

The President's speech during the golden jubilee celebrations 2012

Tuesday 9th October 2012

H.E. Yoweri Kaguta Museveni President of the Republic of Uganda

I congratulate all the Ugandans for attaining the 50 years since independence in 1962. Congratulations!

I also use this occasion to welcome their Excellencies, the Presidents of the fraternal African countries who have come to join us on this occasion. Here today, we have their Excellencies: H.E. Dr. Boni Yayi, President of the Republic of Benin and the Chairman of the AU; H.E. Robert Mugabe, President of the Republic of Zimbabwe; H.E. Paul Kagame, President of the Republic of Rwanda; H.E. Joseph Kabila, President of the DRC; H.E. Mwai Kibaki, President of the Republic of Kenya; H.E. François Bozize, President of the Central African Republic; H.E. Pierre Nkurunziza, President of the Republic of Burundi; H.E. Mohamed Ould Abdel Aziz, President of the Republic of Mauritania; H.E. Ian Khama, President of the Republic of Botswana; H.E. Salva Kiir, President of the Republic of South Sudan; H.E. Mohamed Morsi, President of the Republic of Egypt; the Rt. Hon. Hailemariam Desalegn, Prime Minister of the Federal Democratic Republic of Ethiopia; and H.E. Hassan Sheikh Mohamud, President of Somalia.

We have also their Excellencies, the Vice Presidents from the United Republic of Tanzania, the Federal Republic of Nigeria and the Republic of Sudan; we also have the Rt. Hon. Prime Minister of the Kingdom of Swaziland.

We also have His Royal Highness the Duke of Kent, representing Her Majesty the Queen of the United Kingdom (UK). His presence gives us a lot of pleasure because he is the very person that handed-over the instruments of independence to our first Executive Prime Minister, the late H.E. Milton Obote. H.E. Mutesa II was the ceremonial Head of State at that time. There is also His Highness the Aga-Khan and other Heads of delegations representing the fraternal African countries, other friendly countries and regional as well as international organizations.

Recently, I gave a Jubilee Public lecture. In that lecture, I identified ten strategic bottlenecks that independent Uganda confronted at its birth in 1962. Let me give a summary of those strategic bottlenecks that I mentioned on that occasion. They are:

1. Ideological disorientation, which manifested itself in the sectarianism of religion and tribes — failing to see that, as a matter of fact, all groups in Uganda benefit from each other by buying products of the respective groups apart from the other historical, linguistic and cultural similarities or linkages;
2. A State structure, especially the Army, that needed radical reform because, apart from being sectarian, it was also led and manned by people of little or no education;

3. Attacking the miniscule private sector based on the ideology of inadequately analyzed nationalism because all investments made in Uganda, being part of our GDP, in fact, strengthen our independence rather than weakening it — this is what some revolutionaries called using capitalism to build socialism;
4. A human resource that was not educated or well catered for in terms of health; indeed, some improvement in health care, especially through immunization, has led to the increment of the population, especially in the last 26 years, from seven million at independence to 34 million people today;
5. Inadequately developed infrastructure — especially electricity, roads, the railways, piped water — all undermining the profitability of investments in the country on account of high costs of doing business in this economy;
6. A small internal market on account of colonialism fragmenting the ancient pre-colonial market that used to stretch from the River Congo to Zanzibar, on the Indian Ocean and to the swamps of South Sudan, the inconveniences caused by the greedy tribal chiefs notwithstanding;
7. Lack of industrialization — exporting only raw-materials, thereby donating money and jobs to foreign economies;
8. An underdeveloped services sector (hotels, banks, insurance, transport, etc);
9. An underdeveloped agriculture — with only a small portion of the economy being engaged in commercial agriculture while the majority of the farmers were only engaged in subsistence farming using inferior seeds and breeding stock, not using fertilizers, no irrigation and not using improved agro-practices; and
10. A culture and history that lacked democracy.

Fortunately, we have identified all these ten bottlenecks and we have started working on each of them. On the strategic bottleneck number two, for instance, we decisively handled that factor of a criminal colonial state by disbanding the colonial Army and building a new Army guided by the ideology of patriotism, led by educated people, professionally competent and pro-people in its attitude. It is on account of this metamorphosis that this Army was able to deal with the very complicated situation in Somalia.

On the side of the development of the human resource, we have introduced free education in primary, secondary, advanced level and technical schools. As a consequence, we now have about 8.3 million pupils in the primary schools, about 1.3 million students in the secondary schools and about 150,000 students in the universities compared to 477,335 pupils, 16,350 students and 1,550 students in 1962, respectively.

On the side of infrastructure, I will single out only electricity. The British had built for us only one power station, commissioned by Her Majesty the Queen in 1954. Due to the collapse of the

system soon after independence, especially under Idi Amin, by 1986 that power station was producing only 60 MW instead of the original 150 MW. Consequently, in 1986, Uganda's kWh per capita was 31. Using external funding, we repaired the old station, built a new one on the Eastern bank of the Nile, pushing electricity production to 380 MW, if the water is available to operate both stations.

