



ANNUAL INVESTMENT ABSTRACT

FY 2018_2019

Preliminary Draft

FOREWORD BY DIRECTOR GENERAL

LIST OF ABBREVIATIONS

EXECUTIVE SUMMARY

INTRODUCTION

Uganda Investment Authority (UIA) is a semi-autonomous government agency operating in partnership with the private sector to drive national economic growth and development. The Authority was established by an Act of Parliament (Investment Code 1991), in 1991. UIA is mandated to promote and facilitate private and public sector investment in Uganda.

UIA, through the Investment Facilitation and Aftercare Division, issues licenses to investors to enable them implement projects. UIA focuses on investment promotion, facilitation, job creation advocacy for suitable policies and creation of an enabling environment for value addition; among others.

It is against the above background that this report, which takes stock of licensed projects licensed investments and planned employment, and project related activities under SME and Industrial parks has been prepared.

This Investment Abstract indicates the performance of licensing of projects during Financial Year (FY) 2018/19 and shows the trend of licensing for last five financial years (2014/15 – 2018/19). It shows the distribution of projects, investments and employment by ownership, region, sector, source country and regional block.

LICENSED PROJECTS

During financial year 2018/19 the number of licensed projects **increased to 286** from 247 projects which were licensed in 2017/18, representing a 16 percent increase in the number of licensed projects.

The Central Region registered the biggest number of licensed projects (229) which accounted for 80 percent of all the licensed projects in 2018/19. This performance could be attributed to the economic infrastructure, financial services and skilled manpower which are abundant in this region.

Kampala District attracted the biggest number of projects (114) which accounted for 40 of all the licensed projects in 2018/19, followed by Wakiso and Mukono in the second and third positions, with 15 and 14 percent of all the licensed projects, respectively.

The Manufacturing sector attracted the biggest number of licensed projects (148) and these accounted for 52 percent of all the licensed projects in 2018/19. Agriculture was in the second position with 17.8 percent of all the licensed projects in 2018/19.

The Manufacturing Sector attracted the biggest number of Ugandan Projects (46) which accounted for 56 percent of all the licensed projects in 2018/19.

The Manufacturing sector attracted the biggest number of FDI projects (102) which accounted for 50 percent of all the licensed projects in 2018/19.

Ugandan companies contributed the biggest number of projects (82) among all countries thereby accounting for 29 percent of all the licensed projects in 2018/19.

Asia (as a regional block) registered the biggest number of licensed projects (120) which accounted for 42 percent; followed by the EAC in the second position with 94 projects and 33 percent of all the licensed projects in 2018/19.

PLANNED INVESTMENTS

The planned investments in 2018/19 registered a **54 percent increase to US \$ 1.3 billion** from US \$ 876.8 million in 2017/18.

The Central region registered the highest amount of planned investments (US \$ 1.2 billion) which accounted for 86 percent of all the planned investments in 2018/19.

The Construction Sector registered the highest amount of planned investments (US \$ 427.8 million) which accounted for 31.8 percent of all the planned investments in 2018/19.

China registered the highest amount of planned investment (US \$ 607.3 million) which accounted for 45.1 percent of all the planned investments in 2018/19. This amount was mainly attributed to two projects in the Agriculture and Construction sector which brought in US \$ 225 million and US \$ 179.2 million respectively.

Local planned investments totaled to US \$ 328.8 million and accounted for 24.4 percent in 2018/19; while the FDI planned investments totaled to US \$ 1.02 billion and accounted for 75.6 percent of all the planned investments in 2018/19.

Asia registered the highest amount of planned investments (US \$ 685.7), which accounted for 51 percent of all the planned investments in 2018/19. The EAC was in the second position with US \$ 384.1, accounting for 28.5 percent of all the planned investments in 2018/19.

PLANNED EMPLOYMENT

Financial Year 2018/19 registered a **151 percent increase in the level of planned employment to 59,940** from 23,816 which had been registered in 2017/18.

The Central Region registered the highest level of planned employment (52,674) which accounted for 88 percent of all the planned employment in 2018/19.

The Manufacturing Sector registered the highest level of planned employment (21,259) which accounted for 35.5 percent of all the planned employment in 2018/19.

Mauritius registered the highest level of planned employment (20,342) and this accounted for 34 percent of all the planned employment in 2018/19.

The Other African Countries (African states outside the EAC) registered the highest level of planned employment (21,616) which accounted for 36.1 percent of all the planned employment in 2018/19.

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1.0 INTRODUCTION

1.1 Background

Uganda Investment Authority (UIA) is a semi-autonomous government agency operating in partnership with the private sector to drive national economic growth and development. The Authority was established by an Act of Parliament (Investment Code 1991), in 1991. UIA is mandated to promote and facilitate private and public sector investment in Uganda.

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This Investment Abstract indicates the performance of licensing of projects during Financial Year (FY) 2018/19 and shows the trend for last five financial years (2014/15 – 2018/19). It shows the distribution of projects, investments and employment by ownership, region, sector, source country and regional block.

1.2 Purpose of the Investment Abstract

This Investment Abstract was prepared to portray the licensing of projects in form of distribution of licensed projects, planned investments and planned employment by sector, district, region and source country. It also compares performance in 2018/19 with the performance in the previous four financial years, and gives an account for changes in number of projects, amount of investments and levels of planned investments.

A Summary on Licensing of Projects

Table 1: Licensed projects, Planned Investments & Planned Employment combined; 2014/15-2018/19

VARIABLE	2014/15	2015/16	2016/17	2017/18	2018/19	Remarks
Licensed Projects	327	353	512	247	286	16% increase
Planned Investments (US \$)	1,406,977,927	1,522,144,370	1,670,823,364	876,810,175.60	1,347,147,174.80	54% increase
Planned Employment	44,763	35,227	64,268	23,816	59,940	151% increase

Source: Uganda Investment Authority (UIA) Database, July 2019

2.0 LICENSED PROJECTS

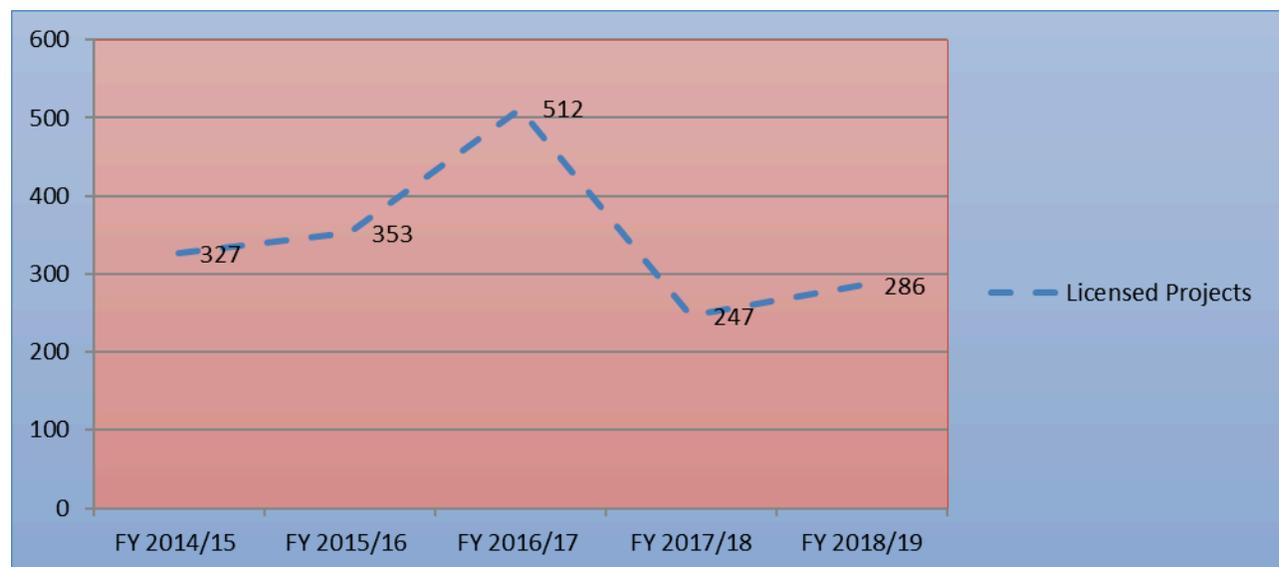
During financial year 2018/19 the number of licensed projects increased to 286 from 247 projects which were licensed in 2017/18, representing a 16 percent increase in the number of projects (*Table 2 and Figure1*).

