

A Quarterly Publication of the Uganda Investment Authority (UIA)

RESPONSE TO THE COVID-19 PANDEMIC



UIA BOARD CHAIRMAN SPEAKS OUT Pg 5

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March - June, 2020

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ONE STOP CENTRE FOR INVESTORS

Uganda Investment Authority (UIA) is the first point of contact for any potential investor









Policy Advocacy on investment to government on behalf of the Private Sector.

The physical **One Stop Centre (OSC)** has been developed into an electronic OSC portal **www.ebiz.go.ug** in order to improve and hasten the service delivery of core and investment relevant Agencies/Institutions to investors.

The business Community can access the portal and perform the following activities:

- Business Registration
- Issuance of Investment License
- Issuance of KCCA Trading License
- Process of Work Permits and other related Immigration documents

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- Environmental Compliance
- Taxi advice and Registration Standard
- Certification advice and procedure
- Land Tittle verification



- Provide all investment related information.
- Through the One Stop Centre: register and incorporate business; issue investment licenses, assist in the acquisition of secondary approvals / licenses.
- Assist in the acquisition of Agricultural and Industrial land when required
- Assist in organizing itineraries for visiting foreign business missions in the country
- Facilitate and enhance Small and Medium Enterprises to grow and link to
- multi- national entities for business.
- Review and make policy recommendations to Government about investment
- Broker joint venture partnerships
 - Provide aftercare services to existing investors

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Developed new Stocked up on raw supply chains due materials to current restrictions Other (please specify) Introduced Adopted new ygiene measures methods of i.e social Production or distancing, service delivery handwashing, e.g e--commerce masks etc.



Read on why UIA is profiling SME's in Uganda



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BOARD OF DIRECTORS



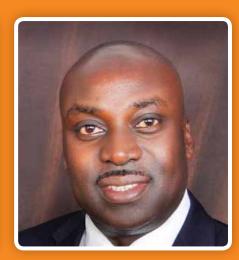
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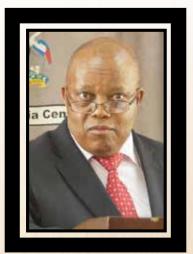


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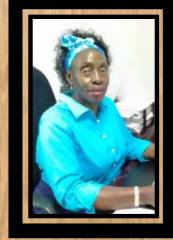
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During this quarter, the UIA Board participated in several activities that included the commissioning of factories by His Excellency President Yoweri Museveni. Some of the factories are located in Uganda's flagship Kampala Industrial and Business Park (KIBP) in Namanve.

Chairman Board of Directors

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This edition of the Investor Magazine comes at a time when Uganda and the whole world have been negatively impacted by the COVID-19 pandemic. Measures to contain the spread included lockdowns globally which closed borders and restricted businesses leading to a global economic down turn.

The pandemic required a quick analysis of UIA's capacity to re-engineer its processes to continue serving both potential and existing investors even during the restrictions. On behalf of the Board of Directors, I am happy to inform all our stakeholders that the Management and Staff of the authority continued to facilitate investors through online engagement and 'scientific' meetings that observe the SOPs instituted by Government.

The Board also embarked on finalizing the UIA Strategic Plan 2020-25 which among other priority areas will outline strategies to attract and facilitate investment in the priority areas as outlined in the National Development Plan III and in H.E the President's

signature speech on the 'real' and 'vulnerable' economy, which details 14 product lines. The next issue of this magazine should be able to provide readers with an update on how these have been implemented.

During this quarter, the UIA Board participated in several activities that included the commissioning of factories by His Excellency President Yoweri Museveni. Some of the factories are located in Uganda's flagship Kampala Industrial Business Park (KIBP) in Namanve. The Board has also put in place governance structures in the KIBP Project that will deliver on the United Kingdom Export Finance funded project that will see the park fully developed with the entire required infrastructure

UIA's activities and achievements detailed in this magazine were made possible by collaboration with various stakeholders and partners. We appreciate their partnership and are committed to continue attracting and facilitating value adding investment that will create more opportunities to generate higher incomes and gradually develop Uganda into a Middle Income Country.

For God and My Country

Dr. Emely Kugonza CHAIRMAN, BOARD OF DIRECTORS

Executive Foreword

This is to welcome our readers to the second edition of the Uganda Investment Authority (UIA) Quarterly Newsletter for the period January to March 2020.

It comes out at a time when countries all over the World including Uganda are under Lockdown due to the COVID-19 pandemic outbreak which has negatively affected investments.

It is for this reason that UIA undertook a survey between April and May 2020 on the impact of the COVID-19 lockdown on the Investment Environment in order to inform Government policy interventions.

This edition shares with you the findings of the survey report which among others indicated that during the COVID-19 outbreak, the biggest number of

companies asked their workers to stay home, but supported them with some minimal allowances.

Other employers decreased the number of working hours while 56% percent of the respondents had temporarily closed business or production. The report also highlights the top most concerns for businesses during the pandemic.

UIA in consultation with identified stakeholders has developed a number of mitigation measures that are in the report aimed at protecting the existing and prospective investors into the country.

Despite the pandemic, there has been an improvement in registered companies and planned values of the licensed projects. A status report on

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licensed projects... the sectors that continue to constitute higher percentage of licensed projects and the jobs they are creating.

UIA would like to use this opportunity to assure the business community as well as those looking to set up investments, that it remains open for business during this Covid-19 lock-down. UIA continues to issue licenses through the One Stop Centre (OSC) eBiz online services on www.ebiz.go.ug.

UIA also continues to hold face to face meetings through the online ZOOM meeting systems.

Lawrence Byensi

Ag. Director General Uganda Investment Authority



editorial

David Muwanga

COVID-19:

A Lesson for Uganda on increased investment.

Whenever there is a regional and global problem like pandemics, the first negative effect is the shortage of goods and services that are consumed on a daily basis like medicine, sugar, salt among others.

When the COVID-19 pandemic was announced, many countries including Uganda are under lockdown thus affecting their production capacity. Prices of goods shot up in the first weeks as it was speculated that borders will be closed thus causing a shortage in the supply of goods especially those that are imported.

This however did not happen since President Yoweri Museveni and all the East African Community (EAC) Partner States did not close borders.

Uganda allowed only cargo planes and trucks to continue transporting goods from the ports of entry into in the country.

The only negative point on allowing cargo trucks is that it has been found that truck drivers are the main transporters of the virus. However governments have managed this by introducing checking of drivers at border entry points and those that are found to be positive are sent back to their countries of origin.

Although traders in Uganda had in the first weeks increased prices but they were taken aback when the Ugandan Investors and the Uganda Manufacturers Association (UMA) came out in public to denounce increasing factory prices. The announcement that manufacturers had not increased factory prices and the fact that cargo planes and trucks continued supplying resulted into slightly lowering of prices.

This is therefore a lesson for Uganda that we still need to attract more investors to produce goods locally that we are currently importing.

Bank of Uganda's State of the Economy report for December 2019 revealed that the overall balance of payments position weakened in the year under review. The current account deficit increased by 45.1 percent to \$3,290.2 million, largely driven by higher private sector imports that grew by \$801.9 million during the year.

The trade deficit also widened from October 2018 to October 2019 by \$514 million to \$2.095 million, according to the report.

This is an indication that in order to improve on the current account position and reducing the trade deficit, Uganda needs more factories to produce goods for local consumption and exporting to other countries.

The investments must be in value addition in many sectors including large scale agricultural products like food, sugar, rice, maize among others and storage facilities for these products.

These would act as mitigation measures against disasters like the COVID-19, floods, drought and landslides that are famous in the Eastern region.

Role of Uganda Investment Authority (UIA)

Uganda Investment Authority as a semi-autonomous Government Agency set up under the Investment Code 1991 (Amended 2019) is responsible for unleashing, promote, attract and retain value adding domestic and foreign investments. This is implemented through robust marketing, nurturing and aftercare services.



12 million euro Agro Equity Impact Fund for Uganda launched

The Authority has continued to attract investors who are manufacturing some of the products that would otherwise have been imported.

Uganda also processes cotton, coffee, sugar, and food crops textiles, tobacco, beverages, wood and paper products, steel production, breweries, construction materials and chemicals among others.

