GOVERNMENT OF UGANDA

EUROPEAN UNION



HOW EUROPEAN INVESTMENT CONTRIBUTES TO INDUSTRALISATION AND DEVELOPMENT IN UGANDA

FOREWORD



H.E. ATTILIO PACIFICI
AMBASSADOR OF THE EUROPEAN UNION TO UGANDA

Africa and Europe are natural partners linked by a common history and geography. Our relationship spans centuries and is one of mutual partnership today.

For a long time, Europe and Uganda have collaborated in development cooperation and trade. Over time, this has expanded to encompass areas such as security and the rule of law. We continue to work together to address our collective global challenges: in truth, our continents need each other.

Africa is the fastest growing continent and, to create enough jobs, it needs further regional integration and private sector involvement. The Africa-Europe Alliance supports the shift from traditional aid towards more trade and investment. We believe that the private sector holds the largest potential for generating jobs and growth and it is therefore essential to boost responsible private investments — both domestic and foreign.

In Uganda, to uplift private sector development, the EU and Private Sector Foundation Uganda have organized the first ever Uganda-Europe Business Forum. The event presents opportunities to Ugandan and European private companies for investments, trade, green deals and access to finance. It also aims to trigger strategic partnerships between Ugandan and European investors. What is good for Uganda is good for Europe and vice versa.

I am very pleased to introduce this brochure on European investments and trade in Uganda, to participants in the Uganda-Europe Business Forum and beyond. You will find a complete update of the economic exchanges, trade relations and impact of European investments in Uganda as well as challenges, opportunities and future potential of doing business in Uganda.

I hope that Uganda and Europe will intensify our complementary efforts and continue to work together for an accelerated and sustainable development.

EU-UGANDA
ECONOMIC OVERVIEW

EUROPEAN UNION
447M
€15 Trillion in GDP
€33,557 per capita



EAST AFRICA COMMUNITY
177M
€179 Billion in GDP
€903 per capita



UGANDA
43M
€26 Million in GDP
€609 per capita



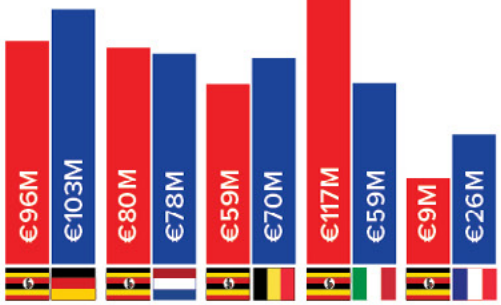
Trade

Trade in Goods
From Uganda to the EU
From the EU to Uganda

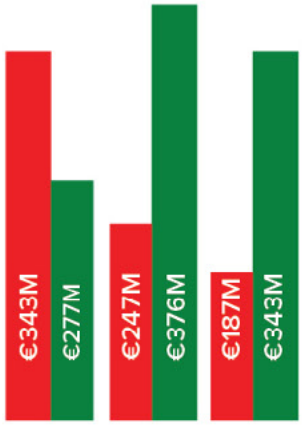


Total 2018

Trade in Services
From the EU to Uganda
Debit (Imports)
Credit (Exports)



Top 5 EU Countries 2018



2015 2016 2017

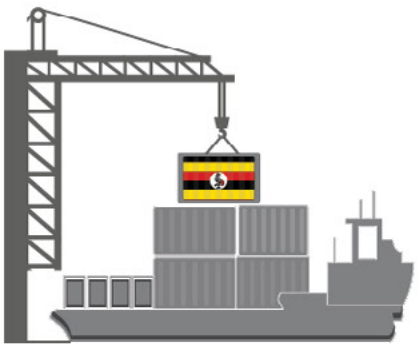
Investment

From the EU to Uganda



2017 FDI Stocks 2017 FDI Flows

Main Consumers of Ugandan Products



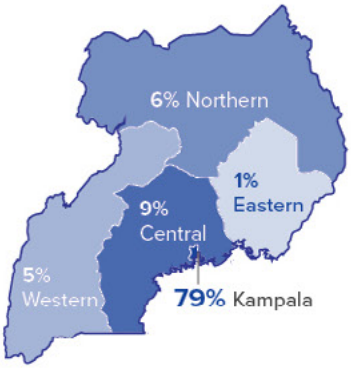


of total exports from Uganda to the EU

Source: 2018 COMTRADE and Eurostat for EU data, 2019 EAC data facts & figures for EAC and Uganda data

