

ADDRESS

BY

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PRESIDENT OF THE REPUBLIC OF UGANDA**

AT THE

**EAST AFRICA INVESTMENT FORUM AND TRADE
EXHIBITION OF THE 19TH NON-ALIGNED MOVEMENT
AND G-77 SUMMITS**

SERENA HOTEL - KAMPALA

16TH JANUARY, 2024

**Honourable Ministers Present,
H.E. the Ambassadors,
Distinguished Business community,
Distinguished Government Officials Present,
Ladies and Gentlemen**

On behalf of Government of Uganda and on my own behalf, allow me to extend a warm welcome to our esteemed business community.

The summit demonstrates Uganda's commitment to private sector development and a renewed focus to increase the promotion of Uganda's abundant investment potential. Additionally, it strengthens the partnership between the Uganda Business community and Foreign Investors.

The business community and investors of the East African Member states should seize this opportunity to collaborate with foreign investors in order to optimize value addition, expand partnerships that enhance technology, skills transfer, financing, promote standards and further deepen access to the global market.

Our philosophy is to provide a One Stop Centre to investors across all Government services, ease the business environment and reduce the cost of doing business in Uganda. This service is available at Uganda Investment Authority.

Today, we are discussing a very topical subject: *"The Future of East African Regional Trade and Investment Relations with the NAM and G77 member states"*. Trade and Investment are the bedrock for economic relations between economies, and thus a strong foundation for mutual prosperity. It is these two that enable countries to create wealth, and thus drive development. In his treatise entitled "The Wealth of Nations", Adam Smith emphasized the importance of specialization and exchange.

Exchange is mutually beneficial, and this is well demonstrated by the "double thank-you" at the marketplace. Often when we conclude an exchange of goods or services, both parties say "thank you". That's symbolic of the mutual benefit, cooperation, and interdependency that trade creates. We genuinely thank each other for having made each of us better off.

We must work harder to harness trade and investment among Africans and our close allies. The African Continent is full of natural resources which offer the potential for prosperity. With technology and innovation, these resources should

be used to produce high value goods that we are currently importing from the Western countries and the far East. This would also increase intra-Africa trade from 14.4 percent of total African exports to at least 50 percent, thus transforming the lives of our populations at a much faster pace.

With support from our comrades in the Non-Aligned Member States, this transformation is within our reach. In the early 1990s, South-South trade surpassed North-North trade for the first time, and today 35 percent of global trade is accounted for by South-South merchandise trade, and just 25 percent by North-North. South-South trade has enabled technology transfer and therefore transforming the manufacturing landscape in Africa.

Why you invest in Uganda

Coming home, Uganda's US\$ 50 billion economy enjoys market linkages within the US\$305 billion East African Community (EAC) economy – the fastest growing and most diversified economic bloc on the African Continent.

Uganda is centrally located, providing access to the regional markets of the EAC, the Common Market of East and Southern Africa (COMESA), and the Africa Continental Free Trade Area (AfCFTA) with over 55 Member States. The African Continental Free Trade Area created a market of 1.4 billion consumers, making it the ideal partner for trade and investment. Therefore, the Agreement on Africa Continental Free Trade Area (AfCFTA) will increase trade among Africans by about 33 percent and boost investment in Africa.

Although starting from a very low base, Uganda has maintained a relatively stable and robust economic growth rate over the years at an average of about 6.2% in the past 37 years. Uganda's GDP per capita, now at US\$1,100, is fast rising and thus promising a sustainable market for local production of fast-moving consumer goods and services, making the country highly rewarding for FDI.

On account of prudent macroeconomic management, Uganda continues to enjoy a stable macroeconomic environment characterized by low inflation (now at 2.6%), stable currency, and high sustained growth. Uganda's economic outlook

is very optimistic. This is mainly because of the consistent support to the private sector through supportive policies that create a business-friendly environment.

Uganda is part of the East African Community, which has a population of over 300 million with a combined GDP of US\$ 305 billion. This offers a large market for exports within the region, and a growing middle class.

