

Uganda – Investment Climate and Opportunities

Presentation by

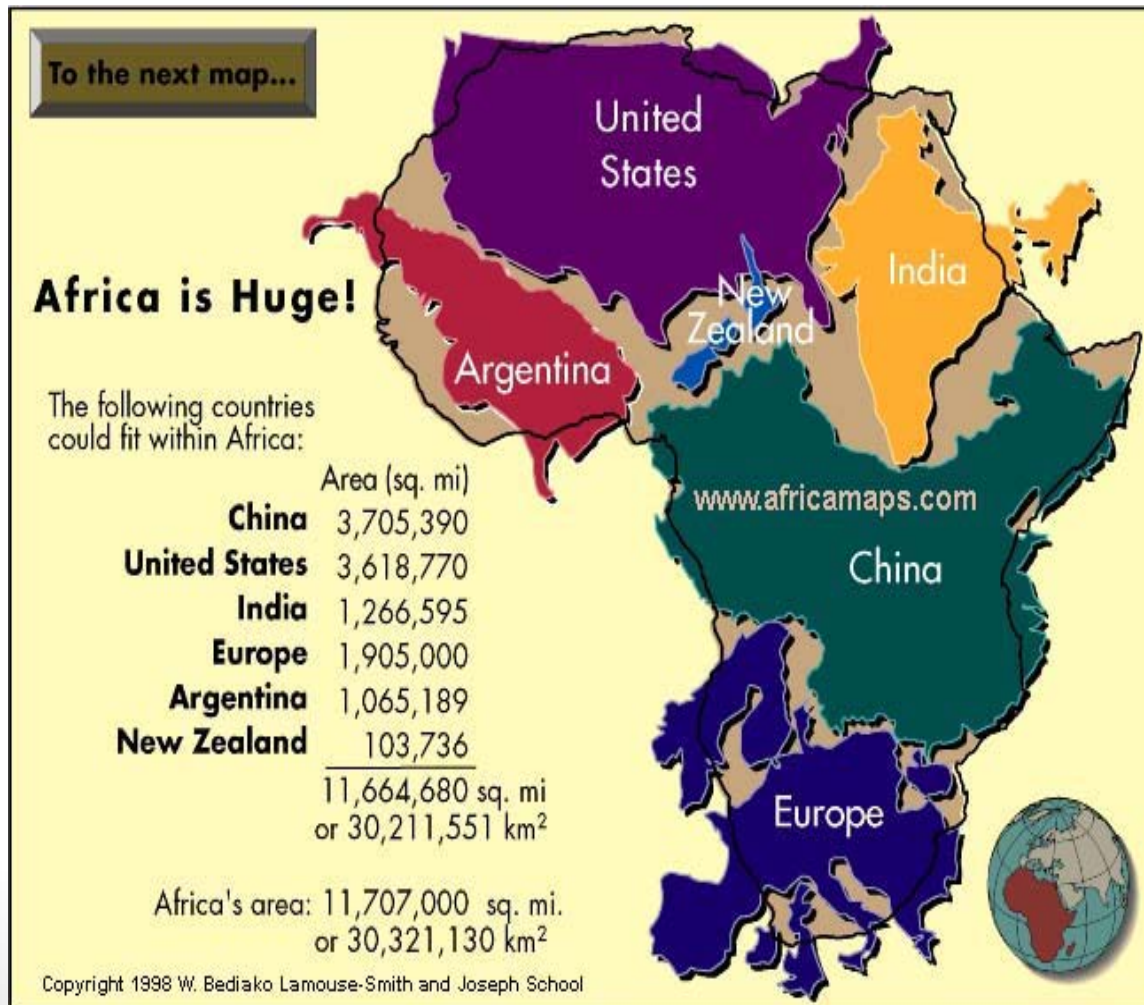
