THE REPUBLIC OF UGANDA

MINISTRY OF TOURISM, TRADE AND INDUSTRY

NATIONAL TRADE POLICY

Trading Out of Poverty, Into Wealth and Prosperity

Ministry of Tourism, Trade and Industry

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August 2007

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THE REPUBLIC OF UGANDA

FOREWORD

Government has, over the last twenty (20) years, implemented policies aimed at eradicating poverty and ensuring prosperity for all Ugandans. The National Resistance Movement Government, with the peoples' mandate, remains committed to this cause. These efforts have led to significant reduction in poverty levels from 56.4% in 1992/93 to 31.1% in 2005/06. More needs to be done to ensure that all Ugandans move and stay above the poverty line. The National Trade Policy is just one of the many instruments through which is going to be achieved. The Trade Policy charges Government with the primary role of eliminating barriers to trade, and providing an enabling environment in which the private sector will thrive and build capacity to produce quality goods and services competitively, reliably, and on a sustainable basis. More importantly, the policy identifies the salient relationship and linkage between the trade sector and the productive sectors such as agriculture and industry for exploitation as crucial pillars in move towards transformation.

The growing importance of the Services in development is also singled out for deliberate exploitation. Deliberate interventions will be made in areas such as regulation, including the elimination of trade distorting policies and practices, locally and internationally. Government recognizes that trade policies will be most effective when complemented by effective and efficient institutions; in particular, those responsible for policy formulation, implementation and monitoring; a supportive legal regime; adequate and efficient trade facilitating infrastructure; and appropriate human capital and skills in both the private and public sectors. It is Government's intention to ensure that all these are in place.

The wide consultative process that has been followed in developing this Policy has helped to identify the priority areas for enhancing the country's capacity to engage in trade at domestic, regional and multilateral levels. The Policy institutionalizes consultation so as to ensure that the spirit with which this Policy was developed is the same spirit with which it is implemented. A number of implementing instruments for the Policy such as the five-year National Trade Sector Development Plans and the Diagnostic Trade Integration Study Action Matrix will guide implementation of the Policy. Government is committed to implementing the policy in its entirety.

I wish to express my gratitude to all those who worked tirelessly to produce this Policy document.

Finally, I urge all Ugandans and development partners to support this policy document in the fight against poverty and ensuring prosperity for all Ugandans.

Yoweri Kaguta Museveni
PRESIDENT OF THE REPUBLIC OF UGANDA

23rd August 2008

1.0 Introduction

1. The Poverty Eradication Action Plan (PEAP) is Uganda's medium term planning framework which guides policy formulation and implementation for all sectors in the country. Uganda's National Trade Policy is formulated within the framework of other National Development Policies and Strategies, particularly the Poverty Reduction Strategy Paper – the PEAP 2004/5-2007/8, the Medium Term Competitiveness Strategy (MTCS), the Plan for Modernization of Agriculture (PMA), The Rural Development Strategy and Vision 2025. Findings and recommendations of the Diagnostic Trade Integration Study (DTIS) have also provided significant guidance to the formulation of this Policy. The views contained in the current draft of Vision 2035 have been taken into account. The drafting of the Policy has also been guided by the NRM Manifesto 2006. International development aspirations, disciplines and commitments such as the Millennium Development Goals (MDGs) as well as international trade, economic, financial, investment and commodity agreements to which Uganda is a signatory provide significant input and guidance into the National Trade Policy.

2. The ultimate objective of Government policy is economic development and social transformation, to which trade is an important contributor. The trade sector is very dynamic, especially in the context of regional integration, the multilateral trading system and global economic governance, all of which drive globalisation with its challenges and opportunities. The National Trade Policy explicitly addresses development aspects in a holistic manner; including sustainable development, by providing opportunities for creating wealth through income generation and distribution, increased employment, competitiveness and economic and social well-being.

