



THE 4TH
AFRICAN TEA
CONVENTION & EXHIBITION



SPEECH BY MR EDWARD K. MUDIBO, EATTA MANAGING DIRECTOR DURING THE 4TH AFRICAN TEA CONVENTION AND EXHIBITION AT THE KAMPALA SERENA HOTEL, KAMPALA ON WEDNESDAY, 26TH JUNE, 2019

THE RIGHT HONOURABLE PRIME MINISTER OF THE REPUBLIC OF UGANDA, DR. RUHAKANA RUGUNDA,

AMBASSADOR KATUREEBE TAYEBWA, UGANDA CONSULAR GENERAL, MOMBASA

THE MINISTER FOR MINISTER OF TRADE, INDUSTRY AND CO-OPERATIVES, HONOURABLE AMELIA KYAMBADDE

THE DIPLOMATIC COMMUNITY, DISTINGUISHED GUESTS, SPONSORS, EXHIBITORS, AND CONFERENCE PARTICIPANTS,

LADIES AND GENTLEMEN, ALL PROTOCOLS OBSERVED;

GOOD MORNING AND A VERY WARM WELCOME TO THIS VERY CRUCIAL CONVENTION. THANK YOU FOR ACCEPTING OUR INVITATION. THIS IS THE FOURTH AFRICAN TEA CONVENTION AND EXHIBITION CONFERENCE ORGANISED BY THE EAST AFRICAN TEA TRADE ASSOCIATION (EATTA).

THE THEME OF THIS CONVENTION IS: “AFRICAN TEA, TRANSFORMATION THROUGH GLOBAL TRADE”. AS THE SIGNIFICANT EXPORTER OF HIGH-QUALITY TEA AFRICA SHOULD TAKE ADVANTAGE OF THE AFRICA GROWTH AND OPPORTUNITY ACT, AFRICA CONTINENTAL FREE TRADE AREA (AfCFTA), TRIPARTITE FREE TRADE AREA (TFTA) AND OTHER BILATERAL AGREEMENTS. THE HIGH POPULACE MAKES AFRICA AS A POTENTIAL CONSUMER OF TEA THROUGH INTER AFRICA TRADE. IT THEREFORE FOLLOWS THAT TEA IS IMPORTANT FOR AFRICA AND AFRICA IS IMPORTANT FOR TEA.

THIS YEAR’S EVENT HAS ATTRACTED OVER 400 PARTICIPANTS AND EXHIBITORS DRAWN FROM 24 COUNTRIES AND FROM ACROSS THE ENTIRE TEA VALUE SUPPLY CHAIN.

LADIES AND GENTLEMEN, WE EXPECT THE CONVENTION TO BE ONE OF A KIND AS THIS WILL BE THE FOURTH TIME THAT THE WHOLE TEA INDUSTRY DELIBERATES ON MATTERS THAT NOT ONLY CONCERN THE INDUSTRY BUT THE AFRICAN CONTINENT AS A WHOLE. THE VISION

OF EAST AFRICAN TEA TRADE ASSOCIATION IS TO MAKE THIS FORUM A RALLYING POINT TO BRING THE TEA INDUSTRY TOGETHER SO THAT WE CAN BEGIN TO TALK WITH ONE VOICE ON MATTERS THAT TOUCH ON THE TEA SECTOR IN AFRICA.

THE TEA CONVENTION IS EXPECTED TO ACCORD AN OPPORTUNITY TO THE PARTICIPANTS TO EXCHANGE IDEAS AND LEARN FROM EACH OTHER. THERE SHALL ALSO BE PRESENTATIONS ON THE DYNAMIC MARKET TRENDS, CUTTING EDGE TECHNOLOGY AND THOUGHT LEADERSHIP THAT SHALL BE FREELY SHARED BY EXPERIENCED AND KNOWLEDGEABLE INTERNATIONAL EXPERTS .

