UGANDA MANUFACTURERS ASSOCIATION

UGANDA NATIONAL BUDGET PROPOSAL FOR THE FINANCIAL YEAR 2014-2015

TO THE GOVERNMENT OF UGANDA

UMA 2014/2015-Uganda National Budget proposal

Issue	Challenge faced	Proposal	Justification
EAST AFRICAN COMMUNITY MATTERS	**Access to raw materials and industrial in-puts that are not manufactured within the EAC Region.**	Extend the duty remission scheme on the industrial in-puts that are presently enjoying duty remission through the appropriate organs of the EAC.	• Expiry of the Uganda List of industrial in-puts/raw materials and the backward integration done by some manufacturers on the former Uganda List. • Lack of transparency in the Implementation of the EAC CET and charges of equivalent effect. This, coupled with the EAC Member States belonging to different RECs, enable Member States to draw different benefits that distort implementation of CET on the industrial in-puts to Uganda's disadvantage. Example, Tanzania imports from SADC duty free while Kenya, Rwanda and Burundi, being in the COMESA FTA also access most imports duty free. Therefore, Uganda is certainly challenged to implement CET on industrial in-puts when in fact, all other Partner States in EAC access those in-puts at ZERO

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			duty as this creates an unleveled playing field against Uganda. • Remission Schemes are provided for under the EAC Customs Management Act and therefore legal.
	Non-Tariff Barriers that keep mutating from time to time.	Government should expedite the conclusion of bilateral agreements with all EAC Partner States in addition to mainstreaming the work of the National NTB Monitoring Committee as a major component of Trade Policy.	It is more practical to deal with Partner States individually so that where there is lack of action Uganda can retaliate to ease conformity.
	Multiple Memberships to various Regional Economic Blocs by Partner States distorting intra EAC Trade.	• Government should engage Partner States for the harmonization of membership to various regional blocs as a means of addressing trade distortions arising from multiple Memberships. • Fast track the on-going EAC-COMESA-SADC Tripartite negotiations.	Harmonization of Memberships to regional blocs shall help eliminate trade distortions arising from multiple memberships.
	Lack of EAC wide harmonization of trade promotion schemes, example, Kenya has EPZs, TREO while Uganda has nothing.	The Uganda Export Promotion Board should expedite the **"Export Growth Cabinet Paper**" necessary to spur the creation of export promotion schemes and or incentives to counter Uganda's trade losses on account of lack of such schemes and or incentives existing in other Partner States.	Uganda has perennially competed with goods from Partner States that benefit from such export promotional schemes, which in effect has watered down growth and competitiveness. Therefore, there is need to balance and even out regional completion by establishing export promotion schemes/incentives.

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	Limited harmonization of Standards. Kenya has in excess of 8000 standards while Uganda has less than 2000	• Uganda should empower UNBS to fast track standards development and harmonization with EAC for the most traded goods. • Enhancement of the capacity of UNBS to enforce standards observance as a means of addressing proliferation of counterfeits that threaten industrialization of Uganda in addition to posing serious health and safety risks in the construction sector. For Example, out of the **57 Border** Stations for Uganda, **only 21** are actually manned by UNBS.	Regional market access is being denied to Uganda originating goods and products on account of failure to meet standards.
	Eminent collapse of fruit juices manufacture/confectionaries due to adverse competition from imported ready to drink juices and biscuits.	• Fruit juices manufacture and confectionaries be categorized as sensitive sectors under EAC to address concern of eminent collapse of the sub sectors.	• Fruit farming is a major economic activity supporting the livelihood of Ugandan farmers with a long value chain, from farm to finished products, under which many jobs are at stake. • There is regional capacity to ably add value on regionally grown fruits. Investment has stagnated due to uncertainty for the future posed by imports. • Confectionaries sub sector sustains up-to 25% of informal urban employment across urban centers in EAC, thus sustaining

