

Uganda's Investment

Environment

Presentation Outline

- Uganda at a Glance
- Investment Environment
- Investment Markets
- Priority Sectors
- Setting up Investment

Land linked location

Approximately 40 million people

Tripartite FTA EAC,
COMESA, SADC
57% of Africa
612 Million
Source: COMESA RIA



EAC
6 Countries
170 Mill People
*EAC 2016
Statistics*

COMESA
19 Countries
500 Mill People
*Source: UNCTAD
2016*

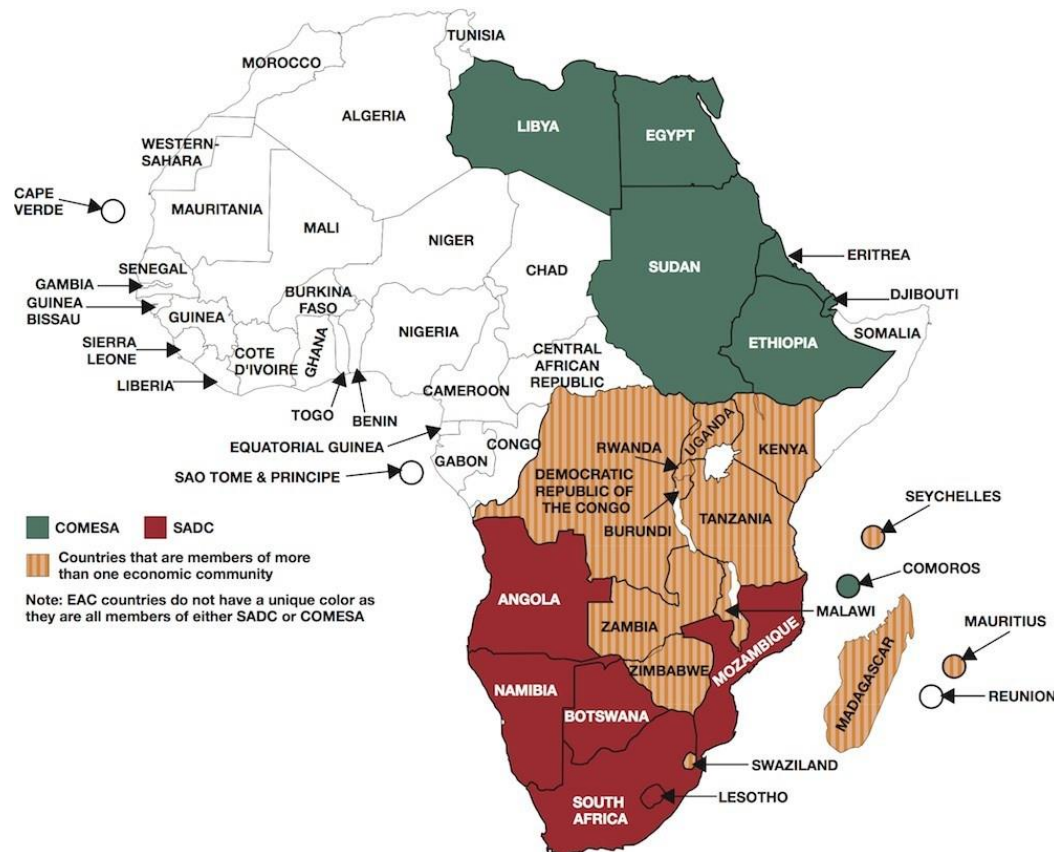
Viabile Market Access

The COMESA, EAC and SADC Tripartite Free Trade Area (TFTA)

expanded trade opportunities through preferential access to 57% of the African continent,

with about 632 million people,

a potential US\$ 1 trillion in trade



Investment Outlook

- Uganda will be one of the fastest growing economies in the world with the growth forecasted to be 7.7% by 2025. (**Center for International Development at Harvard University**).
- GDP growth averaged at 6%
- The Economy is well regulated and highly liberalized. All sectors are open for investment.
- Uganda is 1st among the world's 9 friendliest countries (Survey by InterNations 2017 among Expatriates)

Investment Environment

- Free movement of capital to and from the country.
- Full repatriation of profits after taxes, 100% foreign ownership of private investments allowed and joint venture partnerships with domestic investors encouraged.
- Harmonized investment policies
- The incentive regime is structurally included in the country's tax laws which makes it non-discriminatory and accessible to both domestic and foreign investments.

Investment Environment

- Uganda's labour is highly trainable and yet affordable.
- Internal Rate of Return on investments ranges from 19-33% for all projects including Oil and Gas.
- Established one stop border points.

