Trade, Investment & Tourism Opportunities in Uganda

Presentation By

Hon Minister Amelia Kyambadde

Minister of Trade, Industry and Cooperatives During Her Tour of Italy

13th to 17th November, 2013

Structure of the Presentation

- Uganda: National Development Plan (NDP)
- Snapshot on Uganda: Comparative Facts and Figures
- Why Uganda for your Business?
- Ministry of Trade, Industry and Cooperatives
- Investment Opportunities in priority sectors?
- Some Challenges as opportunities
- Procedures to invest in Uganda
- Conclusions

Trade and Investment Guided by the National Vision

Vision of National Development Plan (NDP)

" A transformed Ugandan Society from a peasant to a modern & prosperous country within 30 years."

Elements of NDP

- **Stability & Peace**
- **Knowledge based economy**
- **Exploitation of resources gainfully & sustainably**
- **A strong federated East Africa with an effective African Common market, ….**
- **Private Sector Led Economy**

- Uganda Vision 2040 stresses the above;

SNAPSHOT : UGANDA

	2009	2010	2011	2012	2013
GDP US$ Billion	15.8	17.2	16.8	19.8	21.3
GDP Growth Rate:%	7.2	5.2	6.4	3.2	5.6
GDP Per capita: Current US$ (PPP)	1,200	1,300	1,300	1,414	1500
Investment to GDP Ratio:%	19.2	20.7	24.8	24.5	25.2
Headline Inflation: %	12.5	7.5	13.7	5.4	8
Population: Million	32	32.0	33.0	34	34.2

