



## Doing Business in Uganda:

# 2016 Country Commercial Guide for U.S. Companies

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2016. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

### Table of Contents

<b><i>Doing Business in Uganda</i></b> _____	<b>4</b>
<b>Market Overview</b> _____	<b>4</b>
<b>Market Challenges</b> _____	<b>5</b>
<b>Market Opportunities</b> _____	<b>6</b>
<b>Market Entry Strategy</b> _____	<b>7</b>
<b><i>Political Environment</i></b> _____	<b>8</b>
<b>Political Environment</b> _____	<b>8</b>
<b><i>Selling US Products &amp; Services</i></b> _____	<b>8</b>
<b>Using an Agent to Sell US Products and Services</b> _____	<b>8</b>
<b>Establishing an Office</b> _____	<b>8</b>
<b>Franchising</b> _____	<b>8</b>
<b>Direct Marketing</b> _____	<b>8</b>
<b>Joint Ventures/Licensing</b> _____	<b>8</b>
<b>Selling to the Government</b> _____	<b>9</b>
<b>Distribution &amp; Sales Channels</b> _____	<b>9</b>
<b>Express Delivery</b> _____	<b>9</b>
<b>Selling Factors &amp; Techniques</b> _____	<b>10</b>
<b>eCommerce</b> _____	<b>10</b>
<b>Trade Promotion &amp; Advertising</b> _____	<b>10</b>
<b>Pricing</b> _____	<b>12</b>
<b>Sales Service/Customer Support</b> _____	<b>12</b>
<b>Due Diligence</b> _____	<b>12</b>
<b>Local Professional Services</b> _____	<b>13</b>

Principal Business Associations _____	13
Limitations on Selling US Products and Services _____	14
Web Resources _____	14
<b><i>Trade Regulations, Customs, &amp; Standards</i></b> _____	<b>15</b>
Import Tariff _____	15
Trade Barriers _____	15
Import Requirements and Documentation _____	16
U.S. Export Controls _____	16
Temporary Entry _____	17
Labeling/Marking Requirements _____	17
Prohibited & Restricted Imports _____	17
Customs Regulations _____	17
Trade Standards _____	18
Trade Agreements _____	20
Licensing Requirements for Professional Services _____	20
Web Resources _____	21
<b><i>Investment Climate Statement</i></b> _____	<b>21</b>
Executive Summary _____	21
Openness to and Restrictions upon Foreign Investment _____	23
Conversion and Transfer Policies _____	26
Expropriation and Compensation _____	27
Dispute Settlement _____	27
Performance Requirements and Investment Incentives _____	29
Right to Private Ownership and Establishment _____	32
Protection of Property Rights _____	32
Transparency of the Regulatory System _____	33
Efficient Capital Markets and Portfolio Investment _____	34
Competition from State-Owned Enterprises _____	35
Responsible Business Conduct _____	36
Political Violence _____	36
Corruption _____	37
Bilateral Investment Agreements _____	43
OPIC and Other Investment Insurance Programs _____	44

Labor _____	44
Foreign Trade Zones/Free Ports/Trade Facilitation _____	46
Foreign Direct Investment and Foreign Portfolio Investment Statistics _____	46
Contact for More Information on the Investment Climate Statement _____	47
<b><i>Trade &amp; Project Financing</i></b> _____	<b>48</b>
Methods of Payment _____	48
Banking Systems _____	48
Foreign Exchange Controls _____	48
US Banks & Local Correspondent Banks _____	48
Project Financing _____	48
Web Resources _____	49
<b><i>Business Travel</i></b> _____	<b>51</b>
Business Customs _____	51
Travel Advisory _____	51
Visa Requirements _____	52
Currency/Money _____	52
Telecommunications/Electric _____	52
Transportation _____	53
Language _____	53
Health _____	53
Local Time, Business Hours and Holidays _____	55
Temporary Entry of Materials or Personal Belongings _____	55
Travel Related Web Resources _____	55
<b><i>Leading Sectors for US Exports &amp; Investments</i></b> _____	<b>56</b>
Energy _____	56
Agricultural Sector _____	57
Construction _____	58
Oil and Gas _____	60
Mining and Minerals _____	61
Telecommunications Industry _____	62
Medical Equipment _____	63
Pharmaceuticals _____	64
Travel and Tourism _____	65

## Doing Business in Uganda

### Market Overview

- All figures in this report are the most recently available. In some cases, data was available for 2015, but not yet 2014. In other cases, 2013 was the most recent figure.
- According to the Uganda Bureau of Statistics, Uganda's gross domestic product (GDP) was USD 22.6 billion (assuming a UGX 3300 to USD 1 exchange rate) in FY 2015/16, with GDP per capita around USD 710. The Ugandan economy grew by 4.6 percent in fiscal year (FY) 2015/16, compared to 5.3 percent the previous year. The Government predicts that economic growth is expected to accelerate to 5.5 percent in FY 2016/17 due primarily to an increase in public investment. The Government of Uganda (GOU) medium term growth estimates call for an average of 6 percent over the next five years, though actual growth may come in lower due in large part to the ongoing global macro-economic deterioration.
- Uganda's budget for FY 2016/17 is UGX 21.3 trillion (USD 6.4 billion), an 11 percent increase from last year's budget. The budget increase reflects in large part a growth in debt servicing costs attributed to the GOU's prioritization to finance infrastructure projects.
- In 2015, total trade was USD 8.8 billion, with USD 2.7 billion worth of exports, and USD 6.1 billion worth of imports. Uganda's trade deficit has increased to USD 3.5 billion, from 3 billion in 2013. Wholesale and retail trade contributed 12.2 percent of GDP.
- In 2014, Foreign Direct Investment (FDI) is estimated at about USD 1.2 billion by the World Bank. 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.
- The service sector was the largest contributor to GDP in 2015/2016 at 51.7 percent and industry contributed about 18.3 percent. In the same year, agriculture and fishing sectors constituted 22.6 percent of Uganda's GDP and employed 66 percent of Uganda's population. In 2015, of the 37.5 million people living in Uganda, 20.8 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 2015/16, the Ugandan Government invested more than USD 700 million in road construction and improvement, and plans to invest more than USD 1 billion in FY 2015/16.
- While Uganda maintains a liberal trade and foreign exchange regime, and largely adheres to IMF/World Bank programs to fight poverty, continuing reports of endemic corruption, financial mismanagement, and increasing political repression raise questions about the government's commitment to fostering an investor-friendly environment. National elections held on February 18, 2016, fell short of international standards, according to most international and domestic election observer missions. Projects managed by the Government of Uganda are hampered by a sluggish bureaucracy with a non-transparent decision-making process.

- Uganda's major trading partners are its regional neighbors, including Kenya, the Democratic Republic of Congo (DRC), and South Sudan. Political instability in the region can dramatically affect 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 does not yet have a Bilateral Investment Treaty (BIT) or Free Trade Agreement (FTA) with an investment chapter with the United States.
- The top five reasons to export to Uganda include:
  - A free-market economy, with few limits on foreign investment and repatriation of funds.
  - A rapidly growing consumer demographic, with 50 percent of Uganda's population under the age of 15.
  - Uganda is increasing its connectivity with the 160 million-person East African Community, through several large-scale highway projects, the standard gauge railway, and the recently-announced USD 4 billion oil pipeline to Tanzania.
  - Abundant resources such as fertile agriculture land and 6.5 billion barrels of oil reserves.
  - A record of strong economic growth averaging six percent per year over the past decade due to the GOU's investments in power generation and road infrastructure.

## Market Challenges

- Barriers to market entry in Uganda include:
  - High levels of corruption. In 2015, Uganda was ranked 139th out of 167 in Transparency International's (TI) Corruption Perceptions Index, tied with Kenya, and below Tanzania (117th), and Rwanda (44th).
  - Limited infrastructure. Although the Ugandan government is investing heavily in infrastructure, its systems of roads, rail, electricity, and water are generally poor. Access to electricity countrywide is a meager 15 percent, and only six percent of the rural population has access to power. Full commissioning of the 250 megawatt Bujagali Hydropower Project in 2012 has alleviated Uganda's power deficit, but demand is growing at 10 percent per year, and could gradually outstrip supply again. Electricity generation capacity increased from 595MW in 2011 to 852 MW in 2014. The Government is fast-tracking the construction of the Karuma and Isimba hydropower projects (600MW and 183MW respectively). The Government is also constructing small (up to 15 MW) hydropower plants.
  - Lack of affordable financing. Although the Bank of Uganda (BOU) lowered the central bank rate 100 basis points to 16 percent in April, financing remains out of reach for most small to medium enterprises. According to the BOU, the commercial lending rate for low-risk customers currently averages 25 percent.
  - Lack of specialized skills. According to the United Nations Development Program, Uganda is ranked 163 on the Human Development Index. The adult literacy rate is 73 percent; however, Uganda has a 75 percent primary school dropout rate. Only 27 percent of the

population is enrolled in secondary school; and 4 percent in tertiary school. The GOU spends three percent of its budget on education.

- Inefficient government services. Although Uganda made improvements in the World Bank's 2016 Doing Business Rankings, moving up 13 positions to 122nd out of 189 countries, substantial market challenges remain.
  - Uganda is ranked 168<sup>th</sup> for starting a business, requiring 15 procedures—seven more than the average for sub-Saharan Africa.
  - Uganda is ranked 161<sup>st</sup> for dealing with construction permits, requiring 18 procedures—four more than sub-Saharan Africa.
  - Uganda is ranked 128<sup>th</sup> for trade. Exports take on average 77 hours for border compliance and 64 hours for documentary compliance. Imports take on average 149 hours for border compliance and 138 hours for documentary compliance.
- Complex land laws leading to frequent land disputes. Uganda has four systems of land tenure: freehold, traditional freehold land referred as “Mailo,” leasehold, and customary. The Land Act, 1998, restricts foreign investors to leasing land. Only holders of freehold, leasehold, and Mailo tenure hold registered titles, while customary or indigenous communal landowners (who account for up to 90 percent of all landowners) do not, leading to frequent land disputes.

## Market Opportunities

- U.S. exports to Uganda totaled USD 90 million in 2015. As of 2014, major U.S. exports to Uganda include: packaged medical supplies (20 percent); aircraft parts (9.2 percent); used clothing (8.2 percent); kraft paper (5.2 percent); medical instruments (4.6 percent); computers (3.9 percent); and construction equipment (2.2 percent).
- Top prospect sectors for U.S. exports to Uganda include: farm and construction equipment; oil production technologies; power generation; renewable energy technologies; manufacturing equipment; information and communication technology products; medical equipment; pharmaceuticals; cosmetics; and consumer goods.
- Major infrastructure projects, government procurements, and business opportunities:
  - Standard Gauge Railway: Launched in October 2014, by the presidents of Uganda, Rwanda and South Sudan, as well as representatives from Kenya and Burundi, to construct a USD 3.2 billion 476 kilometer route from Malaba (at the Kenya-Uganda border) across Uganda onwards to the border with Rwanda. Each country is responsible for financing its portion of the railway. On March 30, 2015, the GOU signed a contract with China Harbour Engineering Company Limited (CHEC) to construct the railway and the project is expected to be completed in 2018.
  - Oil pipeline project: On April 23, Ugandan President Yoweri Museveni announced that the country's oil exports would transit through Tanzania. Currently, a consortium of oil companies (Total, CNOOC, and Tullow) is contracting out a front-end engineering design

(FEED) for the pipeline. Once the study is complete, the pipeline project is expected to go to tender, with construction expected to take 36 months.