Top 10 Country Sources of Investment

	2015/16	2016/17	2017/18
--	---------	---------	---------

	Country	Licensed projects	% ge distribution for 2015/16	Country	Licensed Projects	%ge Distribution for 2016/17	Country	Licensed Projects	%ge Distribution for 2017/18
1	Uganda	114	32.3	Uganda	138	27.0	Uganda	79	32.0
2	China	66	18.7	India	104	20.3	China	54	21.9
3	India	49	13.9	China	78	15.2	India	34	13.8
4	Kenya	16	4.5	Kenya	20	3.9	Kenya	9	3.6
5	Pakistan	12	3.4	UK	19	3.7	Canada	6	2.4
6	Eritrea	11	3.1	Pakistan	15	2.9	Mauritius	6	2.4
7	UK	11	3.1	Egypt	13	2.5	Eritrea	4	1.6
8	Mauritius	6	1.7	Turkey	12	2.3	Pakistan	4	1.6
9	United States	6	1.7	South Sudan	7	1.4	Tanzania	4	1.6
10	Turkey	5	1.4	Lebanon	6	1.2	Turkey	4	1.6



Priority Sectors for Investment

Priority Sectors for Investment

Agriculture & Agro-processing

- Uganda is the 3rd largest producer of bananas in the world
- Uganda is the 8th top coffee producer in the world and 2nd in Africa
- Uganda is the East African Community's 'food basket'



Opportunities in Agro-industry

- storage facilities
- processing plants
- Inputs
- assembly of equipment
- packaging

Tourism

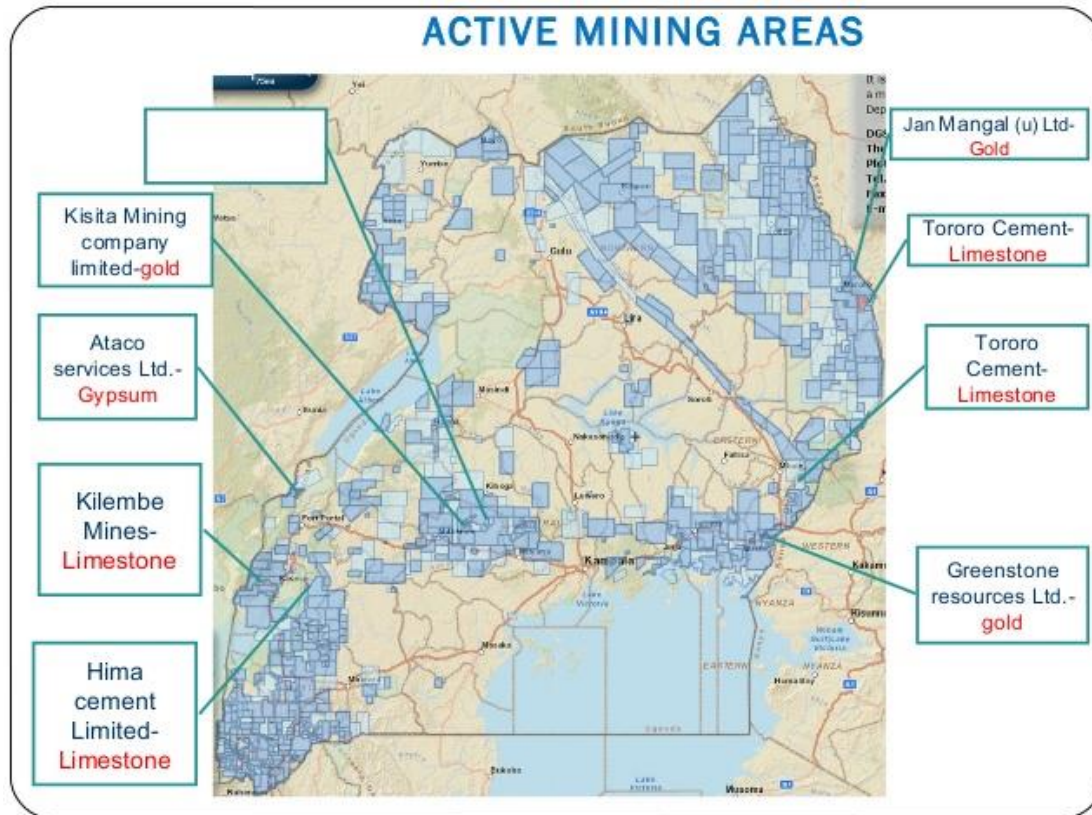
- Uganda is home to 50% of the world's gorillas
- Uganda is home to 11% of the world's bird species
- The largest fresh water lake (Lk Victoria) and the source of the mighty Nile river are found in Uganda

