



THE 5<sup>TH</sup> ANNUAL BANKER'S CONFERENCE  
DATE: 25<sup>TH</sup> JULY 2022



**THEME: “Bridging financing gaps in the manufacturing & tourism/hospitality sectors to catalyze economic recovery & growth post 2021”**

OPENING REMARKS BY UBA CHAIRPERSON

**Protocol.**

- The Deputy Governor Bank of Uganda, Dr Michael Atingi-Ego.
- Hon Members of Parliament here present
- The Permanent Secretaries - Ministry of Trade & Industry and Tourism & Antiquities respectively.
- The Chairman Uganda Manufacturers Association and the Uganda Tourism Association.
- The Representative of MasterCard Sub-Sahara Africa & aBi Finance respectively.
- Our keynote speakers, distinguished panelists, authors, resource persons & sponsors for this conference.
- Members of the Diplomatic Corp & Development Partners here present.
- All Representatives of Government Ministries, Departments & Agencies.
- Stakeholders in the Manufacturing, Tourism, Hospitality & Agri-business sectors
- Other Private Sector Players represented here this morning.
- Representatives from the Academia, Civil Society and all Professional Bodies.
- Directors and Chief Executive Officers of Financial Institutions
- Distinguished Invited Guests On-line, Ladies and Gentlemen.

*My names are Sarah Arapta , the CEO of Citibank Uganda and UBA Chair*

**Welcome:**

On behalf of the Uganda Bankers Association, I thank you all for honoring our invitation and I welcome you to the 5<sup>th</sup> edition of Annual Bankers Conference being held today & tomorrow.



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## **Background:**

This year’s annual bankers conference comes at the time when Uganda like many other countries was beginning to recover and live with the effects of the Covid -19 pandemic, following the reopening of our economy in February . And just as the wounds and scars of the pandemic disruptions were healing , with projections of a rebound in economic activity , a sunset of economic uncertainty suddenly shed a deem reality to this expectation.

The second quarter of 2022 brought with it significant downside surprises. The scale and magnitude of the global economic uncertainty resulting from the war between Russian and Ukraine has impacted global financial markets and commodity prices coupled with inflationary wave on a global scale.

We are part of a global village & the impact of the war between Russia & Ukraine has caught up with us through supply chain disruptions, commodity price spikes especially (fuel) and food insecurity which are now compounding inflationary pressures. With the outlook remaining uncertain, access to international capital markets is fraught with tightening from key Western economies who are rising their central banks rates.

Many African governments are struggling to respond given the limited fiscal space they are faced with as they strive to overcome the pressures of debt servicing given the tightening of financial conditions.

It is with the backdrop of such challenging times, that we must stand up and be counted in finding sustainable and resilient solutions that address our own challenges domestically and or regionally.

## **Conference Expectations:**

The theme for this year’s conference, **“Bridging financing gaps in the manufacturing & tourism/hospitality & agribusiness sectors to catalyze economic recovery & growth post 2021”** is therefore very relevant during these unprecedented times, and presents both challenges as well as opportunities not only for the financial sector but all other related sectors and spheres of life.

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Our national development plan (NDP III) highlights among others, manufacturing & tourism as key growth sectors that have huge development multiplier effects owing to their forward and backward linkages with other sectors including agriculture, SMEs, in job creation, in regional trade and generation of foreign exchange and as such considered priority areas of focus.

Manufacturing is a key engine of growth in Uganda given its strong linkages and spill over effects of the sector. The sector consumes a staggering 67% of all power generated , employs over 1.3mm people, contributes 15.4% to GDP, 19% of the total exports to the global market and 14% of the tax revenue collected .

The banking & financial sector is pivotal to all the above dynamics as providers & enablers of financial flows and is the reason for this annual bankers conference dialogue this year

The banking sector currently carries a direct exposure of about Ugx 2.4Trillion to the manufacturing sector excluding indirect facilities like guarantees & letters of credit and about UGX 435bn in direct working capital facilities to the tourism sector, while tourism property developments are captured under commercial real estate.