The country's exports mainly go to Rwanda, Burundi, DRC, South Sudan, Kenya plus some countries in the COMESA region.

Those efforts are supported by the improvement in domestic security, infrastructure development, electricity generation, market reforms and tax incentives. The government has also developed an industrial policy of which it must walk the talk.

This policy is expected to boost the industrial sector by enhancing the lowering of costs of doing business, widening the industrial base and improving integration of the industrial sector into agriculture. All these are key factors in attracting more investors in Uganda.

According to the Authority's annual report for the Financial Year 2018/2019, there was a 21% increase in planned Foreign Direct Investments (FDI) against the targeted 20% growth as per the Strategic 2016/21 Plan.

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Sn	FY's	2017/2018	2018/19
1	Total investment Projects	247	286
2	Ugandan Investment projects	79	82
3	FDI Projects	168	204

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

This shows that UIA's investment promotion efforts

of which President Yoweri Museveni is also very keen, continues to close the import/export gap as more investors are being attracted into the country.

However, we should not be complacent, we need to fill up the gaps that will in turn improve Uganda's position on imports/exports and economic growth since this cannot not be the first and last pandemic. Uganda still needs more investors. Depending on the type of investment, the more investors Uganda attracts, the more the country's productivity and competitiveness increases and this translates into more jobs and increased purchasing power.

David Muwanga Editor



COVID-19 PANDEMIC: UIA Board Chairman speaks out

The Uganda Investment Authority (UIA) carried out a survey on the impact of the COVID-19 on the investment environment in Uganda between April and May 2020.

UIA Board Chairman Dr. Emely Kugonza reveals the findings and the planned mitigation measures in the interview below.

QN: What were the findings in the survey?

ANS: The survey indicated that the biggest number of companies asked their workers to stay home, but supported them with some minimal allowances. UIA also found out that employers also decreased the number of working hours while fifty six percent of the respondents had temporarily closed business or production.

QN: What were the top most concerns of the investors?

ANS: The top most concerns for businesses was uncertainty and inability to service debts or loans.

QN: What were the hardest-hit sectors?

ANS: The hardest-hit sector included tourism and the travel industry, with a significant number of tourism establishments ultimately closing down. Due to the above challenges, the business community expressed inability to pay taxes, staff wages, utility costs, (power, rent, water and internet costs) and face business closure. It is imperative that Government intervenes to mitigate the negative impacts hence the survey.

QN: So what mitigation measures is UIA putting in place?

ANS: The Authority is developing bankable projects to ease access to affordable investment finance. The funds would mitigate the delays in the implementation of investments and resultant reduction in job creation caused by the COVID-19. In line with the requirement for maintaining social distance and the existing travel ban, UIA will harness the potential of new technologies through webinars, e-meetings, chart boards and Tele-conference systems to facilitate online meetings. We are working on

digital transformation of promotional materials and project monitoring In addition, UIA will subscribe to data intelligence websites to access client prospection and identifying potential Foreign Direct Investments leads. The other mitigation measure is the setting up of Incubation Centres and Work Spaces for SMEs in the Industrial Parks.

QN: When are you opening One Stop Centres out of Kampala?

ANS: This is also another mitigation measure where the Authority is to establish four regional One Stop Centres starting with two this financial year. The centres to be located out of Kampala will take Government services closer to the business communities; lower the costs of doing business and enable faster investment uptake away from the urban areas, which will hasten the creation and sustainability of the upcoming cities.

> Already potential and existing investors access government services relevant to investment from the comfort of their businesses, homes or host countries. Fourteen government agencies under one roof have been electronically integrated into a One Stop Centre portal eBiz. The Agencies rendering services right now are: UIA, URA, URSB, KCCA, UNBS, DCIC, UFZA, UMEME, NSWC, NEMA, MLHUD, NIRA (only online but not yet switched on); other partners are DTB Bank, Giant 100 that is promotion of high value investment in tourism and conservation, and most recently the Federation of Uganda Employers (FUE) which is handling employee grievances, employer coaching and mentoring.

> We are envisaging establishment of Business Development Centres for investors to access up to date information and business advisory services to enable investors make informed investment decisions. The companies looking to diversify or seeking partnership or funding to stabilize or expand their business will be serviced at the regional centres.

QN: What new technologies are you developing to counter COVID-19?

ANS: The Authority is adopting Virtual reality (VR) solutions for site visits and marketing industrial parks, SME work spaces will be available for hire, showcasing the One Stop Center services and marketing Uganda as the preferred investment destination in Africa.

We are to develop an SME Online Portal that creates interaction between individuals, groups and clusters to build their capacity to adopt digital systems that range from payment system, digital marketing, online sales and customer relationship management.



The measures also include establishing a multilingual investor call center where investment advisory services will be accessed online.

We are also marketing Uganda as the preferred investment destination through creation of short video documentaries to build a positive image and upgrading of the UIA website.

QN: What is the progress in Industrial Park Development?

ANS: UIA is to establish four Science, Technology and Innovation Parks (STIPs). There are four sites proposed for the STIPs and each is proposed to sit on 500 acres. These will be developed in the districts of Kyankwanzi, Kamuli, Pakwach-Nebbi district border and Rubirizi. We have so far developed land for nine industrial parks out of the 27 UIA was tasked to develop.

> We are also pursuing a strategy for Public Private Partnerships (PPP) in the development of other industrial parks and to establish Industrial sheds for potential investors. In addition, Government under the NDP 111 is committed to acquire and develop all the industrial parks.

> A proposal that provides a strategy for the construction and rehabilitation of road infrastructure in Koboko – Oraba industrial Park (180 acres), Nwoya Industrial and Business Park (500 acres), Kaweweta Industrial and Business Park (640 acres) has been submitted to the Ministry of Finance, Planning and Economic Development. Others are Kabarole Industrial Business Park (500 acres) and Kasese Industrial Business Park (219 acres)

> The proposal also includes road construction to bituminous level, power extension, bulk water extension and sewerage treatment plant and Solid Waste Management Systems.

QN: What did the commissioning of KIBP infrastructure project mean to Ugandans?

ANS: Kampala Industrial and Business Park (KIBP) at Namanve is history in the making and a game changer. There will be a beehive of activities in the park including easing of accessibility of land for investments, and new businesses for the communities around the park.

SMEs are to benefit from the creation of work spaces that are very critical for increased production, job and wealth creation four our people and increased import substitution.

QN: Any achievements?

ANS: One of them is the KIBP upgrade which was part of the 2016-2021 Strategic Plan to establish fully serviced industrial parks. We have had growth in FDI even from countries where we were ordinarily not attracting investors. UIA is very grateful to His Excellency President Yoweri Museveni for supporting UIA promotional activities that are making Uganda the best investment destination in Africa.

QN: How about challenges?

ANS: The biggest problem is underfunding of UIA but we also appreciate the limited nature of resources as it is in other developing countries. But we shall continue to be innovative since the Investment Code Act 2019 mandates UIA to generate resources. We are working on publishing the first ever "Investment Guide Handbook". It is one of UIA resource mobilization tool we have developed. We therefore invite all investors and the corporate world to participate in it by providing information and booking space.



RESPONSE TO THE COVID-19 PANDEMIC

Mr. Lawrence Byensi UIA Acting Director General shares his views

The Uganda Investment Authority carried out a survey on the impact of the COVID-19 on the investment environment in Uganda between April and May 2020.

The survey, according to the UIA Acting Director General Lawrence Byensi, indicated that the biggest number of companies asked their workers to stay home, but supported them with some minimal allowances. This category represented 23.8% of all the responses in the study.

He said that this category was followed employers who also decreased the number of working hours and these represented 21.8% of all the responses.

"The findings on impact on business continuity measures indicated that fifty six (56%) percent of the respondents had temporarily closed business or production," he said in a report he presented at the e-conference 2020 organized by the UIA. Hosted by NTV, the conference was held on theme "Status of Investment during the COVID-19 Pandemic".

> Mr. Byensi explained that the top most concerns for businesses was uncertainty and this was followed by those who felt t h a t

inability to service debts or loans was their biggest concern (145) and these accounted for 22.4% of all the businesses.

