

21st PSFU ANNUAL GENERAL MEETING (AGM)



On Tuesday, 28th November, the Board and Management team of PSFU hosted its members to the 21st Annual General Meeting (AGM) at UMA Conference hall, Lugogo

We had over 100 members represented from various associations and sectors who engaged in the review of the 2016/17 annual report highlighting clearly the achievements through the year, as well as the financial statements.

In the Chairman's address to members, Dr. Gudula Naiga Basaza, Vice Chairperson representing the Chairman noted key highlights from his report as follows;

- The economy has experienced declining purchasing power, and a rise in poverty levels from 19% to 27%
- Gross reduction in NTBs
- Customs clearance procedures consolidated (now under one day)

- Improved clearance at the Mombasa port (now under 5 days)

She further appreciated the support extended by members to the secretariat, and encouraged them to tap into all available opportunities with guidance from PSFU to promote and boost our Private Sector.

The financial statements 2016/17 were well received without objection and a reappointment of Sejjaka, Kaawaase & Co as PSFU external auditors was approved by members.

"PSFU is pledge bound to foster wealth creation and rural economic empowerment so that all Ugandans support our economy. We are focused on supporting the drive to middle income status by 2020." Said Gideon Badagawa, Executive Director, PSFU

ABOUT PSFU

PSFU is made up of over 175 business associations, corporate bodies and the major public sector agencies that support private sector growth. Founded 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 Government on behalf of the private sector.

INSIDE STORIES

- 1 THE 8TH ANNUAL TRADE, INDUSTRY AND COOPERATIVES SECTOR REVIEW CONFERENCE.
- 3 HEST PROJECT
- 4 REPORT ON THE YOUTH IN AGRICULTURE FOR DEVELOPMENT WORKSHOP

PSFU Staff trained in customer service skills management



Staff attending a customer service training

The PSFU 3-year strategic plan is focused principally on supporting and promoting shared capital and social business. Therefore, to support our members better and deliver excellently at our services, PSFU staff attended a two day training in customer service skills management.

This two day training was to give a strong competitive advantage and increase employee engagement and commitment in delivering to the new sectoral approach at the Secretariat.

The Consultant engaged staff members effectively, and this approach increased awareness of one another's role and function which clearly outlined the need to work as a team to deliver our promise – to enhance private sector competitiveness through improving capacity for evidence driven policy advocacy and enhanced Business Development services for all our members.

“We are all refreshed on the key customer service skills, and we are ready to deliver at our best for all members at PSFU.” Said Gideon Badagawa

The 2nd East African Business & entrepreneurship conference and exhibition



Amb. Juma V. Mwapachu Former SG of EAC asking to liberalize EAC airspace infrastructure session.

The 2nd edition of the East African Business & entrepreneurship conference and exhibition themed 'Accelerating Industrialisation, Innovation and Investment in the EAC' was held on 14th to 16th November 2017 at Serena Hotel Dar es salaam Tanzania. The 3 day conference was co-organized by the East African Business Council, Tanzania Investment centre, Tanzania Private Sector Foundation and the Eac.

The key highlight of the meeting was about the introduction of the DEG project that is being prepared and funded by BDI to the SMEs in EAC so that they can benefit from the expanding markets in the region and in German. The support will be over 3 years and will support initially 30 companies with high potential to develop value chains, create jobs and drive exports.

German companies in specific sectors will be offering training in skills and tech application, share market information and help companies in East Africa to meet market requirements. Sectors such as agro processing, pharmaceuticals, oil and gas, iron ore, ICT, manufacturing and construction have been targeted.

The support will come through EABC and its national focal points to private companies. This will be done through a call for proposal and companies will be expected to pull together applications for support. The project is expected to start early January and PSFU is expected to host an expert to coordinate this funded by BDI.

Doing Business Indicators - Uganda drops seven places in ease of doing business ranking

