



Penetrating New Markets: Scaling Growth Through New Products and New Regions

A presentation to the 10th International Growth Forum (IGC)

By

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- Introduction
- Methods/approach
- Identification of global and regional market opportunities for Uganda
- Identification of new regional markets for diversification
- Identification of new product niches
- Challenges in penetrating identified markets
- Conclusion and policy recommendations

- Exporting has been identified as one of the potential pathways to realizing Uganda's Tenfold Growth Strategy (TFGS) which aims to grow the economy from USD 50 Bn to \$500 Bn by 2040
- The TFGS of the NDP IV Uganda envisages to increase the share of exports in GDP from a baseline of 12% in 2022 to 50% by 2040
- Increase the level of manufactured products in merchandise exports from 24.6% to 50%;
- Medium and high-tech products in manufactured products from 21% to 50%;
- Where are the markets? What products should Uganda export?

- In this presentation I show how Uganda can realize the Tenfold Growth Strategy through exporting by penetrating new markets and scale growth through new products and regional markets
- I locate the global and regional markets, market opportunities for Uganda and document the products with the greatest potential in identified markets as well as the unrealized or unexploited market opportunities
- Finally, I show how Uganda can penetrate the identified markets and overcome the challenges that may be faced in entering the identified markets

❑ Export Potential methodology

- Employs the Export Potential Indicator - EPI (Intensive product margin).
- The EPI identifies the globally competitive products of an exporting country that have a higher chance of being exported successfully to a particular destination market(s).

▪ Product Diversification methodology

- The Product Diversification Indicator (PDI) identifies products which a country does not yet competitively export but which seem feasible given the country's current export basket and the export baskets of similar countries.

❑ Product proximity

- Measures how often two products are co-exported internationally.
- High proximity implies that products require similar capabilities, infrastructure, technology, know-how.



❑ Relatedness / Connectivity

- Measures how connected a potential new product is to country's current export basket.
- High relatedness indicates lower diversification barriers and low relatedness greater capability gaps

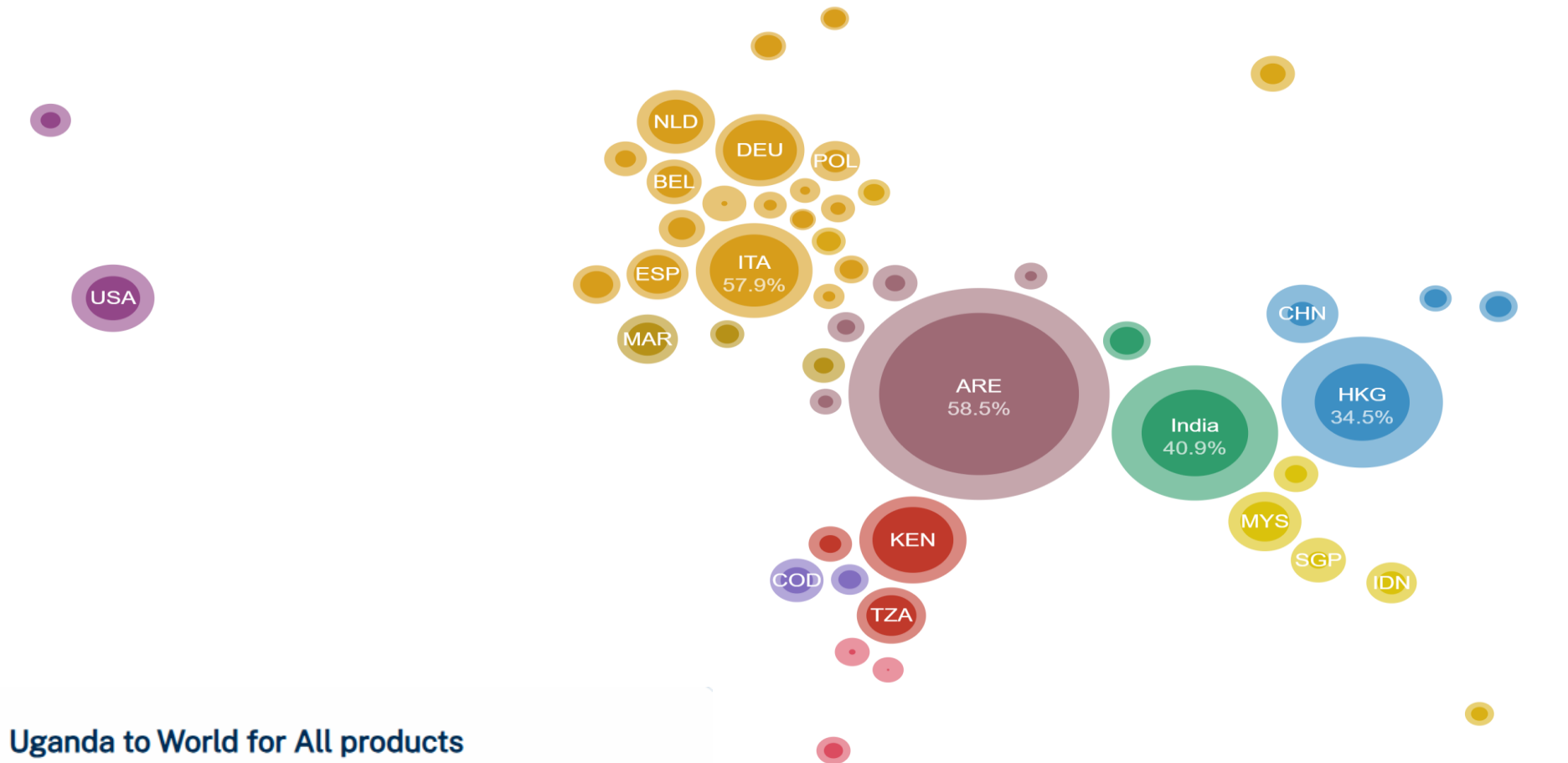
▪ Revealed Comparative Advantage ([Strength-based opportunities](#))

- A country is competitive in a product if it is an effective producer and exporter relative to the share that is at least equal to the share of total world trade.

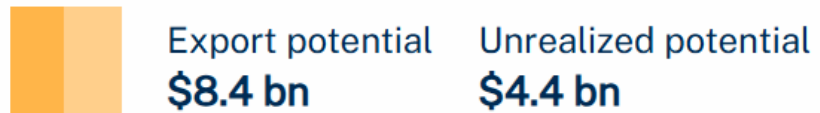
❑ Product Complexity Index (PCI)

- Assesses sophistication of products through measure of product diversity (how many different products a country exports competitively) and Ubiquity (How many countries can export that product competitively)
- A product has high PCI when few countries can produce it, AND those countries are themselves highly diversified and advanced.
- High PCI products are favorable for economic upgrading/structural transformation but also more difficult to achieve for SMEs without targeted support

Global Markets with the greatest potential for Uganda's exports



Uganda to World for All products



Scale:



Markets with potential for Uganda's exports

Legend

- Export potential
- Realized potential
- Middle East
- EU & West Europe
- East Asia
- South Asia
- Eastern Africa
- Southeast Asia
- North America
- Northern Africa
- Central Africa
- East Europe & Central Asia
- Southern Africa
- Pacific

