S5 ECONOMICS

DEVELOPMENT OF AGRICULTURE AND INDUSTRY:

DEVELOPMENT OF AGRICULTURE:

THE ROLE OF AGRICULTURE IN DEVELOPMENT

- It provides employment opportunities to the people.
- It ensures equitable distribution of income.
- It provides raw materials to the industrial sector.
- It creates a wide source of food for the growing population.
- It generates foreign exchange to the country's economy.
- It provides revenue to the government through taxation.
- It provides wider market to the industrial sector.
- It contributes towards gross domestic product (GDP) of a country/ Promotes Resource utilisation.
- It encourages rapid development of infrastructure.
- It supplies labour to other sectors of the economy.
- It promotes balanced regional development.

COOPERATIVES:

A cooperative is "an autonomous association of persons united voluntarily to meet their common economic, social, cultural needs and aspirations through a jointly owned and democratically controlled enterprise."

OBJECTIVES OF AGRICULTURAL COOPERATIVE SOCIETIES:

- To provide marketing facilities for agricultural produce and animal husbandry products of its members within and outside the country.
- To promote facilities for better farming, procurement of better price for agricultural produce and achieving better living conditions.
- To create funds or advance money to its members for short or intermediate periods at the minimum applicable to such lending.
- To co-ordinate generally the activities between its members and various other societies by keeping them in touch with the marketing and production units.
- To provide transport to its members whenever necessary.
- To pool the produce of the members as well as of the non-members on such terms as may be settled between the parties.
- To purchase agricultural implements, seeds, livestock or other articles intended for agriculture and for the purpose of supplying them to its members.
- To collect, store, sell the agricultural products of the members and providing sorting out, packing and transportation facilities of the agricultural products of the affiliated societies.
- To utilize the services, assistance and obtain advice of various departments of the State Government and of various local bodies for furtherance of the objectives of the Co-operative.

PROBLEMS FACED BY COOPERATIVE SOCITIES:

- Inadequate collateral security to apply for bank loans.
- Inadequate funds to finance the business activities since cooperatives are formed by weaker and poorer people with limited resources.
- Lack of commitment and skilled administrators, as those who are appointed democratically tend to be not trained and have their own personal commitments.
- There is a lot of government interference in their operations like appointment of managers, election of management committee, passing of budgets, preparation of accounts.
- Price fluctuations which has made this type of business unattractive and hence has discouraged members/people to venture in cooperatives.
- Political instability in some parts of the country where they face theft of their assets during periods of war and this has discouraged their operations.
- There is slow and expensive decision making since some matters require general meetings.
- There is lack of secrecy as cooperative societies are required to disclose fully their operations to the members therein who cannot consequently keep the business secrets.

INDUSTRIAL DEVELOPMENT:

INDUSTRIAL DEVELOPMENT; This refers to the planning and building of new industries in special areas**.**

INDUSTRIALISATION; this refers to the transition of an economy from primary agrarian to one based mainly on manufacturing and industry.

OR: It refers to the process of change by which an economy becomes based on industrial production rather than on agriculture.

REASONS FOR INDUSTRIALISATION IN DEVELOPING COUNTRIES:

- **To create more employment opportunities.** The established industries will hire many people to perform the different industrial processes.
- **To attain price stability since prices of industrial products are more stable.** This is so because industrial products are not influenced by natural factors, and therefore their supply can be regulated which will help to stabilise their prices.
- **To facilitate development of infrastructure.** The roads, railways, power facilities will be developed to facilitate transportation of raw materials to industrial sites and finished products to the markets.
- **To increase output and economic growth/ promote resource utilisation.** This is so because the established industries will lead to increased output of industrial products to satisfy the domestic market.
- **To encourage production of high quality products/output.** This is so because industries will involve the use modern machines and skilled manpower which will lead to improvement in the quality of such products.
- **To improve the balance of payment position/to increase foreign exchange earnings.** This so because industrialisation will lead to increased output for exports which will lead to increased foreign exchange earnings, at the same time it will reduce dependence on formerly

industrial goods which will reduce foreign exchange expenditure on them, thus improve the balance of payment position.

