



**BRIEF GUIDE
ON INVESTING
IN UGANDA**



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Introduction

The size of Uganda’s economy stood at US\$ 53.6. billion by the end of 2024 (World Bank). This partner state, which is fairly compact compared with its Southern and Eastern neighbors, has a population of 45.9 million (UBOS 2024). It is a multiparty democracy. Uganda has undertaken key policy and institutional reforms that have contributed to macroeconomic stability and growth. Its strategic location in the heart of East Africa provides land access to regional markets, including Kenya, Tanzania, Rwanda, South Sudan, and the Democratic Republic of the Congo (DRC). The country has demonstrated consistent GDP growth, prudent monetary policy, and a commitment to infrastructure investment.

Uganda’s capital city, Kampala (daytime population exceeding 3 million), is estimated to account for about 60% of the country’s GDP and is expected to rank among the world’s fastest-growing cities by 2035. Uganda’s medium-term growth prospects remain robust, with average GDP growth projected between 8% and 9%, and expected to reach double-digit growth thereafter. Ongoing developments in the oil and gas sector, combined with major investments in infrastructure, are set to be pivotal drivers of this growth.

UGANDA BRIEF	
Category	Details
Official Name	Republic of Uganda
Capital	Kampala (UBOS)
Location	Borders: South Sudan (N), Kenya (E), Tanzania (S), Rwanda (SW), DRC (W) (
Area	241,038 sq. km (Land: 197,100; Water: 43,938)
Time Zone	GMT +3
Climate	Tropical (south), semi-arid (north) (Uganda National Meteorological Authority)
Languages	English, Swahili (official)-Uganda Constitution

HUMAN CAPITAL	
Indicator	Value
Population (2023)	45.9 million (UBOS 2024)
Urbanization	26.6% (World Bank, 2023)
Life Expectancy	63 years (WHO 2023)
Literacy Rate	76.5% (UNESCO, 2023)
Labor Force	18 million (UBOS 2023)

ECONOMIC INDICATORS	
Indicator	Value
GDP	\$53.6 billion(world Bank 2024)
GDP per capita	\$1,046 (IMF 2023)
GDP Growth Rate	5.3% (IMF 2023)
Inflation Rate	5.4% (Bank of Uganda, 2023)
FDI Inflows	\$1.3 billion (UNCTAD, 2023)
Corporate Tax Rate	30% (Uganda Revenue Authority, 2023)
VAT Rate	18% (Uganda Revenue Authority 2023)
Currency	Ugandan Shilling (UGX). (Bank of Uganda)

REGIONAL AND ECONOMIC INTEGRATION	
Economic Blocs	EAC, COMESA, AfCFTA. (EAC Secretariat)
Top Export Partners	Kenya, UAE, South Sudan, DRC (UBOS 2023)
Top Import Partners	China, India, Kenya, UAE. (UBOS 2023)



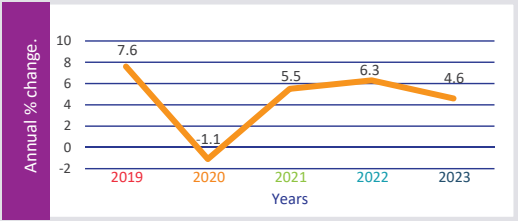
Uganda's Macro-Economic performance

The following key pointers and policy developments indicate the state of the business environment within which new investments are to be undertaken.

A GDP Growth Trends

In FY2023/24, Uganda's economy grew to 6.1%, an increase from 5.3% in 2022/23 (MFP – FY 2023/24). Robust performance in the services, agriculture, forestry, and fishing sectors, alongside steady industrial growth, drove this improvement in performance. In nominal terms, the economy expanded to US\$53.6 billion from US\$48.8 billion the previous financial year, reflecting increased demand, rising investments, and exports.

Figure : Trend of Uganda's growth for the period FY2019/20-FY2023/24. (% annual change of real GDP)



Source: Calculated using data from the IMF World Economic Outlook, October 2024.