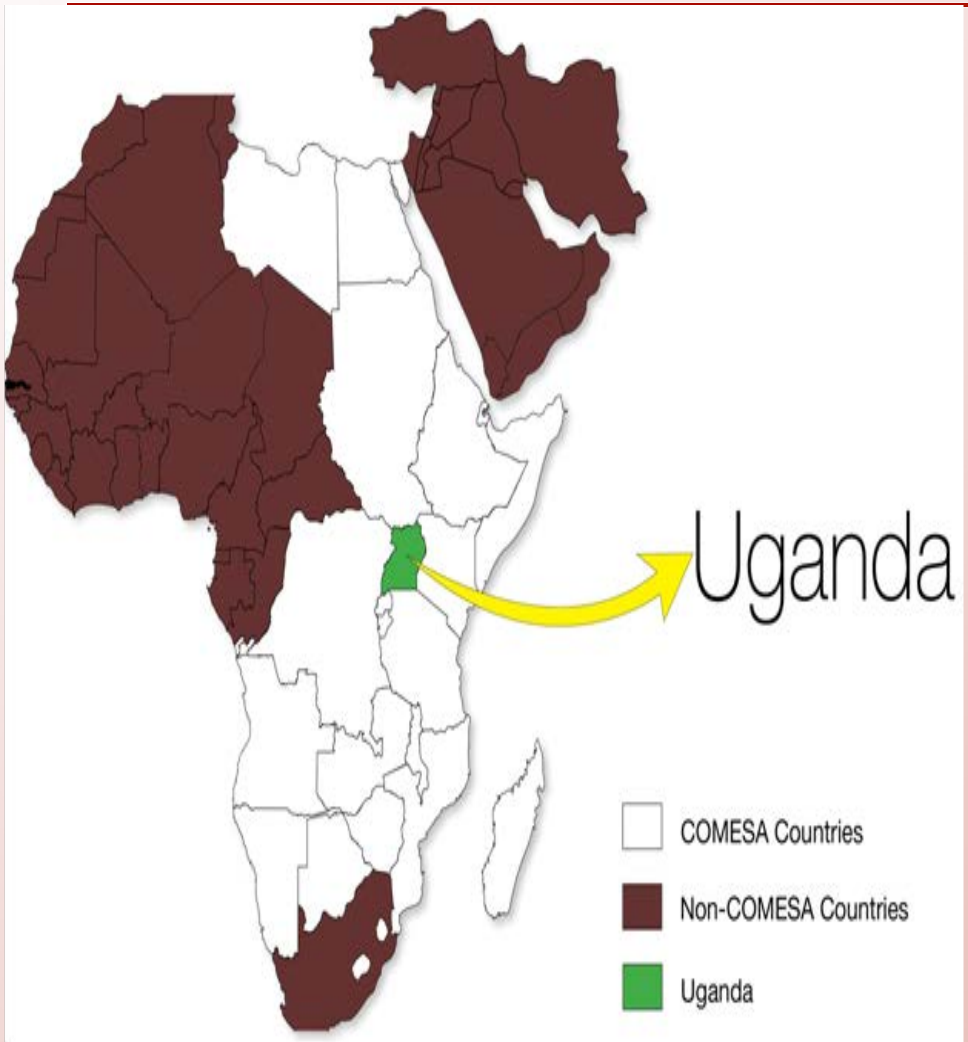
PPP-Purchasing Power Parity

Source: *Global economy: Outlook on Uganda*

The Ideal investment Climate: What about Uganda?:

1. Political Stability/ Security - Yes
2. Predictable environment and Economic Stability - Yes
3. Good Infrastructure - Yes & No (no=opportunities)
4. Access to global markets, domestic and regional - Yes
5. Productive, competitive and trainable labour – Yes
6. Strong Natural resource base - Yes
7. Fully liberalized economy, (e.g. Banking and Finance) - Yes
8. Streamlined Government machinery - Yes
9. Justice - Yes
10. Government commitment to private sector- Yes
11. Quality of Life - Yes
12. Incentives (e.g. Land) - Yes

Why Uganda: Strategic Location & Market



MARKET

Uganda	- 34* million
East Africa	-149* million
Great Lakes	-190* million

COMESA

- 19 member countries
- 489 million people.

- Imports over US$ 150bn p.a.

COMESA, EAC & SADC-

- 26 member countries
- 600 million people (57% of Africa's Popn.)
- US$700 billion GDP

AGOA - US

EU – EBA

China – Easy Access

Japan – over 173 agric. Products

Why Uganda: Investment Incentives

- Capital allowances on capital goods imported: 50% - 75%
- Deductible Annual Allowance
- Import duty exemptions
- Duty draw back facilities
- First arrival privileges (i.e. vehicles, domestic facilities, etc)
- Externalization of funds allowed
- 10 Year tax holiday for value added exporters
- Withholding tax exemptions on interest, raw materials, plant & machinery.

Ministry of Trade, Industry and Cooperatives: Mandate and Functions

- **Mandate and Functions**
  - *To formulate, review and support strategies, plans and programs that promote the diversification of trade, industrialization, Cooperatives movement*
  - *Inspect, monitor and evaluate the performance, progress, standards, state and efficiency of various sectors*
  - *Promote and coordinate research activities and initiatives of the sector*
  - *Conduct studies and evaluate the impact of the sector, fiscal and other policies*
  - *Collect, process, analyze, store and disseminate national and international information on sectors*

MTIC's AGENCIES

- UIRI – undertake applied research, Develop and acquire technologies
- UNBS- Promotional (facilitating trade and industries) and Regulatory-enforcing standards
- UDC - Promote and assist in the financing, management or establishment of new undertakings solely or through PPPs
- MTAC- entrepreneurship and Management training
- UEPB – trade promotion and market services
- AGOA-Initiative for marketing products duty free and quarter free access to the US market

Other collaborating Institutions

- The Ministry collaborates with the following institutions :
  - UIA - To promote and facilitate investment projects.
  - UBOS - for production, coordination and dissemination of official statistics.
  - URA – for providing excellent revenue services
  - PSFU - Apex body that supports private sector growth
  - UMA - Association for all manufacturers and manufacturing service providers in Uganda
  - UNCCI - Nation wide umbrella business association
  - NEMA – National Environmental Authority
  - USSIA – Small scale industries association
  - KACITA - Kampala City Traders Association
  - Others

