



# MINISTRY OF TOURISM TRADE AND INDUSTRY

## THE 2ND TOURISM, TRADE AND INDUSTRY SECTOR REVIEW

**THEME; "Improved Competitiveness and Market Access of Uganda's Goods and Services"**

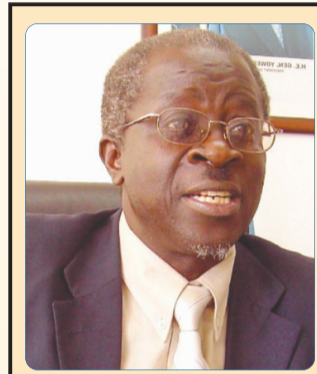
**20th January 2011, Imperial Royale Hotel**



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**MINISTER OF TOURISM TRADE AND INDUSTRY**



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### 1.0 Background

The Ministry of Tourism Trade and Industry, with support from the Economic Partnership Agreement Related Trade and Private Sector Support Programme (EPA TAPSS), has organized the 2<sup>nd</sup> National Tourism, Trade and Industry Sector Review Conference (TTISRC). The Conference will conduct a review of the performance of the Sector since the last Review Conference and agree on intervention strategies in view of the recent developments the sector has undergone.

The Sector covers tourism development, wildlife conservation, trade development, industry and technology, cooperatives development and museums and monuments. The sector's performance is guided by the vision of *'sustainable tourism, competitive trade and world class industrial products and services'*. The sector has over the past one year achieved commendable progress, and the Sector Review Conference should help in identifying sector priorities for the next financial year.

### 2.0 The 2<sup>nd</sup> Tourism, Trade and Industry Sector Review Conference

The 1<sup>st</sup> Review Conference was held in November 2009 under the theme *"enhancing Uganda's competitiveness through employment creation and value addition"* and identified major areas to focus on as; *expeditious formulation of laws and policies that enhance competitiveness laws, deepening tourism marketing, capacity building for SACCOs*, among others.

The 2<sup>nd</sup> Tourism Trade and Industry Sector Review Conference will assess the progress made in implementing recommendations of the previous Conference and the commitments in the Sector Strategic Investment Plan, and charting the way forward for accelerating growth in the sector by identifying priorities for next financial year. The Conference is being held under the theme; *"Improved Competitiveness and Market Access for Uganda's Goods and Services"*.

The Conference will attract eminent personalities in the private sector, public sector (including Parliament and selected Local Governments), international organizations, development partners, academia, and civil society. The specific objectives of the 2<sup>nd</sup> TTISRC are to:

- ❖ Identify and prioritize interventions required to boost the country's doing business environment and competitiveness with a view to fostering private sector growth in the context of implementing the National Development Plan and the East African Community Common Market
- ❖ Apprise stakeholders on the programmes Government is undertaking to improve Competitiveness and market access for Uganda's goods and services
- ❖ Identify and generate consensus on priority interventions that the sector should implement in the next financial year, especially in

the context of enhance the country's competitiveness, promoting tourism development, wildlife conservation and development as well as making cooperatives drive development

### 3.0 A Review of Progress in Addressing Issues Raised at the 1<sup>st</sup> TTISRC

Significant progress has been made in addressing the issues raised at the 1<sup>st</sup> TTISRC. The Ministry is spearheading the process of reviewing various commercial and/or trade laws and policies, especially in the context of improving the doing business environment. The National Sanitary and Phyto Sanitary Policy, the National Standards Policy, the National Consumer Protection and Competition Policy have been drafted and are in final stages of approval. These will improve standardization and compliance of Ugandan goods with measures aimed at protecting the health and lives of humans, animals and plants; and hence improving competitiveness. The Consumer protection and Competition Policy aimed at protecting consumers, regulating competition and promoting fair competition has been drafted and will be subjected to wider consultation soon for stakeholders' input. On curbing counterfeits, the Anti-counterfeiting Goods Bill 2010 has been prepared following a wide consultative approach and is currently before Parliament soon. In a related development, the Trade Licensing (Amendment) Bill, and Sale of Goods and Supply of Services have been drafted and now await further legislative processes. The Hire Purchase Act has been passed, and Regulations under the Act have been prepared while the Uganda National Bureau of Standards (Amendment) Bill has been tabled in Parliament. All these processes aim at improving the regulatory regime and improving the doing business environment. The Co-operative Policy and the Sugar Policy have been passed while the Cooperatives Act is in its drafting stage.