EU
INVESTMENT IN UGANDA

Location

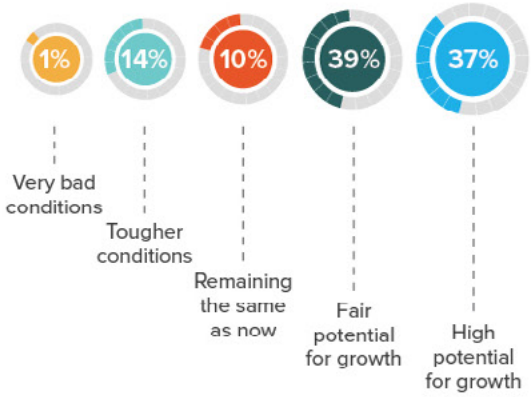


Age

Established in Uganda for

0 - 5 years	6 - 10 years	More than 10 years
36%	26%	38%

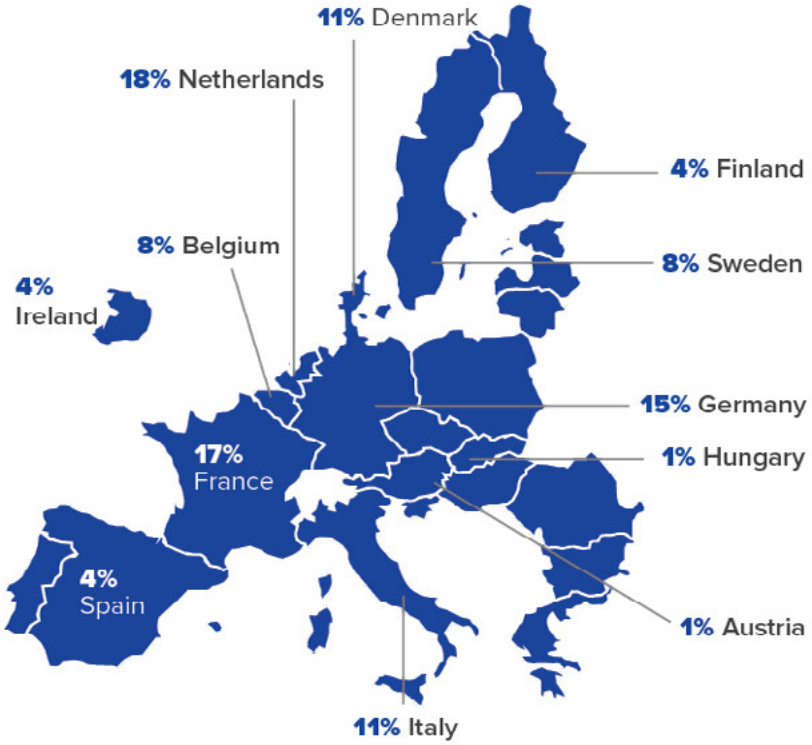
Market Outlook



Sectors of Activity

15%	Energy
10%	Computer
8%	Tourism
8%	Construction
8%	Processed Food
7%	Fresh Food & Raw Agro Products
5%	Architectural & Engineering
5%	Financial
4%	Health & Social
4%	Education
3%	Transport
3%	Environmental
3%	Miscellaneous Manufacturing
3%	Communication & Telecommunications
2%	Distribution
2%	Non-Electric Machinery
2%	Transport Equipment
2%	Wood, Wood Products & Paper
1%	Advertising
1%	Chemicals
1%	Computers & Consumer Electronics
1%	Electronic Components
1%	Metal & Basic Manufacturing
1%	Clothing

Nationality



EU Firms in Uganda

EMPLOYMENT
32,524
Jobs

INVESTMENT
€472M
Placed

€646M
Forecasted in the next 5 years

FIRMS CONSULTED
107

Ugandan Firms exporting to the EU

EMPLOYMENT
15,809
Jobs

INVESTMENT
€190M
Placed

€365M
Forecasted in the next 5 years

FIRMS CONSULTED
57

Source: 2020 EU Investment Survey of over 100 companies

EU
INVESTMENT PER SECTOR

Agro & Agro Processing

FIRMS CONSULTED
15

KEY SECTORS

- 49% Fresh Food & Raw Agro-Based Products
- 51% Processed Food & Agro-Based Products

