



REPORT FOR THE 15TH NATIONAL COMPETITIVENESS FORUM

3RD OCTOBER 2024, MESTIL HOTEL, KAMPALA

**THEME: THE ROLE OF THE PUBLIC AND PRIVATE SECTOR IN
REALIZING THE KNOWLEDGE ECONOMY AGENDA IN UGANDA**





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THEME

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ECONOMY AGENDA IN UGANDA**



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Hon. Matia Kasaija, Minister of Finance, Planning and Economic Development, officially opened the 15th National Competitiveness Forum (NCF)



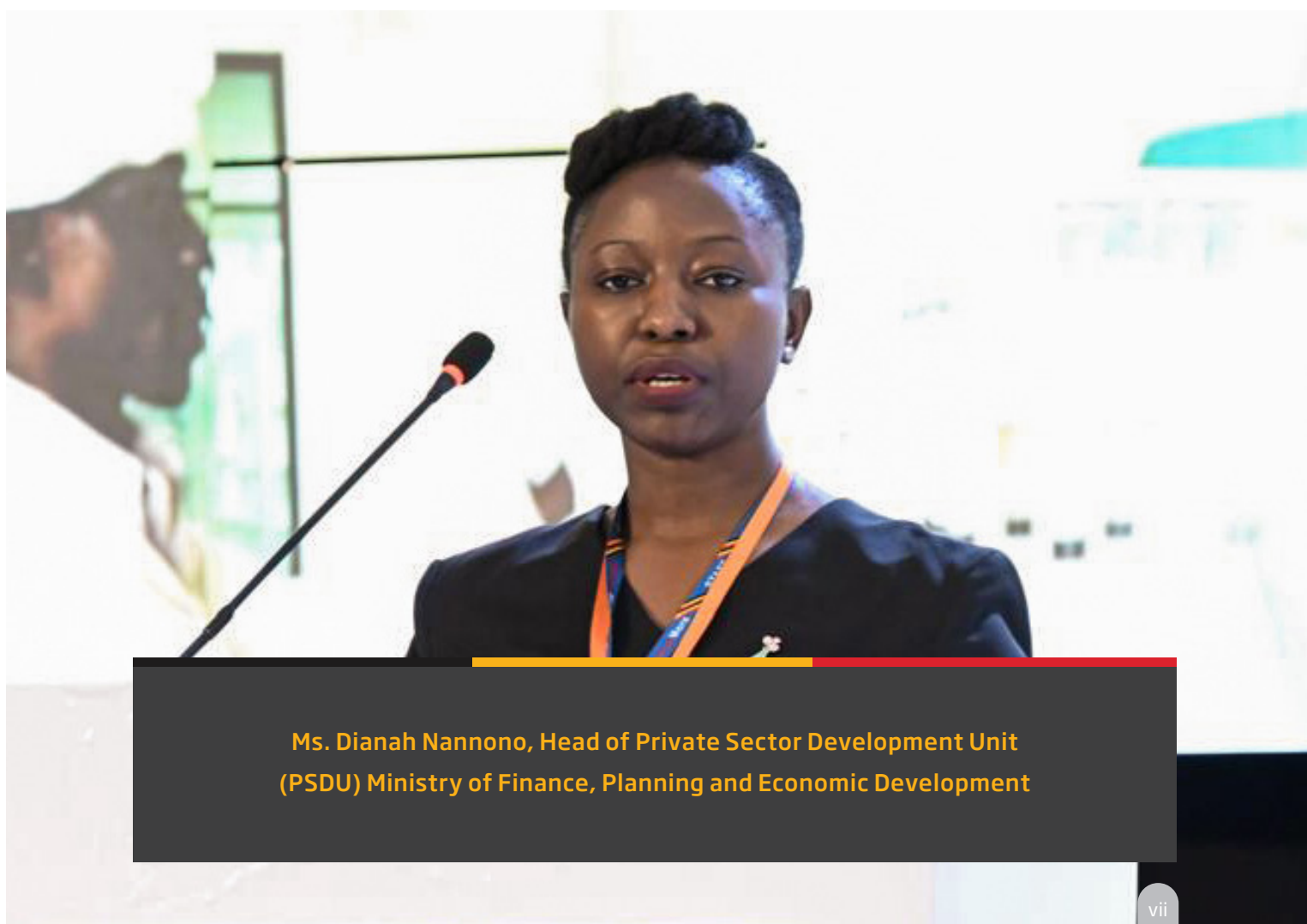
Hon. Dr. Monica Musenero Masanza is the Minister of Science, Technology and Innovation, gave a keynote speech on Uganda's science technology and innovation strategy



Mr. Ramathan Ggoobi, Permanent Secretary and Secretary to the Treasury (PS/ST), delivered a paper on the state of knowledge economy in Uganda



Mr. Moses Kaggwa, Acting Director of the Economic Affairs Ministry of Finance, Planning and Economic Development, gave key takeaways from the forum to inform the FY2025/26 Budget and NDP4

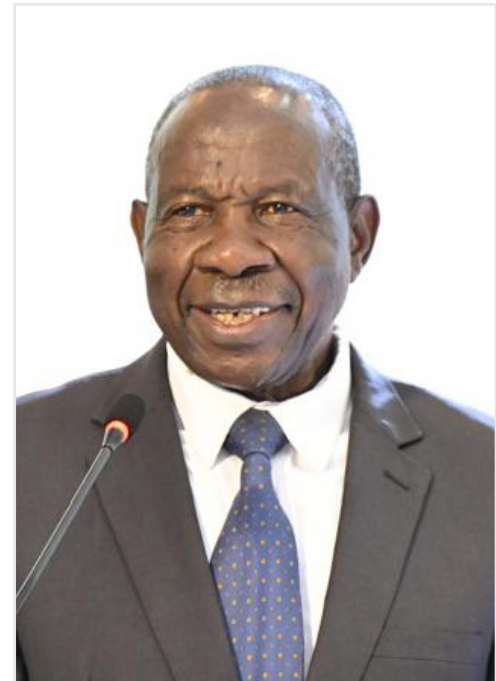


Ms. Dianah Nannono, Head of Private Sector Development Unit (PSDU) Ministry of Finance, Planning and Economic Development



1.0 Introduction

The 15th National Competitiveness Forum (NCF), hosted by the Hon. Matia Kasaija, Minister of Finance, Planning and Economic Development was successfully held on 3rd October 2024 at Mestil Hotel. In attendance was Hon. Dr. Monica Musenero, the Minister for Science Technology and Innovations who delivered the key note speech of the day. Representatives from various government MDAs, private sector stakeholders, civil society organizations, development partners, and the media were also in attendance.



The Forum served as a platform for the Ministry of Finance, Planning, and Economic Development to engage with the Science Technology and Innovation (STI) fraternity, facilitating discussions on strategic interventions aimed at supporting the Tenfold growth Strategy.

The knowledge economy is among the four strategic sectors that will drive Uganda's ten – fold growth strategy aiming to raise GDP from US\$50Bn to US\$500Bn by 2040.

The forum was under the theme; **“The Role of the Public and Private Sector in Realizing the Knowledge Economy agenda in Uganda”**. It focused on three industry value chains of the Knowledge economy namely; the pathogen economy, e-mobility and Industry 4.0+, specifically zooming in to the pharmaceutical value chain, e-mobility value chain and the start-ups.

In her keynote speech, Hon. Dr. Monica Musenero made the following key messages;

- I. The private sector is not sufficiently investing in technology; therefore, efforts should be made to encourage investments that enhance the competitiveness of their businesses.
- II. It is essential to thoroughly understand existing knowledge so that it can be effectively utilized for economic advancement.
- III. There is need to develop a data sharing policy to enhance data sharing between the public and private sector.
- IV. Technological development and innovation are key drivers of economic advancement. Most developed economies owe their progress to technological breakthroughs. Policy shifts

across countries such as South Korea, Mexico and Morocco has shown significant impact on economic growth.

- V. The difference between developed and underdeveloped countries can largely be explained by how they have harnessed STI for economic development.
- VI. Utility and impact of knowledge is affected by efficiency and effectiveness of translation of constructs. In line with Torricelli's law, the depth of Knowledge determines impact on economy.
- VII. Uganda's Science, Technology, and Innovation (STI) efforts have been underperforming in terms of economic impact, primarily because much of the knowledge generated is focused on producing raw materials and goods for consumption rather than on value addition. Furthermore, many graduates are unaware of the crucial role that value addition plays in the development agenda.
- VIII. There is therefore a need for a policy shift in the National Science Technology and Innovation system with focus on Industrial Value Chains and linkage of STIs with the economy.
- IX. Returns on investment is highest in digital assets followed by intellectual property, research and development and finally human capital. Research and development enhance human capital by fostering knowledge creation and promoting a culture of innovation.
- X. The government and the private sector should therefore extensively invest in these key areas but particularly research and development plus Human Capital Development.

