

**REPORT OF THE UGANDA PARLIAMENTARY DELEGATION TO THE  
8<sup>TH</sup> ANNUAL UGANDA-UNITED KINGDOM CONVENTION ON  
INVESTMENT AND TRADE, 14<sup>TH</sup> TO 18<sup>TH</sup> SEPTEMBER, 2018 IN  
LONDON, UNITED KINGDOM**

*[Handwritten signatures and initials]*

**Office of the Clerk to Parliament  
Parliament Buildings  
Kampala, Uganda**

**September 2018**

## 1.0 Introduction

Rule 33 of the Rules of Procedure requires a Parliamentary delegation abroad to report to Parliament within 14 days upon return to Uganda.

In compliance to the Rules, this is a report of the Parliament of Uganda delegation on the Committee on Tourism, Trade and Industry to the 8th Uganda United Kingdom Trade and Investment Convention held in London. The Convention took place from 14<sup>th</sup> to 18<sup>th</sup> September 2018 at the Troxy Arena under the main theme ***“Driving Trade, unleashing Investment and enhancing Economic Development: The Gateway to Uganda Markets”***.

## 2.0 Purpose and objective of the Convention.

The UK Uganda Trade and Investment Convention which is a prestigious annual business conference and exhibition was designed specifically: -

- (a) to promote and facilitate bilateral trade between the UK, Europe, the diaspora with Uganda;
- (b) to facilitate foreign direct investment in Uganda; and
- (c) to provide a platform for business to expand into new markets and promote British businesses exporting to Uganda.

The UCUK 2018, gathered key economic players including government delegations, high profile leaders, project developers and international investors. The event covered 10 economic sectors particularly, manufacturing, agribusiness, power, construction, transportation, IT, health, Fintech, Tourism and Natural Resources sector. The event had a well structured format for facilitating peer-to-peer engagement, for more advanced deal making, co-investment, strategic partnerships and business networking.

## 3.0 Methodology

The delegation participated in debates on presentations of topical issues including: -

- (a) What the Government of Uganda has done to optimize Policy, Environment and in Business Regulation to make Uganda the Investment destination of Choice
- (b) An outline of the UK's export growth strategy

The bottom of the page contains several handwritten signatures and initials in black ink. From left to right, there is a large signature that appears to be 'Daniel', followed by a signature that looks like 'Priscilla', and another signature that is partially obscured. In the center, there are several sets of initials, including 'ed', 'UK', and a large, stylized signature that resembles 'M'. To the right, there is a signature that looks like 'Sue' and another large, stylized signature. A small number '2' is written in the center of the page, below the initials.

- (c) Sharing best practices in Investing in Africa-a case study by Colas on Kabaale International Airport, Hoima
- (d) Investment opportunities in construction infrastructure and real estate with focus on affordable housing
- (e) Examining free trade agreements (FTA) and boosting intra-regional Trade
- (f) The importance and relevance of frugal innovation in Uganda; and
- (g) Tax investment incentives highlights on new tax bills.

The sessions were concluded by panels of discussion comprised of question and answer session.

## 4.0 Findings

### 4.1 Market Access

The convention recognized a huge potential of the Ugandan market. It is a home to over 39 million people with a growing middle income class with reasonable expendable income and is part of the East African Community (EAC) that has a market potential of about 140 million. It is also part of the Common Market of Eastern and Southern Africa (COMESA) which comprises of 20 member states with 380 million people and imports about US\$170 billion annually. The country further boasts of abundant resources such as fertile agricultural land and 6.5 billion barrels of oil reserves, a relative stable political and security environment. The convention therefore acted as an open platform to attract investment into Uganda.

All stakeholders agreed to promote manufacturing /Agribusiness ,energy and natural resources, construction and transportation, IT and Fintech, Health and tourism as detailed below;

### 4.2 Agriculture

Uganda's agriculture, forestry and fishing provide approximately 66 percent of the employment. Traditional exports such as coffee, tea and cotton continue to be mainstays while nontraditional cash crops which include vanilla, hides and skins, cut flowers and fish among others continue growing. Traditionally, the country exports raw products. Government of Uganda advocated for foreign investment in agricultural processing in order to increase export earnings from the produce. The convention created a linkage for investors in processing equipment, horticulture and staple foods processing and further a recommended that investors should come to Uganda since the climate makes the sector suitable for commercial development.

*[Handwritten signatures and initials at the bottom of the page, including names like "Dan Chito", "Kameela", and "Jno".]*

Investment opportunities were also identified in areas of forestry, processing and packaging of agricultural produce i.e. insurance services, cargo freight and cold storage in the field of floriculture as well as warehouse facilities.

Recent developments indicate the need for establishment of laboratories for pests and disease surveillance and diagnosis as well as local human capacity development in the sector.