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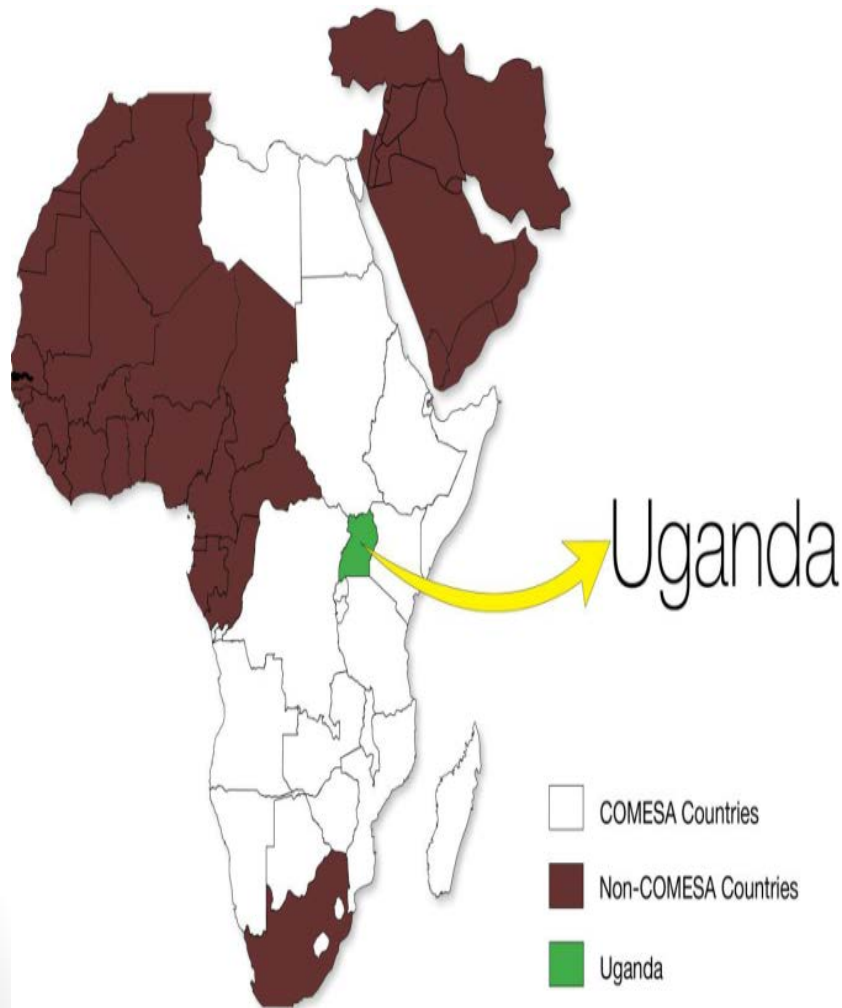


