The government projects to collect up | Shs1,000 on a 50kg bag of cement, in- | significantly. | levy on worn clothing and ...

Uganda moves to ban export of raw coffee

BY SYLVIA NAMAGEMBE

KAMPALA. Uganda is considering phasing out exports of unprocessed coffee in favour of local value addition, a move private sector leaders said could reshape farmer earnings, job creation, and the structure of the country's coffee value chain.

The shift, which is being pursued alongside efforts to attract foreign investment, aims at expanding domestic processing, retaining more economic value within the country, and boosting industrial activity in the coffee sector.

The chief executive officer of the Private Sector Foundation, Mr Stephen Asiimwe, said processing coffee locally ensures key activities such as blending, packaging, storage, and logistics remain within the country instead of being done abroad.

He argued that keeping the value chain in Uganda creates more jobs and allows farmers who accept to take up the processing to benefit from reduced intermediaries.

Mr Asiimwe explained that when value addition is done locally, Uganda benefits from multiple economic activities such as packaging, storage, logistics, and processing, which generate employment and increase tax revenue.

"Once you add value here, you create jobs immediately. When you export raw coffee, those jobs like blending, packaging, and processing are created in other countries. Local farmers are encouraged to participate in value addition so they can earn more after reducing middlemen, and the value chain stays in Uganda," he said.

Mr Asiimwe added that local processing also strengthens the economy by expanding taxable activities and increasing overall earnings from coffee sector-related activities compared to exporting raw produce.

Government officials said banning the export of unprocessed coffee is part of a broader strategy to boost value addition and industrialisation in the sector. They explained that the move is aimed at transforming coffee from a raw export commodity into a higher-value product that generates more export earnings and jobs locally through agro-processing and industrial development, as discussions deepened for stronger economic ties at the 2026 Uganda-China Investment Conference in Kampala yesterday.

The Permanent Secretary at the Ministry of Foreign Affairs, Mr Vincent Bagiire Waiswa, said Uganda is shifting from exporting raw materials to promoting value-added products, with coffee serving as a key entry point for the rest of the country's produce.

"We want to move from the coffee bean to a processed product since this crop has long been a key entry point to market Uganda's broader investment potential," he said, urging Chinese investors to establish processing plants and long-term partnerships in Uganda.

Mr Bagiire said Uganda is offering incentives aimed at attracting investors into value-added industries, with a focus on job creation and industrial growth.

"The tour exposed Chinese investors to Uganda's coffee value chain, tourism attractions, and mineral resources, with the government now pushing to convert that interest into concrete investments. The long-term partners by establishing factories, entering joint ventures, and creating sustainable jobs," Mr Bagiire said.

Mr Asiimwe noted that Ugandan businesses are targeting China's vast market and technological capacity to drive growth.

"We want joint ventures, technology transfer, and business-to-business linkages that will grow our economy from a trade imbalance. Uganda is aiming to expand its economy from about $50 billion (Shs184.25 trillion) to $500 billion (Shs1.84 quadrillion, with China seen as a key partner in achieving that ambition," Mr Asiimwe said.

Uganda's Head of Mission in Beijing, Ms Oliver Wonekha, noted that China, which is the second most populous country worldwide, with about 1.4 billion people, presents a major opportunity for exporters, particularly as coffee consumption.

"Coffee remains Uganda's key growth market from China as changing consumer preferences among young people create new demand for coffee as they see it as fashionable despite growing competition in global markets.

Ms Wonekha noted that Uganda's coffee exports to China have grown by more than 63 percent since May 2025, from 74,000 bags to over 122,000 bags.

BILATERAL RELATIONS

Uganda and China maintain longstanding diplomatic and economic ties, with China ranking among Uganda's top foreign direct investors.

Mr Fan Xuecheng, the charge d'affaires at the Chinese Embassy, said bilateral trade between China and Uganda has grown significantly, reaching about $2.1 billion (Shs7.73 trillion) last year, representing a 43.5 percent increase year-on-year. He said Ugandan exports to China are also expanding, supported by improved trade arrangements and growing investor confidence.