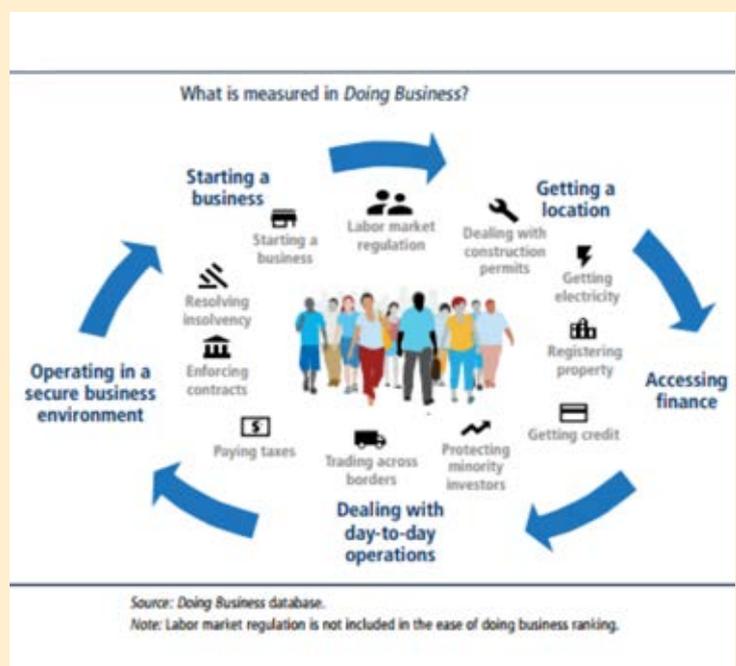
The World Bank Group released its annual 'Doing Business report 2018: Reforming to Create Jobs' and Uganda has dropped seven places to 122 in the rankings out of 190 economies this year 2017, compared to 115 out of 190 economies in the previous year 2016.

Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying

taxes, trading across borders, enforcing contracts and resolving insolvency. Doing Business also measures features of labour market regulation.

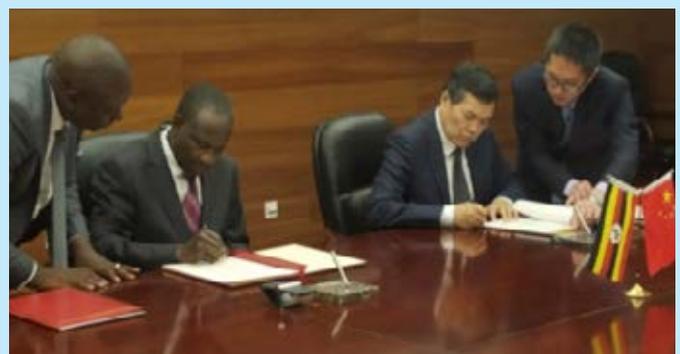
With reference to the above indicators, Uganda requires to improve its reforms to improve ranking. Ministry of Finance and Planning together with the Private Sector Development Unit have made proposals towards measures as noted below, to improve our ranking, and as the private sector we need to support Government to ensure that there's implementation of the measures;

1. Starting a business: Engage with agencies URSB, URA to eliminate some of the requirements for instance assessments, company seal which delay and drag the process of registering a business.
2. Dealing with construction permits: Involving private sector engineers or firms in construction regulation and automation of the KCCA process in issuance of construction permits.
3. Resolving Insolvency: The challenges of successfully implementing insolvency reform. There's need to improve transparency of land registry
4. Trading across boarders:
 - Authorize the economic operator scheme
 - Review list of imports and exports
 - Upgrade Infrastructure at Malaba
5. Protecting minority shareholders
 - Review the companies Act to upgrade provisions on minority shareholders



Brief on the China Trip with Hon Matia Kasaija, MOFPED

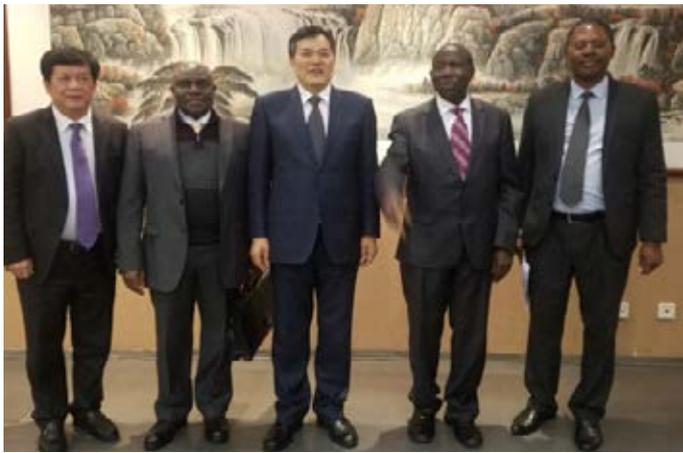
The Hon Minister of Finance led a Uganda delegation to Beijing for the 2nd session of the Joint Commerce, Trade, Investment and Technical cooperation (JJCTE&TC) between the governments of the Peoples Republic of China (PRC) and that of Uganda, from the 31st Oct, to 4th Nov, 2017. PSFU was invited to join the delegation that met with the Chamber of Commerce of the Hunan province, the China Harbour Engineering Construction (CHEC), the China Railway Construction Corporation (CRCC), HUAWEI, ZTE and the China Development Bank.



