



TRADE IN UGANDA



AGABA MUHAIRWE
& CO. ADVOCATES
Market leaders in Business & Transactions

Annual Business Handbook, September, 2020

IMMIGRATION

THE LAWS, GUIDELINES
AND FORMALITIES P.28

INDUSTRY

UDC MAKES A CASE
FOR UGANDA'S
INDUSTRIALISATION P56

DON'T MISS

**FOREWORD BY
PRESIDENT
MUSEVENI**

Page.6

DOING BUSINESS IN UGANDA

WHAT YOU NEED TO KNOW

Getting started. All the important information on laws, taxes, investor incentives, labour and markets to enable you do business better in Uganda





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Market Leaders in Business and Transactions

ABOUT TRADE IN UGANDA BUSINESS HANDBOOK.

Trade in Uganda will provide vital information to both local and international investors on the critical sectors that are key to doing business in Uganda and will be published annually as a sign of our commitment to tailoring business solutions to our clients and partners.



AGABA MUHAIRWE & CO. ADVOCATES

Agaba Muhairwe and Company Advocates is a premier law firm in Uganda with footprints all over the African continent notable for its deep understanding of the business socio-cultural environment in Africa. Our team's intimate knowledge of Uganda and the African business market enables our lawyers comprised of Partners, Associates, Consultants and Support Staff to apply their valuable practical experiences in their areas of expertise while executing our clients work. The Teams exposure to international best practices inspires the firm to match global standards.

The firm's dedication to its clientele is unrivaled. At Agaba Muhairwe, we believe that the law is a "DOT" which leaves our dedicated team of lawyers with enough room to craft practical innovative solutions to our client's needs in a timely, effective and efficient manner while maintaining the highest standards of professionalism.

As "Market leaders in Business and Transactions" Agaba Muhairwe is pleased to bring to the Market; "Trade in Uganda, a Business Handbook." This publication will provide vital information to both local and international investors on the critical sectors that are key to doing business in Uganda and will be published

annually as a sign of our commitment to tailoring business solutions to our esteemed clients and partners.

Salutations go to our clients and partners who have supported us in this first edition.

OPPORTUNITIES.

Uganda is a suitable destination for many business ventures. Many SMEs and multi-national companies have set up business in Uganda in the recent years, as Uganda has increasingly become the land of opportunity. Potential investors need information and that makes this publication key to all stakeholders...

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TRADE IN UGANDA MAGAZINE IS A PUBLICATION OF AGABA MUHAIRWE & CO. ADVOCATES

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ROADMAP TO INDUSTRIALISATION

INDUSTRIAL PARKS. President Museveni (C) inaugurates the Mbale Industrial Park in Mbale Municipality in March, with State Minister of Finance for Investment and Privatization Evelyn Anite, Finance Minister Matia Kasaija and the industrial park chairman Paul Zhang, among other officials.



22

INDUSTRIAL & BUSINESS PARKS.

The Government tasked Uganda Investment Authority to develop 22 industrial and business parks around the country with an aim of creating more jobs, ease accessibility of land for investments, introduce new research, technologies and skills development as well as boost Uganda's exports hence increasing Uganda's revenue base.

CONTENTS

52

AT A GLANCE:
The Structure
of Ugandan
Economy: Sectors
that will buttress
revival post
COVID-19



21 Banking. Uganda has a fairly resilient and stable banking sector in spite of the recent global economic downturn that has affected many countries.



08

Business registration.
Business entities & business
registration in Uganda



EDITOR'S PICK >>

06 Foreword. President Museveni on how Uganda is well positioned to become a strategic commanding base and a regional hub for trade and investment.

07 Important statistics. Important statistical information about Uganda's economy and society.

24 Monetary policy. Monetary sector in Uganda is largely influenced by the market forces of demand and supply.

25 Labour and employment. 55% of Uganda's 44.27 million population are people aged 18 years and below

28 Immigration to Uganda. National immigration laws, guidelines and formalities for foreign nationals

35 Statement. URA boss on guidelines on tax incentives and exemptions to the investors in Uganda

36 Domestic taxes. Uganda Revenue Authority tax amendments for Financial Year 2020/2021.

46 Tourism. Why Lonely Planet classifies Uganda as one of the best tourist destinations in the world.

42

BETTING

Requirements for registration of a business in the gaming industry



13

Land. How foreign companies can own land in Uganda



FOREWORD

YOWERI KAGUTA MUSEVENI

PRESIDENT OF THE REPUBLIC OF UGANDA



Uganda enjoys a unique location at the heart of Sub-Saharan Africa within the East African region and lies astride the equator. Uganda borders five countries in East and Central Africa making her well positioned to become a strategic commanding base and a regional hub for trade and investment. With the coming into play of the Continental Free Trade Area and the East Africa Community, Uganda now enjoys pivotal trade partnerships that create a competitive market for her goods and workforce across Africa.

The Ugandan economy is well regulated and highly liberalized. In order to provide a conducive environment for doing business in Uganda, the Government of Uganda has created a One Stop Centre for business registration and licensing at the Uganda Investment Authority (UIA). The UIA also assists in the tax advice and registration, immigration and work permit issues, land acquisition and verification, as well as environmental compliance and approvals.

The country's political and economic environment has been consistently improving under the Government of the National Resistance Movement. The environment and socio-economic status of Uganda is very favourable for all business

ventures ranging from agriculture, trade, mining, industry, tourism, oil and gas. Uganda has abundant natural beauty that consists of; flora and fauna, lakes, mountains, rivers and forests which provide amazing scenery and an unforgettable experience for tourists.

The above factors have made Uganda a suitable destination for many business ventures. Many SMEs and multi-national companies have set up business in Uganda in the recent years, as Uganda has increasingly become the land of opportunity. Potential investors need information and that makes this Trade in Uganda business handbook key to all stakeholders; particularly it will be useful for investors, international companies, embassies and consulates in their dealings. I am therefore pleased to associate myself with the law firm of Agaba Muhairwe & Co. Advocates for highlighting the enormous opportunities in Uganda in this publication. I invite you to explore them.

Yoweri Kaguta Museveni,
President of the Republic of Uganda

“ OPPORTUNITIES.

Uganda is a suitable destination for many business ventures. Many SMEs and multi-national companies have set up business in Uganda in the recent years, as Uganda has increasingly become the land of opportunity. Potential investors need information and that makes this publication key to all stakeholders...



Well positioned. Uganda enjoys a unique location at the heart of Sub-Saharan Africa within the East African region and lies astride the equator. Uganda borders five countries in East and Central Africa making her well positioned to become a strategic commanding base and a regional hub for trade and investment.

IMPORTANT STATISTICS



Area

241,038 Km²
total land area



Population

Approximately
44.27 million
(44,170,281)



Language

English and Swahili
are the official
languages.



Religion

39.3% Roman Catholic
32% Anglican
13.7% Muslim
11.1% Pentecostal/Evangelical
1.7% Seventh Day Adventist
0.3% Baptist
1.6% Other
0.2% None



Economy

US \$ 26.391 billion
estimated nominal GDP in 2017



Currency

The currency of Uganda is
the Uganda shilling

COFFEE IS ONE
OF UGANDA'S
TRADITIONAL
CASH CROPS

BUSINESS ENTITIES & BUSINESS REGISTRATION IN UGANDA

There are quite a number of enterprises one can setup in Uganda. According to the Global Entrepreneurship Index (GEI), Uganda is second most entrepreneurial country in the world. The following are some of the businesses one can set up in Uganda.

PARTNERSHIPS

The Partnership Act 2010 defines a partnership as a relationship which subsists between or among persons not exceeding 20 in number who carry on a busi-

ness in common with a view of profit. The partners, except if they register as limited partnerships are personally liable for the debts of the partnership. With regard to legal proceedings, partners can be sued jointly or separately for the liabilities of the partnership and this is possible even after they have retired or withdrawn from the partnership. A partnership has no perpetual succession; the death of one partner dissolves the partnership, unless otherwise agreed in the partnership agreement.



A UGANDA
REGISTRATION
SERVICES
BUREAU
OFFICIAL
MAKING A
DEMONSTRATION
DURING THE
LAUNCH OF
THE MOBILE
REGISTRATION
VAN

COMPANIES

Companies in Uganda may either be private or public companies as discussed below;

i. Private Companies

The Companies Act of 2012 defines a private company as one which restricts the right to transfer of its shares and other securities, limits the number of members to 100 not including those employed by the company and prohibits any invitation to the public to subscribe for shares or debentures.

Private companies may be limited by shares, limited by guarantee and unlimited companies.

Companies limited by shares are those companies where liability of shareholders to creditors is limited to the capital originally invested. This implies that shareholders are only liable for the debts of the company to the extent of their investment

Companies limited by guarantee are those companies where liability of members is restricted to the amount each agrees to contribute to the assets of the company in the event of dissolution or liquidation. Such companies are usually without share capital and are mainly for non-commercial purposes.

Unlimited companies are those compa-

nies whose shareholders are responsible for the debts, obligations incurred through business affairs and in case the company is being wound up. The Companies Act of 2012 has provisions to the effect that in case of an unlimited company, the articles must state the number of members with which the company proposes to be registered.

ii. Public Companies

Public companies, like private companies may have limited liability and these are known as public limited liability companies. These are companies that do not require minimum paid up capital for incorporation but however a minimum of two directors and five shareholders are required for the incorporation process to be complete.

If such number of shareholders in public limited company falls below the required minimum, liability falls on the remaining shareholders and their liability therefore becomes unlimited.

All companies must have a company secretary and for public companies in Uganda, company secretaries are subject to qualification requirements. However, there is no licensing or regulation of company secretaries. Public Companies are allowed to offer shares to the public.



LEGAL REQUIREMENT.

All companies must have a company secretary and for public companies in Uganda, company secretaries are subject to qualification requirements. However, there is no licensing or regulation of company secretaries.



URBSSENSITISES
UNIVERSITY
STUDENTS ON
THE VALUE OF
PATENTING
INTELLECTUAL
WORK, AT
KYAMBOGO
UNIVERSITY IN
KAMPALA



FORMATION OF A COMPANY

Procedure

The first step is identifying a business name for registration. This is done by making a written application to the registrar of companies requesting him/her to reserve the proposed company name pending registration of the company. The reservation period is valid for 30 days or longer as the registrar may by special reason allow. The promoter of the company must ensure that the proposed company name is not misleading or confusing

Upon registration, the company name must end with the initials "Ltd".

Registration of a company

The company has to fill in the particulars contained in the second schedule of the Companies Act 2012.

The promoter has to deliver memorandum of association and Articles of association to the registrar of companies.

A statutory declaration by a director/secretary/advocate engaged in the formation of the company showing that all requirements have been complied with must also be filed.

The company has to furnish to the registrar of companies a notice of situation of registered office and postal address.

The company has to pay registration fees and these are assessed by Uganda Revenue Authority depending on the share capital of the company.

When the Registrar is satisfied with compliance of the above requirements, then a certificate of incorporation is issued.

Post Incorporation Registration

These are requirements intended to regulate the activities of companies and make companies conform to a certain desired standard of transparency

A company must deliver to the registrar of companies within 60 days a return of allotment whenever it makes any share allotment.

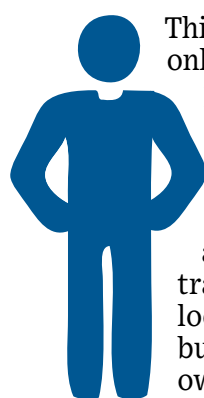
A company must deliver a printed copy of every special resolution to the registrar of companies.

The Companies Act 2012 also requires a company having share capital to make annual returns and register them with the registrar of companies.

The table below summarizes the information on Companies.

Parameters	Limited Liability Co.	Public Limited Co.	Branch
Extent of liability	Limited liability	Limited liability	Unlimited liability
Foreign shareholding	Yes	Yes	Yes
Min. paid-up share capital	NA	NA	NA
Min. number of directors	2	2	1
Min. number of shareholders	1	5	1
Resident director	No	No	No
Corporate shareholder allowed	Yes	Yes	Yes
Corporate director allowed	Yes	Yes	Yes
Corporate tax rate	30%	30%	30%

SOLE PROPRIETORSHIP



This is a business owned by only one person. It is a one-person business entity where an individual registers a business name with the Registrar of business names and an application is made for a trading License with the local authority where the business operates and the owner is entitled to all the profits and the losses of the business.

The owner faces unlimited liability meaning, the creditors of the business may go after the personal assets of the owner if the business cannot pay them. It is easy to setup and it is the least costly among all forms of ownership.

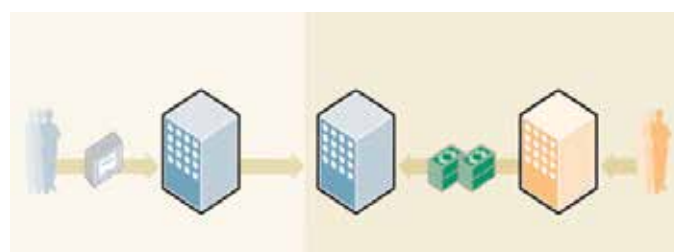


CORPORATIONS

These are business organizations that are comprised of different companies. They have separate legal personality from their owners. Ownership in a stock corporation is represented by shares of stock. The owners (stock holders) enjoy limited liability but have limited involvement in the company's operations. The board of directors, an elected group from the stock holders controls the activities of the corporation.

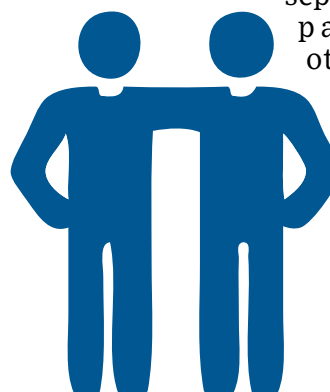
SPECIAL PURPOSE VEHICLES

A special purpose vehicle (SPV) is a company that is used to isolate assets. It is also referred to as a "bankruptcy-remote entity" or "variable interest entities" since its operations are limited to the acquisition and financing of specific assets as a method of isolating risk. A SPV's legal status makes its obligations secure even if the parent company goes bankrupt.



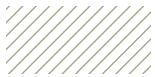
JOINT VENTURES

A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources together for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a JV, each of the participants is responsible for profits, losses and costs associated with it. However, the venture is its own entity, separate from the participants' other business interests.