Table 2: The Trend of Licensed Projects, 2014/15 to 2018/19

Financial Years	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	%ge change from 2017/18 to 2018/19
Licensed Projects	327	353	512	247	286	15.8
Growth rates (in %ge)	-29.1	8	45	-51.8	15.8	

Source: Uganda Investment Authority (UIA) Database, July 2019

Figure 1: Trend of Licensed Projects, 2014/15 to 2018/19



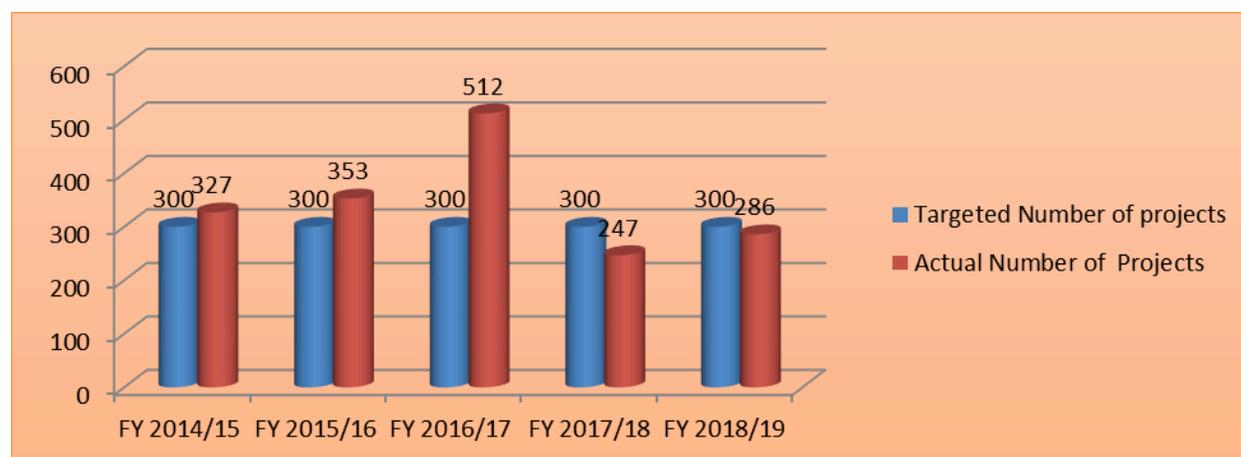
Actual Versus Targeted Number of Licensed Projects - Annual

Table 3: Actual and Targeted number of licensed projects, 2014/15-2018/19

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
Targeted Number of Projects	300	300	300	300	300
Actual Number of Projects	327	353	512	247	286
Percentage realization Rates (%ge)	109	117.7	170.7	82.3	95.3

Source: Uganda Investment Authority (UIA) Database, July 2019

Figure 2: Actual Vs Targeted number of licensed projects, 2014/15-2018/19



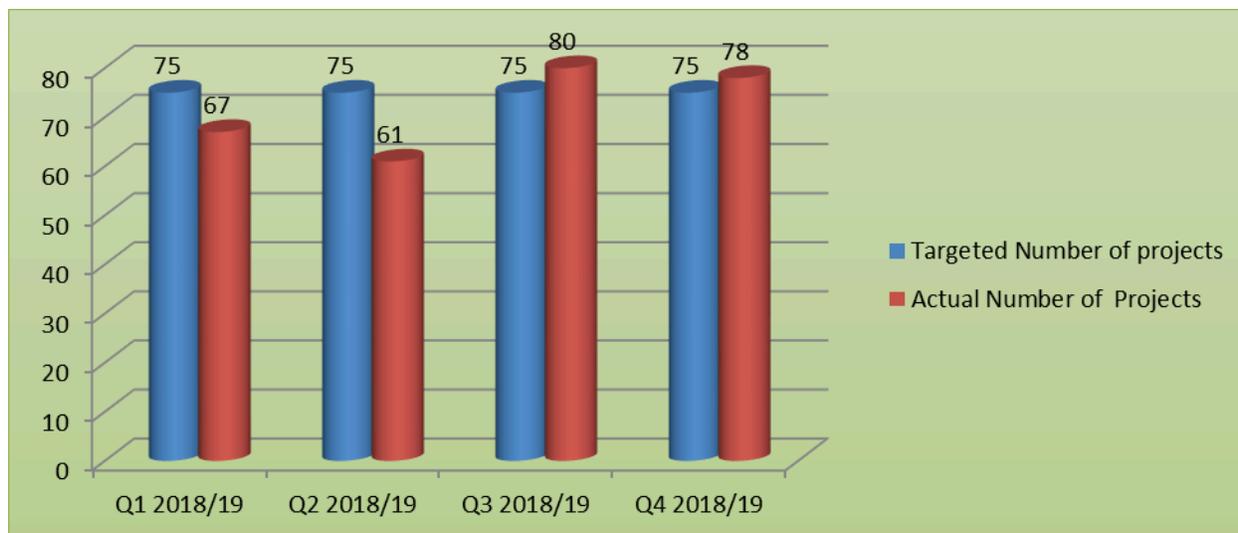
Actual Versus Targeted Number of Licensed Projects - Quarterly

Table 4: Actual Versus Targeted Number of Licensed Projects Q1-Q4 2018/19

Quarters	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	TOTAL
Targeted Number of projects	75	75	75	75	300
Actual Number of Projects	67	61	80	78	286
Percentage realisation Rates (%ge)	89.3	81.3	106.7	104.0	95.3

Source: Uganda Investment Authority (UIA) Database, July 2019

Figure 3: Actual and Targeted Number of Licensed Projects Q1-Q4 2018/19



2.1 Distribution of Licensed Projects by Region

The Central Region registered the biggest number of licensed projects (229) which accounted for 80 percent of all the licensed projects in 2018/19. This performance could be attributed to the economic infrastructure, financial services and skilled manpower which are abundant in this region.

The Eastern region was in the second position with 30 licensed projects, accounting for 11 percent of all the licensed projects in 2018/19 (Table 5).

Table 5: Distribution of Licensed Projects by Region, 2014/15 to 2018/19

Region	2014/15	2015/16	2016/17	2017/18	2018/19	% Distribution for 2018/19	% Change (2017/18 to 2018/19)
Central	286	284	419	201	229	80.1	13.9
Eastern	15	34	37	20	30	10.5	50.0
Northern	15	16	23	6	14	4.9	133.3
Western	11	19	33	20	13	4.5	-35.0
Total	327	353	512	247	286	100.0	15.8

Source: Uganda Investment Authority (UIA) Database, July 2019

2.1.1 Distribution of Licensed Projects by District

Kampala District attracted the biggest number of projects (114) which accounted for 40 of all the licensed projects in 2018/19, followed by Wakiso and Mukono in the second and third positions with 15 and 14 percent of all the licensed projects, respectively (*Table 6*).

