

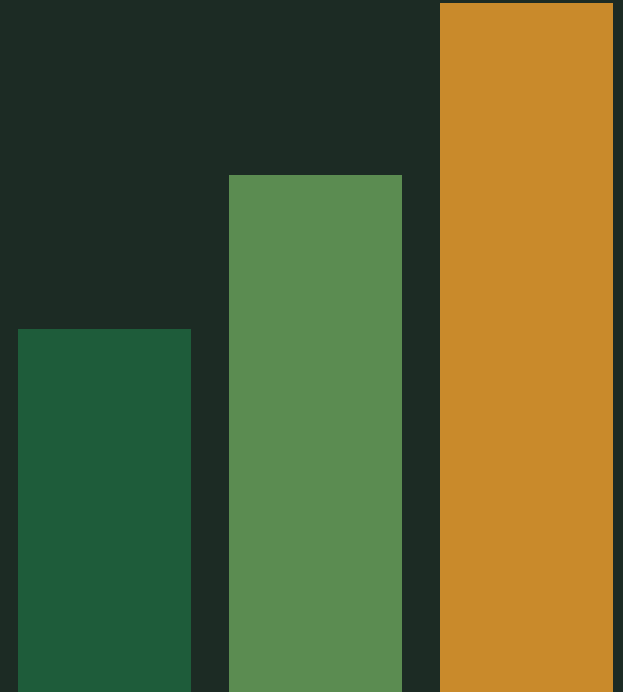
SESSION III · PENETRATING NEW MARKETS

Scaling growth through new products and new regions

Trade and regional integration — building on a decade of reform

Christian Lippitsch · University of Oxford

Economic Growth Forum · Kampala · 27 August 2026



The reforms are in place — now the question is what turns them into new products, new markets, and new investment

What the last decade delivered

- 1 **Growth restored** Above 6% in 2024–26 after successive shocks
- 2 **Trade costs cut** Single Window live; clearance ~14 → 4 days for selected institutions
- 3 **Exports rising** Goods & services up toward ~21% of GDP in 2025
- 4 **Reform progress:** CET reform 76%, NTB reduction 66%, Single Window 62%, 38% Exporter awareness & finance information

Uganda does not primarily need another trade strategy.



It needs to turn existing market access into actual export entry and expansion by firms especially into regional markets and higher-value products.



- 1) make regional market access actually work
- 2) build firm/sector capability to enter new products and markets;
- 3) use investment to plug Ugandan firms into export value chains.

Everything else should sit underneath one of those three. Oil can be a macroeconomic risk but also opportunity around the story, not a fourth trade-policy pillar..



A

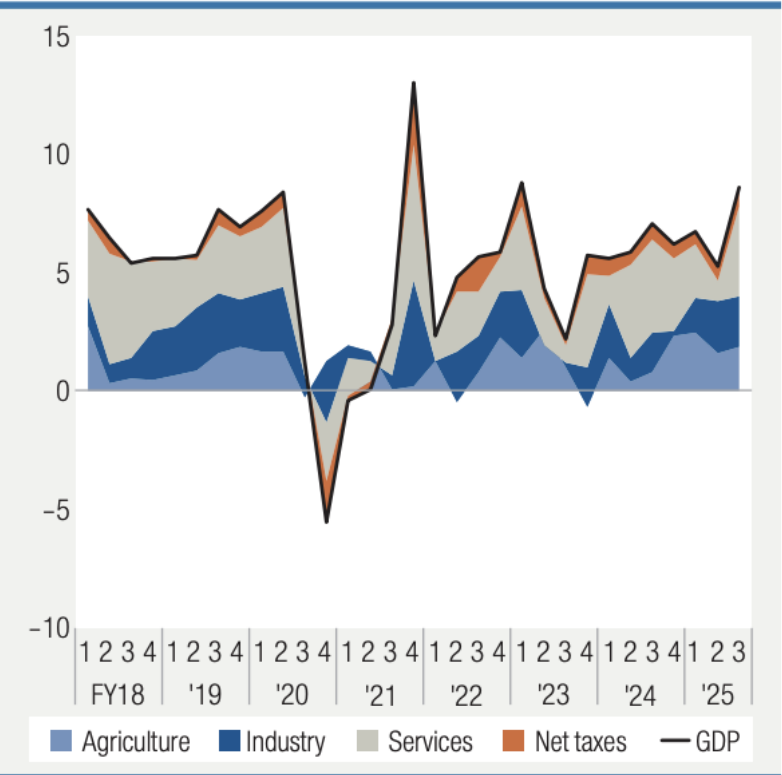
Setting the stage

The ambition, the reality, and why exports matter — for stability and productivity.



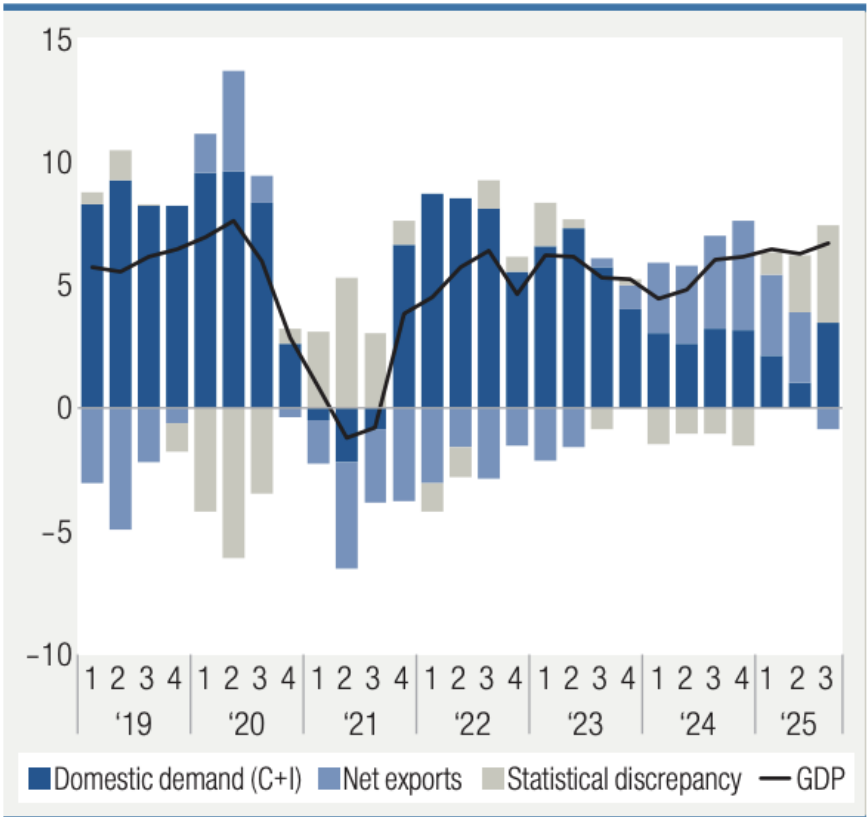
The Tenfold ambition requires a structural change in the growth model, not just a continuation of recent growth.

FIGURE 5 • Real GDP Growth and its Drivers
(% y/y Growth, Contribution in Ppts)



Source: Uganda Bureau of Statistics.

FIGURE 6 • Domestic and External Drivers of Growth
(4qma % y/y Growth, Contribution in ppts)

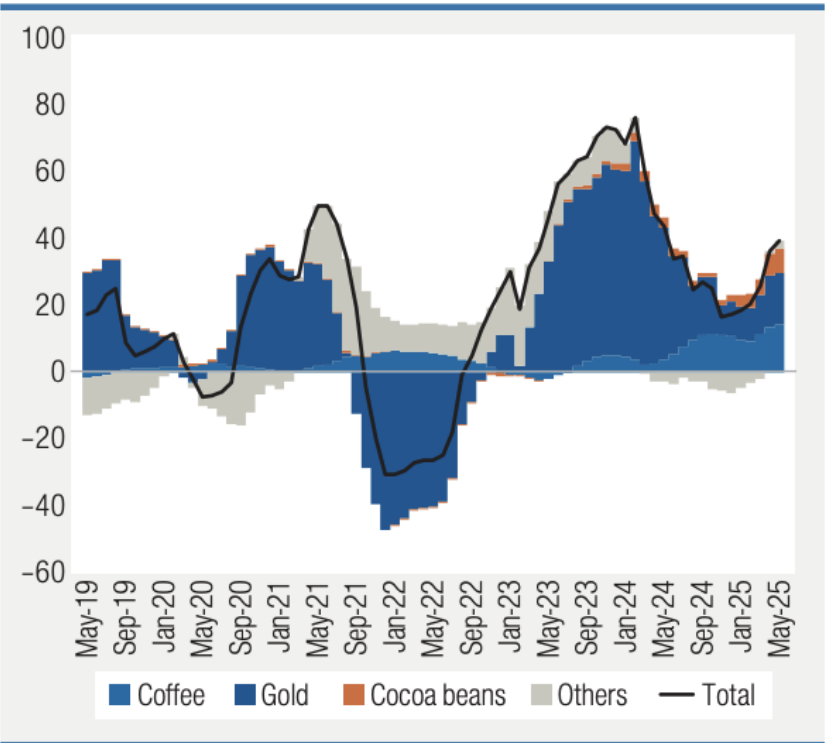


Source: Uganda Bureau of Statistics.