He added that among the sectors covered in the survey, the majority of responses (191) were received from the manufacturing sector which accounted for 15% of all the responses. This was followed by the Agriculture, Hunting, With 163 responses; which accounted for 12.7% of

all

"However, interaction with the private sector

the responses.

has evidenced that the hardest-hit sector has been the tourism and travel industry, with a significant number of tourism establishments ultimately closing down," he explained.

The results indicated that 32% of the total respondents in the survey were women and minority groups such as the youth.

These are mainly engaged in agriculture and services while the larger percentage (67.9%) were non-minority owned businesses engaged in majorly manufacturing and services sectors.

"As a result of the challenges highlighted above the business community expressed its inability to pay taxes, staff wages, utility costs, (power, rent, water and internet costs) and face business closure," he said adding that it is imperative that Government intervenes to mitigate the negative impacts hence the survey.

HOW UIA PLANS TO INTERVENE

(1) Development of bankable projects:

Mr. Byensi reiterated that the Authority is developing bankable projects to ease access to affordable investment finance. He explained that the funds would mitigate the delays in the implementation of investments and resultant reduction in job creation caused by the COVID-19 and the type of jobs and investment funds required.

"Bankable projects would also help a number of manufacturing firms that are beginning to employ automated machinery hence requiring less man power while domestic investors are better placed to invest in labour intensive industry like the agri-sector for export and import substitution,".

It is therefore imperative that Domestic Direct Investments (DDI) are enhanced through Development Funds. He added that there is need to budget for research and development. This would provide quality information for the development of viable investment projects that attracts affordable funds from UDB and alternative funds for example equity and venture capital.

(2) Establishment of Regional One Stop Centres

He said that the Authority is to establish four regional One Stop Centres starting with two this financial year. These he added, will take Government service delivery closer to the business communities all over the country. "This will further lower the cost of business for the investors and enable faster investment uptake away from the urban areas, which will hasten the creation and sustainability of the upcoming cities," he said.

It is also envisaged that Business Development Centres will be established to enable potential and existing investors have access to relevant and up to date investment information as well as business advisory services in order to facilitate faster and informed investment decisions.

Therefore companies looking to diversify or seeking partnership or funding to stabilize or expand their business will be serviced at the regional centres.

(3) Setting up of Incubation Centres and Work Spaces for SMEs in the Industrial Parks:

Although the COVID 19 pandemic has had devastating impact in all sectors, but the manufacturing of hygiene and wellbeing supplements and agro-processed products have a great opportunity.

Uganda Investment Authority in a PPP with CURAD is in advanced stages of completing the Agribusiness SME Incubation center at the KIBP (Namanve).

This will support SMEs in the sector to enhance their business skills, connect them to markets and introduce them to ICT4Business. The center will also incubate the Youth Apprenticeships (Graduates drawn from the relevant institutions of higher learning) by allocating them to the SMEs incubation centre.

The UIA will address the issue of financial resources to SMEs as an underlying grant support that will go a long way to support women and youths to re-establish businesses that suffered major losses to the point of closing shop.

The Youth Livelihood and Women Enterprise Funds are remodeled to support the strategic objective of facilitating and linking SMEs as additional funding to UIA. This will go a long way in supporting the employment market.

(4) Exploiting ICT as an enabler in UIA operations:

a) New Technologies: Mr. Byensi told the viewers that in line with the requirement for maintaining social distance and the existing travel ban, UIA will harness

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the potential of new technologies through webinars, e-meetings, chart boards and Tele-conference systems to facilitate online meetings.

- (b) Capacity building: He said this will include strengthening of UIA staff capacity to work remotely through provision of infrastructure and training to enable them utilise technology to meet UIA organizational needs.
- (c) Analytics and digitization: This will include digital transformation of promotional materials and project monitoring where investors can voluntarily request for facilitation services and report any investment challenges that may arise. In addition, UIA will subscribe to data intelligence websites to access client prospection and identifying potential Foreign Direct Investments leads.
- (d) Virtual reality (VR) solutions: UIA will adopt VR for site visits and marketing industrial parks, SME work spaces will be available for hire, showcasing the One Stop Center services and marketing Uganda as the preferred investment destination in Africa.
- (e) SME Online Portal: This creates an interactive portal for individuals, groups and clusters to build their capacity to adopt digital systems that range from payment system, digital marketing, online sales and customer relationship management. He said that in addition, the portal will provide an online business linkage that connects domestic investors to global supply chains, partnerships, service providers, for subcontracting and outsourcing opportunities.
- (f) Call Centre: The project also includes establishing a multilingual investor call center where investment advisory services will be accessed online.

(5) Marketing Uganda as the preferred investment destination through:

- (a) Documentaries: Mr. Byensi further explained that UIA will create short video documentaries, in partnership with the Uganda filming and media industry to build a positive image. These will be used to market the opportunities both locally and internationally.
- (b) Upgrading UIA website: The Authority will also strengthen the UIA website to improve delivery of

investor advisory service and respond to queries. The website will also provide transactional services such as a set up cost calculator to enable an investor make a data driven investment decision.

(6) Industrial Park Development

(a) Development of four STIPs: He said the Authority is to establish four Science, Technology and Innovation Parks (STIPs). There are four sites proposed for the STIPs and each is proposed to sit on 500 acres. These include one in Kyankwanzi District to serve the Buganda sub-region, another in Kamuli District to serve the Busoga sub-region, one at the Pakwach-Nebbi district border to serve the West Nile sunregion and another in Rubirizi District to serve the Ankole sub-region. He pointed out that the cost of setting up business infrastructure is a major hindrance to investment. "Therefore Government through UIA is focused on establishing industrial spaces / parks through various models,".

The models include Public Private Partnership (PPP), wholly private or Government owned and will be provided with all the utilities, road and interconnectivity infrastructure.

(b) Development of Five Industrial Parks under the Forum for China Africa Cooperation (FOCAC) Arrangement

Mr. Byensi said the proposal which has been submitted to the Ministry of Finance, Planning and Economic Development provides a strategy for the construction and rehabilitation of road infrastructure into the five Industrial Parks. These include:

- i. Koboko Oraba industrial Park (180 acres)
- ii. Nwoya Industrial and Business Park (500 acres)
- iii. Kaweweta Industrial and Business Park (640 acres)
- iv. Kabarole Industrial Business Park (500 acres)
- v. Kasese Industrial Business Park (219 acres)

The proposal also includes undertaking four major critical components in these industrial parks which include:

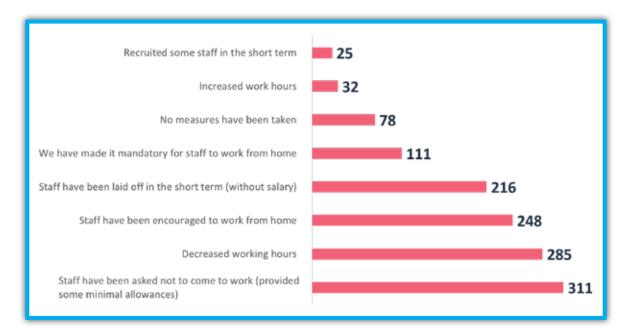
- i. Road construction to bituminous level
- ii. Power extension in the industrial zones including Substation development
- iii. Bulk water extension to the parks
- iv. Central Sewerage Treatment Plant and Solid Waste Management Systems

A peek into the survey results on impact of COVID-19 on private investments in Uganda

Between April and May 2020, UIA carried out a survey to assess the impact of COVID 19 Pandemic on investment environment in Uganda. The survey exercise yielded data from a total of 870 businesses/respondents and came up with the following key findings highlighted below:

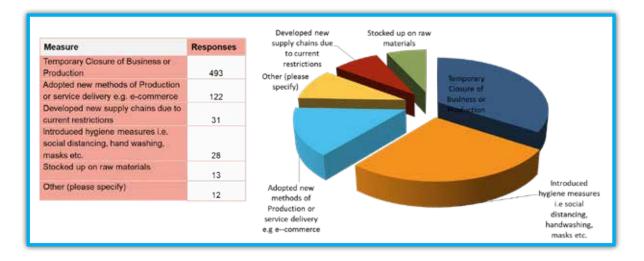
1. Impact of the Lockdown on the Work force