- Entebbe airport: On August 30, 2015, GOU signed a USD 200 million contract for the expansion of Entebbe international airport to include new passenger and cargo terminals, as well as a multi-story car park. The project, which began in August 2015, will run for five years and is financed with a soft loan from the EXIM Bank of China. It will be executed by China Communication Construction Company (CCCC).
- Kampala-Entebbe highway: In November 2010, the GOU signed an agreement with the Chinese government for the USD 350 million construction of a highway from Kampala to Entebbe (where Uganda's international airport is located). The project, which is financed through a loan from China's EXIM Bank, began in 2012 and is also being executed by CCCC.
- Karuma Dam: In June 2013, the GOU signed a contract with Sinohydro, a Chinese construction company, for construction of a 600 MW hydro-electric dam at Karuma at an estimated cost of USD 1.7 billion. Construction work, which began in the second half of 2013, is expected to last five years. The project is funded by the GOU (15 percent) and a loan from the Chinese Exim Bank (85 percent). Construction of the dam and power station began on August 12, 2013.
- Isimba Dam: In July 2013, the GOU signed a contract with another Chinese company, China International Water & Electric Corporation, for construction of a 183 MW hydro-electric dam at Isimba. The project, which is expected to take three years, will cost USD 570 million and will be financed with loans from the Indian and Chinese EXIM bank (85 percent), as well as funds from the GOU (15 percent). The GOU expects the project to be complete in 2017.

## Market Entry Strategy

- Although Uganda is an emerging economy full of complex challenges, investors can take advantage of opportunities in Uganda, if they conduct the proper due diligence. Online commercial information remains limited; therefore, investors are encouraged to visit Ugandan businesses in person.
- Foreign exporters typically rely on Ugandan distributors to market their products, and partner with local agents that are familiar with Uganda's bureaucracy and business culture. As with other emerging markets, agent quality varies considerably, and foreign investors are encouraged to meet with several agents before making a decision. See the section on, "Using an Agent to Sell U.S. Products and Services" for more details.
- U.S. businesses also can enter the Uganda market through joint ventures with local or regional businesses. The joint-venture allows U.S. firms to take advantage of local and regional expertise while sharing some of the risks with the local firms.

## Political Environment

Political Environment

<http://www.state.gov/r/pa/ei/bgn/2963.htm>

## Selling US Products & Services

Using an Agent to Sell US Products and Services

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

## Establishing an Office

The UIA promotes and facilitates private sector investment in Uganda and operates a "one-stop shop" to facilitate business registration for foreign investors establishing an office in Uganda (<http://www.ugandainvest.go.ug/electronic-one-stop-centre-web-portal-www-ebiz-go-ug/>). The one-stop shop includes the following agencies: the Uganda Revenue Authority (URA), to advise on tax matters; the Directorate of Citizenship and Immigration Control, to assist with work permits; the Uganda Registration Services Bureau (URSB) for business registration; and the Lands Department. UIA's web portal allows investors to: apply for a business name; apply for land title verification; apply for an investment license; apply for a work permit, trading license, and tax identification number.

## Franchising

Several major American firms operate in Uganda, including Citibank; Prudential; AIG; Caterpillar; John Deere; NCR; Sheraton; Marriott; FedEx, Ernst & Young, Deloitte; Price Waterhouse Coopers; General Motors; Coca-Cola; Pepsi-Cola; and American Tower Corporation.

## Direct Marketing

Uganda's telecommunication sector offers investors opportunities for direct marketing, with the number of Ugandan mobile subscribers rapidly increasing from 12 million (2010) to 20 million (2014). Outside of urban areas, Ugandans do not actively utilize mail marketing services. Foreign businesses market their products through their local distributor.

## Joint Ventures/Licensing

Ugandan law generally recognizes investments and business undertakings by joint ventures between Ugandans and foreigners. Regulations on joint ventures vary based on whether majority ownership is domestic or foreign. Under the Land Act, foreign entities may only acquire leases and cannot acquire freehold tenure. Under the Petroleum (Exploration, Development and Production) Act, joint ventures



may be licensed to participate in a range of petroleum-related business undertakings provided there is, within such a joint venture, participation by the Ugandan government or a company that is at least 48 percent Ugandan-owned. The number of foreign direct investment joint ventures in Uganda rose from 19 in 2012 to 40 in 2014.

## Selling to the Government

Uganda is not a party to the WTO Agreement on Government Procurement ([http://www.wto.org/english/tratop\\_e/gproc\\_e/memobs\\_e.htm](http://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm)). The Public Procurement and Disposal of Assets Authority (PPDA) audits government procurements, contains regulations on the public procurement processes, and monitors compliance by all government entities. Since 2011, GOU procurement requests must now include: a procurement schedule for every bid notice issued; standard formats for invitation of bidders (bid notices); specified time frames for all government procurement activities; and all bid evaluations must begin within 14 working days from the date of closing the bid. More information about PPDA can be found at [www.ppda.go.ug](http://www.ppda.go.ug). Opportunities exist for U.S. investors offering infrastructure services, military hardware, and pharmaceuticals. The GOU spends the largest portion of its budget on infrastructure projects. Military equipment and hardware also make up one of the largest portions of government procurement, and the GOU procures most of its drugs and medical equipment from foreign pharmaceutical companies.

### **Multilateral Development Banks (African Development Bank, World Bank)**

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the African Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the African Development Bank (<http://www.export.gov/afdb>) and the World Bank (<http://export.gov/worldbank>).

### **Web Resources**

Commercial Liaison Office to the African Development Bank <http://www.export.gov/afdb>  
Commercial Liaison Office to the World Bank <http://export.gov/worldbank>

## Distribution & Sales Channels

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

## Express Delivery

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

## Selling Factors & Techniques

Marketing in Uganda typically involves advertising on: billboards; road signs; newspapers; radio; and television. Although most Ugandans speak English, several ad campaigns use local languages—especially in rural regions. Firms have also promoted themselves heavily at music concerts, supporting sports teams, and sponsoring sports events. For example, Uganda’s largest mobile phone operator, MTN, sponsors an annual marathon. Beverage firms have run successful bottle cap promotions as well.

## eCommerce

E-commerce is relatively new and undeveloped in Uganda, due to the lack of widespread internet access. In 2008, banks began offering mobile phone banking (Mobile Money), allowing cell phone users to electronically transfer funds to retailers or individuals. With comparatively lower fees and a wider network of money exchanges, mobile money is growing faster than traditional banking in Uganda. Although Mobile Money is regulated, identity enforcement remains poor.

## Trade Promotion & Advertising

The U.S. Embassy in Uganda is a commercial service partner post with the U.S. Embassy in Nairobi, Kenya. Investors can find more information about promotion services here: <https://ug.usembassy.gov/business/commercial-services/>

The Uganda Investment Authority (UIA) leads the GOU’s efforts to promote trade and investment in Uganda: [www.ugandainvest.go.ug/](http://www.ugandainvest.go.ug/).

The following two companies also provide advertising services in Uganda:

### **ZK Advertising Uganda Ltd.**

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

### **TBWA\Limelight**

+ 256 (0)312 387 100  
JR Complex, Plot 101, Jinja Rd,  
Kampala, Uganda, East Africa  
Postal address  
P.O. Box 24251, Kampala, Uganda  
<http://www.tbwalimelight.com/>

**Moringa Ogilvy**

Plot 41, Luthuli Avenue, Kampala

Tel: 256-312-251-112/4; fax: 256-312-251-111; website: [www.ogilvy.com](http://www.ogilvy.com)

The following are media advertising contacts:

**Major Newspapers and Business Journals include:**

The East African

P.O. Box 6100, Kampala, tel: 256-414-232-768; website: [www.nationaudio.com](http://www.nationaudio.com)

The East African Procurement News

P.O. Box 24595, Kampala, tel.: 256-414-231-120; website: [www.procnews.com](http://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](http://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](http://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](http://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](http://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](http://www.independent.co.ug)

**Radio and Television Stations include:**

Capital Radio

P.O. Box 7638, Kampala, tel: 256-414-235-092/3/4 Radio Uganda, P.O. Box 7142, Kampala, tel: 256-414-251-554

Impact Radio

P.O. Box 7223, Kampala, tel: 256-414-272-114; website: [www.victoryuganda.org](http://www.victoryuganda.org)

KFM

P.O. Box 12141, Kampala, tel: 256-312-260-018; website: [www.kfm.co.ug](http://www.kfm.co.ug)

Lighthouse Television

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

MNET

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

Radio One

P.O. Box 4589, Kampala, tel: 256-414-348-311/211

Radio Sanyu

P.O. Box 30961, Kampala, tel: 256-414-234-250; website: [www.mondotimes.com](http://www.mondotimes.com)

Simba Radio

P.O. Box 31564, Kampala, tel: 256-414-543-672; website: [www.simba.fm](http://www.simba.fm)

Uganda TV

P.O. Box 7142, Kampala, tel: 256-414-345-376/256-453

Spirit FM

P.O. Box 10383, Kampala, tel: 256-772-438-980; website: [www.spiritfmradio.net](http://www.spiritfmradio.net)

WBS Television

P.O. Box 5419, Kampala, tel: 256-414-344-313/4; website: [www.wavahtelelevision.com](http://www.wavahtelelevision.com)

## Pricing

Due to high shipping costs, European and North American goods and services are considered expensive by most Ugandan customers, but a few local substitutes exist at moderate prices. Investors who register as investment traders are entitled to value-added tax (VAT) refunds on building materials for industrial and commercial buildings. The East African Community (EAC) is working to unify taxes across the region. The following rates apply for imports from outside the EAC: import duty 25 percent, VAT 18 percent, and a withholding tax 6 percent. Excise duties vary depending on the product.

## Sales Service/Customer Support

With limited infrastructure and high transportation costs, Uganda's market offers consumers limited customer support. Ugandan customers often make purchases on an as-is basis. U.S. businesses that offer superior quality products that are supported with superior supply chain logistics and technical support could take advantage of this market shortcoming in Uganda.

## Due Diligence

The Ugandan market, like other emerging markets, contains anti-fraud legislation that is poorly enforced. U.S. businesses contacted by a Ugandan business looking to make an initial purchase must exercise caution prior to finalizing any transactions. While many legitimate Ugandan entities seek to source goods over the Internet, in recent years, the U.S. Embassy has received reports of fraud or attempted fraud on a weekly basis. Fraud in Uganda is becoming increasingly sophisticated—including the use of sham websites.

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

The following private sector companies offer due diligence services in Uganda:

Price Waterhouse Coopers ([www.pwc.com/ug/en.html](http://www.pwc.com/ug/en.html))

Ernst & Young ([www.ey.com/UG/en/Home/EY-Uganda](http://www.ey.com/UG/en/Home/EY-Uganda))

Deloitte & Touche ([www2.deloitte.com/ug/en.html](http://www2.deloitte.com/ug/en.html))

The American Chamber of Commerce ([www.amchamuganda.co.ug/](http://www.amchamuganda.co.ug/)) may also assist in such processes.

