

South Africa – Uganda Business Summit

5th to 6th September 2023

Speke Resort Munyonyo, Kampala – Uganda

Welcome Remarks

By

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Business growth is our business

Protocol

1. Hon. Ministers Present,
2. Their Excellencies Ambassadors and High Commissioners
3. Permanent Secretaries and Heads of Government Agencies
4. Chairman and Board Members of MTN Group
5. Colleagues Board Members of PSFU
6. Distinguished Sponsors of this Business Summit
7. Captains of Business both from Uganda and our hosts South Africans
8. Distinguished ladies and gentlemen

Welcome Remarks

I take the pleasure to welcome you all to Uganda the Pearl of Africa and to this South Africa-Uganda Business summit. My prayer is that this summit further cements the business relationships we build when we came to South Africa in March 2023 and more business and investment deals between Ugandan and South African Business people.

Vote of thanks

On behalf of Uganda's Private Sector, and on my own behalf, I want to thank all partners, governments of Uganda and South Africa, Uganda's High Commission in Pretoria, South African High Commission in Uganda, MTN Uganda and other partners for working tirelessly to ensure that this summit is a success.

About PSFU

Private Sector Foundation Uganda (PSFU) is Uganda's apex body for the private sector made up of 320 Business Associations, Corporate bodies and the major Public Sector Agencies that support private sector growth. Our membership is distributed across the 12 sectors of Uganda's economy i.e. Manufacturing; Agriculture, Agribusiness and Forestry; Oil, Gas, Minerals, Extractives and Energy; Trade and Commerce; Logistics and Transport; Financial Services and Insurance; Professional Services; Tourism and Hospitality; ICT; Housing, Construction and Real Estate; Human Resources (Skills, Education and Health); Culture and Creative Arts.

Since its founding in 1995, PSFU has served as a focal point for private sector advocacy as well as capacity building and continues to sustain a positive dialogue with the government on behalf of the private sector. PSFU is also the

government's implementation partner for several projects programs aimed at strengthening the private sector as an engine of economic growth in Uganda.

PSFU's competitiveness agenda is driven by the urge to increase private investments and productivity. These two are supported by a robust business environment that attracts and protects investment capital. The business environment is better where there is: effective government, efficient markets, and strong human development. The Ugandan private sector appreciates the Government of Uganda is moving steadfast to establish such an environment and both local and Foreign Direct Investments have taken advantage of the stable business environment.

PSFU as the apex body has now expanded and scaled up its reach from merely providing business information, managing projects/grants, training and Business development support, to a diverse private sector think tank and innovation hub with a new stable platform for growth and sustainable development. This is being done in full collaboration with the government of Uganda and the UNDP. PSFU is a value-based and ethically driven entity premised on 10 sectors that drive Uganda's economic growth.

The foundation is also the focal point for the East African Business Council and the COMESA Business council. Using this platform, PSFU has spearheaded the Trade Policy and Trade Development agenda on behalf of the Uganda business community, directly engaging with regional policy platforms.

Key Mandates

- i. Research and evidence-based advocacy on behalf of the private sector to improve the business environment.
- ii. Undertaking capacity building for the private sector.

- iii. Strengthening partnerships at national, regional and international levels.
- iv. To act as a focal point for setting and maintaining performance standards for the private sector.

Why South Africa – Uganda Business Summit?

1. This business forum seeks to strengthen and cement the economic relationship that Uganda and South Africa have enjoyed over the years.
2. We are here to strengthen, cement the old and create new partnerships and joint ventures for trade and investment in both Uganda and South Africa.
3. At the centre of this summit is also to agree on and deal with bottlenecks that affect the free movement of people and goods which we believe are barriers to trade and investment. As you maybe aware ladies and gentlemen, when we came to South Africa, we Presented to the Excellencies our desire as the private sector for our two governments to resolve the visa barriers. During the summit, we were assured that such will be dealt with. Thus, we are hoping that our two governments will use this event to follow through the same.

Uganda-South Africa Trade relations and window for investment.

- The total value of Uganda's exports to South Africa was US\$20.7M and SA's exports to Uganda was US\$187M (UN COMTRADE database on international trade). Ladies and gentlemen, our potential to increase the value of our trade is unlimited. We are here to ensure that this is tripled through partnerships and joint ventures.