The 21st Century Belongs to Africa



- Land
- Human Resource
- Tourism
- Agriculture
- Minerals
- Infrastructure
- Leaders
- Vision
- Strategy
- Plan

Uganda at a Glance



1. Strategically land linked in the heart of Africa
2. Expanded market size
 - 35.8 million people (Domestic Market)
 - EAC (150 million people),
 - -COMESA – 490 million, 19 countries)
 - - Free Trade Area – In tripartite EAC, COMESA and SADC in which Uganda is part of the Free Trade Area
 - Reasonable level of infrastructural development
3. Predictable economic and political environment
4. Steady and consistent economic growth
5. Liberal foreign exchange policy that allows investors to repatriate their profits.
6. 100% foreign ownership of businesses allowed

UGANDA AT A GLANCE



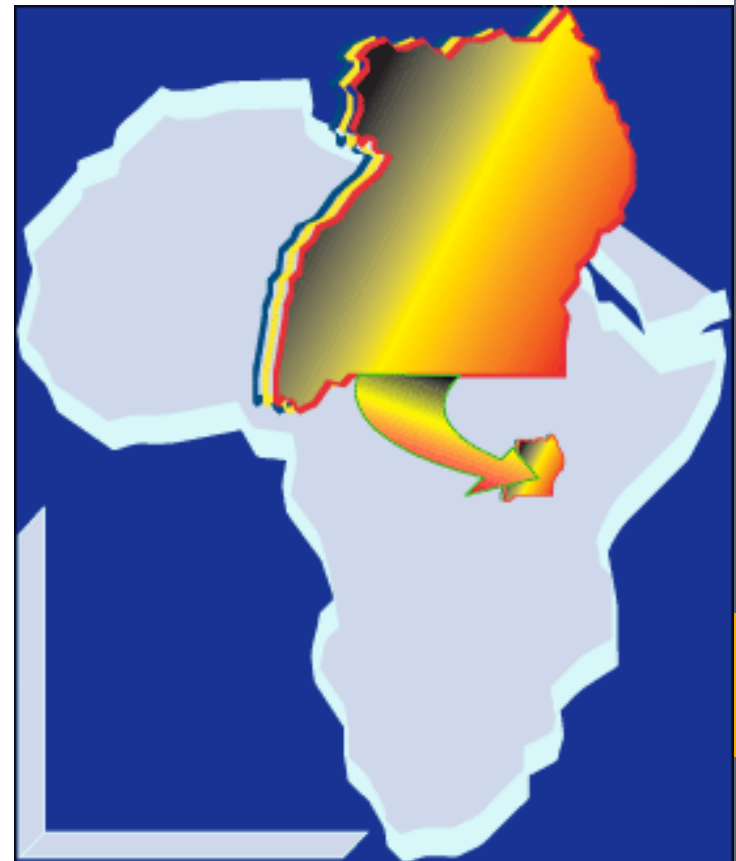
Geographical & Demographical

Population: 35.8 million (2014 Census)

Part of EAC Population : 138 Million
Also part of COMESA Population : 490 Million

Location at the Heart of Africa

Uganda	Key Facts
Area sq km	241,038
Capital	Kampala
Languages	English is the official language with Luganda as the regional language. Swahili is taking root as an East African Commercial Language .
Currency	Ugandan shilling (UGX)
Dialing Code	256



Favorable Investment Climate



✓ Basic infrastructure

Transport (Road, railway, air etc.)

Utilities (Energy, telecom, water)

Land (Availability, affordability etc.)

