

U.S. Country Commercial Guides



Uganda 2020

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Doing Business in Uganda

Market Overview

Uganda boasts a market-based economy rich in natural resources, and one of the fastest and youngest growing populations in the world. With comparative advantages in agriculture and one of the largest oil reserves in the region, Uganda is seeing increasing interest among foreign investors.

Prior to the COVID-19 pandemic, Uganda was realizing stable gross domestic product (GDP) growth averaging 5.3% from fiscal year (FY) 2013/2014 to 2018/2019. Due to the economic impact of restrictions aimed at containing the spread of COVID-19, in June 2020, the World Bank reduced Uganda's GDP growth projection for FY 2019/2020 (ended June 30) to 3.3%—drastically lower than the Bank of Uganda's (BOU) projection of 6.5% at the start of the fiscal year. Similarly, the World Bank lowered its initial GDP growth projection for FY 2020/2021 from 5.9% to 3.7%. While official statistics are not yet available, there is strong anecdotal data that the COVID-19 pandemic has caused countless business closures, a sharp increase in unemployment, and a massive loss of income.

According to the most recent complete fiscal year data available, Uganda's GDP grew by 6.5% to \$34 billion, with GDP per capita of \$891 in FY 2018/2019. The Uganda Bureau of Statistics (UBOS) indicates that the industrial sector, which comprised 27% of the economy, was the primary driver of growth that year, followed by the service sector, which represented 43% of GDP. The agriculture sector, which employs 70% of the population and represents 22% of GDP, grew 3% in FY 2018/2019. The agriculture sector is primarily based on subsistence or smallholder production, however, and per the United Nations Development Program (UNDP), about 36% of Uganda's 44 million people live below the international poverty line of \$1.90 per day. Partly due to funding for its robust COVID-19 response, Uganda's budget for FY 2019/2020 is approximately \$11 billion, 18% larger than the FY 2018/2019 budget.

The government completed a rebasing of the economy in October 2019, which increased Uganda's FY 2018/19 GDP by 11.6%—now totaling \$33 billion. The rebasing also reduced Uganda's debt to GDP ratio, which had become a high-profile issue of public concern. The Government of Uganda (GOU) reported its debt to GDP ratio at about 42% just prior to this round of rebasing. After rebasing, the debt to GDP ratio reduced to 37%, allowing the GOU more room to borrow. In April 2020, the International Monetary Fund (IMF) projected that Uganda's debt to GDP would peak at 60% in FY 2021/22 due to increased borrowing related to the impact of COVID-19, exceeding the generally accepted risk threshold of 50%.

Additional statistics on Uganda's economy and budget are available from the sources linked below:

Uganda Bureau of Statistics – 2019 Abstract

The World Bank - Uganda

National Budget Framework Paper - Uganda

Uganda maintains a liberal trade and foreign exchange regime. Nonetheless, endemic corruption, financial mismanagement, an onerous tax regime, and increasing political repression raise questions about the government's commitment to fostering a stable and investor-friendly environment. Mid-to-long-term political uncertainty also increases risks to foreign businesses and investors. Seventy-five-year-old incumbent President Yoweri Museveni has been in power since 1986. The ruling National Resistance Movement changed the constitution in 2017 to enable Museveni to run for a sixth term in 2021. Several new political challengers to Museveni's continued rule will be looking to gain support from the 80% of Ugandans under age 30.

According to UBOS, in 2019, the top three countries exporting goods and services to Uganda were China (\$1 billion), India (\$873 million), and Kenya (\$785 million). UBOS reported that, in 2019, the United States exported goods and services worth \$135.5 million.

In 2019, the top three countries importing goods and services from Uganda were United Arab Emirates (\$1.2 billion), Kenya (\$443 million), and South Sudan (\$351 million), according to UBOS. The United States imported goods and services worth \$45 million from Uganda.

Although Uganda is eligible for African Growth and Opportunity Act (AGOA) benefits, its exports under AGOA remain low due to high transportation costs, limited U.S. demand for Uganda's export goods, and poor export capacity. The government is in the process of preparing a new AGOA strategy aimed at boosting exports to the United States. Uganda does not have a Bilateral Investment Treaty (BIT) or Free Trade Agreement (FTA) with the United States Government. The United States signed Trade and Investment Framework Agreements (TIFA) with the East African Community (EAC) in 2008 and with the Common Market for Eastern and Southern Africa (COMESA) in 2001. Uganda is a member of both the EAC and COMESA regional organizations.

More information on Uganda's trade is available here:

World Bank – World Integrated Trade Solution

U.S. Trade Representative - Uganda

The top five reasons to export to Uganda are as follows:

1. **Growing Free Market Economy:** Uganda has averaged 5% GDP growth over the past five years, and, despite the economic impact of the COVID-19 pandemic, 3.5% average growth is projected over the next two years.
2. **Substantial and Rapidly Growing Consumer Market:** Uganda's population of 44 million people is growing at a rate of 3% per year, with half of the population under the age of 15.
3. **Dynamic Agricultural Market:** Uganda has abundant fertile land, favorable weather, and bimodal production throughout most of the country.
4. **Emerging Oil Industry:** Uganda has an estimated 1.4 billion barrels of recoverable oil, and the government projects oil production will begin in approximately 2024.
5. **EAC Customs Union:** Uganda's membership in the EAC Customs Union enables duty free exports to the 160 million-person EAC market, as well as duty free exports of a wide range of goods to the United States via AGOA and the Generalized System of Preferences.

Market Challenges

The top five challenges U.S. companies experience in Uganda are:

1. **High Levels of Corruption:** Transparency International's (TI) 2019 Corruption Perceptions Index ranked Uganda 137 out of 180 countries. Land-related fraud and corruption are common, especially as complex land laws restrict foreign ownership and lead to frequent land disputes.

2. **Limited Infrastructure, Including Connectivity, in Rural Areas:** Although the government has been investing heavily in infrastructure, outside of the major towns, Uganda's road and rail systems are in poor condition, and access to electricity is limited.
3. **Lack of Specialized Skills:** The UNDP's 2019 Human Development Index ranked Uganda 159 out of 189 countries. Although Uganda's adult literacy rate was 73%, it had a 75% primary school dropout rate, and only 4% of Ugandans were enrolled in tertiary education. Per the International Labor Organization (ILO), 73% of Ugandan workers lacked the level of education required for available jobs. Responding to a 2016 UBOS survey, employers commented that university graduates lack basic technical, managerial, and communications skills.
4. **Inefficient Government Services:** The World Bank's 2020 Doing Business Report ranked Uganda 116 out of 190 countries, eleven positions higher than the previous year. Uganda ranked below the average for sub-Saharan Africa in multiple evaluation categories, including: Starting a Business, Dealing with Construction Permits, and Trading Across Borders.
5. **Political Uncertainty:** Uganda maintains a liberal trade and foreign exchange regime. Nonetheless, endemic corruption, financial mismanagement, an onerous tax regime, and increasing political repression raise questions about the government's commitment to fostering a stable and investor-friendly environment. Mid-to-long-term political uncertainty also increases risks to foreign businesses and investors. Seventy-four-year-old incumbent President Yoweri Museveni has been in power since 1986, and the ruling party changed the constitution in 2017 to enable him to run for a sixth term in 2021. Contesting Museveni are new political challengers looking to gain support from the 80% of Ugandans under age 30, and the election in January/February 2021 may be tighter than previous such contests. Previous elections have featured large protests and violence before, during, and after polling day.