“The Role of the Public and Private Sector in Realizing the Knowledge Economy agenda in Uganda”.





Prof. Pauline Byakika Kibwika,
Vice Chancellor, Mbarara University for
Science and Technology (MUST)

2.0 Key messages from the Sessions

The 15th NCF had three sessions that focused on the pathogen economy, e-mobility and Innovation driven Enterprises (Start-ups).

Kibwika, Vice Chancellor, Mbarara University for Science and Technology (MUST). The paper for discussion titled; **The role of Pathogen economy in realising the Tenfold growth**” was presented by Ms. Brenda Nakazibwe, the team lead for the Pathogen economy in the STI Secretariat.

The paper highlighted the fact that the Pathogen economy is projected to contribute USD 48.3 billion to Uganda’s GDP by 2040. However, Uganda imports most of the goods and services in this economy having only eleven pharmaceutical manufacturers. She noted the following interventions by the government to uplift this economy. Biosciences Facilities plant in T.6 Investment Park Nakasongola, Regional GLP Hubs, Regional Natural therapeutics labs and a Bio

safety level 4 laboratory. 1000 acres in Masindi have also been allocated to Kazire for development of a manufacturing plant.

The session discussants were: Dr. Jonas Tumusiimire, Pharmaceutical Society of Uganda; Prof. Patrick Ogwang, Jena Herbal Uganda; Dr. Edward Kazaire, Kaziire Herbal Products; Prof. Moses Joloba, Ndiyo Biosciences; Prof. Bruce Kirenga, MUK Lung Institute; and Ms. Mercy Kainobwiso, Registrar General, Uganda Registration Services Bureau (URSB). They emphasized the importance of commercialisation of the knowledge products as well as dissemination of R&D knowledge.

2.1.1 Key Session Messages

- I. Unique niche of natural therapeutics in Uganda: Uganda may have both comparative and competitive advantage in natural medicine. The role of government in standardization and formalization of herbal medicine, which has a large global market has never been more important. This has gained recognition among the regulators, with herbalists receiving ongoing trainings. This has encouraged their move to formalisation and inclusion in the pathogen economy. This will also play an important role in ensuring development and sustainability of Herbal medicines in Uganda. An incubation health center for herbal medicine is being developed for Makerere University on land allocated in Busunju.
- II. With regard to research, development and diagnostics, there are ongoing efforts in molecular technology development. PCR Kits were developed to test for other diseases beyond Covid. There are also forty products in the pipeline as well as RDT technology development for import substitution. There are currently three ongoing clinical trials for Herbal medicine. An Ecosystem has been put in place for testing across the board.
- III. Inputs for the pathogen economy are expensive and mostly imported, which should be a priority for government to attract investments into import replacement and export promotion efforts in this sector.
- IV. The sector has plans to train over 50,000 pharmaceutical skilled labour force to cover the existing labour gaps in the sector.
- V. Intellectual Property (IP) Protection of the Innovation Ecosystem and enforcement of protections: A Legal and regulatory framework is in place to protect the IP across the board (including patents, trade secrets, etc.). The institutional infrastructure that plays a role in the ecosystem is also in place. A Traditional and Complementary Medicines Act 2019 was enacted and Principles for amendment of the Copy Rights and Neighboring Rights Acts was approved by Cabinet. There is therefore need to address Intellectual Property Rights (IPR) issues, as well as the need for better communication and sensitization to ease adoption.
- VI. Human capacity building: National IP Policy is in place to ensure experts are developed across the IP ecosystem. There are 34 Innovation and technology research centers developed by URSB in partnership with World Intellectual Property Organization (WIPO).
- VII. Commercialisation of knowledge products and innovations remains a key challenge for the sector to fully benefit and support the ten-fold growth.
- VIII. Joint Ventures and PPPs for large scale manufacturing were identified as key game changers that should be prioritised in the NDP IV process.

2.1.2 Challenges

- I. Access to finance was highlighted as a key issue affecting the pharmaceutical industry in Uganda. The processes and procedures to secure financing are long and complex yet the sector is capital-intensive. The need for Government to provide appropriate credit facilities for manufacturers was raised.
- II. Limited skilled personnel. The pathogen sector lacks highly trained staff as well as limited equipment to undertake the required research and development. Reliance is mainly on highly priced foreign expertise.
- III. With regard to intellectual property protection there is limited sensitisation of available opportunities and requisite formalisation procedures. The limited expertise in IP is a hindrance as well as the expense involved in building intellectual property.



2.1.3 Recommendations

- I. Research and Innovation should be part of the business survival model for those operating in the pharmaceutical industry.
- II. Import substitution is key in the health sector hence government supporting growth of local manufacturers is vital.
- III. Decentralized one-stop science centers and innovation hubs should be established in various regions of the country. These centers will promote skills development, facilitate the creation of tailored solutions, and encourage collaboration among local stakeholders.
- IV. Building capacities of out-growers to guarantee quality products. Government should support training of out growers to guarantee quality and quantity of products.
- V. The Government Research and Innovation Fund should be increased and diversified across various sectors of the economy to ensure that a broader range of people can benefit, rather than being limited to just a few sectors.
- VI. Investment in and adoption of biotechnology are essential for enhancing sustainability.
- VII. The private sector should undertake joint ventures/mergers with large companies/ and international companies as a way of enhancing business growth and technology transfer.
- VIII. The private sector should leverage knowledge to harness other factors of production to ensure that their returns on investment increase.
- IX. Private sector should invest in Research and Development to drive innovation, enhance their competitive advantage and explore new markets and opportunities.
- X. The Government was advised to revise the curriculum in universities and research institutions to make them more useful and relevant to the sector.
- XI. There is need to strengthen Intellectual Property Rights to give confidence to innovators.
- XII. To ensure sustained youth productivity government should identify and remove black boxes (situation where internal workings are hidden or not readily understood). There is also need for an attitude adjustment by the youth to all forms of productive work as well as enabling private sector to appreciate community and mindset change.
- XIII. Incorporate a youth plan in every MDA and institution with a clear coordination mechanism

“The Pathogen economy is projected to contribute USD 48.3 billion to Uganda’s GDP by 2040.”

Ms.Brenda Nakazibwe, the team lead for the Pathogen economy in the STI Secretariat.





Top: **Dr. Gerald Banga - Baingi**, Assistant Commissioner, Technical Planning, Ministry of Energy and Mineral development (MEMD). Right: **Mr. Allan Muhumuza**, Team Lead for the E- mobility sector at the STI Secretariat.



3.0 Session on E-Mobility

This session was chaired by Dr. Gerald Banga - Baingi, Assistant Commissioner, Technical Planning, Ministry of Energy and Mineral development (MEMD).

The session paper titled “The Role of E-mobility sector in realising the ten-fold growth” was presented by Mr. Allan Muhumuza, Team Lead for the E- mobility sector, at the STI Secretariat.

The paper highlighted the fact that the sector was worth Shs.15 trillion in 2017, with a target of Shs.26.5 trillion by 2030. The five key areas in the sector are; Manufacturing and distribution, transport operations, systems and data, energy and infrastructure development. The major issue in the sector is the fact that Uganda is a net importer of mobility solutions as opposed to locally producing energy efficient solutions. The Country incurs up to \$795M in imports

of fuel-based vehicles. These come with the added disadvantages of pollution, poor energy efficiency, negative climate change effects and the attendant cost to the economy.

There are however ongoing interventions that aim to counter this status quo.

The E-Mobility Strategy has been developed but the government needs to clarify its implementation. The local EV installed capacity stands at 10,000. Uganda was granted a locally recognised Vehicle Identification Number (VIN). 1,000 acres have been allocated for the Mobility and Industrial Park located in Kapeeka.



The EV battery manufacturing value chain is growing with 30 fast chargers installed as well as 150 battery charging stations.

He noted the potential for the country to earn up to Shs.300 trillion from the Carbon Credit Market.

This session discussants included: Mr. Paul Musasizi, Kiira Motors; Mr. Daniel Dreher, Zembo Motors; Ms. Margaret Nankya, Nishati; Ms. Carol Katungi, Total Energies; Ms. Damalie Wasukira, Uganda Batteries Limited and Dr. Jeremy Ntambi, Altec – MMXIV LTD.