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			the urban power, cementing social harmony.
	Unbalanced industrialization in EAC	The EAC industrialization Policy should address the issue of unbalanced industrial growth and development so that no Partner State ends up feeling marginalized, which can threaten the future of the Community.	Uneven distribution of benefits of regional integration in form of jobs, forex and other opportunities can create basis for Partner States opting out of the Community.
	Delayed Operationalization of the East African Power Pool	Fast track operationalization of the East African Power Pool as the case has been with regional Road and Railway infrastructure.	• Under that framework, EAC will be able to create a sustainable base for power supply necessary to run regional industrial sector without necessarily having to duplicate efforts. • This avails a framework for tapping into power importation possibilities from especially Ethiopia that has excess cheap power at as low as US Cents 3/KWH
	Implementation of the Single Customs Territory	The process should be as gradual as possible so as to mitigate trade distortions that can arise from economic disparities already apparent in EAC.	The EAC lacks resources to compensate countries that may be affected economically by radical SCT implementation. Therefore, it is wiser and cheap to move gradually and more steadily.
TAXATION/TAX ADMINISTRATION	**The Finance Act 2009 prohibits the**	The ban should be lifted and instead the waste management & disposal policy be implemented	• Behavioral change through strict anti-littering laws and

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	importation, local manufacture, sale or use of plastic bags and sacks	effectively and efficiently in Uganda. All polythene / carrier bags manufacturers must have a functional recycling plant to recycle any related waste material generated.	regulations is the feasible way forward as the challenge in polythene use is more to do with poor littering practices. • Isolated implementation in only Uganda relative to an EAC overall ban of polythene / carrier bags manufacture cannot be effective as plastics would still enter Uganda from other EAC countries since there is free movement of goods.
	PAYEE threshold of UGX 235,000 is too low and should be revised	The current PAYEE threshold of **UGX 235,000** should be raised to at least **UGX 250,000**	• It shall enhance saving and create disposable income for the lower end of the pyramid who constitute the majority of consumers in the economy.
	Delay in Value Added Tax Refund Payment by Government	Government should amend the VAT law to allow the withholding of VAT payable on goods and services supplied to Government by Government entities so as to enable suppliers to Government comply with the VAT Returns filing timeliness.	The change will allow direct remittance of the VAT component on supplies made to Government to URA and as such save the suppliers to Government the burden of having to dig deep into capital for the settlement of VAT liabilities associated with

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			supplies to Government ahead of receipt of payments that ordinarily delay.
	Value Added Tax on Duplicating Paper, Ruled Paper and Pencils	Value Added Tax on Duplicating Paper, Ruled Paper and Pencils should be exempted in line with earlier Government Policy stand to promote free Primary and Secondary Education in line with Uganda's commitment to the MDGs and the 2005 Ministry of Finance formal commitment that waived VAT on these items.	• These materials are largely used in the education sector and it contradicts Government Policy of promoting access to education by making educational materials costly. • Education should be made more affordable to all in Uganda. • Change in Policy treatment of Duplicating Paper, Ruled Paper and Pencils amount to Policy Reversal which is bad for investment climate certainty; an area where Uganda is sliding consistently going by the **"Doing Business"** publications for the last three years.
	Accounting for VAT in meat processing products	A review of the VAT Act to enable a fairer basis of apportionment in the meat processing industry	• Negative impact on the agricultural sector, which is the backbone of the Ugandan economy. • Encourage investment in the industry and thus spur economic growth.

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			• Compliant products less competitive. The apportionment method curtails ability to invest in value chain to boost exchange earning as well as contribute more to domestic taxes.
	18% VAT on wheat flour	Remove VAT on locally manufactured wheat flour	• Regionally Kenya and Tanzania do not charge VAT on wheat flour and this has created loopholes bringing about smuggling of similar products from our neighbours especially Kenya and loss of regional markets like South Sudan and Dr. Congo due to our high prices. • This coupled with other high costs of productions such as power tariffs, wheat manufacturers are unable to compete with the regional neighbours who also have an advantage of their proximity to the sea saving on transportation costs. • Further at the beginning of the financial year Government introduced VAT on wheat flour at the time when EAC terminated the Uganda list and thus wheat grain was brought to 10% CET.

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	Excise Duty on Carbonated soft drinks	Reduce excise duty to 7% and push for regional harmonization.	• Need to align the Excise Duties regime with common regional best practice. Kenya is at 7% and Tanzania at 8%.
	Imported Fruit Pulp	Scrap Excise Duty on fruit from locally sourced raw material	• Protection of the local manufacturers • Imported fruit pulp will not improve the welfare of Ugandan farmers.
	Excise Duty on bottled water. The current rate of 10% is the highest in EAC and this is deterring compliance by most water bottlers who prefer to operate below the tax radar.	Reduce the Excise Duty to 0%	• Ensure there is access to affordable bottled water for all. • Better quality bottled water. • Save the quality producers/tax compliant companies from going out of business.
	Excise Duty on Beer bringing about loss of market share to counterfeits and sub standards	• Retain current excise duty rates on Beer at 20% for beer made from 75% local raw materials (LRM). • And at 60% for beer made from imported malt	• This will encourage production of Sorghum and Barley by the farmers and uptake by the brewers to produce brands that have a tax benefit • Increased household incomes and general welfare for entire value chain