PRESIDENT MUSEVENI LAUNCHES AUROMEERA INDUSTRIES IN JINJA LAST YEAR. THE PRESIDENT SAID INVESTORS WILL CONTINUE TO ENJOY TAX HOLIDAYS AND INCENTIVES SINCE GOVERNMENT DOES NOT PUT A LOT OF EMPHASIS ON THE DIRECT TAXES, BUT RATHER CREATION OF EMPLOYMENT.



FOREIGN COMPANY.

A foreign company is a company that was incorporated in any jurisdiction outside Uganda. Such a company can register a branch in Uganda.

Requirements for Registration of a Foreign Company

In order to establish a place of business in Uganda, a foreign company must within 30 days of establishment deliver to the registrar of companies;

- i. A certified copy of memorandum and articles of association or constitution or charter or other incorporation document from home country
- ii. Form 24 of the Companies Act of 2012 which comprises of a list of directors and secretaries
- iii. A statement of all subsisting charges created by the company.
- iv. Form 25 of the Companies Act of 2012 which comprises of names and postal addresses of persons resident in Uganda authorized to receive service on behalf of the company.
- v. Form 26 of the Companies Act of 2012 which comprises of full address of the registered or principal office of the company.

Once these requirements have been fulfilled with by a foreign company then the registrar of companies registers it as a foreign company doing business in Uganda as though it was incorporated in Uganda.

How to Obtain Investor Status in Uganda.

There is a favourable investment climate in Uganda because there are a lot of incentives for investors from the government of Uganda. Upon incorporation of a company, one can apply for and obtain an investment license.

An investor makes a written application for the license to the Executive Director of the Uganda Investment Authority.

The Uganda Investment Authority after receipt of the application for a license considers the application within 14 days after 30 days of receipt of the application and then within 7 days informs the applicant of its decision.

An investor benefits from obtaining an investment license in a number of ways including the following:

- An investment license enables an investor to easily obtain other necessary licenses.
- Approvals from different government departments and for accessing various services.
- Opportunities from the government of Uganda.
- An investment license is also useful when opening a bank account, obtaining bank loans, when seeking equity funding.
- When seeking assistance from development partners.

OWNERSHIP OF LAND BY FOREIGN COMPANIES

The Land Act Cap 227 defines a non-citizen to include a foreign corporate body which is defined as a body in which the controlling interest lies with non-citizens and in case where shares are not applicable, where the body's decision making lies with non-citizens or a company in which the shares are held in trust for non-citizens or a company incorporated in Uganda whose articles of association do not contain a provision restricting transfer or issue of shares to non-citizens.

The Land Act Cap 227 further provides that a non-citizen can only own a leasehold interest in land which shall not be granted for a period exceeding 99 years.

This means that a foreign company can only own a leasehold interest in land for

a period not exceeding 99 years.

Trading License

Every business owner in Uganda must possess a trading license.

This means that all the above mentioned business entities have to apply to the licensing Authority for a trading license after registration or incorporation of the company but before starting to do business.

Trading license is given by the local administration where the business is situated in the country.

Application for the trade license is made on a specified form and the grant of the trading license is upon payment of prescribed fees.



THE KAMPALA INDUSTRIAL AND BUSINESS PARK (KIBP) IN NAMANVE, WHICH WAS DEVELOPED BY THE UGANDA INVESTMENT AUTHORITY (UIA) AS A CENTRAL PLACE WHERE INVESTORS CAN LOCATE FACTORIES, WAREHOUSES, DISTRIBUTION CENTERS, AND OTHER BUSINESS OFFICES.



H.E. YOWERI KAGUTA MUSEVENI
PRESIDENT OF THE REPUBLIC OF UGANDA



HON. EPHRAIM KAMUNTU
MINISTER FOR JUSTICE AND CONSTITUTIONAL AFFAIRS



AMB. FRANCIS BUTAGIRA
BOARD CHAIRMAN



MR. BEMANYA TWEBAZE
REGISTRAR GENERAL

At the forefront of formalizing Uganda's economy while promoting private sector growth

The Uganda Registration Services Bureau (URSB) continues to make its mark at facilitating private sector development by enhancing easier, faster, timely registration services. With the government strategy aiming at fostering improved economic development, the Bureau continues to evolve in order to contribute to this government strategy. Ambassador Francis K. Butagira, the Board Chairman, the entire Board assisted by Bemanya Twebaze, the Registrar General have set in place strategic initiatives that have seen URSB continue to be the centre of excellence for registration services.

From a semi-autonomous status in 2011, the Bureau has been growing in leaps and bounds playing its role as a semi-independent government agency. Among the noticeable achievements, Non Tax Revenue has grown from a paltry 300 million in the financial year 2011/2012 to over 50 billion realized in the 2018/2019 financial year.

Along with improved revenue collection are other achievements. Services have been decentralized from one single point to seven regional offices in Gulu, Arua, Mbale, Mbarara plus 3 other branches in Kampala. Plans are underway with availability of funds to cover other areas across the country bringing services closer to communi-

AWARDS.

URSB has fully immersed in stakeholder engagements targeting vulnerable sections of society including women and youth groups. Such initiatives have seen URSB bag awards and recognitions such as the Best Government Agency award from the Private Sector Foundation of Uganda, Client Service Agency and Excellency Award from the Justice, Law and Order Sector.

ties while giving the populace better opportunities to prosper.

Also, automation of services has facilitated improved service delivery. The move from a paper based manual system to a fully e-run records mode has seen better efficiency in registration services delivery, which has in turn driven number of registrations with a target to have fully automated services with the all-digital, all-online strategy.

Besides delivering on their mandate of promoting, protecting and registering business enterprises, Intellectual Property Rights, vital Civil matters, acting as the Official Receiver and maintaining the Security Interest in Movable Property Registry System (SIMPO) which has helped increase access to financing for Micro, Small and Medium Enterprises (MSMEs) using movable property as collateral, URSB has also fully immersed in stakeholder engagements targeting vulnerable sections of society including women and youth groups. Such initiatives have seen URSB bag awards and recognitions such as the Best Government Agency award from the Private Sector Foundation of Uganda, Client Service Agency and Excellency Award from the Justice, Law and Order Sector.

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- a.** Procurement, Warehousing, sale and Distribution of Medicines, Sundries, Medical Equipment and Furniture
- b.** Medical Equipment needs assessment, installation, routine maintenance and repair.
- c.** Quality Assurance
- d.** Health systems strengthening and Capacity Building
- e.** Project management - Supply chain management.
- f.** Warehousing Services

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HARED PETROLEUM MAIN DEPOT IN JINJA

VISION

To become the largest indigenous oil company in Uganda that focuses on customer satisfaction, by providing quality energy products and services that are environmentally friendly and to meet our social responsibility to the community by offering new and renewable forms of energy.

MISSION

To be the company of choice to the customers that supplies varied yet clean petroleum products and services at competitive rates; and that through continuous improvement, trust, commitment, dedication and a high level of efficiency aims at giving value for money to the customer; ensuring fair returns on shareholders' investments; creating a sense of belonging to staff; and being socially responsible.

BACKGROUND:

"HARED" refers to the first rains that mark the end of a hot dry season. These rains, like the company, bring Hope And Redemption to the people in the affected areas as well as the customers in need of our services. Hared bridges the service gap in the industry by, offering clean petroleum products, earthmoving services, infrastructure constructions and logistic supplies at competitive prices, in a friendly atmosphere, with easy accessibility and at all times. With Hared in the vicinity customers come to understand that they get their money's worth.

Hared Petroleum Ltd (HPL) supplies oil and various petroleum products to many customers around the country.

OUR VALUES

Our corporate identity defines the kind of company we are now and the one we need to be in the future.

Central to that identity is a commitment to create ways to help customers thrive in a changing world. **To do this we must live our brand values:**

- Trustworthy - we do what we say and say what we do
- Helpful - we work as one team
- Inspiring - we create new possibilities
- Straightforward - we make things clear
- Heart - we believe in what we do
- Customer care - we serve our customers unreservedly
- Integrity - We are honest with ourselves and others, we meet the highest ethical standards in all our dealings.



HARED PETROLEUM OIL TRUCK



HARED PETROLEUM OIL NAKIBIZI BRANCH

ALWAYS AT YOUR SERVICE

PRODUCT RANGE

We request you to consider us as your suppliers of petroleum products and services listed here below.

PMS (Petrol)
Ago (diesel)
BIK (Kerosene)
Furnace Oil
Lubricants
Bitumen

STORAGE TANKS

- Our tanks at the depot in Jinja have a capacity of over 4 million liters and we intend to increase them to 8 million liters in order to ensure guaranteed supply to our customers at any time.
- Hared Petroleum Limited also has the ability to construct a mini depot at customer's sites if required and can if requested, install a pump and tanks at any preferred location within a given premise.
- Hared Petroleum Limited shall meet the costs of setting up this facility and withdraw the equipment on completion of the project.
- Hared Petroleum Limited has the manpower to monitor run and control this facility when established.
- Hared Petroleum Limited shall in addition offer mobile trucks with tanks, pumps and meters to ease your operations.

DISTRIBUTION NETWORK

Hared Petroleum Limited boasts of a network of several service stations strategically distributed all over Uganda. These are listed here below and offer 24 hours service.

NAME OF STATION	LOCATION
1.Nsambya Hared Station	Gaba road
2.Gaba Hared Station	Gaba
3.Kireka Hared Station	KirekaTownship
4.Bweyogerere Hared Station	Jinja Road
5.Seguku Hared Station	Entebbe Road
6.Nakibizi Hared Station	Mbiko/ Njeru
7.Clive Road Hared Station	JinjaTown
8.Iganga Hared Station	IgangaTown
9.Busia Hared Station	BusiaTown
10.Busolwe Hared Station	BusolweTown
11.Paliisa Hared Station	PaliisaTown
12.Mbale IINamakwekwe	Mbale Town-Kumi Road
13. Mbale I Hared Station	Mbale Town-UhuruDrive
14.Namutumba Hared Station	Namutumba
15.Mulago Hared Station	Mulago
16.Kaliro Hared Station	Kaliro
17.Bwondha Hared Station	Bwondha Landing Site
18.Kasana Hared Station	Kasana/Luweero
19.Kibibi Hared Station	MpigiTown
20.Bulo Hared Station	Bulo, Mpigi
21.Maddu Hared Station	Madu, Mpigi
22.Nyendo Hared Station	MasakaTown
23.Masaka Hared Station	MasakaTown
24.Kyotera Hared Station	KyoteraTown
25.Dimmo Hared Station	Dimmo Landing Site
26.Kasensero Hared Station	Kasensero Landing Site
27.Kayunga Hared Station	KayungaTown
28.Kamuli Hared Station	KamuliTown
29.Buwenge Hared Station	BuwengeTownship



Picture of Hared Bweyogerere station in Kampala. This station serves Jinja-Kampala Highway travellers.



Picture of Hared Nsambya station on Gaba Road in Kampala.

Financial Intelligence Authority fighting money laundering and terrorism financing

Winning the War against Dirty Money:

BRIEF

The Financial Intelligence Authority (FIA) is a Government of Uganda agency established on July 1, 2014 under Section 18 of the Anti-Money Laundering Act (AMLA), 2013 to combat Money Laundering, Terrorism financing (ML/TF) and other related threats to the financial system. The primary function of the FIA is to combat money laundering and the financing of terrorism in Uganda. It is therefore responsible for receiving suspicious transaction reports from reporting persons, in relation to suspected Money laundering and terrorist financing activities, analyzing and disseminating intelligence to appropriate law enforcement agencies for investigation and further action.

The FIA is an integral part of Uganda's efforts in the fight against the global crimes of Money laundering and terrorist financing. Detecting, preventing and combating money laundering and related vices is one important way of maintaining the integrity of the economy and making Uganda a good investment destination.

Government efforts to Make Uganda an investment destination of choice through the various interventions meant to improve the ease of doing business and facilitate private sector investment and growth can be undermined by criminals taking advantage of the recent advances in technology to move illicit funds through our financial system. Because of this, government of Uganda enacted the Anti-Money Laundering Act (AMLA) 2013 making it a requirement for Accountable persons to report to the Financial Intelligence Authority (FIA) suspicious transactions and other reports for purposes of fighting financial crime.

Money Laundering (ML) is the process of conversion or transfer of funds or property, knowing that such funds/property is derived from an offence involving crime or of assisting any person who is involved in the commission of such an offence. Laundering represents a necessary step in almost every criminal activity that generates proceeds/profits. For example, corrupt individuals may try to deposit illegally acquired money through bank accounts and then transfer it to other bank accounts, through a complex web of transactions or purchase property through use of third parties. When criminals acquire proceeds, these



Mr Sydney Asubo, Executive Director Financial Intelligence Authority

proceeds must be laundered in order to enjoy them freely without fear of detection and confiscation by law enforcement agencies of the state. This therefore generates the need to disguise their identity and the source of funds eventually returning to the owner as clean laundered funds, Criminals do this every day.

Money Laundering (ML) is a serious crime, it affects the economy as a whole, impeding private sector growth, causing inflation and distorting normal business by fuelling growth that is not backed by real production, encourages cross-border and national underground il-

legal businesses. Anti-Money Laundering and countering the financing of Terrorism efforts are therefore important elements in indirectly fighting distortions in Investment and promotion of private sector growth. Like ML, Financing of Terrorism which means providing financial support (funds) for terrorist activities is a serious threat to investment and security of any nation.

Money laundering and terrorist financing are linked because the techniques used to launder money are essentially the same as those employed to conceal the sources and uses of terrorist financing.

MONEY LAUNDERING STEPS A TYPICAL MONEY LAUNDERING SCHEME



The ED FIA and NRA National Risk Assessment Coordinator responding to journalists during the media breakfast at Hotel Africana on 12th September 2018.



FIA HELPING TO DRIVE THE INVESTMENT AGENDA.

The attainment of National Development goals requires good governance, a stable political environment, a stable financial system among other things. FIA acknowledges that ML/TF, corruption and other serious crimes remain serious impediments to the attainment of Uganda's investment goals. In recognition of this the FIA remains a key player and a member of the Accountability Sector under the Ministry of Finance for Planning and Economic Development (MoFPED) and in line with the National Development Plan continues to play a major role in coordinating the implementation of the country's Anti-Money Laundering and Combat-

ing the Financing of Terrorism (AML/CFT) regime and has reinforced other Law Enforcement Agencies (LEAs) to identify movements of proceeds of crime, and financing of Terrorism promptly by sharing reports and foiling criminals' sinister plans in Uganda.

