Doing Business in Uganda:

2015 Country Commercial Guide for U.S. Companies


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Market Overview

- All figures in this report are the most recently available. In some cases, data was available for 2014, but not yet 2013. In other cases, 2012 was the most recent figure.

- The Ugandan economy grew by 5.3 percent in fiscal year (FY) 2014/15, up from 5.1 percent the previous year. The Government predicts that economic growth is expected to accelerate to 5.8 percent in FY 2015/16 due to an increase in public investment and economic activities. The Government’s medium term growth estimates call for an average of 6 percent over the next five years, though actual growth may come in lower. The country however still is highly dependent on foreign aid. While some donors still provide budget support, many donors, including the U.S., have moved away from direct budget support to the Ugandan government and provide hundreds of millions of dollars in aid to NGOs, contractors, and other civil society organizations that are not reflected in the budget. Uganda’s budget for FY 2015/16 is USD $8 billion, a significant increase from last year’s budget that was approximately USD $5.5 billion. This larger budget reflects new loans recently signed with the Chinese Export Import Bank that will help finance a wide array of infrastructure projects, as well as an increase in domestic debt.

- In 2013, total trade was USD $7.6 billion, with USD $2.6 billion worth of exports, and USD $5 billion worth of imports. Trade contributed 35 percent of GDP. The trade balance remained steady at a deficit of about USD $3 billion.

- Foreign Direct Investment (FDI) is estimated at about USD $1.2 billion by the World Bank and USD $1.4 billion by the Ugandan government. The UNCTAD World Investment Report shows that Uganda remains the leading recipient of Foreign Direct Investment in the East African region. FDI in Uganda has remained relatively high, driven by the development of its gas and mineral sectors and in infrastructure. If Uganda moves toward commercial oil production at the end of this decade, it will likely continue to attract FDI.

- Major investments were made in construction, banking and financial services and telecommunications in 2012, but declined considerably thereafter. Transport and
communications activities, for instance, grew by 4.1 percent in 2013/14 compared to 13.4 percent in 2012/13.

- According to the World Bank, Uganda’s gross domestic product (GDP) was USD $24.7 billion in FY 2013/14, with GDP per capita is USD at $657. The service sector was the largest contributor to GDP in 2013 at 47 percent and industry contributed about 25 percent. The agriculture and fishing sectors constitutes about 21 percent of Uganda’s GDP. Nonetheless, the sector employs 66 percent Uganda’s population. Of the 37.5 million people living in Uganda, 37.8 percent of the population lives on less than USD $2 per day.

- The Ugandan government continues to emphasize strengthening the country’s road, rail, water, energy, and communications infrastructure. In FY 2014/15, the Ugandan Government planned to invest more than USD $850 million in road construction and improvement; and is investing USD $1 billion in FY 2015/16.

- Uganda’s major trading partners are its regional neighbors, including Kenya, the Democratic Republic of Congo (DRC), and South Sudan. Volatility in these countries can dramatically impact Uganda’s trade flows. The European Union, the United Arab Emirates, South Africa, India, China, Japan and Singapore follow behind Uganda’s regional trading partners.

- Uganda is a member of the East African Community (EAC) along with Kenya, Tanzania, Burundi, and Rwanda. The EAC has passed protocols establishing a Customs Union and Common Market among the five countries and signed a monetary protocol in 2013 that lays out a ten-year road map to a common currency. Although implementation has been slow, Kenya, Rwanda, and Uganda have started to “fast track” several trade-related projects, reducing the amount of time it takes to ship goods from the port in Mombasa, Kenya, to Kampala.

### Market Challenges

The barriers to doing business in Uganda include high levels of corruption, poor infrastructure, a lack of access to affordable loan financing, low levels of human capacity, inefficient government services, complicated land laws and frequent land disputes.

- Corruption is a serious problem, and the political will to fight it remains inadequate. Uganda continues to slide in Transparency International’s (TI) Corruption Perceptions Index, falling to 142nd out of 175 countries in 2014, down two places from 2013, when it ranked 140 out of 177 countries and twelve places from 2012 when it ranked 130th out of 176 countries. Uganda’s score on the index is 26, slightly ahead of Kenya (25) but lagging far behind Rwanda (49).

- 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. A two-lane highway from Kenya remains the primary route for 80 percent of Uganda’s trade, leaving businesses dependent...
upon a corridor highly vulnerable to blockages. Recently Uganda signed an ambitious USD $3.2 billion agreement with the China Harbor Engineering Company to build a standard gauge railway line that will connect Kampala via Malaba (near the Kenyan border) to Nimule, South Sudan, according to media reports.

- The World Bank 2015 Doing Business survey ranked Uganda 150th out of 189 countries for ease of doing business. Uganda scored poorly in the categories of getting electricity (184), starting a business (166), and trading across borders (161) but fared better in the category of resolving insolvency (98). The Heritage Foundation 2015 Index of Economic Freedom ranked Uganda as the 92nd freest economy, out of 178 countries, with a score of 59.7. This ranking puts Uganda in the category of “mostly unfree.” However its score has decreased by 0.2 points since the previous year, with improvements in half of the 10 economic freedoms, including monetary freedom and freedom from corruption, outweighed by declines in fiscal freedom and property rights. Uganda is ranked 9th out of 46 countries in sub-saharan Africa and its overall score is below the world average.

- Full commissioning of the 250 megawatt Bujagali Hydropower Project in 2012 temporarily alleviated Uganda’s power deficit, but demand is growing at 10 percent per year, and is gradually beginning to 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); both are expected to be completed by 2020. The Government is also constructing other small hydropower plants. (Nyamwamba 9.2MW, Siti 15MW, Waki 5MW, Rwimi 5.4MW, Kikagati 16MW and Nengo Brodge 7.5MW).

- The lack of affordable financing is another impediment for business. Loans are generally short term, with interest rates often above 20 percent and little liquidity exists for longer-term loans.

- Chinese and Indian companies are playing an increasing larger role in the Ugandan economy. Partly as a result of transportation costs, American products often cost more than their Asian counterparts' products, a significant challenge in an intensely price-sensitive environment. Some Ugandan purchasers also express concern about the ability of American manufacturers to provide parts and services.

- At 3.2 percent per year, Uganda has one of the highest population growth rates in the world, leading to high youth unemployment and putting an increasing strain on social services, infrastructure, and land resources. At its current rate, Uganda’s population, currently about 35 million, will double by 2035.

- The sale of counterfeit products smuggled into Uganda is also an impediment to U.S. producers of consumer goods. The sophistication of counterfeit goods from China and India is growing, and public awareness of counterfeits remains weak. Pirating of CDs, cassettes, software, and videos is common, and visitors to Kampala will see counterfeit reproductions of popular music and films for sale in markets at low prices. Counterfeit construction products, auto parts, food
products and pharmaceuticals are also on the rise, leading to serious public safety concerns.

**Market Opportunities**

- U.S. exports to Uganda totaled USD $121 million in 2013. Major American exports to Uganda include machinery and machinery parts, electronics, transportation equipment, and optic and medical instruments. Prospects for U.S. exports to Uganda include construction equipment, renewable energy technologies, oil production technologies, power generation, hydropower technologies, manufacturing and mining equipment, information and communication technology products, medical equipment and pharmaceuticals, supplies for food processing, agricultural inputs, cosmetics, and consumer goods.

- Uganda enjoys a unique location at the heart of Africa giving it an advantage for regional trade and investment. Uganda has seen its regional trade grow steadily with its neighbors South Sudan, the Democratic Republic of Congo, Kenya, Tanzania and Rwanda. However, trade flows can be suddenly disrupted when conflict breaks out, as happened in South Sudan at the end of 2013.

<table>
<thead>
<tr>
<th>Ugandan Exports in 2014 with key trading partners</th>
<th></th>
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<tbody>
<tr>
<td>European Union</td>
<td>USD $528 million</td>
</tr>
<tr>
<td>Kenya</td>
<td>USD $347 million</td>
</tr>
<tr>
<td>South Sudan</td>
<td>USD $284 million</td>
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<tr>
<td>Rwanda</td>
<td>USD $189 million</td>
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<tr>
<td>DRC</td>
<td>USD $183 million</td>
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<tr>
<td>United Arab Emirates</td>
<td>USD $140 million</td>
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<tr>
<td>Tanzania</td>
<td>USD $56 million</td>
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<tr>
<td>Burundi</td>
<td>USD $51 million</td>
</tr>
<tr>
<td>United States</td>
<td>USD $36 million</td>
</tr>
<tr>
<td>South Africa</td>
<td>USD $9 million</td>
</tr>
</tbody>
</table>

Source: Bank of Uganda

- FDI from and trade with Asian countries, including Singapore, the United Arab Emirates (UAE), Pakistan, China, India, and Malaysia, is also increasing.

- Coffee, tea, tobacco and cotton, Uganda’s largest exports by value, have generally increased in quantity and dollar value, with some year-to-year fluctuation. Uganda is Africa’s largest exporter of coffee, producing about 3.8 million bags of coffee in 2014 and the country benefited from a drought in Brazil that drove coffee prices higher. Tea exports dropped to $55 million in 2014 from $85.6 million in 2013. Cotton exports plummeted from USD $75 million in 2012 to USD $31.6 million in 2013 and $22 million in 2014. Other important exports include fish, flowers, and cement. The Ugandan tourism sector continues to grow and contributed about eight percent to Uganda’s GDP in 2013, becoming the country’s top earner of foreign exchange. According to the government, about 1.6 million tourists visited Uganda in 2013.
Uganda’s banking industry has grown and currently consists of 25 banks. Financial services in Uganda are becoming more efficient with the presence of several international banks such as Citibank, Barclays, and Standard Chartered.

Uganda's telecommunications sector, power sector, and untapped mineral resources have also attracted foreign investment. Over the next decade, Uganda will need to upgrade its power generation capabilities and its transportation network (air, rail, and road). Additional prospects for U.S. investment in Uganda are in the agribusiness, construction, tourism, transportation, light manufacturing, and oil infrastructure and services. Uganda's expanding services sector has also created new investment opportunities for smaller investors in financial services, information technology, catering and entertainment.

Foreign oil companies have drilled 21 successful exploratory wells in western Uganda along Lake Albert, which is shared with the Democratic Republic of Congo, and recoverable reserves are estimated to be at least 1.4 billion barrels. Total, Tullow, and the China National Offshore Oil Corporation (CNOOC) hold acreage in Uganda but only CNOOC has received a development license and lengthy delays in issuing additional development licenses has led to speculation that Total, Tullow or both might leave the country. Uganda will need an estimated USD $10 billion in infrastructure development - including roads, ports, airports, and pipelines – before the country is ready for commercial oil production which likely will be delayed beyond 2020. In early 2015, the Ugandan government selected Russian firm RT Global Resources, a subsidiary of Rostec—a conglomerate that the U.S. Department of Treasury imposed sanctions on in 2014 – to design and construct a 60,000 barrel per day refinery, that will be built in two stages, to ease its dependence on imported petroleum products and to generate revenue by exporting refined products throughout the East African region.

There are opportunities to bid on government tenders for donor-supported infrastructure and other development projects. In recent years, U.S. firms have been competitive bidders for tenders for power generation and transmission equipment, telecommunications services, information technology equipment and services, and transportation infrastructure. In the past, some government tenders have been suspended over allegations of corruption in the selection process, leading some U.S. companies to question their ability to successfully compete for government projects in Uganda. U.S. firms also need to be aware that some unscrupulous people are sending out fake tenders to obtain money from bidders.

Exports to the United States under the African Growth and Opportunity Act (AGOA) also represent opportunities, though few traders have taken advantage of their potential. In 2014, Ugandan exports to the U.S. shrunk to USD $29.8 million, the lowest levels in at least five years. Of this, only USD $1.1 million fell under WTO’s Generalized System of Preferences (GSP), with only USD $54,000 worth of goods through AGOA.
• Foreign firms interested in coming to Uganda should conduct appropriate research and visit Uganda before making significant investments. Many Ugandan markets are not well developed, but, despite Uganda's challenges, promising opportunities exist for well-prepared firms in the right sectors.

• Many exporters rely upon local distributors to market their products, and successful foreign businesses often use local agents familiar with the sometimes confusing and slow-moving Ugandan bureaucracy. As with local distributors, businesses should thoroughly research potential agents.

• Some U.S. businesses have entered the local markets through joint ventures with local or regional businesses. This allows U.S. firms to take advantage of local and regional expertise while sharing some of the risks with the local firms.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

http://www.state.gov/r/pa/ei/bgn/2963.htm
Chapter 3: Selling U.S. Products and Services

- Using an Agent or Distributor
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Using an Agent or Distributor

Typically, American businesses looking to access the Ugandan market enter into contractual agreements with local agents and distributors. A good local agent may play an important role for U.S. companies planning to bid on government tenders, which often require detailed knowledge of local conditions and the government bureaucracy. The Uganda Investment Authority (UIA) and the Uganda Manufacturers Association (UMA) maintain resource centers and often field inquiries from agents, distributors or companies looking for outside partners. The Ugandan National Chamber of Commerce and Industry (UNCCI) may also assist with identifying local agents and distributors. The Uganda Export Promotion Board (UEPB) has a list of export firms in Uganda. The Commercial Section at the U.S. Embassy can help verify the bona fides of potential agents or distributors. Nonetheless, it would be prudent to choose an agent or distribution and sales channels distributor after visiting Uganda to survey the situation and interview candidates.