Trade between Uganda and Italy
Uganda Exports to Italy ('000 US$)

Products	2010	2011	2012
All products	**54,349**	**83,074**	**83,091**
Coffee, tea, mate and spices	39,032	57,902	66,845
Fish, crustaceans, aquatic invertebrates	5,996	6,674	6,930
Raw hides and skins (other than furskins) and leather	1,474	4,890	4,490
Cocoa and cocoa preparations	1,004	1,686	2,620
Plants, bulbs, roots, cut flowers etc	1,031	1,112	941
Tobacco and manufactured tobacco substitutes	4,327	1,568	620
Edible vegetables and certain roots and tubers	266	258	129
Miscellaneous manufactured articles	159	463	283

Uganda Imports from Italy (‘000 US$)

Products	2010	2011	2012
All products	**69,132**	**44,501**	**54,521**
Machinery, boilers, etc	30454	18599	28650
Electrical, electronic equipment	11015	4123	2461
Articles of iron or steel	7673	3145	2709
Mineral fuels, oils, distillation products, etc	807	941	3204
Miscellaneous edible preparations	1798	1821	1829
Furniture, lighting, signs, prefabricated buildings	2828	490	1530
Cereal, flour, starch, milk preparations and products	1251	2014	1515
Optical, photo, technical, medical, apparatus	1060	867	1461
Miscellaneous chemical products	2291	2478	1400
Vegetable, fruit, nut, etc food preparations	354	1246	1009
Vehicles other than railway, tramway	721	825	905
Pharmaceutical products	1300	1200	649
Others	3,461	4,149	2,890

Some Multinationals in Uganda

Reliance Communications
Anil Dhirubhai Ambani Group

Protea Hotels

Serena Hotels
Safari Lodges • Hotels • Resorts

Hilton

Warid Telecom

Tullow plc

KCB | Making the Difference

Heritage Oil Corporation

Alcatel

Rio Tinto

Ericsson

Toyota

Ecobank
La Banque Panafricaine

African Minerals

aureos Capital

Dominion Petroleum Limited

salini impregilo

Fina Bank
Your Partner in Growth & Development

Hertz

Netcare
You're in safe hands

orange™

UBA

Lancet Laboratories

Equity Bank
The Listening, Caring Financial Partner

You need it, We've got it.
Nakumatt
•Quality •Value •Service •Variety •Lifestyle
Countrywide