OVER AND ABOVE THE OFFICIAL OPENING CEREMONY THE FOLLOWING TOPICS SHALL BE COVERED DURING THE FIRST DAY OF THE CONVENTION:

- THE UGANDA TEA STORY
- TRENDS IN THE GLOBAL TEA MARKET: EXPORTING COUNTRY ISSUES AND CONSUMER COUNTRY ISSUES
- TEA CONSUMPTION FOR HEALTH, FOOD AND NUTRITION SECURITY
- BUSINESS SUPPORT AND TRADE FACILITATION

THE SECOND DAY OF THE CONVENTION COULD COVER, AMONG OTHERS , THE FOLLOWING:

- CHANGES IN THE GLOBAL DYNAMICS THAT POSE RISKS FOR EAST AFRICA
- TEA SWAPS
- TEA CARBON TRADING
- ADAPTATION AND MITIGATION TO CLIMATE CHANGE
- BRANDING AND MARKETING OF TEA FOR THE 21ST CENTURY CUSTOMERS INCLUDING MILLENNIALS
- OVERVIEW OF THE DYNAMIC REGULATORY ENVIRONMENT IN THE TEA INDUSTRY (CASE OF KENYA, INDIA AND TANZANIA)
- USE OF TECHNOLOGY TO ENHANCE MARKET ACCESS

ON THE LAST DAY OF THE CONVENTION, THERE SHALL BE TWO PARALLEL BUSINESS TO BUSINESS SESSIONS IN THREE TOPICAL AREAS. YOU WILL THEREFORE BE FREE TO CHOOSE FROM EITHER OF THE FOLLOWING TOPICS:

- OUR EXPERIENCE IN AUTOMATING KEY PIN POINTS FOR THE PROCESSING AND EXPORTING OF THE TEA INDUSTRY IN SRI LANKA
- CONTINUOUS WITHERING SYSTEMS
- USE OF RENEWABLE ENERGY IN TEA PROCESSING

YOU WILL IN THE SECOND PARALLEL BUSINESS TO BUSINESS SESSION BE ABLE TO CHOOSE FROM:

- COST OF PRODUCTION ANALYSIS IN PRODUCER COUNTRIES- CASE STUDY OF UGANDA
- TEA RESEARCH- THE UGANDAN CASE
- LESSONS LEARNT FROM MALAWI TEA 2020

OTHER TOPICS THAT SHALL BE COVERED INCLUDE:

- INNOVATIVE TECHNOLOGIES IN TEA PRODUCTION, PRODUCT DIVERSIFICATION AND VALUE ADDITION
- UGANDA INVESTMENT CLIMATE

DURING THE TEA AND LUNCH BREAKS AND AFTER THE DAYS SESSIONS, I WOULD REQUEST YOU TO TAKE TIME TO VISIT ANY OF THE 30 EXHIBITION BOOTHS. I AM SURE THERE WILL BE A LOT FOR YOU TO LEARN. THE EXHIBITION WILL PROVIDE ALL ASPECTS OF THE SELLING PROCESS – ATTENTION, PERSUASION, DESIRE AND PURCHASING – ALL COMPRESSED INTO A SINGLE EVENT.

AFTER A WHOLE DAYS HARD WORK, THERE SHALL BE TIME TO RELAX. THERE SHALL BE A GALA DINNER AT THE EVENING OF TOMORROW. I WISH YOU ALL GOOD EVENINGS OF INTERACTION AND EXCHANGE OF IDEAS. THERE SHALL BE PLENTY OF SUMPTUOUS MEALS AND DRINKS. MY EXPECTATION IS THAT YOU WILL ENJOY YOURSELVES.

TO CROWN IT ALL, THERE SHALL BE SOCIAL EVENTS ON FRIDAY AFTERNOON AND SATURDAY. THIS WILL INCLUDE THE KAMPALA CITY TOUR, KAMPALA BY NIGHT, VISIT TO A TEA ESTATES SUCH AS KAKONDE (DAYALBHAI MADANJI CO.LTD) IN MITYANA, TAMTECO ALSO IN MITYANA, CLOUDS MOUNTAIN GORILLA LODGE AND GOLFING.

LADIES AND GENTLEMEN, AFRICA'S TEA IS UNIQUE AND OF HIGH QUALITY AS IT IS GROWN IN THE HIGH ALTITUDES AND IS NOT PRONE TO PEST AND DISEASE ATTACK. THROUGH IMPROVED RESEARCH, MANY TEA VARIETIES ARE ALSO BEING GROWN IN THE CONTINENT, WITH POTENTIAL FOR HIGH PRODUCTIVITY.