ANNUAL TURNOVER
€70M

EMPLOYMENT
7,225
Jobs

78
Annual Environmental Actions

INVESTMENT
€63M
Placed

€203M
Forecasted in the next 5 years

4
Annual Social Actions

MARKET PERCEPTION

Current	In 5 years
2.7/5	4.1/5

Fair potential for growth

183
Annual Trainings & R&D Actions

Manufacturing

FIRMS CONSULTED
18

KEY SECTORS

- 23% Miscellaneous Manufacturing
- 15% Non-Electric Machinery
- 15% Transport Equipment
- 15% Wood, Wood Products & Paper

ANNUAL TURNOVER
€101M

EMPLOYMENT
3,500
Jobs

32
Annual Environmental Actions

INVESTMENT
€104M
Placed

€21M
Forecasted in the next 5 years

1,445
Annual Social Actions

MARKET PERCEPTION

Current	In 5 years
3.5/5	4.1/5

Fair potential for growth

67
Annual Trainings & R&D Actions

Services

FIRMS CONSULTED
74

KEY SECTORS

- 23% Energy Services
- 15% Computer Services
- 13% Tourism Services
- 11% Construction Services
- 8% Architectural & Engineering Services
- 8% Financial Services
- 6% Health & Social Services

ANNUAL TURNOVER
€485M

EMPLOYMENT
21,799
Jobs

241
Annual Environmental Actions

INVESTMENT
€306M
Placed

€422M
Forecasted in the next 5 years

352
Annual Social Actions

MARKET PERCEPTION

Current	In 5 years
3.1/5	4.0/5

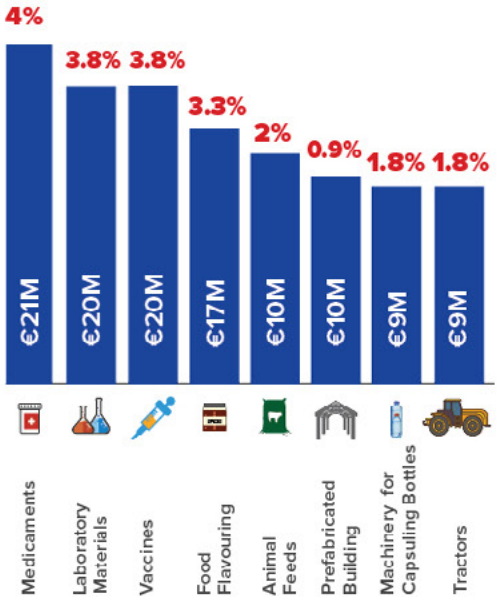
Fair potential for growth

565
Annual Trainings & R&D Actions

Source: 2020 EU Investment Survey of over 100 companies

EU-UGANDA
TRADE OPPORTUNITIES

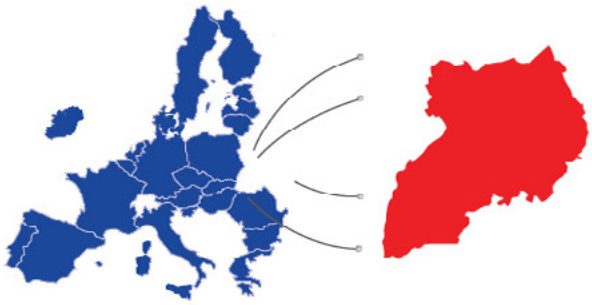
Current exports from the EU to Uganda



€516M EXPORTS
From the EU to Uganda

+18% TREND
2008- 2018
Trade Increase

Untapped potential to increase the exports from the EU to Uganda



€25M Cars

€117M Medicaments

€21M Iron Rolls

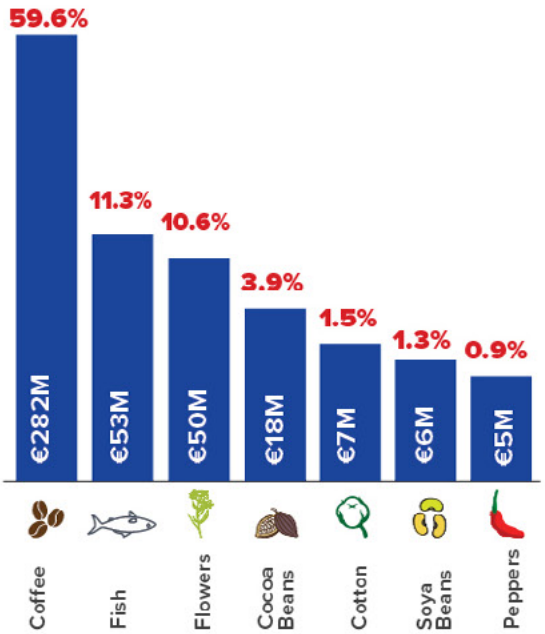
€72M Wheat

€15M Laboratory Materials

€43M Vaccines

€11M Tractors

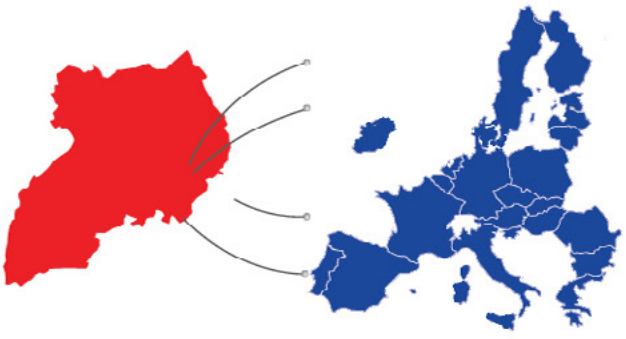
Current exports from Uganda to the EU



€473M EXPORTS
From Uganda to the EU

+19% TREND
2008 - 2018
Trade Increase

Untapped potential to increase the exports from Uganda to the EU



€76M Coffee

€23M Cured Fish

€48M Cocoa Beans

€12M Frozen Fish Fillets

€56M Cow Leather

€6M Flowers

€28M Goat Leather

Source: 2019 ITC Market Analysis Tool

PROPOSED SOLUTIONS BY THE **PRIVATE SECTOR TO INCREASE INVESTMENT**





27%	Provide guarantees & low interest rates to investors	17%
15%	Train to professionalize sectors & create TVET institutions	11%
10%	Support firms to identify & report corruption while penalizing corrupt practices	11%
10%	Streamline & digitalize procedures to avoid unnecessary bureaucracy	11%
