

ISINGIRO DISTRICT

Investment Profile



MINISTRY OF LOCAL GOVERNMENT
ISINGIRO DISTRICT



ACCESSIBILITY



MAIN ECONOMIC ACTIVITY



Agriculture



Manufacturing



Trade

BRIEF DISTRICT PROFILE

Geography	
Location	Western Region
Neighbours	Kiruhura, Tanzania, Ntungamo, Mbarara, Rakai
District area	2,656 km ²
Arable land area	60%
Socio-economic characteristics	
Population (2019)	576,300
Refugees and asylum seekers (2019)	69,800
Languages	Runyankole, English
Main economic activity	Agriculture
Major tradeable	Banana, milk, coffee, fruits (pineapples), Irish potatoes
Infrastructure and strategic positioning	
Transport	Major road network
Telecommunications	MTN, Airtel, UTL, internet



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Geography

Steep hills and deep valleys, especially in the sub-counties of Nyakitunda, Kabingo, Kabuyanda, Ngarama and Kashumba, characterize the terrain of the district. Other areas are characterized by gentle slope hills and low land areas, especially for the sub-counties of Mbaare, Endiinzi, Masha and a part of Birere.

The district enjoys equatorial climate and receives an average rainfall of 1200mm. The temperature normally ranges from 17 to 30C. March to April and September to November are the two main rainy season in each calendar year.

Demography

The 2014 Population and Housing Census results estimated the population of Isingiro at 486,360, with 51% of women and 49% men. The estimated population in 2019 is 576,300 people, which indicates high growth rates considering the population was approximately 517,800 in 2016. The growth is partly because the district has a high fertility rate. The women have 6.7 children each on average, one of the highest levels of fertility in the country. The district also has a very young population. Isingiro hosts refugees from the Democratic Republic of Congo, Rwanda, Somalia and Burundi in two refugee settlements, Nakivale and Oruchinga. According to the Planning Unit at Isingiro District Headquarters, the refugee population was estimated at 122,996 in 2016, accounting for 24% of the district population. By May 2017, the refugee population had risen to 134,156, owing to civil conflict in DRC. The number of refugees currently stands at 69,800 with refugee settlements of Nakivale and Oruchinga hosting 66,000 and 3,800 refugees, respectively. Approximately 30% of the refugees are youth.

Refugee population currently

69,800

accounting for 24% of the district population.

Main economic activities

More than 70% of the population is engaged in small-scale farming. The major crops grown are bananas (90%) and beans (3%). A few households are engaged in medium-scale and commercial farming. Coffee growing is prominent in the sub-counties of Kikagate, Ruborogota, Endiinzi, Nyamuyanja, Kabingo Isingiro TC and Kaberebere TC. Banana production is more pronounced in parts of Nyakitunda, Ngarama, Kashumba and Rugaaga. Pineapples are also grown in Masha, Kaberebere and Kabuyanda sub-counties. Irish potatoes are produced in the sub-counties of Nyakitunda, Kabuyanda, Ngarama and Rushasha. There is livestock rearing of cattle and goats practised in the sub-counties of Endiinzi, Kashumba, Ngarama, Masha, Ruborogota, Mbaare and Isingiro TC. Maize and beans are grown by most households on a small-scale.

In urban areas, the dominant activities are intensive farming, retail trade in general merchandise, metal fabrication, woodwork, vending of food products and operation of small-size eating houses and restaurants. Sand mining is in Isingiro TC- Kibwera and Kyeirumba, Birere sub-county in Kyera. Brick making is in Ruborogota sub-county in Karama and Birere sub-county in Kasana-Kibona. Stone quarrying is predominant in Nyamuyanja sub-county in Kigyendwa, Birere sub-county in Kakoma and Kyera, and Kikagate sub-county in Mulongo, where even tin mining is one of the major economic activities. Fishing is in Lakes Nakivale, Rwamurunga and Rivers Kagera and Rwizi.

Why invest in Isingiro District?



Natural resources



Increasing population



Energy



Telecommunication



Administrative support



Attractive incentive regimes



Natural resources



The district is endowed with a variety of natural resources including permanent and seasonal water bodies. Major permanent water bodies are River Kagera and Rwizi and Lake Nakivale, Mbu-ro and Oruchinga, while the wetlands occupy around 2% of the total land area.

The district has unique features that will attract tourism. There are lakes, rivers and waterfalls with good aquatic vegetation and possibilities for boat riding, water rafting, swimming and sport fishing. The district has leisure and recreation sites in Kabingo and Kikagate amidst beautiful scenery and the Lake Mbu-ro National Park, one of the famous Uganda safari destinations and closest wildlife destination to Kampala.



Photo Credit: Shutterstock

Buffalo herd - Lake Mbu-ro N.P

Increasing population



The current (2019) population in Isingiro is estimated to be about 576,300 people. Isingiro hosts refugees from the Democratic Republic of Congo, Rwanda, Somalia and Burundi, in two refugee settlements: Nakivale and Oruchinga. The refugee population also experienced growth in 2017 to 134,156. Returning stability in the neighbouring DRC is decreasing the refugee population which consists of 30% youth; an adequate source for the supply of labour for increased agricultural production.

