



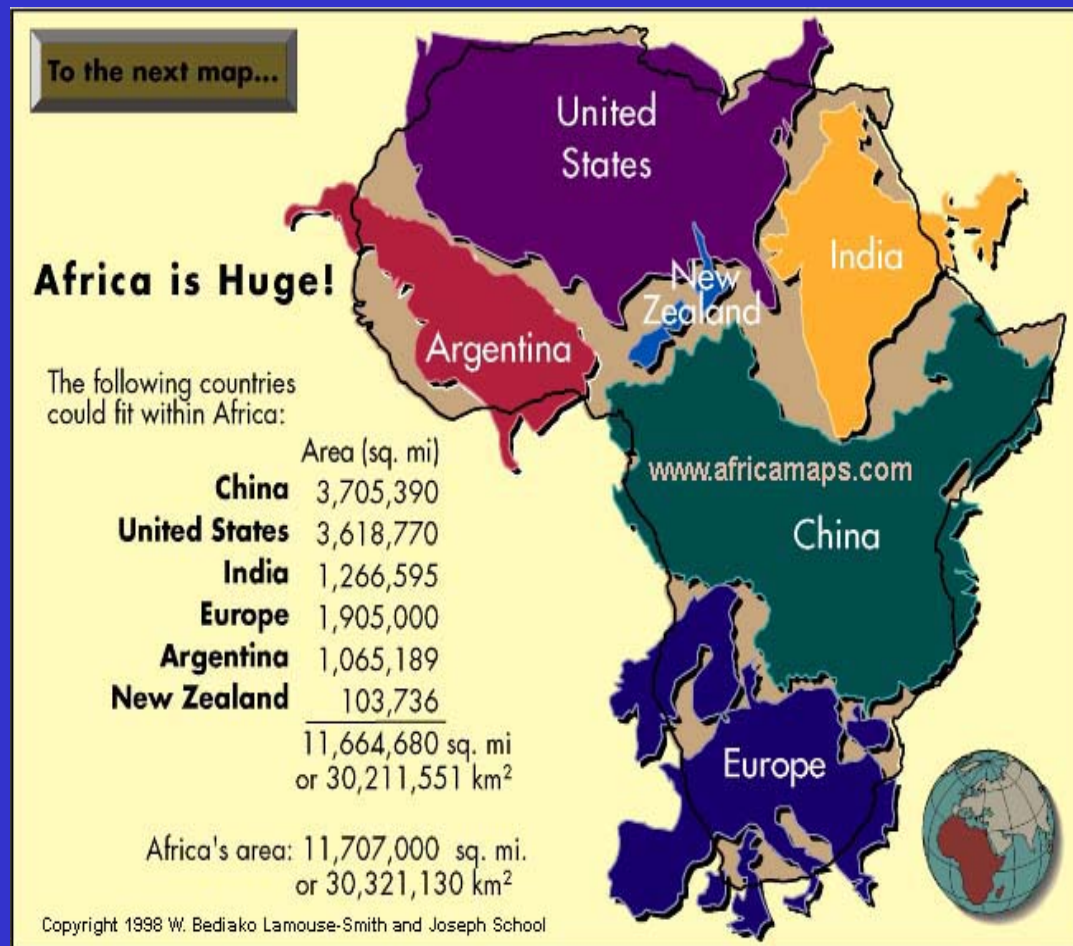
UGANDA A LEADING INVESTMENT DESTINATION

INVESTMENT OPPORTUNITIES IN UGANDA

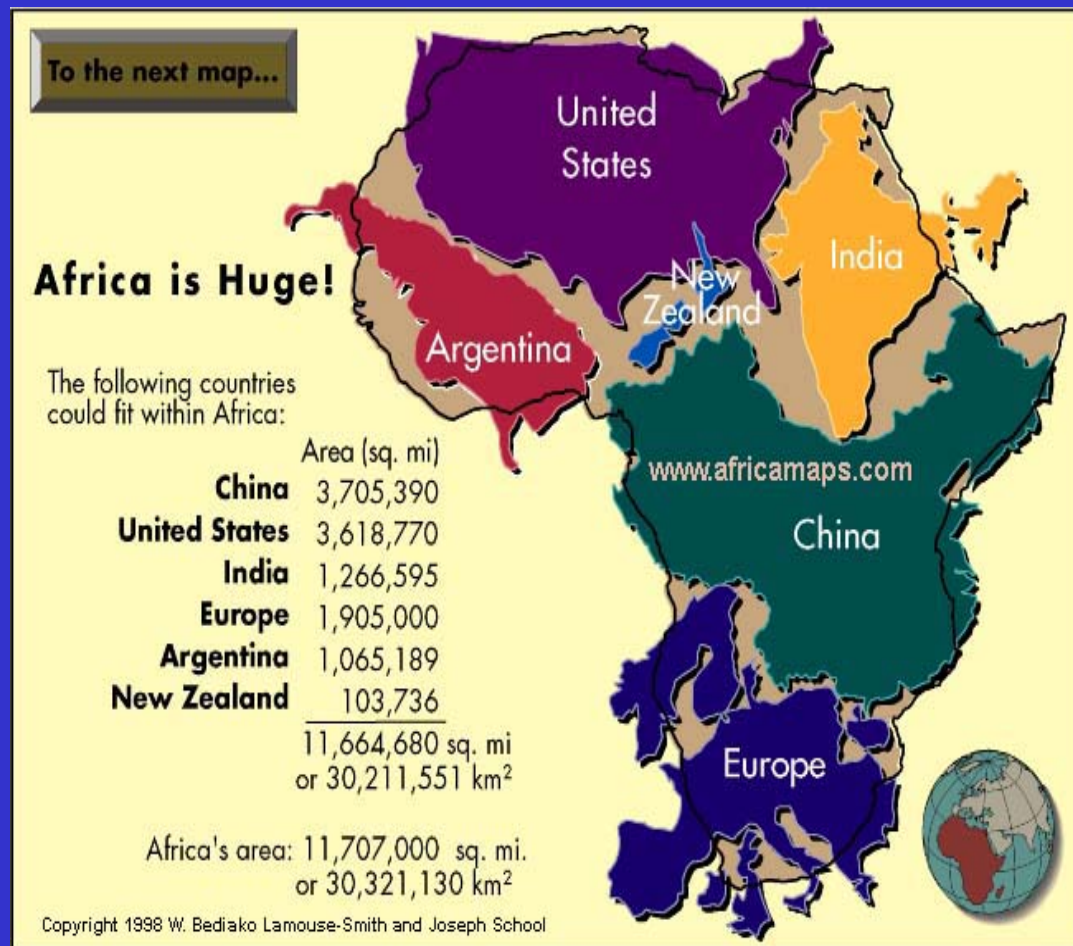
Dr. James Shinyabulo-Mutende
ASST. DIRECTOR
Investment Promotion Division
UGANDA INVESTMENT AUTHORITY

