UGANDA'S QUIET FOREIGN EXCHANGE OPPORTUNITY



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Uganda's young generation may not all own land or factories. Many have skills that can be exported. The country's exports are largely dominated by coffee, gold, fish and agricultural commodities. As a result, some people, particularly the youth, may feel left out, thinking only those who own square miles of land benefit from exports.

While it is true Uganda's exports are mainly goods, the conversation should now shift to services. Uganda has one of the youngest populations in the world, an important asset. Many developed countries, such as Japan, are grappling with ageing populations. While longer life expectancy is positive, economies still require a strong and productive working-age population to sustain growth. When pension savings are being withdrawn, a younger workforce must be active enough to replenish them. Service exports are not tangible, but they present significant opportunities for the economy. More people can participate in service exports than in goods production. These include tourism and hospitality, labour exports (both skilled and semi-skilled workers to markets such as the Middle East), and the creative industries. Ugandan youth have already demonstrated potential through productions like *Damalie, Sanyu and Prestige*, which can reach international audiences. A more supportive tax environment for services and creative industries would further unlock this potential.

Business Process Outsourcing (BPO) offers a wide range of opportunities. Back-office services include finance and accounting, human resource management, procurement and supply chain functions, as well as data management.

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Uganda's young population is an important asset for the economy.

Front-office services include customer experience, sales and marketing, and technical support. Knowledge Process Outsourcing (KPO) involves higher-value services such as market research, healthcare support and legal process outsourcing. A law firm in Uganda can provide legal services to a multinational company based in North America. IT outsourcing includes software development, cloud services and digital transformation.

This BPO space is particularly suitable for Uganda's youth, alongside tourism. The sector is gradually transitioning from a domestic focus to an export-oriented model, targeting markets in Europe such as the Netherlands, Germany and the UK

According to the Uganda Bureau of Statistics, tourism earnings reached approximately $1.7b in 2025, up from about $1.3b in 2024. International arrivals also increased from 1.3 million to 1.65 million over the same period.

This demonstrates strong potential of the services sector to generate employment and foreign exchange. Lack of land should not be a barrier to participation in economic growth.

You do not need to ship a container to export, you can export skills.

Service exports matter for Uganda because they align with the country's demographic realities. With about 77% of the population below 30 years, there is increasing pressure on the labour market.

Service exports provide scalable opportunities with relatively lower entry barriers compared to manufacturing, and less dependence on physical logistics. They earn foreign exchange just like goods.

Uganda's growing urban and digital economy further strengthens this opportunity. Many young people already have access to smartphones and digital tools that can convert skills into income. In this context, service exports turn human capital into economic value.

Opportunities exist in BPO and call centres, digital services, professional services, education and skills exports, and labour mobility.

However, several constraints continue to hold the sector back. These include the high cost and reliability of internet services, power instability, skills mismatches, and regulatory gaps.

There are also limited global market linkages and weak branding of Uganda as a services hub.

The education system must be better aligned with market demands.

The Government has a central role to play. This includes investing in digital infrastructure, supporting the development of BPO parks and hubs, and promoting Uganda's services internationally.

Export promotion agencies, the ICT ministry and the private sector must work together more effectively. At the same time, young people must invest in relevant skills not just academic qualifications.

Service exports present an important future for trade. While manufacturing remains critical, services add a new dimension to Uganda's export strategy.

In the evolving global economy, Uganda's export future will not be defined only by what leaves its borders in trucks and containers — but also by the skills, services and ideas delivered across digital platforms.