

**SPEECH BY HONORABLE MINISTER OF TOURISM, TRADE AND INDUSTRY,
HON. KAHINDA OTAFIIRE AT THE OPENING CEREMONY OF THE 2ND ANNUAL
INTERNATIONAL STANDARDS CONFERENCE 2009 SLATED FOR 8TH—10TH
JULY 2009**

Honourable Ministers,

Honourable Ministers of State,

The Chairman and Members of the National Standards Council,

The Executive Director of the Uganda National Bureau of Standards

Foreign Delegates,

Staff of Uganda National Bureau of Standards,

Distinguished Invited Guests, Ladies and Gentlemen,

I thank you for your invitation to me to officiate at the official opening of the second Annual International Standards Conference.

Government has over the last 23 years implemented policies aimed at eradicating poverty and ensuring prosperity for all Ugandans. My government, with the people's mandate, remains committed to this cause. These efforts have led to significant reductions in poverty levels from 56.4% in 1992/93 to 31.1% in 2005/2006. More needs to be done to ensure that all Ugandans move and stay above the poverty line. The National Trade Policy which was promulgated in August 2007 is just one of the many instruments through which this is going to be achieved.

The Trade Policy charges Government with the primary role of eliminating barriers to trade, and providing an enabling environment in which the private sector will thrive and build capacity to produce quality goods and services competitively, reliably and on a sustainable basis.

Government recognizes that trade policies will be most effective when complemented by effective and efficient institutions; in particular those responsible for Policy formulation, implementation and monitoring, a supportive legal regime, adequate and efficient trade

facilitating infrastructure, and appropriate human capital and skills in both the private and public sectors. It is this Government's intention to ensure that all these are in place.

The Ugandan economy is dominated by three main sectors: services, Agriculture and Industry.

The share contribution of agriculture, forestry and fishing to the total real GDP was 15.1 percent in Financial Year 2008/09. This represents a structural transformation of the economy as the relative share of agriculture to GDP has reduced as GDP has continued to increase.

The industrial sector comprises of the Manufacturing and the Construction sub-sectors. The sector is estimated to have grown by 3.8 percent in the Financial Year 2008/09, as compared to 9.1 percent growth registered in the previous year. The reduction in the growth rate arose mainly due to slower growth of the construction sub-sector.

In the agricultural sector, national output from cash and food crops, livestock, forestry and fishing activities grew by 2.6 percent in the Financial Year 2008/09 compared to an increase of 1.3 percent in the previous year. This was mainly due to the improved performance of food crops which grew by 2.9 percent. The share contribution of agriculture, forestry and fishing to the total real GDP was 15.1 percent in Financial Year 2008/09. This represents a structural transformation of the economy as the relative share of agriculture to GDP has reduced as GDP has continued to increase.

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The share of the services sector in real GDP increased to 51.2 percent in Financial Year 2008/09 from 50.0 percent in the previous year. The sector registered real growth of 9.4 percent in Financial Year 2008/09 compared to 10.2 percent growth in the previous financial year. Growth was recorded in the wholesale and retail trade sub-sector at 7.6 percent compared to 14.7 percent

last financial; transport and communications, which, grew at 20.0 percent compared 21.3 percent last financial year and real estate development grew by 7.0 percent.

The economy is projected to grow by about 6.0 percent in the financial year 2009/10. Although this growth is lower than the average growth in the last five years, it remains impressive when compared to other economies in the region and beyond.

This is a clear indication of the strength of the NRM Government's economic management and the confidence it has created among local and foreign investors. Uganda's economy was consequently rated B+ by the Standard and Poor's rating agency, which represents an improvement from the B rating in 2007 recorded by the Fitch rating agency.

Uganda is a signatory to a number of trade and trade-related agreements. These include the East African Community Customs Union, the Common Market for Eastern and Southern Africa (COMESA), the African, Caribbean and Pacific-European Union (ACP/EU) Partnership Agreement (Cotonou Agreement), the World Trade Organization (WTO), and the African Union (AU). Uganda is also a beneficiary of non-reciprocal unilateral trade preferences such as Everything but Arms (EBA) by the EU, the African Growth and Opportunity Act (AGOA) of the United States of America and offers by Canada, Japan and China under the Generalized System of Preferences (GSP). All these arrangements provide Uganda with varying levels of improved market access opportunities into the respective markets.