Establishing an Office

The Uganda Investment Authority (UIA) promotes and facilitates private sector investment in Uganda. The agency opened a one-stop facilitation service to ease the process of registration and licensing for foreign firms, but we are not aware of any U.S. companies receiving any services from UIA. Other agencies with officials stationed at the UIA include 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
Despite the assistance provided by the UIA, investors can face inept and corrupt government personnel within government agencies. A local partner can help sort through some of these difficulties. Uganda has a tax revenue to GDP ratio of about 13 percent, low even by regional standards, and URA has struggled to bring more businesses and individuals into the formal tax structure. In its quest to increase government revenues, URA has at times decided to suddenly enforce tax laws that have gone unenforced for years. Such enforcement, announced with little warning, has impacted businesses and non-governmental organizations that have been targeted for the payment of taxes retrospectively. At present, there is a glut of office space in Kampala. Construction of a number of new modern office buildings in Kampala and its outskirts is ongoing, increasing the overall amount and quality of available offices space. Rent for commercial space remains the same and ranges between USD $12 and USD $25 per square meter.

### Franchising

Several major American firms operate in Uganda, including Citibank, AIG, Caterpillar, NCR, Sheraton Hotels, FedEx, Ernst & Young, Deloitte, Price Waterhouse Coopers, General Motors, Coca-Cola, Pepsi-Cola, Halliburton, American Tower Corporation, and Hertz. Prominent Ugandan investors appear interested in U.S. franchises, and four KFC outlets operate in Kampala and Entebbe -- the first major U.S. food franchise in the country. Several South African and Kenyan grocery stores and fast food chains operate. Larger gasoline retailers such as Shell and Total usually have convenience stores at their filling stations.

### Direct Marketing

With the rapidly expanding use of cellular telephones and computers, Uganda currently presents opportunities for telephone or internet marketing. Other than in a few urban areas, most Ugandans do not actively utilize mail services. Most foreign products are marketed through an experienced local company. Some products are also marketed using billboards and road signage.

### Joint Ventures/Licensing

There are no restrictions on joint ventures with local investors. However foreign investors need to be cautious and apply good business judgment when dealing with local investors.

### Selling to the Government

The Public Procurement and Disposal of Assets Authority (PPDA) audits government procurements, regulates public procurement processes, and monitors compliance by all government entities. In January 2011, PPDA released new tendering rules aimed at preventing delays and enhancing the fight against corruption in public procurement. Government agencies must now include a procurement schedule for every bid notice issued, standard formats for invitation of bidders (bid notices) must specify 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 [www.ppda.go.ug](http://www.ppda.go.ug). Government procures a large portion of its drugs and medical...
equipment from foreign pharmaceutical companies, mainly Indian. Military equipment and hardware make up the largest portion of government procurement. Opportunities exist for U.S. companies to compete.

**Distribution and Sales Channels**

Products in Uganda are generally distributed through regional wholesalers, who in turn supply small and rural shopkeepers. In practice, some imported consumer products (whether smuggled or not) start their journey in downtown Kampala from the informal market area located on Nakivubo Street. Merchandise is off-loaded from containers and sold in bulk quantities to waiting transporters. Most of these transactions are paid for in cash, and transporters immediately carry their shipments to smaller towns and villages. Businessmen report that customs duties are not always collected, especially if a bribe is offered to the Uganda Revenue Authority officer on site. They also complain about the tax body sometimes not being consistent in that manner in which taxes are assessed. This causes uncertainty and makes trading cumbersome. With the entry of large South African and Kenyan retailers (such as Game, Shoprite, Nakumatt, and Uchumi) into Uganda, suppliers can now deal directly with some major purchasers.

**Selling Factors/Techniques**

Firms commonly market products with billboards and other road signage, as well as with newspapers, radio and television advertising. Most Ugandans speak at least some English, though some ad campaigns use local languages. South African retail companies have created coordinated advertising campaigns involving leaflets, billboards and media advertising. The cell phone company MTN, for example, attracts national attention through its hosting of the MTN marathon each year. Firms have also promoted themselves heavily at music concerts and by supporting sports teams such as the national soccer team. Beverage firms have run successful bottle cap promotions as well.

**Electronic Commerce**

E-commerce is relatively undeveloped in Uganda, due to the lack of a widespread Internet access. In 2008, banks began to allow mobile phone banking, allowing cell phone users to electronically transfer funds to retailers or individuals. Mobile money is becoming increasingly popular and is seen as a competitor of mainstream banks. However, regulations are weak and many scam artists are now using mobile money to defraud their victims.

American companies contacted by potential Ugandan purchasers must exercise great caution prior to finalizing any transactions. While many legitimate Ugandan entities seek to source goods over the Internet, the U.S. Embassy has helped detect numerous cases of fraud. The U.S. Embassy notes that fraudulent businesspersons are becoming increasingly sophisticated, setting up and managing impressive websites and luring foreign businesses to come to Uganda. U.S. vendors should never agree to accept third party checks as payment for goods to be shipped to Uganda. If a vendor questions the legitimacy of a potential Ugandan purchaser, the vendor should contact the Commercial Section at the U.S. Embassy, which will seek to verify the existence of the purchaser. Also, U.S. investors need to be careful before accepting invitations extended to them by Ugandan businesses. Some have been taken to fake offices and been defrauded.
There are few advertising agencies in Kampala. Eighty percent of Ugandans get their news from radio, particularly in the rural areas. Newspapers are major sources of advertising and, unlike in many developed countries, they are not seeing advertising revenues decline due to increasing Internet usage. The Daily Monitor and The New Vision are Uganda's largest English-language daily newspapers. Billboards are also a common way of advertising.

ZK Advertising Uganda Ltd.
Workers House 4th Floor, Southern Wing
Plot 1, Pilkington Road
Tel: 256-414-234-215; fax: 256-414-234-150

Moringa Ogilvy
Plot 41, Luthuli Avenue, Kampala
Tel: 256-312-251-112/4; fax: 256-312-251-111; website: www.ogilvy.com

Major Newspapers and Business Journals include:

The East African
P.O. Box 6100, Kampala, tel: 256-414-232-768; website: www.nationaudio.com

The East African Procurement News
P.O. Box 24595, Kampala, tel.: 256-414-231-120; website: www.procnews.com

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

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

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: www.theeye.co.ug

East African Business Week
Plot 133, Kira Road, Kamwokya
Tel: 256-414-531-345 ; 256-772-450-038; website: www.busiweek.com

The Independent Publications Limited
Plot 86, Kamjokya Street
Tel: 256-312-637-391/2/3/4; fax: 256-312-637-396; website: www.independent.co.ug

Radio and Television Stations include:

Capital Radio
Due to high shipping costs, European and North American goods and services are expensive, and few local substitutes exist at moderate prices. Large European and Asian companies compete against U.S. manufacturers of large-scale equipment and services. Smuggled goods, together with low-priced and low-quality counterfeit products create a large gray market that undercuts legitimate distributors. Investors who register as investment traders are entitled to VAT refunds on building materials for industrial and commercial buildings. The East African Community is working to harmonize taxes across the region. Generally the following rates apply for imports from outside the community: import duty 25 percent, VAT 18 percent, withholding tax 6 percent, and excise duty varies depending on the product.
Customer support can be a major issue for American products being sold in Uganda. U.S. manufacturers need to adequately demonstrate they can supply spare parts, technical assistance and other customer service in a timely manner. Moreover, they should carefully select, train, and monitor service providers for their products.

Protecting Your Intellectual Property

Uganda is making efforts to improve protection of intellectual property rights, and the Uganda Revenue Authority’s Customs Department, in conjunction with the Uganda National Bureau of Standards, regularly seizes counterfeit goods. However, the two institutions are understaffed and underfunded and are therefore not able to provide adequate protection for property holders. It is important to note that there is no concrete national policy on intellectual property rights in Uganda. While counterfeit products are readily available, Ugandan police and courts will work to enforce current statutes only if pushed to do so by rights holders. Prominent counterfeiting cases have languished in courts for years. Pending anti-counterfeiting legislation aims to upgrade intellectual property rights (IPR) protections and strengthen the penalties for traffickers of counterfeit goods. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions. Most counterfeit and pirated goods are imported from China and India, though some companies have suffered from locally produced counterfeit.

Protecting Your Intellectual Property in Uganda

Several general principles are important for effective management of intellectual property (“IP”) rights in Uganda. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in Uganda than in the United States. Third, rights must be registered and enforced in Uganda, under local laws. For example, your U.S. trademark and patent registrations will not protect you in Uganda. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Patents are generally granted on a first-to-file [or first-to-invent, depending on the country], first-in-right basis. Similarly, registering trademarks is based on a first-to-file [or first-to-use, depending on the country], first-in-right basis, so you should consider how to obtain patent and trademark protection before introducing your products or services to the Uganda market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in Uganda. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Uganda law. The U.S. Commercial Service can provide a list of local lawyers upon request [http://kampala.usembassy.gov/attorneys.html].

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing
their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the responsibility of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Uganda require constant attention. Work with legal counsel familiar with Uganda laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Uganda or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

**IP Resources**

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: 1-866-999-HALT or visit [www.STOPfakes.gov](http://www.STOPfakes.gov).

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: 1-800-786-9199, or visit [http://www.uspto.gov](http://www.uspto.gov).

- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: 1-202-707-5959, or visit [http://www.copyright.gov](http://www.copyright.gov).

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please
visit the “Resources” section of the STOPfakes website at http://www.stopfakes.gov/resources.

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.stopfakes.gov/businessss-tools/country-ipr-toolkits. The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

- The U.S. Department of Commerce has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers [INSERT MARKET] at: [INSERT ADDRESS FOR APPROPRIATE IP ATTACHE].

**Due Diligence** | Return to top
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Credit reporting is in its infancy in Uganda and due diligence is difficult to perform. The Bank of Uganda launched Uganda's first Credit Reference Bureau (CRB) in December 2008. The bureau created a database to give commercial banks access to information such as the credit history of loan applicants. All loan applicants have to present a Financial Card which is issued by their banker. It is hoped that the CRB will eventually lead to lower costs of borrowing, quicker loan processing and exclusion of serial defaulters from the credit market.

Sellers are advised to collect cash upon or before delivery and to collateralize all loans. Sellers should also be aware that fraud is widespread and that accounts and bank statements may not reflect actual financial data. 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. Price Waterhouse Coopers, Ernst & Young, Deloitte & Touche, and other firms and business associations can facilitate such processes. The American Chamber of Commerce may also assist in such processes. The U.S. Embassy Economic and Commercial Section also offers a number of paid-for services to assist U.S. companies in their due diligence of local companies and partners. Details about these services can be found at: http://kampala.usembassy.gov/business

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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:
www.uace.or.ug

Uganda Bankers Association: tel. 256-414-343-199; e-mail: uba@uol.co.ug

Uganda Law Society: tel.: 256-414-342-424; website: www.uls.or.ug; 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: www.archuganda.org; e-mail: archuganda@siticable.co.ug

Web Resources

Impact Radio: www.victoryuganda.org

The Institute of Certified Public Accountants of Uganda (ICPAU): e-mail: icpau@infocom.co.ug

KFM: www.kfm.co.ug


The East African: www.nationaudio.com

The East African procurement News: www.procnews.com

The Monitor: www.monitor.co.ug

The New Vision: www.newvision.co.ug


Uganda Association of Consulting Engineers: tel.: 256-414-342-536; website: www.uace.or.ug

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

Uganda Law Society: www.uls.or.ug; e-mail: ulss@utlonline.co.ug

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

Uganda Society of Architects: www.archuganda.org; e-mail: archuganda@siticable.co.ug

WBS Television: http://www.wavahtelevision.com/

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Chapter 4: Leading Sectors for U.S. Export and Investment

NB: before drafting these Leading Sector reports, please be sure to coordinate with ITA’s Industry & Analysis (I&A), which is working on Top Markets Reports in parallel. If I&A’s reports includes your post for any of the leading sectors, then using I&A’s content will save you time and ensure consistent messaging from ITA on market opportunities. There is more detail in the CCG guidance cable but if you have any questions, please contact Ryan.Mullholland@trade.gov. State Posts can access the leading sector reports via econ@state under the Economic Reporting tab.

Commercial Sectors

- Infrastructure and construction equipment
- Information and Communication Technology
- Tourism Services
- Household Consumer Goods
- Mining equipment
- Medical and Dental equipment
- Franchises

Agricultural Sectors

- Agricultural inputs (fertilizers, seeds)
- Agro-processing
- Agricultural equipment and machinery
- Agricultural packaging
- Storage facilities
- Greenhouses
### Infrastructure and Construction Equipment

#### Overview

Uganda has a pressing need for infrastructure improvements, particularly in regard to roads and power. International financial institutions and donors are interested in participating in these projects. Uganda lacks the road network essential to bringing crops to market. The primary road network is also in need of expansion and repair. Uganda faces an increasing shortfall in electric power due to economic growth and a population growing at 3.2 percent annually.

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. With an estimated 300,000 housing units needed per year, commercial construction and residential construction in Uganda are booming.

#### Sub-Sector Best Prospects

Infrastructure design, construction, and operation, particularly energy-related; environmental consultancy and analysis related to infrastructure projects; architecture; construction equipment; road-building equipment; generators, transformers, and other power supply equipment; new cost effective building technologies.

#### Opportunities

The Ugandan government issues frequent tenders for infrastructure projects, including for power generation, transportation infrastructure, and technical equipment. Some infrastructure projects are funded by the World Bank, the African Development Bank or other development institutions. Opportunities also exist to partner with local construction firms.

#### Web Resources

African Development Bank: [www.afdb.org](http://www.afdb.org)

East African Development Bank: [www.eadb.org](http://www.eadb.org)


Uganda Ministry of Tourism Trade and Industry: [www.mtti.co.ug](http://www.mtti.co.ug)

Uganda Privatization Unit: [www.finance.co.ug](http://www.finance.co.ug)
World Bank: www.worldbank.org
Overview

The Ugandan telecommunications sector boasts internationally owned operators: MTN (South Africa), Uganda Telecom Limited (Libya), Airtel (India), Africell (Lebanon), and Smile (South Africa).

