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The Role of Trade on Economic Development in Ibanda District, Uganda.

The study covered a period of 12 years (2000/12). The study was to establish the role of trade on economic development in Ibanda District-Uganda. The objectives were: to ascertain the major economic activities carried out in Ibanda district, to establish the relationship between trade and economic development in Ibanda district, and to ascertain the major challenges faced by the Ibanda district business community. The study found that the economic activities were classified as in the encyclopaedia and were revealed as professionals such as Doctors, Lawyers, Engineers and all the others who were involved in specialised services in return for fees and were self-employed, who were involved in the production and distribution of goods and services with the aim of earning profit. Despite the challenges differing by sector and geographical location within the study area, the study efforts discovered a number of constraints common to Ibanda, and key among these uncovered by the study were: Insufficient working capital, insecurity, lack of qualified human resources, lack of technology and information, high transportation costs, cumbersome and costly bureaucratic procedures. The linear regression analysis demonstrated that there was a positive relationship between financial trade activities with economic development in Ibanda district. Therefore, the study confirmed that trade activities were the greatest contributor with 73.7% to area economic development compared to other areas of economic development. For that reason, improving trade activities in this area would meaningfully move the district economic development higher and the reverse would happen if trade activities in this district are deterred.

Key Words: Trade, Economic Development, Ibanda District