- **To provide revenue to the government through taxation.** Government will tax the industrial products, profits and the incomes that will be earned by the employees of the industries.
- **To diversify the economy.** This is because industrialisation will widen the range of economic activities undertaken in the country which will lead to economic diversification.
- **To improve terms of trade.** This is because industrial products will have value added which enable them to command higher prices in the international market in relation to the prices of imported industrial products.
- **To encourage technological development/Research/innovation.** The investors will ensure that they use modern technology to produce high quality products and in large quantities.
- **To promote development of entrepreneurial skills.** Many people will be attracted to invest in the industrial sector so as to make profits, since industrial products command higher and relatively stable prices.
- **To improve labour skills.** The industries will compel people to train and acquire different skills needed so as to be able to get jobs in the industries.
- **For purposes of attracting capital inflow/foreign investment.** Foreign investors will be attracted to come with foreign capital in order to invest in the industrial sector and earn profits.
- **To promote linkages/ to widen market.** The agro-based industries will create market for the agricultural sector by using its products as raw materials in such industries.
- **To promote self reliance/sufficiency.** Industrialisation will lead to increased domestic production of the formerly imported industrial products which will help the country to reduce reliance on imported industrial goods hence promoting self reliance.

FACTORS THAT AFFECT/ INFLUENCE THE GROWTH OF INDUSTRIES:

- **The level of technological development**. Presence of advanced technology leads to high level of industrialisation in the economy since more advanced technology raises productivity and efficiency of firms, enabling industrialists to earn more profits. On the other hand, low level technological development limits industrialisation because it leads to low level of productivity and efficiency of firms which limits profitability and thus discouraging industrial development.
- **The availability of skilled labour**. Presence of highly skilled labour promotes industrial development; this is so because such labourers engage in various industrial processes leading to high level of efficiency in the industrial sector, this attracts many people to invest in the industrial sector. On the other hand, limited skilled labour discourages industrial development; this is so because such labourers cannot perform the different industrial tasks or processes effectively.

- **The availability of capital/finance**. Readily available capital promotes industrial growth because entrepreneurs are able to finance establishment of new industries or expansion of existing ones by purchasing the necessary inputs such as raw materials, hiring skilled labour, buying land etc. On the other hand, inadequate supply of capital discourages the establishment and expansion of industries in the economy because potential investors cannot purchase the necessary inputs such as raw materials, hiring skilled labour etc.
- **The level of entrepreneurial ability**. Presence of high level of entrepreneurial skills promotes industrial development, this is so because such people are able to identify investment opportunities and undertake business risks in the industrial sector as they initiate and sustain

such businesses. On the other hand limited entrepreneurial skills discourage industrial development, this is so because there are a few people to initiate and sustain projects in the industrial sector.

- **The availability of investment incentives/ Government policy on industrial development**. Presence of investment incentives such as provision of subsidies tax holidays etc promote industrial development. This is because they reduce the cost of production and thus increase the profitability of investing in the industrial sector. On the other hand, limited investment incentives such as limited subsidies, high level of taxation limit industrial development; this is so because it increases the cost of production and thus reduces the profitability of investing in the industrial sector thus discouraging investment in such a sector.
- **The availability of strategic natural resources/raw materials**. Presence of strategic natural resources promotes industrial development; this is so because they provide the necessary raw materials and sources of energy which are very important in industrial development. However limited strategic natural resources limits industrial development, this is so because it limits the supply of the necessary raw materials as well as the energy facilities such as coal.
- **The political climate**. Conducive political climate presents a good atmosphere for industrial activity, which promotes industrial expansion leading to growth of the sector, this is so because the investors are scared of losing their lives and property, while political instability discourages industrial development, this is so because investors fear to lose their lives and property.
- **The rate of inflation**. Low rate of inflation promotes savings which avails investment funds needed for industrial development, at the same time low rate of inflation leads to low cost of production which encourages investment in the industrial sector due high level of profits enjoyed by the entrepreneurs. On the other hand high rate of inflation discourages savings which limits funds necessary for industrial development, at the same time high rate of inflation leads to high cost of production which discourages investment in the industrial sector due to low levels of profitability of investment in the industrial sector.
- **Level of accountability**. High level of accountability reduces the level of financial loss, which increases the level of profits in industry thereby boosting industrial expansion. On the other hand, poor accountability leads to mismanagement of funds, which reduces funds available to finance industrial activity resulting in low level of industrial development.
- **The land tenure system**. Good land tenure system ensures that land needed for establishment and expansion of industrial activity is readily and cheaply available to investors, enabling growth of the industrial sector, while a poor land tenure system makes it difficult for investors to acquire adequate land for industry activities, which discourages industrial expansion.