✓ Stability

Political

Economic

Social

✓ Policy framework

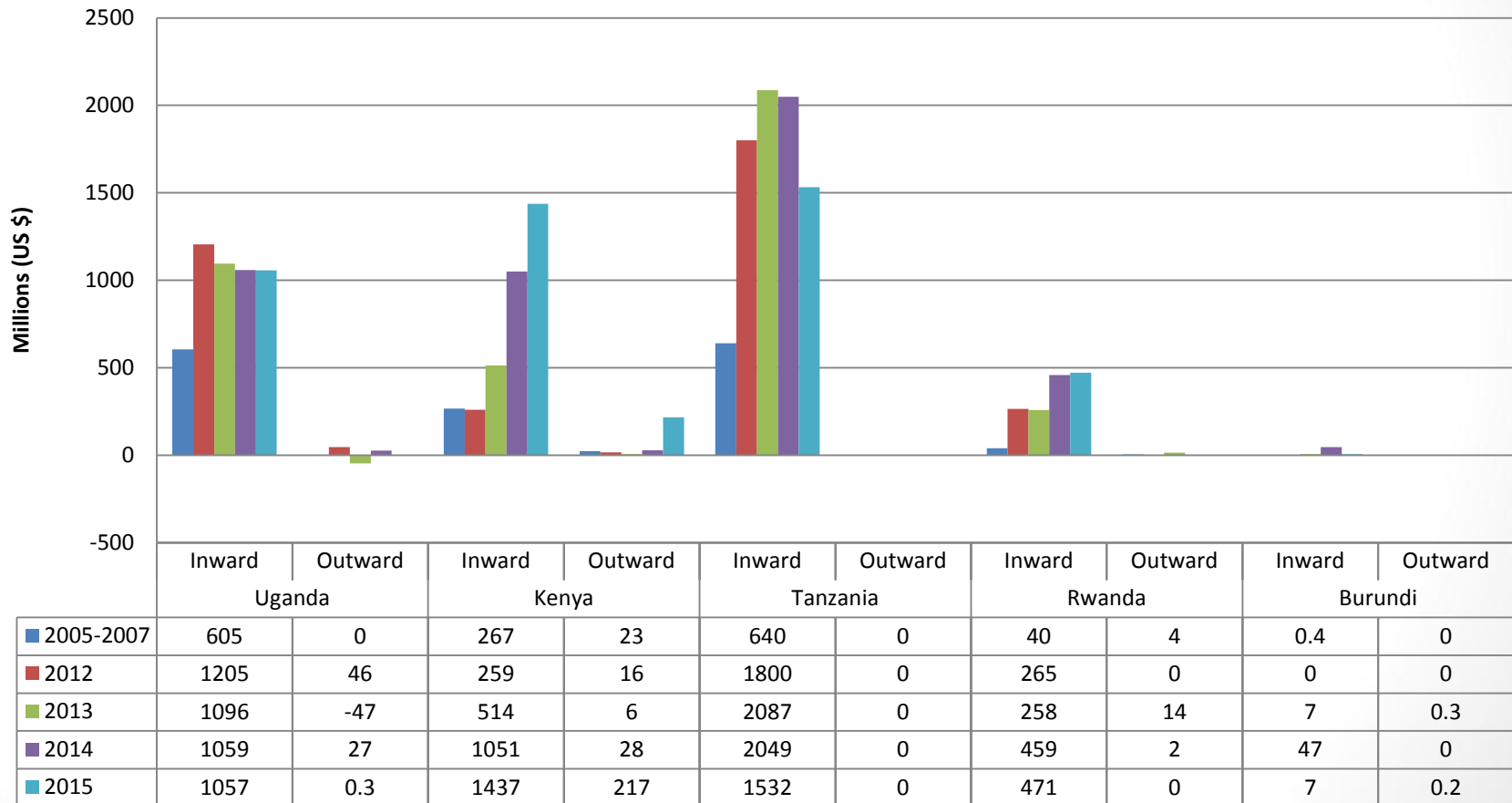
Legal/Regulatory

Financial

Incentives

Status of FDI

FDI Flows in the EAC (Millions of US Dollars)



Source: World Investment Report 2016 by UNCTAD

Uganda Doing Business Ranking

-
- **122nd** position out of 189 economies, an **improvement of 13 places** in 2016
 - **115th** position out of 190 economies globally in 2017 (12th out of 48 in Africa)
 - In the EAC, Uganda ranks in the 3rd place following Rwanda and Kenya
 - Report recognizes Uganda as a top reformer in the regulatory environment

Constraints

Constraints that can be turned into opportunities:

1. Access to Finance (Establishment of commercial banks & long term lending institutions)
2. Administrative Barriers (Participation in consultancies)
3. Power (Generation & distribution of power, Hydro, Solar, Bio, Wind e.t.c)
4. Land
5. Infrastructure (new roads & maintenance)



Uganda Investment Authority Mandate, Vision and Mission

Vision

A globally competitive Uganda profitable for business, investment and brimming with cutting –edge innovations!.

Mission

To unleash, promote, attract and retain value adding domestic and foreign investment through robust marketing, nurturing and aftercare

Mandate

- To coordinate, encourage, promote and facilitate investments in Uganda.
- To advise Government on investment policy
- To advocate for a competitive business environment in Uganda

UIA core functions



- **Promotion**

- Promotion of investment opportunities
- Provides Information on investment opportunities

- **Facilitation and Aftercare – The One Stop Centre**

- Issues Investment Licenses – Mandatory for foreign companies, optional for domestic companies
 - Assists in Securing Secondary Approvals
 - Assists in Finding Joint Venture Partners
 - Line agencies of the One Stop Centre - URSB, URA, Immigration, NEMA, Lands, etc
 - Handholds Investors through registration, licensing and implementation procedures
 - Provide Serviced Land and/or Link to Land Owners
- Policy Advocacy -Recommendations to Government on policies affecting

