# Market Access and Entrepreneurial Inclusion in Kampala's Urban Economy

## Contextual Overview

## Kampala's Urban Growth and Economic Dynamics

Kampala, Uganda's capital, is the country's largest economic hub and one of the fastest-growing cities in East Africa. With a population of approximately 4.5 million (UBOS, 2024), Kampala experiences intense urbanisation driven by rural-urban migration, natural population growth, and regional mobility. The city hosts a highly diverse population engaged in a wide array of economic activities.

The informal sector dominates Kampala's economy, contributing over 60% of employment (KCCA, 2023). Entrepreneurial activity thrives in areas such as retail trade, agro-processing, food vending, tailoring, and transport. These micro-enterprises are a key driver of urban resilience and self-employment, particularly among youth and women.

## Entrepreneurship in Kampala: Sectoral Overview,

Urban entrepreneurship in Kampala is vibrant, with multiple emerging and established sectors:

- **Retail and general merchandise**: Clothing, electronics, household goods, cosmetics.
- **Agro-processing and food value addition**: Juice production, spice packaging, mushroom farming, poultry.
- **Clean energy and circular economy**: Briquette production, energy-saving cookstoves, organic composting, Black Soldier Fly rearing.
- **Digital and service sectors**: Mobile money, ride-hailing, phone and appliance repairs, salons.
- **Urban farming**: Vertical gardens, aquaponics, rooftop agriculture.

This diversity has contributed to Kampala's identity as a hotspot for innovation. Yet most of these enterprises remain informal, unregistered, and highly vulnerable to income shocks and market disruptions.

## Market Access in Kampala: Structures and Pathways.

Entrepreneurs access markets through multiple formal and informal structures:

- **Public markets**: Kampala boasts over 60 official markets regulated by KCCA and vendor associations, including Owino, Nakasero, Nakawa, and Kalerwe.
- **Informal vending**: Many vendors sell along streets or from temporary kiosks, often facing eviction and harassment.
- **Online platforms**: Increasingly, entrepreneurs use WhatsApp, Facebook, Glovo, and Jumia to reach customers.
- **Organised trade fairs**: Temporary marketplaces are created by civil society organisations for marginalized vendors.
- **Institutional supply chains**: Small producers supply goods to schools, restaurants, and other institutions through informal arrangements.
- **Peer referrals and social networks**: Trust-based client acquisition remains dominant, especially in low-income segments.

## Barriers to Market Access,

Despite Kampala's commercial activity, the pathway to market integration is filled with structural challenges:

- ➤ **Space scarcity and allocation bias**: Access to stalls in city markets is limited and often mediated by informal power networks.
- ➤ **Cost barriers**: Rent, municipal fees, transport, storage, and power bills collectively discourage early-stage entrepreneurs.
- ➤ **Lack of awareness and navigation support**: New vendors often lack guidance on formal market procedures or association dynamics.
- ➤ **Gendered constraints**: Women face time poverty due to unpaid care work, and lack of gender-sensitive infrastructure in markets.
- ➤ **Stigma and exclusion**: Refugees, persons with disabilities, and youth often face bias from market associations and established traders.

- **Weak post-training pathways**: Skilling initiatives rarely include graduation into market platforms, leaving many trainees stuck in survival-mode entrepreneurship.

## Kampala's Market Landscape: Scale and Footfall

| Market Name | Estimated Vendors | Daily Foot Traffic | Main Sectors |
|---|---|---|---|
| Owino (St. Balikuddembe) | 10,000+ | 50,000–70,000 | Clothing, general merchandise |
| Nakasero | 3,000+ | 15,000–25,000 | Fresh produce, dry goods |
| Kalerwe | 2,500+ | 12,000–18,000 | Fruits, vegetables, meat |
| Nakawa | 2,000+ | 10,000+ | Foodstuff, electronics |
| Bugolobi, Kibuye, Kasubi | 1,000–1,500 each | 5,000–10,000 | Mixed-use stalls |

These markets form the core of Kampala's consumer ecosystem. However, entry into these spaces is often regulated informally, with limited transparency for new entrants.

## Training without Access: A Broken Link,

Across Kampala, hundreds of youth and women complete entrepreneurship or vocational programs annually, yet the transition to market-based income generation is weak.