The Uganda Communications Commission (UCC) issues public service provider, infrastructure provider and general service provider licenses. The number of fixed phone lines continues to fall, as mobile phones become more affordable. In 2013, Uganda's number of fixed lines fell to 272,000, down from 464,000 in 2011. Mobile telephone subscribers continue to increase, reaching more than 18 million in 2013, the latest year available. The landing of undersea fiber-optic cable along the East African coast in September 2009 coupled with increasing competition between the companies has led to improvements in both cost and performance, though quality internet service remains expensive and slow by international standards. The number of fixed internet subscribers surpassed 100,000 in 2013. Many more people access the internet through mobile devices, with more than 3.6 million subscribers in 2013. Internet speeds are relatively slow—Uganda ranks 144 out of 202 countries with an average download speed of 6.16 megabits per second. More than a third of the population owns cellular phones and many subscribers have multiple SIM cards. A number of new services like the mobile money transfer and utility payment plan were introduced in 2009.

Sub-Sector Best Prospects

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

Contact the Uganda Communications Commission to inquire about investment opportunities.

Web Resources

Airtel:  www.Airtel.com

Computer Frontiers International:  www.cfi.co.ug

MTN:  www.mtn.co.ug

Uganda Communications Commission:  www.ucc.co.ug

UTL:  www.utl.co.ug
AFSAT Communications Uganda: www.afsatug.com

Bushnet: www.bushnet.net

Infocom: www.imul.com

RCS Radio Communication: www.rcs-communication.com

Jireh Technologies International : www.jirehtechnologies.com

Zineth Electronic Security & Communication: www.glocodev.co.ug

Bitwork Technologies Ltd. : www.bitworktech.com

Uganda Broadcasting Corporation: www.ubconline.co.ug
Tourism Services

Overview

The Ugandan tourism sector contributed about eight percent to Uganda’s GDP in 2013, becoming the country’s top earner of foreign exchange. About 1.6 million tourists visited Uganda in 2013. But in the wake of negative publicity surrounding the Anti-Homosexuality Act and fears of Ebola, tourism numbers are believed to have decreased significantly in 2014. International airlines, such as Kenya Airways, Egyptian Airways, Ethiopian Airways, South African Airways, Emirates, Etihad, flydubai, SN Brussels, British Airways, KLM, Turkish Airways, Qatar Airways, and RwandAir have regular flights in and out of Uganda’s Entebbe International Airport. Uganda has not had a flag carrier since Uganda Airlines ceased operations in 2001. Air Uganda previously served regional cities, but in June 2014, in a controversial move, the Ugandan Civil Aviation Authority de-certified Air Uganda, effectively putting the airline out of business.

The Kampala Serena and the Sheraton are Kampala’s premier hotels. Marriott Hotels now owns 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 habituated gorillas in Bwindi and Mgahinga National Parks in western Uganda. The passes are a major source of revenue for the parks and for gorilla conservation efforts. Mgahinga and Bwindi National Parks for mountain gorilla trekking. A private company has established the Ziwa Rhino Sanctuary to reintroduce rhinos to Uganda’s protected areas.

Improved transportation networks and upgraded tourist facilities would enable Uganda to take full advantage of this sector’s potential. Few local tour operators have the sophistication to tap into global tourism markets.

Sub-Sector Best Prospects

Tourism management, travel agencies, hotel design, construction and management; marketing.

Opportunities

The Uganda Wildlife Authority periodically markets concessions for services at or near Ugandan national parks.

Web Resources
Uganda Ministry of Tourism, Trade and Industry: www.mtti.co.ug

Uganda Wildlife Authority: www.uwa.or.ug

Uganda Investment Authority: www.investuganda.com
Household Consumer Goods

Overview

With shopping malls proliferating in Kampala, opportunities exist for household consumer goods imported from the U.S. The Commercial Section has led Ugandan delegations to the International Home and Housewares Show the past two years, resulting in new American products in the Ugandan marketplace. Although price remains an issue, Ugandans increasingly see value in high-quality American-made products.

Sub-Sector Best Prospects

Cleaning products, basic home décor products, kitchenware and kitchen equipment, tools, electronics.

Opportunities

Opportunities abound for quality products that are affordable to members of the Ugandan middle class.

Web Resources

International Home and Housewares Show (www.housewares.org/show)

International Buyer Program (http://www.export.gov/ibp/eg_main_018009.asp)
Overview

In 2008, Uganda completed a national airborne mineral survey and found mineral potential in 80 percent of surveyed areas. The survey showed occurrences of oil and natural gas, copper, cobalt, gold, uranium, tin, tungsten, coltan, lead, and zinc. The most endowed regions neighbor mineral-rich eastern Congo. The 2004 Mineral Act provides incentives to mining investors, with royalty fees for base and precious metals set at 3 percent. In addition to mineral resources, Uganda also has enormous potential for geothermal power production.

Western Uganda has approximately 6.5 billion barrels of oil in place, with at least 1.4 billion estimated to be recoverable. Uganda plans to build a refinery to produce petroleum products for the local market and pipeline infrastructure to export crude oil. Uganda needs an estimated USD $10 billion in infrastructure to prepare for commercial oil production, now projected by the government to begin in 2018. Continued delays in issuing oil production licenses and selecting and constructing an export pipeline lead most analysts to estimate that production could not begin before 2020.

In FY 2013/14, activity in the mining and quarrying sector accounted for 0.3 percent of GDP. Years of conflict in the Democratic Republic of Congo has created a vacuum of authority in which diamond and gold smugglers can easily operate. These smugglers, both military and civilian, actively exploit the conflict for financial gain, and many serve as middlemen for foreign buyers on the black market. In recent years, gold production in Uganda has virtually ceased. In 2014 Uganda exported USD $240,000 of gold. However in 2012, Uganda exported USD $12.6 million worth of gold that most likely originated in neighboring countries, especially from the Democratic Republic of the Congo, due to insecurity. In line with U.S. laws and regulations, investors should exercise caution to avoid projects involving the illegal transfer of Congolese mineral resources.

Sub-Sector Best Prospects

Mining equipment; power generation equipment; civil engineering services; pumps, valves and related materials.

Opportunities

Possible investment in existing mines or establishment of new extraction sites.

Web Resources

Uganda Ministry of Energy and Mineral Development: www.energyandminerals.go.ug
Department of Geological Survey and Mines of Uganda: www.uganda-mining.go.ug
Overview

Overall, medical facilities in Uganda are poor, even in the capital. The country has few public hospitals which 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. Many expatriates and wealthy Ugandans nevertheless leave Uganda for complex medical procedures. Medical evaluation insurance is advisable for expatriate staff. Large businesses provide basic medical services for employees. Uganda receives large financial support from the United States for health programs and facilities to combat disease like malaria, HIV/AIDS and others. Some of this funding is used to purchase medicines and related treatment equipment.

Sub-Sector Best Prospects

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, haematology, chemistry, and histopathology).

Opportunities

All subsectors.

Web Resources

Academic Alliance for AIDS Care and Prevention in Africa: www.aaacp.org

Gulu Independent Hospital: www.guluindependenthospital.com

Joint Clinical Research Center: www.jcrc.co.ug

Kigezi International School of Medicine: www.kigezi.edu

Mulago Hospital: www.mulago.or.ug

National Drug Authority: www.nda.or.ug

National Medical Stores: www.natmedstores.org

The AIDS Society of Uganda: www.tasouganda.org

Uganda AIDS Commission: www.aidsuganda.org

Uganda Ministry of Health: www.health.go.ug
Franchises

Overview

In 2013, KFC opened its first outlet, the first American fast-food franchise to open its doors in Uganda. With four outlets and more planned to open, Ugandans are becoming familiar with the franchising model as a business opportunity. With KFC successfully established, we expect more American franchises will follow. More than 40 Ugandans attended the International Franchise Expo in 2015.

Sub-Sector Best Prospects

Fast food, accounting, cleaning supplies and services, auto parts, beauty supplies, computer and other electronic equipment

Opportunities

With several shopping malls and centers that have either recently opened or that are under construction, opportunities abound for retail franchises.

Web Resources

International Franchise Expo (http://www.ifeinfo.com/)
Uganda's agricultural land is considered among the best in Africa, with low temperature variability and two seasons of good rainfall for the southern half of the country. Eighty percent of Uganda’s land is arable but only 35 percent is being cultivated. Agriculture accounted for about 22.6 percent of GDP in 2013, and 46 percent of export earnings, and it is estimated that about 72 percent of all Ugandans are employed in agriculture in some form. Agricultural production and processing will remain the mainstay of Uganda's economy for the foreseeable future. The country produces a wide range of food products. Some obstructions to the expansion of agricultural investment 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.

The following offer good investment opportunities:

- **Processing Equipment:** While these have traditionally been exported in raw form, Uganda is attempting to process these goods to create added value and increase export earnings, especially for traditional crops such as coffee, tea, cotton, and tobacco.

- **Biofuels:** The United States Trade Development Agency commissioned a study of this industry. While biofuels show promise, the consultants discouraged converting food crops like maize and cassava and suggested using molasses and inedible crops like jatropha, castor, and oakleaf croton for fuel use.

- **Fruit and vegetable processing:** particularly for canning pineapple and producing frozen pulps or juice concentrates from various tropical fruits, including passion fruit, mango, pineapple and papaya. Uganda seeks to increase production of processed organic foods. The government is actively seeking investors in fruit juice processing.

- **Edible oil production:** Much of Uganda's current needs for edible oil are being met by imports. Production of oil seed crops (sesame, sunflower, palm) has attracted major investors and is steadily increasing.

- **Staple food crops processing:** staple food crops grown in Uganda include plantains, millet, sorghum, maize, beans, cassava, sweet potatoes, groundnuts (peanuts), rice, wheat and Irish potatoes. The United States provides large amounts of food aid, such as corn meal and split peas specifically for therapeutic and/or supplemental feeding to vulnerable groups. Investment in green house farms is increasing and is an area where U.S. companies can compete.
- **Flowers:** roses, carnations and other exotic plants are currently grown in Uganda and exported to Europe and starting in 2006 were exported to the United States. Given Uganda's climate, both seeded annuals and perennials are suitable for commercial development.

- **Livestock:** Uganda boasts a growing livestock industry centered on Ankole cattle and a growing dairy sector. Much of the milk produced is wasted because very few facilities for cold storage exist. Potential exists for processing plants that make powder milk or UHT milk. There is also potential for investments in processing plants for cheese, yogurt and other dairy products. Demand also exists for better breeding techniques, as well as for feed and veterinary care. Endemic diseases and lack of quality, however, limit export potential.

- **Food products:** Transportation costs to Uganda, combined with low per capita income and heavy competition from regional and European manufacturers, make Uganda a difficult market for exporters of processed U.S. food products. However, exporters may seek to target niche markets, such as wines and other alcoholic beverages.

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Chapter 5: Trade Regulations, Customs and Standards

- Import Tariffs
- Trade Barriers
- Import Requirements and Documentation
- U.S. Export Controls
- Temporary Entry
- Labeling and Marking Requirements
- Prohibited and Restricted Imports
- Customs Regulations and Contact Information
- Standards
- Trade Agreements
- Web Resources

Import Tariffs

Uganda, Kenya, Tanzania, Rwanda and Burundi have adopted a three-tiered duty structure for imports from outside the 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 and raw materials and capital goods may still enter duty free. This 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, and Burundi. Commencing on July 1, 2010, 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 five 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

Uganda has few formal trade barriers, though bureaucratic inefficiencies, high transport costs, and an influx of counterfeit consumer products are the primary reasons for increased costs for foreign businesses. Import bans have been phased out for beer, soda, batteries and cigarettes.

Import Requirements and Documentation
Uganda abolished most non-tariff restrictions including quantitative restrictions. The remaining few are maintained for moral, health, security and environmental reasons. 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. However, due to EAC regulations, the process has become longer since the five East African Trade Ministers need to come to consensus and coordinate the various items on the list.

**U.S. Export Controls**

A list that consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available here: http://developer.trade.gov/consolidated-screening-list.html.

**Temporary Entry**

According to Uganda's constitution, military products which pose a threat to the security of the nation may not be exported to Uganda. U.S. exporters must obtain a license from the U.S. State Department to export most weapons from the United States.

**Labeling and 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.

**Prohibited and Restricted Imports**

The following items cannot be imported into Uganda:

- pornographic materials
- used motor vehicle tires
- used computers and appliances
- imports banned under international agreements to which Uganda is signatory

(Note: The Uganda Revenue Authority imposes an environmental levy on vehicles over eight years old, and the Ugandan government has banned the importation of used computers and used refrigerators.)

**Customs Regulations and Contact Information**
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 www.eac.int

Standards

- Overview
- Standards Organizations
- Conformity Assessment
- Product Certification
- Accreditation
- Publication of Technical Regulations
- Labeling and Marking
- Contacts

Overview

The Uganda Bureau of Standards (UNBS) is charged with developing and checking standards in Uganda. UNBS develops some of the standard but in some case adopts those developed by others. UNBS is a member to the ISO, CODEX, OIML, and Afrinet. Uganda applies EU directives and standards but with modifications.

