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Department of Commerce

U.S. Country Commercial Guides

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Uganda

U.S. Department of Commerce | International Trade Administration

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Doing Business in Uganda

Market Overview

Uganda has a market-based economy rich in natural resources with one of the fastest growing populations in the world. With comparative advantages in agriculture and one of the largest oil reserves in the region, Uganda is seeing increasing interest among foreign investors. More U.S. companies are investing in Uganda and setting up local and regional operations to take advantage of Uganda's economic growth potential.

According to the Uganda Bureau of Statistics, Uganda's 2015/2016 gross domestic product (GDP) was $23.1 billion (assuming a UGX 3650 to $1 exchange rate), with GDP per capita of $754. The Ugandan economy grew by 0.8 percent in in the second quarter of 2016/2017, after achieving 4.8 percent growth in FY 2015/2016. The Government of Uganda (GOU) predicts that economic growth will drop to 4 percent in FY 2017/18 due to global macroeconomic factors and a sluggish recovery from the national elections in 2016. The GOU projects medium term growth for an average of 6 percent over the next five years, though the GOU's projection assumes a timely implementation of several complex multi-billion dollar infrastructure projects in that timeframe.

In 2015, total trade was $8.8 billion, with $2.7 billion worth of exports, and $5.6 billion worth of imports. In 2015, Uganda's trade deficit was $2.9 billion, a 15 percent reduction from the previous year. Wholesale and retail trade contributed 12.2 percent of GDP.

The service sector was the largest contributor to GDP in 2015/2016 at 48.7 percent and industry contributed about 19.8 percent. In the same year, agriculture and fishing sectors constituted 23.6 percent of Uganda's GDP and employed approximately 66 percent of Uganda's population. In 2015, of the 37.5 million people living in Uganda, 20.8 percent of the population lived on less than $2 per day.

More information on the Uganda Bureau of Statistics (UBOS) 2015/2016 estimates for Uganda's economy is available here:

Uganda Bureau of Statistics.

In 2015, the World Bank estimated that Foreign Direct Investment (FDI) was approximately $1.05 billion or 3.8 percent of GDP. The UNCTAD World Investment Report shows that Uganda is one of the leading recipients of Foreign Direct Investment in the East African region. FDI in Uganda has remained relatively high, driven by infrastructure investments. Developments in Uganda's oil sector are likely to increase FDI levels over the next five years.

More information on the World Bank's estimates for Uganda's economy is available here: The World Bank - Uganda.

Uganda's budget for FY 2017/2018 is UGX 28.9 trillion ($7.9 billion) and FY 2016/17 was UGX 26.3 trillion ($7.2 billion), a 9.8 percent increase from the previous year's budget. The budget increase reflects in large part a growth in debt servicing costs attributed to the GOU's prioritization to finance infrastructure projects.

The Ugandan government continues to emphasize strengthening the country's road, rail, water, energy, and communications infrastructure. In FY 2016/17, the Ugandan Government invested more than $1.05 billion in public works and transportation projects, and plans to increase this amount by 27 percent in the 2017/2018 budget.

More information on Uganda's budget and budget forecasts is available here:

National Budget Framework Paper - The Republic of Uganda.

While Uganda maintains a liberal trade and foreign exchange regime, and largely adheres to IMF/World Bank programs to fight poverty, continuing reports of endemic corruption, financial mismanagement, and increasing political repression raise questions about GOU's commitment to fostering an investor-friendly environment. The GOU's sluggish bureaucracy and non-transparent decision-making process hampers progress on public projects.

Uganda's major import trading partners are India, China, Kenya, United Arab Emirates, and Japan. Uganda's major export trading partners are Kenya, United

Arb Emirates, Rwanda, South Sudan, and the Democratic Republic of the Congo. Political instability in the region has negatively affected Uganda's export market.

Uganda does not yet have a Bilateral Investment Treaty (BIT) or Free Trade Agreement (FTA) with an investment chapter with the United States.

The top five reasons to export to Uganda include:

1. A free-market economy, with few limits on foreign investment (outside of local content requirements in the oil and gas sector) and repatriation of funds.
2. An English-speaking and rapidly growing consumer demographic, with a 3 percent population growth rate and a 5 percent urbanization rate.
3. Increasing connectivity with the 160 million-person East African Community through several large-scale highway projects, the standard gauge railway, and a $4 billion oil pipeline to Tanzania.
4. Abundant resources such as fertile agriculture land and 6.5 billion barrels of oil reserves.
5. A relatively stable political and security environment.

Market Challenges

High levels of corruption: In 2016, Uganda was ranked 151 out of 176 in Transparency International's (TI) Corruption Perceptions Index, lower than Kenya (145), Tanzania (116th), and Rwanda (50th).

Limited infrastructure: Although the Ugandan government is investing heavily in infrastructure, its systems of roads, rail, electricity, and water are generally poor. Access to electricity countrywide is a meager 15 percent, and only six percent of the rural population has access to power. Full commissioning of the 250 megawatt Bujagali Hydropower Project in 2012 has alleviated Uganda's power deficit, but demand is growing at 10 percent per year and could gradually outstrip supply again. Electricity generation capacity increased from 595MW in 2011 to 852 MW in 2014. The Government is fast-tracking the construction of the Karuma and Isimba hydropower projects (600MW and 183MW respectively). The Government is also constructing small (up to 15 MW) hydropower plants.

Lack of affordable financing: Although the Bank of Uganda (BOU) lowered the central bank rate to 11 percent in April, 2017, financing remains out of reach for most small to medium enterprises. According to the BOU, the commercial lending rate for low-risk customers currently averages 25 percent.

Lack of specialized skills: According to the United Nations Development Program, Uganda is ranked 163 out of 188 countries on the Human Development Index. The adult literacy rate is 73 percent; however, Uganda has a 75 percent primary school dropout rate. Only 27 percent of the population is enrolled in secondary school; and 4 percent in tertiary school. The GOU spends three percent of its budget on education.

Inefficient government services: Although Uganda made improvements in the World Bank's 2017 Doing Business Rankings, moving up 7 positions to 115 out of 190 countries, substantial market challenges remain.

- Uganda is ranked 165 for starting a business, requiring 13 procedures—seven more than the average for sub-Saharan Africa.
- Uganda is ranked 151 for dealing with construction permits, requiring 18 procedures—four more than sub-Saharan Africa.
- Uganda is ranked 136 for trade. Exports take on average 71 hours for border compliance and 64 hours for documentary compliance. Imports take on average 154 hours for border compliance and 138 hours for documentary compliance.

Complex land laws leading to frequent land disputes: Uganda has four systems of land tenure: freehold, traditional freehold land referred to as "Mailo," leasehold, and customary. The Land Act, 1998, restricts foreign investors to leasing land. Only holders of freehold, leasehold, and Mailo tenure hold registered titles, while customary or indigenous communal landowners (who account for up to 90 percent of all landowners) do not, leading to frequent land disputes.

Market Opportunities

U.S. exports to Uganda totaled $90 million in 2015. As of 2015, major U.S. exports to Uganda include: aircraft ($25 million); machinery ($16 million); electrical

machinery ($14 million); relief articles ($8 million); and optical and medical instruments ($6 million).

Top prospect sectors for U.S. exports to Uganda include: oil production technologies; power generation; renewable energy technologies; information and communication technology products; farm and construction equipment; manufacturing equipment; medical equipment; pharmaceuticals; cosmetics; and consumer goods.

Major infrastructure projects, government procurements, and business opportunities:

- Standard Gauge Railway: On October 2014, the presidents of Uganda, Rwanda and South Sudan as well as representatives from Kenya and Burundi launched the construction of a $3.2 billion 476 kilometer "Standard Gauge Railway" project from Malaba (at the Kenya-Uganda border) across Uganda onwards to the border with Rwanda. Each country is responsible for financing its portion of the railway. On March 30, 2015, the GOU signed a contract with China Harbor Engineering Company Limited (CHEC) to construct the railway and the project is expected to be completed in 2018.
- Oil pipeline project: On May 19, the presidents of Uganda and Tanzania signed an agreement over construction terms for a 1400 km heated oil export pipeline to Tanzania's Indian Ocean Port of Tanga. Currently, the pipeline project is under a a front-end engineering design (FEED) study. Once the study is complete, the pipeline project is expected to go to tender in early 2018, with construction expected to take 36 months.
- Entebbe airport: On August 30, 2015, GOU signed a $200 million contract for the expansion of Entebbe international airport to include new passenger and cargo terminals, as well as a multi-story car park. The project, which began in August 2015, will run for five years and is financed with a soft loan from the EXIM Bank of China. It will be executed by China Communication Construction Company (CCCC).
- Kampala-Entebbe Expressway: In November 2010, the GOU signed an agreement with the Chinese government for the $350 million construction

of a highway from Kampala to Entebbe (where Uganda's international airport is located). The project, which is financed through a loan from China's EXIM Bank, began in 2012 and also is being executed by CCCC.

- Karuma Dam: In June 2013, the GOU signed a contract with Sinohydro, a Chinese construction company, for construction of a 600 MW hydro-electric dam at Karuma at an estimated cost of $1.7 billion. Construction work, which began in the second half of 2013, is expected to last five years. The project is funded by the GOU (15 percent) and a loan from the Chinese Exim Bank (85 percent). Construction of the dam and power station began on August 12, 2013 and is expected to be completed by December 2019.
- Isimba Dam: In July 2013, the GOU signed a contract with another Chinese company, China International Water & Electric Corporation, for construction of a 183 MW hydro-electric dam at Isimba. The project, which is expected to take three years, will cost $570 million and will be financed with loans from the Indian and Chinese EXIM bank (85 percent), as well as funds from the GOU (15 percent). The GOU expects the project to be complete in April 2019.

Market Entry Strategy

As a rapidly growing emerging market, Uganda offers investors many opportunitites. With limited online commercial information available, investors are encouraged to meet with prospective Ugandan business partners in person, meet with the AmCham in Uganda at admin@amchamuganda.co.ug, and contact the U.S. Embassy Kampala's commercial section at CommercialKampala@state.gov.

Foreign exporters generally partner with local agents that are familiar with Uganda's bureaucracy and business culture to distribute products. As with other emerging markets, agent quality varies considerably, and foreign investors are encouraged to meet with the Embassy's commercial section and the AmCham before interviewing several agents. See the section on, "Using an Agent to Sell U.S. Products and Services" for more details.

U.S. businesses also can enter the Uganda market through joint ventures with local or regional businesses. The joint-venture allows U.S. firms to take

advantage of local and regional expertise while sharing some of the risks with the local firms.

Political Environment

The United States established diplomatic relations with Uganda in 1962, following Uganda's formal independence from the United Kingdom. In the post-independence period, the country endured despotism and near economic collapse. The human rights abuses of several Ugandan governments strained U.S. relations with Uganda.

President Museveni came to power in 1986, after decades of internal strife. Under Museveni, Uganda has experienced relative political stability, democratic progress, and economic growth. Uganda faces numerous challenges, however, that could affect future stability, including explosive population growth, power and infrastructure constraints, corruption, underdeveloped democratic institutions, and human rights deficits.

Uganda has been a reliable partner for the U.S. in promoting stability in the Horn and East/Central Africa and combatting terror, particularly through its contribution to the African Union Mission in Somalia.

U.S. Assistance to Uganda

The United States provides significant development and security assistance to Uganda, with a total assistance budget exceeding $840 million per year. The U.S. government plays a key role in supporting the professionalization of the military and police force, providing anti-retroviral treatment for more than 890,000 HIV-positive Ugandans, and advancing programs to boost economic growth, agricultural productivity, educational outcomes, and democratic governance. The U.S. Mission is working with the GOU to improve tax collection and oil revenue management, to enable it to increase funding for public services and the national response to HIV/AIDS.

Bilateral Economic Relations

Uganda is eligible for preferential trade benefits under the African Growth and Opportunity Act. U.S. exports to Uganda include machinery, optical and medical instruments, wheat, and aircraft. U.S. imports from Uganda include coffee, cocoa, base metals, and fish and seafood. The United States has committed to signing trade and investment framework agreements with the East African Community

and with the Common Market for Eastern and Southern Africa; negotiations are underway. Uganda is a member of both regional organizations.

Uganda's Membership in International Organizations

Uganda and the United States belong to a number of the same international organizations, including the United Nations, International Monetary Fund, World Bank, and World Trade Organization.

Bilateral Representation

The current U.S. Ambassador to Uganda is Deborah Malac. Other principal embassy officials are listed in the Department's Key Officers List. Uganda maintains an Embassy in the United States at 5911 16th Street NW, Washington, DC 20011 (tel. 202-726-7100).

More information about Uganda is available from the Department of State and other sources, some of which are listed here:

Department of State Uganda Page
CIA World Factbook Uganda Page
U.S. Embassy in Kampala
USAID Uganda Page
History of U.S. Relations With Uganda
Human Rights Report
International Religious Freedom Reports
Trafficking in Persons Report
Narcotics Control Reports
Investment Climate Statements
Office of the U.S. Trade Representative Country Page
U.S. Census Bureau Foreign Trade Statistics
Export.gov International Offices Page
Millennium Challenge Corporation: Uganda
Library of Congress Country Study
Travel Information

Selling US Products & Services

Using an Agent to Sell US Products and Services

U.S. businesses looking to access the Ugandan market can enter into contractual agreements with local agents and distributors. A skilled agent will bring detailed knowledge of market conditions and solid connections with Ugandan Government officials to ensure investors correctly navigate Uganda's cumbersome business establishment processes. Investors can also reach out to: the Uganda Investment Authority (UIA); the Uganda Export Promotion Board (UEPB); the Ugandan National Chamber of Commerce and Industry (UNCCI); The American Chamber of Commerce in Uganda ; and the Uganda Manufacturers Association (UMA) for market inquiries as well as to identify potential Ugandan business partners.

Establishing an Office

The UIA promotes and facilitates private sector investment in Uganda and operates a "one-stop shop" to facilitate business registration for foreign investors establishing an office in Uganda (Uganda Investment Authority). The one-stop shop includes the following agencies: the Uganda Revenue Authority (URA), to advise on tax matters; the Directorate of Citizenship and Immigration Control, to assist with work permits; the Uganda Registration Services Bureau (URSB) for business registration; and the Lands Department. UIA's web portal allows investors to: apply for a business name; apply for land title verification; apply for an investment license; apply for a work permit, trading license, and tax identification number. While the licensing process for foreign investors in Uganda currently takes approximately one month, officials say they are looking to reduce processing to one day.

Franchising

Several major American firms operate in Uganda, including: Citibank; Prudential; AIG; Caterpillar; John Deere; NCR; Sheraton; Marriott; FedEx; Ernst & Young; Deloitte & Touche; PricewaterhouseCoopers; General Motors; Coca-Cola; Pepsi-Cola; KFC; Pizza Hut; and American Tower Corporation.

Direct Marketing

Uganda's telecommunication sector offers investors opportunities for direct marketing, with the number of Ugandan mobile subscribers rapidly increasing from 12 million (2010) to 20.5 million (2015). Outside of urban areas, Ugandans do not actively utilize mail marketing services. Foreign businesses market their products through their local distributor.

Joint Ventures/Licensing

Ugandan law generally recognizes investments and business undertakings by joint ventures between Ugandans and foreigners. Regulations on joint ventures vary based on whether majority ownership is domestic or foreign. Under the Land Act, foreign entities may only acquire leases and cannot acquire freehold tenure. Under the Petroleum (Exploration, Development and Production) Act, joint ventures may be licensed to participate in a range of petroleum-related business undertakings provided there is, within such a joint venture, participation by the Ugandan government or a company that is at least 48 percent Ugandan-owned. There were 15 joint ventures in Uganda during 2015/2016.

Selling to the Government

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project *Financing*" Section in "*Trade and Project Financing*" for more information.

Uganda is not a party to the WTO Agreement on Government Procurement (World Trade Organization - Parties, observers and accessions).

The Public Procurement and Disposal of Assets Authority (PPDA) audits government procurements, oversees the public procurement processes, and monitors compliance by all government entities. Since 2011, GOU procurement requests must now include: a procurement schedule for every bid notice issued; standard formats for invitation of bidders (bid notices); specified time frames for all government procurement activities; and all bid evaluations must begin within 14 working days from the date of closing the bid. In practice, bid decisions often take several months, and several businesses accuse the GOU of soliciting bribes while analyzing bids. More information about PPDA is located on its website:

PPDA. Opportunities exist for U.S. investors offering infrastructure services, military hardware, and pharmaceuticals. The GOU spends the largest portion of its budget on infrastructure projects. Military equipment and hardware also make up one of the largest portions of government procurement, and the GOU procures most of its drugs and medical equipment from foreign pharmaceutical companies.

Distribution & Sales Channels

Products in Uganda are generally distributed through regional wholesalers, who in turn supply small and rural shopkeepers. Consumer goods typically arrive in bulk containers at the informal market area on Kikuubo Road and Nakivubo Road in Kampala and are sold wholesale to traders. According to Ugandan businessmen, cash is used for the vast majority of transactions, making duty collection difficult and often subject to bribes. Trade is further hampered by inconsistent collection of duties, further incentivizing traders to bribe customs officials. Since 2013, large retailers (such as Game, Shoprite, and Nakumatt) have increased their footprint in Uganda, allowing customers to cut out many of Uganda's traditional traders, although competition remains fierce in this sector.

Express Delivery

Express delivery firms include DHL, FEDEX and TNT, which offers air delivery to/from the U.S. in three to five business days. Package contents must be declared at the point of shipping and customs procedures upon arrival in Uganda include security scans for contraband as well as material liable to taxation (any item whose value exceeds $50 is subject to customs duty). There is no minimum weight requirement, although the maximum weight for express air transportation is 150 kilograms. There is no weight limit for non-express air freight.

Selling Factors & Techniques

Marketing in Uganda typically involves advertising on: billboards; road signs; newspapers; radio; television; online classifieds, and social media groups. Although most Ugandans speak English, ad campaigns often use local languages in rural regions. Firms have also promoted themselves heavily at music concerts, supporting sports teams, and sponsoring sports events. For example, Uganda's

largest mobile phone operator MTN sponsors an annual marathon. Beverage firms have run successful bottle cap promotions as well.

eCommerce

Overview

Loosely regulated and informal, eCommerce is rapidly growing in Uganda due to the widespread use of mobile money payments and rapid growth in telecommunication users. Since 2008, Ugandan commercial banks have offered Mobile Money, which allows mobile phone users to electronically transfer funds to retailers or individuals. With comparatively lower fees and a wider network of money exchanges, mobile money is growing faster than traditional banking in Uganda. Although the GOU regulates Mobile Money, identity enforcement remains poor. The GOU lacks regulations and enforcement mechanisms to combat illegal activities advertised on informal mobile platforms.