The country further benefits from relations with multilateral and commodity institutions, including trade related initiatives and agreements to which she is a member. These include the World Bank, the International Monetary Fund, the Common Fund for Commodities, and the New Economic Partnerships for Africa's development

The thrust of the Financial Year 2009/10 will be based on the following policy initiatives:

1. Increasing agricultural productivity and production,
2. Increasing agro-processing and value addition,
3. Increasing investment in infrastructure and human
4. Resource development to facilitate regional trade and economic growth.

This is the essence of Government's stimulus that will lead to increased production, and stimulate regional trade while making the private sector more competitive to take advantage of regional demand. These measures will consequently result in the creation of jobs to address the high unemployment in the country.

THE EAST AFRICAN COMMUNITY CUSTOMS UNION

The fully fledged Customs Union will come into force in 2010, we decided to undertake comprehensive review on all key aspects of Customs Union, inter alia, administrative and legal framework of the Customs Union, the Common External Tariff (CET) and customs collection and elimination of tariff on intra-EAC trade. This review will be completed before December 2009.

COUNTERFEIT GOODS BILL, 2007

Currently the Counterfeit Goods Bill, 2007 which is before Cabinet is intended to prohibit trade in counterfeit goods that infringe upon protected intellectual property rights; to prohibit release of counterfeit goods into the channels of commerce; to create offences relating to trade in counterfeit goods; to empower the Commissioner for Customs to seize and detain suspected counterfeit goods; and to provide for matters incidental thereto. This Act shall be administered by the Uganda National Bureau of Standards.

In administering this Act the functions of the Bureau shall be to-

- enforce the provisions of this Act;
- enlighten and inform the public on matters relating to counterfeiting and matters incidental thereto;

- deal with all matters relating to combating counterfeiting in Uganda as provided for under this Act and any ancillary matters connected with its functions under this Act; and
- Devise promotion, introduction and training programmes on combating counterfeiting and matters incidental thereto to which end it may coordinate its work with national, regional or international organizations concerned with the same subject matter.

PRE-EXPORT VERIFICATION OF CONFORMITY (PVOC)

UNBS is set to start the Pre-export Verification of Conformity to Standards (PVOC). This system demands that goods be certified and the certificates be sent to the importing country before goods leave the country of origin. This is a welcome measure and it has my support since it will stop counterfeits and other shoddy products from accessing our markets and therefore protect the lives of our people.

The improvement of standardization, quality assurance, metrology and testing (SQMT) infrastructure within Uganda is fundamental to the future industrial and trade development of the country as it transforms from agricultural based economy.

Although the Uganda National Bureau of standards has done tremendous work in enhancing national development through the application of standards in trade, industry and consumer protection, it is currently ill equipped to fulfill its mandate in providing standards and quality assurance services. It's currently accommodated in rented premises that are neither suitable nor adequate for laboratory testing services and the development of standards demanded for by the industrialization and trade process.

Globalization through engagement in international trade by any country requires quality and standardization infrastructure that is modern and efficient to offer the desired services and also to command international respect and recognition.

I am glad to report that Government has earmarked 7.8 Billion Uganda shillings for the building of a UNBS Home at Bweyogerere over three years. Land to this effect has already been acquired through the Uganda Investment Authority and the building is slated to start this financial year.

The first year will be dedicated to preparatory activities and the construction of offices and a few laboratories, in the second year, the construction will continue to cover some laboratories and its scheduled to be completed in the third year when also the procurement of most equipment will be done.

The support for the improvement of the quality of Uganda products through infrastructure support and capacity building at UNBS is a step in the right direction.

This project and other projects to come are slated to come will seek to increase the national capacity in standardization, Quality Assurance, Metrology and Testing services.

Uganda has a comparative advantage in food production and has the potential of becoming the food basket of the region. It is also well placed as a trading hub. While demand for Ugandan exports might reduce among industrialized countries, this will be compensated for by high demand from the region. Government will address constraints to accessing regional markets and supply constraints in the domestic economy. Increasing production and promoting regional trade will therefore be our focus both in the short and long term.

I commend the Uganda National Bureau of Standards on the second Annual International Standards Conference, and I am sure it will go a long way in creating an avenue for stakeholders to come together to deliberate, share experience and forge a common direction in matters of trade and standardization.

Let me request and encourage other government departments to forge partnerships that would enable them to improve service delivery. I want to assure you of continued government support in realizing your desire of becoming leading institution of international repute in the provision of standardization services.

Thank You!