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

Standards Organizations

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

NIST Notify U.S. Service

Member countries of the World Trade Organization (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: http://www.nist.gov/notifyus/

Conformity Assessment

Please contact the Uganda National Bureau of Standards (tel.: 256-414-222-367; website: www.unbs.org).
Product Certification

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

Accreditation

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

Publication of Technical Regulations

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

Labeling and Marking

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 way bill number/bill of lading, and country of origin/destination. Uganda adopted additional labeling requirements for imports of used clothing in 2014. However, implementation of these requirements was delayed after government and stakeholders disagreed on the practicality of this requirement. Ugandan policy supports the adoption of labels for food products containing genetically modified organisms. However, Uganda has yet to adopt any formal requirements.

Contacts

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

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 East African Community, Uganda, Kenya, Rwanda, Burundi and Tanzania have created an East African Customs Union designed to promote free trade among the five nations.

Web Resources

Uganda National Bureau of Standards: www.unbs.org

East African Community: www.eac.int
Chapter 6: Investment Climate

- Openness to Foreign Investment
- Conversion and Transfer Policies
- Expropriation and Compensation
- Dispute Settlement
- Performance Requirements and Incentives
- Right to Private Ownership and Establishment
- Protection of Property Rights
- Transparency of Regulatory System
- Efficient Capital Markets and Portfolio Investment
- Competition from State Owned Enterprises
- Corporate Social Responsibility
- Political Violence
- Corruption
- Bilateral Investment Agreements
- OPIC and Other Investment Insurance Programs
- Labor
- Foreign-Trade Zones/Free Ports
- Foreign Direct Investment Statistics
- Web Resources

Openness to Foreign Investment

Openness to, and restrictions upon, foreign investment

1.1 Attitude Toward FDI

Uganda is open to foreign investment and provides tax incentives for medium and long-term foreign investors. Based on ease of doing business, trade freedom, property rights, and fiscal and monetary policy, Uganda continued to slide in the Heritage Foundation's 2015 Index of Economic Freedom, falling to 92 out of 178 countries, with an overall score of 59.7, its second lowest economic freedom score ever. Uganda ranks as the ninth freest among the 46 sub-Saharan African countries on the index. However, Uganda ranks low, coming in 26th of 46 sub-Saharan African countries on measures of corruption due to perceptions of widespread corruption, even at the highest levels of government.

Uganda ranks 150 out of 189 countries in the Doing Business 2015 report, issued by the World's Bank. Uganda ranks lower than its East African Community neighbors, with the exception of Burundi. In 2013, Uganda's foreign direct investment was USD $1.19 billion, slightly down from USD $1.2 billion in 2012, according to the World Bank. The Uganda Investment Authority reports that the country's FDI was USD $1.418 billion in 2013 and USD $1.74 billion in 2012. (Note: The discrepancies are due to small variations in how FDI is calculated. End Note.) According to the Uganda Investment Authority,
Authority, the top FDI sources in 2013 were India (111 projects), China (62 projects), the United Kingdom (18 projects), Pakistan (16 projects), Eritrea (14 projects), Kenya (13 projects), and the United States (8 projects). Total U.S. foreign investment in Uganda for fiscal year 2013/14 was valued at USD $5 million, a substantial drop from the USD $20 million figure of 2012. The main areas of foreign investment were in manufacturing, telecommunications, financial services and real estate, and agriculture, forestry and fish. Other areas of significant investment were in power, oil, construction and mining. In response to growing perceptions that foreign workers without work permits were taking local jobs, the Government began more strictly enforcing its foreign labor laws. Foreign investors in Uganda should be aware that projects that could impact the environment require an Environmental Impact Assessment (EIA) carried out by the National Environment Management Authority (NEMA). The requirement for EIAs applies to both local and foreign investors.

The Uganda Investment Authority (UIA) has opened a “dedicated one-stop center” that aims to help investors to:

- Apply and receive the investment license online
- Choose an investment area of interest
- Pay all the assessed fees
- Supply details of business registration to Uganda Registration Services Bureau (URSB)
- Apply for tax identification number (TIN)
- Apply for land titles online

Some of these services are available online, as well. The URSB recently computerized its company registry, reducing the time and number of steps required to start a business, and revisions to the Investment Code now pending in Parliament would further streamline the process.

In recent years, the URA has improved its efficiency, boosted transparency, and increased tax compliance. Some foreign investors have complained that tax rules are unclear and subject to change, and a number of foreign companies have had tax disputes with URA in recent years, including one that has led to international arbitration over capital gains taxes on sales of oil assets. Individuals are taxed at rates between zero and 30 percent, corporate tax is 30 percent, the Value Added Tax (VAT) is 18 percent, and capital gains taxes on profits accrued after 1998 are 30 percent. Due to revenue shortfalls, URA has increasingly become more aggressive in corporate tax collection.

The telecom sector has boomed since 2006, when the Government lifted a moratorium on new mobile telephone operator licenses, and nine companies are now in the market. This has generated fierce competition, lower prices, wider coverage, and greater telephone penetration among the population and throughout the country. Uganda now has nearly a million Internet subscribers, and 18.5 million cell phone users (up from 10 million in 2011). Access to internet has increased rapidly, thanks to the proliferation of
smartphones, with about 15 percent of the population using the internet. In spite of the increase, Uganda still lags far behind its neighbors for internet access. Rapid growth has also led to service problems, as rising demand has exceeded network capacity. In 2011, Uganda launched a USD $117 million national fiber-optic network to take advantage of the arrival of undersea fiber-optic cables in East Africa. A multi-phase project to migrate from analogue to digital broadcasting is underway. These projects, along with government plans to enhance cybersecurity in the country, implement e-governance initiatives, and increase technological integration with neighboring countries in the East African Community, are opening up excellent investment opportunities for international communications technology firms.

1.2 Other Investment Policy Reviews
A 2014 “Attractiveness Survey” by Ernst and Young notes that “Uganda was a new entrant into the list of the top 10 countries by FDI projects in 2013.” It further observes that “solid GDP growth, a rapidly expanding population and low per capita consumption are some of its appealing factors” and further that “one multinational that has recently increased its presence in the country is SAB Miller, which opened its second brewery in Uganda in 2013. Oil fields and the agricultural sector in Uganda are also attracting significant investor attention.”

Similarly, the 2014 World Investment Report notes that Uganda was one of the countries that “maintained relatively high inward flows, thanks to the development of their gas and mineral sectors.”

The 2015 World Bank’s Doing Business Review, ranks Uganda at 150 out of 189 countries. Among the country’s achievements over the year was the introduction of a new computerized property registration system that made it easier to certify documents subject to a Stamp Duty.

1.3 Laws/Regulations of FDI
Ugandan policies, laws, and regulations are generally favorable towards foreign investors, but reforms are needed. The Investment Code allows foreign participation in any industrial sector except those touching on national security or requiring the ownership of land. Licensing from UIA requires a commitment to invest over USD $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 greenfield ventures. The new Companies Act, which was passed in 2012, allows for the creation of single-person companies, permit the registration of companies incorporated outside of Uganda, and provide new provisions for share capital allotments and transfers. For a full description of the type of companies foreign firms are allowed to establish, visit the UIA website at www.ugandainvest.com, or see the Business in Development Network Guide to Uganda available at www.bidnetwork.org.

Ugandan courts generally uphold the sanctity of contracts, though judicial corruption and procedural delays caused by well-connected defendants are a serious challenge. At times, Ugandan government agencies are reluctant to honor judicial remedies issued by the courts. Courts apply the principles of English common law. Under current debt collection laws, creditors can prove their debts to a court-appointed receiver for payment. Secured debtors receive payment priority.
1.4 Industrial Promotion
In addition to tax incentives, Uganda offers investment incentives for investors in four "priority" sectors: information and communication technology, tourism, value-added agriculture, and value-added investments in mineral extraction. Uganda is also hoping to lure additional investors with several industrial parks under development in Uganda’s largest urban centers, including Jinja, Kasese, Mbarara, Mbale, Gulu, and Soroti. Investors in priority sectors can get a 49-year lease in an industrial park without paying the usual USD $80,000 lease fee. The Namanve Industrial Park on the outskirts of Kampala has several large international companies already operating, although the development of the park has been slowed by squatters and inadequate infrastructure. The park is divided into four main industrial clusters: food processing, light industry and services, heavy industry, and another for SMEs. Other parks are planned for Jinja, Kasese, Mbarara, Mbale, Gulu, and Soroti. Investors can find information on investor incentives on the UIA website at www.ugandainvest.go.ug.

1.5 Limits on Foreign Control
Historically under Ugandan law, foreign investors could form 100 percent foreign-owned limited or unlimited liability companies and majority or minority joint ventures with Ugandan partners without restrictions. However, the Petroleum Act of 2013, allows for good and services in the petroleum industry that are not available in Uganda to be delivered via a joint venture with a Ugandan company (defined as at least 51 percent of the company being owned by Ugandan citizens) owning at least a 48 percent share of the company. The number of joint venture vehicles through which FDI has flowed into Uganda rose from 19 in fiscal year 2011/2012 to 40 in 2013/2014.

1.6 Privatization Program
The government began a privatization program in 1993 that has resulted in the complete or partial divestiture of the majority of Uganda's public enterprises, with a few remaining in State hands. The program has attracted foreign investors primarily in the agribusiness, hotel, and banking industries. Though generally deemed successful, some observers have questioned the transparency of certain transactions carried out in the name of privatization, arguing that the benefits of the most lucrative sales went to insiders and politically connected individuals.

State-owned enterprises currently exist in a number of sectors, including 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. The government is open to competition from private investors in all of these sectors.

1.7 Screening of FDI
Uganda’s stated process to screen, review, and approve foreign investments is straightforward. A company must first register locally with the Uganda Registration Services Bureau (URSB) and then apply for an investor license. UIA used to perform due diligence on foreign companies but the practice was dropped because it took too long and discouraged investment. The information the investor provides is used to issue the license. New proposals receive the same treatment and are not treated differently from acquisitions or takeovers. Businesses are required to file with the URSB and UIA. There is no review process or screening mechanism for foreign investments. Any information provided by companies is kept strictly confidential by UIA.

1.8 Competition Law
There is no competition law in Uganda. N/A

1.9 Investment Trends
If oil production licenses are issued, and oil companies decide to pursue projects currently on hold, Uganda’s oil and gas sector has the potential to drive foreign direct investment for the next several years. While the Ugandan government has taken modest steps to encourage FDI, corruption, slow and non-transparent decision-making, and poor infrastructure will likely continue to scare off risk-averse investors.

Table 1: Uganda’s Rankings

<table>
<thead>
<tr>
<th>Measure</th>
<th>Year</th>
<th>Index or Rank</th>
<th>Website Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>TI Corruption Perceptions index</td>
<td>2014</td>
<td>(142 of 175)</td>
<td><a href="http://www.transparency.org/cpi2014/results">http://www.transparency.org/cpi2014/results</a></td>
</tr>
<tr>
<td>Heritage Foundation’s Economic Freedom index</td>
<td>2014</td>
<td>(92 of 178)</td>
<td><a href="http://www.heritage.org/index/ranking">http://www.heritage.org/index/ranking</a></td>
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<tr>
<td>Global Innovation Index</td>
<td>2014</td>
<td>(91 of 143)</td>
<td><a href="http://www.globalinnovationindex.org/content.aspx?page=data-analysisr">http://www.globalinnovationindex.org/content.aspx?page=data-analysisr</a></td>
</tr>
</tbody>
</table>

The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2015 per capita gross national income (GNI) or USD $4,125 or less.

A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages/selection/scorecards.

Details on each of the MCC’s indicators and a guide to reading the scorecards are available here: http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf

Conversion and Transfer Policies

2.1 Foreign Exchange
Uganda keeps open capital accounts, and Ugandan law imposes no restrictions on capital transfers in and out of Uganda. 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 (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.”

2.1.1. Remittance policies
The legal regime on remittances to Uganda is based on the 2004 Foreign Exchange Act, 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 recently enacted Anti-Money Laundering Act, 2013 and the Financial Institutions (Anti-Money Laundering) Regulations, 2010 impose a number of “know your customer” requirements on entities involved in money transfer in Uganda. 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. Beyond the usual regulatory requirements however, there are no restrictions on remittances to Uganda.

Expropriation and Compensation

The mass expropriation of Asian properties under the Idi Amin regime in the 1970s was the largest violation of property rights in Uganda's history. 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 has been no case of expropriation since Museveni came to power in 1986. 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..." The Constitution also guarantees "prompt payment of fair and adequate compensation, prior to the taking of possession or acquisition of the property." The Constitution guarantees any person who has an interest or right over expropriated property access to a court of law. In addition, Uganda's Investment Code states that no business enterprise registered under the code shall “be compulsorily taken possession of or acquired except in accordance with the Constitution of Uganda.” In the event of expropriation, the Code stipulates that “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.” Uganda is a member of the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID).

Dispute Settlement

4.1 Legal System, specialized courts, judicial independence, judgments of foreign courts
Uganda is reforming its commercial justice system, which now includes mandatory mediation for all commercial disputes to help reduce case backlogs. Uganda opened its first Commercial Court in 1996 to deliver an efficient, expeditious, and cost-effective mode of adjudicating commercial disputes. The court has four commercial court judges
and two deputy registrars. In 2014, the court handled more than 220 commercial cases, and the caseload is expected to steadily increase as investment continues to flow into Uganda’s oil sector. Despite a lack of funds and space, the commercial courts dispose of disputes within about seven months, faster than civil courts have traditionally disposed of commercial cases. The court has 17 mediators, and through pre-trial conferences, approximately 80 percent of disputes are now settled out of court, saving time and money. Because Ugandan law stipulates that the Court be "proactive," the Court engages regularly with the private sector through its 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 the number of tax cases resulting in litigation, and has persuaded banks to opt for loan restructuring in default cases that were previously ending up in court. Some investors have complained that the legal process favors local companies, that political pressures can disrupt and delay outcomes, and that government agencies can be slow or reluctant to follow rulings. The Center of Arbitration for Dispute Resolution (CADER) can assist in commercial disputes. The court has also recently increased transparency and efficiency by taking steps toward creating an "e-court environment," a process it expects to complete in 2015. In addition to digitizing its records, the court now digitally records court proceedings, a move which will speed up processing the caseload by enabling cases to be heard from remote parts of the country.

