

# **SUCCESS STORIES IN AFRICA: WHAT WENT WELL? - UGANDA**

PRESENTATION BY  
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**OECD AFRICA INVESTMENT ROUNDTABLE  
17-19<sup>TH</sup> NOVEMBER, 2003  
JOHANNESBURG, SOUTH AFRICA**

# NATIONAL VISION

- **Vision 2025:** “ Prosperous People, Harmonious Nation, Beautiful Country.”
- Strategy - Poverty Reduction Strategy Paper
- PEAP – Poverty Eradication Action Plan (eliminate poverty by 2017)
- Private Sector Led Economy
- Prevent inequality
- Infrastructure – water, power, roads, social services (health)
- Plan for the Modernisation of Agriculture
- SME support – MFI, export support
- Monitoring and Evaluation

# ECONOMIC REFORMS SINCE 1987

- Reduced inflation to single digits
- Liberalized trade Regime
- Ended Government Monopolies in Agricultural Marketing
- Liberalized interest rates
- Made Shilling fully convertible
- Liberalized Foreign Exchange Market
- Enacted New Investment Act in 1991
- Improved Regulatory environment
  - Government/private sector policy dialogue
  - Reformed commercial laws
  - Improved tax administration
- Privatization

# UIA – VISION, MISSION AND ROLE

## ▪ VISION

*“Make Uganda the leading Investment destination”.*

## ▪ MISSION

*“Make a significant and measurable contribution to Uganda’s development process by promoting private Investment”.*

## ▪ ROLE

✉ *To promote, facilitate and monitor investment in Uganda*

✉ *To provide advisory services to Government on policies which affect investment*

# ATTRACTING FDI

- UIA – ‘One Stop Shop’
- Ambassadors
- Districts
- Website – MIGA
- Investor Tracking – MIGA
- Outward Missions – WB, UNIDO, USAID, President
- Inward Missions
- Private Sector
- Promotion Material – ICC, UNCTAD Guide
- Priority Sectors
- Priority Countries
- OECD Support

# CONSTRAINTS IN THE PRIVATE SECTOR

## 1996

- Electricity
- Tax Policy
- Tax Administration
- Cost of Finance
- Access to Finance
- Utilities
- Bureaucracy/ Corruption

## 2001

- Access to Finance
- Tax Administration
- Bureaucracy/ Corruption
- Transport
- Tax Policy
- Lack of Incentives
- GOU Discriminatory Interventions

