



# HOIMA DISTRICT

# INVESTMENT PROFILE



**SUSTAINABLE DEVELOPMENT GOALS**



*Empowered lives.  
Resilient nations.*

# HOIMA DISTRICT



| Figure 1: Map of Uganda showing the location of Hoima District

# SNAPSHOT ON HOIMA

Geography	
Location	Western Uganda
Neighbours	Masindi, Buliisa, Kyankwazi, Kibaale, DRC
District area	5,735.3 Km <sup>2</sup>
Arable land area	3,612.2 Km <sup>2</sup> (67%)
Socio-Economic Characteristics	
Population (2016 projection)	617,600
Refugees and Asylum seekers (April 2017)	45,000
Languages	Runyoro,
Main Economic Activity	Agriculture
Major tradeable	Cassava, Maize, Sweet Potatoes, Rice
Infrastructure and strategic positioning	
Transport network	Road
Communication:	MTN, Airtel, Africel, UTL, the internet
Website	<a href="http://www.hoima.go.ug">www www.hoima.go.ug .go.ug</a>

## GEOGRAPHY

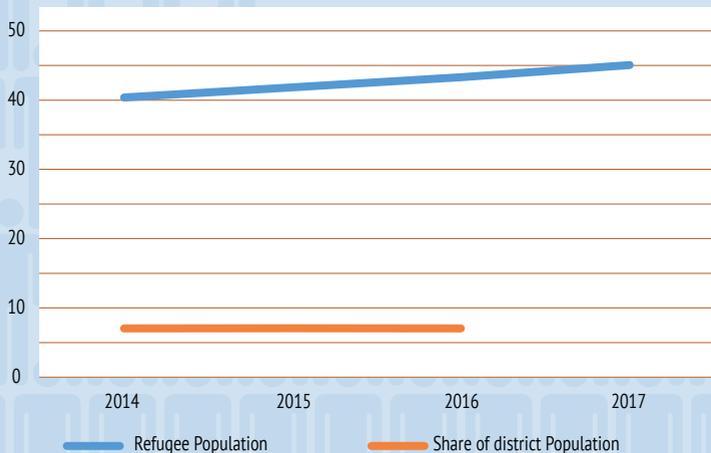
➔ Hoima District is located in the mid-western region of Uganda. It shares borders with Masindi and Buliisa Districts in the North, Kyankwazi District in the East, and Kibaale District in the South. The district stretches to the national boundary of DRC in the Western. The District Headquarters is situated at Hoima Municipal Council, a road

distance of about 220 km from Kampala. It has risen to become a major destination for the country thought after investment following the discovery of crude oil.

➔ The district has a total area of 5,735.3 Km<sup>2</sup> with a land area of 3,612.17 Km<sup>2</sup>. The western border is completely covered by Lake Albert amounting to 2,123.13 Km<sup>2</sup> of water.

# DEMOGRAPHY

- ➔ The population of Hoima District is estimated at 617,600 people. Though the district is mostly occupied by the native Banyoro, the discovery of oil has attracted various ethnic groups especially the Baganda, Banyankole, Bakiga and Lugbara.
- ➔ The district is known to host refugees from various parts of the region, including DRC, Rwanda, South Sudan, Somalia, Burundi and Kenya. In 2016, refugees, who were estimated at 43,000 accounted for seven percent of the district population. As at May 2017, refugees totaled 45,000.
- ➔ Refugees are hosted in Kyangwali refugee settlement located in the South West of the district. Given its proximity to Eastern Congo, more than 80 percent of the settlement's population are Congolese
- ➔ Hoima promotes the government's exemplary refugee settlement model that allows refugees to interact freely and set up investments, which provides an opportunity to harness their potential to accelerate local economic development. Generally, the refugee and host communities enjoy a cordial relationship, which offers a favourable environment for doing business