Market Opportunities

Top prospect sectors for U.S. exports to Uganda include:

1. **Oil & Gas:** Uganda has approximately 1.4 billion barrels of economically recoverable oil. French firm Total S.A., the China National Offshore Oil Corporation (CNOOC), and U.K. firm Tullow Oil hold production licenses to develop Uganda's oil reserves. In 2018, the U.S.-led Albertine Graben Refinery Consortium (AGRC) won a \$3.5 billion bid to build and operate a refinery to produce petroleum products for domestic and regional markets. Due to the remote location and waxy nature of Uganda's oil, the Lake Albert Oil Development Project includes the construction of the East African Crude Oil Pipeline (EACOP), the world's longest heated pipeline (1,445 km), which will transport the oil to the Tanzanian port of Tanga for export. Additionally, the government aims to build production facilities, a storage terminal, and connecting pipelines. Furthermore, the government intends to build several hundred million dollars' worth of highway projects to the oil region, and is developing an airport in the same area. The Petroleum Authority of Uganda estimates that, combining upstream, midstream, and downstream projects, plus support services, total investment to launch Uganda's oil sector will reach \$15 – \$20 billion over the next five to seven years. Leading opportunities for U.S. investors include: engineering, project management services, vocational training services, environmental hazard management services, and petroleum industry equipment exports.

2. **Power:** At a national level, Uganda has one of the lowest electrification rates in Africa. Only 28% of Ugandans have access to electricity, and only 10% in rural areas. The government has aggressive plans to increase these electrification rates by constructing large- and small-scale power facilities. The 183 MW Isimba hydro power station came online in March 2019, and the 600 MW Karuma hydro power station is projected to be completed by December 2020. USAID's Power Africa program and the U.S. government's International Development Finance Corporation provide broad support to the Ugandan energy sector. Leading opportunities for U.S. investors include: exporting renewable energy equipment and services for on-grid, off-grid, and micro-grid applications; energy transmission and distribution projects; and engineering and environmental management services.
3. **Agriculture:** Uganda boasts fertile soil, low temperature variability, and two rainy seasons in most of the country, leading to multiple crop harvests per year. According to the Food and Agriculture Organization (FAO), Uganda's fertile agricultural land has the potential to feed 200 million people – more than the current 160 million EAC population. Agriculture accounted for 22% of GDP and 34% of export earnings in 2019, and employs over 70% of Uganda's working population. Land tenure remains problematic, however, with many Ugandan farmers lacking clear land titles, hampering them from obtaining loans. Eighty percent of Uganda's land is arable, but only 35% is under cultivation. Uganda produces a wide range of food products, including coffee, tea, sugar, livestock, fish, edible oils, cotton, tobacco, plantains, corn, beans, cassava, sweet potatoes, millet, sorghum, and groundnuts. Leading opportunities for U.S. investors include: equipment for value-added production of agricultural products, irrigation systems and their components, and provision of agriculture management services.
4. **Construction:** Uganda's infrastructure needs remain substantial. The government is focused on building roads, especially roads to oil-producing areas. Uganda also faces an eight million unit housing shortage according to the Uganda National Planning Authority. Leading opportunities for U.S. investors include: architecture services; construction equipment sales; project management services; and environment management services.
5. **Information and Communications Technology:** Demand for information and communications technology (ICT) is high in Uganda. However, investors must grapple with a difficult regulatory environment, including taxes on imported internet-based services and applications. Leading opportunities for U.S. investors include: building data centers; providing data security services and internet services; and exporting telecommunications hardware, fiber optic equipment, and network hardware.
6. **Healthcare:** Uganda's medical facilities remain underfunded and poorly managed, with the government dedicating 9.5% of the 2019/2020 total budget to the health sector. Uganda's few public hospitals provide limited services. To fill the gap, several local and international investors have constructed private hospitals and dental clinics to serve wealthy and middle-class Ugandans, along with expatriates. While Uganda's pharmaceutical industry has developed significantly over the past ten years, Uganda still imports 90% of its essential medicines and health supplies. Leading opportunities for U.S. investors include: provision of pharmaceutical, medical diagnostic, and treatment equipment; and investing in pharmaceutical facilities.

Market Entry Strategy

As a growing emerging market, Uganda offers investors many opportunities. With limited online commercial information available, investors are encouraged to meet with prospective Ugandan business partners in person.

Foreign exporters generally partner with local agents who are familiar with Uganda's bureaucracy and business culture to distribute products. As with other emerging markets, agent quality varies considerably, and foreign investors are encouraged to seek guidance from the American Chamber of Commerce in Uganda (AmCham) before interviewing several agents. See the section on "Using an Agent to Sell U.S. Products and Services" for more details.

U.S. businesses also can enter the Uganda market through joint ventures with local or regional businesses. The joint-venture approach allows U.S. firms to take advantage of local and regional expertise while sharing some of the risks with the local firms.

For additional information, contact AmCham at manager@amchamuganda.co.ug, or the U.S. Embassy Kampala's commercial section at: CommercialKampala@state.gov

Leading Sectors for U.S. Exports & Investments

Oil and Gas

Overview

Approximately 1.4 billion of Uganda's 6.5 billion barrels of proven oil reserves, located mostly on its western border with the Democratic Republic of the Congo, are estimated to be economically recoverable. French firm Total, CNOOC, and U.K. firm Tullow Oil, hold licenses to develop these resources, but have yet to make their Final Investment Decision (FID) commitment to oil production due to protracted negotiations with the government. However, Tullow's April announcement that the government had approved the terms of its agreement to sell its equity in the Lake Albert Oil Development Project to Total appears to have resolved the parties' long running tax dispute. The transaction is expected to be completed by the end of 2020 and pave the way for Total and CNOOC to reach FID in 2021. Once FID is made, developing the sector will require several billion dollars of infrastructure investment to build and support a refinery, two central processing facilities, and the 1,445 km East African Crude Oil Pipeline (EACOP) - the world's longest heated pipeline. In 2018, the AGRC – a U.S.-led group of companies including General Electric, YAATRA Africa, and the Italian engineering firm Saipem – won the right to finance, build, and operate a planned \$3.5 billion oil refinery. The government tendered the rights for oil exploration in five additional blocks in western Uganda in 2019 and 2020. However, apparently due to the low investor confidence caused by Total's delayed FID, these tenders elicited little interest from investors.

The Petroleum Authority of Uganda requires that all firms seeking to participate in Uganda's oil sector register with its [National Supplier Database](#). For instructions on this process, please see: [U.S. Embassy Kampala – Commercial Opportunities](#).

Opportunities

International oil companies are increasingly looking for service subcontractors including engineers, housing construction, road infrastructure design and construction, environmental hazard controls, and vocational training services.

Web Resources

[Petroleum Authority of Uganda – National Supplier Database](#)

[Uganda Ministry of Energy and Mineral Development](#)

[Directorate of Geological Survey and Mines of Uganda](#)

[Total Uganda](#) [licensed oil production company]

E-mail: EP.TEPUInfo@total.com

[CNOOC Uganda Ltd.](#) [licensed oil production company]

E-mail: cnooc@cnooc.com.cn

Fluor [bidding on oil pipeline]

Website: <http://www.fluor.com/>

McDermott [bidding on oil pipeline]

Website: <https://www.mcdermott.com/>

Yaatra Venutres [lead firm for the refinery consortium - AGRC]

Website: <https://www.yaatraventures.com/>

Energy

Overview

As the government prioritized increasing Uganda's energy production, foreign investment in the sector has increased. The government in 2019 commissioned the 183 MW Isimba Hydro Power Dam, and the 600 MW Karuma Hydro Power Dam is slated to come online by December 2020. The addition of these dams is projected to provide Uganda with about 380 MW of excess power generation capacity by 2020. Despite these projects, Uganda has one of the lowest electrification rates in Africa, primarily due to: an overreliance on biomass sources in the energy mix, constrained electricity transmission and distribution infrastructure, limited access to off-grid solutions, limited productive use of energy, and uncoordinated intra- and inter-sectoral planning. In urban areas, 55% of Ugandans have access to electricity; however, access drops to 10% in rural areas, and it is only 19% nationwide. Uganda has approximately 2,900 km of transmission lines, which the government aims to increase to 4,354 km by 2025. As investment in transmission is still insufficient, some existing generation capacity cannot be distributed. Additional investment is also needed to enable export of electricity to the region. Uganda's Electricity Regulatory Authority regulates licensing, generation, transmission, and distribution. Uganda's power tariffs are set on a quarterly basis and the average tariff to consumers is \$0.17/kWh (\$0.11/kWh for industrial users), with the first 15 units of power subsidized. Umeme Co. Ltd. is the largest energy distributor in Uganda, distributing 97% of all electricity in the country. USAID's Power Africa has been providing transaction advisory services to generation projects to reach financial close or commercial operations, but is now focused on increasing access to electricity and improving the enabling environment for private sector investment in electricity generation and access. Through Power Africa support, over 1.5 million new connections have been added, with the bulk being off-grid solutions that benefit rural communities. Much of Power Africa's support targets innovation in product development, last mile market entry and development, and the promotion of productive use of energy. More information about Power Africa is available at: <https://www.usaid.gov/powerafrica/uganda>.