- **The level of infrastructural development.** A good infrastructure facilitates industrialisation by enabling easy access to markets and raw materials; good infrastructure ensures industrialists easy access to good auxiliary services such as banking and insurance while a poorly developed infrastructure discourages industry due to the high costs of operations that arise due to the poor infrastructure.
- **The size of the market/ Availability of market.** Industrial expansion is encouraged by the presence of a big market for goods and services produced by the industries since they enjoy high profit levels which motivates them to expand industrial production however, a small market tends to discourage industrial expansion due to low profits enjoyed by the investors in the industrial sector.

IMPORT SUBSTITUTION VS EXPORT PROMOTION INDUSTRIAL DEVELOPMENT STRATEGY:

IMPORT SUBSTITUTION STRATEGY/ INWARD LOOKING DEVELOPMENT STRATEGY:

This refers to the strategy that involves establishing/encouraging the local manufacturing industries to produce goods which were **previously/formerly** imported.

OR: This refers to a strategy of producing internally the **formerly/previously** imported industrial goods.

RESONS FOR ADOPTING THE IMPORT SUBSTITUTION STRATEGY OF INDUSTRIALISATION:

- To improve on the Balance of payment (B.O.P) position/ to save scarce foreign exchange. This so because expenditure on imported industrial goods will be reduced since they will be produced domestically and thus will lead to reduction in their inflow.
- To increase foreign exchange in **the long run.** This is so because of the increase in production of the formerly industrial goods, part of which will be exported which will help in earning foreign exchange in the long run.
- To diversify the economy. This is because it will lead to increased industrialisation on top of other economic activities in the economy.
- To reduce the external resource dependence/ to attain self-sufficiency. It will reduce the extent of foreign dependence by reducing importation of certain industrial commodities that will be produced locally.
- To widen the tax base/ generate revenue for the government. Government will tax the industrial products, profits and the incomes that will be earned by the employees of such industries.
- To promote growth of the industrial sector. It will lead to expansion of the manufacturing sector/industrialisation because it will encourage production of the formerly imported industrial products
- To create more employment opportunities. The strategy will lead to setting up of industries to produce the formerly imported industrial products; these will employ many people, to perform the different industrial processes.
- To facilitate exploitation/utilisation of the country's idle resources. This is because the industries established will utilise more of the domestic resources as their raw materials to produce the different industrial products.
- To increase economic growth rates. This is so because the established industries will lead to increased output of industrial products to satisfy the domestic market.
- To develop local skills. The strategy will compel people to train and acquire different skills needed so as to be able to get jobs in the industries.
- To promote local entrepreneurship. The strategy will attract many people to see an opportunity to invest in the industrial sector.
- To encourage the development of local technology / transfer of technology. The investors will ensure that they use modern technology to produce high quality products in large quantities so as to satisfy the domestic market for industrial products.
- To control (imported) inflation/ to stabilise prices. The strategy will control imported inflation since the country will no longer rely on imported industrial goods, as the strategy will lead to increased domestic production of industrial products which will reduce the need to import from other countries which may be suffering from inflation.

- To promote infrastructural development. The roads, railways, power facilities will be developed to facilitate transportation of raw materials to industrial sites and finished products to the markets.
- To encourage (foreign) investment / to encourage capital inflows. Foreign investors will be attracted to come with foreign capital in order to invest in the industrial sector and earn profits.
- To create linkages within the sectors/ to create market. The strategy will attract development of other economic activities within the industrial sector due to presence of the necessary inputs from the industries that will be established or will be to provide market for other industries for supply of inputs to the industries in existence

ADVANTAGES OF IMPORT SUBSTITUTION INDUSTRIAL DEVELOPMENT STRATEGY:

- It helps to save the scarce foreign exchange.
- It reduces economic foreign dependence.
- It facilitates the development of local skills.
- It improves balance of payment position.
- Increases resource exploitation.
- It promotes industrial development.
- Leads to creation of employment opportunities.
- It facilitates transfer of technology.
- Helps to increase government revenue through taxes.
- It facilitates the growth of infrastructure.
- Facilitates inflow of foreign capital.
- It increases foreign exchange in the long run.
- It controls imported inflation.

