

**COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S
INDIA-UGANDA BILATERAL TRADE RELATIONS**

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Republic of Uganda is a land-locked equatorial country in East Africa, bordered by Sudan to the north, the Democratic Republic of the Congo to the west, Kenya to the east and Rwanda, Tanzania and Lake Victoria to the south. Uganda is a member of UN, WTO, the African Union, African Development Bank, COMESA, EAC, IOM, Islamic Conference Organization, the Commonwealth, the Intergovernmental Authority on Development and is an ACP member state of the ACP-EU relationship.

2. The economy of Uganda is basically agricultural, and it occupies some four-fifths of the working population. Uganda's moderate climate is especially congenial to the production of both livestock and crops. The country has largely untapped reserves of both crude oil and natural gas. As per available report of IMF Executive Board Completes Fifth Review Under the Extended Credit Facility Arrangement for Uganda March 6, 2024 Uganda's economic recovery is gaining pace, with growth projected at 6 percent in FY 23/24, and rising to 7 percent in FY 24/25 and the medium-term. The inflation outlook has improved, with core inflation expected to remain subdued at 2.8 percent in FY 23/24 and rising to the Bank of Uganda's target of 5 percent in the medium-term. The Bank of Uganda has been proactive in addressing inflation, but upside risks remain. Monetary policy should remain data dependent, loosening only as inflation risks recede, to bring core inflation back to the central bank target.

A snapshot of Uganda's select economic indicators is mentioned below at TABLE 1

Table 1. Uganda: Selected Economic Indicators, FY2020/21–FY2024/25						
	FY2020/21	FY2021/22	FY2022/23		FY2023/24	FY2024/25
	Act.				Rev. Prog.	Forecast
Output						
Real GDP Growth (%)	3.5	4.6	5.2		6.0	6.2
Prices						
Headline Inflation - average (%)	2.5	3.4	8.8		3.1	4.5
Core Inflation - average (%)	3.5	3.2	7.4		2.8	4.4
Central Government Finances						
Revenue and grants (% of GDP)	14.3	14.1	14.4		15.7	16.0
Expenditure (% of GDP)	23.7	21.5	19.9		19.6	19.7
Primary Balance (% of GDP)	-7.1	-4.6	-2.3		-0.6	-0.4
Fiscal Balance (% of GDP)	-9.8	-7.6	-5.5		-3.8	-3.6
Public Debt (% of GDP)	48.8	50.5	50.2		49.6	49.3
Money and Credit						
Broad Money (% change)	8.5	10.0	6.6		11.5	10.8
Credit to Private Sector (% change)	8.3	11.0	6.5		8.0	12.1
Policy Rate, EOP (%)	6.5	7.5	10.0	
Balance of Payments						
Current Account Balance (% of GDP)	-10.6	-8.1	-8.3		-8.2	-7.3
Reserves (in months of next year's imports)	4.9	4.0	3.4		3.3	3.7

External Public Debt (% of GDP)	31.4	31.3	29.5		30.1	30.2
Exchange Rate						
REER (% change)	0.7	3.6	4.1	
Source: Uganda authorities and IMF staff estimates and projections						

Source: IMF Executive Board Completes Fifth Review Under the Extended Credit Facility Arrangement for Uganda March 6, 2024.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Uganda are South Sudan, Kenya, Congo, Dem. Rep., Italy and Tanzania. On the other hand five major import partners Uganda are China, United Arab Emirates, India, Kenya and Japan. Major five exported goods of Uganda are ((i) Coffee, not roasted or decaffeinated, (ii) Cane or beet sugar, in solid form, nes, (iii) Petroleum oils, etc, (excl. crude); preparation, (iv) Portland cement (excl. white) and (v) Cocoa beans, whole or broken, raw or roasted.

On the other hand major five imported goods are (i) Petroleum oils, etc, (excl. crude); preparation, (ii) Palm oil (excl. crude) and liquid fractions, (iii) Other medicaments of mixed or unmixed products, (iv) Spelt, common wheat and meslin and (v) Flat rlld prod, i/nas, in coil, hr,=>600mm w, l.

4. Uganda's total exports in 2019 were of the order of US\$ 3,564 million. It has scaled upto US\$ 6,305 million in 2023 with 76.27% increase recorded in 2023. During the period from 2019 to 2023. the annual average compound rate of growth of exports was 15.33%.

5. Uganda's total imports in 2019 were of the order of US\$ 7,696 million and which has touched US\$ 11,780 million mark in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 11.23%.

6. Uganda runs an overall Balance of Trade deficit from 2019 to 2023 which scaled upto USD 5,475 million. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 12.58%.

