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## SEATINI-UG WEEKLY NEWSLETTER

### **“Policy maker’s meeting to discuss proposals to review the Uganda Insurance Bill, 2016 and other business related laws to conform to the East Africa Community Common Market”**

SEATINI-Ug together with a selection of Members of Parliament and other stakeholders, engaged in a discussion with proposals to review the Uganda Insurance Bill, 2016 in order to conform to the East Africa Common market.

While the EAC treaty, Chapter 12, Articles 79 and 80 provides that the five partner states agree to co-operate in the areas of investment with the aim to harness the investment potential of the region to promote economic growth and development. This co-operation can only be reinforced with the implementation of the EAC CMP, the partner states commitments on free movement of capital, services and goods. Given that the successful implementation of the EAC common market

and services for its growth in the regional market. Each of the partner states insurance sectors is quite small with low market penetration levels and premiums and thus the EAC regional integration presents major opportunities for the growth of the sector given the wider market. However this requires a supportive legal framework to be in place. The insurance Act is the overarching binding legal framework for the operations of the insurance sector in Uganda and therefore it is imperative to be coherent with the EAC common market provisions as provided for under Article 24 on the free movement of capital.

The current Bill, 2016 has been approved by the parliamentary committee on finance, however it does not conform to the East African Common Market Protocol (EAC CMP). Especially clauses 36(2) (a) and 50 (1) of the Bill are inconsistent with Article 24 of the EAC CMP which requires all partner states to remove restrictions to the free movement of capital within the region. If passed into law, the Act will undermine the successful implementation of the EAC CMP which lies within partner states national policies, regulations and laws.

**“RAISE AWARENESS OF PARLIAMENTARIANS ON THE IMPERATIVE FOR IMPLEMENTATION OF THE EAC COMMON MARKET PROTOCOL.”**

protocol resets within partner states national laws, policies and regulations, partner states must undertake policy reforms to make their legal frameworks conform to the EAC CMP.

The Insurance sector is unique depending on both the flexibilities in the movement of capital

The meeting aimed at;

- Raising awareness of parliamentarians on the imperative for implementation of the EAC Common Market Protocol.
- Enhancing parliamentary understanding and appreciation of the national policies, regulations and laws in implementation of the EAC Common Market Protocol.
- Finding a way forward in regards to audit of Ugandan laws to ensure that they conform to the EAC Common Market.

**Validation meeting for AGOA strategy 2015-2025 working group, Government Ministries, MDA's, Private sector.**

SEATINI-Ug participated in a validation meeting for AGOA 2015-2025 whose objective was to validate the AGOA strategy in Uganda. The main purpose of the strategy was to identify key products that Uganda has the potential to effectively produce, add value addition and export to the US market.

This strategy identified coffee, specialty foods, fish, cut flowers, textiles and apparel, fashion and home décor as some of the potential products that can penetrate the US market. Under AGOA, countries are given free market access to the US to export over 6000 products.

**Observations:**

- AGOA's main challenge was mainly lack of awareness among the people as it was associated with the collapse of Tri-star and returns from export under this act have been minimal

- It was highlighted that recent failures of AGOA were mainly due to poor market analysis of the USA market where Ugandan producers failed to meet the demands of the market
- According to the lead Consultant, the main exports under AGOA to the USA have been mainly dominated by oil and textiles.
- Transport costs due to Uganda's geographic location have been the main barrier as there is no direct flight to the USA.
- It was stated that this strategy may not only be used for AGOA purposes, but rather it can be a tool to strategically position the country and increase its value added exports. The notion behind this statement was that if you can successfully penetrate the USA market and create strong relations with its sophisticated large market, you will have the potential to export anywhere in the world.
- Producers were advised that given the transportation cost and nature of exports (perishable goods) some products like fish would be best produced for the local and regional markets. This statement comes after it was realized that there has been a decreasing number of fish in Lake Victoria with Nile perch possibly get extinct in the next few years.
- Lastly producers urged government for production incentives as a way of reducing their overall production cost.

**Way forward:**

A decision was taken to increase the number of stakeholders in AGOA working group so as to make the consultations more inclusive.

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