DEMERITS OF IMPORT SUBSTITUTION INDUSTRIAL DEVELOPMENT STRATEGY:

- **It subjects nationals to highly priced products/goods**. This is because such firms tend to be high cost firms.
- **Poor quality products are produced.** Citizens are usually subjected to low quality products due to protectionism accorded to such industries by the government. This creates sheltered monopoly which reduces the competition and thus results into the evils of monopoly such as poor quality goods.
- **It leads to technological unemployment**. This is because the adoption of capital intensive techniques of production by such industries in order to improve the quality and at the same time increase the output produced.
- **It tends to concentrate on production of consumer goods**, thus ignoring capital goods thereby perpetuating dependence of developing countries on developed countries for capital goods.
- **It leads to limited variety of goods in the market.** People have limited range of products to choose from since the industries do not have competitors, the would be competing products are blocked out by the prohibitive tariff and non tariff barriers in international trade.
- **Firms operate at excess capacity due to limited domestic market**, limited capital etc. Most of such industries produce below the installed capacity and this raises their average costs and thus compels them to charge high prices in order to cover their costs.

- **It is associated with income and profit repatriation/capital outflow.** This is so because many investors are foreign and are in most cases allowed to take their profits instead of reinvesting them for further growth of the economy.
- **Increases income inequalities in the country.** This is so because there are a few people employed in such industries who are highly paid compared to others in the country. This worsens the negative impact of income inequalities in the economy.
- **Leads to rural urban migration and its associated evils.** This is so because the import substituting industries are majority located in urban areas. People are attracted to urban areas with hope of getting better paying jobs in such industries, but majority of such people fail to get those jobs worsening the open urban unemployment problem and other social evils.
- **It leads to retaliation/revenge by trading partners**. This arises due to the problem of over protectionism/beggar my neighbour policy.
- **Management contracts are usually expensive to maintain.** This is due to use of foreign manpower; this increases the cost of production since such manpower is very expensive.
- **Leads to social costs such as pollution**. This is because such industries emit toxic gases to the atmosphere which are hazardous to people's lives.
- **It leads to irrational use of resources**. Such industries use large quantities of raw materials which lead to over exploitation of the existing natural resources thus leading to their quick depletion.
- **It leads in fall of government revenue.** This is due to a decline in import duty in the short run since the quantity of goods and services that are imported reduces as people resort to the domestically produced goods.
- **It leads to increased government expenditure to support such industries**. This is by way of subsidies and other concessions given to the investors.

LIMITATIONS TO THE ADOPTION OF THE IMPORT SUBSTITUTION STRATETY OF INDUSTRIALISATION:

- **Limited capital/ low income levels**. This is so because of low levels of saving in most developing countries, this limits the amount of money necessary to purchase the inputs such as land, capital goods as well as the hiring the skilled labour force
- **Limited skilled labour to operate industrial machinery**. Industries need highly skilled labour force to be used in the different industrial process but such skilled labour force is insufficient in most developing countries thereby making it difficult to implement such a strategy
- **Limited market size**. This discourages industrial development because the entrepreneurs fear to remain with unsold output that would lead to losses.
- **Poor infrastructural development**. Such infrastructure underdeveloped infrastructure limits the transportation of raw materials industrial sites and finished products to the market thereby discouraging industrial development.
- **Limited entrepreneurial skills.** This implies that few businesses are initiated and sustained in the industrial sector thus limiting the import substitution strategy
- **Limited supply of raw materials**. This necessitates relying on raw materials from other countries which makes the production process very costly and less profitable thus discouraging investment in such industries.
- **Low levels of technological development**. The low technological development implies production of low volume and low quality industrial products which limits the market thus making it less profitable and thus discouraging investment in such a strategy.

- **Political instability in some areas**. This scares off the potential investors in the industrial sector due to fear of loss of lives and property.
- **Poor land tenure system**. This limits accessibility to land by potential investors and thus limiting development of the import substitution strategy of industrial development
- **Price and foreign exchange instabilities**. This discourages savings and investment and thus limiting investment in the industrial sector.
- **Low levels of accountability**. Government officials ask for bribes from the potential investors, this discourages investment and thus limits development of the import substitution industrial development strategy.
- **Poor government policy on investment e.g. high taxes/ Limited investment incentives**. This increases costs of production which makes the products less competitive in the market leading less profit earned and thus discouraging investment in the industrial sector.

EXPORT PROMOTION/OUTWARD LOOKING INDUSTRIAL DEVELOPMENT STRATEGY:

This refers to a strategy of promoting domestic manufacturing sector with a view to increase the exports of the manufacture goods.

