



Trade, Investment and Infrastructure in the context of the Socio economic transformation of the East African Region

JANE S. NALUNGA

SEATINI-U



www.seatiniuganda.com



+256-414-540856

Outline

- ❖ What is Socio-Economic Structural Transformation & Sustainable Development?
- ❖ Trade
- ❖ Investment
- ❖ Infrastructure
- ❖ Drivers , winners & losers
- ❖ conclusion

Defining Socio-Econ. structural transformation & Sustainable Dev't

- ❖ Reallocation of economic activities across the key sectors of agriculture – manufacturing/ industrialisation - services.
- ❖ Revitalization of production in each of these key sectors to facilitate backward and forward linkages ; from basically agrarian to industrialised societies.
- ❖ **Sustainable Development:-** Development “that meets the needs of the present without compromising the ability of future generations to meet their own needs
- ❖ meeting the basic needs of all and extending to all the opportunity to satisfy their aspirations for a better life.



Socio-Economic Transformation in the EAC region

❖ The state of Socio-Economic development in the EA Region:

❖ **Socio indicators of transformation in EAC**

❖ **Economic indicators in EAC.**

● Unemployment(youths)-

● Trade deficit 2014 (**Burundi (-523.3); Uganda (-2,359.7); Tanzania (-5,599.1); Rwanda (-1,277.0); Kenya (-11,435.8)** million USD.----EAC 2014 Statistics.

● Poverty levels (rural poor 2014) (**Burundi.. 6,373,165; Kenya.. 16,728,252; Rwanda.. 4,252,130..Tanzania.. 11,679,275; Uganda.. 7,329,365**). SID, State of East Africa 2016.

Inequality GINI

Role of trade in Socio-Economic Transformation



-
- ❖ Trade-basically buying and selling of goods , services & intellectual property
 - ❖ Trade has the potential to work for the most vulnerable, for women from poor and marginalized communities, reduce inequalities and improve their livelihoods and welfare; provide income at national levels
 - ❖ **BUT:-** the human costs of unfair trade are immense. Increased trade and prosperity have gone hand in hand with mass poverty and the widening inequalities between rich and poor.
 - ❖ Need to examine the kind of trade policies that can lead to structural Socio-Economic transformation in EAC.

Cont.



Investment

- ❖ Investment: Action/process of investing money capital for profitable return in future
- ❖ Investment in EAC majorly perceived to be in form of FDIs.
- ❖ Promises of FDI: economic diversification, employment creation, backward and forward linkages , technology transfer, skills development.
- ❖ In EAC investments are largely in real estates, construction, ICT, banking, extractives, mining among others.
- ❖ The promises are not automatic – need to be directed ;
- ❖ Appropriate policy framework & agreements.

Infrastructure

- ❖ road, rail, maritime and air networks i; the energy transmission network; Telecommunication , water and irrigation channels and the market storage facilities.
- ❖ Plays a critical role in facilitating trade & production , links production areas to markets .
- ❖ Currently in EAC, Investments in transport corridors, large infrastructure i.e. Dams , ICT, railway
- ❖ Limited investment in feeder roads , & irrigation important for agricultural transformation and of alleviation rural poverty.

The Drivers, Winners & losers

- ❖ Neo-liberal paradigm; private sector , export led , deregulation
- ❖ Promotion of FDI , investor protection
- ❖ The rise of Multinational Corporation/ Transnational Corporations
- ❖ Initiatives dictated from outside – FDI , trade & investment negotiated in multilateral & bilateral fora; infrastructure – PIDA
- ❖ Inadequate policy frameworks at national /regional level to direct trade , investment , infrastructure to address existing challenges
- ❖ Winners – MNCs, powerful ,
- ❖ Losers – the poor, the producers , the country? (indebtedness)

Conclusion

- ❖ Trade, Investment & infrastructure are interlinked, can be complementary
- ❖ Can promote Socio economic transformation
- ❖ Need appropriate policy framework to pull in the same direction to address the existing socio –economic challenges



Strengthening Africa in World Trade

 www.seatiniuganda.com

 +256-414-540856

 seatini@infocom.co.ug

 Plot 806, Block 213, Bukoto
Kampala, Uganda
*P.O Box 3138, Kampala,
Uganda*

Thank You

MESSAGE FOR ATTENDEES