One Stop Centre

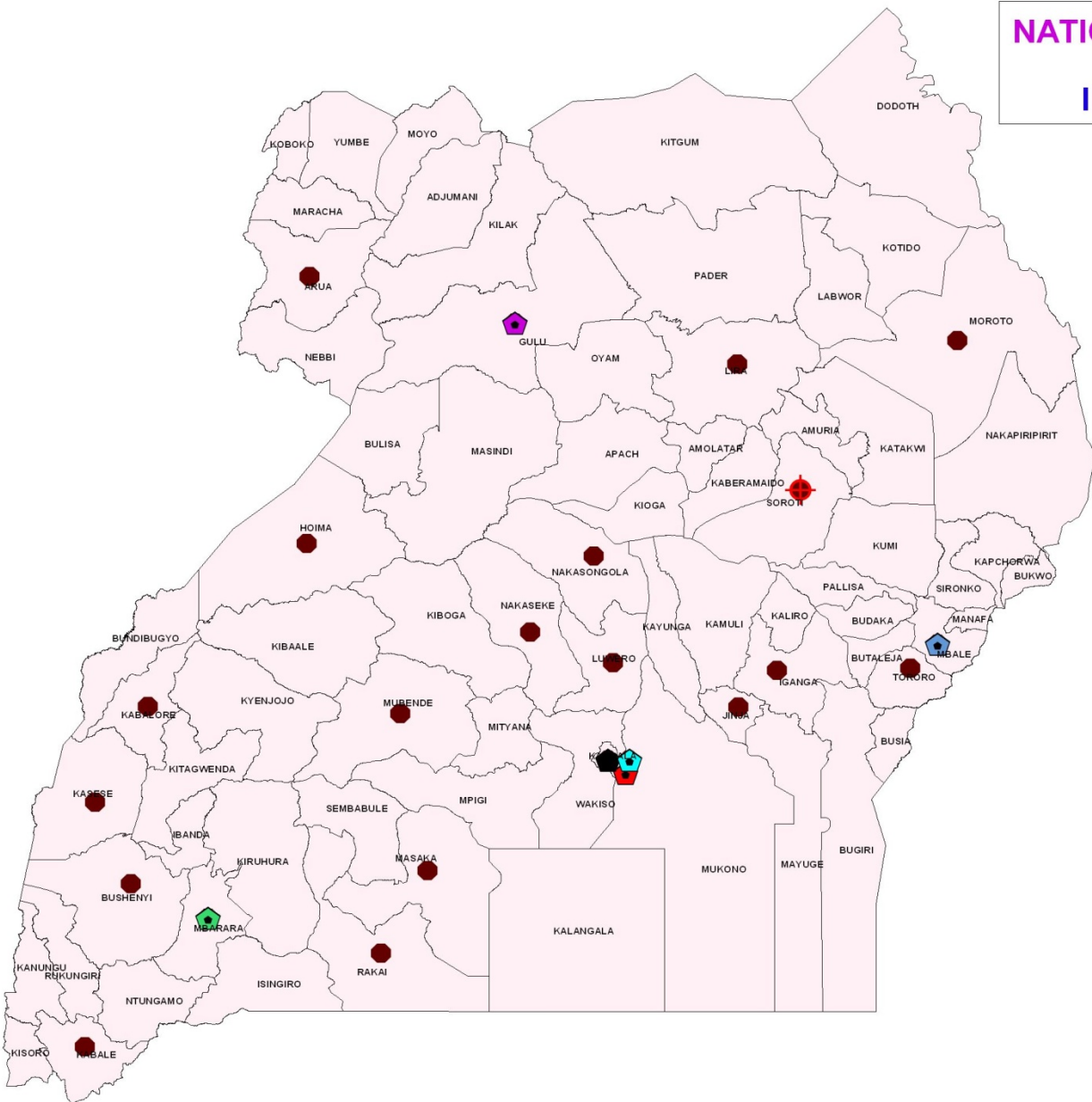
- Uganda Investment Authority (UIA core functions – Investment promotion and facilitation, aftercare)
- Uganda Registration Services Bureau (URSB) – Company incorporation/registration
- Uganda Revenue Authority (URA) – tax registration (TIN, Income tax, VAT etc.)
- Immigration Department – work permits, special passes etc.
- NEMA – Environmental Impact Assessment (EIA) studies
- Ministry of Lands, Housing and Urban Development – land registration & titling
- Uganda National Bureau of Standards (UNBS) – Regulator of national standards and guardian of quality. Standards development, promotion and implementation as well as standards enforcement

E- One-Stop-Centre

- Key Govt Ministries/Agencies are virtually linked electronically
– E-biz portal on www.ebiz.go.ug
- Enhance the sharing of information across Government Departments.
- Reduce on the time & cost of business registration and licensing
- Eliminate filling of several forms seeking the basic data from Companies.
- Improve UIA's service delivery capacity to investors



**NATIONAL DEVELOPMENT STRATEGY
DISTRIBUTION OF PROPOSED
INDUSTRIAL PARKS IN UGANDA**



LEGEND

-  District
-  KIBP
-  Luzira
-  Bweyogerere
-  Mbarara
-  Mbale
-  Soroti Business Park
-  Gulu
-  Other Industrial Park