Opportunities

On the generation side, investment opportunities remain in small hydropower projects, especially those that help balance the distribution network and can support ancillary services, especially storage. In the transmission sector, the government plans to build 13,000 km of new transmission lines over the next 20 years, along with associated substations, switching stations, and transformer capacity, with a total estimated cost of approximately \$4.8 billion. With support from Power Africa and other development partners, the government is seeking to attract private investment in the construction and maintenance of high voltage transmission lines. On the distribution side, the government is seeking private sector investment to develop mini-grids for over 650 target communities, which were mapped and identified with Power Africa support. The government is planning for at least two additional large hydro power stations along the River Nile. According to the Electricity Regulatory Authority (ERA), there are another 11 small hydro station sites around the country.

Web Resources

[Uganda Electricity Regulatory Authority](#)

[Uganda Electricity Transmission Company Ltd](#)

[Rural Electrification Agency Uganda](#)

[Power Africa Uganda](#)

[Umeme \(Power Utility Company\)](#)

[Uganda Ministry of Energy and Mineral Development](#)

[Directorate of Geological Survey and Mines of Uganda](#)

[Renewable Energy Investment Guide](#)

Agricultural Sector

Overview

Investors consider Uganda's agricultural potential to be among the best in Africa, with low temperature variability, fertile soils, and two rainy seasons over much of the country - leading to multiple crop harvests per year. According to the Food and Agriculture Organization, Uganda's fertile agricultural land has the potential to feed 200 million people. Eighty percent of Uganda's land is arable but only 35% is being cultivated. In fiscal year 2018/2019, agriculture accounted for about 22% of GDP, and 34% of export earnings. The UBOS estimates that about 70% of Uganda's working population is employed in agriculture. Uganda produces a wide range of agricultural products including: coffee, tea, sugar, livestock, fish, edible oils, cotton, tobacco, plantains, corn, beans, cassava, sweet potatoes, cassava, millet, sorghum, and groundnuts. Commercialization of the sector is impeded by farmers' limited use of fertilizer and quality seeds, and a lack of irrigation infrastructure – rendering production vulnerable to climatic extremes and pest infestations. Sector growth is also impaired by the lack of quality packaging capabilities, insufficient storage facilities, poor post-harvest handling practices, shortage of agricultural credit, high freight costs, the lack of all-weather feeder roads in rural areas, a complicated and inefficient land tenure system, and limited knowledge of modern production practices. Ugandan producers often find it difficult to meet sanitary and phytosanitary standards required to export goods to Europe and the United States. As of January, there is a significant locust infestation in Kenya, near the Ugandan border. Since February, the swarms have periodically migrated into Uganda, affecting 24 districts including some of the most food insecure regions - Karamoja and Teso - in Uganda. The areas of Uganda with most commercial agriculture, however, so far have not been significantly affected.

Opportunities

There are significant investment opportunities in Uganda's agriculture sector, including in production, input supply, value addition processing, standards compliance and export, and post-harvest handling. In the coffee sector, there is space to increase coffee production and the amount of coffee exported to the United States. Uganda is Africa's leading coffee exporter, but sends just 3% of its exports to the United States. The government has developed an ambitious, yet detailed, plan to increase its current production of 360,000 tons of coffee to 1.2 million tons annually by 2025.

Web Resources

[Partnering with USAID](#)

[Uganda Investment Authority Upcoming Agriculture Projects](#)

[Uganda Coffee Development Authority](#)

[Uganda Ministry of Agriculture](#)

[East Africa Trade & Investment Hub – Agriculture](#)

[National Agricultural Advisory Services](#)

Construction

Overview

Uganda's infrastructure needs remain substantial. With a 10% annual growth rate in car ownership, Uganda's road network is seriously overburdened, especially in and around cities. Furthermore, Uganda's roads are poorly maintained, making transportation costly and dangerous. The government expects to complete its expansion of Entebbe International Airport by May 2021. Uganda also faces an eight million unit housing shortage according to the Uganda National Planning Authority. With an estimated 300,000 housing units needed per year, commercial construction and residential construction in Uganda are booming. The government allocated 25% of its 2019/2020 budget to road and energy infrastructure, by far the largest allocation of any sector. Uganda has no domestic production of the equipment needed to develop large-scale infrastructure projects. Additionally, Uganda's growing industries and service providers badly need larger and more modern sites, such as industrial zones, in which to operate.

Opportunities

Uganda is in need of effective project management services. The Uganda National Oil Company is also seeking investors for its 30-square kilometer Kabaale Industrial Park, which will include the 60,000 barrel per day oil refinery, upstream crude oil export hub, and Uganda's second international airport. All of these projects will be developed as independent projects. The government is seeking strategic partnerships with investors to offer managerial, technical, and financial services required for the development of Kabaale Industrial Park. For more information please visit: <http://unoc.co.ug/kabaale-industrial-park-kip/>

The Ministry of Works and Transportation also is seeking investors in the following construction projects:

- **Public-Private-Partnership construction of the following national roads: Kampala – Busunju (50 km); Kampala – Bombo (30 km); Kampala outer beltway (120 km); suspension toll-bridge between Buwaya Landing Site and Nakiwogo**
- **Construction of One-Stop Border Posts at: Ishasha (to DRC); Lamia (to DRC); Yei (South Sudan); Goli (to South Sudan); and Musingo (to South Sudan)**
- **Public-private partnership for construction material factories**

Web Resources

[Ministry of Works and Transport Bidding Opportunities](#)

[World Bank Projects in Uganda](#)

[African Development Bank Projects in Uganda](#)

[East African Development Bank Projects in Uganda](#)

Information and Communications Technology

Overview

Private companies play a lead role in developing Uganda's ICT infrastructure, often in partnership with the government. Google (through its C-Squared entity) has laid over 1,000 km (621 miles) of fiber optic cable in the Kampala metro area since 2015. Facebook (through its partnership with Airtel Uganda) has laid over 800 km of fiber optic cable throughout Uganda, primarily in the northern town of Gulu. Multiple wholesale internet providers offer access through fiber optic cables into Uganda. From 2017 to 2020, the cost of commercial internet (25 Mbps+/mo) service dropped from an average of approximately \$300 to \$80. The 2018 Excise Duty Amendment imposed a \$0.05 daily tax on social media usage; however, the tax has not had a significant negative impact on internet usage.

Leading Sub-Sectors

Data Centers and Content Delivery Nodes: Growth in Uganda's internet availability has pushed up demand for local data services, data security, and streamlined content delivery, including tier-rated data centers (currently zero in Uganda), content partnerships, and data security expertise.

Complementary Technologies: Due to increased access in all regions throughout Uganda, the use of complementary technologies is growing. This includes the use of "Internet of Things" devices and services, and industrial internet-connected devices. Internet-connected devices and services supporting the agriculture sector have particularly significant growth potential in Uganda.

Opportunities

Exporting telecommunication hardware offers the best prospects within the sector. The following products are in high demand in Uganda: cellular and wireless telephone systems, data transmission equipment, fiber optic equipment, trunked mobile phone systems, switches and routers, wireless access equipment, voice over internet telephone, VSAT, computers and peripherals.