The biggest number of companies reported that they had asked workers to stay home, but supported them with some minimal allowances and this category represented 23.8 percent of all the responses in the study. This was followed by those who decreased the number of working hours, who represented 21.8 percent of all the responses



2. Impact on Business Continuity Measures

Fifty six (56%) percent of the respondents had temporarily closed business or production





3. Top most Concerns for Businesses

TABLE 1: TOP BUSINESS CONCERNS (UIA COVID-19 SURVEY, MAY 2020)

The highest number of businesses ranked uncertainty as being their greatest business concern. Followed by those who felt that inability to service debts or loans was their biggest concern (145) and these accounted for 22.4 percent of all the businesses

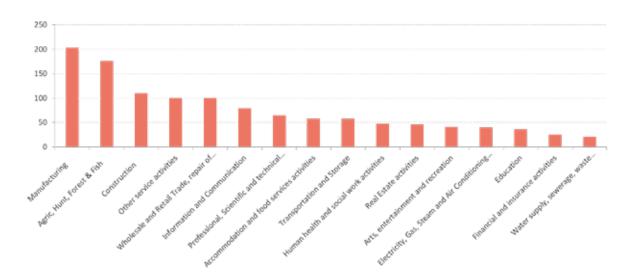
	Business Concerns	TotalBusiness ConcernsBusinesses		% ge
1	Loss of Revenue	647	145	22.4
2	Reduced productivity or demand for services	638	64	9.9
3	Business closure	650	108	16.7
4	Cash flow issues	665	89	13.8
5	Inability to service debt or loans	651	110	17.0
6	Uncertainty	690	243	37.6





4. Sectors that were covered in the survey

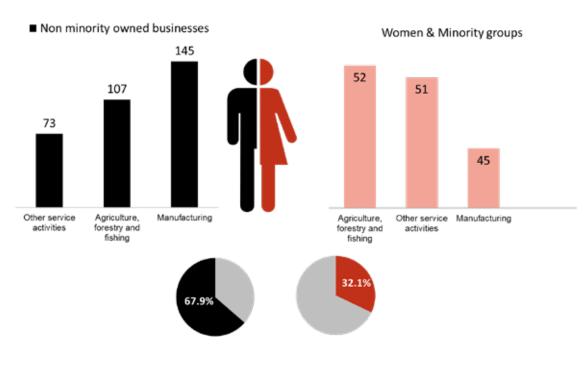
The majority of responses (191) were received from the Manufacturing sector and this sector accounted for 15 percent of all the responses. This was followed by the Agriculture, Hunting, Forestry and Fishing sector; with 163 responses; which accounted for 12.7 percent of all the responses



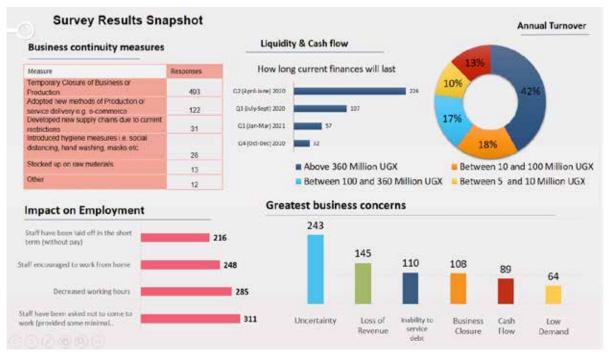
However, interaction with the private sector has evidenced that the hardest-hit sector has been the tourism and travel industry (a few responded to the survey) with a significant number of tourism establishments ultimately closing down.

4. Women and Minority owned businesses

32% of the total respondents were women and minority groups such as the youth. These are mainly engaged in Agriculture and services while the larger percentage (67.9%) were non-minority owned businesses engaged in majorly Manufacturing and services sectors





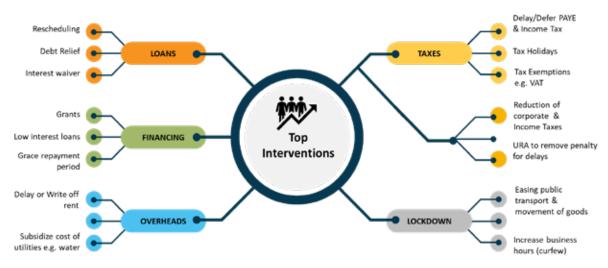


As a result of the challenges highlighted above the business community expressed its inability to pay taxes, staff wages, utility costs, (power, rent, water and internet costs) and face business closure.

It is therefore imperative that Government intervenes to mitigate the negative impacts.

4.0: PROPOSED INTERVENTIONS

4.1: Proposed Policy Interventions from Survey Respondents (Investors)



4.2: UIA Interventions

In order to respond to the investor needs established during the survey, and in a bid to avert the effects of mass business closure on the Ugandan economy, and in order to fit in the "New Normal", UIA is set to institute the following interventions. (Please refer to the interview with the Acting Director General Mr. Lawrence Byensi for the proposed interventions).

Dr. Joshua Mutambi is the Commissioner for Micro Small and Medium Enterprises (MSMEs) (Processing and Marketing) in the Ministry of Trade, Industry and Cooperatives. He represents the Ministry on the Board of the Uganda Investment Authority (UIA). In the excerpts below, he advises on how MSMEs can access capital in the post-COVID-19 period.

QN: What's the role of the Ministry?

ANS: The Ministry of Trade, Industry and Cooperatives (MoTIC) is entrusted with the responsibility to formulate, review and support policies, strategies, plans and programs that promote and ensure expansion and diversification of trade, cooperatives, MSMEs, environmentally sustainable industrialization, appropriate technology development and transfer to generate wealth for poverty eradication and benefit the country socially and economically.

> The vision of the Ministry is: "Sustainable cooperatives and MSMEs, competitive trade and world class industrial products and services". While the mission of the Ministry is: "To develop and promote a competitive and export-led Private Sector through accelerating industrial development for economic growth."

ON: What is Uganda's SME sector comprised of?

ANS: Over 90% of the entire private sector are SMEs, over 80% of manufactured output and account for 75% of the GDP, with over 50% informal.

> Over 8.5 million people equivalent to 90% of total non-farm workers of the entire private sector. 49% in the service sector. 33% commerce and trade. 10% manufacturing and 8% in other fields;

How has the COVID-1Q9 pandemic affected this ON: sector?

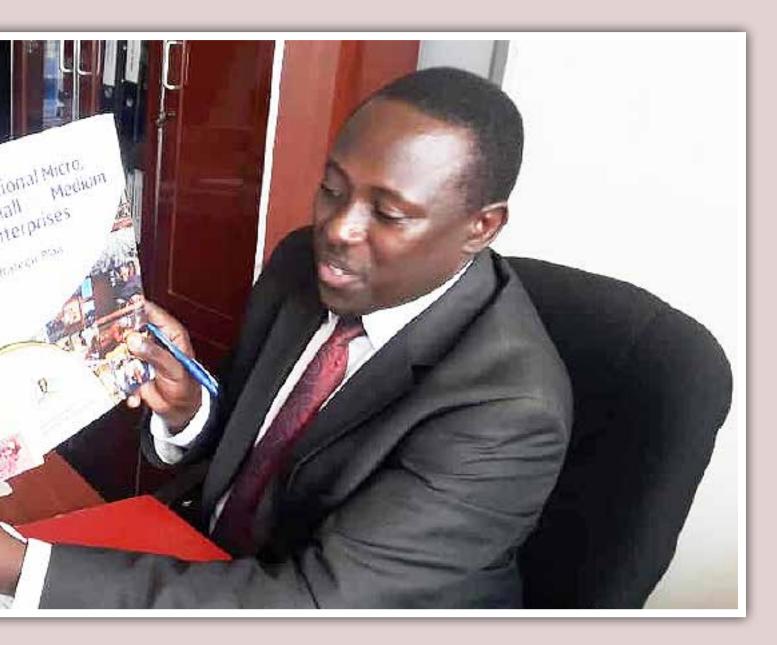
ANS: COVID-19: The pandemic caused disruptions in domestic and International demand and supply chains of goods and services and many people have lost jobs. The tourism sector was hit hardest in tourists' transport and tour guides, hotels and restaurants and their supply chains, the farmers and Agro-processors involved in processing fresh and dried fruits and bananas for domestic and export markets. Others included sports and entertainment,



UIA Board Member tips SMEs on how to access capital

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Vol.2 No. 1, 2020



Dr. Joshua Mutambi: Commissioner for Micro Small and Medium Enterprises (MSMEs) (Processing and Marketing) in the Ministry of Trade, Industry and Cooperatives.

cross border traders, fishing activities, and mining artisans. Most MSMEs have lost operational capital in the Stay Home Stay Safe campaign against the pandemic and cannot now service their loans. However, a few sectors made gains such as Mobile Financial services;

QN: Why is it that SME in Uganda never celebrate their fifth birthday?