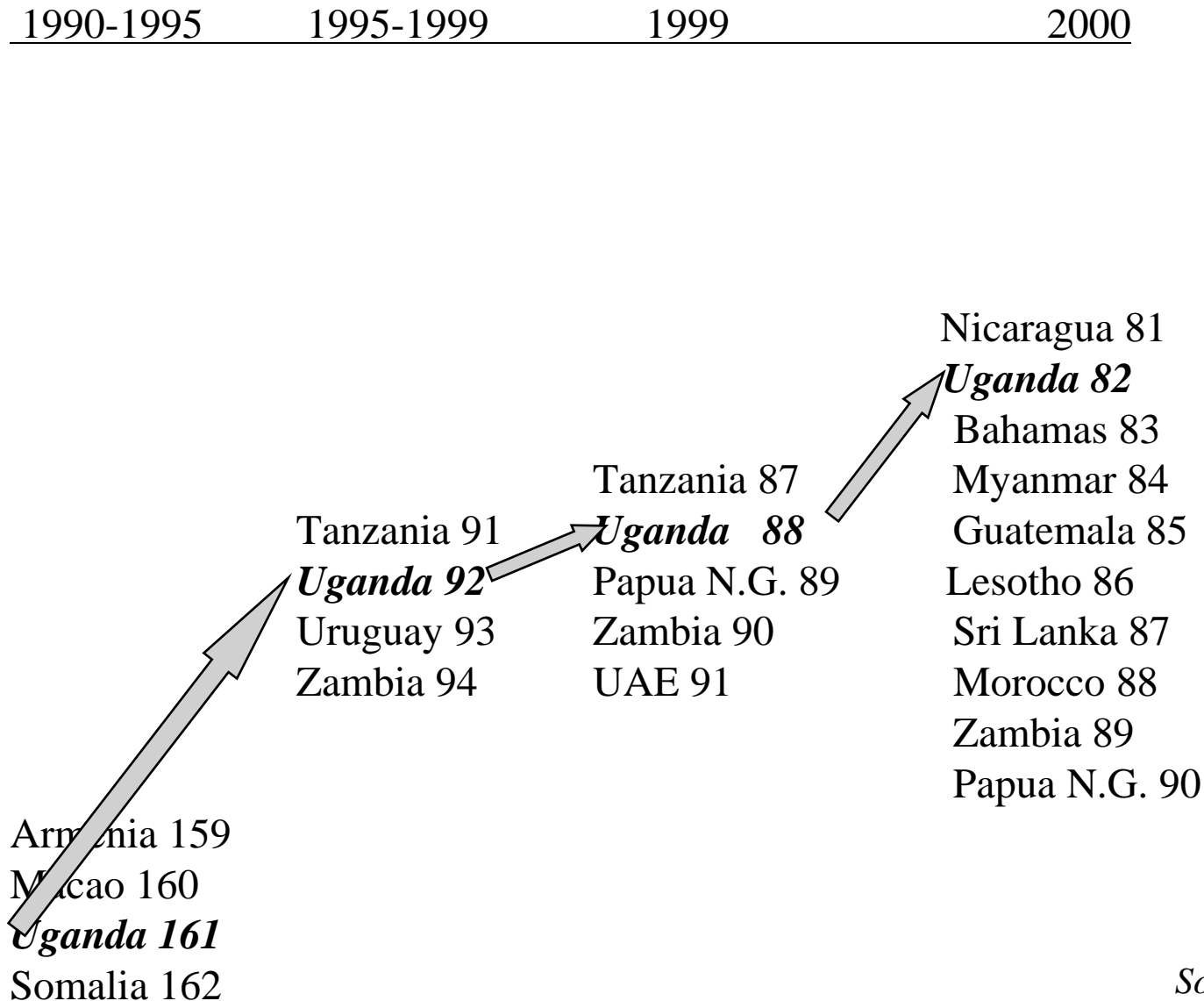
*Source: UIA Investor Surveys*

# IMPROVING THE INVESTMENT CLIMATE

- Political Stability
- Economic Strength/Fundamentals
- Attitude of Welcome - from Minister to most junior civil servant and public
- Supportive Government Policies:
  - - Equity
  - - Employment of Expatriates
  - - Ownership of Assets/Land
  - - Tax Appeal Tribunal
  - - Institute of Corporate Governance
- Improving Infrastructure - Electricity, Telecom, Water, Costs, Availability, Quality etc...
- Labor - Trainability, Education, Work Ethics, Harmony, etc
- Liberalized Banking and Finance
- Streamlining Government Machinery
- Friendly Local Business Environment
- Quality of Life