Web Resources

[Uganda Communications Commission](#)

Health

Overview

Uganda's medical facilities are attracting U.S. investors, especially in private medical care and oncology. Uganda has 19 sites licensed for the manufacture of medicines and health supplies, although only 11 of these are involved in commercial production of pharmaceuticals.

Challenges to developing the sector include the following:

- **Technology, machinery, and the associated high-skilled expertise are sourced from outside Uganda.**
- **Uganda's pharmaceutical sector depends on importing active pharmaceutical ingredients and almost all excipients and some packaging materials.**
- **Few Ugandan pharmaceutical manufacturers have automated production processes.**
- **High operating costs for manufacturers relying on backup generators.**
- **Few licensed cold and dry storage facilities to hold active pharmaceutical ingredients prior to final production.**
- **Limited capacity and infrastructure for regulation and quality control.**

Opportunities

Equipment: With Uganda's lack of medical infrastructure and large influx of donor support for health programs, demand for medical equipment continues to rise. Equipment in demand includes: record management equipment and systems, ultrasound, electrocardiographs, obstetric dopplers, pulse oximeters, ventilators, cardiac echo machines, treadmill stress machines, and lab equipment (including equipment needed for microbiology, hematology, chemistry, and histopathology).

Generic pharmaceutical manufacturing: Uganda still imports approximately 90% of its essential medicines and health supplies. Based on Uganda's strong demand for medical services and the government's favorable tax policies for manufacturing facilities, manufacturing generic pharmaceuticals remains a profitable opportunity for investors.

Web Resources

[Infectious Diseases Research Collaboration](#)

[Uganda Virus Research Institute](#)

[Joint Clinical Research Center](#)

[Makerere University College of Health Sciences](#)

[National Drug Authority](#)

[National Medical Stores](#)

[Uganda AIDS Commission](#)

[Uganda Ministry of Health](#)

[The United Nations Industrial Development Organization Pharmaceutical Sector Profile for Uganda](#)

[The Global Fund Pharmaceutical Sector Country Profile for Uganda](#)

Customs, Regulations & Standards

Trade Barriers

Uganda has few formal trade barriers, though bureaucratic inefficiencies, high transport costs, corruption, and an influx of counterfeit consumer products increase costs for foreign businesses. The URA imposes an environmental levy on vehicles older than eight years, and, in 2018, the government enacted a ban on importing cars older than 15 years from date of manufacture. In recent years, Uganda has phased out import bans on beer, soda, batteries, and cigarettes. Importing beef, chicken, and dairy products into Uganda involves lengthy paperwork and slow processing—essentially banning the import of these products into Uganda. In addition, Uganda has tariffs on basic foodstuffs like flour, sugar, and food-grade oils. For detailed information on Uganda's tariff schedule, please go to: [World Trade Organization - Uganda and the WTO](#).

Import Tariffs

Uganda, Kenya, Tanzania, Rwanda, and Burundi have adopted a three-tiered duty structure for imports from outside the East Africa Customs Union (EACU) under the terms of the Protocol on the Establishment of the EACU, which became fully operational in January 2010. Most finished products are subject to a 25% duty, while intermediate products face a 10% levy. Raw materials (excluding foodstuffs) and capital goods may still enter duty free. The East African Community (EAC) is currently reviewing this three-tiered duty structure (East African Community Common External Tariff). Imported goods are charged a value added tax (VAT) of 18% and a 15% withholding tax, which is not reclaimable. Combined, these taxes effectively charge a 33% tax on all foreign goods and services. Imports are also charged a 1.5% infrastructure tax to finance railway infrastructure development.

The EAC agreement increased import duties on some products (e.g., chocolate, tomato sauce, mineral water, and processed meat, among others) that Uganda currently imports from the United States. Uganda is negotiating with Kenya and Tanzania to define certain manufactured products of key importance to Ugandan industries as "raw materials."

In November 2009, the heads of state of the EAC member countries signed the Common Market Protocol, agreeing to establish a common market for Kenya, Tanzania, Uganda, Rwanda, Burundi, and South Sudan. The Common Market is being implemented gradually and is supposed to set the stage for implementation of the East African Monetary Union, which is targeted to become fully operational by 2023. In addition to the EAC, Uganda is a member of the Common Market for Eastern and Southern Africa (COMESA), a free trade area comprised of 19 member states aimed at reducing import tariffs among member nations.

Import Requirements & Documentation

Import certificates, issued by the Ministry of Trade, Industry and Cooperatives, are required to import goods on the "negative list," including used tires and certain types of batteries (the negative list can be found on the Uganda Revenue Authority website: <http://www.ura.go.ug/>). The certificates are valid for six months. The certificates also are a substitute for import licenses.

Labeling/Marking Requirements

The following information must be clearly marked on imports and exports: importer/exporter name, consignee, flight/vehicle details, place of discharge, number of packages, container identity, description of goods, air waybill number/bill of lading, and country of origin/destination. Uganda requires labels for food products, but has yet to adopt any specific requirements.

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

Under the East African Customs Management Act, only goods imported for a temporary use or purpose, as well as goods imported for repair, shall be exempt from import duties. However, such exemptions are only made if the importation of the goods was duly authorized by the Ugandan authorities, and the authorities exercise broad discretion in issuing such authorizations.

Prohibited & Restricted Imports

The following items cannot be imported into Uganda:

- **Pornographic materials**
- **Used motor vehicle tires**
- **Used computers and appliances**
- **Used underwear**

Other categories of imports may be banned under international agreements to which Uganda is signatory.

Customs Regulations

Uganda requires meat and poultry importers to obtain a “Sanitary Import Permit” from the Director of Veterinary Services before clearing these items through customs.

Export Regulations

Free export of a reasonable quantity of tobacco and/or tobacco products, alcoholic beverages, and perfume is allowed. A special permit for game trophies is required. Please note the export of any animal product suspected of originating from game parks requires the approval of the Uganda Wildlife Authority.

Airport Embarkation Tax

No airport tax is levied on passengers upon embarking at the airport.

Currency Import Regulations

Foreign currencies: There is no limit on the amount of foreign currency a traveler can bring into Uganda, provided he/she declares the currency upon arrival.

Currency Export Regulations

Foreign currencies: Travelers are free to export foreign currency up to the amount imported and declared on arrival.

Customs Commissioner

**Plot M193/M194, Nakawa Industrial Area,
P.O. Box 7279, Kampala, Uganda**

(256) 41-7440000

For information on Ugandan customs statutes and regulations, please contact the [Uganda Revenue Authority](#).

E-mail: info@ura.gov.ug

Please visit [EACU](#) for additional information, including the common external tariff, internal tariffs, rules of origin, and the Customs Management Act.

Standards for Trade

Overview

Uganda's regulatory framework is predominantly government-driven, although the government often consults with stakeholders. Standards are drafted and enforced by the Uganda National Bureau of Standards (UNBS), which is supervised by the Ministry of Trade, Industry and Cooperatives. Uganda is a member of the International Organization for Standardization, the African Regional Organization for Standardization, the East African Standards Committee, COMESA, the FAO/World Health Organization Codex Alimentarius Commission on International Food Standards, and the World Trade Organization (WTO). Local standards are developed through the Uganda Industrial Research Institute. Priority areas for standards with potentially large procurement opportunities are food and agriculture, mechanical and building engineering, metallurgy, energy management, and ICT.

Standards

The Uganda National Bureau of Standards (UNBS) is charged with developing and checking standards. UNBS develops some of the standards, but in some cases adopts those developed by others. UNBS is a member of ISO, CODEX, OIML, and Afrinet. Uganda applies European Union directives and standards, with some modifications. Importers/exporters should contact the [UNBS](#) for specific information on standards.

Testing, inspection and certification

Test certificates from foreign labs are accepted if the lab is UNBS-accredited. Proposed and final technical regulations and laws are published in the Uganda Gazette (hard copies of which may be purchased at select book stores in Kampala). For further details, please contact the Uganda National Bureau of Standards.

