

## Exports to propel Uganda to middle income status in 2020: KT participation to the Export Week organized by Uganda Export Promotion Board

Every year the Uganda Export Promotion Board (UEPB) organizes a national export week during which all exporters and other stakeholders (Government, Private sectors/Exporters) come together to identify challenges affecting Uganda's exports and suggest possible solutions to the identified challenges. This year's theme was: **Achieving middle income status by 2020 through exports.** During the national export week, various activities and events were planned. Kilimo Trust was invited to participate in two main activities i.e. the exhibition and national exporters' conference.

### 1. Exhibition



Figure 1: KT Stand during the exhibition

During the five-day exhibition, Kilimo Trust project documents were displayed on a stand. These include:

- Leaflets on "Kilimo Trust at a Glance"
- WaLETS documents:

- 1) WaLETS project brief
  - 2) Uganda Policy Brief
  - 3) EAC policy Brief
  - 4) Suitability maps for maize, rice and beans in the Kyoga plain and Western Montane agro ecological zone.
- BEST-EAC documents:
    - 1) Leaflets on BEST-EAC: Supporting consumer-driven markets and structured regional trade of beans & bean-food-products in the EAC
    - 2) Flyer on: Commercializing beans from Kenya, Rwanda, Tanzania and Uganda through upgrading and deepening the value chains using the lead firm model

- 3) Booklets on: Comparison of Various Agricultural Practices and their Associated Yield Losses in Beans production

- REACTS documents:

- 1) Booklets on: What is possible under EAC Common Market protocol?
- 2) Booklets on: Requirement of cross border trade
- 3) Leaflet on REACTS project: Graduating Small holders to "Farming as Business" through inclusive Regional Food Markets

- KBTP:

- 1) Course brochures
- 2)

The main questions from guests that visited Kilimo Trust's stall were:

1. What Kilimo Trust is and what it does?
2. How one can become part of Kilimo Trust programs and projects?
3. What approach and plan is used by Kilimo Trust in involving youth in Agriculture?
4. What commodities Kilimo Trust promotes?
5. What information is available for traders in Kilimo Trust?
6. How can one access Markets and other research information from Kilimo Trust?

Responses to those questions were provided for in the various documents displayed. After explanations and response to the questions asked, participants were given supporting documents related to questions they had asked. The most demanded documents were the booklets on:

- What is possible under EAC Common Market protocol?
- Requirement of cross border trade.
- Comparison of Various Agricultural Practices and their Associated Yield Losses in Beans production

## 2. Annual Exporter's Conference

On Wednesday 7th November, the Annual Exporter's Conference was held at the Uganda Export Promotion Board



*Figure 2: Ambassador Julius Onen opening the annual exporter's conference*

premises. The conference was opened by the Permanent Secretary of the Ministry of Trade, Cooperatives and Industry,

Ambassador Julius Onen. In his opening remarks, Ambassador Julius Onen reiterated that one of the government's goals is to move Uganda to a middle income country by 2020. To achieve this, increase in exports will be one of the key drivers. He said that exports must geometrically increase from the actual US\$ 2.3 billion to US\$8 billion. He also echoed the need to have updated information on quality standards, sensitive delivery times as well as well-structured and implemented policies.

He continued to tell the participants that export growth opportunities exist under EAC, COMESA, and other markets areas such as EU, USA, China, India, and Turkey. To take advantage of these opportunities, the government of Uganda is encouraging not only the export of raw material but also manufactured goods. The government is working on a simplified trade regime and one stop post at all border points of Uganda. He, however, mentioned that exports are facing some challenges like lack of information and insufficient products in quantity and quality. In ending his opening remarks, he emphasized the strategies needed to improve exports in order to perform well in regional and international markets: Infrastructure development, promotion of value added export products, addressing unfair competition, strengthening the capacity of UNBS in order to have good quality products, forming exports/imports associations in

order to export/import in large volumes, attracting foreign partners to do business in Uganda, and branding of Uganda's products. He closed by saying that there is need to change the mind set of Uganda's consumers through the ongoing campaign of Buy Uganda, Bill Uganda. BUBU strategy is one of strategies that can change the mindset.

After the opening remarks, various speakers from the private sector and government made presentations:

The first speaker was Mr. William Tibyasa, a



*Figure 3: Mr. William Tibyasa, the representative of UFPEA*

representative of Fish Processors and Exporters Association (UFPEA). He said that the fish sector contributes 12% of agricultural GDP, 13% of

employment, and total investment in infrastructure is around US\$200 million. However, only 30% of the installed capacity is utilized. He mentioned that Uganda fish industry has been able to meet all the EU required standards and it is the main market. The growing regional market is mainly informal.