Current Market Trends

The GOU does not officially track eCommerce use; however, mobile money usage is nearly universal among mobile phone customers and the GOU is beginning to track mobile money and mobile commercial transactions. As the number of smart phone customers increase in Uganda, Ugandan entrepreneurs have developed several new mobile applications to facilitate e-commerce over the past year.

Domestic eCommerce (B2C)

Most of Uganda's domestic business to customer (B2C) eCommerce sector is run on social media platforms on mobile devices including WhatsApp, Snapchat, Facebook, and WeChat. As the number of smart phone customers increase in Uganda, developers have started offering mobile applications to facilitate eCommerce. Online classified websites also facilitate B2C eCommerce.

Cross-Border eCommerce

The Ugandan businesses community uses the following websites to facilitate cross-border eCommerce:

Skrill

WorldRemit

Western Union

MoneyGram

Dahabshiil

Customers can pay for goods and services with a credit card and businesses in the region can receive a payment through mobile money transfers.

B2B eCommerce

See above section on B2C eCommerce. Uganda's business to business (B2B) eCommerce runs on a similar basis as B2C eCommerce.

eCommerce Services

Uganda's eCommerce covers a wide-range of goods and services and also allows for tax payment. With no specific eCommerce regulations, illicit as well as legitimate trade is facilitated in Uganda's informal eCommerce sector.

eCommerce Intellectual Property Rights

Businesses operating on eCommerce platforms rely on traditional mechanisms to protect their intellectual property rights. See section on intellectual property rights.

Popular eCommerce Sites

In addition to advertising on social media platforms, the following websites are among those that facilitate eCommerce in Uganda.

Consumer Goods:

JUMIA

Dondolo

GoodsExpress

Intraline

Masikini

US2UG

SupaPrice

Kilimall

Hi2 Shop

KiKUU

2Fumbe

Alibaba

Shipping:

FedEx

Dhl

Nile Cargo Carrier

IntershipUG

TNT - The People Network

Exporting out of Uganda:

Uganda Post Limited (sole mail service provider in Uganda)

Restaurants & Home Delivery:

Jumia Food

Clothing & Apparel:

Paple Rayn

Classifieds:

OLX

Eye Trade

Tax Payment:

Uganda Revenue Authority

Online Payment

Larger eCommerce firms accept credit cards, most Ugandan merchants operate on a cash basis through mobile money. This is quickly changing due to numerous interchange transactions allowing for credit cards or mobile money to be transacted online in a similar fashion.

Mobile eCommerce

Most of Uganda's eCommerce is conducted informally on mobile devices through social media platforms including WhatsApp, Snapchat, Facebook, and WeChat. Uganda's mobile eCommerce platforms are unregulated and can contain illicit goods and services.

Digital Marketing

Uganda's digital marketing is conducted on social media platforms and online classified websites. Many Ugandan businesses run social media campaigns targeting segmented user sets through most social media platforms. While traditional media is still prevalent, many firms with smaller marketing budgets rely heavily on social media platforms to promote their goods and services.

Major Buying Holidays

Major buying holidays in Uganda include:

Christmas –Consumer goods sales volume increases begin in October.

Schools – Stationary goods sales volume increases in January and July ahead of the academic calendar.

Eid al-Fitr and Eid al-Adha – Consumer goods and food sales volume increases around the Eid holidays, which vary according to the lunar calendar.

Social Media

See mobile eCommerce section.

Trade Promotion & Advertising

The U.S. Embassy in Uganda is a commercial service partner post with the U.S. Embassy in Nairobi, Kenya. Investors can find more information about promotion services here: U.S. Embassy in Uganda - Commercial Services

The Uganda Investment Authority (UIA) leads the GOU's efforts to promote trade and investment in Uganda: Uganda Investment Authority.

The following companies also provide advertising services in Uganda:

- TBWA\Limelight

  + 256 (0)312 387 100

  JR Complex, Plot 101, Jinja Rd,

  Kampala, Uganda, East Africa

  Postal address

  P.O. Box 24251, Kampala, Uganda

  TBWA/LIMELIGHT

- Moringa Ogilvy

  Plot 41, Luthuli Avenue, Kampala

  Tel: 256-312-251-112/4; fax: 256-312-251-111; website: Ogilvy

Major Newspapers and Business Journals Advertisers include:

- The East African
  P.O. Box 6100, Kampala, tel: 256-414-232-768; website: NationAudio
  The East African Procurement News
  P.O. Box 24595, Kampala, tel.: 256-414-231-120; website: ProCNews

- The Daily Monitor

P.O. Box 12141, Kampala, tel: 256-414-236-939; fax: 256-414-232-369; website:
Daily Monitor

- The New Vision
  P.O. Box 9815, Kampala, tel: 256-414-235-209; fax: 256-414-235-843; website:
  New Vision

- The Eye Magazine
  23, Prince Charles Drive, Kololo
  Kampala - Uganda (Inside Microcare Compound)
  Tel: 256-312- 251-117/8
  Fax: 256-312-225-111/9
  Website: The Eye Magazine

- East African Business Week
  Plot 133, Kira Road, Kamwokya
  Tel: 256-414-531-345
  Tel 2: 256-772-450-038
  Website: Business Week

- The Independent Publications Limited
  Plot 86, Kamjokya Street
  Tel: 256-312-637-391/2/3/4
  Fax: 256-312-637-396
  Website: The Independent

- Business Daily
  Telephone number: +254-203-288-104

  Email: bdnewsdesk@nation.co.ke
  Website: Business Daily

Radio and Television Stations include:

- Capital Radio
  P.O. Box 7638, Kampala
  Tel: 256-414-235-092/3/4

- Radio Uganda
  P.O. Box 7142, Kampala
  Tel: 256-414-251-554

- Impact Radio
  P.O. Box 7223, Kampala
  Tel: 256-414-272-114
  Website: Victory Uganda

- KFM
  P.O. Box 12141, Kampala
  Tel: 256-312-260-018
  Website: KFM

- Lighthouse Television
  P.O. Box 23934, Kampala
  Tel: 256-414-543475/543-435/554-221

- MNET
  P.O. Box 2373, Kampala
  Tel: 256-414-341-431/38

- Radio One
  P.O. Box 4589, Kampala
  Tel: 256-414-348-311/211

- Radio Sanyu
  P.O. Box 30961, Kampala
  Tel: 256-414-234-250
  Website: Mondo Times

- Simba Radio
  P.O. Box 31564, Kampala
  Tel: 256-414-543-672
  Website: Streema - Radio Simba

- Uganda TV
  P.O. Box 7142, Kampala
  Tel: 256-414-345-376/256-453

- Spirit FM
  P.O. Box 10383, Kampala
  Tel: 256-772-438-980
  Website: Spirit FM

Pricing

Ugandan firms importing goods use the International Chamber of Commerce (ICC) trade terminology otherwise known as 'Incoterms.'

Ex Works (EXW): the seller is required to make goods ready for pickup at his or her own place of business. All other transportation costs and risks are assumed by the buyer. [Least risky to exporter, most risk to Ugandan importer]

Free on Board (FOB): the seller agrees to absorb the costs of delivering the goods to the purchaser's transporter of choice. The term FOB is a frequent feature of contracts for the sale of goods, especially when the goods are to be delivered to a foreign destination. [Low risk to exporter, high risk to Ugandan importer]

Cost, Insurance, and Freight (CIF): the seller arranges for the carriage of goods by sea to a port of destination, and provides the buyer with the documents

necessary to obtain the goods from the carrier. [Moderate risk to exporter, moderate risk to Ugandan importer]

Delivery Duty Paid (DDP): the seller pays for the total costs associated with transporting goods and is fully responsible for the goods until they are received and transferred to the buyer. [Most risk to exporter, least risk to Ugandan importer]

Although many U.S. firms prefer to quote prices on EXW or FOB basis, Ugandan importers generally prefer price quotes on CIF Mombasa basis as Mombasa is the initial port of entry for goods eventually destined for Kampala. Ugandan importers generally prefer CIF quotes in U.S. dollars as they are familiar with customs charges, including taxes that are levied at the local ports/airports and brokerage and handling charges.

Uganda operates as a free market with few price controls outside of basic food stuffs.

Costs:

- Purchase costs, as per bill of landing net sea/airfreight charges depending on incoterm basis.
- Insurance
- Logistics
    - shipping agents fee
    - port charges
    - clearing charges are $150-$250 per container
    - forwarding charges
- Land transport. Despite the relatively short distance, land transportation costs from the Kenyan port of Mombasa to Kampala are substantial at $3500 per dry container—often exceeding the price of shipping goods from the exporter port to Mombasa, Kenya.
- Custom/Excise taxes
    - Value-Added Tax (VAT) is 18 percent
    - Withholding tax is 6 percent
    - Infrastructure Tax is 1.5 percent

- Miscellaneous fees
    - Some agricultural goods including beef and dairy are subject to additional fees.
    - Some high-value consumer goods not meant for resale including digital televisions are also subject to additional taxes.
- For further information on import fees, please go to the URA's website: Uganda Revenue Authority - Services Catalogue

Average Profit Margins:

Basic food margins are 4-6 percent.

Non-durable consumer goods are 6-8 percent.

Durable consumer goods are 12-30 percent.

Sales Service/Customer Support

Uganda's market offers consumers limited customer support. Ugandan customers often make purchases on an as-is basis. Investors that offer high quality products with superior supply chain logistics and technical support could take advantage of this market shortcoming in Uganda.

Protecting Intellectual Property (IPR)

In principle, Ugandan law protects intellectual property rights, but in practice little is done to effectively prevent piracy and counterfeit distribution. While the Uganda Registration Services Bureau provides a standardized process for registering each type of intellectual property and allows for investors to enforce their rights through the court system, enforcement remains weak. Over the past two years, the Uganda Police Force (UPF) established the "Intellectual Property Police" unit to enforce IPR and businesses are reporting an increase number of IPR prosecutions.

Uganda signed the World Intellectual Property Organization's Patent Law Treaty in 2000, but has not yet ratified it. On January 6, 2014, Uganda's president assented to the new Industrial Property Act, which replaced previous legislation like the Patent Act, 1993, and goes a long way towards protecting intellectual property and bringing Ugandan law into consonance with international standards

on intellectual property. Along with the 2006 Copyright and Neighboring Act and the 2010 Trademarks Act, the 2014 Industrial Property Act substantially enhances legal protection of intellectual creations in Uganda. Uganda's Commercial Court is hearing an increasing number of intellectual property and trademark cases, especially by artists and musicians in Uganda's Performing Arts Rights Society. The Uganda National Bureau of Standards (UNBS), the Uganda Registration Services Bureau (URBS), Uganda Communications Commission (UCC), and the Uganda Police Force (UPF) are responsible for enforcing the existing laws. They are constrained by inadequate resources and funding.

The government's efforts to address the trade of counterfeit products are insufficient. Counterfeit CDs, DVDs, and computer software are openly sold in Uganda's market places, and counterfeit pharmaceuticals and agricultural inputs are becoming an increasing problem. Most counterfeit goods entering Uganda are manufactured in China and India. The American entertainment industries as well as manufacturers of consumer goods complain that counterfeiters are damaging their markets by deterring future foreign direct investment and damaging brand names. After six years, the Anti-Counterfeiting Bill 2010, remains stuck in Parliament and would, if passed, considerably clarify and strengthen the penalties for making and/or trading in counterfeit products.

The Uganda National Bureau of Standards Act of 1983 authorizes UNBS to deny sub-standard goods (but not necessarily counterfeit goods) access to the Ugandan market. Uganda is not listed on the United States Trade Representative Special 301 report and it is not listed on the notorious market report.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at WIPO - Country Profiles. Please note that while some of Uganda's IP laws are listed on this website, other laws are not included such as the Industrial Property Act of 2014, the Patents Act of 1993, the Copyright and Neighboring Right Regulations of 2010, and the Patent Regulations of 2010.

For a list of legal assistance providers in Uganda, please go to:

U.S. Embassy in Uganda

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on Protecting Intellectual Property and also Corruption.

Uganda IP Attaché Contact
Address: Plot 1577, Ggaba Road
Telephone: +256-414-306102
E-mail: CommercialKampala@state.gov

Due Diligence

Uganda has anti-fraud legislation that is poorly enforced. Investors making initial contact with a Ugandan business looking to conduct business must exercise caution prior to finalizing any transactions. While many legitimate Ugandan entities seek to source goods with U.S. firms, the U.S. Embassy commercial section receives several reports of fraud or attempted fraud on a monthly basis. Fraud in Uganda is becoming increasingly sophisticated—including the use of false websites and email accounts.

U.S. businesses are advised to collect cash upon or before delivery and to collateralize all loans. U.S. investors should also be aware that fraud is widespread and that accounts and bank statements may not reflect actual financial data. U.S. vendors should never agree to accept third party checks as payment for goods to be shipped to Uganda. U.S. firms should check document accuracy with financial institutions or through a commercial law firm. Similarly, firms should also conduct reference checks of potential Ugandan partners, especially other foreign customers or suppliers.

Local Professional Services

- Price Waterhouse Coopers
- Ernst & Young
- Deloitte & Touche
- The Institute of Certified Public Accountants of Uganda (ICPAU): tel.: 256-414-540-125/6; e-mail: icpau@infocom.co.ug
- Uganda Association of Consulting Engineers: tel.: 256-414-342-536; website: Private Sector Foundation Uganda
- Uganda Bankers Association: tel. 256-414-343-199; e-mail: uba@uol.co.ug

- Uganda Law Society: tel.: 256-414-342-424; website: Uganda Law Society; e-mail:
- ulss@utlonline.co.ug
- Uganda National Association of Building and Civil Engineering Contractors: tel.: 256-
- 414-287-836; e-mail: unabcec@infocom.co.ug
- Uganda Society of Architects: tel.: 256-414-232-963; website: Uganda Society of Architects ; email: archuganda@siticable.co.ug
- The American Chamber of Commerce
- The U.S. Embassy in Uganda is a commercial service partner post with the U.S. Embassy in Nairobi, Kenya. Investors looking to begin their due diligence can ask for an International Company Profile at the Embassy: U.S. Embassy in Uganda - Commercial Services

Principle Business Associations

- American Chamber of Commerce of Uganda
  NCR Building
  Plot No. 94 William Street, Kampala, Uganda
  P.O.Box 2109 Kampala
  Tel:+256 312 351 700
  Website: American Chamber of Commerce Uganda
  Email: admin@amchamuganda.co.ug

  Private Sector Foundation of Uganda
  43 Nakasero Road, Box 7683, Kampala
  Tel: +256-312-263-850
  Website: Private Sector Foundation Uganda

- Uganda Manufacturers Association
  P.O Box 6966, Lugogo Show Grounds, Kampala
  Tel: +256 414 221 034 /287615
  Fax: +256 414 220 285
  Website: Uganda Manufacturers Association

- Uganda Bankers Association
  Email: uba@uol.co.ug
  Uganda Law Society
  Website: Uganda Law Society
  Email: ulss@utlonline.co.ug

- Uganda National Association of Building and Civil Engineering Contractors
  Email: unabcec@infocom.co.ug

- Uganda Society of Architects
  Website: Uganda Society of Architects
  Email: archuganda@siticable.co.ug

- British Business Association of Uganda
  CFTS.CO (U) Ltd.
  P.O.Box 21558, Kampala
  Website: Linear

- Nordic Business Association Uganda
  Website: Nordic Business Association Uganda

- China Uganda Trader's Association (CUTA)
  Website: China Uganda Trader's Association (CUTA)
  Phone: +256-702-722-382

- For a more comprehensive listing of Ugandan Business Associations please go to:
  Uganda Economy - Trade Associations

Limitations on Selling US Products and Services

According to the Uganda Investment Code, foreign businesses looking to engage in trading business in Uganda must incorporate a company in Uganda and deposit $100,000 or its equivalent in Uganda shillings at the Bank of Uganda. If the foreign investor intends to engage in any business beyond merely trading

(i.e., intends to manufacture goods or provide services), they have to acquire a license from the Uganda Investment Authority.

Web Resources

U.S. Embassy "Doing Business in Uganda" website:

U.S. Embassy in Uganda - Getting Started

Leading Sectors for US Exports & Investments

Energy

Overview

Uganda's energy sector attracts one of the largest investments by the GOU and the private sector. Uganda has a total primary energy consumption of 0.0593 quadrillion Btu which equals 14.94 M tons of oil equivalent (2012). Biomass is still the most important source of energy for the majority of the Ugandan population. About 90 percent of the total primary energy consumption is generated through biomass, including firewood (78.6 percent), charcoal (5.6 percent) and crop residues (4.7 percent). Electricity contributes 1.4 percent to the national energy balance while oil products, which are mainly used for vehicles and thermal power plants, account for the remaining 9.7 percent.

According to the 2015 data from the UBOS, Uganda has 895 MW of installed electricity capacity, increasing from 595 MW in 2011, of which approximately 695 MW is hydroelectric, and 136 MW is thermal generating capacity, and the remainder generated from sugar cane operations. The Ugandan government is building additional large hydropower facilities such as the 600MW Karuma hydro and the 183MW Isimba Falls hydro project. At a national level, Uganda has one of the lowest electrification rates in Africa; 20 percent of Ugandans have access to electricity, dropping to 10 percent in rural areas. Uganda currently has one of the lowest per capita electricity consumption rates in the world with 215 kWh per capita per year (Sub-Saharan Africa's average: 552 kWh per capita, World average: 2,975 per capita). Full commissioning of the 250 megawatt Bujagali Hydropower Project in 2012 has alleviated Uganda's power deficit, but demand is growing at 10 percent per year, and could gradually outstrip supply again. Uganda has approximately 1400-1500 km of transmission lines (over 33kV), which the government aims to double. There are plans to upgrade existing transmission lines and develop a 220kV "ring" around Lake Victoria in conjunction with Kenya and Tanzania.