FIA has also several other interventions/achievements towards achieving safe money for secure markets.

1. Conducted Due diligence on several prospective investors interested in partnering with government to implement various infrastructure and other projects, cabinet mandated FIA to carry out due diligence on behalf of government on all potential private sector investors who intend to invest and partner with government

of Uganda, FIA has conducted several due diligence activities on behalf of MDA's and produced reports which have saved Government huge sums of money in potential losses which could have incurred out of partnering with investors who have questionable backgrounds

2. A number of suspicious transaction reports have been received, processed and financial intelligence reports disseminated to responsible Competent Authorities for further investigations leading to a number of convictions against money laundering in the courts of law and several others are at various stages of investigations. URA has been able to use the intelligence reports disseminated to assess over 6 billion shillings from taxes which had been evaded by tax payers in FY 2018/19.

3. Has conducted several public awareness activities in major districts of Uganda namely, Jinja, Mbarara, Mbale and Arua to rally public support, in the fight against ML and TF under the strategic drive; safe money for a secure market. The public is also encouraged to report to FIA any suspicious activities and unexplained enrichment which may not

be supported by known sources of income

4. Coordinated the Nationwide exercise of AML/CFT National Risk Assessment (NRA) to identify threats against Uganda and the vulnerabilities. The findings indicated major areas to be addressed. This has enabled the government to put in place mechanisms to address the threats and vulnerabilities which are indicated in the NRA action plan.

5. Has participated in several international cooperation engagements to facilitate the cross-border fight against ML/TF. FIA exchanges intelligence information with financial intelligence units and competent authorities of foreign jurisdictions in accordance with the law.

6. The FIA continues to implement stronger AML/CFT framework in line with our laws and international standards to protect our financial sector from abuse by launderers and terrorists who pose a national security risk to the country.

FIA PARTNERS IN COMBATING MONEY LAUNDERING AND TERRORISM FINANCING IN UGANDA



FINANCIAL INTELLIGENCE AUTHORITY

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E-Mail: fia@fia.go.ug

ONE STOP SHOP CENTRE

The Government of Uganda has recently launched the One Stop Centre Biz – the first inter-institutional project which aims to integrate services of different agencies and meet the expectations of businesses in Uganda to have online accessibility to all government services through a single point of entry. It will provide faster, more user friendly and more reliable services for local entrepreneurs and foreign inves-

tors by streamlining the ways they interact with government institutions. The number of procedures, time and cost of obtaining the relevant licenses and permits will be reduced. It is still at the beginning stage with the availability of five services namely Business Name Search, Business Name Reservation, Environment Impact Assessment, Investment licence and Land Title Verification.

THE
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ATELLERANDACIENTDURINGAMOBILEMONEYTRANSACTION.THEBANKINGSECTORINUGANDAISHIGHLYREGULATEDANDFAIRLYRESILIENT AND STABLE IN SPITE OF THE RECENT GLOBAL ECONOMIC DOWNTURN THAT HAS AFFECTED MANY COUNTRIES.

THE BANKING SECTOR IN UGANDA

The banking sector in Uganda is highly regulated and thus fairly resilient and stable in spite of the recent global economic downturn that has affected many countries. The main laws that regulate the financial sector are Financial Institutions Act of 2004 and Micro Finance Deposit-taking Institutions Act of 2003. There are a number of legal instruments that provide for licensing and operation of financial institutions in Uganda. Banks and other financial institutions are regulated by Bank of Uganda whose mandate is created under the Bank of Uganda Act, 2000. There have been many developments and law reforms in the financial sector in Uganda in recent years. These include agency banking, bancassurance and “Islamic banking”. This has made

the financial sector in Uganda even more lucrative.

In Uganda commercial banks, credit institutions and Micro Finance Deposit-taking Institutions as of 2010 have a Minimum Capital Requirement (MCR) of Uganda shillings (UGX) four billion, one billion and 0.5 billion respectively. This requirement and other requirements apply to all financial institutions in those categories.

The Central Bank Rate (CBR) is the rate of interest which a central bank charges on loans and advances to commercial banks. The rate can either be reduced or increased depending on the nature of the economy.

FINANCIAL MARKETS IN UGANDA

Bank of Uganda issued a 5 year Financial Markets Development Plan for the period 2008-2012.

1. The Forex market

At present, the forex market has the following participants: 1. The Bank of Uganda 2. The inter-bank market (where commercial banks trade with each other). 3. The Forex Bureaux (that act as money shops) 4. Retail customers or end users of forex.

Foreign exchange policies in Uganda over the years:

Prior to 1993, Uganda had a controlled foreign exchange regime and a wide variety of foreign exchange policies under this period. They were as follows:

1966-1971

A par value of 0.124414 gram of gold per Uganda shilling was maintained.

1971-1975

The Uganda shilling was pegged to the dollar at a rate of Shs. 7.14286

1975-1980

The shilling was pegged to the SDR at Shs. 9.66 due to volatility of the dollar.

1981

The shilling was floated. This saw the rate drop to Uganda shillings 76.97 to a dollar from Shs.8.1453

1982

A dual exchange rate regime was introduced and foreign exchange was auctioned through a system known as Window 1 and Window 2. Window 1 was for financing priority imports and the rate was determined daily taking into account the value of the dollar against other currencies and the economic conditions in the country. Window 2 was for financing non-priority imports

1986

The auction system was replaced by

allocation based on a rate of Shs.1470 to a dollar. That same year the dual exchange rate was re-introduced at a fixed rate of Shs. 1400 to a dollar.

1987

In May 1987 the shilling was devalued by 66% from shs. 14 to 60. This was after the currency reform.

1990

Forex Bureaus were introduced.

2. Domestic Financial markets

The Domestic Financial Markets have the following markets; a. The Securities Market In this market government securities are traded. They include Treasury bills and Treasury Bonds. These make the following markets: 1. The Treasury Bill Primary Market 2. The Treasury Bill Secondary Market 3. The Treasury Bond Primary Market 4. The Treasury Bond Secondary Market

Functions of Securities markets

They support monetary policy implementation by providing an instrument of liquidity management. b. The Repurchase Agreements (Repo) Market Repos were introduced to manage intra-auction liquidity variations. The vertical repo market reflects repo transactions between primary dealer commercial banks and the central bank. This market was introduced in 2002 by the Bank of Uganda as a mechanism to deal with managing liquidity in the banking system in the interval between auctions of treasury bills. These REPOs are auctioned in a Repo Market. c. The Capital markets This is where financial instruments for raising capital are traded. It involves long term banking. Instruments like stocks are bonds are traded in this market.

The development of capital markets in Uganda

In 1994 Bank of Uganda chaired the Capital Markets Development Committee (CMDC), which was comprised of stakeholders of capital market interests from financial markets, industry and government. The CMDC oversaw the introduction of the Capital Markets Statute 1996 which introduced the Capital Markets Authority (CMA) and made provision for the licensing of the Uganda Securities Exchange. THE CMDC works with Government to adopt a strategy of privatizing parastatals by listing them on the Stock Exchange. Currently there are over 7 companies listed on the Uganda Securities Exchange.





BROKERS AT THE UGANDA SECURITIES EXCHANGE AUTOMATED TRADING SYSTEM.

Types of Treasury bills used in Uganda

1. The Bearer Treasury Bills Certificates

Were used in the market earlier. They did not activate secondary market trading because of their security risk.

2. The book-entry Central Depository System (CDS)

To counteract the safety concerns regarding the bearer treasury bill certificates in 1999 the Bank introduced the electronic registry of investors in government securities called the book-entry Central Depository System or CDS. The CDS solved the problems of transferring ownership of the securities but introduced a new problem that the laws of Uganda were written so that a security had to be in paper form and the Courts did not recognize electronic securities.. To solve the problem, the

Financial Accountability Act of 2003

gave the Minister of Finance and Economic Development and Planning powers to issue securities both in paper and electronic form. Paper treasury bills were discontinued. Treasury Bills securities can be for 91 days, 182 days and 364 days in the primary market.

Secondary market in Treasury bills

The treasury bills auctions were held weekly to start with.

To stimulate the development of secondary market trading, the Bank of Uganda changed the auction from being weekly to being fortnightly. This strategy aimed at extending the interval between auctions as a way of providing a greater incentive for investors to source the supply of treasury bills in the secondary market.

Primary Dealer ranking system

It was introduced in 2005 by the Bank of Uganda. It is an incentive to enhance primary dealer performance. The winner of this prestigious award is announced every month. It is a catalyst for stimulating secondary market trading of government securities.

The Treasury Bond market

Auctions for Treasury Bonds were introduced in January 2005. Treasury Bonds are auctioned every 28 days. The bonds support monetary policy implementation by improving liquidity management and promoting market development. These securities also assist in providing a framework for pricing of securities in the secondary market. Bonds have also provided an additional saving instrument and have deepened the capital market.

Bond Tenure

Treasury bonds have the following tenures: 2 years, 3 years, 5 years, 10 years and 15 years.

— www.bou.or.ug



THE BANK OF UGANDA ON KAMPALA ROAD, KAMPALA, IS THE CENTRAL BANK OF UGANDA ESTABLISHED IN 1966, BY ACT OF PARLIAMENT, THE BANK IS WHOLLY OWNED BY THE GOVERNMENT BUT IS NOT A GOVERNMENT DEPARTMENT.

MONETARY POLICY IN UGANDA

The Bank of Uganda is mandated with regulation of the monetary sector in Uganda. The monetary sector in Uganda is largely influenced by the market forces of demand and supply. This is because the government of Uganda under the advice of the International Monetary Fund has liberalized the economy. This has particularly made the monetary sector very lucrative for traders since the Bank of Uganda pursues a flexible exchange rate policy regime.

The Bank of Uganda carries out its mandate by controlling the excessive volatility of the exchange rate of the Ugandan shilling against other currencies. As a result of this monetary regime the Ugandan shilling's exchange rate has been relatively stable but still fluid enough for traders to make a profit.



AN INDIVIDUAL COUNTING MONEY IN THEIR WALLET. THE BANK OF UGANDA CARRIES OUT ITS MANDATE BY CONTROLLING THE EXCESSIVE VOLATILITY OF THE EXCHANGE RATE OF THE UGANDAN SHILLING AGAINST OTHER CURRENCIES. AS A RESULT OF THIS MONETARY REGIME THE SHILLING'S EXCHANGE RATE HAS BEEN RELATIVELY STABLE BUT STILL FLUID ENOUGH FOR TRADERS TO MAKE A PROFIT.



LABOUR AND EMPLOYMENT

Uganda has a total population of 44.27 million people according to the National Population Council. 55% of the population is 18 years and below. The total labour force is up to 10 million people as per 2017. This coupled with socio-economic factors has created a big workforce of both skilled and non-skilled labour. It is therefore true that in Uganda today, the labour market is highly competitive for the worker and highly favourable for the employer.

There are a number of policies and laws that govern labour and employment in Uganda. The implementation of the labour and employment laws is the mandate of the district or area labour officer as guaranteed by the Employment Act of 2006. Furthermore, the labour Officer inspects and adjudicates disputes between employer and employee.

The Employment Act sets the rules and principles for the relationship between an employer and an employee in Uganda.

The Employment Act provides for the pertinent issues in any work place like; appointment of employees, working conditions, wages, leave, migrant workers, recruitment agencies and so on.

Payment of Wages

All workers must receive a wage and payment in kind is not permitted unless there is consent by the Employee. Wages are given in exchange for the services provided by the employees. The law also restrains an employer from with-holding the employee's wages.

The refusal or inability of an employer to pay wages may lead to termination of the service contract by the employee who may seek redress before the District Labour Officer by filing a compliant.

Payment of wages should follow the format agreed upon in the contract of service between the employer and employer.

PRESIDENT
YOWERI
MUSEVENI
MEETS SOME OF
THE WORKERS
AT MODERN
DISTILLERS AFTER
HE LAUNCHED
THE FACTORY.



Working Hours

The maximum work hours for employees in all establishments in Uganda are 48 hours per week. An employer and employee may agree on more or less working hours per week.

Leave

Employees in Uganda are entitled to annual leave of at least 7 days for four month's service, making it 21 compulsory leave days in a year. This leave may however be waived or postponed provided that the employer and employee have agreed. Aside from the compulsory leave, the law provides for other forms of leave which include;

Sick leave; an employee may qualify for sick leave on full pay for at least one month from his employer.

Maternity leave of 60 days is a right for all pregnant female employees and the female employee after the leave should assume the position she had prior to the leave. This leave is applicable whether the female employee gives birth or has a miscarriage.

A male employee is entitled to paternity leave of 4 working days per year in case of delivery of a child by his wife or miscarriage by his wife.

It is important to note that all the above leave provisions are on full pay. Breach of any of these leave provisions will call for civil action against the employer by the employee through the labour officer.

Termination of Employment

The termination of service/employment is very crucial because it means the end of the employer- employee relationship and this can happen in several ways as discussed below;

- An employer may terminate the service of an employee with notice.
- Expiry of the contract. Upon the lapse of such time, the employment shall automatically be terminated as agreed. For example, if the contract was specified for 2 years, the expiry of this duration terminates the contract of employment.
- Bankruptcy and liquidation of employer

UGANDA HAS IN RECENT YEARS BECOME A HUGE SOURCE OF MIGRANT LABOUR WORLDWIDE.



- Retirement usually applies to public servants who are entitled to leave work after attaining the retirement age which is 60 years in Uganda.
- Death of an employee automatically terminates the employment/contract.
- Resignation is a type of termination and it is initiated by the employee.

Repatriation of Workers

Uganda has in recent years become a huge source of migrant labour worldwide and the ministry of Labour has made some interventions to protect the Ugandan workforce working abroad.

The law prohibits an Employer from requiring an employee to accompany his or her employer outside Uganda without his or her consent.

The law prohibits illicit or clandestine movement of immigrants for employment purposes, departing from, passing or driving through Uganda, or giving assistance to any organization for that purpose.



The Act also prohibits the employment of a person who is known to be unlawfully present in Uganda. An immigrant worker in Uganda must possess a valid Ugandan visa and a valid work permit.