Some Multinationals in Uganda

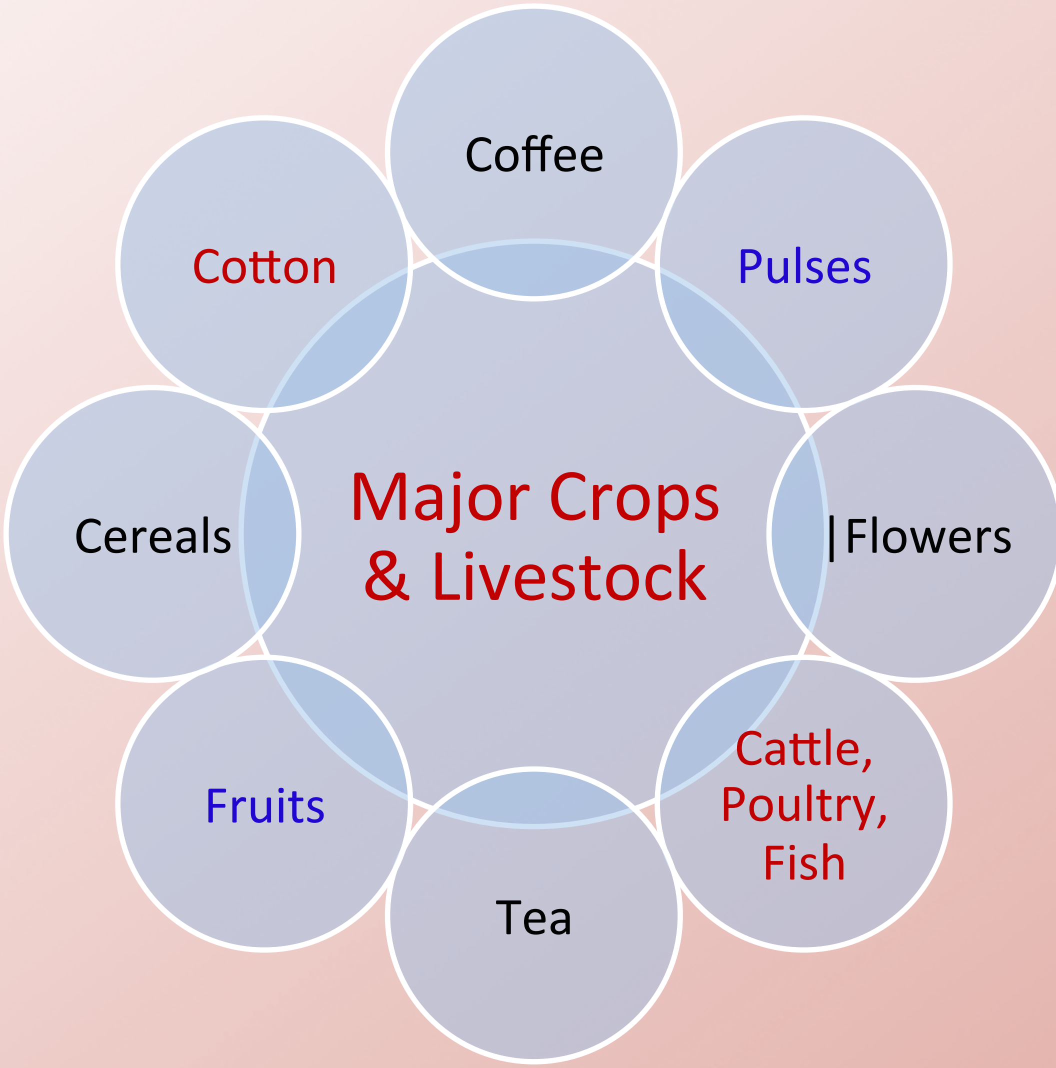
Priority Sectors and Investment Opportunities

- Manufacturing
- Agriculture
- Storage Facilities-Warehousing and Silos
- Infrastructure- Transport /Logistics
- Housing Construction
- ICT
- Energy/Clean Development Mechanism (CDM) renewable energy
- Mining
- Petroleum
- Services – Health, Education, Financial services
- Tourism and Wildlife - Untapped Potential in the form of eco-tourism, birdlife, contrasting scenery and wildlife

Manufacturing

- Agro-processing
- Packaging industries
- Livestock
- Minerals
- Fast moving Consumable Goods
- Inputs