For the country to expand capacity, financial flows to these sectors need to be scaled and by extension, their multiplier effects will come to into play.

During this conference we will,

- a) Take stock of the financing gaps and other funding challenges therein constraining the manufacturing, tourism/hospitality & agribusiness sectors in Uganda in accessing finance and most importantly **how to ready players in these sectors for different types and combinations of financing.**
- b) Evaluate on how best, financial sector players and institutions can competitively and sustainably bridge the gap and make available the much-needed financing required to support both recovery & growth of the above two sectors without compromising the resilience & growth of the banking sector itself.

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- c) The conference will also Deliberate on the critical roles that need to be played by other key stakeholders including Government, Regulators, legislators, development partners, sector players and private sector actors in the respective ecosystems, in this process.

Funding uptake goes hand in hand with expansion of markets which is where the cashflows come from. Support towards access to & opening of markets especially around the region, as well as attracting more visitors as we build capacity will therefore be critical anchor pins of any sustainable funding strategy.

We need to

- review fiscal policies that constrain inflow of private capital be it debt or equity,
- fast track legislation that enables the banking & financial sector to expand & deepen,
- attract alternative sources & mechanisms of financing to supplement traditional bank financing,
- cultivate good borrowing & repayment culture to attract more finance providers, take into account ESG matters that are now central to the flow & sustainability of any business.

For this to happen, the economy relies on policy makers, legislators, private sector players & indeed all of us to play our role.

I wish to use this opportunity to intimate to Government & the private sector players particularly the manufacturers who are today's dedicated audience, that the banking sector are your key partners and beyond the custodial & tax collection, the payment facilitation, and the extension of credit roles we play including to Government, through investment in Government securities as well as provision of infrastructure financing support through trade services, **We are currently working on a specially structured & customized Regional Export Credit Facility to the tune of about Ugx 1 trillion to support our manufacturer's involved in Regional Export. We plan to have this Export Credit facility launched later this year by H.E the President of Uganda**

Uganda not only has comparative advantage in agriculture and natural resources but is equally endowed with critical factors of production like land , skilled labor , electricity and



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infrastructure, so the objective here is to plug the existing gaps, facilitate production, provide funding support to the catalytic and powerful entrepreneurial eco-system through fostering amongst others, technology innovation for enhanced value addition to drive export growth and fully harness the attendant trickle down benefits.

## **Gratitude**

Today, we will hear from various conference resource persons who have graced our conference.

In a special way, we welcome our keynote speakers who will be introduced in more detail later. Mr. Hippolyte Fofack and Mr. Luis Lechiguro, we thank you both for accepting to come and share with us your insights on the theme of this conference.

I would like to convey our sincere gratitude to the Deputy Governor & his entire team at the BoU for their continued stewardship of the sector particularly in these challenging and evolving times.

Special recognition goes to Government through the ministries of trade & industry, tourism & antiquities, Ministry of finance and all its various agencies for the important role they play in this journey.

To our all our sponsors and partners including MasterCard and aBi Finance, I say thank you !

I also would like to thank all the panelists, writers, all stakeholders & participants, who have logged on and are participating online for coming to share knowledge, insights, experiences & above all offer hope.

## **Conclusion:**

I wish to conclude by saying that as a sector, we are fully cognizant of the delicate balance between facilitating growth at the same time remaining resilient as a sector especially in these challenging times. Critical to this resilience is the demonstration of the role we play in embedding sustainability in every aspect of our mandate. Looking ahead, sustainability will be an even more integral part not only, for our borrower's access to capital but crucially a basis for us to challenge our selves on how to fully and



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sustainably unleash the sectors full potential for supporting national social economic transformation of Uganda.

We therefore count on your continued support in bringing alive all the recommendations that will arise from this conference as we foster economic recovery.

I thank you.

**Sarah Aapta.**  
**Chairperson**

**25<sup>th</sup> July 2022.**