3. Trade policy is one of the instruments that can be used to generate and distribute incomes, and therefore can significantly contribute to poverty reduction. However, trade performance is only one of the many factors that determine trends in poverty levels. A vibrant trade sector impacts positively on the economy by placing and distributing incomes into all the production units in a country, thereby raising the purchasing power. Further, trade policy allows people to exploit their productive potential, assists economic growth, curtails arbitrary policy interventions and helps to optimally allocate productive resources as

well as insulate economies against shocks. Trade policy can have both positive and negative effects on poverty. Trade policy reforms can create some economic losses; and some reforms could exacerbate poverty but only temporarily. Under the circumstances, formulation and use of complementary policies becomes key and of paramount importance. Complementary policies are those, which are useful to have in place or to implement simultaneously with trade policy reform. They are designed to ease adjustment strains, support the overall reform process and help households avoid poverty by allowing them a greater degree of economic viability. Making a distinction between the social and private costs of adjustment is critical. Trade policy reform is necessary in the development process and cannot be abandoned altogether.

2.0 Situational Analysis

4. The Ugandan economy is dominated by three main sectors: Services, Agriculture and Industry. The agricultural sector is a significant player in the economy, and employs most of the country's population – a majority of whom are poor. The sector is mainly engaged in subsistence production, with very limited orientation towards commercial agriculture. At the moment, there are deliberate efforts to modernize and commercialize the sector. Inevitably, this will lead to some labour displacements from the agricultural to other sectors. The 2005/06 Uganda National Household Survey indicates between 1992/93 and 2005/06, poverty declined from 56.4 % to 31.1%. The survey report indicates that the decline in income poverty was highest (8.5%) in rural areas, though the majority of the poor still live in rural areas. A majority of the poor are employed in the agricultural sector – a sector that contributes 67% of total employment, and a sector in which earnings are five times less than those in the public sector. Other studies indicate that from 1997/98, agricultural prices have increased by less than 5%, compared to over 30% for both industry and services prices and therefore, farmers who are predominantly rural based and depend on selling agricultural products have experienced a drop in the real price they receive. With falling agricultural commodity prices, the economic livelihoods of these households and the overall development aspirations are threatened.

5. In terms of contribution to Gross Domestic Product (GDP), the share of the agricultural sector has declined from 40.8% in 2000/01 to 35.6% in 2004/05 and 34.0% in

2005/06. Other sectors such as Services and Industry have picked up, with the share of Services to GDP increasing from 40.6% in 2000/01 to 43.8% in 2004/05 and 45.5% in 2005/06 while that of Industry increased from 18.6% in 2000/01 to 20.6% in 2004/05 before declining slightly to 20.5 in 2005/06. The Services sector has remained the biggest contributor to GDP growth rates, contributing 4.0 % in 2005/06 while Agriculture and Industry contributed 0.1% and 0.9% respectively in the same period. This is as compared to 3.3%, 1.6% and 1.5% for the respective sectors in 2001/02.

6. Imports have been growing faster than exports, resulting into a wider trade imbalance. Between 2001 and 2005 exports increased by 12.5%, 3.5%, 14.2%, 22.4% and 24.1% while imports increased by 5.0%, 6.7% and 28.1% before reducing to 25.5% and 19.0% for the respective years. The real differences in the growth rates between exports and imports should, however, be understood against the background that imports are increasing from a bigger base compared to exports. The trade deficit is estimated at US$ 1,243.2 million for 2005, compared to US$ 841.6 million and US$ 1,072.7 million in 2003 and 2004 respectively. For each of the years 2003, 2004 and 2005, the major imports were petroleum, petroleum products and related materials, with an import bill of US$ 187.3m, US$ 217.8m, and US$ 343.2m for the respective years. Road vehicles, including air cushion vehicles closely followed at US$ 115.1m, US$ 144.7m and US$ 192.2m for the respective years; with cereals and cereal preparations coming third at US$ 106.7m, US$ 134.4m and US$ 141.2m for the same respective years. The higher increase in imports would be desirable and sustainable if most of the imports were used as inputs into the production process. However, most of the imports are consumables rather than industrial/production inputs.

