The Fisheries sector remains the second highest foreign exchange earner for Uganda. Investment in the sector is estimated at US$ 200 million with employment of over 700,000 people. In 2008, 24,965 tons of fish were exported which earned Uganda an estimated $124 million in export revenues (Figure 1).

The fish products exported include fresh fish (not chilled), chilled and frozen fish, dry/smoked fish, fish maws, fish meal, fish oil, fish skins and live (ornamental) fish. Fresh fillets are the main fish products exported from Uganda accounting for 76% of total quantity and 78% of total value. The European Union is the major market for Uganda’s fish accounting for 75% of total exports. The front runners are France, Belgium and Netherlands (Table 1). Uganda is the 5th fish fillet exporter in France, ranking after vast fish suppliers such as China with a market share of 10.9%, Norway (9.8%), Chile (7.2%) and USA (6.3%). France continues to be an important fish market for Uganda given the escalating demand for fresh water fish particularly Tilapia and Nile perch. The regional market for fish is gradually rising with the return of peace in southern Sudan and Eastern Congo and export earnings range between US$ 15 to 30 million annually. At the regional level, Kenya, Sudan, D.R. Congo and Rwanda are the major importers of Uganda’s fish products.
**Sector Performance**
Although the sector is significant in the economy, its performance has been affected by the increasing depletion of fish stocks from the lakes as a result of over fishing and use of wrong fishing gears. Statistics for 2008/09 indicate a further decline in growth by 0.1% from 11.8% in 2007/08 (Figure 2). The contribution of the sector to GDP was 1.6% in 2008 a reduction from 1.9% in 2007. The downward trend in fish production is however envisaged to recover as soon as the relevant fishing regulations are enforced.

![Figure 2: Percentage Growth of the Fisheries Sector – 2004/05 – 2008/09](image)

**Volumes of Fish Catch by Water Body**
Although Uganda has more than 350 fish species, the Nile perch (Lates niloticus) and Tilapia (Orechromis niloticus) remain the most important, making up 46% and 38% of the total respectively. The sector depends on natural water bodies which account for about 18% of Uganda’s total surface area. In 2007 the total amount of fish catch was 374,300 metric tons, an increase from 367,200 metric tons in 2006. Lake Victoria - the largest tropical lake and second largest freshwater lake in the world contributes 60% of the annual fish catch (223,100 metric tons) while other lakes such as Kyoga and Albert contribute 16% (60,000 MT) and 15% (56,000 MT) respectively.

**Transportation to International Markets**
The sector is supported by 15 international airlines which offer sufficient cargo space to enable exportation of fish to Europe. The cost of air freight to Europe currently ranges between $1.40 – 1.45 per kilogram. Handling charges range from $1.70 to 1.80 per kilogramme. A substantial premium is paid for fresh fillets (82% by volume), with a declared average export value of US $4,210 per tonne for fresh fillets compared with US$ 2,816 per tonne for frozen ones.

**International Quality Standards**
Compliance to International Quality Standards in the sector is guaranteed by Uganda’s Department of Fisheries Resources, Uganda National Bureau of Standards, Food Science and Technology Research Institute, National Environment and Management Authority and the Ministry of Health. Each processing factory is given an export quota and only the best quality fish are selected for export.
Most fishing in the sector is done by small canoes using either paddle or outboard power. All factories have refrigeration trucks that transport fish from landing sites to the processing plants. The processing plants adhere to standards of design and construction specified in the European Union hygiene directive. Hazard Analysis Critical Control Point System and good manufacturing practices are also adhered to and the entire fisheries industry has achieved ISO 9002 certification status and the ISO -1400 Environment Quality Standard certification.

**Key strength of the Fisheries Sub Sector**

Cost of industrial land to set up processing facilities in Uganda is the cheapest in the region, currently at $5.9/sq.m, compared to Kenya’s $186; Tanzania’s $12.6; and Republic of South Africa $58.

Number of weekly work hours per employee in the sector is very competitive in the region with Uganda at 50.3 hours compared with Kenya’s 51; Tanzania’s 47 & South Africa’s 40 hours.

Lower labour rates than many other countries in the region with highly trained professionals in Fisheries related fields. Labour cost for professionals in Uganda is $4,000; Kenya’s $14,000; while South Africa is $103,800 per annum.

Reliable water bodies and climate/soil for fish farming and processing, unparalleled in the region because of its location at the equatorial zones.

Uganda is ranked 10th exporter of fisheries products in Africa and no other country is higher on the list in the Sub-Saharan region.

Uganda’s fish is organic by practices & could be branded for premium price.

Fish importers indicate that Ugandan fish is more delicious compared with fish from the Kenyan and Tanzanian side of L. Victoria due to the shallow depth of the lake on the Ugandan side.

Raw fish prices are lower in Uganda than in regional neighboring countries.

Uganda has about 160 fresh water lakes where more fish farming and harvesting can take place making Uganda one of the ten leading producers of inland fisheries in the world.

Strong and visible umbrella Association (Uganda Fish Processors & Exporters’ Association) that supports investors in the sector.

The ISO -1400 Environment Quality Standard certification enables Fish processors in Uganda to export to international markets.

**Specific sector related incentives**

Interest earned by a financial institution on a loan granted to any person for the purpose of fish farming is exempted.

Ten year tax holiday, withholding tax exemption on interests, raw materials and plant and machinery.

Stamp duty on increase in share capital exemption as well as duty and tax exemption on raw materials.

Airlines flying out of Entebbe International Airport are exempted from tax earned on income derived from Uganda in order to attract international carriers flying the Entebbe route.

Capital allowance for companies investing in heavy plant and machinery.

**Investment Opportunities**

- **Manufacture of Value Added Fish Products** - No firm in the country processes fish into finished products such as canned fish, fish sausages, fish soups and breaded fish products.
- **Local and Regional Cold Distribution Chain** - Refrigeration facilities are required to
enable distribution of fish to the local and regional market.

- **Dry/Smoked Fish** - Demand for dry/smoked fish is high within the region including the European Union. In addition the Capital investment required to setup a drying facility is rather low. Equipment for hot smoking, capable of producing 200 metric tonnes per year costs about US$ 200,000.

- **Production of high value added by products** - Currently, only one firm, Uganda Fish Skin tannery converts fish skins into leather for export. Other value added products such as isinglass and pharmaceuticals could also be manufactured from fisheries waste.

- **Fish & Fish products Export Marketing** - There is minimal promotion of fish and fish products from Uganda.

- **Ornamental Fish** - Marketing ornamental fish species e.g. Happochromis has gained significant markets in USA and the European Union.

- **Aquaculture/Large-scale fish farming** - This has huge potential in Uganda but has not been fully developed.

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2. Fish ways Uganda Ltd
3. Freshwater Fish Industries Ltd
4. Gomba Fishing Industries Ltd
5. Greenfields Uganda Ltd.
6. Hwan Sung Ltd
7. Igloo Food Industries Ltd
8. Marine and Agro Export Processing Ltd
9. Maseeg Fish Packers Ltd
10. Ngage Ltd
11. Tampa Fisheries Ltd
12. Uganda Fish Packers Ltd
13. Unfoods Ltd
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