Investment Seminar at AICHI EXPO 2005

The 21st Century belongs to Africa

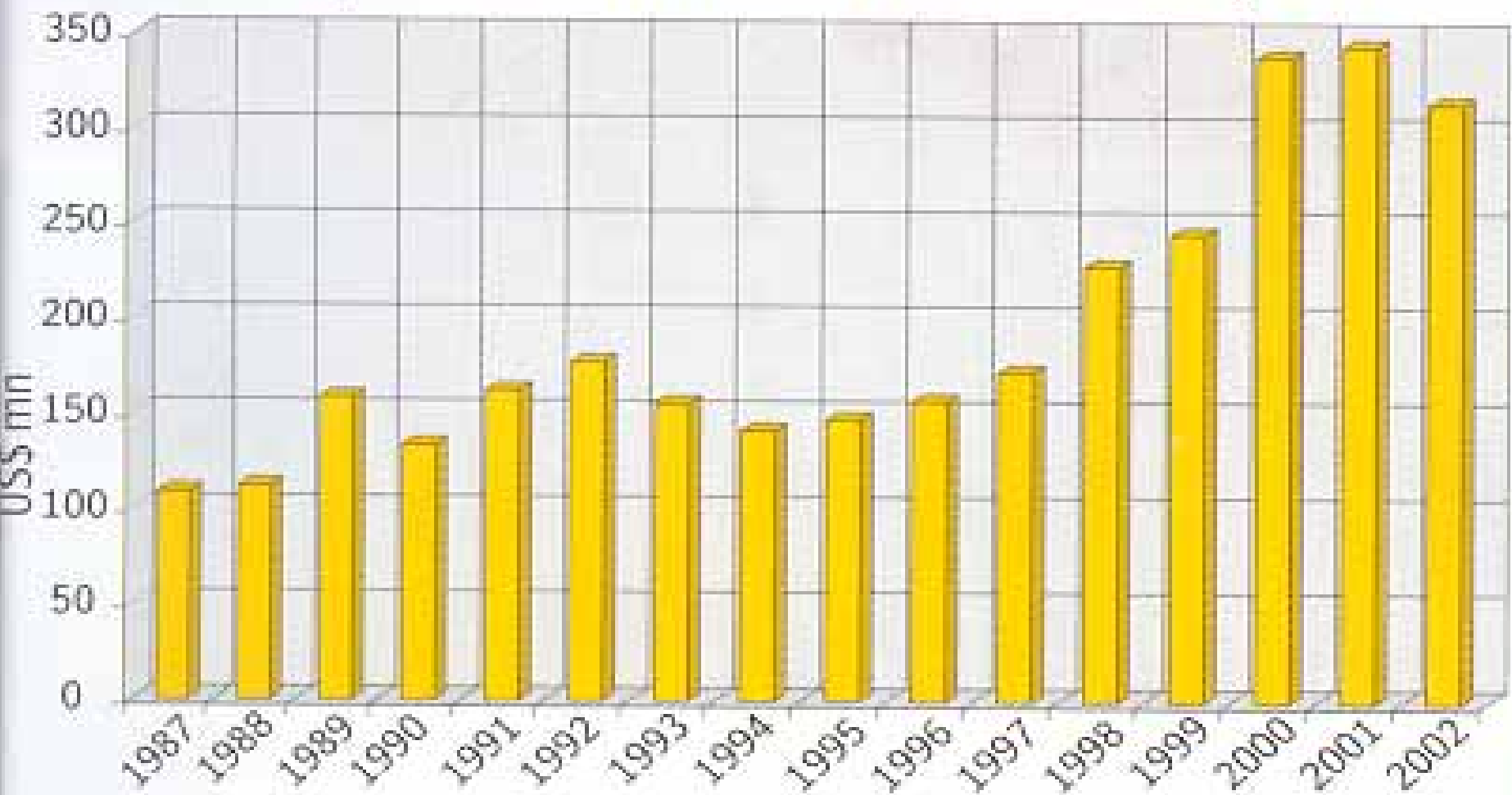


The 21st Century belongs to Africa



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

World exports to Africa over last 16 years

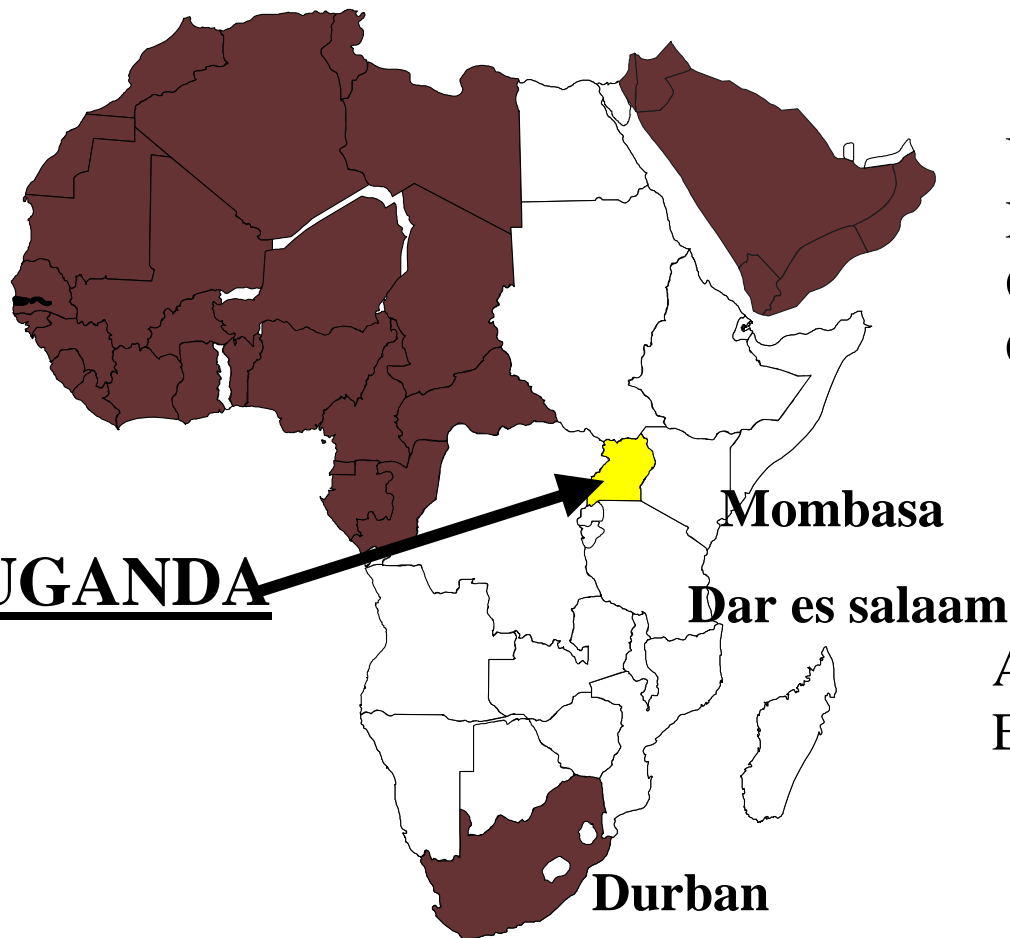


Source: Customs & Excise all countries.



UGANDA A LEADING INVESTMENT DESTINATION

UGANDA'S STRATEGIC LOCATION IN THE HEART OF AFRICA



MARKET

Uganda - 24.7 million

East Africa - 90 million

Great Lakes Region- 159 million

COMESA

- 20 member countries
- 380 million people.
- Imports over US\$ 170 billion annually.

AGOA

EU – Preferential Treatment of Exports



UGANDA A LEADING INVESTMENT DESTINATION

NATIONAL VISION

Vision 2025
**“Prosperous People,
Harmonious Nation,
Beautiful Country.”**





UGANDA A LEADING INVESTMENT DESTINATION