3.1 Key session messages

- I. Despite the high upfront cost of EV bikes, limited technical capacity to repairs and the high cost of battery repairs, they are cheaper and cleaner to operate. Case in point is the fact that only Shs.15,000 worth of Yaka is required for covering a distance of approximately 100km.
- II. The country plans to have a 30% EV transition by 2030. This will require a scale up of EV production and to this end;
 - Efforts should focus on ensuring readiness of the population to appreciate EV through raising awareness about their benefits.
 - Government should develop innovative financing modalities such as state uptake of select financing tickets, De-risking, rebates, etc., to catalyze uptake, strengthen Research and development and support the e-mobility industry development in Uganda.
 - There is need to mainstream shared mobility and;
 - Innovate uptake side (modes of acquisition of the EVs)
- III. EV adoption through boosting/expansion of the charging infrastructure in strategic areas across the country especially by the private sector. This can be achieved through;
- IV. Strategic partnerships with all players.
- V. Provision for charging infrastructure on the roads.
- VI. Sensitization of the masses on the benefits this new technology.
- VII. This expansion is however affected by the old/fragile grid that is easily susceptible to overloads.
- VIII. There are enhanced backward and forward linkage opportunities. The growth of the e-mobility industry has benefited the local battery sector by increasing demand for locally produced electric vehicle batteries, which in turn has created more job opportunities.
- IX. There is however still need for PPPs to counter the high cost of production arising from the high initial investments.
- X. There is also high market competition from the mainly imported lithium-ion batteries.
- XI. E-mobility has had an effect on the oil and gas industry. With particular reference to Total Energies;
 - They have developed a multi energy transitional strategy as well as an energy transition plan for Uganda that addresses the conflict between the traditional mobility and E-Mobility.
 - Total Energies is currently leveraging existing service station networks as an established route for motorists through installation of EV AND E-bike charging stations and battery swapping at service stations.
- XII. The oil and gas sector and electric vehicles (EVs) are complementary, as by-products from oil and gas are utilized in EV production.
- XIII. There is therefore need to implement the Uganda's Energy Transition Plan (ETP), a strategic roadmap for the development and modernization of Uganda's energy sector. The Plan charts an ambitious, yet feasible pathway to achieve universal access to modern energy, and power the country's economic transformation in a sustainable and secure way.



Dr. Ambrose Ruyooka,

Assistant Commissioner for Research
& Development at the Ministry of ICT
and National Guidance

4.0 Session on innovation driven enterprises (start-ups)

This session's discussion paper was under the theme "Aligning Uganda's Start-ups ecosystem to best practices from Tunisia". It was presented by Mr. Wissem Elmekki – Director, Digital Economy, Ministry of ICT Tunisia.

He noted that the three pillar¹ Start-Up Tunisia Program from which Uganda can draw lessons. Below is a summary of operation of the Program as well as key interventions implemented by Tunisian government.

4.1 The Start-Up Tunisia Program

The Start-Up Tunisia Program was established to;

Generate high value-added jobs for Tunisian graduates, increase the share of technological innovation in economic growth, particularly in Gross Domestic Product (GDP) as well as curb brain drain and boost investor confidence. It aims to create 1000 startups at a rate of 200 startups per year and create +10,000 job over five years.

-
- 1 a) Start-up Act: an innovative and unique legal framework to promote startups launching in Tunisia or settling there.
 b) Start-up Invest: a new investment framework to create a solid and dynamic Venture Capital (VC) industry. This framework is based on: the ANAVA Fund of Funds, a Management Company Incubator, and the Startup Guarantee Fund.
 c) Start-up Empower: a new support plan for Startups and Ecosystem Support Structures (SSO). This will include; financing startups and SSOs, running the ecosystem, and international connections.



4.1.1 Pillars of the program

- a. Start-up Act: an innovative and unique legal framework to promote startups launching in Tunisia or settling there.
- b. Start-up Invest: a new investment framework to create a solid and dynamic Venture Capital (VC) industry. This framework is based on: the ANAVA Fund of Funds, a Management Company Incubator, and the Startup Guarantee Fund.
- c. Start –up Empower: a new support plan for Startups and Ecosystem Support Structures (SSO). This will include; financing startups and SSOs, running the ecosystem, and international connections.

4.1.2 Incentives for start-ups under the Start-Up Act

- a. Implementing a single interface for startups to handle all administrative procedures via the online startup portal “Startup.gov.tn”;
- b. Simplifying procedures and optimizing deadlines as a guiding principle in the development of all Startups support processes;
- c. Granting specific and exclusive privileges to Startups such as the Special Foreign Exchange Account and Startup Stock Exchange

4.1.3 Criteria for a startup label under the Start Up Act

- a. Companies (except sole proprietorships with a natural person License).
 - In existence for less than eight years.
 - With less than 100 employees
 - Annual turn over of less than \$15 M
- b. The validity of the Label cannot exceed 8 years from date of award and is dependant on the legal existence of the beneficiary company.
- c. Projects that are yet to be registered can obtain the start-up pre-label for a period of six (6) months under the following conditions;

- Commitment to incorporate the company before the expiration of the pre-label.
- Tunisian employers are not allowed to oppose their employees’ constitution and registration of a start-up company.
- The Constitution of the company and the submission of the Legal file during the six months of the validity of the pre-label allows automatic obtaining (without requiring the opinion of the college again) of the Label (Pre-label-Label passage).

4.1.3 Procedures for obtaining start up label

- a. Creation of your own account on the Startups electronic portal (natural person or company).
- b. Instruction of forms and preparation of the virtual pitch video.
- c. Payment of requisite fees.
- d. Submission of application.

4.1.4 Circumstances for Withdrawal of the start-up label

- a. Withdrawal sanction due to non-compliance to existing conditions under the law.
- b. Automatic withdrawal after reaching eight (8) years of legal existence, liquidation or cessation of activity.

4.1.5 Benefits to founders of start-ups

- a. Leave for startup creation with the possibility of reintegration into the original job.
- b. Startup grant for founding shareholders without exceeding 3 beneficiaries (for one year).
- c. Possibility for the founder of a startup and/or the employee in a startup to defer their right to benefit from employment programs.
- d. Support by the State (FODEVTIC) of the procedures and costs of registering Patents at the national level and patents internationally (within the limits of available resources).

4.1.6 Benefits to start-up companies

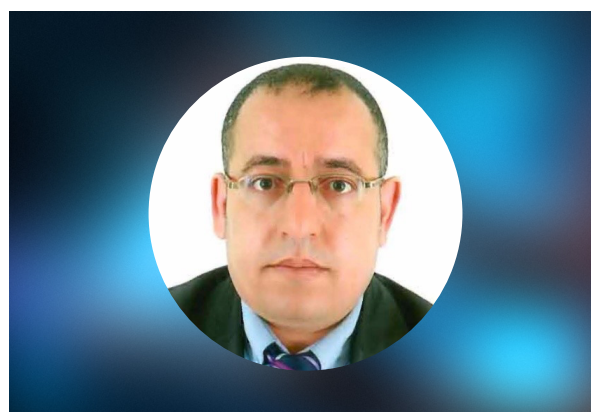
- a. Tax and para-fiscal incentives:
 - Tax exemption during the validity period of the IS Label (eight years maximum),
 - State coverage of employer and salary costs (CNSS),
 - Startups are authorized to carry out several issues of Bonds Convertible into Shares (OCA),
 - Right for the Startup to open a Special Currency Account with approved International Technology Card -annual ceiling \$100,000 Dinars
 - The startup benefits from Authorized Economic Operator (AEO) rights as provided for and governed by the Customs Code,

4.1.7 Achievements of the Startup program

- a. One thousand seventy-seven (1077) total labels awarded between April 2019 and August 2024.
- b. Thirteen thousand three hundred and ninety-one (13,391) jobs created from 2019 to 2022.
- c. Sixty-four (64) subsidiaries of a foreign startups established.
- d. Three (3) Tunisian startups successfully registered subsidiaries abroad.
- e. Number of Startups that successfully raised funds: 331 equity investment operations and 184 other types of financing.
- f. Number of Startups founded by women and those co-founded by women: 350 mixed teams; 38 solo females
- g. Twenty-two (22) startups obtained the status of Authorized Economic Operator from the General Directorate of Customs (out of a total number of 154 economic companies having obtained this quality).