Publication of Technical Regulations

[The UNBS website provides technical regulations](#)

In fulfillment of the World Trade Organization Technical Barriers to Trade Agreement, UNBS is the designated Technical Barriers to Trade Enquiry Point responsible for answering WTO members' questions and providing all relevant documentation relating to, among other issues, technical regulations and standards adopted by Uganda.

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based e-mail

registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Trade Agreements

Uganda is eligible for AGOA and Generalized System of Preferences trade benefits. Uganda does not yet have a BIT or FTA with the United States.

On November 28, 2018, Uganda formally ratified the agreement establishing the Africa Continental Free Trade Area (AfCFTA). The AfCFTA is the second largest trade area (after the WTO) in terms of member countries and became operational on July 1, 2020.

Uganda is a member of the EAC, COMESA, and the African Union Abuja agreement. Duties and tariffs for countries in these groups are significantly lower than for non-member countries. As an initiative of the EAC, Uganda, Kenya, Rwanda, Burundi, Tanzania, and South Sudan have created the EACU, aimed at promoting trade among the member nations. The United States signed a TIFA with the EAC in 2008, and with COMESA in 2001.

Licensing Requirements for Professional Services

Legal professions are regulated by professional bodies, which impose requirements on foreigners. A foreigner looking to practice law in Uganda must acquire a certificate (license) from the Chief Justice as well as clearance from the Uganda Law Council.

Accountancy professionals must get a certificate (license) from the Institute of Certified Public Accountants in Uganda. A registered engineer must be a member of the Uganda Institution of Professional Engineers and must have a Bachelor of Science (or higher) in engineering together with relevant engineering experience that must be documented, supported by two registered engineers, and defended by the applicant in an interview with the Engineers' Registration Board. Uganda Medical and Dental Practitioners Council is a professional organization created by statute and is responsible for licensing, monitoring, and regulating the practice of medicine and dentistry in the country. Architects must be registered with the Architects Registration Board.

Consultancy services in Uganda remain unregulated and do not require a license.

Web Resources

[Uganda Law Society](#)

[Institute of Certified Public Accountants in Uganda](#)

[Uganda Institution of Professional Engineers](#)

[Engineers Registration Board](#)

[Uganda Medical and Dental Practitioners Council](#)

[Architects Registration Board](#)

[Architect Forms](#)

[List of registered Architects in Uganda](#)

[Uganda Society of Architects](#)

[Uganda National Association of Building and Civil Engineering Contractors](#)

[Uganda National Bureau of Standards](#)

[East African Community](#)

Selling U.S. Products & Services

Distribution & Sales Channels

Big importers typically have warehouses to deposit imported items for pickup by wholesalers. Wholesalers then pick up consumer goods in bulk containers and typically deposit them at informal trading centers in Kampala and other parts of the country for pickup by retailers. The vast majority of transactions are cash-based, making duty collection difficult, and enabling corruption.

Using an Agent to Sell U.S. Products and Services

While use of an agent is not required, many U.S. businesses looking to access the Ugandan market enter into contractual agreements with local agents and distributors. A skilled agent will bring detailed knowledge of market conditions and solid connections with Ugandan government officials to ensure investors successfully navigate Uganda's cumbersome bureaucratic processes. Careful vetting of agents is critical, however.

Investors can also reach out to: the Uganda Investment Authority (UIA), the Uganda Export Promotion Board, the Ugandan National Chamber of Commerce and Industry, the American Chamber of Commerce in Uganda, and the Uganda Manufacturers Association for market inquiries, as well as to identify potential Ugandan business partners. Furthermore, the Uganda Free Zones Authority provides market information and investment opportunities for interested investors.

Establishing an Office

The steps involved in establishing an office in Uganda are:

- Applying for an investment license from the UIA
- Applying for a certificate of incorporation, and reserving a business name for the entity or its local subsidiary from the Uganda Registration Services Bureau (URSB)
- Applying for a tax identification number from the Uganda Revenue Authority (URA)
- Applying for a trading license from the relevant local authority
- When necessary, applying for registration of land title or verification of existing title from the Ministry of Lands.

To facilitate business registration for foreign investors establishing an office in Uganda, the UIA acts as a one-stop shop to help foreign investors navigate the process above. The licensing process for foreign investors in Uganda may be completed as quickly as one week, depending on the type of industry.

Franchising

The laws relevant to franchising in Uganda include the Contract Act, the 2012 Companies Act, the 1998 Land Act, the 1991 Investment Code Act, the 2014 Industrial Property Act, the 2013 Geographical Indications Act, the 2010 Trademarks Act, the 2009 Trade Secrets Protection Act, and the 2006 Copyright and Neighboring Rights Act. Franchises tend to be in the fast food, hospitality, heavy equipment, and consumer goods sectors.

Direct Marketing

With more than 26 million cell phone subscriptions, mobile phone marketing is the most common form of direct marketing. Foreign businesses typically market their products through local distributors.

Joint Ventures/Licensing

Ugandan law generally recognizes joint ventures. Under the Land Act, foreign entities may only acquire leases and cannot acquire freehold tenure. Under the Petroleum (Exploration, Development and Production) Act, joint ventures may be licensed to participate in a range of petroleum-related business undertakings provided there is participation by the Ugandan government or a foreign company that is at least 48% Ugandan-owned.

The 2015 Public Private Partnership Act also creates a legal framework for joint ventures between the government and private entities that must be special-purpose companies incorporated in Uganda (albeit foreign-owned) for a specific public project. The private party must also show proof of financial capacity to execute its obligations under the project.

Express Delivery

Express delivery firms operating in Uganda include DHL, FEDEX, and TNT, which offer air delivery to/from the United States in three to five business days. Package contents must be declared at the point of shipping and customs procedures upon arrival in Uganda include security scans for contraband as well as material liable to taxation.

Due Diligence

Fraud is rampant in Uganda, and becoming increasingly sophisticated. Investors interested in entering the Ugandan market must exercise caution and conduct due diligence prior to finalizing any transactions with a potential Ugandan business partner. While many legitimate Ugandan entities seek to source goods with U.S. firms, the U.S. Embassy commercial section regularly receives reports of fraud or attempted fraud.

U.S. businesses are advised to collect cash upon or before delivery, or use an escrow service, as well as collateralizing all loans. U.S. vendors should never agree to accept third-party checks as payment for goods to be shipped to Uganda. Gold should never be accepted in lieu of payment – it is often fake or sourced from conflict regions. U.S. firms should check document veracity with financial institutions or through a commercial law firm. Similarly, firms should also conduct reference checks of potential Ugandan partners, especially other foreign customers or suppliers.

The American Chamber of Commerce in Uganda offers a due diligence service: manager@amchamuganda.co.ug
Please see the Embassy's list of commercial lawyers to contact for due diligence services:

<https://ug.usembassy.gov/business/getting-started-uganda/> [Select – List of Commercial Lawyers]

eCommerce

Though loosely regulated and informal, eCommerce continues to rapidly grow in Uganda due to the widespread use of “mobile money” (telephone-based financial transfers) and the rapid growth of mobile phone usage. While there are only 5.5 million bank accounts in Uganda, there are about 25 million mobile money accounts.

Currently, Uganda's mobile money sector falls under the purview of the Uganda Communications Commission, (which is not mandated to regulate financial transactions) and thus, is effectively unregulated. However, under the National Payments Bill (currently pending the president's final approval), the BOU would regulate eCommerce and mobile money transactions. The bill proposes to give the BOU broad oversight authority, including the power to block eCommerce and mobile money transactions when it deems necessary.

In 2018, the government enacted a 0.5% tax on mobile money cash withdrawals and a \$0.05 daily tax on social media usage. However, these taxes have had minimal impact on usage of these services.