7. The country maintains an open and liberal economy. Trade liberalization reforms have been undertaken over the last couple of years, especially through reduction in tariffs, rationalization of tariff bands, substantial reduction in Non-Tariff Barriers, and pursuit of regionalism and multilateralism. Export diversification has been a key component of the trade policy reform, and the efforts are yielding positive results. Non-traditional exports account for the bulk of the country's merchandise export earnings, with the main ones being fish and fish products, flowers, maize, cocoa beans, gold and gold compounds, and beans and other legumes. By value, coffee remains the single largest export commodity, followed

by fish and fish products. The contribution of traditional exports (coffee, cotton, tea and tobacco) to total export earnings has declined from 38.4% in 2001 to 33.0% in 2005, while that of non-traditional exports has increased from 61.6% to 67% over the same period. The country's merchandise exports are still dominated by primary products. This is an issue of major policy concern given the price volatility of primary products at international level, low and unstable production levels at national level, and some inefficiency in the existing marketing framework.

8. As already highlighted, the Services sector is currently the main contributor to GDP. A significant number of the country's population is employed in the sector, and the sector is contributing significantly to the creation of new jobs. The Services sector is important in an economy because of the important role services sub-sectors such as telecommunications, education, labour export, transport, and finance play in driving growth in other sectors of the economy; and because of the economic and social contribution the services sector can make on its own. Under the sector, tourism plays a leading role in foreign exchange earnings; and is the single largest source of export revenue in both the goods and services trade. However, there exists a gap in the capture of Services trade statistics.

9. Uganda is a signatory to a number of trade and trade-related agreements. These include the East African Community Customs Union, the Common Market for Eastern and Southern Africa (COMESA), the African, Caribbean and Pacific- European Union (ACP/EU) Partnership Agreement (Cotonou Agreement), the World Trade Organization (WTO), and the African Union (AU). Uganda is also a beneficiary of non-reciprocal unilateral trade preferences such as Everything But Arms (EBA) by the European Union, the African Growth and Opportunity Act (AGOA) of the United States and offers by Canada, Japan and China under the Generalized System of Preferences (GSP). All these arrangements provide Uganda with varying levels of improved market access opportunities into the respective markets.

10. The country further benefits from relations with multilateral and commodity institutions, including trade related initiatives and agreements to which she is a member.

These include the World Bank, the International Monetary Fund, the Common Fund for Commodities, and the New Economic Partnership for Africa's Development (NEPAD).

11. The country's major trading partners are the EU and COMESA. For the period 2001 – 2005, the European Union remained the major destination of Uganda's exports, and accounted for 29.7% of exports {excluding re-exports} and 19.7% of imports in 2003. In the same year, COMESA accounted for 27.5% of total imports and 25.4% of exports. In 2004, the EU accounted for 30.6% of the country's goods exports while COMESA accounted for 24.4%. These figures rose to 35.85% for the EU and to 26.1% for the COMESA in 2005. COMESA remained the major source of imports for Uganda, accounting for 27.5% of total imports in 2005. It is important to point out that Kenya is the single largest trading partner for Uganda in the COMESA bloc, with the country importing a significant value of goods from Kenya. Whereas the percentage share of exports to the COMESA region has increased, the trade imbalance between Uganda and the COMESA region has been widening, rising from US$ 197.9m in 2001 to US$260.1m in 2003 and US$ 383.2m in 2005. This could be an indicator that although Uganda's regional integration efforts are paying off, the country is not developing sufficient capacity to take more advantage of opportunities provided by the regional trading blocs.

12. Government policy has focused on developing export-led growth, with Government providing an enabling environment for the private sector to produce and trade competitively. Consequently, more efforts have hitherto been directed towards developing export trade with little explicit efforts directed towards developing domestic trade, which has led to a below-optimal exploitation of the linkage between domestic and international trade. Domestic trade and international trade are delineated from each other, yet they should be mutually reinforcing. The development of domestic trade is a priority and an integral component of the National Trade Policy.

13. The overall effect of trade liberalization programmes on the economy has been positive and pro-poor as major gains are in agriculture, although the benefits may not be evenly shared. In the revised (2004) Poverty Eradication Action Plan, - trade issues are

highlighted in two[1] of the five pillars. This is a positive indicator and departure from the first two versions of PEAP where trade issues were absent.