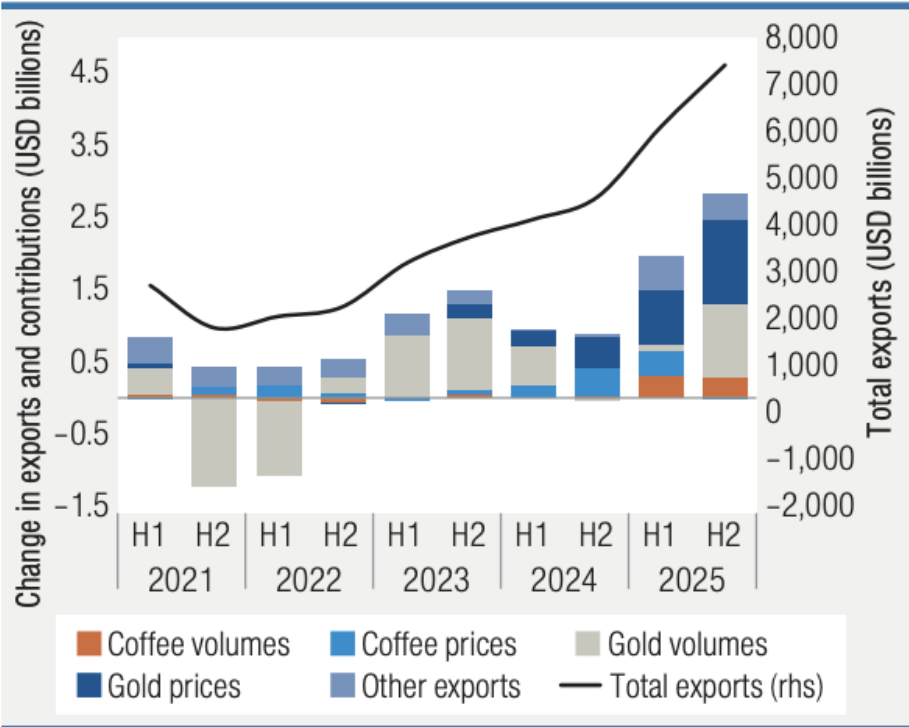
Exports depend on a few products and which are price sensitive

Uganda cannot get sustained 12% export growth by scaling coffee, gold and eventually oil alone.

FIGURE 19 • Growth in Exports and its Drivers
(% y/y Change, Contribution in Ppts)



Source: Bank of Uganda.



Source: BoU and World Bank staff estimates.

The 10-fold plan rests on one number: exports must grow ~12% a year... ... some way to go

>10%

GDP growth target



~12%

export revenue growth needed



50%

exports as share of GDP

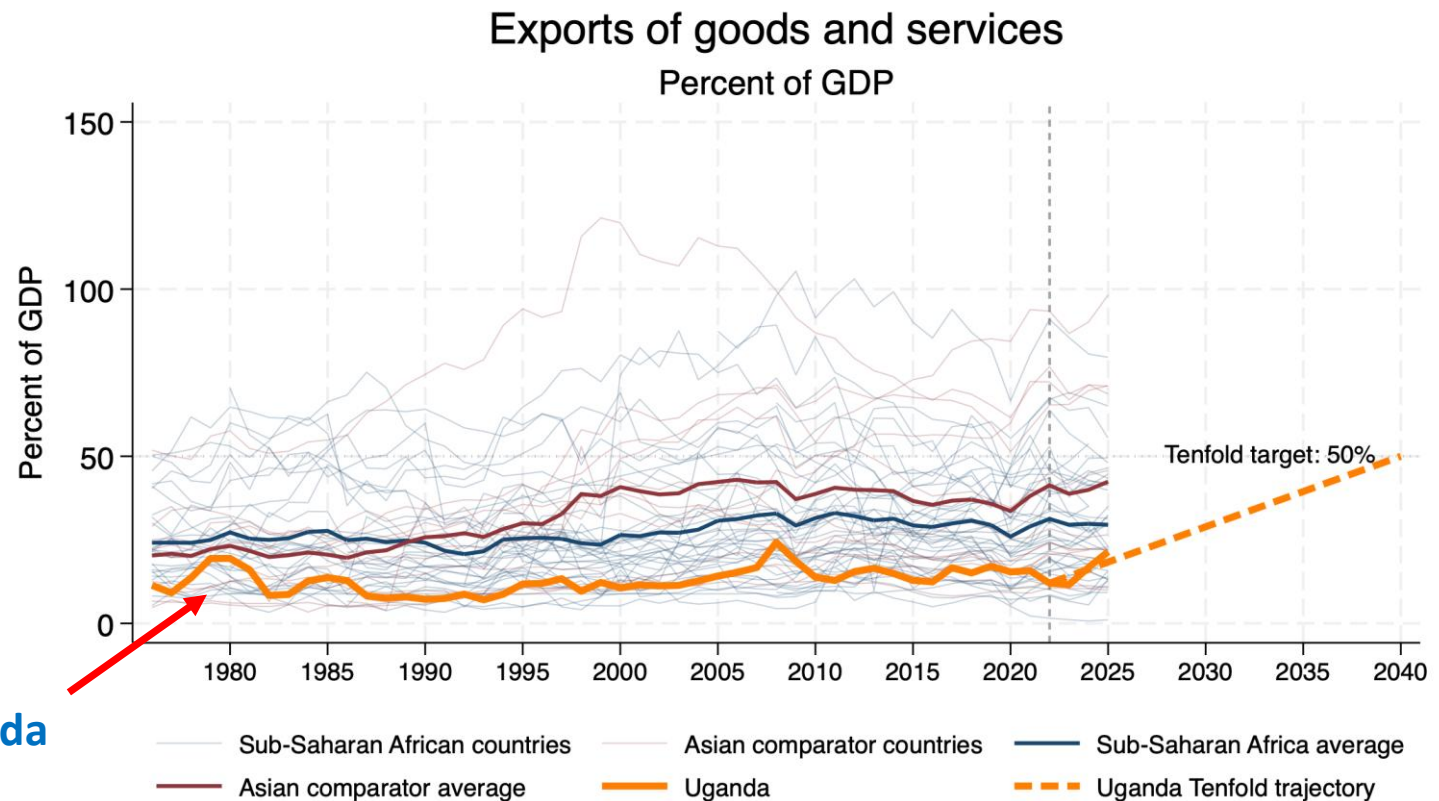


50%

manufactures in merch. exports

That is too large an acceleration to come from
business-as-usual exports.