In terms of contribution, the service sector at 42.36% of total GDP during the period (FY 2019/20-2023/24) is the leading sector and has registered growth rates above 6.5 per cent over the last two years. The Industrial sector, which contributed an average of 26.33% to Uganda's GDP over the period, with the fastest-growing sub-sector being pharmaceuticals, paper, iron and steel, and plastics, among others. The Agricultural sector, accounting for 23.89% of GDP, is the largest employer, accounting for 70 % of employment.

The economy expanded to **US\$53.6 billion** from **US\$48.8 billion** in the previous financial year



In terms of contribution during the period (FY 2019/20-2023/24):

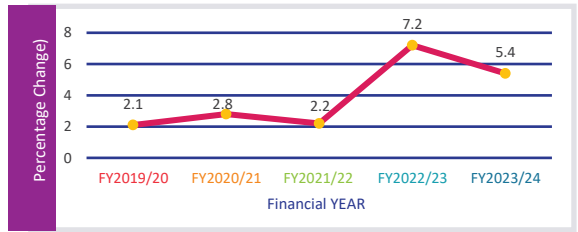
- service sector - **42.36%**
- Industrial sector - **26.33%**
- Agricultural sector - **23.89%**

B Inflation Trends

Uganda's inflation has largely been contained despite global pressures. In 2024, Uganda's annual average inflation rate stood at 3.4%, a decrease from 4.4% in 2023, driven by improved food supply, stable exchange rates, and prudent monetary policies by the Bank of Uganda. Headline inflation was largely contained within the Bank's target range of 5%, demonstrating macroeconomic stability amid global inflationary pressures.



Figure : Trend of Uganda's Inflation for period FY2019/20-FY2023/24. (% annual change)



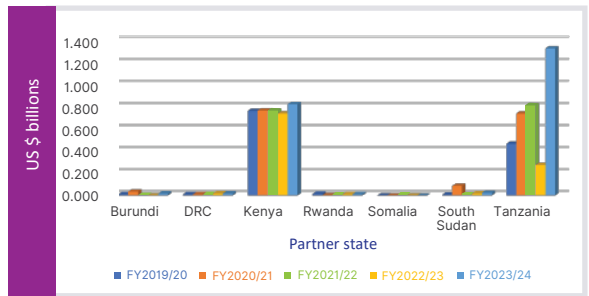
Source: IMF data. (October 2024). <https://www.imf.org/external/datamapper/PCPIPCH@WEO/UGA>

C Trade Performance

Uganda's Total trade stood at US\$15.34 billion in 2022, comprising US\$5.97 billion in exports and US\$9.37 billion in imports. Uganda's major exports include coffee, gold, fish, maize, and sugar. Kenya and South Sudan are Uganda's top EAC export destinations. Intra-EAC trade accounted for 22.6% of total exports in 2022.



Figure : Total imports' trend of Uganda with other EAC partner states



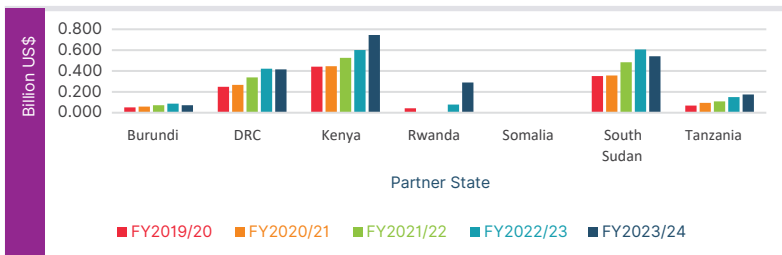
Source: EAC open data portal 2024

22.6%

of total exports was accounted for in 2022.

Imports from EAC increased by 108.4% in FY2023/24 to \$2.23 billion from \$1.07 billion in FY2022/23, with Tanzania becoming the top source of imports, followed by Kenya, valued at an import value of \$1.33 billion and \$0.83 billion, respectively. (EAC trade and investment report 2023).