Uganda's Electricity Regulatory Authority regulates distribution with cost-reflective tariffs. The average tariff to consumers is $0.17/kWh ($0.11/kWh for industrial users), with the first 15 units of power subsidized. The Electricity Act of 1999 initiated extensive power sector reforms in Uganda by establishing the Electricity Regulatory Authority as an independent regulator and by enabling private participation in the power sector; reforms have allowed independent power producers to generate electricity and sell it to the grid.

Umeme Co. Ltd. is the largest energy distributor in Uganda, distributing 97 percent of all electricity in the country. As of January 2016, Umeme's customer base was about 790,000, with approximately 16,000 customers being added every month. Power transmission above 33kV is handled by the Uganda Electricity Transmission Company Ltd (UETCL). The Electricity Regulatory Authority (ERA) was established to license and regulate operations of all electricity operators, and the Rural Electrification Agency (REA) was put in place to ensure that rural electrification, which in most cases is not commercially viable, is accelerated to achieve set targets. The Uganda Electricity Generation Company Limited (UEGCL) is mandated with the development, operation and maintenance of clean energy generation facilities on behalf of Government of Uganda and monitoring other generation concessions.

Power Africa Support: Power Africa provides broad support to the Ugandan energy sector including transaction advisory services for small-scale renewable generation plants) off grid access, including USAID Development Credit Authority loan portfolio guarantees for cleaner energy access. Power Africa's BTG partners are already working to bring power to rural Ugandans. Firms such as BBOXX, Virunga, MKOPA, and Fenix International, among others, have developed and deployed innovative technologies, which have provided electricity to thousands of people in Uganda for the first time. Learn more about how Power Africa is

collaborating to address key challenges in Uganda's electricity sector and supporting private sector investment in energy at: USAID - Uganda .

From current levels, Power Africa Uganda aims to add 1,000 MW of clean energy and 1,000,000 new connections by 2020. Investors have a unique opportunity to participate in Uganda's energy sector due to GOU incentives and broad participation by the private sector. Uganda is one of the few sub-Saharan African countries to have liberalized its energy market, with generation, transmission and supply segments unbundled since 2001. Independent power producers currently account for 58 percent of generation capacity, a share which is set to grow in the near term as a pipeline of smaller renewables projects are developed.

Electricity Stats	2012	2013	2014	2015
Total Installed Capacity (megawatts)	718	828	885	896
Total Electricity Purchases (gigawatt hours)	2944	3040	3203	3335
Total Electricity Sales (gigawatt hours)	2738	2930	3098	3219
Residential customers	456,248	540,694	640,025	797,205
Commercial customers	42,874	52,940	61,518	72,266
Industrial customers	369	359	348	311

Leading Sub-Sectors

Renewable energy: The GOU is working to expand its power supply by constructing a number of micro-hydro projects along the Nile River and is promoting the development of other sources of renewable energy, such as off-grid solar power systems. The government continues to explore options to develop its geothermal reserves in western Uganda.

Opportunities

The GOU is fast-tracking the construction of the Karuma and Isimba hydropower projects (600MW and 183MW respectively). The GOU is also constructing other small hydropower plants (Nyamwamba 9.2MW, Siti 15MW, Waki 5MW, Rwimi 5.4MW, Kikagati 16MW and Nengo Bridge 7.5MW). Western Uganda contains geothermal deposits which have the potential to produce 150 megawatts of electricity.

Web Resources

- Uganda Electricity Regulatory Authority
- Uganda Electricity Transmission Company Ltd
- Rural Electrification Agency Uganda
- Power Africa Uganda
- Umeme (Power Utility Company)
- Uganda Ministry of Energy and Mineral Development
- Department of Geological Survey and Mines of Uganda

Agricultural Sector

Overview

Investors consider Uganda's agricultural potential to be among the best in Africa, with low temperature variability and two rainy seasons in the southern half of the country leading to multiple crop harvests per year. According to the Food and Agriculture Organization of the United Nations, Uganda's fertile agricultural land has the potential to feed 200 million people. Eighty percent of Uganda's land is arable but only 35 percent is being cultivated. Agriculture accounted for about 23.6 percent of GDP in 2016, and 46 percent of export earnings, and the UBOS estimates that about 72 percent of all Uganda's working population is employed in agriculture. Uganda produces a wide range of food products including: coffee; tea; sugar; livestock; edible oils; cotton; tobacco; plantains; corn; beans; cassava; sweet potatoes; millet; sorghum; and groundnuts.

Challenges include the lack of high quality packaging capabilities, the lack of storage facilities, high freight costs, the lack of feeder roads in rural areas, a complicated and inefficient land tenure system, and untrained manpower. Ugandan producers often find it difficult to meet sanitary and phytosanitary standards required to export goods to Europe and the United States. Following decades of instability, farmers in the north again have access to some of the most fertile land in the country -- traditionally used to grow cotton. Most crops, however, are grown on small plots with few or no inputs.

Cash Crop	2012	2013	2014	2015
Coffee exports (metric tons)	186,000	232,000	212,000	232,000
Tea exports (metric tons)	58,000	60,000	61,000	59,000
Cotton exports (metric tons)	43,000	19,000	17,000	20,000

Tobacco exports (metric tons)	21,000	34,000	25,000	33,000

Leading Sub-Sectors

Commodities: Most Ugandan farmers continue to produce raw commodities such as coffee, tea, cotton, maize, beans, bananas, coco, livestock, and fish. While staples such as bananas, tea, maize, and beans see strong domestic demand, cash crops such as coffee and spices generate strong revenue in export markets.

Agroprocessing: While Uganda traditionally exports raw commodities, the GOU is advocating for foreign investment in agricultural processing in order to increase export earnings. One of Uganda's leading exports under the African Growth and Opportunity Act is casein protein, a processed dairy product.

Agriculture Equipment and Inputs: As farming operations grow, Ugandans are increasingly turning to mechanization and agriculture inputs such as fertilizers, additives, and pesticides to improve productivity.

Opportunities

Casein: Casein is a phosphoprotein derived from milk that is used as an input into a variety of products, including ready-to-drink nutritional beverages, sports nutrition powders, protein bars, yogurts, processed cheeses, chocolates and candy, baking goods, coffee creamers, spreads, ice creams, frozen desserts, soups and gravies. The U.S. market for casein is generally stable and is supplied almost entirely by imports. The market size appears to be about 60,000 tons of casein per year, and the average Customs Value is between $7 and $8 per kilogram.

Coffee: By developing relationships with US importers – and strengthening those that currently exist – Uganda can cultivate greater awareness of its high-quality, specialty-grade coffee. Uganda's impressive representation at regional cupping competitions, combined with its regular hosting of Buyers Trips, have already generated high demand for Ugandan coffee. By increasing the supply of specialty-grade coffees through

improvements in producer training, production techniques, and processing infrastructure, Uganda can bolster its reputation and representation within the US specialty coffee market. While Uganda has long been known for its high-quality Robusta – a coffee species usually only associated with lower-grade coffees – it is now gaining notoriety for its Arabica coffee, the most common species of specialty-grade coffees. And with such low volumes of Arabica production globally – only around 20 percent of annual production – the potential to expand Uganda's presence in the specialty coffee market is promising. While there is a current movement to bring specialty-grade robustas into the mainstream, this movement is nascent and small. When activity increases, Uganda will be well-positioned to compete amongst the finest robustas in the world.

Vanilla: Uganda's favorable climate supports vanilla production, the second most valuable spice in the world. With 70 years of cultivation, Uganda has a reputation for having a good quality product, but yields remain low.

Fish: Uganda can possibly improve its U.S. market penetration by cultivating aquaculture production of other species such as carp, catfish, and tilapia where the country already has some existing production capabilities. Uganda has a strong competitive position with Nile Perch, but this species represents a very small market ($2.2 million in 2016) in the U.S. Moreover, the sustainability of an export strategy based on Nile perch is very limited given the vastly diminishing fisheries in Lake Victoria. Uganda should develop a fish export strategy that covers a range of species including wild capture Nile Perch. There is much greater demand for tilapia and catfish in the U.S. Competition is stiff from China, Taiwan, Honduras, Ecuador, and other countries but Uganda can develop a broad fish strategy that focuses on quality, safety, and sustainability.

Dried Fruit: Demand has surged in the United States for dried pineapple, both conventional and organic, mostly due to the continuously growing trend in the consumption of healthier food choices. The demand for both natural and organic dried pineapple has outstripped supply, causing retail

prices to shoot up due to a lack of supply in the market place. Prices average between $20 and $30 per pound as compared to dried pineapple with additives (sulfur, sugar), which sells for as low as $4 per pound. There are a number of dried organic pineapple brands being sold in the U.S. market, but very few source their product from Africa and less so from Uganda.

Shea Butter: Shea butter products are a part of a rapidly increasing market and are especially popular among African-American communities in the U.S. Originally primarily an economical source of fat, it has become a popular input into chocolate, cosmetics, and natural products. While historically about 90 percent of shea butter was used in chocolates, cosmetics represents a rapidly growing market segment. Shea butter is imported to the U.S. in various forms, including refined, unrefined, and as finished goods.

Cut Flowers: The United States is a large cut flower import market and consumer market. It is the one of the largest cut flower importing countries in the world. In recent years, African countries have developed cut flower exports, especially Kenya and Ethiopia, which command a lion's share of the EU market with exports of roses to the Netherlands, valued at over $800 million—roughly 10 percent of global cut flower exports. Knowledge of market trends and pricing is critical. In 2015, for example, average wholesale prices for sweetheart roses in Holland, the main cut flower crop produced in Uganda and sold through an agent in Holland, was reported to average between $0.24 and $0.25 per stem. In contrast, standing orders for sweetheart roses out of Miami were approximately $0.39 and $0.40 per stem. In the northeast region of the U.S., at the wholesale market in Boston, prices in 2014-2015 ranged from $0.70 and $1.25 per stem, mainly for imports from Canada and the Netherlands.

Web Resources

Uganda Investment Authority Upcoming Agriculture Projects

Uganda Ministry of Agriculture

East Africa Trade & Investment Hub – Agriculture

National Agricultural Advisory Services (NAADS)

American Chamber of Commerce of Uganda

Construction

Overview

Uganda's infrastructure needs remain substantial. With a 10 percent per annum growth rate in car ownership, Uganda's road network is overburdened, leading to congestion around cities and crowding on highways. Furthermore, Uganda's roads are poorly maintained, making transportation costly and dangerous. In addition to roads, Uganda faces an 8 million unit housing shortage according to the Uganda National Planning Authority. With an estimated 300,000 housing units needed per year, commercial construction and residential construction in Uganda are booming.

The GOU allocated 31 percent of its 2016/2017 budget to road and energy infrastructure, by far the largest allocation of any sector. Multilateral financial institutions and the donor community play the largest role financing these projects through concessional loans. Uganda has no domestic production of the equipment needed to develop large-scale infrastructure projects. Additionally, Uganda's growing industries and service providers badly need larger and more modern sites, such as industrial zones, in which to operate. The government and World Bank are funding the construction of several industrial zones, such as one 13 kilometers outside Kampala in Namanve. The first firms moved into the site in 2010, but efforts to expand roads, electricity, and water/sewage have been slow. The Ugandan government plans to build other zones in Uganda's major urban centers.

Construction	2012	2013	2014	2015
Cement Production (metric tons)	1780	2023	2141	2330
GOU Expenditure on construction and roads (million USD)	236	360	362	420

Leading Sub-Sectors

Project Management: Although construction remains a dominant sector within Uganda's economy, projects are poorly managed. The GOU's lack of enforcement of anti-corruption laws has led to project delays and cost overruns on the largest infrastructure projects in Uganda. (Construction of the Karuma and Isimba dams are years behind schedule and the dams are already showing signs of damage from the use of inferior building materials). Uganda is in need of effective project management services. Furthermore, U.S. firms are familiar with complying with environmental regulations and promoting corporate social responsibility projects.

Opportunities

In 2007, the GOU announced the "Uganda Vision 2040" plan to lay out its road map for Uganda to become a developed economy. Construction will play a substantial role in Uganda's development, making project management a promising sector for investment.

Uganda Vision 2040 identifies a number of projects that will form the core of the development strategy, including:

- A Hi-tech ICT city and associated ICT infrastructure
- Large irrigation schemes in different parts of the country
- Phosphate industry in Tororo
- Iron ore industry in Muko, Kabale
- Development in five regional cities (Gulu, Mbale, Kampala, Mbarara, and Arua) and five strategic cities (Hoima, Nakasongola, Fort Portal, Moroto, and Jinja)
- International airport upgrade
- A standard gauge railway network with high speed trains
- Upstream oil wells, midstream heated export pipeline, and oil Refinery with associated road and building infrastructure needs.
- Multi-lane paved national road network linking major towns, cities and other strategic locations
- Globally competitive skills development centers
- Hydro power plants (Karuma, Isimba, Ayago, and Murchison Bay)
- Science and Technology parks in each regional city

- International and national referral hospitals in regional cities.

Web Resources

African Development Bank

East African Development Bank

Uganda Ministry of Tourism Trade and Industry

Uganda Privatization Unit

World Bank

Uganda Vision 2040 document

Oil and Gas

Overview

Western Uganda has approximately 6.5 billion barrels of oil reserves, with at least 1.4 billion estimated to be economically recoverable. French firm Total, S.A., Chinese firm China National Offshore Oil Corporation (CNOOC), and U.K. firm Tullow have production licenses to develop Uganda's oil reserves for export. In addition to producing and exporting crude oil, Uganda plans to build a refinery to produce petroleum products for the domestic and EAC markets.

The infrastructure required to develop Uganda's oil reserves is estimated to cost $10 billion and construction is projected by the government to begin in 2018. On May 19, 2017 the presidents of Uganda and Tanzania signed an agreement over construction terms for a 1400 km heated oil export pipeline to Tanzania's Indian Ocean Port of Tanga. While the government seems confident that it can achieve first oil by 2020, experts caution that this goal is only attainable if infrastructure, production wells, and the pipeline begin construction by 2018.

Oil & Gas Stats	2012	2013	2014	2015
Annual Imports of Petroleum Products (cubic meters)	1,214,366	1,313,350	1,438,847	1,622,516
Annual Sale of Petroleum Products (cubic meters)	1,125,472	1,152,436	1,265,288	1,443,505

Leading Sub-Sectors

Engineering Services: With upstream and midstream projects currently under front-end engineering and design, international oil companies are currently contracting out engineering design surveys prior to making final investment decisions on developing Uganda's oil by 2018.

Opportunities

Ancillary Services: With upstream and midstream projects currently under front-end engineering and design, international oil companies are increasingly looking for service subcontractors including housing, road infrastructure design and construction, environmental hazard controls, and vocational training services.

Web Resources

Uganda Ministry of Energy and Mineral Development

Department of Geological Survey and Mines of Uganda

Ministry of Energy and Mineral Development

Total S.A
2, place Jean Millier
La Défense 6
92078 Paris La Défense Cedex
France
Tél. : + 33 (0) 1 47 44 45 46 - See more at:
http://www.total.com/en/contact-form#sthash.zsvlezpU.dpuf

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Fax: 86 10 6460 2600
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United Kingdom

PHONE: +44-203-249-9000
EMAIL: INFO@TULLOWOIL.COM

Telecommunications

Overview

Uganda's telecommunications infrastructure is increasing at a 10 percent annual growth rate. The following mobile companies operate in Uganda: MTN; Airtel; Uganda Telecom; Africell; Vodafone; Smile Telecom; Smart Telecom; Sure Telecom; and K2 Telecom. Mobile phone companies now provide coverage for urban and most rural areas, though reception quality can be erratic. SIM Cards for U.S. visitors coming to Uganda with compatible triband phones cost less than $2 and are widely available. Customers are required to register with a passport photo and a copy of their passport bio data page. Most towns have payphones, but land lines coverage in rural areas remains poor. A satellite telephone is recommended for persons working in remote rural areas. U.S. cell phones work in Uganda in roaming mode. T-Mobile's international service (unlimited data, text, and $0.20 per minute calls) works through its partnership with MTN and Airtel networks.

Mobile operators have installed 4G networks around Kampala while 3G networks are available in secondary urban areas around Uganda. Ugandan businesses, especially in urban areas communicate frequently by email and usage is increasing in line with improving connectivity. Several internet companies provide services to commercial entities and residences. The installation of undersea fiber optic cable along the East African coast in September 2009, coupled with increasing competition among telecom companies led to improvements in both cost and performance, though quality Internet service remains expensive and slow by international standards. Fax and copying services are available in shops in Kampala and at major hotels. Both telephone and fax charges at major hotels can be expensive.

Telecommunication Stats	2012	2013	2014	2015

Fixed Internet subscribers	96,000	101,000	113,000	130,000
Mobile Internet subscribers	2,690,000	3,625,000	5,695,000	7,350,000
Internet Penetration (%)	8.2	20.7	29.5	39.7

Leading Sub-Sectors

Equipment: Growth in Uganda's telecom sector is increasing demand for network equipment including cellular and wireless telephone systems, data transmission equipment, fiber optic equipment, trunked mobile phone systems and paging systems; switchers and routers, wireless access equipment, voice over Internet telephony, VSAT, computers and peripherals.

Opportunities

Exporting telecommunication hardware offers the best prospects within the Telecommunication sector. The following products are in high demand in Uganda: cellular and wireless telephone systems; data transmission equipment; fiber optic equipment; trunked mobile phone systems; switches and routers; wireless access equipment; voice over Internet telephony; VSAT; computers and peripherals.

Web Resources

Uganda Communications Commission

Airtel

Computer Frontiers International

MTN

UTL

AFSAT Communications Uganda

Bushnet

Infocom

Jireh Technologies International

Zineth Electronic Security & Communication

Bitwork Technologies Ltd.

Uganda Broadcasting Corporation

RCS Radio Communication

Sombha Solutions Store

Medical Equipment

Overview

Uganda's medical facilities remain underfunded and poorly managed, with the GOU dedicating nine percent of the 2016/2017 budget to the health sector. Uganda's few public hospitals provide limited services. To fill the gap, several local and international investors have constructed private hospitals and dental clinics to serve wealthy and middle-class Ugandans, along with expatriates. However, Uganda lacks the medical capacity for most complex medical procedures. In 2015, the U.S. government provided Uganda's health sector with $474 million for health programs, facilities, purchasing pharmaceuticals, and purchasing medical equipment.