Table 6: The Top 10 Locations of Licensed Projects by Districts, 2017/18-2018/19

	2017/18			2018/19		
	District	Licensed Projects	%ge Distribution	District	Licensed Projects	%ge Distribution
1	Kampala	116	47.0	Kampala	114	39.9
2	Wakiso	49	19.8	Wakiso	44	15.4
3	Mukono	25	10.1	Mukono	40	14.0
4	Jinja	9	3.6	Jinja	17	5.9
5	Kasese	6	2.4	Nakaseke	8	2.80
6	Tororo	4	1.6	Hoima	4	1.40
7	Busia	3	1.2	Luwero	4	1.40
8	Hoima	3	1.2	Buikwe	3	1.05
9	Luwero	3	1.2	Gulu	3	1.05
10	Arua	2	0.8	Kayunga	3	1.05

Source: Uganda Investment Authority (UIA) Database, July 2019

2.2 Distribution of Licensed Projects by Sector

The Manufacturing sector attracted the biggest number of licensed projects (148) and these accounted for 52 percent of all the licensed projects in 2018/19. Agriculture was in the second position with 17.8 percent of all the licensed projects in 2018/19 (*Table 7*).

Table 7: Distribution of Licensed projects by sector

	Sector	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	% Distribution for 2018/19	% Change (2017/18 to 2018/19)
1	Agric, Hunt, Forest & Fish	57	69	83	34	51	17.8	50.0
2	Community & Social Services	11	12	9	8	1	0.3	-87.5
3	Construction	19	28	43	20	17	5.9	-15.0
4	Electricity, Gas & Water	7	9	14	7	12	4.2	71.4
5	Fin, Ins, Real Est & Biz Svs	53	66	89	20	8	2.8	-60.0
6	Manufacturing	141	135	214	125	148	51.7	18.4
7	Mining & Quarrying	11	11	12	15	6	2.1	-60.0
8	Transport, Storage & Comm	13	15	22	13	25	8.7	92.3

9	Wholesale & Retail, Cat'rg & Accom Servs	15	8	26	5	18	6.3	260.0
	TOTAL	327	353	512	247	286	100.0	15.8

Source: Uganda Investment Authority (UIA) Database, July 2019

2.2.1 Distribution of Local (Ugandan) Licensed Projects by Sector, FY 2018/19

The Manufacturing Sector attracted the biggest number of Ugandan Projects (46) which accounted for 56 percent of all the licensed projects in 2018/19. Agriculture, Forestry and Fishing sector was in the second position with 16 percent of all the licensed projects in 2018/19 (*Table 8*).

Table 8: Distribution of Ugandan Projects by Sector, 2018/19

Sector	Licensed Projects	%ge
Agric, Hunt, Forest & Fish	16	19.5
Community & Social Services	0	0
Construction	4	4.9
Electricity, Gas & Water	4	4.9
Fin, Ins, Real Est & Biz Svs	1	1.2
Manufacturing	46	56.1
Transport, Storage & Comm	8	9.8
Wh & Ret, Cat & Accom Svs	3	3.7
TOTAL	82	100.0

Source: Uganda Investment Authority (UIA) Database, July 2019

2.2.2 Distribution of FDI-Sourced Projects by Sector, FY 2018/19

The Manufacturing sector attracted the biggest number of FDI projects (102) which accounted for 50 percent of all the licensed projects in 2018/19. The Agriculture, Forestry and Fisheries sector was in the second position with 17 percent of all the FDI sourced projects (*Table 9*).

Table 9: Distribution of FDI Projects by Sector, 2018/19

Sector	Licensed Projects	%ge
Agric, Hunt, Forest & Fish	35	17.2
Community & Social Services	1	0.5
Construction	13	6.4
Electricity, Gas & Water	8	3.9
Fin, Ins, Real Est & Biz Svs	7	3.4
Manufacturing	102	50.0

Mining & Quarrying	6	2.9
Transport, Storage & Comm	17	8.3
Wh & Ret, Cat & Accom Svs	15	7.4
TOTAL	204	100.0

Source: Uganda Investment Authority (UIA) Database, July 2019

2.3 Distribution of Licensed Projects by Source Country, 2018/19

Local companies contributed the biggest number of projects (82), thereby accounting for 29 percent of all the licensed projects in 2018/19. China, India and Egypt were in the second, third and fourth positions with 22, 15 and 2 percent of all the projects respectively.

2.3.1 The Top 10 Source Countries for Licensed Projects

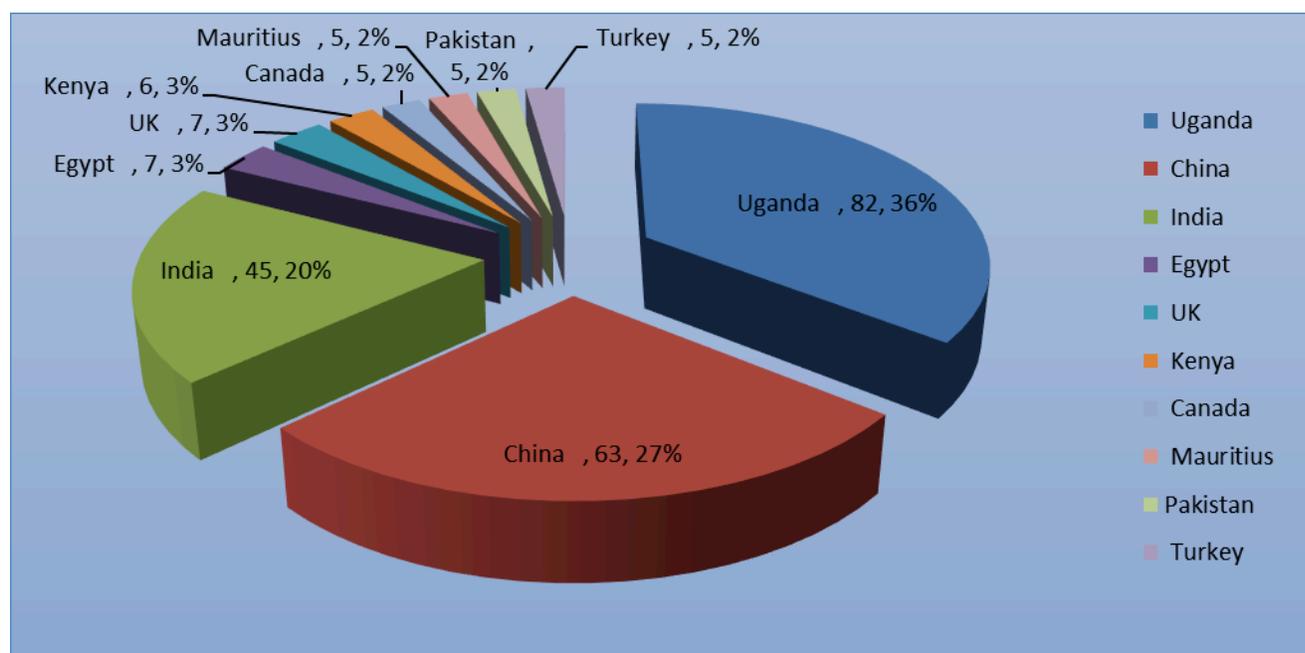
Uganda was in the first position in the three-year period of 2016/17-2018/19 with 138, 79 and 82 projects. Uganda, China and India occupied the top 3 positions during the last 3 financial years (Table 10 & Figure 4).