The U.S. Embassy in Uganda is a commercial service partner post with the U.S. Embassy in Nairobi, Kenya. Investors looking to begin their due diligence can ask for an International Company Profile at the Embassy: <https://ug.usembassy.gov/business/commercial-services/>

### Local Professional Services

The Institute of Certified Public Accountants of Uganda (ICPAU): tel.: 256-414-540-125/6; e-mail: [icpau@infocom.co.ug](mailto:icpau@infocom.co.ug)

Uganda Association of Consulting Engineers: tel.: 256-414-342-536; website: [www.uace.or.ug](http://www.uace.or.ug)

Uganda Bankers Association: tel. 256-414-343-199; e-mail: [uba@uol.co.ug](mailto:uba@uol.co.ug)

Uganda Law Society: tel.: 256-414-342-424; website: [www.uls.or.ug](http://www.uls.or.ug); e-mail: [ulss@utlonline.co.ug](mailto:ulss@utlonline.co.ug)

Uganda National Association of Building and Civil Engineering Contractors: tel.: 256-414-287-836; e-mail: [unabcec@infocom.co.ug](mailto:unabcec@infocom.co.ug)

Uganda Society of Architects: tel.: 256-414-232-963; website: [www.archuganda.org](http://www.archuganda.org); email: [archuganda@siticable.co.ug](mailto:archuganda@siticable.co.ug)

### Principal Business Associations

Uganda Manufacturers Association  
P.O Box 6966, Lugogo Show Grounds  
Kampala  
Tel: +256 414 221 034 /287615  
Fax: +256 414 220 285  
Website: <http://uma.or.ug/>  
Uganda Bankers Association  
Email: [uba@uol.co.ug](mailto:uba@uol.co.ug)

Uganda Law Society

Website: [www.uls.or.ug](http://www.uls.or.ug)  
Email: [ulss@utlonline.co.ug](mailto:ulss@utlonline.co.ug)

Uganda National Association of Building and Civil Engineering Contractors  
Email: [unabcec@infocom.co.ug](mailto:unabcec@infocom.co.ug)

Uganda Society of Architects  
Website: [www.archuganda.org](http://www.archuganda.org)  
Email: [archuganda@siticable.co.ug](mailto:archuganda@siticable.co.ug)

American Chamber of Commerce of Uganda  
NCR Building,  
Plot No. 94 William Street,  
P.O.Box 2109 Kampala, Uganda.  
Tel:+256 312 351 700  
Website: <http://www.amchamuganda.co.ug/>  
Email: [admin@amchamuganda.co.ug](mailto:admin@amchamuganda.co.ug)

British Business Association of Uganda  
CFTS.CO (U) Ltd.  
P.O.Box 21558, Kampala, Uganda  
Website: <http://ba-uganda.com/>

Nordic Business Association Uganda  
Website: [www.nba.ug](http://www.nba.ug)

China Uganda Trader's Association (CUTA)  
Website: <http://cutaug.com/>  
Phone: +256-702-722-382

For a more comprehensive listing of Ugandan Business Associations please go to:  
<http://www.ugandaconomy.com/trade-associations>

### Limitations on Selling US Products and Services

According to the Uganda Investment Code, foreign businesses looking to engage in trading business in Uganda must incorporate a company in Uganda and deposit \$100,000 or its equivalent in Uganda shillings at the Bank of Uganda. If the foreign investor intends to engage in any business beyond merely trading (i.e., intends to manufacture goods or provide services), they have to acquire a license from the Uganda Investment Authority.

### Web Resources

U.S. Embassy Kampala Commercial Office: <http://kampala.usembassy.gov/business>

Media:

Impact Radio: [www.victoryuganda.org](http://www.victoryuganda.org)

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

KFM: [www.kfm.co.ug](http://www.kfm.co.ug)

Radio Sanyu: [www.mondotimes.com](http://www.mondotimes.com) Simba Radio: [www.simba.fm](http://www.simba.fm)

The East African: [www.nationaudio.com](http://www.nationaudio.com)

The East African procurement News: [www.procnews.com](http://www.procnews.com)

The Monitor: [www.monitor.co.ug](http://www.monitor.co.ug)

The New Vision: [www.newvision.co.ug](http://www.newvision.co.ug)

Uganda Association of Consulting Engineers: tel.: 256-414-342-536; website:  
[www.uace.or.ug](http://www.uace.or.ug)

WBS Television: <http://www.wavahtelelevision.com/>

## Trade Regulations, Customs, & Standards

### Import Tariff

Uganda, Kenya, Tanzania, Rwanda and Burundi have adopted a three-tiered duty structure for imports from outside the East Africa Customs Union (EACU) under the terms of an East African Community (EAC) agreement, which became fully operational in January 2010. Most finished products are subject to a 25 percent duty, while intermediate products face a 10 percent levy. Raw materials and capital goods may still enter duty free. The EAC agreement increased import duties on some products currently imported into Uganda from the U.S. Uganda is negotiating with Kenya and Tanzania to define certain manufactured products of key importance to Ugandan industries as "raw materials." The EACU members created a list of "sensitive" products -- generally products that compete with certain domestic industries -- that qualify for higher tariffs. In November 2009, the heads of state of the EAC member countries signed the Common Market Protocol, agreeing to establish a common market for Kenya, Tanzania, Uganda, Rwanda, 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 road blocks, administrative delays and quantitative restrictions on goods like sugar. These developments followed the introduction, in 2014, of a system for reporting Non-Tariff Barriers. Since then, more than 54 cases have been resolved out of the 64 reported incidents. The remaining tariffs are maintained for health, security and environmental reasons, with variable rates, depending on the products. Import certificates, issued by the Ministry of Trade, Industry and Cooperatives, are required for these goods on a "negative list," including used tires and certain types of batteries. The certificate is valid for six months. The certificates take the place of import licenses. New EAC regulations, which stipulate that the Trade Ministers of members states must agree on and coordinate the various items on the list, may end up altering the content of Uganda's negative list in the coming year.

## U.S. Export Controls

For an overview of the U.S. Export Control System please visit:

<http://www.state.gov/strategictrade/overview/>

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

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

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

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

[http://www.access.gpo.gov/bis/ear/ear\\_data.html](http://www.access.gpo.gov/bis/ear/ear_data.html)

*Prepared by our U.S. Embassies abroad. With its network of 108 offices across the United States and in more than 75 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global*



*presence and international marketing expertise to help U.S. companies sell their products and services worldwide. Locate the U.S. Commercial Service trade specialist in the U.S. nearest you by visiting <http://export.gov/usoffices>.*

### Temporary Entry

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

### Labeling/Marking Requirements

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

### Prohibited & 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

#### **Import regulations:**

Allowed free import by passengers of 18 years of age and over (except those returning from visits to Kenya and Tanzania):

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

Prohibited: importing (including transit) of domestic and wild birds and their products from countries affected by bird flu. Please see the section on “Prohibited & Restricted Imports” for additional information on prohibited items.

Note: importers must obtain a Sanitary Import Permit from the Director of Veterinary Services if bringing these birds or their products. Meat and meat products or any product from domestic or wild poultry must be declared and destroyed.

**Export regulations:**

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

**Crew members customs regulations:**

The same regulations as for passengers apply.

**Pets:**

Cats and dogs must be accompanied by a veterinarian good health certificate issued at the point of origin not earlier than 6 days before arrival in Uganda.

**Baggage Clearance regulations:**

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

**Airport Embarkation Tax:**

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

**Currency Import regulations:**

Foreign currencies: unlimited, provided declared on arrival. Prohibited: local currency (Uganda Shilling-UGX).

**Currency Export regulations:**

Foreign currencies: up to the amount imported and declared on arrival. Prohibited: local currency (Uganda Shilling-UGX).

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

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

E-mail: [info@ura.go.ug](mailto:info@ura.go.ug)

Website: [www.ura.go.ug](http://www.ura.go.ug)

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](http://www.eac.int)

## Trade Standards

**Overview**

Uganda's standards landscape remains underdeveloped. Standards are drafted and enforced by the Uganda National Bureau of Standards, an agency established by UNBS Act 1983, supervised by the Ministry of Trade, Industry and Cooperatives. Uganda is a member of ISO, ARSO, EASC, FAO/WHO, WTO and domesticates standards developed by the International organization for Standardization (ISO), the

African Regional Organization for Standardization (ARSO), the East African Standards Committee (EASC); Common Market for East and Southern Africa (COMESA), the FAO/WHO Codex Alimentarius Commission on international Food Standards and WTO.

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

#### Standards

The Uganda National Bureau of Standards (UNBS) is charged with developing and checking standards in Uganda. UNBS develops some of the standard but in some cases adopts those developed by others. UNBS is a member to the ISO, CODEX, OIML, and Afrinet. Uganda applies European Union 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](http://www.unbs.org)) for specific information on standards.

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](http://www.unbs.org)).

#### Product Certification

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

#### Accreditation

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

#### Publication of technical regulations

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

#### Contact Information

Dr. Ben Manyindo  
Executive Director UNBS  
Email: [ben.manyindo@unbs.go.ug](mailto:ben.manyindo@unbs.go.ug)

George Opiyo

ANSI point-of-contact Ministry of Trade  
Telephone: 0414 505995 / 0414 222367 / 0712 932 731 / 0701 033591  
Email: [george.opiyo@unbs.go.ug](mailto:george.opiyo@unbs.go.ug)

Madeleine M. McDougall, Program Manager, International Development, American National Standards Institute (ANSI)  
1899 L St NW 11th Floor, Washington, DC 20036  
Telephone: (202) 331-3624  
Email: [MMcDougall@ansi.org](mailto:MMcDougall@ansi.org)

Patricia Ejalu  
Deputy Executive Director - Technical Operations, UNBS  
Telephone: +256-752-978-787  
Email: [pbageine@unbs.go.ug](mailto:pbageine@unbs.go.ug)

Elizabeth Tamale  
Assistant Commissioner, Department of Internal Trade, Ministry of Trade  
Telephone: +256-752-995-663  
Email: [elizabeth.tamale@gmail.com](mailto:elizabeth.tamale@gmail.com)

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

Contact at U.S. Embassy Kampala:  
Omar Farooq  
Economic and Commercial Officer  
+256-414-306-102  
[Farooqo@state.gov](mailto:Farooqo@state.gov)

### Trade Agreements

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

### Licensing Requirements for Professional Services

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

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

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

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

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

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

### Web Resources

Uganda Law Society: <http://www.uls.or.ug/>

Institute of Certified Public Accountants in Uganda: <https://www.icpau.co.ug/>

Uganda Institution of Professional Engineers: [www.uipe.co.ug/](http://www.uipe.co.ug/)

Engineers Registration Board: [www.erb.go.ug/](http://www.erb.go.ug/)

Uganda Medical and Dental Practitioners Council: <http://www.umdpc.com/index.php>

Architects Registration Board: [www.arbuganda.org/](http://www.arbuganda.org/)

Architect Forms: <http://www.arbuganda.org/files.php>

List of registered Architects in Uganda:

[http://www.arbuganda.org/download.php?download\\_file=Registered%20and%20Practicing%20Architects%202016.pdf](http://www.arbuganda.org/download.php?download_file=Registered%20and%20Practicing%20Architects%202016.pdf)

Uganda Society of Architects: [www.archuganda.org](http://www.archuganda.org)

Uganda National Association of Building and Civil Engineering Contractors

Email: [unabcec@infocom.co.ug](mailto:unabcec@infocom.co.ug)

Email: [archuganda@siticable.co.ug](mailto:archuganda@siticable.co.ug)

Uganda National Bureau of Standards: [www.unbs.org](http://www.unbs.org)

East African Community: [www.eac.int](http://www.eac.int)

## Investment Climate Statement

### Executive Summary

Uganda offers investors numerous opportunities, given its youthful, English-speaking population, open markets, and abundant resources, Uganda's economy expanded six percent per year over the past decade, due to rapid growth in the energy, construction, infrastructure, telecommunications and financial services sectors. While Uganda maintains a liberal trade and foreign exchange regime, and largely adheres to IMF/World Bank programs to fight poverty, continuing reports of endemic corruption, financial mismanagement, and increasing political repression raise questions about the government's commitment to fostering an investor-friendly environment. National elections held on February 18, 2016 fell short of international standards, according to most international and domestic election observer missions.

Projects managed by the Government of Uganda are hampered by a sluggish bureaucracy with a non-transparent decision-making process.

Poor infrastructure, high energy and production costs, and a number of macro-economic challenges, most notably a large trade deficit, inflation, and high interest rates, dampened growth in 2015, but growth is expected to rebound to five percent in 2016, and 5.5 percent in 2017. With a trade deficit exceeding USD 2 billion, the Ugandan shilling remains under pressure. Uganda's Central Bank, the Bank of Uganda (BOU), is widely credited with pursuing sound monetary policy that helped arrest the shilling's rapid depreciation which totaled 30 percent in the first three quarters of 2015. The BOU targeted inflation, raising the central bank rate (CBR) to 17 percent in September 2015. The BOU recently dropped the CBR to 16 percent in a sign that it believes inflation is under control at 6.2 percent, just above the BOU's target of five percent.

