## UGANDA: COMPANY PERSPECTIVES

# AN ITC SERIES ON NON-TARIFF MEASURES











## Uganda: Company Perspectives

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#### About the paper

Nearly half of Ugandan companies face challenges with non-tariff measures (NTMs), according to an ITC business survey.

Certification, labelling, packaging and rules of origin are their biggest challenges. Stronger quality infrastructure within the country will boost the competitiveness of small businesses, including laboratories for testing and certification. NTMs often create procedural obstacles such as delays, insufficient facilities and administrative hurdles, either in destination markets or in Uganda itself. Automated border clearance will help streamlining the export procedures and increase transparency.

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#### Foreword

One of the most pervasive barriers to market for many micro, small and medium-sized enterprises (MSMEs) are non-tariff measures (NTMs). A vast majority of these measures are important to protect the health and safety of consumers. But there are some that are unecessary barriers to trade, which often prevent companies from sealing new deals, reaching new markets, and even from competing in traditional ones.

In Uganda, the message from the businesses that have taken part in the International Trade Centre's survey are that non-tariff measures keep them from competing at their best. This is especially true for small firms that want to expand by moving across borders. Nearly half of the Ugandan exporters and importers surveyed for this report express concern about measures such as border delays and lack of certification testing facilities. But Uganda is not alone; many of the 65 countries surveyed by the ITC have echoed similar concerns.

Ensuring access to product quality certificates, for example, matters greatly to companies. They are requested at destination markets and at the Ugandan border. However, as ensuring export quality is key for trade competitiveness, Ugandan companies are calling for a reduction in the costs of quality certification procedures to help them address the challenge of compliance with the regulations.

Facilitating access to information is also one of the key recommendations. The Ministry of Trade, Industry and Cooperatives of Uganda has shown commitment to increase trade transparency and dialogue by requesting ITC to carry out the business survey and by taking action in response to the results. For example, through active capacity building and outreach to the private sector, Uganda has become the most active user of 'ePing', the information alert system for sanitary and phytosanitary measures and technical barriers to trade, which allows companies and policymakers to get timely information and engage dialogue on NTMs.

Such specific private sector insights are essential in helping Uganda shape strategies and policies to continue building a business environment that is conducive to trade.

This report highlights these challenges and more that Ugandan exporters and importers face when complying with trade regulations and procedures. The findings reflect interviews with nearly 500 exporters and importers and summarizes options for addressing these challenges.

The recommendations have been shaped by Ugandan stakeholders – public authorities, private sector and trade and investment support institutions – in the consultative process that accompanied the survey.

Uganda's public and private sector can use this report as a toolbox to take a fresh look at trade obstacles and turn these into trade opportunities. The report also lays a strong foundation for long-term cooperation between ITC and Uganda to reduce trade barriers and improve business competitiveness.

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Howales

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