Edible fruits and nuts etc.	82,474	1	0.00	93,734	2	0.00	95,488	2	0.00	105,256	1	0.00	111,518	3	0.00
Sesame seeds	1,831	13	0.71	2,721	17	0.62	1,949	11	0.56	2,670	29	1.09	3,451	55	1.59
Cane and beet sugar	30,302	58	0.19	40,000	80	0.20	34,584	76	0.22	31,065	80	0.26	27,871	68	0.24
Tobacco and manufactured tobacco	38,435	69	0.18	46,043	55	0.12	45,073	70	0.16	46,249	120	0.26	44,352	66	0.15
Cements	12,737	72	0.57	12,644	94	0.74	12,545	107	0.85	13,749	103	0.75	12,987	89	0.69
Raw or semi-processed hides and skins	7,931	17	0.21	9,956	33	0.33	9,643	42	0.44	10,929	64	0.59	11,182	74	0.66
Leather hand bags	6,637	0	0.00	9,277	0	0.00	10,261	0	0.00	11,312	0	0.00	12,743	0	0.00

Product	2010			2011			2012			2013			2014		
	World Imports	Uganda Exports		World Imports	Uganda Exports		World Imports	Uganda Exports		World Imports	Uganda Exports		World Imports	Uganda Exports	
		Value	%share		Value	%share		Value	%share		Value	%share		Value	%share
Articles carried in pocket or handbag, leather	2,653	0	0.00	3,569	0	0.00	4,076	0	0.00	4,331	0	0.00	4,431	0	0.00
Articles of apparel, of leather	3,507	0	0.00	3,848	0	0.00	3,592	0	0.00	3,774	0	0.00	3,921	0	0.00
Containers with outer surface of leather	1,830	0	0.00	2,385	0	0.00	2,823	0	0.00	3,032	0	0.00	3,253	0	0.00
Belts or bandoliers of leather etc.	2,053	0	0.00	2,404	1	0.04	2,346	0	0.00	2,438	0	0.00	2,429	0	0.00
Footwear, upper of leather	48,561	1	0.00	53,950	2	0.00	52,569	1	0.00	55,404	2	0.00	58,013	4	0.01

Source: UN COMTRADE

n.a denotes 'Not Available'

Table 5: Imports of NEDS Priority Products by NEDS Target Markets, 2010 to 2014 (US\$ Million)

HS CODE	PRODUCT	2010	2011	2012	2013	2014
090111	Coffee Beans, not roasted, not decaffeinated	11,593	18,490	16,057	12,765	13,938
090112	Coffee Beans, not roasted, decaffeinated	524	860	742	652	637
090121 090122	Value Added Coffees	3,175	4,305	4,394	4,585	5,199
090210 090220	Tea - Green, not fermented	347	395	397	467	461
090230 090240	Tea - Black, fermented or semi-fermented	1,572	1,678	1,525	1,744	1,666
5201	Cotton, not carded or combed	6,304	10,363	12,743	9,312	5,842
5202	Cotton waste	293	499	402	506	352
5203	Cotton, carded or combed	81	109	80	91	74
5204	Cotton sewing thread	66	70	60	58	57
5205	Cotton yarn 85% or more cotton	5,878	5,790	6,816	8,843	7,769
5206	Cotton yarn less than 85% cotton	688	933	858	918	866
5207	Cotton yarn put up for retail sale	108	119	105	116	121
5208	Woven cotton fabrics, 85% or more cotton	4,082	4,572	3,901	3,921	3,858
5209	Woven cotton fabrics, 85% or more cotton	2,930	3,114	2,823	2,846	2,484
5210	Woven cotton fabrics, less than 85% cotton, mixed	642	693	535	539	524
5211	Woven fabrics of cotton, less than 85%, mxd	724	926	925	1,028	1,020
5212	Woven fabrics of cotton, nes	291	269	212	219	228
61	Articles of apparel, knit or crocheted	117,829	131,486	122,182	129,378	137,581
62	Articles of apparel, not knit or crocheted	113,556	128,229	119,278	124,464	131,937
1005	Maize Grain	114	173	102	102	66
1007	Sorghum	85	27	36	70	112
0713	"Beans" - dried - including peas, chick peas etc	96	124	101	144	134
1801	Cocoa beans, whole or broken	7,282	8,363	6,162	5,720	6,997
1805	Cocoa Powder	1,283	1,696	1,562	1,340	1,053
1806	Chocolate	9,715	11,415	11,344	12,511	13,949
030431	Fish Fillets, Tilapias	-	-	184	245	232
030433	Fish Fillets, Nile Perch	-	-	186	196	186
0401 0402	Dairy Products - Milk, etc.	155	145	129	185	145
0407	Birds' Eggs in the shell	12	11	11	14	11
72	Iron and Steel	976	1,317	654	1,546	1,286
73	Articles of Iron and Steel	569	773	737	1,318	1,126