Health Sector Stats	2012	2013	2014	2015
Medical and Pharmaceutical product exports (USD)	9,150,000	10,656,000	9,769,000	12,323,000
Medical and Pharmaceutical product imports (USD)	255,845,000	350,155,000	360,556,000	373,364,000

Leading Sub-Sectors

Equipment: Record management equipment and systems; ultrasound; electrocardiographs; dopplers for obstetrics; pulse oximeters; ventilators; cardiac echo machines; treadmill stress machines; and lab equipment (including equipment needed for microbiology, hematology, chemistry, and histopathology).

Opportunities

Importing medical equipment: With Uganda's lack of medical infrastructure and large influx of donor support for health programs, demand for medical equipment continues to rise.

Web Resources

Mulago Hospital

Gulu Independent Hospital

The Surgery Hospital

International Medical Group

Infectious Diseases Research Collaboration

Uganda Virus Research Center

Joint Clinical Research Center

Makerere University College of Health Sciences

Kigezi International School of Medicine

National Drug Authority

National Medical Stores

The AIDS Society of Uganda

Uganda AIDS Commission

Academic Alliance for AIDS Care and Prevention in Africa

Uganda Ministry of Health

Pharmaceuticals

Overview

According to a 2009 report by the United Nations Industrial Development Organization, Uganda has a total of 19 sites licensed for the manufacture of medicines and health supplies although only 11 of these were involved in commercial production of pharmaceuticals. Four of the 11 manufacturers operate on a large scale (100 or more employees), six on a medium scale (between 31 and 99 employees), and one operates on a small scale (between six and 30 employees). The local pharmaceutical industry contributes about 0.18 percent of GDP, employs about 1,216 people and exported medicines and health supplies worth about $3.1 million in 2008.

Challenges include:

- Technology, machinery and the associated high skilled expertise are still sourced from outside Uganda.
- Uganda's pharmaceutical sector depends on importing active pharmaceutical ingredients (APIs) and almost all excipients and some packaging materials.
- Few Ugandan pharmaceutical manufacturers have automated production processes.
- High operating cost for manufacturers relying on backup generators.
- Licensed cold and dry storage facilities to hold APIs prior to final production.

Health Sector Stats	2012	2013	2014	2015
Medical and Pharmaceutical product exports (USD)	9,150,000	10,656,000	9,769,000	12,323,000
Medical and Pharmaceutical product imports (USD)	255,845,000	350,155,000	360,556,000	373,364,000

Leading Sub-Sectors

Pharmaceutical manufacturing: While Uganda's pharmaceutical industry has developed significantly over the last 10 years, Uganda still imports 90 percent of its essential medicines and health supplies (EMHS) needs. Nonetheless, in early 2010, one manufacturing site manufacturing Anti-Retroviral (ARV) and Artemisinin-based Combination Therapies (ACT), received the World Health Organization's (WHO) good manufacturing practices (GMP) certification.

Opportunities

Pharmaceutical manufacturing: Based on Uganda's strong demand for medical services and the GOU's favorable tax policies for manufacturing facilities, manufacturing generic pharmaceuticals remains a profitable opportunity for investors.

Web Resources

Ministry of Health

The United Nations Industrial Development Organization Pharmaceutical Sector Profile for Uganda

The Global Fund Pharmaceutical Sector Country Profile for Uganda

Travel and Tourism

Overview

The Ugandan tourism sector continues to grow and saw $805 million in revenues in 2011 and $834 million in 2012. About 1.3 million tourists visited Uganda in 2015—a slight increase from 1.26 million in 2014. Uganda's tourism sector contributed about 10 percent to Uganda's GDP in FY 2014/2015, becoming the country's top earner of foreign exchange. Uganda's tourism sector is highly sensitive to negative publicity from other parts of the African continent, with news of disease outbreaks or political instability anywhere on the continent negatively affecting Uganda's tourism numbers.

International airlines, such as Kenya Airways, Egyptian Airways, Ethiopian Airways, South African Airways, Emirates, Etihad, flydubai, SN Brussels, KLM, Turkish Airways, Qatar Airways, and RwandAir, have regular flights in and out of Uganda's Entebbe International Airport.

The Kampala Serena and the Sheraton are Kampala's premier hotels. Marriott Hotels now operates two Protea Hotels in Uganda — one in Kampala and one near Entebbe International Airport. Uganda boasts several notable tourist attractions including the Queen Elizabeth and Murchison Falls National Parks, for game watching; the Rwenzori Mountains for mountaineering; the source of the Nile and the Nile River for bird watching, white water rafting, and kayaking; and Lake Victoria for a variety of water sports. Uganda is one of only three countries with mountain gorilla populations. Tourists can visit groups of gorillas in Bwindi and Mgahinga National Parks in southwestern Uganda. Gorilla watching passes are a major source of revenue for the parks and for gorilla conservation efforts. Tourists can see rhinos at Ziwa Rhino Sanctuary, which is working to reintroduce rhinos to Uganda's parks.

Improved transportation networks and upgraded tourist facilities would enable Uganda to take full advantage of its tourism potential.

Travel and Tourism Stats	2012	2013	2014	2015
Non-resident Arrivals	1,196,765	1,206,334	1,266,046	1,302,802
Resident Arrivals	1,089,581	1,187,710	1,220,167	1,310,199
Visitors to National Parks	182,149	213,950	202,885	215,558

Leading Sub-Sectors

Biodiversity: Uganda's wildlife parks offer tourists opportunities to trek into remote biodiverse environments to interact with endangered species like the mountain gorilla. Tourists also can enjoy chimpanzee trekking as well as go on safaris to observe savannah wildlife such as lions, leopards, elephants, buffalos, giraffes, zebras, and countless birdlife.

Adventure: Uganda claims to be the source of the Nile River at the town of Jinja. Adventurous tourists can book whitewater rafting or go bungee jumping over the Nile.

Opportunities

Biodiversity hospitality: The Uganda Tourism Board is partnering with the Uganda Wildlife Authority to offer investors concessions on the outskirts of Ugandan national parks to spur further hospitality investments.

Web Resources

Uganda Ministry of Tourism, Wildlife, and Antiquities

Uganda Wildlife Authority

Uganda Tourism Association

Uganda Investment Authority

Customs, Regulations & Standards

Import Tariff

Uganda, Kenya, Tanzania, Rwanda and Burundi have adopted a three-tiered duty structure for imports from outside the East Africa Customs Union (EACU) under the terms of an East African Community (EAC) agreement, which became fully operational in January 2010. Most finished products are subject to a 25 percent duty, while intermediate products face a 10 percent levy. Raw materials (excluding food stuffs) and capital goods may still enter duty free. Imported goods are also charged a value-added tax (VAT) of 18 percent and a withholding tax of six percent, which are reclaimable. Imports are also charged a 1.5 percent infrastructure tax to finance railway infrastructure development. The EAC agreement increased import duties on some products currently imported into Uganda from the U.S. Uganda is negotiating with Kenya and Tanzania to define certain manufactured products of key importance to Ugandan industries as "raw materials." The EACU members created a list of "sensitive" products—generally products that compete with certain domestic industries—that qualify for higher tariffs. In November 2009, the heads of state of the EAC member countries signed the Common Market Protocol, agreeing to establish a common market for Kenya, Tanzania, Uganda, Rwanda, Burundi, and South Sudan. The Common Market is being gradually implemented and is expected to set the stage for implementation of the East African Monetary Union (EAMU), which is expected to become fully operational by 2023. All six states of the EAC have ratified the protocol establishing the EAMU. In addition to the EAC, Uganda is a member of the Common Market for East and Southern Africa (COMESA), a free trade area comprising 19 member states, which is working on reducing import tariffs for member nations.

Trade Barriers

Over the past year Uganda has supported the EAC proposed ban on the importation of second-hand clothing. The EAC is the largest export market for American used clothing. The Secondary Materials and Recycled Textiles (SMART) trade association has petitioned the U.S. Trade Representative to conduct an out-of-cycle review of Uganda's eligibility for duty-free exports of manufactured goods through the African Growth and Opportunity Act (AGOA).

Outside of the used-clothing ban, Uganda has few formal trade barriers, though bureaucratic inefficiencies, high transport costs, corruption, and an influx of counterfeit consumer products are the primary reasons for increased costs for foreign businesses. In recent years, Uganda has phased out import bans on beer, soda, batteries and cigarettes. Importing beef, chicken, and dairy into Uganda involves lengthy paperwork and slow to little processing—essentially banning the import of these products into Uganda. In addition, Uganda has tariffs on basic food stuffs like flour, sugar, and food-grade oils. For detailed information on Uganda's tariff schedule, please go to: World Trade Organization - Uganda and the WTO.

Import Requirements & Documentation

In 2014 Uganda introduced a reporting system for non-tariff barriers (NTBs) in 2014, eliminating NTBs on goods like sugar. Since then, more than 54 cases have been resolved out of 64 reported NTB incidents. The remaining tariffs are maintained for health, security and environmental reasons, with variable rates, depending on the products. Import certificates, issued by the Ministry of Trade, Industry and Cooperatives, are required for these goods on a "negative list," including used tires and certain types of batteries. The certificate is valid for six months. The certificates take the place of import licenses. New EAC regulations, which stipulate that the trade ministers of members states must agree on and coordinate the various items on the list, may end up altering the content of Uganda's negative list in the coming year.

Labeling/Marking Requirements

The following information must be clearly marked on imports and exports: importer/exporter name, consignee, flight/vehicle details, place of discharge, number of packages, container identity, description of goods, air waybill number/bill of lading, and country of origin/destination. Ugandan policy supports the adoption of labels for food products containing genetically modified organisms, but the country has yet to adopt any formal requirements.

U.S. Export Controls

For an overview of the U.S. Export Control System please visit: A Resource on Strategic Trade Management and Export Controls

The consolidated screening list for Uganda can be found here: http://apps.export.gov/csl-search#/csl-search?countries=UG&sources=

U.S. companies exporting to Uganda must adhere to the requirements of the U.S. Department of Commerce's Bureau of Industry and Security (BIS) and Department of Treasury's Office of Foreign Asset Control (OFAC). The primary mission of the U.S. Bureau of Industry and Security (BIS) is the accurate, consistent, and timely evaluation and processing of licenses for proposed exports and re-exports of goods and technology from the United States. BIS is responsible for implementing and enforcing the Export Administration Regulations(EAR), which regulates the export and re-export of most commercial items. Items that BIS regulates are often referred to as "dual-use;" i.e., items that have both commercial and military or proliferation applications. However, purely commercial items without an obvious military use can also be subject to the EAR. The EAR does not control all goods, services, and technologies.

BIS's activities include regulating the export of sensitive goods and technologies in an effective and efficient manner; enforcing export control, anti-boycott and public safety laws; cooperating with and assisting other countries on export control and strategic trade issues; and assisting U.S. industry to comply with international arms control agreement.

Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and defense services. Other agencies involved in export controls include the Department of Treasury's Office of Foreign Asset Control, which administers controls against certain countries (such as Sudan) that are the object of sanctions affecting exports and re-exports, as well as imports and financial dealings. A list of other agencies involved in export controls can be found in Supplement No. 3 to Part 730 of the EAR which is available at: Bureau of Industry and Security - Export Administration Regulation Downloadable Files

With its network of 108 offices across the United States and in more than 75 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide. Locate the U.S. Commercial

Service trade specialist in the U.S. nearest you by visiting Export.gov - Offices in the U.S.

Temporary Entry

Under the East African Customs Management Act, only goods imported for a temporary use or purpose, as well as goods imported for repair, shall be exempt from import duties. However, such exemption is only made if the importation of the goods was duly authorized by the Ugandan authorities and the authorities may impose such terms and conditions on the importation as they deem fit.

Prohibited & Restricted Imports

The following items cannot be imported into Uganda:

- Pornographic materials
- Used motor vehicle tires
- Used computers and appliances
- Used underwear

Other categories of imports may be banned under international agreements to which Uganda is signatory.

(Note: The URA imposes an environmental levy on vehicles over eight years old.)

Customs Regulations

Non-commercial Import regulations:

The Government of Uganda allows passengers 18 years of age and over (except those returning from visits to Kenya and Tanzania) to import the following items without customs duties:

- 250 grams of tobacco products
- 1 liter of spirits (including liquors) and 1 liter of wine
- 1 pint of perfume and eau de toilette, of which not more than one quarter of a pint may be perfume
- personal effects up to a value of max $500

Note: Uganda requires meat and poultry importers to obtain a "Sanitary Import Permit" from the Director of Veterinary Services before declaring these items at customs.

Export regulations:

Free export of a reasonable quantity of tobacco and/or tobacco products, alcoholic beverages, and perfume is allowed. A special permit for game trophies is required.

Crew members customs regulations:

The same regulations as for passengers apply.

Pets:

Cats and dogs must be accompanied by a veterinarian good health certificate issued at the point of origin not earlier than six days before arrival in Uganda.

Baggage Clearance Regulations:

> Baggage is cleared at the first airport of entry in Uganda.
> Exempt: Baggage of transit passengers, which is cleared at the airport of final destination in or outside of Uganda.

Airport Embarkation Tax:

No airport tax is levied on passengers upon embarking at the airport.

Currency Import regulations:

Foreign currencies: There is no limit on the amount of foreign currency a traveler can bring into Uganda, provided he/she declares the currency upon arrival.

Domestic currencies: The GOU prohibits travelers from importing Ugandan shillings upon arrival.

Currency Export regulations:

Foreign currencies: Travelers are free to export foreign currency up to the amount imported and declared on arrival.

Domestic currencies: The GOU prohibits travelers from exporting Ugandan shillings upon departure.

Commissioner

P.O. Box, MTAC Nakawa
Kampala, Uganda
Tel: 256-417-443101

For information on Ugandan customs statutes and regulations, please contact:

E-mail: info@ura.go.ug
Website: Uganda Revenue Authority

For information on the East African Customs Union, including the common external tariff, internal tariffs, rules of origin, or the Customs Management Act, please visit East African Community.

Trade Standards

Overview

Uganda's standards landscape remains underdeveloped. Standards are drafted and enforced by the UNBS, an agency established by Uganda National Bureau of Standards Act 1983, and supervised by the Ministry of Trade, Industry and Cooperatives. Uganda is a member of the International Organization for Standardization (ISO), the African Regional Organization for Standardization (ARSO), the East African Standards Committee (EASC); Common Market for East and Southern Africa (COMESA), the FAO/WHO Codex Alimentarius Commission on international Food Standards and WTO.

Local standards are developed through the Uganda Industrial Research Institute. Priority areas for standard needs with potentially large procurement opportunities are food and agriculture; mechanical and building engineering; metallurgy; energy management; and ICT.

Standards

The UNBS is charged with developing and checking standards in Uganda. UNBS develops some of the standards, but in some cases adopts those developed by others. UNBS is a member of ISO, CODEX, OIML, and Afrinet. Uganda applies European Union directives and standards but with

modifications. Importers/exporters should contact the UNBS (tel.: 256-414-222-367; website: UNBS) for specific information on standards.

Member countries of the WTO are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: Standards Coordination Office USA WTO TBT Enquiry Point - Notify U.S.

Testing, inspection and certification

Please contact the Uganda National Bureau of Standards (tel.: 256-414-222-367; website: UNBS).

Product Certification

Test certificates from foreign labs are accepted if the lab is UNBS accredited. Proposed and final technical regulations and laws are posted in the Uganda Gazette. Each government ministry prioritizes its regulations agenda.

Accreditation

Please contact the Uganda National Bureau of Standards (tel.: 256-414-222-367; website: UNBS).

Publication of technical regulations

Please contact the Uganda National Bureau of Standards (tel.: 256-414-222-367; website: UNBS).

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Email: ragaba36@gmail.com

Importers/exporters should contact the Uganda National Bureau of Standards (UNBS)
(tel.: 256-414-222-367; website: UNBS) for specific information on standards.

Contact at U.S. Embassy Kampala:
Phone: +256-414-306-401
Email: CommercialKampala@state.gov

Trade Agreements

Uganda is a member of the East African Community (EAC), COMESA and the African Union Abuja agreement. Duties and tariffs for countries in these groups are significantly lower than duties for non-members. As part of the EAC, Uganda, Kenya, Rwanda, Burundi , Tanzania, and South Sudan have created an East African Customs Union designed to promote free trade among the six nations.

Licensing Requirements for Professional Services

Legal professions are regulated by professional bodies, which impose requirements on foreigners. A foreigner looking to practice law in Uganda must acquire a certificate (license) from the Chief Justice as well as clearance from the Uganda Law Council.

Accountancy professionals must get a certificate (license) from the Institute of Certified Public Accountants in Uganda.

A registered engineer must be a member of the Uganda Institution of Professional Engineers (UIPE) and must have a Bachelor of Science (or higher) in engineering together with relevant engineering experience that must be documented, supported by two registered engineers, and defended by the applicant in an interview with the Engineers' Registration Board (ERB), which has the power to confirm designation as a registered engineer. Annual fees must be paid to the ERB by all registered engineers.

Uganda Medical and Dental Practitioners Council (UMDPC) is a professional organization, established by Uganda's Parliament, responsible for licensing, monitoring, and regulating the practice of medicine and dentistry in the country. The organization's mandate includes the regulation of both the practitioners and the practices from where they practice their professions. Nurses must complete a Bachelor of Science or other diploma in nursing recognized by the Nurses and Midwives Council and pass national qualifying examinations. Several years of work experience in a hospital or other health unit is further required in order to be eligible for a license to engage in private practice.

Architects must be registered with the Architects Registration Board. The use of the title 'architect' is protected by law. To check a person's registration status see the Register of architects. If you choose an architect practicing in Uganda, you know that person has attained the necessary qualifications, completed specific practical experience, and has passed the Board's examination before registration. Architects are subject to the Architect's professional code of conduct in the Architects Registration Act governing their service to clients. Architects must complete professional education appropriate to the services they provide.

Consultancy services in Uganda remain unregulated and do not require a license.