REASONS FOR ADOPTING AN EXPORT PROMOTION STRATEGY OF INDUSTRIAL DEVELOPMENT:

- **To increase foreign exchange earnings**. This is so because promotion of the export industrial development strategy will lead to attraction of more buyers of the country's exports which enables such a country to earn more foreign exchange.
- **To improve the country's balance of payments position.** This will be due to the expanded foreign market which will increase the volume of the country's exports and thus increase foreign exchange from the increased sales.
- **To diversify the economy**. This is because the strategy will lead to development of the industrial sector and thus widen the range of economic activities in the economy.
- **To widen the tax base of the country**. This is intended to widen industrial products on which the government will be able to impose tax.
- **To expand market for the country's goods and services**. This is because the strategy will lead to improvement in the quality of the products and thus attract more buyers in the foreign market
- **To create more employment opportunities**. The expanded industrial sector will create more employment opportunities at home because industries require different categories of workers to perform the different industrial processes.
- **To facilitate the exploitation and utilisation of idle resources**. This is because industrial development will promote exploitation of **formerly/previously** redundant resources because more resources will be used to increase the production of goods for export.
- **To reduce dominance of subsistence production and promote commercial production**. The strategy will promote production for the export market which necessitates production for commercial purposes so as to earn more foreign exchange in the export market.
- **To increase economic growth/Growth Domestic Product (GDP)/output**. The strategy will lead to better utilisation of resources in order to increase volume of goods meant for the external market.

- **To promote growth of the industrial sector**. The strategy will call for industrial development so as to add value to the agricultural products and other semi-processed products in order to attract more buyers in the external market.
- **To promote specialisation**. The strategy calls for investment in particular industrial products and will promote specialisation in specific products meant for the export market.
- **To promote technological development**. The country that opts for export promotion will inevitably ensure that her industries use modern technology to produce high quality products in large quantities in order to compete favourably in the export market.
- **To promote international cooperation**. This is so because trade thrives on good bilateral relations between countries, so a country that wants to promote her exports will be obliged to make as many friends as possible so as to have markets for its export.
- **To promote entrepreneurship/innovations and inventions**. The strategy will attract many people to see an opportunity to invest in the industrial sector, which will promote entrepreneurial skills in the country.
- **To promote infrastructural development**. This will lead to infrastructural development because without sound infrastructural base the industrial sector cannot prosper, since such infrastructure will ease the movement of raw materials to the industries and also finished products to the market.
- **To produce high quality products**. The strategy will call for production of high quality industrial products so as to be able to compete favourably in the export market

MERITS OF THE EXPORT PROMOTION INDUSTRIAL DEVELOPMENT STRATEGY:

- It leads to expansion of the country's market in the foreign countries.
- It leads to creation of more employment opportunities.
- It leads to diversification of the foreign markets.
- It compels countries to add value to their raw materials or primary products/agricultural products.
- It encourages production of better quality goods.
- It encourages development of infrastructure.
- It promotes international relations / it leads to the improvement of the international relations/understandings.
- It encourages the exploitation of idle local resources.
- It encourages technological development and technological transfer.
- It leads to improvement in the balance of payment position.
- It promotes high levels of economic growth.

Disadvantages of the export promotion industrial development strategy:

- It creates shortage of goods in the domestic market.
- The strategy is expensive.
- It leads to quick depletion of resources.
- It encourages trade dependence.
- It is a risky strategy.

Limitations to the adoption of the export promotion industrial development strategy:

- **Production of low quality products.** These cannot favourably compete at the foreign market. This discourages development of the export promotion strategy since the producers fear to remain with unsold out products that would result into losses.
- **Inadequate capital to set up the industries**. This is so because of low levels of saving in most developing countries, this limits the amount of money necessary to purchase the inputs such as land, capital goods as well as the hiring the skilled labour force.
- **Production of expensive products.** This is due to the fact that such industries are still in their infancy and thus have not yet started enjoying economies of scale this makes it hard for such industries to set low competitive prices in the export market.
- **Protectionist policies of the developed countries such as tariffs, total ban etc. limit the market for our exports,** thereby discouraging development of such industries.
- **High cost of advertising, market research** in order to create better products and widen market make it hard for developing countries to implement such a strategy since there is limited capital in such countries.
- **Limited market among the developing countries**. This is due to the fact that such countries produce similar products and thus cannot effectively trade among themselves which discourages development of the export promotion strategy of industrial development.
- **Limited natural resources** to be used in production and this implies relying on natural foreign resources which makes the production process very costly and thereby making our exports less competitive in the foreign market.
- **Limited labour skills to carry out production**. Industries need highly skilled labour force to be used in the different industrial process but such skilled labour force is insufficient in most developing countries thereby making it difficult to implement such a strategy.
- **Limited infrastructure in the low developed countries** e.g. in terms of roads, power facilities. Such infrastructure is not properly developed which limits the transport of raw materials and finished products.
- **Low levels of technological development.** This is due to limited research in developing countries. The low technological development implies production of low quality output making such output less competitive in the international market.
- **Political instabilities** in some developing countries. This scares off the potential investors due to fear of loss of lives and property.
- **Limited entrepreneurial skills**. This implies that few investments are initiated and sustained thereby making it hard to implement the export promotion strategy.
- **Low of accountability**. Government officials ask for bribes from the potential investors, this discourages investment and thus limits development of the export promotion industrial development strategy.
- **Poor land tenure system**. This limits accessibility to land by potential investors and thus limiting development of the export promotion industrial development strategy.
- **Limited export promotion facilities/ institutions.** This limits facilitation and coordination of the development of the country’s exports.

GENERALPROBLEMS FACED BY THE INDUSTSRIAL SECTOR IN UGANDA:

- Limited capital stock/ limited funds.
- Poor /underdeveloped infrastructure.
- Limited entrepreneurial skills.
- Limited skilled labour/manpower.
- Limited domestic and foreign market/ Stiff competition from foreign goods.
- Poor technology.
- High levels of taxation and limited subsidisation/limited investment incentives.
- Low levels of accountability/High levels of corruption.
- Political instability.
- Limited supply of raw material.
- Poor land tenure system.
- High capital outflow/income and profit repatriation
- Economic instability/high level rates inflation/unstable exchange rate
- Underdeveloped capital markets.

MEASURES THAT ARE BEING TAKEN TO IMPROVE THE INDUSTRIAL SECTOR IN UGANDA.

- **Developing infrastructure**. The developing of better road network is encouraging the transportation of industrial raw material as well as finished industrial goods to market places. This is encouraging more investors to set up more industries hence improving the industrial sector in Uganda.
- **Widening markets for industrial goods**. This is encouraging more people to invest in the industrial sector because of the increasing profit levels.
- **Providing affordable capital for investment for industrialization**. Loans at lower interest rates are being advanced to industrial investors. This is helping them to expand their capital base and level of output hence improving the industrial sector in Uganda.
- **Stabilizing the political atmosphere or climate**. This is giving confidence to investors to set up more industries since they are being assured of security of life and their investments.
- **Providing incentives**. This is reducing the cost of production in the industrial sector and thus encouraging more people to invest in the industrial sector due to increasing profits.
- **Improving labour skills.** This is increasing labour productivity and efficiency which is encouraging many people to invest in the industrial sector.
- **Encouraging savings**. This is providing investment funds which are enabling many people to invest in the industrial sector.
- **Liberalizing the economy**. This is easing the investment procedure by reducing the unnecessary restrictions and thus encouraging many people to invest in the industrial sector.
- **Improving the land tenure system**. This is easing accessibility to land by investors and thus enabling many people to establish and expand industries.
- **Fighting corruption / Ensuring proper accountability**. This is enabling many investors to easily acquire licences to establish industries since they are not being asked for bribes by government officials.

- **Stabilizing prices/ fighting inflation**. This is reducing the cost of production which is encouraging many people to invest in the industrial sector due to increasing profits.
- **Modernizing agriculture**. This is increasing the supply of raw materials which is encouraging the establishment and expansion of agro based industries.
- **Improving entrepreneurship skills**. This is encouraging inventions and innovations which is promoting industrial development.
- **Further privatisation of Public assets or enterprises is being undertaken**. This is encouraging people to invest in the industrial sector since they are not scared of their businesses being nationalized.
- **Improving techniques of production.** This is reducing the cost of production and increasing efficiency in production which is attracting many people to invest in the industrial sector.
- **Strengthening specialized institutions to improve performance of the sector** e.g. Uganda Investment Authority. This is facilitating investment projects, attracts foreign investors, provides relevant information, advocating for a competitive business environment and providing serviced land in the industrial parks.
- **Carrying out international campaigns to attract investors**. This is creating awareness about the investment opportunities in the country which is attracting many foreign investors to invest in the industrial sector.