Source: UN COMTRADE

Table 6: Uganda's Exports of NEDS Priority Products, 2010 to 2014 (US\$ Million)

HS CODE	PRODUCT	2010	2011	2012	2013	2014
090111	Coffee Beans, not roasted, not decaffeinated	267	459	371	424	410
090112	Coffee Beans, not roasted, decaffeinated	3	1	0	0	0
090121 090122	Value Added Coffees	3	4	0	0	0
090210 090220	Tea - Green, not fermented	4	2	3	4	4
090230 090240	Tea - Black, fermented or semi-fermented	64	70	71	82	81
5201	Cotton, not carded or combed	1	4	7	4	3
5202	Cotton waste	0	0	0	0	0
5203	Cotton, carded or combed	19	82	68	28	19
5204	Cotton sewing thread	0	0	0	0	0
5205	Cotton yarn 85% or more cotton	0	0	0	0	0
5206	Cotton yarn less than 85% cotton	0	0	0	0	0
5207	Cotton yarn put up for retail sale	0	0	0	0	0
5208	Woven cotton fabrics, 85% or more cotton	2	1	2	1	1
5209	Woven cotton fabrics, 85% or more cotton	0	0	0	0	0
5210	Woven cotton fabrics, less than 85% cotton, mixed	0	0	0	0	0
5211	Woven fabrics of cotton, less than 85%, mxd	0	0	0	0	0
5212	Woven fabrics of cotton, nes	0	0	0	0	0
61	Articles of apparel, knit or crocheted	2	1	1	0	1
62	Articles of apparel, not knit or crocheted	1	1	2	3	1
1005	Maize Grain	27	17	42	27	29
0713	"Beans" - dried - including peas, chick peas etc	10	17	13	19	24
1801	Cocoa beans, whole or broken	35	45	38	55	59
1805	Cocoa Powder	0	0	0	0	0
1806	Chocolate	0	0	0	0	0
030431	Fish Fillets, Tilapias	-	-	0	0	0
030433	Fish Fillets, Nile Perch	-	-	31	90	83
0401 0402	Dairy Products - Milk, etc.	13	17	19	24	23
72	Iron and Steel	54	78	83	94	93
73	Articles of Iron and Steel	31	41	47	42	34
1006	Rice	27	17	42	27	29
0601, 0602 0603, 0604	Cut flowers	47	53	53	56	58
07	Edible vegetables and certain roots and tubers	14	23	21	32	40
08	Edible fruits and nuts etc.	1	2	2	1	3
120740	Sesame seeds	13	17	11	29	55
1701	Cane and beet sugar	58	80	76	80	68
24	Tobacco and manufactured tobacco substitutes	69	55	70	120	66
2523	Cements	72	94	107	103	89

HS CODE	PRODUCT	2010	2011	2012	2013	2014
41	Raw or semi-processed hides and skins	17	33	42	64	74
420221	Leather hand bags	0	0	0	0	0
420231	Articles carried in pocket or handbag, of leather	0	0	0	0	0
420310	Articles of apparel, of leather	0	0	0	0	0
420291	Containers with outer surface of leather	0	0	0	0	0
420330	Belts or bandoliers of leather etc.	0	1	0	0	0
6403	Footwear, upper of leather	1	2	1	2	4

Source: UN COMTRADE

Table 7: Projected Total Exports by Priority Product, 2016 to 2020 (US\$ Million)