ANS: Majority of businesses are started as a reaction to either lack of a job or after retirement or as a side business while on job without any feasibility studies and or experience.

As a result, many remain informal while those who formalize complain about high taxes. Others are also affected by limited access to credit and high interest rates. Many banks are providing financial products to SMEs, but for them to qualify for credit is difficult as they lack collateral.

Many of these entrepreneurs don't keep records of their transactions; one just picks money from the safe and uses it without accountability due to poor business management and development skills, access to markets and market information due to high quality product market requirements and high cost of the products. Many entrepreneurs lack appropriate and efficient technologies and experience high production costs caused by high electricity tariffs. Many of them don't take time to innovate, you find them all selling similar goods that makes then uncompetitive.



QN: How can SMEs access government funds in the banks?

- ANS:
 Government has launched a post-Covid-19 Economic Recovery Program to support businesses, industrialization, import substitution and export promotion Agenda. Government has allocated Shs1trillion to capitalize UDB in the FY2020/21. This is to enable large businesses and SMEs in Manufacturing, agro-processing and Agribusiness to access affordable loans with minimum interest ranging from 10% to 15% depending on the risk level. The SMEs will be trained on how to estimate the risks involved in the businesses before deciding to borrow the funds. However some businesses may not need to go for loans but to form partnerships with suppliers of the raw materials and other inputs for example on an understanding that after processing and sales, they pay back their suppliers as the business continues to grow. Hence, need for honest and transparency in business management and transactions.
 - Another option is through their Associations, Clusters or SACCOs. The Association executives can borrow as a block on behalf of their members. It has been done before. The Cooperatives have been borrowing from Micro-finance Support Center or Uganda Cooperative Alliance or UCUSCU and as they service the loans, they get more especially for small loans. There is however, need for more short term funding through their Associations, SACCOs and Private sector Organizations.
 - Government also capitalized UDC for projects where private sector finds it difficult to invest alone. Enterprises with potential industrial businesses can also approach UDC for partnerships, if the investments require sizeable capital.

- Government has also given funding for innovators through MSTI, MICT and Universities for Research and commercialization of innovations
- They should take advantage of Tax Amendments that will enable them compete in both local and regional markets if their products meet the quality requirements.
- The ministry is currently compiling all those that who want to access the funds. We shall give them the necessary advice before we recommend them to the Bank.

QN: What types of SME qualify for this money?

All formal, registered SMEs in Agriculture, Processing, manufacturing, Services sector are eligible for the loans. However, as it is from the Bank, the business has to be appraised first. Its not free money, therefore it should be borrowed to boost the business and therefore repay the loan. The business will have to fulfil some conditions of the bank. The owners of the business need to be in the business already.

- **QN:** How is the SME department responding to challenges of the sector? We have responded to the challenges of the sector through a number of strategies:
- The MSMEs Policy of 2015 and the Strategy of 2017-2021, the BUBU Policy and Implementation Strategy and the Services Sector Policy are all in place to guide the sectors' development.
- Dr. Joshua Mutambi displaying the National Micro, Small and Medium Enterprises Strategic Plan 2016/17-2020/21

- The Ministry URSB, URA KCCA created an enabling environment for formalization of the SMEs using the simplified approaches while online registration is being done in UIA.
- All government ministries, departments and agencies through district officials train individuals and group's business development and management and advised to form SACCOS for more benefits including access to capital and some basic processing equipment. With support from academia, private sector, development partners and UIA, we facilitate formation and training of clusters in preparing business plans, grant proposals and in manufacturing techniques like fabrication and welding, fishing processes, handicraft making and post harvest handling among others. As a result, they have accessed funding and markets of their products.
- Implementation of BUBU Policy is helping SMEs and other large companies consume and use local raw materials and services. It has increased local content in government procurement through the reservation and preference Scheme. As a result many local companies are making face masks, Sanitizers, salt, sugar, and digital services. We encourage MSMEs to partake in the annual BUBU Expo to show case their businesses and services.

The Ministry has also developed an online Trade information Portal that helps parties interested in accessing trade information, the procedures, documentation required, fees and other related charges of import and export businesses with support from TMEA.

Through Incubation Centers and our common user facility centers such as TEXDA, UCPC, ULTCFC they have been supported in acquiring basic equipment and capacity building through technical assistance programs such as the UNIDO, the EU-UNDP Switch Africa Green Programme. This created awareness and training on resource efficiency and energy management- MTIC and UCPC; TEXDA got the machinery for textiles training and fabric making; the Leather incubation Center and Satellite Design Studio supported by COMESA at MTAC is getting finalized with equipment installation. It will soon be commissioned. Informal traders have been trained by MTAC in improving their business operations as well such as the women vendors and in other short courses.

 The Directorate (Processing and Marketing) in collaboration with Makerere University conducts research and product development. Such as the Refractance Window Drying technology research and development for drying fruits and vegetables. The technology has been developed and tested in Kabanyoro. The products have been dried and testing and improving for nutrition purposes is under way.

We are in final stages of the formation of the National MSMEs Forum that will bring together the different Associations of the MSMEs Sector to coordinate, identify and address their challenges

QN: What's the future of SMEs?

- The future of SMEs in Uganda will be determined by their ability to take advantage of government's programmes such as the Vision 2040 and the new National Development Plan 3, that are aimed at industrialization, job creation and prosperity for all. It is better for them to exploit the opportunities that are coming with the infrastructure developments and plans such as the Industrial parks being established by the UIA, business incubators and cross border markets among others. One will be able to locate a project either in rural or urban area once rural electrification and distribution is completed. This will especially stimulate investments in agro-processing and other services. The continued improvement of the roads is simplifying access to raw materials and markets. Government is also implementing is trainings in the Business Technical Vocational and Education training (BTVET), and has refurbished five technical colleges all for skills development.
- Government has also waived taxes including VAT from the Agriculture and Agro-processing machinery which will enhance agriculture and processing.
- The Markets have been negotiated including the domestic, EAC, COMESA, the African Continental Free Trade Area and other international markets such as AGOA.
- Financial Institutions have all provided the Credit and financial products

UIA LICENSES PROJECTS WORTH \$302.6M



Sheila Karungi Mugyenzi DIRECTOR – INVESTMENT PROMOTION AND DEVELOPMENT

n spite of the COVID-19 pandemic, Uganda Investment Authority (UIA) licensed a total of 75 projects in quarter three of financial year 2019-2020.

The planned investments licenced between January and March 2020 were worth \$302.6m in planned investment venture and are expected to create 7,551 jobs, of which 1,428 were by Domestic Direct Investments (DDI) and 6,123 were by IFDI, according to the UIA Director for Investment Promotion and Development Ms Sheila Mugyenzi.

Cumulatively the planned jobs in the last 3 quarters total to 23,055 of which 7,716 are being created by DDI and 15,339 are created by FDI.

Its is critical for UIA to ensure that all these licensed projects takeoff successfully with minimal hustle, this is why UIA carries out regular monitoring of licensed



investments to ascertain the status of investment and provide interventions wherever there is a need," said Ms Sheila Mugyenzi, the Director Investment Promotion and Development.

"Over the last quarter, UIA provided facilitation and aftercare services to over 170 companies, while seventy nine (79) projects were monitored during the quarter to determine the status and level of investment. Out of the 79 projects, sixty two (62) projects are operational, while 17 projects closed and / or are non-operational. The 62 operational projects are worth US\$ 285.341million in actual investment and are providing employment to 4,129 people.

She said the reasons given for business closure and non-operation included lack of sufficient funds for the project, high electricity costs, internal administration issues and lack of sufficient contracts, among others.