Figure : Uganda's EAC Exports with partner states



Source: Calculated using data from EAC open data portal. (Consulted on 28th November 2024)
<https://eac.opendataforafrica.org/ndkextb/merchandise-trade-by-commodity-hs-2024>



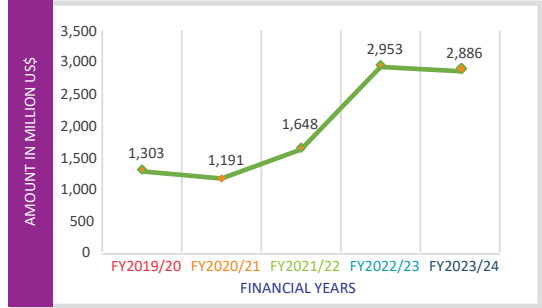
The case of investing in Uganda

Capital Inflow Trends

01 FDI Trends

Uganda's FDI increased by 81% to USD 3.03 billion in 2022/23 from USD 1.6 billion in FY 2021/22 (UNCTAD 2024). This was a result of the conducive investment incentives and investment climate in the country. In addition, the rich natural resources base, strategic location, improvement of the financial sector, and prospective oil production continued to attract foreign investors (Macroeconomic and Fiscal Performance report FY 2022/23). Net Foreign direct investment also averaged at 4.77% for the period.

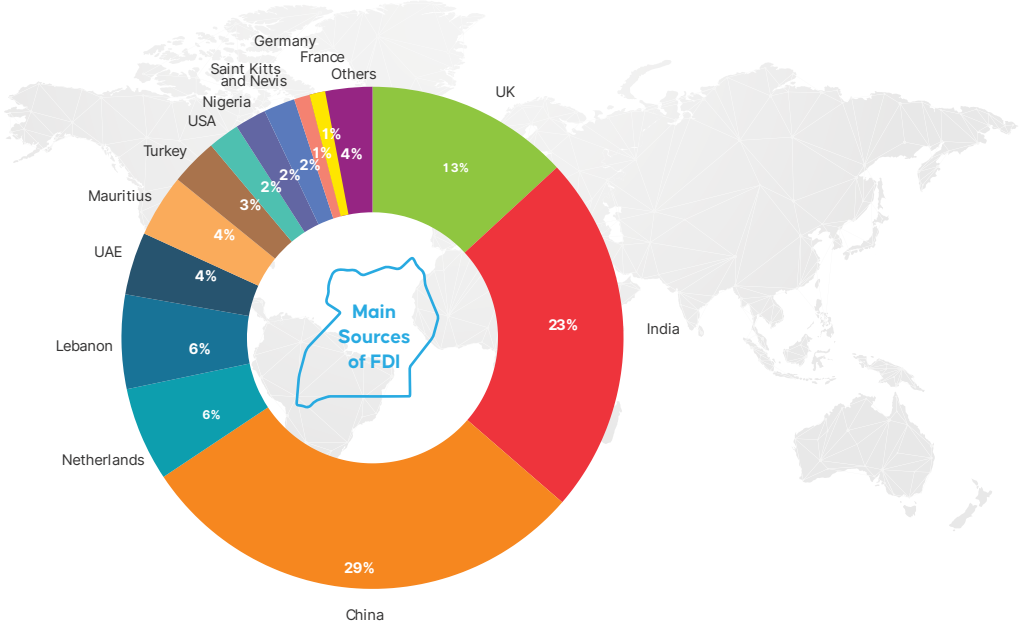
Figure : Foreign Direct Investment inflows in US\$ \$ million for FY2019/20-FY2023/24



Source: Calculated using data from UNDCAT.

Figure: Main Sources of FDI in Uganda for FY 2023/24. (US\$ millions.)

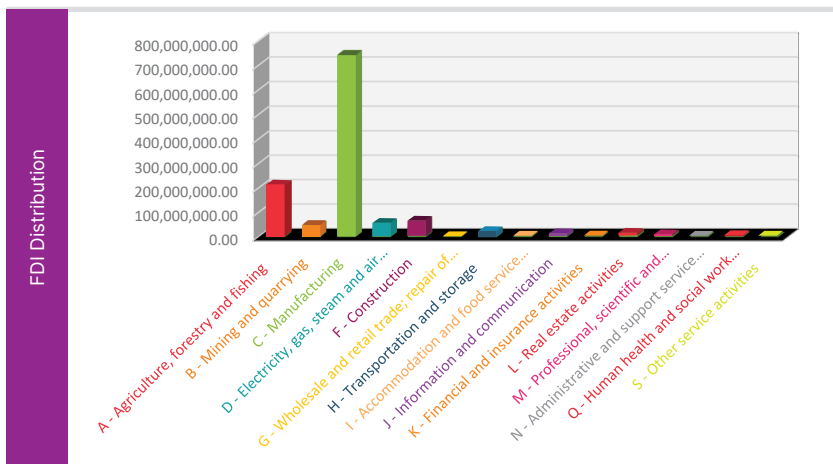
FDI Distribution by Country



Source: Uganda Investment Authority FY 2023/24

In terms of projects approved by Uganda Investment Authority, the main sectors attracting investment are manufacturing, Agriculture, Construction, Oil and Gas, and Mining.