Table 10: Top 10 source countries for licensed projects, 2014/15 to 2018/19

	2016/17			2017/18			2018/19		
	Country	Licensed Projects 2016/17	%ge Distribution for 2016/17	Country	Licensed Projects	%ge Distribution for 2017/18	Country	Licensed Projects	%ge Distribution for 2018/19
1	Uganda	138	27	Uganda	79	32	Uganda	82	28.7
2	India	104	20.3	China	54	21.9	China	63	22.0
3	China	78	15.2	India	34	13.8	India	45	15.7
4	Kenya	20	3.9	Kenya	9	3.6	Egypt	7	2.45
5	UK	19	3.7	Canada	6	2.4	UK	7	2.45
6	Pakistan	15	2.9	Mauritius	6	2.4	Kenya	6	2.10
7	Egypt	13	2.5	Eritrea	4	1.6	Canada	5	1.75
8	Turkey	12	2.3	Pakistan	4	1.6	Mauritius	5	1.75
9	South Sudan	7	1.4	Tanzania	4	1.6	Pakistan	5	1.75
10	Lebanon	6	1.2	Turkey	4	1.6	Turkey	5	1.75

Source: Uganda Investment Authority (UIA) Database, July 2019

Figure 4: The Top 10 Sources of Licensed Projects, FY 2018/19



2.3.2 Comparison of Local and FDI Sourced Licensed Projects, 2014/15 to 2018/19

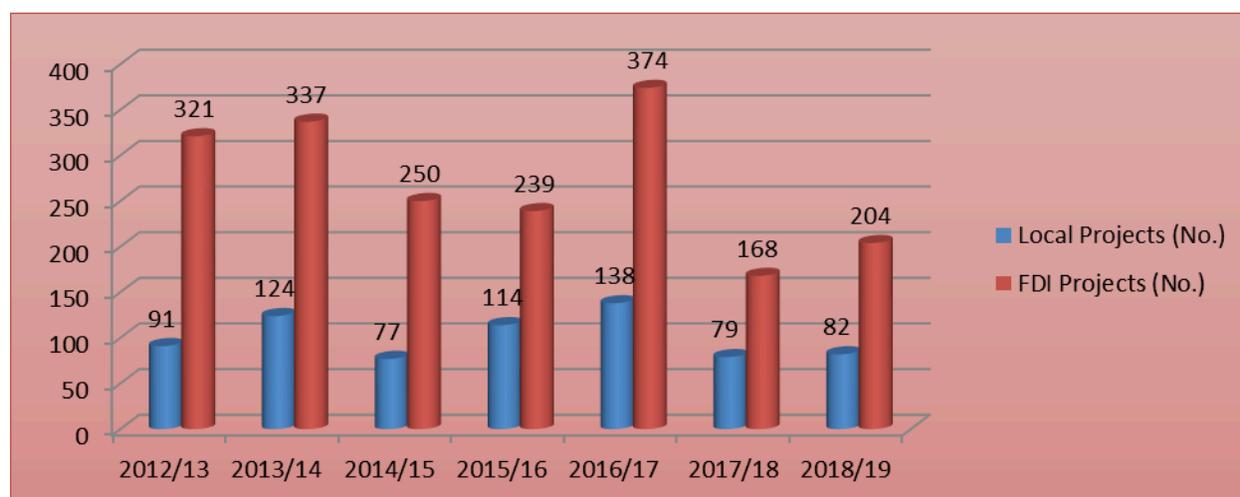
The FDI-sourced projects contributed a bigger number of licensed projects (204), accounting for 71 percent of all the licensed projects, while the local sources contributed 82 projects and accounted for 28.7 percent of all the licensed projects in 2018/19 (Table 11 & Figure 5).

Table 11: Comparison of Local and FDI Sourced Licensed Projects, 2014/15 to 2018/19

CATEGORIES	Fys 2014/15 TO 2018/19					%ge Growth (2017/18-2018/19)
	2014/15	2015/16	2016/17	2017/18	2018/19	
Local Projects (No.)	77	114	138	79	82	3.8
Local Projects (%)	23.5	32.3	27.0	32.0	28.7	
FDI Projects (No.)	250	239	374	168	204	21.4
FDI Projects (%)	76.5	67.7	73.0	68.0	71.3	
TOTAL	327	353	512	247	286	15.8

Source: Uganda Investment Authority (UIA) Database, July 2019

Figure 5: Comparison of Local and FDI Sourced Licensed Projects, 2014/15 to 2018/19



2.4 Distribution of Licensed Projects by Regional Block

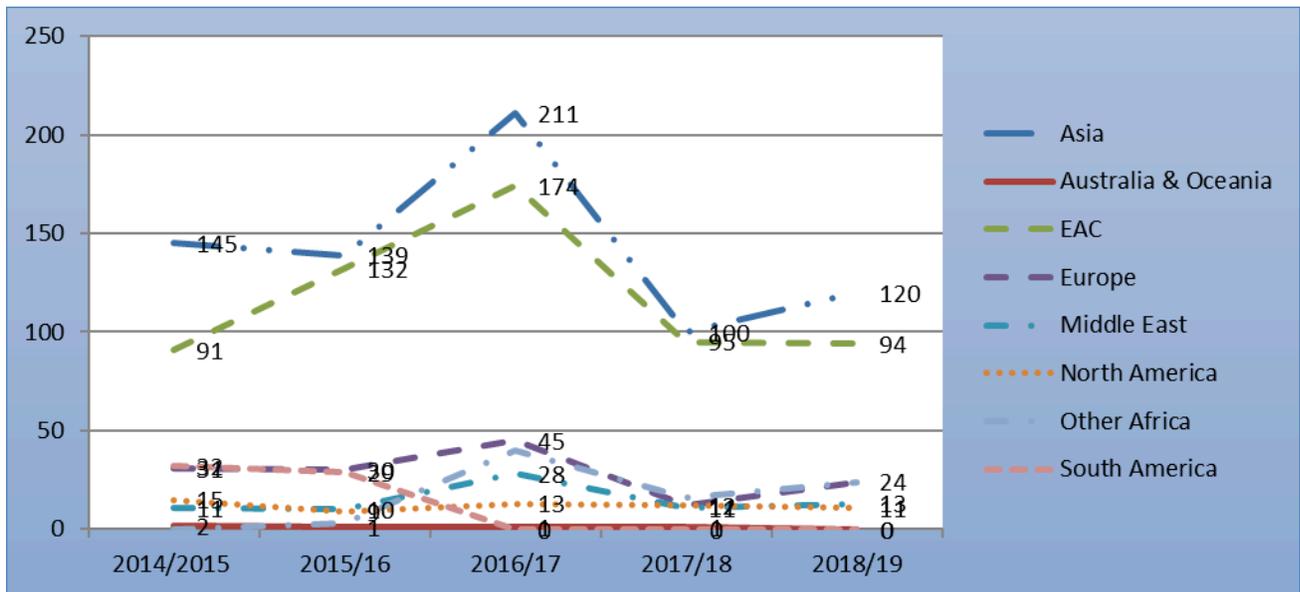
Asia registered the biggest number of licensed projects (120) which accounted for 42 percent of all the licensed projects in 2018/19; followed by the EAC with 33 percent of all the licensed projects (Table 12).