Promotion of Uganda as a tourist destination contributes to the advancement of her tourism domestically and internationally. The Government has undertaken aggressive marketing of tourism, including through "Friend a Gorilla" campaign and other related campaigns have been undertaken. Increased marketing efforts have resulted in an increase in park visits. In 2009, about 152,000 persons visited the parks compared to 138,000 persons in 2008, reflecting an increase of 10 percent. Most visitors to the national game parks were foreign non-residents (61,000 visitors) while resident students (42,000) constituted the most significant domestic tourists. There has also been a steady growth in visitor numbers at UWEC (former Entebbe zoo) due to improvement in infrastructure and resident wildlife that have created a window on Uganda. Most of the visitors received were School Groups (52percent) followed by local adults (29percent) and local children (13percent), which heralds a bright future for domestic tourism.

Buoyed by the enabling policies and conducive regulatory environment including macroeconomic stability, export diversification and liberalization ushered in by the Government of the National Resistance Movement (NRM), the trade sector in Uganda continues to grow at a

remarkable pace. For example, the sector grew from 7.6% registered in 1988 – 1998 to 13.6% in 1998-2008. Furthermore, in 1990, Uganda's total export bill amounted to a meager US\$ 177.7million, which increased to US\$ 710.6 million in 1996, representing a 300% growth in six years, and to US\$ 3.1258billion in 2009 – a remarkable growth rate of 340% in thirteen years. From 1990 – 2009, exports grew by an incredible 1659%.

Export of goods and services contributed 21.3% to total GDP at current prices in 2009/10, with goods and services exports contributing 16.0% and 5.3% respectively. Similarly, the country's trade balance improved slightly in 2009, with exports growing by 1.7% between 2008 and 2009 and imports declining by 5.7% over the same period. The country's major trading partners are the COMESA and the European Union (EU); with the main export products being coffee, fish and fish products, tea, tobacco, cereals, flowers, and fruits and vegetables.

Government has remained steadfast in revamping cooperative development in the country, and these efforts are spearheaded by the Tourism, Trade and Industry sector. Since 2005, a total of 2,841 new cooperatives have been registered making a grand total of 11,168 cooperatives. Latest figures indicate that the Cooperative movement has a total membership of 1.2million persons. The majority of the cooperatives are SACCOs (Savings and Credit Cooperatives (47.2 percent) followed by Crop farming & Marketing Cooperatives (38 percent), Multipurpose Cooperatives (4 percent) and Dairy and Livestock Cooperatives (3 percent).

The industrial sector has remained a major focus of national development interventions spearheaded by the Tourism, Trade and Industry sector. A significant number of industrial standards have been developed, with 182 being developed in 2009. The Uganda Industrial Research Institute has remained at the forefront of industrial and technological innovation, with numerous incubation centers set up, provision of technical skills through training. The Management Training and Advisory Centre remains at the forefront of providing entrepreneurial skills, with 878 entrepreneurs trained in 2009.

### 4.0 Consolidating the Achievements and Tackling the Tasks Ahead

It is quite evident that significant progress has been made in addressing the issues that impede competitiveness and affect the doing business environment. However, considerable work remains to be done. The Ministry of Tourism, Trade and Industry, and indeed the entire Government remain committed to addressing issues that impede our competitiveness and the doing business environment. Discussions at the 2<sup>nd</sup> TTISRC will provide great input in charting the way forward to addressing these; and the outcomes of the Conference will form the core of the country's tourism, trade and industrial development agenda over the next financial year.

## MINISTRY OF TOURISM, TRADE AND INDUSTRY



**EPA TAPSS**  
**ECONOMIC PARTNERSHIP AGREEMENT**  
**RELATED TRADE AND PRIVATE SECTOR SUPPORT**