4.1.8 Public and semi-private structures that support the start-up program.

- a. Smart Capital : the national operator of the Startup Tunisia program.
- b. The Dot : the first hub of digital innovation where startups exchange, share and co-work, bringing together in the same place, technological players, digital operators, startups and public players.
- c. CoStarT: launched by the Sfax Technopole which aims to boost the creation of start-ups in the field of IT, digital systems.
- d. CONNECT/UTICA: startup union chambers.
- e. Tunisian Startups Association: association which is supported by the Friedrich Naumann Foundation.
- f. Open Startup Tunisia: Open Start-up Competition Tunisia pre-incubation program intended for students which offers them all the resources, network and monitoring to enable them to create startups that have a social impact
- g. The Support Association for Technological Startups (ASSTT), among others.



Mr. Wissem Elmekki
Director, Digital Economy,
Ministry of ICT Tunisia.



4.2 Key messages from the session

- a. There are ongoing interventions aimed at improving this area
 - With regard to the Policy and regulatory environment, the Start-up Act is in development. A technical Committee was constituted and the Regulatory Impact Assessment (RIA) was concluded.
 - The Business Process Outsourcing Policy was developed and approved by cabinet.
 - Under the Income tax Amendments Act 2024, Government has exempted investors from paying tax on income derived by or from private equity or venture capital funds regulated by the Capital Markets Authority. The intention is to incentivize investment in private equity or venture capital investments in Uganda.

4.3 Challenges

- a. The innovation ecosystem is dynamic which presents several challenges including rapid change where the technologies and market demands evolve quickly, making it hard for organizations to keep pace and adapt their strategies effectively; talent mobility and regulatory challenges
- b. Limited awareness in GOU on the startup ecosystem and its constituents. Need to end reliance on development partners for support in this area.
- c. There is a high density of talent and investability of businesses. Reward high risk entrepreneurs and incentivize them to do more.
- d. Domestic capital mobilization: Limited motivation to put patient capital in startups.
- e. The nature of education provided by tertiary institutions/ universities is lacking as most of the graduates produced are not ready to innovate

4.4 Resolution of challenges of innovation driven enterprises

- a. Innovate and incubate with commercialization in mind. Build innovations that have matching demand
- b. Increased participation by experts in the field.
- c. Collaboration between education institutions, private sector associations and MDAs targeting working out of the current silos.
- d. Alignment of education delivery into the ecosystem-Break silos within the ecosystems.
- e. Blending Creativity and innovation: Technology as a driver for other sectors and not as a standalone
- f. Positioning public sector to receive and support innovation
- g. Attraction of domestic and foreign investments: Creation of special purpose vehicles for domestic investment. Domestic activity will then drive foreign interests and investment
- h. Increase avenues for talent identification.
- i. There is need to review the policy on movement to ensure free movement of innovative experts into the country. This is crucial to promote knowledge transfer, skills development and increased competitiveness. This was specifically cited in the pathogen economy.
- j. There is need to boost collaborations between the universities, the public sector and the industry to promote innovations and the digital economy.
- k. Finalize the start-up policy development and implementation
- l. Position start-ups as attractive investment opportunities for locally mobilized capital through existing collective investment schemes, investment clubs and SACCOs.

- m. Government should work with universities to expedite commercialization of existing innovations.
- n. Explore more opportunities for the Public private partnerships to foster pooling of resources, expertise, and capital from both sectors, leading to more efficient project implementation and innovation.
- o. GOU should have collaborations across MDAs for a functional ecosystem.
- p. STI Secretariat and UNCST should provide clarity on the national innovation and research agenda to guide investments into research.



5.0 Session on implications for the FY 2025/26 budget and NDP IV implementation



NDPIV will mainstream knowledge economy through the five strategic objectives that will underscore STI as an enabler for achieving the 10-fold growth strategy. This includes prioritizing investment in STI infrastructure and human capital development among others.

Implications from the 14th NCF are categorised into five areas including;

5.1 Strengthening the knowledge economy policy and regulatory environment

- a. NPA should pursue a three – dimension economic agenda of: Full monetization of the economy, full formalization and full employment of the country's factors of production.
- b. URSB should ensure that technology led productivity, is encouraged, registered and regulated to fully enjoy public sector support.
- c. Learning from Tunisia's experience, there is need to ease and simplify the licensing and related regulatory burdens in the STI sector to boost formalization, innovations and technology driven enterprises. There should be dedicated desks in all government departments focused on the knowledge economy.
- d. MOSTI coordinate all GOU institutions related to the knowledge economy for effective implementation of the proposals for the tenfold growth strategy to materialize.
- e. MTIC should expedite submission of the start-up policy to cabinet.

5.2 Boosting investments into knowledge economy development

- a. MoFPED should provide more coordinated public investments to boost Uganda's competitive advantage to attract private investments.

- b. STI Secretariat should properly analyse existing and potential investment opportunities along the various STI value chains for the private sector and possible Public Private Partnerships (PPPs).
- c. STI Secretariat should boost the visibility of key innovators and link them to funders and strategic partners.
- d. Prioritize Infrastructure development for science, technology and innovation.
- e. MoFPED should incentivize private investment in research and development through favorable tax policies and co-investment funds. Incentives granted should never be deductive in nature.
- f. GOU must speed up any interactions especially for PPPs that involve technology as it is time sensitive.

5.3 Planning for knowledge economy Human Capital Development

- a. MOES should align the existing human capital development interventions to meet the knowledge economy / STI skilling needs. Identify impact areas for the knowledge economy and undertake reforms e.g. Increase in length of internships.
- b. URSB should incorporate the indigenous knowledge and related intellectual property rights to fit into the global STI standards.
- c. STI secretariat should advocate for the prioritization of the infrastructure development for science, technology and innovation to include Space science infrastructure and engineering skills enhancement centers across the country.

5.4 Appropriate Financing of knowledge economy in Uganda

- a. MoFPED should ensure sustainable financing of all innovations along the STI value chain.
- b. UDC should provide a mechanism to prioritize and hand hold technology driven enterprises to be attractive and investment ready.
- c. MoFPED should ensure visibility of the due processes to access funding and contextualize financing. Develop financing models that fit within the need

5.5 Knowledge economy coordination and institutional framework in Uganda

- a. STI Secretariat should fast-track the publication and dissemination of the STI strategy and ensure its full implementation.
- b. MoFPED and NPA should ensure full adoption of the 15th NCF recommendations by the NDP IV development process as well as the budget process for FY 2025/26.
- c. The STI Secretariat to develop the STI agenda and Ministry of Public service will develop the socio-economic agenda which will be merged by NPA to get the National Research Agenda
- d. The Ministry of Public Service should create dedicated desks in MDA's that are focused on transiting Uganda into a knowledge economy.

6. Conclusion and way forward

Technology led productivity is a necessary condition for growth and the NDP IV. Technology is part of the ATMs which Government has identified for the 10-fold growth. GOU will therefore prioritize:

- a. Providing funding for the RD & I ecosystem
- b. Human Resource Capital Development (Skilling),
- c. Funding for common user facilities and development of sector giants to ease B2Bs to provide market and facilitate growth of SMEs
- d. Information dissemination regarding adoption of

EV technologies, licensing and Intellectual property protection.

- e. Access to finance for the e-mobility value chain.
- f. Enhance collaboration between academia and the innovators as well as students from different disciplines engaging to create solutions.
- g. MTIC should finalize the Startup Policy for submission to cabinet
- h. Study the incentive regime and financing mechanism for startups
- i. Prioritize the national Research, development and innovation agenda in NDP IV.
- j. Enhance sensitization on intellectual property regulation and policy including the benefits to private sector
- k. PPPs to enable innovative financing for innovations and startups.
- l. Providing affordable and reliable power for e mobility infrastructure
- m. Explore incentives for promotion of STI.

Closing remarks

Hon. Amos Lugolobi, in his closing remarks stressed the need to create an easily accessible knowledge depository. He further emphasized the need to understand the mass opportunities in the knowledge economy, e-mobility and start up ecosystem. The Minister urged venture capitalists in the economy to support the startup hubs and utilize STI integration at different levels of the economy.

Annex 1: 15th NCF Program

THE 15TH NATIONAL COMPETITIVENESS FORUM (NCF)

Theme: The Role of the Public and Private Sector in Realizing the Knowledge Economy agenda in Uganda.

3RD October, 2024, Mestil Hotel, Kampala.