4.2 Bankruptcy
Uganda ranks 98 out of 189 countries for resolving insolvency in the World Bank’s Doing Business Report. Uganda fares better in the recovery rate that claimants recover from an insolvent firm (37 cents on the dollar in Uganda, 27 cents in Kenya, 21 cents in Tanzania). Uganda has a law on bankruptcy (The Bankruptcy Act, 1931) which 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.

Although monetary judgments and awards are made in Ugandan currency, the courts follow the constitutional requirement that payment be “fair and adequate.”

4.3 Investment Disputes
In a bid to overcome the negative publicity associated with the 1972 expulsion of Asians, Uganda has made several efforts to create a legal environment conducive to foreign investment and the country has not had any major disputes involving U.S. investors. The most prominent foreign investment dispute involving Uganda in recent years is the tripartite tax battle between the government and two foreign oil companies (Tullow Oil and Heritage). The dispute arose after Heritage sold its Ugandan oil fields to Tullow and both firms disagreed over who should pay the USD $400 million in capital gains tax to the Ugandan government. A London-based arbitrator ordered Heritage Oil to refund Tullow Oil for the USD $400 million paid to Uganda Heritage then sued Uganda seeking to recover the said amount and in February 2015, an UNCITRAL arbitrator in London ruled in favor of Uganda. In a separate and pending case, Tullow also sued the Uganda government before the Investment Disputes between States and Nationals of Other States (ICSID), challenging the Ugandan government’s levying of Value Added Tax on goods and services purchased in connection with its operations in the country.

4.4 International 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.

4.4.1 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 UNCITRAL Model Law on International Commercial Arbitration. As noted, a dispute between Heritage Oil and Uganda 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. Due to antiquated laws that codify penalties using specific shilling amounts, in some cases penalties are not a sufficient deterrent due to currency depreciation. However, Uganda is slowly rectifying this, modifying outdated laws, and codifying penalties in new laws using currency points. 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.

4.5 Duration of dispute resolution
Although Ugandan courts have a reputation for slow dispensation of justice, commercial/investment disputes at the domestic level are handled by the Commercial Court which, perhaps owing to its specialized nature, often disposes of cases within seven months (unlike ordinary courts which take longer).

Performance Requirements and Incentives

5.1 WTO/TRIMS
On September 29, 1994, Uganda ratified the Marrakesh Agreement to become an original member of the World Trade Organization (WTO) and is thus bound by all WTO Multilateral Agreements. Uganda grants Most Favored Nation (MFN) treatment to all its trading partners and has made special effort to establish appropriate machinery to implement the WTO agreements. Despite facing difficulties in drafting and making notifications, Uganda continues to attempt to fulfill all notifications on the basis of their frequency. Uganda is currently undertaking reforms of its commercial laws to bring all its trade-related laws, regulations and procedures into conformity with WTO requirements.

There are no mandatory performance requirements in the Investment Code, but Uganda's regulatory authorities mandate standards such as staff qualifications as licensing conditions for some categories of investment. Uganda's National Environment Management Authority (NEMA) is responsible for enforcing environmental regulations. The most basic licensing condition is that investors creating 100 percent foreign-owned enterprises should commit in their proposals to invest a minimum of USD $100,000 to their projects over a course of three years. This amount can include pre-investment activities and the cost of land, equipment, buildings, machinery, and construction.
Foreign-owned banks and insurance companies are also subject to higher paid-up capital requirements than are domestic firms. Ugandan law limits foreign ownership of land. For more information on land ownership, see "Right to Private Ownership and Establishment," below.

The 2000 Investment Code is currently under review, and once amended, request for a waiver will be submitted to the WTO. Uganda has partially used the Special and Differential Treatment (SDT) provisions of the TRIMS Agreement. Unfortunately, there seems to be no clear understanding of the provisions by key agencies involved in drafting the Investment Code. Foreign investors, applying for an investment license may sometimes be subject to staff training and localization, local procurement and environmental requirement to which national investors are not subject. Uganda has not adopted export promotion strategies such as provision of subsidies partly because of financial constraints and also because such subsidies are likely to infringe on the country’s obligations under the East African Common Market protocol.

5.2 Investment Incentives
Uganda’s fiscal incentive package for both domestic and foreign investors provides generous capital recovery terms, particularly for medium- and long-term investors whose projects entail significant plant and machinery costs and involve significant training. In Kampala, 50 percent of capital allowances for plants and machinery are deductible from a company's income on a one-time basis; elsewhere in Uganda, 75 percent of those capital allowances are deductible. 100 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 www.ura.go.ug.

5.3 Performance Requirements
Uganda does not follow a policy of forced localization pertaining to the use of domestic content in goods and technology. An agreement for the transfer of foreign technology does not restrict the use of other competitive technologies, source of supply of inputs or how they may be used.

5.3.1 Data Storage
There is no requirement for data storage in Uganda. N/A

Right to Private Ownership and Establishment

Property rights are guaranteed by law and in principle the rules of acquisition of property are clearly established. Compulsory acquisition of private property by the state is prohibited by law except when in the public interest, authorized by law, and accompanied by prompt, fair and adequate compensation which can be legally challenged by the owner. However, in practice, the implementation of the existing regulations lack effectiveness and consistency and businesses generally deem acquisition of land with a clean title as one of their biggest challenges. Land disputes are common in Uganda and Uganda’s Commercial Court has a Land Division that deals
specifically with land disputes. Domestic private entities may own properties and businesses and dispose of them at will. The same rights apply for foreign entities, but with restrictions regarding land ownership. The registration process, however, is slow and complex. In the World Bank’s 2015 Doing Business report, Uganda ranks 125 out of 189 countries in the category “registering property” with 11 steps in the procedure and an average of 43 days required to complete the registration process.

The issue of land and title in Uganda is complicated by the existence of four different land tenure systems: customary, mailo land, freehold, and leasehold. Customary land refers to rural land governed by the unwritten, customary rules and traditions of a specific area. Customary land is difficult to use because no titles or surveys of such land exist and contracts are difficult to enforce in courts of law. Moreover, banks do not accept customary land as collateral. In some instances, however, this limitation may be overcome as Ugandan law provides for the acquisition of a “certificate of customary ownership” and for the transformation of customary ownership into freehold title. Mailo land is land that was granted to individuals and churches primarily in central Uganda during the colonial period. Mailo land cannot be owned by foreigners and the use of such land is subject to the agreement of bona fide or lawful occupants, who may not own the land but have the right to reside there. Mailo land is also problematic for foreign investors seeking secure, court-enforceable use of land. The 1998 Land Act complicated this further by giving occupants and squatters increased rights on mailo land at the expense of owner rights. Freehold land is the system in which registered land is owned permanently. It is available only to Ugandan citizens, though it can be leased to foreigners. It can be also used as collateral for bank loans. Leasehold land is land leased by freeholders and is most commonly used by foreign investors. Foreigners may obtain contracts for leases of between 49 and 99 years on leasehold. It can be used as collateral on loans, depending on the length of the lease.

The Land Act of 1998 codified Uganda’s land tenure system, but the system and rules are complex. Foreign companies or foreign individuals may not own land (under freehold tenure). However, with UIA approval they may hold it under 49-year leases that are renewable. Foreigners must seek Land Ministry approval through the UIA to lease land over 50 acres for agricultural or animal production purposes. Uganda has not initiated any changes to allow foreign investors to purchase freehold property. However, some foreign investors circumvent land ownership restrictions by establishing locally incorporated companies.

A foreign company may do business in Uganda through a branch subsidiary. A wholly owned subsidiary is also permitted. The foreign company setting up in Uganda must register the branch by submitting appropriate documents to the registrar of companies within thirty days. The documents include a certified copy of the statutory documents, the names and addresses of the directors and company secretary and the business address in Uganda. Enterprises operating in certain industries such as banking and telecommunications may also need to register with their specific governing bodies.

Protection of Property Rights

7.1 Real Property
As noted, Uganda’s Constitution guarantees the right to own property and requires the state to encourage private initiative. Uganda also has legislation on mortgages, trusts and liens. The 2009 Mortgage Act and the 2012 Mortgage Regulations also make
provision for mortgages, sub-mortgages, trusts and other forms of lien. The Uganda Bureau of Statistics estimates that the informal sector accounts for 43 percent of Uganda’s economy, although other estimates put it much higher—closer to 90 percent. While Uganda has four systems of land tenure, only holders of freehold, leasehold, and Mailo tenure traditionally could hold registered title, while customary landowners (who account for up to 90 percent of all landowners) could not. Even then, the Land Act, 1998, makes provision for customary land owners 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 and addressing the fraud, corruption and incompetence within the national Land Registry. These include the computerization of land registration, as well as the issuance of land titles and other records. In 2013, Uganda also adopted a National Land Policy aimed at promoting optimal use of land.

Uganda has a Commercial Court with six judges, assisted by a Deputy Registrar. The court has 15 mediators, and through pre-trial conferences disputes are settled out of court, saving time and money. However, the court’s effectiveness is hampered by corruption, a shortage of judges and inadequate funding.

7.2 Intellectual Property Rights
In principle, Ugandan law protects intellectual property rights, but in practice little is done to effectively prevent piracy and counterfeit distribution. Uganda has 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 Neighbouring 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 Revenue Authority (URA) and the Uganda Police Force (UPF) are responsible for enforcing the existing laws. They are constrained by inadequate resources and funding.

Few counterfeiting cases have come before the court because companies are not actively taking measures to protect their brands in Uganda. The Court has the power to impound goods and impose injunctions. It also has the power to impose financial damages on trademark and copyright violators, but rarely does so because the predominantly informal market and often undocumented business transactions make it difficult to assess actual financial damages from violations.

Uganda has made limited efforts to address counterfeit products. 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. American manufacturers of consumer goods, particularly of shoe polish, batteries, feminine hygiene products, ink cartridges and chemicals have complained that counterfeiters are damaging their markets as fake goods serve as a deterrent to future foreign direct investment and damage brand names. An Anti-Counterfeiting Bill has been approved by cabinet but is still pending in Parliament and would, if passed, considerably clarify and
strengthen the penalties for making and/or trading in counterfeit products. Currently, the only legal avenue for preventing counterfeit goods is through the Uganda National Bureau of Standards (UNBS) Act which authorizes the UNBS to deny sub-standard goods (but not necessarily counterfeit goods) access to the Ugandan market. For additional information about treaty obligations and points of contact at local IP offices, please see WIPO’s country profiles at http://www.wipo.int/directory/en/. 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 Neighbouring Right Regulations of 2010, and the Patent Regulations of 2010.

7.2.1 Resources for Rights Holders
Intellectual Property Issues are covered by the Economic and Commercial Officer.

- Omar Farooq
- Economic and Commercial Officer
- Plot 1577 Ggaba Road, Kampala, Uganda
- +256 414 306 100
- CommercialKampala@state.gov

For a list of local lawyers, see: http://kampala.usembassy.gov/attorneys.html

Transparency of Regulatory System

Ugandan laws and regulations are published in the Government Gazette. The regulatory system varies substantially with each regulatory body. While some government agencies (notably URA, The Bank of Uganda and UIA) often have hearings, both public and private, where interested parties have an opportunity to comment on draft legislation and regulations, others do not always observe all legal provisions, rarely hold hearings, ignore the requirements regarding public procurement and often favor politically-connected business people.

Many Ugandan agencies require potential and current investors to cut through substantial amounts of red tape for normal business transactions. The World Bank's 2015 Doing Business report ranked Uganda 150 of 189 countries for ease of doing business and 166 out of 189 countries for speed of starting a business, with 32 days required to get a business up and running. Starting a business in certain sectors, such as mining, may take substantially longer. General infrastructure hindrances such as poor telecommunications and limited access to electricity are also a drag on investment. The World Bank report notes, for instance, that it takes 6 procedures and 132 days to get connected to the electricity grid. Investors complain that government officials often require firms interested in government procurement contracts to provide under-the-table cash payments in person at local agency offices. Regulatory inefficiencies and corruption negatively affect foreign and domestic firms equally.

The Bank of Uganda is reasonably transparent, but the legal system is less so. Courts, particularly at the upper levels, have made independent judgments in the past, but these judgments are sometimes ignored and some parties to legal proceedings take advantage of the legal system's inherent delays and incoherence to manipulate the judicial process.
9.1 Liquidity, Credit, Banking System, Hostile Takeovers
Capital markets are open to foreign investors. The Government imposes a 15 percent withholding tax on interest and dividends. Credit is allocated on market terms, and rates are high. Following the lifting of the moratorium on new banks in 2007, a number of new banks have entered the market, bringing the current total to 26. Most banks are foreign owned, including major international institutions such as Citigroup, Barclays, Stanbic, Standard Chartered, and Bank of Baroda. Competitiveness and innovation have also steadily increased, but lending to the private sector is still relatively low, largely because of high risk (limited collateral) on the part of the latter, as well as the government’s appetite for loans from commercial banks. According to the Bank of Uganda, during the 2011/2012 fiscal year, as commercial interest rates soared to over 30 percent, commercial bank lending to the private sector slowed drastically, growing by only 6.1 percent in 2012/2013. By early 2015, commercial rates stood at 21 percent.