9%	Support for transparent & fast taxation procedures	11%
7%	Support business linkages within Uganda & with EU partners	5%
5%	Offer technical assistance to support proportional, transparent & fair competition rules	5%
5%	Improve transport & energy infrastructure	4%
2%	Establish an "investors helpdesk" to share information & provide guidance	5%
2%	Offer technical assistance to monitor & tackle barriers for delays on payments	3%
1%	Support green & social investment	3%
2%	Support firms & government on quality standards	3%
2%	Support legislation in innovation (e.g. copyrights, patents)	2%
1%	Offer technical assistance for more efficient, fast & transparent customs procedures	2%
2%	Organise regular public-private dialogues	1%
2%	Support businesses to prepare investment portfolios & government to assess investment portfolios	1%
0%	Support Uganda's regional & continental integration particularly on trade facilitation	2%
1%	Support data collection & publishing regular business data reports & research	1%
1%	Promote double taxation agreements & trade agreements with the EU	0%
0%	Promote clusters & sectoral chambers	1%

Source: 2020 EU Investment Survey of over 100 companies

EU
INVESTMENT IN GREENING UGANDA

EU Green Deal in Uganda



EU Investment in Uganda's Environmental & Social Development

Protecting land and biodiversity corridors

Monitoring, through portals, the condition of forests and conservation areas

Developing sustainable tourism

Supporting the recycling of waste paper and plastic bottles

Promoting organic consumption in schools & clinics

Setting up separation and heat composting for transforming garbage into biofertilizer

Reducing CO2 emissions through the use of solar power

Donating & planting trees

Using recyclable water bottles

Promoting nature preservation in schools

Promoting no till / minimum till farming

Reducing the amount of secondary packaging of our goods

Promoting community awareness about Shea tree conservation

Implementing the use of renewable energy and proper waste management

Teaching the youth environmentally friendly and sustainable practices

350

Annual Environmental Actions implemented by EU investors

- **40%** Saving energy & water practices
- **20%** Recycling & waste management practices in production chain
- **17%** Planting trees
- **13%** Promoting environmental practices in production chain
- **8%** Using green packaging
- **2%** Protecting land & biodiversity