President Yoweri Museveni commissioning the SR Afro Chicks & Breeders at Kampala Industrial and Business Park-Namanve

Quarter 3 (January – March) 2020 registered a total Refer to the Summary below for details. SUMMARY

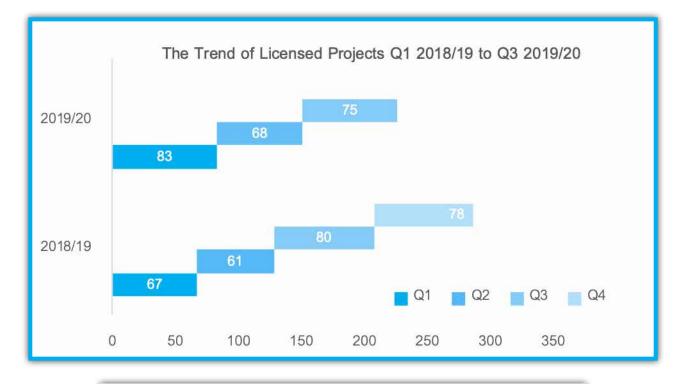
		Q1 2019/20	Q2 2019/20	Q3 2019/20	TOTALS
	LOCAL	31	24	17	72
LICENSED PROJECTS	FDI	52	44	58	154
	TOTAL	83	68	75	226
PLANNED INVESTMENTS (US DOLLARS)	LOCAL	172,727,402.00	63,413,043.00	21,765,457.00	257,905,902.00
	FDI	89,424,989.00	123,233,377.00	280,850,168.00	493,508,534.00
	TOTAL	262,152,391.00	186,646,420.00	302,615,625.00	751,414,436.00
PLANNED EMPLOYMENT	LOCAL	3,739	2,549	1,428	7,716
	FDI	3,751	5,465	6,123	15,339
	TOTAL	7,490	8,014	7,551	23,055

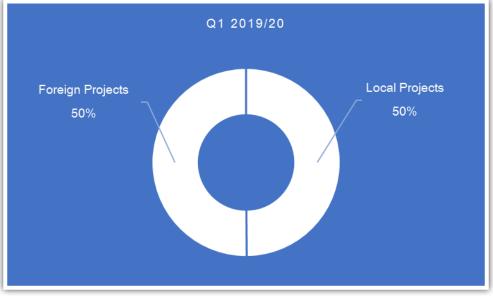
1.0 LICENSED PROJECTS

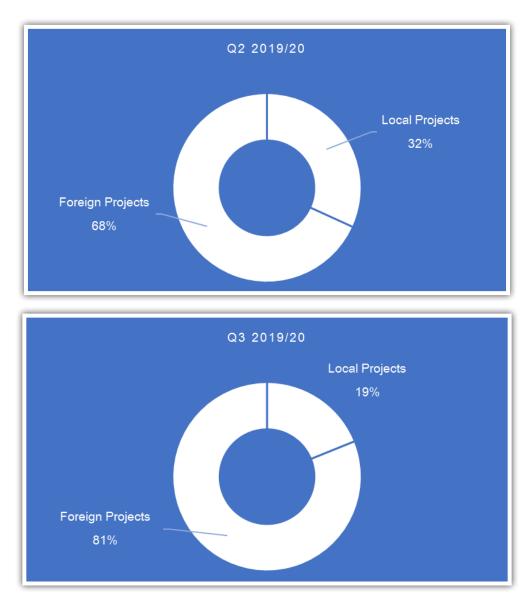
The number of licensed increased from 68 in quarter two to 75 in quarter three of the financial tear 2019/20.

The Trend of Licensed Projects Q1 2018/19 to Q3 2019/20

	FY 2018/19				FY 2019/20		
Quarters	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Licensed Projects	67	61	80	78	83	68	75







1.1 Distribution of Licensed Projects by Sector

The Manufacturing sector registered the highest number of Licensed projects (39) which accounted for 52 percent of all the licensed projects in Q3 2019/20.

No	Sector	Q1 2019/20	Q2 2019/20	Q3 2019/20	%ge for Q3 2019/20
1	Agric, Hunt, Forest & Fish	12	13	3	4.0
2	Community & Social Services	-	3	6	8.0
3	Construction	2	4	7	9.3
4	Electricity, Gas & Water	1	0	4	5.3
5	Fin, Ins, Real Est & Biz Svs	5	3	6	8.0
6	Manufacturing	54	40	39	52.0
7	Mining & Quarrying	-	1	1	1.3
8	Transport, Storage & Comm	5	3	2	2.7
9	Wh & Ret, Cat & Accom Svs	4	1	7	9.3
	TOTAL	83	68	75	100

1.2 Distribution of Licensed Projects by Source Country

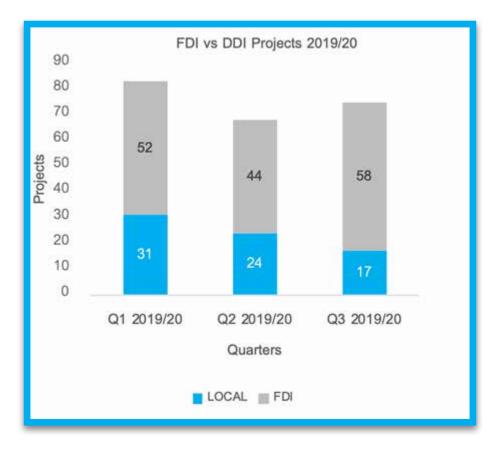
China registered the biggest number of licensed projects (20) which accounted for 26.7 percent of all the projects in Q3 2019/20

	Q1 2019/20			Q2 2019/20			Q3 2019/20		
ID	Country	Licensed Projects	%ge	Country	Licensed Projects	%ge	Country	Licensed Projects	%ge
1	Uganda	31	37.3	Uganda	24	35.3	China	20	26.7
2	China	22	26.5	China	18	26.5	Uganda	17	22.7
3	India	6	7.2	India	11	16.2	India	10	13.3
4	Kenya	4	4.8	UK	3	4.4	Egypt	4	5.3
5	USA	3	3.6	Belgium	2	2.9	Mauritius	4	5.3

The Top 5 Source countries for Licensed projects - Q1 TO Q3 FY 2019/20

1.2.1 Comparison of local and foreign sourced projects

CATEGORIES	Q1 2019/20	Q2 2019	Q3 2019/20	TOTAL
Local Projects (No.)	31	24	17	72
Local projects (%)	37.3	35.3	22.7	31.9
Foreign Projects (No.)	52	44	58	154
Foreign Projects (%)	62.7	64.7	77.3	68.1
TOTAL	83	68	75	226





2.0 PLANNED INVESTMENTS

The Trend of Planned Investments in US Dollars, Q1 FY 2018/19 to Q3 FY 2019/20

		FY 20	18/19	FY 2019/20			
Quarters	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Planned Investments in US Dollars	237,060,005.70	345,498,769.10	232,802,407.00	531,785,993.00	262,152,391.00	186,646,420.00	302,615,625.00

2.1 Distribution of Planned Investments by Sector

The Construction Sector registered the highest amount of Planned Investments in Q3 (US \$ 144.4 million) which accounted for 47.7 percent of all the planned investments in Q3 2019/20

	Sector	Q1 2019_20	Q2 2019/20	Q3 2019/20	%GE
1	Agric, Hunt, Forest & Fish	59,590,924.00	22,243,364.00	1,276,779.00	0.4
2	Community & Social Services	-	4,191,947.00	4,824,813.00	1.6
3	Construction	45,068,018.00	4,387,617.00	144,436,508.00	47.7
4	Electricity, Gas & Water	210,000.00	-	25,545,000.00	8.4
5	Fin, Ins, Real Est & Biz Svs	11,097,000.00	4,908,273.00	33,900,000.00	11.2
6	Manufacturing	136,996,782.00	74,175,219.00	49,706,477.00	16.4
7	Mining & Quarrying	-	25,550,000.00	7,300,000.00	2.4
8	Transport, Storage & Comm	6,640,667.00	46,190,000.00	2,090,298.00	0.7
9	Wh & Ret, Cat & Accom Svs	2,549,000.00	5,000,000.00	33,535,750.00	11.1
	TOTAL	262,152,391.00	186,646,420.00	302,615,625.00	100.0

2.2 Distribution of Planned Investments by Source Countries

China registered the highest amount of planned investments (US \$ 164 million) which accounted for 54 percent of all the planned investments in Q3 2019/20.