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			as farmers shall be guaranteed of a market. Encourage value addition and associated benefits.
	Tax imposed on Ready to Drink (RTD) Alcohol) impacting negatively on the pricing and subsequently sales volumes. E.g Redds, Smirnoff etc	• Move RTD tax to Ready to drink (RTD) Category. Currently taxed at the same rate as spirits rather than the lower alcohol-by-volume (ABV) basis which positions this category closer to beer. • Placing the product in the right category. Migrate from Ad valorem to Specific tax for spirits	• Revenue benefits will be gained by reduction of excise tax rates on RTDs • Reduce contraband and prevent revenue leakages' Specific taxation is transparent and easy to administer as it is based on alcohol content
	Substandard Juices	Develop a policy on Non Alcoholic Beverages	Once a policy is in place, it shall avail minimum standards as well as the mechanism to address non conformity.
		Introduce tax stamps for spirits to fight tax evasion.	This will even-out competition to attract investment. Example, a brewery has just invested **80 million US dollars** in a new agro-processing based brewery in Mbarara. Such investment needs a leveled ground across the board to play.
		Establish incentives to encourage alcohol companies to undertake noble but expensive agro-processing investments in rural areas.	This would offer jobs to the local agricultural communities involved in barley growing as the case is already in the Elgon Region. This is critical in deterring rural urban migration that explains the increasing civil strife arising

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			from demonstrations and general lawlessness due to redundancy.
	Levy on export of raw hides and skins	Government should maintain a levy of **US$ 0.8/Kilogram** on raw hides and skins exports from Uganda.	There is need to discourage exports for raw materials onto which value can be added locally for better economic gains.
	Cess tax on tea • Cess imposed leads to reduction in production • Multiple taxation because it taxes raw materials, equipment, utilities etc. which are already taxed It affects the competitiveness of Uganda tea.	• Have Article 19(2) of the Constitution amended to exempt tea from paying cess.	• This will encourage the much needed investment in tea by both the local and foreign investors to exploit the existing potential. The reduction shall incentivise farmers and drive output growth
	Smuggling of cigarettes This is leading to loss of revenue, market share and counterfeit paper tax stamps and under declaration of	• Introduce the electronic tracking (ECT) system to monitor export passing through Uganda. • Information gathering, sharing and cooperation between the relevant Uganda, DRC and South Sudan revenue authorities • Introduction of e solutions like digital tax	• Ease the administration and collection of excise taxes. • Long term stability of the legitimate tobacco industry and sustainable growth of the sector.

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	production	verification.	
	Levy on export of unprocessed maize grain	Government should introduce a **US$ 0.5/Kilogram** levy on the export of unprocessed maize grain from Uganda.	• Maize is a key commodity for national food security whose trading should be regulated to stabilize the market. • Maize is a key industrial in-put for food processors who should be encouraged to add value locally so that maize is exported as floor for better returns. • Maize is a key in-put for the agricultural sector in terms of animal feeds production. Exportation of grain has been denying farmers animal feeds yet commercial animal husbandry is now a major source of household income across Uganda, hence a key component of Government's efforts for poverty eradication.
COMPETITIVENESS IMPEDIMENTS	**Delays in passing critical commercial bills: counterfeit bill, investment code etc**	Parliament should prioritize commercial bills enactments so that all are out this Parliamentary Session.	This will improve the business environment.

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	Use of NSSF savings as collateral for investment	Amend the NSSF Law to operationalize use of NSSF savings as collateral for employees before the age of 55.	This shall enhance credit availability for investment.
	Absence of a truly one stop investment facilitation agency/centre	Under the review of the Investment Code, the mandate of Uganda Investment Authority should be enhanced and strengthened to rival regional such centres of excellence in investment facilitation as the case is for the Rwanda Development Board.	• This shall avail the One Stop Investment Center with the authority needed to coordinate matters of land, immigration, statutory clearances with agencies like NEMA, Wetlands Department, Licenses and so on, without business people having to waste time chasing for clearances. • Projects implementation shall fundamentally be made easy, quicker and cheaper to further enhance competitiveness.
	Lack of Sovereign Endorsement for export growth	Government should evolve a Policy for availing Sovereign Endorsement backing for distinguished manufacturers so as to be able to access new markets especially in South Sudan, Somalia and DR Congo.	• All major exporting countries say China, South Africa and Kenya have such policies that see their Governments lead the private sector to establish in new markets. • There is hardly any special budget needed by Government to operationalize this mechanism since all that is