Agriculture plays a dominant role in Uganda's economy, employing 72 percent of Uganda's workforce. In 2014 agriculture contributed 24.7 percent of GDP. Uganda's top agriculture exports include: coffee, tea, tobacco and cotton. Uganda is Africa's largest exporter of coffee, producing about 3.8 million bags of coffee in 2014. Other significant agricultural exports include fish, flowers and horticultural produce. Agricultural inputs such as seeds, fertilizers, herbicides, and agricultural processing equipment remain in short supply for Ugandan farmers, impeding growth in the sector.

Uganda's natural resources are plentiful, including significant oil reserves - an estimated 6.5 billion barrels, including 1.4 billion which are recoverable. With only 40 percent of the oil-rich areas explored, additional discoveries could boost Uganda's oil reserves and the Ministry of Energy plans to award additional exploration licenses in 2016. In February 2015, the Ministry of Energy also provisionally awarded a multi-billion dollar contract to construct a refinery to Russian firm RT Global, subject to final negotiations. In spite of these developments, two of the three oil companies active in Uganda are downsizing their operations as delays in issuing production licenses mount. Moreover, details of an export pipeline from western Uganda to the Indian Ocean through Kenya or Tanzania are still being negotiated. Based on current projections, it is unlikely that any production could realistically begin before 2020 at the earliest.

Inadequate and unreliable power supply remains one of the largest obstacles to private sector investment, and Uganda's electricity network urgently needs renovation and expansion. Access to electricity countrywide is a meager 20 percent and falls to 10 percent in rural areas. The Government formally broke ground on the 600-megawatt Karuma hydropower project in 2013, but the project continues to be dogged by delays, and the first 100 megawatt turbine is not expected to be operational until 2018 at the earliest. In the meantime, Uganda is working to expand its power supply by constructing a number of micro-hydro projects along the Nile River and is promoting the development of other sources of renewable energy, such as off-grid solar power systems. The government continues to explore options to develop its geothermal reserves in western Uganda.

High transportation costs are another constraint on Uganda's economy. Uganda's dilapidated road and bridge infrastructure needs considerable investment, its railway system is in disrepair, and air freight charges are among the highest in the region. A two-lane highway from Kenya remains the primary route for 80 percent of Uganda's imports, making transportation slow, costly and susceptible to disruption. Another problem is Uganda's reliance on imports from Kenya's Mombasa seaport. While Uganda and Kenya have worked to remove non-tariff barriers, resulting in quicker transit times, chronic congestion at Mombasa results in costly delays. Uganda also hopes to shift more cargo transit from trucking to rail but extensive and expensive rehabilitation of existing rail lines is required before freight trains can service Uganda. In March 2015, the government signed a contract with China Harbor Engineering Company Ltd

to build a USD 3.2 billion standard gauge railway project to improve rail infrastructure through the east-African region; it is projected for completion in December 2017. Passenger traffic through Uganda's Entebbe International Airport grew 7 percent in 2015. The government pulled privately-owned Air Uganda's license in 2014; however, the government is looking to revive another carrier as a public-private partnership.

At 3.0 percent per year, Uganda's population growth rate is one of the fastest in the world, and its current total population of 34.9 million is expected to rise to 54 million by 2025. While creating potential markets for products, the country's population growth is also increasing the strain on social services, underfunded schools and hospitals, infrastructure, forests, water, and land resources. The high level of HIV/AIDS infection in the country is also taxing social services. Uganda developed a model program to combat HIV/AIDS, and prevalence rates decreased from close to 20 percent in the 1990s to 6.4 percent in 2006. However, the current published national HIV/AIDS prevalence rate is 7.3 percent according to the 2011 AIDS Indicator Survey.

Table 1

Measure	Year	Index Rank	or Website Address
<b>TI Corruption Perceptions index</b>	2015	139 of 175	<a href="http://transparency.org/cpi2014/results">transparency.org/cpi2014/results</a>
<b>World Bank's Doing Business Report "Ease of Doing Business"</b>	2016	122 of 189	<a href="http://doingbusiness.org/rankings">doingbusiness.org/rankings</a>
<b>Global Innovation Index</b>	2015	111 of 141	<a href="http://globalinnovationindex.org/content.aspx?page=data-analysis">globalinnovationindex.org/content.aspx?page=data-analysis</a>
<b>World Bank GNI per capita</b>	2014	USD 670	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

*Millennium Challenge Corporation Country Scorecard*

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 per capita gross national income (GNI) of USD 4,125 or less. Uganda's score is available here <https://assets.mcc.gov/documents/score-fy16-english-ug-uganda.pdf>. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: <http://www.mcc.gov/pages/docs/doc/report-guide-to-the-indicators-and-the-selection-process-fy-2015>.

**Openness to and Restrictions upon Foreign Investment**

Attitude toward Foreign Direct Investment

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

foreign-owned businesses and foreign businesses are allowed to partner with Ugandans without restrictions. The government also provides generous incentives for industrial development.

However, Uganda ranked 102 out of 178 countries, in the Heritage Foundation's 2016 Index of Economic Freedom, with an overall score of 59.3, the 13th freest among the 46 sub-Saharan African countries on the index. In the 2016 World's Bank's Ease of Doing Business Report, Uganda ranks 122 out of 189 countries.

In 2009, the Uganda Revenue Authority (URA) introduced an "E-Tax" system which improved its efficiency, boosted transparency, and increased tax compliance. Individual income is taxed up to 30 percent, the 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. Tax rules remain unclear; however, and subject to arbitrary changes. A number of foreign companies were involved in tax disputes with URA in recent years. Due to revenue shortfalls from a small tax base, the URA has increasingly become more aggressive in corporate tax collection from compliant companies, which are often foreign investors.

#### Other Investment Policy Reviews

The government has not conducted an investment policy review (IPR) through the Organization for Economic Cooperation and Development (OECD) or the World Trade Organization (WTO). The government did complete a United Nations Conference on Trade and Development (UNCTAD) investment policy review in 2000. Uganda publishes an annual investment climate Abstract, the most recent of which is dated 2014/15 and is available at:

<http://www.ugandainvest.go.ug/wp-content/uploads/2016/03/UIA-Annual-Investment-Abstract-2014-15-Press-Release.pdf>

In addition, the BOU publishes a Private Sector Survey, the most recent of which is dated 2014 and is available at:

<https://www.bou.or.ug/bou/bou-downloads/publications/PrivateSectorCapital/PSIS/2014/All/Private-Sector-Investment-Survey-2014---REPORT.pdf>

#### **Laws/Regulations on Foreign Direct Investment**

Ugandan policies, laws, and regulations are generally favorable towards foreign investors, but judicial enforcement remains weak. The main laws affecting portfolio or foreign direct investment are: the Capital Markets Authority Act of 1996 (amended in 2015), the Companies Act of 2012, and the Uganda Investment Code Act of 1991. The Investment Code allows foreign participation in any industrial sector except those touching on national security or requiring the ownership of land. Licensing from the UIA requires a commitment to invest over 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 green field investments. The 2010 Companies Act allows for the creation of single-person companies, permits the registration of companies incorporated outside of Uganda, and regulates share capital allotments and transfers.

Ugandan courts generally uphold the sanctity of contracts. 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. Executive/political interference in the commercial court system could affect rulings involving FDI.

The Uganda Investment Authority's website: <http://www.ugandainvest.go.ug/download-centre/> and the Business in Development Network Guide to Uganda: [www.bidnetwork.org](http://www.bidnetwork.org), provide information on the laws, and reporting requirements for foreign investors. Investors can find additional legal information on the following websites as well:

<http://www.ulii.org/ug/legislation/consolidated-act/92>

<http://www.ulii.org/ug/legislation/consolidated-act/84>

[http://www.ilo.org/dyn/natlex/natlex4.detail?p\\_lang=en&p\\_isn=94564&p\\_country=UGA&p\\_count=130](http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=94564&p_country=UGA&p_count=130)

### Business Registration

The Uganda Investment Authority (UIA) has opened a "dedicated one-stop center" that allows investors to:

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

Some of these services are available online, as well at <http://ursb.go.ug/>. 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--still pending in Parliament--would further streamline the process.

Uganda defines micro, small and medium-sized enterprises (MSME) as "all types of enterprises irrespective of their legal form (such as family enterprises, sole proprietorships or cooperatives) or whether they are formal or informal enterprises to ensure inclusiveness." The government policy states a number of initiatives aimed at enhancing the growth and competitiveness of MSME. Additional information can be found at: [www.mtic.go.ug/index.php?doc\\_download/288-msme-policy](http://www.mtic.go.ug/index.php?doc_download/288-msme-policy)

### 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 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. Investors can find information on investor incentives on the UIA website at [www.ugandainvest.go.ug](http://www.ugandainvest.go.ug).

### Limits on Foreign Control and Right to Private Ownership and Establishment

Ugandan law allows for 100 percent foreign-owned businesses and foreign businesses are allowed to partner with Ugandans without restrictions. The Petroleum Act of 2013, however, requires goods 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) which must have at least a 48 percent share of the company. The latest numbers on the number of FDI joint ventures in Uganda rose from 19 in fiscal year 2011/2012 to 40 in 2013/2014.

### Privatization Program

The government began a privatization program in 1993 that resulted in the complete or partial divestiture of the majority of Uganda's public enterprises, with just a few remaining in State hands. State-owned enterprises currently exist in the following sectors: water utility, mining, housing, electricity, and transport. In some of these sectors, the government is not directly involved in the running of the business, but remains a shareholder. However, the government allows competition from private investors in all of these sectors. The government reserves the right to limit foreign investment in sensitive industries, which in practice is limited to ordnance. Outside of sensitive industries, foreign investments in Uganda's privatization program are unrestricted.

The program has attracted foreign investors primarily in the agribusiness, hotel, and banking industries. According to the 2003 Public Procurement and Disposal of Assets Act, public assets should be disposed of through public bidding; however, some observers question the transparency of certain transactions carried out in the name of privatization, arguing that the benefits of the most lucrative sales went to insiders and politically connected individuals.

### 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 at the Uganda Investment Authority (UIA). The investor must submit the following: a physical address for the business; a business plan; the memorandum and articles of association; a certificate of incorporation; and regulatory approvals. The UIA performs due diligence to ensure the investment provides value addition, technology transfer and employment creation. The UIA commits to keep such info strictly confidential. Greenfield investments receive the same treatment and are not treated differently from acquisitions or takeovers.

### Competition Law

There is no competition law in Uganda.

## Conversion and Transfer Policies

### 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.” The Ugandan shilling trades on a market-based floating exchange rate.

### Remittance Policies

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

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

### Expropriation and Compensation

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

Uganda’s Investment Code 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’s reputation remains scarred over the mass forced expropriation without compensation of Asian properties under the Idi Amin regime in the 1970s. With the passage of the Expropriated Properties Act of 1982, the Government began to right this historical wrong, and by 1997 approximately 4,000 properties had been returned to their owners, and 1,500 others were sold off and the former owners compensated. There have been no incidents of expropriation of foreign investments without compensation since President Museveni came to power in 1986.

Uganda is a member of the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID).

### Dispute Settlement

#### Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Uganda’s legal system is based on English Common Law. Uganda’s commercial laws include: The Companies Act, The Limitations Act; The Contract Act; The Bulk Sales Act; The Sale of Goods Act; The

Partnership Act; and The Business Names Registration Act. Property ownership is enforced through civil and commercial courts. All commercial disputes are required to go through mediation to reduce backlogs in the court system and the Center of Arbitration for Dispute Resolution (CADER) can assist in mediating disputes.

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. Despite a lack of funds and space, the commercial courts dispose of disputes faster than civil courts. 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. The court is attempting to increase transparency and efficiency by creating an "e-court environment" – a process still ongoing in 2016. In addition to digitizing its records, the court also digitally records court proceedings, enabling cases to be heard from remote parts of the country. Judgments in foreign courts are recognized and enforced under Ugandan law. Disputes with foreign investments go through the same process as domestic disputes. Although, some foreign investors allege Uganda's commercial legal process favors well-connected companies that deploy political pressure to disrupt and delay outcomes.