NATIONAL VISION

Poverty Reduction
Strategy Country
Paper (PRSCP)

Poverty Eradication
Action Plan (PEAP)

Target: By 2017 Poverty
will have been reduced to
less than 10%

Vision 2025
**“Prosperous People,
Harmonious Nation,
Beautiful Country.”**

Private Sector Led Economy





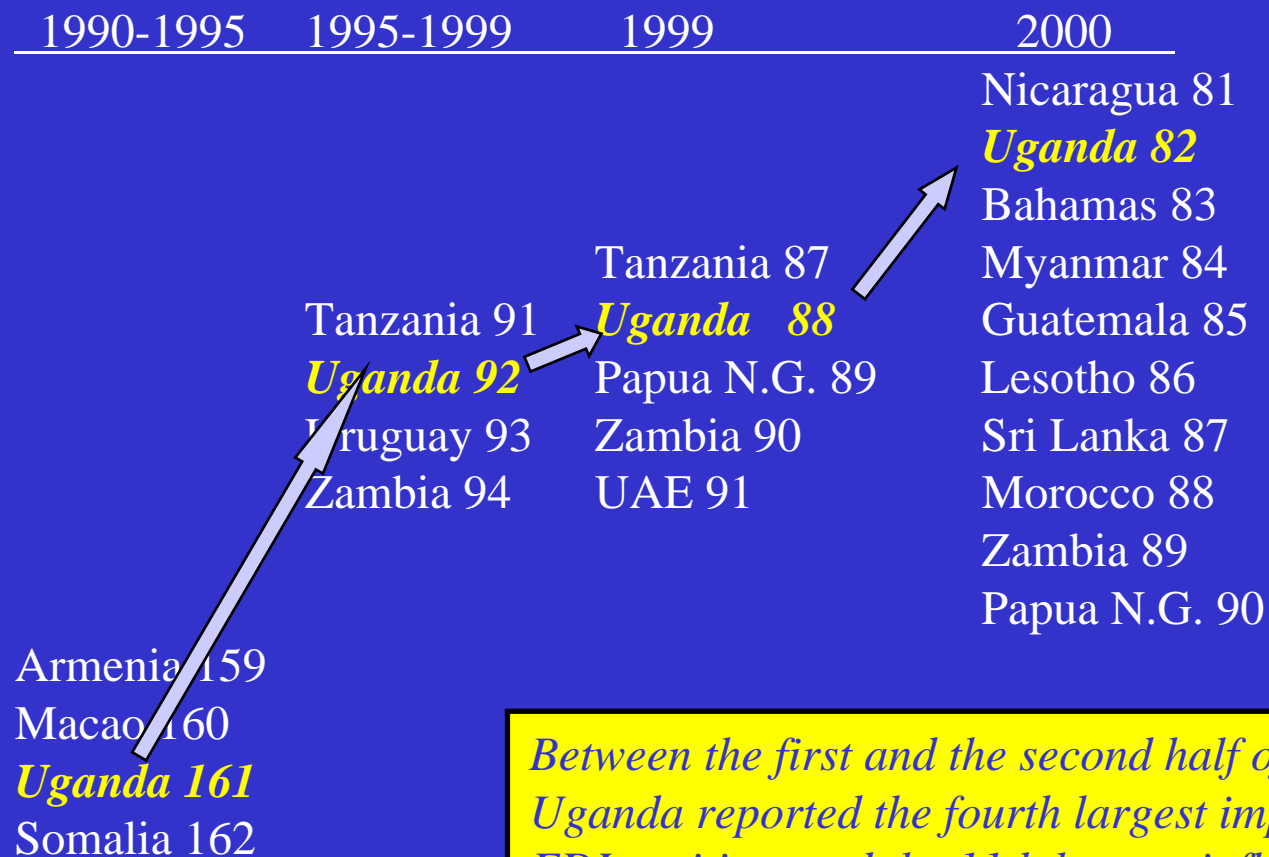
Major Economic Reforms

- Liberalization of current/capital a/cs
- Removal of export taxes
- Replacing state monopolies with free markets
- Removal of price controls
- Ending controls on interest rates.



UGANDA A LEADING INVESTMENT DESTINATION

Uganda inward FDI position *world rank according to annual average inflows of FDI*



Between the first and the second half of the 1990s, Uganda reported the fourth largest improvement in its FDI position, and the 11th largest inflows, in Africa.