A snapshot of Uganda's overall Trade Statistics is presented in Table 2 and Figure 1.

A snapshot of India's merchandise trade statistics w.r.t. Uganda is presented in Table 3 Figure 2

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. Indians and persons of Indian origin play a key role in the Ugandan economy in the manufacturing, trade and service sectors. Indian businesses employ thousands of Ugandans and are among the largest taxpayers in Uganda. Uganda ranked 88th as an export destination in FY 2023-24 India exports to Uganda 0.12 % of it's total export value in FY2023-24. In the same financial year imports from Uganda was 0.13% of India's total import value. Uganda was the 62nd largest import partner of India in FY 2023-24. Almost 0.13% of India's international trade value was between India and Uganda as has been recorded in FY 2023-24 as per DGCI&S data base.

8. Indo- Uganda total volume of bilateral trade in FY 2019-20 was of the order of US\$ 656.11 million. It has scaled to US\$ 1,391.25 million in FY 2023-24. The annual compound growth rate of total volume of trade during the period from 2019-20 to 2023-24 has been of the order of 20.67%.

9. It appears from the available figures that between 2019-20 and 2022-23, India has had a surplus Balance of Trade with Uganda. Exports from India to Uganda increased maximum 7.85% in FY2020-21. The annual average compound rate of growth of Exports was -4.91%. On the other hand, imports from Uganda to India increased by 265.30% in FY 2021-22 followed by another 245.61% increase in 2022-23. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 124.78%.

10. Additionally, from Tables 4 & 5 presented at Annexure-II below the following are stated:

a. Drugs, Formulations, Biologicals, Two And Three Wheelers and Indl. Machinery For Dairy Etc. are occupying the top three slots in India's exports to Uganda in the year 2023-24. Drugs, Formulations, Biologicals occupying the 25.90% share of export value India to Uganda.

b. Gold, Coffee and Cocoa Products are the three major commodities in India's imports list from Uganda in the year 2023-24, India's imports a significant amount Gold from Uganda with a share of 95.66% of total imports from Uganda recorded in 2023-24.

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TABLE - 2
UGANDA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2019 - 2023

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	3564		7696		11,260		-4132
2020	4149	16.41	8250	7.20	12,399	10.12	-4101
2021	3965	-4.43	9086	10.13	13,051	5.26	-5121
2022	3577	-9.79	9748	7.29	13,325	2.10	-6171
2023	6305	76.27	11780	20.85	18,085	35.72	-5475
Annual Growth Rate	Compound						
	15.33		11.23		12.58		

NOTE : Figures relate to calendar year (January to December)