THERE IS ALSO POTENTIAL FOR DIVERSIFIED TEA PRODUCTS SUCH AS PURPLE AND WHITE TEA, WINE, AND OTHER FOOD PRODUCTS.

TO ADDRESS THE ISSUE OF FLUCTUATING LAND SIZE, ESPECIALLY IN THE SMALL HOLDER SECTOR, GOVERNMENT'S NEED TO COME UP WITH POLICIES, LEGISLATION AND REGULATIONS AIMED AT RATIONALIZING TEA CULTIVATION VIS A VIS THE ECONOMIES OF SCALE. PERHAPS THE SOLUTION WOULD BE TO CONSOLIDATE ALL THE LAND UNDER TEA CULTIVATION IN A CENTRALISED MANAGEMENT SYSTEM THAT WOULD THEN ALLOW FOR EASIER MANAGEMENT OF THE CROP. WITHIN THE REGION , RWANDA HAS TRIED THIS MODEL WITH QUITE SOME MEASURE OF SUCCESS.

THE ISSUE OF THE FLUCTUATION GLOBAL TEA PRICES CAN BE ADDRESSED BY AFRICAN COUNTRIES LOOKING AT HOME GROWN SOLUTIONS, INCLUDING FORMING STRONG LOBBIES, EXPLOITING THE BENEFITS OF A COMMON MARKET, AND SHARED INFRASTRUCTURE SUCH AS COMMON USER FACILITIES. ALL TEA PRODUCING COUNTRIES SHOULD AIM TO REMOVE VAT CHARGEABLE ON LOCALLY CONSUMED TEA.

AFRICA IS NOW IN THE MIDST OF A TECHNOLOGICAL REVOLUTION, AND THE DEPLOYMENT OF TECHNOLOGY WITH ITS ATTENDANT BENEFITS WITHIN THE SECTOR WILL LEAD TO MORE

EFFICIENCY AND THE SPILL OVER BENEFITS OF MANAGING COSTS AND HENCE BETTER RETURNS FOR TEA FARMERS.

AFRICAN COUNTRIES SHOULD ALSO START LOOKING AT MARKET DIVERSIFICATION TO STEM POSSIBLE LOSS OF BUSINESS IN THE GLOBAL VOLATILE REGIONS

LADIES AND GENTLEMEN, STAKEHOLDERS IN THE INDUSTRY SHOULD NOW START LOOKING AT THE BENEFITS OF E-TRADE AND E-COMMERCE WITHIN THE SECTOR, AND IF THIS CAN BE DEPLOYED FOR THE BENEFIT OF ALL THE STAKE HOLDERS. HOWEVER, THE USE OF TECHNOLOGY SHOULD BE CONSIDERED IN TANDEM WITH THE NEED TO CREATE EMPLOYMENT OPPORTUNITIES FOR OUR PEOPLE.

DISTINGUISHED MEMBERS AND STAKEHOLDERS, WITH THE SUPPORT OF TRADEMARK EAST AFRICA, EATTA STARTED THE AUCTION AUTOMATION JOURNEY IN DECEMBER 2016. SYSTEM DEVELOPERS CAME ON BOARD IN APRIL 2018 AND STARTED THE WORK. A PROTOTYPE PLATFORM WAS PRESENTED TO THE MEMBERSHIP. THE DEVELOPMENT PROCESS OF THE AUCTION AUTOMATION PLATFORM IS PROGRESSING WELL WITH FREQUENT CONSULTATION WITH MEMBERS. SYSTEM PILOTING AS WELL AS MEMBER TRAINING BEGUN IN APRIL 2019 AND WE EXPECT TO MOVE WITH MEMBERS AT EACH STEP.

IT IS ANTICIPATED THAT THE GO LIVE DATE WILL BE BY AUGUST /SEPTEMBER, 2019 AND CONCLUSION OF THE PROJECT BY DECEMBER 2019. MAINTENANCE COSTS AT THE EXPENSE OF TMEA SHALL CONTINUE IN 2020 AND 2021. IN ORDER TO ENSURE SMOOTH OPERATIONS OF THE AUCTION AUTOMATION PROCESS, TMEA HAS COMMITTED A GRANT OF KSHS.200 MILLION TOWARDS THIS NOBLE PROJECT.