Table 12: Distribution of Licensed Projects by Regional Block 2014/15 to 2018/19

	Regional block	2014/2015	2015/16	2016/17	2017/18	2018/19	% Distribution for 2018/19	% Change (2017/18 to 2018/19)
1	Asia	145	139	211	100	120	42.0	20.0
2	Australia & Oceania	2	1	1	1	0	0.0	-100.0
3	EAC	91	132	174	95	94	32.9	-1.1
4	Europe	31	30	45	12	24	8.4	100.0
5	Middle East	11	10	28	11	13	4.5	18.2
6	North America	15	9	13	12	11	3.8	-8.3
7	Other Africa	0	3	40	16	24	8.4	50.0
8	South America	32	29	0	0	0	0.0	0.0
	Total	327	353	512	247	286	100.0	15.8

Source: Uganda Investment Authority (UIA) Database, July 2019

Figure 6: Licensed Projects by Regional Block 2014/15 to 2018/19



3.0 PLANNED INVESTMENTS

The planned investments in 2018/19 registered a 54 percent increase to US \$ 1.3 billion from US \$ 876.8 million which was realized in 2017/18. The increase was attributed to two Chinese projects; one of which was worth US \$ 225 million under the Construction sector and another one worth US \$ 179.2 million under the Agriculture, Fishing and Forestry Sector.

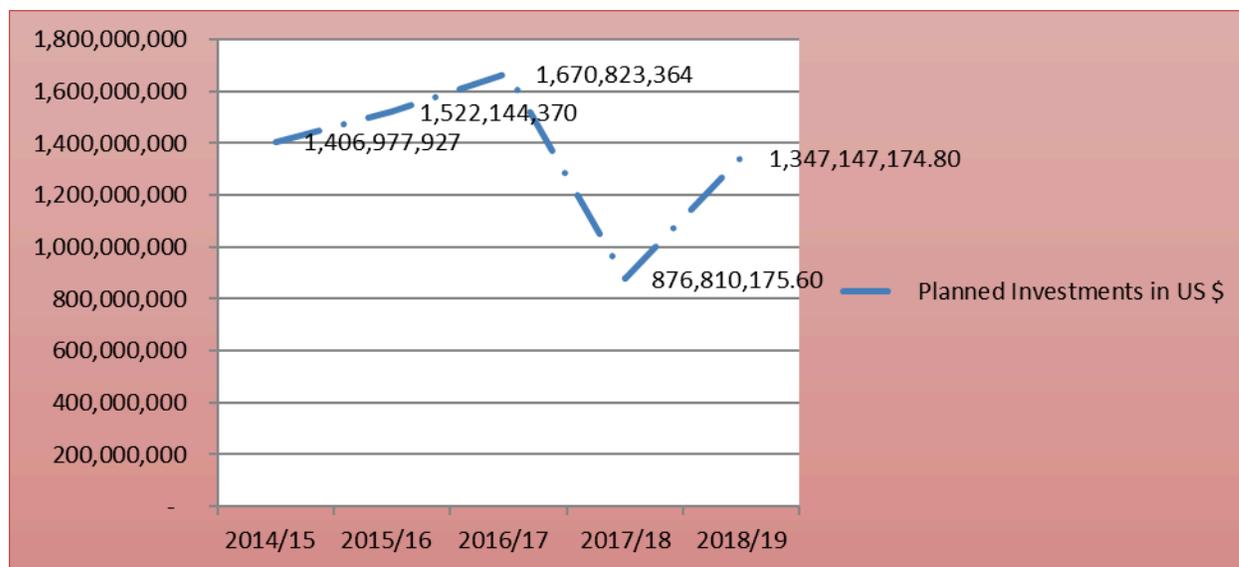
The trend of Planned Investments and Growth Rates, 2014/15 to 2018/19

Table 13: Planned Investments in US \$, 2014/15 to 2018/19

FY ----->	2014/15	2015/16	2016/17	2017/18	2018/19	%ge change from 2017/18 to 2018/19
Planned Investments in US \$	1,406,977,927	1,522,144,370	1,670,823,364	876,810,175.60	1,347,147,174.80	53.64
Growth Rates in %ge	(31.7)	8.2	9.8	(47.5)	53.6	

Source: Uganda Investment Authority (UIA) Database, July 2019

Figure 7: Planned Investments in US \$, 2014/15 to 2018/19



3.1 Distribution of Planned Investments by Region

The Central region registered the highest amount of planned investments (US \$ 1.2 billion) which accounted for 86 percent of all the planned investments in 2018/19. The Western region was in the second position with US \$ 131.9 million, accounting for 9.8 percent of all the planned investments in 2018/19 (*Table 14*).

Table 14: Distribution of Planned Investments by Region, 2014/15 to 2018/19

Regions	2014/15	2015/16	2016/17	2017/18	2018/19	% Distribution for 2018/19
Central	1,008,262,450	728,125,351	1,155,139,932	371,850,696.40	1,152,896,115.70	85.6
Eastern	8,974,442	140,063,961	189,553,063	362,671,638.20	48,558,503.00	3.6
Northern	362,674,380	258,165,793	18,850,705	30,440,000.00	13,759,352.00	1.0
Western	27,066,655	395,789,265	307,279,664	111,847,841.00	131,933,204.10	9.8
	1,406,977,927	1,522,144,370	1,670,823,364	876,810,175.60	1,347,147,174.80	100.0

Source: Uganda Investment Authority (UIA) Database, July 2019

3.2 Distribution of Planned Investments by Sector

The Construction Sector registered the highest amount of planned investments (US \$ 427.8 million) which accounted for 31.8 percent of all the planned investments in 2018/19. The Manufacturing sector was in the second position with US \$ 323.8 million accounting for 24 percent of all the planned investments in 2018/19 (*Table 15*).

The Agriculture, Fisheries and Forestry sector registered the highest growth rate of 600% from US \$ 41 to US \$ 291 million, mainly attributed to a Chinese-sourced project worth US \$ 179.2 million, under the sub-sector of Fishing and Aquaculture.

Table 15: Distribution of Planned Investments by Sector, 2014/15 to 2018/19

	SECTORS	FY 2014/15	FY 2015/16	FY 2016/17	2017/18	2018/19	%ge distribution for 2018/19
1	Agriculture, Fishing, Forestry & Hunting	65,448,095	328,476,027	255,070,576	41,134,009.00	291,025,831.00	21.60
2	Community & Social Services	41,901,603	26,611,165	16,295,613	26,588,957.00	2,692,507.00	0.20
3	Construction	466,799,607	114,100,460	342,664,429	34,225,237.50	427,823,892.00	31.76
4	Electricity, Gas & Water	113,511,190	230,486,494	41,647,909	80,043,000.00	45,896,700.00	3.41
5	Finance, Insurance, Real Estate & Business Services	317,823,793	149,742,746	267,348,769	81,625,341.00	106,897,658.00	7.94
6	Manufacturing	274,620,355	301,195,971	535,311,863	481,129,475.10	323,762,944.80	24.03
7	Mining & Quarrying	24,701,664	23,315,694	90,480,655	97,029,000.00	41,304,650.00	3.07
8	Transport, Storage & Communication	25,871,387	315,060,494	87,460,625	26,546,540.00	84,433,565.00	6.27
9	Wholesale & Retail, Catering & Accommod'n Services	76,300,233	33,155,319	34,542,925	8,488,616.00	23,309,427.00	1.73
	TOTAL	1,406,977,927	1,522,144,370	1,670,823,364.0	876,810,175.60	1,347,147,174.80	100.00

Source: Uganda Investment Authority (UIA) Database, July 2019

3.3 Distribution of Planned Investments by Source Country

China registered the highest amount of planned investment (US \$ 607.3 million) which accounted for 45.1 percent of all the planned investments in 2018/19. This amount was mainly attributed to two projects in the Agriculture and Construction sector which brought in US \$ 225 million and US \$ 179.2 million respectively.

