

Statement by

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President of the Republic of Uganda

At the

India/Africa Partnership
Summit Forum

New Delhi, India,
10th April 2008

Rt. Hon. Prime Minister, Dr. Manmohan Singh;
Your Excellencies Heads of State and Governments;
Members of the Diplomatic Corps;
Distinguished ladies and gentlemen.

I wish to thank the organizers of the India-Africa Summit and the Indian Government for their vision to promote and strengthen the partnership between India and Africa through equitable opportunities.

The relationship between India and Africa spans centuries back, with very early trade links. The Portuguese, in the 16th Century, imported Goan workers to build Fort Jesus, where their trade was based. The Asians in Uganda came as labourers for the building of the East African Railway in the year 1890.

There is, indeed, no suppliant in this relationship – we all come together to chart out a way forward on mutual cooperation.

We, in Africa, appreciate, with keen anticipation, the gesture of the India-Africa Partnership Summit, which clearly demonstrates economic interests at the heart of it. This summit is a God-given opportunity for Africa and India to revive and redefine this relationship for the further transformation of our societies. It is my sincere hope that the India-Africa Summit shall, indeed, concretize the existing ties between India and Africa; as well as promote future areas for cooperation and development strategies.

I am pleased to note that this relationship has metamorphosed from casual labour to trade and investment.

Africa was not cursed, as some opportunists would want us to believe. She is, in fact, one of the richest regions in the world, in terms of both human and natural resources.

What is lacking, however, is the development of these resources; as well as the strategic framework in terms of sufficient integration to create a critical mass in terms of market size and a more attractive investment destination.

Policy mistakes made by African leaders in the 1950s, 60s and 70s have cost the continent in terms of development. While countries that were not very different from ours in those years have managed to take great leaps towards development, Africa is still marking time. India, too, was colonized by the British and only got independence in 1947; but they are far ahead of many countries that attained independence around the same time.

Africa has been bedeviled by the following bottlenecks:

1. Anti-private sector bias, which has been somewhat ameliorated, but not been completely eliminated.

This led to the nationalization of private companies in the 1960s. Idi Amin, for instance, made the unfortunate move of expelling the Indian community who had made Uganda their home, because he did not see the usefulness of the private sector in the economy. A common factor is an un-informed, distorted form of nationalism, which is manifested in the form of unnecessary bureaucracies in the investment process;

2. Lack of access to international markets has been a major bottleneck to Africa's growth and transformation. The India-Africa Partnership shall enhance our opportunities at accessing market.

3. Massive value loss from Africa to the outside world on account of exporting semi-processed goods; which makes Africans the unacknowledged donors of wealth to Europe, USA and other parts of the world.

4. A Small fragmented African market, characterized by low purchasing power.

The current population of Africa is estimated to be 900 million and it is expected to grow to 2 billion by 2025. Africa is, therefore, a formidable market. Africa's exports to India were, in 2001-2005, valued at US\$10.2 million; and her imports from India were 14.3 billion.

Today, the East African Community (EAC) embraces a growing market of a combined population of 120 million people, with a combined GDP of about \$ 50 billion.

Exports from East Africa (excluding Rwanda and Burundi) to India in the period 2001-2005 were US\$ 171 million. In order to compete and survive in the modern world, we must politically organize at a supra-tribal, supra-national level. We must work at further integration and strengthening of existing economic bodies.

While we explore areas of mutual cooperation between India and Africa, I call upon India to partner with us in building industries, modernizing services, modernizing agriculture, expanding infrastructure, capacity building and ICTs. Agriculture, agro and food processing, construction, consultancy, mining and minerals, transport infrastructure, power and energy, pharmaceuticals, healthcare, tourism, Information and communication Technology (ICT), iron and steel, human resources development, water management, sanitation, oil and gas projects in the private sector; among others, are crucial sectors in the transformation of Africa.

In particular, I would like to request the Indian Government to encourage Indian companies to invest in Africa so as to take advantage of the zero-tariff, quota-free market access to the USA, EU and Chinese market that we have already secured for a large range of products.

This will increase employment opportunities for our people and improve our people's purchasing power. The partnership between India and Africa should give us a hand-up and enable Africa to surmount these challenges.

India is among the top five sources of Foreign Direct Investment (FDI) in Uganda. The volume of trade between India and Uganda rose from US\$ 5.6 million in 1989 to US\$ 105.5 million in 2003. In 2005 Uganda's imports from India (salt, pharmaceuticals, agricultural machinery, chemical products, spare parts for automobiles and steel) were US\$ 93 million. Uganda's exports to India, however, are still negligible, at 0.002% of total Indian imports to Uganda. Exports from Uganda to India (agricultural products e.g. coffee, tea, hides and skins, wood, scrap metal) were, in 2005 valued at US\$ 2,848,000. This is on account of our low level of industrialization.

We must work towards the reversal of the tilt in the trade relations between India and Africa.

The transformation of our predominantly agrarian society is paramount in all developmental efforts. Challenges to smoothen trade still exist in the form of trade barriers. It is my sincere hope that this summit shall pave way for the opening of market access for African goods in India. Investments are welcome to Africa to promote value addition, as well as in infrastructural development; for instance, in railways and the ICTs. I call upon you to take advantage of the many investment opportunities that abound in Uganda.

I thank you.

8th April 2008
New Delhi, India.