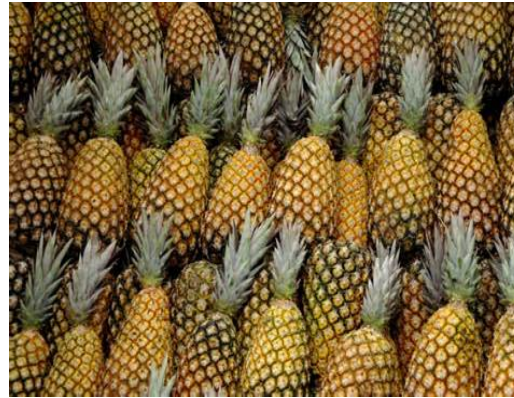
Investment Opportunities



- Greenfield
- Joint venture
- Acquisition

Agro-(crops)

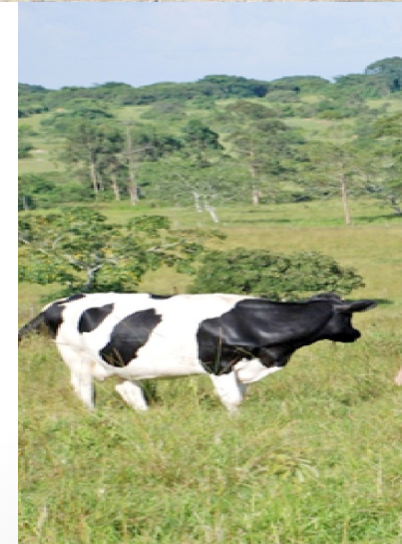
- Coffee
- Pineapples
- Ground Nuts
- Passion fruits
- Oranges



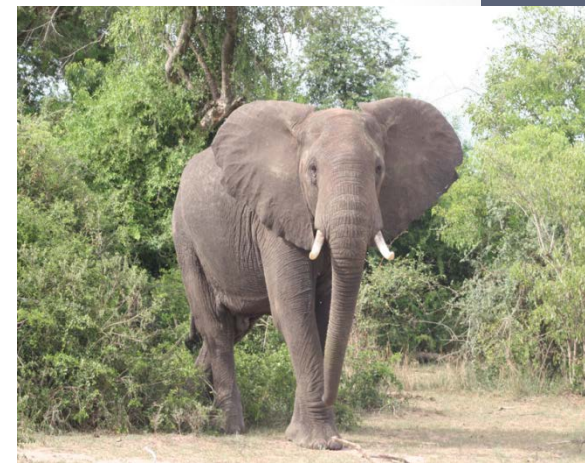
Agro-(Livestock)



- Commercial farming
- Processing of Livestock Products
- Slaughter Facilities
- Fisheries (Commercial farming (Cage and pond)
fish processing, sport fishing, fish feeds, cold storage facilities and manufacture of appropriate fishing gear for deep fishing etc)
- Others (Improved seeds, Pesticide, Herbicides, Machinery Fabrication, Animal feeds/drugs, packaging materials etc).



Tourism



- Accommodation & Conference facilities
- Training infrastructure for *tour guides* and operators
- J/V with existing players
- Tourism (Cultural Tourism & *sites* and water sports)



Energy

- Charcoal briquettes (Municipal/Agric. waste)
- Hydro power generation
- Solar power (*Sunshine*)
- Methane gas from Animal Waste
- Manufacture of electrical & electronic equipment



Services



- **Education:** Primary & secondary tertiary institutes & campuses
Vocational and poly-technics

- **ICT: Business Process Outsourcing, Software Development,**
Computer training/assembly/repair, Mobile phone repair,
Rural communication (Radios), Internet cafes etc.



- **Health: Modern Health Facilities, Training**
medical Personnel, Manufacture of
medical equipment/drugs and Tele-
medicine



Mining

Uganda offers a variety of opportunities:

Dimension stone products (Marble and granite)

Phosphates

Gold

Iron ore

Container glass from silica sands

Special minerals: vermiculite, rare earths

Oil and Gas

Petroleum (Petrochemical related Industries.)



