

Uganda

intra-Africa trade & tariff profile 2019



1. Introduction

Uganda is a member of the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the Intergovernmental Authority on Development (IGAD).

- EAC is a customs union with duty-free trade among the six member states and a common external tariff (CET)
- COMESA has 21 member states, 17 of which are part of the COMESA Free Trade Area – the DRC, Eritrea, Ethiopia and Somalia are all in the process of accession
- IGAD has 8 member states. IGAD focuses on policy and programme harmonisation, peace and security, food security and sustainable development, facilitating investment, capacity building and infrastructure development. There has been no intra-IGAD tariff liberalisation.

Members of the COMESA FTA:



EAC All are member of the Customs Union



IGAD

No FTA in place yet:



2. Intra-Africa trade

For 2019, 38% of Uganda's world exports & 27% of world imports were to and from the rest of Africa. Intra-Africa exports amounted to US\$1.3 billion (16% less than in 2018) & intra-Africa imports to US\$2 billion (47% increase compared to 2018 imports).

Main export products include coffee, sugar, and tea. Gold account for 48% of Uganda's intra-Africa imports. Other main import products include flat-rolled iron or non-alloy products, crude petroleum oil and iron or non-alloy steel bars and rods.

33% and 31% of Uganda's intra-Africa exports go to Kenya and Sudan, respectively. 38% of Uganda's intra-Africa imports are sourced from Kenya and 23% from Tanzania. Apart from South Africa, Uganda mainly trades with EAC, COMESA and IGAD member states.