Uganda is a liberal economy with open trade policies and a liberal investment regime, and all sectors are open for investment. The country allows free movement of exports and imports and free movement of capital with unrestricted transfer of dividends.

High return on investment. For example, agribusinesses, unlike many other jurisdictions is very profitable here, with an average return on investment of about 14 percent.

The current heavy investment in infrastructure is lowering the cost of doing business especially in transportation and energy, and creating business competitiveness.

Favourable medium term economic growth prospects of at least 7% per annum, supported by infrastructure development, skilled labour force, and abundant natural resources.

Uganda is a resource rich country, which provide a significant opportunity for exports and light manufacturing. These include oil and gas with commercial production scheduled to start in 2025, Beryl, Chromite, Lead, Lithium, Silver, Zinc, Kyanite, Feldspar and Diatomite, Manganese, Diamond, uranium, iron ore, Vermiculite, Limestone and marble, gold, graphite, aluminous clay rich in Rare Earth Elements (REE), Phosphate and Iron.

In 2019, Uganda Government gave a Graphite mining license to Blencowe Resource from United Kingdom. Graphite is a new material for making electric car batteries, thermal sheets and steel foundries, flame retardants, gaskets and seals, lubricants and friction materials, etc.

Uganda has a very generous incentives regime to ensure profitability of investments and business growth. This includes, among others, free land, serviced industrial parks and manufacturing zones, available and cheap electricity to manufacturers, good transport network, tax holidays for those adding value to our raw material and creating jobs plus other financial incentives. These are detailed in our tax laws and investment code.

Uganda has gained competitiveness in recent years in a number of tradeable goods including animal products such as beef and milk, agricultural products especially coffee, tea, fish, sugar, fresh and processed food and industrial products such as cement, iron and steel products, light manufactured goods, etc.

Market access opportunities

Uganda has negotiated Quota free and Tariff free access to regional and global markets for investors to exploit: For instance, the following key markets are readily available:

- a) The East African Community (EAC) with a population of over 300 million.
- b) The Common Market of East and Southern Africa (COMESA) with a population of over 600 million.
- c) The Africa Continental Free Trade Area (AfCFTA) with a population of 1.4 billion.
- d) Uganda has an “Everything but Arms” trade deal with the European Union.
- e) Uganda has trade deals with China and India and investors can access all these markets by domiciling in Uganda.
- f) Uganda has an excellent working and living environment; It is rated as the 3rd most welcoming country in the world and 4th best country in the world to visit. Uganda offers the lowest cost of living with excellent housing. Its fast-growing work force and flexible labour regulations provides a key advantage for companies investing in labour intensive operations.

- g) Uganda is the most open economy to FDI. There are no restrictions on ownership of investments, movement of capital or foreign exchange. The World Bank's data indicates that, on average, net foreign direct investment (FDI) inflows have exceeded USD 1 billion each year.

Regional Integration and Development

To expand regional trade and support regional development, Uganda is undertaking joint projects with DR Congo and Tanzania (oil pipeline), and implementing interventions to reduce transportation cost, and improve the border infrastructure to facilitate trade and financial services across the region.

Security of investments

Uganda is a beacon of security in the region and investors can be sure that they will be safe in Uganda and their property is secure. Uganda has enjoyed political stability for nearly four decades, and this provides certainty to investors. This has enabled uninterrupted business growth for a very long time.

Therefore, the East Africa Trade and Investment forum will be a platform for increased business engagements and a dialogue to enhance private sector investments and businesses in EAC. It will also be instrumental in enhancing regional development, trade, diversifying exports and integrating African economies with the global economies.

It is our pledge, that the Government of Uganda through its agencies will honor our commitments made at the EAC Trade and Investment forum and will continue to support its deliberations.

Finally, I would like to inform you that Uganda is a well-endowed country. I urge you to create time and come and enjoy a wide range of excellent, unique and unmatched beautiful natural features Uganda offers in terms of birds, animals and many other things.

I thank you all.