Product	2014	2016	2017	2018	2019	2020
Coffee Beans	410.0	565.0	622.5	686.0	808.6	953.1
Value Added Coffee	0.1	12.7	22.4	49.4	113.3	200.4
Cotton Lint	21.9	84.0	96.9	92.7	81.5	60.1
Value Added Cotton	0.8	0.0	17.2	127.2	610.9	1,388.7
Tea	84.7	92.3	99.8	115.6	134.0	155.3
Cocoa Beans	59.4	78.3	92.8	107.1	123.3	144.0
Value Added Cocoa	0.0	0.0	0.0	10.7	26.0	48.3
Maize Grain	29.0	35.7	42.2	50.0	59.3	70.2
Value Added Maize	20.7	20.2	22.2	24.5	29.4	35.2
Beans	20.0	53.8	62.4	73.9	131.3	155.5
Rice	28.7	40.8	45.2	57.2	64.8	73.4
Sesame	55.2	65.4	70.7	89.4	99.0	109.7
Tobacco	66.0	70.3	72.3	74.3	76.3	78.4
Fish & Fish Products	134.8	163.1	179.4	197.3	217.1	238.8
Flowers	57.6	76.2	95.2	119.0	148.8	185.9
Fruits and Vegetables	16.1	32.7	43.5	57.9	77.0	102.4
Hides & Skins	73.8	82.3	75.1	49.7	36.5	33.6
Leather & Leather Products	0.0	34.1	100.1	498.0	766.9	1,147.5
Livestock Products	29.5	44.4	53.2	63.9	76.7	92.0
Iron & Steel	126.8	126.4	149.1	176.0	211.1	263.9
Cement	89.1	120.9	142.7	168.4	202.1	252.6
Plastics	37.1	57.9	72.4	90.5	113.2	141.4
Sugar	68.9	92.0	108.6	128.2	153.8	192.2
Total Priority Products	1,430.1	1,948.5	2,286.1	3,106.8	4,360.7	6,122.5
All Other Products (Same growth rate)	831.8	1,401.1	1,590.1	1,784.5	1,976.3	2,234.6
Total Projected Exports	2,262.0	3,349.6	3,876.2	4,891.3	6,337.0	8,357.1
Total Projected Imports (Reducing growth rate)	6,073.5	6,976.7	8,023.3	9,066.3	10,154.2	11,271.2
Projected Trade Balance	-3,811.6	-3,627.1	-4,147.1	-4,175.0	-3,817.2	-2,914.2
% Deficit	-168.51	-108.29	-106.99	-85.36	-60.24	-34.87

Calculations by MTIC Based on UNCOMTRADE Data

Table 8: Projected Exports by Priority Product and by Priority Market, 2016 to 2020 (US\$ Millions)

