

Address concerns about unfavourable trading environment and tax policies

Uganda National Chamber of Commerce and Industry (UNCCI), the oldest nationwide umbrella organisation for the private sector in Uganda extends its warm greetings to its members and the public at large.

As a representative of the business community, including traders, we urge His Excellency Yoweri Kaguta Museveni and the Government of Uganda to address the current unfavourable trading environment and tax policies. These policies are hindering the ability of local traders to do business effectively and are negatively impacting their livelihoods, as well as the overall economic prosperity of Uganda;

The local businessmen and women are concerned about the increasing number of foreign traders doing retail business across Uganda. These foreign traders often have access to better resources and receive preferential treatment from authorities, giving them unfair advantages. This unfair competition poses challenges for local traders and puts the sustainability of their businesses at risk.

Furthermore, it has been observed that foreign hawkers are selling merchandise on the streets of Kampala. These hawkers not only compete unfairly with local vendors, but also contribute to congestion and disorder in urban areas. Adding to their grievances, is the issue of foreign companies disguising their operations as manufacturing while engaging in importation from the global supply chain.

This deceptive practice not only deprives the Government of much-needed revenue, but also creates an uneven playing field for local businesses that abide by tax regulations diligently. Moreover, the introduction of the Electronic Tax Register (ETAX) system has only added to the confusion and burden faced by most traders. Many of them struggle



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to comprehend the complexities of this system, leading to inadvertent errors in tax compliance and subsequent penalties.

The small-scale traders in Kikuubo and Nabugabo are also aggrieved by the unfairness of Uganda Revenue Authority (URA) in the use of the Electronic Fiscal Receipting and Invoicing System (EFRIS). These traders are being forced to use EFRIS for every single item they sell, making things harder for them and disrupting their businesses. In addition to these challenges, is the preferential treatment afforded to foreign traders, including tax holidays and reduced import duties while local traders are not granted the same benefits. This is not only discriminatory against local traders, but also undermines the Government's efforts to promote indigenous entrepreneurship and

economic empowerment.

We also wish to highlight the disrespectful and intimidating behaviour exhibited by both Kampala Capital City Authority (KCCA) and Uganda Revenue Authority (URA) tax assessment agents.

Many traders have reported instances of harassment and coercion during tax assessments, with agents often wielding firearms to intimidate and extort them.

Furthermore, they are disheartened by the unfulfilled promises made by the President regarding reforms to improve the business climate and support local traders. Despite assurances of support, little progress has been made, leaving them disillusioned and vulnerable to exploitation.

In light of these pressing concerns, we urge the President and the Government to take immediate action to address the challenges facing local traders. We call for stricter enforcement of the Competition Act, 2024 to curb unfair competition from foreign traders, as well as transparency and accountability in tax policies to ensure a level playing field for all businesses.

Additionally, we demand an end to the harassment and intimidation faced by traders during tax assessments and meaningful reforms to fulfill the President's promises of support and empowerment for local entrepreneurs.

UNCCI remains committed to engaging in constructive dialogue and co-operation with the Government to find lasting solutions to these issues and create an enabling environment for sustainable economic growth and prosperity.

The writer is the president of Uganda National Chamber of Commerce and Industry