Source: UNCTAD



UGANDA A LEADING INVESTMENT DESTINATION

Uganda inward FDI position *world rank according to annual average inflows of FDI*

1990-1995	1995-1999	1999	2000	2001
			Nicaragua 81	Lebanon 81
			Uganda 82	Brunei D. 82
			Bahamas 83	Qatar 83
			Myanmar 84	Uganda 84
		Tanzania 87	Guatemala 85	Azerbaijan 85
	Tanzania 91	Uganda 88	Lesotho 86	Tanzania 86
	Uganda 92	Papua N.G. 89	Sri Lanka 87	Syria 87
	Uruguay 93	Zambia 90	Morocco 88	Latvia 88
	Zambia 94	UAE 91	Zambia 89	Gabon 89
			Papua N.G. 90	Honduras 90

Armenia 159
Macao 160
Uganda 161
Somalia 162

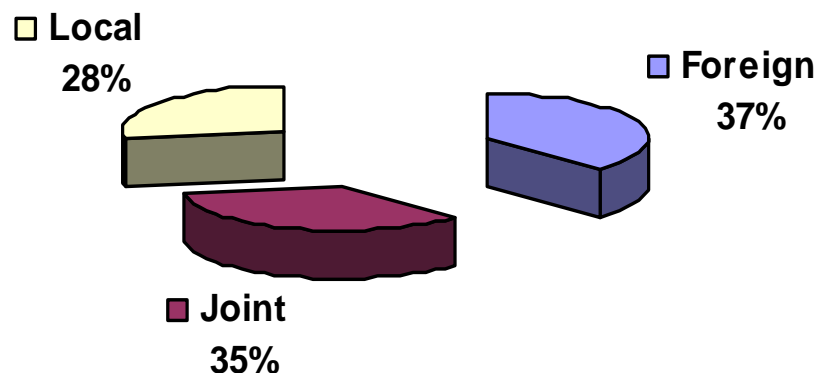
Between the first and the second half of the 1990s, Uganda reported the fourth largest improvement in its FDI position, and the 11th largest inflows, in Africa.

Source: UNCTAD



UIA ACHIEVEMENTS

Project Ownership by Value



TEN MAJOR FDI COUNTRY SOURCES (1991-2003)

1. **United Kingdom**
2. **USA**
3. **Kenya**
4. **South Africa**
5. **Canada**
6. **India**
7. **Egypt**
8. **Norway**
9. **Mauritius**
10. **China**



UGANDA A LEADING INVESTMENT DESTINATION

INVESTMENT OPPORTUNITIES

- Agriculture (Crops and Livestock)
- Information & Communication Technology
- Tourism
- Services (Education, Medical & Finance)
- Mining
- Energy for Rural Transformation

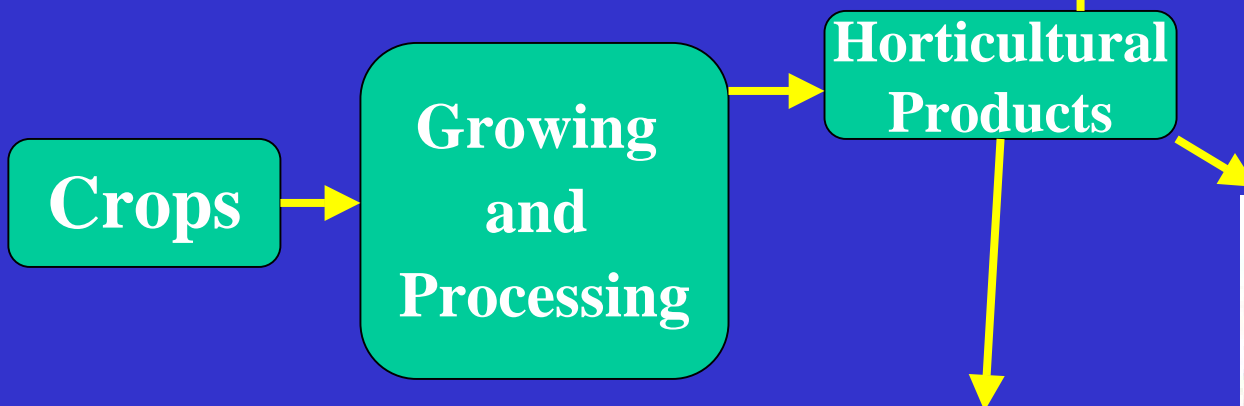


UGANDA A LEADING

Agriculture



Floriculture



Vegetables

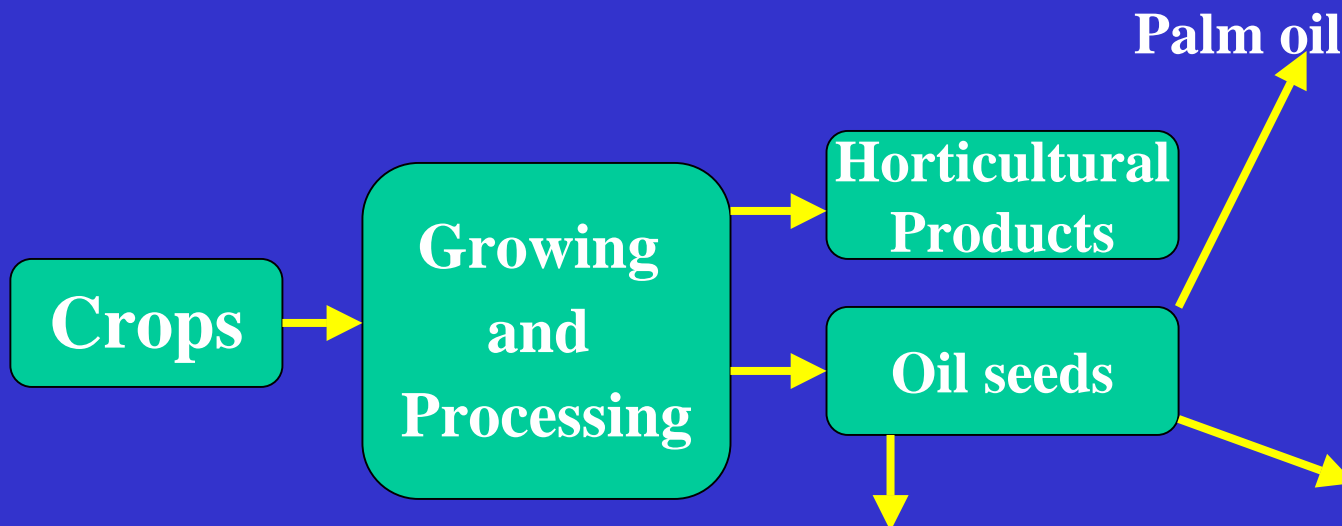


Fruits



UGANDA A LEADING

Agriculture



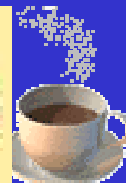
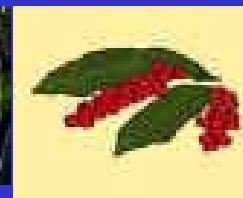
Sun Flower

