

What type of Exports contribute to Uganda's Economic Growth?

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ABSTRACT

The study aimed at establishing the type exports that lead to economic growth in Uganda. Specifically; it aimed at establishing the effect of agricultural, non-agricultural, traditional, non-traditional and individual commodities' exports on economic growth. It was based on time series quarterly data from 2000 to 2016 obtained from Bank of Uganda, World Bank development indicators and Uganda Bureau of statistics. The study was based on the Auto Regressive distributed Lag Model (ARDL) for estimating empirical results.

The results show that in Uganda's case, it's agricultural and not non- agricultural exports that lead to economic growth. Also, both traditional and non-traditional exports are relevant for Uganda's economic growth. It was further revealed that only the export of electricity, gold, tea and flowers had significant positive effects on economic growth when treated individually. The rest of the export commodities had negligible effects. Other important variables influencing economic growth include the conventional factors of production that's gross capital formation and labour force participation rate.

The study recommends that the agricultural sector should be boosted in terms of productivity, quality and value addition. This will help to increase the agricultural exports of the country. In the long run however, strategies to increase manufacturing exports would be important for Uganda's long term development agenda. Lastly, the country's action plan for the promotion of exports in selected commodities should be revised to include Electricity, gold and flower as these, compared to other commodities, had significant effects on economic growth.