Web Resources

- Uganda Law Society
- Institute of Certified Public Accountants in Uganda
- Uganda Institution of Professional Engineers
- Engineers Registration Board
- Uganda Medical and Dental Practitioners Council
- Architects Registration Board
- Architect Forms
- List of registered Architects in Uganda
- Uganda Society of Architects
  Email: archuganda@siticable.co.ug
- Uganda National Association of Building and Civil Engineering Contractors
  Email: unabcec@infocom.co.ug
- Uganda National Bureau of Standards
- East African Community

Investment Climate Statement

Executive Summary

Located in the heart of East Africa, offering direct access to a regional market of 150 million potential customers, a young English-speaking population, open markets, and abundant resources, Uganda offers investors numerous opportunities. Uganda's gross domestic product (GDP) growth rate averaged five percent over the past decade, due in part to the GOU's large investments in infrastructure. While Uganda maintains a liberal trade and foreign exchange regime, and largely adheres to IMF/World Bank programs to fight poverty, continuing reports of endemic corruption, financial mismanagement, and increasing political repression raise questions about the GOU commitment to fostering an investor-friendly environment. Furthermore, a sluggish bureaucracy with a non-transparent decision-making process hampers foreign investments in Uganda.

Uganda's natural resources are plentiful, including significant oil reserves - an estimated 6.5 billion barrels, of which 1.4 billion are recoverable. On August 30, the GOU awarded long-awaited oil production licenses to French firm Total S.A. and British firm Tullow Oil, greenlighting projects worth $eight billion that bring Uganda closer to becoming an oil producer. On January 9, 2017 French oil firm Total S.A. announced it had selected U.S. engineering firm Gulf Interstate Engineering to perform the front end engineering design (FEED) on Uganda's export pipeline project. On February 14, Total S.A. announced three companies – including two U.S. firms – would be involved in the FEED for oil production. The FEEDs for production and transport are slated for completion by September 2017, with the final investment decision (FID) to be made by the end of 2017 – making it possible for the international oil companies to export oil in 2021.

With an ideal climate and fertile soils yielding multiple crop harvests per year, Uganda's agriculture sector offers investors unique opportunities for profit. Agriculture plays a dominant role in Uganda's economy, employing approximately 80 percent of Uganda's workforce and contributing 22.6 percent to GDP. Uganda exports the most coffee among African countries and is the eighth largest coffee producer in the world. According to the U.S. Department of Agriculture (USDA), Uganda produced 4.5 million bags of coffee in the 2015/2016

marketing year. Other significant agricultural exports include fish, flowers, and horticultural produce.

Corruption and bureaucratic delays continue to hinder foreign investment. Uganda ranked 151 out of 176 countries on Transparency International's "Corruption Perceptions Index" and ranked 115 out of 190 economies on the 2016 World Bank Doing Business Report. The GOU attempted to address corruption and bureaucratic delays by establishing the Uganda Investment Authority (UIA) as a one-stop-center for foreign investors. Although the UIA eases the paperwork for establishing a business, investors still face numerous operational challenges.

Uganda's insufficient power transmission and distribution network is another challenge for private sector investors, with frequent power outages increasing the cost of doing business. Access to electricity averages 20 percent, dropping to seven percent in rural areas; however, the GOU is focusing on increasing access to electricity in rural regions by focusing on subsidizing upfront connection costs for customers and connecting isolated mini-grid and off-grid solar home systems. The GOU also remains committed to increasing power supply, breaking ground on the 600-megawatt Karuma hydropower project in 2013, of which the first 100-megawatt turbine is expected to be operational in early 2019. Furthermore, the GOU continues to expand its power supply by constructing a number of mini-hydro projects far from the existing grid to serve rural communities and promoting private-sector investment in other renewable energy generation sources, such as biomass and utility-scale solar.

Notable entries into the Ugandan market over the past year include Pizza Hut, Uber, Gulf Interstate Engineering, Fluor, Chicago Bridge & Iron, and Avante International Technology. Within a month of opening its first store in Uganda, Pizza Hut declared the Ugandan market their fastest growing in all of sub-Saharan Africa. Uber representatives also reported growth in both drivers and passengers to be among the strongest in their overseas operations. Engineering firms Gulf Interstate Engineering, Fluor, and Chicago Bridge & Iron all saw multi-million dollar awards to design the initial stages of producing and transporting Uganda's oil. Avante Technology completed a $1 million sale of

biometric identification equipment that the GOU used to confirm voter identity in the 2016 national election.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2016	151 of 175	Transparency International - Overview
World Bank's Doing Business Report "Ease of Doing Business"	2016	115 of 190	The World Bank - Doing Business
Global Innovation Index	2016	99 of 128	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country ($M USD, stock positions)	2015	$90	Bureau of Economic Analysis
World Bank GNI per capita	2015	$700	The World Bank - GNI per capita

Openness To, and Restrictions Upon, Foreign Investment

Policies Towards Foreign Direct Investment (FDI)

The GOU maintains a generally favorable attitude towards foreign investment. According to Article 40 clause 2 of the Ugandan constitution, "Every person [foreign or domestic] in Uganda has the right to practice his or her profession and to carry on any lawful occupation trade or business."

Ugandan policies, laws, and regulations are generally favorable towards foreign investors, although poorly enforced legislation, bureaucratic delays, and corruption hamper trade development. Ugandan law allows for 100 percent

foreign-owned businesses and foreign businesses are allowed to partner with Ugandans without restrictions. The GOU offers incentives for industrial investments including: a 75 percent import duty reduction on factory equipment, depreciating start-up costs over four years, and a 100 percent tax deduction on research and training costs as well as mineral exploration costs.

The main laws affecting portfolio or foreign direct investment are: the Capital Markets Authority Act of 1996 (amended in 2015), the Companies Act of 2012, and the Investment Code Act of 1991. The Investment Code Act allows foreign participation in any industrial sector except those touching on national security.

The Uganda Investment Code Act prevents foreigners from investing in crop or animal production. Foreign investors can create a Ugandan-based firm to invest in crops and animal production—a practice widely used in large-scale farms in northern Uganda. In addition, foreign investors engaging in certain sectors (notably wholesale and retail commerce, personal services, public relations, car hire services, operation of taxis, bakeries, confectioneries and food processing for the Ugandan market only, as well as postal services and professional services) are ineligible for incentives granted to investors in other business undertakings.

The Uganda Investment Authority (UIA) facilitates granting licenses to foreign investors. The Authority performs a range of functions including promoting, facilitating, and supervising investments in Uganda. Investors can perform the following services on UIA's website including:

Apply and receive an investment license online

- Issue licenses and certificates of incentives
- Choose an investment area of interest
- Confirm payment of all assessed fees
- Supply details of business registration to Uganda Registration Services Bureau (URSB)
- Apply for a tax identification number (TIN)
- Apply for land titles online

The UIA also performs the function of vetting applications for the establishment of investments, granting investment licenses, managing the grant of investment incentives to foreign investors, helping investors secure other relevant authorizations, granting approvals and permits required to undertake specific investments, address complaints by foreign investors and deal with any other administrative issues related to investment. Foreign investors often have to separately register with the Uganda Registration Services Bureau (URSB) and file taxes separately with the URA. The URSB, URA, National Environment Management Authority (NEMA), and the Directorate of Land Registration are in the process of consolidating their respective registration documents into the UIA's one-stop center.

The UIA' website: Uganda Investment Authority - Downloads and the Business in Development Network Guide to Uganda available at: Bid Network provides information on the laws, and reporting requirements for foreign investors.

Investors can find additional legal information on the following websites as well:

Uganda Legal Information Institute

International Labor Organization - Uganda

The UIA is the formal framework for engagement between the government and investors (both foreign and local). In addition, there is the Presidential Investors' Roundtable, which is an informal gathering for investors to meet with the president and articulate their views or complaints regarding investment.

Limits on Foreign Control and Right to Private Ownership and Establishment

Foreign investors have the right to establish and own business in any remunerative activity except crop and animal production. As stated above, foreign investors can create a Ugandan-based firm to invest in crops and animal production—a practice widely used in large-scale farms in northern Uganda.

There are no general restrictions imposed on foreign investors. Licensing from the UIA requires a commitment to invest over $100,000 over three years (See "Performance Requirements and Incentives" below). Most foreign investors establish themselves as limited liability companies. Ugandan law also permits

foreign investors to acquire domestic enterprises or establish green field investments. The 2010 Companies Act allows for the creation of single-person companies, permits the registration of companies incorporated outside of Uganda, and regulates share capital allotments and transfers.

The Investment Code Act, however, allows the Government to impose a minimum investment requirement either in the form of cash or value of the investor's machinery, buildings or other assets. The license may also require investors to employ and train citizens of Uganda to the fullest extent possible in order to replace foreign personnel. Furthermore, the license may require foreign investors to purchase goods or services produced or available in Uganda if those goods and services are competitive with similar imported goods and services. Finally, the license may require foreign investors to ensure their operations do not cause injury to the ecology or environment.

The Act also allows the UIA to grant investment licenses requiring the foreign investor to sign an "agreement for the transfer of technology." The timeframe, within which such technology is transferred, depends on the terms of the agreement.

The Investment Code Act allows for exemptions to this restriction in which the Minister of Finance with approval of Cabinet exempts a class of businesses or specific businesses from the restriction. The UIA screens incoming investments to ensure the investment contributes to economic growth.

Other Investment Policy Reviews

Uganda underwent a WTO Trade Policy Review in 2012 and the report's findings can be found here: World Trade Organization - Trade Policy Review: East African Community (EAC).

Uganda publishes an annual investment climate Abstract, the most recent of which is dated 2015//16 and is available at: Uganda Investment Authority - Publications

The Bank of Uganda (BOU) published a Private Sector Survey in 2015, and is available at:

https://www.bou.or.ug/bou/download_archive.html?path=/bou/bou-downloads/publications/PrivateSectorCapital/PSIS/&title=Private%20Sector%20Capital&subtitle=Private%20Sector%20Investment%20Survey%20(PSIS)&restype=binary&secname=Private%20Sector%20Investment%20Survey%20(PSIS)%20-%202015&year=2015&month=All

Business Facilitation

The UIA facilitates granting licenses to foreign investors and performs a range of functions including promoting, facilitating, and supervising investments in Uganda.

The UIA performs the various roles outlined in UNCTAD's Global Action Menu for Investment Facilitation (Investment Policy - UNCTAD Global Action Menu for Investment Facilitation). For example, the UIA website provides investors with access to investment policies, regulations and procedures. However, UIA lacks the capacity to perform all of the UNCTAD roles – e.g. strengthening investment facilitation efforts in developing-country partners, through support and technical assistance, and building constructive stakeholder relationships in investment policy practice effectively.

The Investing Across Borders (IAB) indicators (Investing Across Borders) measure FDI regulation in specific policy areas. The UIA's role in FDI regulation is detailed below:

- Foreign companies may freely acquire local firms through private negotiation without interference from the UIA.
- The UIA, however, assists with the establishment of local subsidiaries of foreign firms by helping them register with the URSB.
- The Commercial Court handles arbitration and adjudication of commercial disputes.
- Acquisition of land is a matter for private negotiation between the land owner and the foreign investor without interference from the UIA.

Uganda's business registration website is located at: Uganda Registration Services Bureau. Business will also need to provide the details of their proposed investment with the UIA: Uganda Investment Authority. Businesses are also required to obtain a Tax Identification Number (TIN) from the URA at: Uganda Revenue Authority. Specialized sectors such as finance, telecoms, and petroleum will require an extra permit from the relevant Ministry in coordination with the

UIA. According to the 2016 World Bank Doing Business report, business registration takes an average of 26 days.

Outward Investment

The GOU does not promote or incentivize outward investment and does not restrict domestic investors from investing abroad.

Bilateral Investment Agreements and Taxation Treaties

Uganda does not have a bilateral investment protection treaty with the United States; however, the United States signed a Trade and Investment Framework Agreements (TIFA) with the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA), of which Uganda is a member. Uganda does not have a free trade agreement with the United States, although Ugandan manufactured goods are eligible for duty-free exports to the United States under the Africa Growth and Opportunity Act (AGOA).

In February 2015, the U.S. and the EAC signed a Cooperation Agreement to increase trade-related capacity in the region and deepen economic ties between the U.S. and the EAC. The Cooperation Agreement builds capacity in three key areas: trade facilitation, sanitary and phytosanitary (SPS) measures, and technical barriers to trade (TBT). This agreement will complement a TIFA signed with the EAC in 2008. The EAC also signed a letter of intent in 2012 to launch a Commercial Dialogue with the U.S.

Uganda is a member of the WTO. Uganda is also a member of the EAC, along with Kenya, Tanzania, Burundi, Rwanda, and South Sudan. While the EAC now has a Customs Union and Common Market, the slow pace of regulatory reform, lack of harmonization, non-tariff barriers, and bureaucratic inefficiencies still hamper the free movement of goods, capital, and people. In November 2013, Uganda signed a Monetary Union Protocol, which sets the country on course to form a monetary union with the other EAC members. Over the next five years, the five countries have pledged to integrate financial systems and regulations, harmonize monetary and exchange rate policies, and establish common inflation and debt-to-GDP ceilings. Since then, a number of institutions aimed at facilitating establishment of the Monetary Union have been put in place. These include the EAC Monetary Institute, the EAC Statistics Bureau, the EAC Financial

Services Commission and the EAC Surveillance, Compliance and Enforcement Commission.

Uganda has bilateral investment protection treaties with the following countries:

1. BLEU (Belgium-Luxembourg Economic Union)
2. China
3. Cuba
4. Denmark
5. Egypt
6. Eritrea
7. France
8. Germany
9. Italy
10. Netherlands
11. Nigeria
12. South Africa
13. Switzerland
14. United Kingdom
15. Zimbabwe

On October 26, 2014, the EAC finalized the negotiations for a region-to-region Economic Partnership Agreement (EPA) with the European Union (EU). The EPA establishes a free-trade agreement between the EU and developing economies in sub-Saharan Africa. To date, the EPA has not been ratified by the EAC, with Tanzania opposing ratification citing the need to study the EPA's impact on domestic industries.

Uganda does not have a tax treaty with the U.S., but does have bilateral taxation treaties with the following countries:

1. Denmark
2. India
3. Mauritius
4. Netherlands
5. Norway
6. South Africa
7. United Kingdom
8. Italy

Legal Regime

Transparency of the Regulatory System

Uganda's legal and regulatory systems are broadly consistent with international standards even though bureaucratic hurdles severely affect efficiency. The Public Procurement and Disposal Act (PPDA), 2003, and the Petroleum (Exploration Development and Production) Act, 2013 establish a legal and institutional framework to foster competition on project tenders on a non-discriminatory basis.

According to the Investment Act, the national parliament enacts principal legislation on investment while the Finance minister, and as well as Kampala City Council Authority (KCCA) and other local governments, make subsidiary legislation, otherwise known as regulations. Similarly, under the KCCA Act, KCCA is authorized to make regulations regarding taxes charged on businesses in Kampala. Regulations of all levels (local, national, and supra-national) affect foreign investors. For example, supra-national EAC rules on free movement of goods and services would affect an investor planning to export to the regional market. On the other end of the spectrum, regulations issued by KCCA regarding operational hours or the location of factories would affect an investor's decision at a local level only.

Accounting procedures are broadly transparent and consistent with international norms. According to the Capital Markets Authority Act, 1996, all public listed companies are required to observe accounting standards in-line with the International Auditing and Assurance Standards Board.

Draft bills undergo a consultative process led by the relevant government ministry or agency, which convenes stakeholder meetings with private and public interests affected by the bill. Following consultations, the ministry presents the draft bill to Parliament and Cabinet for approval. Draft bills presented to parliament are available for public comment and consultation. After a successful vote, parliament enacts laws that authorize the relevant Minister (or other government official) to make regulations that are more specific. The Minister, in consultation with the Uganda Investment Authority, makes regulations, which are published in the Uganda Gazette.

Uganda does not provide a centralized online location for published regulations. However, foreign investors can access all laws and regulations by getting copies of the Uganda Gazette from the Uganda Printing and Publishing Corporation (located in Entebbe). In addition, foreign investors can get information regarding sector-specific regulations by visiting the website of the relevant ministry. For example, an investor looking for regulations on mining or petroleum exploration would visit the website of the Ministry of Energy and Mineral Development. The Uganda Law Reform Commission (ULRC) website at Uganda Law Reform Commission, makes available principal legislation (the Acts), but not the regulations.

Uganda's court system (through judicial review of administrative action) provides the main mechanism for ensuring governmental adherence to the administrative process. The courts review administrative actions and help ensure governmental adherence to the administrative process. The enforcement process is reviewable through the judicial system. The Ombudsman's office known in Uganda as the Inspector General also ensures compliance with the administrative process. The Inspector General is responsible for eliminating corruption and abuse of public office and authority. The inspectorate is independent when undertaking its functions and is only answerable to Parliament.

Although Uganda has not adopted any new investment regulations since the 2016 Investment Climate Statement, amendments to the Investment Code Act are ongoing and Cabinet recently approved the Investment Code Bill 2017. The Bill is now before Parliament, which forwarded it to the First Parliamentary Counsel at the Ministry of Justice for review before Parliament approves it as law.

International Regulatory Considerations

Pursuant to Uganda ratifying the Treaty for the Establishment of the East African Community, which entered into force July 2000 (and was amended 2006 and 2007), and the East African Customs Management Act, enacted by the East African Legislative Assembly, Uganda's regulatory systems must conform to standards prescribed in the regional system. The list of supra-national organizations that Ugandan regulations must conform to include:

- African, Caribbean, and Pacific Group of States (ACP)

- African Development Bank Group (AfDB)
- African Union/United Nations Hybrid operation in Darfur (UNAMID)
- African Union (AU)
- Common Market for Eastern and Southern Africa (COMESA)
- Commonwealth of Nations
- East African Community (EAC)
- East African Development Bank (EADB)
- Food and Agriculture Organization (FAO)
- Group of 77 (G77)
- Inter-Governmental Authority on Development (IGAD)
- International Atomic Energy Agency (IAEA)
- International Bank for Reconstruction and Development (IBRD)
- International Civil Aviation Organization (ICAO)
- International Criminal Court (ICC)
- International Criminal Police Organization (Interpol)
- International Development Association (IDA)
- International Federation of Red Cross and Red Crescent Societies (IFRCS)
- International Finance Corporation (IFC)
- International Fund for Agricultural Development (IFAD)
- International Labor Organization (ILO)
- International Monetary Fund (IMF)
- International Olympic Committee (IOC)
- International Organization for Migration (IOM)
- International Organization for Standardization (ISO) (correspondent)
- International Red Cross and Red Crescent Movement (ICRM)
- World Trade Organization (WTO)

Uganda's regulatory system incorporates the WTO (GATT, GATS, TRIPS, TRIMS, etc.), the World Bank/IMF, and the East African Community standards. The GOU notifies the WTO Committee on Technical Barriers to Trade (TBT) of all draft technical regulations through the Ugandan Ministry of Trade's National TBT/SPS Coordination Committee.

