

Civil Society advise government to invest in private sector competitiveness



SEATINI Executive Director, Ms Jane Nalunga (extreme left) reads the CSO position paper on Trade as CSBAG's Jeff Wadulo (2nd left) and other officials listen at Parliament today. Inset, the Chairperson of Parliament's committee on Tourism, Trade and Industry, Hon. Kasule Sebunya (middle) responds to the position paper. | CSBAG2019

“The rate of substandard products on the Ugandan market is on the rise...”

Civil Society Organisations (CSOs) have called on Government to spur private sector competitiveness as a key avenue of reducing Uganda's high trade deficit and guarantee strong economic growth and improved incomes at the household level. The CSOs said this today while presenting the Trade and Industry sector FY 2019/20 National Budget Framework Paper position paper to the Committee of Parliament on Tourism, Trade and Industry.

While presenting the position paper on behalf of CSOs, the ED of the Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI), Ms Jane Nalunga said much as Uganda views the Private sector as the engine of growth and development, it continues to be less competitive in both the national, regional and international markets. “This can be viewed from the high trade deficit currently standing at USD 2,434 million. Low private sector competitiveness is also due to the low trade in value added products, with Uganda's exports, especially those produced by Micro, Small and Medium Enterprises (MSMEs),” said Ms Nalunga.

Currently, MSMEs account for 95% of the business establishments in Uganda, with a majority (57%) of these operating in the Trading sector. However, they still face numerous challenges as identified in the MSMEs Policy 2015 including high level of informality; lack of access to industrial parks; poor product quality and standards; few MSMEs linked to export markets; and lack of a common user facility in every district to facilitate Macro and Small enterprises in Agro-processing.

As a way of bridging the high trade deficit and boosting Private Sector competitiveness, the CSOs highlighted the importance of investing in the construction of common user facilities in every district to support Agro-processing and value addition. They also recommended establishing the Trade Remedies Act to protect local goods and manufacturers by regulating the importation of products that are already locally produced and supplied on the national market. The CSOs also urged government to implement the Buy Uganda Build Uganda (BUBU) policy and fast tracking the development of the Local Content Bill, 2017 for MSMEs competitiveness and growth.

Product standards

Speaking at the same event CSBAG Parliament Liaison Officer, Jeff Wadulo highlighted the increasing number of substandard products on the Uganda. “The rate of substandard products on the Ugandan market is on the rise but government has not yet taken sufficient measures to curb this problem. In fact these products could partly be responsible for the increasing cases of diseases like cancer. Government needs to watch Uganda National Bureau of Standards (UNBS) closely and ensure that it improves its operations,” he said. According to UNBS the infiltration of substandard products, both imported and domestically manufactured on the national market is tagged at 54 per cent. One of the causes of poor product standards is due to lack of information on standards or the procedures of how to obtain a quality mark coupled with lack of information on specific required product market standards.

As a way of increasing the share of exports both in value and volume as envisioned in the FY2019/20, CSOs recommended that the Ministry of Trade facilitates the UNBS to raise awareness and train the business community, farmers, manufacturers and consumers about standards compliance and empower UNBS with the appropriate human resource and finances to effectively execute its mandate.

The CSOs also urged Government to support the District Commercial Officers (DCOs) which are charged enterprise development, create market linkages to domestic, regional and international markets, improve of standards of products, and promote consumption of locally produced goods. With the termination of the EU funded District Commercial Services Support (DICOSS) Project that was contributing US\$ Bn. 2.343, CSOs highlighted the need for the sector to receive an increase in its budgetary allocation to enable the support of the DCOs in effectively executing their roles.

On his part, the Chairperson of Parliament's Committee on Tourism, Trade and Industry, Hon Kasule Sebunya thanked the CSOs for their presentation and challenged them to highlight more trade related issues; especially in those that directly hinge on government's investments and the related revenue collection streams.

During the FY 2019/20, the sector plans to undertake the following key activities among others: Enhance value addition and industrialization to support job creation; Revitalize the Cooperatives movement by mobilizing collective resources through cooperatives; Continue to improve the Regulatory Framework for creating an enabling environment for Trade that enables wealth creation; Ensure implementation of the National Development Export Strategy (NEDS); and Continue undertaking Technical Guidance, Inspections & Compliance monitoring Field Visits aimed at enhancing implementation of Industrial Development Initiatives.