Main destination markets

Kenya, Sudan, DRC, Tanzania & Burundi



Exports

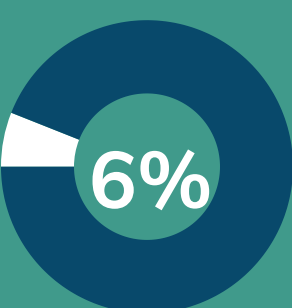
Imports

Main source markets



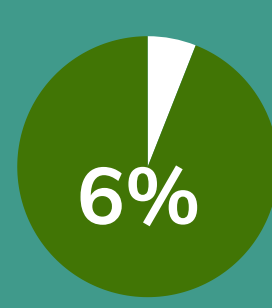
Uganda's intra-Africa trade 2019

Coffee



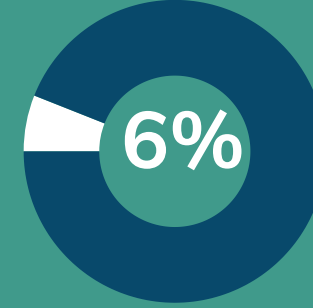
20% of Uganda's world coffee exports

Sugar



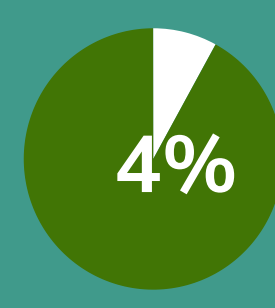
All of Uganda's cane sugar exports

Tea



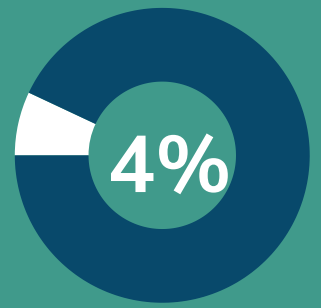
All of Uganda's tea exports

Cement



All of Uganda's cement exports

Maize

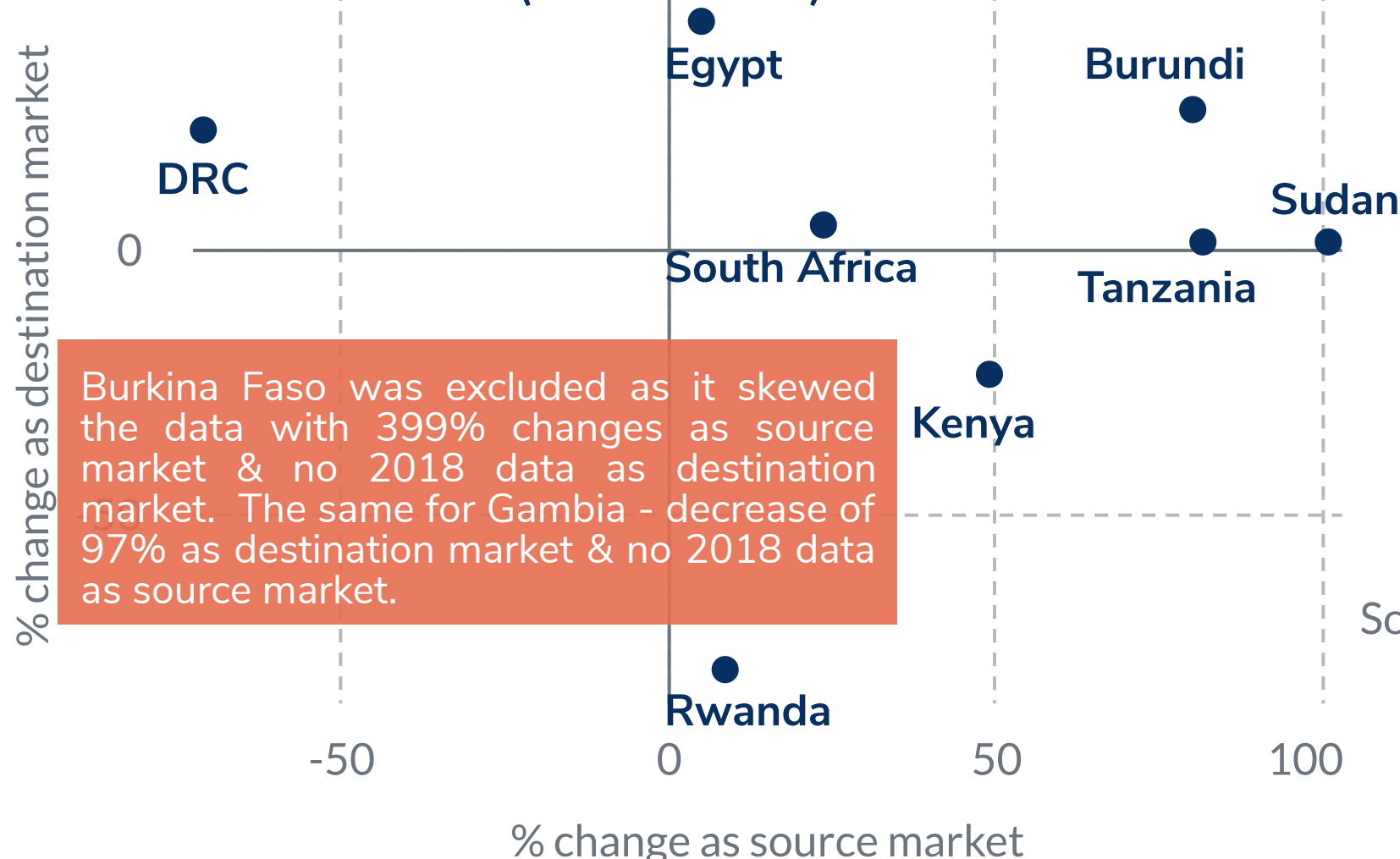


All of Uganda's maize exports

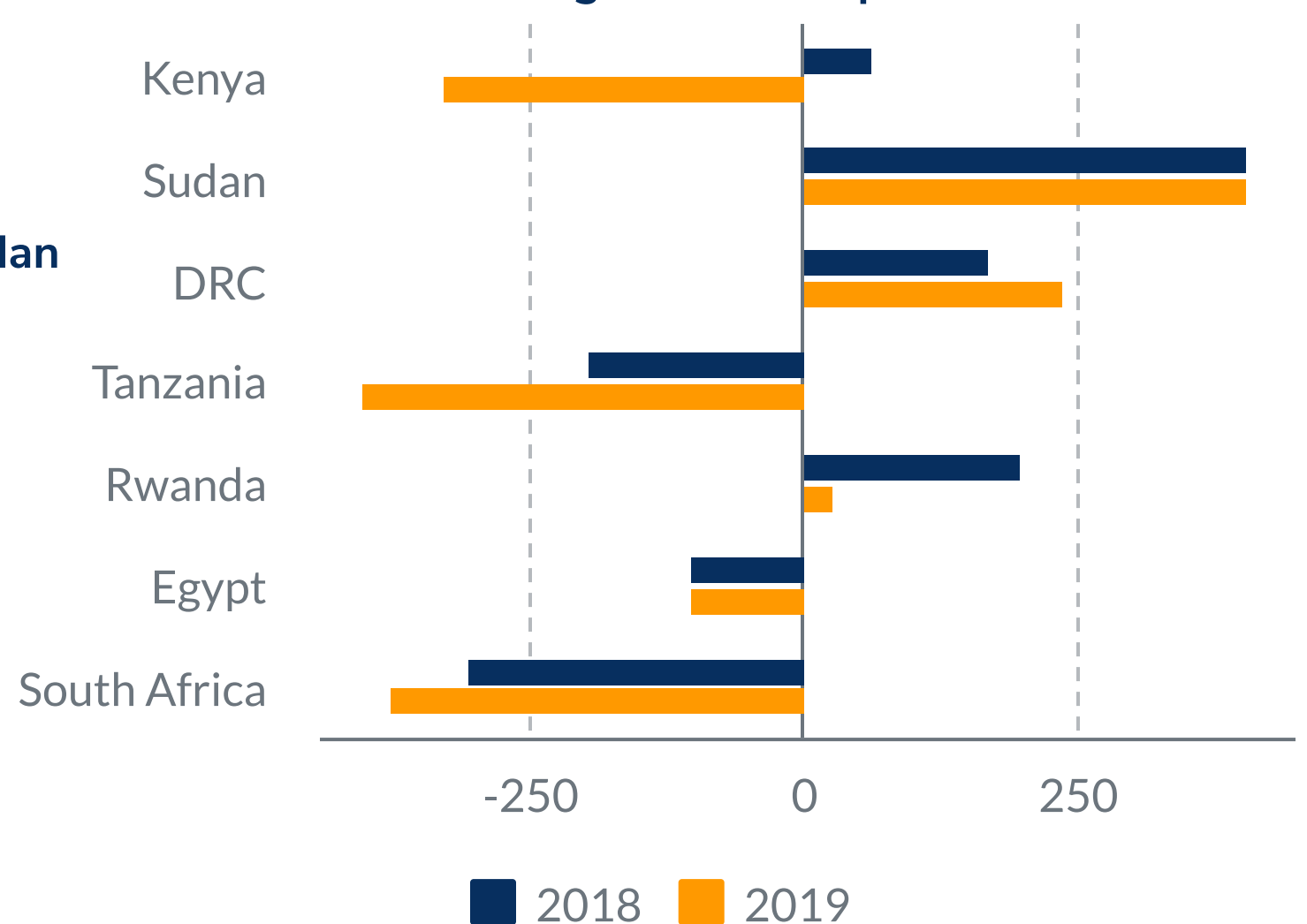
intra-Africa imports as % of world imports of designated products

Gold (48.48%)	75%
Flat-rolled products of iron or non-alloy steel (6.06%)	52%
Crude petroleum oil (3.03%)	5%
Iron or non-alloy steel bars & rods (2.02%)	72%
Rice (1.01%)	35%
Goods vehicles (1.01%)	21%
Medicaments (1.01%)	11%
Salts (1.01%)	98%
Other (36.36%)	

% change in exports to & imports from main African trade partners (2018 to 2019)



Trade balance with designated trade partners 2018 & 2019



3. Intra-Africa tariffs & non-tariff cost of trade
Goods imported into Uganda from other EAC countries and the majority of COMESA member states enter duty-free. In COMESA the exceptions are goods imported from DRC, Eritrea, Ethiopia, Eswatini and Somalia. African imports from outside the EAC and COMESA, DRC & Somalia are levied the MFN applied duty which is the EAC CET. The EAC CET has 7 tariff bands - duty-free, 10%, 25%, 35%, 50%, 60% and specific or combined duties.