Recruitment Agencies have become a lucrative business; the only requirement for engaging in this business is the possession of a valid recruiting permit issued by the Commissioner for the Ministry of Gender, Labour and Social Development. Recruitment of an employee as a domestic servant or a non-manual labourer does not require a permit.

Expatriate Workers

The government of Uganda has put a limit on hiring expatriates unless they show that no Ugandan matches the skills of the expatriate staff. Companies or organisations wishing to hire expatriates must specify the number of expatriates they wish to hire and justify why they are being hired as opposed to hiring Ugandans.

Labour /Trade Unions

These are organisations created by employees for the purpose of representing their rights and interests. It is a right for every employee to join

or not join a trade union. An employer cannot hinder an employee from forming or joining a labour union. The National Organisation of Trade Unions (NOTU) is the main supervisory body of all labour unions in Uganda.

Occupational Health and Safety

The Occupational Safety and Health Act sets the basic standard for the work place environment in Uganda. These requirements briefly include; provision of sanitary facilities, provisions of first aid kits, provisions of safety gear, provisions of safety warnings, compliance with certain building standards and so on.

National Social Security Fund (NSSF)

The National Social Security Fund (NSSF) is a national saving scheme mandated by the Government through the National Social Security Fund Act Cap 222. It allows employees to contribute 5% and employers 10% of their gross monthly wages which will be invested by NSSF and paid back to the members with interest when they reach the age of 55. The Fund administers and pays people a number of benefits such as;

- Age benefit paid to people aged 55
- Survivors benefit paid to immediate surviving family of the deceased member
- Exempted employment paid to members who join exempted employment categories such as Army, Police and traditional Public Service.
- Emigration grant paid to foreign or Ugandan citizens leaving the country permanently
- Invalidity benefit paid to members who can no longer be employed because of physical or mental incapacitation
- Withdrawal benefit paid to someone who is 50 years and hasn't been employed for one year

There has been liberalisation of the pension sector which has caused the emergence of a regulator- Uganda Retirement Benefits Regulatory Authority (URBRA) and reforms under the Retirement Benefits Sector Liberalisation Bill 2011 which aims to regulate the pension sector and inspire confidence among the savers.

IMMIGRATION TO UGANDA

Any person intending to enter into Uganda should do so only for lawful purposes and in accordance with national immigration laws, guidelines and formalities.

Foreign nationals intending to enter Uganda for purposes of employment should comply with requirements for expatriate employment in Uganda.

Article 16(1) of the 1995 Constitution of the Republic of Uganda provides for the National Citizenship and Immigration Board whose functions are provided under Clause 3(a) to include among others registering and issuing national identity cards to citizens, issuing Uganda passports and other travel documents, and granting and cancellation of immigrant permits.

Section 53(1) of Uganda Citizenship and Immigration Control Act Cap 66 is to the effect that no person shall enter or remain in Uganda unless that person is in possession of a valid entry permit, certificate of permanent residence, or pass issued under the Act.

A person who is not a citizen of Uganda shall not be issued with an entry permit, certificate of permanent residence or pass unless that person is in possession

of a passport, certificate of identity, convention travel document or any other valid travel document.

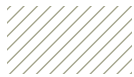
Section 54(2) of the same Act provides that where a person other than a prohibited immigrant makes an application for an entry permit of a particular class and satisfies the board that the conditions which must be fulfilled have been fulfilled in relation with the application, the board may issue an entry permit of that class to that person.

The entry permit when issued, shall be valid for the period determined by the board and may be renewed.

However, section 54(4) provides for the Board reservation of the right of cancellation of any permit of any immigrant in case it finds that the person holding the permit has violated the terms, violates the Act or becomes an undesirable immigrant.

Obtaining a Ugandan Visa

Visitors to Uganda must obtain a visa on arrival in Uganda or from one of the Ugandan Diplomatic Missions, unless they come from one of the visa exempt



ENTEBBE INTERNATIONAL AIRPORT, THE PRINCIPAL INTERNATIONAL AIRPORT OF UGANDA, IS ON THE SHORES OF LAKE VICTORIA, AND SITS APPROXIMATELY 40.5 KILOMETRES BY ROAD SOUTH-WEST OF THE CENTRAL BUSINESS DISTRICT OF KAMPALA.





APERSONINTHEPROCESSOFACQUIRINGAVISATOUGANDANEEDSAVALIDPASSPORTTHATISEXPIRINGATLEASTSIXMONTHS FROM THE DATE HE OR SHE WISHES TO ENTER UGANDA.

countries. All visitors must hold a passport valid for six months. Uganda has four (4) types of visas elaborated below;

- Tourist Single - this is granted by Uganda to persons who want to enter the country once during the three (3) months validity period. The consular fee for this visa is \$50.
- Tourist Multiple - this is granted to persons who wish to enter Uganda more than once during the period of validity. Uganda multiple Visas can be valid up to six months. Consular fee is \$100.
- Business Single - this is granted to persons who wish to enter Uganda for business purposes. This visa only allows one entry during the three (3) months validity period and consular fee is \$50.
- Business Multiple - this is granted to persons who wish to enter Uganda more than once during the validity period for business purposes. Consular fee for this visa is \$100.

Visitors from some commonwealth countries and specially designated countries are not required to possess a Ugandan visa in order to visit Uganda. These countries include; Angola, Burundi, Comoros, Eritrea, Kenya, Malawi, Mauritius, Madagascar, Rwanda,

Seychelles, Swaziland, Tanzania, Zambia, Zimbabwe, Bahamas, Barbados, Belize, Fiji, Sierra Leone, Singapore, Solomon Islands, St Vincent & the Grenadines, Gambia, Grenada, Jamaica, Lesotho, Malta, Tonga, Vanuatu, Malayora, Eswatini, Ghana, Hong Kong, Ireland, Libya, Trinidad & Tobago and Cyprus.

Uganda has an on arrival visa option which is offered at Entebbe Airport. If you are entering the country via any other airport or via a land border crossing, you must obtain your visa in advance as the on arrival option will not be available to you. It is highly recommended for one to obtain a visa in advance of arrival regardless of your port of entry. However, some airlines will not allow boarding without a visa. Immigration policies are not always consistently applied and may change without notice. If you do not have an additional document that the immigration officer in Uganda requests to support your visa application, you could be denied entry if you have not obtained your visa in advance.

The following are the requirements needed for a visa application to Uganda;

a) Valid passport

Every person in the process of acquiring a visa to Uganda needs a valid passport that is expiring at least six months from the date he/she wishes to enter Uganda.



UNHCR REPRESENTATIVE ROSAMALANGO HANDS OVER ICTEQUIPMENT FROM IOM-UGANDA TO MAJ. GEN. KASI TAGOWA OF THE DIRECTORATE OF CITIZENSHIP AND IMMIGRATION CONTROL.

b) Sufficient funds

No amount is currently specified by the immigration department but it is good evidence when one has a credit card and a return ticket. This will at least convince the immigration officer that one has enough money on him or her.

c) Return/Onward ticket

This is evidence to prove that one has enough money on them; however, if one has a one way ticket, he/she has a task of explaining to the immigration officer who might think the person in need of a visa does not have enough money to buy a flight out of the country. The best way to do this is to buy a return ticket on your way to Uganda.

d) International Health Certificate

The person willing to process a visa to Uganda may be requested to present a document showing that he/she has received a yellow fever vaccine shot.

e) Passport photos that meet the Embassy of Uganda's Requirements

Work Permits in Uganda

A relevant work permit is a necessity for all foreign nationals intending to work in Uganda. The work permits are awarded according to the type of work the foreign national is intending to carry out in Uganda and as such requirements differ depending on the type of work permit applied for.

Classes of work permits and their requirements are listed below;

Class A (Government and Diplomatic Services). Persons applying for this class should be contracted for service in the Government of Uganda or diplomats accredited for service in Uganda.

Applicants must possess the following;

- Fill Entry Work Permit form
- Attach photocopies of the passport
- 2 passport size photos
- Covering letter from the Embassy and a supportive letter from the ministry of Foreign Affairs



Class A2 (Government Contractors)

Persons applying for this class should be persons on Government Contracts, including persons serving in Government tertiary institutions.

Applicants must have the following;

- Fill Entry Work Permit form
- Attach photocopies of the passport
- 2 passport size photos
- Covering letter from the Organisation
- Covering letter from the line ministry
- Interpol letter from home country
- Academic qualifications for professionals

Class B (Investment in Agriculture)

Persons applying for this class should be those intending to invest in the business of agriculture or animal husbandry.

Applicants must meet the following requirements;

- Fill Entry Work Permit form
- 2 passport size photos
- Photocopies of passport
- Attach covering letter from company
- Land title

- Uganda Investment Authority License
- Letter from Ministry of Agriculture regarding intended agriculture venture
- Recommendation from LC's or RDC's office
- Work plan /Feasibility study of the project undertaken
- Security bond
- Interpol letter from home country

Class C (Mining) Persons applying for this class should be those intending to invest in the business of prospecting for minerals or mining in Uganda.

Applicants must have the following requirements;

- Fill Entry Work Permit form
- Photocopies of passport
- 2 passport size photos
- Attach covering letter from company
- License issued by Ministry of Natural Resources
- Articles and Memorandum of Association
- Supportive letter by Ministry of Natural Resources
- Security bond
- Uganda Investment Authority License
- Interpol letter from home country.

Class D (business and trade). Persons applying for this class must be intending to carry on business or trade in Uganda.

Applicants must possess the following requirements;

- Fill work permit
- Attach Covering letter from company
- 2 passport size photos
- Photocopies of the passport
- Company's bank statement
- Uganda Investment Authority license(where applicable)
- Articles and memorandum of association
- Certificate of incorporation
- Income tax clearance
- Trading license
- Banking of Uganda Certificate of remittance of US \$ 100,000
- Letter of good conduct from home country /Interpol in country of origin
- Security bond

Class E (manufacturers). This class is only applied for by persons intending to engage in manufacturing business in Uganda
The requirements include;

- To fill work permit form
- 2 passport size photos
- Photocopies of passport
- Attach Covering letter from company
- Security bond
- Company's documents: Articles, memorandum and certificate of incorporation
- Investment license
- Bank statement
- Trading license
- Income tax clearance
- Letter of good conduct from home country or Interpol in country of origin.

Class F (professionals). Applicants should be members of prescribed professionals intending to practice such profession in Uganda.

Requirements include;

- Fill work permit form
- 2 passport size photos
- Photocopies of passport
- Attach Covering letter
- Qualifications
- Registration with relevant professional agency e.g. Association of medical practitioners
- Company documents
- Letter of good conduct from home country or Interpol letter from home country
- Security bond

Class G1 (volunteers, NGO workers and missionaries)

Requirements include;

- Fill work permit form
- 2 passport size photos
- Copy of passport
- Copy of NGO certificate
- Criminal record report (letter from Interpol from home country)
- Attach Covering letter from institution/ NGO
- Covering letter
- Appointment letter
- Qualifications

Class G2 (employees) Persons applying for this class must be intending to work as employees whether for gain or not in Uganda. Applicants must then wait for grant of permit before entering Uganda.

The following requirements must be met;

- Fill work permit form
- 2 passport size photos

- Photocopies of passport
- Academic qualifications
- Letter of good conduct
- Appointment letter
- Attach Covering letter from company
- Proof of failure to employ a Ugandan
- Training opportunities for Ugandans
- Investment letter
- Income tax clearance
- Articles and memorandum
- Trading license
- Security bond
- Company's Bank statement
- Certificate of incorporation

NB: Upon the expiration of the above work permits, the holders may apply for renewal of the work permits.

A RELEVANT WORK PERMIT IS A NECESSITY FOR ALL FOREIGN NATIONALS INTENDING TO WORK IN UGANDA.





THE URA TOWERS IN NAKAWA, KAMPALA, THE HEADQUARTERS OF THE REGULATORY BODY THAT IS TASKED WITH THE RESPONSIBILITY OF LEVYING TAXES ON ALL COMMERCIAL TRANSACTIONS IN THE COUNTRY.

TAX POLICY

The Uganda Revenue Authority (URA) is the regulatory body that is tasked with the responsibility of levying taxes on all commercial transactions in Uganda. Taxes are collected from all business ventures including exports and imports done by the Excise and Customs department of the URA. The other two departments are Inland Revenue and Income Tax Department

Goods, which are imported into, exported from or transited through Uganda, must be declared to customs. With exception of some goods carried as passenger's baggage and certain other categories of private and diplomatic importations. The URA levies different taxes that may either be classified as direct or indirect.

Direct Tax

Direct taxes are imposed on income arising out of business, employment property and the burden of this tax is borne by the individual or business entity and

these taxes include;

- Corporation tax
- Individual income tax

Corporation tax is imposed on all bodies of persons including a company whether incorporated or unincorporated. Corporation tax is imposed at the rate of 30% of the chargeable income minus allowable deductions. Both resident and non resident Companies are required to pay Corporation tax at this rate in Uganda. Accordingly, every company must file annual returns.

Income tax is a tax imposed on a person's taxable income at specific rates. Income tax may be charged on income derived from the following sources; business, employment and property.

Indirect Tax

Indirect taxes are taxes levied on consumption of goods and services col-

lected by an Agent (tax payer). Notable indirect taxes include; Value Added Taxes (VAT), Excise duty, Import duty.

Value Added Tax (VAT) is an indirect tax that is paid by a person who consumes or imports goods and/or services in Uganda. It is regulated by the Value Added Tax Act 1996. VAT is classified in different types such as;

- Output VAT — Is the VAT charged to the customer by a taxable person making taxable supplies.
- Input VAT — Is the tax paid/payable in respect of a taxable supply to or an import of goods/services by a taxable person.

Excise duty is a tax on consumption of spec-

ified goods and services. It is imposed to protect and promote domestic production of goods as opposed to importation. It also regulates consumption of certain goods with negative health implications such as spirits, cigarettes.

Import duty is a tax levied on all imports that are brought into Uganda in form of goods and/or services.

Stamp Duty.

Stamp duty is a fee paid on all instruments executed or registered in Uganda. Stamp duty rates are either fixed or ad valorem rates. This fee is paid to the Uganda Revenue Authority.

