

to EU

50 years on, Uganda is still a tiny supplier of EU



EXPORTS RONAH NAHABWE

Half a century after Uganda began trading with the European Union (EU), the relationship still tells a paradoxical story: Exports are rising, but the structure of those exports has barely changed.

Uganda's shipments to the EU have tripled in value in just a few years, growing from €500 million in 2019 to about €1.5 billion today.

On paper, that is impressive growth. Yet, against the scale of the European economy—worth more than €16 trillion—Uganda remains a tiny supplier, largely exporting the same primary raw commodities it did decades ago. Neighbouring Kenya, in contrast, ships €3.3 billion in goods, including processed and packaged products, capturing greater value and benefiting its population more tangibly.

The challenge, experts say, is not the growth in export value but the quality and structure of that growth.

Speaking at a TradeMark Africa engagement, the British High Commissioner to Uganda, Lisa Chesney, highlighted that despite this upward trend, the average Ugandan is not fully benefiting from trade, noting, "Exports per capita remain lower than several of our East African neighbours."

This means the average Ugandan sees almost none of the benefit.

One explanation lies in the trade frameworks governing the relationship. Kenya trades under a formal Economic Partnership Agreement (EPA) with the EU, while Uganda currently benefits from the Everything But Arms (EBA) scheme, which allows duty-free access for least developed countries.

According to Jan Sadek, the Ambassador of the European Union to Uganda, that arrangement will change. Once

Uganda attains middle-income status, the EBA facility will no longer apply. At that stage, Uganda will need to sign an EPA with the EU to maintain preferential access to the European market.

"The agreement already exists and is, in principle, ready to be signed," Sadek said, noting that Kenya has already concluded its own deal with the EU. Discussions are ongoing within the East African Community about whether the region should pursue a collective approach.

But trade access alone is not Uganda's biggest challenge. In many cases, the market is already open—the difficulty lies in meeting standards, building value chains, and producing at scale.

The EU says it has already launched a €44 million programme aimed at improving productivity and value addition in Uganda's coffee sector, where Ugandan exporters have already registered tangible results, with Italy and Germany as the top importers. In the 2024/25 coffee year, total exports reached 8.4 million 60-kg bags, generating about US\$2.4 billion in revenue.

Promising earners

Other sectors—particularly fish farming, fruits, and flowers—are also emerging as promising export earners. Yet logistics remain a major constraint. Uganda's distance from European mar-

ket means perishable goods require reliable cold chain systems. Efforts are underway to establish cold storage facilities near Entebbe International Airport to support exports such as avocados, which are gaining popularity among European consumers. Ugandan pineapples, for example, are widely praised for their exceptional sweetness and flavour.

PHOTO: MICHAEL KAKUMIRI

Key takeaways

- Against the scale of the European economy—worth more than €16 trillion—Uganda remains a tiny supplier, largely exporting the same primary raw commodities it did decades ago.
- The European market is open, but entry comes with strict rules. Products must meet rigorous sanitary and phytosanitary standards, meaning they must be traceable, safe, and consistent in quality.

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Ugandan pineapples, for example, are widely praised for their exceptional sweetness and flavour.

But their high sugar content also makes them vulnerable to mold during transportation—an illustration of how logistics and quality control can determine whether an export opportunity succeeds or fails.

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For Uganda, meeting European standards is not just about accessing the market; it is about building production systems capable of competing globally.

Chesney pointed to non-tariff barriers as a persistent obstacle, estimating that they cost the region about \$9 billion in lost trade opportunities.

She highlighted specific markets where Uganda could expand further. For instance, the country has a commercial pathway to export over \$500 million (Shs1.87 trillion) worth of dairy products annually to Algeria, yet businesses are yet to fully take advantage of this opportunity.

She also pointed to gaps in leveraging existing trade schemes. Under the United Kingdom's Developing Countries Trading Scheme, about 99 percent of goods from eligible countries, including Uganda, can enter the UK market tariff-free.

Despite this, more than half of Uganda's cut-flower exports to the UK still pay an 8 percent tariff, largely because exporters lack information on how to use the scheme effectively.

Exports to EU

Herbert Kafeero, a trade and development policy analyst at Seatini, emphasises the need for strategic diversification. "Uganda should not only strengthen its position within the East African region, COMESA, SADC, and the African Continental Free Trade Area, but also explore emerging markets in the Middle East, North Africa, and Asia."

He notes that while Europe remains a vital market, stricter standards and compliance requirements make it crucial for Uganda to expand its reach and improve production systems.

By combining enhanced market access with value addition and diversification, Uganda could unlock significant untapped potential, moving from exporting raw commodities to high-value, competitive products that benefit more Ugandans.

Despite the challenges in value addition, logistics, and compliance, the potential for Uganda's trade with key partners like the UK and the EU remains enormous.

Current trade with the UK stands at around \$500 million, but with deeper cooperation, strategic investment, and targeted support for export sectors, experts project that Uganda could expand this figure tenfold, reaching \$5 billion by 2040.

Unlocking this growth will depend not just on increasing volumes, but on transforming the structure of exports—adding value, meeting global standards, and diversifying into new products and markets.