ITC Export Potential Map
exportpotential.intracen.org

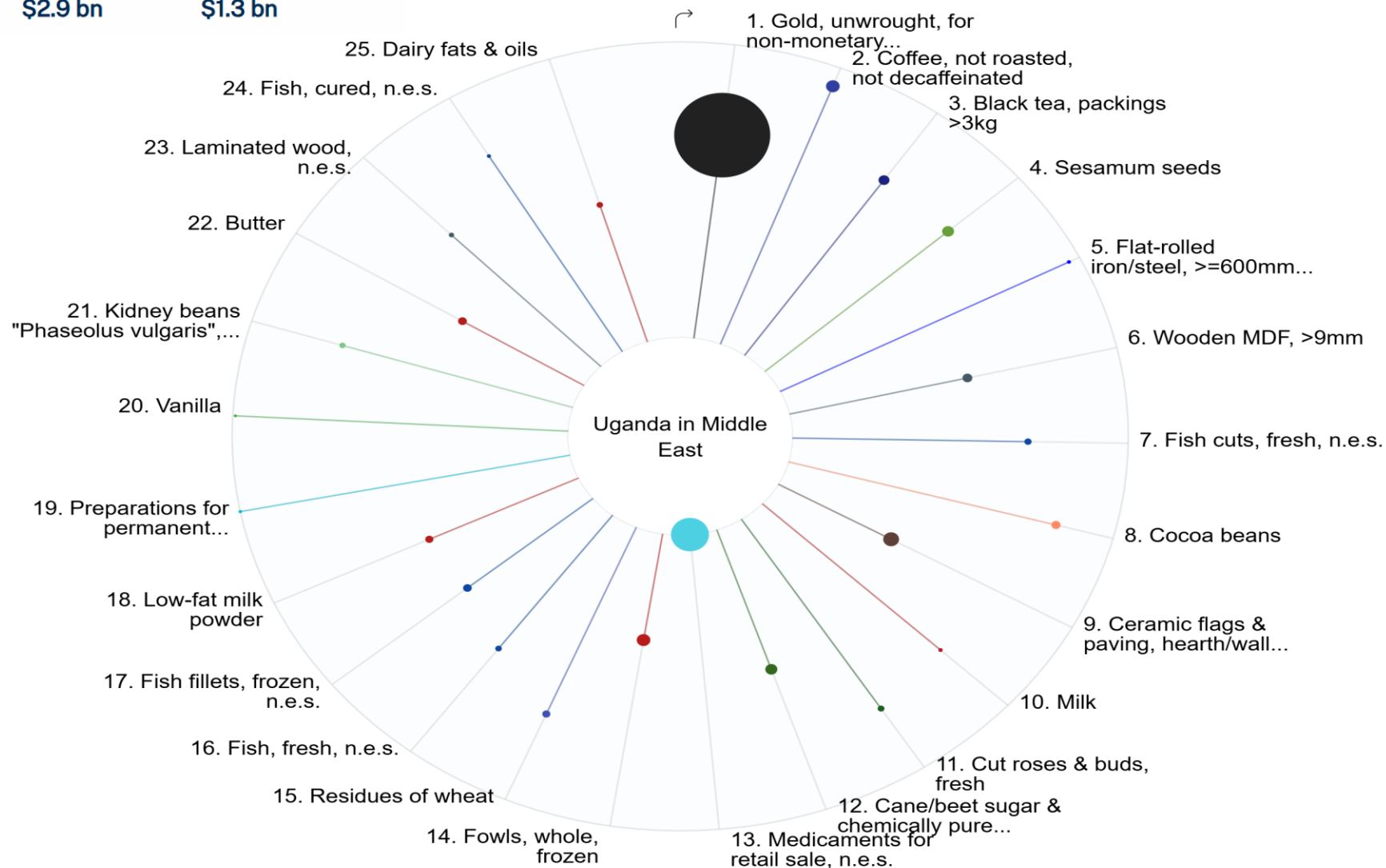
Where does Uganda's greatest market potential lie

- UAE – Export potential \$2.8 Bn, unrealized market potential \$1.2bn
- India – Export potential \$1.1 Bn unrealized potential \$637bn
- Hong Kong – Export potential 1Bn unrealized potential \$ 662 Bn
- Italy - Export potential \$491 Mn unrealized market potential \$207Mn
- Kenya - Export potential \$404 unrealized market potential \$174 Mn

Uganda's products with greatest export potential to Middle East

Uganda to Middle East for all products

Export potential **\$2.9 bn**
Unrealized potential **\$1.3 bn**

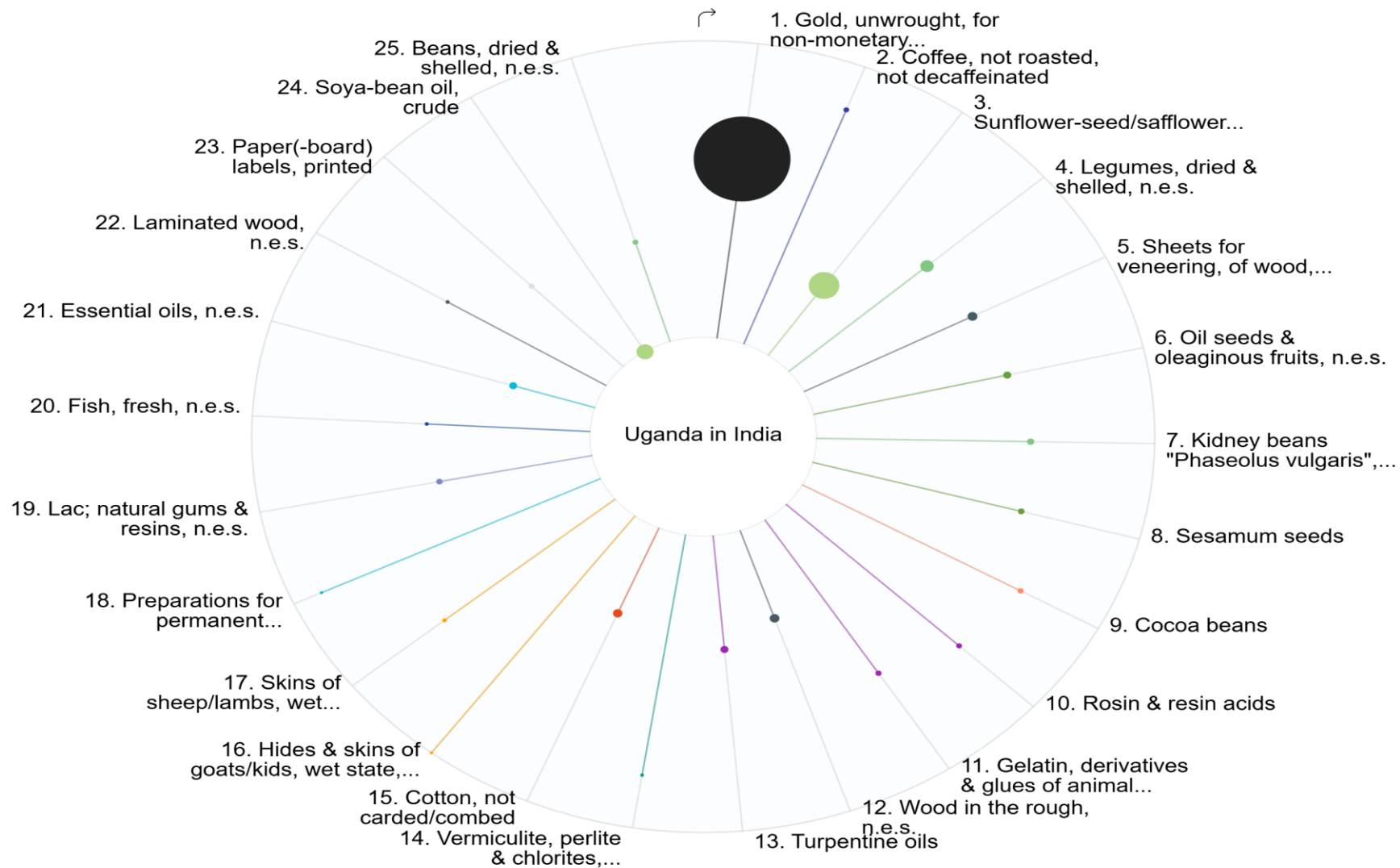


Uganda's products with potential to Middle East

Legend

- 1,2,3 Export potential rank
Demand
Supply
- Precious metals
 - Coffee
 - Fish & shellfish
 - Tea & mate
 - Dairy products
 - Wood
 - Oil seeds
 - Ferrous metals
 - Cocoa beans & products
 - Ceramic articles
 - Live plants, flowers, foliage
 - Sugar
 - Pharmaceutical components
 - Meat (poultry)
 - Vegetal residues & animal feed
 - Beauty products & perfumes
 - Spices
 - Pulses

Uganda's products with greatest export to India



Uganda's products with potential to India

Legend

1,2,3

Export potential rank



Demand



Supply



Precious metals



Coffee



Vegetable oils & fats



Pulses



Oil seeds



Wood



Chemicals



Cocoa beans & products



Skins, leather & products thereof



Beauty products & perfumes



Mineral resources



Vegetal textile fibers



Food products n.e.s. (processed or preserved)