PRODUCT	2016	2017	2018	2019	2020
COFFEE BEANS					
Total	565.0	622.5	686.0	808.6	953.1
AGOA	138.6	154.7	172.5	206.8	247.3
COMESA and Tanzania	70.0	75.0	80.0	85.0	90.0
EU (Priority countries only)	207.9	230.0	254.5	303.9	362.5
India & China	49.5	54.8	60.6	72.4	86.3
UAE, Singapore, Hong Kong	37.1	41.1	45.4	54.3	64.7
Rest of the World	61.9	67.0	72.9	86.2	102.3
Value Added Coffees	2016	2017	2018	2019	2020
Total	12.7	22.4	49.4	113.3	200.4
AGOA	2.5	4.5	9.9	22.7	40.1
COMESA and Tanzania	1.3	2.2	4.9	11.3	20.0
EU (Priority countries only)	3.8	6.7	14.8	34.0	60.1
India & China	2.5	4.5	9.9	22.7	40.1
UAE, Singapore, Hong Kong	1.3	2.2	4.9	11.3	20.0
Rest of the World	1.3	2.2	4.9	11.3	20.0
Raw Cotton - HS- 5201, 5202, 5203	2016	2017	2018	2019	2020
Total	84.0	96.9	92.7	81.5	60.1
AGOA	8.4	9.7	9.3	8.1	6.0
COMESA and Tanzania	1.7	1.9	1.9	1.6	1.2
EU (Priority countries only)	12.6	14.5	13.9	12.2	9.0
India & China	21.0	24.2	23.2	20.4	15.0
UAE, Singapore, Hong Kong	27.7	32.0	30.6	26.9	19.8
Rest of the World	12.6	14.5	13.9	12.2	9.0
Value Added Cotton - HS- 5204 plus	2016	2017	2018	2019	2020
Total	0.0	17.2	127.2	610.9	1,388.7
AGOA	0.0	4.8	35.6	171.1	388.8
COMESA and Tanzania	0.0	1.7	12.7	61.1	138.9
EU (Priority countries only)	0.0	7.2	53.4	256.6	583.2
India & China	0.0	1.7	12.7	61.1	138.9
UAE, Singapore, Hong Kong	0.0	0.9	6.4	30.5	69.4
Rest of the World	0.0	0.9	6.4	30.5	69.4
Tea	2016	2017	2018	2019	2020
Total	92.3	99.8	115.6	134.0	155.3
AGOA	18.5	20.0	23.1	26.8	31.1
COMESA and Tanzania	13.8	15.0	17.3	20.1	23.3
EU (Priority countries only)	27.7	29.9	34.7	40.2	46.6
India & China	9.2	10.0	11.6	13.4	15.5
UAE, Singapore, Hong Kong	9.2	10.0	11.6	13.4	15.5
Rest of the World	13.8	15.0	17.3	20.1	23.3
Maize Grain	2016	2017	2018	2019	2020
Total	35.7	42.2	50.0	59.3	70.2
AGOA	0.0	0.0	0.0	0.0	0.0
COMESA and Tanzania	35.7	42.2	50.0	59.3	70.2
EU (Priority countries only)	0.0	0.0	0.0	0.0	0.0
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	0.0	0.0	0.0	0.0	0.0
Rest of the World	0.0	0.0	0.0	0.0	0.0

PRODUCT	2016	2017	2018	2019	2020
Value Added Maize	2016	2017	2018	2019	2020
Total	20.2	22.2	24.5	29.4	35.2
AGOA	0.4	0.4	0.5	0.6	0.7
COMESA and Tanzania	18.2	20.0	22.0	26.4	31.7
EU (Priority countries only)	0.4	0.4	0.5	0.6	0.7
India & China	0.4	0.4	0.5	0.6	0.7
UAE, Singapore, Hong Kong	0.4	0.4	0.5	0.6	0.7
Rest of the World	0.4	0.4	0.5	0.6	0.7
Beans	2016	2017	2018	2019	2020
Total	53.8	62.4	73.9	131.3	155.5
AGOA	0.0	0.0	0.0	0.0	0.0
COMESA and Tanzania	53.8	62.4	73.9	131.3	155.5
EU (Priority countries only)	0.0	0.0	0.0	0.0	0.0
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	0.0	0.0	0.0	0.0	0.0
Rest of the World	0.0	0.0	0.0	0.0	0.0
Rice	2016	2017	2018	2019	2020
Total	40.8	45.2	57.2	64.8	73.4
AGOA	0.0	0.0	0.0	0.0	0.0
COMESA and Tanzania	40.8	45.2	57.2	64.8	73.4
EU (Priority countries only)	0.0	0.0	0.0	0.0	0.0
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	0.0	0.0	0.0	0.0	0.0
Rest of the World	0.0	0.0	0.0	0.0	0.0
Sesame	2016	2017	2018	2019	2020
Total	65.4	70.7	89.4	99.0	109.7
AGOA	0.0	0.0	0.0	0.0	0.0
COMESA and Tanzania	3.3	3.5	4.5	5.0	5.5
EU (Priority countries only)	19.6	21.2	26.8	29.7	32.9
India & China	26.1	28.3	35.8	39.6	43.9
UAE, Singapore, Hong Kong	3.3	3.5	4.5	5.0	5.5
Rest of the World	13.1	14.1	17.9	19.8	21.9
Fruits and vegetables	2016	2017	2018	2019	2020
Total	32.7	43.5	57.9	77.0	102.4
AGOA	0.0	0.0	0.0	0.0	0.0
COMESA and Tanzania	1.6	2.2	2.9	3.8	5.1
EU (Priority countries only)	31.1	41.3	55.0	73.1	97.3
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	0.0	0.0	0.0	0.0	0.0
Rest of the World	0.0	0.0	0.0	0.0	0.0
Cut flowers	2016	2017	2018	2019	2020
Total	76.2	95.2	119.0	148.8	185.9
AGOA	1.5	1.9	2.4	3.0	3.7
COMESA and Tanzania	1.5	1.9	2.4	3.0	3.7
EU (Priority countries only)	72.4	90.4	113.1	141.3	176.7
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	0.0	0.0	0.0	0.0	0.0
Rest of the World	0.8	1.0	1.2	1.5	1.9
Cocoa beans	2016	2017	2018	2019	2020
Total	78.3	92.8	107.1	123.3	144.0