Intellectual property cases are processed in commercial courts. Like civil courts, commercial courts are not directly interfered with by the government, although the judiciary is perceived to be corrupt. The following laws regulate intellectual property: the Industrial Property Act of 2014, the Trademarks Act of 2010, the Trade Secrets Protection Act of 2009, the Copyright and Neighboring Rights Act of 2006, and the Patents Act Amendment of 2002.

### Bankruptcy

Uganda ranks 104 out of 189 countries for resolving insolvency in the 2016 World Bank's Doing Business Report. Uganda fares better in the recovery rate that claimants recover from an insolvent firm (39 cents on the dollar in Uganda, 28 cents in Kenya, 21 cents in Tanzania).

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

### Investment Disputes

In a bid to overcome the negative publicity associated with the 1972 expulsion of Asians, the government made several efforts to create a legal environment conducive to foreign investment. Uganda has not had any major disputes involving U.S. investors.

The most prominent foreign investment dispute involving Uganda in recent years is a tax battle between the government and several foreign oil companies over payment of USD 400 million in Capital Gains Tax to the Ugandan government after one company bought assets from the other. One of the companies also challenged the government's levying of Value Added Tax on goods and services purchased in connection with its operations in the country, though that dispute was resolved in June 2015, when the company reached an out-of-court settlement of its tax liability to the government of Uganda.

#### International Arbitration

The government is a signatory to the Convention on the Recognition and Enforcement of Foreign Judgments in which binding international arbitration of investment disputes is recognized. 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. Mediation and arbitration are the alternative dispute resolution mechanisms in Uganda and the Center of Arbitration for Dispute Resolution (CADER) can assist in commercial disputes.

#### 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 earlier, 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, although in some cases penalties are not a sufficient deterrent due to currency depreciation. However, Uganda is slowly rectifying this. 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.

#### Duration of Dispute Resolution – Local Courts

Ugandan courts have a reputation for slow dispensation of justice. Commercial/investment disputes at the domestic level are handled by the Commercial Court where resolutions can take up to several months and in some cases years due to insufficient manpower and skillset to handle complex commercial cases.

### Performance Requirements and Investment Incentives

#### 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. The government is still reforming its commercial laws to bring its regulations and procedures into conformity with WTO requirements.

Under the Uganda Investment Code Act of 1991, there are no mandatory performance requirements for licensing; however, Uganda's regulatory authorities require minimum staff qualifications, and the use of local materials, supplies, and services. Uganda's regulatory authorities also encourage foreign investors to upgrade local technology, promote socioeconomic development, and promote local job growth. Proposals from 100 percent foreign-owned enterprises are required to commit to investing 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. Uganda's National Environment Management Authority (NEMA) is responsible for enforcing environmental regulations. Ugandan law prohibits foreign ownership of land. For more information on land ownership, see "Right to Private Ownership and Establishment," below.

The government is reviewing the 2000 Investment Code. The WTO grants Uganda Special and Differential Treatment (SDT) provisions of the Trade-Related Investment Measures (TRIMS) agreement to give Uganda's government a more gradual path towards adopting WTO standards. 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 run counter to the country's obligations under the East African Common Market protocol. The government has not notified the WTO of any measures that are inconsistent with the requirements of the WTO's Trade Related Investment Measures (TRIMS) obligations.

The National Oil and Gas Policy of 2008 is an example of trade protection. Two oil laws, The Petroleum (Exploration, Development and Production) Act of 2013, and the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act of 2013, impose obligations on investors in the oil industry to favor local content, industries, and employment. The local content particularly relates to the use of local raw materials, the creation of a local skilled Ugandan workforce and sourcing of goods and services locally.

#### 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. According to the Uganda Investment Act of 1991, and its regulations, 50 percent of capital allowances for plants and machinery are deductible from a company's income on a one-time basis in Kampala while 75 percent of capital allowances are deductible in the rest of the country. 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](http://www.ugandainvest.com), and at URA's website [www.ura.go.ug](http://www.ura.go.ug).

#### Research and Development

There are no laws prohibiting U.S. or other foreign firms from participating in government financed or subsidized research and development programs.

### Performance Requirements

The Uganda Investment Act requires investors to contribute to local employment without specifying mandatory numbers. The act also does not specify mandatory numbers for local employment in management positions. There are no government/authority-imposed conditions to receive permission for investing. 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.

### Data Storage

There is no law requiring data to be stored in Uganda.

## 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, regulations are poorly enforced and businesses generally report 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 2016 Doing Business report, Uganda ranks 120 out of 189 countries in the category "registering property" with 10 steps in the procedure and an average of 42 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

### Real Property

Uganda's Constitution guarantees the right to own property and requires the state to encourage private investment. Uganda also has legislation on mortgages, trusts and liens. The Mortgage Act, 2009, and the Mortgage Regulations, 2012, also make provisions for mortgages, sub-mortgages, trusts and other forms of lien.

Uganda has four systems of land tenure: freehold, traditional freehold land referred as "Mailo," leasehold, and customary. The Land Act, 1998, restricts foreign investors to leasing land. Only holders of freehold, leasehold, and Mailo tenure hold registered titles, while customary or indigenous communal landowners (who account for up to 90 percent of all landowners) do not. The Land Act 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 adopted a National Land Policy aimed at promoting optimal use of land.

### Intellectual Property Rights

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

Uganda signed the World Intellectual Property Organization's Patent Law Treaty in 2000, but has not yet ratified it. On January 6, 2014, Uganda's president assented to the new Industrial Property Act, which replaced previous legislation like the Patent Act, 1993, and goes a long way towards protecting intellectual property and bringing Ugandan law into consonance with international standards on intellectual property. Along with the 2006 Copyright and Neighboring Act and the 2010 Trademarks Act, the 2014 Industrial Property Act substantially enhances legal protection of intellectual creations in Uganda. Uganda's Commercial Court is hearing an increasing number of intellectual property and trademark cases, especially by artists and musicians in Uganda's Performing Arts Rights Society. The Uganda National Bureau of Standards (UNBS), the Uganda Revenue Authority (URA) and the Uganda



Police Force (UPF) are responsible for enforcing the existing laws. They are constrained by inadequate resources and funding.

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

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

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <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 Neighboring Right Regulations of 2010, and the Patent Regulations of 2010.

#### *Resources for Rights Holders*

Intellectual Property Issues are covered by the Economic and Commercial Officer.

Omar Farooq

Economic and Commercial Officer

+256-414-306-102

[Farooqo@state.gov](mailto:Farooqo@state.gov)

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

<https://ug.usembassy.gov/u-s-citizen-services/local-resources-of-u-s-citizens/attorneys/>

#### **Transparency of the Regulatory System**

The Uganda Investment Authority (UIA) establishes clear parameters for a competitive and fair market. The Act provides transparent accounting, legal, and regulatory procedures. Draft bills presented to parliament are available for public comment and consultation on an ad-hoc basis. Regulations are handled exclusively by the government. There are no known private sector and/or government/authority efforts to restrict foreign participation in industry standards-setting consortia or organizations.

Ugandan laws and regulations are published in the Government Gazette. The regulatory system varies substantially with each regulatory body. The Uganda Revenue Authority, The Bank of Uganda and the UIA often have hearings, both public and private, where interested parties have an opportunity to comment on draft legislation and regulations.

The Bank of Uganda produces publicly available reports on its website (<https://www.bou.or.ug/>). The legal system is not as transparent. Courts, particularly at higher levels, make independent judgments, which parties may ignore and take advantage of an overburdened legal system to manipulate the judicial process.

## Efficient Capital Markets and Portfolio Investment

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

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.

### Money and Banking System, Hostile Takeovers

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 USD 5.6 billion in June 2014 to USD 5.9 billion at the end of June 2015, an annual asset growth rate of 5.3 percent.

Outside of Ugandan-owned Crane Bank, most of Uganda's largest banks are foreign owned, including major international institutions such as Citigroup, Barclays, Stanbic, Standard Chartered, and Bank of Baroda. Competitiveness and innovation are steadily increasing, but lending to the private sector is still relatively low, largely because of perceived high risk (limited collateral) among potential borrowers, and the government crowding out the private sector in the bond market. According to the Bank of Uganda, the non-performing loan rate stood at 3.9 percent at the end of 2015.

## Competition from State-Owned Enterprises

Uganda operates in a free-market environment after the government began a privatization program under the Public Enterprise Reform and Divestiture Act (PERDA) in 1993, resulting in the complete or partial divestiture of the majority of Uganda's public enterprises. Thirty SOEs remain, of which the largest are: a water utility, the National Social Security Fund (government pension plan), Kawanda Research Station (agricultural research), some banking and medical services, and a national oil company. No information on the assets, income and number of employees is publicly available.

While Uganda has successfully privatized most of its state owned enterprises (SOEs), some observers question the transparency of the process, arguing that the benefits of the most lucrative sales went to government insiders.

The Ugandan government devotes little expenditures to research and development, government-wide. Kawanda Research Station is publically owned, although no figures exist for public or private sector investment in research and development in Uganda.

SOEs do not get special financing terms and are subject to hard budget constraints. According to the Ugandan Revenue Authority Act, they have the same tax burden as the private sector. According to the Land Act, private enterprises have the same access to land as SOEs. However, well-connected individuals are able to access land at below-market rates.

## OECD Guidelines on Corporate Governance of SOEs

The Uganda Development Corporation Bill of 2014 lays out the scope of government investment in SOEs; however, parliament has not enacted it. A SOE senior manager directly reports to a line minister. Each SOE is governed by its own legislation specifically enacted by parliament. The corporate governance structure in each SOE generally revolves around a Board of Directors chaired by an individual appointed by the Minister, an Executive Director answerable to the Board of Directors, and support staff answerable to the Executive Director. The accounts of the SOE are audited annually by the Auditor General whose report is presented to parliament. Parliament's Public Accounts Committee then scrutinizes the Auditor General's report and calls on the Executive Director and other officials of the SOE to answer any questions and provide information regarding accountability. The law governing each SOE generally stipulates that appointments to the Board will be made by the line Minister. In practice, the appointments are politically influenced and are regarded as little more than patronage. SOEs do not receive preferential treatment in the court system.

## Sovereign Wealth Funds

The Public Finance Management Act (PFMA), 2015, mandates the establishment of a Petroleum Fund into which anticipated oil revenue will be deposited. The PFMA also allows the creation of other "special funds" for the investment of oil revenue and implemented regulations are expected to be released by June 2016. With little development in the petroleum sector, the Petroleum Fund has no funds outside of initial tax receipts from capital gains tax on oil discoveries which were spent on the purchase of Russian fighter jets in 2011. The Petroleum Fund does not follow any known code of good practices. The PFMA establishes measures to ensure that the Petroleum Fund is consistent with industrial policies or in government-designated projects, but enforcement appears unlikely.

## Responsible Business Conduct

Although corporate social responsibility (CSR) is not a requirement for an investor to obtain an investment license, businesses—especially large foreign enterprises—are expected by the Ugandan public to promote CSR projects to provide benefits for local communities. This is especially true in the extractive industries. While consumer buying habits are rarely based on CSR, some large corporations, including foreign oil companies, have experienced community pressure and social unrest when local residents do not see any direct benefit from their presence. CSR projects are driven by the private sector with little input from the Ugandan government, which does not factor CSR policies into procurement decisions. As such, larger enterprises have been involved in building schools and hospitals, improving roads and other social services in areas where they operate, mainly in rural areas.

In relation to human rights, labor rights, consumer protection, environmental protections, and laws/regulations intended to protect individuals from adverse business impacts, the GOU is not able to enforce domestic laws effectively. In January there were allegations of human rights violations by Ugandan workers contracted by a Chinese firm in charge of a World Bank funded infrastructure project. The World Bank promptly suspended the project and opened investigations into a number of other projects receiving Bank support. The government does not maintain a national point of contact for OECD multi-national enterprise guidelines. The government has no previous involvement with the Extractive Industries Initiative (EITI), but plans to enact EITI once it starts to develop its oil reserves.

