

Moses Sserwanga



## Why the Government should fast track industrialisation policy

It is well over 10 years since the National Industrialisation Policy was launched by President Yoweri Museveni in 2008 to transform Uganda from a dominantly peasant society into a modern, industrial and prosperous country. The policy was aimed at facilitating the rapid economic transformation of Uganda's economy through industrialisation by applying science, technology, engineering and innovations (STEI).

But ever since the policy was launched little has been done to promoting home grown, targeted industries in the fields of science, technology, engineering and innovations (STEI) to boost economic growth. There is general indifference by some public servants when it comes to implementation of otherwise good government policies, programmes and projects.

The sheer lack of commitment or slow pace of implementation of government programmes is costing the country dearly with the shilling continuing to depreciate against the dollar because there are few locally made goods for the export market.

And yet if the National Industrialisation Policy was fully and rapidly implemented, many locally bred industries would now be up and running and the transformation that can be triggered by these industries would go a long way to eliminate the unemployment problem that is widely spread among the youth.

This worrying situation has also been highlighted in the recent report released by PWC about Uganda's Economic Outlook for 2017.

In their report, PWC notes that among the domestic factors responsible for the slowdown in economic growth, is the slow implementation of government projects which in return has delayed the realisation of the economic benefits expected from these investments by the Ugandan people such as job opportunities.

If this slow pace continues, PWC argues, it will deter growth of the economy, as was the case last financial year. "Therefore, in order to achieve the projected 5% economic growth, there must be huge improvements in the efficiency and effectiveness in the way government investment projects are executed," the report states.

And when done properly, all the government projects across all sectors should have a huge multiplier effect on the economy. This is because every dollar spent on a government development oriented project, leads to an outcome of greater than two. With the right execution, all the public investment on development projects can have a powerful effect on the economy. The projects have the potential to raise output in the short term by boosting demand, creating jobs, and increasing the economy's productive capacity in the long term.

But it is never too late to catch up on lost time. There seems to be light at the end of the tunnel if the Minister of Finance, Planning and Economic Development, Matia Kasaija, is to be held by his word when he stated, while launching the Uganda Investment Authority (UIA) five-year strategy plan 2016-2021 thus: the UIA Strategic Plan 2016-2021 is anchored in "operationalising and incentivising" all the 22 gazetted Industrial Parks, towards robust industrialisation.

With robust industrialisation, he noted, Uganda shall export more "manufactured in Uganda" goods. This in turn will greatly improve the country's trade balance and strengthen the shilling.

It is also encouraging to note that one of the gazetted industrial parks is the Jinja Industrial and Business Park, where a local pioneer automotive company, Kiira Motors Corporation is slated to set up the first and biggest vehicle production plant.

Once the plant is set up as promised in 2018, the automotive value chain will be such a huge enabler for wealth creation given the opportunities it will present right from suppliers of raw materials to service centres across the country. And this is only one industrial project.

KMC and many other local industrial projects need every government's support for Uganda to become a middle income country by 2020.

The writer is media and communications consultant/trainer and advocate of the High Court of Uganda