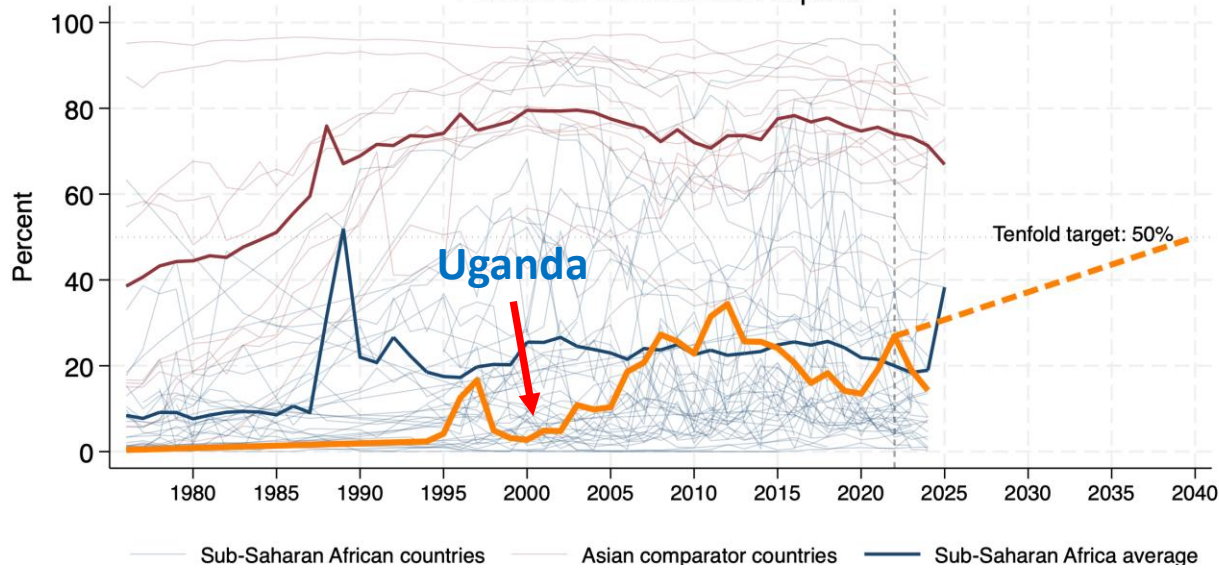
Uganda



To achieve the goals of the 10fold plan, it needs more than business-as-usual

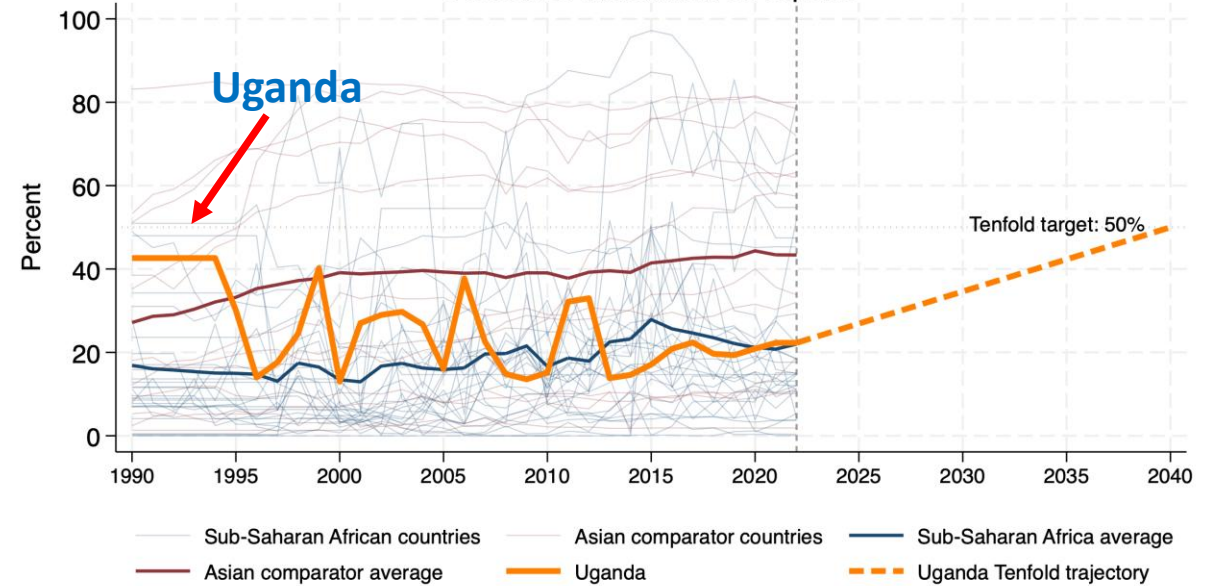
Manufactures in merchandise exports

Percent of merchandise exports



Medium- and high-tech exports

Percent of manufactured exports



Exports are needed to strengthen Uganda's external position and macro stability — not just to hit a growth target

2.7 mo

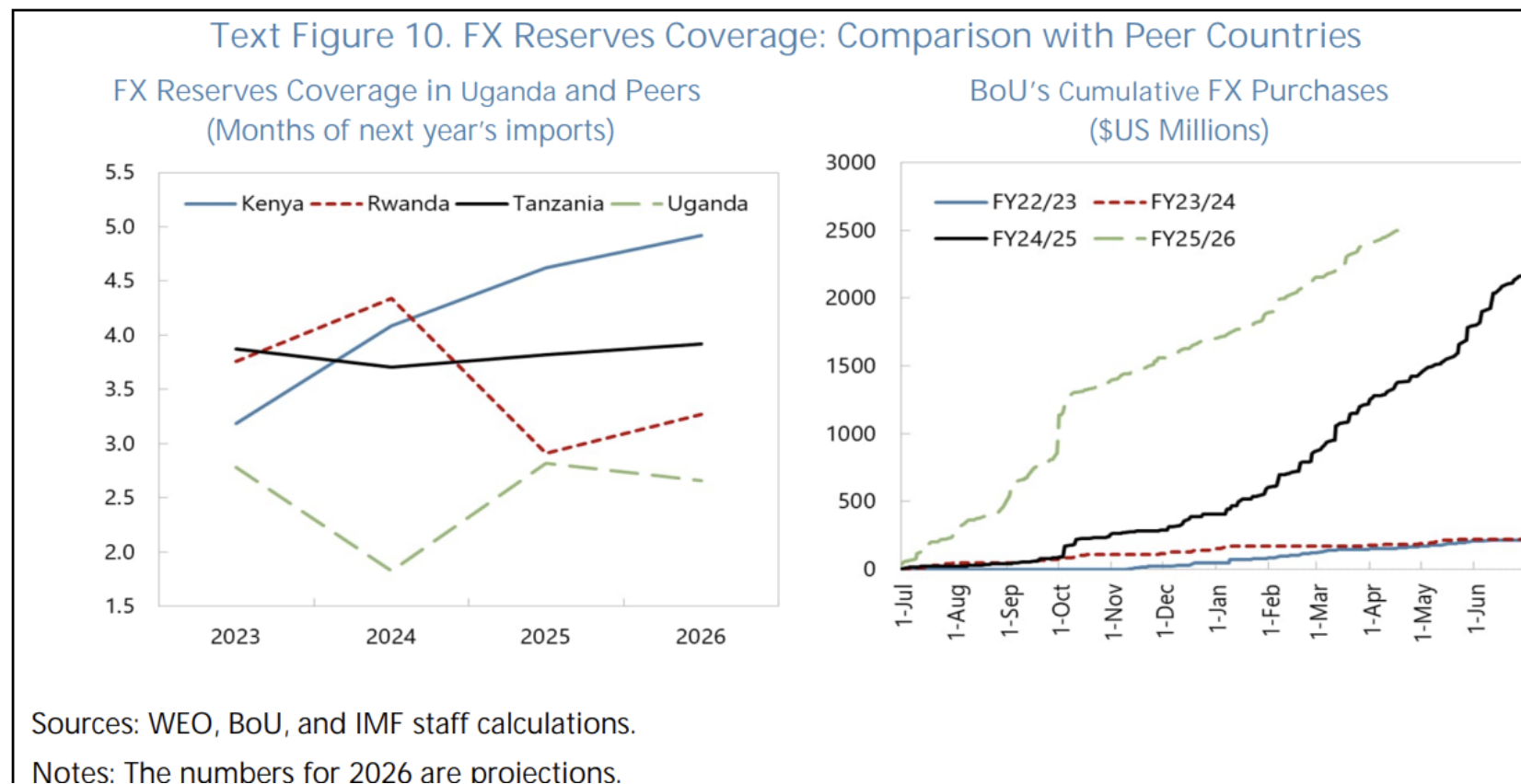
FX import cover — below the IMF's 3.5-month benchmark

7.1% of GDP

current-account deficit, FY2025/26

2.2-10.2%

IMF current-account-model estimate of REER overvaluation, 2025



IMF Article IV, Aug 2026

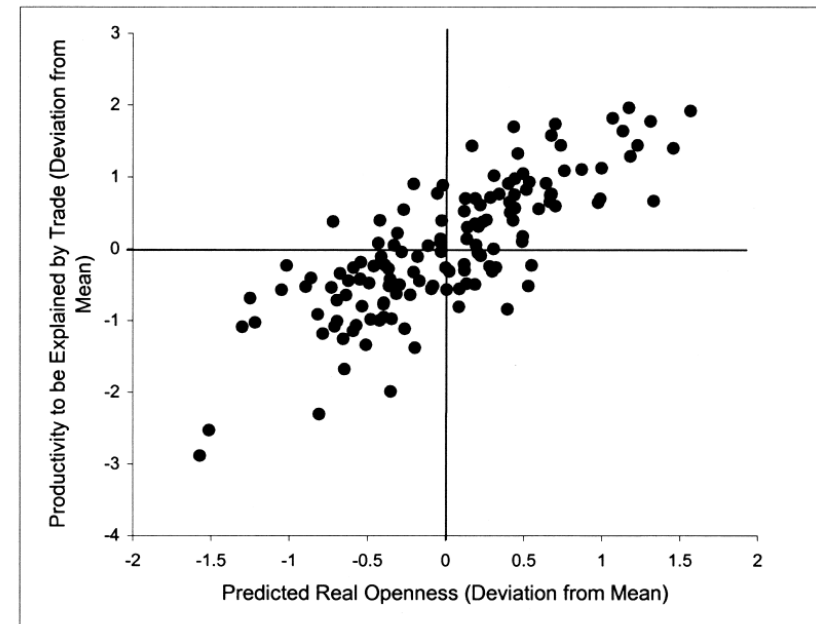
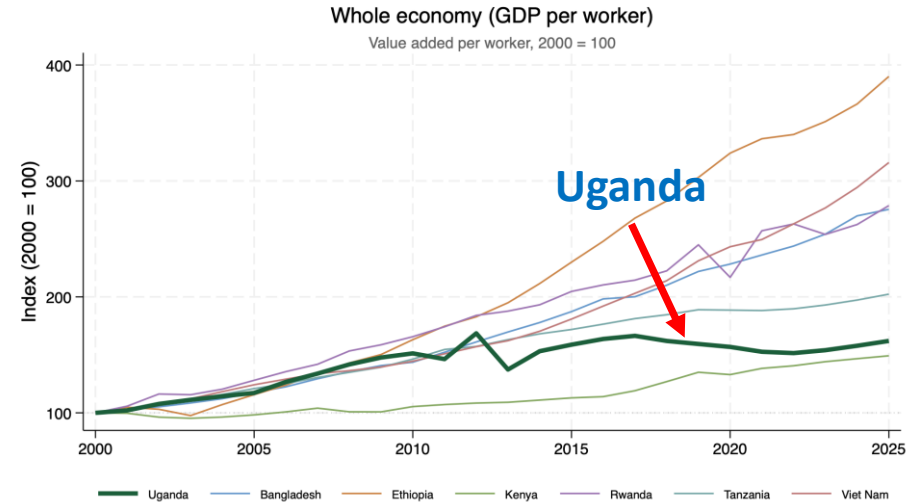
Oil can solve part of the FX problem and deficit but could create a new competitiveness problem.