## Political Violence

Uganda has succeeded in achieving a level of stability since President Museveni came to power in 1986. However, regional terrorism remains a threat, and there have been isolated incidents of political violence in recent years. Rebel groups fighting in eastern Democratic Republic of Congo and insecurity in South Sudan create potential instability on Uganda's borders, resulting in the flow of thousands of refugees into Uganda and the occasional disruption of important trade links.

In recent years, the country has been relatively stable and has not seen any major domestic political upheaval. On February 18, 2016, President Museveni was re-elected to a fifth term in office during an election that was characterized by a closing of political space, allegations of fraud and infringements on people's rights of assembly and speech. Supporters of the losing opposition candidate Kizza Besigye have vowed not to accept Museveni's reelection, but it remains unclear if such threats will lead to widespread violence.

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. The U.S. Embassy continues to encourage U.S. citizens to consider carefully the risk of attending or being near large public gatherings.

Further, spontaneous demonstrations can sometimes occur in Kampala and other cities. Although infrequent, these demonstrations can become violent and should be avoided. High levels of criminal activity remain a problem in Uganda, and U.S. citizens considering travel, employment, or investment in Uganda should read the Country Specific Information available at [www.travel.state.gov](http://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.

## Corruption

Corruption remains endemic in Uganda. Transparency International's 2015 report ranks Uganda at 139 out of 175 countries in its 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 ([https://www.agidata.org/pam/Legislation.axd/Uganda\(2009\)AnticorruptionAct.pdf](https://www.agidata.org/pam/Legislation.axd/Uganda(2009)AnticorruptionAct.pdf)), criminalizing bribery, influence peddling, and a long list of other offenses, yet enforcement remains weak. 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 2015, parliament passed the Public Finance Management Act (PFMA) that promised to provide better mechanisms for the management of public finances. The PFMA established a Treasury Single Account that aims to make public expenditures more transparent and less vulnerable to graft, a transparent framework for management of oil revenue, and mechanisms aimed at linking public expenditure to the broader fiscal and macro-economic framework. These measures, if fully and properly implemented, could reduce some aspects of corruption; unfortunately, aspects of the PFMA have already been weakened by amendments. 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.

In spite of these measures, the public perception is that the government is not doing enough to fight corruption, and that high-level officials involved in corruption – especially politicians – are not seriously investigated or prosecuted. The government does not encourage or require private companies to establish internal codes of conduct, including a prohibition on bribery of public officials, although it is a member of the East African Court of Justice.

### UN Anticorruption Convention, OECD Convention on Combatting Bribery

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](http://www.igg.go.ug)

### Watchdog Organization

Anti-Corruption Coalition Uganda  
Cissy Kagaba  
Telephone No. 0414-535659  
Email: [kagabac@accu.or.ug](mailto:kagabac@accu.or.ug)  
<http://accu.or.ug>

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/>. For more detailed information on the FCPA generally, see the Department of Justice FCPA website at: <http://www.justice.gov/criminal/fraud/fcpa/>.

**Other Instruments:** It is U.S. Government policy to promote good governance, including host countries' 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 (Antibribery Convention), 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. Uganda ratified the United Nations Convention Against Corruption on September 9, 2004.

**OECD Anti-Bribery Convention:** The Anti-Bribery Convention entered into force in February 1999. As of January 2016, there are 41 parties to the Convention, including the United States (see <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 Anti-Bribery Convention. The Anti-Bribery 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. Uganda is not a party to the OECD Anti-Bribery convention. In 2009 Uganda passed the Anti-Corruption Act. The law can be downloaded here: [https://www.agidata.org/pam/Legislation.axd/Uganda\(2009\)AnticorruptionAct.pdf](https://www.agidata.org/pam/Legislation.axd/Uganda(2009)AnticorruptionAct.pdf).

**UN Convention:** The UN Convention entered into force on December 14, 2005, and there are 178 parties to it as of January 2016 (see <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. Uganda ratified the United Nations Convention Against Corruption on September 9, 2004.

**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 2016, the OAS Convention has 34 parties (see

<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)). Uganda is not a party to the OAS Convention.

**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). As of January 2016, the Criminal Law Convention has 44 parties and the Civil Law Convention has 35 (see: <http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=173>; <http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=174>). Uganda is not a party to the Council of Europe Conventions.

**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>. Uganda does not have a Free Trade Agreement (FTA) with the United States.

**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](http://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](http://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](mailto: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/fcpa](http://www.justice.gov/criminal/fraud/fcpa) and general information is contained in Chapter 9 of the publication *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, at <http://www.justice.gov/criminal/fraud/fcpa/guidance/>. 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.

Public sector corruption, including bribery of officials, remains a major challenge for U.S. firms operating in Uganda.

### **Anti-Corruption Resources**

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

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, translations of the statute into numerous languages, documents from FCPA related prosecutions and resolutions, and press releases are available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa> and <http://www.justice.gov/criminal/fraud/fcpa/guidance/>
- 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.
- General information about anticorruption and transparency initiatives, relevant conventions and the FCPA, is available at the Department of Commerce Office of the General Counsel website: <http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives>
- 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/>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: <http://www.oecd.org/corruption/oecdantibriberyconvention.htm>  
See also Antibribery Recommendation <http://www.oecd.org/daf/anti-bribery/oecdantibriberyrecommendation2009.htm> and Good Practice Guidance Annex for companies: <http://www.oecd.org/daf/anti-bribery/44884389.pdf>.
- GRECO monitoring reports can be found at: [http://www.coe.int/t/dghl/monitoring/greco/evaluations/index\\_en.asp](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](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 Bank Institute's Worldwide Governance Indicators (WGI) project reports aggregate and individual governance indicators for 215 economies over the period 1996-2014, for six dimensions of governance (Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption). See <http://info.worldbank.org/governance/wgi/index.aspx#home>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at:

<http://data.worldbank.org/data-catalog/BEEPS>. See also the World Bank Group *Doing Business* reports, a series of annual reports measuring regulations affecting business activity, available at: <http://www.doingbusiness.org/>

- 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. For more information on the report, see <https://www.globalintegrity.org/global-report/what-is-gi-report>.

## Bilateral Investment Agreements

### Bilateral Taxation Treaties

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.

Uganda has bilateral investment protection treaties with the following countries:

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

Uganda does not have a bilateral investment protection treaty with the United States; however, the United States signed a Trade and Investment Framework Agreements (TIFA) with the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) of which Uganda is a member. Uganda does not have a free trade agreement with the United States, although it is a

member of the Africa Growth and Opportunity Act, which allows duty-free imports of manufactured goods to the United States.

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.

### 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.

The Overseas Private Investment Corporation (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 skills. 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 ratified all eight International Labor Organization (ILO) fundamental conventions enshrining labor and other economic rights and partially these conventions into the 1995 Constitution, which stipulates and protects a wide range of economic rights. In 2006, parliament passed the Employment Act, which improved compliance with 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. The Employment Act of 2006 does not allow waivers of labor laws for foreign investors.

Despite the law reforms, many Ugandans work in unfavorable work environments due to poor enforcement and the limited scope of the labor laws. 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, although the Kampala City Traders Association held a strike in September 2015 over taxes on imported goods. The strike was short-lived, receiving a swift government response in order to minimize economic disruptions in the capital. In 2014, the Industrial Court was operationalized; it 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 and 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 the U.S. Department of Labor's 2014 Findings on the Worst Forms of Child Labor, 30.9 percent of children aged five to 14 in Uganda are engaged in child labor, including 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.

According to the Uganda Bureau of Statistics (UBOS) 2015 statistical abstract, the total working population in Uganda is estimated at 13.9 million, of which 56.8 percent (7.9 million) are employed. The overall Unemployment Rate (as of 2012/13) is 9.4 percent, with the females experiencing higher unemployment rates (11 percent) than males (8 percent). Agriculture, forestry and fishing sector have the highest percentage of employees (34 percent), followed by sale, maintenance, repair of vehicles and personal goods trade (23 percent). Less than one third of employed persons have attained either secondary education or specialized training. The national youth unemployment rate is 19.7 percent, although nine percent of the children aged 6-17 years (4.3 million in absolute terms) are working.

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.

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

## Foreign Trade Zones/Free Ports/Trade Facilitation

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

## Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data		Year	Amount	Year	Amount	Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Host Country Gross Domestic Product (GDP) (\$M USD)	2015	\$25 billion	2014	\$27 billion	<a href="http://www.worldbank.org/en/country">www.worldbank.org/en/country</a> <a href="http://www.ubos.org">www.ubos.org</a>	
Foreign Investment	Direct	Host	CountryUSG or internationalUSG or international	Year	Amount	Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	2015	\$35.4 million (planned)	2014	\$71 million	<a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a> <a href="http://www.ugandainvest.go.ug">www.ugandainvest.go.ug</a>	
Host country's FDI in the United States (\$M USD, stock positions)	2015	N/A	2014	N/A	<a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a>	
Total inbound stock of FDI as % host GDP	2015	\$35.4 million	2014	\$71 million		

Table 3: Sources and Destination of FDI

Outward Direct Investment is not available

### Direct Investment from/in Counterpart Economy Data

#### From Top Five Sources/To Top Five Destinations (US Dollars, Millions)

Inward Direct Investment	Outward Direct Investment
--------------------------	---------------------------

Total Inward	10,278	100%	Total Outward	Amount	N/A
Netherlands	4,861	47%	N/A	Amount	X%
United Kingdom	1,011	10%	N/A	Amount	X%
Mauritius	585	6%	N/A	Amount	X%
Kenya	580	6%	N/A	Amount	X%
India	334	3%	N/A	Amount	X%
"0" reflects amounts rounded to +/- USD 500,000.					

*Table 4: Sources of Portfolio Investment*

Data not available.

#### Contact for More Information on the Investment Climate Statement

Omar Farooq

Economic and Commercial Officer

U.S. Embassy Kampala

Plot 1577 Ggaba Road, Kampala, Uganda

+256-414-306-102

[farooqo@state.gov](mailto:farooqo@state.gov)

## Trade & Project Financing

### Methods of Payment

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

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

### Banking Systems

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

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

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

### Foreign Exchange Controls

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

### US Banks & Local Correspondent Banks

Citibank Uganda Limited  
4 Ternan Avenue  
Nakasero, Kampala, Uganda

Citibank operations in Uganda are exclusively commercial.

As of 2016, the Export-Import (EXIM) Bank of the United States does not offer any specific programs for Uganda. For general support, please go to: [www.exim.gov](http://www.exim.gov) (telephone: 1-800-565-EXIM).

### Project Financing

Major projects are financed with a combination of debt and equity from commercial banks and multilateral development banks. With the passing of the Public-Private Partnership Act (2015), financing



is available from the contractor, the GOU, grants/loans from multilateral donor agencies, and export credit agencies. Private sector financing is dominated by commercial bank loans. Financing is also provided by Development Finance Institutions for qualifying projects.

Multilateral 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 through grants or loans.

Examples of recent major financing projects in Uganda include:

Civil Aviation Authority – Airport Expansion Project:

[http://www.newvision.co.ug/new\\_vision/news/1159195/sh68b-revamp-entebbe-airport](http://www.newvision.co.ug/new_vision/news/1159195/sh68b-revamp-entebbe-airport)

Kakira Sugar Limited – Sugar Factory Expansion Project:

<http://www.kakirasugar.com/content/expansion>

### **U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (African Development Bank, World Bank)**

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the African Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the African Development Bank (<http://www.export.gov/afdb>) and the World Bank (<http://export.gov/worldbank>).