14. Least Developed Countries face a number of constraints, mainly supply side constraints, in benefiting from the opportunities accruing from global trade liberalization and regional integration. Like most LDCs, Uganda is yet to develop sufficient capacity to take advantage of the trading and market access opportunities that exist under bilateral, regional and multilateral arrangements. Little emphasis on policy consistence and complementarities is partly responsible for the continued lack of capacity. Further, there is lack of coordinated, complementary and support policies necessary for the effectiveness of trade policies. For example, currently fiscal policy puts a lot of emphasis on revenue generation at the expense of trade facilitation and private sector development. In addition, the persistent lack of sectoral policies in the production sectors such as Agriculture and Industry has compounded the problem.

15. In most Least Developed Countries, including Uganda, there has been much focus on the "Washington Consensus"- macroeconomic stabilization, privatization, and liberalization, which are an inevitable first step for economic growth and development. However, overemphasis and failure to realize that the process requires broader approach resulted into the Ministries responsible for trade in most LDCs being relegated to the peripheral with meager budgetary allocations, on the assumption that the private sector would drive the development process with no or little Government support. This assumption has, however, turned out not to be true[2]. The oversight was failure to make a correct assessment of the capacity of the private sector to be the engine of growth in Least Developed Countries such as Uganda, preferring to equate them with the private sector in developed countries. Currently, there is no sufficient support given to development of capacity to trade, especially enhancing private sector competitiveness to trade. The Ministry responsible for Trade itself has not been adequately facilitated to give policy guidance and monitor implementation of activities under her mandate at the national level and through the District staff at the decentralized level.

[1] Pillar 1 – Economic Management; and Pillar 2 – Enhancing Production, Competitiveness and Incomes
[2] See Stiglitz J. E. (2003) *Globalization and Its Discontents*, W.W. Norton & Company, New York

16. Domestic trade is constrained by, inter alia, market failures. It is common to find excess production in one part of the country while at the same time some other parts of the country are experiencing acute shortages. This kind of situation can be attributed to inadequate market information, poor marketing infrastructure, an inefficient transport system, and a lack of explicit support policies.

17. The National Trade Policy charges Government with the primary role to liberalize trade while taking cognizance of the possible negative effects on the country's producers and traders. Government will continue to assist the private sector build capacity to produce and trade in quality goods and services competitively, reliably, and on a sustainable basis. Deliberate interventions will be made by Government in areas related to regulation, including those that are economically desirable, while ensuring the elimination of trade distorting policies and practices, locally and internationally. Government also recognizes that trade policies will be most effective when complemented by effective and efficient institutions, a supportive legal regime, adequate and efficient trade facilitating infrastructure, and appropriate human capital and skills in both the private and public sectors. A Public-Private Sector Partnership approach will be a core element in the implementation of the National Trade Policy. The Policy puts in place measures that will create and diversify markets, develop and stabilize productive capacities with a focus on value addition and employment creation, and bridge the gap between the central and local government levels. The important role of trade in services is clearly acknowledged and specific policy actions spelt out to boost growth in this dynamic sector. In addition, the Policy addresses the issue of policy inconsistencies and incoherency by providing a trade policy coordination mechanism.

3.0 Trade Policy Vision

18. To transform Uganda into a dynamic and competitive economy in which the trade sector stimulates the productive sectors; and to trade the country out of poverty, into wealth and prosperity.

4.0 Mission Statement and Overall Policy Objective

19. The overall Mission of the Policy is to develop and nurture private sector competitiveness, and to support the productive sectors of the economy to trade at both domestic and international levels, with the ultimate objective of creating wealth, employment, enhancing social welfare and transforming Uganda from a poor peasant society into a modern and prosperous society.