#### **4.3 Manufacturing**

Uganda's manufacturing sector has been steadily growing through the years. Opportunities continue to exist in all areas of manufacturing such as beverages, paper, fabrication, leather, textiles, and garments, pharmaceuticals and medical products. The most important sectors are the processing of agricultural products (such as coffee curing), manufacturing of light consumer goods and textiles, and the production of beverages, electricity and cement. The manufacturing sector contributes between 7-10% to country's Gross Domestic Product and has been growing at an average of 10% for last three decades according to the Uganda Manufacturers Association. In addition the sector also contributes 40% of jobs created by the private sector; this is attributed to stable domestic security, tax breaks and market reforms.

Key investment opportunities are identified in the manufacturing of electrical fittings i.e. conduits, cables and switches which have a high demand but low local supply. Other areas include the manufacture of medical supplies and equipment such as diagnostic materials and veterinary pharmaceuticals; the manufacturing of agricultural inputs such as fertilizers and agricultural machinery as well as the establishment of cold storage facilities and production of packaging materials.

#### **4.4 Telecommunications and Media and Technology**

The convention identified a potential investment in Uganda's telecommunication infrastructure that is growing at an average annual rate of 10%. Mobile phone companies such as Airtel, Africell, Vodafone and MTN provide coverage in most of the rural and urban areas. The installation of marine fiber optic cable along the East African coast in 2009, alongside increasing competition among telecom companies has resulted in improvements in both costs and performance of the sector though quality internet services remains costly and slow by international standards. The opportunity is in supplying of telecommunication hardware i.e. cellular and wireless telephones systems, data transmission equipments, fiber optic equipment, switches and routers among others. Key investments include telecommunications infrastructure, digital TV broadcasting, film and animation production, data warehousing and management of business processes.

Further still, investment can be in outsourcing health related information systems as well as capacity building in the sector via investments in ICT training institutions.

#### 4.5 Tourism

The distinctive attraction of Uganda as a tourist destination arises from the variety of its game stock (including the tree climbing lions of Ishasha, white rhinoceros, gorillas, elephants and its unspoiled scenic beauty including forest, hills, mountains, rivers, and lakes. 51% of the world's known population of mountain gorillas live in Uganda and is home to 11% of the world's bird species (a total 1060 bird species).

The opportunities in tourism range from constructing high quality accommodation facilities, operating tour and travel circuits (bicycle tours, hot air balloon travel, rafting on the River Nile and Lake Victoria to the development of specialized eco and community tourism systems as well as faith based tourism (pilgrimage to Namugongo-Uganda Martyrs, Mahatma Gandhi statue and Bishop Hannington landing sites on the Nile River).

#### 4.6 Power and Infrastructure

The convention sought for investors into Uganda's energy sector that attracts one of the largest investments by the government of Uganda and the private sector. The concern was Uganda being one of the lowest consumers of electricity in the world at 215 kWh per capita per year below the sub-Sahara average of 552kWh per capita and World average of 2,975 kWh per capita. 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.

Uganda exports electricity to neighboring countries and an average annual demand is growing at 9% since 2005.

The key investment opportunities in the sector are therefore in renewable energy such as wind power, solar power and geothermal among others.

#### 4.7 Service sector

The fastest growing sectors in the services sector of Uganda are human health services accommodation and food services, and real estate. The convention created an avenue to attract investment into the service sector.

5

## 5.0 Observations

### 5.1 Convergence of the local and foreign investors

Ugandans resident in the United Kingdom expressed interest in investing at home on account that Government of Uganda undertook to ensure them of dual citizenship.

The delegation held dialogue with Ugandans in the UK with the view of promoting the spirit of nationalism in order to enhance investments at home.

In 2016 during the Annual Uganda-UK Business Convention held in the United Kingdom, the Uganda Parliamentary Delegation visited the House of Lords, in which a meeting was held where the Lord Poppat pledged an increase in export funds from 300-600 Million Pounds in 2017. The export fund was to earmark construction of Hoima airport.

Uganda still has glowing opportunities to market and export its products and service to the United Kingdom even after the proposed Brexit by the British Parliament.

Over 1 billion pounds Export Fund has been established by the British Government in Uganda to spur investments in the country. The Fund shall be managed by a Liaison Office tenable in Uganda.