Figure: FDI Value of Licensed Project by Sector FY 2023/24.



Source: Uganda Investment Authority FY 2023/24

At the national level, the sectors attracting the most foreign direct investment (FDI) have been identified by the Private Sector Investment Survey Report, conducted by the Bank of Uganda, Uganda Investment Authority, and Uganda Bureau of Statistics, and are tracked through the Uganda Infrastructure Management System.



Oil and Gas:

Dominant sector, accounting for 62.4% of FDI inflows in 2022, primarily due to projects like Tilenga, Kingfisher, and the East African Crude Oil Pipeline (EACOP). Ministry of Finance



Mining:

Closely linked with oil and gas, significant investments were made in gold exploration and development.



Information and Communication Technology (ICT):

Information and Communication Technology (ICT): Attracted 17.6% of FDI inflows, reflecting the country's growing digital economy. Ministry of Finance



Finance:

Received 7.3% of FDI inflows, contributing to the expansion and diversification of financial services. Ministry of Finance



Manufacturing:

Registered the highest number of licensed investment projects, accounting for 62% of all licensed projects in FY 2023/24.

Note:

Manufacturing: Registered the highest number of licensed investment projects, accounting for 62% of all licensed projects in FY 2023/24.

Institutional and policy measures to encourage and facilitate investment

01

Establishment and operationalization of a physical (www.ebiz.go.ug) and virtual One Stop Center to offer investment and Business support services. These include business registration, tax registration, investment license, immigration, utility services, and others.

02

The government, through UIA, has established and operates eleven public and private Industrial Parks with a target to establish 25 industrial parks in 5 years. Also in place is an investment land bank of 89 miles across the country, gazetted for industrial park development.

03

A tax incentive for investors that favors both local and foreign investors across sectors such as agriculture, manufacturing, and technology .

04

Strengthening public-private dialogue, such as the Presidential Investor Round Table (PIRT), which is a high-level forum chaired by the president and brings together local and international business owners to advise the government on measures to improve Uganda's Business environment.

05

Establishment of **Commercial Courts** and arbitration frameworks to resolve investment disputes fairly and efficiently

07

Establishment of a UGX68 billion fund at the East African Development Bank (EADB) and the Uganda Development Bank fund aimed at facilitating business resilience.

06

The Uganda Investment Authority (UIA) established a domestic investment division to assist SMEs in formalizing their businesses, enabling them to access government services and incentives. An SME portal was also created as a centralized digital platform that profiles SMEs, facilitates business linkages, supports policy reforms, and provides data analytics. (<https://mybusiness.go.ug/>)

02 Remittances

The major source of remittances was the Middle East, which contributed to 42% and 34.1% for FY2020/21 and FY2021/22, respectively (Remitscope Diagnostic June 9, 2023). Africa was the second largest contributor to the remittances and contributed 24.3% and 22.6% for FY2021/21 and FY 2021/22, respectively. Other contributors were North America, Europe, and Australia. (BOU's Annual Personal Transfer Survey (APTS) Sectors receiving high investor interest include oil and gas, agro-processing, ICT, and renewable energy. China, India, and the United Arab Emirates are among the leading sources of FDI.

Remittances play a crucial role in Uganda's foreign exchange earnings.

In FY2023/24, remittance inflows were valued at US\$1.4 billion, representing approximately 4.3% of GDP. The government has prioritized diaspora engagement through the Ministry of Foreign Affairs, which provides investment guidance and facilitates diaspora contributions in sectors such as real estate.



