

Commercial diplomacy

By **HE PROFESSOR JOYCE K. KIKAFUNDA**

UGANDAN HIGH COMMISSIONER FOR THE UNITED KINGDOM AND IRELAND



JOYCE KIKAFUNDA one of the few female professors in Uganda, worked at Makerere University for over 20 years. She is well known for founding the School of Food Technology which strategically develops capacity to add value to Uganda's vast Agricultural produce. She obtained her first degree from Makerere University in 1976, a Masters degree from the University of Saskatchewan, Canada in 1979 and her doctorate from the University of Reading, UK in 1996. She assumed her duties as Uganda's High Commissioner to the United Kingdom and Ireland in July 2013.

It gives me great pleasure to welcome this official FIRST report highlighting the visit of His Excellency President Yoweri Kaguta Museveni and the high level delegation of Ministers, Senior officials both from the Government and the Private Sector and the Ugandan Business community to The UK-Uganda Investment Forum, 2014. I extend my country's sincere thanks and appreciation to Her Majesty's Government, the Foreign and Commonwealth Office, the Commonwealth Business Council, the City of London and the British Business community for availing Uganda this great opportunity to show-case the abundant trade and investment opportunities available in our country. The strong delegation from Uganda led by His Excellency the President himself is a clear attestation of the importance and value Uganda puts on our economic partnership with the United Kingdom.

The Republic of Uganda and the United Kingdom have a strong bilateral, dynamic and mutual relationship based on enduring friendship, shared values and vital political, commercial and cultural interests. The two countries have shared history and tradition under the international family; The Commonwealth.

The UK is Uganda's most significant development partner and extends both budgetary and project aid to Uganda mostly through institutions like the Department for International Development (DFID). Uganda is one of DFID's largest programmes in Africa. In 2007, the UK committed to a new Ten-year Development Partnership worth £700 million, guaranteeing at least £70 million a year in development assistance. The key areas of focus are education, civil service reform, transport, health, the judiciary, defence and the police.

It is the Vision of the Republic of Uganda to totally transform herself from a peasant and low income economy to a modern and prosperous Upper Middle Income nation over the next 30 years. This is enshrined in our Vision 2040, Uganda's Road Map for development. This Vision sets out the goals to be achieved to enable us to realise this socioeconomic transformation. Because of the various bottlenecks and challenges that have faced the country over the years, government is determined to play a more pro-active role in the context of a quasi-market economy if the country is to achieve its Vision. We are however determined to ensure that the private sector remains the main engine of our socio-economic transformation. To achieve our Vision means doubling

the average Ugandan's annual income, and potentially no longer needing developmental aid. An ambitious agenda like this provides opportunities for investors both local and foreign.

The Uganda High Commission London, strategically located in the heart of the City of London at Trafalgar Square is the first point of contact for anyone from United Kingdom wanting information on trade, investment, partnership, tourism and any other information about Uganda. A major role of the Uganda High Commission is to promote a strong, friendly and mutually benefiting bilateral relationship between Uganda and the United Kingdom. We are also tasked to promote and protect the interests of Uganda and Ugandan nationals in the UK, within the limits permitted by international laws; negotiating with the UK government as directed by the Government of Uganda.

A key focus of the Uganda High Commission London is to engage with the UK in realising the following strategic objectives, 1. An increment of Direct Foreign Investment (FDI) from the UK, 2. Greater access to the UK market for Ugandan exports especially fresh and processed agricultural produce, 3. A larger in-flow of tourists from the UK, 4. Transfer of Technology, Knowledge and Skills, among others. Furthermore, and more pertinent to this Forum, we work to boost and enhance Uganda's reputation as a business partner of choice, and to broker commercial partnerships to increase trade and investment between the two countries. The High Commission works to promote Uganda as an attractive place to do business and to increase UK inward investment in the country. There's been over £75 million in Foreign Direct Investment from the UK into Uganda since 2011 and the UK is the 3rd highest contributor of FDI into Uganda.

