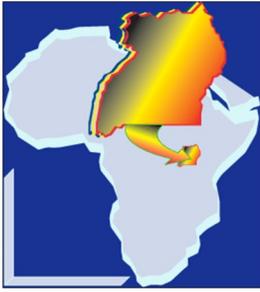


## UGANDA: THE HEART OF INVESTMENT IN AFRICA



Uganda enjoys a unique location at the heart of Sub-Saharan Africa giving it a commanding base for regional trade and investment. As a member of the East African Community (EAC) and the Common Market for Eastern and Southern African States (COMESA), a region with a

market of about 390 million people in 20 countries, Uganda provides strategic access to an investment seeking for a ready and big market. There are enormous business prospects in diverse sectors. Among the sectors are agriculture / agro processing, tourism, ICT, mining and oil.

### Agriculture and Agro processing

Uganda's economy is based on agricultural production and processing because the agricultural land is considered among the best in Africa, with low temperature variability and two seasons of good rainfall for the southern half of the country. Investment prospects exist in adding value / processing of coffee, tea, cotton, and tobacco. The nontraditional products include; fruits and vegetables; and oil seed crops (sesame, sunflower, and palm) for edible oil. Potential also exists for processing plants to make powder milk or UHT milk, set up better breeding techniques, feed production and veterinary care.

### Tourism

Uganda was recently ranked by Lonely Planet as *the world's most preferred tourism destination for the year 2012*.

Uganda boasts of several notable tourist attractions for game watching, mountaineering, as well as bird watching, white water rafting and kayaking on the source of the Nile River. Uganda is one of only three countries in the world with mountain gorilla populations. Opportunities are in Tourism management; travel agencies; hotel design, construction and management; marketing.



### Mining

In 2008, Uganda completed a national airborne mineral survey and found mineral potential in 80% of surveyed areas. The survey showed occurrences of over 100 known minerals. These await exploitation.

### Oil and Gas

There are six (6) sedimentary basins in Uganda with the Albertine Graben being the most prospective for petroleum exploration currently. To date, the government has licensed five exploration blocks out the twelve to four firms. Seven more exploration blocks are yet to be auctioned off to bidders. Investment opportunities exist in all petroleum related industry.

### Information Communication Technology (ICT)

The ICT sector is one of the most vibrant within the region due to the good legal and regulatory frameworks and lowest costs of licenses in the region. Opportunities include: establishment of ICT infrastructure and broadband services, business process outsourcing services, computer and related equipment hardware assembly, software development niches, and setting up information technology virtual zones

### Investment trends

According to UNCTAD, actual FDI peaked US\$848 million in 2010 up from an annual average of US\$167 million registered between 1995 and 2004. In terms of country ranking by FDI performance, Uganda has moved from number 64 in the world in 2008 to 41<sup>st</sup> position in 2010 out of 141 world economies.

### Security of investment

To protect foreign investment, Uganda has signed various international bilateral and multilateral agreements

### Incentive Regime

A range of annual deductible and depreciation allowances exist, resulting in investors normally paying substantially less than the 30% corporate tax rate or non in the early years of their investment. The GOU also provides a 10-year tax holiday for investors engaged in export-oriented production

### Investment Facilitation

The Uganda Investment Authority was created in 1991 to facilitate foreign and domestic investors in Uganda, amongst other mandate. All initial licensing can be done at the agency ranging from business incorporation, investment license issuance, tax registration and immigration services.



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