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			needed is things like bilateral agreements to facilitate the private sector. A Draft Concept Note on this matter is available for Government to consider.
	Poor standardization capacity for goods.	UNBS Act should be amended to enhance UNBS mandate and resource allocation standing to enable UNBS build durable national capacity to police the entire country as well as entry points.	Uganda shall be in a position address the issue of proliferation of counterfeits that threaten the health of Ugandans as well as viability of genuine producers.
	Lack of a Tea policy in the country	There is urgent need for Government to formulate and operationalize the National Tea Policy	Tea is a major foreign exchange earner for the economy which urgently needs a policy to guide its development.
	Lack of vibrant tea research in the country leading to low quality, quantity and price	• Government sets up an independent tea research institution to advance tea Research	• Tea is the 3rd agricultural foreign exchange earner for the country. Being rural based supports poverty alleviation, environmental protection, employees close to 70,000 people and checks rural urban migration.
	Absence of trade regulation in form of a Maximum Retail Price Policy, Law and Practice.	Government should establish a Maximum Retail Pricing Policy, Law and Practice in Uganda for necessaries of life like petroleum products.	This shall shield the consumers from exploitation by middlemen who distort the market in the abs cense of effective regulation for especially necessaries of life as the case is in Kenya, India and other destination where ex-factory prices are used to determine final retail prices.
	Lack of National	Government should come up with a National	• This will bring about fair play in the

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	Competition Policy	Competition policy	business environment and provide the consumers with real quality choice. Unnecessary costs to resolve unfair competition will greatly reduce.
	Legislation on bottled water. Legislation categorizes packaged water as a luxury hence highly taxed at 10%.	Government should remove bottled water from the category of luxury goods.	• Reduced taxes will cause companies to reduce selling price and hence increase sales. This translates to increased government revenue through duty and VAT. • Water is an essential commodity for our wellbeing.
	Lack of effective regulation of fuel, oil and gas trade.	Owing to the centrality of fuel, oil and gas in manufacturing and for the economy generally, Government should establish an Agency to effectively regulate trade in this sub sector.	This will prevent price volatility that typically characterize the sub sector even when there is no major cause for price hikes that distort cost of transport and logistics for land locked Uganda.
	High Mining Loyalties in Uganda Comparable to the region. E.g Limestone is 5000shs in Uganda while in Kenya its between 900- 1200UGX	Harmonize the rates / fees within the region	On addition to other costs of production such as high power tariffs, these very high mining loyalties will make local products uncompetitive and therefore pave way for imported products.
	Poor labor	There is urgent need to establish a National Labor	• Apparently, there is no focus on

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	productivity relative to the Region	Authority to oversee the implementation of **BTVET** in addition to rolling-out vocational and skills driven training necessary for the economy. Example, while oil sector alone requires in excess of **10,000 technicians**, Uganda can hardly supply **1000**!	skills and vocational training mainstreaming which explains the massive graduate unemployment due to absence of required skills to suit job opportunities available in Uganda. • Uganda presently imports technical labor skills which account for an estimated annual forex outflow in the region at least **US$180 Million!** (This figure is based on the estimated **15,000** foreigners legally gainfully employed in Uganda, earning at least **US$ 1000** per month). Efforts should therefore be made to address this huge value loss to Uganda, which can be reversed by effective implementation of BTVET as herein proposed.
	Absence of a deliberate strategy for the industrialization of	There is need to urgently complete and fast track the operationalization of the **"Buy Uganda-Build Uganda"** Policy in conformity with the **National Trade Policy**, **National Industrialization Policy and National**	• Government remains the single largest consumer of goods and services with an annual budget for such procurements in excess