Key Investment Opportunities

The following table outlines key sectors and corresponding investment opportunities as identified by the Uganda Investment Authority and other relevant government departments:

Sector	Investment Opportunities
Agriculture & Agro-Industry	Value addition (e.g., agro-processing), cold storage facilities, farm machinery manufacturing and assembly, farm inputs packaging industries, development of irrigation schemes, and packaging.
Energy, Oil & Gas	warehousing and logistics, commercial and retail, light industries like metal and welding, maintenance services, hydro generation-hydro, geothermal, wind and solar, electricity transmission and distribution, solar PV technologies, and mini grids,
ICT & Telecom	Business process outsourcing and management services in agriculture, health, tourism, banking, insurance, and public administration, computer hardware and software development, ICT infrastructure, electronic assembly, and telecommunication.
Health	pharmaceutical production, specialized hospitals, health infrastructure, and medical products manufacturing .
Minerals & Mining	Mineral exploration and value addition for gold, oil, tin, tungsten/wolfram, salt, beryllium, cobalt, kaolin, iron ore, glass sand, vermiculite, phosphates, uranium, clay, and gypsum.
Tourism	Accommodation facilities, tour and travel circuits, eco-tourism, community-based tourism, faith-based tourism, adventure tourism, and MICE (Meetings, Incentives, Conferences, and Exhibitions) opportunities, and tourism training institutes
Infrastructure Development	Roads, rails and aviation



Investment Procedures



A

Uganda operates a One Stop Center under the Uganda Investment Authority (UIA) to streamline the investment registration and licensing process. Investors can access services both physically and through the UIA's digital portal.

(<https://www.ugandainvest.go.ug/>).



B

The Uganda Investment Authority (UIA) provides investment facilitation through its One Stop Center (OSC), which integrates services such as immigration, land acquisition, environmental compliance, utility connections, and tax registration. Investors can obtain investment advisory services, connect with regulatory bodies, and track application statuses online via UIA's eBiz portal. The UIA also provides aftercare support and access to government incentives for qualifying projects.

Table : Business Startup Arrangement in Uganda

Step	Application	Authorising Institution	Approval Document	UIA Integrated	Legal Reference
1	Company Name Reservation	Uganda Registration Services Bureau (URSB)	Letter of Name Reservation	Yes	Companies Act, 2012
2	Company Registration	URSB	Certificate of Incorporation	Yes	Companies Act, 2012
3	Tax Identification Number (TIN)	Uganda Revenue Authority	TIN	Yes	Revenue Authority Act (Chapter 196) 1991
4	Investment License	Uganda Investment Authority	Investment License	Yes	Investment Code Act, 2019
5	Work Permits and Visas	Directorate of Citizenship and Immigration Control	Work Permits and Visas	Yes	Uganda Citizenship and Immigration Control Act, Chapter 66
6	Trading License	Kampala City Council Authority	Trading License Issuance	Yes	Kampala Capital City Act, 2010
7	Environmental Assessment	National Environment Management Authority	Environmental Impact Assessment	Yes	National Environment Act, No. 5 of 2019
8	Product Certification	Uganda National Bureau of Standards	Product Certification and Standards	Yes	UNBS Act Cap 327
9	Land Verification	Ministry of Lands, Housing and Urban Development	Land Title Verification	Yes	Constitution of Uganda, 1995 and the Land Act, 1998
10	Utility Connection	Uganda Electricity Distribution Company Limited and Uganda National Water and Sewerage Corporation	Electricity and Water Connections	Yes	Electricity Act, 1999 (CAP 145 Laws of Uganda) & National Water and Sewerage Corporation Act (Cap. 317).

Investment Incentives

Uganda offers various fiscal and non-fiscal incentives through the respective tax laws, which make them non-discriminatory and accessible to all investors.

The incentives are also sector-specific, especially in agriculture, Tourism, Manufacturing, transport, and energy sectors, to encourage investment in sectors that generate employment for nationals.