For more information visit: www.ura.go.ug



THE RWANDA-UGANDA BORDER POST AT KATUNA. LAST YEAR, THE UGANDA REVENUE AUTHORITY (URA) INSTALLED A MOBILE CARGO SCANNER AT THE BORDER POST TO EASE GOODS CLEARANCE THROUGH SAVING TIME.

URA GUIDELINES ON TAX INCENTIVES, EXEMPTIONS TO THE INVESTORS



Uganda has been consistently attracting the highest foreign direct investment (FDI) in East Africa by attracting between \$250 – 300 million in FDI annually between 2010 and 2016 – largely due to its stable and consistent macro-economic policies, liberalized business environment, proximity as a logistics hub within the Great Lakes region and increased regional trade. Most FDI into Uganda has been directed towards telecommunications, real estate, banking, insurance, petroleum sector, energy, mining and agro-export sectors.

The Government has continued to promote foreign investment through the Uganda Investment Authority, the Presidential Investors Round Table and by minimizing macro-economic policy shifts, which make doing business in Uganda more predictable than in neighbouring countries. Uganda has a friendly investment policy framework aimed at attracting investments in the various aforementioned sectors. One of these policies is the provision of tax incentives to investors.

This incentive regime is structurally embedded in the country's tax laws making them nondiscriminatory and accessible to both domestic and foreign investment depending on the sector and level of investment. It is assumed that this tax incentive regime will spur investments within the economy and in so doing contribute to the achievement of Uganda's Vision 2040 whose aspirations are to transform Uganda from a predominantly low income country to an upper middle income country within 30 years.

Realizing that knowledge of the existing tax incentives by prospective local and foreign investors encourages many to take advantage of these incentives and invest in the country; Uganda Revenue Authority is pleased to introduce this Tax Incentives Guide for Investors in Uganda.

This Guide is a consolidation of all the tax incentives under International Trade (Customs) and Domestic Taxes. This Guide will be updated annually in line with Government's fiscal policies and will be available at the One Stop Centre of the Uganda Investment Authority. For further inquiries, investors are encouraged to contact the Assistant Commissioner Trade, Customs Department and the Assistant Commissioner Business Policy, Domestic Taxes Department.

Developing Uganda Together.

John Musinguzi Rujoki
Commissioner General,
Uganda Revenue Authority

2040

VISION.

Uganda has a friendly investment policy framework aimed at attracting investments in the various sectors. One of these policies is the provision of tax incentives to investors. This incentive regime is structurally embedded in the country's tax laws. Uganda's Vision 2040 aspires to transform Uganda from a predominantly low income country to an upper middle income country within 30 years.

DOMESTIC TAXES

INCOME TAX ACT		
SN	AMENDMENT	RATIONALE
1.	<ul style="list-style-type: none"> 10 year income tax exemption for investments whose capital is USD 300,000 for a citizen investing elsewhere and USD 150,000 for a citizen investing upcountry. The threshold for East African Community country citizens has been reduced from USD 1,000,000. <p>Conditions/requirements for the above exemption</p> <ul style="list-style-type: none"> An increase in the requirement for the use of local sourcing of raw materials from 50% to 70% An increase in the local requirement for labour from 60% to 70% A requirement that citizens will be earning at least 70% of the wage bill The manufacture of tyres, footwear and mattresses and toothpaste have been added to sectors benefiting 	<ul style="list-style-type: none"> To support agro-processing To boost the economy by increasing production, creating more employment opportunities for Ugandans in rural areas Specification of upcountry encourages rural development
2.	A purchaser of goods or services from a taxpayer designated to use the E-invoicing system must indicate E-receipts from the E-invoicing system in order to qualify for an allowable expense	<ul style="list-style-type: none"> To encourage tax compliance To focus on the digital economy as it is the way to go. To ease the compliance burden through the use of digital tax tools such as prefilled returns as the end result
3.	A provider of transport or freight service MUST obtain a Tax Clearance Certificate (TCC) before renewal of operational licenses	To generate revenue and boost tax compliance in the transport sector.
4.	Income tax rates for small business (presumptive) taxpayers has been lowered. Rates will still be based on turnover however taxpayers with no record shall pay a fixed cost while those with records shall pay tax as a percentage of annual turnover	<p>To ease the compliance burden by making presumptive rates more progressive</p> <p>To encourage tax compliance</p> <p>To give preferential treatment to taxpayers who keep records</p>



MUTUKULA-ONE-STOP-BORDER-POST



ONE OF THE REASONS FOR A 10-YEAR INCOME TAX EXEMPTION IS TO SUPPORT AGRO-PROCESSING AND ALSO TO ENCOURAGE RURAL DEVELOPMENT.

SN	AMENDMENT			RATIONALE
	Gross turnover	With records	Without records	
	Not exceeding Ugx 10M	NIL	NIL	
	Exceeding Ugx 10M but does not exceed Ugx 30M	0.4% of annual turnover in excess of 10M	Ugx 80,000	
	Exceeding Ugx 30M but does not exceed Ugx 50M	Ugx 80,000 plus 0.5% of annual turnover in excess of Ugx 30 million	UUgx 200,000	
	Exceeding Ugx 50M but does not exceed Ugx 80M	Ugx 180,000 plus 0.6% of annual turnover in excess of Ugx 50 million	Ugx 400,000	
	Exceeding Ugx 50 m but does not exceed Ugx 150M	360,000 plus 0.7% of annual turnover in excess of Ugx 80 million	Ugx 900,000	
5.	<ul style="list-style-type: none"> 10% withholding tax will be deducted from commission paid to insurance and advertising agents It is now mandatory for Withholding agents to file a return not later than the 15th day of the following month 			To generate revenue
6.	The Islamic Development Bank has been included on the list of agencies whose income does not pay tax (Listed Institution)			To encourage Investment since the IDB is a development bank that extends interest free credit to business
7.	The income of the Deposit Protection Fund has been exempted from income tax.			The DPF was created to provide insurance for the deposits of customers of regulated financial institutions in the event of collapse

URA TAX AMENDMENTS FY 2020/2021

DOMESTIC TAXES

EXCISE DUTY ACT		
SN	AMENDMENT	RATIONALE
1.	<p>The tax rate for indented spirits made from locally produced raw materials has been reduced from 60% or Ugx 2000 per litre, whichever is higher to 60% or Ugx 1500 per litre whichever is higher</p> <p>NB: No excise duty on sanitizers that meet 75% alcohol content</p>	To support local industries
2.	Reducing the tax rate for fruit and vegetable juices, except juice made from at least 30% of pulp from fruit and vegetables grown in Uganda from 13% or Ugx 300 per litre, whichever is higher to 12% or Ugx 250 per litre whichever is higher	To encourage consumption of locally manufactured juice which will stimulate local production and job creation
3.	Increasing the tax rate of Gas oil (automotive, light, amber for high speed engine) from Ugx 880 per litre to Ugx 1030 per litre	<p>To generate revenue</p> <p>Note that there is no anticipated price increase on the global market where price is still low</p>
4.	Introduce a fixed rate of Ugx 10,000 per kilogram of the plastic bags. These include sacks and bags of polymers of ethylene and other plastics except vacuum packaging bags for food, juices, tea and coffee, sacks and bags for direct use in the manufacture of sanitary pads	<p>•To generate revenue and protect the environment</p> <p>•Provide exemption for the manufacture of sanitary pads</p>
5.	A minimum capital investment requirement for duty exemption for developers of industrial parks and free zones, operators and other investors in specified business of USD 10 million in the case of a foreigner, USD 300,00 in case of a citizen investing elsewhere; or USD150,000, for a citizen whose investment is placed up country.	To encourage development and investment in the rural areas as opposed to concentration of Investments in the towns.
6.	Excise Duty exemption on inputs and raw materials has been extended to the manufacture of tyres, footwear, mattress or toothpaste for a person who meets the capital threshold of investing USD 10 million in case of a foreigner, USD 300,000 for a citizen's investment elsewhere or USD 150, 000 for a citizen whose investment is placed up country	To industrialize the country and replace imports.



ELEGU ONE-STOP-BORDER-POST

VALUE ADDED TAX ACT		
SN	AMENDMENT	RATIONALE
1.	The period within which manufacturers can claim input VAT prior to VAT registration has been increased from the current six (6) months to twelve (12) months.	To encourage investment since most manufacturers usually takes them more than six months to construct their factories.
2.	A taxable person will be allowed a tax credit on expenses only if they are supported by e-invoices or e-receipts.	<ul style="list-style-type: none"> To foster tax compliance To support the use of digital tools and solutions in ensuring tax compliance
3.	Increasing the tax rate of Gas oil (automotive, light, amber for high speed engine) from Ugx 880 per litre to Ugx 1030 per litre	<p>To generate revenue</p> <p>Note that there is no anticipated price increase on the global market where price is still low</p>
4.	<p>The following supplies have been exempted from VAT</p> <ul style="list-style-type: none"> Trailers for agricultural purposes Combine harvesters The supply of digital stamps for purposes of implementing tax verification, quality, and safety system Tractor mounted hay mowers, slashers, rakes & tedders Crop sprayers Hay & straw Balers Tractor mounted Hole diggers / borers Scrapers, levelling blades & Dam scoops Root or tuber harvesting machinery Tractor mounted loaders Irrigation equipment Drinkers & feeders for all farm animal Tuber harvesting machinery Cotton seed cake Supply of the following imported services: Software and equipment installation services to manufactures Services incidental to tele-medical services Royalties paid in respect of agricultural technologies Accommodation in tourist hotels and lodges located up-country 	To encourage investment in agriculture, construction and tourism sectors

DOMESTIC TAXES

SN	AMENDMENT	RATIONALE
	<ul style="list-style-type: none"> Liquefied gas Processed milk Locally developed computer software, its maintenance and software licenses. Supply of services to conduct a feasibility study, design and construction 	
	<ul style="list-style-type: none"> Supply of locally produced materials for construction of premises, infrastructure, machinery and equipment or furnishings and fittings which are not available on the local market to a hotel or tourism facility developer whose investment capital is USD 8 million with a room capacity exceeding 30 rooms; or to a meetings, incentives, conferences and exhibitions facility developer whose investment capital is not less than USD 150 million 	
5.	<p>VAT exemption for investments whose capital is USD 300,000 for a citizen and USD 150,000 for a citizen investing upcountry. The threshold has been reduced from USD 1,000,000.</p> <p>Conditions/requirements for the above exemption</p> <ul style="list-style-type: none"> Increase the requirement of local labour from 60% to 70%; Requirement that the citizens earn an aggregate wage of at least 70% of the total wage bill; * Add manufacture of tyres, footwear, attresses and toothpaste to sectors benefiting 	To encourage investment

STAMP DUTY

SN	AMENDMENT	RATIONALE
1.	<ul style="list-style-type: none"> The following instruments will pay no stamp duty Debenture - of the total value Equitable Mortgage - of the total value Further Charge - any instrument imposing a further charge on mortgaged property - of the total value Instrument for loan 	To encourage investment

SN	AMENDMENT	RATIONALE
2.	<p>Stamp duty exemption for investments whose capital is USD 300,000 for a citizen and USD 150,000 for a citizen investing upcountry. The threshold has been reduced from USD 1,000,000.</p> <p>Conditions/requirements for the above exemption</p> <ul style="list-style-type: none"> • Increase the requirement of local labour from 100 Ugandans to 70% • Requirement that the citizens earn an aggregate wage of at least 70% of the total wage bill; • Incentives extended to the manufacture of tyres, footwear, mattress or toothpaste 	To encourage investment
3.	Introduced stamp duty of UGX 100,000 on professional licences and certificates.	To encourage compliance among professionals

TOBACCO AMENDMENT ACT

SN	AMENDMENT	RATIONALE
1.	<ul style="list-style-type: none"> • There shall be charged a levy on unprocessed leaf tobacco at the rate of USD 0.8 per kilogram of unprocessed leaf tobacco, taken out of Uganda. • The levy shall be paid by the consigner to the Uganda Revenue Authority at the time the unprocessed leaf tobacco is taken out of Uganda. 	To generate revenue



PRESIDENT MUSEVENI AND HIS KENYAN COUNTERPART UHURU KENYATTA DURING A JOINT PRESIDENTIAL LAUNCH OF THE BUSIA ONE-STOP BORDER POST IN 2018. THIS MARKED A SIGNIFICANT ACHIEVEMENT IN REGIONAL INTEGRATION AND TRADE IN THE EAST AFRICAN COMMUNITY.

BETTING AND GAMING

The Lotteries and Gaming industries is a lucrative business. To start gaming (betting) and lotteries establishments one must register with the National Gaming Board as required under the Lotteries and Gaming (Betting) Act of 2016 and the regulations there under. There are a number of requirements for registration of a business in the gaming industry but majorly an entity must:

- Obtain the required minimum capital requirements
- Must pay a security guarantee
- Must be tax registered and compliant
- And then must pay application fees
- Corporate social responsibility

CUSTOMERS IN A
BETTING OUTLET IN
KAMPALA. LOTTERIES
AND GAMING
INDUSTRIES IS A
LUCRATIVE BUSINESS
IN UGANDA.



UGANDA

QUICK FACTS



CLIMATE
Uganda is in the African Great Lakes region. It also lies within the Nile basin, and has a varied but generally a modified equatorial climate.

Uganda, officially the Republic of Uganda, is located in East-Central Africa. It is bordered to the east by Kenya, to the north by South Sudan, to the west by the Democratic Republic of the Congo, to the south-west by Rwanda, and to the south by Tanzania. The southern part of the country includes a substantial portion of Lake Victoria, shared with Kenya and Tanzania. Uganda is in the African Great Lakes region. It also lies within the Nile basin, and has a varied but generally a modified equatorial climate.

Uganda takes its name from the Buganda kingdom, which encompasses a large portion of the south of the country, including the capital Kampala. The people of Uganda were hunter-gatherers until 1,700 to 2,300 years ago, when Bantu-speaking populations migrated to the southern parts of the country. Beginning in 1894, the area was ruled as a pro-

tectorate by the UK, who established administrative law across the territory. Uganda gained independence from the British on 9 October 1962.

Languages

The official languages are English and Swahili, although “any other language may be used as a medium of instruction in schools or other educational institutions or for legislative, administrative or judicial purposes as may be prescribed by law.” Luganda, a central language, is widely spoken across the country, and several other languages are also spoken including Runyoro, Runyankole, Rukiga, Luo and Lusoga.