Uganda was in the second position with US \$ 328.8 million which accounted for 24.4 percent of all the planned investments in 2018/19.

3.3.1 The Top 10 Source Countries for Planned Investments

Table 16 depicts the top 10 source countries for planned investments in financial years 2017/18 and 2018/19 (Table 16 & Figure 8).

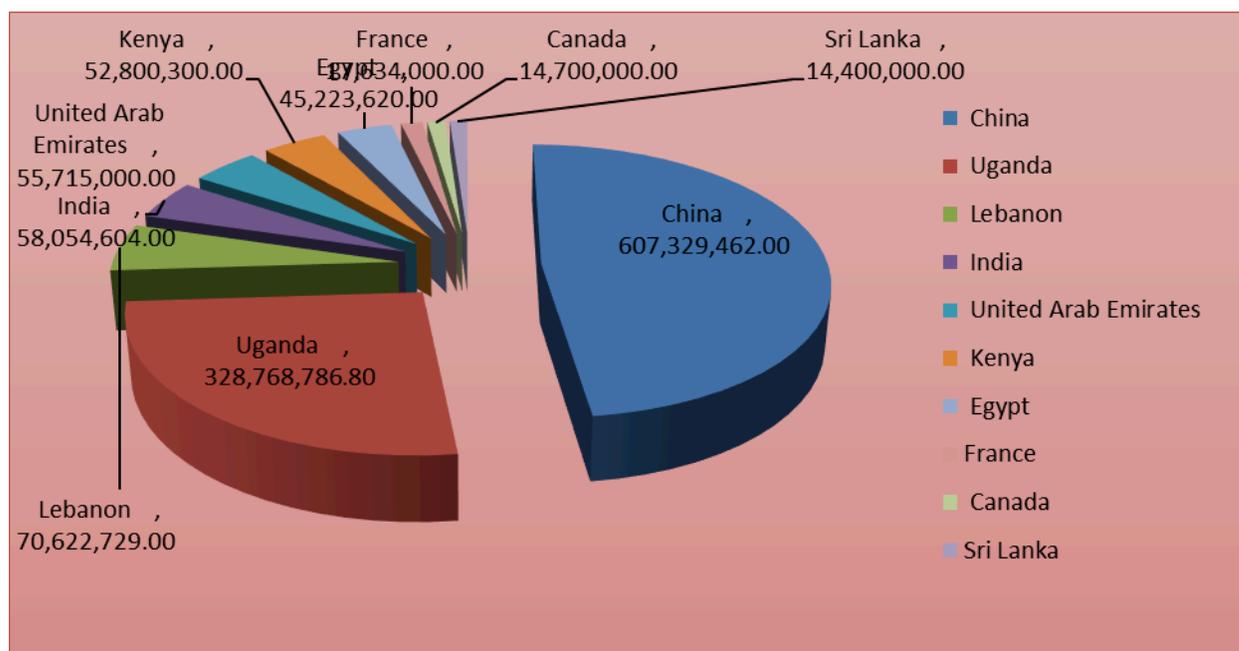
Table 16: The Top 10 Source Countries for Planned Investments, 2017/18 & 2018/19

	FY 2017/18	FY 2018/19
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	Country	Planned Investment in US \$, 2017/18	% Distribution for 2017/18	Country	Planned Investment in US \$, 2018/19	% Distribution for 2018/19
1	Uganda	441,167,174.00	50.3	China	607,329,462.00	45.1
2	China	111,139,823.90	12.7	Uganda	328,768,786.80	24.4
3	India	86,297,536.50	9.84	Lebanon	70,622,729.00	5.24
4	Ethiopia	60,238,087.00	6.87	India	58,054,604.00	4.31
5	Denmark	43,103,000.00	4.92	United Arab Emirates	55,715,000.00	4.14
6	USA	20,998,440.00	2.39	Kenya	52,800,300.00	3.92
7	Mauritius	15,896,503.00	1.81	Egypt	45,223,620.00	3.36
8	Kenya	15,146,973.20	1.73	France	17,634,000.00	1.31
9	Russia	14,185,000.00	1.62	Canada	14,700,000.00	1.09
10	Lebanon	7,821,409.00	0.89	Sri Lanka	14,400,000.00	1.07

Source: Uganda Investment Authority (UIA) Database, July 2019

Figure 8: The Top 10 Source Countries for Planned Investments, 2018/19



3.3.2 Comparison of Local and FDI Sourced Planned Investments

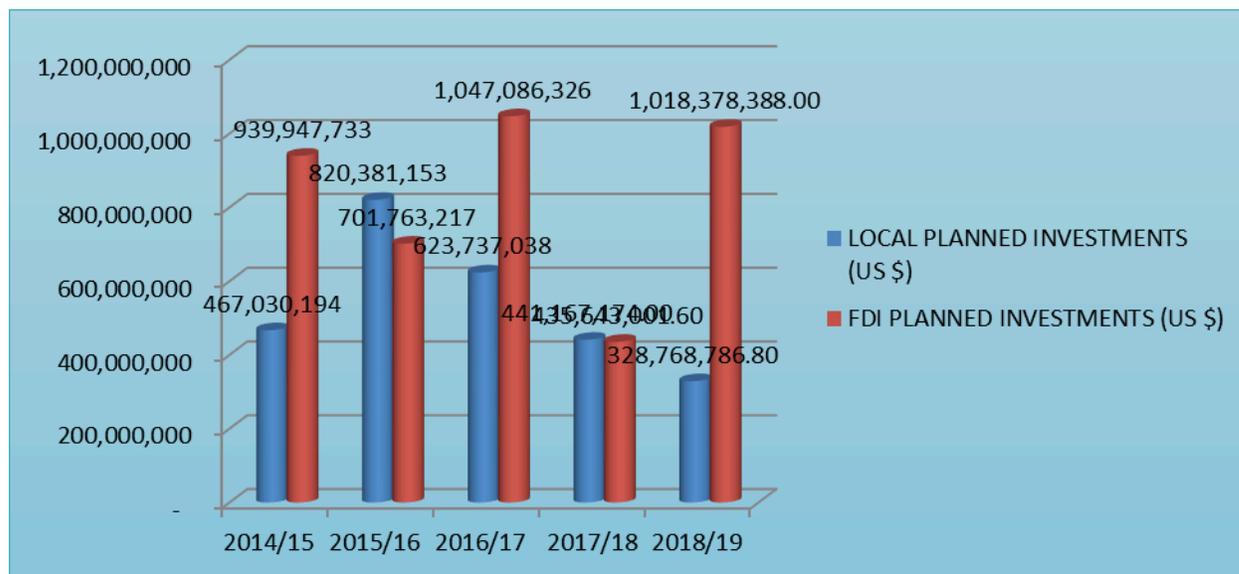
Local planned investments totaled to US \$ 328.8 million and accounted for 24.4 percent in 2018/19 while the FDI planned investments totaled to US \$ 1.02 billion and accounted for 75.6 percent of all the planned investments in 2018/19. The FDI sourced investments increased by 133.8 percent between 2017/18 and 2018/19 while the local investments declined by 25.5 percent during the same period (Table 17 and Figure 9).