- Major imports to Uganda from South Africa are electronic and electric equipment, motor vehicles and machinery (both valued at US\$ 46.4 Million). However, Uganda imports cars from Japan (\$59.5M), United Arab Emirates (\$21.3M), United Kingdom (\$4.89M), Thailand (\$2.72M)¹. We believe after this summit, 90% of car imports to Uganda should be from South Africa.
- On the other hand, Uganda's major exports to SA are Packaged Medicaments (\$ 13.1M), Coffee (\$ 2.88M), and Raw Tobacco (\$ 1.28M). Yet, Uganda also exports coffee in 2021/22 FY US\$ 862.28 million to the rest of the world. Thus, there is a window for investment in Uganda's coffee value addition and the importation of coffee from Uganda.
- Ladies and gentlemen, it is incumbent on us the private sector to ensure the actualization of the African Continental Free Trade Area agreement. This will grow our economies, create jobs for our young people and increase aggregate demand in our countries. Our trade and investment relations should be strengthened keeping in mind that more than 60% of Africa's population is under the age of 25 and that by 2030, young Africans are expected to constitute 42% of global youth (*World Economic Forum, 2022*).
- South Africa has been a major contributor to Uganda's FDI portfolio in sectors of mobile telecommunications, brewing and beverages, energy, finance and banking, wholesale and retail among others. 2 out of 5 top

¹ <https://oec.world/en/profile/bilateral-product/cars/reporter/uga>

banks in Uganda are South African which contribute 30% of the total loans in the country.

- Uganda is one of the best destinations for Foreign Direct Investment (FDI). In 2022, Foreign Direct Investment rose to \$474.8 million (1.769 trillion shillings), mainly going to the coffee and mining sectors following a decline due to Covid-19. Uganda's Minerals investment opportunity is now at US\$ 620.5 billion. However, there is need for massive private-sector investment in the sector. Thus, we believe through partnerships and joint ventures we can harness this great opportunity to develop Africa's manufacturing base.
- Before Covid – 19, there were over 70 South African companies, with an investment of US\$ 2.4 billion. Presently, there are slightly over 35 companies which are thriving in Uganda and immensely contributing to the tax base.
- Ladies and gentlemen, Uganda boasts of 6.9 million hectares of arable land (World Bank 2022). This presents a great opportunity for investment in food production and value addition technologies.
- Uganda is one of the top exporters of fresh fruits and vegetables exporting over 5.8 million tonnes worth US\$ 35 million per year (CIO Africa 2021). This can be scaled up through investment in horticultural products and opening of the South African Market. Uganda's untapped potential for fish exports is worth over US\$ 150 million.

- Ladies and Gentlemen, Uganda is ranked one of the TOP tourist destinations and one of only three countries with about 50% of the world's known population of endangered mountain gorillas (Lonely planet 2012 and CNN 2016, which ranked Uganda among the top 16 holiday destinations in the world). However, there are vast investment opportunities in high end cottages, Operating tour and travel circuits (bicycle tours, air balloon travel, marine activities on Lake Victoria and river rafting on the Nile River); and Development of specialized eco and community tourism facilities among others.
- Uganda being the largest producer of Freshwater Fish, there is an opportunity for investment in high-quality fish farming on Lake Victoria. Between June 2020 and July 2021, according to data from the Central Bank, at least 15,149 tonnes of fish worth \$118.6m was exported. However, there is high potential to grow this number to over US\$ 3.5 billion.
- Uganda is one of the major milk producers in the EAC. The country has reached production levels of 2.8 billion litres of milk annually yet, only half of it is processed and is consumed raw. There are immense opportunities in milk value chain including the processing of yoghurts, powdered milk, ghee, and cheese.

To be able to trade effectively with each other ladies and gentlemen, alongside ensuring the free movement of people and goods, it is imperative that our Standards Buraus harmonise the standards. This conversation started at the beginning of this year on the sidelines of South Africa – Uganda Business summit

and we are hopeful that perhaps further steps to that direction will be taken during this summit.

Ladies and gentlemen, Africa's potential in particular Uganda and South Africa are immense. However, all we need is not a competition but partnerships and joint ventures in order to harness these opportunities for our fastest-growing young population and our economies. Uganda and Ugandans (in particular) are open to doing business and as has been, we welcome South African investors. According to the Happiness Index, Ugandans are the happiest people in EAC and 83rd in the world (World Happiness Report 2021). Thus, you will not only enjoy making money in Uganda but also the warmth of Ugandans.