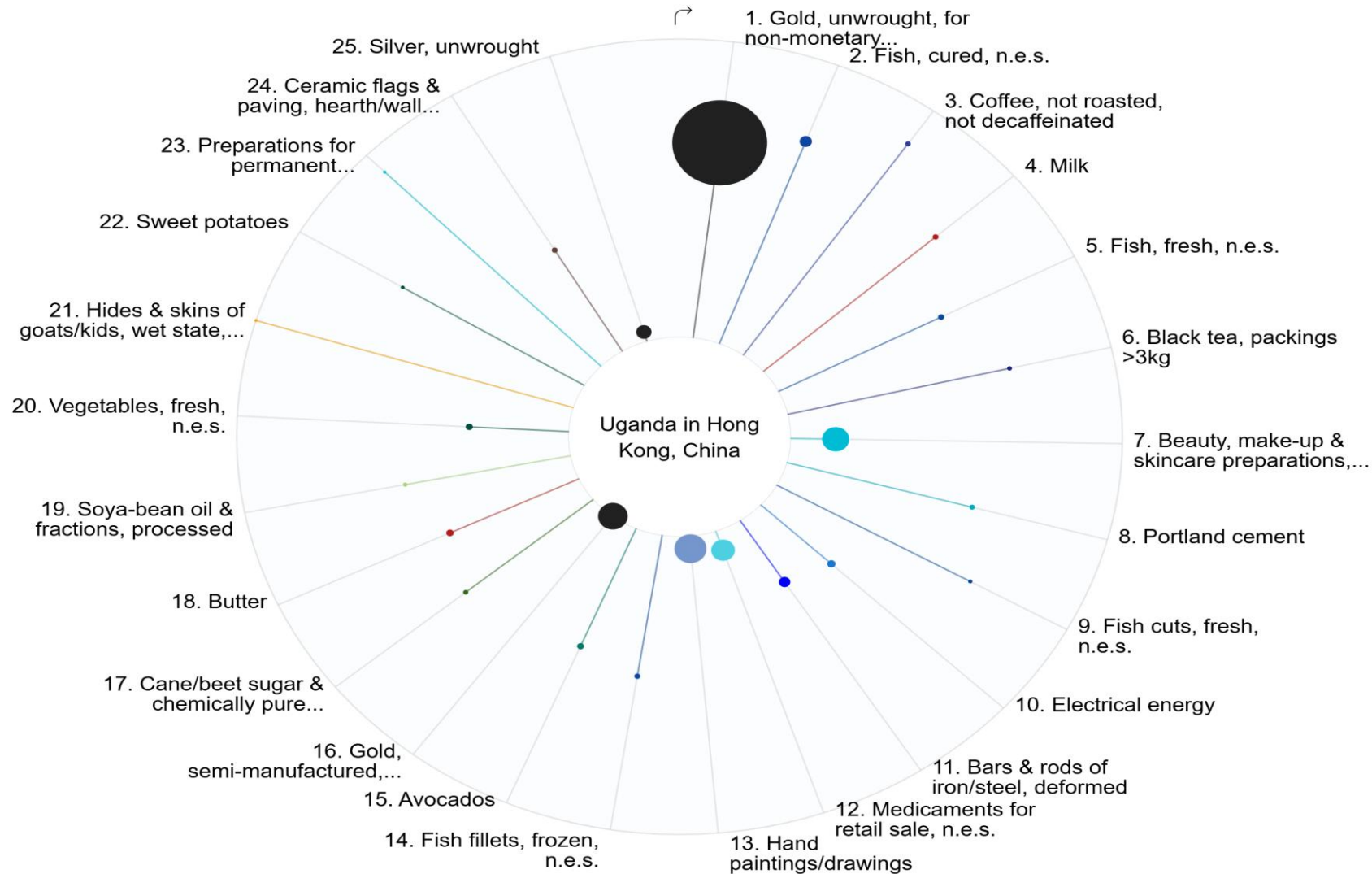


Fish & shellfish



Paper products

Uganda's products with greatest export potential to Hong Kong China



Uganda's products with potential to Hong Kong, China

Legend

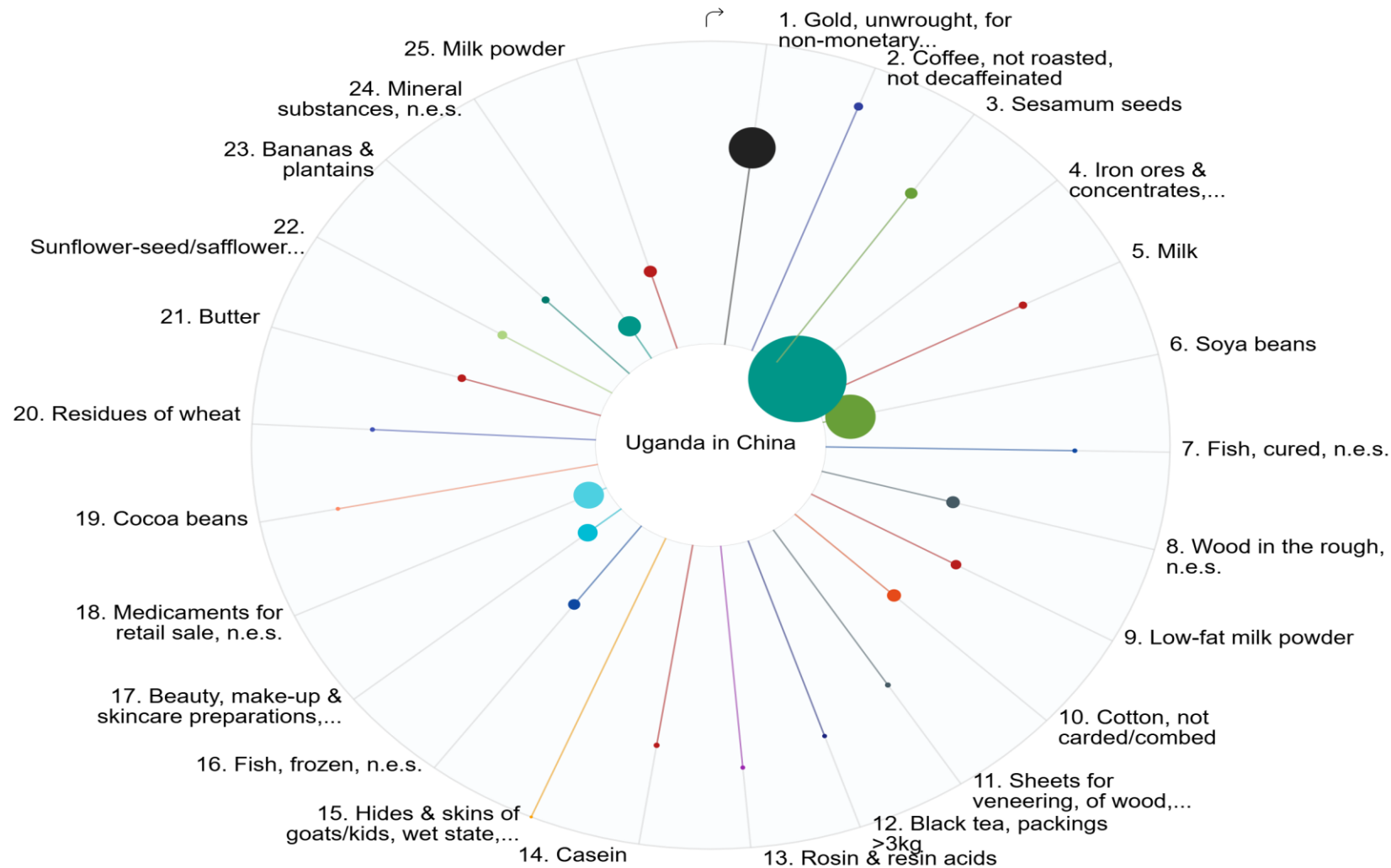
1,2,3 Export potential rank

Demand

Supply

- Precious metals
- Fish & shellfish
- Coffee
- Dairy products
- Beauty products & perfumes
- Tea & mate
- Mineral products
- Machinery, electricity
- Ferrous metals
- Pharmaceutical components
- Miscellaneous manufactured products
- Vegetables
- Fruits
- Sugar
- Vegetable oils & fats
- Skins, leather & products thereof
- Ceramic articles