5.0 Guiding Principles

20. The National Trade Policy will be guided by the following principles:

i. Development of both domestic and international trade
ii. Creating opportunities for equal participation in trade through entrepreneurial development, giving priority to the socially and economically disadvantaged groups in society
iii. Provision of an enabling environment with a view to developing and nurturing a private sector that is capable of competing at global level
iv. Targeted Government interventions in specific sectors, if and as deemed necessary
v. Pursuit of bilateral, regional and multilateral trade initiatives
vi. Mitigating any adverse effects of practices by the country's trading partners by invoking and implementing trade defense measures as and when appropriate, taking into account multilateral disciplines in the area
vii. Efficiency, and prudent resource mobilization and utilization
viii. A coordinated approach to formulation and implementation of trade policy
ix. Placing greater emphasis on policy coherence, synergies and complementarities
x. Nurturing and using a Public-Private Partnership approach in the formulation, implementation and monitoring of the National Trade Policy
xi. Strengthen capacity to engage in, and advocate for Uganda's interests in and during, trade negotiations through improved organizational coordination and leadership, including at preparatory stage
xii. Be mindful of the negative social and economic effects that might come with growth in trade, and ensure that mitigating measures and policies are put in place

xiii. Supporting the country's vision to industrialize by complementing the Industrialization Policy.

6.0 Priorities of the National Trade Policy

21. In implementing the National Trade Policy, Government will focus on:

a) Enhancing the competitiveness of Uganda's products and services in the domestic, regional and international markets
b) Facilitating the smooth flow of trade, while ensuring that trade conforms to national and international laws and regulations
c) Strengthening trade institutions, such as those dealing with trade policy, standards, trade facilitation/customs, and provision of trade information
d) Securing and maintaining improved market access to the regional and international markets for Uganda's goods and services
e) Providing trade/market information to traders and all the business community to enable them reach prudent and optimal investment decisions
f) Developing capacity to exploit existing market access opportunities
g) Boosting capacities of the socially and economically disadvantaged sections of the community to trade
h) Developing domestic trade and ensuring that it is a foundation for developing Uganda's capacity to produce and engage in remunerative international trade
i) Exploitation of policy synergies, coherence and complementarities between different policies on one hand and trade policy on the other
j) Ensuring that the gains from growth in trade are equitably shared, while cognisance is taken of the fact that more gains will accrue to those who participate more in trade activities or undertake deliberate efforts to harness the available opportunities.

7.0 Requirements for Implementation of the National Trade Policy

22 To achieve the vision and policy objective of this Policy, Government shall:

i. Implement the re-organization and reform of the Ministry of Tourism, Trade and Industry in line with its new functions as spelt out in this Policy and the Functional Analysis of the Ministry

ii. Strengthen the Ministry of Tourism, Trade and Industry, Affiliated Institutions, and the District Commercial Offices; and create a closer link between the Ministry and the District Commercial Offices

iii. Provide adequate resources, both financial and human, to facilitate trade development activities right from the grassroots

iv. Provide resources for participation in activities that are aimed at securing improved and predictable market access for Uganda's products and services

v. Develop and fund a Trade Sector Development Plan to guide the implementation and monitoring of the National Trade Policy

vi. Review and strengthen commercial and/or trade laws, as well as complementary laws and policies

vii. Formulate and implement policies and strategies that are complementary to trade policy

viii. Develop a Market Information System to facilitate the collection, analysis and dissemination of trade information

ix. Institutionalize and strengthen the Public-Private Sector Partnership in the formulation and implementation of the trade policy and trade development strategies and programmes

x. Clarify and consolidate the relationship between the productive sectors on one hand and the trade sector on the other

xi. Work with the private sector to strengthen private sector apex associations.

8.0 The National Trade Policy; Specific Policy Interventions

23. To achieve the goal, objectives and principles of the National Trade Policy, Government undertakes to implement specific policy interventions. A monitoring and evaluation mechanism and framework will be developed to ensure coherence between planning and implementation of the National Trade Policy.

8.1 Domestic Trade

24. Development of the domestic trade sub-sector shall be pursued using a multi-faceted approach. This approach shall include: (1) strengthening of domestic trade policies and

laws; (2) identification and exploitation of policy synergies and complementarities; (3) ensuring that goods and services in the domestic market meet the required standards – both technical and those that aim at protecting plant, animal and human health or life; (4) substantially reducing artificial shortages of products and services in one part of the country when they are available in another; (5) using domestic trade as a spring board for effective participation in international trade; (6) nurturing the private sector with a view to making it competitive in production and trade; and (7) ensuring that all national policies and practices on taxation and licensing are supportive of competitiveness of Ugandan products.