		Q2 2019/20		Q3 2019/20			
	Country	Amount (US \$)	%ge	Country	Amount (US \$)	%ge	
1	Uganda	63,413,043	34.0	China	163,969,000	54	
2	UK	38,450,000	20.6	Mauritius	53,500,278	18	
3	China	32,073,555	17.2	Uganda	21,765,457	7	
4	India	23,344,508	12.5	Kenya	17,900,000	6	
5	Seychelles	11,073,684	5.9	India	11,115,000	4	

The Top 5 Source countries for Planned Investments Q2 to Q3 2019/20

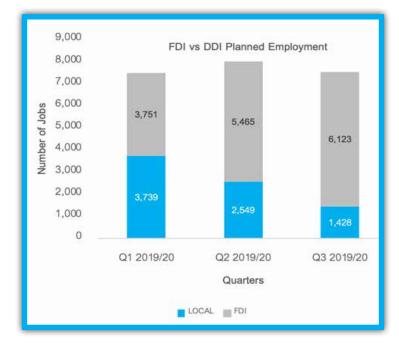
2.2.1 Comparison of Local and Foreign Sourced Planned Investments

CATEGORIES	Q1 2019/20	Q2 2019/20	Q3 2019/20	TOTAL
LOCAL PLANNED INVESTMMENTS (VALUE IN us \$)	172,727,402.00	63,413,043.00	21,765,457.00	257,905,902.00
LOCAL PLANNED INVESTMMENTS (PERCENTAGE %)	65.9	34.0	7.2	34.3
FDI SOURCED PLANNED INVESTMENTS IN US \$	89,424,989.00	123,233,377.00	280,850,168.00	493,508,534.00
FDI SOURCED PLANNED INVESTMENTS PERCENTAGE	34.1	66.0	92.8	65.7
TOTAL	262,152,391.00	186,646,420.00	302,615,625.00	751,414,436.00

3.0 PLANNED EMPLOYMENT

3.1 Distribution of Planned Employment by Sector

The Construction sector registered the highest level of planned employment (2,813) and accounted for 37 percent of all the planned employment in Q3 2019/20



	Sector	Q1 2019/20	Q2 2019/20	Q3 2019/20	%ge Distribution per sector
1	Agric, Hunt, Forest & Fish	1,089	2,997	182	2.4
2	Community & Social Services	-	159	348	4.6
3	Construction	80	183	2,813	37.3
4	Electricity, Gas & Water	97	-	386	5.1
5	Fin, Ins, Real Est & Biz Svs	299	172	418	5.5
6	Manufacturing	5,519	4,012	2,563	33.9
7	Mining & Quarrying	-	260	172	2.3
8	Transport, Storage & Comm	214	206	70	0.9
9	Wh & Ret, Cat & Accom Svs Count	192	25	599	7.9
	TOTAL	7,490	8,014	7,551	100.0

3.2 Distribution of Planned Employment by Source Country

Chinese sourced projects registered the highest level of planned employment (3,782) which accounted for 50 percent of all the planned employment in Q3 2019/20.

Top 5 Source countries for Planned Employment, Q2 to Q3 2019/20

	Q2 2019/20			Q3 2019/20			
	Country	Amount	%ge	Country	Amount	%ge	
1	Uganda	2,549	31.8	China	3,782	50.1	
2	China	1,455	18.2	Uganda	1,428	18.9	
3	India	1,234	15.4	India 424		5.6	
4	Seychelles	1,084	13.5	Kenya	312	4.1	
5	UK	518	6.5	Mauritius	265	3.5	

3.2.1 Distribution of Planned Employment attributed to Local and Foreign Sourced projects, Q1 to Q3 2019/20

Categories	Q1 2019/20	Q2 2019/20	Q3 2019/20	TOTAL
Planned employment attributed to Local Projects	3,739	2,549	1,428	7,716
Local Projects (%)	49.9	31.8	18.9	33.5
Planned employment attributed to Foreign Projects	3,751	5,465	6,123	15,339
Foreign Projects (%)	50.1	68.2	81.1	66.5
TOTAL	7,490	8,014	7,551	23,055



KIBP Infrastructure project-a launch pad to Uganda's industrial development

t's no question that modern business development is fueled by a well-developed infrastructure that includes good roads, electricity, safe water and sanitation services, and fast internet services among others.

One of the reasons why Uganda Investment Authority (UIA) is attracting investors with a Mission of making "Uganda the best Investment destination in Africa" is because government has invested heavily in the development of infrastructure and electricity.

The successful implementation of the planned infrastructure project at the Kampala Industrial and Business Park (KIBP), Namanve will lead to Uganda getting the first fully functional modern industrial park that is to attract more investors but also create an estimated 200,000 jobs for the next generation.

The proposed development will be a model business park, creating a business hub for a range of industries in a single location. The KIBP will ultimately be the largest such development in Uganda, covering an area of approximately 890 hectares (ha).

The KIBP forms part of Uganda's aspiration to transform into a leading exporter in the wider region, as well as globally. It is considered that well-designed

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infrastructure will serve as a launch-pad to support Uganda's economic development.

Currently, the Uganda Investment Authority (UIA) is in the final stages of starting to implement the project whose construction was commissioned in January this year.

The project is a response facilitated by the Government of Uganda to the earlier complaints by investors in the park who decried the poor infrastructure such as lack of tarmacked roads, electricity, water, sewerage system and incessant flooding in the park.

Government through the Ministry of Finance, Planning and Economic

Development entered into a memorandum of understanding with the UK based Lagan Group Limited in joint venture with Dott Services Limited on March 28, 2018 for the development of infrastructure at the KIBP, Namanve.

Mr. Hamza Galiwango, the Director for Lands and Industrial Parks Development at the Uganda Investment Authority, explained that infrastructure project to cost \$264m will include construction of



Health Seven benefits of drinking water a road network including a traffic management system and bridges.

The projects also includes construction of a sewerage network, including underground sewer pipes, a water distribution network, a and a water and sewerage treatment plants and public toilets.

The intermittent power supply will be history with the supply and laying of 33KV single core cable for the entire park.

Also included is the laying of fibre optic cable for broadband internet services, a close CCTV network, solar lighting and small and medium enterprises work spaces.

The project will ease the provision of utilities and other services to investors, an organized and standard industrial zone, introduction of new research technologies and skills for industrial development, dedicated common user infrastructure facilities for investors.

is also essential for the kidneys, skin and various body functions. Water forms saliva and mucus, that keep tissues moist to avoid friction and tissue damage.

3. Water aids circulation of oxygen, minerals and nutrients in your body.

Blood is more than 90% water, and blood carries oxygen, minerals and nutrients to different parts of the body. Oxygen chemically changes food and liquid into energy (oxidation); calms our nerves; helps cleanse our body through breathing; and helps rebuild body muscles and other tissues.

4. The digestive system depends on water.

Dehydration can lead to digestive problems, constipation, and an overly acidic stomach. This increases the risk of heartburn and stomach ulcers. Water aids to flush body waste through the processes of sweating and removal of urine and feaces.

5. Water leads to a healthier life.

It helps maintain blood pressure as it avoids thickening of blood; helps cut down on asthma and

the benefits of rehydrating yourself.

By Fred Kakooza

1. Hydration has a major effect on energy levels and brain function.

/ eeping hydrated during this

COVID-19 pandemic, is crucial

for health and well-being, but many

people do not consume enough fluids each day. Here below we bring you

Your hydration status does not only influence your brain but is also involved in the production of hormones and neurotransmitters. Mild dehydration (fluid loss of 1-3%) can impair energy levels and mood, and lead to major reductions in memory and brain performance. Drinking water may activate your metabolism. A boost in metabolism has been associated with a positive impact on energy level.

2. Water lubricates the joints, enhancing their shockabsorbing ability, avoiding joint pain.

Water consumption helps lubricate and cushion your joints, spinal cord, and tissues. This will help you enjoy physical activity and lessen discomfort caused by conditions like arthritis. Water

other allergies as it hydrates the airways; It prevents kidney damage through the avoidance of kidney stones and other kidney problems.