But the deeper reason to export is productivity

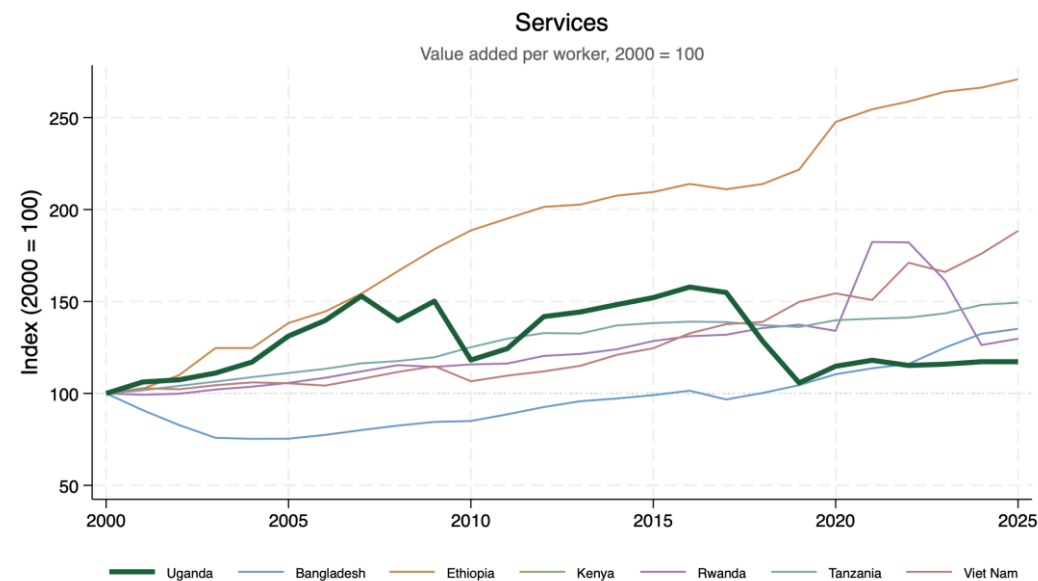
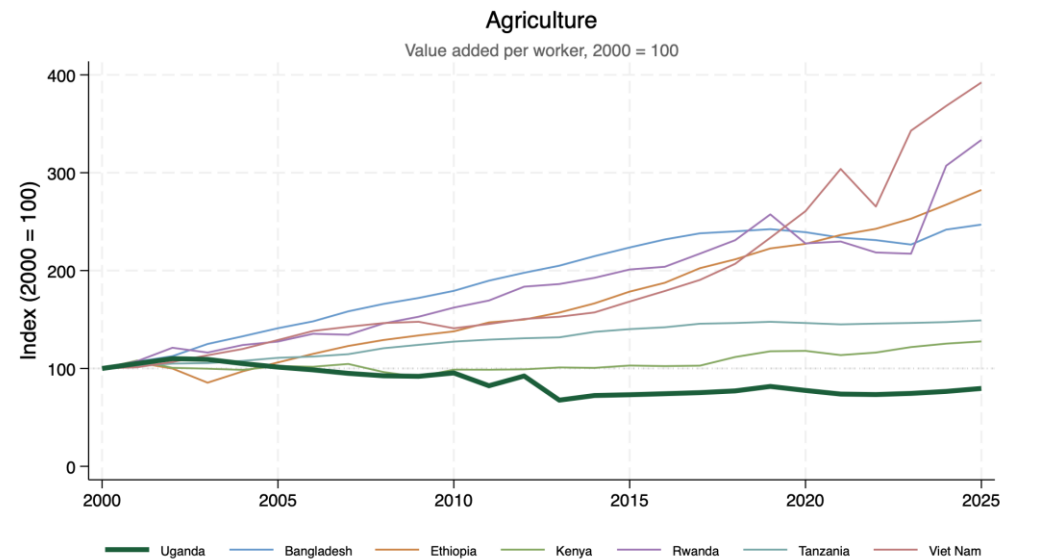
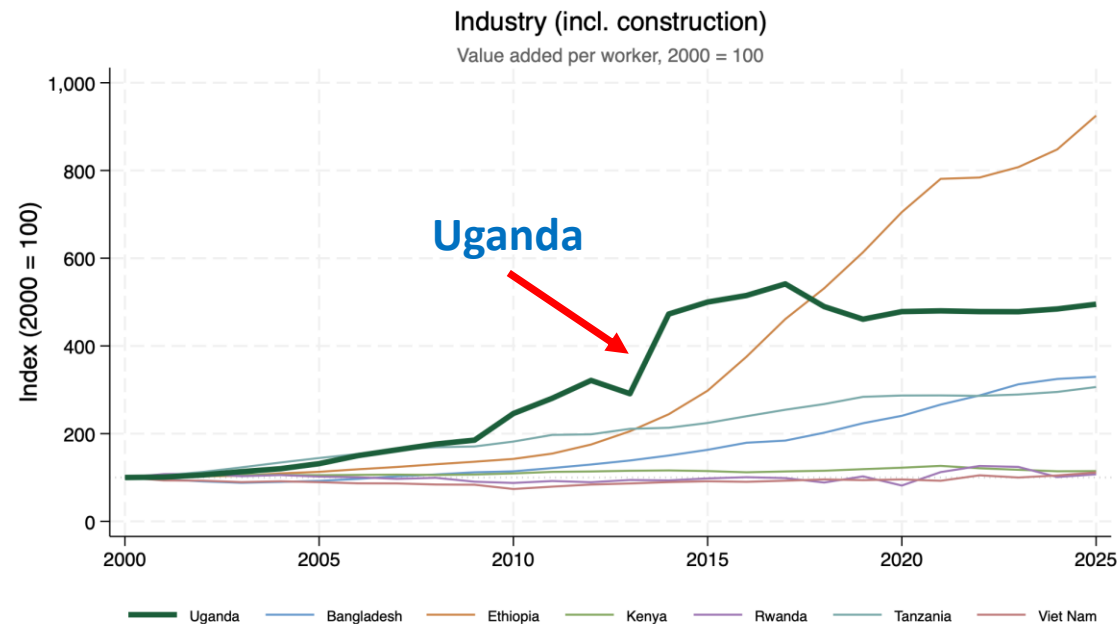
“Productivity isn't everything, but, in the long run, it is almost everything” (Krugman)