# Uganda inward FDI position

*world rank according to annual average inflows of FDI*

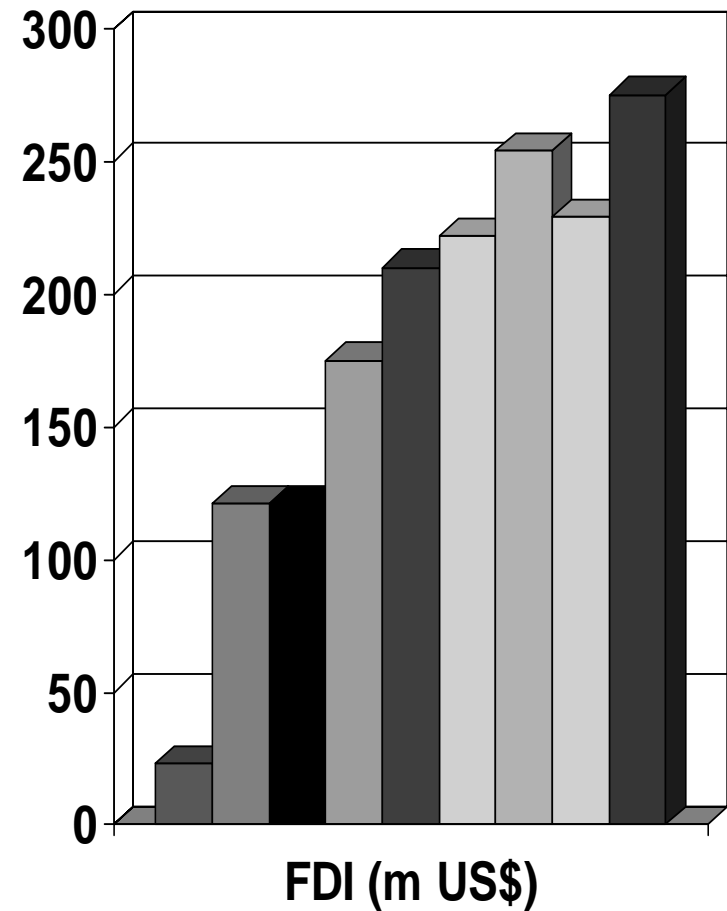


*Source: UNCTAD*



## FDI inflows to Uganda (1989 – 2002)

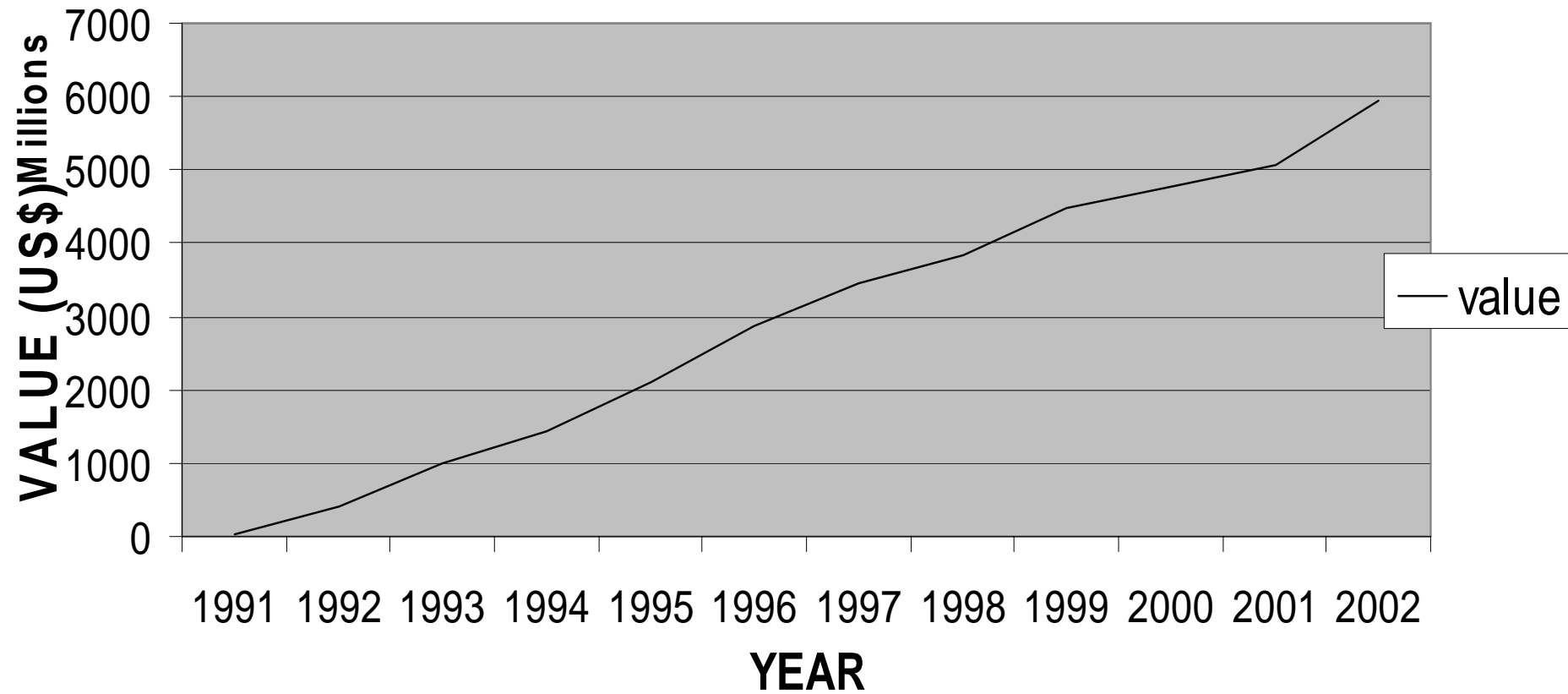
| <b>Year</b>          | <b>FDI m\$</b> |
|----------------------|----------------|
| <b>1989/94 (avg)</b> | <b>23</b>      |
| <b>1995</b>          | <b>121</b>     |
| <b>1996</b>          | <b>121</b>     |
| <b>1997</b>          | <b>175</b>     |
| <b>1998</b>          | <b>210</b>     |
| <b>1999</b>          | <b>222</b>     |
| <b>2000</b>          | <b>254</b>     |
| <b>2001</b>          | <b>229</b>     |
| <b>2002</b>          | <b>275</b>     |