Legal System and Judicial Independence

Uganda's legal system is based on English Common Law and contracts are enforced in commercial courts. All commercial disputes are required to go through mediation to reduce backlogs in the court system and the Center of Arbitration for Dispute Resolution (CADER) can assist in mediating disputes. Property ownership is enforced through civil and commercial courts.

Uganda began the commercial court system in 1996 to adjudicate commercial disputes. The commercial court has four judges and two deputy registrars. In 2014, the commercial court handled more than 220 commercial cases. The

commercial court has 17 mediators, which settle 80 percent of disputes out of court through pre-trial conferences. The commercial court engages regularly with the private sector through the "Court Users Committee," which includes representatives from banks, insurance companies and the manufacturing sector. Through this forum, the court has worked with Uganda's tax authority to reduce litigation in tax cases and has persuaded banks to opt for loan restructuring in default cases that were previously ending up in court. The court is attempting to increase transparency and efficiency by creating an "e-court environment" – a process still ongoing in 2017. In addition to digitizing its records, the court also digitally records court proceedings, enabling cases to be heard from remote parts of the country. Judgments in foreign courts are recognized and enforced under Ugandan law. Disputes with foreign investments go through the same process as domestic disputes.

Uganda's commercial laws include: The Companies Act, The Limitations Act, The Contract Act, The Bulk Sales Act, The Sale of Goods Act, The Partnership Act, and The Business Names Registration Act.

Uganda's commercial legal process is perceived to favor politically connected companies that deploy pressure to disrupt and delay outcomes. Uganda's judiciary has been implicated in corruption. For example, investigative journalistic reports feature anecdotal accounts of judges at the Commercial Court demanding bribes in order to rule favorably in some cases. Regulations and enforcement actions are appealable and adjudicated in the national court system.

Laws and Regulations on Foreign Direct Investment

Uganda's laws affecting portfolio or foreign direct investment are the Capital Markets Authority Act, 1996 (amended in 2015), the Companies Act, 2012, and the Investment Code Act, 1991. The Investment Code Act, 1991, allows foreign participation in any industrial sector except those touching on national security or requiring the ownership of land. Licensing from the UIA requires a commitment to invest over $100,000 over three years (See "Performance Requirements and Incentives" below). Most foreign investors establish themselves as limited liability companies. Ugandan law also permits foreign investors to acquire domestic enterprises or establish green field investments.

The Companies Act allows for the creation of single-person companies, permits the registration of companies incorporated outside of Uganda, and regulates share capital allotments and transfers.

The Capital Markets Authority Act establishes the Capital Markets Authority, which is responsible for licensing brokers, dealers and overseeing the Uganda Securities Exchange. Uganda's stock exchange was inaugurated in June 1997 and contains 18 companies. Market capitalization of the exchange rose to $9.79 billion in 2015. Foreign-owned businesses are allowed to trade on the Ugandan stock exchange.

Uganda has four systems of land tenure: freehold, traditional freehold land referred as "mailo," leasehold, and customary. The Land Act, allows foreigners to acquire a lease not exceeding 99 years. Foreigners cannot hold or acquire mailo or freehold land. The Uganda Investment Code Act prevents foreigners from investing in crop or animal production. Foreign investors can create a Ugandan-based firm to invest in crops and animal production.

Competition and Anti-Trust Laws

Uganda does not review transactions for competition-related concerns.

Expropriation and Compensation

The Ugandan Constitution states that the interests of a licensed investor may only be expropriated when it "is necessary for public use or in the interest of defense, public safety, public order, public morality or public health..." and guarantees any person who has an interest or right over expropriated property access to a court of law.

Uganda's Investment Code Act stipulates "compensation in respect of the fair market value of the enterprise specified in the enterprise or an interest or right over property forming that enterprise shall be paid within a period not exceeding twelve months from the date of taking possession or acquisition."

In the 1970's, Idi Amin's regime expropriated on a mass-scale Asian-owned and operated properties without compensation. With the passage of the Expropriated Properties Act of 1982, the Government began to right this historical wrong, and by 1997 approximately 4,000 properties had been returned to their owners, and

1,500 others were sold off and the former owners compensated. There have been no incidents of expropriation of foreign investments without compensation since President Museveni came to power in 1986. Uganda is a member of the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID).

Dispute Settlement

ICSID Convention and New York Convention

Uganda is a party to both the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID) and the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. In 2000, Uganda also adopted legislation consistent with the United Nations Commission on International Trade Law (UNCITRAL) Model Law on International Commercial Arbitration. For example, a dispute between a U.K. firm and the GOU was resolved in February 2015 under UNCITRAL arbitration. Pursuant to the Reciprocal Enforcement of Judgment Act, judgments of foreign courts are accepted and enforced by Ugandan courts where those foreign courts accept and enforce the judgments of Ugandan courts. Monetary judgments are generally made in local currency, although in some cases penalties are not a sufficient deterrent due to currency depreciation.

Pursuant to Section 73 of the Arbitration and Conciliation Act, the Government accepts binding arbitration with foreign investors. The act, which incorporates the 1958 New York Convention, also authorizes binding arbitration between private parties. Uganda does not yet have a Bilateral Investment Treaty (BIT) or Free Trade Agreement (FTA) with an investment chapter with the United States.

Investor-State Dispute Settlement

Uganda is a signatory to the ICSID Convention, but does not have a Bilateral Investment Treaty (BIT) with the US. Most investment disputes in Uganda are resolved through unrecorded private arbitration. Uganda has legislation providing for the recognition of foreign arbitral awards. Uganda is also a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

International Commercial Arbitration and Foreign Courts

The Judicature (Commercial Court Division) (Mediation) Rules, 2007 require that all commercial disputes be subjected to arbitration before they are listed for adjudication by the Commercial Court. CADER can assist in mediating disputes. CADER's website is available here: ADR Service Providers.

Uganda has legislation providing for the recognition of arbitral awards. The country is also a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Uganda also has legislation (Foreign Judgments (Reciprocal Enforcement) Act 1961) which enables the recognition and enforcement of judgments and awards made by foreign courts. For example, on February 8, 2013, the Uganda Supreme Court overturned an earlier ruling in favor of a Kenyan construction firm following a contractual dispute with Uganda's National Social Security Fund (NSSF). There was no evidence of discrimination or corruption affecting the ruling.

Bankruptcy Regulations

The Insolvency Act of 2011, as well as bankruptcy regulations, generally align Uganda's legal framework on insolvency with international standards. The law and regulations largely accord to creditors, equity holders, and other claimants the same rights accorded under the laws of most countries, including rights related to creditor meetings during bankruptcy, declaration and distribution of a bankrupt estate, as well as declaration and distribution of dividends. It also provides for cross-border insolvency and entitles creditors (including foreigners) to petition court for a receiving order, which effectively declares a debtor bankrupt. The Receiving Order paves the way for the appointment of an official receiver who manages the debtor's property and assets for purposes of paying off creditors. Monetary judgments and awards are made in Ugandan currency, and the courts generally follow the constitutional requirement that payment be "fair and adequate."

Uganda ranked 111 out of 190 countries for resolving insolvency in the 2017 World Bank Doing Business Report. Uganda averages 38 cents on the dollar for recoveries—well above the sub-Saharan average of 20 cents per dollar.

Industrial Policies

Investment Incentives

According to the Uganda Investment Code Act of 1991, and its regulations, 50 percent of capital allowances for plants and machinery are deductible from a company's income on a one-time basis in Kampala while 75 percent of capital allowances are deductible in the rest of the country. One hundred percent of training costs are deductible on a one-time basis. A range of annual VAT deferments, deductions, exemptions, and depreciation allowances also exist, resulting in investors often paying no tax at all in the first year of their investment, and usually paying substantially less than the 30 percent corporate tax rate in the subsequent years of their investment. The Government also provides a 10-year tax holiday for investors engaged in export-oriented production and, if the investment is located more than 25 kilometers away from Kampala, for agro-processing investors. Investors can find information on investor incentives and capital allowances on the UIA website at www.ugandainvest.com, and at URA's website Uganda Revenue Authority.

Foreign Trade Zones/Free Ports/Trade Facilitation

The Parliament of the Republic of Uganda passed the "Free Trade Zones Act," 2014, to modernize investment infrastructure in Uganda. The law authorizes the development, marketing, maintenance and supervision of free trade zones in Uganda. Under the act, foreign companies have the same opportunities as local companies.

The Free Zones Act (2014) and the Uganda Free Zones Regulations (2016) regulate Uganda's Free Trade Zones. The law establishes the Uganda Free Zones Authority, which is responsible for receiving applications for entities desiring to develop and operate in a free zone. The Uganda Free Zones Authority recently approved the establishment of a special economic zone in Arua to support fish and fruits, gold processing, timber processing, and logistics.

Performance and Data Localization Requirements

Under the Uganda Investment Code Act, 1991, a license granted to a foreign investor may carry conditions requiring the investor to create employment opportunities in Uganda. Similarly, under the two oil laws (The Petroleum Exploration, Development and Production Act, 2013 and the Petroleum Refining,

Conversion, Transmission and Midstream Storage Act of 2013), require investors to contribute to the creation of a local skilled Ugandan workforce. The Uganda Investment Act does not specify mandatory numbers for local employment in management positions.

Uganda does not have excessively onerous visa, residence, or work permit requirements for foreign investors and their employees. There are no government/authority-imposed conditions to receive permission to invest, although the two petroleum acts mentioned above allow the GOU to impose local-content conditions on investments in the petroleum sector. The Investment Code Act authorizes the GOU to subject foreign investors to conditions, which require local input procurement, provided the inputs are available domestically at an equivalent quality standard.

The Investment Code Act authorizes the government to review and revoke the investment license or other relevant permit of both domestic and foreign investors on a case-by-case basis if the investor fails to perform.

According to section 28 of the Computer Misuse Act, 2011, "An authorized officer executing a search warrant, may compel a service provider, within its existing technical capability to collect or record through the application of technical means, or to co-operate and assist the competent authorities in the collection or recording of traffic data in real time, associated with specified communication transmitted by means of a computer system." Uganda does not have measurements that prevent or unduly impede companies from freely transmitting customer or other business-related data outside of Uganda. In 2016, the Ministry of Finance issued a directive for all financial institutions to, "Establish in-country primary data centers and disaster recovery sites for all commercial banks." Commercial banks have expressed concerns about the risk of storing all of their international data within Uganda and have offered alternative solutions to meet the GOU's objectives while safeguarding their proprietary data.

Protection of Property Rights

Real Property

Uganda's Constitution guarantees the right to own property and requires the state to encourage private investment. Uganda also has legislation on mortgages,

trusts and liens. The Mortgage Act, 2009, and the Mortgage Regulations, 2012, also make provisions for mortgages, sub-mortgages, trusts and other forms of lien. The Land Act, 1998, allows foreigners to acquire a lease not exceeding 99 years. Foreigners; however, cannot hold or acquire mailo or freehold land.

Freehold, leasehold, and mailo tenure owners hold registered titles, while customary or indigenous communal landowners (who account for up to 90 percent of all landowners) do not. The Land Act provides for customary landowners to acquire a Customary Certificate, which serves as proof of ownership and may be used as collateral. Furthermore, the government recently introduced a number of reforms aimed at facilitating the registration of land, including digitizing land records. In 2013, Uganda adopted a National Land Policy aimed at promoting optimal use of land.

The GOU has created an office within State House (State House Land Desk) with the aim of identifying ownership in cases where there is no clear title. Ugandan law provides for the acquisition of prescriptive rights by individuals who settle onto land and whose settlement on such land is unchallenged by the owner for at least twelve years.

Intellectual Property Rights

In principle, Ugandan law protects intellectual property rights, but in practice little is done to effectively prevent piracy and counterfeit distribution. While the Uganda Registration Services Bureau provides a standardized process for registering each type of intellectual property and allows investors to enforce their rights through the court system, enforcement remains weak.

Uganda signed the World Intellectual Property Organization's (WIPO) Patent Law Treaty in 2000, but has not ratified it to date. On January 6, 2014, Uganda's president assented to the new Industrial Property Act, which replaced previous legislation like the Patent Act, 1993, bringing Ugandan law into consonance with international standards on intellectual property. Along with the 2006 Copyright and Neighboring Act and the 2010 Trademarks Act, the 2014 Industrial Property Act substantially enhances legal protection of intellectual creations in Uganda. Uganda's Commercial Court is responsible for hearing intellectual property and trademark cases, including by artists and musicians in Uganda's Performing Arts

Rights Society. The UNBS, the URA and the Uganda Police Force (UPF) are responsible for enforcing the existing laws, although in practice, they are constrained by inadequate resources and funding.

The government's efforts to address the trade of counterfeit products are insufficient. Counterfeit CDs, DVDs, and computer software are openly sold in Uganda's market places, and counterfeit pharmaceuticals and agricultural inputs are widespread throughout Uganda. Most counterfeit goods entering Uganda are manufactured in China and India. The American entertainment industries, as well as manufacturers of consumer goods, complain that counterfeiters are damaging their markets by deterring future foreign direct investment and damaging brand names.

The Uganda National Bureau of Standards Act of 1983 authorizes UNBS to deny sub-standard goods (but not necessarily counterfeit goods) access to the Ugandan market. Uganda is not listed on the United States Trade Representative Special 301 report and it is not listed on the notorious market report.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at WIPO - Uganda

Resources for Rights Holders:

Economic and Commercial Section U.S. Embassy Kampala
+256-414-306-401
CommercialKampala@state.gov

For a list of legal assistance providers in Uganda, please go to:

U.S. Embassy in Uganda - Legal Assistance

Uganda has not enacted any new IP related laws since the 2016 Investment Climate Statement. The Anti-Counterfeiting Bill 2010, remains before Parliament and would, if passed, considerably clarify and strengthen the penalties for making and/or trading in counterfeit products.

Uganda does not track seizures of counterfeit good although the Ministry of Agriculture, Uganda UNBS, Uganda Seed Traders' Association (USTA), Ag Verify, and Feed the Future Uganda, are attempting to combat counterfeit inputs in agriculture through digital e-verification mechanisms.

A conservative estimate from the Ministry of Agriculture, Animal Industry and Fisheries in 2010 put the estimate of counterfeit agricultural inputs on the market at 10-15 percent. Meanwhile, a study undertaken by Deloitte in 2014 estimated that 20 percent of counterfeit herbicide comes from manufacturers mislabeling products and intentionally selling products with lower proportions of active ingredients than advertised. In an estimated 60 percent of cases salesmen and input dealers remove labels from copyrighted products and place them on inferior products. Finally, the remaining 20 percent of estimated counterfeits occur when distributors and input dealer replicate labels and place them on inferior products.

Uganda is not listed on the USTR's Special 301 report or the notorious market report:2016 Out-of-Cycle Review of Notorious Markets.

Financial Sector

Capital Markets and Portfolio Investment

The Capital Markets Authority, established in 1996 as the securities regulator in Uganda, is responsible for licensing brokers, dealers and overseeing the Uganda Securities Exchange, which was inaugurated in June 1997 and is now trading the stock of 18 companies. Market capitalization of the exchange rose to $9.79 billion in 2015. Liquidity remains constrained to enter and exit sizeable positions.

Capital markets are open to foreign investors and there are no restrictions for foreign investors to open a bank account in Uganda. The Government imposes a 15 percent withholding tax on interest and dividends. Credit is allocated on market terms, and commercially available.

Foreign-owned companies are allowed to trade on the stock exchange, subject to some share issuance requirements, and the Kampala exchange contains cross-listings of seven Kenyan companies: Equity Bank Kenya Airways, East African

Breweries, Jubilee Holdings, Kenya Commercial Bank, Nation Media Group, and Centum Investment.

Uganda enacted the Companies Act, 2012, which improves the legal framework for corporations, notably by introducing provisions designed to ease the incorporation of companies and portfolio investment in existing companies. The new law also introduces a number of corporate governance requirements.

The GOU respects IMF Article VIII and refrains from restricting payments and transfers for current international transactions. Credit is allocated on market terms and foreign investors are able to access it; however, the private sector remains crowded out of domestic debt markets due to extensive borrowing by the GOU.

In 2004, the Bank of Uganda added ten-year bonds to its two-, three-, and five-year offerings to facilitate its control of liquidity and inflation and to further develop the bond market. The Government hopes that by creating a benchmark yield curve it will encourage private companies to access the debt markets. Some large local businesses have been reluctant to turn to the bond markets, however, in part because strict disclosure requirements would force them to adhere to higher international auditing standards than most Ugandan businesses normally achieve. Seven companies currently provide brokerage services, including one American-owned firm. There are no restrictions prohibiting investors from pooling funds to be invested on the exchange and in government treasury bills and treasury bonds.

Money and Banking System

Uganda's banking and financial sectors are growing in size and sophistication with a total of 25 commercial banks, 84 percent of which are foreign-owned, and more than 300 non-bank financial institutions. Only twenty percent of Ugandans have deposits in the formal banking sector, with the rest of the populace relying on cash transactions or alternative forms of banking. Money transfers and payments through mobile phones (M-payments), for instance, have become a key provider of basic, if informal, financial services for low-income earners who cannot afford the charges levied by the formal banking

system. M-payments also provide needed financial services to Uganda's unbanked population, much of which lives in remote areas of the country. According to the World Bank, the non-performing loan rate stood at 8.2 percent at the end of 2016. Uganda's largest bank Stanbic Uganda, had assets valued at $1.2 billion in 2016. Standard Chartered, the third largest bank had assets valued at $744 million in the same year.

Competitiveness and innovation are steadily increasing in Uganda's banking sector, but lending to the private sector is still relatively low, largely because of perceived high risk (limited collateral) among potential borrowers, and the government crowding out the private sector in the bond market. In 2017, the Bank of Uganda (BOU) took over the largest Ugandan-owned bank, Crane Bank, after it failed to meet minimum capitalization requirements. On January 27, 2017, the BOU transferred Crane Bank to Development Finance Company of Uganda (DFCU), now the second-largest bank in Uganda.