1% of world and 3% of Uganda's intra-Africa exports are to African countries outside EAC and COMESA. The main export products include coffee, petroleum oils (not crude), and medicaments. Outside EAC & COMESA, Uganda mainly exports to Morocco and South Africa. These exports respectively account for 50% & 25% of the non-EAC & COMESA exports. 8% of world and 29% of intra-Africa imports are sourced from African countries outside EAC and COMESA.

The main import products include gold, hot-rolled iron/steel not elsewhere specified, hot-rolled iron & non-alloy steel bars and rods, and diesel trucks < 5tons. Outside EAC & COMESA, Uganda mainly imports from South Africa, Burkina Faso and Gambia. These imports respectively account for 64%, 13% and 11% of Uganda's imports from outside EAC & COMESA. Other source markets include Namibia, Guinea, Mozambique, and Mali.

MFN duty categories & % of national tariff lines in each category

Duty-free 37%
seeds for sowing; crude seed oils; cocoa paste & butter; ores & concentrates; rough wood, wool & cotton; ferro-chromium; stainless steel products; construction & agricultural machinery; electric motors & generators; tractors; and unassembled motor vehicles

10% duties 20%
almonds & hazelnuts; malt & starches; refined seed oils; cocoa beans; oilcake; rubber tubes, fittings & conveyor belts; yarn; glass products; most flat-rolled iron products; and vehicle & machinery parts