Soya Beans

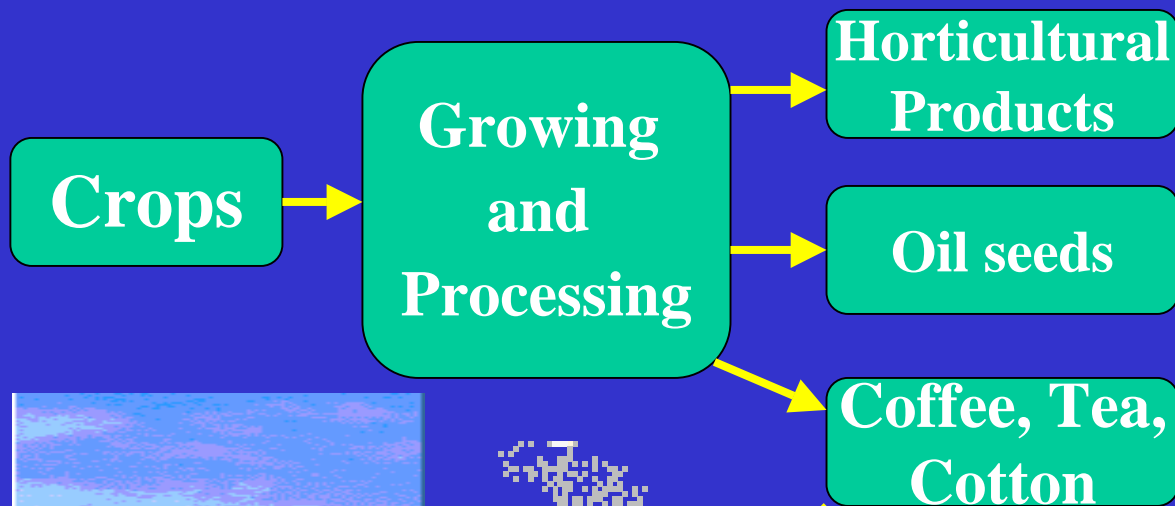


UGANDA A LEADING INVESTMENT DESTINATION

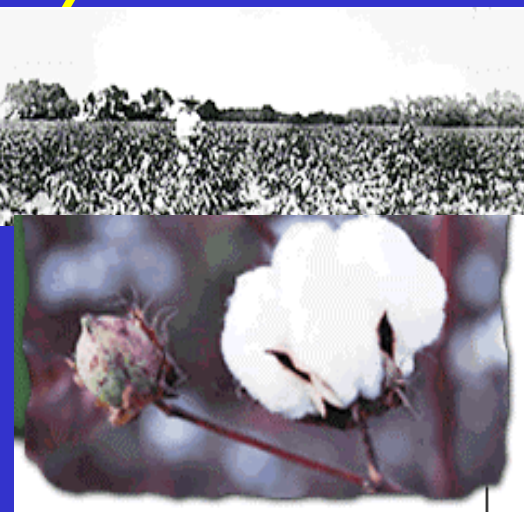
Agriculture



Coffee



Tea



Cotton



Agriculture



Livestock

**Growing/rear
and
Processing**

**Cattle, Goats
Pigs**

Cattle



Goats



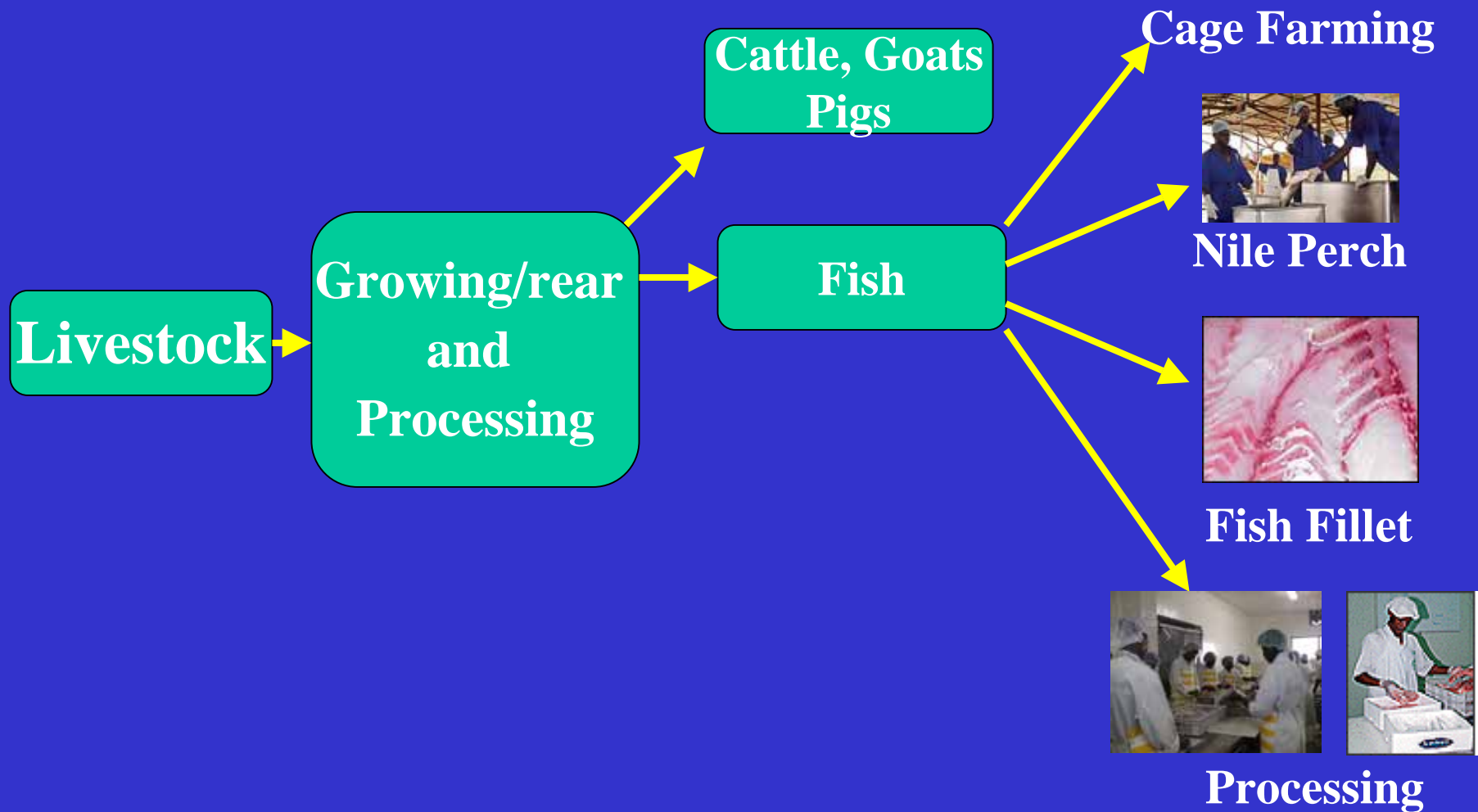
Pigs



Tannery



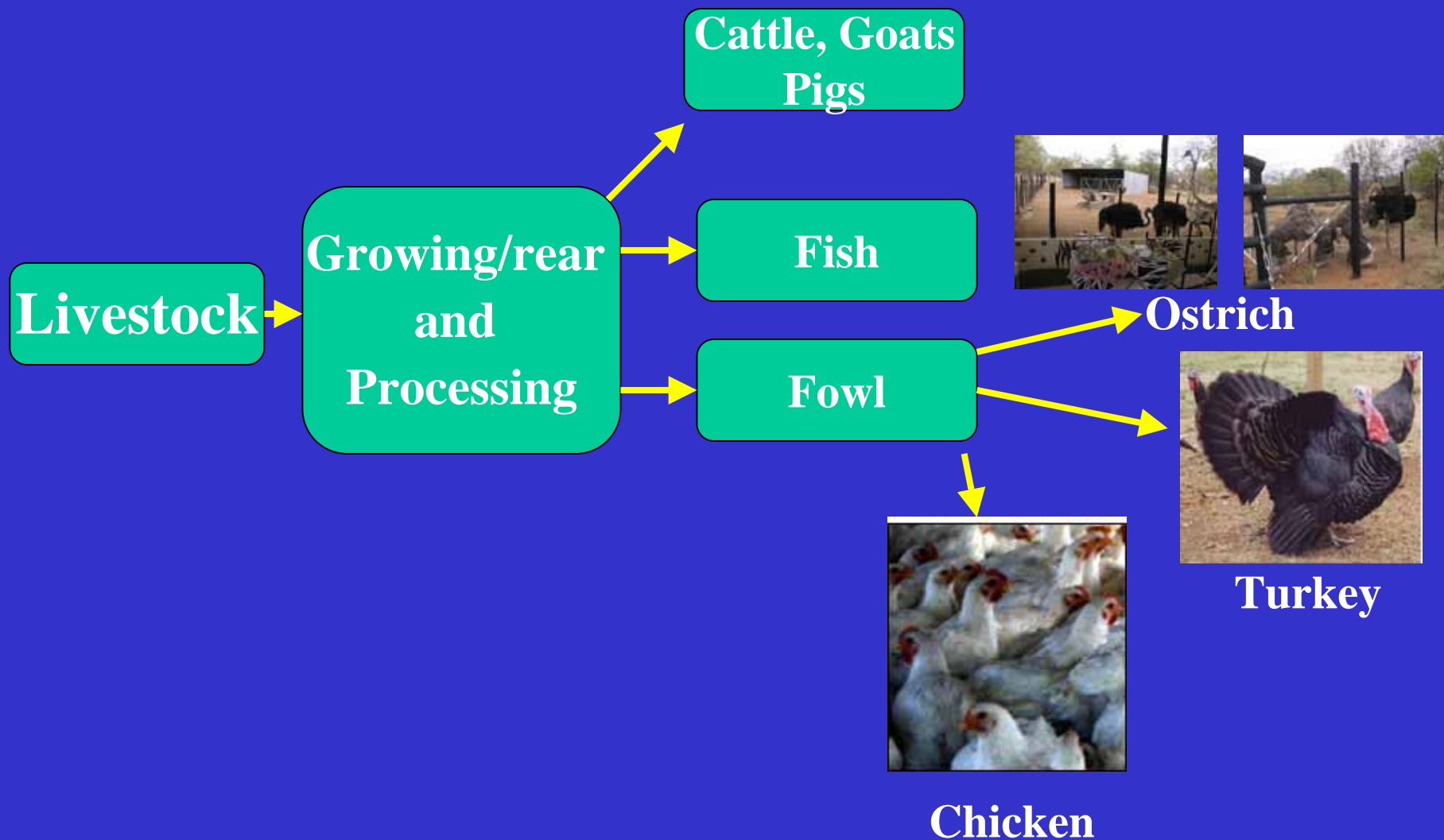
Agriculture



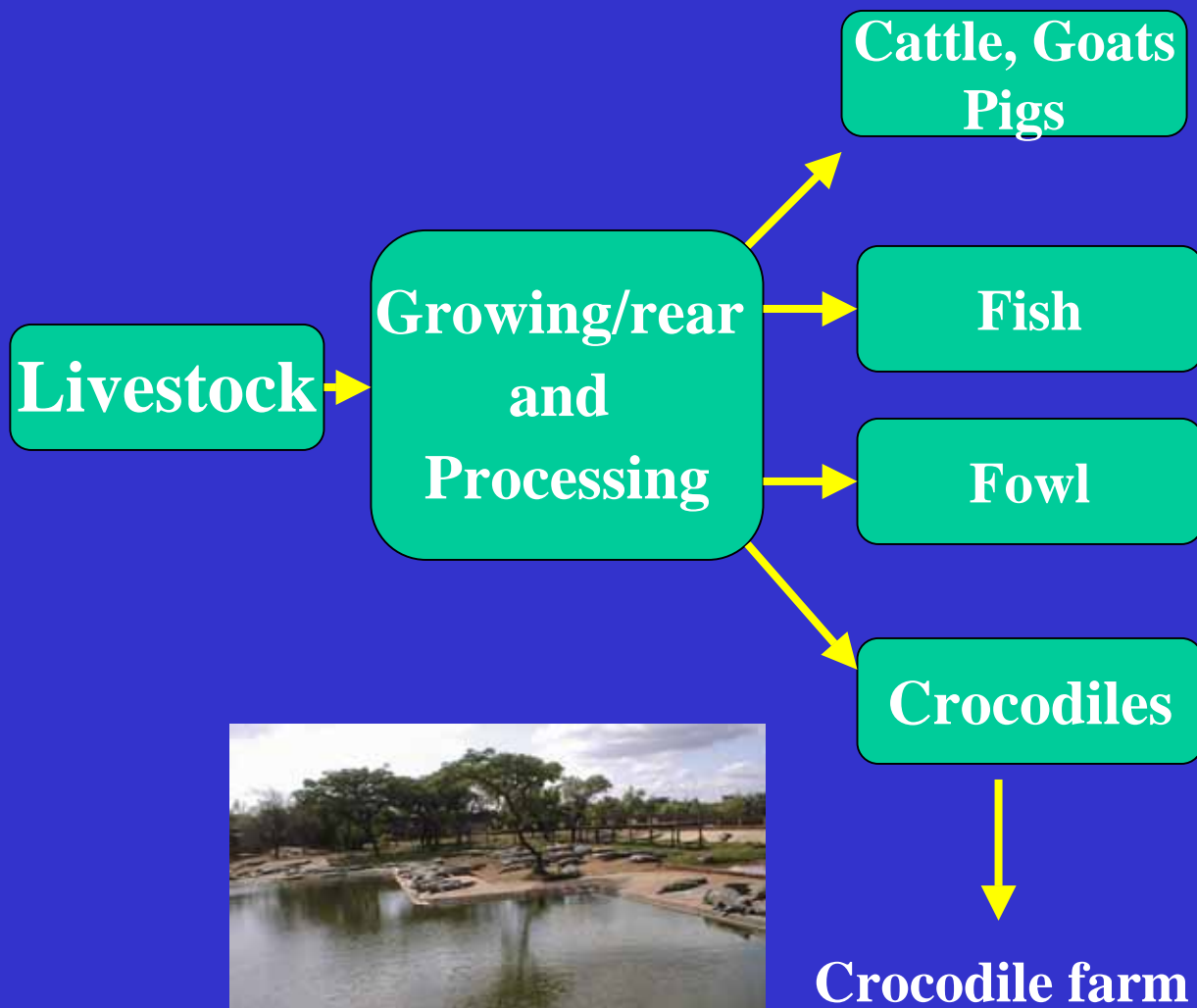


UGANDA A LEADING INVESTMENT DESTINATION

Agriculture



Agriculture





UGANDA A LEADING INVESTMENT DESTINATION

Agribusiness

Uganda is among the leading producers of Coffee, Cotton & Bananas

Investment Opportunities include:

- Commercial Farming
- Value addition
- Manufacture of inputs
- Supply of agriculture machinery



UGANDA A LEADING INVESTMENT DESTINATION

Cotton & Textiles

Uganda, with the second best cotton in the world, is the only country that grows the Long Stapled Bukalasa Pedigree Albar (BPA) variety of cotton

Investment Opportunities include:

- Cotton Production
- Clothing & Apparel Industries
- Fashion and Design Training Institutions
- Production & Marketing of Organic Cotton
- Textile Manufacturing for Regional Markets