### **Web Resources**

Commercial Liaison Office to the African Development Bank: <http://www.export.gov/afdb>

Commercial Liaison Office to the World Bank: <http://export.gov/worldbank>

### **Web Resources**

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

<http://www.export.gov/tradefinanceguide/index.asp>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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

Citibank: [www.Citibank.com/eastafrica/Uganda](http://www.Citibank.com/eastafrica/Uganda)

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

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

Barclays Bank (U) LTD: [www.Barclays.com/Africa/uganda](http://www.Barclays.com/Africa/uganda)  
Bank of Baroda: [www.bobho@spacenet](mailto: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)  
Uganda Bankers Association: e-mail: [uba@uol.co.ug](mailto:uba@uol.co.ug)  
World Bank: [www.worldbank.org](http://www.worldbank.org)

## Business Travel

### Business Customs

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

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

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

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

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

While introductions may be formal, business meetings tend to be informally structured, often lacking agendas. It is not unusual for other people to be called into the meeting after the meeting starts. We recommend that you identify the business official in charge of decision-making before your introductory meeting.

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

### Travel Advisory

For the latest travel-related information, please see the consular information sheet for Uganda at <https://travel.state.gov/content/passports/en/country/uganda.html>.

## Visa Requirements

Visitors can obtain a visa at the Ugandan Embassy in Washington or on arrival at Entebbe airport. A three month, single-entry visa costs USD 100. Tourists can also request a visa that is valid in Uganda, Rwanda and Kenya for USD \$100.

Please note: The Uganda Immigration Department is in the process of starting an eVisa system. The Ugandan immigration service reports that travelers can apply for visas online before they arrive and present a barcode at the airport.

Uganda eVisa:

<https://visas.immigration.go.ug/>

U.S. Embassy to Uganda's Consular website:

<https://ug.usembassy.gov/u-s-citizen-services/>

## Currency/Money

The official currency for Uganda is the Ugandan shilling (UGX) which trades freely on the open market. As of June 1, 2016 it exchanges at UGX 3360 to USD 1.

Real estate transactions and large import orders are conducted in dollars, while day-to-day transactions are conducted in shillings. Some hotels may take payment in dollars and most large-scale chain hotels will take VISA, MasterCard, and American Express payments. Outside of major hotels, few businesses will accept credit cards and U.S. investors are encouraged to have sufficient cash on hand for transactions.

## Telecommunications/Electric

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

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

Ugandan businesses, especially in urban areas communicate frequently by email and usage is increasing in line with improving connectivity. Several internet companies provide services to commercial entities and residences. The installation of undersea fiber optic cable along the East African coast in September 2009, coupled with increasing competition among telecom companies led to improvements in both cost and performance, though quality Internet service remains expensive and slow by international standards.

Fax and copying services are available in shops in Kampala and at major hotels. Both telephone and fax charges at major hotels can be expensive.

### Transportation

Although the Ugandan government has invested heavily in the country's road network and several major highways have been improved, many roads are in poor condition and in need of maintenance. Paved roads connect Kampala with the borders in Kenya, Rwanda, and Tanzania, while the primary road to South Sudan is still under construction in several sections. Uganda's first four-lane expressway, between Kampala and Entebbe, is under construction and is scheduled to open in 2017. Uganda's road quality remains poor with large potholes and poor marking slowing traffic and increasing wear-and-tear on vehicles. Due to poor drainage, driving conditions worsen during the rainy season. With vehicle ownership increasing 10 percent per annum in Kampala, traffic congestion and unpredictability continues to worsen. Routine trips across Kampala can take anywhere and 15 minutes to two hours. Secondary roads remain undeveloped and a four-wheel drive vehicle is strongly recommended.

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

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

### Language

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

### Health

Travelers are encouraged to carry their own medical supplies as some medications are not available in Uganda. Malaria is highly endemic and use of appropriate prophylaxis and bed nets greatly lowers the risk of acquiring malaria and is strongly recommended. Typhoid fever and Hepatitis A and B immunizations are also recommended as is the meningococcal immunization. Yellow fever is present especially in Northern Uganda, but can reliably be prevented with the required Yellow Fever vaccine. Uganda required proof of yellow fever immunization to enter the country. Please make sure you have your immunization card appropriately stamped with the yellow fever immunization stamp. Due to poor sanitation conditions throughout Uganda, enteric diseases including E. Coli, giardia, amoebic dysentery and shigella are common. Precaution should be taken not to eat roadside foods and by drinking bottled water as typhoid and cholera outbreaks are common. All cases of diarrhea should be evaluated by a

medical provider and treated appropriately. Although tap water is treated, water from taps is not potable and should be boiled for 5 minutes and filtered before drinking. Bottled water is widely available in the country. Fruit and vegetables should be soaked for 20 minutes in chlorinated water if they are to be eaten uncooked. Most lakes and rivers are infested with bilharzia, limiting water-based recreation. Restaurant food should be hot and cooked. Uncooked foods and salads and fruits with their peels should be avoided as they could cause enteric diseases. Stray animals to include cats and dogs should be avoided as they may carry rabies. HIV/AIDS is prevalent in about 6 percent of the local population. Post exposure prophylaxis medication is available if one gets exposed to the HIV virus.

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

<http://wwwnc.cdc.gov/travel/destinations/traveler/none/uganda>

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

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

**Private Hospitals:**

**International Medical Center**

Namuwongo  
Tel: +256 (312) 200400

**Nakasero Hospital**

Plot 14A Akii-Bua Road, Nakasero

Tel: +256 (414) 346150

**Clinics:**

**The Surgery**

Plot 2, Acacia Avenue, Kololo  
Tel: +256 (414) 256003

**AAR Health Service**

Plot 6 Makindu Close (off Windsor Crescent)  
Tel: +256 (414) 258615

**Dentists:**

**Basil's Dental Clinic**

Plot 64A Price Charles Drive  
Tel: +256 (414) 235526

**Jubilee Dental Practice**

Plot 13 Wampewo Avenue, Kololo  
Tel: +256 (414) 344647

### Local Time, Business Hours and Holidays

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

The following is a list of official holidays in Uganda:

<b>DATE</b>	<b>DAY</b>	<b>HOLIDAY</b>
January 1	Friday	New Year's Day
January 26	Tuesday	Liberation Day
March 25	Friday	Good Friday
March 28	Monday	Easter Monday
May 1	Sunday	Labor Day
June 3	Friday	Martyrs' Day
June 9	Thursday	National Hero's Day
July 5*	Thursday	Eid al-Fitr
September 12*	Monday	Eid al-Adhuha
October 9	Sunday	Independence Day
December 25	Sunday	Christmas
December 26	Monday	Boxing Day

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

### Temporary Entry of Materials or Personal Belongings

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

### Travel Related Web Resources

State Department's Smart Traveler Enrollment Program (STEP): <https://step.state.gov/step/>

State Department Travel Website: <https://travel.state.gov/content/travel/en.html>

U.S. Embassy Kampala: <https://ug.usembassy.gov/>

U.S. Embassy Kampala U.S. Citizen Services: <https://ug.usembassy.gov/u-s-citizen-services/>

## Leading Sectors for US Exports & Investments

### Energy

#### Overview

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

Uganda currently has 867 MW of installed electricity capacity, increasing from 595 MW in 2011, of which approximately 692 MW is hydro-electric, and 175 MW is thermal generating capacity. The Ugandan government is building additional large hydropower facilities such as the 600MW Karuma hydro and the 183MW Isimba Falls hydro project. At a national level, 20 percent of Ugandans have access to electricity; which drops to 10 percent in rural areas. Uganda currently has one of the lowest per capita electricity consumption in the world with 215 kWh per capita per year (Sub-Saharan Africa's average: 552 kWh per capita, World average: 2,975 per capita). Full commissioning of the 250 megawatt Bujagali Hydropower Project in 2012 has alleviated Uganda's power deficit, but demand is growing at 10 percent per year, and could gradually outstrip supply again. Uganda has approximately 1400-1500 km of transmission lines (over 33kV), which the government aims to double. There are plans to upgrade existing transmission lines and develop a 220kV "ring" around Lake Victoria in conjunction with Kenya and Tanzania.

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

Umeme Co. Ltd. is the largest energy distributor in Uganda, distributing 97 percent of all electricity in the country. As of January 2016, Umeme's customer base was about 790,000, with approximately 16,000 customers being added every month. The company expects its customer base to exceed 1 million by the end of 2016. Power transmission above 33kV is handled by the Uganda Electricity Transmission Company Ltd (UETCL). The Electricity Regulatory Authority (ERA) was established to license and regulate operations of all electricity operators, and the Rural Electrification Agency (REA) was put in place to ensure that rural electrification, which in most cases is not commercially viable, is accelerated to achieve set targets. The Uganda Electricity Generation Company Limited (UEGCL) is mandated with the development, operation and maintenance of clean energy generation facilities on behalf of Government of Uganda and monitoring other generation concessions.

#### Sub-Sector Best Prospects

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



### Opportunities

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

### Web Resources

#### **Uganda Electricity Regulatory Authority**

Website: [www.era.or.ug/](http://www.era.or.ug/)

#### **Uganda Electricity Transmission Company Ltd**

Website: [www.uetcl.com/](http://www.uetcl.com/)

#### **Rural Electrification Agency Uganda**

Website: [www.rea.or.ug/](http://www.rea.or.ug/)

#### **Power Africa Uganda**

Website: <https://www.usaid.gov/powerafrica/uganda>

#### **Umeme**

Website: <http://www.umeme.co.ug/index.php>

#### **Uganda Ministry of Energy and Mineral Development**

Website: [www.energyandminerals.go.ug](http://www.energyandminerals.go.ug)

#### **Department of Geological Survey and Mines of Uganda**

Website: [www.uganda-mining.go.ug](http://www.uganda-mining.go.ug)

## Agricultural Sector

### Overview

According to the Food and Agriculture Organization of the United Nations, Uganda's fertile agricultural land has the potential to feed 200 million people. Uganda's climate is ideal, with stable tropical temperatures and two rainy seasons in the southern half of the country. Eighty percent of Uganda's land is arable but only 35 percent is under cultivation. Agriculture accounted for about 22.6 percent of GDP in 2014/2015 and employs 66 percent of Uganda's population. Uganda produces a wide range of agricultural products including: coffee, tea; sugar; livestock; edible oils; cotton; tobacco; plantains; corn; beans; cassava; sweet potatoes; millet; sorghum; and groundnuts.

Challenges in agricultural investment include: a lack of high quality packaging; a lack of storage facilities; high freight costs; a lack of road infrastructure in rural areas; a complicated and inefficient land tenure system; and a lack of specialized skills. Furthermore, Ugandan producers often find it difficult to meet sanitary and phytosanitary standards required to export goods to Europe and the United States.

### Sub-Sector Best Prospects

While Uganda traditionally exports raw products, the GOU is advocating for foreign investment in agricultural processing in order to increase export earnings. The largest businesses in the American Chamber of Commerce of Uganda are beginning to invest in agricultural processing.

### Opportunities

- Processing Equipment: Processing Uganda’s largest exports like coffee, tea, cotton, and tobacco can yield substantial value-added profits.
- Biofuels: In 2008, the United States Trade Development Agency (USTDA) commissioned a study on the feasibility of biofuel production in Uganda. While biofuels show promise, the USTDA discouraged converting food crops like maize and cassava into biofuel, recommending instead molasses or inedible crops like jatropha, castor, and oakleaf cotton for biofuel.
- 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.
- Edible oil production: Despite containing fertile agricultural land that could grow edible oilseed, most of Uganda's edible oil is imported. Oilseed crops (sesame, sunflower, palm) have the highest potential for profit in Uganda.
- 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.
- Horticulture: Roses, carnations and other exotic plants are currently grown in Uganda and exported to Europe and 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 as well as processing plants for cheese, yogurt and ice cream. Ugandan farmer demand for superior livestock genetics as well as for feed and veterinary care is increasing.
- 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.