He mentioned that the main challenge facing the industry is related to the regulatory environment which is not enforced to reduce the trapping of fish which is below the legal size (immature fish). Consequently, there is a huge economic and ecological losses. He cited an example of 1 kg of immature fish sold at UGX 500; while a kg of mature fish is UGX 15,000 and it takes only four to six months for fish to mature. The limited or none

existent supervision of the industry does not allow the fish to mature and that is why growth of fish exports are still low. He recommended that the government should review and strengthen Uganda's policies and regulatory frameworks/institutions in order to promote fish sector exports.

**Mr Sherif Kallini, the CEO of Egypt/Uganda food security Co. LTD** was another speaker. The company is involved in manufacturing and worldwide exporting meat and livestock.



*Figure 4: Mr. Sherif Kallini, the CEO of Egypt/Uganda food security Co. LTD*

He said his greatest challenges in meat export are lack of quarantine infrastructure that inhibits the quality of good processed meat, non-implementation of UNBS regulations on livestock transport, unreliable electricity that affects cold rooms, packaging material that are expensive and not available in the Ugandan market, high transports costs, poor road quality and safety, and the absence of qualified and experienced veterinary inspectors. At the end of his presentation, he said that to put Uganda's meat exports on the world market, there is need to improve infrastructure e.g. cold chain rooms, processing technology through total carcass utilization, and most important, to enhance regulatory frameworks in order to enforce food safety standards.

**Mr Lawrence Michael Oketcho, representative of Uganda Manufacturers Association** in his presentation emphasized the importance of reducing imports and increasing exports. He mentioned that



*Figure 5: Mr Lawrence Michael Oketcho, representative of UMA*

buying local products should be encouraged rather than having preference for foreign products.

He also stressed the need of strengthening strategic partnerships such as Private Partnerships (PPs) and Public Private Partnerships (PPPs).

After the presentation session, a Q&E session followed. The

following were the major questions asked and the responses provided.

**Mrs Dorothy, a Hibiscus exporter**, after explaining how packaging issue makes Uganda products less competitive to the regional/international market, she asked how they can deal with the expensive and non-available packaging material.

**Mr William Tibyasa, the representative of Fish Processors** responded that the packaging issue is in all sectors. He suggested that all stakeholders should sit together and find a sustainable solution to packaging material.

**Mr James Isare, an Assistant Commissioner from Uganda Revenue Authority** asked about how they can deal with the issue of bureaucracy by reducing the procedures to get exports permits and other related documents.

**Mr. Julius Caesar Ssemyalo, from SOLIDARIDAD Uganda**, explained how lack of information is an important issue hindering the export sector. He emphasized the need to strategize with various stakeholders in order to find ways to avail the right information to players in order to meet quality standards and thereby increase exports.

**Mr. Lawrence Michael Oketcho, representative of UMA** responded to this by mentioning the available information such as common External Tariff hand

books. He urged exporters to provide input to such documents by indicating the kind of information they need. He reminded exporters that for exports to increase the main information they need to know is their capacity to export and the quality and quantity of products to exports.

**Mr. Richard Kansiime Kanyomozi from Harris International Ug Co LTD**, stressed again the issue of production costs by emphasizing on packaging and electricity bills. In his view, there is no way Uganda can expect to increase exports while foreign products are cheaper. The same issue was mentioned by **Tumwesigye a grain exporter**.

**Mr. Lawrence Michael Oketcho, representative of UMA** in his response stated that UMA has the mandate of protecting manufacturers and consumers ethically. He promised that the issues of electricity and packaging would be dealt with seriously by the mandated institutions and government departments.

The next panel discussion focused on showing opportunities of export growth and initiatives that are being made

**Mr. Julius Mutebi from Uganda Revenue Authority (URA)**, made the first presentation on the Uganda



*Figure 4: Mr. Julius Mutebi URA*

Electronic Single Window Project. In his presentation he explained how the issue of bureaucracy in obtaining exports documents will be dealt with. The process will consist of paperless transactions through

electronic document processing. An exporter will apply online and he will be sent a notification by SMS or E-Mail on the status of the application before starting the exporting journey.

The second speaker **Mr. Wakaabu Siragi from the Ministry of trade Industry and Cooperatives**. His presentation was on “Export to achieve middle

**income status by 2020**. His main message using trade statistics was that Uganda has been having a



*Figure 7: Mr. Wakaabu Siragi from the ministry of trade Industry and cooperative*

trade deficit over the years and there are essential strategies that must be undertaken by the government to reverse this trend in order to propel Uganda to middle income status by 2020. The emphasis should be on production to meet the end markets’ specifications. This will be achieved by establishing border export zones, SMEs

development and promotion, and appropriate financing for the development of export sector.

In his presentation, **Mr. Othiello Doy from the National Planning Authority in charge of Trade and**



*Figure 8: Othiello Doy from NPA*

**Tourism said** that the National strategic plan has 6 priority agricultural commodities that will help Uganda to achieve middle income status by 2020. These include coffee, cotton, citrus, meat and meat products including

milk. Value Chain Analyses have been done for those commodities and the cross cutting issues found were inadequate finance, research and market information, inputs, and Post-Harvest Handling.