Information & Communication Technology

- Setting up ICT Infrastructure in Telecommunication
- Provision of ICT-Enabled Services e.g Data Processing
- Software Development and Software Exports
- Local Assembly of ICT Equipment
- ICT Tele-centres and Internet Café`s
- ICT Training Facilities (Institutions)
- Setting up Film production centers e.g Graphic Animation
- Setting up Information hubs and Web sites to facilitate e-mails, e-commerce and others





Tourism

- Accommodation & conferences
- Tour operations
- Water sports and related activities
- National park concessions
- Joint ventures with existing players





UGANDA A LEADING INVESTMENT DESTINATION

Services

- Education (Vocational training, tertiary, secondary)
- Health (Specialised facilities, hospitals)
- Financial intermediaries



Open-heart surgery



UGANDA A LEADING INVESTMENT DESTINATION

Mining



Uganda offers a variety of opportunities i.e.

Copper-cobalt

limestone

Phosphates

Nickel

iron ore

gold

Tin

tungsten

vermiculite

Salts

glass sand

beryllium

columbite/tantalite

chronite





The Power Sector *INVESTMENT DESTINATION*

- Clean Development Mechanism (CDM)
 - The global purpose of the 10 year ERT programme is to contribute to global environment protection by reducing GHG emissions
 - It will benefit from the Global Environment Facility and the Prototype Carbon Fund
 - Develop renewable energy to replace diesel/petrol generated power
 - Improve energy efficiency through better transmission practises and use of more efficient appliances
- Geothermal & other new and renewable sources
 - Estimated national geothermal potential is 450 MW





Medium Hydro Sites

Site	River	Estimated Capacity (MW)
Musizi	Musizi	10
Bogoye	Mubuku	7.5
Nengo Bridge	Ntungu	12.0



UGANDA A LEADING INVESTMENT DESTINATION

Small Hydro Sites

Site	River	Est. Cap. (MW)
Lake Bunyonyi	Bunyonyi	1.0
Nsongezi	Kagera	2.0
Paidha A	Nyagak	1.0
Paidha B	Nyagak	2.0
Ishasha A (West)	Ishasha	2.4
Ishasha B	Ishasha	3.6
Nyamabuye A	Kaku	1.5
Nyamabuye B	Kaku	0.7
Maziga Gorge	Maziba	0.5
Kaka	Ruimi	1.5
Mbarara	Muzizi	0.7
Sogahi A	Sogahi	2.7
Sogahi B	Sogahi	3.3



Micro Hydro Sites

Site	River	Est. Cap. (MW)
Arua	Anyau	0.3
Heissesero	Bunyonyi	0.3
Kitumba	Nyakabuguka	0.2
Mpanga	Mpanga	0.4
Nyakabale	Nyakabale	0.1
Moyo	Ataki	0.2
Kisiizi	Kisiizi	0.2