The BOU remains one of the most respected central banks in sub-Saharan Africa for its success in pursuing open markets, a stable currency, and relatively low inflation. Increased supervision of the banking sector in recent years has helped it recover from a banking crisis in the late 1990s, when several banks failed or were closed down. In 2010, the Bank of Uganda required commercial banks to raise their capital from a minimum $4 million to $25 million, and all banks have complied, some by attracting Tier I equity capital. Total bank assets grew from $5.6 billion in June 2014 to $5.9 billion at the end of June 2015, an annual asset growth rate of 5.3 percent.

Outside of partly Ugandan-owned DFCU Bank, most of Uganda's largest banks are foreign owned, including major international institutions such as Citigroup, Barclays, Stanbic, Standard Chartered, and Bank of Baroda. They are subject to prudential measures. Following the takeover of Crane Bank, Uganda does not have any banking relationship in jeopardy. Uganda does not have restrictions on a foreigner's ability to establish a bank account.

Foreign Exchange and Remittances

Foreign Exchange

Uganda keeps open capital accounts, and Ugandan law imposes no restrictions on capital transfers in and out of Uganda, unless the investor benefited from tax incentives on the original investment, in which case the investor will need to seek a "certificate of approval to externalize funds" from the UIA.

Investors can obtain foreign exchange and make transfers at commercial banks without approval from the Bank of Uganda in order to repatriate profits and dividends, and make payments for imports and services. Investors have reported no problems with their ability to perform currency transactions. While there are generally no restrictions on repatriation of funds by foreign investors, a foreign investor who benefits from incentives granted under the Investment Code Act (including concessional rates of import duty and other taxes) needs authorization from the UIA before he or she can "externalize" (repatriate) any funds. Even when such authorization is granted, it only applies to repatriation for particular purposes as specified under the "certificate of approval to externalize funds." The Ugandan shilling (UGX) trades on a market-based floating exchange rate.

Remittance Policies

The legal regime on remittances to Uganda is based on the Foreign Exchange Act, 2004, the Foreign Exchange (Forex Bureaus and Money Remittance) Regulations, 2006, and the Mobile Money Guidelines, 2013. These three legal frameworks generally provide for the licensing and regulation of institutions engaging in foreign exchange transfer. In addition, the 2013 Anti-Money Laundering Act (AMLA), and the 2010 Financial Institutions (Anti-Money Laundering) Regulations impose a number of "know your customer" requirements on entities involved in money transfers in Uganda. In May 2015, Uganda's parliament amended the Anti-Terrorism Act (ATA) to improve asset confiscation procedures of suspected terrorists. These various laws and regulations authorize the Central Bank and the recently created Financial Intelligence Authority to impose restrictions on remittances or other money transfers that are linked to money laundering or terrorist financing. Although Uganda has made strides adopting the AMLA and ATA, further amendments are required by the Financial Action

Task Force to remove Uganda from its "gray list." The Anti-Money Laundering (Amendment) bill, which is aimed at meeting these requirements, is currently before parliament and is expected to be passed into law before June 2017.

Beyond the regulatory requirements, there are no restrictions for foreign investors on remittances to and from Uganda. Foreign investors may also remit through a legal parallel market including convertible negotiable instruments. The Ugandan shilling fluctuates based on market conditions without interference from the government.

Sovereign Wealth Funds

The Public Finance Management Act (PFMA), 2015, mandates the establishment of a Petroleum Fund into which anticipated oil revenue will be deposited. Some of the funds from the Petroleum Fund may be used to create a "Petroleum Investment Reserve" which will support the establishment of oil infrastructure. Parliament through the PFMA is required to ensure that the Petroleum Fund is consistent with the government's industrial development priorities. The PFMA does not specify a predetermined domestic investment level. Uganda's Petroleum Fund does not follow the Santiago Principles.

State-Owned Enterprises

Uganda operates in a free-market environment after the government began a privatization program under the Public Enterprise Reform and Divestiture Act (PERDA) in 1993, resulting in the complete or partial divestiture of the majority of Uganda's public enterprises. Thirty SOEs remain, of which the largest are a water utility, the National Social Security Fund (government pension plan), Kawanda Research Station (agricultural research), some banking and medical services, and a national oil company. SOEs do not get special financing terms and are subject to hard budget constraints. According to the Ugandan Revenue Authority Act, they have the same tax burden as the private sector. According to the Land Act, private enterprises have the same access to land as SOEs.

While Uganda has successfully privatized most of its SOEs, some observers question the transparency of the process, arguing that the benefits of the most lucrative sales went to government insiders. Uganda does not have a website

with a published list of SOEs. No information on the assets, income, and number of employees is publicly available.

Privatization Program

Uganda began a privatization program in 1993 that resulted in the complete or partial divestiture of the majority of Uganda's public enterprises. SOEs currently exist in the following sectors: finance, agriculture, water utility, mining, housing, electricity, and transport. In some of these sectors, the government is not directly involved in the running of the business, but remains a shareholder. However, the government allows competition from private investors in all of these sectors.

The government reserves the right to limit foreign investment in sensitive industries, which in practice is limited to ordnance. Outside of sensitive industries, foreign investments in Uganda's privatization program are unrestricted. The program has attracted foreign investors primarily in the agribusiness, hotel, and banking industries.

According to the 2003 Public Procurement and Disposal of Assets Act, public assets should be disposed of through public bidding; however, some observers question the transparency of certain transactions carried out in the name of privatization, arguing that the benefits of the most lucrative sales went to politically connected individuals.

The Public Procurement and Disposal of Public Assets Authority has a website PPDA that provides for all the relevant information on procurement and disposal.

Responsible Business Conduct

Although corporate social responsibility (CSR) is not a requirement for an investor to obtain an investment license, businesses—especially large foreign enterprises—are expected by the Ugandan public to promote CSR projects to provide benefits for local communities. This is especially true in the extractive industries. While consumer-buying habits are rarely based on CSR, some large corporations, including foreign oil companies, have experienced community pressure and social unrest when local residents do not see any direct benefit from their presence. CSR projects are driven by the private sector with little input

from the Ugandan government, which does not factor CSR policies into procurement decisions. As such, larger enterprises have been involved in building schools and hospitals, improving roads and other social services in areas where they operate, mainly in rural areas.

The following organizations promote and monitor RBC:

1. Global Rights Alert is a local NGO that aims to promote good governance of Uganda's natural resources (including oil, gas, metallic minerals, land, forests, water bodies, as well as flora and fauna). Website: Global Rights Alert

2. U.K.-based Global Witness campaigns against environmental and human rights abuses driven by the exploitation of natural resources and corruption.

   Website: Global Witness - About Us

3. Partnership Africa Canada focuses on:

   - Investigating and reporting on the lack of accountability, poor governance, and human rights violations associated with conflict minerals.

   - Developing and implementing solutions in collaboration with local partners to improve natural resource governance, including the certification of conflict minerals and clean supply chains.

   - Providing capacity-building and technical assistance to support transparency in the mining sector, including the development of industry guidelines.

   - Promoting policies and programs that support gender equality and women's entrepreneurship in artisanal mining.

   Website: Partnership Africa Canada - Who We Are

Although these organizations currently operate freely, it is possible that if the GOU sees these NGO's work as too critical of government practices, the Government may take steps to curb their ability to operate freely. In recent years, especially following the 2016 general elections, Uganda's security forces are increasingly less tolerant of political descent and have targeted and harassed journalists, human rights activists, as well as the political opposition.

In relation to human rights, labor rights, consumer protection, environmental protections, and other laws/regulations intended to protect individuals from adverse business impacts; the host government is not able to enforce domestic laws effectively. In January, there were allegations of human rights violations by Ugandan workers contracted by a Chinese firm in charge of a World Bank funded infrastructure project. The World Bank promptly suspended the project and opened investigations into a number of other projects receiving Bank support.

Per the 1998 Environmental Impact Assessment regulations, Uganda requires companies to submit Environmental Impact Assessments (EIA) for projects in sensitive areas. The government has no previous involvement with the Extractive Industries Initiative (EITI), but plans to enact EITI once it starts to develop its oil reserves.

In late December 2015, the World Bank cancelled its involvement in a major road project in western Uganda's Kamwenge District after allegations surfaced that project employees had engaged in widespread sexual abuse of local residents, especially adolescent girls. The World

Bank subsequently suspended funding to two other road development projects in Uganda pending further review to ensure that proper safeguards and management practices were in place. The World Bank asserted in 2016 that new leadership at the Uganda National Roads Authority (UNRA) had "cleaned house" and welcomed bank support to help reform UNRA's project management practices and increase its sensitivity to human rights issues in local communities. The World Bank continues to review UNRA management practices and funding remains suspended.

Uganda has laws on human rights, labor rights and environmental protection but these are poorly enforced. Uganda does not have a law on consumer protection.

The Capital Markets Act includes a number of provisions aimed at ensuring better corporate governance and protection of shareholders.

The government does not maintain a national point of contact for OECD multi-national enterprise guidelines. Uganda's capacity to regulate mineral trade across its borders remains weak. Both Global Witness and Partnership Africa

Canada allege Uganda's mineral trade is heavily linked to conflict minerals in neighboring countries, especially in the mineral-rich regions of eastern Democratic Republic of Congo.

Corruption

Corruption remains endemic in Uganda. Transparency International ranked Uganda 151 out of 176 countries in its 2016 Corruption Perception Index. In a December 2012 report, Uganda's Inspectorate of Government characterized corruption in Uganda as "rampant," and noted that it "causes distortions of great magnitude in the Ugandan economy." The report cited public procurement as the area most prone to abuse, and noted that 9.4 percent of total contract values went to corrupt procurement payments at the local and central government levels.

In recent years, the Government has taken some measures to tackle corruption. In 2009, Uganda passed an Anti-Corruption Act that criminalized bribery, influence peddling, and a number of other offenses. The Whistleblowers Protection Act of 2010 provides some protection to citizens who report malfeasance, while the Anti-Money Laundering Bill became law in 2013. In 2015, parliament passed the Public Financial Management Act (PFMA) that promised to improve mechanisms for managing public finances. The PFMA established a Treasury Single Account that aims to make public expenditures more transparent and less vulnerable to graft, a transparent framework for management of oil revenue, and mechanisms aimed at linking public expenditure to the broader fiscal and macro-economic framework. Other draft legislation, including an Anti-Counterfeiting Bill and a Proceeds of Corruption Assets Recovery Bill, remain pending in Parliament as of 2017. Uganda's High Court opened an Anti-Corruption Division (ACD) in 2009; however, Uganda does not provide any protections to NGOs investigating corruption.

In spite of these measures, the public perception is that the government is not doing enough to fight corruption, and that high-level officials involved in corruption – especially politicians – tend to be exempt from investigation or prosecution. Uganda does not have anti-corruption laws extending to family members of officials or to political parties.

Uganda is not a party to the WTO Agreement on Government Procurement (World Trade Organization - Parties, observers and accessions). The Public Procurement and Disposal of Public Assets Authority (PPDA) audits government procurements, regulates the public procurement processes, and monitors compliance by all government entities. Since 2011, GOU procurement requests must now include: a procurement schedule for every bid notice issued, standard formats for invitation of bidders (bid notices), specified time frames for all government procurement activities, and all bid evaluations must begin within 14 working days from the date of closing the bid. More information about PPDA can be found at PPDA.

The government does not encourage or require private companies to establish internal codes of conduct, including a prohibition on bribery of public officials, although it is a member of the East African Court of Justice.

The GOU does not require companies to adopt specific internal controls, ethics, and compliance programs to detect and prevent bribery of government officials. However, U.S. firms operating in Uganda are subject to the U.S. Foreign Corrupt Practices Act. More information is available here: FCPA - A Resource Guide to the U.S. Foreign Corrupt Practices Act.

While Uganda has signed and ratified the UN Anticorruption Convention, it is not yet party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

U.S. firms have complained of lack of transparency in government procurement and possible collusion between competing business interests and government officials in tendering processes. Some U.S. firms have alleged that foreign businesses are "encouraged" to take on politically-connected local partners. In recent years, a number of high-profile government tenders for infrastructure projects were suspended following allegations of corruption. In some cases, the Ugandan government awarded lucrative contracts for infrastructure projects without any formal procurement process. Some U.S. firms, which are bound by the U.S. Foreign Corrupt Practices Act, have alleged that they lost tenders to bidders from countries that had not criminalized the paying of bribes to foreign officials.

Resources to Report Corruption

Contact at government agency or agencies are responsible for combating corruption:

Justice Irene Mulyagonja
Inspector General of Government
Inspectorate of Government
Jubilee Insurance Centre, Plot 14, Parliament Avenue, Kampala
256 414344219
Website: The Inspectorate of Government

Contact at "watchdog" organization:

Anti-Corruption Coalition Uganda
Cissy Kagaba
Telephone No. 0414-535659
Email: kagabac@accu.or.ug
Website: Anti Corruption Coalition Uganda

Political and Security Environment

Since independence in 1962, Uganda has experienced seven violent changes of power. Uganda has achieved a level of stability since President Museveni came to power in 1986. Regional terrorism remains a threat, and there have been isolated incidents of political violence in recent years. Protracted conflict and instability in the eastern regions of the Democratic Republic of Congo and South Sudan create instability along Uganda's borders resulting in the flow of thousands of refugees into Uganda and the occasional disruption of important trade links.

In recent years, the country has been relatively stable and has not seen any major domestic political upheaval. Uganda's border regions still suffer from occasional violent attacks by armed militia groups such as the Allied Democratic Forces (ADF) and members the March 23 Movement (M23). Expelled from Uganda in 2006, the Lord's Resistance Army (LRA) now operates in remote areas of the border region between the Democratic Republic of Congo (DRC), the Central African Republic, and South Sudan.

On July 11, 2010, 76 people, including one American, were killed and many more injured in twin bombings in Kampala. Al-Shabaab, the Somalia-based U.S.-designated Foreign Terrorist Organization, claimed responsibility for the attack. In September 2014, Ugandan security forces carried out a major counter terrorism operation, arresting several members of a suspected al-Shabaab cell in Kampala,

and accused them of planning an imminent attack. The U.S. Embassy continues to encourage U.S. citizens to consider carefully the risk of attending or being near large public gatherings. Further, spontaneous demonstrations can sometimes occur in Kampala and other cities. Although infrequent, these demonstrations can become violent and should be avoided. High levels of criminal activity remain a problem in Uganda, and U.S. citizens considering travel, employment, or investment in Uganda should read the Country Specific Information available at Travel.state.gov for current security information.

On February 18, 2016, President Museveni was re-elected to a fifth term in office. Most international and domestic observers found that the election fell short of international principles and obligations for democratic elections. The election was characterized by a closing of political space and infringements on people's rights of assembly and speech. Some segments of the political opposition rejected the election results and members of the opposition and civil society have accused the government of selectively enforcing the law to tamp down dissent. Uganda continues to witness occasional outbreaks of violence between local residents and security forces – mostly related to ethnic and historical grievances – in its western region along the border with the DRC.

Labor Policies and Practices

In Uganda, the working age population is defined as the population aged 14-64 years. According to the UBOS 2015 statistical abstract, the total working population in Uganda is estimated at 13.9 million, of which 56.8 percent (7.9 million) are employed. The official unemployment rate (as of 2012/13) is 9.4 percent, with women experiencing higher unemployment rates (11 percent) than men (8 percent). The official national youth unemployment rate is 19.7 percent. Agriculture, forestry and fishing sector have the highest percentage of employees, followed by vehicular and personal goods trade. Less than one third of employed persons have attained either secondary education or specialized training.

According to the U.S. Department of Labor's 2014 Findings on the Worst Forms of Child Labor, 30.9 percent of children aged five to 14 in Uganda are engaged in child labor, including its worst forms, in agriculture and in commercial sexual

exploitation. The Employment Act, 2006, prohibits children under the age of 14 from being employed except for light work, and outside of school hours. The Ministry of Gender, Labor and Social Development permits the employment of children aged between 14 and 18. There are active programs underway, with support from the ILO and the U.S. Department of Labor, to combat child labor, but the practice nevertheless remains a concern in Uganda, particularly in agriculture and the informal sector. Coffee, rice, sugarcane, tea, tobacco, vanilla, cattle, fish, bricks, and charcoal are included on the U.S. Government's List of Goods Produced by Child Labor or Forced Labor.

Under the current arrangement, employers must contribute 10 percent of an employee's gross salary to the National Social Security Fund (NSSF). The Uganda Retirement Benefits Regulatory Authority Act 2011, which provides a framework for the establishment and management of retirement benefits schemes for both the public and private sectors, will add competition to the NSSF and liberalize the pension sector. Ugandan labor laws specify procedures for termination of employment and termination payments. Foreign nationals must have a permit to work in Uganda.

Uganda has a negligible minimum wage of UGX 6000 (less than $2) per month. In 2015, the cabinet re-instituted the Minimum Wage Advisory Board (MWAB), tasked with investigating the viability of a minimum wage for Uganda. In 2016, the Ministry of Gender, Labor, and Social Development, which oversees MWAB, reported that the MWAB had so far submitted four reports regarding its findings.

Uganda has a shortage of specialized labor skills. A 2011 Parliamentary report on the economy highlighted poor skills and education as one of the main obstacles to improving Uganda's competitiveness. In 2008, Uganda passed the Business, Technical, Vocational Education and Training Act to reform vocational skills. Funding for the initiative remains low, however, and a number of the reforms have yet to be implemented. In 2011, with donor support, the Uganda Petroleum Institute began teaching vocational skills needed to fill jobs in the oil sector. Most urban Ugandans speak English, though many speak it only as a second language to one of 33 local languages spoken in Uganda.

While there are no explicit provisions requiring the hiring of nationals, there are broad standards requiring investors to contribute to the creation of local employment. However, foreign businesses struggle to hire Ugandans due to a shortage of skilled labor. Under the Investment Code Act, 1991, a license granted to a foreign investor may carry conditions requiring the investor to create employment opportunities in Uganda. Similarly, under the two oil laws (The Petroleum Exploration, Development and Production Act of 2013 and the Petroleum Refining, Conversion, Transmission and Midstream Storage Act of 2013), an investor is required to contribute to the creation of a local skilled Ugandan workforce.

