

OPENING REMARKS BY UBA CHAIRPERSON

Protocol.

- The Minister of Finance, Planning and Economic Development, Hon. Matia Kasaija
- The Deputy Governor Bank of Uganda, Dr. Michael Atingi-Ego.
- The President and Chairman of the Board, Afreximbank, Prof. Benedict Oramah and the entire management & staff of Afreximbank.
- UBA Member CEOs and staff of Financial Institutions present.
- All Representatives of Government Ministries, Departments & Agencies present
- Private Sector Players represented here this morning.
- Distinguished Guests, present here, including the on-line audience, Ladies and Gentlemen.

Good Morning to you all

My name is Sarah Arapta, the CEO of Citibank Uganda and the Chair, Uganda Bankers' Association

On behalf of the Uganda Bankers Association, I welcome you to the Afreximbank Trade Finance Seminar 2022.

Brief about Uganda Bankers' Association (UBA)

Uganda Bankers' Association is the Umbrella body for financial institutions supervised and licensed by Bank of Uganda. Our membership comprises of 36 members made up of 24 Tier 1 Commercial Banks, 9 Tier 2 & 3 MDIs/MFIs and 3 development banks (namely East African Development Bank + Uganda Development Bank and our newest member Afrexim Bank admitted in June this year.

Our mission is to promote a sound banking environment through research, innovation, advocacy, good governance and best practices.

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To achieve this, we undertake as part of our initiatives,

- Research & high-quality policy dialogues on banking and financial sector matters, including trends, key issues & drivers impacting on or influencing the industry and national development processes thereof, in collaboration with other agencies (local, regional, international including academia).
- We work closely with the regulator, the Central Bank of Uganda and other non-bank financial institutions & organizations in promoting financial sector growth, through training, and other capacity building initiatives.
- We make use of stakeholder engagements to advocate for policy changes at industry and national level.

Today's trade seminar therefore fits in very well with our mission and reinforces our core objectives.

Main Body

Just about two months ago in July, we held the 5th Series of the Annual Bankers Conference, under the theme, "**Bridging financing gaps in the manufacturing/trade & tourism/hospitality & agribusiness sectors to catalyze economic recovery & growth post 2021**".

We are grateful to you, Prof. Oramah for assigning a very valuable resource in the names of Dr. Hippolyte Fofack who delivered the keynote address and enriched the conference with the practical Pan-African experiences & interventions by Afrexim Bank.

The discussions and presentations shared at the 5th Annual Bankers Conference highlighted the importance of regional trade as the pull catalyst to the multiplier sectors of manufacturing & agriculture as well as the missing links & gaps constraining this potential particularly after the effects of the covid-19 pandemic.

Talking about the pandemic, I wish to share with you some indicative statistics of its effects on economic performance in Uganda.

- The pandemic shock contributed to revenue shortfalls of US\$3.2 trillion in FY2019/20 and US\$2.2 trillion in FY2020/21.
- There was a sharp increase in the budget deficits to 7.1% and 9.0% in FY2019/20 and FY2020/21, respectively.
- Debt service to revenue has increased to 30.6% in FY2021/22 from 21.7% in FY2019/20.

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On the external performance particularly the trade side,

- A review of Uganda's import vs export values indicate that between July 2021 and June 2022, the trade deficit rose from \$314.56 million to \$439.38 million or 39.7%.

Important and positive to note however is that !

- Uganda's merchandise export receipts increased by 3.8% from USD 365.13 million in June 2022 to USD 379.16 million in July 2022. This was mainly due to increased receipts from maize, simsim, vanilla, hides & skins whose export volumes also increased during the month.
- The East African Community was the major destination for Uganda's exports in July 2022, accounting for 57.7% of the export receipts.

Covid-19 clearly demonstrated the urgent need for growing cross -border trade, payment gateways & settlement systems.

The EAC region alone has 285 million people. Africa has other regional blocs in Southern Africa, West Africa & North Africa all purposed for regional trade.

The challenges of trade imbalances and foreign exchange risks can best be addressed via the arsenal of interventions being championed by The African Continental Free Trade Area (ACFTA) aspirations.

Afrexim Bank plays a pivotal role in the mobilization of capital that promotes trade flows and its delivery through the wide product & service range to governments, financial institutions & businesses. This chain of interventions and linkages (backward & forward) brings about jobs, foreign exchange and economic development which is what Africa desperately needs.

This week's trade seminar is therefore very timely and most welcome not only for our members, but also the other players in the economy who play a very important role in trade business & its facilitation.

I wish to state that the banking sector remains your infrastructure partner providing counters for trade finance expansion. We will leverage on the physical presence of Afrexim Bank in Uganda to extend to our customers structured facilities as well as payments & investment financing solutions much required to open trade boundaries across the region.

Conclusion

As I conclude, I wish to salute Afreximbank for this critical investment of capacity building and look forward to the knowledge sharing and learnings over the next 3 days to enable us meet the challenges of financing trade across borders.

Lastly I wish to thank the country teams and UBA Secretariat for all the effort towards organizing for this seminar.

I wish you all good productivity over the next three days

Thank you for Listening

Sarah Arapta.
Chairperson

3rd October 2022