UGANDA A LEADING INVESTMENT DESTINATION

CDM Project Opportunities

- Energy
 - Renewable Energy (Hydro, Solar, Wind and Geothermal sources)
 - Use of forest and agricultural wastes to generate electricity
- Agriculture
 - Grow upland rice
 - Organic farming
 - Avoid burning
- Forestry
 - Reforestation
 - Afforestation
- Transport
 - Improved pub/transport
 - Improved urban planning & traffic management
 - Improve vehicle efficiency
 - Vehicle fuel switching
 - Switching from road to rail transport
- Waste Mgt
 - Landfills
 - Sewerage



UGANDA A LEADING INVESTMENT DESTINATION

Privatization Opportunities

<u>Public Enterprise</u>	<u>Sector</u>
New Vision Printing and Publishing	Leader in news paper industry
National Insurance Corporation	Leader in Insurance services
Kinyara Sugar Works	Sugar factory
National Housing & Construction Corp.	Leader in Real Estate Dev't
Uganda Development Bank	Development Finance
National Water & Sewerage Corporation	Water utilities monopoly
National Medical Stores	Pharmaceuticals
Mandela National Stadium Ltd	Sports
Uganda Seeds	Agriculture
Uganda Railways (Concession)	Railway monopoly



INCENTIVES

1.0 Investment Capital Allowances

1.1 Initial Allowance on plant and machinery located:

Entebbe-Kampala-Jinja Area 50%

Upcountry (other districts) 75%

Start up costs spread over the 4 years 25% p.a.

Scientific research expenditure 100%

Training expenditure 100%

Mineral exploration expenditure 100%

1.2 Initial Allowance on Hotel and Industrial buildings 20%

2.0 Deductible Annual Allowances (depreciable assets)

Depreciation rates of assets range 20-40%

**Depreciation rate for Hotels, Industrial
Buildings and Hospitals 5%**

Example: Computer & data handling equipment 40%; Locomotives, office furniture 20%

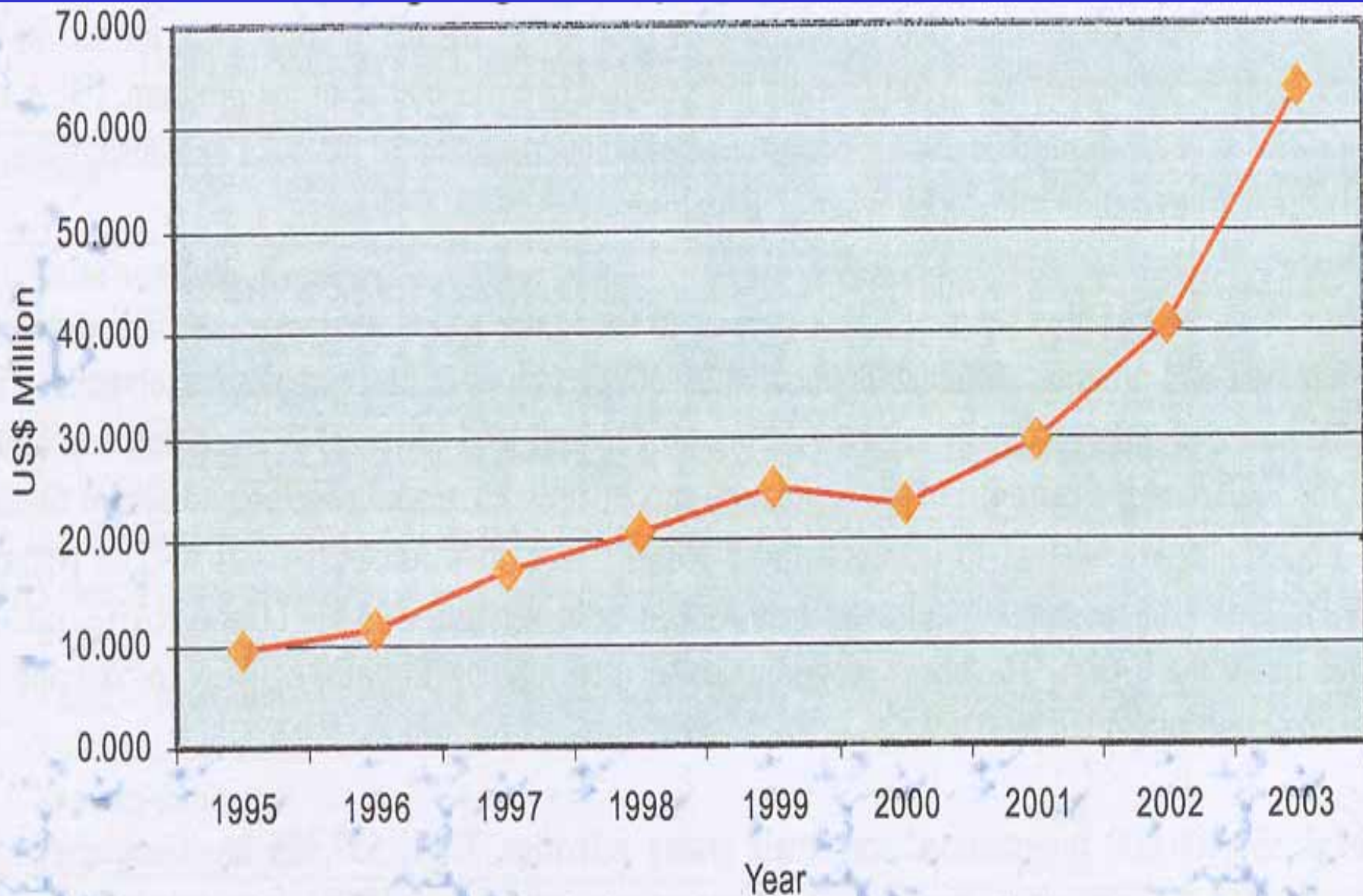


Incentives (for industrial zones)

- 10 year Corporation Tax holiday
- Duty exemption on raw materials, plant & machinery and other inputs
- Stamp duty exemption
- Duty drawback to apply on import of goods from domestic tariff area
- No export tax on goods exported
- Exemption of withholding tax on interest on external loans, and
- Dividends repatriated to get relief from double taxation



High Value Export Values: 1995-2003





Acknowledgement

- JETRO
- Uganda Embassy in Japan
- Participants



UGANDA A LEADING INVESTMENT DESTINATION

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Thank you