Uganda's Products with the greatest export potential in China



Uganda's products with potential to China

Legend

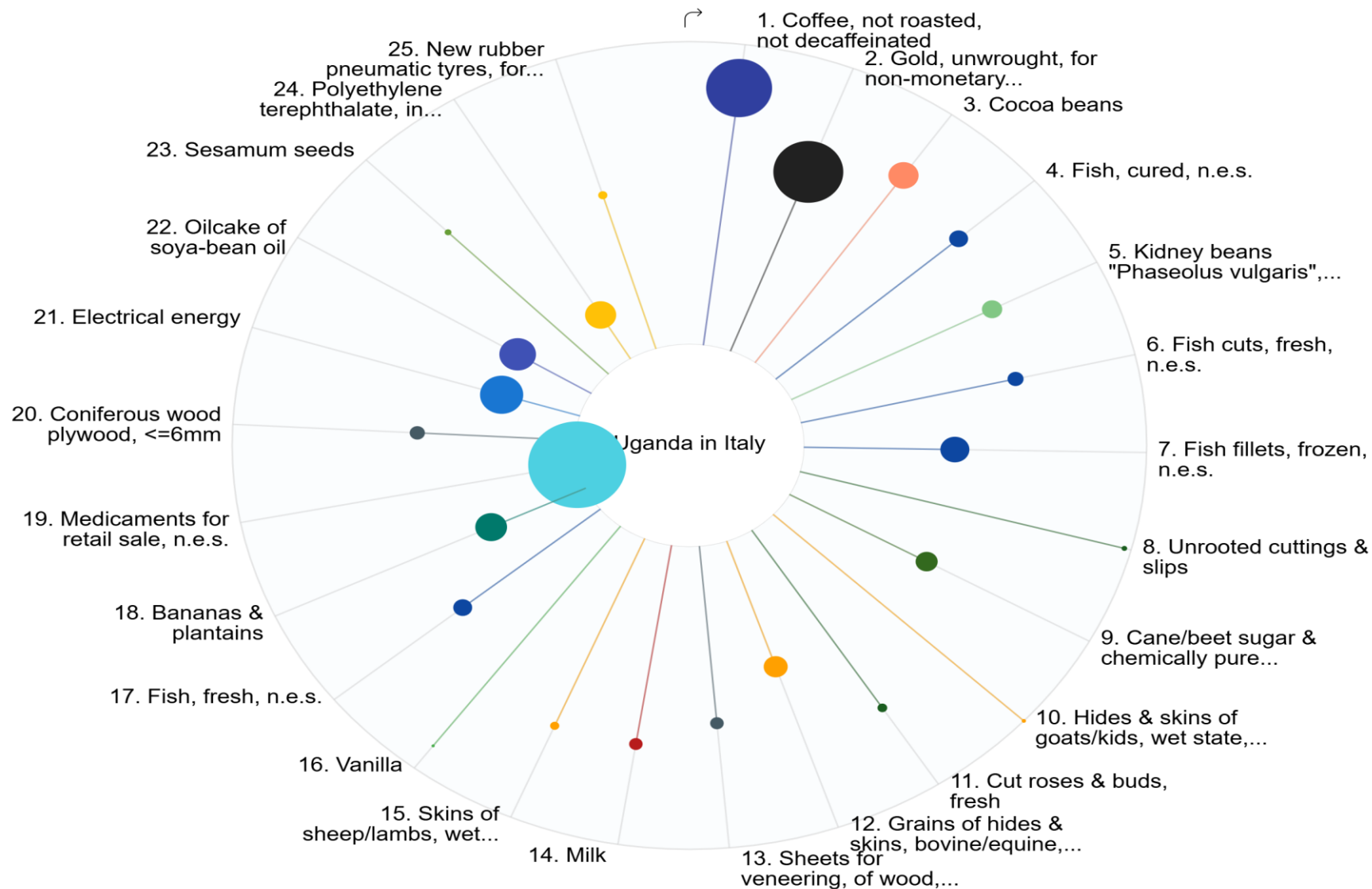
1,2,3 Export potential rank

Demand

Supply

- Precious metals
- Coffee
- Oil seeds
- Dairy products
- Mineral resources
- Wood
- Fish & shellfish
- Vegetal textile fibers
- Tea & mate
- Chemicals
- Skins, leather & products thereof
- Beauty products & perfumes
- Pharmaceutical components
- Cocoa beans & products
- Vegetal residues & animal feed
- Vegetable oils & fats
- Fruits

Uganda's Products with the greatest export potential in Italy



Uganda's products with potential to Italy

Legend

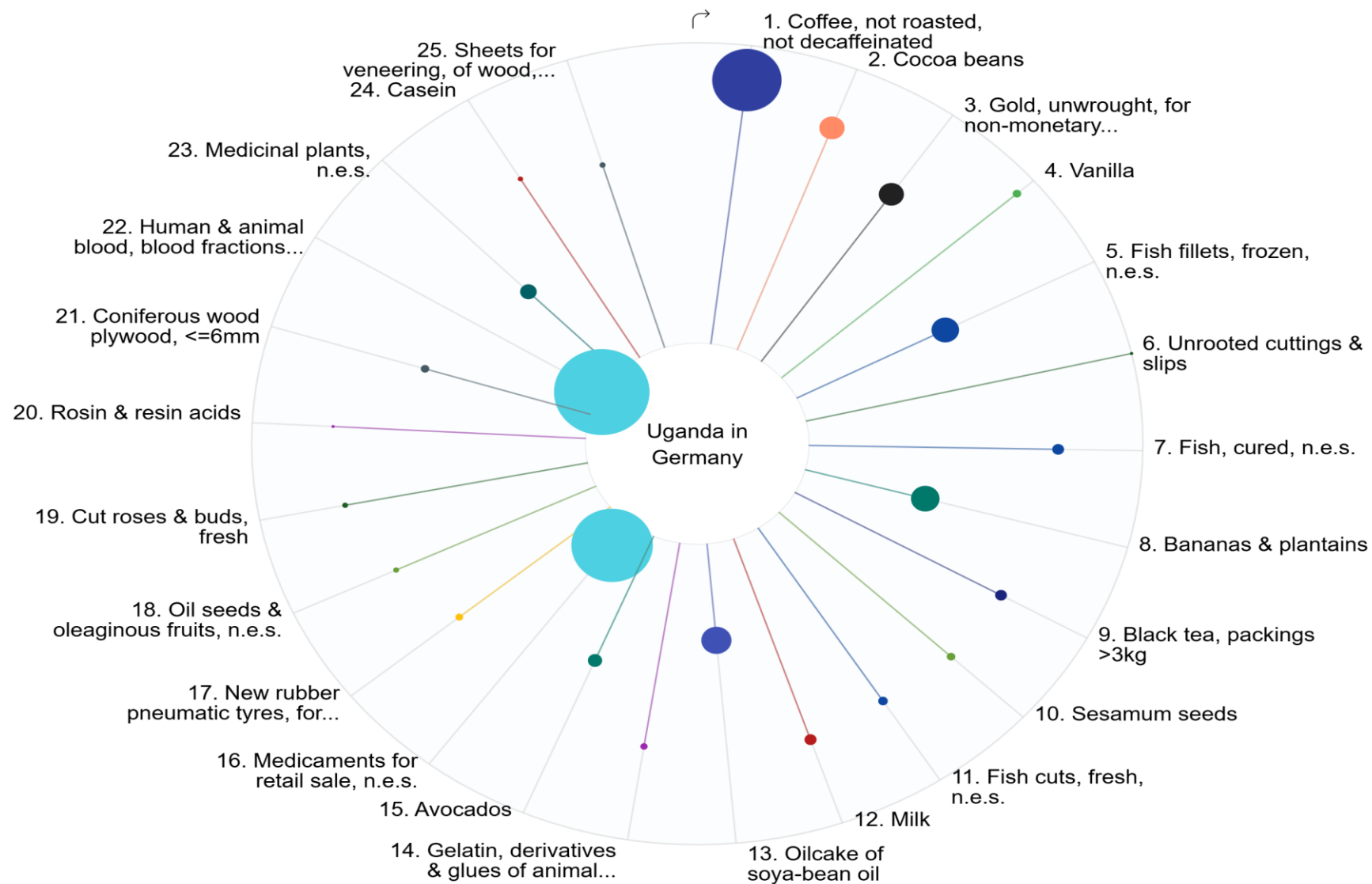
1,2,3 Export potential rank

Demand

Supply

- Coffee
- Precious metals
- Cocoa beans & products
- Fish & shellfish
- Live plants, flowers, foliage
- Skins, leather & products thereof
- Pulses
- Wood
- Sugar
- Dairy products
- Spices
- Plastics & rubber
- Fruits
- Pharmaceutical components
- Machinery, electricity
- Vegetal residues & animal feed
- Oil seeds

Ugandan Products with the greatest export potential in Germany



Uganda's products with potential to Germany

Legend

1,2,3 Export potential rank

Demand

Supply

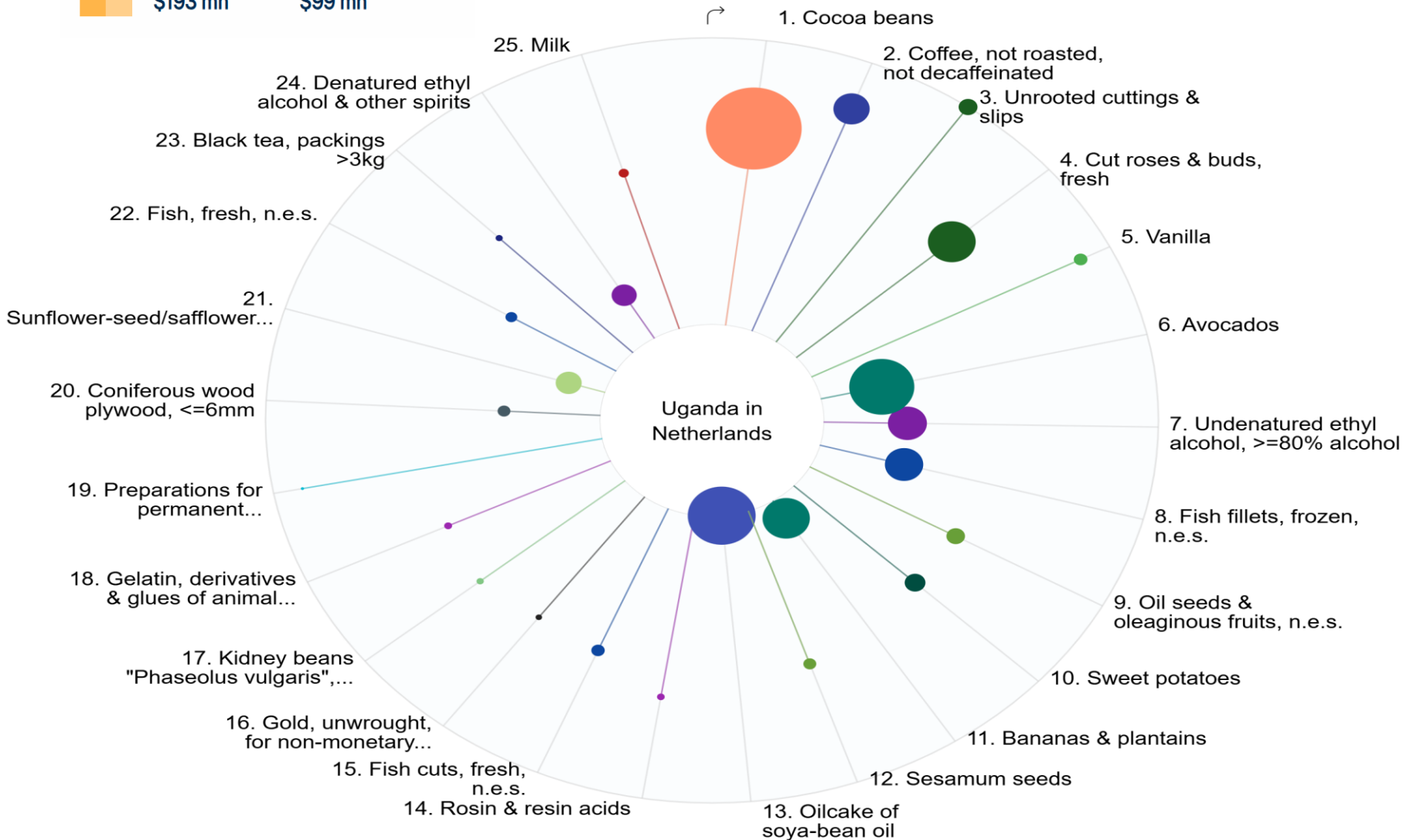
- Coffee
- Cocoa beans & products
- Precious metals
- Spices
- Fish & shellfish
- Live plants, flowers, foliage
- Fruits
- Oil seeds
- Tea & mate
- Chemicals
- Dairy products
- Pharmaceutical components
- Vegetal residues & animal feed
- Wood
- Plastics & rubber
- Crops n.e.s.