Employers can only terminate employment by issuing a notice two weeks to three months in advance (depending on the duration of the employment). Employees are entitled to wages if they are terminated without notice. Ugandan law only differentiates between termination with notice (or payment in lieu of notice) and summary dismissal (termination without notice). Summary dismissal applies when the employee fundamentally violates his/her terms of employment. Uganda does not provide unemployment insurance or any other social safety net programs for terminated workers. The Employment Act, 2006, does not allow waivers of labor laws for foreign investors.

The Employment Act improved Uganda's compliance with ILO standards. The law allows workers, except for a category of government employees including police, army and management-level officials, to form and join independent unions. The law does not provide for the right to collective bargaining in the public service sector. The National Organization of Trade Unions (NOTU) has 20 member unions. Its rival, the Central Organization of Free Trade Unions (COFTU), also has 20 unions. Union officials estimate that nearly half of the two million people working in the formal sector belong to unions.

In 2014, the GOU created the Industrial Court (IC) to arbitrate labor disputes that could not be resolved by district labor officers and the Commissioner of Labor. The IC has the jurisdiction of the High Court and each case is heard by two High Court Judges and three panelists, including one representative of the employers, one of the employees, and an individual third party panelist.

Labor unrest is sporadic in Uganda, although the Kampala City Traders Association held a strike in September 2015 over taxes on imported goods. The strike was short-lived, receiving a swift government response in order to minimize economic disruptions in the capital. There was no major strike affecting investors in 2016.

Uganda ratified all eight International Labor Organization (ILO) fundamental conventions enshrining labor and other economic rights and partially adopted these conventions into the 1995 Constitution, which stipulates and protects a wide range of economic rights. Despite the legal reforms, many Ugandans work in unfavorable work environments due to poor enforcement and the limited scope of the labor laws. Labor laws do not protect domestic, agricultural, and informal sector workers.

Uganda did not enact any new labor laws or regulations over the past year. Uganda does not have pending labor legislation.

OPIC and Other Investment Insurance Programs

OPIC currently has the Butama Hydro Electricity Company project in its active Uganda portfolio (having made a disbursement on the commitment). OPIC is currently working on new projects in Uganda, including a transportation company and small hydro transaction. The potential for continued OPIC participation in projects in Uganda is very good.

OPIC has a bilateral agreement with the GOU, which was executed in 1965 and remains in effect. A copy can be found here: OPIC - Uganda Investment Guarantics

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 1: Key Macroeconomic Data

[U.S. FDI in Host Country/Economy (US Dollars, Millions)]

	Host Country Statistical source	USG or international statistical source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other

Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) ($M USD)	2015	$27,500	2014	$27,800	The World Banks - Countries
Foreign Direct Investment	**Host Country Statistical source**		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	2015	N/A	2015	$90	BEA data available at Bureau of Economic Analysis - Direct Investment and Multinational Enterprises: Comprehensive data
Host country's FDI in the United States ($M USD, stock positions)	2015	N/A	2015	N/A	BEA data available at Bureau of Economic Analysis - Direct Investment and Multinational Enterprises: Comprehensive data
Total inbound stock of FDI as % host GDP	2015	N/A	2015	N/A	

Table 2: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations ***(US Dollars, Millions)***					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	$8,876	100%	Total Outward	N/A	N/A
Netherlands	$3,916	44%	N/A	N/A	N/A
Australia	$1,542	17%	N/A	N/A	N/A
United Kingdom	$623	7%	N/A	N/A	N/A
Kenya	$557	6%	N/A	N/A	N/A
Mauritius	$519	5%	N/A	N/A	N/A
"0" reflects amounts rounded to +/- $500,000.					

Table 3: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			**Equity Securities**			**Total Debt Securities**		
All Countries	Amount	100%	All Countries	Amount	100%	All Countries	Amount	100%
N/A	N/A	N/A %	N/A	N/A	N/A %	N/A	N/A	N/A %

Contact for More Information

Economic and Commercial Section U.S. Embassy Kampala
Plot 1577 Ggaba Road, Kampala, Uganda
+256-414-306-401
CommercialKampala@state.gov

Trade & Project Financing

Methods of Payment

In Uganda, retailers normally receive payment for consumer goods in cash. Transactions are also conducted through: open account; letter of credit; cash in advance; documentary collections. However, exporters of capital goods or other equipment, machinery, and services normally seek payment through wire transfers. Some large Ugandan businesses accept VISA, MasterCard, and American Express credit card payments. Ugandans may attempt to pay by third party check, but U.S. investors are advised to avoid this payment method due to fraud concerns.

Uganda does not have a credit rating agency; however, there is a credit reference bureau that provides information to banks on the credit performance and exposure of borrowers.

Banking Systems

After restructuring in the 1990s, Uganda's banking sector has steadily improved and is now stable and well capitalized. The system includes the Bank of Uganda (Central Bank), 25 commercial banks, and many micro deposit institutions, credit deposit institutions, and development banks. Most of Uganda's largest commercial banks have foreign owners, including Citibank, Barclays, Stanbic, and Standard Chartered. Uganda has a deposit protection fund that is managed by the central Bank. Commercial banks contribute two percent of the previous year's average deposits to the protection fund.

Uganda's banking system is dominated by large well-capitalized multinational banks. The GOU is working on legislation to encourage commercial banks to increase support for microfinance as well as strengthen bank supervision, the payments system, and compliance environment.

U.S. investors are encouraged to meet with the Uganda Investment Authority to gain a better understanding of: the URA tax system; immigration/work permit laws; and the Uganda Registration Service Bureau.

Foreign Exchange Controls

There are no foreign exchange controls affecting legitimate trade. Businesses can bring in capital and repatriate profits without restriction. Uganda has forex bureaus for currency exchange.

U.S. Banks & Local Correspondent Banks

Citibank Uganda Limited

4 Ternan Avenue

Nakasero, Kampala, Uganda

Citibank operations in Uganda are exclusively commercial.

Website: CITI - Country Presence Uganda

Export-Import (EXIM) Bank of the United States offers insurance and financial support for U.S.-manufactured goods and services and up to 30-percent financing of locally-sourced materials used with U.S.-manufactured goods and services in a project. For support, please go to: Exim (telephone: 1-800-565-EXIM).

Project Financing

Major projects are financed with a combination of debt and equity from commercial banks and multilateral development banks. With the passing of the Public-Private Partnership Act (2015), financing is available from the contractor, the GOU, grants/loans from multilateral donor agencies, and export credit agencies. Private sector financing is dominated by commercial bank loans. Financing is also provided by Development Finance Institutions for qualifying projects.

Multilateral Development Banks:

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the African Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded

projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the African Development Bank (Export.gov - African Development Bank Group) and the World Bank (Export.gov - The World Bank).

Financing Web Resources

Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team:

Export.gov - Trade Finance Guide

Export-Import Bank of the United States (EXIM)

Country Limitation Schedule

Overseas Private Investment Corporation (OPIC)

U.S. Trade and Development Agency

SBA's Office of International Trade

USDA Commodity Credit Corporation

U.S. Agency for International Development

African Development Bank

World Bank

Commercial Banks in Uganda:

Citibank - Uganda

Stanbic

Standard Chartered Bank

Barclays Bank (U) LTD

Bank of Baroda

COMESA Bankers Association

DFCU

East African Development Bank

Uganda Bankers Association: e-mail: uba@uol.co.ug

Business Travel

Business Customs

Ugandan businesspeople value decision-making through consensus and place a strong emphasis on developing relationships. Ugandans place high importance on protocol; most meetings begin with introductions describing the participants' business backgrounds and families so all parties are comfortable working with each other. As a result, business transactions take time as the parties build their relationships. Punctuality is not vigorously enforced in Uganda, and it is common for meetings to start and finish later than scheduled.

A trusted third-party introduction eases familiarity and makes contact with a Ugandan business easier. An introduction from a mutual friend, acquaintance or known business associate before initial contact can help alleviate some of the problems prior to initial correspondence or meetings. The U.S. Embassy's Commercial Section has contacts within government agencies and the business community and can facilitate introductions.

Formality is common in Ugandan business transactions. Ugandans consider it polite to address contacts using their titles such as Honorable (for members of parliament and Ministers), Mr., Mrs., Miss, Dr., followed by the family name. You may be perceived as being presumptuous to address someone by their first name during initial meetings.

First contact with a potential Ugandan partner involves formally introducing yourself, your company, and your investment objectives in the Ugandan market place. Your correspondence should end with pleasantries and an invitation to continue the dialogue.

Successful investments in Uganda require numerous business meetings, with a strong preference for face-to-face discussions over telephone calls or emails. Uganda is a hierarchical society, so we recommend that you request your initial meeting with the top official in the organization. The senior officer from the host company normally sits at the head of the table in formal meetings.

While introductions may be formal, business meetings tend to be informally structured, often lacking agendas. It is not unusual for other people to be called

into the meeting after the meeting starts. We recommend that you identify the business official in charge of decision-making before your introductory meeting.

Ugandans dress formally for business meetings. Normal business attire consists of a suit and tie for men and suit or dress for women. Open collar shirts and slacks may be worn to more informal meetings. On Fridays, most offices wear their corporate shirts and generally dress down.

Travel Advisory

For the latest travel-related information, please see the consular information sheet for Uganda at U.S. Passports & International Travel - Uganda.

Visa Requirements

The Ugandan immigration service requires visitors to apply for visas online via Uganda's eVisa application system prior to their arrival and present a confirmation barcode at the airport. Per the Ugandan Embassy website (Embassy of the Republic of Uganda - Visa Requirements) a single-entry visa costs $50, a multiple-entry visa costs $100, and an East Africa tourist visa valid in Uganda, Rwanda and Kenya costs $100.

Visa requirements, Embassy of the Republic of Uganda in Washington, D.C.:
Embassy of the Republic of Uganda - Visa Requirements

Uganda eVisa:
Uganda Elctronic Visa/Permit Application System

U.S. Embassy to Uganda's Consular website:
U.S. Embassy in Uganda - U.S. Citizen Services

Currency

The official currency for Uganda is the Ugandan shilling (UGX) which trades freely on the open market. As of May 1, 2017 the exchange rate was UGX 3650 to $1.

Real estate transactions and large import orders are conducted in dollars, while day-to-day transactions are conducted in shillings. Some hotels may take payment in dollars and most large-scale chain hotels will take VISA, MasterCard, and American Express payments. Outside of major hotels, few businesses will

accept credit cards and U.S. investors are encouraged to have sufficient cash on hand for transactions.

Telecommunications/Electric

Uganda's telecommunications infrastructure is increasing at a 10 percent annual growth rate. The following mobile companies operate in Uganda: MTN; Airtel; Uganda Telecom; Africell; Vodafone; Smile Telecom; Smart Telecom; Sure Telecom; and K2 Telecom. Mobile phone companies now provide coverage for urban and most rural areas, though reception quality can be erratic. SIM Cards for U.S. visitors coming to Uganda with compatible triband phones cost less than $2 and are widely available. Customers are required to register with a passport photo and a copy of their passport bio data page. Most towns have payphones, but land lines coverage in rural areas remains poor. A satellite telephone is recommended for persons working in remote rural areas. U.S. cell phones work in Uganda in roaming mode. T-Mobile's international service (unlimited data, text, and $0.20 per minute calls) works through its partnership with local networks. Google Project Fi also works in partnership with local networks offering $0.20 per minute phone calls, unlimited texts, and $10 per gigabyte of data.

Electrical outlets in Uganda operate at 220 watts on G-type plugs. Uganda's underdeveloped power distribution network results in frequent power surges. A surge protector is highly recommended for travelers.

Ugandan businesses, especially in urban areas, communicate frequently by email and usage is increasing in line with improving connectivity. Several internet companies provide services to commercial entities and residences. The installation of undersea fiber optic cable along the East African coast in September 2009, coupled with increasing competition among telecom companies, led to improvements in both cost and performance, though quality internet service remains expensive and slow by international standards. Fax and copying services are available in shops in Kampala and at major hotels. Both telephone and fax charges at major hotels can be expensive.

Transportation

Although the Ugandan government has invested heavily in the country's road network and several major highways have been improved, many roads are in poor condition and in need of maintenance. Paved roads connect Kampala with the borders in Kenya, Rwanda, and Tanzania, while the primary road to South Sudan is still under construction in several sections. Uganda's first four-lane expressway, between Kampala and Entebbe, is under construction and is scheduled to open in 2018. Uganda's road quality remains poor with large potholes and poor markings slowing traffic and increasing wear-and-tear on vehicles. Due to poor drainage, driving conditions worsen during the rainy season. With vehicle ownership increasing 10 percent per annum in Kampala, traffic congestion and unpredictability continues to worsen. Routine trips across Kampala can take anywhere and 15 minutes to two hours. Secondary roads remain undeveloped and a four-wheel drive vehicle is strongly recommended.

Uganda's public transport system is unreliable and dangerous. Fourteen seat commuter buses (called "taxis") are used within the cities and for long distance travel. Due to poor vehicle maintenance and rough road conditions, as well as aggressive driving, breakdowns occur frequently. Furthermore, public transportation drivers often ignore safe driving norms in the rush to pick up as many customers as possible per day. Motorcycle taxis, locally known as boda-bodas, are available in urban areas. Although they can move quickly through gridlocked traffic, they are often driven in an unsafe manner. Uber has become a prevalent means of transportation for visiting businesspeople and is considered safe to use.

Entebbe International Airport offers non-stop flights to regional, European, and Middle Eastern destinations. Frequent regional flights include: Nairobi; Dar es Salaam; Addis Ababa; Juba; and Kigali. Other non-stop international destinations include: Johannesburg; Cairo; Istanbul; Dubai; Doha; Brussels; and Amsterdam. There are no direct flights to the United States, although Delta and United offer codeshares with European, South African, and Middle Eastern carriers. Small private carriers recently have established scheduled commercial services between Entebbe and several domestic safaris popular with tourists.

Language

English is the official language of Uganda (British English). Secondary languages include: Acholi, Karamojong, Luganda, Luo, Lusoga, and Swahili. Bantu languages dominate in areas south of Lake Kyoga while Nilotic languages dominate in the north. Swahili is commonly used around Uganda's borders with Kenya and Tanzania.

Health

Travelers are encouraged to carry their own medical supplies as some medications are not available in Uganda. Malaria is highly endemic and use of appropriate prophylaxis and bed nets greatly lowers the risk of acquiring malaria and is strongly recommended. Typhoid fever and Hepatitis A and B immunizations are also recommended as is the meningococcal immunization. Yellow fever is present especially in northern Uganda, but can reliably be prevented with the required Yellow Fever vaccine. Uganda requires proof of yellow fever immunization to enter the country. Please make sure you have your immunization card appropriately stamped with the yellow fever immunization stamp. Due to poor sanitation conditions throughout Uganda, enteric diseases including E. Coli, giardia, amoebic dysentery and shigella are common. Precaution should be taken not to eat roadside foods and by drinking bottled water as typhoid and cholera outbreaks are common. All cases of diarrhea should be evaluated by a medical provider and treated appropriately. Although tap water is treated, water from taps is not potable and should be boiled for 5 minutes and filtered before drinking. Bottled water is widely available in the country. Fruit and vegetables should be soaked for 20 minutes in chlorinated water if they are to be eaten uncooked. Most lakes and rivers are infested with bilharzia, limiting water-based recreation. Restaurant food should be hot and cooked. Uncooked foods and salads and fruits with their peels should be avoided as they could cause enteric diseases. Stray animals to include cats and dogs should be avoided as they may carry rabies. HIV/AIDS is prevalent in about 6 percent of the local population. Post exposure prophylaxis medication is available if one gets exposed to the HIV virus.

Health conditions rapidly change and travelers are advised to visit the Centers for Disease Control's Uganda website for the latest information on local health conditions:

Centers for Disease Control and Prevention - Health Information for Travelers to Uganda Traveler View

If you need to consult a doctor, please check with the receptionist at your hotel. Pharmacies in Uganda are usually open from 8:00 a.m. to about 9:00 p.m., and on Saturday from 8:00 a.m. through 6:00 p.m. A few pharmacies open on Sunday from 8:00 a.m. through 6:00 p.m.

The following is a list of private hospitals and clinics in Kampala:

Private Hospitals:

International Medical Center

Namuwongo

Tel: +256 (312) 200400

Nakasero Hospital

Plot 14A Akii-Bua Road, Nakasero

Tel: +256 (414) 346150

Clinics:

The Surgery
Plot 2, Acacia Avenue, Kololo
Tel: +256 (414) 256003
AAR Health Service
Plot 6 Makindu Close (off Windsor Crescent)
Tel: +256 (414) 258615

International Hospital Kampala
4686 Barnabas Rd, Kampala, Uganda
Tel: +256 31 2200400

Dentists:

Basil's Dental Clinic
Plot 64A Price Charles Drive
Tel: +256 (414) 235526
Jubilee Dental Practice
Plot 13 Wampewo Avenue, Kololo
Tel: +256 (414) 344647

Local Time, Business Hours and Holidays

Uganda is three hours ahead of Greenwich Mean Time. Office hours typically are 8:00 AM to 5:00 PM Monday through Friday, though in practice, office hours vary and workers frequently go home by noon on Friday. The Ugandan government does not celebrate a holiday on the workday before or after the actual holiday if it falls on a weekend.

The following is a list of official holidays in Uganda:

Date	Day	Holiday
January 1	Sunday	New Year's Day
January 26	Thursday	Liberation Day
April 14	Friday	Good Friday
April 17	Monday	Easter Monday
May 29	Monday	Labor Day
June 3	Saturday	Martyrs' Day
June 9	Friday	National Hero's Day
June 26*	Monday	Eid al-Fitr
September 2*	Saturday	Eid al-Adha
October 9	Monday	Independence Day
December 25	Monday	Christmas
December 26	Tuesday	Boxing Day

* Eid al-Fitr and Eid al-Adha are based on the Islamic lunar calendar and the precise date will be determined later based on the sighting of the moon.

Temporary Entry of Materials or Personal Belongings

Persons bringing goods into Uganda temporarily need to execute a bond through a clearing agent. Personal effects typically are not taxed, though a sizeable consignment of personal effects might attract the attention of Ugandan Customs and a person bringing in such a consignment should contact a clearing agent.

Travel Related Web Resources

State Department's Smart Traveler Enrollment Program (STEP)

State Department Travel Website

U.S. Embassy Kampala

U.S. Embassy Kampala U.S. Citizen Services