*Source: WIR 2002, UNCTAD*

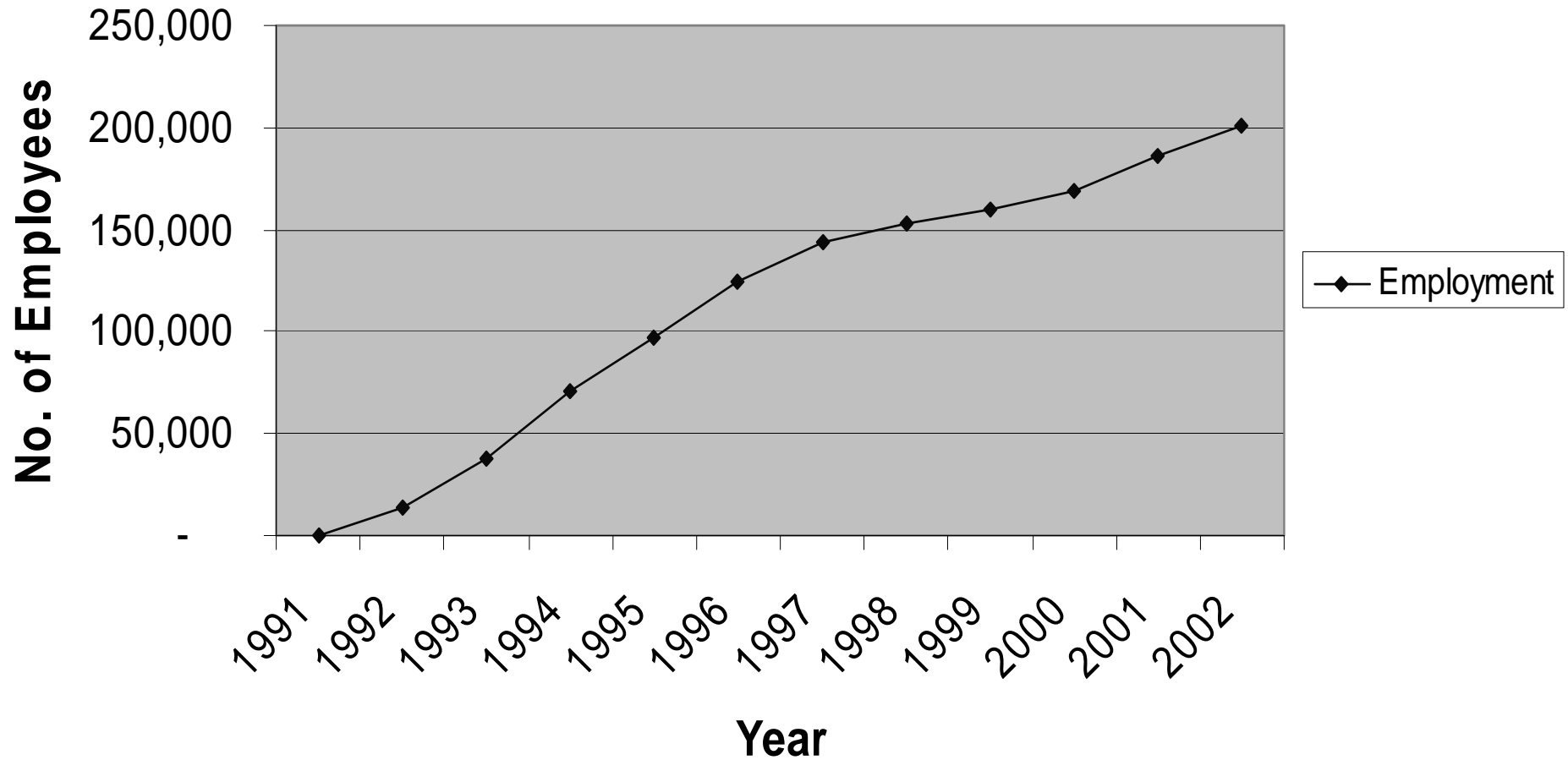
# UIA ACHIEVEMENTS

Cummulative values of Planned Investment 1991-2002

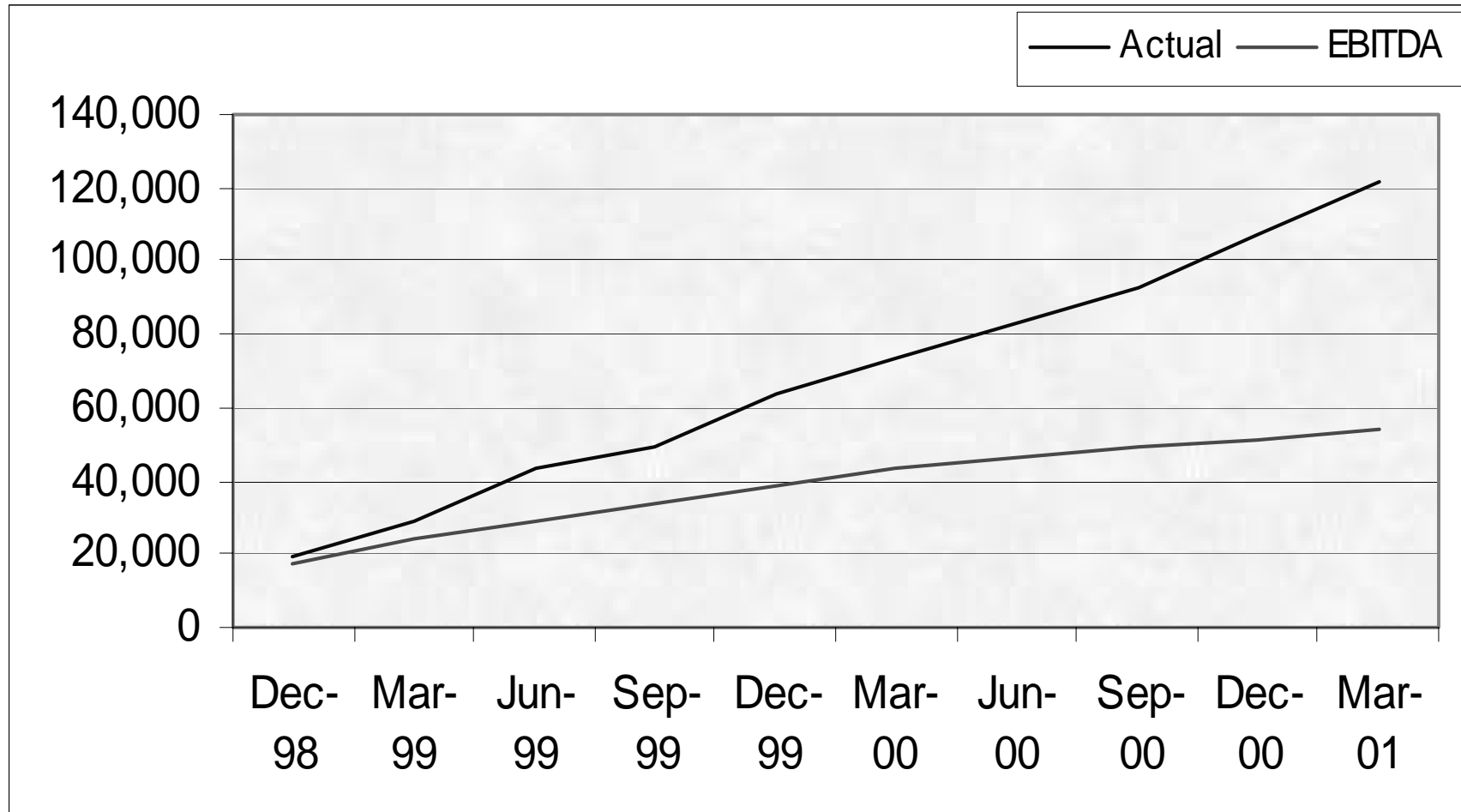