At that stage, our plans for electricity generation got stuck because of relying on fickle external funding. The external funders are only too ready to believe any lie from all detractors — environment issues, rare butterflies, ancestral spirits of some tribes, etc. Yet the greatest threat to the environment is lack of electricity. That is why we had to set up the Energy Fund by sacrificing almost everything in order to do so, so that we escape from the blackmail of external funding in, at least, the electricity field. We are now generating 810 MW. This gives us a kWh per capita of 215 compared to the USA which has got a kWh per capita of 12,914. We are aiming at 20,000 MW in the next few years, which is the level of consumption of electricity of a country like Japan minus what they utilize for heating houses in winters and cooling them in hot summers, a cost Uganda does not have to incur because of our good climate.

Working with our partners in the Region i.e. the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA), we are addressing the problem of market fragmentation to help our producers have a bigger market to which they can sell their products. Besides, we have negotiated for market access at zero tariff and no quota limitations with the USA, the European Union, China, India, Japan, etc. That bottleneck of too small a market is, more or less, resolved.

The question now is to deal with the bottleneck of exporting raw materials that makes us get only 10% of the value of our products. To take the example of coffee where we have been getting only one dollar per kilogram of raw bean coffee while the same kilogram of bean coffee can bring in US \$ 15 when it is processed (roasting, grinding and packing). We have already made modest progress in this field with some roasting and packing of coffee. We have invested heavily in the processing of bananas so that we export banana flour and starch. It makes the internal distribution of banana products also much easier. With adequate electricity and improved transport, it will be easier for us to get investors to add value to our raw materials. The size of our economy will go up about 10 times by merely adding value to our raw materials — even at the present level of raw material production.

We have already started the modernization of agriculture through our research institutions by developing improved seeds and breeding stock. We need, however, to add the use of fertilizers by building the fertilizer factory using our huge phosphate deposits at Tororo, to do more irrigation to cope with the, sometimes, erratic rain patterns and use improved agro-practices (contouring, water conservation, mulching, spacing of plants, etc). The experiment we have carried out with bananas in Bushenyi shows that while the peasants are getting 5.9 tonnes of bananas per hectare, in the experimental station we are getting 53 plus tonnes of bananas per hectare. This is without irrigation. They hope to go up to 80 tonnes of bananas per hectare.

With the oil and gas that we, recently, found, it will be easy to fund, at least, infrastructure projects (electricity, the roads, the railway, piped water) as well as scientific research and innovation.

However, much of the growth will be by the private sector. I have repeatedly told the Ugandans that there are two sovereign actors in modern economies: the investor who encapsulates entrepreneurship, savings and ability to deploy appropriate technology in creating a product on the one hand and the consumer on the other hand. If you do not have one of these two, a modern economy cannot sustainably grow. If you do not have the investor (local or foreign), who will produce products or services for you, who will create employment for you, who will earn foreign exchange for you, who will generate taxes for you and, if you do not get more taxes, how will you fund services, security, infrastructure, etc?

Some countries, like China, have successfully utilized parastatals. This is because of their tough internal discipline. Even then, they have had to mix by allowing foreign and local private companies to operate in China.

The second crucial question is: If nobody buys what you produce, how will you sustain production? Hence, my advice to Uganda, that, in modern times, these two, the investor and consumer, are the most important sovereign players. How about the political actors, the administrators, the religious leaders, the cultural leaders? What is their role in socio-economic transformation? For the political leaders, the administrators and other technical staff, facilitating and regulating the private sector is our major role in addition to planning for the development of the country, security and developing infrastructure.

On the issue of ideological disorientation, the NRM, our Liberation Movement, holds in contempt and denounces sectarianism of religion or tribe and fights gender chauvinism. We believe firmly in the four principles: nationalism and anti-sectarianism; pan-Africanism; socio-economic transformation; and democracy. It is this posture that has enabled Uganda to move forward.

We have clearly identified the strategic bottlenecks as well as other tactical bottlenecks such as dealing with counterfeit products, corruption, red-tape etc. With this awareness, plus our anticipated oil revenues, Uganda, without any doubt, will become a medium income country in the next few years and, certainly, a first world country in the next 50 years. My belief in that road map is unshakable. We were working to transform Uganda by relying on agriculture, hydro-power, manufacturing, tourism and our human resource. With oil and other minerals we found, recently, it makes our work much easier. We have achieved high rates of growth in the last 26 years, depending on erratic external funding notwithstanding. With our own funding, Uganda's development and transformation is unstoppable. By working with our partners in the Region, we shall ensure that this century is Uganda's century and is Africa's century.

I thank all of you and wish you a happy future. I thank our guests for sharing this moment of happiness with us.

Thank you all, God bless Uganda and God bless Africa.