He enunciated that to promote the export of these commodities, there has been an increase in funds allocated to National Research Organizations and National banks in order to increase finance and to avail research & Market information for priority sectors. However, he stressed that all this can be

achieved if there is an increase in public services efficiency, promotion of agriculture and agro processing, critical human capital development, and having an export oriented growth mindset with observance to ethical issues. He categorically stated that Uganda should stop being a “Country of Samples”: presenting good products’ samples while the products themselves are below standards.

The speaker from the **Ministry of Foreign Affairs, Ambassador David Etuket, Director of International Cooperation** informed the participants that the main role of the ministry is to create commercial and economic diplomacy. The main focus being increasing exports, FDI, tourism, capacity building and identifying appropriate technologies and other resources for development. Currently, a UGX 8 billion pilot project has been initiated by the government of Uganda to focus on 8 countries: China, UK, Germany, India, Netherlands, South Africa, Kenya and United Arab Emirates. The main objective is to identify the areas of collaboration and partnership in order to increase Uganda’s exports.

The last speaker was **Mr. Ladislao Ategeka - Director Development Finance Uganda Development Bank**. He said that the export loop will only be complete with adequate finance. He informed the participants about products and services that are in UDB and that Ugandan exporters can take advantage of. He invited exporters to stop by UDB information desks to get information on short and long term loans for trade finance.



**Figure 9: Mr. Ladislao Ategeka UDB**

In the second Q&A session, the first question was asked by **Mr. Fred Walakila from the Cocoa Cooperative**. asked about the length to process a loan from the application day?

**Mr. Ladislao Ategeka from UDB** responded that there is a turnaround time of 21 days. The reason being that there is a need to conduct due diligence and the collateral registration process.

**Ms. Caroline Asiimwe from the Uganda Cocoa and Commodities Ltd** added that the cocoa sector is contributing to the national economy at a comparative level to tea and coffee. She wanted to know what strategies the government has put in place to promote research and extension services in the sector and to provide market information to farmers.

**Mr. Wakaabu Siragi from the Ministry of Trade Industry and Cooperatives** responded by mentioning that the issue has two components: Agriculture and Markets. The issues of agriculture will be taken to MAAIF’s attention. On the issue of markets, there is need to identify opportunities for the VC so the country can exploit the sector maximally.

**Joseph Okwang from MAAIF** added that cocoa is already in the ministry priority crops. He mentioned that the MAAIF has been restructured and the Directorate of extension has been included. Extension workers are being recruited to cover all the priority commodities in the country. He requested the Cocoa and other Horticulture value chain actors to add value to their products by at least cleaning and sorting their products.

**Mr Rogers Karibi an ICT expert and Businessmen** explained that ICT is among the enablers of development in general and export in particular. He asked whether or not ICT has room in UDB programs and in government priorities



*Figure 10: Presenters during the second Q&A session*

**Mr. Ladislao Ategeka from UDB** corroborated the statement of Mr Rogers Karibi about ICT being an enabler of development. The UDB representative revealed that all the productive sectors are considered. He invited Mr. Rogers to go back to UDB for more information services and products.

**Mr. Wakaabu Siragi from the Ministry of Trade, Industry and Cooperatives** added that ICT is a backbone of exports at the same level as transport and energy. It is hence an imperative to develop ICT tools, facilities and skills if we aim to promote Uganda exports.

**Ms. Rachel Kansime,** another exporter of Hibiscus products, explained that the main issue towards loans from UDB are on collateral especially for women without land titles. What kind of alternatives do women have to face such issues?

**Mr. Ladislao Ategeka from UDB** responded to this by saying that there are a quite a range of products and services with different levels of collateral requirements. The government has even provided to UDB some funds to cater for such issues. He added that some of the women groups involved in rice, milk and maize production have been receiving agricultural loans. He requested Mrs. Rachel to go back to UDB for more information about services and products

**Mr. Matovu Jude a Maize exporter to Netherland commented** that Uganda exports at international markets are worse. He explained that Uganda products are always of low quality and insufficient in

volumes. He recommended to have exports systems that work through mapping VC actors' as well as creating database for various commodities. He also suggested to allocate enough budget to agriculture and agro-processing (Not allocating 5% of national budget to the sector employing more than 80% of the population); to install advisory services for the benefits of people, and review gender issues on collateral

### 3. Grain, Exports Business Clinics

During the Grain, Exports Business Clinics, Kilimo



*Figure 11: Lilian Githinji, Program officer of Kilimo Trust*

Trust was invited to talk about the organization and what it does to support grains exports. Ms. Lilian Githinji, a Program Officer of Kilimo Trust made a short presentation about the organization and major projects that were supporting Uganda grains exports/imports.

She elaborated on the consortium approach used by KT to promote cross border trade and the nature of research information that KT provides.