Table 17: Local and FDI Sourced Planned Investments, 2014/15 to 2018/2019

CATEGORIES	2014/15	2015/16	2016/17	2017/18	2018/19	%ge Growth (2017/18-2018/19)
Local Investments Value (US \$)	467,030,194	820,381,153	623,737,038	441,167,174.00	328,768,786.80	(25.5)
Local Investments Percentage (%)	33.2	53.9	37.3	50.3	24.4	
FDI Investments Value (US \$)	939,947,733	701,763,217	1,047,086,326	435,643,001.60	1,018,378,388.00	133.8
FDI Investments Percentage (%)	66.8	46.1	62.7	49.7	75.6	
TOTAL	1,406,977,927	1,522,144,370	1,670,823,364	876,810,175.60	1,347,147,174.80	53.6

Source: Uganda Investment Authority (UIA) Database, July 2019

Figure 9: Local and FDI Sourced Planned Investments, 2014/15 to 2018/2019



3.4 Distribution of Planned Investments by Regional Block

Asia registered the highest amount of planned investments (US \$ 685.7), which accounted for 51 percent of all the planned investments in 2018/19. This was followed by the EAC which contributed US \$ 384.1 million and accounted for 28.5 percent of all the planned investments in 2018/19.

The value of planned investments from the Middle East increased by 791 percent from US \$ 15 million in 2017/18 to US \$ 133 million I 2018/19 (*Table 18*).

Table 18: Distribution of Planned Investments in US \$ by Regional Block, 2014/15 to 2018/19

Regional Block	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	% distribution for FY 2018/19	% change from 2017/18 to 2018/19
Asia	218,567,338	616,346,330	218,714,395.40	685,749,628.00	50.9	213.5
Australia & Oceania	2,239,000	2,012,154	450,000.00	-	0.0	-100.0
EAC	914,167,995	709,183,123	471,075,847.20	384,069,086.80	28.5	-18.5
Europe	148,770,010	81,950,412	56,113,004.00	51,624,452.00	3.8	-8.0
Middle East	27,230,800	96,974,986	14,953,899.00	133,227,431.00	9.9	790.9
North America	43,330,979	73,288,591	30,352,440.00	22,170,320.00	1.6	-27.0
Other Africa	146,678,248	91,067,768	85,150,590.00	70,306,257.00	5.2	-17.4
South America	21,160,000	0	-	-	0.0	0.0
TOTAL	1,522,144,370	1,670,823,364	876,810,175.60	1,347,147,174.80	100.0	53.6

Source: Uganda Investment Authority (UIA) Database, July 2019

4.0 PLANNED EMPLOYMENT

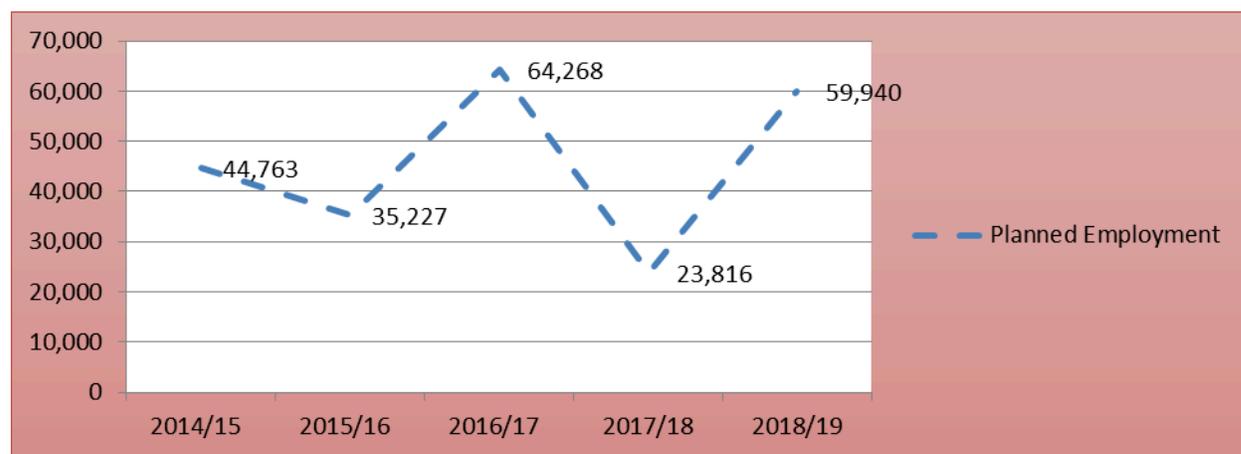
Financial Year 2018/19 registered a 151 percent increase in the level of planned employment to 59,940 from 23,816 which had been registered in 2017/18. The increase was majorly attributed to a project under the Transport, Storage and Communication Sector from Mauritius with planned employment of 20,205 jobs (*Table 19 & Figure 11*).

Table 19: The Trend of Planned Employment and Growth Rates, 2014/15 to 2018/19

FY ---->	2014/15	2015/16	2016/17	2017/18	2018/19	%ge Change
Planned Employment	44,763	35,227	64,268	23,816	59,940	151.7
Percentage Growth Rates		-21.3	82.4	-62.9	151.7	

Source: Uganda Investment Authority (UIA) Database, July 2019

Figure 10: Planned Employment and Growth Rates, 2014/15 to 2018/19



Comparison of planned employment in FY 2018/19 with FYs 2017/18 & 2016/17

Table 20: Quarterly distribution of planned employment, FYs 2016/17-2018/19

FYS	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
2018/19	7,276	5,292	31,957	15,415	59,940
2017/18	8,508	3,351	7,213	4,744	23,816

2016/17	18,309	10,804	15,160	19,995	64,268
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4.1 Distribution of Planned Employment by Region

The Central Region registered the highest level of planned employment (52,674) which accounted for 88 percent of all the planned employment in 2018/19. The Eastern region was in the second position with 2,813 which accounted for 4.7 percent of all the planned employment in 2018/19 (Table 21).

Table 21: Distribution of Planned Employment by Region, 2014/15 to 2018/19

Regions	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	% Distribution for 2018/19
Central	42,017	39,824	22,807	37,439	17,239	52,674	87.9
Eastern	10,266	1,129	3,049	17,326	3,590	2,813	4.7
Northern	2,421	3,212	1,891	1,792	539	2,129	3.6
Western	5,590	598	7,480	7,711	2,448	2,324	3.9
Total	60,294	44,763	35,227	64,268	23,816	59,940	100.0

Source: Uganda Investment Authority (UIA) Database, July 2019

4.2 Distribution of Planned Employment by Sector

The Manufacturing Sector registered the highest level of planned employment (21,259) which accounted for 35.5 percent of all the planned employment in 2018/19. This was followed by Transport, Storage and Communication which accounted for 35.2 percent of all the planned employment in 2018/19 (Table 22).