Tourism

- high to medium end accommodation along the tourist circuits
- Conservation areas
- water and aviation transport



Mineral beneficiation



- Uganda has over 50 types of minerals
- Over 200 million tonnes of proven iron ore reserves
- 10 target areas for uranium
- Reserves of crude oil

Mineral beneficiation

- Mining and processing plants
- oil storage,
- logistics and establishment of laboratories

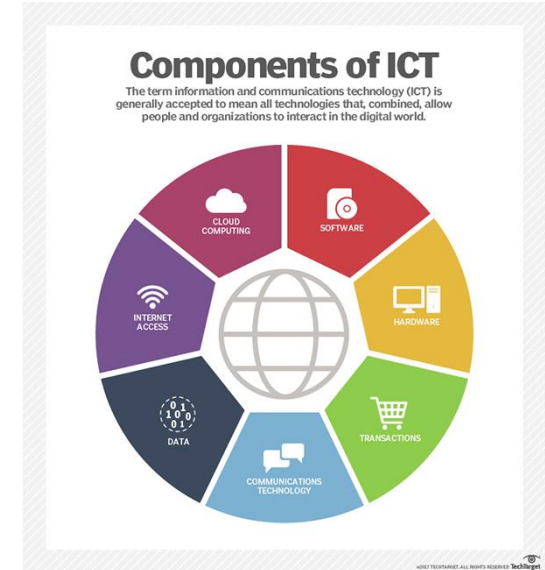


Information Communications Technology

The ICT sector is one of Uganda's fastest growing sectors, recording double digit growth over the last few years

Opportunities in ICT

- Business Process Outsourcing
- Software development and services
- ICT hardware manufacturing and assembly
- Data Warehousing and Data Management
- Setting up certified training centres
- Developing quality ICT infrastructure



Other Viable Sectors for Investment

- Infrastructure development
- Packaging
- Real Estate Development
- Light Manufacturing

Investment Regime

- The incentive regime is structurally included in the country's tax laws which makes it non-discriminatory and accessible to both domestic and foreign investments:
 1. 10 year income tax holiday among other incentives for export oriented industry
 2. 5 year income tax holiday for developers of Industrial Parks (IPs) and free zones (FZs) – at least \$ 100 million
 3. 5 year income tax holiday for operators of IPs and FZs – at least \$ 15 million (foreign) and \$ 5 million (Ugandan), respectively
 4. 5 year income tax holiday for businesses outside the IPS and FZs for investments at least \$ 15 million (foreign) and \$ 5

Investment Regime (cont'd)

4. VAT exemption for developers of IPs and FZs and operators outside the parks/zones on supply of feasibility studies, plant & machinery, construction materials, supply of locally produced raw materials and inputs (capital thresholds and sectors apply)
5. VAT exemptions for the tourism and hospitality sector on supply of services for feasibility & design, locally produced construction materials, machinery and equipment, furnishings not available locally (Investment capital – US\$ 8 million for room capacity exceeding 100 guests)
6. VAT exemptions on the health sector
7. Varied incentives in agro processing, mining & mineral beneficiation, leather industry
8. Carry forward losses and various allowable deductions e.g. training

Setting up business in Uganda

- It takes less than a day to incorporate a company in Uganda
- 100% foreign ownership is allowed and Joint ventures with domestic companies are encouraged
- It is mandatory for foreign investments to acquire an investment license
- Traders do not need an investment license. They require an import licenses, standards approvals and a trading license

Requirements:

- Business Incorporation and Registration
- Tax Registration
- Licensing
- Work Permits for Foreign Personnel
- Environmental Impact Assessments in some projects
- Trade Permits
- Investment Licenses

Investment Ready Projects



BANKABLE PROJECTS

BRIEFS 2017/2018 EDITION



One Stop Centre Services

In order to ease business and improve efficiency, UIA is a One Stop Centre (OSC) for business registration and licensing.

Services include:

- Investment Advisory, business registration, immigration services and work permit issuance, land acquisition and verification, as well as environmental compliance and approvals, among others.
- The Services save the investor both time and money to have their projects licensed and implemented expeditiously.

One Stop Centre-Online Services



www.ebiz.go.ug



Thank you

Arigato Gozaimaisu

Email: info@ugandainvest.go.ug

Website: www.ugandainvest.go.ug

Tel: +256 313 301000

Toll Free / Intervention issues Hotline: 0800100770