

UDC outs 15-year plan to drive industrialisation

By Benon Ojiambo

The Uganda Development Corporation (UDC) has unveiled a 15-year strategy through which it aims to drive Uganda's industrialisation and economic transformation.

It will focus on agro-based and mineral-based industrialisation to exploit the domestic and regional markets, according to Emmanuel Mutahunga, UDC's acting executive director. The plan under the theme: "Driving industrial and economic development for transformation" will be implemented from the financial year 2017/18 to 2032/33.

Mutahunga was presenting the draft plan to members of the parliamentary committee on tourism, trade and industry at the Sapphire Hotel in Lweza, Wakiso district on Friday.

UDC is the development and investment arm of the Government with the mandate to promote and facilitate the country's industrial and economic development.

Mutahunga said lessons were drawn from state development corporations in Singapore, Malaysia, Mauritius and South Africa. Here, he said, successful state investment corporations are run as business entities operated through subsidiaries specialising in different strategic investment areas.

Another lesson, he said, was that government investment through state enterprises must complement and catalyse the private sector rather than stifling it.

He noted that the 2006-2015 period saw limited signs of economic transformation



Werikhe with Mutahunga in Lweza, Wakiso district. Photo Ronnie Kijambu

with the services sector, which dominated contribution to the economic development remaining stagnant at about 50%. The industrial and agricultural sectors declined, he added.

"The agricultural sector, despite employing 68% of households and accounting for 58.5% of exports, has been registering the slowest growth rate over the last five years while industry has been erratic," he said.

In the industrial sector, growth was mainly in the construction sub-sector instead of manufacturing, which is essential for future economic growth.

He further explained that the high potential in agriculture is largely underexploited with low production growth rates in key crops such as coffee (2%), maize (4%) and tea with a 6%

growth rate.

"Limited production has also resulted in limited value addition as it may not be economically viable for one to invest in adding value to a limited quantity of a given product.

"This has led to failure to take advantage of expanding global markets. The country continues to have a limited share, even in preferential regional markets like 1.6% in the EAC for the period between 2011 and 2015," Mutahunga said.

He said the UDC will engage in strategic partnerships with private companies, both indigenous and foreign, co-operatives and government institutions

The corporation, he said, hopes to take advantage of the current investment incentives, preferential market access, ongoing government

investment in infrastructure and stock markets.

Investment areas

The plan listed different strategic areas for investment that include processing of Uganda's agricultural products such as coffee and tea and manufacturing of construction materials using local raw materials. It also named supporting strategic base industries and services, particularly the packaging industry for enhanced agro-processing.

The state minister for trade and industry, Michael Werikhe, said: "The plan should be the launch pad for the country's economic and industrial development process. We are looking at industrialisation based on what we produce or can, plus on markets where we enjoy preferential access."