Table 22: Distribution of Planned Employment by Sector, 2014/15 to 2018/19

	SECTORS	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	% Distribution for 2018/19
1	Agriculture, Fishing, Forestry & Hunting	11,938	11,639	11,570	3,494	6,057	10.1
2	Community & Social Services	6,173	1,013	396	1,579	30	0.1
3	Construction	6,735	2,099	15,896	1,084	5,341	8.9
4	Electricity, Gas & Water	222	1,213	643	1,771	3,588	6.0
5	Finance, Insurance, Real Estate & Business Services	2,611	3,997	7,611	1,592	395	0.7
6	Manufacturing	14,466	11,994	23,912	11,570	21,259	35.5
7	Mining & Quarrying	1,063	1,532	1,005	1,622	499	0.8
8	Transport, Storage & Communication	565	1,448	2,073	907	21,101	35.2

9	Wholesale & Retail, Catering & Accommodation Services	990	292	1,162	197	1,670	2.8
	Total	44,763	35,227	64,268	23,816	59,940	100.0

Source: Uganda Investment Authority (UIA) Database, July 2019

4.3 Distribution of Planned Employment by Source Country

Mauritius registered the highest level of planned employment (20,342) and this accounted for 34 percent of all the planned employment in 2018/19. Uganda was in the second position with 14,737 which accounted for 25 percent of all the planned employment in 2018/19.

4.3.1 The top 10 sources of planned employment in 2016/17-2018/19

Table 23 depicts the performance of planned employment per source for the Top 10 source countries, during the FYs of 2016/17 to 2018/19. Uganda declined from the first to second position while Mauritius occupied the first position for the first time. Mauritius' performance was majorly attributed to the project in the Transport, Storage and Communication Sector with planned employment of 20,205 (Table 23).

Table 23: Distribution of Planned Employment by Source Country, 2016/17 to 2018/19

	2016/17			2017/18			2018/19		
	Country	Planned Employment	%ge contribution 2016/17	Country	Planned Employment	%ge Distribution 2017/18	Country	Planned Employment	%ge Distribution 2018/19
1	Uganda	21,333	33.2	Uganda	6,858	28.8	Mauritius	20,342	33.9
2	China	17,727	27.6	China	4,979	20.9	Uganda	14,737	24.6
3	India	6,641	10.3	India	3,737	15.7	China	9,770	16.3
4	Canada	3,732	5.8	USA	1,404	5.9	India	4,339	7.2
5	British Virgin Island	1,919	3	Denmark	978	4.1	France	1,604	2.7
6	Kenya	1,773	2.76	Kenya	759	3.2	Kenya	1,114	1.86
7	UK	1,708	2.66	Norway	562	2.4	Germany	1,034	1.73
8	Turkey	1,278	1.99	Ethiopia	509	2.1	Lebanon	856	1.43
9	Egypt	792	1.23	Mauritius	408	1.7	British Virgin Islands	701	1.17
10	Pakistan	729	1.13	Lebanon	371	1.6	Canada	615	1.03

Source: Uganda Investment Authority (UIA) Database, July 2019

4.3.1 Distribution of Planned Employment Attributed to Local and Foreign Projects

Table 24 shows the comparison of the level of planned employment attributed to Ugandan projects against that to be generated by foreign projects. The foreign projects contributed a higher level of planned employment (45,203) and accounted for 75.4 percent of the planned employment; as compared to the local projects which contributed 14,737 and accounted for 24.6 percent of all the planned employment in 2018/19 (Table 24).

Table 24: Distribution of Planned Employment Attributed to Local and Foreign Projects, 2014/15 to 2018/19

Fys	2014/15	2015/16	2016/17	2017/18	2018/19	%ge Growth (2017/18-2018/19)
Planned Employment Attributed to Local Projects (No.)	24,918	17,797	21,333	12,524	14,737	17.7
Planned Employment Attributed to Local Projects (Percentage- %)	55.7	50.5	33.2	52.6	24.6	
Planned Employment Attributed to Foreign Projects (No.)	19,845	17,430	42,935	11,292	45,203	300.3
Planned Employment Attributed to Foreign Projects (Percentage-%)	44.3	49.5	66.8	47.4	75.4	
TOTAL	44,763	35,227	64,268	23,816	59,940	151.7

Source: Uganda Investment Authority (UIA) Database, July 2019

4.4 Distribution of Planned Employment by Regional Block

The Other African Countries (African states outside the EAC) registered the highest level of planned employment (21,616) which accounted for 36.1 percent of all the planned employment in 2018/19. The EAC countries were in the second position with 16,242 and accounted for 27.1 percent of all the planned employment in 2018/19 (*Table 25*).

Table 25: Distribution of Planned Employment by Regional Block, 2016/17 to 2018/19

Regional Block	FY 2016/17	FY 2017/18	FY 2018/19	% distribution for FY 2018/19	% change from 2017/18 to 2018/19
Asia	25,992	9,202	14,623	24.4	58.9
Australia & Oceania	155	131	-	0.0	-
EAC	24,012	8,255	16,242	27.1	96.8
Europe	3,428	2,159	3,978	6.6	84.3
Middle East	2,478	675	2,044	3.4	202.8
North America	5,905	1,723	1,437	2.4	(16.6)
Other Africa	2,298	1,671	21,616	36.1	1,193.6
South America	0	-	-	0.0	-
TOTAL	64,268	23,816	59,940	100.0	151.7

Source: Uganda Investment Authority (UIA) Database, July 2019

5.0 CHALLENGES FACED BY THE PRIVATE SECTOR AND KEY RECOMMENDATIONS

5.1 Challenges Impacting on Private Investment

Below are highlights of some of the challenges being faced by the private sector in Uganda:

- ❖ High levels of poverty, and inequality created by unemployment especially among the youths. This adversely affects the purchasing power of the masses which is dis-incentive to investment.
- ❖ Limited infrastructure in rural areas: Uganda's systems of roads, rail, electricity, and water are inadequate and currently Uganda's electrification rate averages 22 percent, dropping to 10 percent in rural areas – one of the lowest rates in Africa.
- ❖ High cost of transport due to fuel prices
- ❖ Limited access to finance, coupled with high interest rates.
- ❖ Insecurity especially in the border regions specifically the borders with South Sudan and Democratic Republic of Congo.
- ❖ Corruption and its related adverse shortcomings; which lead to high costs of doing business.
- ❖ The high foreign exchange rates which affects the cost of production through increased prices of imported inputs, high transport costs due to increased prices of petroleum and other oil products amplified by upward swings in the international oil prices.
- ❖ Inflationary tendencies which is manifested in high cost of basic needs; which weighs down on local demand and discourages investments
- ❖ Limited access to markets with affordable and clean transport facilities.
- ❖ Insufficient skills of the workforce, leading to incompatibility with the needs of the private sector
- ❖ Issues of land acquisition, tenure rights and gaps within the regulatory framework.

5.2 Key Recommendations

Below are some of the key recommendations for mitigating the impediments to private investments

- Increase funding to expansion of industrial parks and improve the infrastructure in the existing parks
- Speed up the clearance of public debts owed to the private businesses so as increase their capitalization.

- Speed up the implementation of public projects especially the Standard Gauge Railway, Kampala-Jinja Express-way and Southern By-pass to solve the issue of traffic jam in Kampala, Wakiso and Mukono.
- Solve issues which lead to instability of the value of Uganda shilling in relation to foreign currencies, most especially the US Dollar.
- Solve issue of insecurity especially in South Sudan and DRC which have affected local economic performance, volume & value of exports, and private investment.
- Government should increase funding to UIA and URSB to formalize businesses and attract bigger and more focused investments.
- Implement mechanisms for provision of cheaper Private Sector Credit (PSC)
- Control the ever-increasing debt burden that indirectly impacts on private investment. Debt servicing which currently takes over lots of funds in repayment.
- Ensure low cost and stable electricity supply to enhance productivity and profitability of the investments. Power outages affect private investments since they lead to breakdown of industrial machinery.
- Improve performance of the agricultural sector by investing in mechanization, irrigation and extension services.
- Solve the issue of unemployment; especially among the youths so as to increase household incomes, local demand and enhance local investments