Hon Matia Kasaija and HE Dr Qian Keming sign the Agreement

The purpose of the visit was to;

1. Review and sign to JCTEI&TC agreement with the China Ministry of Commerce. The agreement which emphasized further cooperation in Trade, Tourism and agro based industrialization was signed by Hon Minister of Finance and the Vice Minister of Trade and commerce of PRC.
 - a) The Chinese government pledged to support Uganda's Customs improvement project to a tune of RMB 200m (the URA Commissioner for Customs attended the meeting).
 - b) Further, the Vice Minister announced that the Skills/Industrial centre construction would commence next year
 - c) and that China was committed to continue supporting Uganda through the Development Assistance Framework (DAF).



Xu Xiangping, Director General of the Hunan Department of Commerce, Uganda's Ambassador to China, Dr C. Kiyonga, HE Dr Qian Keming, Vice Minister of Trade and Commerce, Hon Matia Kasaija, MPED and Gideon Badagawa ED, PSFU.

4. **Meet the Telecom services support Companies** - Huawei and ZTE to assess and solicit training opportunities for Ugandan youths in IT and Communication Technology. The two companies are leading in R&D for the 5G technologies and the National Broadband infrastructure. Huawei pledged to increase training support already being offered under the SEEDS FOR THE FUTURE project where 10 students are sponsored to undertake training in China every year. The company has agreed to improve the capacity of its training institute in Nairobi to cater for the increased demand for IT solutions and Broad Band infrastructure across EAC.

Earlier Uganda's Ambassador to China, Dr C. Kiyonga had signed an agreement with the department of Commerce of Hunan province. The agreement emphasized collaboration in 10 sectors; i.e industrialisation, agricultural modernisation, infrastructure, financial services, green development, trade and investment facilitation, poverty reduction, public health, training and capacity development and peace and security.

Financing SMEs: PSFU was mostly interested in the financing of SMEs involved in export value chains. It was revealed that

Both Uganda and China recognized the gross imbalance in Trade between the two countries. Uganda imports a whopping \$780m, while it exports only \$27m to China.

The Vice Minister emphasized that China had opened its market duty free and quota free to Uganda among other African countries but that Uganda needed to work on value addition through technology upgrading and training to be able to take advantage of the market in China. Every year, the world receives 120 million Chinese as tourists. In order to receive at least 1 million tourists, Uganda was advised to increase product development, value addition, promotion and marketing. This would include attracting the Chinese themselves to develop tailor-made products for Chinese tourists.

2. **Meet with EXIM Bank of China** to review the financing of the Standard Gauge Railway (SGR) especially the line from Malaba to Kampala.

3. **Meet with CHEC:** While CHEC who are supposed to commence the construction of the railway had already transferred the equipment to Kampala to prepare to start work, the Minister of Finance revealed that compensation was still yet to be completed particularly between Jinja and Kampala.

The Minister however emphasized that it was crucial for the two projects (Naivasha-Kisumu-Malaba, and Malaba –Jinja Kampala) to run side by side in order not to waste time after one leg is completed. The Exim Bank cautioned Uganda on the viability of the Project.

the Government of the PRC has set aside \$60b to support Africa in the following areas; Interest free loans, export credit on preferential terms, special loans for development of Africa SMEs. Uganda is targeting 100m \$ to support the recapitalization of UDB.

Skills training in IT and CT: The Huawei is supporting Ugandan youth training through the Seeds for the Future project through which they sponsor 10 students every year to study IT and CT in China. HUAWEI also spends more than \$500000 in CAR.

I also separately interested them to support the **PSFU Early Steps Programme and the Child Endowment Fund**. Huawei and ZTE are already backstopping MTN and Airtel here locally and proposing to construct a NBBN that can support a 5G network having done this already in Kenya and Ethiopia.

The delegation also met with the Vice Chairman of the China Development bank (CDB) and the President of the China Railways and Construction Company (CRCC).

A business delegation from the Hunan province is due to visit Uganda later this year.

THE YOUTH IN AGRICULTURE FOR DEVELOPMENT WORKSHOP

Introduction

The youth in agriculture for development workshop which was organized by the Initiative for Youth Empowerment and Transformation on Tuesday 17th October 2017 from 8:00am to 5:00pm at Golf Course Hotel, Kampala, graced by Hon. Florence Nakiwala Kiyingi-Minister of State for Youth and Children Affairs attracted various stakeholders including the Youth, Government, Private sector, Academia's, NGOs and politicians.

The Initiative for youth is a multi-stakeholder dialogue group associated with the youth forward initiative, a program being implemented in Ghana and Uganda in partnership with the Master Card Foundation. It further advocates for improved and diversified economic opportunities for Young people involved in agriculture in Uganda. IYET came up with this multi-stakeholder dialogue because of the high youth unemployment since the Youth make up 77% of Uganda's population. Below were the main objectives;

- To identify the drivers and evidence gaps for Youth-led agricultural transformation and economic development,
- To explore pathways that will ensure effective participation of youth in agriculture through enabling policies and programs
- To create synergies, networks and coordination of efforts of stakeholders who support youth in agriculture and review alignment to government programs,
- To achieve the above in participatory, interactive, memorable and fun ways.