B2B/B2C sellers typically market their goods and services online, with consumers and sellers connecting first by phone and then by physical meeting. Payments are typically made in cash or by mobile money transfers. Although shopping directly from a website is a relatively new phenomenon in Uganda, it is fast growing. One key advantage for eCommerce in Uganda is the expanding middle class with a growing taste for U.S. consumer items (regarded as being of superior quality than those from China and other countries). Young people (18 to 30) constitute the bulk of online sellers and buyers.

Advertising in Uganda's eCommerce market remains largely unsophisticated and is mainly limited to social media platforms. Facebook, WhatsApp, Instagram, and Twitter are the most commonly used online platforms in Uganda.

Ugandan law provides for the protection of intellectual property rights (IPR) but enforcement mechanisms are weak. The country particularly lacks the capacity to prevent piracy and counterfeit distribution. As a result, theft and infringement of intellectual property rights is common and widespread. Uganda does not track seizures of counterfeit goods or prosecutions of IPR violations.

Selling Factors & Techniques

Companies generally advertise products through billboards, newspapers, radio, television, online classifieds, and social media. Although most Ugandans speak English, ad campaigns often use local languages as well. Firms also promote themselves at music concerts and sports events.

Trade Promotion & Advertising

The U.S. Embassy in Uganda is a commercial service partner post with the U.S. Embassy in Nairobi, Kenya. Investors can find more information about trade promotion services here:

<https://ug.usembassy.gov/business/commercial-services/>. The [Uganda Investment Authority](#) (UIA) leads the government's efforts to promote trade and investment in Uganda.

The Uganda Manufacturers Association organizes an annual trade show, with the next one scheduled for October 9 to 12, 2020. For details on these trade shows, see <https://www.uma.or.ug/trade-fairs>. The Uganda National Farmers Federation also organizes an annual agricultural trade show that is typically held in July (see <http://unffe.org.ug/27th2019/>). For 2020, both trade shows have been postponed indefinitely due to the COVID-19 pandemic.

Newspapers and Business Journal Advertisers include

The East African

Website: [The East African](#)

The Daily Monitor

Website: [Daily Monitor](#)

The New Vision

Website: [The New Vision](#)

The CEO Magazine

Website: [CEO East Africa](#)

The Eye Magazine

Website: [The Eye Magazine](#)

East African Business Week

Website: [Business Week](#)

Leading radio and television stations include

Capital Radio

Website: [Capital Radio](#)

Radio Sanyu

Website: [Radio Sanyu](#)

KFM

Website: [KFM](#)

Simba Radio

Website: - [Radio Simba](#)

MultiChoice Uganda Limited

Website: [MultiChoice Uganda](#)

Uganda Broadcasting Corporation

Website: [UBC](#)

Radio One

Website: [Radio One](#)

NBS Television

Website: [NBS TV Uganda](#)

NTV

Website: [NTV Uganda](#)

Pricing

Ugandan firms importing goods use the International Chamber of Commerce trade terminology otherwise known as “Incoterms.”

Although many U.S. firms prefer to quote prices on Ex Works or Free on Board basis, Ugandan importers generally prefer price quotes on “Cost, Insurance, and Freight (CIF) Mombasa” basis. Kenya’s port of Mombasa is the primary initial port of entry for goods destined for Kampala. However, in recent years, some Ugandan traders have

begun importing goods through Dar es Salaam, Tanzania. Ugandan importers generally prefer CIF quotes in U.S. dollars as they are familiar with customs charges, including taxes levied at the local ports/airports and brokerage and handling charges.

Uganda operates as a free market with few price controls outside of basic foodstuffs.

Ex Works: The seller is required to make goods ready for pickup at his or her own place of business. Transportation costs and risks are assumed by the buyer. [Least risk to exporter, greatest risk to Ugandan importer]

Free on Board (FOB): The seller agrees to absorb the costs of delivering the goods to the purchaser's transporter of choice. The term FOB is a frequent feature of contracts for the sale of goods, especially when the goods are to be delivered to a foreign destination. [Low risk to exporter, high risk to Ugandan importer]

Cost, Insurance, and Freight: The seller arranges for the carriage of goods by sea to a port of destination, and provides the buyer with the documents necessary to obtain the goods from the carrier. [Moderate risk to exporter, moderate risk to Ugandan importer]

Import Costs

When calculating import costs, companies should consider the following:

- **Purchase costs, as per bill of lading net sea/airfreight charges depending on incoterm basis.**
- **Insurance**
- **Logistics**
 - **shipping agent's fee**
 - **port charges**
 - **clearing charges are \$150 - \$250 per container**
 - **forwarding charges**
- **Land transport. Despite the relatively short distance, land transportation costs from the Kenyan port of Mombasa to Kampala are substantial at \$3,500 per dry container—often exceeding the price of shipping goods from the exporter port to Mombasa.**
- **Custom/Excise taxes**
 - **Most of the goods exported to Uganda are subject to customs/excise duty taxes. These taxes vary depending on the products. The range of customs taxes varies from zero to 60%**
 - **VAT is 18%**
 - **Withholding tax is 6%**
 - **Infrastructure Tax is 1.5%**
 - **Foreign Service Tax is 15% withholding tax and 18% VAT**
- **Miscellaneous fees**
 - **Some agricultural goods including beef and dairy are subject to additional fees.**
 - **Some high-value consumer goods not meant for resale, including digital televisions, are also subject to additional taxes.**
- **For further information on import fees, please go to the URA's website:**

[Uganda Revenue Authority - Services Catalogue](#)

Sales Service/Customer Support

Uganda's market offers consumers limited customer support. Ugandan customers often make purchases on an "as-is" basis. Investors who offer high-quality products with superior supply chain logistics and technical support could take advantage of this market shortcoming in Uganda.

Local Professional Services

[Expatri Assist Uganda](#)

[Price Waterhouse Coopers](#)

[Ernst & Young](#)

[Deloitte & Touche](#)

[The Institute of Certified Public](#)

[Accountants of Uganda](#)

[Uganda Association of Consulting](#)

[Engineers](#)

[Private Sector Foundation Uganda](#)

[Uganda National Association of Building](#)

[and Civil Engineering Contractors](#)

Principal Business Associations

American Chamber of Commerce of Uganda

Email: manager@amchamuganda.co.ug

Tel: +256 312 263 850

Uganda Manufacturers Association

Tel: +256 414 221 034 /287615

Uganda Bankers Association

Tel: +256 414 343 199

Email: Secretariat@ugandabankers.org

Uganda Law Society

Tel: +256 414 342 424

Email: uls@uls.or.ug

Uganda Society of Architects

Tel: +256 393 264 359

Email: archi.uganda@gmail.com

For a more comprehensive listing of Ugandan Business Associations please go to:

Uganda Economy - Trade Associations

Limitations on Selling U.S. Products and Services

According to the Uganda Investment Code, the State Minister for Investment may require foreigners to meet certain minimal capital investment thresholds, based on the sector. If the foreign investor intends to engage in any business beyond merely trading (i.e., intends to manufacture goods or provide services), the investor must acquire a license from the UIA. There are no restrictions on the sale and distribution of products once they are allowed in the country. Foreign companies often partner with local businesses to sell their products.

Trade Financing

Methods of Payment

In Uganda, retailers normally receive payment for consumer goods in cash. Transactions are also conducted through: open account, letter of credit, and documentary collections. Exporters of capital goods or other equipment, machinery, and services normally seek payment through wire transfers. Some large Ugandan businesses accept credit card payments. Ugandans may attempt to pay by third party check, but U.S. investors are advised to avoid this payment method due to fraud concerns. Uganda does not have a credit rating agency; however, there are two licensed credit reference bureau service providers that provide information to banks on the credit performance and exposure of borrowers.

Banking Systems

Uganda's banking sector includes 26 commercial banks, one development bank, and several micro-deposit and credit deposit institutions. Most of Uganda's largest commercial banks are foreign-owned. There is a fully independent deposit protection fund. Commercial banks contribute 2% of the previous year's average deposits to the protection fund. Uganda's banking system is dominated by large, well-capitalized multinational banks. Many more Ugandans use mobile money transactions than have formal bank accounts. Uganda's commercial banks also offer "Agency Banking," which provides services similar to the mobile money system, with bank customers making deposits and withdrawals at an agent outside the bank's premises.