The President

Yoweri Kaguta Museveni is the current president of Uganda. He came to power in January 1986 after a protracted five-year guerrilla war.

UGANDA

QUICK FACTS

Lakes and rivers

Much of the south of the country is heavily influenced by one of the world's biggest lakes, Lake Victoria, which contains many islands. Most important cities are located in the south, near this lake, including the capital city Kampala and the nearby city of Entebbe. Lake Kyoga is in the centre of the country and is surrounded by extensive marshy areas.



Although landlocked, Uganda contains many large lakes. Besides Lakes Victoria and Kyoga, there are Lake Albert, Lake Edward, and the smaller Lake George.

Environment and conservation

Uganda has 60 protected areas, including ten national parks: Bwindi Impenetrable National Park and Rwenzori Mountains National Park (both UNESCO World Heritage Sites), Kibale National Park, Kidepo Valley National Park, Lake Mburo National Park, Mgahinga Gorilla National Park, Mount Elgon National Park, Murchison Falls National Park, Queen Elizabeth National Park, and Semuliki National Park.



Foreign relations and military

The Uganda People's Defence Force serves as the Military. The number of military personnel in Uganda is estimated at 45,000 soldiers on active duty. The Uganda army is involved in several peacekeeping and combat missions in the region, with commentators not-

ing that only the United States Armed Forces is deployed in more countries. Uganda has soldiers deployed in the northern and eastern areas of the Democratic Republic of the Congo and in the Central African Republic, Somalia, and South Sudan. Uganda is also a member of the Organization of Islamic Cooperation and other organisations.

Economy

Uganda shipped US\$3.1 billion worth of goods around the globe in 2018. That dollar amount reflects a 36.5% increase since 2014 and a 6.4% gain from 2017 to 2018. Based on estimates from the CIA's World Factbook, Uganda's exported goods plus services represent 18.8% of total Ugandan economic output or GDP.

The latest data shows that 82.7% of products exported from Uganda were bought by importers in: Kenya (18.8% of the global total), United Arab Emirates (18.2%), Sudan (13.3%), Rwanda (6.9%), DR Congo (6.6%), Italy (4.3%), Netherlands (3.7%), Germany (3.1%), Belgium (2.4%), Tanzania (2.1%), Hong Kong (1.9%) and the United States (also 1.4%).

The following export product groups represent the highest dollar value in Ugandan global shipments during 2018.

1. Coffee, tea, spices: US\$536m (17.4%)
2. Gems, precious metals: \$516.9m (16.7%)
3. Cereals: \$192m (6.2%)
4. Fish: \$169.9m (5.5%)
5. Mineral fuels including oil: \$166.8m (5.4%)
6. Vegetables: \$125.8m (4.1%)
7. Sugar, sugar confectionery: \$108.2m (3.5%)
8. Tobacco, manufactured substitutes: \$86.4 million (2.8%)
9. Food industry waste, animal fodder: \$85.4m (2.8%)
10. Iron, steel: \$85.3, (2.8%)

Agriculture

Favorable soil conditions and climate have contributed to Uganda's agricultural success. Main food crops are plantains, cassava, sweet potatoes, millet, sorghum, corn, beans, and groundnuts. Major cash crops have been coffee, cotton, tea, and tobacco. The country's environment provides good grazing for cattle, sheep, and goats, with indigenous breeds dominating most livestock.



Industry

Uganda ranked as number 102 among the countries of the world in nominal GDP by the IMF with a GDP of 26,349 (US\$m). The World Bank ranked Uganda as number 99 in nominal GDP with a GDP of 25,891 (US\$m). Based on the GDP with purchasing power parity the IMF ranked Uganda as number 86 (91,212 million of current Int\$) and the World Bank ranked them 90 (79,889 million of current Int\$).



Life expectancy

Life expectancy at birth was estimated to be 53.45 years in 2012. The infant mortality rate was approximately 61 deaths per 1,000 children in 2012.

Health

Uganda has been among the rare HIV success stories. Infection rates of 30 per cent of the population in the 1980s fell to 6.4 percent by the end of 2008. Meanwhile, the practice of abstinence was found to have decreased.

Transport

Uganda has an extensive network of paved and unpaved roads. As of 2017, according to the Uganda Ministry of Works and Transport, Uganda had about 130,000 kilometres (80,778 mi) of roads, with approximately 5,300 kilometres (3,293 mi) (4 percent) paved.[1] Most paved roads radiate from Kampala, the country's capital and largest city.

The Lagos-Mombasa Highway, part of the Trans-Africa Highway and aiming to link East Africa and West Africa, passes through Uganda.

Energy

Burning of renewable resources provides approximately 90 percent of the energy in Uganda. While much of the hydroelectric potential of the country is untapped, the government decision to expedite the creation of domestic petroleum capacity coupled with the discovery of large petroleum reserves holds the promise of a significant change in Uganda's status as an energy-importing country. Two heavy fuel oil thermal power stations exist in the country — Namanve Power Station (50 megawatt) and Tororo Power Station is an (89 megawatt).

Science and technology

The National Science, Technology and Innovation Policy dates from 2009. Its overarching goal is to 'strengthen national capability to generate, transfer and apply scientific knowledge, skills and technologies that ensure sustainable utilisation of natural resources for the realisation of Uganda's development objectives.' The policy precedes Uganda Vision 2040, which was launched in April 2013 to transform 'Ugandan society from a peasant to a modern and prosperous country within 30 years,' in the words of the Cabinet. Uganda Vision 2040 vows to strengthen the private sector, improve education and training, modernize infrastructure and the underdeveloped services and agriculture sectors, foster industrialization and promote good governance, among other goals. Potential areas for economic development include oil and gas, tourism, minerals and information and communication technologies (ICTs).

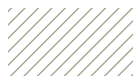


TOURISM IN UGANDA



Uganda is one of the best tourist destinations in the world according to Lonely Planet, a leading travel publisher. Uganda has great tourism potential and this is attributed to its landscape, wild life and political stability. Uganda's very diverse culture, landscape, flora and fauna have also been a source of attraction for very many tourists from all over the world.

Uganda has up to ten national game parks with a lot of wild life like; gorillas, lions, buffaloes, giraffes, antelopes, elephants. These national parks include; Murchison falls National Park, Queen Elizabeth National Park, Kidepo Valley National Park, Lake Mburo National Park, Rwenzori Mountains National Park, Bwindi Impenetrable National Park, Mgahinga Gorilla National Park, Semliki National Park, Kibaale National Park and Mount Elgon National Park.



MOUNTAIN
GORILLAS
IN BWINDI
NATIONAL PARK

One of Uganda's greatest wild life attractions are the mountain gorillas. Uganda is home to over half of the world's 750 or so mountain gorillas living mainly in Bwindi Impenetrable National Park and Mgahinga National Park in Southwest-

ern Uganda.

Uganda is located in the Great Lakes region of Africa with a variety of water bodies popular for water sports like white water rafting, kayaking and boating. Lake Victoria, Lake Mburo, Lake Bunyonyi and the River Nile are major sources of attraction where tourists engage in such water sports.

Uganda is also home to over 1030 species of birds and is the perfect destination for all bird watchers. Apart from the wildlife, Uganda is also popular for its landscape which includes snowcapped mountain, waterfalls and several hiking grounds.

Kampala, the capital city of Uganda, harbours tourist centres like the Baha'i temple — the only such temple of the Baha'i faith in Africa, the Uganda museum, which is the oldest museum in the whole of East Africa, and the Kasubi tombs which is among the 135 UNESCO cultural heritage sites in Africa. Ugandans are very friendly and hospitable people and this has helped to market the country as a prime tourist destination.





BESTTIMEFORRHINO
TRACKING AT ZIWA
RHINO SANCTUARY
ISTHROUGHOUTTHE
YEAR, EITHER IN THE
MORNING OR IN THE
EVENING HOURS.



UGANDA

IMPORTANT CONTACTS

KEY MINISTRIES

Ministry of Foreign Affairs

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Ministry of Internal Affairs

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Tel: +256414595945
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Ministry of Trade, Industry and Cooperatives

Plot 6/8, Parliamentary Avenue, Kampala
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Email: mintrade@mtic.go.ug
www.mtic.go.ug

Ministry of Justice and Constitutional Affairs

Bauman House, Plot 5, Parliament Avenue
P.O.Box 7183 Kampala, Uganda
Tel: +256-230802/254829
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Ministry of Finance, Planning and Economic Development

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Ministry of Gender, Labour

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KEY GOVT DEPARTMENTS

Uganda Investment Authority (UIA)

P O Box 7418, Kampala
Tel: +256 414 301000 Fax: +256 414 342903
www.ugandainvest.co.ug

Uganda Revenue Authority (URA)

Plot MI93/MI94, Nakawa Industrial Area
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Call centre +256 417 338 100
Whatsapp: +256 712 448 448
Toll free: 0800 100 006
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Directorate of Citizenship and Immigration

Plot 75 Jinja Road, Kampala
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Uganda Police Force

Emergency: 999/112
H/q: +256414233814/+256414250613
Counter Terrorism Unit: 0800199699
CPS Kampala: 0800122291
CID: 0800199499
Fire Brigade: 0421222/ 0714667752
Operations: 0414256366/ +256 414 233814
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International Police Uganda

Plot 12 Mabua Road, Kampala
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Uganda Tourism Board

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Uganda National Bureau of Standards

Plot 2- 12, Bypass Link, Industrial & Business park,
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UNBS Regional Office - Kampala

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UNBS Regional Office - Mbarara

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UNBS Regional Office - Lira

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UNBS Regional Office - Jinja

Plot 51/53 Luba Road
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UNBS Regional Office - Mbale

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INTERNATIONAL AGENCIES

ILO in Uganda

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World Bank— Uganda

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East African Development Bank

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EADB Kenya – Country Office

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EADB Rwanda – Country Office

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African Development Bank

African Development Bank Group
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EMBASSIES

U.S. Embassy Kampala

Plot 1577 Ggaba Road, Kampalaa
Tel: 0312-306-001
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British High Commission – Kampala

4 Windsor Loop PO Box 7070, Kampala
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Chinese Embassy Uganda

Plot 37, Malcolm X Avenue, Kololo, Kampala,
P.O. Box 4106, Kampala
Administrative Office: +256-41-4-259881
Consular Office: +256-41-4-236895
Fax: +256-41-4-235087
www.ug.china-embassy.org
E-mail: chinaemb_ug@mfa.gov.cn

UGANDA

IMPORTANT CONTACTS

Embassy of Japan in Uganda

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www.ug.emb-japan.go.jp

High Commission of India Kampala

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Tel: +256 41-4344631, +256 41-4342994 (0)
Email: admn.kampalamea.gov.in
Emergency + 256-700 542 440
www.hci.gov.in/kampala

Embassy of the Republic of Korea

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P.O.Box 27278, Kampala, Uganda
Email : emb.kampala@mofa.go.kr
Tel : +256-414-500-197
Emergency Line: +256-774-478-376

Embassy of the United Arab Emirates

Plot 39 Kittante Road, Kampala
Tel: +256 312 203 119 +256 793 000 000
Fax: +256 417 716 281
Email: @mofa.ae
embassyuae.kampala@gmail.com

Turkish Embassy in Kampala

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Email: embassy.kampala@mfa.gov.tr
www.kampala.be.mfa.gov.tr

Kenya High Commission

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P.O. Box 5220, Kampala
Tel: +256 414 258 235/6
Emergency: +256 784 030 494
Email: kampala@mfa.go.ke
or info@kenyamissionkampala.ug
www.kenyamissionkampala.ug

High Commission of the Republic of Tanzania

Plot 6, Kagera Road, Nakasero
P O Box 5750, Kampala
Tel: 041 4 256272 / 041 4 342846
Amb line: 041 4 257357
Telegramme: TANZANREP KAMPALA
E-mail: tzrepkla@utlonline.com /
kampala@foreign.go.tz
www.foreign.go.tz

High Commission of the Republic of Rwanda

Plot 2, Nakaima Road, Kitante
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Email: ambakampala@minaffet.gov.rw
www.minaffet.gov.rw

Embassy of Burundi

Hannington Road Plot No. 14
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P.O.Box 29214, Kampala
Tel: +256 41 423 5850
Email: ambabukpl@gmail.com

Embassy of South Sudan in Kampala

Plot 2 Sezibwa Road, Nakasero
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Tel. international: +256-41-427-1625
Email: info@embrssug.org
visa@embrssug.org
www.embrssug.org

South African High Commission in Kampala

Plot 15A Nakasero Road, Kampala
P.O. Box 22667, Kampala
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kampala.dha@dirco.gov.za
www.dirco.gov.za

Embassy of the Democratic Republic of Congo

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Tel. 041 4 250099/031 2 823321
Email: missionrdckampala@gmail.com
Emergency Tel: 071-920 782/071-186 860

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International Medical Group: +256 312 200 400
Case Medical Centre: +256 414 250 362

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Email: info.africa@intertek.com

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Customer Care: +256 312 27 87 50
Email: info@firemasters.co.ug
www.firemasters.co.ug

Fire Systems Ltd.

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Fax: 041-345437 / 251894

LEGAL SERVICES

Uganda Law Society

Wamala Road, Ntinda - Kisaasi Rd, Kampala
Tel: +256 41 4342424
www.uls.org

East Africa Law Society

Plot No. 310/19, PPF AGM Area,
PPF Road off Njiro Road.
P.O. Box 6240, Arusha
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Email: info@ealawsociety.org
www.ealawsociety.org

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www.nwsc.co.ug

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Umeme Limited

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Whatsapp: 0772 285 285
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www.umeme.co.ug

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Shoprite Uganda

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www.shoprite.co.ug

Capital Shoppers Ltd

Plot 2 Duster Street Makerere University, K'la
Tel: 0414-254523

The Acacia Mall

John Babiha (Acacia) Avenue, Kampala
Tel: +256 41 4341382
theacaciamaill.com

Nakasero Market

Market Square Rd, Kampala

Quality Shopping Mall

Lubowa, Kitende, Naalya. Tel: 039 2001969

Village Mall

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Freedom City Entebbe Road

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• Fuel Station Construction

• Engineering construction

• Gas Vessels Fabrication



Committed staff of Uni Engineers Company (U) Limited

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worldwide
with a
standard that
guarantees
our services
that meet
the norms
for Quality
Management
System.