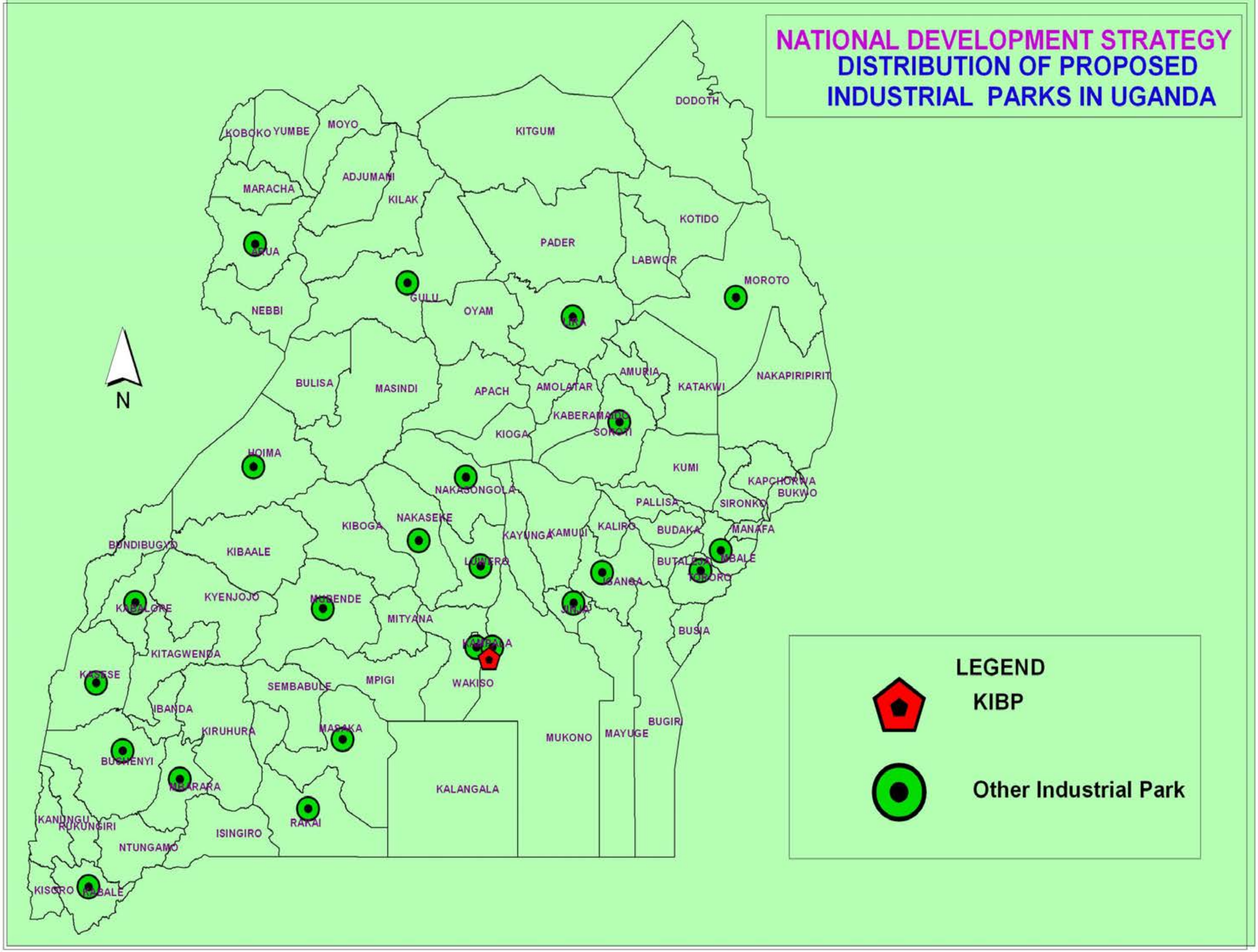
Agriculture



DAIRY SECTOR

Transport/Logistics

- Buses
- Trucks
- Railways
- Inland Ports
- Water Transport
- Industrial Parks
- EPZ’ s


NATIONAL DEVELOPMENT STRATEGY
DISTRIBUTION OF PROPOSED
INDUSTRIAL PARKS IN UGANDA
N
DODOTH
KOBOKO
YUMBE
MOYO
KITGUM
MARACHA
ADJUMANI
KILAK
KOTIDO
PADER
LABWOR
GULU
MOROTO
NEBBI
OYAM
BULISA
MASINDI
APACH
AMOLATAR
AMURIA
KATAKWI
NAKAPIRIPIRIT
KIOGA
HOIMA
KUMI
KAPCHORWA
BUKWO
PALLISA
SIRONKO
KIBOGA
NAKASEKE
KAYUNGA
KAMULI
KALIRO
BUDAKA
MANAFA
BUNDIBUGYO
KIBAALE
MBALE
KYENJOJO
MITYANA
BUSIA
KITAGWENDA
MPIGI
WAKISO
SEMBABULE
IBANDA
BUGIRI
KIRUHURA
MUKONO
MAYUGE
KALANGALA
KANUNGU
RUKUNGIRI
ISINGIRO
NTUNGAMO
KISORO
LEGEND
KIBP
Other Industrial Park