Foreign Exchange Controls

There are no foreign exchange controls affecting legitimate trade. Businesses can bring in capital and repatriate profits without restriction. Uganda has forex bureaus for currency exchange.

U.S. Banks & Local Correspondent Banks

Citibank Uganda Limited

4 Ternan Avenue

Nakasero, Kampala, Uganda

Citibank operations in Uganda are exclusively commercial

Website: [CITI - Country Presence Uganda](#)

Resources

[U.S. Embassy “Doing Business in Uganda”](#)

[Uganda Investment Authority](#)

Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>

Protecting Intellectual Property

Ugandan law protects intellectual property rights, but the government rarely enforces laws aimed at preventing piracy and the distribution of counterfeit goods. While the URSB provides a standardized process for registering each type of intellectual property and allows investors to enforce their rights through the court system, enforcement remains weak. Uganda signed the World Intellectual Property Organization's (WIPO) Patent Law Treaty in 2000, but has yet to ratify it. Uganda is not listed on the United States Trade Representative Special 301 report or on the notorious market report.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at [WIPO – Country Profiles](#).

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please visit the following links: Protecting Intellectual Property and Stopfakes.gov for more resources.

IP Attaché Contact:

Address: Plot 1577, Ggaba Road

Telephone: +256-414-306102

E-mail: CommercialKampala@state.gov

For more information, contact the International Trade Administration's Office of Intellectual Property Rights: <https://www.trade.gov/contact.asp>.

Selling to the Public Sector

The Public Procurement Disposal of Assets Act requires that all public procurement be based on key principles including non-discrimination, transparency, accountability and fairness, competition, confidentiality, economy, efficiency, and ethical conduct. Except for situations where exigency or other factors demand otherwise, the law requires that all government procurements are sourced through a public tendering process. However, President Museveni has awarded several large infrastructure contracts without a competitive process. The Act takes precedence over any regional or international agreements on procurement to which Uganda is a party.

Procurement applications are handled by procurement and disposal committees established at both the central and local government levels.

The Public Procurement and Disposal of Public Assets Authority (PPDA) audits government procurements, oversees the public procurement processes, and monitors compliance by all government entities at both the central and local levels. Government procurement requests must include: a procurement schedule for every bid notice issued; standard formats for invitation of bidders (bid notices); and specified time frames for all government procurement activities. All bid evaluations must begin within 14 working days from the date of closing the bid. In practice, bid decisions often take several months, and several businesses have accused officials of soliciting, or being influenced by, bribes while analyzing bids. More information about PPDA is located on its website: [PPDA](#).

Laws regulating the petroleum sector include “national content” provisions that require contractors to employ a certain percentage of Ugandans and prioritize the use of local goods and services. Specific national content requirements are provided in [The Petroleum \(Exploration, Development and Production\) Regulations, 2016](#).

The government requires companies engaged in the petroleum sector to submit an annual report documenting compliance with the local content provisions. A broader draft Local Content Bill (currently before parliament) is aimed at extending these provisions to other sectors by making it obligatory for all government contractors to prioritize using locally sourced goods and services, when they are available and are of competitive quality.

Uganda often finances public works projects through borrowing from multilateral development banks and individual country Export-Import banks. Please refer to “Project Financing” Section in “Trade and Project Financing” for more information. Uganda is not a party to the World Trade Organization (WTO) Agreement on Government Procurement ([WTO - Parties, observers, and accessions](#)).

U.S. companies bidding on government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department’s International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

Financing of Projects

The government generally finances major projects with debt from multilateral development banks, individual country Export-Import banks, and grants from international donor agencies. While the government has historically preferred concessional loans from multilateral donors, over the past five years it has increasingly relied on loans from the Export and Import Bank of China. While these loans are at below market terms, they are more costly than loans from multilateral donors and have significantly contributed to Uganda’s growing debt burden. AGRC’s agreement to build the oil refinery using private equity funds is Uganda’s first major private sector-financed infrastructure project. U.S. companies’ project proposals are often disadvantaged due to a lack of readily available financing. Following passage of the Public-Private Partnership Act (2015), private contractors may also finance projects undertaken in collaboration with the Ugandan government.

Multilateral Development Banks and Financing Government Sales

Price, payment terms, and financing can be a significant factor in winning a government contract. Many governments finance public works projects through borrowing from multilateral development banks (MDB). A

helpful guide for working with the MDBs is the [Guide to Doing Business with the Multilateral Development Banks](#). The U.S. Department of Commerce's (USDOC) International Trade Administration (ITA) has a Foreign Commercial Service Officer stationed at five different multilateral development banks (MDBs): the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the World Bank. Learn more by contacting:

Commercial Liason Office to the [African Development Bank](#)

Commercial Liason Office to the [World Bank](#)

Business Travel

Business Customs

Ugandan business people value decision-making through consensus and place a strong emphasis on developing relationships. Ugandans place high importance on protocol and begin most meetings with introductions, including the participants' business backgrounds and families, so all parties are comfortable working with each other. As a result, business transactions take time as parties build their relationships. A trusted third-party introduction eases familiarity and makes contact with a Ugandan business easier. An introduction from a mutual friend, acquaintance, or known business associate before initial contact can help alleviate some of the problems prior to initial correspondence or meetings. The U.S. Embassy's Commercial Section has contacts within government agencies and the business community and can facilitate introductions. Formality is common in Ugandan business transactions. Ugandans consider it polite to address contacts using their titles such as Honorable (for members of parliament and ministers), Mr., Mrs., Miss, Dr., followed by the family name. It may be regarded presumptuous to address someone by their first name during initial meetings.

Successful investments in Uganda require numerous business meetings, with a strong preference for face-to-face discussions over telephone calls or emails. Uganda is a hierarchical society, so we recommend that investors request initial meetings with the top official in the organization.

While introductions may be formal, business meetings tend to be informally structured, often lacking agendas. It is not unusual for other people to be called into the meeting after the meeting starts. We recommend that potential investors identify the business official in charge of decision-making before your introductory meeting. Ugandans dress formally for business meetings. Normal business attire consists of a suit and tie for men and suit or dress for women. Open collar shirts and slacks may be worn to more informal meetings.

Travel Advisory

For the latest travel-related information, please see the consular information sheet for Uganda at [U.S. Passports & International Travel - Uganda](#).

Visa Requirements

The Ugandan immigration service requires visitors to apply for visas online via Uganda's eVisa application system prior to their arrival and present a confirmation barcode at the airport. Please apply at least three weeks prior to departure. Per the Ugandan Embassy website ([Embassy of the Republic of Uganda - Visa Requirements](#)) a single-entry visa costs \$50, a multiple-entry visa costs \$100, and an East Africa tourist visa valid in Uganda, Rwanda, and Kenya costs \$100.

Visa requirements, Embassy of the Republic of Uganda in Washington, D.C.:

[Embassy of the Republic of Uganda - Visa Requirements](#)

Uganda eVisa:

<https://visas.immigration.go.ug/>

U.S. Embassy to Uganda's Consular website:

[U.S. Embassy in Uganda - U.S. Citizen Services](#)

Currency

The official currency for Uganda is the Ugandan shilling (UGX), which trades freely on the open market. As of July 31, 2020 the exchange rate was UGX 3,707.5 to \$1. Major commercial bank ATMs are available in all major towns and hotels. Real estate transactions and large import orders are conducted in USD, while day-to-day transactions are conducted in shillings. Some hotels may take payment in USD and most large-scale chain hotels will take credit card payments. Outside of major hotels, major supermarkets, stores in shopping malls, and some restaurants, few businesses accept credit cards and U.S. investors are encouraged to have sufficient cash on hand for transactions.