Productivity is the deeper story

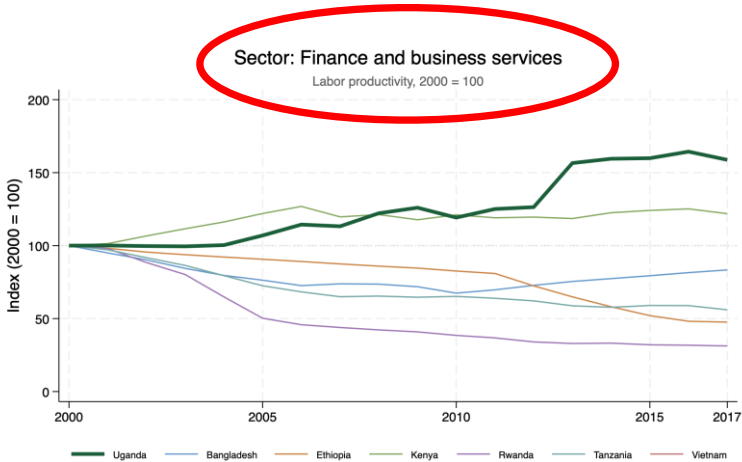
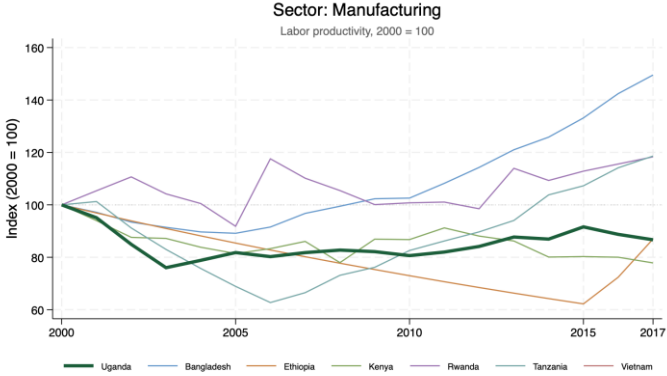
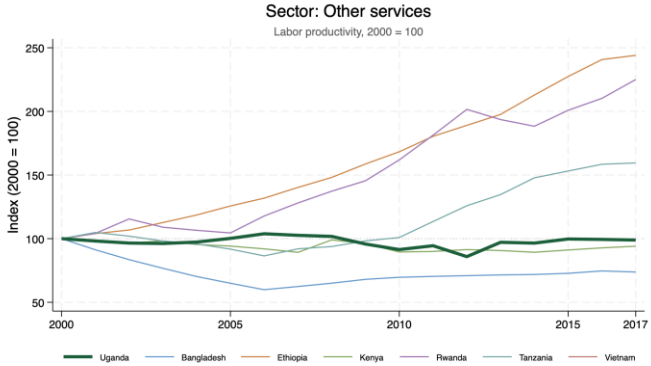
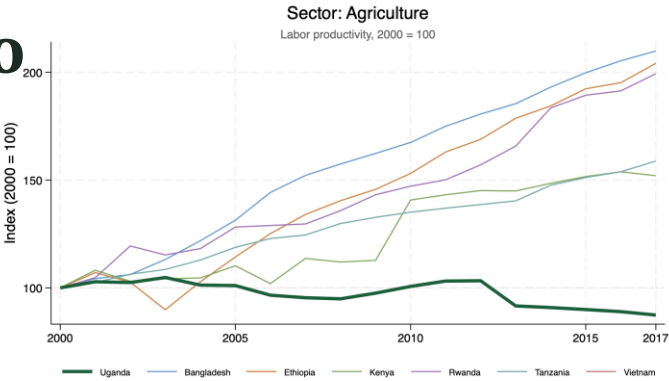
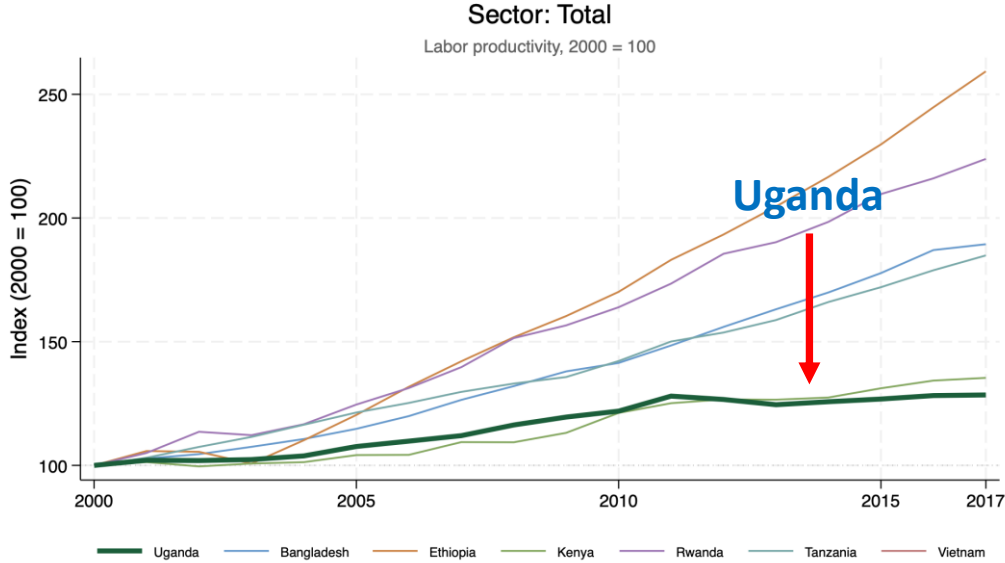
- Services productivity is falling even as services grow — Uganda is adding low-productivity activity.
- Outward orientation is the proven discipline: firms exposed to global competition are forced to get more productive.
- No known alternative — Pakistan's productivity ran ~1/5 of India's under import substitution.



Uganda's productivity has flatlined while its peers pulled ahead

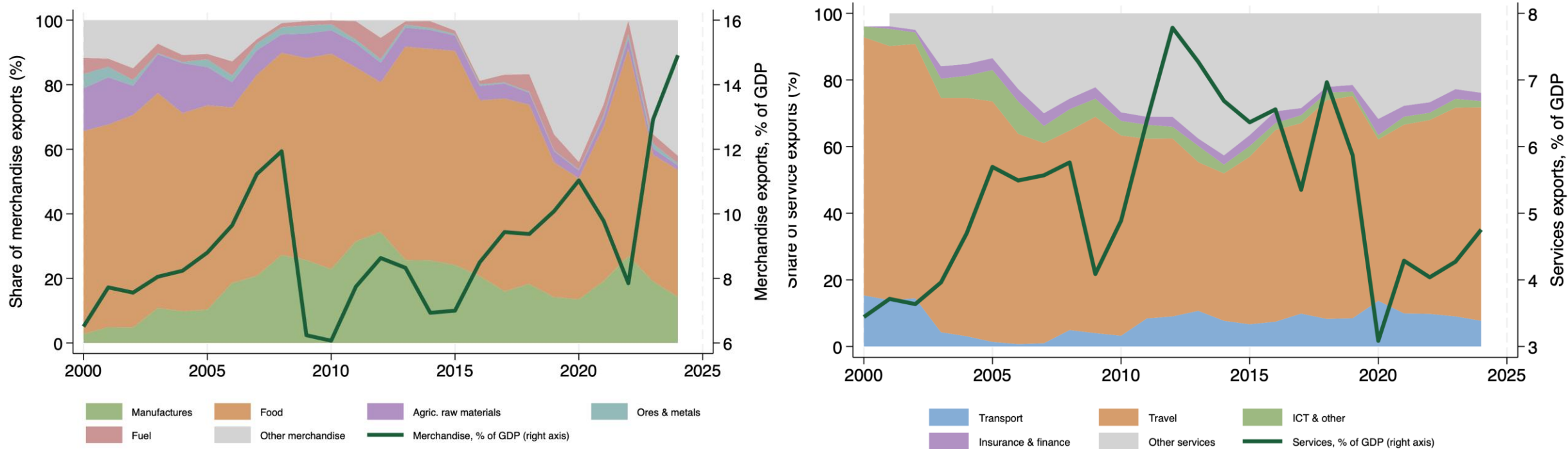


The problem is economy-wide: no sector is closing the productivity gap



Exports remain highly concentrated in low value-added commodities

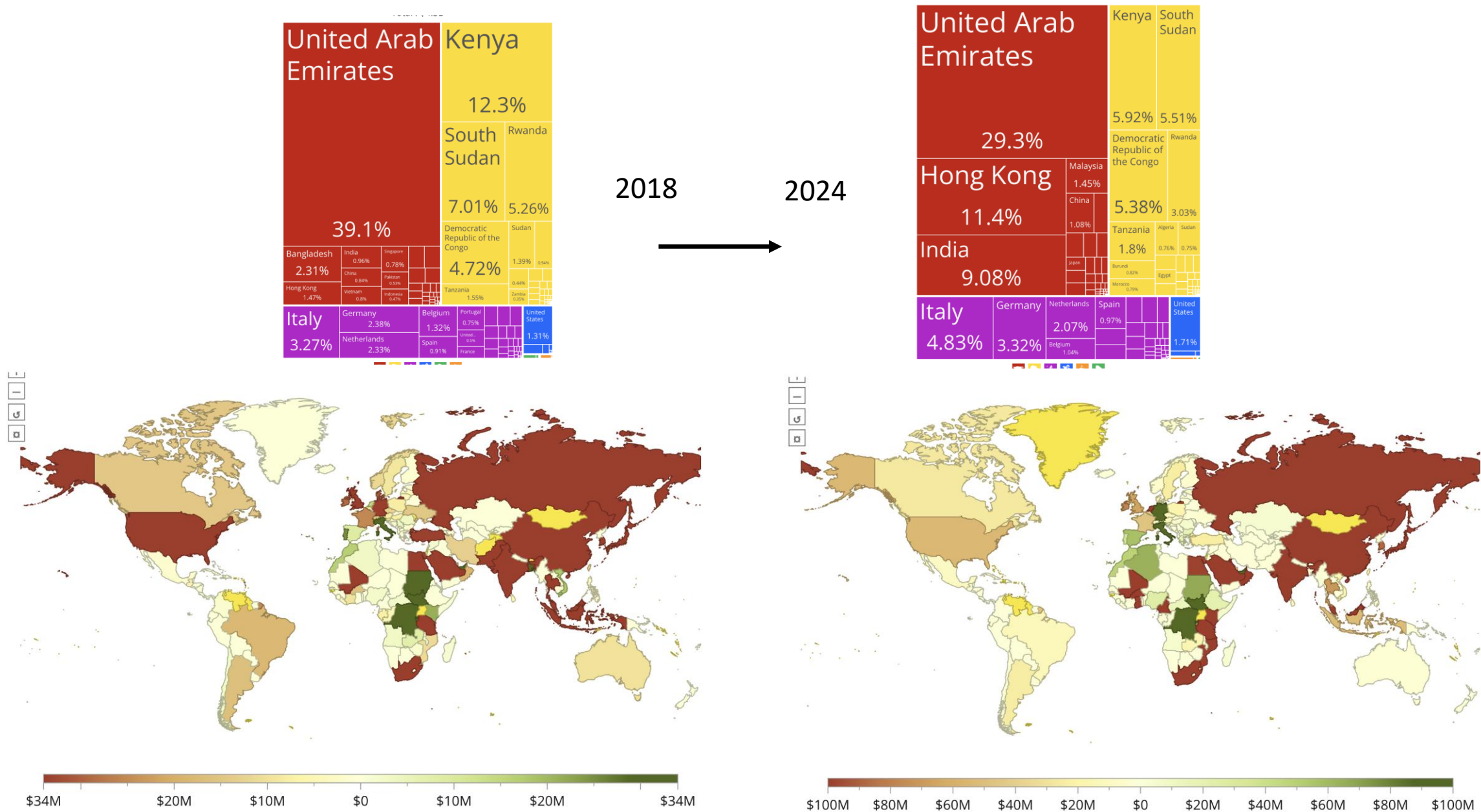
Export history vs 10fold strategy towards agro-industry, tourism, mineral-based development incl. oil & gas, and science/technology/ICT & the creatives