Business Opportunities in ICT

- Business Process Outsourcing
- Software development
- Hardware Assembly
- Multimedia Development
- Internet Applications
- Film Industry and Graphics
- Rural Communications

Energy Potential in Uganda

(Large, Medium, Small, Micro, Pico sites)

- Potential Hydro: 5,000MW
- Current Hydro: 480MW/800MW
- Potential Geothermal: 450MW
- Current Generated - None
- Peat: 800MW
- Wind: MW
- Co-generation from Sugar factories and others: 300MW

Energy Success Story: Bujagali Project

- **Voted "Africa Power Deal of the Year 2007", by Project Finance Magazine. PPP that has worked well. US$850 million by: ADB, MIGA, Bujagali Energy Ltd, IFC, and GoU, etc.**
- **250MW plant started supplying electricity in April 2012**

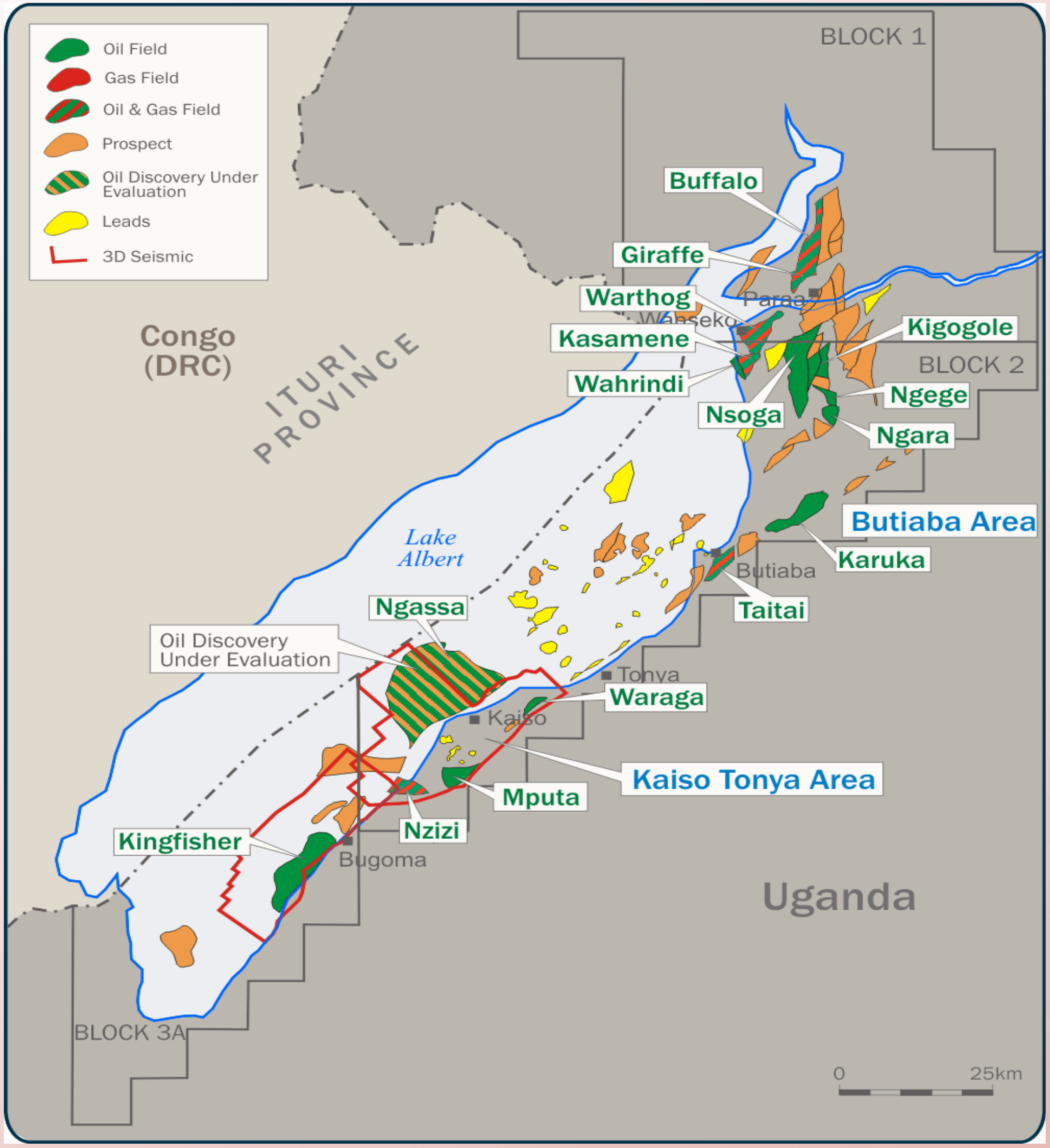
President Museveni (in beret) moves to switch on the power at Bujagali Hydro power station, 8th/10/12