#### Web Resources

Uganda Ministry of Agriculture: [www.agriculture.go.ug/](http://www.agriculture.go.ug/)

National Agricultural Advisory Services (NAADS): <http://www.naads.or.ug/>

American Chamber of Commerce of Uganda: [www.amchamuganda.co.ug/](http://www.amchamuganda.co.ug/)

## Construction

#### Overview

Uganda’s infrastructure needs remain substantial, lacking roads to agricultural regions to deliver agricultural products to markets before they spoil. With a 10 percent per annum growth rate in car

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

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

#### Sub-Sector Best Prospects

Although construction remains a dominant sector within Uganda's economy, projects are poorly managed. The GOU's lack of enforcement of anti-corruption laws has led to project delays and cost overruns on the largest infrastructure projects in Uganda (Karuma dam and Isimba dam are years behind schedule and showing signs of damage from the use of inferior building materials). Companies with a history of effective project management are highly sought after by the GOU, presenting a strong commercial opportunity. Furthermore, U.S. firms are familiar with complying with environmental regulations and promoting corporate social responsibility projects.

#### Opportunities

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

Uganda Vision 2040 identifies key core projects that need to be started including:

- A Hi-tech ICT city and associated ICT infrastructure
- Large irrigation schemes in different parts of the country
- Phosphate industry in Tororo
- Iron ore industry in Muko, Kabale
- Five regional cities ( Gulu, Mbale, Kampala, Mbarara, and Arua) and five strategic cities ( Hoima, Nakasongola, Fortportal, Moroto, and Jinja)
- Four international airports
- A standard gauge railway network with high speed trains
- Oil Refinery and associated pipeline infrastructure
- Multi-lane paved national road network linking major towns, cities and other strategic locations
- Globally competitive skills development centers
- Nuclear power and hydro power plants (Ayago, Isimba, Karuma, and Murchison Bay)
- Science and Technology parks in each regional city
- International and national referral hospitals in regional cities.

#### 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](http://www.worldbank.org)  
Uganda Vision 2040 document:  
<http://npa.ug/wp-content/themes/npatheme/documents/vision2040.pdf>

## Oil and Gas

### Overview

Western Uganda has approximately 6.5 billion barrels of oil reserves, with at least 1.4 billion estimated to be economically recoverable. In addition to producing and exporting crude oil, Uganda plans to build a refinery to produce petroleum products for the domestic and EAC markets.

The infrastructure required to develop Uganda's oil reserves is estimated to cost USD 10 billion and construction is projected by the government to begin in 2017. On April 23 -- ten years after the discovery of oil in Uganda -- Ugandan President Yoweri Museveni announced that the country's oil exports would transit Tanzania to the Indian Ocean Port of Tanga. While the government seems confident that it can achieve first oil by 2020, experts comment that this goal is only attainable if production licenses and completion of the oil refinery contract are finalized no later than the end of 2016.

Uganda's planned oil refinery, a project projected to cost almost \$4 billion that will be built in two 30,000 barrels per day stages, is designed to provide refined oil products to the country and possibly the region. In February 2015 the Government of Uganda selected a consortium led by Russia's RT Global Resources as the preferred bidder on the refinery construction and operation but as of June 2016 a binding agreement to construct the refinery has not been reached.

### Sub-Sector Best Prospects

With the recent announcement of the route for Uganda's oil export pipeline, the mid-stream sub-sector offers the best prospects for U.S. investors.

### Opportunities

A consortium of oil companies (Total, CNOOC, and Tullow Oil) are currently conducting a pipeline study to determine the best routing for the oil pipeline from Hoima, Uganda to Tanga, Tanzania. Once complete, the consortium expects to solicit bids for the pipeline in late 2017 and construction to take three years. U.S. companies interested in bidding on the pipeline construction are encouraged to contact the central headquarters of each company.

### Web Resources

#### **Uganda Ministry of Energy and Mineral Development**

Website: [www.energyandminerals.go.ug](http://www.energyandminerals.go.ug)

#### **Department of Geological Survey and Mines of Uganda**

Website: [www.uganda-mining.go.ug](http://www.uganda-mining.go.ug)

#### **Uganda Directorate of Petroleum**

Website: [www.energyandminerals.go.ug/directorate-of-petroleum.html](http://www.energyandminerals.go.ug/directorate-of-petroleum.html)

#### **Total S.A**

2, place Jean Millier

La Défense 6  
92078 Paris La Défense Cedex  
France  
Tél. : + 33 (0) 1 47 44 45 46 - See more at:  
<http://www.total.com/en/contact-form#sthash.zsvlezpU.dpuf>

### **CNOOC**

No.25,Chaoyangmenbei Dajie, Dongcheng District, Beijing 100010, P. R. China  
Postal address: Box 4705, No.25, Chaoyangmenbei Dajie, Dongcheng District, Beijing 100010, P. R. China  
Tel: 86 10 8452 1010  
Fax: 86 10 6460 2600  
E-mail: [cnooc@cnooc.com.cn](mailto:cnooc@cnooc.com.cn)

### **Tullow Oil Plc.**

9 Chiswick Park  
566 Chiswick High Road  
London, W4 5XT  
United Kingdom  
PHONE: +44 (0)203 249 9000  
EMAIL: [INFO@TULLOWOIL.COM](mailto:INFO@TULLOWOIL.COM)

## Mining and Minerals

### Overview

Uganda's mining and minerals sector shrunk over the past 30 years, dropping from six percent of GDP (1970) to 0.5 percent (2010). In 2014, Uganda completed a USD 75 million national mineral survey that identified occurrences of resources such as uranium, tin, coltan, nickel, copper and gold across the country. The survey, funded by the World Bank and Nordic Bank is intended to develop an advanced geological data to attract investors. The most endowed regions neighbor mineral-rich eastern Congo. Uganda's central region also holds potential as an extension of the Green Stone Gold Belt in northwestern Tanzania.

Uganda's mining sector is a mix of officially registered mining companies (both local and international) and artisanal small-scale miners. Artisanal small-scale mining (ASM) produces more than 90 percent of metallic, industrial and building minerals; providing livelihoods to almost 200,000 individuals. However, ASM is under regulated and hazardous, due to the use of mercury in small-scale gold production. The 2004 Mineral Act provides incentives to mining investors, with royalty fees for base and precious metals set at 3 percent.

Uganda's gold exports plummeted in recent years. 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 political insecurity. In line with U.S. laws and regulations, investors should exercise caution to avoid projects that source conflict materials from neighboring countries.

### Sub-Sector Best Prospects

Exporting mining equipment; power generation equipment; civil engineering services; pumps, valves and related materials offers the best prospects in Uganda's mining sector.

### Opportunities

As of June 1, 2016, Uganda does not have any large scale mining operations.

### Web Resources

Uganda Ministry of Energy and Mineral Development: [www.energyandminerals.go.ug](http://www.energyandminerals.go.ug)

Department of Geological Survey and Mines of Uganda: [www.uganda-mining.go.ug](http://www.uganda-mining.go.ug)

## Telecommunications Industry

### Overview

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

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

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

### Sub-Sector Best Prospects

Exporting telecommunication hardware offers the best prospects within the Telecommunication sector. The following products are in high demand in Uganda: cellular and wireless telephone systems; data transmission equipment; fiber optic equipment; trunked mobile phone systems 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

Uganda Communications Commission: [www.ucc.co.ug](http://www.ucc.co.ug)

Airtel: [www.Airtel.com](http://www.Airtel.com)

Computer Frontiers International: [www.cfi.co.ug](http://www.cfi.co.ug)  
MTN: [www.mtn.co.ug](http://www.mtn.co.ug)  
UTL: [www.utl.co.ug](http://www.utl.co.ug)  
AFSAT Communications Uganda: [www.afsatug.com](http://www.afsatug.com)  
Bushnet: [www.bushnet.net](http://www.bushnet.net)  
Infocom: [www.imul.com](http://www.imul.com)  
Jireh Technologies International: [www.jirehtechnologies.com](http://www.jirehtechnologies.com)  
Zineth Electronic Security & Communication: [www.glocodev.co.ug](http://www.glocodev.co.ug)  
Bitwork Technologies Ltd.: [www.bitworktech.com](http://www.bitworktech.com)  
Uganda Broadcasting Corporation: [www.ubconline.co.ug](http://www.ubconline.co.ug)  
RCS Radio Communication: [www.rcs-communication.com](http://www.rcs-communication.com)

## Medical Equipment

### Overview

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

### Sub-Sector Best Prospects

With Uganda's lack of medical infrastructure and large influx of donor support for health programs, exporting medical equipment offers U.S. investors the best commercial prospects.

### Opportunities

In April, 2016, Ugandan media reported that Uganda's only cancer therapy machine—a 21-year-old cobalt 60 radiotherapy machine—at Uganda's Mulago National Referral Hospital broke down, stranding thousands of cancer patients. According to Uganda's medical professionals, the machine served an average of 27,000 patients per year, many of whom had traveled from neighboring countries such as the Democratic Republic of Congo and South Sudan for treatment.

### Web Resources

Centers for Disease Control Grants: <http://www.cdc.gov/grants/>  
Academic Alliance for AIDS Care and Prevention in Africa: [www.aaacp.org](http://www.aaacp.org)  
Gulu Independent Hospital: [www.guluindependenthospital.com](http://www.guluindependenthospital.com)  
Joint Clinical Research Center: [www.jcrc.co.ug](http://www.jcrc.co.ug)  
Kigezi International School of Medicine: [www.kigezi.edu](http://www.kigezi.edu)  
Mulago Hospital: [www.mulago.or.ug](http://www.mulago.or.ug)  
National Drug Authority: [www.nda.or.ug](http://www.nda.or.ug)  
National Medical Stores: [www.natmedstores.org](http://www.natmedstores.org)  
The AIDS Society of Uganda: [www.tasouganda.org](http://www.tasouganda.org)  
Uganda AIDS Commission: [www.aidsuganda.org](http://www.aidsuganda.org)  
Uganda Ministry of Health: [www.health.go.ug](http://www.health.go.ug)

## Pharmaceuticals

### Overview

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

Challenges include:

- Technology, machinery and the associated high skilled expertise are still sourced from outside Uganda
- The need to import Active Pharmaceutical Ingredients (APIs) and almost all excipients and some packaging materials
- Reliance on step-by-step manual manufacturing processes although a few manufacturers have automated production processes
- Unreliable supply of utilities, especially electricity, which compels all manufacturers to operate backup power generators

### Sub-Sector Best Prospects

Based on the GOU's favorable tax policies for setting manufacturing facilities, the manufacture of generic pharmaceuticals holds the best prospect for U.S. investors.

### Opportunities

While the local pharmaceutical industry has developed significantly over the last 10 years, Uganda still imports 90 per cent of its Essential Medicines and Health Supplies (EMHS) needs. Nonetheless, in early 2010, one manufacturing site, which is manufacturing Anti-Retroviral (ARV) and Artemisinin-based Combination Therapies (ACT), received the WHO Good Manufacturing Practices (GMP) certification.

### Web Resources

#### **Centers for Disease Control Grants:**

<http://www.cdc.gov/grants/>

#### **Ministry of Health:**

<http://health.go.ug/>

#### **The United Nations Industrial Development Organization Pharmaceutical Sector Profile for Uganda:**

[https://www.unido.org/fileadmin/user\\_media/Services/PSD/BEP/Uganda%20Pharma%20Sector%20Profile\\_TEGLO05015\\_Ebook\\_.pdf](https://www.unido.org/fileadmin/user_media/Services/PSD/BEP/Uganda%20Pharma%20Sector%20Profile_TEGLO05015_Ebook_.pdf)

#### **The Global Fund Pharmaceutical Sector Country Profile for Uganda:**



## Travel and Tourism

### 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 Uganda's passage of the Anti-Homosexuality Act and fears of Ebola in western Africa, 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 the privately-owned 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. Gorilla watching passes are a major source of revenue for the parks and for gorilla conservation efforts. A private company 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](http://www.mtti.co.ug)

Uganda Wildlife Authority: [www.uwa.or.ug](http://www.uwa.or.ug)

Uganda Investment Authority: [www.investuganda.com](http://www.investuganda.com)