Time	Activity	Session Chairpersons
8:00 – 8:30 am	Participants Arrival and Registration	
8:30 – 10:00am Opening Session	1. Remarks: Ms. Diana Nannono H/PSDU, welcoming remarks, taking stock of the 14th NCF Recommendations. (15 mins) 2. Opening remarks by Hon. Matia Kasaija, Minister of Finance, Planning and Economic Development (15 Mins) 3. Presentation by Mr. Ramathan Ggoobi, PS/ST on The State of Knowledge Economy in Uganda (20mins) 4. Hon. Minister of STI – Keynote on Uganda’s Science Technology and Innovation Strategy. 5. Open Discussion 6. Key takeaways by Mr. Moses Kaggwa, Ag. DEA - MoFPED	Mr. Moses Kaggwa, Ag. Director, Economic Affairs

Time	Activity	Session Chairpersons
10:00 – 11:30am Session II	The role of the Pathogen economy in realising the 10 – fold growth By Ms. Brenda Nakazibwe, STI (20 mins) Discussants: (10 mins each) 1. Dr. Jonas Tumusiimire, Pharmaceutical Society of Ug 2. Prof. Patrick Ogwang, Jena Herbal Ug 3. Dr. Edward Kazaire, Kaziire Herbal Pdts 4. Prof. Moses Joloba, Ndiyo Biosciences 5. Prof. Bruce Kirenga, MUK Lung Inst. 6. Ms. Mercy Kainobwisho, RG, URSB Open Discussion (20mins)	Prof. Pauline Byakika Kibwika, MUK
11:30 - 11:45am	Health Break	
11:45 – 1:15 pm Session III	The role of e-mobility sector in realising the 10 – fold growth by Mr. Allan Muhumuza STI Secretariat (20 mins) Discussants: (8minutes each) 1. Mr. Paul Musasizi, Kiira Motors 2. Mr. Daniel Dreher, Zembo 3. Ms. Margaret Nankya, Nishati 4. Ms. Carol Katungi, Total Energies 5. Ms. Damalie Wasukira, UBL 6. Dr. Jeremy Ntambi, Altec – MMXIV LTD Open Discussion (20 mins)	Dr. Gerald Banaga - Baingi, Ass. Com. Technical Planning – MEMD
1:15 – 2:15 pm	Lunch Break / Networking	

Time	Activity	Session Chairpersons
2:15 – 3:45 pm Session IV	5. “Aligning Uganda’s start-up ecosystem to best practices from Tunisia” Mr. Wissem Elmekki – Director, Digital Economy, Ministry of ICT Tunisia. (20 Mins) Discussants: (10 minutes each) 1. Mr. Micheal Niyitegyeka, Executive Director, Refactory Limited. 2. Mr. Japheth Kawanguzi, CEO, Motiv 3. Mr. John Brittell, Managing Partner at Side B Group 4. Ms. Dianah Njuguna, Nyota Capital 5. Mr. Richard Zulu - Start-up Uganda 6. Mr. Allan Lule, Operations & Startups Mgt Lead, MIIC Open Discussion (20 mins)	Dr. Ambrose Royonka, AC Research and Development, MoICT & NG
3:50 – 5:00pm Session V	6. Implications for the FY 2025/26 Budget and NDP IV Implementation. Mr. Badru Ntege - Director, ICT PSFU (15 Mins) Remarks by: (5Minutes each) 1. Dr. Joseph Muvawala, ED NPA 2. Mr. Moses Ziwa, C/ DPI, MoFPED. 3. Mr. Moses Kabanda, C/PAD 7. Closing Remarks by Hon. Amos Lugolobi, Minister of State for Planning, MoFPED (15 Mins)	Mr. Moses Kaggwa Director Economic Affairs
5:00pm	Departure at Leisure	

MC: Mr. Maurice Mugisha – UBC





Annex 2: Table 1: Outcomes of the Panel Discussion SessionsProgram

S/N	Company	Progress/ Interventions/ Opportunities	Challenges	Recommendations
PATHOGEN ECONOMY				
1	Jena herbals	Over 17 products developed including medicine for enlarged prostate in men and Sexually Transmitted Infections (STI) among others. Acquired over 1,000 acres of land in Kapeeka to plant trees. The manufacturer also intends to work without-growers by training and providing requisite equipment.	Lack or limited access to capital (noted that accessing finance from UDB is a lengthy process) Highly capital-intensive sector Inadequate supply of raw materials	Reduce time and procedures for local innovators to access capital-UDB Government to intervene in financing including cost sharing (PPPs) and provide affordable long-term finance.
2	Kaziire medicine	Producers of Kaziire medicine 1,000 acres of land have been allocated to the manufacturer at agricultural industrial park in Masindi to establish plant Undertaken courses at Mbarara university (Dept of Commerce) to enhance skills in pathogen economy Globally natural medicine/ therapeutics valued at about \$233bn hence a potential and lucrative sector to tap into. Expanded in other regions and also diversified in other sectors. For instance, Kaziire group in Tanzania with a branch engaged in manufacturing herbal medicine and another in logistics, with a strategy to expand in the continent.	Inadequate supply of raw materials Human resource gaps	Invest in bio-technology to boost volumes and ensure sustainability.

S/N	Company	Progress/ Interventions/ Opportunities	Challenges	Recommendations
3	Kimsy pharmaceuticals	Manufacturer in the pharmaceutical sector. Some of the manufactured products include syrups; creams and ointments; capsules; Oral Rehydration Solutions (ORS) and disinfectants. The manufacturer exports to markets including South Sudan, Burundi among others.	Limited coordination. MDAs are working in silos Most pharmaceutical manufacturers are at intermediate tech High taxes including 1.5% of stamp duty paid on capital injected; and VAT on imported services High work permit costs for expatriates	Coordinate all key stakeholders and assign roles. Proposed creation of dedicated desks within MDAs to focus on the knowledge economy. Support manufactures in the pathogen economy to upgrade from intermediate technology to deep technology such as offering incentives (tax exemptions) Promote internship and apprenticeship programmes by adjusting the curriculum to increase the internship and apprenticeship period to 1 year in order to build and retain capacity
4	Ndiyo Biosciences Laboratory and Diagnostics	Manufactured PCR kit to target COVID-19 which has since expanded to over 50 diseases Factory being constructed to support PCR Kit manufacturing Over 40 products manufactured Looking at exploiting other technologies such as Rapid Diagnostic Tests (RDTs)		Invest in skilling centers in bio-technology to build capacity.
5	Bruce kirenga-Muk Lung Inst. clinical trials	3 products tested so far including Kaziire product. Trial has been completed and findings to be released next month (November). Clinical trials are undertaken to confirm whether products are suitable for consumption.	Inadequate/ slow commercialization of knowledge products	



S/N	Company	Progress/ Interventions/ Opportunities	Challenges	Recommendations
6	URSB	Availability of the necessary infrastructure and policy, legal and institutional framework. For instance, the IP Policy 2019 is in place that ensures that IP is integrated across all sectors of the economy through the innovation ecosystem (generation, research, testing, certification, processing among others.) URSB offers protection of IP in line with the criteria under the law commercialization and licensing. Last stage is enforcement where issues related to infringement are addressed (addressing ownership disputes) Institutions are in place to facilitate the pathogen economy. Traditional Knowledge and Genetic Resources Bill is being drafted. Principles have been drafted and are expected to be presented to Cabinet to preserve traditional assets including values/ cultures	Limitation due to global policy measures on patents that may deter herbal medicinal protection Limited continuity due to protection Limited human capital development (Inadequate skills)	More coordination of Government stakeholders that are in the IP ecosystem. This includes streamlining and coordinating stakeholders with innovation hubs including URSB and MoSTI Fast-track enactment of the law on the Traditional Knowledge and Genetic Resources Bill Commercialization of products especially those that have undertaken clinical trials Spread out the innovation fund for the youth to promote innovation across all sectors. This includes fast-tracking establishment of innovation hubs (engineering and skills enhancement centers) by MoSTI.
E-MOBILITY				
7	KMC	Scaling up of EVs in the market means: - Investment and awareness in People (Producers, supply chain, consumers all actors) - Investment due to high CAPEX requirement - Support to players in the EV sector to innovate - Ascertaining the type of EVs needed	High cost of capital and R&D No regulation on the tandem axle	Innovative financing modalities whether through rebates or public sector through R&D
8	Zembo	800 units sold so far	High cost of R&D that raises production costs	Reduce cost of CAPEX through investing in R&D