1,800

Annual Social Actions implemented by EU investors

- **31%** Supporting clinics & health campaigns
- **23%** Supporting schools
- **19%** Organising social activities for employees & families
- **15%** Supporting rural communities
- **8%** Supporting refugees
- **6%** Promoting fair trade
- **6%** Providing loans

815

Annual Trainings & R&D Actions implemented by EU investors

- **38%** On the job trainings
- **26%** Paying trainship & links to universities
- **22%** Transfering of technology
- **13%** Paying trainings abroad & international work exchange

Source: 2020 EU Investment Survey of over 100 companies

EU
INVESTMENT PER COUNTRY

NETHERLANDS

22 Firms Consulted

7 Average years of operation in Uganda

EXPORTS FROM NETHERLANDS TO UGANDA

Insecticides	15%
Vaccines	8%
Polyacetals	7%

UNTAPPED POTENTIAL

Medicaments	€9M
Tractors	€6M
Trucks	€4M

EMPLOYMENT

6,568
Jobs

EXPORTS FROM UGANDA TO NETHERLANDS

Flower Cuttings	34%
Flowers	20%
Frozen Fish Fillets	17%

UNTAPPED POTENTIAL

Cocoa Beans	€26M
Coffee	€14M
Frozen Fish Fillets	€1M

INVESTMENT

€82M Placed

€172M Forecasted in the next 5 years

Annual Environmental Actions	78
Annual Social Actions	84
Annual Trainings & R&D Actions	160

MARKET PERCEPTION

Current: 3.2/5 — In 5 years: 3.9/5

Fair potential for growth

KEY SECTORS

- Energy Services
- IT Services
- Fresh Food & Agro-Based Products
- Tourism Services

FRANCE

19 Firms Consulted

10 Average years of operation in Uganda

EXPORTS FROM FRANCE TO UGANDA

Medicaments	51%
Telephones	3%
Vaccines	3%

UNTAPPED POTENTIAL

Wheat	€10M
Insecticides	€4M
Trucks	€3M

EMPLOYMENT

11,002
Jobs

EXPORTS FROM UGANDA TO FRANCE

Coffee	57%
Frozen Fish Fillets	7%
Vanilla	5%

UNTAPPED POTENTIAL

Coffee	€2M
Frozen Fish Fillets	€1M
Fresh Fish Cuts	€1M

INVESTMENT

€121M Placed

€108M Forecasted in the next 5 years

Annual Environmental Actions	102
Annual Social Actions	126
Annual Trainings & R&D Actions	99

MARKET PERCEPTION

Current: 3.5/5 — In 5 years: 4.2/5

Fair potential for growth

KEY SECTORS

- Energy Services
- IT Services

Source: 2020 EU Investment Survey of over 100 companies

EU
INVESTMENT PER COUNTRY

GERMANY

17 Firms Consulted

11 Average years of operation in Uganda

EXPORTS FROM GERMANY TO UGANDA

Wheat	12%
Laboratory Reagents	9%
Office Machines	3%

UNTAPPED POTENTIAL

Medicaments	€23M
Cars	€10M
Vaccines	€10M

EMPLOYMENT

5,780
Jobs

EXPORTS FROM UGANDA TO GERMANY

Coffee	81%
Oil Seeds	3%
Vanilla	2%

UNTAPPED POTENTIAL

Coffee	€13M
Cocoa Beans	€9M
Frozen Fish Fillets	€4M

INVESTMENT

€41M Placed

€15M Forecasted in the next 5 years

Annual Environmental Actions	25
Annual Social Actions	54
Annual Trainings & R&D Actions	95

MARKET PERCEPTION

Current	In 5 years
3.1/5	3.6/5

Fair potential for growth

KEY SECTORS

- Tourism Services
- Fresh Food & Agro-Based Products

ITALY

13 Firms Consulted

9 Average years of operation in Uganda

EXPORTS FROM ITALY TO UGANDA

Prefabricated Buildings	15%
Bulldozers	9%
Grain Processors	6%

UNTAPPED POTENTIAL

Medicaments	€14M
Ceramic Painting	€3M
Vaccines	€2M

EMPLOYMENT

2,012
Jobs

EXPORTS FROM UGANDA TO ITALY

Coffee	72%
Cow Leather	10%
Cocoa Beans	5%

UNTAPPED POTENTIAL

Cow Leather	€53M
Goat Leather	€31M
Cured Fish	€5M

INVESTMENT

€24M Placed

€45M Forecasted in the next 5 years

Annual Environmental Actions	23
Annual Social Actions	16
Annual Trainings & R&D Actions	100

