



**MINISTRY OF TRADE, INDUSTRY AND COOPERATIVES
UGANDA**

STATEMENT

BY

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**THE FIFTH MEETING OF TRADE MINISTERS OF
LANDLOCKED DEVELOPING COUNTRIES (LLDCs)**

GENEVA 23 -24 JUNE, 2016

Honorable Ministers

Director General, WTO

The UN Under-Secretary General and High Representative for LDCs, LLDCs and SIDs

Excellences

Distinguished Delegates

Ladies and Gentlemen

I am honoured to be here today.

We thank the WTO Secretariat and the UN Office of the High Representative for LDCs, LLDCs and SIDs for organizing our 5th Meeting of Trade Ministers of Landlocked Developing Countries.

We wish to commend H.E. Honorable Raymond Mpundu, Deputy Minister of Commerce, Trade and Industry of the Republic of Zambia for his leadership and chairmanship of the Land-locked Developing Countries' Group.

The Vienna Plan of Action (VPoA) and other UN outcome documents including the Istanbul programme for Action, Addis Ababa Action Agenda, and agenda 2030 place great emphasis on transit policy issues, trade facilitation, regional integration, structural economic transformation, and infrastructure development for LLDCs.

I now wish to share with you what Uganda is doing in terms of harnessing our trade potential to implement those outcomes.

Transit policy issues and trade facilitation

- I. Harmonization of transit policies e.g. traffic rules
- II. NTB monitoring scheme to reduce the time of transportation days for cargo from Mombasa to Kampala which has reduced from 28 days to five days
- III. The Electronic Single Window project aimed at fast tracking clearance of cargo
- IV. The One Stop border Posts
- V. Simplification of Certificates of rules origin

Regional integration

Under regional integration, Uganda is a member of the EAC with a population of 149 million people, COMESA with a population of 449 million people and EAC-COMESA -SADC Tripartite which is still under negotiation. This emphasizes the magnitude of the market potential therein under this; there has been a tremendous increase of the market, harmonization of laws and policies.

However, we still experience some challenges; for example, transport costs are higher in the EAC than other regions of Africa where, costs average 14% of the value of exports compared to 8.6% for all developing countries. For landlocked countries, transport costs can rise, on average to 58% higher than their coastal neighbors. Yet, since most exports from the EAC suffer from price fluctuations because they are either semi-processed or totally unprocessed.

How would our products compete favorably in the world market when there is no connectivity even within the region?

Infrastructure development

In order to improve the transport deficits on a regional level, the EAC recently intensified integration of cross-border transport infrastructure development into its plan of action. Five transport corridors have been earmarked for rehabilitation and upgrading. There are also concerted efforts to revive the East African Railways. The East African Railways Master Plan provides a framework for rejuvenating existing railways serving Kenya, Tanzania, and Uganda, and eventually, extending them to Burundi, Ethiopia, Rwanda and South Sudan. Other regional initiatives include:

- I. The Northern Corridor integrated infrastructure projects
- II. The Regional Electrification Initiative under the Northern Corridor to improve on Energy
- III. ICT backbone
- IV. The Oil pipeline

We take special note of the Livingstone call for action to accelerate implementation of the Vienna programme of action.

We recommend that the WTO work Programme for landlocked developing countries takes on board the interests of our countries, with particular emphasis on regional connectivity, infrastructure development and provision for technical and financial support.

Participation in Regional and Global Value Chains

Global Value Chains present an opportunity for landlocked developing countries to achieve greater integration within world markets, increase their competitiveness and become important links in production and distribution chains.

Uganda like many other LLDCs is a commodity dependent country and has embarked on a process of overcoming this status in the following ways;

- I. Focusing on the commercialization of products where we have a comparative advantage and strengthening our competitiveness by value addition
- II. Agro processing as well as improvement of standards and quality of our agricultural products
- III. Development of local technology to revamp our nascent industries for example Uganda produced the first ever solar powered motor vehicle in the African continent.
- IV. Reducing costs of production in the agricultural sector by small scale mechanization

Chair,

Allow me to inform this August house that Uganda has vast opportunities for promoting global and regional value chains, in the areas of:

- I. Agro processing, warehousing and value addition
- II. Mineral beneficiation of the vast mineral resources e.g. copper, oil, phosphates, limestone (Uganda has already started mining phosphates, limestones, marble and drilling oil).
- III. Tourism: Hospitality, logistics and transportation

I appeal to potential investors to direct FDIs to the above areas, for mutual benefit.

Honorable Members, we have always stated that industrialization is key, let us focus on value addition of both agricultural and mineral commodities with a view of achieving inclusive growth and sustainable development.

We also acknowledge that services are important enablers of trade in goods and effective participation in international trade and global value chains.

Uganda offers efficient ICT services, mobile money transfer services, electronic cargo tracking, effective business registration services and

affordable and accessible credit through microfinance schemes which reduce on the trade costs.

Uganda's services sector subscribes to 55% of its GDP and we are finalizing our services policy to enable proper regulation of the sector.

We welcome the Nairobi decision on the LDC Services waiver and commend those who have notified but urge all those members who have not done so.

Chair, let me extend our appreciation for the projects through Aid for Trade that have been beneficial to the enhancement of connectivity of the LLDCs.

As far as trade is concerned, Uganda has benefited from the various projects as follows;

- I. The Enhanced Integrated Framework; which has enabled us to train and equip the district commercial officers in availing trade data in their respective rural areas
- II. Trademark East Africa; which has funded the one stop border posts and infrastructural development such as roads especially across borders and development policies
- III. QUIISP; enhanced standards and quality, policy making, advocacy and awareness
- IV. ITC; linking Uganda SMEs to markets e.g. India
- V. RIIP; development of SMEs
- VI. EPATAPSS; Support in trade negotiations and policy development

We welcome south South cooperation and Foreign Direct Investment FDI flows that will enhance productive capacities, economic diversification activities and ensuring more benefits for LLDCs from the Aid for Trade Initiative.

In conclusion, Honorable Members, the time is now, to, aggressively harness the trade potential in our countries in a bid to operationalize the Vienna Program of Action and the 2030 Agenda for Sustainable Development.

We need to metamorphosize from LLDCs into middle income economies. Let us bury our lamentations and seek for solutions to our challenges thorough concerted efforts as LLDCs.

I thank you.