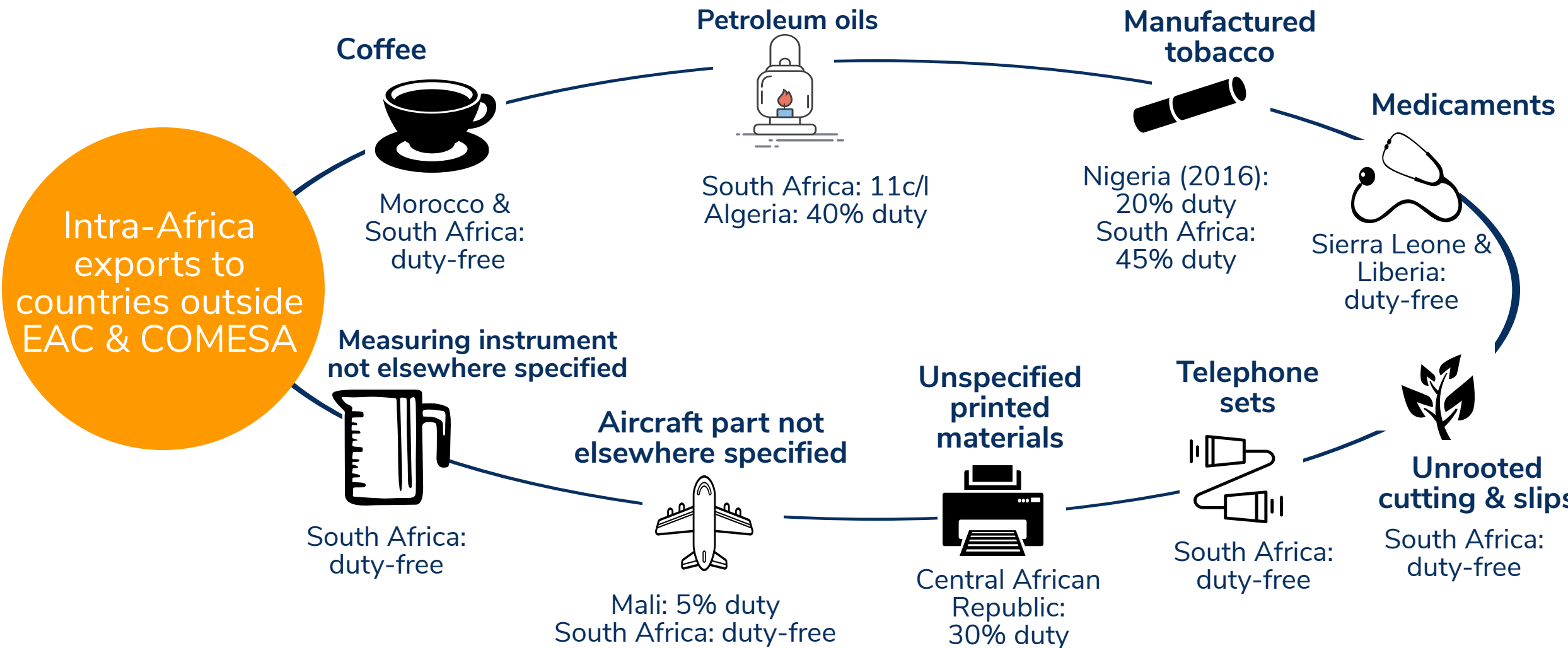
25% duties 40%
most live animals; beef, pork, lamb & chicken; fish fillets; most fresh & dried vegetables & fruits; coffee, tea & spices; chocolate, pasta & pastries; Portland cement; beauty products & soaps; fabrics & clothing items; and assembled vehicles

35% duties 0.3%
hard wheat; cigarettes; water pipe tobacco; second-hand clothes, footwear and other items; and primary cells & batteries

50% duties 0.3%
maize; wheat & maize flour; traditional cotton woven fabrics and garments of these fabrics (Khanga, Kikoi & Kitenge); and cotton bed & table linen

60% duties 0.3%
milk; milk powder; yogurt; buttermilk, kefir & other fermented milk products; fresh cheese & curd; grated, processed, blue-veined & other cheeses