### 5.2 Challenges and other cross cutting issues

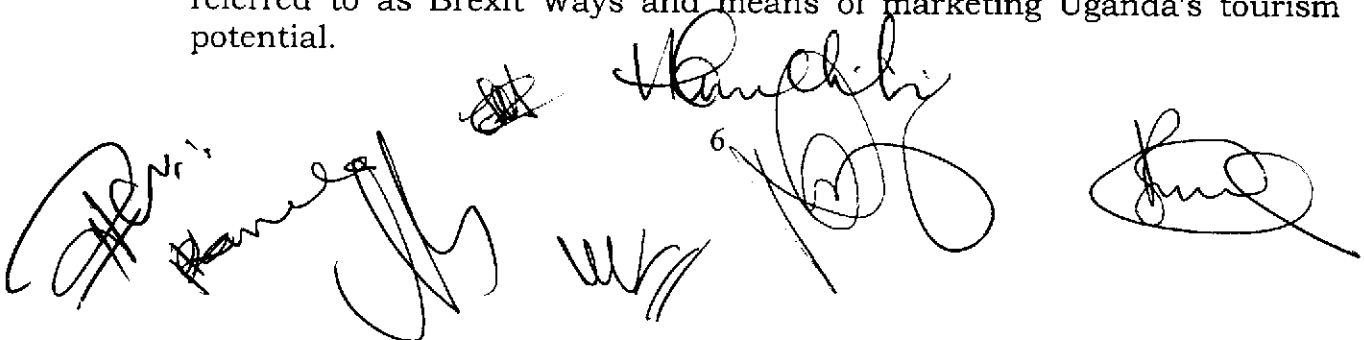
The convention was able to identify a number of opportunities for investment as indicated above. There are also a number of driving forces to create a conducive business environment which include; regulatory framework (Business registration, licensing and incentives), Land acquisition and ownership is a requisite component for effective trade and investment.

### 5.3 Meeting at the House of Lords.

The delegation held a meeting at the House of Lords which was hosted by Lord Dolar Amarshi Popat the UK Prime Minister's Trade Envoy to Uganda and Rwanda.

Key among the issues of discussion were;

- (a) Necessity to ease the process of doing business in Uganda.
- (b) Impact of the British withdrawal from the European Union commonly referred to as Brexit Ways and means of marketing Uganda's tourism potential.



Handwritten signatures and initials at the bottom of the page, including a large signature that appears to be 'Amarshi' and several other scribbles.

- (c) Need to ease process of obtaining United Kingdom Visa
- (d) Revival of British Airways direct flights to London from Entebbe.

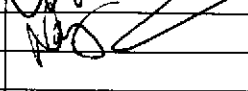
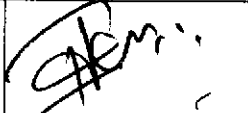
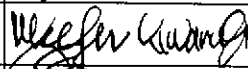


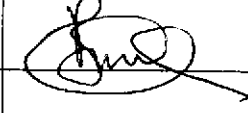
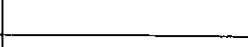
**6.0 Conclusion and Recommendation**

1. The committee recommends that relevant Ministries Departments and Agencies identify potential businesses/investments as a result of the convention to come and invest in Uganda.
2. The committee further recommends that relevant assistance is accorded to cut through the bureaucratic procedure of investing in Uganda.
3. The committee recommends for a feedback mechanism to track the number of investments established as a result of such conventions.



A collection of handwritten signatures and initials in black ink. On the left, there is a large signature that appears to be 'Amey' with a long horizontal stroke underneath. In the center, there is a large, stylized signature that looks like 'H. O. O.' and a smaller signature below it. On the right, there is a signature that reads 'H. O. O.' and another signature below it. At the bottom center, there are several short, slanted strokes that look like initials.

**THE DELEGATION TO 8<sup>TH</sup> ANNUAL UGANDA-UNITED KINGDOM  
CONVENTION ON INVESTMENT AND TRADE, 14<sup>TH</sup> TO 18<sup>TH</sup> SEPTEMBER,  
2018 IN LONDON, UNITED KINGDOM**

<b>NO</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>CONSTITUENCY</b>	<b>SIGNATURE</b>
1.	Hon. Atim Cecilia Ogwal	Leader of Delegation/Commissioner	DWR Dokolo	
2.	Hon. Nabbanja Robinah	Commissioner	DWR Kakumiro	
3.	Hon. Ssemuju Ibrahim	Opposition Whip	Kira Municipality	
4.	Hon. Kasule Robert Sebunya	Chairperson of the Committee on Tourism, Trade and Industry	Nansana Municipality	
5.	Hon. Keefa Kiwanuka	Member	Kiboga East	
6.	Hon. Kamugo Pamela Nasigo	Member	DWR Budaka	
7.	Hon. Makumbi Henry	Member	Mityana South	
8.	Hon. Babirye Mary Kabanda	Member	Masaaka Municipality	
9.	Hon. Ssewungu Joseph Gonzanga	Member	Kalungu East	
10.	Hon. Alum Santa Sandia	Member	DWR Oyam	