Telecommunications/Electronics

The largest telecommunication companies in Uganda are: MTN, Airtel, Uganda Telecom, Africell, Smile Telecom, and Smart Telecom. The mobile phone network covers urban and most rural areas, though reception quality can be erratic. SIM Cards for U.S. visitors coming to Uganda with compatible triband phones cost less than \$2 and are available at authorized telecommunications offices. To purchase and register a new SIM card, customers must present their passport, and provide a passport photo and a copy of their passport bio data page. A satellite telephone is recommended for persons working in remote areas. U.S. cell phones work in Uganda in roaming mode. T-Mobile's international service works through its partnership with local networks. Google Project Fi also works in partnership with local networks. WiFi is readily available in major hotels across Uganda, although speeds may vary.

Electrical outlets in Uganda operate at 220 watts on G-type plugs. Uganda's underdeveloped power distribution network results in frequent power surges. A surge protector is highly recommended for travelers.

Ugandans, especially in urban areas, increasingly rely on WhatsApp text messages as their primary method of communication, for personal and business needs. Many Ugandans check their email infrequently and often miss messages. Fax and copying services are available in shops in Kampala and at major hotels.

Transportation

Although the government has invested heavily in the country's road network and several major highways have been improved, many roads are in poor condition. Paved roads connect Kampala to border crossings with Kenya, Rwanda, South Sudan, and Tanzania. Uganda's first four-lane expressway between Kampala and Entebbe opened in June 2018. Due to poor drainage, driving conditions worsen during the rainy season. With vehicle ownership in Kampala increasing 10% per year, unpredictable traffic congestion continues to worsen. Routine trips across Kampala can take anywhere from 30 minutes to two hours. Secondary roads remain undeveloped and a vehicle with high clearance is strongly recommended.

Uganda's public transport system is unreliable and dangerous. Fourteen-seat commuter buses (referred to locally as "taxis") are used within the cities and for long-distance travel. Due to poor vehicle maintenance, rough road conditions, and aggressive driving, these buses are neither safe nor reliable. Uber has become a prevalent means of transportation and is considered safe to use.

Entebbe International Airport offers non-stop flights to regional, European, and Middle Eastern destinations. Frequent regional flights include: Nairobi, Dar es Salaam, Addis Ababa, Juba, and Kigali. Other non-stop international destinations include: Johannesburg, Cairo, Istanbul, Dubai, Doha, Brussels, and Amsterdam. There are no direct flights to the United States, although Delta and United offer codeshares with European, African, and Middle Eastern carriers. Small private carriers recently have established scheduled commercial services between Entebbe and several domestic safari sites popular with tourists. Uganda launched its national airline (Uganda

Airlines) in July 2019 with four Bombardier CRJ900 aircraft operating on routes in East and Central Africa. The airline intends to extend flights to Europe, the Middle East, and China once Airbus delivers two Airbus A330neo aircraft in 2021.

Language

English (British English) is the official language of Uganda. Bantu languages dominate in areas south of Lake Kyoga, while Nilotic languages dominate in the North. Swahili is commonly used near Uganda's borders with Kenya, Tanzania, and the Democratic Republic of the Congo.

Health

Travelers are encouraged to carry their own medical supplies as some medications are either not available in Uganda or only available in generic form. Malaria is widespread and the use of appropriate prophylaxis and bed nets is strongly recommended to lower the risk of contracting malaria. Typhoid fever and Hepatitis A and B immunizations are also recommended as is the meningococcal immunization. Yellow fever is particularly present in northern Uganda, but can be reliably prevented with the required Yellow Fever vaccine. Uganda requires proof of Yellow Fever immunization to enter the country. Please be sure to have your immunization card appropriately stamped with the Yellow Fever immunization stamp. Due to poor sanitation throughout Uganda, enteric diseases including E. Coli, giardia, amoebic dysentery, and shigella are common. Travelers should not eat roadside foods and are encouraged to drink bottled water as typhoid and cholera outbreaks are common. Although tap water is treated, water from taps is not potable and should be boiled for five minutes and filtered before drinking. Fruit and vegetables should be soaked for 20 minutes in chlorinated water if they are to be eaten uncooked. Most lakes and rivers are infested with bilharzia, limiting water-based recreation. Restaurant food should be hot and cooked. Uncooked foods, salads, and fruits without their peels should be avoided as they could cause enteric diseases. Stray animals, to include cats and dogs, should be avoided as they may carry rabies. Adult HIV prevalence is about 6.2% (7.6% among women and 4.7% among men). Prevalence is much higher in major cities and regions that depend on cross-border trade.

Health conditions rapidly change and travelers are advised to visit the Centers for Disease Control and Prevention's Uganda website for the latest information on local health conditions:

[Centers for Disease Control and Prevention - Health Information for Travelers to Uganda Traveler View](#)

If you need to consult a doctor, please check with the receptionist at your hotel. Pharmacies in Uganda are usually open from 8:00 a.m. to about 9:00 p.m., and on Saturday from 8:00 a.m. to 6:00 p.m. A few pharmacies open on Sunday from 8:00 a.m. to 6:00 p.m.

Private Hospitals:

[International Hospital Kampala](#)

4686 Barnabas Rd, Kampala, Uganda

Tel: +256 (312) 200400

[Nakasero Hospital](#)

Plot 14A Akii-Bua Road, Nakasero, Kampala, Uganda

Tel: +256 (414) 346150

[Unihealth Medical Centre \(UMC\) Victoria Hospital](#)

Plot 1495 Bukoto, Kira Road, Kampala, Uganda

Tel: +256 (772) 406612

Clinics:

[The Surgery](#)

Plot 42 Naggulu Drive, Naguru, Kampala, Uganda

Tel: +256 (312) 256 001/2/3

[AAR Health Service](#)

Plot 6 Makindu Close (off Windsor Crescent), Kololo, Kampala, Uganda

Tel: +256 (414) 258615

[International Medical Group Clinics](#)

Plot 37, Yusuf Lule Road, Nakasero, Kampala, Uganda

Tel: +256 (312) 188 800

[The Clinic](#)

2nd Floor, The Village Mall, Plot 47A Spring Road, Bugolobi, Kampala, Uganda

Tel: +256 (392) 177 283

Local Time, Business Hours, and Holidays

Uganda is three hours ahead of Greenwich Mean Time. Office hours typically are 8:00 AM to 5:00 PM Monday through Friday, though in practice, office hours vary and workers frequently go home by noon on Friday.

The following is a list of official holidays in Uganda for 2020:

Date	Day	Holiday
January 1	Wednesday	New Year's Day
January 26	Sunday	Liberation Day
February 16	Sunday	Janan Luwum Day
March 8	Sunday	Women's Day
April 19	Friday	Good Friday
April 22	Monday	Easter Monday
May 1	Friday	Labor Day
May 24*	Sunday	Eid al-Fitr
June 3	Wednesday	Martyrs' Day
June 9	Tuesday	National Hero's Day
July 31*	Friday	Eid al-Adha
October 9	Friday	Independence Day
December 25	Friday	Christmas
December 26	Saturday	Boxing Day

* Eid al-Fitr and Eid al-Adha are based on the Islamic lunar calendar and the precise date will be determined later based on the sighting of the moon.

Temporary Entry of Materials or Personal Belongings

Persons bringing goods into Uganda temporarily need to execute a bond through a clearing agent. Personal effects typically are not taxed, though a sizeable consignment of personal effects might attract the attention of Ugandan Customs and a person bringing in such a consignment should contact a clearing agent.

Travel Related Web Resources

[State Department's Smart Traveler Enrollment Program \(STEP\)](#)

[State Department Travel Website](#)

[U.S. Embassy Kampala](#)

[U.S. Embassy Kampala U.S. Citizen Services](#)

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](https://state.gov/reports/2019-investment-climate-statements/) website or direct link:

<https://state.gov/reports/2019-investment-climate-statements/Uganda/>

Political Environment

For background information on Uganda's political and economic environment, please click on the following link:

<https://www.state.gov/u-s-relations-with-uganda/>