MARKET PERCEPTION

Current	In 5 years
2.9/5	3.9/5

Fair potential for growth

KEY SECTORS

- Construction Services
- Miscellaneous Manufacturing

Source: 2020 EU Investment Survey of over 100 companies

EU
INVESTMENT PER COUNTRY

SWEDEN

10 Firms Consulted

EXPORTS FROM SWEDEN TO UGANDA

Telephones	18%
Cardboards	13%
TV Transmission	12%

EXPORTS FROM UGANDA TO SWEDEN

Coffee	88%
Electrical Transformers	4%
Vegetables	3%

Annual Environmental Actions	10
Annual Social Actions	0
Annual Trainings & R&D Actions	21

UNTAPPED POTENTIAL

Medicaments	€3M
Newsprint Paper	€2M
Trucks	€2M
Coffee	€3M
Palm Oil	€228K
Frozen Fish Fillets	€144K

MARKET PERCEPTION

Current 3.0/5 — In 5 years 4.4/5

Fair potential for growth

13 Average years of operation in Uganda

3,649 Jobs

EMPLOYMENT

€66M Placed
€100M Forecasted
INVESTMENT

KEY SECTORS

- Financial Services
- Energy Services
- Architectual & Engineering Services
- Health & Social Services

DENMARK

10 Firms Consulted

EXPORTS FROM DENMARK TO UGANDA

Vaccines	40%
Office Machine Parts	10%
Enzymes	7%

EXPORTS FROM UGANDA TO DENMARK

Coffee	47%
Tobacco	12%
Vanilla	8%

Annual Environmental Actions	19
Annual Social Actions	8
Annual Trainings & R&D Actions	55

UNTAPPED POTENTIAL

Medicaments	€5M
Wheat	€1M
Enzymes	€1M
Coffee	€449K
Flowers	€181K
Frozen Fish Fillets	€167K

MARKET PERCEPTION

Current 2.9/5 — In 5 years 3.8/5

Fair potential for growth

20 Average years of operation in Uganda

EMPLOYMENT

1,625 Jobs

€15M Placed
€14M Forecasted
INVESTMENT

KEY SECTORS

- Environmental Services
- Architectual & Engineering Services

BELGIUM

9 Firms Consulted

EXPORTS FROM BELGIUM TO UGANDA

Vaccines	24%
Insecticides	6%
Pharmaceutical Goods	6%

EXPORTS FROM UGANDA TO BELGIUM

Coffee	50%
Frozen Fish Fillets	14%
Gold	13%

Annual Environmental Actions	8
Annual Social Actions	29
Annual Trainings & R&D Actions	42

UNTAPPED POTENTIAL

Medicaments	€14M
Polyethers	€2M
Cars	€2M
Cocoa Beans	€12M
Cured Fish	€1M
Coffee	€600K

MARKET PERCEPTION

Current 2.9/5 — In 5 years 4.1/5

Fair potential for growth

12 Average years of operation in Uganda

3,651 Jobs

EMPLOYMENT

€61M Placed
€73M Forecasted
INVESTMENT

KEY SECTORS

- Tourism Services
- Health & Social Services

Source: 2020 EU Investment Survey of over 100 companies

GOVERNMENT OF UGANDA

EUROPEAN UNION



The European Union (EU) is an economic and political partnership between 27 European countries. It plays an important role in international affairs through diplomacy, trade, development aid and working with global organisations. Abroad, the EU is represented through more than 140 diplomatic representations, known also as EU Delegations, which have a similar function to those of an embassy.

The EU Delegation to Uganda is supporting Uganda's priority needs which include the need to foster sustainable development by sound governance and macro-economic policies, improved connectivity of national and regional transport infrastructure and strengthening of agriculture and livelihoods.

DELEGATION OF THE EUROPEAN UNION TO UGANDA

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