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	Uganda/Institutionalization of local sourcing.	**Development Plan** so that: • PPDA Regulations under development provide for a mandatory **20%** handicap for suppliers of locally procured goods and services by any public procuring entity. In addition, the said **20%** handicap should be established based on Delivered Duties Paid (DDP) basis in case of open international bidding. • PPDA Regulations under development should provide for punitive and deterrent sanctions against an Accounting Officer and Members of the Procuring and Disposal Unit in all public entities that flout observing the 20% handicap once in force. Such sanctions should include summary dismissal from public service for the errant officers in addition to refunding the loss. • Local content requirement is not restricted to oil and gas sector alone as is the case in emerging markets like Brazil, where, the insistence on local content has resulted into strategic industrial establishments by global corporates who had to partner with Brazilian companies so as to access Brazilian market due to trade regulation that	of **US$ 1.5 Billion.** It is therefore necessary that such expenditure be made locally to stimulate the economy. Such has been the Asian model for many years and is responsible for the success seen in Asia. • Uganda post 50 years should dedicate the next fifty years to industrial transformation through sustainable growth of local industries • There is always need to maintain a bare minimum local content for all procurements so as to deepen local economic integration in the development process. • Need to address the problem of illicit trading practices anchored on export promotion regimes in Asia that make local production

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		result from local content legislation.	artificially uncompetitive.
	Poor Health Services.	Government should establish a **National Health Authority** independent of the Ministry of Health as a Statutory Agency responsible for the monitoring of health services delivery in addition to establishing and regulating standards for health care in Uganda in line with the National Health Master Plan/National Development Plan.	• There is urgent need to improve the health of Ugandans so as to improve labor productivity and life expectancy since human resource remains the major treasure for any country. • There is urgent need to address the challenges of heavy disease burdens and susceptibility for Ugandans to preventable death just because some medical services cannot be obtained locally. • The poor state of health services in Uganda is negatively impacting on the overall economy in terms of inhibiting the optimal development of the tourism sector which in turn inhibits manufacturing sector growth as would be tourists fear to venture into Uganda's countryside that lack quality health services.
	Low agricultural sector productivity	Government should revamp agro production across the country as the engine for the growth of other sectors of	

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		the economy like manufacturing, through: • Investment in irrigation infrastructure development to support seed production/multiplication without which, adverse weather could result into a national disaster in case of destruction of parental and foundation seed. In addition, Uganda is hugely endowed with water and an established national irrigation infrastructure can ably guarantee food and animal production throughout the year; catapulting Uganda into a special competitive advantage relative to the Region. • Effective extension services delivery based on an earlier tested and successful model based on Demonstration Farms/ Farm Institutes at various levels of local administration. • Agricultural mapping for Uganda to better guide zone the country in terms of agro production. This will enable science and research driven agro production as opposed to nature based present system. • Undertake a comprehensive study on institutes and facilities such as Namalere and Nakyesasa which once used to offer extension services to the farmers such as farm planning, testing of equipment , certification etc.	Over 80% of the population depends on agriculture in Uganda. As such, poor performance of the agricultural sector perpetuates poverty and directly impedes development and growth of other sectors of the economy including manufacturing, once people have no purchasing power. Fertilizer production or subsidy will increase on the agricultural output. For example tea is a very important economic crop for the country and without fertilizer the tea yield and quality drastically goes and the crop becomes unprofitable.

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		• Structured sustainable organization of farmers into viable Farmer Groups so as to commercialize agriculture as the case is in **Kapchorwa** for the Sorghum/Wheat/Barley farmers. This way, marketing, post harvesting handling, and agro processing challenges can be handled well by farmer groups over and above easing farmers training and technological transfer. • Government should take measures to stabilize the fertilizer prices in the country e.g. setting up a fertilizer price stabilization fund or subsidy. Fast truck the reconstruction of the fertilizer plant in Tororo.	
	Distressed companies	Create a fund and mechanism to support established investors who are distressed so as to encourage other investments.	• Increase in local investments and partnerships • Encourage local participation towards the achievement of Vision 2040 Development of a local base of investors
	High Finance Cost	Operationalize the establishment of a credible source for long term credit through: • Revamped **Uganda Development Bank & Uganda Development Corporation** to avail long term credit that Government can source from various development partners/agencies on a bilateral basis at better than commercial bank	Long term investment in industrial development require long term finance that is typically competitively priced as opposed to commercial bank short to medium term expensive financing.