6. Water helps avoid a hangover.

Alcohol is a diuretic, so it makes you lose more water than you take in. This can lead to dehydration. Dehydration can also trigger headaches and migraines in some individuals. Water will also reduce the chance of a hangover as when partying, water or unsweetened soda water with ice and lemon alternated with alcoholic drinks can not only help prevent overconsumption of alcohol but will also help avoid dehydration. A big glass of water before going to bed is a good addition.

Drinking plenty of water can help you lose weight.

This is due to the fact that water can increase satiety and boost your metabolic rate. This means that drinking 2 liters of water every day can increase your total energy expenditure by up to 96 calories per day. The timing is important too, and drinking water half an hour before meals is the most effective. It can make you feel fuller, so that you eat fewer calories. It is actually best to drink water cold, because the body will use additional energy (calories) to heat the water to body temperature.

People get about 20% of their daily water intake from food. The rest is dependent on drinking water and water-based beverages. You'll have to increase your water intake if you're exercising or living in a hotter region to avoid dehydration.

Read on why UIA is profiling SME's in Uganda

The Micro, Small, Medium, Enterprises (MSMEs) are the engine of growth for the economic development of Uganda and indeed the world at large. However, there exist inadequacies to facilitate them in order to achieve full growth.

In the excerpts below, the UIA Director for SME division Ms Winnie Lawoko-Olwe explains what the Authority is planning for this sector.

QN: What's the role of the division in the development of SME's?

ANS: The Small and Medium Enterprises Division in Uganda Investment Authority has a mandate to nurture and improve the investment climate for MSMEs through facilitating, promotion and providing a platform of linking them to Multinationals. Markets ad acceleration partners. This mandate can be best achieved through proper profiling of MSMEs for specific and relevant service delivery. In order to meet this huge task, the division is redesigning the profiling of the database to an interactive SME Portal that can attract, promote, develop and link MSMEs to services.

Ms Winnie Lawoko-Olwe, the Director SME division

QN: What are the objectives of profiling program?

ANS: the profiling exercise allows UIA to record, analyse,

assess capabilities and predict the potentials, challenges and opportunities of a given, enterprise, cluster or association. This data will give the country Artificial Intelligence (AI) to be used in service delivery geared towards ensuring competitiveness of MSMEs. In its current state the database has limitations and that is why UIA has embarked on upgrading the profiling of the database to an SME Portal whose outputs will see the following achievements:

Establishment of a National Database of MSMEs with stakeholder mappings

Data bank providing MSME Artificial Intelligence for National Economic Planning

Creation of an MSME Marketing and Matchmaking (B2B/ B2Cplatform) 2 help suppliers find buyers and buyers find suppliers through linkages

Supplier Development- helping companies develop their capacity and capabilities using proven tools

Reporting - generation of reports as may be required by UIA (SME)

Benchmarking- diagnosing and comparing companies against their competition.

Business Formalization for SMEs

QN: What is the cost of the SME Portal Project and how will it be funded?

- **ANS:** UIA is already doing some part of data collection under the profiling funded activity. To upgrade the database into an interactive SME Portal, will among other benefits create effective and efficient linkages of MSMEs to government and development programs, the matchmaking of buyers and suppliers (B2B and B2C).
- UIA will need to secure Ushs 400m. This cost will include the redesigning, training of the current database of 35000 SMEs and awareness, sensitization and registration of new MSMEs. The project will also have a component of traceability (location) of the MSMEs thereby establishing a footprint of MSMEs in Uganda.

QN: Which type of SMEs are you targeting?

ANS: The programme focuses on MSMEs who are scattered, across the country and are in both the formal and

informal sectors. The divisions service delivery is a regional focused strategy which means we identify regions while maintaining a regional balance and we work with District Commercial Officers to form the District Investment Committees (DICs). The SME Business Development section working with the DICs identify SME sectors – product lines, associations and groupings who become the first line targets.

The development of the SME portal will see a new strategy whereby push messages through the use of USSD/ APPs will enable any MSME to register and be serviced.

QN: What is UIAs target?

ANS: The profiling exercise in its current state has an annual target of 3,600 MSMEs and the activity is carried out on a quarterly basis. Upon the launch of the SME portal, the annual target will go up exponentially.

QN: How are the SMEs benefitting from the programme?

ANS: The are SMEs that have been facilitated by UIA through a number of tailored programs. These include capacity development in the enterprise internal management, creation of clusters for collective marketing and bargaining, access to finance and acceleration programs and linkages to multinational Foreign Direct Investments (FDI) that have been registered by UIA

QN: What's the contribution of the SMEs to Uganda's economy?

ANS; The Micro, Small, Medium, Enterprises (MSMEs) are the engine of growth for the economic development, innovation, wealth creation of Uganda. They are spread across all sectors with 49% in the service sector, 33% in the commerce and trade, 10% in manufacturing and 8% in other fields. Over 2.5 million people are employed in this sector, where they account for approximately 90% of the entire private sector, generating over 80% of manufactured output that contributes 20% of the gross domestic product (GDP). The current SME database has a total of 24,239 MSMEs profiled and who have accessed services and facilitation from Uganda Investment Authority and these cumulatively contribute 3.79trillion and have created 210,410 jobs.





L-R....UIA Director for Industrial Parks Development Mr. Hamza Galiwango, UIA Board Chairman Dr. Emely Kugonza and Hon Evelyn Anite commissioning the infrastructure project at the Kampala Industrial and Business Park, Namanve arrive at KIBP Namanve for the commissioning of the infrastructure project.



L-R....Mbale Industrial Park Manager Rosette Keuber Palma, Deputy Director Industrial Parks Development Mr. Godfrey Ssemakula, Director SME Division Winnie Lawoko-Olwe and and Ms Olivia Nanfuma, SME Profiling Officer at the commissioning of SINO UGANDA Mbale Industrial Park.



UIA Officers and the Board Members led by the State Minister for Investment and Privatization Hon Evelyn Anite analyzing the map of the Kampala Industrial and Business Park, Namanve.



"Consultations" UIA HR Deputy Director Ms Ameria Natukunda (R) consulting with Ms Aida Dean Rwego (L), the UIA Investment Executive, HR and Administration at the UIA Head office.



UIA staff who participated in the Independence Day celebrations for the year 2019 that were held in Ibanda district.





UIA Board Members and the State Minister for Investment and Privatization Hon. Evelyn Anite at a meeting held at KIBP, Namanve.



UIA Directors for Finance and Administration and One Stop Centre Ms Barbara Kabuchu and Mr. Joseph Kiggundu respectively at the KIBP, Namanve during the commissioning of the infrastructure project.



UIA Board Members and Hon. Evelyn Anite at KIBP, Namanve



UIA Board Members on a study tour of the UIA One Stop Centre



UIA Environmental Officer Emmanuel Kaye and the Director for Investment Promotion and Development Sheila Mugyenzi peruse through newspapers as they waited for the commissioning of factories at Liao Shen Industrial Park at Kapeeka. President Yoweri Museveni commissioned 9 new factories that day.



Members of the Government Communicators Forum (GCOF), a forum that brings together Government Spokespersons being briefed by an official of Kiira Motors which is a State Enterprise established to champion the Development of the Domestic Automotive industry. It is located in Jinja Industrial Park. In the middle (front row) is Mr. David Muwanga, the UIA Media Relations Officer.





Mr. Fred Kakooza, the UIA Senior Investment Executive-ICT





Uganda Investment Authority (UIA) participates in trade fairs. Here the Authority's Investment Executive eBiz, Docas Natwijuka talks to a showgoer about the investment opportunities that have been identified by the Authority. This was at the Uganda Manufacturers Association (UMA) trade fair.

Mr. UIA Media Relations Officer Mr. David Rupiny, Director SME Division Ms Winnie Lawoko-Olwe and Ms Aida Dean Rwego during a meeting to review the COVID-19 pandemic.



L-R....KIBP Infrastructure Project Manager Alex Nuwagira, Mr. Albex Hasule and the UIA Director for Industrial Parks Development Mr. Hamza Galiwango and another officer at KIBP, Namanve.



WAMALA.