Although the UK remains a key bilateral trade partner for Uganda, there is however, room for improvement. Ugandan exports to the UK totalled about £60 million and UK imports totalled about £130 million in 2012. Uganda is a growing market and UK companies can find opportunities in many sectors, including Agriculture, Power, Education, Infrastructure and our newly discovered petroleum resources.

The economic outlook for Uganda remains favourable despite headwinds from the global economy. Growth has remained relatively broad-based, with agriculture, oil and gas production, mining, services and domestic

demand as the main drivers. Uganda's economy stabilised in 2013 with inflation falling from an 18 year high of 30% in 2011 to 8% in 2013. Tightened fiscal and monetary policies helped bring fiscal balances under control. While laying the foundations for recovery and growth, stabilisation came at the cost of a slowdown in gross domestic product (GDP) growth to 4.3% by June 2013. A gradual recovery is expected, with real GDP growth projected to reach 5.5% in 2014. For the past two decades, Uganda has achieved an impressive record of economic growth, since 1986 the Ugandan economy has grown at an annual average of over six%.

The Agricultural sector is a significant player in the economy, and employs most of the country's population; about 67% of the total employment. It is due to Uganda's favourable soil conditions and climate that Agriculture has continued to be a success and a key component of Uganda's economy. However, it is a sector in which earnings are five times less than those in the public sector. The sector is mainly engaged in subsistence production, with very limited orientation towards commercial agriculture. This is a bottleneck that needs to be overcome and greater focus needs to be placed on agribusiness and agro-processing to ensure the sector flourishes and in turn a majority of the population.

Uganda has prioritised infrastructure as a key sector to address in our National Development Plan. Infrastructural bottlenecks have long been a hindrance to our economic development and priority allocations are being made for power generation, road and railway networks. These are key to our economic development, as for example without power infrastructure, you can't have industry, without industry you can't have jobs, with less jobs comes a smaller tax base, which in turn slows down the economic growth rate of the country.

On the side of tourism, we aim to promote Uganda, "the Pearl of Africa", as a preferred tourist destination for British nationals. The distinctive attraction of Uganda as a tourist destination arises out of the variety of its game stock and its unspoilt scenic beauty. Uganda generally has substantial natural resources for tourism with a variety of landscape and ecosystems, climates and cultures. Some of its features are outstanding by international standards such as the sheer variety of bird species, while others are unique. The Ugandan experience has novelty and rarity - values not easily found elsewhere in Africa.

The various tribes, traditions and cultures of the Ugandan people enhance the tourist experience. Ugandans

generally have a reputation for openness, and a friendly attitude to visitors. There are various peoples that make up Uganda and each group has its own traditional customs and ways of life.

Tourism remains a key component of Uganda's employment, investment and foreign exchange, and contributes heavily to Uganda's annual GDP. Tourism contributed £1.2 billion to Uganda's GDP in the financial year 2012-2013. The number of tourists visiting Uganda from the UK was over 37,000 in 2011 and this increased to 42,000 in 2012 with the continued hope and expectation that the upward trend will continue. The UK remains the second largest market in terms of number of tourists into Uganda from Western countries, and the number one supplier of tourists from Europe.

Education partnerships between institutions of learning (schools, Colleges, Universities) in the UK and Uganda have seen exchange of programmes and human resource that have enhanced the transfer of knowledge, skills and technology; all necessary ingredients for our socio-economic transformation.

This Investment Forum has given the Uganda High Commission London an excellent platform to practically achieve one of our major strategic objectives; *commercial diplomacy*. On behalf of my country and my staff at the Mission, I sincerely thank everyone who has participated in the preparation of this important Forum which I am sure will be a resounding success. I also wish to extend my country's sincere appreciation to FIRST Magazine for giving us this chance to share with the international community about Uganda and its potential as Africa's Investment destination of choice.

We are determined to ensure that the private sector remains the main engine of our socio-economic transformation

The entrance to the Ugandan High Commission office, Trafalgar Square.