SOURCE: UN COMTRADE PUBLICATION

Figure - 1

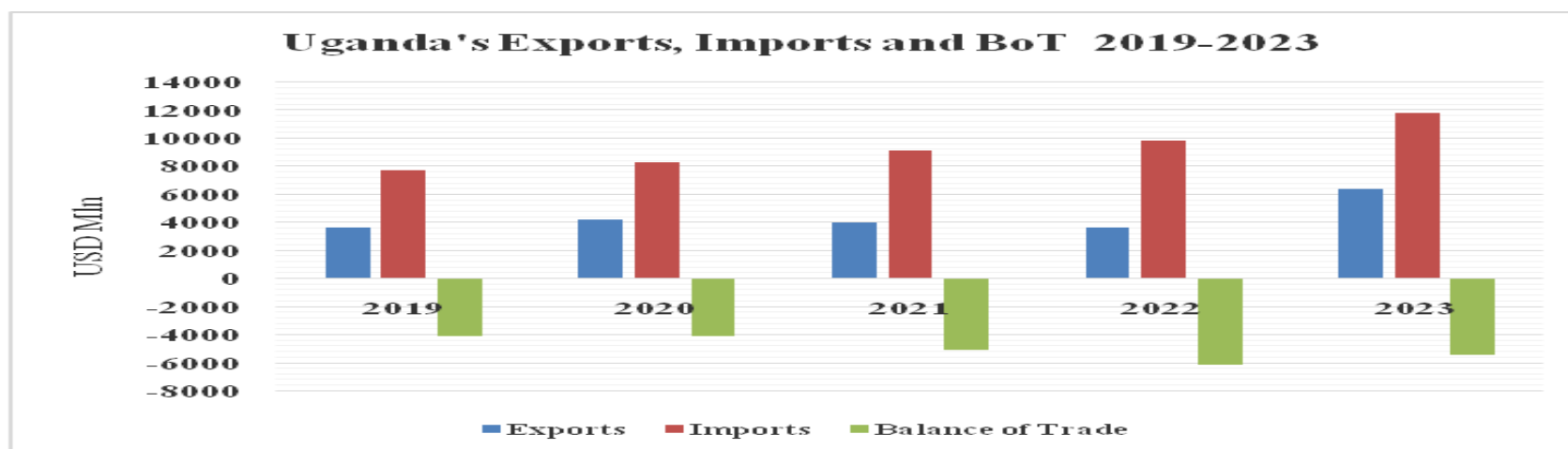


TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO UGANDA
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Drugs, Formulations, Biologicals	161.61	200.58	187.68	145.55	131.61	24.11	-6.43	-22.45	-9.58
	Share in total export	26.00	29.92	26.90	25.99	25.90				
2	Two And Three Wheelers	60.71	67.62	96.24	93.94	92.74	11.38	42.32	-2.39	-1.28
	Share in total export	9.77	10.09	13.79	16.77	18.25				
3	Indl. Machinery For Dairy Etc.	62.68	43.91	54.18	32.95	40.74	-29.95	23.39	-39.18	23.64
	Share in total export	10.08	6.55	7.76	5.88	8.02				
4	Cotton Fabrics, Madeups Etc.	14.02	9.14	13.43	21.39	16.26	-34.81	46.94	59.27	-23.98
	Share in total export	2.26	1.36	1.92	3.82	3.20				
5	Motor Vehicle/Cars	12.09	15.97	19.82	19.77	14.28	32.09	24.11	-0.25	-27.77
	Share in total export	1.95	2.38	2.84	3.53	2.81				
6	Electric Machinery And Equipments	17.57	16.20	12.87	10.77	10.91	-7.80	-20.56	-16.32	1.30
	Share in total export	2.83	2.42	1.84	1.92	2.15				
7	Agro Chemicals	22.85	26.52	22.57	11.89	10.19	16.06	-14.89	-47.32	-14.30
	Share in total export	3.68	3.96	3.23	2.12	2.01				
8	Medical And Scientific Instruments	4.20	4.87	5.40	13.68	9.31	15.95	10.88	153.33	-31.94
	Share in total export	0.68	0.73	0.77	2.44	1.83				
9	Bulk Drugs, Drugs Intermediates	6.76	21.51	16.27	9.58	8.73	218.20	-24.36	-41.12	-8.87
	Share in total export	1.09	3.21	2.33	1.71	1.72				
10	RMG Cotton Incl. Accessories	3.19	4.31	11.94	19.80	8.71	35.11	177.03	65.83	-56.01
	Share in total export	0.51	0.64	1.71	3.54	1.71				
	Total exports to UGANDA	621.52	670.32	697.78	560.06	508.14	7.85	4.10	-19.74	-9.27

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM UGANDA
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
1	Gold			76.77	453.29	844.78			490.45	86.37
	Share in total import			53.69	91.73	95.66				
2	Coffee	6.43	8.82	16.75	20.68	14.77	37.17	89.91	23.46	-28.58
	Share in total import	18.59	22.53	11.71	4.18	1.67				
3	Cocoa Products	13.39	10.70	24.81	8.62	8.68	-20.09	131.87	-65.26	0.70
	Share in total import	38.71	27.34	17.35	1.74	0.98				
4	Pulses	1.40	9.19	15.24	0.87	3.67	556.43	65.83	-94.29	321.84
	Share in total import	4.05	23.48	10.66	0.18	0.42				
5	Residual Chemical And Allied Products		0.16	0.09	0.63	2.64		-43.75	600.00	319.05
	Share in total import		0.41	0.06	0.13	0.30				
6	Spices	0.65	0.65	0.90	1.48	2.39	0.00	38.46	64.44	61.49
	Share in total import	1.88	1.66	0.63	0.30	0.27				
7	Dairy Products	1.26	2.10	0.02	0.72	1.52	66.67	-99.05	3500.00	111.11
	Share in total import	3.64	5.37	0.01	0.15	0.17				
8	Finished Leather	0.57	1.23	0.51	0.79	0.78	115.79	-58.54	54.90	-1.27
	Share in total import	1.65	3.14	0.36	0.16	0.09				
9	Essential Oils	0.51	0.34	0.75	1.89	0.77	-33.33	120.59	152.00	-59.26
	Share in total import	1.47	0.87	0.52	0.38	0.09				
10	Bulk Drugs, Drugs Intermediates		0.06			0.39		-100.00		
	Share in total import		0.15			0.04				
	Total import from UGANDA	34.59	39.14	142.98	494.15	883.11	13.15	265.30	245.61	78.71

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I