

**High-Level Meeting on Integrated Initiatives for  
Least-Developed Countries' Trade Development**

COUNTRY-SPECIFIC ROUND TABLES: DOCUMENTATION

Uganda

Addendum

Documentation for the Round Table Meeting for Uganda.

TRADE-RELATED TECHNICAL COOPERATION  
NEEDS ASSESSMENT

A. Trade Policy

(a) **What are the sectors that you believe have unexploited or underexploited export potential?**

Traditional agricultural export crops namely; coffee, cotton, tea and tobacco (these need improved varieties and technology to boost volumes) and Non-Traditional Exports (NTE) which are under exploited/unexploited include:

1. Agriculture:

- Leather and leather products (at present, limited quantities of raw leather are exported to Europe, Middle East and the East African region).
- Horticultural products (Fruits, vegetables, spices such as vanilla, chilies, ginger etc.).
- Vegetable oil Seeds; soya beans, groundnuts, cashew nuts, sesame seeds and shea nuts.
- Essential oils, including, gerenuim, cardamon and eucalyptus.
- Honey.
- Cereals, legumes, including rice, maize, millet sorghum and beans, peas, green/black gram.
- Cut flowers.
- Yam and Cassava.
- Fish and fish products: Given the high potential availed by the numerous lakes and rivers in the country (Note, fish exports to Europe was banned briefly because of Uganda's inability to meet sanitary and phytosanitary measures and other technical requirements imposed by the EU market. The ban has been temporarily lifted).

2. Services:

- Including clearing and forwarding both transit and Uganda bound cargo, airfreight and charter, consultancy and advisory, diversification of tourist products to include discovery, safari tourism and establishment of an inventory of Tourist potential.

3. Energy:

- Hydro-electricity power generation and marketing to regional markets.

4. Mining:

- Minerals such as Cobalt, Iron ore, gold, tin, copper phosphates, marble etc.

5. Industries:

- Agro-processing, e.g. tea, coffee, cassava, fruits and vegetables, sugar, textiles, garments and silk.

**(b) Could you please define your country's perspective of the reasons for any changes in the structure and direction of exports and imports?**

1. Exports:

The value of exports increased by 30 per cent between 1986 and 1995 from about \$423 million to about \$560 million for a variety of reasons including:

- good macroeconomic policies such as trade and exchange rate liberalisation, deregulation of price controls, prudent management of Government budget, privatisation and rehabilitation of infrastructure which has meant gradual shift from subsistence to a cash-based economy;
- deliberate Government policies to promote exports in particular NTEs; removal of anti-export bias policies; introduction of packages to resolve structural constraints to efficient production of exports, active involvement of stakeholders in trade policy formulation and implementation; "hands on" technical assistance provided by bilateral donors, especially USAID sponsored Investment in the Development of Export Agriculture (IDEA) project, the Private Sector competitiveness Project (PSCP) and Silk Development Project (Pilot) and simplification of export/import procedures;
- restoration of political stability in most parts of Uganda where the bulk of traditional and nontraditional crops are produced;
- preferential access to EU Markets in the context of Lome Convention; and
- improved access to regional markets especially to Kenya, Tanzania and Rwanda, through Regional Trade Agreements such as COMESA and the East African Cooperation. This notwithstanding however, full potential of these and Middle East Markets need to be exploited.

2. Imports:

These are largely sourced from the EU, but the share of Japan and recently South Africa in total imports has grown rapidly since the early 1990s. However, Kenya still provides the biggest percentage of consumer goods. Imports comprise mainly; transport equipment and machinery necessary for the rehabilitation of industries and infrastructure. The value of imports increased by more than 100% between 1996 and 1995 as a result of significant increases in donor funding and simplified import procedures.

**(c) What have been the objectives of trade policy in the most recent period, compared to, say, two decades ago?**

The overall objective of Uganda's trade policy is to encourage diversification of the export base and markets in order to increase the value and volume of exports on a sustainable basis. The strategy to achieve this has been mainly through:

- removing anti-export bias policies and simplification of export and import procedures including the abolition of licensing requirements;
- increasing private sector participation and promotion of investment in particular. DFI and through the divestiture programme, tariff and tax concessions; and
- enhancing efficiency and competitiveness through deregulation, commercial orientation of state-owned enterprises and improvement in the allocation of resources.

**(d) What are the Ministries in charge of trade policy matters, including formulation, implementation, enforcement and monitoring? How is coordination made? What are the respective roles of the relevant Ministries (give particular attention to tariff policies and other policies directly affecting exports and imports of goods and services)?**

Table 1

DEPARTMENT OR AGENCY	FUNCTION IN TRADE RELATED AREAS
Ministry of Trade & Industry	Formulation of Trade and industrial development policies, introduction of export diversification schemes, simplification of import/export procedures negotiation of regional as well as international trade agreements and ensuring consumer protection.
Uganda Export Promotion Board	Facilitation of export development especially non-traditional exports through dissemination of export market intelligence information, organisation of trade fairs, and extension of other marketing assistance to the private sector.
Uganda National Bureau of Standards	Formulation, registration and enforcement of quality standards, testing and inspection; international and regional harmonisation of standards and ensuring consumer protection.
Uganda Coffee Development Authority	Facilitates development of coffee, ensures quality control; issues export licences and provides other technical advice to coffee exporters.
Cotton Development Organization	Facilitates development, production and export of cotton and enforces quality standard, facilitates distribution of seeds, technical assistance, and dissemination of information on cotton marketing.
Ministry of Finance	Formulation of fiscal, financial and monetary policies,
Bank of Uganda	Formulation and implementation of monetary policy, including interest and credit policies; advising Government on monetary policy and supervision of financial institutions.

Uganda Revenue Authority	Enforcement of tax legislation, including collection of customs duties, sales and excise taxes; customs valuation, application of tax exemptions and duty drawbacks.
Government Central Purchasing Corporation	Purchase, storage and supply of common user items; advising the Government on purchasing policy.
Central Tender Board (CTB)	Supervision of tendering procedures for government procurement of goods and services.
Privatisation and Parastatal Monitoring Units of Enterprise Development Project (EDP)	Preparation and implementation of privatization and divestiture programmes, improving the management of public enterprises.
Ministry of Planning & Economic Development	Planning, formulation and coordination of mid and long term development plans and strategies.
Uganda Investment Authority (UIA)	Promotion of investment; issuance of investment licenses and certificates of incentives; advising the Government on investment policies.
Export Policy Analysis Unit	Analysing and advising government on export policies.
Agricultural Secretariat	Analysing and advising government on agricultural policies.
Ministry of Foreign Affairs	Formulation of foreign policies; negotiation, preparation and interpretation of international agreements.
Ministry of Justice	Formulation and implementation of policies on legal affairs; preparation of bills and other legal instruments.
Patent Registry	Granting, registration, and publication of patents and trademarks; prevention of anti-competitive practices in the context of patent licence contracts.
Ministry of Agriculture, Animal Industry & Fisheries	Formulation and implementation of policies on farming, livestock, forestry, and fishing; administration of agrochemical standards; animal and plant quarantine.
Uganda Tea Authority	Promotion of production and export of Tea through technical and financial assistance and dissemination of information.
National Agricultural Research Organisation (NARO)	Research in agriculture.
Ministry of Natural Resources	Formulation and implementation of policies on forestry, mining and Energy resources.
Uganda Electricity Board (UEB)	Production and distribution of electricity.