ISO 9001:2015,
ISO 14001:2015,
ISO 45001:2018

and expanded through extending its ability even outside Uganda to countries like Democratic Republic of Congo, Rwanda, Burundi, South Sudan and Central African Republic.

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Uni Engineers is dedicated to maintaining high ethical standards and a culture that values honesty, integrity, and transparency in all that we do.

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We are also committed to our membership affiliations such as Uganda National Association of Building and Civil Engineering Contractors (UNABCEC) and ISO. The broad scope of our relationship structures with our clients and the variety of our membership showcases our zeal to creating global working relationships and creating everlasting engineering solutions to our clientele.

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ISO 45001:2018). We are recognized worldwide with a standard that guarantees our services that meet the norms for Quality Management System.


MUKONO WORKSHOP

Plot 289, Block 221 Nakoosi Mukono,
P.O Box 16731, Kampala
Tel: +256(0)786 289 992
E-mail: info@uniengineers.co.ug

THE STRUCTURE OF THE UGANDAN ECONOMY: SECTORS THAT WILL BUTTRESS REVIVAL POST COVID-19

The Government of Uganda has revised the projected economic growth for Financial Year 2020/2021 as the country continues to suffer shocks occasioned by the March, 2020 lockdown as a result of the Covid-19 pandemic.

Recently, Finance Minister Matia Kasaija told Parliament that given the current situation, the projection for economic growth in FY2019/20 had been revised downwards from 6.0 percent to between 5.2 and 5.7 percent depending on the severity of the COVID-19 impact on Uganda.

“The biggest impact will be on the services sector. Travel restrictions are already affecting the tourism sector, including hotels, accommodation and transportation. Supply chain disruptions are hampering trade, and this is expected to continue until the virus is contained at the global level,” the minister said.

However, the Governor Bank of Uganda, Mr Emmanuel Tumusiime Mutebile, has said the economy in the 2020/21 financial year is projected to grow in the range of 3.0 and 4.0 per cent, further increasing to 5.0 to 6.0 per cent in 2021/22 financial year.

“The economic recovery is heavily dependent upon the intensity, spread, and duration of the COVID-19 pandemic, particularly the heightened risks associated with the second wave of infections,” Mutebile said while releasing the monetary policy statement for August 2020.

In the same vein, government closed the 2019/20 financial year

with a fiscal hole in domestic revenues to a tune of Shs3.360 trillion blamed on the outbreak of Covid-19.

The other factors that also contributed to revenue shortfall in the year which ended on June 30 were global economic slowdown, which affected Uganda’s economic performance and some tax measures not getting approved by parliament or never became operational during the fiscal year 2019/20.

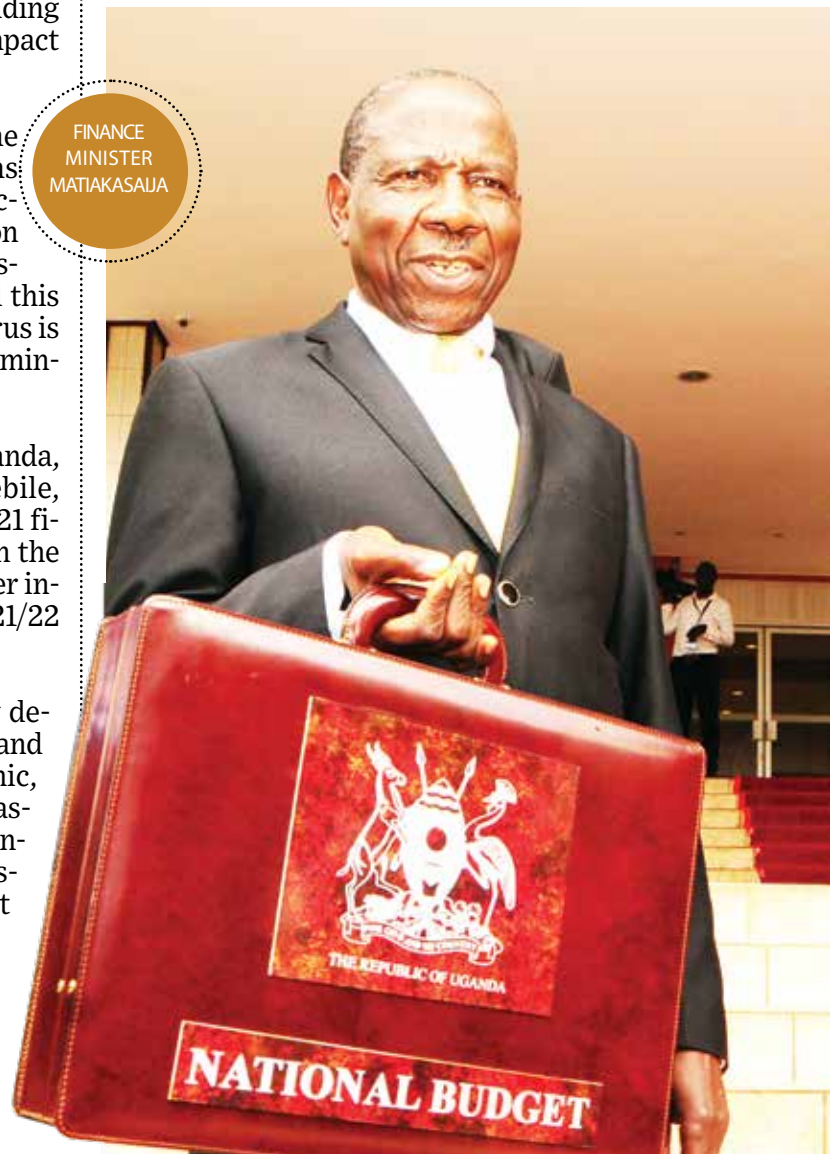


COVID-19 EFFECT.

The biggest impact will be on the services sector. Travel restrictions are already affecting the tourism sector, including hotels... Supply chain disruptions are hampering trade, and this is expected to continue until the virus is contained at the global level.

FINANCE MINISTER MATIA KASAJA

FINANCE MINISTER MATIAKASAJA





MR EMMANUEL
TUMUSIIME
MUTEBILE,
GOVERNOR
BANK OF
UGANDA

The Ministry of Finance says tax collections amounted to Shs17.285 trillion against a target of Shs20.646 trillion that was budgeted for.

“Total tax collections for the financial year amounted to Shs15.912 trillion against a target of Shs18.877 trillion. This translates into a performance of 84.3 per cent and a shortfall of Shs2.965 trillion. Similarly, overall non-tax revenue collections amounted to Shs1.373 trillion against a target of Shs1.571 trillion, implying a performance of 87.4 per cent,” the Ministry of Finance said in the economic performance report of July 2020.

The 15th World Bank Economic Update report titled ‘Digital Solutions in a Time of Crisis’ shows that the Ugandan economy has suffered from the triple shocks of the COVID-19 related economic and social disruption, a locust invasion and floods. Up to three million Ugandans could fall into poverty due to economic hardship and a lack of alternative means of survival, the report adds.

However, in a raft of measures developed by economic experts, the country’s economy can be boosted again, if the government implements the measures during the current 2020/2021 financial year.

Government in June 2020 announced a Shs2.9 trillion stimulus package to boost the economy and accelerate recovery

from the Covid-19 impact. According to Minister Kasaija, the economic stimulus and growth strategy will restore household incomes, safeguard jobs, re-ignite business activity, provide tax relief to businesses, enhance economic infrastructure, improve good governance and maintain security, law and order.

Among the measures, government announced that it will capitalize Uganda Development Bank with an additional Shs1.1trillion to increase access to credit at low interest rate to manufacturing, agribusiness and other private sector firms.

Uganda Development Corporation will get additional funding of Shs138billion for public-private partnership investments to facilitate import substitution and export promotion strategy.

Mr Fred Muhumuza, a development economist, says the agriculture sector will help Uganda’s economy to recover by ensuring food and nutrition, which are crucial elements of reversing and mitigating the Covid-19 effects on the health of both humans and the economy.

“This sector will help us bounce back, even in the corona year the agriculture sector has seen a stable growth of 4 per cent, a good indication that it will be the driver for recovery and trigger the industry to grow,” he says.

6%

COVID-19
EFFECT.

The economy in the 2020/21 financial year is projected to grow in the range of 3.0 and 4.0 per cent, further increasing to 5.0 to 6.0 per cent in 2021/22 financial year.

MR EMMANUEL
TUMUSIIME
MUTEBILE,
GOVERNOR
BANK OF
UGANDA

According to the experts, given the disproportionate adverse social-economic impacts that the crisis has on women, youth and other vulnerable groups, it is imperative that gender equality concerns are embedded in national fiscal stimulus packages as well as in the design of national policy responses.

The government has also been advised to revise the high internet costs; regressive taxes like OTT, which economic experts say, make it impossible for women to opt to integrate ICT in their work.

“Targeted ICT business-oriented capacity building programs and providing incentives for women and the business community to benefit from online opportunities such as access to information inputs, new markets, easy financial transactions, price shifts, new research on quality and standards, for example through the Market Garden App,” the Civil Society Budget Advocacy Group (CSBAG), says.

The managing director dfcu Bank, who is also the chairperson Uganda Bankers Association, Mathias Katamba, calls for re-prioritization of government investments.

“The next thing is investment in agriculture because agriculture has been able to withstand the impact of the Covid-19 pandemic the yields /production are better, agriculture provides food security, agriculture exports constitute 35 per cent of exports but it is only constituting to 13 per cent of the current the total private sector credit,” he says

“I think beyond health and agriculture, we have to invest in the digital infrastructures you can see government workers are working from home, digitalization is needed in education to increase productivity because you can see from the report that currently Uganda’s child productivity is 38 compared to Kenya’s of 50 per cent,” he adds.

Mr Elly Karuhanga, the chairman of the Private Sector Foundation Uganda (PSFU), wants the government to procure goods/ services through online reverse auction system (bidding by private companies to

Shs 12.9^t
RECOVERY.
Government
in June 2020
announced
a Shs2.9
trillion
stimulus
package to
boost the
economy and
accelerate
recovery
from the
Covid-19
impact.



The next thing is investment in agriculture. It has been able to withstand the impact of the Covid-19 pandemic, the yields / production are better...

MATHIAS KATAMBA,
CHAIRPERSON
UGANDA BANKERS
ASSOCIATION

85%
SURVEY.
Some 85 per
cent of small
and medium
enterprises,
experienced
distress after
three months
of the Covid-
19 related
lockdown.

UGANDABUSINESS
IMPACT SURVEY
2020

supply government) to address the efficiency in government spending.

“We think this method of Government procurement through online auction can save spending in the budget by approximately 50 percent (eliminating corruption/saving on expenditure/ extra funds),” he says.

Mr Alvin Mbugua, the managing director of Uganda Breweries Limited, says government should emphasize the agenda on import substitution.

“Import substitution creates jobs; jobs that not only improve household incomes, improve savings and standards of living but also results into valuable skills transfer. Import substitution is important for positive balance of payments,” he says.

“Let’s apply import substitution to the agriculture sector which accounts for 45 per cent of exports, employs 64 per cent of all Ugandans and 72 per cent of all youth. It should be a national shame if next year and the years after, Uganda is still importing food products - animal & animal products; vegetable products, animal, beverages, fats & oil; prepared foodstuff, beverages & tobacco worth \$713 million (Shs2.7 trillion) like we did in 2019,” he adds.

Mr Charles Ocici, the Enterprise Uganda executive director, says as government deals with the negative effects of Covid-19, the skilling component will be key in preparing entrepreneurs, especially in small and medium set ups.

“Many businesses had a picture of surviving using internally generated resources, however, now that they have depleted internally generated resources, we hear government wants to give out some assistance, but how prepared are businesses?” he wonders, noting there should be a comprehensive approach that involves counselling and coaching.

According to the Uganda Business Impact Survey 2020, 85 per cent of small and medium enterprises, experienced distress after three months of the Covid-19 related lockdown.



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Inside Atiak Sugar Factory in Amuru District. The factory has a capacity to crush 1,650 tonnes of raw cane daily, producing 66,000 tonnes of powder sugar annually. It will employ over 1,500 people and has contracted over 5,000 out-growers.

UDC instrumental in nurturing Uganda's economy through the industrial sector

UDC has enabled individuals in industrial entities associated with it to obtain, improve, and retain the skills, knowledge, tools, equipment and other resources they need to do their jobs better.

Uganda has a young population that offers an opportunity of benefiting from the 'demographic dividend' if the young people can become contributors to the economy and not dependents. UDC contributes to this by promoting the industrial sector; especially manufacturing which is known to create most jobs. Currently, investors in manufacturing enjoy high returns on investment partly because of the availability

of a highly educated labour force and affordable minimum wage policy.

Synergy For Industrialization

UDC has been identified by the National Development Plan (NDP II) as the vehicle through which key projects can be financed in line with the strategy of promoting and strengthening industrial development so as to increase the competitiveness

of local industries. To achieve this, UDC has been instrumental in supporting micro, small, and medium enterprises through equity financing. This ensures that firms are able to expand and create more job opportunities and revenue.

Support Services

UDC has been instrumental in the provision of services to

support the manufacturing sector. This is through setting up of infrastructure facilities that the private sector is unwilling to provide yet are essential in the manufacturing industry. For instance, Kalangala Infrastructure Services on Bugala Island; in which UDC has a 45.7% shareholding, provides water and road transport between Bugala Island

BRIEF ABOUT UDC

Who is UDC?

The Uganda Development Corporation (UDC) is a body corporate established under Uganda Development Corporation Act Cap 326. The Corporation is set up with the primary objective of promoting and facilitating industrial and economic development of Uganda. It is envisaged that the objective of the Corporation shall be met through:

- Establishment of subsidiaries and associate companies;
 - Entering into public-private partnerships with any commercial, industrial or agricultural undertakings or enterprises;
 - Using public-private partnerships, assisting in financing and management of undertakings promoting industrial or economic development; and
 - Prompting and facilitating research into industrial development.
- In execution of its functions, the Uganda Development Corporation is obliged to ensure the commercial, financial and technical soundness and viability of entities and ventures invested in, or with whom Government enters into partnership; and to follow Government Policy on Industrial and economic development.

