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**For immediate release**

**MAKE BUY UGANDAN BUILD UGANDA (BUBU) WORK FOR THE GROWTH AND COMPETITIVENESS OF UGANDA'S SMALL AND GROWING BUSINESSES**

**Kampala, Uganda** - On this day, Monday, 11<sup>th</sup> March 2019, we, members of the Micro Small and Medium Enterprises' fraternity wish to commend the efforts that the Government of Uganda has made through the Ministry of Trade, Industry and Cooperatives (MTIC) to support the production, purchase, supply and consumption of local goods and services as underscored in its Buy Ugandan Build Uganda (BUBU) policy and campaign. The BUBU policy envisions a vibrant, dynamic and competitive private sector that transforms local products through the value chain to meet the required standard. And to further popularize this policy, the Ministry convened the first BUBU EXPO which took place from the 7th to 9th March 2019 at the Kololo Airstrip in Kampala.

Indeed, Uganda's local investors, especially MSMEs comprise approximately 90% of the country's private sector. Their potential to drive rural economic transformation, create jobs and contribute towards the realization of the country's vision and development goal of industrialization, wealth creation and attainment of the middle income status, cannot be over emphasized. Currently, they employ more than 2.5 million people and are responsible for the production of approximately 80% of the country's value added products.

As key beneficiaries of the BUBU policy, we wish to note the urgent need to "*Make BUBU work for the growth and competitiveness of Uganda's small and growing businesses*".

We commend the recent efforts by the Ministry of Trade, Industry and Cooperatives, and especially the Honorable Minister, Amelia Kyambadde for her recent directive, in which she assigned specific days dubbed '*USSIA Street Market Days*' for marketing of MSMEs products in various districts. We also further wish to commend the Ministry for the directive that requires all District Commercial Officers (DCOs) to liaise with supermarkets within their locality to secure shelf spaces for MSMEs' products.

We wish to note however that despite this, a large number of Uganda's small and growing entrepreneurs, particularly women and youth who are engaged in the production and distribution of a variety of goods and services within the local supply chains have yet to fully benefit from supplying large supermarkets and retail shops. Presently, most of the bulk sold in supermarkets are imported products. Even though suppliers of locally made products, especially MSMEs have showed ability to supply supermarket chains, their access to shelf space in these supermarkets has been limited by the presence of similar and cheaper products. Observably, within other parts of the country, such as outside Kampala district, some supermarkets are phasing out small retail shops that would provide a market for their products. In fact some foreign owned supermarkets established both in Kampala and in the outskirts have started producing or importing and repackaging products from their countries of origin. Such products include bakery and confectioneries, spices, milk products, beef products, thereby making it harder for local suppliers to secure shelf space.

In recognition of this anomaly, we wish to take this opportunity following the BUBU EXPO to propose the following recommendations towards strengthening the enforcement of the BUBU policy:

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**Board of Trustees:** Mrs. H. Bank, Prof. Y. Tandon, Mrs. H. Wangusa, and Mr. A. Darga  
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## **1. Development of a law to make the BUBU policy legally binding**

Although the BUBU policy provides an important regulatory foundation for the support of the production, purchase, supply and consumption of locally made goods and services, it is largely best endeavor, and therefore none binding. It should be noted that when the BUBU policy was developed, the policy targeted that upon its implementation by the end of the five year period i.e. 2014-2019, 20% of Government procurement by value would be of local products and services; 50% of shelf space in supermarkets would be populated by local products; all MDAs strictly would abide by PPDA Amendment Act during procurement processes; 50% of local products would conform to national standards; and 50% local resources and raw materials would be utilized in production.

However, five years later, this is yet to be realized. In fact, none of the supermarkets until today has met the requirement to have 50% of their shelf space populated by local products. Some hotels on the other hand still employ the services of foreign suppliers even for services such as security and front door operations. Regarding government procurement, the requirement for the 20% by value is too low even compared to other partner states for example Kenya, which requires that 40% of public procurement budgets for local products and services<sup>1</sup>.

Therefore, in order to enforce these requirements, a law should be enacted to make them mandatory and subject to a penalty upon failure to adhere to these requirements.

## **2. Facilitate the District Commercial Officers to execute their duty of securing shelf space for MSMEs' products in supermarkets within their districts**

In order for the DCOs to effectively deliver on their mandate and further deliver on the directives of the Minister, they require effective facilitation. Currently, only 25 of the 127 districts have DCOs, following the recently concluded District Commercial Services Support (DICOSS) project. We therefore recommend that for BUBU to work for the growth and competitiveness of Uganda's small and growing businesses, non-wage financial allocations to support their effectiveness in delivering on their different roles as DCOs.

## **3. Introduce a BUBU brand mark labelling all locally made products that meet the BUBU requirements**

While effort has been made by a number of local producers to supply the few supermarkets that have allowed them some shelf space, many consumers are not aware which products are locally made and which products are not. We applaud government for its effort to launch the BUBU logo and recommend that all locally made products should be labelled with this BUBU brand mark to indicate it to consumers. This will not only go a long way in ensuring that products are marketed as BUBU products but that it will also support in the awareness creation campaign for the BUBU policy.

## **4. Progressively ring fence certain products for local supply only through the use of the BUBU policy**

Implementation of the BUBU policy requires deliberate effort. Therefore, we recommend that certain products should be ring fenced for local suppliers only. However, in the case of incomplete value chains necessary for the supply of government, the government should fully exhaust the existing value chain to ensure the promotion of BUBU. For example, if government seeks to procure army uniforms but when the only available resource within the value chain is tailoring services, government should in this case consider procuring the material needed outside but procure the services to make the uniforms locally.

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<sup>1</sup> Buy Kenya Build Kenya strategy, June 2017