PRODUCT	2016	2017	2018	2019	2020
AGOA	7.8	9.3	10.7	12.3	14.4
COMESA and Tanzania	0.0	0.0	0.0	0.0	0.0
EU (Priority countries only)	47.0	55.7	64.3	74.0	86.4
India & China	7.8	9.3	10.7	12.3	14.4
UAE, Singapore, Hong Kong	7.8	9.3	10.7	12.3	14.4
Rest of the World	7.8	9.3	10.7	12.3	14.4
Value added Cocoa	2016	2017	2018	2019	2020
Total	0.0	0.0	10.7	26.0	48.3
AGOA	0.0	0.0	2.1	5.2	9.7
COMESA and Tanzania	0.0	0.0	1.6	3.9	7.2
EU (Priority countries only)	0.0	0.0	2.7	6.5	12.1
India & China	0.0	0.0	1.6	3.9	7.2
UAE, Singapore, Hong Kong	0.0	0.0	1.1	2.6	4.8
Rest of the World	0.0	0.0	1.6	3.9	7.2
Fish and Fish Products	2016	2017	2018	2019	2020
Total	163.1	179.4	197.3	217.1	238.8
AGOA	16.3	17.9	19.7	21.7	23.9
COMESA and Tanzania	0.0	0.0	0.0	0.0	0.0
EU (Priority countries only)	114.2	125.6	138.1	152.0	167.2
India & China	12.2	13.5	14.8	16.3	17.9
UAE, Singapore, Hong Kong	4.1	4.5	4.9	5.4	6.0
Rest of the World	16.3	17.9	19.7	21.7	23.9
Livestock Products	2016	2017	2018	2019	2020
Total	44.4	53.2	63.9	76.7	92.0
AGOA	1.1	1.3	1.6	1.9	2.3
COMESA and Tanzania	39.9	47.9	57.5	69.0	82.8
EU (Priority countries only)	1.1	1.3	1.6	1.9	2.3
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	1.1	1.3	1.6	1.9	2.3
Rest of the World	1.1	1.3	1.6	1.9	2.3
Tobacco	2016	2017	2018	2019	2020
Total	70.3	72.3	74.3	76.3	78.4
AGOA	0.1	0.1	0.1	0.1	0.1
COMESA and Tanzania	60.3	62.0	63.7	65.5	67.3
EU (Priority countries only)	6.6	6.8	7.0	7.2	7.4
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	0.6	0.6	0.7	0.7	0.7
Rest of the World	2.7	2.7	2.8	2.9	3.0
Hides & Skins	2016	2017	2018	2019	2020
Total	82.3	75.1	49.7	36.5	33.6
AGOA	0.0	0.0	0.0	0.0	0.0
COMESA and Tanzania	1.5	1.4	0.9	0.7	0.6
EU (Priority countries only)	24.7	22.5	14.9	11.0	10.1
India & China	24.7	22.5	14.9	11.0	10.1
UAE, Singapore, Hong Kong	14.8	13.5	8.9	6.6	6.0
Rest of the World	16.5	15.0	9.9	7.3	6.7
Leather Products	2016	2017	2018	2019	2020
Total	34.1	100.1	498.0	766.9	1,147.5
AGOA	8.5	25.0	124.5	191.7	286.9
COMESA and Tanzania	2.6	7.5	37.3	57.5	86.1