S/N	Company	Progress/ Interventions/ Opportunities	Challenges	Recommendations
9	Nishati	The company has built strategic partnerships such as KMC and other private players	Poor road infrastructure Limited charging infrastructure	Awareness and sensitization of masses/ mindset change to adopt EV. Increase charging infrastructure.
10	Total Energies	Total changed its name in 2021 to Total Energies to embrace energy transition. The company is a multi-energy transition oil & gas, solar among others. Owns over 67,000 charging points worldwide In Uganda, Total energies purchased its first set of EV charging units have been installed at Wampewo Avenue and its headquarters, with the plan of rolling out in other parts of the country. Infrastructure facilities for the charging points are available		
11	UBL	Lots of R&D such as players like Zembo Technology transfer by benchmarking from countries like China where UBL has sent their delegates Recycling plant in Namanve	High investment costs Stiff competition since most lithium batteries are imported and sold at lower costs due to better economies of scale	PPPs-such as partnering with KMC to purchase batteries from EVs manufacturing.
12	MMXIV LTD	Presence of malls with charging stations and organized housing facilities.	Limited and inadequate power supply. Inadequate charging infrastructure. For instance, some are located at Malls which are few in number and target passenger vehicles Taxes	Exempt taxes for manufacturers of EVs

START-UPS



S/N	Company	Progress/ Interventions/ Opportunities	Challenges	Recommendations
13	Michael		Pressure on innovation Limited number of experienced innovators in the innovation space. Mismatch of the education system and the eco-system (silos yet innovation is multi-sectoral) No clarity on innovation research agenda	Investment in human capital development through alignment of the education system with the eco-system to ensure the skill-set matches market demand requirements Government should provide a clear Research agenda on startups
14	Motiv	Innovation village-tech hub	Biggest % of Ugandans and Africans not in technology	Leverage technology to harness and develop other sectors of the economy
15	Side B Group	EU has done a lot of work mostly in SME, Agriculture and training	High cost and limited access to capital	Develop a financing mechanism for innovation and startups. Invest in human capital development (skills) Create a system that allows for free movement of factors of production such as labour especially for expatriates in such spaces.

S/N	Company	Progress/ Interventions/ Opportunities	Challenges	Recommendations
16	Nyota Capital		Insufficient quality pipeline to provide sustainable solutions. Silos in the eco system Failure to articulate business proposals and plans by start-ups Low talent/limited capacity	Enhance stakeholder collaboration and coordination in the eco-system Investment in human capital by creating partnerships with universities and other academic institutions to produce skilled human capital base
17	Start-up Uganda	BPO policy was approved by Cabinet. Development of a Startup Act is ongoing. Start-up Intervention Technical Committee was constituted. The RIA for the Act was successfully conducted. Amendment in the law by CMA that exempts licensed investors from paying WHT and Capital Gains tax	Short-term capital provided for startup yet the nature of business requires patient capital Lack of markets to distribute their innovations country-wide i.e. presence of small distribution outlets which also delay to make payments which impact on working capital of startups	Create awareness and sensitization of startups Incentivize and reward high risk businesses such as start-ups (Innovation fund and other incentives to facilitate start-ups) Create SPVs such as USE, Derisk the sector by providing patient capital through leveraging SACCOs, Collective Investment Schemes, Staff savings scheme
18	MIIC	Created exposure for innovators Undertaken exchange programmes		Structuring curriculum to produce the requisite labor force that meets market demands PPPs to bridge the financing gap Build innovations that are demand driven



Annex 3: Speeches



Welcoming Remarks by Ms. Dianah Nannono, Head of Private Sector Development Unit (PSDU) Ministry of Finance, Planning and Economic Development (MoFPED)

Hon. Minister of Finance Planning & Economic Development,

Hon. Minister of Science Technology and Innovation,

Hon. Members of Parliament present,

Permanent Secretaries,

Development Partners,

Private Sector Players,

Civil Society representatives,

Academia,

Media,

Ladies and Gentlemen.

My name is Dianah Nannono- the Head Private Sector Development Unit of the Ministry of Finance, Planning & Economic Development.

I welcome you all to this year's 15th National Competitiveness Forum (NCF), organized by the Ministry of Finance Planning and Economic Development in partnership with Science Technology and Innovation (STI) Secretariat.

This Forum is one of the Ministry's annual public private dialogue platforms for engaging with stakeholders, and aimed at communicating the national economic development policy agenda including private sector competitiveness and consequently feeding into the annual budget process.

In this regard, the Ministry, organizes the National Competitiveness Forum to engage and agree on interventions to be prioritized in enhancing the country's private sector competitiveness.

Ladies and gentlemen, Government under the Ministry of Finance, Planning and Economic Development is implementing the second National Strategy for Private Sector Development 2022/23 -2026/27 which facilitates the coordination and consolidation of all private sector competitiveness aspects across the third National Development Plan.

To this end, Government has undertaken numerous reforms and registered commendable strides in enhancing private sector competitiveness in the Country and these include;

- a. The expansion of the business register from 46324 entities registered in FY 2021/22 to 55711 in FY 2023/24 can be accounted for by the digitalization of the business registration processes under URSB and further simplification of this process.
- b. The increment in the share of titled land in the Country from 22.14 percent in FY 2021/22 to 30 percent in FY 2023/24 which can be accounted for by the investment in digitization of land registration services with the National land Information System, construction, staffing and digitization of the 22 Ministry Zonal land Offices

(including Mukono, Wakiso, Moroto, Gulu, Jinja among others) that have brought land registration services closer to the people.

- c. The time for transportation of goods from Mombasa to Kampala has reduced from 5.65 days in FY 2021/22 to 4.54 days in 2023/24 on account of the Regional Electronic Cargo Tracking Systems which ensures safety of cargo, the authorized Economic Operator program that allows for voluntary compliance, the non-intrusive scanners that allow for seamless scanning as well as joint MDA inspection of goods all of which have contributed to the continued enhancement of private sector competitiveness. Government is committed to reducing this time further and the cost by 50 percent as it fast tracks construction of the Standard Gauge Railway (SGR) that is scheduled to start this FY.

Ladies and gentlemen, several recommendations were made at the 14th NCF, under the theme "Boosting private sector investments in agro industry to take advantage of regional opportunities and below is the progress on selected recommendations from the forum.

- I. **Poor last mile infrastructure i.e. the District Urban and Community Access roads that link production centers to markets;** Government has continued to allocate Shs.1Bn to local governments to ensure routine maintenance of these roads. To ensure effective implementation, Ministry of Works and Transport has issued guidelines for utilization of these funds, to connect production centers to markets. This will reduce on the cost of transporting inputs and finished goods.
- II. **Access to appropriate credit for private sector investment.** Government has made different initiatives to address this including;
 - Further capitalization allocation to UDB with Shs. 55Bn in FY 2024/25 to support private sector lending as well as supporting the ongoing process of acquiring credit lines worth Shs. 1.083Tn to lend more to wealth creators under UDB.



- Further capitalization of the Agricultural Credit Facility with Shs. 30Bn in FY 2024/25 to support agricultural lending.
- UGX 75Bn was allocated to support value addition in the coffee sector under Science Technology and Innovation
- UGX12.25Bn has been allocated to clear arrears for coffee seedling farmers. The balance is to be paid in the subsequent FYs

IV. Multiple licensing by various Government agencies making it difficult for private sector to formalize.

- a. The Government has finalized construction of Uganda Business Facilitation Center (UBFC) in Kololo with a model One Stop Centre that is currently housing all agencies that issue licenses to both local and foreign investors who wish to invest in Uganda including NITA-U to support back-end integration of databases and systems and facilitate the seamless delivery of Government services. The facility will be officially opened by H.E the president in November, 2024.
- b. Secondly, Ministry of Finance Planning and Economic Development is undertaking the second generation of the Business Licensing Reforms whose objective is to simplify licensing processes, reduce discretionary powers, eliminate redundant procedures and reduce lengthy business registration and licensing processes among others.

Ladies and gentlemen, this year's Forum is under the theme; **The Role of the Public and Private Sector in Realizing the Knowledge Economy in Uganda** This theme is relevant today given that Government has embarked on the strategy of growing the economy 10-fold from the current USD 53.17bn economy to a USD 500bn economy in the next 15 years. The theme is relevant more so because Science Technology and Innovation (STI) including ICT has been identified as an anchor sector to drive this growth.

Secondly, Government is committed to continue investing in knowledge services, technology and innovation as enablers of competitiveness and boosting efficiencies in private sector output.

Ladies and Gentlemen, Uganda's import data in FY 2022/23 shows that over 77% of import expenditure valued US\$7,948M, is spent on STI related products, of which e-mobility contributes US\$795M, pathogen economy US\$465M, Industry 4.0+ US\$675M and Infrastructure Innovations US\$6013M.

It is therefore important to focus on developing these domestic value chains to retain a larger share of economic output, bolster national economy as well as develop the private sector capacities.

I thank you for honoring our invitation and for listening to me. I once again welcome you to the 15th National Competitiveness Forum and wish us fruitful deliberations.

FOR GOD AND MY COUNTRY.