8.1.1 Policy Actions

25. To achieve the policy objective with specific reference to domestic trade, Government shall:

i. Formulate and implement specific sectoral policies necessary for prudent management of a liberal economy, such as competition and consumer protection policies
ii. Implement the Marketing and Agro-Processing Strategy (MAPS) of the Plan for Modernization of Agriculture (PMA)
iii. Encourage and foster collective action through, inter alia, the development and strengthening as well as diversification of cooperatives
iv. Strengthen the District Commercial Offices, through provision of sufficient technical, human and financial resources
v. Ensure a clear link between investment, production and trade in the implementation of the National Trade Policy
vi. Implement a Competitiveness Strategy while ensuring that all relevant Government Ministries and Agencies and the private sector are on board
vii. Develop and implement a Market Information System at national level and in all districts in the country
viii. Encourage bulk marketing and adherence to commodity standards through, inter alia, Cooperative Societies and Area Marketing Cooperative Enterprises and Farmers' Groups

ix. Enact appropriate laws and develop guidelines to ensure that growth in trade leads to and ensures, inter alia, food security in the country

x. Design and implement appropriate strategies to promote value addition, production of high-value-low volume products, and niche marketing

xi. Develop and implement a National Standards Policy to enhance and ensure conformity with standards requirements, quality management and assurance,

xii. Develop and implement a National Sanitary and Phytosanitary Measures Policy so as to protect plant, animal or human health and life

xiii. Promote Uganda's participation in the global value chain by encouraging the building of domestic value chain so as to enhance specialization and inter-firm networks in the country

xiv. Encourage and support establishment of production networks/clusters within the country and across neighbouring countries so as to allow regional specialization and dynamics in production and trade

xv. Encourage the empowerment of disadvantaged groups; particularly women, youths and people with disabilities with a view to enabling them participate more in trade

xvi. Encourage the use of local materials in the production process with a view to stimulating growth in local production sectors

xvii. Encourage the consumption of locally produced goods and services

xviii. Mitigate any adverse effects of practices by the country's trading partners by invoking and implementing trade defense measures

xix. Harmonize local taxation[3] and licensing policies[4] and practices with national trade development priorities, with a view to eliminating double/multiple taxation

xx. Provide affirmative action to local suppliers under Government procurement, while ensuring conformity with existing national laws.

[3] For example, double/multiple taxation whenever one is crossing an administrative boundary such as a Sub-County to get produce to the market

[4] Such as issuing trading licenses that are only valid for a calendar year irrespective of the time of the year they are issued. Such a policy/practice discourages new businesses from opening up in the middle of a calendar year. Trading licenses should therefore be valid for a year from the date of issue.

8.2 International Trade

26. Developing international trade, using a vibrant domestic production and trade sub-sector as a springboard is an important component of this Policy. The overriding objective of Government policy on international trade is to ensure effective integration of the economy into the regional economy and the multilateral trading system, enhancing national capacity to take advantage of the above, while minimizing the negative effects of globalization.

27. Government policy actions in the international trade sub-sector shall aim at: (1) ensuring that the sub-sector effectively and efficiently complements the domestic trade and production sub-sectors; (2) ensuring that what is produced domestically can be competitively traded at international level; (3) using trade negotiations to influence policies and practices of the country's trading partners' so that they are conducive to the development of Uganda; and (4) adapting Uganda's economy to the trade and trade-related policies and practices of the country's trading partners.