# UIA ACHIEVEMENTS

Cummulative figures of Planned Employment 1991-2002

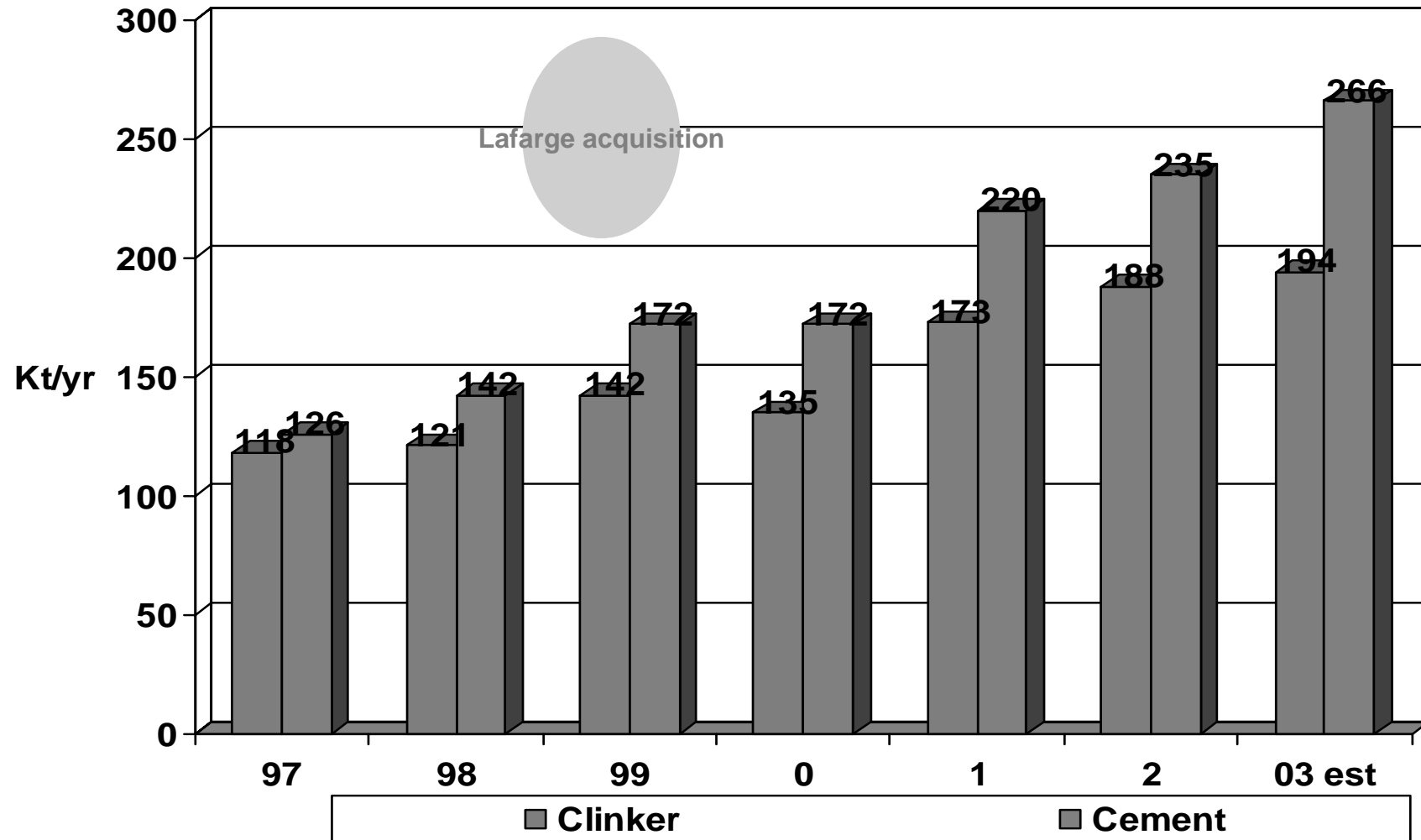


# MTN Uganda's Capital Expenditure

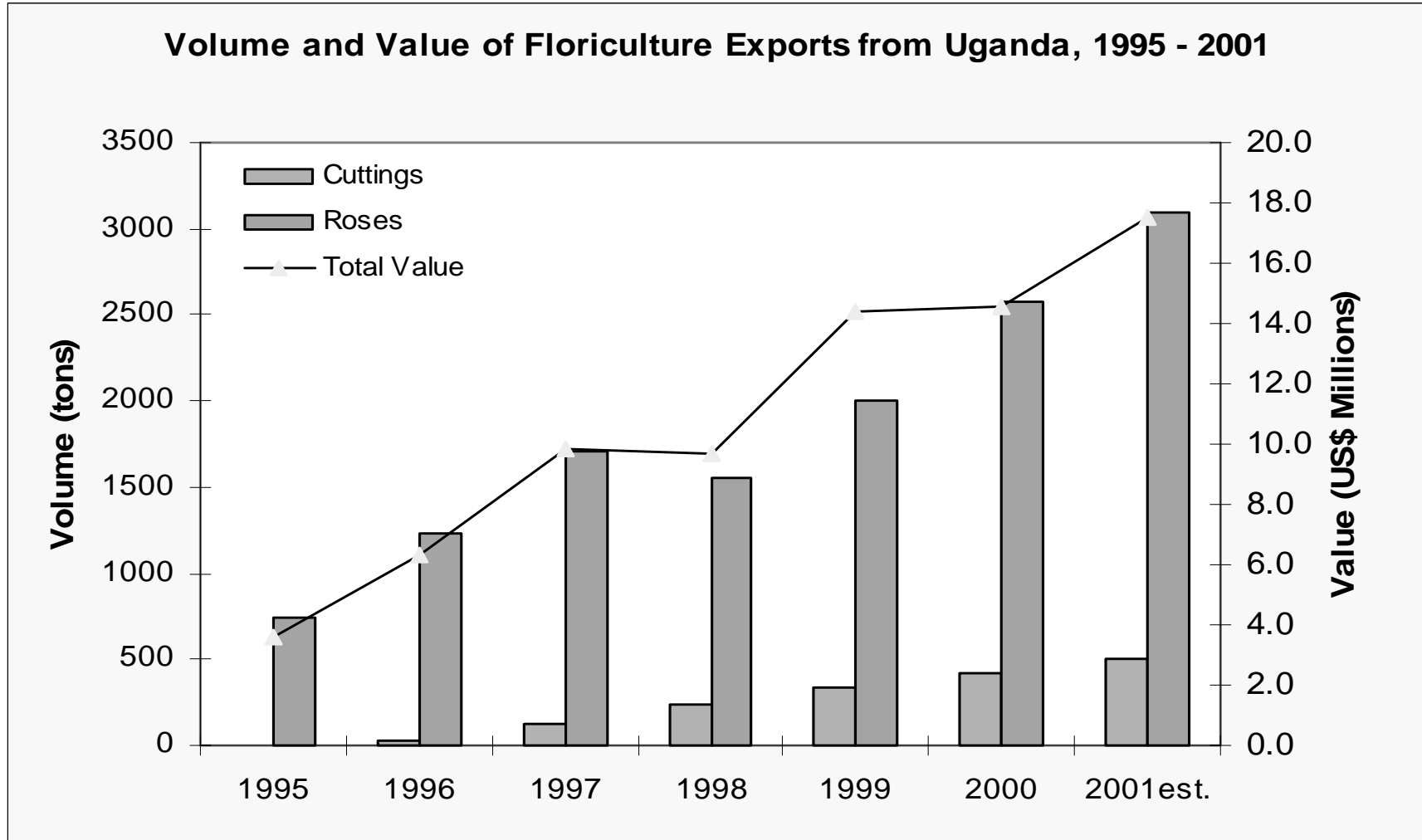


Source: MTN Information Memorandum