UDC's Vision:

The leading driver of industrial development for the social-economic transformation and prosperity of Uganda.

UDC's Mission:

Establish sustainable investments in areas strategic to Uganda's social and economic transformation, and prosperity of Uganda.

UDC's Values:

In order to accomplish this huge task, the Corporation must nurture a high-performance culture. The values and beliefs defining such culture are summarized in six words STAIR-E; Sustainability, Teamwork, Adaptability, Integrity, Reliability and Excellence. These are considered the staircase to excellence geared towards creating the right culture

UDC's goals

The goal of UDC's 10-year strategic plan is to drive Uganda's industrial development for socio-economic transformation of the country. In accomplishing this goal, UDC will pursue three inter-dependent objectives namely:

- Strengthen internal capacity and processes for UDC to deliver its mandate
- Leverage partnerships and networks to optimize resources and foster collaboration
- Invest in strategic and sustainable investments geared to overall economic and industrial development of Uganda.



H.E President Yoweri Museveni touring the first Fruit Factory in Soroti after the launch.

and the mainland. This eases transportation of people, ferrying of raw materials such as oil palm and fish to the processing firms. These services would not have been possible without UDC intervention that has also seen the local population benefit from UDC's current investment portfolio.

UDC will invest in green fields and brown fields with long-term aim of eventual divestiture of its interests in mature and ready-to-go investments. The choice to invest will be guided by the following fundamental principles to the realization of its vision:

- i. Creation of both direct and indirect employment, with a focus on productive jobs
- ii. Utilization of local raw materials/resources to manufacture for both the domestic and international markets.
- iii. Improving the trade balance position as envisaged in the National Export Development Strategy, the National Industrial Development Policy, and the National Investment Policy, among others
- iv. Development of local entrepreneurship
- v. Balancing regional development within the country.

The Corporation's current investment portfolio is spread across: Agro-manufacturing/agro-based industrialization, Mineral beneficiation and infrastructure and social services. They include the following;

Atiak Sugar Factory

Amuru District – Northern part of Uganda

Sector: Sugar Production

Investment Type: Proprietor: Horyal Investment Holding Company Ltd (HIHC)

UDC intervention: Equity participation in Associated company

Atiak Sugar Factory is a sugar cane processing plant set up to process sugar cane into sugar and its by-products (Molasses and Bagasse to produce ethanol, established in partnership with Horyal Investment Holding Company and UDC. The investment is estimated to produce

12mw

THE INVESTMENT IS ESTIMATED TO PRODUCE 12MW ELECTRICITY FROM BAGASSE WHICH WILL LEAD TO A REDUCTION IN ITS ENERGY COSTS, AND WORK WITH ABOUT 15,000 OUTGROWERS

12MW electricity from bagasse which will lead to a reduction in its energy costs, and work with about 15,000 out growers. This project aims at increasing the household incomes of the people in the region and promoting the development of Northern Uganda, provides both direct and indirect employment to the population and most especially the youth and Women in the region, increase the quantity of the Ugandan sugar export earnings.

Soroti Fruit Factory

Location: Soroti District – Teso Region

Sector: Fruit Processing

Proprietor: UDC and TEFCU

UDC intervention: Equity participation in subsidiary Company

Soroti fruit Factory is aimed at supporting value addition in fruit processing for the promotion of industrial growth, income diversification and increasing household incomes in the Teso region by providing a readily accessible and fairly priced market for their fruit produce. Teso region is one of the leading producers of fruit in Uganda. This investment obtained counterpart funding from the Government of the Republic of Korea in form of a grant (Turnkey fruit processing facility) implemented by The Korean International Cooperation Agency (KOICA). The factory was set up to process mainly oranges and mangoes into ready-to-drink juice and puree concentrate. The corporation is in partnership with the Teso Tropical Fruit Farmers' Cooperative Union (TEFCU) owning 20% and the corporation 80%. This project is aimed at increasing household incomes of the community in the Teso region and surrounding areas, promoting value addition to the fruits produced in the region, reduction in post-harvest losses,



create employment opportunities for the population in the area both directly and indirectly.

Kigezi Highland Tea Ltd (KHTL)

Kabale, Kisoro – Western Uganda

Sector: Tea Processing

Private sector: Kigezi Highland Tea Ltd

UDC Intervention: Lease Financing

Kigezi Highland Tea Ltd (KHTL) initiative is part of the Government's plan to promote value addition as a strategy to align the agro manufacturing sector to the National Export Development strategy and National Development Plan II. Through a lease financing arrangement, the corporation has since invested in the establishment of tea factories in Kabale and Kisoro, each

with a capacity of 450kgs per hour, in partnership with Kigezi Highland Tea Ltd (KHTL). This project is aimed at increasing household incomes of the population in the region; increasing the quantity and quality of the Uganda tea exports, providing a long term solution to keeping wildlife away from the community crop gardens in the buffer zone, creation of employment opportunities both directly and indirectly to the population.

Kayonza Tea Factory

Location: Kanungu District –Western Uganda

Sector: Tea processing

Private sector: Farmers in the Kanungu region

UDC intervention: Equity participation in Associated Company

This is an existing factory and privately owned by the 7,500 smallholder green leaf farmers who supply their



Farmers harvesting tea at Kayonza Growers Tea Factory

leaf to the factory and a percentage is deducted from their sale to pay up for the shares. UDC's investment was by way of supply, installation and commissioning of a third (3rd) CTC tea processing line with a capacity of 600kg/hr at Kayonza tea factory. This project is aimed at increasing household incomes of the population in the region, increasing the quantity and quality of the Uganda tea exports and creation of employment opportunities both directly and indirectly in the region.

Kalangala Infrastructure Services

Location: Bugala Island - Kalangala District

Sector: Infrastructure and Social Services

Private Sector: InfraCo/Industrial Development Corporation

UDC Intervention: Equity participation in Associated company

The KIS investment is conceived as a US\$50Million multi-sector infrastructure project aimed at establishing a for-profit utility company to serve the, institutions, and businesses of Bugala Island in Kalangala District. In addition to upgrading to "Class B Gravel Standard" of the 66km main road, the maintenance and management of which would be turned over to the Government following completion, the investment consists of ferry services, power supply system and water supply operations. The ferry services operations involve marine transportation services through operation of two roll-off passenger and vehicle ferries between Bukakata and Luuku. Power supply system through operation of a 1.6MW hybrid solar/thermal (diesel power)

generation facility, transmission and distribution network. Water supply operations comprises of portable water supply through operation of six (6) stand-alone water supply systems serving settlements at fish landing sites, the budding hospitality industry, and a main supply system serving Kalangala Town Council, with the following communities of Nakatiba, Kasekulo, Mulabana, Mulore, Kagulube and KTC being the beneficiaries. KIS is also a caretaker of Government of Uganda facilities such as the Ferry ports of Bugoma and Bukakata which have to be maintained in a good functional state at all time by doing routine and periodic maintenance. This project has had an immense economic and social transformation on the population and institutions of Kalangala District.

MorotoAteker Cement Co. Ltd

Location: Moroto - Karamoja District

Sector: Mineral Beneficiation

Private Sector: Multiple partners (Savannah Mines, Saboo Engineers and Moroto Local Government)

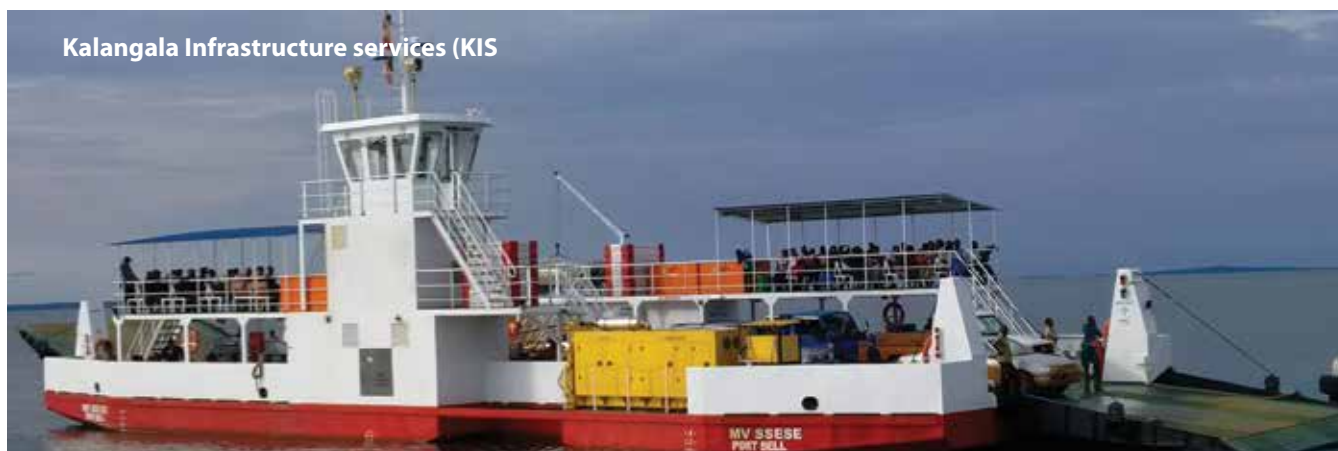
UDC's Intervention: Equity participation in subsidiary company

In line with the NDP II, UDC is exploring the possibility of establishing a cement, lime and marble plant in Karamoja region to add value to the limestone within the districts of Moroto, Amudat, Nakapiripirit and Kaabong. This project aims at cutting back on the country's import bill, support local miners to extract limestone and marble leading to increase of local revenue and improved standards of living of the people in the region, providing direct and indirect employment, increasing the

US\$50m

MULTI-SECTOR INFRASTRUCTURE PROJECT AIMED AT ESTABLISHING A FOR-PROFIT UTILITY COMPANY TO SERVE THE, INSTITUTIONS, AND BUSINESSES OF BUGALA ISLAND IN KALANGALA DISTRICT.

Kalangala Infrastructure services (KIS)



skilled labour force in the mining sector and increasing export earnings from mineral products.

Nile Hotel International Limited

Location: Kampala City Centre

Sector: Hospitality

Private Sector: Serena Group of Hotels

UDC's Intervention: Wholly owned Subsidiary

Mabale Tea Growers Limited

Location: Kyenjojo District

Sector: Tea processing

Private Sector: small holder farmers in the area of Kyenjojo

UDC's Intervention: Equity participation in company. MGTFL was started by Government of Uganda under the Uganda Tea Growers Corporation (a subsidiary of the 1959 UDC), in 1969. It was privatized in 1994/5 and placed under the management of AGRIMAG Ltd until 2003. Management reverted back to shareholders in 2004. Currently it is privately owned by 2350 tea farmers who are shareholders and a percentage is deducted from their sale to pay up for the shares.

This initiative aims at supporting the sustained commercial existence of the Company, in light of the wider economic value the factory offers in boosting the out-grower economy in the Toro Region.

CURRENT PROPOSALS UNDER REVIEW

Cassava Value addition in Northern and Eastern Uganda.

UDC is in talks with players in the private sector to establish partnerships to process cassava into various products such as industrial starch for the pharmaceutical industry, textile industry and paper industry; glucose syrup for the food industry, high quality cassava flour and ethanol. Investment in this sector will increase the foreign exchange earnings, create direct and indirect jobs, provide foreign exchange savings to the country, and improve the livelihood of the communities by providing ready market for their produce.

Production of medical consumables: UDC is in talks with a local company to increase production of

surgical cotton wool and also produce medical gauze, gloves and sanitary towels. As a country we still import surgical cotton wool because the local companies are failing to meet the demand of the population. This investment aims at saving the country in forex exchange through import substitution and increasing export revenue for the country, leading to the socio-economic transformation of the persons in the region.

Coffee value addition: UDC expects to partner with the private sector involved in the coffee industry to invest in coffee value addition by establishing agro-processing facilities in the different regions of the country where coffee is highly grown. This initiative will save the country huge revenue losses that it incurs while exporting raw unprocessed beans, by increasing the value of Ugandan coffee exports, provide employment opportunities both directly and indirectly to the locals and also lead to a socio-economic transformation in the areas where the facilities will be established.

Fruit processing plants: West Nile, Northern and Eastern Uganda produce large quantities of mangoes, oranges and other fruits where the farmers face post-harvest handling losses due to lack of enough facilities to process/add value to the produce grown in the different regions. SOFTE and other fruit factories are being set up with UDC support in Yumbe, Nwoya and Luwero to add value to these produce. This will lead to a reduction in post-harvest losses faced by the farmers in the different regions, create direct and indirect jobs for the communities, save the country in foreign exchange, and provide a socio-economic transformation to the different regions.

Investment in human and animal medicines: As a country we import a lot of human and veterinary drugs and there is a need to be self-sufficient in the production of basic human medicines as well as veterinary drugs. UDC is assessing proposals from different individual companies for the production of intravenous fluids, manufacture of veterinary medicines and vaccines (for animal and poultry). These investments will provide produce for both the local and regional market increasing the earnings of the country, create direct and indirect jobs for the locals and lead to a socio-economic transformation of the country.

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HE Yoweri Kaguta Museveni,
President of Uganda



Amelia Kyambadde,
Minister of Trade, Industry
and Co-operatives



Grace Adong Choda,
Ag. Permanent
Secretary



Hamu Mugenyi,
Board Chairman



Dr. Patrick B. Birungi,
Executive Director



President Yoweri Museveni, in company of Trade Minister Amelia Kyambadde, commissions the Soroti Fruit factory last year.

Vision:

The leading driver of Industrial development for the social and economic transformation of Uganda.

Mission:

To undertake sustainable investments for the social and economic transformation and prosperity of Uganda.

Values:

These values will not only be the principles in which work is conducted at the Corporation but will be considered the staircase to Excellence geared towards creating the right culture to achieve.

Background

Uganda Development Corporation (UDC) is an investment institution established as a wholly owned government entity with the mandate to facilitate the industrial and economic development of Uganda.

In promoting development of a private sector-led economy, UDC seeks to maximize the benefits that ensue from specialized skills in the private sector while providing the critical government partnership required for

the mutual benefit of the parties (government and private sector); hence the strategy of Public Private Partnerships.

Albeit being wholly government owned, UDC is governed in its investment decisions and operations by best commercial practice and prudence and maintains a strict commercial orientation while being driven by economic and financial return to the government of Uganda, the private sector and the people of Uganda.

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