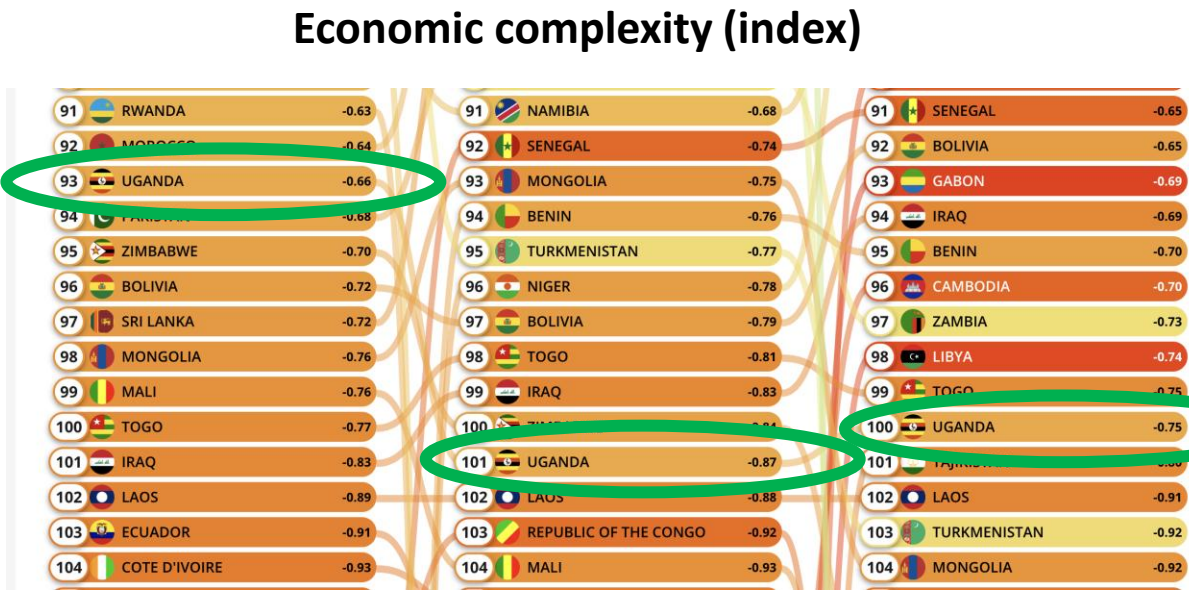
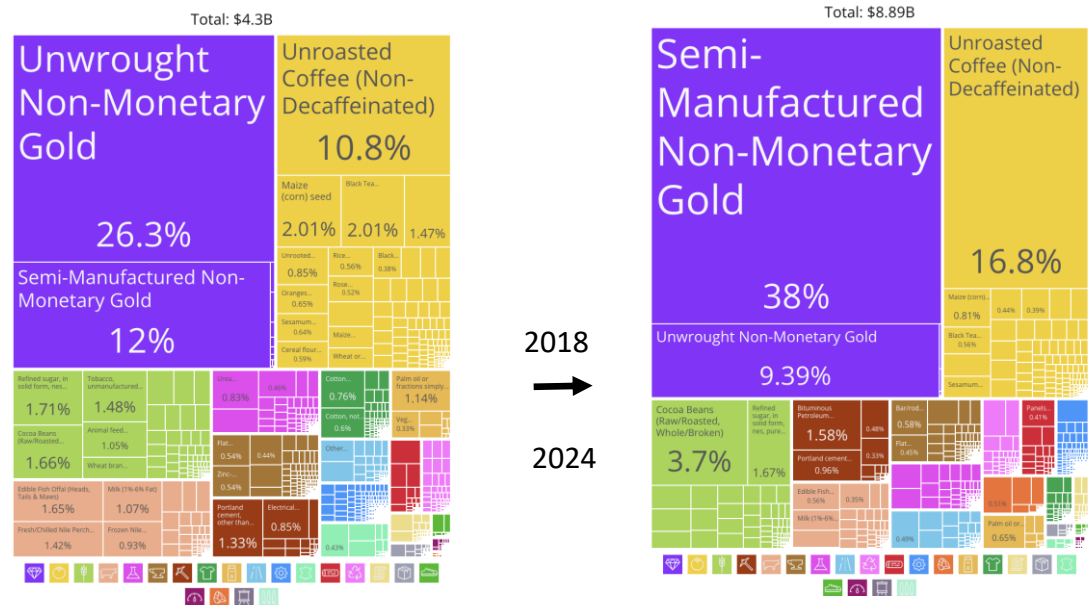
- 1) Oil will change the export numbers, but it cannot be the diversification strategy.
- 2) Traditional commodities remain important, but cannot alone deliver complexity and resilience.
- 3) The non-oil growth opportunity is value-added goods and tradable services

Use oil revenues to support competitiveness rather than allowing them to weaken it.

Uganda's export destinations remain concentrated – but intra-African trade is real



Real gains, narrow base: the next decade's growth has to come from a wider basket



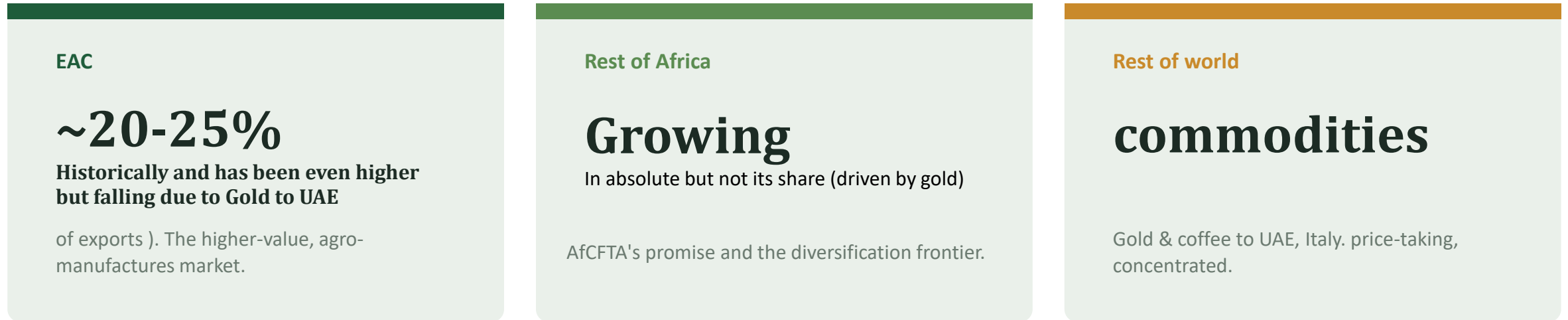
Credit where due:
coffee value-addition, gold, and genuine export growth in recent years — the basket has broadened.

But the base is still narrow

- export growth is real;
- concentration remains high;
- complexity remains low.

The next phase must add products and markets, not simply volumes of the same exports.

Three different markets: regional, African, and the rest of the world



...with the risk of simplification...

Sell to the world → raw materials.

Sell to the region → value-added goods.

Policy priority 1: Make the regional market work in practice



B

Where the growth is

The evidence says diversify — toward closer markets, new products, and the region.