# Hima Cement Ltd - Clinker and cement production pre and post acquisition

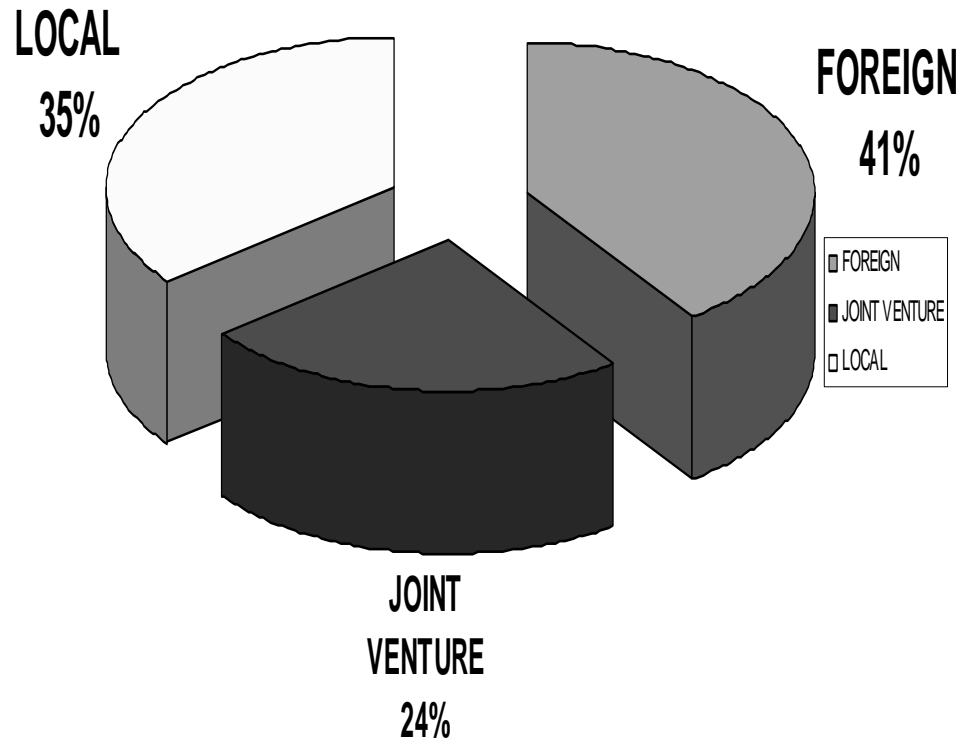


# Case Study in Flowers



# UIA ACHIEVEMENTS

OWNERSHIP OF PROJECTS LICENSED (1991-2002)



TEN MAJOR FDI COUNTRY SOURCES (1991-2002)

1. **United Kingdom**
2. **Kenya**
3. **India**
4. **Canada**
5. **United States of America**
6. **Japan**
7. **South Africa**
8. **Norway**
9. **Egypt**
10. **Mauritius**

