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BORDER VALUE CHAINS: CAN EAST AFRICA MANUFACTURE JOINTLY?

United we stand. Divided we fall. This matters not just in politics but even more in business. Without enterprises, where will governments get taxes to operate the country? No single East African country can efficiently manufacture everything alone.

Different countries have their strengths and weaknesses. In milk production, no country can beat Uganda in East Africa. The cost of milk per litre is cheaper in Uganda compared to the rest of the East African Community (EAC). This is why our neighbours sometimes come up with non-tariff barriers (NTBs), unfair business practices to strangle competition. Fortunately, or unfortunately, we do not play tit-for-tat. I would gladly do so.

Regional value chains reduce costs and specialisation matters. Aliko Dangote, Africa's richest man, has set up the first major oil refinery in Nigeria to refine crude into petroleum products for consumption in Nigeria and across Africa.

Why should African nations export raw crude to Europe only to buy it back as expensive refined fuel? The West is shocked! South Africa, Ghana and Togo are already buying fuel from Nigeria. This saves the continent billions of dollars in foreign exchange. A perfect example of a regional value chain.

A coffee product can involve roasted Ugandan beans, Kenyan packaging, Tanzanian ports and Rwandan distribution. Yet East Africa trades as separate "rival" economies instead of one production system. East Africa imports products from Asia that could partly be produced within the region if industries worked together. The future of trade does not belong to isolated factories but to connected regional value chains. Asia does it, so can we.

East Africa speaks more about integration politically than industrially.

Regional value chains simply mean that different countries contribute to different stages of production. Value addition is important, but Uganda cannot industrialise efficiently in isolation. Yes, we can push the manufacturing agenda, but this must be balanced with regional production integration. Uganda can supply agricultural raw materials, Kenya can provide logistics, services and finance, Tanzania can offer ports and energy access, while Rwanda positions itself around technology and the conference economy. In this way, we stop fighting each other through NTBs. A finished product can pass through multiple economies before export.

Why does this matter for Uganda? Regional integration lowers production costs. Manufacturing requires scale, infrastructure, markets, energy, logistics, finance and consumers. In pharmaceuticals alone, the region imports billions of dollars' worth of medicine. Regional production could reduce dependence on imports. Processing hubs can also emerge around milk, maize, grain and edible oils.

East Africa speaks more about integration politically than industrially. We fight each other commercially while delivering polished speeches during East African Community conferences. Border delays, inconsistent standards, nationalism, duplicate taxes, poor transport systems, mistrust and policy inconsistency continue to weaken regional business integration.

Asian economies became strong through production networks. A phone assembled in China contains inputs from Vietnam, Korea, Taiwan and Malaysia. East Africa can build similar regional production systems. The role of the African Continental Free Trade Area (AfCFTA) and the EAC is critical. While AfCFTA creates larger markets, EAC integration should support production chains. Agreements alone are not enough; production must follow.

So, what should Uganda focus on? Uganda should identify areas where it has a competitive advantage instead of trying to produce everything. We are located along the equator and can produce some of the best coffee and cocoa in the world. Practical recommendations for Uganda to achieve its tenfold growth strategy and National Development Plan IV include promoting industrial specialisation, export-oriented manufacturing and energy reliability. As a landlocked country, we must create efficient logistics corridors, reduce border friction and harmonise standards.

Regional value chains are not just for show. They create jobs, SMEs, transport demand, supplier ecosystems and youth employment.

The future of African trade may not be built country by country, but value chain by value chain. East African competitiveness will not depend on how loudly countries promote themselves individually, but on how efficiently they produce together.