Growth comes from closer, faster markets and new products, not just distant, slow ones

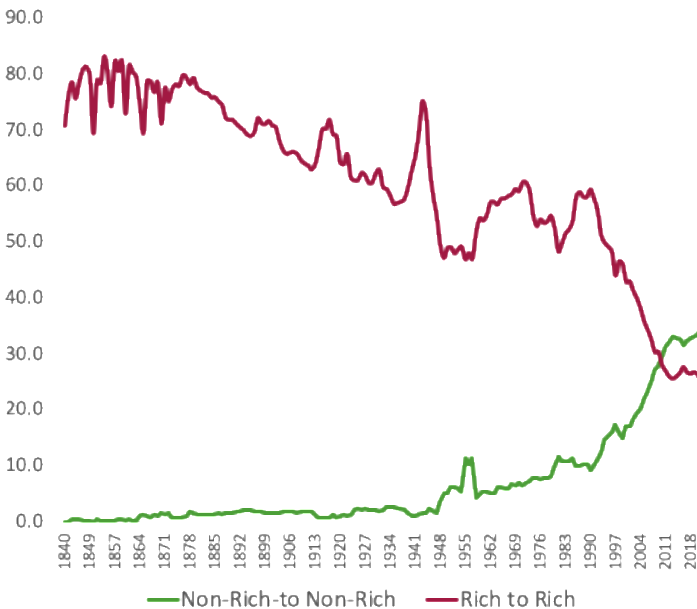
83% → 66%

high-income economies' share of global imports, 1990–2021 — demand is shifting south

~60%

of export growth is the extensive margin — new products to new destinations

North-North and South-South Trade, 1840-2022
(% share)



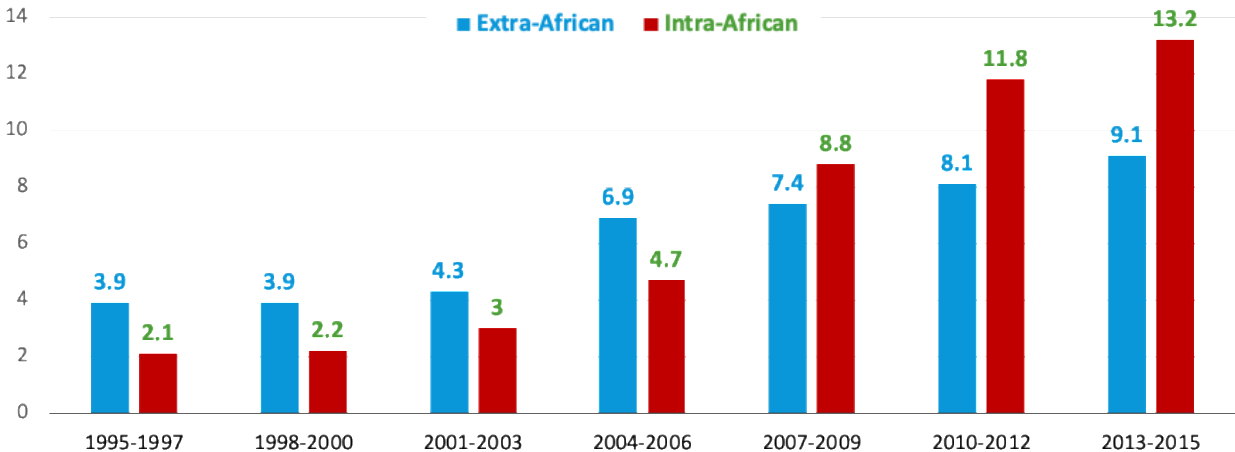
Mold & Mangeni
*Borderless Africa: A
sceptic's guide to the
Continental Free Trade
Area*
2023

Learnings for Uganda

Start with demand, not sectors. Identify growing markets and then diagnose what prevents Ugandan firms from supplying them.

- improve market intelligence around actual buyer demand,
- identify firms/products close to export readiness,
- solve the specific constraint stopping entry and survival

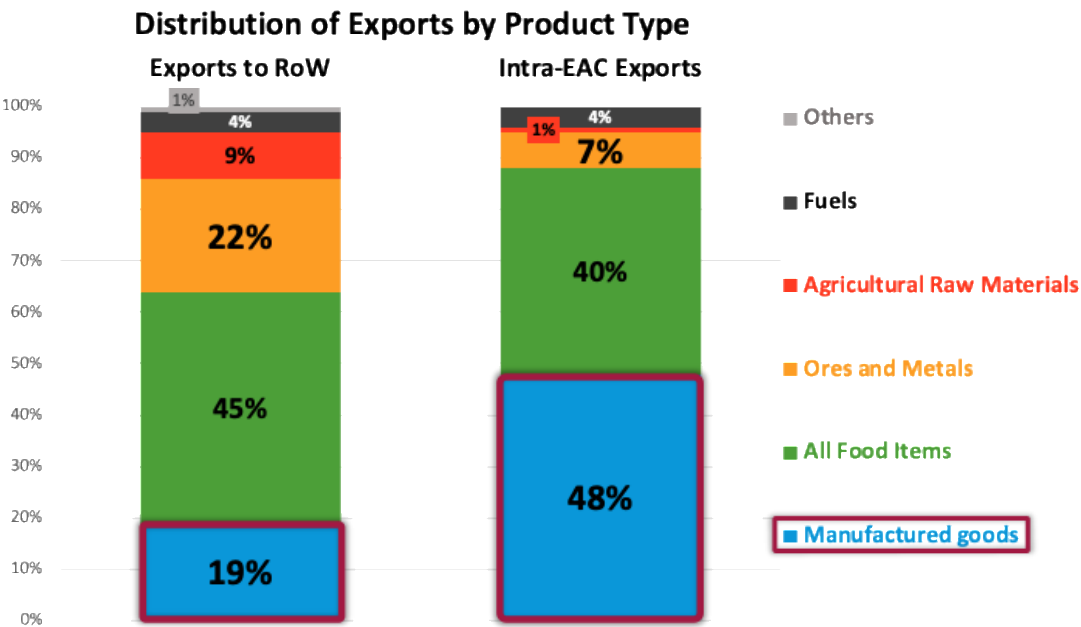
Intra-African vs. Extra-African Manufactured Exports (exc. N. Africa and SA)
1995-2015 (billions USD)



Regional and global exports are two different economies

Diversification and value addition live in the regional market

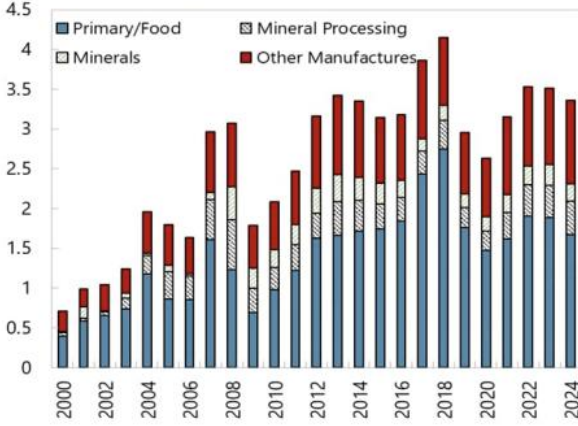
Manufactures as a share of exports across African countries...



Sell to the neighbours, you sell manufactures.
Sell to the world, you sell raw materials.

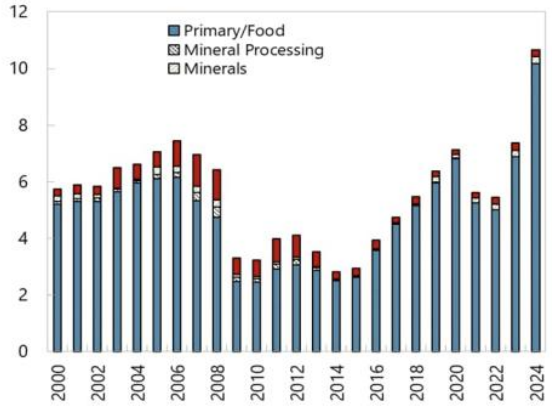
...And the same holds for **Uganda' Manufacturing exports to EAC**

Composition of UGA Exports to EAC (Percent of GDP)



IMF Article IV, Aug 2026

Composition of UGA Exports to ROW (Percent of GDP)



Remove the barriers that matter for actual regional exporters:

- persistent EAC NTBs;
- standards recognition;
- border predictability;
- logistics on key corridors.