Between August 2014 and April 2015, the Uganda shilling lost about 24% of its value against the dollar, a development attributed to a decline in Uganda’s exports. The depreciation of the shilling has had a severe impact on economic performance, particularly because Uganda is a net importer of both consumables and raw materials. Loan defaults remain high and banks are reluctant to lend, many preferring to lend only in U.S. dollars.

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 USD 9.79 billion in 2015. 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. In 2012, Uganda also enacted new legislation – The 2012 Companies Act – which makes substantial improvements to the legal framework on 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.

In 2004, the Bank of Uganda added ten-year bonds to its two-, three-, 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 capital 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, Crested Stocks and Securities. There are no restrictions prohibiting investors from pooling funds to be invested on the exchange and in government treasury bills and Treasury bonds.

In spite of the ongoing global economic slowdown, remittances remain an important source of foreign exchange for Uganda. The Bank of Uganda estimates that in 2012 Ugandans living abroad sent home USD 879 million in remittances, up from USD 729.7
million in 2011. In 2013, remittances rose to USD 930 million but fell to USD 850 million in 2014, defying expectations that it would surpass the USD 1 billion mark. Previously most remittances came from Europe, but now sub-Saharan African countries such as South Africa and Botswana are key sources of remittances.

The Bank of Uganda 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 USD 4 million to USD 25 million, and all banks have complied, some by attracting Tier I equity capital. Total bank assets grew from USh.15.7 trillion in June 2013 to USh.18.6 trillion at the end of June 2014, an annual asset growth rate of 18.8 percent. Most banks are foreign owned, including major international institutions such as Citigroup, Barclays, Stanbic, Standard Chartered, and Bank of Baroda. According to the Bank of Uganda, the non-performing loan rate stood at 5.3 percent at the end of 2014.

### Competition from State Owned Enterprises

#### 10.1 OECD Guidelines on Corporate Governance of SOEs

Uganda operates in a relatively free-market environment after the pursuit of an economic reform agenda in the late 1980s through the 1990s to date. These reforms were aimed at boosting the national economy, reducing government involvement in business and encouraging private sector development. The Government began a privatization program in 1993 that has resulted in the complete or partial divestiture of the majority of Uganda's public enterprises, with just a few remaining in State hands. The program has attracted foreign investors primarily in the agribusiness, hotel, and banking sectors.

State-owned enterprises currently exist in a number of sectors, including 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. State owned enterprises are no longer monopolies as they used to be except for the National Social Security Fund (NSSF), which is also soon to be opened up to competition. The Government is open to competition from private investors in all of these sectors. Uganda is also planning to establish a National Oil Company.

#### 10.2 Sovereign Wealth Funds

The Public Finance Management Act (PFMA) which was passed in February 2015 mandates the establishment of a Petroleum Fund into which anticipated oil revenue will be deposited. The PFMA also allows the creation of other “special funds” for the investment of oil revenue.

### Corporate Social Responsibility

Although corporate social responsibility (CSR) is not a requirement for an investor to obtain an investment license CSR projects are expected from many of the larger foreign enterprises. This is especially true in the extractive industries and other sectors in which regular business operations do not directly benefit the community. 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. 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.

Political Violence

Uganda has succeeded in achieving a level of stability since President Museveni came to power in 1986. However, the regional terrorism threat remains high, and there have been periodic eruptions of political violence in recent years. Rebel groups fighting in eastern Democratic Republic of Congo and the civil conflict in South Sudan which began in December 2013 are creating instability on Uganda's borders, resulting in an inflow of thousands of refugees into Uganda and the disruption of important trade links.

In recent years, the country has been relatively stable and has not seen any major political upheaval. While elections are scheduled for February or March 2016, many Ugandans expect President Museveni to be re-elected, thereby limiting the degree of political uncertainty. Political parties have already begun preparing for the 2016 presidential elections and some meetings and rallies planned by opposition parties have been disrupted occasionally by local authorities.

The threat of terrorism remains high in Uganda. 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, was responsible for the attack. In September 2014, Ugandan security forces carried out a major operation, arresting several members of a suspected al-Shabaab terrorist cell in Kampala that were in the advanced stages of planning an attack. The U.S. Embassy continues to encourage U.S. citizens to carefully consider the risk of attending or being near large public gatherings, especially those with large numbers of westerners and no visible security presence, as these gatherings can be targeted by extremist or terrorist groups. Citizens are also advised that soft targets such as hotels, bars, restaurants, and places of worship are also vulnerable to attacks. High levels of criminal activity remain a problem in Uganda, and spontaneous demonstrations can sometimes occur in Kampala and other cities. Although infrequent, these demonstrations can become violent and should be avoided. U.S. citizens considering travel, employment, or investment in Uganda should read the Country Specific Information available at www.travel.state.gov for current security information.

The threat from various rebel groups in Uganda has subsided significantly in recent years. The Lord's Resistance Army (LRA) was expelled from Uganda in 2006 and is now operating in remote areas of the border region between the Democratic Republic of Congo (DRC), the Central African Republic, and South Sudan. There have been no LRA attacks in Uganda since 2006, and improved security in the region has allowed the vast majority of the 1.8 million people displaced by the conflict to return home. In December 2008, the Governments of Uganda, DRC, and Sudan began joint military operations against the LRA, and in 2011 the United States deployed some U.S. military personnel to the region to provide technical assistance and advice to African forces pursuing the LRA. The Ugandan military deployed to parts of South Sudan after conflict broke out there in December 2013, where they remain.
The security situation in the remote north-eastern region of Uganda remains somewhat volatile due to armed cattle rustlers of the Karamojong and related ethnic groups raiding cattle and propagating violence.

Corruption

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies’ acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official in international business, for example to secure a contract, should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which generally makes it unlawful for U.S. persons and businesses (domestic concerns), and U.S. and foreign public companies listed on stock exchanges in the United States or which must file periodic reports with the Securities and Exchange Commission (issuers), to offer, promise or make a corrupt payment or anything of value to foreign officials to obtain or retain business. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. In addition to the anti-bribery provisions, the FCPA contains accounting provisions applicable to public companies. The accounting provisions require issuers to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls. The accounting provisions also prohibit individuals and businesses from knowingly falsifying books or records or knowingly circumventing or failing to implement a system of internal controls. In order to provide more information and guidance on the statute, the Department of Justice and the Securities and Exchange Commission published *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, available in PDF at: [http://www.justice.gov/criminal/fraud/fcpa/guidance/](http://www.justice.gov/criminal/fraud/fcpa/guidance/). For more detailed information on the FCPA generally, see the Department of Justice FCPA website at: [http://www.justice.gov/criminal/fraud/fcpa/](http://www.justice.gov/criminal/fraud/fcpa/).

**Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international
framework to fight corruption. Several significant components of this framework are the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (negotiated under the auspices of the OECD), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements.

**OECD Antibribery Convention:** The Antibribery Convention entered into force in February 1999. As of January 2015, there are 41 parties to the Convention, including the United States (see [http://www.oecd.org/corruption/oecdantibriberyconvention.htm](http://www.oecd.org/corruption/oecdantibriberyconvention.htm)). Major exporters China and India are not parties, although the U.S. Government strongly endorses their eventual accession to the Antibribery Convention. The Antibribery Convention obligates the Parties to criminalize bribery of foreign public officials in international business transactions, which the United States has done under U.S. FCPA.

**UN Convention:** The UN Convention entered into force on December 14, 2005, and there are 174 parties to it as of March 2015 (see [http://www.unodc.org/unodc/en/treaties/CAC/signatories.html](http://www.unodc.org/unodc/en/treaties/CAC/signatories.html)). The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption, from basic forms of corruption such as bribery and solicitation, embezzlement, and trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of January 2015, the OAS Convention has 34 parties (see [http://www.oas.org/juridico/english/Sigs/b-58.html](http://www.oas.org/juridico/english/Sigs/b-58.html)) and the follow-up mechanism created in 2001 (MESICIC) has 31 members (see [http://www.oas.org/juridico/english/mesicic_intro_en.htm](http://www.oas.org/juridico/english/mesicic_intro_en.htm)).

**Council of Europe Criminal Law and Civil Law Conventions on Corruption:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention on Corruption, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on whistleblower protection, compensation for damage relating to corrupt acts, and nullification of a contract providing for or influenced by corruption, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). See [http://www.coe.int/t/dghl/monitoring/greco/general/about_en.asp](http://www.coe.int/t/dghl/monitoring/greco/general/about_en.asp).

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: http://www.ustr.gov/trade-agreements/free-trade-agreements.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. and Foreign Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its website at www.trade.gov/cs.

The United States provides commercial advocacy on behalf of exporters of U.S. goods and services bidding on public sector contracts with foreign governments and government agencies. An applicant for advocacy must complete a questionnaire concerning its background, the relevant contract, and the requested U.S. Government assistance. The applicant must also certify that it is in compliance with applicable U.S. law, that it and its affiliates have not and will not engage in bribery of foreign public officials in connection with the foreign project, and that it and its affiliates maintain and enforce a policy that prohibits bribery of foreign public officials. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel, and reported through the Department of Commerce Trade Compliance Center “Report a Trade Barrier” Website at tcc.export.gov/Report_a_BARRIER/index.asp. Potential violations of the FCPA can be reported to the Department of Justice via email to FCPA.Fraud@usdoj.gov.

**Guidance on the U.S. FCPA:** The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals and issuers to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding actual, prospective business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at www.justice.gov/criminal/fraud/CPA and general information is contained in Chapter 9 of the publication *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, at
Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general information to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the General Counsel, U.S. Department of Commerce, website, at http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives. More general information on the FCPA is available at the websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Corruption is one of Uganda's most serious problems and appears to be worsening. Transparency International scores Uganda as the most corrupt country in East Africa, and the country fell to 142 out of 175 countries ranked in their Corruption Perception Index. A December 2012 report on corruption by Uganda's Inspectorate of Government characterized corruption in Uganda as "rampant" and noted that "corruption causes distortions of great magnitude in the Ugandan economy." The report cited public procurement as the area most vulnerable to abuse, and noted that 9.4 percent of total contract values went to corrupt payments in procurements both at the local and central government levels.

In recent years, the Government has taken some measures to tackle the problem of corruption. In 2009, Uganda passed an Anti-Corruption Act, criminalizing bribery, influence peddling, and a long list of other offenses. The Whistleblowers Protection Act of 2010 now provides some protection to citizens who report malfeasance, while the Anti-Money Laundering Bill was signed into law in 2013. In 2014, Parliament passed the Public Finance Management Act (PFMA) that could provide better mechanisms for the management of public finances. The PFMA established a Treasury Single Account that should 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. These measures, if fully and properly implemented, could reduce some aspects of corruption. Other draft legislation, including an Anti-Counterfeiting Bill and a Proceeds of Corruption Assets Recovery Bill, are pending in Parliament. Uganda's High Court opened an Anti-Corruption Division (ACD) in 2009. Although its constitutionality was challenged, the Ugandan Constitutional Court ruled that the ACD is constitutional in late 2013, paving the way for corruption cases to resume.

In spite of these measures, however, the public perception is that the government is not doing enough to fight corruption, and that high-level officials involved in corruption – especially politicians – are not seriously investigated or prosecuted. The Auditor General's annual report for the financial year 2012/2013 reveals that officials at the Finance Ministry and the Central bank had appropriated money from the Oil Tax Fund (which had been earmarked for construction of Karuma Dam) to other purposes without following proper procedures, while another USD $38 million in public funds had been spent on "off-budget" activities (activities unaccounted for in the national budget). The report also highlighted another USD $20 million of public funds had been spent on refunds to donor agencies for money stolen or misappropriated by corrupt government
officials, with no effort made to recover such monies from the culprits, as had earlier been announced.

Uganda’s small private sector is not yet robust enough to have developed compliance programs to detect and prevent bribery or to develop internal codes of conduct. 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. American firms have complained of lack of transparency in government procurement and possible collusion between competing business interests and government officials in tendering processes. Some foreign businesses have been urged to take on prominent 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 American firms, which are bound by the U.S. Foreign Corrupt Practices Act, suspect they have lost tenders to bidders from countries which have not criminalized the paying of bribes to foreign officials.

Resources to report corruption

Government Agency

- Justice Irene Mulyagonja
- Inspector General of Government
- Inspectorate of Government
- Jubilee Insurance Centre, Plot 14, Parliament Avenue, Kampala
- 256 414344219
- www.igg.go.ug

Watchdog Organization

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

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

The U.S. Securities and Exchange Commission FCPA Unit also maintains an FCPA website, at: https://www.sec.gov/spotlight/fcpa.shtml. The website, which is updated regularly, provides general information about the FCPA, links to all SEC enforcement actions involving the FCPA, and contains other useful information.


The Trade Compliance Center hosts a website with anti-bribery resources, at http://tcc.export.gov/Bribery. This website contains an online form through which U.S. companies can report allegations of foreign bribery by foreign competitors in international business transactions.

Additional country information related to corruption can be found in the U.S. State Department’s annual Human Rights Report available at http://www.state.gov/g/drl/rls/hrrpt/.


GRECO monitoring reports can be found at: http://www.coe.int/t/dghl/monitoring/greco/evaluations/index_en.asp

MESICIC monitoring reports can be found at: http://www.oas.org/juridico/english/mesicic_intro_en.htm

The Asia Pacific Economic Cooperation (APEC) Leaders have also recognized the problem of corruption and APEC Member Economies have developed anticorruption and ethics resources in several working groups, including the Small and Medium Enterprises Working Group, at http://businessethics.apec.org/, and the APEC Anti-Corruption and Transparency Working Group, at http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Anti-Corruption-and-Transparency.aspx. For more information on APEC generally, http://www.apec.org/.