8.2.1 Policy Actions

28. To achieve the policy objective under international trade, Government shall:

i. Enhance the capacity of the country to engage in trade negotiations

ii. Constitute/establish **The National Trade Negotiations Team (NTNT)** that shall be led by the Minister responsible for Trade. The Permanent Secretary in the Ministry responsible for Trade shall determine the technical composition of the Team; and shall, in collaboration with relevant Ministries and agencies, appoint members, who shall represent their parent institutions on the Team. The NTNT will follow a public-private partnership approach, and take due consideration of the views of the Inter-Institutional Trade Committee (IITC) that is constituted of representatives from the private sector, public sector, civil society and the academia

iii. Post and maintain Trade Officers to Embassies/Missions that participate in various trade negotiations or are located in countries and/or regions in which Uganda has strategic trade interests. The implementation of this policy activity

will be undertaken in close coordination between the Ministries of Trade, and of Foreign Affairs

iv. Pursue regional economic integration with a view to increasing effective market access opportunities for Uganda's goods and services

v. Work within the multilateral trading system to ensure that Uganda's economic and commercial interests are an integral part of its work programme and outcomes

vi. Ensure a distinct relationship between trade, debt and finance and explicitly cater for them in the design and implementation of the country's macro-economic management policies and strategies. Government shall ensure that policies and strategies in the three areas are complementary to each other. To give effect to this, a **Trade, Debt and Finance Committee (TDFC)** is hereby established. The Committee shall be composed of the Ministers responsible for Trade, Finance, Planning and Economic Monitoring at the political level and the respective Permanent Secretaries together with the Governor of the Central Bank and the Executive Directors of the National Planning Authority and the Uganda Bureau of Statistics. The Committee shall be responsible for ensuring that national policies in the areas of trade, debt, finance, and macroeconomic management are complementary to each other, enhance the competitiveness of Uganda's goods and services in the exports markets, and enhance the competitiveness of the country as an investment destination

vii. Operate a world-wide-web based market information system through which the international community will be informed of the available trade opportunities in and with Uganda

viii. Develop and implement measures and strategies to enhance the participation of Uganda's services industry in international (services) trade

ix. Identify and develop products and services where the country has comparative and competitive advantage, together with the respective markets and promote product/service and market specialization

x. Maintain a liberal trade policy and at the same time enhance capacity to adjust to trade liberalization, including development of social safety nets in instances where it is envisaged that the liberalization may have negative effects

xi. Continue to implement trade facilitating measures.

8.3 Trade Policy Synergies and Complementarities/Cross-Cutting Policies

29. Identification and exploitation of trade policy synergies and complementarities is an integral component of the National Trade Policy. Government will be guided by the objective of optimal exploitation of policy synergies, with the major focus on the forward and backward linkages between domestic trade, international trade, production policies and infrastructure/transport policies. Government will further ensure that support and complementary policies that have linkage to trade are taken into consideration during the implementation of this policy.

8.3.1 Policy Actions

30. To achieve the policy objective in relation to cross-cutting issues, Government shall:

i. Work with training institutions, in both the public and private sectors, to provide business and entrepreneurial skills as well as other skills that are relevant to private sector development, competitiveness, and trade policy

ii. Develop and implement through a public-private partnership, a market information system at the national level and at all districts in the country

iii. Through a public-private partnership approach, ensure the availability of trade-facilitating infrastructure (such as cold storage facilities, refrigerated trucks, laboratories, e.t.c.)

iv. Through the relevant line Ministries and agencies, enact policies and design strategies to ensure development of productive capacity to take advantage of trade opportunities arising from various trading arrangements

v. Enact and/or review trade and commercial laws that create, or are supportive of a dynamic trade sector

vi. Strengthen the consultative mechanism between the public and private sectors on trade policy formulation and implementation. The **Inter-Institutional Trade Committee (IITC)** under the Ministry of Tourism, Trade and Industry is hereby formally established. The Committee shall draw members from the public sector, and private sector – including civil society and academia. The Committee

shall deliberate on all trade and trade-related matters and make recommendations to the Ministry. The Permanent Secretary of the Ministry responsible for Trade shall, in collaboration with parent institutions, appoint members from relevant institutions to the Committee

vii. Formulate and implement measures and strategies aimed at enhancing the usage of electronic commerce

viii. Develop and formulate laws and policies to protect intellectual property rights, with a view to, inter alia, protect Uganda's genetic resources, and encourage innovativeness

ix. Encourage the acquisition and usage of modern technology through implementation of measures aimed at promoting technology transfer

x. Develop and implement measures and guidelines to ensure and improve the teaching and learning of international languages at appropriate levels of education

xi. Pursue macroeconomic policies and practices that are consistent with the country's objective of increasing exports and enhancing competitiveness

xii. Develop strategies and measures to exploit the country's landlocked position

xiii. Promote the development of Small and Medium Enterprises (SMEs).