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		terms. Example, Apex Loans from European Investment Bank, China Development Bank, India etc • The Agro processing kitty of **30 Billion** annually be increased to **50 billion** so that there is **100 billion** available for agro value addition since bankers are willing to match Government contribution. • Reform of the Pension Sector so as to unlock cheap credit available under NSSF to enable long term borrowers in the industrial and infrastructure construction sectors access these funds. • Improved fiscal discipline by Government so that she doesn't borrow from the public with the effect of pushing high the cost of borrowing as seen in the recent past with the resultant effect of contraction of borrowing and overall economic activity.	
ROADS	**Poor State of Roads that increase cost of**	Government should implement the Roads Master Plan in line with the National Development Plan, with	Good quality & wide roads will reduce cost of doing business across the board

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	Production and Distribution: USD 200-280 per ton, Mombasa-Kampala yet best practice should be barely half of the cost.	particular emphasis put on export facilitating Roads like the one from Karuma-Kamdini-Gulu-Nimule.	and enhance Uganda's competitiveness.
RAILWAY & WATER TRANSPORT	**Inefficient Railway and Water Transport System: Railway has potential to move 35% of cargo now but only 26% is functional. This adds to fast collapse of roads. India transports 90% of cargo by railway to save roads.**	• Government in partnership with other EAC Countries like Rwanda and Kenya should fast track the standard gauge railway system to link-up the Region and cheapen cost of transport. • Government in partnership with other EAC Countries like Tanzania and Kenya should fast track the optimization of the Lake Victoria cross border water transportation potential.	Well-developed Rail System and navigable water ways will reduce the cost of doing business in Uganda by more than 15% which shall enhance overall national business competitiveness.
POOR POLICY IMPLEMENTATION BY GOVERNMENT	**Lack of time bound commitment to implement Government Policies negatively impacts on manufacturing**	• Government should establish and entrench a **Performance and Implementation Review Mechanism** for all Government Programs. This will enable effective Policy implementation and better services delivery. Example **National Industrialization Policy, National Trade Policy,**	Periodic review of performance and setting of targets for implementation is key in delivering overall development. It is such commitment that can attract more investment in industry.

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		Sugar Policy, Textile Policy all remain unimplemented resulting into stagnation of industrial development in Uganda as investment is just frustrated by lack of clear commitment by Government to implement what she even establishes as Policy.	
ENERGY	**High cost of power due to the new tariff structure for the medium and large scale industries**	Uganda should explore a phased approach, covering a cocktail of actions in addressing the challenges of the Power Sector as follows: • In the short run, Government should ensure end-user tariff stability until the time when additional power is available on grid from hydro sources of Karuma, Isimba, Ayago and other mini hydros; a development that should reduce tariff significantly. * Uganda should explore the possibility of importing power just like Kenya has decided to do from Ethiopia that currently produces it in abundance under the EAC regional power pool mechanism. * The Electricity Regulatory Authority (ERA) should revisit the recently announced Quarterly Automatic	• Uganda unlike Tanzania and Kenya with whom she competes for the Regional Market has the natural disadvantage of being a high logistics cost production location. Therefore, near even increase in power costs regionally has the greatest incidence on Ugandan manufacturers since manufacturers in Kenya and Tanzania mitigate the power increase in terms of low logistical costs to the **15-20%** disadvantage against Uganda. • Manufacturing business cycle gestation for Uganda is six month. As such, any pricing

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		Tariff Adjustments (ATA) so as to establish them based on bi annual basis in line with the manufacturing business cycle.	reviews can only be planned once aligned to the cycle for sustainability.
Environmental	**Plastic bottle waste** • The country is facing an environmental calamity from plastic bottle waste that is choking drainage channels and one the major threats to the future of L. Victoria.	• Bottlers should be given a tax rebate equivalent to the tonnage of plastic recycled against the tonnage produced.	• More water bottlers shall be motivated to set up recycling plants.
INDUSTRIAL PARKS	**Delayed infrastructural development to kick-start industrial activity in Parks.**	Government should directly fund infrastructural related developments for Industrial Parks to fast track industrial activity as she has began to do with Roads and Electricity generation.	Kampala (Namanve) Industrial Park still lacks critical amenities like water, power, road network development and sewerage infrastructure development, which has delayed optimal industrial

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			activity establishment.
MARKETING/COMMERCIAL DIPLOMACY	**Absence of a sustainable marketing strategy for the country.**	Government should take keen interest in marketing Uganda's potential and capacities to spur agro, industrial, educational and tourism development where she has competitive advantage. This can be done through: • Ring-fencing markets for Ugandan goods and services penetration through executing preferential bilateral agreement in areas where Uganda has had an historical edge over competition. Example, South Sudan and Somalia. • Increasing the promotional budget for tourism so that Uganda begin to be known for the positives she has attained than for the negatives that seem to over shadow potential and capacity in all fields.	Globally, perceptions rule economic outlook and influence the trend of capital attraction to various destinations. Uganda has no choice but to improve her image and standing.