There are many other publicly available anticorruption resources which may be useful, some of which are listed below without prejudice to other sources of information that have not been included. (The listing of resources below does not necessarily constitute U.S. Government endorsement of their findings.)

Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in approximately 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/research/cpi/overview. TI also publishes an annual...
Global Corruption Report which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents, and an overview of the latest research findings on anti-corruption diagnostics and tools. See http://www.transparency.org/research/gcr.


- The World Economic Forum publishes every two years the Global Enabling Trade Report, which assesses the quality of institutions, policies and services facilitating the free flow of goods over borders and to their destinations. At the core of the report, the Enabling Trade Index benchmarks the performance of 138 economies in four areas: market access; border administration; transport and communications infrastructure; and regulatory and business environment. See http://www.weforum.org/reports/global-enabling-trade-report-2014.

- Global Integrity, a nonprofit organization, publishes its annual Global Integrity Report, which typically assesses anti-corruption and good governance mechanisms in diverse countries. (The 2012 and 2013 reports covered a small number of countries as the organization focused on re-launching a modernized methodology in mid-2014.) For more information on the report, see https://www.globalintegrity.org/global-report/what-is-gi-report/.

**Bilateral Investment Agreements**

Uganda is a member of the World Trade Organization. Uganda is also a member of the East African Community (EAC), along with Kenya, Tanzania, Burundi, and Rwanda. 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.

In February 2015, the U.S. and the EAC signed a Cooperation Agreement that will increase trade-related capacity in the region and deepen the economic ties between the U.S. and the EAC. The Cooperation Agreement will build capacity in three key areas: Trade Facilitation, Sanitary and Phytosanitary (SPS) Measures, and Technical Barriers
to Trade (TBT). Implementing critical customs reforms, harmonizing standards, and undertaking multilateral commitments will support greater EAC regional economic integration. This agreement will complement a Trade Investment Framework Agreement (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. In 2012, Uganda acceded to Common Market for Eastern and Southern Africa (COMESA) Free Trade Area and assumed the chairmanship of COMESA.

Uganda has also negotiated bilateral tax treaties with several nations, including China and South Africa. After the EAC initialed an Economic Partnership Agreement with the EU in 2007, negotiations on a formal agreement proceeded slowly and were only concluded in October 2014. The newly adopted EPA is currently undergoing legal review by the legislatures of the EAC states and is expected to be ratified soon. Details regarding its content are available at http://trade.ec.europa.eu/doclib/docs/2009/january/tradoc_142194.pdf. Uganda does not have a bilateral tax treaty with the U.S. Uganda has bilateral investment treaties with the following countries: Belgium, China, Denmark, Egypt, Eritrea, France, Germany, the Netherlands, Sweden, Switzerland, and UK.

**OPIC and Other Investment Insurance Programs**

Uganda is a signatory to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank and is a member of the International Center for the Settlement of Investment Disputes (ICSID). In 1965, the U.S. and Uganda signed an investment incentive agreement. Both parties signed an updated agreement in 1998, and renewed it in 2013. OPIC has explored potential projects but as of early 2015, has not formally approved any projects in Uganda.

**Labor**

In Uganda, the working age population is defined as the population aged 14-64 years. Education is underfunded in Uganda, and a 2011 Parliamentary report on the economy highlighted poor skills and education as one of the main obstacles to Uganda improving its competitiveness. In 2008, Uganda passed the Business, Technical, Vocational Education and Training Act to reform vocational education and skills development and make it more employment-oriented. However, a number of the reforms have yet to be implemented, and funding for the initiative remains low. In 2011, with donor support, the Uganda Petroleum Institute began teaching vocational skills needed to fill jobs in the oil sector. Uganda has about 40 universities including the prestigious Makerere University that graduates thousands of students a year, but youth unemployment is high due to lack of jobs, providing a ready workforce for investors needing educated local employees. Most urban Ugandans speak English, though many speak it only as a second language to one of 33 local languages spoken in Uganda.

Uganda has ratified all eight ILO fundamental conventions enshrining labor and other economic rights and has integrated some of these into domestic law by way of the 1995 Constitution of the Republic of Uganda, which stipulates and protects a wide range of economic rights. In 2006 a new set of labor laws were enacted to improve compliance with International Labor Organization (ILO) standards. The law allows workers, except for a category of government employees which includes 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.

Despite the law reforms, many Ugandan workers still suffer workplace hardships due to lack of implementation of some revised laws and unfavorable work environments as enforcement and compliance to policies and legislation is lacking. Domestic and agricultural workers as well as workers in the informal sector are excluded from the protection of the labor laws. Labor unrest is sporadic in Uganda, and labor unions are not strong. In 2014, the Industrial Court was operationalized; it Court arbitrates labor disputes which have not been resolved by the district labor officers and the Commissioner of Labor. It has the jurisdiction of the High Court, consists of two High Court Judges and three panelists, one of whom must be independent, one representative of the employers and another representative of the employees. According to Understanding Children’s Work Project’s analysis of statistics from Labor Force Survey, 2010 (or According to the U.S. Department of Labor), over 30 percent of children aged five to 14 in Uganda are engaged in child labor, including the worst forms, in agriculture and in commercial sexual exploitation. The law 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 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.

Youth unemployment in Uganda is widespread. According to the Uganda National Household Surveys (UNHS) 2005/06 and 2009/10, 57 percent of the working youth (between 18 and 30 years) in 2011 were self-employed and 24 percent were wage earners while 5.2 percent of the youth were unemployed. Many of the employed youth are under employed. The agricultural sector is the main employer in Uganda.

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 no minimum wage policy. Although there has been agitation from various circles, the President is against introducing a minimum wage arguing that it will discourage investors.

Uganda employs fewer than 40 district-based labor officers to enforce labor standards, inspect workplaces and process worker and management complaints. This coverage is inadequate as each of Uganda’s 112 districts is supposed to have a district labor officer. District labor officers contribute to the enforcement of labor standards, but lack of staffing and resources limits its effectiveness. The Ministry of Gender, Labor, and Social Development is working to strengthen the capacity of existing labor officers.
The Parliament of the Republic of Uganda passed a "Free Trade Zones Bill" in January 2014. The law is aimed at modernizing the investment infrastructure in Uganda. The law authorizes the development, marketing, maintenance and supervision of free trade zones in Uganda. Foreign companies will have the same opportunities as local companies.

The investment values quoted below should not be relied upon for any investment decision. The figures provided by the UIA are highly variable and the values tracked are only for projects listed. No investors provide updates after the initial registration. Any discrepancies with previous reports are a result of updated data.

Table 1: Key macroeconomic data, U.S. FDI in Uganda

<table>
<thead>
<tr>
<th>Economic Data</th>
<th>Year</th>
<th>Amount</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Domestic Product (GDP)</td>
<td>2013</td>
<td>24.7</td>
<td>World Bank</td>
</tr>
<tr>
<td>GDP growth rate</td>
<td>2013</td>
<td>4.41%</td>
<td>World Bank</td>
</tr>
<tr>
<td>Projected GDP growth rate</td>
<td>2015</td>
<td>5.4%</td>
<td>IMF</td>
</tr>
<tr>
<td>Inflation</td>
<td>2013</td>
<td>5.5%</td>
<td>World Bank</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>Foreign Direct Investment (FDI)</td>
<td>2013</td>
<td>1.19 or 1.48</td>
<td>World Bank</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Uganda Investment Authority</td>
</tr>
<tr>
<td>U.S. FDI in Uganda (millions U.S. Dollar stock)</td>
<td>2013</td>
<td>9</td>
<td>Uganda Investment Authority</td>
</tr>
<tr>
<td>Uganda FDI in US (millions U.S. Dollar stock)</td>
<td>2013</td>
<td>n.a</td>
<td></td>
</tr>
</tbody>
</table>

Note:
- n.a. means no data or estimates
Variation between data presented by domestic and international sources in some cases is due to difference in the time of the presentation or estimate. International sources present end of calendar year data while domestic sources present end of financial year data.

Table 2: Sources and Destination of FDI  
Uganda, 2013

<table>
<thead>
<tr>
<th>Inward direct investment</th>
<th>Outward direct investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total inward</td>
<td>1418</td>
</tr>
<tr>
<td>China</td>
<td>270</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>146</td>
</tr>
<tr>
<td>Canada</td>
<td>143</td>
</tr>
<tr>
<td>India</td>
<td>101</td>
</tr>
<tr>
<td>Kenya</td>
<td>65</td>
</tr>
</tbody>
</table>

"0" reflects amounts rounded to +/- USD 500,000  
Source: Uganda Investment Authority

Note:  
- n.a means no data.  
- The sources of portfolio investment are mainly equity securities.

Contact Point at Post

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- CommercialKampala@state.gov
Chapter 7: Trade and Project Financing

- How Do I Get Paid (Methods of Payment)
- How Does the Banking System Operate
- Foreign-Exchange Controls
- U.S. Banks and Local Correspondent Banks
- Project Financing
- Web Resources

How Do I Get Paid (Methods of Payment)

In Uganda, retailers normally receive payment for consumer goods in cash. However, exporters of capital goods or other equipment, machinery, and services normally seek payment through wire transfers. Ugandans may attempt to pay by check, but increasing check fraud makes this a risky proposition.

How Does the Banking System Operate

After restructuring in the 1990s the sector has been steadily improving and is now stable and well capitalized. The system includes the Bank of Uganda, 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. A deposit insurance fund with contributions from the Ugandan government and banks has been put in place to protect depositors.

Foreign-Exchange Controls

There are no foreign exchange controls affecting legitimate trade. The country has forex bureaus where foreign currency is bought at the going market rate. The rates may vary from one bureau to another.

U.S. Banks and Local Correspondent Banks

Bank of Baroda -- Chase Manhattan Bank, New York
Barclays Bank (u) LTD -- Barclays Bank plc, New York
Citibank Uganda LTD -- Citibank, New York
DFCU bank -- Citibank, New York
Stanbic -- Bankers Trust, New York
Standard Chartered Bank -- Standard Chartered, New York

Project Financing

Multilateral institutions active in Uganda include the International Monetary Fund, the World Bank, East African Development Bank and the African Development Bank, as well
as several European institutions. Major development projects in health, education, agriculture, and infrastructure are financed by bilateral donors and/or international organizations. These are usually financed through grants and sometimes through loans.

**Web Resources**


OPIC: [http://www.opic.gov](http://www.opic.gov)


USDA Commodity Credit Corporation: [http://www.fsa.usda.gov/ccc/default.htm](http://www.fsa.usda.gov/ccc/default.htm)


African Development Bank: [www.afdb.org](http://www.afdb.org)

Bank of Baroda: [www.bobho@spacenet](http://www.bobho@spacenet)


COMESA Bankers Association: [www.comesabankers.org](http://www.comesabankers.org)

DFCU: [www.dfcugroup.com](http://www.dfcugroup.com)

East African Development Bank: [www.eadb.org](http://www.eadb.org)

Stanbic: [www.stanbic.com](http://www.stanbic.com)

Standard Chartered Bank: [www.standardchartered.com](http://www.standardchartered.com)

Uganda Bankers Association: e-mail: [uba@uol.co.ug](mailto:uba@uol.co.ug)

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- Visa Requirements
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- Temporary Entry of Materials and Personal Belongings
- Web Resources

Business Customs

Ugandan business decisions are often made by a group within the company and there is a premium on consensus. Ugandans want to get to know people with whom they are dealing and begin most meetings with introductory conversation about people’s backgrounds and families. Good gift choices to bring from abroad would be business-related items, including items the company makes or wishes to sell.

Ugandans are quite conservative in dress. Women conventionally wear dresses; men wear business suits or slacks. In their discourse, Ugandan businesspeople dress formally, but are friendly and informal in conversation. They are generally conservative and formal when making speeches to a group. Greetings and acknowledgements invariably precede formal speeches in strict accordance with protocol.

It is common for Ugandans to arrive late for events, and meetings often begin and end later than scheduled.

Travel Advisory

For the latest travel-related information, please see the consular information sheet for Uganda at http://travel.state.gov

Visa Requirements

Visitors with diplomatic passports do not need visas. Those with official or regular passports can obtain a visa at the Ugandan Embassy in Washington or on arrival at Entebbe airport (USD $50 for a three month, single entry visa, though this is currently in the process of being changed to USD $80). Tourists can also request a visa that is valid in Uganda, Rwanda and Kenya for USD $100. A USD $50 departure tax is charged, but is usually included in the cost of air tickets.
Telecommunications

While Uganda’s communications infrastructure remains substandard, steady improvements have occurred since the introduction of mobile telephones. Mobile phone companies now provide coverage for urban and most rural areas, though reception quality can occasionally be poor. Ground lines in rural areas remain scarce. Most towns in both rural and urban areas have pay phones, easing communication for those without a mobile or land line. SIM Cards for U.S. visitors coming to Uganda with compatible tri-band phones are inexpensive and widely available but users are required to register with a passport photo and a copy of their passport bio data page. International direct dial is expensive, but generally of good quality. A satellite telephone is recommended for persons working in extremely remote areas. U.S. cell phones can work in Uganda in roaming mode. The voltage in Uganda is 220 watts; those with U.S. equipment need to use a stabilizer. These are not only important for stepping up the voltage but also to protect equipment against power surges. Many businesses use e-mail regularly. Commercial e-mail and internet services are increasingly available, and Internet cafes are common. 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 between telecom companies, has 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 exorbitant.

Several different courier services compete for business in Uganda and in providing international services. DHL and FedEx offer delivery to both Kampala and distant rural areas of Uganda. These firms note that exact addresses are not necessary for deliveries to rural areas.