PRODUCT	2016	2017	2018	2019	2020
EU (Priority countries only)	11.9	35.1	174.3	268.4	401.6
India & China	3.4	10.0	49.8	76.7	114.7
UAE, Singapore, Hong Kong	2.6	7.5	37.3	57.5	86.1
Rest of the World	5.1	15.0	74.7	115.0	172.1
Iron and Steel	2016	2017	2018	2019	2020
Total	126.4	149.1	176.0	211.1	263.9
AGOA	0.0	0.0	0.0	0.0	0.0
COMESA and Tanzania	126.4	149.1	176.0	211.1	263.9
EU (Priority countries only)	0.0	0.0	0.0	0.0	0.0
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	0.0	0.0	0.0	0.0	0.0
Rest of the World	0.0	0.0	0.0	0.0	0.0
Cement	2016	2017	2018	2019	2020
Total	120.9	142.7	168.4	202.1	252.6
AGOA	0.0	0.0	0.0	0.0	0.0
COMESA and Tanzania	120.9	142.7	168.4	202.1	252.6
EU (Priority countries only)	0.0	0.0	0.0	0.0	0.0
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	0.0	0.0	0.0	0.0	0.0
Rest of the World	0.0	0.0	0.0	0.0	0.0
Plastics	2016	2017	2018	2019	2020
Total	57.9	72.4	90.5	113.2	141.4
AGOA	0.0	0.0	0.0	0.0	0.0
COMESA and Tanzania	57.9	72.4	90.5	113.2	141.4
EU (Priority countries only)	0.0	0.0	0.0	0.0	0.0
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	0.0	0.0	0.0	0.0	0.0
Rest of the World	0.0	0.0	0.0	0.0	0.0
Sugar & Sugar Confectionery	2016	2017	2018	2019	2020
Total	92.0	108.6	128.2	153.8	192.2
AGOA	0.0	0.0	0.0	0.0	0.0
COMESA and Tanzania	92.0	108.6	2.0	153.8	192.2
EU (Priority countries only)	0.0	0.0	0.0	0.0	0.0
India & China	0.0	0.0	0.0	0.0	0.0
UAE, Singapore, Hong Kong	0.0	0.0	0.0	0.0	0.0
Rest of the World	0.0	0.0	0.0	0.0	0.0

Source: UN COMTRADE and Calculations by MTIC

Table 9: Projected Total Exports by Market, 2016 to 2020 (US\$ Millions)

Market	2016	2017	2018	2019	2020
AGOA	203.8	249.7	412.0	672.0	1,054.9
COMESA and Tanzania	743.4	865.1	1,053.9	1,349.5	1,712.8
EU (Priority countries only)	580.9	688.8	969.5	1,412.6	2,055.9
India & China	157.0	179.2	246.0	350.2	504.7
UAE, Singapore, Hong Kong	110.0	126.9	169.1	229.0	316.0
Rest of the World	153.3	176.5	256.1	347.4	478.2
Total Priority Products	1,948.5	2,286.1	3,106.8	4,360.7	6,122.5
Exports - All Other Products	1,401.1	1,590.1	1,784.5	1,976.3	2,234.6
GRAND TOTAL	3,349.6	3,876.2	4,891.3	6,337.0	8,357.1

Calculations by MTIC Based on UNCOMTRADE Data

Table 10: Projected Priority Exports by Percent Market Share, 2016 to 2020

Market	2016	2017	2018	2019	2020
AGOA	10.46	10.92	13.26	15.41	17.23
COMESA and Tanzania	38.16	37.84	33.92	30.95	27.98
EU	29.81	30.13	31.21	32.39	33.58
India & China	8.06	7.84	7.92	8.03	8.24
UAE, Singapore, Hong Kong	5.65	5.55	5.44	5.25	5.16
Rest of the World	7.87	7.72	8.24	7.97	7.81
Total	100.00	100.00	100.00	100.00	100.00

Calculations by MTIC Based on UNCOMTRADE Data



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