Remarks by Hon. Matia Kasaija, Minister of Finance, Planning and Economic Development

Hon. Ministers,

Hon. Members of Parliament,

Permanent Secretaries,

Development Partners,

Private Sector Representative,

Civil Society Representatives,

Members of the Academia,

Media Representatives,

Ladies and Gentlemen.



Introduction

It is my pleasure to welcome you all to the 15th National Competitiveness Forum (NCF), hosted by my Ministry under the theme, **“The Role of the Public and Private Sector in Realizing the Knowledge Economy Agenda in Uganda.”**.

This theme aligns with our FY2024/25 Budget Strategy and the ambitious 10-fold Growth Strategy, which seeks to transform Uganda into a competitive knowledge economy, and also aims to elevate Uganda’s GDP from its current base to over **USD500 billion by 2040**.

The 10-fold growth strategy, as outlined in the National Development Plan (NDP) IV also focuses on unlocking new growth potential and unleashing the unlimited potential in Science, Technology and Innovation (STI).

As we gather today, I would like to emphasize that Uganda stands at the threshold of a new era. This transformative goal, guided by the Vision 2040 blueprint, calls for a shift toward a knowledge economy—where innovation, science, and technology are not just enablers but drivers of economic growth.

This year’s forum provides us with a timely platform to discuss the critical role of public-private partnerships in realizing this vision. The government remains committed to creating an enabling environment for the private sector to thrive, especially in industries that align with our 10-fold strategy, such as the pathogen economy and mobility, which hold significant potential for import substitution, export growth, and job creation.

I commend the Ministry of Science, Technology, and Innovation (MoSTI) for its crucial role in providing strategic policy guidance and effectively coordinating research and innovation initiatives. Its leadership continues to be instrumental in advancing Uganda’s innovation agenda.

Driving Uganda’s Knowledge Economy through Strategic Investments in Science, Technology, and Innovation.

Our journey toward a knowledge economy is closely tied to Science, Technology and Innovation (STI). The NDP III emphasizes the importance of STI in increasing productivity, adding value to our natural resources, and propelling economic development. We have already seen remarkable contributions from STI, with the technology sector contributing over 2.5% to Uganda’s GDP in 2023, and projections indicating annual growth of 8%. The creation of over 50,000 direct and indirect jobs by these startups has fueled development and created opportunities for Ugandans.

Key investments in STI include vaccine development under the pathogen economy, where laboratories at institutions such as Makerere University and Gulu University have been equipped with state-of-the-art facilities. These efforts have led to the development of three COVID-19 vaccine candidate prototypes. These were developed by the Uganda Virus Research Institute (UVRI) and College of Veterinary Animal Resources and Biosecurity (COVAB).

There are also further advancements in the mobility sector which highlight Uganda’s potential to lead in e-mobility. These include the Kayoola EVS electric bus and the multi-functional tricycle for mobility, irrigation, and power generation.

The Budget for FY2024/25 highlights several investments of focus in relation to STI. For example, Government has committed **Shs257 billion** to bolster STI, with substantial allocations toward key projects. The Banana Industrial Research and Development Centre (PIBID) has been allocated UGX 49.6 billion for scaling operations, while Kiira Motors Corporation has received UGX 32.5 billion to advance electric vehicle manufacturing. Other pronouncements included the following;

The **Shs17.5 billion** has been allocated for the National Science, Technology, Engineering, and Innovation Skills Enhancement Project (NSTEI-SEP) which is designed to boost skills in startups and technology development at the Namanve and Rwebite Centers.

Shs75 billion has been allocated to private sector players to boost productivity in high-value processing, complete and expand modern coffee production facilities, and enhance market penetration both locally and internationally. This investment aims to strengthen Uganda's coffee industry, a key export for the country, by increasing competitiveness in regional and global markets.

Shs25 billion has been allocated to private entities in pharmaceuticals to advance anti-tick vaccine development under the pathogen economy, while **Shs75 billion** will support the clinical trials and establishment of an internationally certified production facility for COVIDEX medicines. Additionally, **Shs12.3 billion** will be provided to the UNCST to enhance the development of the STI ecosystem and support its mandate.

The Budget for FY2024/25 also includes additional commitments to: a) Invest **Shs192 billion** to speed up digital transformation;

b) Build and equip two-unit laboratories in 21 secondary schools, in line with the Science Technology Engineering and Mathematics (STEM) policy;

c) Continue supporting scientists and innovators with Intellectual Property registration and training;

d) Invest **Shs2.91 billion** in UIRI for retooling.

Ladies and Gentlemen, Uganda has installed a total of 4,354 Km of optic fiber cable across the country connecting 1,523 key Government service delivery units to the National Backbone Infrastructure, increased internet penetration in the country to 64 percent from 25 percent in 2017, and the share of Government services provided online is now at 40 percent, up from 20 percent registered in 2017.

Going forward, Wi-Fi will be further rolled-out to an additional 820 key locations at subsidised rates, focusing on essential services such as schools,

hospitals, and markets in selected sub-regions. Additionally, we will upgrade the national backbone infrastructure to enhance connectivity across the Greater Kampala Metropolitan Area.

These investments in STI and digital transformation are fully aligned with our broader goals under the 10-fold growth and NDP IV priorities to drive inclusive growth and wealth creation.

Conclusion

Ladies and Gentlemen, while the government sets the policy framework and provides the initial investment, the private sector remains the engine that will drive Uganda's transition to a knowledge-based economy.

Distinguished guests, today's forum is not just about discussing policy; it is about shaping the future of our country. The insights and recommendations we gather here will play a crucial role in formulating the FY2025/26 Budget and will inform key interventions under the NDP IV. I look forward to your contributions as we work together to unlock Uganda's potential and realize the knowledge economy agenda.

I thank all our development partners, the private sector, and all stakeholders for your continued dedication to enhancing Uganda's competitiveness. Together, we will drive our nation toward sustainable growth and prosperity.

I now declare the 15th National Competitiveness Forum officially open. May you have fruitful discussions.

FOR GOD AND MY COUNTRY.



Remarks by Mr. Ramathan Ggoobi, The Permanent Secretary/ Secretary to the Treasury,

Honourable Ministers,

Honourable Members of Parliament,

Permanent Secretaries,

Development Partners,

Private Sector Leaders,

Representatives of the Media,

Distinguished Ladies and Gentlemen

Thank you for being a part of today's strategic dialogue. Your presence here is a statement of both vision and value.

The National Competitiveness Forum (NCF) is the main platform through which Ministry of Finance, Planning and Economic Development consults with the private sector on investment priorities for building a competitive economy. Today's Forum is the 15th NCF and is themed: **"The Role of the Public and Private Sector in Realising the Knowledge Economy Agenda in Uganda"**

Government has embarked on the journey of building a **USD500** billion economy within 15 years under its tenfold growth strategy. In this journey, **technology-led productivity** is a necessary condition to reach the double-digit economic growth potential envisaged under NDP4. The context of this journey is very important, and is something that all stakeholders need to appreciate.

The global STI market presents opportunities worth USD51.4 trillion, with the pathogen economy alone valued at USD12 trillion, while mobility is at USD15 trillion. Today's discussions are to help us identify opportunities along these value chains for the private sector to invest and transform this economy.

Currently, 77% of Uganda's import expenditure is spent on STI related products. By focusing on developing domestic capabilities in e-mobility and pharmaceuticals, we can retain significant value to strengthen the economy.

Government is pursuing a three-dimension economic agenda: **full monetization** of the economy; **full formalization** of the economy; and **full employment** of the country's factors of production (land, labour, capital, technology and entrepreneurship). This economic agenda is informed by Government's appreciation of the state of the different factor markets, and the need for structural change.

The country's working population of 20.5 million people is all expected to be employed for **pay or profit**.

The latest data from UBOS indicates that about half of this working population (10 million) was employed for pay or profit in 2021, an increase from 8.3 in 2020. The rest of the workers were either unemployed (1.4 million) or engaged in purely subsistence activities (8.2 million)

Likewise, all economic activities need to be registered and appropriately **regulated** for them to fully enjoy public sector support. At the start of NDP III in 2021, 9 out of every 10 employed persons (92 percent) were informally employed. Similarly, 9 out of every 10 enterprises were not registered with Uganda Registration Services Bureau (URSB). We also know from the latest results from NSSF that of the 98,000 employers registered with NSSF, more than 72,000 are dormant, leaving only 26,000 active employers.

Furthermore, there is need for more factors of production to relocate from lower to **higher productivity** activities and sectors of the economy. As of 2021, 4 out of every 5 workers in the country's labour force were engaged in low skill occupations such as sales and crafts. Only 15 percent of the labour force belonged to occupations classified as either professional, technical or machine dependent.