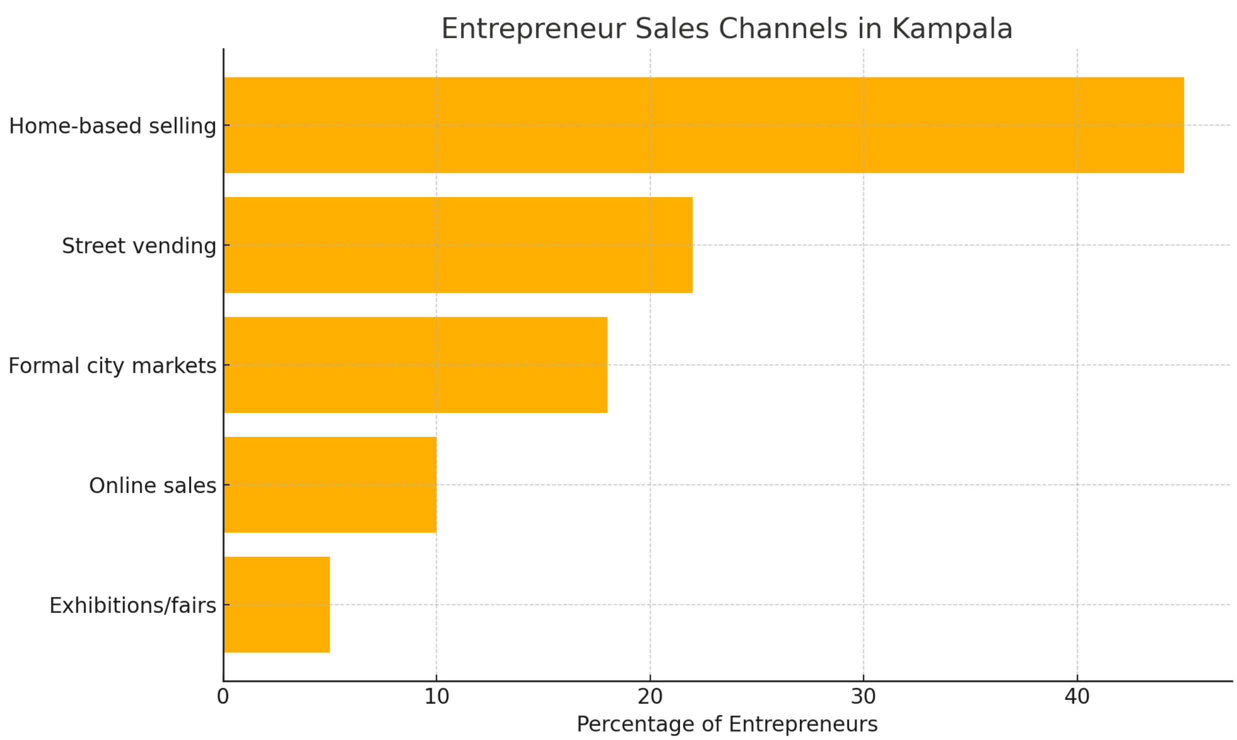
Recent studies highlight this mismatch:

- Less than 40% of skills program graduates are earning income within 6 months post-training (UBOS, 2023).

- Only 1 in 5 graduates access formal market stalls; most default to home production or irregular street vending (IRC Urban Livelihoods Snapshot, 2022).
- Enterprise formalisation remains below 30% among refugee and informal entrepreneurs (MoGLSD, 2023).

The lack of integration between training providers, market associations, and municipal planners leaves many enterprises stranded without visibility or customer reach.

## How Do Entrepreneurs Sell in Kampala? A Data Snapshot




While digital commerce is growing, its uptake remains limited by device access, digital literacy, and customer preference for face-to-face transactions.

## Policy Gaps and Programmatic Opportunities

Several bottlenecks continue to impede inclusive access to markets in Kampala:

- **Underutilised temporary markets**: Space exists but remains inaccessible to emerging vendors.
- **Weak coordination between stakeholders**: Skills agencies, NGOs, and city authorities rarely co-plan integration pathways.
- **Rigid vendor registration systems**: Lack of simplified, tiered models for onboarding new micro-enterprises.
- **Lack of inclusion standards in market associations**: Membership is often closed to outsiders or marginalised entrepreneurs.
- **Urban mobility barriers**: High transport costs reduce access to central markets for peri-urban entrepreneurs.

Opportunities exist to address these through:

- "Onboarding" schemes for skills program graduates
- Temporary permit models for refugees and informal vendors
- Partnerships with private sector to host inclusive vendor stalls
- Market-based business incubation centres linked to real sales platforms
- Gender-sensitive infrastructure (e.g., day-care near stalls, breastfeeding corners)

## Conclusion: Toward Equitable Urban Enterprise Ecosystems

Urban economic inclusion in Kampala cannot be achieved through training alone. Structural reforms in access to space, licensing, market information, and association governance are necessary to democratise participation.

Kampala's potential as a pan-African innovation hub will only be fully realised if diverse entrepreneurs—from youth innovators to refugee artisans—are enabled to reach real customers in real markets.

**Sources:**


- Uganda Bureau of Statistics (UBOS), 2024

- Kampala Capital City Authority (KCCA), 2023
- National Labour Force Survey, 2021
- Makerere Urban Economic Observatory, 2024
- UNHS Microenterprise Data Annex, 2021
- MoGLSD Enterprise Formalisation Working Paper, 2023