Uganda's Products with the greatest export potential in Netherlands

Uganda to Netherlands for all products

Export potential
\$193 mn

Unrealized potential
\$99 mn



Uganda's products with potential to Netherlands

Legend

1,2,3 Export potential rank

 Demand

 Supply

- Cocoa beans & products
- Coffee
- Live plants, flowers, foliage
- Fruits
- Spices
- Fish & shellfish
- Beverages (alcoholic)
- Oil seeds
- Vegetables
- Chemicals
- Vegetal residues & animal feed
- Precious metals
- Pulses
- Beauty products & perfumes
- Wood
- Vegetable oils & fats
- Tea & mate
- Dairy products

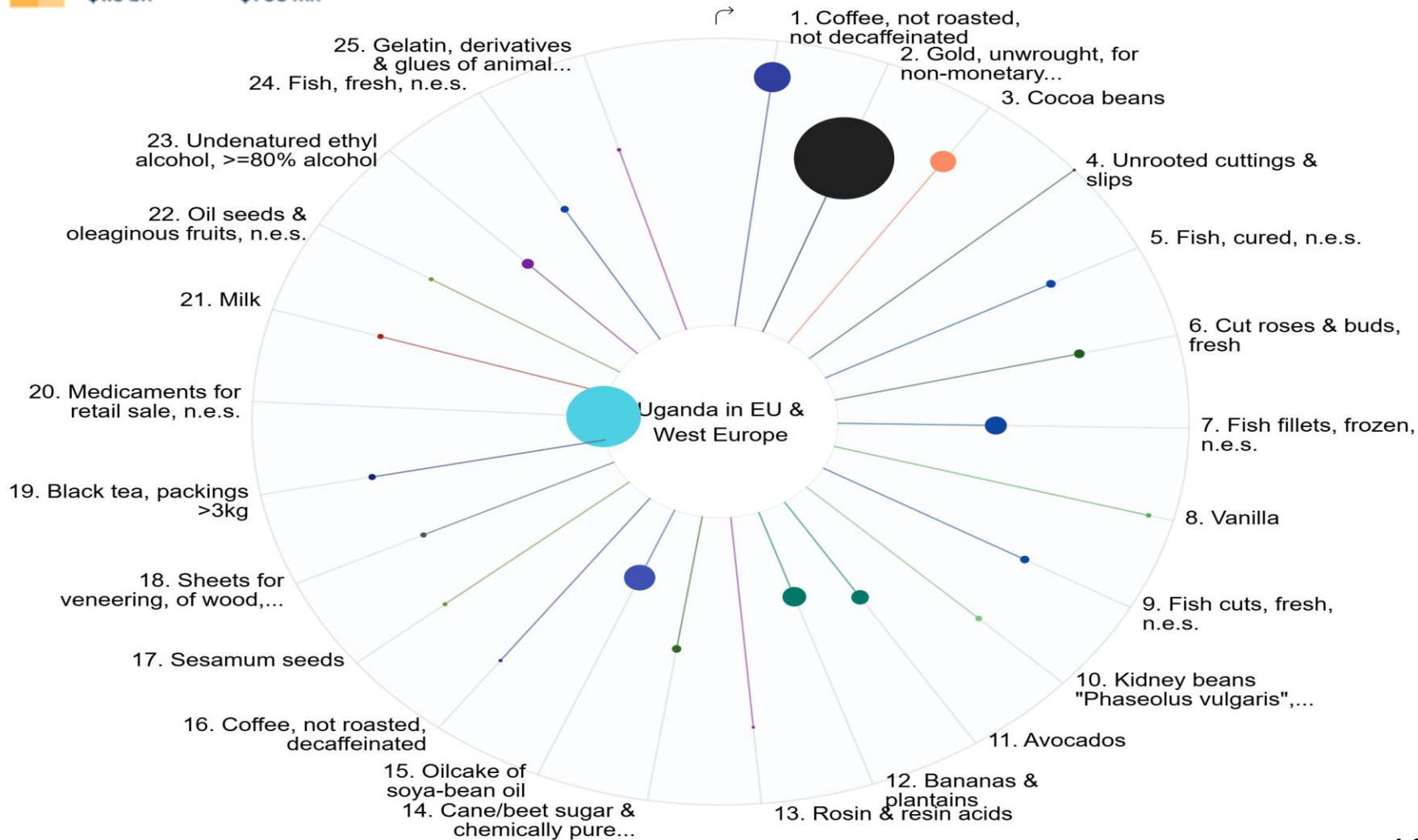
Uganda's products with greatest export potential to EU

Uganda to EU & West Europe for all products



Export potential
\$1.5 bn

Unrealized potential
\$733 mn



Uganda's products with potential to EU & West Europe

Legend

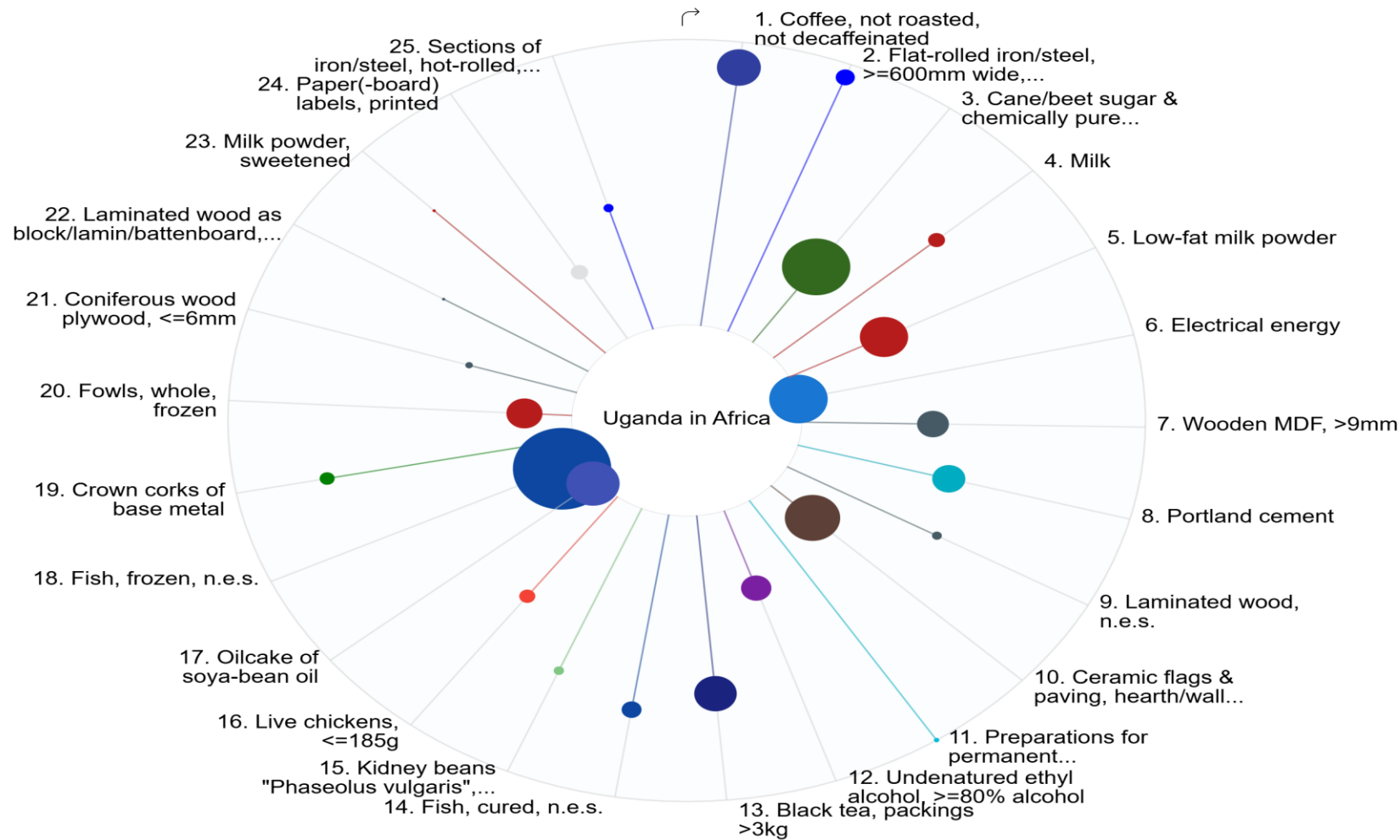
1,2,3 Export potential rank

Demand

Supply

- Coffee
- Precious metals
- Cocoa beans & products
- Fish & shellfish
- Live plants, flowers, foliage
- Spices
- Fruits
- Pulses
- Chemicals
- Oil seeds
- Sugar
- Vegetal residues & animal feed
- Wood
- Tea & mate
- Pharmaceutical components
- Dairy products
- Beverages (alcoholic)