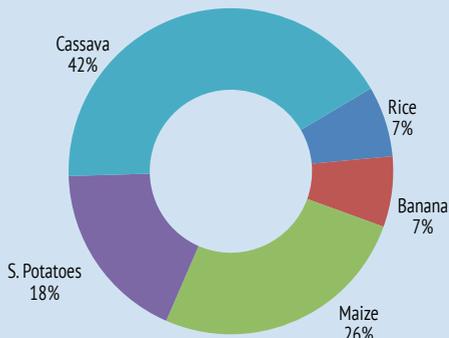


# MAIN ECONOMIC ACTIVITY

- ➔ Agriculture is the major economic activity in the district, engaging about 63% of the working population.
- ➔ The commonly grown crops and leading in volume are Cassava, Maize and Sweet Potatoes and rice. With the total production volume of major crops amounts to 157,498 Metric Tons.
- ➔ Fishing also a major economic activity, mostly on Lake Albert.
- ➔ The people are engaged in other informal non-farm activities to generate income including retail merchandising, market vending, restaurants, health care clinics. Additional activities are welding, carpentry, vehicle repair workshops and related occupations.
- ➔ The recent discovery of petroleum in the district has created new expectations, subsequently attracting people to engage in the many farm and non-farm activities that tap into the value chain.

## ***Involvement of refugees in the local economy***

- ➔ A large percentage of the refugees (90%)<sup>1</sup> are engaged in economic activities, agriculture



being the main activity and others are retail business and casual work to generate income. A study by the Refugee Studies Centre (2013), University of Oxford found evidence of robust trade activity, not only within the settlement, but also with the wider local community.



| *Women in Business*

# WHY INVEST IN HOIMA DISTRICT?

## Existing Infrastructure

- **Road transport:** Good road network. Major roads include: 1) the Kampala–Hoima Road connecting to the Central and Western regions; 3) Hoima-Kaiso Tonya Road, linking oil-area to the rest of the country.



| Kaiso-Tonya Road, connecting to the oil fields



| Muzizi Hydropower station



| One of the magnificent accommodation facilities in Hoima

- **Communication:** The district access to major mobile telephone networks including MTN, Airtel, UTL as well as the internet. Almost every major street has internet kiosk, providing access to a variety of services. There are four radio stations and one local television station. However, with digital service providers, locals have access to all paid-stations like the rest of the country.
- **Accommodation:** Hoima town is very rich in accommodation, including more than 20 well serviced hotels, apartments and bungalows for short and long stays. Some of the high-end Hotels include Riviera, Kolping, Glory Summit, Milka Eco Resort, Kijungu Hill, Crown Hotel

## National Development Plan (NDP II, 2015/16-2019/20) Planned Infrastructure projects to boost economic activity

- **City development:** Hoima will be established as one of the Strategic Cities of Uganda.
- **Road Transport:** 1) Kigumba-Masindi-Hoima-Kyenjojo Road, connecting most of the Western region; 3) Ikamiro-Kingfisher Road-providing access to the

lone oil field; 3) Hoima-Wanseko road; and 4) Masindi-Biiso road.

- ➔ **Air transport:** The proposed Hoima Airport will be developed near the Kaiso-Tonya oil fields and the Uganda Oil Refinery, with capacity to handle large passenger and cargo aircrafts.
- ➔ **Water Transport:** Engine-thrust ships will be introduced to upgrade the transportation services across the Lake Albert between Uganda and DRC.
- ➔ **Energy:** Muzizi mini Hydro Power Station (45 MW); Construction of the oil pipeline;
- ➔ Construction of oil refinery.

## Abundant Natural Resources

- ➔ **Minerals:** The district is endowed with favorable geological conditions associated with rich and diverse mineral resource base and substantial economic potential. Some of the known mineral resources have a mining history while others are yet to be exploited: selected minerals include: Gold salt, Kaolin, sandstones, siltstones, shale, Ilmenite, Zircon, Monazite, Zona time and Casserites.



| Oil and gas excavation facility

- ➔ The District has a considerable amount of **oil** deposits, estimated at between 2.5 billion to 3.5 billion barrels in **Lake Albert**. An oil refinery, is planned in Buseruka Sub-county, Hoima District, approximately 40 kilometres from Hoima municipality. Plans are
- ➔ re underway to construct a pipeline to transport crude oil from the oilfields to Tanga, Tanzania, a port on the Indian Ocean.

| Kabalega Falls



- ➔ **Water:** Freshwater resources are in abundance. Lakes and rivers include Lake Albert, rivers Kafu, Nkusi, Waaki, Wambabya, and Rutoba. It is also endowed with large wetland swamp areas.
- ➔ **Land:** Hoima has abundant land 67 percent of which is Arable.