SOME JAPANESE LICENSED COMPANIES



Company	Sector
3WM UGANDA LIMITED	Fin, Ins, Real Est & Biz Svs
ACCROW SUPPLIES (U) LTD	Construction
ADACHI AUTO LTD	Manufacturing
AFRICA INCUBATOR (U) LIMITED	Fin, Ins, Real Est & Biz Svs
AINO HOPE EMPIRE LIMITED	Mining & Quarrying
AQUVA INTERNATIONAL	Manufacturing
ARAGAKI CHOCOLATE LIMITED	Manufacturing
ARTISANS FARM LIMITED	Manufacturing
ARVIND CITY PROPERTIES LTD	Fin, Ins, Real Est & Biz Svs
BROTHERS & CO LTD	Construction
C.S. INTERNATIONAL LTD	Construction
CRESCENT TRANSPORTATION CO. LTD	Transport, Storage & Comm
G & G FURNITURE LTD.	Manufacturing
GLOBERIDGE (U) CO. LTD	Transport, Storage & Comm
INFOMAIL (U) LTD	Transport, Storage & Comm
INTERGRATED NETWORK FOR FARMERS & BUSINESS DEVELOPMENT	Manufacturing
KAMAKURA INTERNATIONAL INVESTMENTS CO. LIMITED	Manufacturing
NATURAL HOUSE CO.LTD	Agric, Hunt, Forest & Fish
NEW 2001 DRY CLEANERS	Fin, Ins, Real Est & Biz Svs
PEARL TEXTILES LTD	Manufacturing
REBECCAHELLO LIMITED	Manufacturing
SARAYA EAST AFRICA COMPANY LIMITED	Manufacturing
TOYOTA NILE LTD	Transport, Storage & Comm
WBPF CONSULTANTS LIMITED	Fin, Ins, Real Est & Biz Svs
YUASA INVESTMENTS LTD	Manufacturing

Incentives to enable investment

1. Industrial land for setting up infrastructure free of premium in Government's industrial parks
2. 10 years tax holiday if the assembly or manufacturing company is going to export at least 80% of the products
3. VAT deferment if the cost of plant and machinery is at least \$ 22,500 and above
4. VAT zero rated supplies
5. 100% training expenditure on training Ugandan employees is allowed as a deduction for income tax purposes
6. Industrial building allowance of 5% of the cost of construction of the industrial building
7. Losses can be carried forward and allowed as a deduction in the following year of income
8. Double Tax Agreements

Investment Licensing & Ownership

- 100% foreign ownership of a company ,
- 100% domestic ownership,
- Partnerships between domestic and foreign

Types of Businesses

- Sole Proprietor
- Limited Liability Company
- Cooperatives
- Associations

Investment Thresholds

- US\$ 100,000 for foreign investors to acquire an investment license
- US\$ 50,000 for domestic investors to acquire an investment license

Investment set up and implementation process



- **Step 1** - Register your company in Uganda (URSB)
- **Step 2** - Locate project site - (UIA)
- **Step 3** - Acquire regulatory license (Mining, Health, Energy, Education, etc)
- **Step 4** - Acquire investment license from UIA
- **Step 5** - Carry out an Environment Impact Assessment (EIA) - (NEMA)
- **Step 6** - Obtain permits, other licenses (Trading license, work permits, etc, construction permits, etc)
- **Step 7** - Implement investment – (UIA)
- **Step 8** - Receive aftercare services – (UIA)

NB. - UIA works with the investor throughout this process

- The Import and Export (Trade) business does not require an investment license

WHY UGANDA NEEDS YOUR INVESTMENT

- To create more direct jobs and economic spillover
- To grow local suppliers
- To attract more businesses/investments – It builds investor confidence
- To create and grow a more skilled workforce
- To improve the quality of life
- To position Uganda as an investment destination

WHY UGANDA



Strategically located



Resource Rich

Welcoming people



Conclusion



- Uganda is one of the fastest growing economies in Sub Saharan Africa.
 - Uganda's Doing Business Ranking has moved up from 135th position to 122. (*Source: World Bank Group – Doing Business 2016*)
- The economy is fully liberalise and private sector driven.
- The country's policy, legislative and institutional frameworks are all geared towards promotion of investment to achieve socio-economic growth.

Invest in Uganda

Thank you

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