Other Potential Generation Plants

- Isimba Hydropower project – 188 MW
- Ayago hydropower project – 600 MW
- Karuma Hydropower project – 600 MW
- Other 15 Mini-hydropower projects – 125 MW
- Small renewable hydropower projects -68.5 MW
- Others

NEW BUJAGALI DAM

Major Oil & Gas Sites



- •Estimated Oil reserves is 6 billion barrels
- •Multi-national Oil companies currently licensed in the country are: Tullow Uganda Operations Pty limited, Total and China National Offshore Oil Corporation (CNOOC) Uganda Limited

What to know

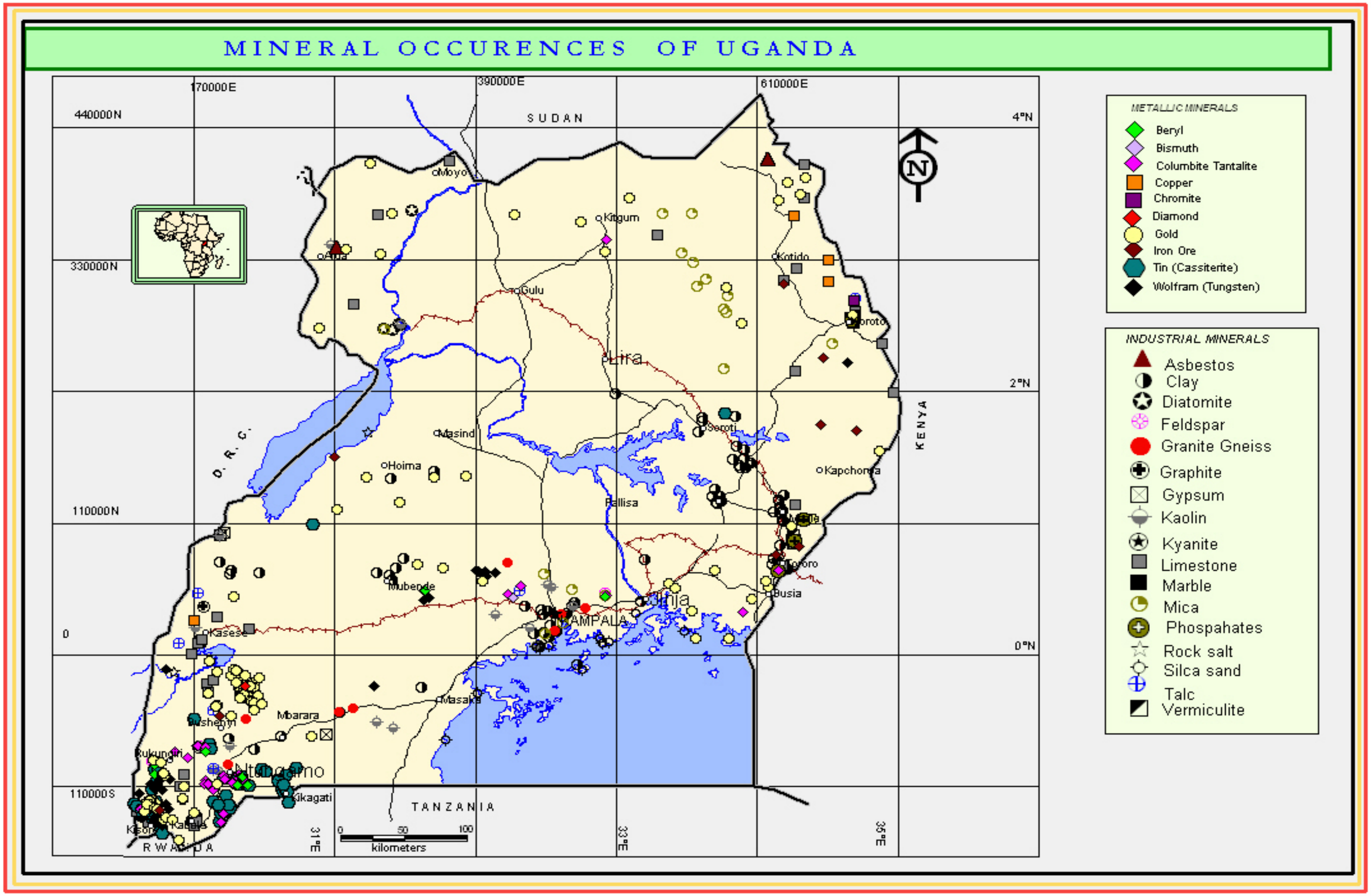
- National Oil and Gas Policy approved in 2008
- The Petroleum (Exploration, Development and Production) Act, 2013
- The Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013
- First of its kind in East Africa became effective on 26th July 2013
- 150k-200k Refinery planned to produce diesel, kerosene and heavy fuel oil
- 21 oil and/or Gas fields discoveries in the country proving over 3.5 billion barrels of oil equivalent

Major Investment Opportunities and benefits
Oil & Gas

- New investments in Exploration
- Extraction
- Infrastructure
- Construction
- Refinery
- By Products
- Energy Generation
- Supply of goods
- Employment
- Technology transfer & industrial dev't



Mining Opportunities in Uganda



Tourism Opportunities

- Hotel Accommodation & Conferences
- Tour operations- There are many Tourism Investment opportunities for new and innovative tour operators who have international contacts and are able to market Uganda internationally as a new destination based on these special attractions.
- Water sports and related activities
- National park concessions
- Joint Venture with existing players
- Golf courses and other sports

Tourist Arrivals in Uganda by purpose of visit ('000s) 2008 - 2012

Purpose	2008	2009	2010	2011	2012
Leisure, Recreation and holidays	144	126	149	76	127
Business and Professional	163	167	184	160	238
Visiting friends and Relatives	347	406	357	603	575
Others	190	107	256	312	300
Total	**844**	**806**	**946**	**1151**	**1240**

Challenges to Investment

1. Infrastructural challenges (Opportunities)
2. Access to Finance
3. Some administrative Barriers

How to Invest? Steps

There is a One Stop shop for investors:

The Uganda Investment Authority

Some Bureaucratic processes have been eased.

1. **Register a local company in Uganda (URSB)**
2. **Acquire a secondary license in some sectors e.g. mining, fishing, finance, energy**
3. **Acquire UIA Investment licence**
4. **Environment Impact Assessment (EIA)**
5. **Acquire Land – commercial, industrial…**
6. **Implement the project**

Thank you

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