



**SPEECH BY HON. MATIA KASAIJA, MINISTER FOR FINANCE, PLANNING AND  
ECONOMIC DEVELOPMENT**

**AT THE LAUNCH OF THE CAPITAL MARKETS DEVELOPMENT MASTER PLAN**

**15<sup>TH</sup> JUNE, 2017, KAMPALA – UGANDA**

***His Excellency the President, Ministers Present, Members of Parliament, Members of the Diplomatic corps, distinguished ladies and gentlemen,***

I would like to thank you for taking time to attend the launch of the 10 year capital markets development master plan. I would also like to congratulate the Chairman, Board and Management of CMA and all stakeholders on this auspicious occasion of the launch of the capital markets master plan. The launch of this master plan in deed is a sign of enduring commitment to make capital markets serve the broad national goal of increasing access to affordable and low cost alternative funding for the private sector and Government, in pursuit of transforming Uganda into a middle income country. The launch is timely in light of our national development vision premised on supporting growth by diversifying sources of capital for both the private and public sectors.

***Ladies and Gentlemen,*** may I hasten to say that the capital markets master plan is not intended to be a silver bullet that will transform Uganda's capital markets overnight, but rather to provide a "roadmap" that identifies the direction and the broad approach in terms of objectives, recommendations and actions that will guide and steer the

future development efforts for the capital markets. In this master plan, a common goal, vision and actions are shared to transform Uganda's capital markets

***Ladies and gentlemen***, since inception of capital markets in Uganda in 1996, modest achievements have been posted. These include: mobilization of ***Ush 1.22 trillion*** through issuance of both shares and corporate bonds; the listing of 8 domestic companies and 8 companies cross-listed from the Nairobi Securities Exchange; public sensitization activities on financial literacy and encouraging a savings culture amongst Ugandans; and a fairly flexible legal-regulatory framework.

***Ladies and Gentlemen***, the capital markets industry has barely scratched the surface when the full potential of the industry is considered. A lot more can be achieved with the implementation of the reforms laid out in the capital markets master plan.

Development of capital markets in Uganda has faced several impediments, among them being: few companies seeking funding due to corporate governance challenges; a limited institutional investor base; market infrastructure challenges; a narrow retail investor base; high transaction costs; and low investor awareness. The master plan seeks to address these challenges and enable capital markets to make a meaningful contribution to achieving national development goals.

The master plan makes recommendations to address the aforementioned bottlenecks and make Uganda's capital markets attractive for businesses seeking capital and investors looking for a decent return on their investment. Finding an alternative source of patient capital to compliment bank financing is one of the priorities mentioned in my budget speech last week. I am pleased to note that this is one of the

areas of focus for the master plan. The capital markets also provide an opportunity for Ugandans to own shares in the companies they support as employees, customers and suppliers.

The master plan recommendations are anchored upon five key pillars namely:

- 1) enabling more capital raising through the capital markets;
- 2) widening the investor base and investor choice;
- 3) making capital markets more effective and efficient;
- 4) improving the quality of intermediation;
- 5) improving the operating and regulatory environment.

These pillars form the foundation of the transformation, from which 27 recommendations and 96 actions are highlighted to ensure achievement of the envisaged outcomes.

I am delighted to note that the implementation process for the capital markets master plan has been phased into short, medium and long term actions. Having the medium and longer term actions clearly highlighted, provides a basis to ensure that short term initiatives are consistent and coherent with the long term actions. With the foundations built and the plans in place, the chances of successful implementation are enhanced.

***Ladies and gentlemen***, translating the capital markets master plan from a collection of recommendations and actions to reality will require multi-sectoral coordination and support. I'd like to re-assure the capital markets industry of my support and the support of the Ministry of Finance, Planning and Economic Development. It is only with

the combined efforts and perseverance of all the stakeholders that the objectives envisaged in the capital markets master plan shall be realized. The Ministry of Finance, Planning and Economic Development through the Capital Markets Steering Committee I recently appointed will ensure that the recommendations are given priority by the various implementing agencies and effective monitoring will be carried out during the period.

Finally, I would like to thank His Excellency The President for agreeing to grace and officiate at the launch of the capital markets master plan. This does send out a strong signal that the government is committed to exploring all alternative sources of funding that will support the growth of Uganda's private sector as well as fund Government operations. I would also like to thank the Department for International Development through the Financial Sector Deepening-Africa, the Board and Management of the Capital Markets Authority and other stakeholders for their contribution to this initiative.

***For God and My Country!***