



# NATIONAL INDUSTRIAL POLICY FOR UGANDA

*A Framework for Uganda's Transformation, Competitiveness  
and Prosperity*

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## BACKGROUND

- Industrial development is an integral and important part of the GoU's overall development strategy.
- To be achieved through transforming Uganda into a modern and Industrial Country through, adding value by processing and increasing exports of higher value products, especially from agricultural and mineral resources.
- Industrialization offers greater prospects for increased employment & product diversification.



## BACKGROUND' Contd

- After an extensive consultative process, involving MDAs, Private Sector, Civil Society, Academia and Development Partner/UNIDO. The National Industrial Policy; was completed and approved by Cabinet in 2008.
- NIP sets out the strategic direction for industrial development in Uganda. Addresses the constraints as well as priorities regarded as key to spur Industrial development in Uganda.



## POLICY VISION & OBJECTIVES

- Agro-processing, i.e. Food processing, sugar, dairy products leather and leather products, textiles and garments, and value addition in niche exports.
- Engineering for capital goods, agricultural implements, construction materials, and fabrication / Jua Kali operations.



## POLICY VISION & OBJECTIVES

- To build the industrial sector into a modern, competitive and dynamic sector fully integrated into the domestic, regional and global economies. Major Focus of NIP
  - Exploiting and developing natural domestic resource- based industries- petroleum, cement, and fertilizer industries; and promote competitive industries that use local raw materials.



# POLICY TARGETS

- After successful implementation of NIP. Indicators for achieving the vision and objectives will include:
  - ✓ 25% - contribution of manufacturing to total GDP
  - ✓ 30% - contribution of manufacturing to total exports
  - ✓ 30% - Value added in Industry (% of GDP)
  - ✓ 4.0 score - Competitiveness Index



## Situation Analysis

Major Strengths include-

- ✓ a significant natural resource base,
- ✓ committed and stable political leadership,
- ✓ a stable macro economic policy setting,
- ✓ higher education and human skills,
- ✓ developed strong public–private sector partnership for infrastructure investment,
- ✓ a strategic location advantage/land linked





## Constraints

### Identified constraints

- Energy/Electricity judged to be the most severe impediment
- Poor infrastructure
- Lack of finance.
- At the sector level specific constraints include crop diseases - coffee wilt disease and low cotton yields
- Weak R&D – institutions and technical capacity
- At the enterprise level- poor management skills.
- Access to international markets - inadequate managerial skills in quality management and compliance with international standards.



## POLICY ACTIONS

- **Institutional development-** establish, revive, and strengthen leading policy implementing instns, to ensure effective coordination of all policy implementation initiatives.
- **Public-Private-Partnership enhancement-** Implementation of Industrial development be interactive, involving the full participation of the Private sector and other stakeholders



## POLICY ACTIONS

- **Infrastructure Development-** In collaboration with the private sector undertake to develop and upgrade infrastructure to facilitate industrial transformation
- **Deepening and widening the industrial base**  
deepening and widening of the relatively narrow industrial structure/ the strengthening of sub-sector linkages.



## POLICY ACTIONS

- **Science, Technology and Innovation** -Creating national capacity for innovation, science and technology to ensure sustainable industrial transformation
- **Financing industrial sector transformation** - Using a Public- Private Partnership approach, strengthen and deepen the financial sector to provide adequate and affordable industrial finance



## POLICY ACTIONS

- **Skills and human resource development-** Build human resource skills and competencies to support industrial transformation
- **Occupational Health and Safety-** A healthy and safe industrial production environment shall be a key priority.
- **Compliance with international standards and adoption of QMS-** Industrial firms will be encouraged to adopt firm level strategies in order to improve production processes, product quality and competitiveness. at the national level and in the global market



## POLICY ACTIONS

- **Sustainable Industrial Development-** Industrial transformation shall be pursued in a manner that ensures efficient resource utilization and environmental sustainability
- **Implementation framework- MTIC** lead the implementation of NIP while collaborating with other MDAs and the Private Sector.



## Achievements attained

No	Policy Strategy	Achievements
1	Institutional development for coordination & implementation of initiatives	<p>MTIC – MSME Directorate, Revival of UDC, Ctns support to UIRI, UNBS, MTAC &amp; Started establishing NAB for international recgn of Ug’s products &amp; services</p> <p>Development of subsector Policies- Sugar, Textile, Leather &amp; leather products</p>
2	PPP Enhancement	<p>Formed partnerships with private sector associations such PSFU,UMA,USSIA UFPEA &amp; strategic enterprises</p>
3	Infrastructure Development	<p>Thru- MWT- Improved the roads to rural area</p> <p>MEMD- Increased by generation at peak time 287 MW- Bujagali-&amp; mini hydro power, Rural electrification programme targeting MSMEs</p> <p>Promoted CP systems to conserve energy &amp; other raw mats in industries</p> <p>Collaborating with Kenya- revamped the railway</p> <p>Established of Industrial parks &amp; common facilities center</p>



## Achievements attained

No	Policy Strategy	Achievements
4	Deepening and widening the industrial base	Formed Clusters Facilitating Luwero pineapple processing factory, Soroti Fruit processing factory/KOICA Established Mineral processing plants- iron ore, vermiculite & fertilizer factory.
5	Create Capacity in Science, Technology and Innovation	-Under UIRI&UNCST, done R&D- Incubation projects- across Country
6	Financing the Industrial sector transformation	low interest loans available in banks- EADB, ADB, DFCU & many local banks offer MSME loan GoU, industrialization fund





# Achievements attained

No	Policy Strategy	Achievements
7	Skills and Human resource development	Ctns thru education policy UPE-USE, Vocational training & study tours/attachment to developed economies, Also- MTICs Programmes OVOP, QUISP, EPATAPSS
8	Occupational Health and Safety	Collaborate with Ministry- Labour/NEMA, UMA,USSIA- Carry out regular inspections , dialogue& sensitization workshops
9	Compliance with international standards requirements	Put in place national standards & quality policy, reviewed & amended NQI laws, enhanced capacity testing& calibration labs
10	Sustainable Industrial Development	Collaborate MTIC & NEMA- Uganda to ensure that factory/project undergoes thru an EIAs process & regular Audits. Implement RECP/UCPC



## Linkages of NIP with EAC Industrialization Strategy

The NIP Policy Actions are inline with EAC Industrialization Strategy such as;

- Strengthening institutional frameworks and capacity of industry support institutions
- Strengthening business and regulatory climate
- Enhancing access to Finance
- Development of technical skills (soft & hard)
- Facilitating development of MSMEs
- Strengthening Industrial Information Mgt
- Promoting Research Devpt & Innovation....



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THANKS FOR LISTENING