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Shilling remains under pressure: Apha Capital Managing Partner Steven Kaboya says the shilling came under sustained pressure last week, driven by a strong global dollar and heavy energy-sector demand. He also notes that despite support from end-of-month inflows, markets remain cautious over global uncertainties.



Markets.|

Tanzania overtakes China, Kenya as Uganda's top source of imports

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Tanzania has overtaken China to become Uganda's biggest source of imports, underlining a dramatic shift in regional trade flows that has largely been driven by surging imports of gold and precious metals.

The URA Annual Databook 2024/25, published in March, shows that Uganda imported goods worth Shs56.8 trillion in the financial year ending June 2025.

Of this amount, Tanzania alone accounted for imports worth Shs12.46 trillion or 21.94 percent, making it Uganda's single largest source of imports ahead of China, India, United Arab Emirates, and Kenya.

The shift is remarkable considering that just four years ago, Tanzania ranked behind China, India, the UAE and Kenya.

Tanzania's explosive rise

Data shows that Uganda's imports from Tanzania rose from Shs1.12 trillion in June 2022 to Shs12.46 trillion in June 2025, a growth of about 1,017 percent in four years, the fastest rise among Uganda's major trading partners.

By comparison, imports from China have in the same period risen from Shs6.45 trillion to Shs10.92 trillion, representing a growth of about 69 percent, while imports from Kenya have increased from Shs2.49 trillion to Shs4.39 trillion, translating into a growth of about 76 percent.

URA data further shows that imports from India have risen in the four years from Shs4.12 trillion to Shs5.48 trillion, a 33 percent increase, while imports from United Arab Emirates have grown from Shs3.82 trillion to Shs4.58 trillion, up about 20 percent.

The data shows Tanzania has not only overtaken China, but has widened the gap over traditional



Gold imports from Tanzania have propelled the country past China as Uganda's biggest import source. PHOTO / FILE

Key highlights

- Out of the total imports worth Shs56.83 trillion in the 2024/25 financial year, the top five countries, including Tanzania, China, India, UAE, and Kenya contributed about two-thirds or 66.5 percent .
- Tanzania alone accounted for imports worth Shs12.46 trillion or 21.94 percent, making it Uganda's single largest source of imports ahead of China, India, United Arab Emirates and Kenya.
- Bank of Uganda says the bulk of the imports coming from Tanzania are gold and precious metals, noting that this explains roughly that Shs12.46 trillion value recorded in trade statistics..

Share of Uganda's imports

Out of the total imports worth Shs56.83 trillion in the 2024/25 financial year, the top five countries contributed about two-thirds or 66.5 percent.

Tanzania alone accounts for nearly 21.9 percent, followed by China with a contribution of about 19.2 percent, while India contributed 9.6 percent.

UAE accounts for 8.1 percent, and Kenya closes off Uganda's top import sources with a contribution of 7.7 percent.

In actual values, Tanzania leads with imports worth Shs12.46 trillion, followed by China at Shs10.92 trillion, India at Shs5.48 trillion, UAE at Shs4.58 trillion and Kenya at Shs4.39 trillion.

South Africa follows closely with imports worth Shs3.28 trillion. The figures indicate a major restructuring of Uganda's import patterns, with African countries, particularly Tanzania, increasingly dominating regional trade.

The gold factor

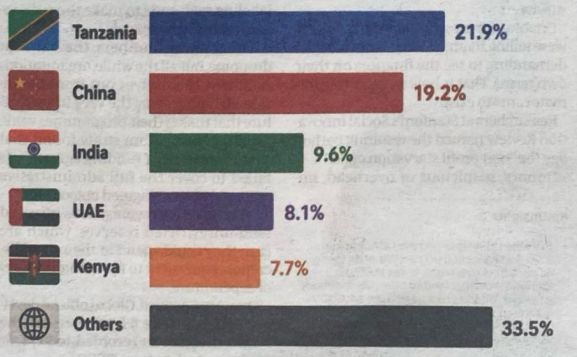
Bank of Uganda Director for Research Adam Mugume says the bulk of the imports coming from Tanzania are gold and precious metals.

According to Mugume, most of the imports from Tanzania are gold, which explains the roughly Shs12.46 trillion value recorded in trade statistics.

Outside gold, he notes, Uganda's imports from Tanzania, including rice and other products, are estimated at only between $100m and $150m.

The URA databook strongly supports this explanation, with data showing that Uganda's imports of precious metals and jewellery exploded from just Shs4.22b in the 2021/22 financial year to Shs16.65 trillion by 2025.

Breakdown of Uganda's imports by country of origin in the year ended June 2025



This means imports under the precious metals and jewellery category rose nearly 4,000 times in four years.

The commodity alone accounted for roughly 29 percent of all Uganda's imports in the 2024/25 financial year.

By comparison, cereals such as maize, rice, and wheat, another major import category associated with regional trade, were worth Shs4.72 trillion in the 2024/25 financial year.

The precious metals category, therefore, became Uganda's single largest import item by a massive margin.

The gold trade paradox

URA data also reveals another interesting trend. While Uganda imported precious metals and jewellery worth Shs16.65 trillion in the 2024/25 financial year, the country exported precious metals and jewellery worth Shs15.82 trillion during the same period.

This confirms Uganda's growing role as a regional gold trading and refining hub, where gold is imported, largely from neighbouring countries such as Tanzania and DR Congo, before being refined, processed, and re-exported.

The export value of precious metals and jewellery has also grown sharply from just Shs18.66b in June 2022 to Shs15.82 trillion in June 2025.

Coffee, tea, and spices remain Uganda's second-largest export category at Shs7.63 trillion.

Kenya loses ground

Kenya, historically one of Uganda's largest trading partners, has increasingly lost ground to Tanzania.

In the 2021/22 financial year, Uganda imported goods worth Shs2.49 trillion from Kenya, more than double Tanzania's Shs1.12 trillion.

However, by June 2024, Tanzania had already overtaken Kenya with imports worth Shs8.03 trillion compared to Kenya's Shs2.88 trillion.

The gap widened further in the 2024/25 financial year, with Tanzania exporting goods worth Shs12.46 trillion to Uganda compared to Kenya's Shs4.39 trillion. This means that Tanzania exported nearly three times more goods to Uganda than to Kenya by June 2025.

Even DR Congo, traditionally viewed more as an export destination for Uganda, registered a dramatic increase in exports to Uganda, with imports rising from Shs44.6b in June 2022 to Shs2.18 trillion in June 2025.

Africa: the biggest import region

Broader regional data shows Africa is rapidly becoming Uganda's most important source of imports. The URA databook shows that imports from Africa rose from Shs5.11 trillion to Shs30.68 trillion in the four years to June 2025.

This means African imports grew sixfold in just four years. The growth coincides with an increase in mineral trade, regional integration under the East African Community and the African Continental Free Trade Area, as well as expanding cross-border trade routes through Dar es Salaam port.

China nevertheless remains a critical supplier to Uganda, particularly for manufactured goods, machinery, electronics, industrial equipment, textiles, and construction materials.

But Tanzania's rise highlights how commodity trade, especially gold, is reshaping Uganda's import statistics and regional trade dynamics.

Sharp expansion of trade

URA data shows Uganda's imports rose to Shs56.83 trillion, coinciding with the expansion in exports, which in the four years under review, have significantly grown from Shs13.16 trillion to Shs40.33 trillion, nearly doubling from Shs45.27 trillion to Shs97.16 trillion.

URA attributes the growth to expanding trade volumes, stronger regional integration, and increased participation in international trade.

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