### Tourism Potential

- **Rich archaeological and historic cultural sites** including, burial grounds for kings, stone-age sites, Forts constructed by colonialist to fight resistance.
- **Forest reserves:** Bugoma Central Forest Reserve consisting of 23 species of mammal, 225 species of bird, and 260 species of tree; Budongo Forest Reserve consisting of 360 bird species, some 290 butterflies, 130 moths, 465 trees, and 24 mammals, of which 9 are primates.
- **Animal habitats and water falls:** Murchison falls N
- National Park offers opportunity to track rhinos and various other species; Kibale National Park- home to a remarkable 13 primate species; the newly established Kabwoya Wildlife Reserve **offers opportunity to view species such as the Jackson's hartebeest, Uganda Kob, Buffalo, and Warthog.**



| Mparo Tombs-Burial Grounds of Bunyoro Kings

### Skilled and Productive workforce

- Hoima district is endowed with industrious, technically capable and affordable manpower.
- The district has reputable institutions offering training in fields such as catering, Business and Accounts, office administration, nursing, oil and gas
- The thriving business opportunities and prospects of the oil industry are attracting young people back home to take advantage of employment opportunities but also start their own businesses.

### Administrative support

- One-stop centre at the district headquarters to support investment start-ups
- District Investment Committees (DICs) to spearhead investment attraction, facilitation and after-care in different sectors.

### Attractive Incentive regimes

- Uganda's incentive package for both domestic and foreign investors provides generous terms, particularly for medium- and long-term investors whose projects entail significant plant and machinery costs. Below is a snapshot of selected incentives. The incentive structure is cur-

rently under revision. For details, refer to [www.ugandainvest.go.ug/downloads/](http://www.ugandainvest.go.ug/downloads/)

**Category 1- Initial Allowances:** Initial capital expenditures which are deductible once from the Company's Income:

- » 75% of cost of plant and machinery for an investment located outside Kampala, Entebbe, Jinja area;
- » 100% of scientific research expenditure;
- » 100% of training expenditure;
- » 100% of mineral exploration expenditure;
- » 25% of start-up costs are deductible over four years.

**Category 2- Annual Depreciation Allowances:** The following allowances, under declining balance method, are provided for assets as specified in 4 classes below:

- » Class 1: 45% on Computers & Data handling equipment;
- » Class 2: 35% on Automobiles, Construction and Earth moving equipment;
- » Class 3: 30% on Buses, Goods Vehicles. Tractors, Trailers, Plant & Machinery for farming, manufacturing and mining;

- » Class 4: 20% on railroad cars, Locomotives, Vessels, Office furniture, fixtures etc.

**Category 3 - Other Annual Depreciation Allowances include:**

- » 5% on Industrial Buildings, Hotels & Hospitals;
  - » 20% on Farming - General farm works;
  - » 20% on Horticultural Plant and Construction of Green-houses using straight line depreciation
- ⇒ In addition to the above incentives, there is a zero rate of import duty on plant and machinery as well as a uniform corporate tax rate of 30%.
- ⇒ The depreciation allowances, plus the deductible initial capital allowances are provided without discretion to eligible investors in order to reduce their taxable income during the crucial early years of a project. The investor therefore keeps a high proportion of its cash flow and income for further investment.

### ***District Specific Direct incentives:***

- ⇒ Investors assisted to access suitable land for industrial and agricultural development.

# EXISTING INVESTORS (SELECTED)

- Bugambe Tea Estate
- Butema Brick Factory: Designer bricks demanded across the country
- International Oil companies (Tullow, CNOOC and TOTAL)
- Hoima Sugar Limited,
- Banking services (12 Banks and several Microfinance Institutions)
- Tobacco companies including: Alliance One Tobacco Uganda, Continental Tobacco Uganda Ltd, Premier Leaf Tobacco Uganda Limited and Uganda Tobacco Services Ltd.
- Myriad investments in the Hospitality Industry, especially hotels:



| *Tea plantation in Hoima District*

# INVESTMENT OPPORTUNITIES IN HOIMA

- Mining (iron ore)
- Agro processing,
- Livestock enterprises & value chain,
- Fisheries products value chain,
- Future petro- chemical industry,
- Accommodation, conference & recreational facilities
- Developing tourism sites
- Real Estate & fabrication
- Waste management & treatment,
- Transportation services (including water).



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