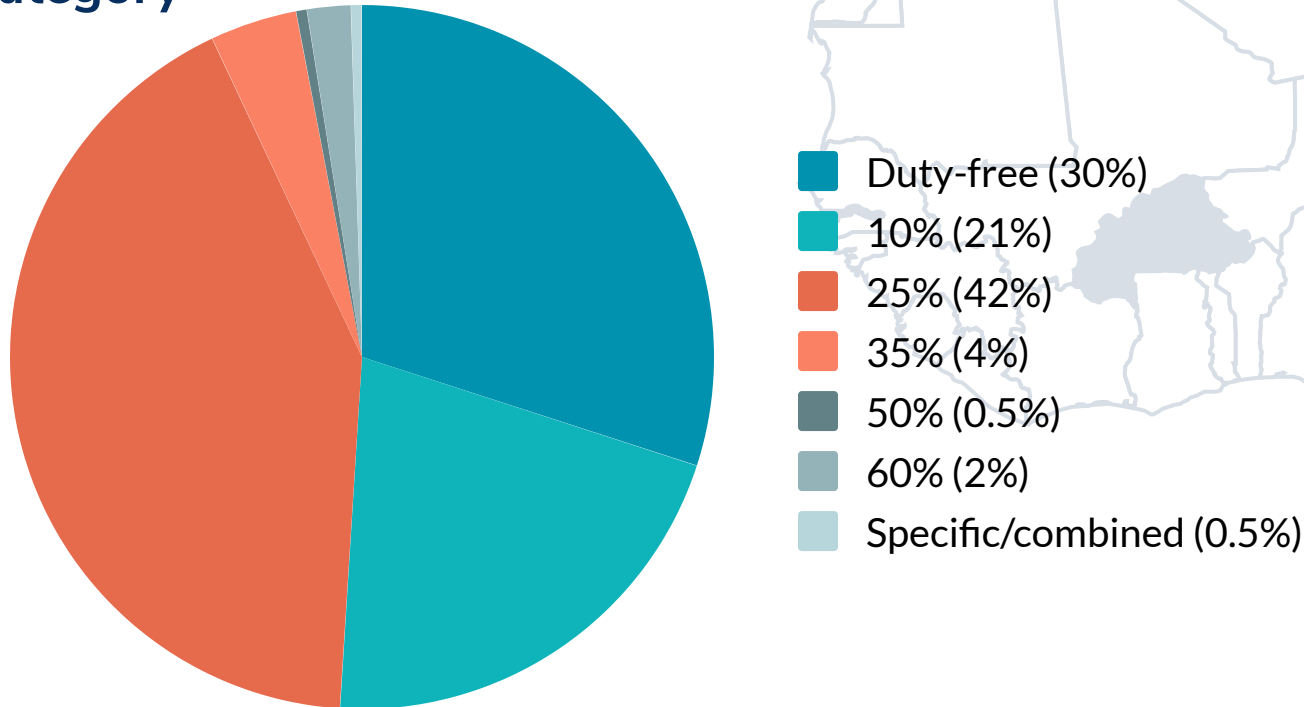
specific/combined 0.9%
steel cladding; sugar; iron bars, rods, angles, shapes & sections; alloy steel bars, rods, angles, shapes & sections; plated flat-rolled iron products; and rice



Uganda's imports from outside EAC & COMESA

All of Uganda's world imports of brakes, tar, fresh apples, pearls & quinces, ferromanganese, crustaceans, fermented beverages, milling machines, tartaric acid, cocoa butter, birds' eggs, radio remote controls, raspberries, and mulberries are sourced from outside the EAC & COMESA.

Categories of MFN duties & % of 2019 imports in each category



- South Africa (64%)**
 - Gold (25% duty)
 - Flat-rolled iron > 600mm thick (duty-free)
 - Iron and non-alloy steel bars & rods (duty-free)
- Burkina Faso (13%)**
 - Gold (25% duty)
 - Printed materials (duty-free)
- Gambia (11%)**
 - Gold (25% duty)
- Namibia (5%)**
 - Gold (25% duty)
 - Automobiles piston engine > 1500 cc to 3000 cc (25% duty)
 - Medium oils (duty-free)

Of the top 20 import products, 11 products are imported into Uganda duty-free. These products include hot-rolled iron/steel, hot-rolled iron/steel bars, medium oils, coal, electricity meters, medicaments, aircraft parts, & aluminium chloride. Imports of refined sugar are charged a specific/combined duty of 100% or US\$460/MT, whichever is higher. A 25% duty is applicable to imports of gold, diesel power trucks < 5 tons, uncoated paper, fresh apples, automobiles with piston engine >1500cc to 3000cc, beauty products, and sardines.

The tariff cost of bilateral trade between Uganda & designated trade partners

The ESCAP-World Bank trade cost database has two components - the tariff costs and non-tariff costs of trade in agricultural goods & manufactured products. The data shows that the cost of agricultural trade between Uganda and all countries (except Brazil, South Africa, Germany & Russia) is more than the cost of manufactured products. Agricultural trade between Uganda and African countries like Malawi, Egypt, and Tanzania is more costly than trade with non-African countries like China, France, the UK, Russia, and Germany. Manufacturing trade between Uganda and Egypt, Mauritius, and South Africa is more costly than with China and the UK.