## TOP TEN COUNTRIES IN INVESTMENT – 2002/3

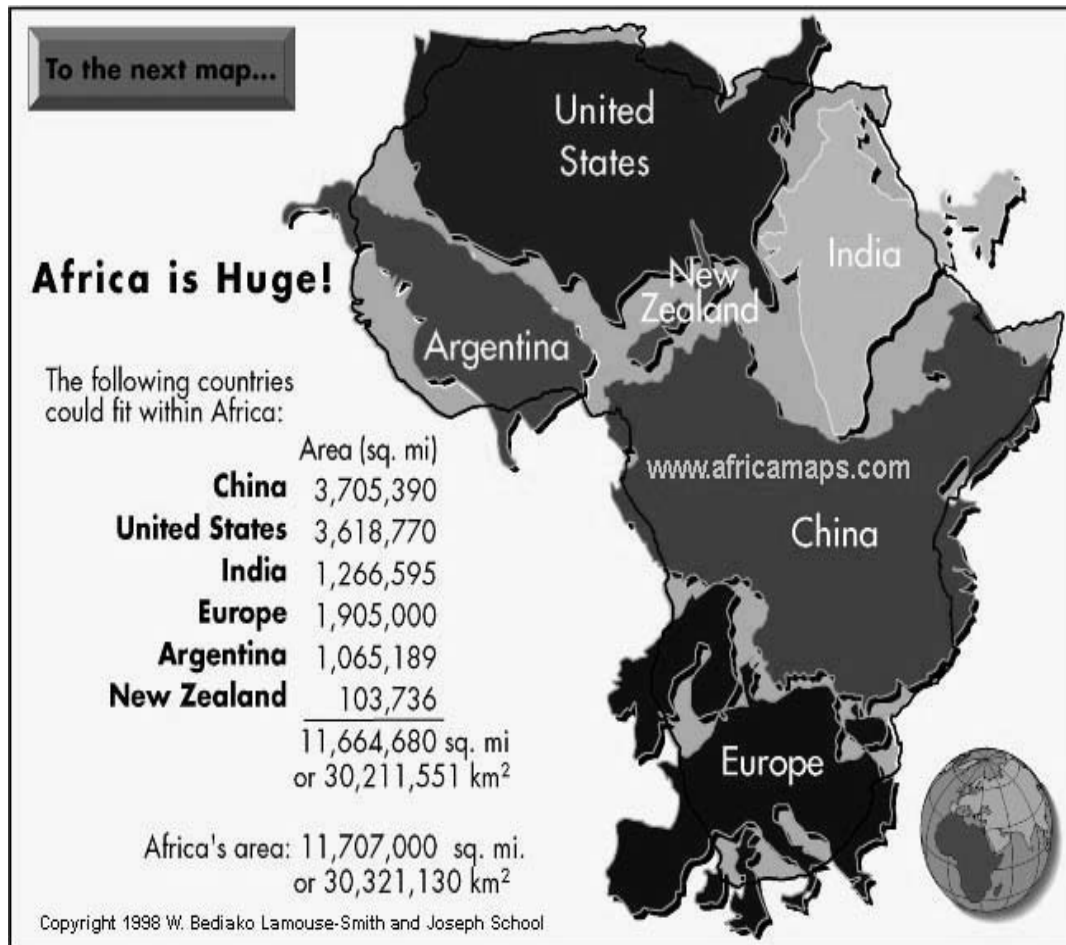
|    | COUNTRY        | PLANNED VALUE (US\$m) |
|----|----------------|-----------------------|
| 1  | UNITED KINGDOM | 560                   |
| 2  | UGANDA         | 143                   |
| 3  | SOUTH AFRICA   | 54                    |
| 4  | NETHERLANDS    | 22                    |
| 5  | KENYA          | 17                    |
| 6  | EGYPT          | 15                    |
| 7  | USA            | 8                     |
| 8  | TANZANIA       | 7                     |
| 9  | CHINA          | 6                     |
| 10 | IRELAND        | 5                     |



# **PRIORITY SECTORS**

- Agriculture ( Crops and Livestock)
- Energy for Rural Transformation
- Information & Communication Technology
- Mining
- Packaging, Printing and Publishing
- Services (Finance, Education and Medical)
- Tourism

# The 21<sup>st</sup> Century belongs to Africa



- **Leaders**
- **Vision**
- **Strategy**
- **Plan**
- **Land**
- **Human Resource**
- **Tourism**
- **Agriculture**
- **Minerals**

# SUPPORT TO AFRICAN COUNTRIES

- a) Opportunities for Africa to meet the private sector directly, e.g roadshows, invitations to address chambers of commerce, employers, manufacturers.
- b) Positive Press coverage
- c) Home country measures e.g feasibility studies, Grants (PSOM- Netherlands), Credit, Insurance, BITS, DTAs
- d) Donors for
  - Capacity building –Justice, Budgeting, Regulators, etc.
  - National Budget support
  - Studies

# THANK YOU

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