



Friends of Africa | 2013

AN ECONOMIC DEVELOPMENT ROUNDTABLE

"Transforming Africa - The Future is Now"
INVESTMENT OPPORTUNITIES

OPPORTUNITIES FOR INVESTMENTS IN EAST AFRICA – UGANDA:

Business Opportunities in East Africa



Opportunities For Investment In East Africa
– Uganda.

OPPORTUNITIES FOR INVESTMENTS IN EAST AFTRICA – UGANDA

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- FOA Strategies

IFC in Africa



Introduction

- Uganda as a growing country East Africa welcomes investors and entrepreneurs and offers very competitive investment opportunities and a highly enabling environment.
- The Government guarantees investors' security for their investment and provides all necessary support and incentives towards the success of business communities.
- Uganda with all its prospects is one of the ideal destinations for doing business due to its variety of opportunities and infrastructural benefit to investors.
- The country is strategically located, making it a gateway to eastern and central Africa region. The modern sea port of Mombasa serves the landlocked countries and boasts of super links to major sea ports in Europe, and other parts of the world.

Where & How to do business

- Kampala, capital of Uganda, is one of the fastest growing cities in Africa. The population is reaching 2 million and its economy is booming. Kampala is now characterised by a landscape of new infrastructures and buildings roads, shopping malls, hotels, apartments, etc.
- Kampala is becoming the best place to do business in East Africa and the city offers best business opportunities for entrepreneurs. In Kampala you can start a business with any amount you can have and make profits.
- With less than the equivalent of 10,000 USD you can start a business in trade or small industries like soya foods processing and earn good money! With more money, you can invest in housing and property and other sectors.

Sustaining and Building remittances into Investment pools

- Remittances sent to Africa by African migrant workers in the developed world and Asia have grown
- These remittances now play an important role in many African countries' economies.
- IFAD reports that African workers remit an average of US\$40 billion each year.
- The sum exceeds the amount of economic aid given by rich countries to Africa.

How Small Businesses Can Transform Africa

- Africans who send money back home can think, act differently and start a process of investing remittances into businesses that create jobs and generate wealth. This is a new way of investing
- It could be in properties, Investment Funds or new Ventures.
- They will not only develop Africa Faster, they can also look forward to earning some return on such investors when executed through the right channels like Banks, private funds,
- This approach will enable African migrant workers to seize immense investment opportunities and possibilities of exploiting a lot of untapped resources offered by their countries of origin. The new approach suggests a simple strategy of starting with small investment to implement income generating activities in the areas where people needs are critical, such as agriculture, food processing, housing, transport, communication and energy.
- By turning a bigger portion of remittances into investment the benefits are more impactful than FDIs which could be withdrawn depending on the crisis in the globe.
- Profits reaped from such investments can also be will be reinvested instead of being repatriated as it is the case for FDI.
- By embracing this new approach, the African migrant workers will make their family back home financially independent and at the same time will contribute effectively to the eradication of poverty in African countries.

Appealing Opportunities For Investors – In UGANDA

Predictable Environment: Uganda has been able to achieve macro-economic stability when clouds of uncertainty rocked many regions of the world.

- Inflation is single digit for over 10 years from a record high of 240% in 1988
- Stable annual economic growth averaging 6% per annum
- Market driven exchange rates

Fully Liberalized Economy:

- All sectors liberalized for investment and marketing
- Free inflow and outflow of capital
- 100% foreign ownership of investment permitted .

Investment Opportunities.

Market Access:

- Uganda enjoys a unique location at the heart of Sub-Saharan Africa giving it a commanding base for regional trade and investment
- Uganda is a member of the commonwealth market for eastern and Southern African States (COMESA), a region with a market of over 300 million people in 20 countries
- Uganda is a member of the East African Community comprising Kenya, Uganda, and Tanzania
- Duty and quota free access into the US (AGOA) and EU (EBA) markets.

Strong natural Resource Base

- Rich endowment of rainfall, soils, and favorable temperature range. A number of crops are grown organically
- Unexploited mineral deposits, and tourism opportunities. Confirmed deposits include Gold, Zinc, Wolfram, Petroleum, diamond, vermiculite, silica etc

Available opportunities and Resources

Government Commitment to Private Sector

- Government and private sector dialogue in policy formulation
- Continuous improvement in providing infrastructure and other social services

Trainable Labour

- Uganda presently produces over 10,000 University graduates per year
- Quality of labour is one of the biggest attractions

Security of Investment

- Guaranteed under the Constitution and the Investment Code 1991.
- Uganda is a signatory to main international investment related institutions
- Multi lateral Investment Guarantee Agency (MIGA)
- Overseas Private Investment Corporation (OPIC) of US
- Convention on the recognition and enforcement of foreign arbitral award (CREFAA), ICSID, TRIMS, GATS, and TRIPS

Incentives

Investment Incentives

- Investment Capital Allowances
- Initial Allowance on plant and machinery 50-75%
- Start up cost spread over 4 years 25% p.a.
- Scientific research expenditure 100%
- Training expenditure 100%
- for at least 12 months) to all investors and expatriates coming to Uganda

Export Zones (Provisional)

- * A ten year corporation tax holiday
- * Duty exemption on raw materials, plant and machinery and other inputs
- * Stamp duty exemption
- * Duty draw back to apply on input of goods from domestic tariff area
- * No export tax
- * Exemption of withholding tax on interest on external loans
- * Dividends repatriated to get relief from double taxation

Investment Opportunities

Where should you invest?

- Investment opportunities abound in the following areas
- Agriculture
- Livestock
- Fisheries
- Forestry
- Manufacturing
- Mining
- Infrastructure
- Financial services
- Tourism
- Printing and publishing



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