Uganda's Products with the greatest export potential in Africa



Uganda's products with potential to Africa

Legend

- 1,2,3 Export potential rank
- Demand
- Supply

- Dairy products
- Coffee
- Ferrous metals
- Sugar
- Wood
- Machinery, electricity
- Mineral products
- Fish & shellfish
- Ceramic articles
- Beauty products & perfumes
- Beverages (alcoholic)
- Tea & mate
- Pulses
- Live animals (poultry)
- Vegetal residues & animal feed
- Metal products
- Meat (poultry)
- Paper products

ITC Export Potential Map
exportpotential.intracen.org

Uganda's top 5 products with the highest demand and supply

Product demand rank		Product supply rank	
Eastern Africa			
1	Cane or beet sugar & chemically pure sucrose	1	Preparations for permanent waving/straightening
2	Portland cement	2	Flat-rolled products of iron or non-alloy steel
3	Unglazed ceramic flags, paving, hearth, wall tiles, mosaic cubes and the like	3	Coffee, not roasted, not decaffeinated
4	Raw cane sugar	4	Sweetened milk powder
5	Soap & organic surface-active products	5	Milk
Western Africa			
1	Medicaments consisting of mixed or unmixed	1	Preparations for permanent waving/straightening
2	Fish, whole, frozen	2	Flat-rolled products of iron or non-alloy steel
3	Human & animal blood, blood fractions & immunological products	3	Coffee, not roasted, not decaffeinated
4	Cane or beet sugar & chemically pure sucrose	4	Fish, cured
5	False beards, eyebrows & lashes.	5	Milk
Central Africa			
1	Medicaments consisting of mixed or unmixed	1	Flat-rolled products of iron or non-alloy steel
2	Fish, whole, frozen	2	Coffee, not roasted, not decaffeinated
3	Fowls, whole, frozen	3	Fish, cured
4	Unglazed ceramic flags, paving, hearth.	4	Milk
5	Cane or beet sugar &chemically pure sucrose	5	Black tea, packings>3kg
Northern Africa			
1	Medicaments consisting of mixed or unmixed	1	Preparations for permanent waving/straightening
2	Coniferous wood sawn/chipped lengthwise	2	Coffee, not roasted, not decaffeinated
3	Human & animal blood, blood fractions &...	3	Fish, cured
4	Raw cane sugar	4	Sesamum seeds
5	Oilcake of soya-bean oil	5	Laminated wood as block/lamin/batten board
Southern Africa			
1	Medicaments consisting of mixed or unmixed	1	Unrooted cuttings & slips
2	Electrical energy	2	Flat-rolled products of iron or non-alloy steel
3	Fish, whole, frozen	3	Coffee, not roasted, not decaffeinated
4	Beer made from malt	4	Vermiculite, perlite & chlorites, unexpanded
5	Cane or beet sugar &chemically pure sucrose	5	Milk

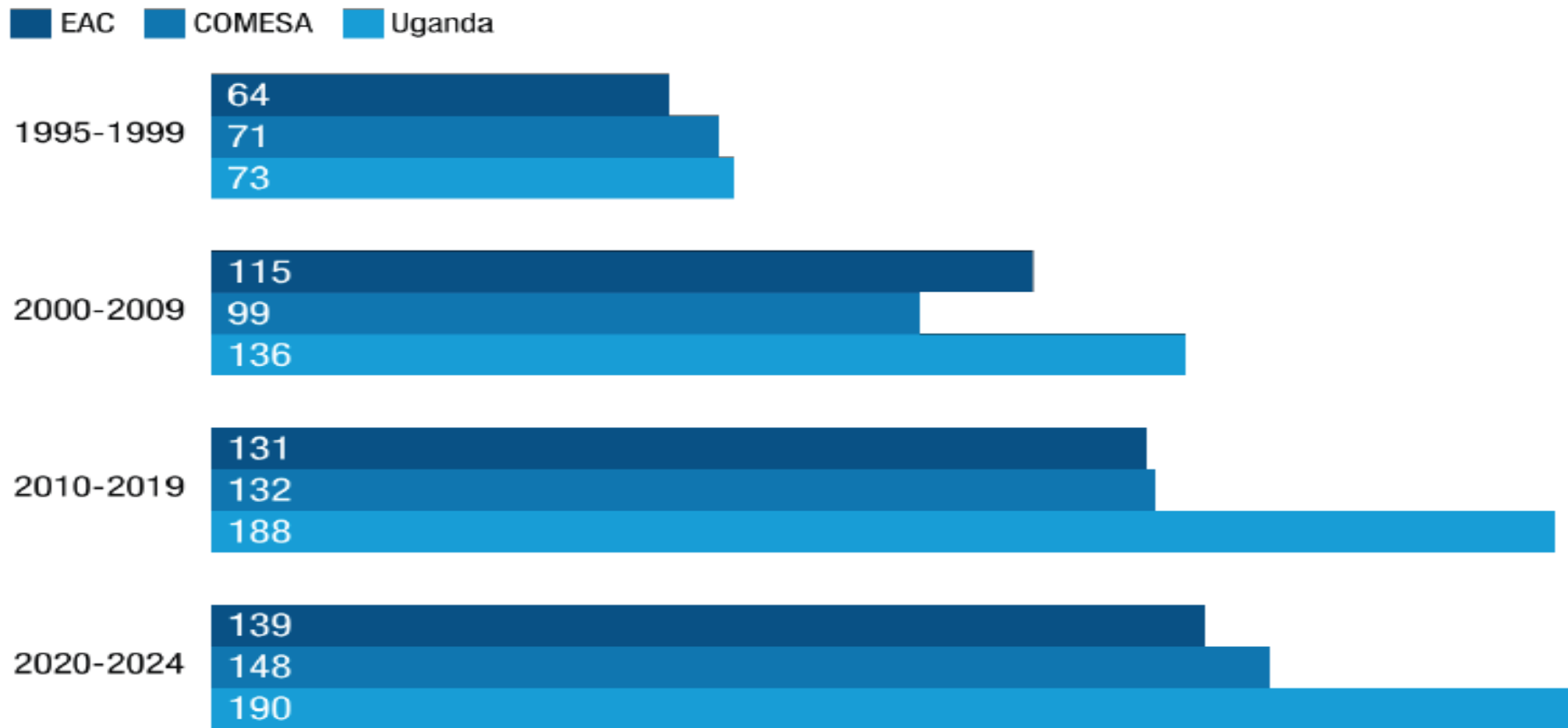
Leading destination of Uganda's coffee exports to Africa (U\$ 000)

Importers	2015	2016	2017	2018	2019	2020	2021
World	401,204	371,518	555,149	435,956	437,619	514,191	713,154
Africa	84,572	74,776	140,444	80,148	85,905	112,262	148,963
Proportion (%)	21	20	25	18	20	22	21
Algeria	261	2,244	19,028	3,333	120	1,896	55,281
Sudan	74,634	54,887	75,426	52,537	59,221	87,702	43,119
Morocco	4,668	4,134	22,357	18,127	19,976	16,998	31,856
Egypt	79	380	160	247	1,601	1,487	6,616
South Africa	2,704	3,208	3,573	3,314	3,246	2,644	6,613
Kenya	1,550	201	432	924	436	1,171	4,406
Cabo Verde	222	464	312	152	237	249	331
Madagascar	-	-	3,506	1,225	911	-	196
Libya	-	-	-	289	126	55	115
South Sudan	377	618	390	-	-	27	67

Rank	HS Code	Product	Value (US\$ million)
1		Unwrought and semi-manufactured gold	3,272.7
2		Rice	224.6
3		Portland cement, aluminous cement and other cement	109.6
4		Iron or non-alloy steel; flat-rolled products	92.4
5		Petroleum oils and oils from bituminous minerals, not crude	57.8
6		Ferrous waste and scrap; remelting scrap ingots of iron or steel	53.7
7		Iron or non-alloy steel; semi-finished products thereof	37.8
8		Medicaments	32.4
9		Preparations of a kind used in animal feeding	30.7
10		Sugar confectionery	29.2
11		Odoriferous substances and mixtures	28.9
12		Palm oil	28.8
13		Plastic articles for conveyance or packing of goods	27.6
14		Soap	27.6
15		Salt (including table salt and denatured salt)	25.2
16		Vehicles for the transport of goods	24.6
17		Ground-nuts; not roasted or otherwise cooked	24.2
18		Sanitary products	23.6
19		Margarine	21.4
20		Glass containers, jars and closures for packaging	21.3
		All products	4194.1