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 expressway, connecting Entebbe and Kampala is under construction, and is scheduled to open in 2017. The Uganda National Roads Authority plans to issue a tender for the Kampala-Jinja Expressway in 2015. Roads in Kampala also badly need repair, as large potholes slow traffic and damage vehicles, increasing the cost of doing business in the capital. Due to poor drainage and road construction, paved roads worsen during the rainy season. Urban traffic congestion is worsening dramatically as Uganda’s economy and population grows and more Ugandans purchase autos. The secondary road system needs a great deal of work, and some unpaved roads become impassable in the rainy seasons. A four-wheel drive vehicle is strongly recommended.
The public transport system is unreliable. Fourteen seat commuter buses are used within the cities and for long distance travel. These are frequently involved in accidents. Motorcycle taxis, locally known as boda-bodas, are available especially around the city center. Although they can move much more quickly through gridlocked traffic than cars or trucks, they are often unsafe and have been involved in many fatal accidents. Use of motorcycle taxis or driving on the highway after dark should be strictly avoided, and seat belts and helmets should always be used.

Entebbe International Airport offers a modest number of non-stop flights to regional and international destinations. There are frequent flights to cities in the East Africa region, including Nairobi, Dar es Salaam, Addis Ababa, Juba, and Kigali. Other non-stop international destinations include Johannesburg, Cairo, Istanbul, Dubai, Brussels, Amsterdam, and London. There are no direct flights to the United States. Small private carriers recently have established scheduled commercial services between Entebbe and several domestic destinations popular with tourists. Alternately, visitors may access remote regions of the country through private charters.

Language

Most business is conducted in English, though many local languages exist in Uganda. The most common local language in Kampala is Luganda. Because English is often spoken as a second language, many Ugandans speak English with a heavy accent. Likewise, Ugandans often have difficulty understanding American English pronunciation and usage. Swahili is often understood but not frequently used in Kampala.

Health

Despite Uganda having numerous infectious diseases, travelers who take appropriate precautions rarely get serious infections. By far the biggest risks to travelers are traveler's diarrhea and motor vehicle accidents. Use of motorcycle taxis or driving on the highway after dark should be strictly avoided, and seat belts and helmets should always be used. Malaria is highly endemic and may be resistant to some anti-malarial drugs. Most infections are falciparum malaria, which if untreated, can rapidly become life-threatening. Use of appropriate prophylaxis, mosquito repellants and bed nets greatly lower the risk of acquiring malaria. Outbreaks of viral hemorrhagic fevers with a high fatality rate, such as Ebola and Marburg fever, occur occasionally but usually do not spread beyond a localized area. Yellow fever is present in northern Uganda, but can reliably be prevented with the required Yellow Fever vaccine. Enteric diseases including giardia, amoebic dysentery and shigella are common, as are cholera and typhoid. Typhoid fever immunization is and also recommended. Travelers to northern Uganda should be aware of the possibility of Hepatitis E transmission by drinking contaminated water. Water from taps is not potable and should be boiled 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 the parasite schistosomiasis that causes bilharzia, limiting water-based recreation. Plague occurs annually in West Nile and bacterial meningitis is a regular in northern Uganda. Sexually-transmitted infections including HIV infection are endemic in Uganda. Uganda successfully lowered its HIV prevalence rate to about six percent but recently the prevalence rate has started to increase again. Tuberculosis is also common.
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 early 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. Businesses, however, may be closed and many businesspeople may be unavailable on such a day. Major holidays celebrated in Uganda include:

- New Years Day January 1
- Liberation Day January 26
- Good Friday *
- Easter Monday *
- International Women’s Day March 8
- Labor Day May 1
- Id-el-Fitr *
- Id-el-Adha *
- Uganda Martyr’s Day June 3
- National Heroes Day June 9
- Independence Day October 9
- Christmas Day December 25
- Boxing Day December 26

* Date changes annually

Temporary Entry of Materials and 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.

Web Resources

- State Department Visa Website: travel.state.gov/visa/index.html
- United States Visas: www.unitedstatesvisas.gov/
- U.S. Embassy Kampala: kampala.usembassy.gov/service.html
- Uganda Revenue Authority: www.ura.go.ug

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Chapter 9: Contacts, Market Research and Trade Events

- Contacts
- Market Research
- Trade Events

Contacts

U.S. Commercial/Economic Office
Plot 1577 Ggaba road
Kampala, Uganda
Tel: 256-414-306-001, fax: 256-414-259-794
kampala.usembassy.gov/business.html

U.S. Embassy
Plot 1577 Ggaba road
Kampala, Uganda
Tel: 256-414-306-001, fax: 256-414-259-794
kampala.usembassy.gov/service.html

Uganda Government Agencies/Authorities

Customs Department
P.O. Box 8147, Kampala
Tel: 256-417-744-101, 256-414-317-195
www.ura.go.ug

Ministry of Agriculture, Animal Industry and Fisheries
P.O. Box 201, Entebbe
www.agriculture.go.ug

Ministry of Energy and Minerals
P.O. Box 7270, Kampala
Tel: 256-414-311-111, fax: 256-414-230-220
www.energyandminerals.go.ug

Ministry of Finance, Planning and Economic Development
P.O. Box 8147, Kampala
Tel: 256-414-707-0009, fax: 256-414-230-163
www.finance.go.ug

Ministry of Tourism, Trade and Industry
P.O. Box 4241, Kampala
Tel: 256-414-314-268, fax: 256-414-340-427
www.mtti.go.ug

National Environment Management Authority (NEMA)
P.O. Box 22255, Kampala
Tel: 256-414-251-064/8; fax: 256-414-257-521
www.nemaug.org

Private Sector Foundation Uganda
P.O. Box 7683, Kampala
Tel: 256-312-263-850; fax: 256-414-259-109
www.psfuganda.org

Uganda Export Promotion Board
P.O. Box 5045, Kampala
Tel: 256-414-230-250; fax: 256-414-259-779
www.ugandaexportsonline.com

Uganda Investment Authority (UIA)
P.O. Box 7418, Kampala
Tel: 256-414-301-000; fax: 256-414-342-903
www.ugandainvest.co.ug

Uganda National Bureau of Standards
P.O. Box 6329, Kampala
Tel: 256-414-222-367; fax: 256-414-286-123
www.unbs.go.ug

Uganda Revenue Authority
P.O. Box 7279, Kampala
Tel: 256-417-442-001/10; fax: 256-414-334-419
www.ura.go.ug

**Uganda Trade Associations/Chambers of Commerce**

American Chamber of Commerce in Uganda
c/oNCR Uganda - Service & Computer Industries
Plot 94, William Street
Tel: 256 312 351700; 256 414 351712; fax: 256 414 232145
www.sciug.com/; Email: gm@sciug.com

Uganda Coffee Trade Federation
P.O. Box 21679, Kampala
Tel: 256-414-343-678; fax: 256-414-343-692
www.uganda-co.ug/coffee

Uganda Fish Processors & Exporters Association
P.O. Box 24576, Kampala
Tel: 256-414-347-835; fax: 256-414-347-835
www.ufpea.co.ug
Uganda Flower Exporters Association  
P.O. Box 29558, Kampala  
Tel: 256-312-263-320; Fax: 256-312-263-321  
www.ufea.com

Uganda Manufacturers Association  
P.O. Box 6966, Kampala  
Tel: 256-414-287-615; fax: 256-414-220-285  
www.uma.or.ug

Uganda National Chamber of Commerce and Industry  
P.O. Box 3809, Kampala  
Tel: 256-414-503-024/5; fax 256-414-230-310  
www.ugandachamber.or.ug

Uganda Small Scale Industry Association  
P.O. Box 7725, Kampala  
Tel: 256-312-278-798;  
www.uussia.org

The Uganda Vanilla Exporters Association  
1st Floor Ambassador House, Kampala Road  
Tel: 256-772-495-067  
www.ugandavanilla.com/commercial.htm

Development Banks

Uganda Development Bank  
P.O. Box 7210, Kampala  
Tel: 256-414-355-550; fax: 256-414-355-556  
www.info@udbl.co.ug

East African Development Bank  
P.O. Box 7128, Kampala  
Tel: 256-414-230-021/5; fax: 256-414-259-763  
www.eadb.org

International Organizations

International Monetary Fund  
P.O. Box 7120, Kampala  
Tel: 256-414-233-955; fax: 256-414-254-872  
www.imf.org

UNDP  
P.O. Box 7184, Kampala  
Tel: 256-414-233-440; fax: 256-414-244-801  
www.undp.or.ug
World Bank
P.O. Box 4463, Kampala
Tel: 256-414-230-094; fax: 256-414-230-092
www.worldbank.org

World Food Program
P.O. Box 7184
Tel: 256-312-242-000/229; fax: 256-414-250-485
www.wfp.org

Uganda Commercial Banks

Bank of Africa
P.O. Box 2750, Kampala
Tel: 256-414-258-118; fax: 256-414-230-439
www.boa-uganda.com

Bank of Baroda
P.O. Box 7197, Kampala
Tel: 256-414-233-680; fax: 256-414-258-263
www.bankofbaroda/Uganda

Barclays Bank
P.O. Box 2971, Kampala
Tel: 256-312-218-000/317; fax: 256-414-231-839
www.barclays.com/africa/uganda

Cairo International Bank
I Sure House, Bombo Rd. Kampala
Tel: 256-414-230-136; fax: 256-414-230-130
www.cairointernationalbank.co.ug

Centenary Rural Development Bank
Plot 7, Entebbe Road, Kampala
Tel: 256-414-251-276/7; fax: 256-414-251-273/4
www.centenarybank.co.ug

Citibank Uganda
P.O. Box 7505
Tel: 256-414-340-945/9; fax: 256-414-340-624
www.citibank.com/eastafrica/uganda

Crane Bank
P.O. Box 22572, Kampala
Tel: 256-414-343-607/8; fax: 256-414-231-578
www.cranebanklimited.com

DFCU (formerly Gold Trust) Bank
P.O. Box 70, Kampala
Tel: 256-414-351-000; fax: 256-414-500-491
www.dfcugroup.com

Diamond Trust Bank
17/19 Diamond Trust Bldg., Kampala
Tel: 256-414-259-331/3; fax: 256-414-342-286
www.dtbafrica.com

National Bank of Commerce
Cargen house, Parliament Ave, Kampala
Tel: 256-414-347-700; fax: 256-414-347-701
e-mail: nbc@africaonline.co.ug

Orient Bank
Plot 10, Kampala road
Tel: 256-414-236-013; fax: 256-414-236-066
www.orient-bank.com

Stanbic Bank
P.O. Box 7131, Kampala
Tel: 256-312-224-600; fax: 256-414-231-116
www.stanbic.com

Standard Chartered Bank
P.O. Box 7111, Kampala
Tel: 256-414-258-211; fax: 256-414-342-875
www.standardchartered.com/ug

Tropical Africa Bank
27 Kampala Rd., Kampala
Tel: 256-414-313-100; fax: 256-414-313-131
www.trobank.com

United Bank for Africa
Spear House, Plot 22 Jinja Road
Tel: 256-417-715-100
www.ubagroup.com

Kenya Commercial Bank
Commercial Plaza, 7 Kampala Road
Tel: 256-414-346-961; fax: 256-414-346-966
www.kcb.co.KE

Market Research

To view market research reports produced by the U.S. Commercial Service please go to the following website: http://www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.
Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

**Trade Events**

Please click on the link below for information on upcoming trade events.

http://www.export.gov/tradeevents/index.asp

(Add link to trade events section of local buyusa.gov website here or just delete this text.)

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Chapter 10: Guide to Our Services

SelectUSA:

SelectUSA was created by President Obama in June 2011 through Executive Order 13577, as the U.S. government-wide program to promote and facilitate business investment into the United States, including foreign direct investment (FDI) and reshoring. The program is housed within the Commerce Department and coordinates investment-related resources across more than 20 federal agencies through the Interagency Investment Working Group (IIWG). SelectUSA provides services to two types of clients: investors and U.S. economic development organizations at the state and local level. Services include:

Information Assistance:

- SelectUSA provides information to investors on the benefits of establishing operations in the United States, as well as the information needed to move investments forward. Investors can access facts, data and local contacts for the U.S. market.

- SelectUSA also works closely with state, local and regional economic developers to provide counseling on strategy, best practices, and on-the-ground intelligence from the Foreign Commercial Service network across more than 70 foreign markets.

Ombudsman Services: SelectUSA coordinates federal agencies to address investor concerns relating to a wide range of federal regulatory issues – helping them to navigate an unfamiliar system.

Investment Advocacy: U.S. state and local governments often find themselves competing with a foreign location for a project. SelectUSA can coordinate senior U.S. government officials to advocate to the investor to bring those jobs to the United States.

Promotional Platform: SelectUSA brings the power of the “USA” brand to high-profile events, such as, such as the upcoming 2015 Investment Summit, to attract investors to learn about our nation’s investment opportunities. SelectUSA organizes international Road Shows and missions to trade fairs, while also offering tailored on-the-ground assistance in more than 70 markets.

Note: SelectUSA exercises strict geographic neutrality, and represents the entire United States. The program does not promote one U.S. location over another U.S. location.

For more information on SelectUSA and services provided for investors and economic development organizations please click on the following link:

http://selectusa.commerce.gov/

National Export Initiative:
The President’s National Export Initiative/NEXT marshals Federal agencies to provide customer service-driven services and actionable information resources that ensure American businesses are able to capitalize on expanded opportunities to sell their goods and services abroad.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government’s trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: [Insert link to Products and Services section of local buyusa.gov website here.]

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact (800) USA-TRAD(E).

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, The Department of Commerce does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. The Department of Commerce can assist companies in these endeavors.

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