Key Points to Note

Mr. Francis Kisirinya the chairperson, Initiative for Youth Empowerment and Transformation requested the minister to give the Youth a platform in their mandate on which their voice can always be listened to. He also encouraged the youth to be proactive, work on their mindsets towards agriculture. Furthermore, the youth were encouraged to always seek for opportunities that can support them grow businesses.

The Guest of Honor advised the Youth to work hard and to work together through youth associations such that they can effectively benefit from the various Government programs.

The role of the Private Sector is to disseminate information to the youth especially on the various opportunities and projects for the youth that it is implementing and working on with government.

Conclusion

It was realized that there's a lot of resources both from public, private and donors; available for the youth to participate in agriculture. The problem therefore is that these resources are not seen to be providing the envisaged benefits to the youth in the agriculture sector. This is because of limited synergies between the various works of the different players in the sector. There is need to create a well-coordinated framework that encourages linkages between the different players in the sector.



Tomato growing in Uganda

THE 8TH ANNUAL TRADE, INDUSTRY AND COOPERATIVES SECTOR REVIEW CONFERENCE

Ministry of trade Industry and Cooperatives organised it's the 8th annual trade, industry and cooperatives sector review conference on October 26th 2017 at hotel African. The theme of the day was "promoting Value Addition and Competitiveness in Export Growth".

The conference was officiated by Hon Amelia Kyambade who highlighted the achievements of the Trade Industry and Cooperatives Sector for the financial Year 2016/17 like imports have slightly reduced while the exports have also slightly increased, the Buy Uganda Build Uganda policy where different companies like Shoprite Supermarket (launched a week long every month to sell Ugandan products at a discount) , Hima Cement (signed an MOU with Chinese company for the construction of the Entebbe express high way) and Uganda prisons Authority (procuring uniforms from Nyaza Textiles) are promoting local products. She also talked about the inventions to address the deficit.

The minister also launched the trade in service policy, National Export Development strategy, National packed water policy and the Annual trade magazine 3rd Edition.

Different companies/ associations especially those supporting and working in line with the BUBU policy made presentations citing out the roles and challenges involved. Companies like RECO industries, Pearl Dairy Ltd, southern Nyaza and cooperatives like Kangulumira SACCO, Ankole Coffee Producers Cooperative Union and Busia District commercial officer.

Resolutions were made;

1. Appreciation of the support from the development partners
2. The potentials for Uganda Exports. DRC is merging as biggest export destination for the pearl dairy products.
3. Rural based SACCOS to be supported to unlock the energy in the SME'S
4. UNBS to take lead in organic Certification of products together with UGOSAT.
5. Call for PSFU to support SME'S
6. Incorporate the BUBU policy.
7. Improve terms of payments to support the development and progress of the BUBU policy.
8. Need for the cost of power to be conducive so as to promote production & BUBU Policy.
9. Need for the coffee trade policy
10. Role of District Commercial Officers in promoting trade in the country.
11. Promote value addition especially in agro-processing.
12. Call to encourage the youth into the cooperatives

THE HEST PROJECT

Makerere university Business School Entrepreneurship, innovation Business Centre today selected 3 business for admission in their business incubation centre. The business incubation centre is an initiative under the HEST project funded by ADB. PSFU is the business advisor to the centre.

One centre director madam Fiona Ntamu dedicated the focus of the centre in incubating businesses. It only accounts HEST that innovation was prioritised focusing on innovation among young people. The first ever competition for new ideas began in march 2017 and culminating with the event today PSFU acknowledged points constituting to the introduction and development of the centre. One centre linked with Kafeero Foundation to accelerate digital training and use including improving innovators.

In his remarks the principal prof wasswa Balunywa emphasised the need for creation of high impact and high value jobs. Its university students to create such high quality jobs, counselling that motivated young graduate entrepreneurs are the answer

to the jobs that have a multiplier effect. challenged incubates to start businesses and not look for jobs after graduating.

Kafero foundation is a local innovation centre that runs online tv called kafero.tv. The foundation offers branding and online marketing for his medicinal products like Mayo power and agriculture components.

The chief guest madam Prudence Ukonika (Bella wine) in her remarks reminded winners that entrepreneurship is about products and would be more interested in seeing their products than their paper ideas. She went ahead and informed them that implementation of the ideas will be the difference. Ms. Prudence also emphasised the importance of integrity of the selection process as very important in ensuring the success of incubation centre.

Companies enrolled in the centre: **Pesabits & Bira Ushs.10m from kafero foundation** (Knowledge, Skills & Digital marketing)
2m each after graduating from the centre.