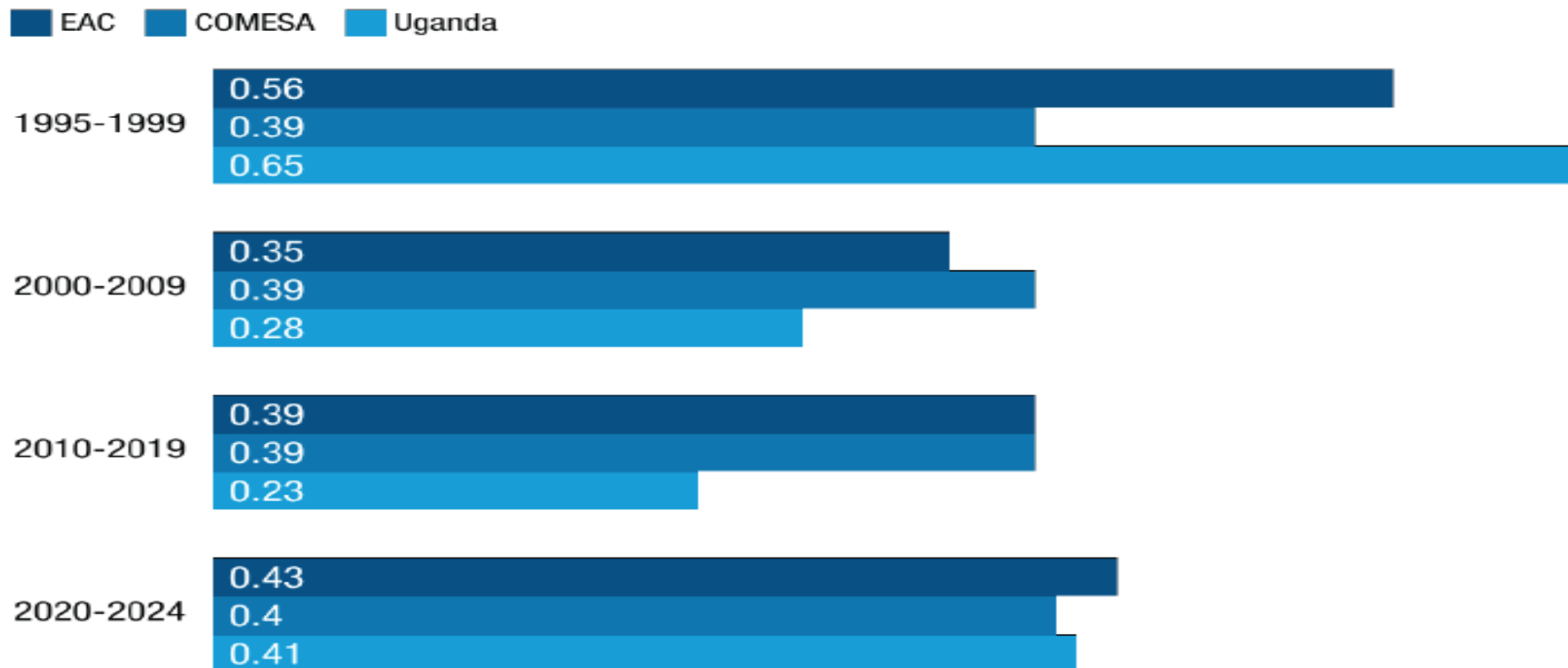
- Uganda has made remarkable progress in expanding its export product base since the 1990s
- The average number of exported goods increased from 73 in the late 1990s to around 1904 over the period 2020–2024
- This expansion surpasses the product diversity observed in most East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA) member states, with exceptions including Egypt, Tunisia and Kenya (UNCTAD, 2026)
- Similarly, concentration index (which measures how heavily exports rely on a few products) declined significantly from approximately 0.65 in the late 1990s to 0.28 during the 2000–2009, reflecting progress towards a more diversified export structure
- The concentration index rose to 0.39 in 2019 and peaked at around 0.44 in 2020, before moderating slightly to 0.42 in 2024.

Uganda's Export Diversification in comparison to COMESA and EAC, 1995–2024



Source: UNCTAD Based on UNCOMTRADE Data

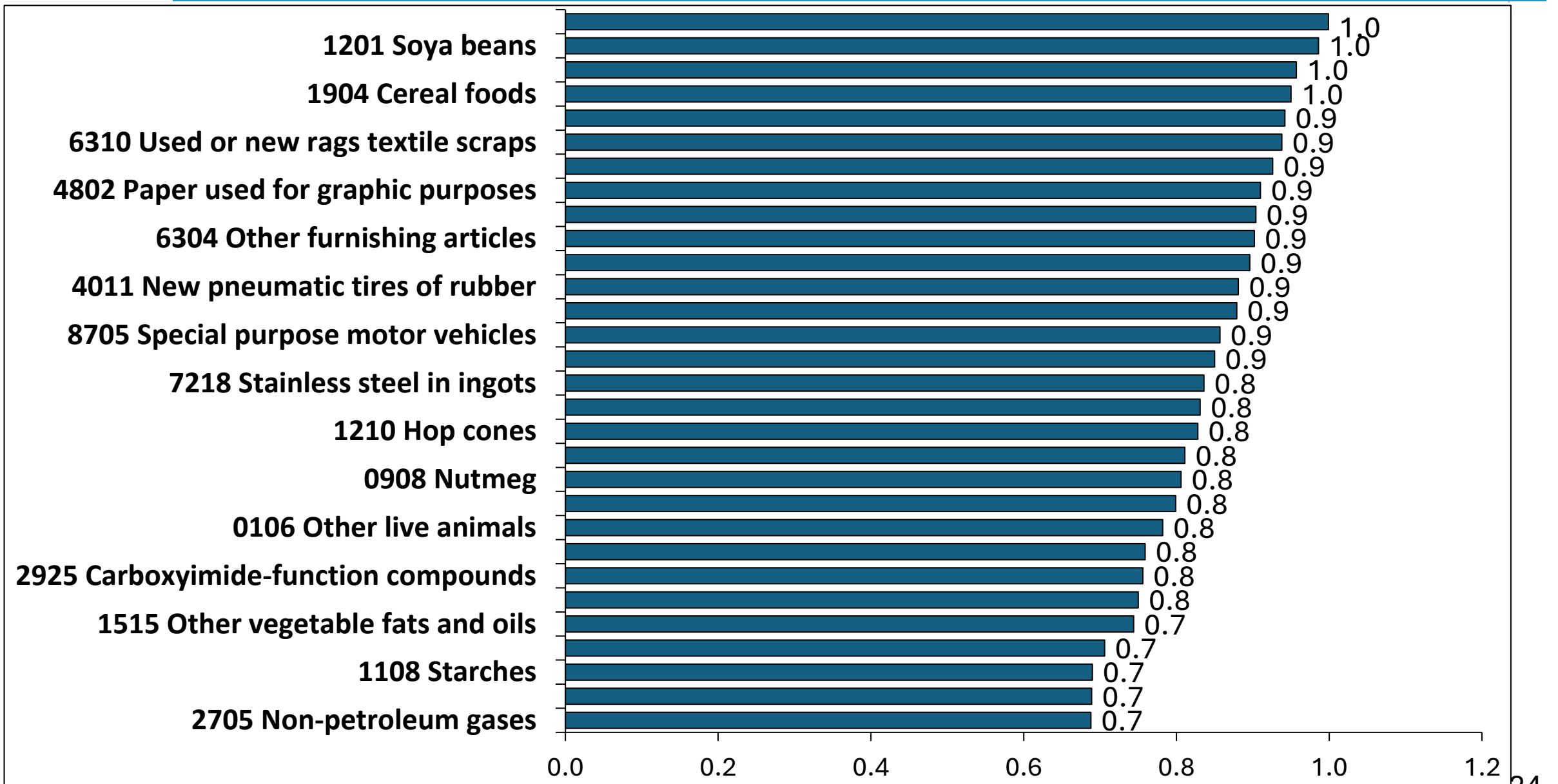
Uganda's Export concentration index in comparison to COMESA and EAC, 1995–2024