Energy

There is an extended hydro-electricity power line from the National Grid Network to most of the major urban areas in the district.

Telecommunication

The district enjoys good access to major mobile telephone networks including MTN, Airtel, UTL, as well as radio and television networks.

Administrative support to investment

Uganda, through its political, legal, institutional structures coupled with economic and social policies as well as the efficient local government organs, provides a conducive investment environment in Isingiro district. Investors are assisted by the different departments in the local government depending on the issues at hand.

Uganda Investment Authority (UIA) has established a District Investment Committee (DIC) to spearhead investment attraction, facilitation and aftercare in different sectors. The DIC is a 10-member task force comprising five local government representatives: The District Chairman, the CAO, the DCO, District Planner and the Lands Officer while five members are from the private sector.

The incentive regime

Uganda provides a very generous incentive package for both domestic and foreign investors who are into production, particularly for medium-and long-term investments whose projects entail significant plant and machinery costs. For details about the tax incentives follow the link:

<https://www.ugandainvest.go.ug/wp-content/uploads/2019/12/Tax-Incentives-for-2019.pdf>.

Existing investments

- **Agro- Health Products (U) Ltd:** A fruit processing factory that churns out 90,000 bottles of 350 ml each of juice daily, from locally produced fruits.
- **African Panther Resources:** Specializes in tin mining and processing. The company has started initial works on installation of the processing plant for the mine. At full operation, the plant will employ more than 55 people.

Investment opportunities in the district

- Adding value to agriculture produce, targeting the main enterprises such as crops and livestock.
- Food and beverages processing (wine-making, milk processing, beef processing, banana chips processing, maize milling and bulking).

Other investment opportunities

- Provision of financial services with affordable interest rates
 - Accommodation
 - Tertiary institutions
 - Well-constructed slaughterhouses (to enhance the existing animal market)
 - Well-constructed market
 - Agroforestry
 - Cold storage facilities for animal product
 - Fish farming
 - Mineral exploration and processing
 - Mechanized agriculture
 - Metal fabrication
 - Minerals exploration and mining
 - Transport industry
 - Cottage industries
-

Specific investment project

Banana flour processing



Photo Credit: Shutterstock

Bananas are one of the primary agricultural commodities in the country they are a source of food security and agri-business value and also provide opportunities for diversified value addition in Uganda. This is not only because of their potential of carbohydrates, nutrients, minerals and fibre content but also because of their high productivity per hectare which ranges from 25 to 40 tonne. Bananas can be processed and preserved to various forms of processed products such as banana juice, banana wine, banana chips, and banana sauce. A new product with a potential commercial value is the banana flour made from fresh unripe or ripe bananas. There is a growing demand for banana flour as it is increasingly becoming a cheaper alternative for wheat flour in Uganda.

Production capacity

The plant capacity for this business idea is 100kg per day (eight hours), which translates into 2.6 tonnes per month and 31.2 tonnes for the first year of operation. A half kilo of this product is selling at USD2.5. The technology involved can be locally accessed within Uganda, which makes it affordable.

Setting up

This investment is small-scale in nature, costing about \$24,609 in the first year, with all the money injected as equity.

Capital investment requirements

Capital investment item	Total cost (USD)
Processing plant	11,780
Peeling machine	6,000
Slicing machine	3,200
Dryer	1,580
Grinding machine	1,000
Packaging machine	3,000
Office requirements	17,089
Office and computer equipment	600
Furniture and general office equipment	700
Vehicles	7,895
Preliminary expenses	1,364
Working capital	9,600
Total Investment (USD)	47,729

Source: Uganda Investment Authority's *SME Business Ideas Handbook 2019/20* (further details on setting up and the phased investment and viability can be accessed from the handbook).

Challenges

- **Inadequate public investment in the agriculture infrastructure:** Irrigation, storage, processing plants, and refrigerated transport facilities. The district's agriculture is characterized by low yields, and this is partly due to low application of modern technology.
- **Harsh climate changes:** Volatility in precipitation poses some challenges for agriculture in the district. The district does not yet have preparedness plans for adapting to these climatic changes.
- **Lack of financial lending services:** Despite some development of financial services in the district, the majority of smallholders remain without access to the services they need in the market and to improve their livelihoods. The existing banks in the district, namely Centenary, DFCU and other for-profit financial intermediaries like Pride Micro Finance and SACCOs tend to limit their activities to urban areas compared to other areas of the rural economy. The lending rates and conditions are also not favourable.

Other Challenges

- High cost of electricity
- Lack of market information
- Lack of business incubation centres
- Lack of a developed industrial park
- Limited capacity of local government line departments

Cost of doing business



- Urban land per acre: **UGX 80 million**
- Rural land per acre: **UGX 8 million**
- Cost of rental for commercial complex, per month: **UGX 300,000 – UGX 400,000**
- Cost of semi-skilled labour for a factory worker, per month: **UGX 150,000 – UGX 300,000**

Isingiro District is in south-western Uganda. Kiruhura District borders it to the north, Rwanda to the south, Ntungamo District to the west, and Mbarara District to the north-west. The district has 19 sub-counties.



PHOTO CREDIT: Google Photo

DISTRICT CONTACT PERSONS

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