

**BALANCE OF TRADE AND ECONOMIC GROWTH IN UGANDA
(1984-2014)**

BY

SID-OMAR OSMAN FARAH

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ABSTRACT

The study was set to investigate the relationship between trade balance and economic growth rate of Uganda from 1984-2014. The objective was to determine the level of balance of trade in Uganda from 1984-2014 (ii) to establish the level of economic growth of Uganda from 1984-2014 and to establish the relationship between balance of trade and economic growth of Uganda 1984-2014.

The study was a time series research that involved analysis of the historical data for the Uganda balance of trade and economic growth rates for the year, 1984 to 2014. The data was attained from the international monetary fund abstracts, World Bank reports and World economic outlook. The data adopted a correlation design based on quantitative research approach.

In conclusion, the study was successfully carried out and all the objectives fulfilled. The first objective was accomplished where it was found that the level of balance of trade was in deficit over the period of 31 years in Uganda though some improvements in deficits were cited in some years. The level of economic growth of Uganda was both in its highs and lows though some years experienced increases there is really a double digit economic growth indicate seen. The researcher on the third objective established that there was a closer relationship between the balance of trade and economic growth of Uganda from 1984-2014. The level of relationship was found on all parameters used for measurements

The researcher recommends that there is need to improve exports through establishing export substitution industries in order to produce more exports. The government should embark on industrialization, and modern technique of agricultural production since this area can employ large population resulting into high productivity. The relationship was found positive therefore there is need for supporting domestic investors that will be able to reinvest their profits for further development.