

DETERMINANTS OF EXPORT GROWTH IN UGANDA

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BSC. ECONOMICS AND MANAGEMENT

**A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF ECONOMICS
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD
OF A MASTER OF ARTS DEGREE IN ECONOMIC POLICY
MANAGEMENT MAKERERE UNIVERSITY**

June 2018

ABSTRACT

The main objective of the study was to identify the determinants that led to the export trade growth in Uganda for the period 1986-2016.

The study was conducted using data obtained from African Development Indicators; World Bank tables and the United Nations Statistics Division Common Database. An export supply model used by Musinguzi et al (2000) was adopted for the study. Foreign price level and Foreign Direct Investment were added to Gross Domestic Product, Terms of Trade and Real Exchange Rate, the explanatory variables used in the model adopted.

Foreign price level was found to be statistically significant in explaining export growth for Uganda between 1986 and 2016. Interestingly, Foreign Direct Investment, Real Exchange Rate and Gross Domestic Product as per the findings do not significantly affect export growth.

This study recommends that in order to improve export growth, the motive of Uganda needs to focus on the value addition on agriculture exports since it is the major source of exports this will improve her Terms of Trade. Government of Uganda should undertake initiatives to increase the Terms of trade which will in turn boost export growth.