THE AUCTION AUTOMATION WILL ENCOMPASS THE ENTIRE TEA EXPORT PROCESS: PRE-AUCTION (FROM PRODUCERS' COMMITMENT TO SELL TEA, TEA DISPATCH, TEA WAREHOUSING AND TEA CATALOGUE MANAGEMENT), AUCTION (SELLING AND BUYING OF TEA ON THE AUCTION FLOOR), POST-AUCTION (TEA PAYMENT MANAGEMENT AND TEA POST PAYMENT EXPORT PROCESSES) AND A B2B MARKETING NETWORK (MARKETING WINDOWS AND E-COMMERCE WINDOWS).

BENEFITS OF AUTOMATION INCLUDE REDUCTION OF THE PERIOD IN THE TEA TRADING CYCLE, AVAILABILITY AND ACCESS TO TEA TRADE DATA IN A TIMELY, RELIABLE, ACCURATE AND VERIFIABLE MANNER AND THE REDUCTION OF THE NEED FOR PHYSICAL PRESENCE OR REPRESENTATION AS A PRE-REQUISITE TO BUY AND SELL TEA. IT IS EXPECTED THAT AUTOMATION WILL SIMPLIFY THE TEA TRADING PROCESS REDUCING, AMONG OTHER THINGS, THE LEARNING CURVE FOR NEW ENTRANTS INTO THE TEA SECTOR, STREAMLINING OF PROCESSES .

IN ADDITION AUTOMATION IS EXPECTED TO CONTRIBUTE TO A SIGNIFICANT REDUCTION OF DIRECT COSTS ASSOCIATED WITH THE AUCTION PROCESS: THESE ARE MAINLY

ADMINISTRATIVE COSTS. BY REDUCING COST AND SHORTENING THE TRADING CYCLE, AUTOMATION WILL CONTRIBUTE TO AN INCREASE IN THE INCOME OF PRODUCERS/FARMERS EVEN IN THE EVENT THAT TEA PRICES REMAIN CONSTANT.

AUCTION AUTOMATION WILL CREATE THE OPPORTUNITY OF MULTIPLE TRADING WINDOWS . THIS WILL ENABLE TEA PACKERS TO EFFECTIVELY PARTICIPATE IN THE AUCTION. IT WILL ENHANCE THE OPPORTUNITIES FOR MARKETING AND SELLING VALUE ADDED TEAS . AUTOMATION WILL INCREASE THE VOLUMES OF TEA SOLD AT THE AUCTION IN A PERIOD OF TIME. IT SHALL ALSO LEAD TO INCREASED PARTICIPATION IN THE TEA TRADING PROCESS BY THE VARIOUS ACTORS OF INTEREST.

IT IS MY SINCERE HOPE THAT ALL THESE ISSUES, AND MANY MORE, WILL BE DELIBERATED FULLY DURING THIS CONVENTION. AT THE END OF THE TWO AND A HALF DAYS, STAKEHOLDERS IN THE SECTOR SHOULD BE ABLE TO COME UP WITH AN IMPLEMENTABLE ACTION PLAN THAT CAN BE USED AS A BENCH MARK IN DRIVING THIS CRUCIAL SECTOR FORWARD.

I TAKE THIS OPPORTUNITY TO THANK ALL THE SPONSORS OF THE CONVENTION, THE MAIN ONES BEING THE CFC STANBIC BANK, KENYA TEA DEVELOPMENT AGENCY (KTDA), THE KENYA TEA DIRECTORATE, THE UGANDA TEA DEVELOPMENT AGENCY AND THE UGANDA TEA ASSOCIATION.

OTHERS KEY SPONSORS WERE THE KENYA PORTS AUTHORITY, VIKRAM INDIA LTD, RWANDA MOUNTAIN TEA AND EMPIRE KENYA TEA MADE SIGNIFICANT CONTRIBUTIONS TO SUPPORT THE EVENT. WE APPRECIATE YOUR KIND GESTURE.

LADIES AND GENTLEMEN, LET ME END BY WISHING YOU ALL FRUITFUL DELIBERATIONS.

LONG LIVE THE TEA INDUSTRY
LONG LIVE EATTA
LONG LIVE AFRICA

I THANK YOU ALL.

EDWARD K. MUDIBO
MANAGING DIRECTOR,
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