

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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AUTONOMOUS LIBERALIZATION MEASURES

Uganda

The following communication, dated 17 November 1993, has been received from the Permanent Mission of Uganda.

The Government of Uganda is pleased to inform the Director-General of the General Agreement on Tariffs and Trade that ever since the coming into power of the National Resistance Movement (NRM) Government in 1986, it has autonomously pursued a programme of progressive liberalization of its trade and economy undertaken within the wider context of structural adjustment and an ambitious and realistic programme of development. The aim has been of achieving sustainable long-term development and growth for the benefit of its entire population.

The Government of Uganda would like this information about its autonomous liberalization measures to be circulated to all the participants in the Uruguay Round Negotiations, not only in the context of the market access negotiations, but also in the broader context of it following the wider objectives of the Punta del Este Declaration. The measures undertaken include, inter alia, the following:

1. Import and export procedures have been liberalized and import and export licensing has been abolished.

In September 1990 an Export Certification System was introduced. The holder of the certificate is allowed to export any goods except those specified in a short negative list.

In November 1991 an Import Certification System, similar to the one for exports was introduced. Any goods not on a short negative list of imports can be imported by the holder of the certificate.

Import controls as a means of protection have largely been dismantled in favour of tariff arrangements.

2. The exchange rate policy has been reformed with the objective of eliminating overvaluation of the exchange rate.

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3. An Investment Authority was established in January 1991 and an Investment Code enacted offering liberal incentives for investors. The Investment Code offers attractive terms to foreign investors by providing tax holidays and repatriation of profits and dividends.
4. Export tax, which used to be levied on some products, has been abolished.
5. The monopoly of certain public sector concerns e.g. Marketing Boards to purchase locally and to export has been abolished.
6. The Government has embarked on a programme of divesting itself from enterprises in the commercial and manufacturing sectors, where the private sector can play a more effective role.
7. The 1993/94 budget included several provisions in line with the Government's commitment to liberalization. The tariff structure for customs duties was rationalized from a previous six-rate structure (0, 10, 20, 30, 40, 50 percent) to one of only four rates (0, 10, 20, 30 per cent). The exception is on petroleum products, kerosene, diesel and petrol. All goods previously attracting rates above 30 per cent now attract duty of 30 per cent. All raw material inputs face a uniform 10 per cent duty. The previously established system enabling the refund of sales tax and excise duty on exports of finished goods has been expanded to allow exporters to claim back the duty also on raw material inputs.
8. Sales tax is levied on both imports and local products. The sales tax rates have also been reviewed from time-to-time and the highest rate is now 30 per cent (range 0, 10, 20, 30 per cent).
9. Imports from PTA partner States attract different customs duty rates from other countries. The rates are generally lower and the target is to have zero rates by the year 2000.
10. With effect from 1993/94, the Harmonized Commodity Description and Coding System will replace the CCCN and a Bill to this effect has already been tabled.

Thus the economy, including the trade and tariff régime, has been considerably liberalized.

The Government of Uganda hopes to continue to progressively liberalize its economy to speed up the country's economic development.