Tax Incentives

BENEFICIARY	INCENTIVE	CONDITION
Developed an industrial park/free zone	10-year income tax Holiday	Must invest a minimum of USD 50m for foreign investors or USD 10m for EAC citizens,
Operator in an Industrial Park or Free Zone who invests in processing agricultural products, manufacturing or assembling medical appliances, medical sundries or pharmaceuticals, building materials, automobiles, and household appliances;	10-year income tax Holiday	Must invest a minimum of USD 10m for foreign investors and USD 300,000 for EAC citizens or USD 150,000 were The investment is made upcountry.
Exporters of finished consumer and capital goods	10-year income tax Holiday	Investors must export at least 80% of the production
All taxpayers	100% deduction of Scientific research expenditure	Investment in Research and Development
All taxpayers	100% deduction of training expenditure	All taxpayers
Collective Investment Schemes to the extent of distribution	Income tax exemption for Collective Investment Schemes	Must be licensed to operate as a collective investment scheme
Mining and petroleum operators	Special income tax deductions allowed and exemptions: Carry forward losses, 100% depreciation rate for depreciable assets acquired for mining exploration	Mining and petroleum operator.
Investor established in a country with which Uganda has a Double Taxation Agreement (DTA), i.e. United Kingdom, Denmark, Norway, South Africa, India, Italy, Netherlands, and Mauritius.	Reduced withholding tax rates are applicable on payments of dividends, interests, management fees, and royalties. The current applicable WHT rates under these DTAs are 10% except UK where the rate is 15%.	Beneficial owner of investment as defined in the The Income Tax Act was established with economic substance in a The country with which Uganda has a DTA.
Developer of a hotel or tourism facility	No VAT on the supply of a feasibility study, design, and construction services; the supply of locally produced materials for the construction of premises,	The hotel developer must invest at least USD 8 million. The hotel or tourism facility must have a room capacity exceeding 100 guests.

Non-Tax Incentives

INCENTIVES

- A** Securing land for industrial development;
- B** Securing land for agricultural development (Commercial farming and value addition, and other manufacturing);
- C** Facilitate investors to access infrastructure development in the Industrial parks;
- D** Provide policy advocacy to investors to support investment decisions

CONDITIONS

- A** Acquisition of Investment license and certificate from UIA;
- B** Meeting a minimum capital requirement of USD 50,000 for local investors;
- C** Meeting a minimum capital requirement of USD 250,000 for foreign investors;
- D** Investing in value-adding projects.
- E** Uses at least 70% of local raw materials
- F** Employs 70% Ugandans or East Africans, consuming 70% of the total wage bill;
- G** Invests USD 50 million in the development of Industrial Parks, related to foreign investors.
- H** Invests USD 10 million in the development of Industrial Parks, related to domestic investors.



Conclusion

01

Uganda offers a steadily improving environment for investment, supported by consistent economic growth, an expanding regional market, and a broad resource base. The country's strategic location within East Africa provides access to neighboring markets, while ongoing infrastructure development is enhancing connectivity and logistics.

02

Key investment drivers include natural resource endowments, a young labor force, and increasing demand across sectors such as agriculture, Tourism, energy, ICT, and manufacturing. Policy reforms aimed at improving business processes and investor support mechanisms are also contributing to a more predictable operating environment.

03

As Uganda continues to implement its development agenda, opportunities exist for both domestic and foreign investors to engage in commercially viable sectors with long-term growth prospects.



One Stop Centre services for investors

www.ebiz.go.ug

The Government of the Republic of Uganda created a One Stop Centre (OSC) to make it easy for both local and foreign investors and entrepreneurs to easily register, start and operate a business in Uganda.

The following Services are offered at the OSC

- 1 Investment Advisory Services
- 2 Company Registration and Intellectual Property Advisory Services
- 3 Citizenship and Immigration Control Services
- 4 Tax Registration and Compliance Advisory Services
- 5 Environmental Impact Assessment Certificate
- 6 Application and Issuance of Trading License and Application for Building Permits
- 7 Banking and Online Payments
- 8 Distinctive Mark Application and Purchase of Standards from UNBS
- 9 Free Zone Advisory Services from the Uganda Free Zones Authority
- 10 Services of Utility Companies (UEDCL and NWSC)
- 11 Land Title Verification Services by the Ministry of Lands
- 12 Housing and Urban Development
- 13 Tourism and Investment advisory services by Giants 100 and the Federation of Uganda Employers (FUE) for employer-employee relations.

The OSC currently hosts 16 government agencies and private sector players.





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