As we speed up implementation of the tenfold growth strategy over the next 15 years, lessons from the past 15 years of implementing NDP I, II and III are extremely valuable. One of those lessons is that a **competitive economy** matters for national development. This lesson is so important that it has become the vision statement of the Ministry of Finance, Planning and Economic Development.

In the past, private investment was guided by comparative advantage of economies. The story is different today. Private investment is now guided by the **competitive advantage** of economies. This understanding is what has shaped and guided Government's formulation of both the first and second National Strategy for Private Sector Development. Both strategies seek to answer one question: How can workers and enterprises make a growing and sustainable contribution to socioeconomic transformation for structural change?



The first strategy started in 2017/18 and ended in 2021/22 under theme “Boosting Investor Confidence for Enterprise Development and Industrialization”.

The second, which ends in 2027, is running under the theme: “Consolidating Private Sector Competitiveness”

Over the period of the two strategies (FY2017/18 to 2023/24), notable outcomes that speak to the maturity of private sector in Uganda and the competitiveness of the economy have been registered. For example:

Active Industrial establishments have increased by 34 percent (from 3,148 in 2018 to 4,214 in 2023);

Exports earnings from merchandise products have grown by 147 percent (from USD3.3 billion to USD8.7 billion);

The Member Register of NSSF has grown by 28 percent (from 1.8 in 2018 to 2.3 million in 2024);

The share of titled land in the country has increased by 10 percent (from 20 percent in 2018 to 30 percent in 2024); and

Assets Under Management by Collective Investment Schemes have risen by nearly 2,600 percent (from Shs118.4 billion in FY2017/18 to Shs3.18 trillion in FY2023/24)

Coming back to today’s theme, the Knowledge Economy is the fourth area of the ATMS, and it is about Science, Technology and Innovation including ICT and the Creatives Industry. Government has identified five focus areas for the knowledge economy: Mobility; Pathogen Economy; 4th Industrial Revolution; Infrastructure Innovations; and Aeronautics & Space Science. Today’s discussions will focus on two of these areas: Mobility and the Pathogen Economy. They will also address a related issue: the start-up ecosystem in the country

The tenfold growth strategy identifies two tracks of accelerator actions under the knowledge economy:

Track 1: Adding value to the Traditional Economy (Commodity Value Chains) through a systematic upgrade of the country’s capacity to apply STI and ICT in the generation of value-added goods and services

Track 2: Creating the New Economy using STI & ICT to increase the contribution of nascent sectors to GDP (i.e. Mobility; the Pathogen Economy; the 4th Industrial Revolution; Infrastructure Innovations; and Aeronautics & Space Science)

Through the contribution of the knowledge economy, Government targets to rapidly increase the country’s export earnings from the ATMS by 12-fold from baseline of USD7.5 billion in FY2022/23 to USD95 billion by 2040. This includes achieving a triple target of raising:

The share of exports in GDP from 12% to 50%;

The share of manufactured products in merchandise exports from 13% to 50%; and

The share of medium and high-tech products in manufactured exports from 21% to 50%:

It is clear from the above targets that manufactured value-added GDP has to significantly increase. This is only possible through the rapid growth of the knowledge economy, including systems for managing indigenous knowledge and Intellectual Property Rights.

In support of the above accelerator actions, Government has funded STI interventions under the Innovation, Technology Development and Transfer (ITDT) programme of the NDP III. Over the NDP III period, Shs2.025 trillion has been provided for STI interventions under the difference votes in the Innovation, Technology Development and Transfer (ITDT) programme.

Notable initiatives supported with this funding include the Kiira Motors Corporation (KMC); Space Programme; Anti-Tick Vaccine; DEI Biopharma; Presidential Initiative on Banana Industrial Development (PIBID/BIRDC); Vaccine Manufacturing

Facility; Uganda National Council of Science and Technology (UNCST); National Research and Innovation Program (Innovation Fund); COVIDEX; Nuclear Magnetic Resonance Spectrometer Facility; and the Biosciences Park.

Government has also allocated significant resources in FY2024/25 to supportive programmes NDP III for the emergence of a vibrant knowledge economy. These include the Education sub-programme (Shs2.497 trillion), Digital Transformation for further development of ICT and internet connectivity (Shs246 billion); and Energy Development (Shs983 billion).

Furthermore, capital markets are expected to play a big role in mobilizing private equity in support of the knowledge economy. To this, SMEs in the private sector need to work on being investment ready. Government has already put in place a Deal Flow

Facility which identifies and supports SMEs to become investment ready. The Deal Flow Facility (DFF) is an investment match-making facility funded by the European Union (EU) and incubated at Financial Sector Deepening Uganda with the support of the CMA in Uganda. As of June 2024, 35 out of 203 SMEs that have so far participated in DFF have been matched with potential equity investors.

The STI-Secretariat is actively participating in today's Forum, and will provide you with updates on achievements under these initiatives.

I look forward to a very constructive dialogue. Uganda has an outstanding local content record. I am sure you will only take this record higher.

I thank you for your attention.





Closing Remarks by Hon. Amos Lugolobi, Minister of State for Planning

Distinguished Guests, Ladies, and Gentlemen, as we come to the close of the 15th National Competitiveness Forum (NCF), I extend my sincere gratitude to all participants for their valuable contributions, insights, and active engagement throughout the day.

This Forum has provided us with a unique platform to explore the critical role of both the public and private sectors in realizing Uganda's ambitious knowledge economy agenda.

Today's discussions have clearly underscored the immense opportunities that lie ahead for Uganda, particularly in the key areas of the pathogen economy, e-mobility, and the development of our start-up ecosystem. These are not merely abstract concepts; they represent tangible paths to achieving our 10-fold growth strategy and transitioning to a knowledge-driven economy.

It is evident that while Government is committed to creating an enabling environment, the success of this endeavor heavily relies on a dynamic and collaborative partnership with the private sector.

We have seen today the importance of aligning our strategies, resources, and innovations towards common goals that promote sustainable development and national competitiveness.

As we look forward, several key takeaways from this forum will shape our actions. These include;

Accelerating Policy Development and Implementation:

We must continue to develop and refine our policy, legal, and regulatory frameworks to foster an ecosystem where innovation thrives. The discussions have highlighted the urgency of fast-tracking the commercialization of ongoing innovations, particularly in the STI sectors, and this we shall prioritize in our planning.

Strengthening Public-Private Partnerships: We recognize that the private sector is pivotal in driving the knowledge economy. Moving forward, we shall focus on establishing more robust partnerships that enhance the capacity of our local industries to innovate, produce, and compete on a global scale.

Investing in Human Capital and Technology: As noted, transitioning to a knowledge economy requires significant investment in education, skills development, and technology. Our strategies will prioritize creating a skilled workforce capable of driving technological advancements and leveraging new market opportunities.

Leveraging Global Market Opportunities: The global market potential in STI sectors, valued at over USD51.4 trillion, presents an incredible opportunity for Uganda. By building our capabilities in the pathogen economy, mobility, and other high-value sectors, we shall position ourselves to capture a larger share of this market and drive economic growth.

Monitoring and Evaluation: Finally, we must commit to continuous monitoring and evaluation to ensure that our strategies are effective and adaptive to the changing global dynamics. Let us leverage data and evidence-based decision-making to steer our economy towards sustained competitiveness.

In conclusion, today's forum marks another step in our journey toward a prosperous and inclusive knowledge economy. I encourage all stakeholders to maintain the momentum, build on the ideas and partnerships formed today, and commit to a shared vision of economic transformation.

Thank you for your dedication and contributions to this critical national agenda. I look forward to working with all of you in achieving our common goals. Let us continue to collaborate and innovate for a brighter future for Uganda.

Thank you.





Annex 4: Pictorial



Hon. Minister MoFPED, Matia Kasaija addressing the 15th NCF



Hon. Monica Musenero Minister of Science Technology and Innovation presenting the keynote address of the 15th NCF



Hon. Amos Lugoloobi, Minister of State for Planning, MoFPED, giving his closing remarks



Permanent Secretary/Secretary to the Treasury, Ramathan Ggoobi making his remarks at the 15th NCF



Director Economic Affairs, MoFPED, Mr. Moses Kaggwa



Ms. Dianah Nanonno, Head of PSDU Giving Opening Remarks at the Forum



The panel for the session on the pathogen economy



The panel for the E-Mobility Session



The panel for the Startup Session



The Private Sector Development Unit Team



Participants at the 15th NCF



IN COLLABORATION



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THE BEST**



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