Uganda has exportable products — but reaches too few of the markets that buy them

Market penetration remains low

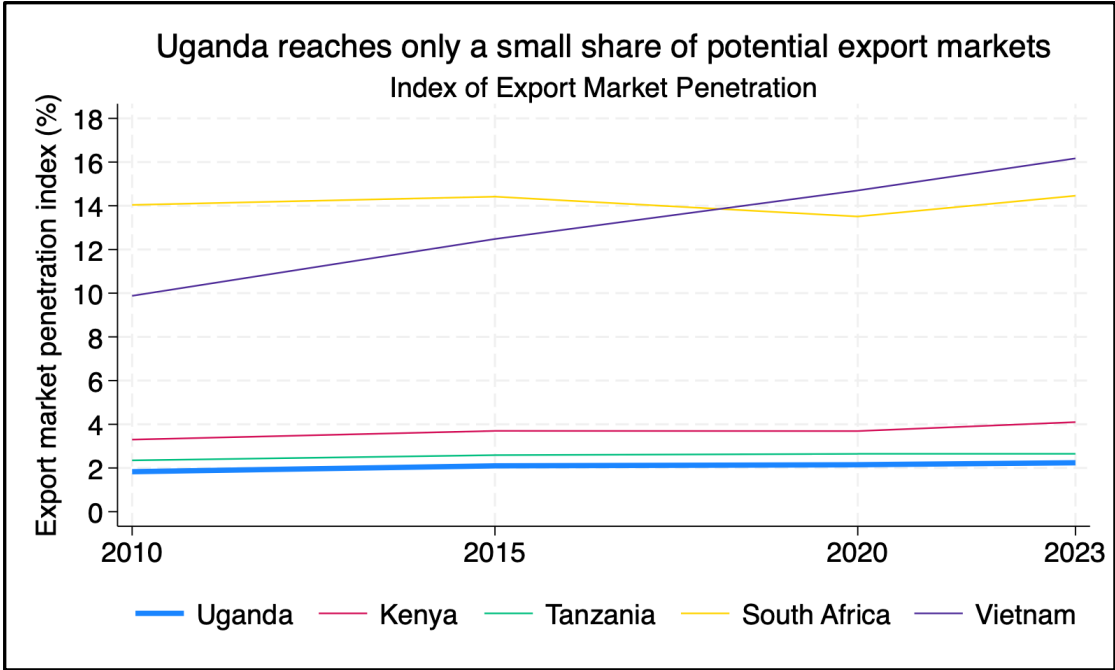
Uganda reaches only a small fraction of the product–market combinations available for goods it already exports.

The gap is especially large outside mature commodities

Coffee already reaches a broad set of markets; products such as cocoa and ceramic tiles reach far fewer of the countries that import them.

Bottom takeaway

not only to develop new products, but also to penetrate more markets with products it already produces competitively



2.2% -> on average around 2 out of 100 possible importing country markets are currently served

Uganda export, 2023	Export value	Uganda export markets	Global importing markets	Simple market reach
Coffee, unroasted	\$950.6m	69	~163	42.3%
Cocoa beans	\$140.7m	20	~136	14.7%
Unglazed ceramic tiles	\$177.5m	7	~163	4.3%

Seize real opportunities based on Uganda's comparative advantages – even outside of traditional manufacturing

Forget gold and copper. Africa's latest boom is in fruit

A surge in fruit exports shows how high-value agriculture can spur industrialisation

[Share](#)



More precious than diamonds PHOTOGRAPH: GETTY IMAGES



CHART: THE ECONOMIST

Several dimensions are moving now: China opens, and the fruit boom can show the way

Winning new markets increasingly requires standards, SPS compliance, certification, logistics and buyer relationships.

NEW PARTNERS

China removed tariffs on nearly all African imports in mid-2026

First Zimbabwean blueberry shipments followed within weeks.

But the real hurdle is non-tariff

Food-safety and plant-health rules are the trickiest barrier — they need sustained diplomacy and dedicated industry bodies.

Source: The Economist, 2026

NEW PRODUCTS — THE FRUIT BOOM

Fruit & nuts are now Africa's largest agricultural export — overtaking cocoa.

40×

Zimbabwe's blueberry exports vs 2017

3×+

tropical-fruit exports in a decade — faster than any region

Industries Without Smokestacks

High-value horticulture behaves like industry — labour-intensive mini-factories in global supply chains, building trade balances and supplier linkages. This also holds for various services

Source: The Economist, 2026

Policy priority 2 : Help firms cross the export threshold

Target support where:

- there is demonstrated external demand;
- firms are plausibly competitive;
- there is a specific solvable constraint.



C

Making it happen

AfCFTA, investment, and the market-friendly policies that actually deliver.



The AfCFTA prize is real, but delivery is partial and the gaps bind where Uganda needs them most

Shift political attention from negotiating access to making access usable.

The prize, if fully implemented, for **all of Africa**



Uganda has built the machinery

- National AfCFTA strategy + committee
- Tariff schedules live; trading started
- Single Window, border posts, e-certificates
- Services offers submitted, ; standards support for SMEs (Q-Boost)

The binding constraints are now downstream

- Border execution — goods stall despite zero tariffs
- Certification — the "trust gap"
- NTBs
- Services — still at offer stage continent-wide

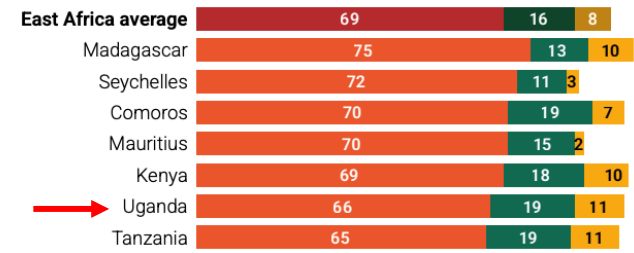
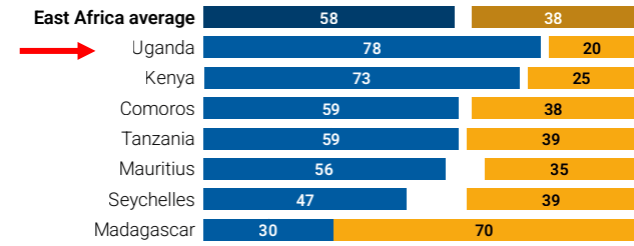
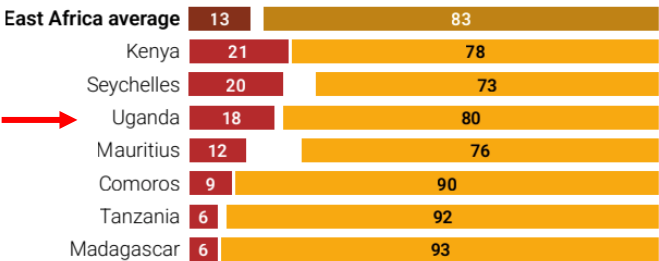
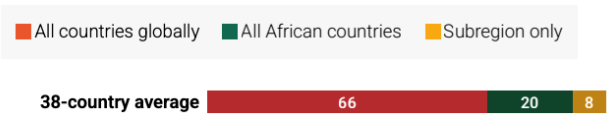
Figure 1: Awareness of the AfCFTA | 38 countries | 2024/2025



Figure 2: Promote trade or protect local producers? | 38 countries | 2024/2025



Figure 3: Preferred trading partners | 38 countries | 2024/2025



No regional trade without regional and global investment — trade and investment are one agenda

~47%

of Uganda's exports are carried by multinationals

Case study Uruguay (Marra et al.)

>75%

of domestic exporters first supplied a local MNC affiliate

+75%

rise in the chance of first-time exporting after becoming an MNC supplier

The levers (what pulls regional investment into Uganda):

- EAC common market (capital, establishment)
- Corridors: a regional production base
- Investment facilitation (One-Stop Centre, eBiz)
- Land-linked hub for DRC, South Sudan

The bottlenecks (what holds it back):

- Fragmented rules across EAC
- Weak enforcement of common-market commitments
- Border-closure / political risk
- High logistics costs

Policy priority 3: Make investment promotion an export instrument

Learnings for policymaking

- **Compete on facilitation, not incentives** — not a tax-incentive race
- **Harmonise and enforce** — make EAC commitments binding
- **Investment promotion is export policy** — target regional value-chain investors

Market-friendly policies are what deliver — competition and enabling, not protection

Bangladesh vs Pakistan

- Both started similarly in 1971
- Bangladesh's outward-oriented, export-led model (garments above all) pulled it well ahead,
- Pakistan's more inward, import-substituting path lagged.
- Bangladesh now has higher GDP per capita and far larger manufactured exports.

South Africa's citrus overtook diamonds

After the state abolished marketing boards in 1997, growers kept profits and invested. A market-friendly industry body — the Citrus Growers' Association — funds research, lobbying and know-how instead of setting prices.

The Economist, 2026

Support exporters — but do not protect them from competition

1. Don't tax exports indirectly.

Keep imported inputs competitive, avoid an anti-export bias.

2. Solve market failures rather than insulate firms from markets.

Certification, information, coordination, buyer matching, common infrastructure.

3. Test support and scale what works.

Avoid permanent programs whose impact is unknown..

Three priorities for Uganda's export strategy

1

Make the regional market work

Resolve the NTBs, standards and border frictions that stop firms using EAC/AfCFTA market access.

2

Help firms cross the export threshold

Start from real external demand and target certification, SPS, market information, logistics and buyer connections at specific constraints.

3

Use investment to build export capability

Target export-oriented investors, build domestic supplier links and compete on facilitation rather than tax incentives.