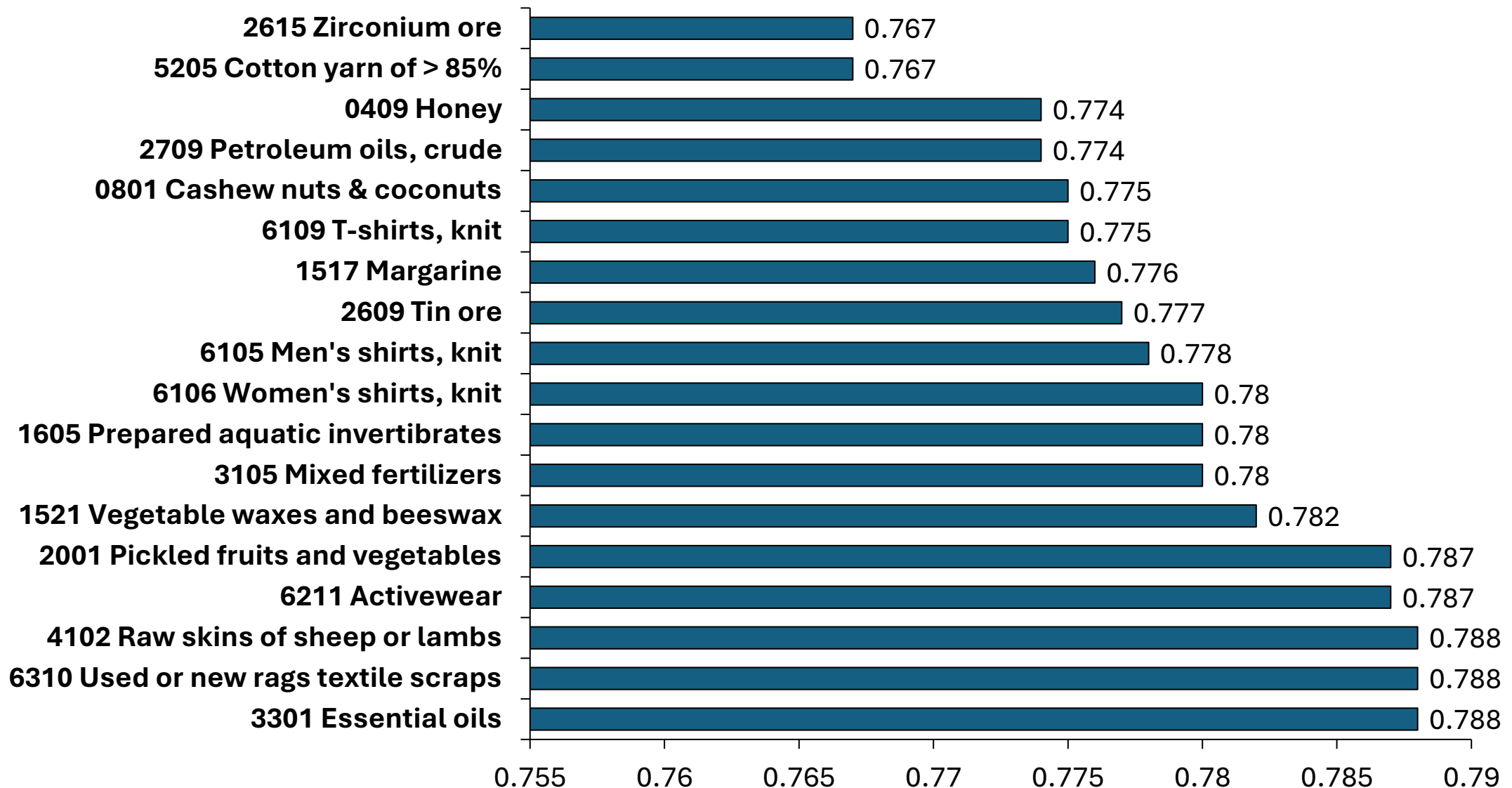


The concentration index (also called the Herfindahl–Hirschman Index or Product HHI) captures product concentration in exports. A normalized HHI ranges from 0 to 1, where values closer to 1 indicate high concentration in few products, while values closer to 0 reflect diversified exports across many products.

Source: UNCTAD, based on UNCTADStat.

Top 30 products for export diversification based on the RCA





Why Iron and Steel

African steel market size: was 39.2m tonnes in 2025 and is projected to reach 54.8m tonnes by 2035

• Backward Linkages:

- mining
- energy
- logistics

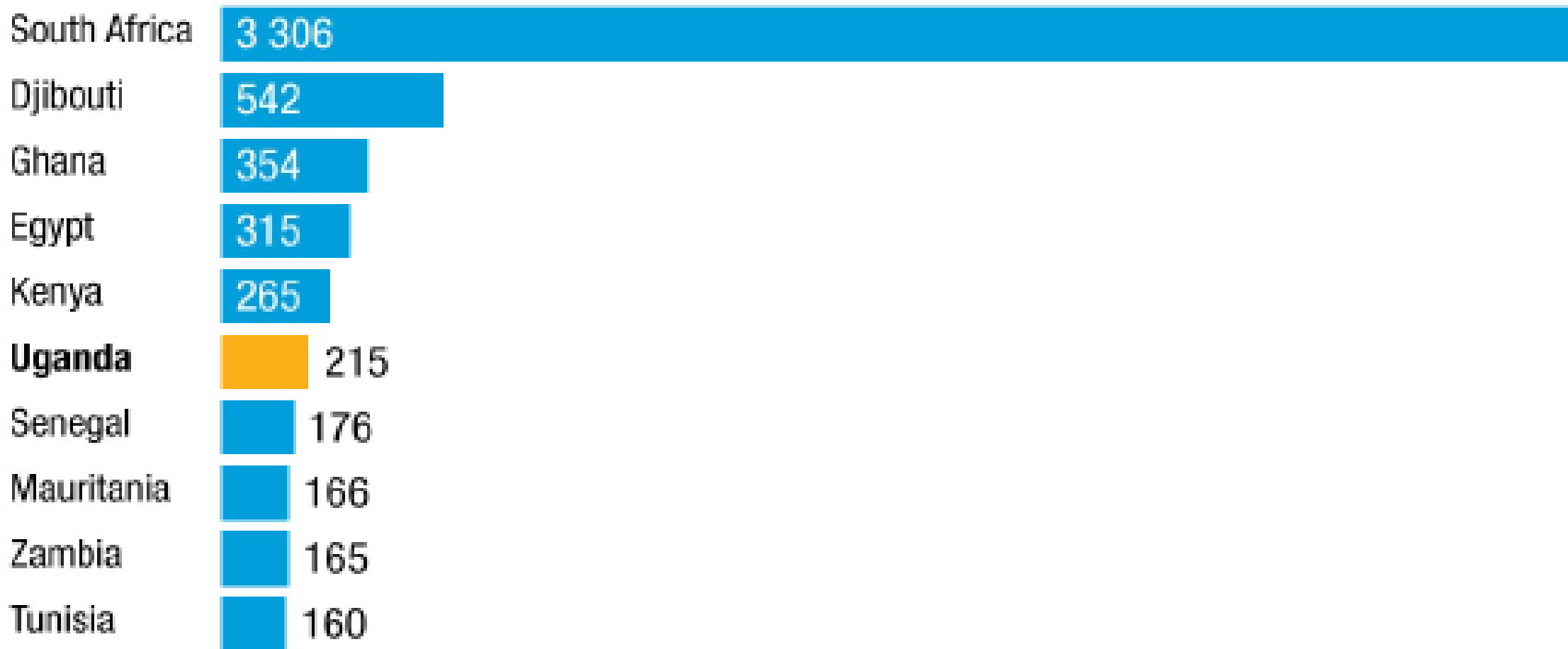
• Forward Linkages:

- Urbanisation & housing
- Infrastructure: roads, railways
- Industrialisation, Machinery
- Manufacturing
- Transport (E-Mobility Strategy)
- Energy Systems: pipelines, transmissions

• Circular and Low-Carbon Industrialization:

- most recycled material in the world
- New steel products contain approximately: 30% recycled steel
- Nearly all steelmaking co-products can be reused.

Uganda's ranks among Africa's top steel exporters : Iron and Steel



Source: UNCTAD based on UNCOMTRADE Data

Likely challenges in market penetration

Challenge	Effect	Mitigation
High export compliance costs	Export compliance costs reach ~19% of export value for medium firms.	Reduce export compliance costs such as certification to enhance competitiveness through mutual recognition of standards and standards enforcement, custom clearance
Border and non-tariff barriers (NTBs)	Uganda faces high NTBs and TBTs; Uganda's non-tariff measures are estimated to carry high ad valorem equivalents: Uganda 310%, Tanzania: 250%, Rwanda: nearly 400%.	Reduce NTBs and TBTs through trade promotion and facilitation by reducing border cost, transit time, one stop border
High transport cost	Transport costs in East Africa, including Uganda, are among the highest globally, accounting for about 40% of the value of traded goods, compared to 8-12% in developed regions	Need for multi-modal transport infrastructure comprising of Railway, road, water and air

Conclusion and Policy recommendations

- 1) Uganda should seek market access to diversify its export basket. This could be done through establishing strategic trade partnerships, export hubs and products where the country has the capacity to produce and supply regional and continental markets e.g., steel and iron
- 1) Value addition, there is need for strengthening value addition initiatives and adoption of high technology manufacturing
- 2) Uganda should strive to remove the Non-Tariff Barriers that impede flow of the identified products to the potential markets
- 3) Uganda should leverage regional integration frameworks like AfCFTA to penetrate markets that are currently dominated by Asia and Europe.
- 4) Uganda should exploit market opportunities for products with greater demand and shorter distance to the export destinations.