9.0 Implementation of the National Trade Policy

31. Implementation of the National Trade Policy shall be the responsibility of the Ministry of Tourism, Trade and Industry. The Ministry shall collaborate with relevant Ministries (such as Finance, Planning and Economic Development; Health; Education and Sports; Justice and Constitutional Affairs; Water and Environment; Lands, Housing and Urban Development, Information and Communication Technology; Works and Communications; Agriculture, Animal Industry and Fisheries; and Foreign Affairs), Government Agencies, and the Private Sector. The Ministry shall work closely with the Ministry of Finance, Planning and Economic Development, and the National Planning Authority to ensure the integration of trade and trade-related issues in the National Development Frameworks and development plans. A National Trade Sector Development Plan (NTSDP) will be developed to guide implementation of this Policy. The Ministry will also regularly interact with the academia and relevant civil society organizations.

9.1 Core Functions of the Ministry of Tourism, Trade and Industry

32. With regard to the implementation of the National Trade Policy, the core functions of the Ministry of Tourism, Trade and Industry are;

i. Policy formulation, and development of the National Trade Sector Development Plan
ii. Provision of policy guidance and supervision to Affiliated Institutions and decentralized levels of service delivery, particularly the District Commercial Offices
iii. Mobilization of resources for implementation of the Policy
iv. Coordination and spearheading of implementation of all the aspects of the Policy
v. Monitoring and evaluation of the overall performance of the trade sector
vi. Ensuring that trade policy remains an integral component of national development plans.

9.2 Functions of the District Commercial Offices

33. In regard to the National Trade Policy, the functions of the District Commercial Offices are;

i. Implementation of the National Trade Policy in their respective areas of jurisdiction
ii. Ensuring that the National Trade Policy is reflected in their respective District Development Plans
iii. Operation of the Market Information Service, including collection, analysis, interpretation and dissemination of trade/market information in their respective areas of jurisdiction
iv. Working with the offices of the productive sectors (such as District Agricultural Offices, e.t.c.) to ensure a complementary relationship between the productive sectors and the trade sector in their respective areas of jurisdiction and ultimately at national level
v. Mobilization of resources, at the district level, for implementation of the Policy.

10.0 Conclusion

34. The National Trade Policy presents an opportunity to substantially reduce poverty in the country. In the past, some problems have existed with regard to expending deliberate efforts to trade, with the private sector largely expected to play the lead role. This updated and consolidated policy document learns from the past and puts in place corrective measures. It aims at enhancing competitiveness and nurturing the private sector. Policy linkages and synergies are explicitly emphasized in this Policy, and their exploitation shall remain an integral component of the policy implementation process. Domestic trade and international trade are equally emphasized in the Policy. A social dimension is also introduced into the Policy. Government is fully convinced that implementation of the Policy will lead to achievement of the Poverty Eradication Action Plan targets and the attainment of the Millennium Development Goals.

35. The task ahead is quite challenging and will require substantial investments. But implementation of the Policy is a worthwhile investment as it will substantially improve the economic and social welfare of the population, and contribute to economic development in the country. Government commits herself to look for the resources necessary to implement the Policy in its entirety.

36. The wide consultative process that has been followed in developing this Policy has helped to identify, by consensus, the priority areas for trade development in particular and how it relates to national development. Strategic actions to help achieve these priorities have also been arrived at through a consultative mechanism. In fact, the Policy institutionalizes consultation so as to ensure that the spirit with which this Policy was developed is the same spirit with which it is implemented. An effective and efficient Public-Private Partnership arrangement is envisaged for implementation of the Policy.