

KOBOKO DISTRICT

Investment Profile



ACCESSIBILITY



MAIN ECONOMIC ACTIVITY



Agriculture



Hospitality



Cottage Industry



Manufacturing



Trade



Transport
(Road and Air)

BRIEF DISTRICT PROFILE

Geography

Location	Northern Region
Neighbours	South Sudan, Democratic Republic of the Congo (DRC), Yumbe, Maracha
District area	8200.8 km ²
Arable area	6904 km ²

Socio-economic characteristics

Population (estimates as of 2019)	246,000
Refugees and asylum seekers (2019)	5,380
Languages	Kakwa, Lugbara, Arabic English and Kiswahili
Main economic activity	Agriculture and trade
Major tradeable commodities	Cassava, beans, maize, tomatoes, onions, and tobacco

Infrastructure and strategic positioning

Transport	Major road network in addition to an existing airfield
Telecommunications	MTN, Airtel, Africell, UTL, internet



Geography

- Koboko is in the Northern Region of Uganda. It is at the nexus of Uganda, Democratic Republic of the Congo (DRC) and South Sudan. A small trading centre called "Salia Musala" is the central town and also joins up all three countries. South Sudan borders Koboko District in the north, DRC in the west, Yumbe District in the east, and Maracha District in the south.
- Koboko town is 574 km from Kampala, 3 km from the DRC border and 16kms from the South Sudan border.
- The district has a total land area of 8200.8 km².



Demography

- The population estimates for 2019 is 246,000 people compared to 229,200 for 2017. Out of the total population; 123,000 are male, and 123,600 are female.
- Koboko Town is provincial, with many people and refugees also from South Sudan and DRC blended in the Koboko community. The people of Koboko speak many languages including Lingala, Bantu, English and Kiswahili.
- Many refugee households have Ugandan relatives who sought refuge in South Sudan during the 1970s. With these strong ties, refugees settle directly with ease.

Main economic activity

- The livelihoods of people in the district are dependent on agriculture which employs over 80 percent of the total population. Fertile soils and suitable climate combine to support the cultivation of a number of crops in most parts of the district.

- Women and middle-aged men dominate Koboko's agricultural sector.
- The district has developed an agriculture model called the Koboko Transformation Agenda (KTA) that focuses on increased production and productivity, value addition and market linkages. The three major crops are cocoa, coffee and cassava. The KTA supports farmers with five or more acres. Among the key achievements of the KTA in Q1, 2019/2020 was the carrying out of surveillance on four pests and diseases as well as farmer training, group profiling, and field visits.
- Koboko District supports both internal and cross-border trade. The major trade items are manufactured goods, agricultural processed and unprocessed goods and the Democratic Republic of Congo.
- The population is engaged in various businesses, notably general merchandise, transport services and agri-business. With the recent opening of the Yei-Juba road and improved security, the business has flourished in the district and attracted many traders in the region.

Involvement of refugees in the local economy

70%

or more refugees are involved in economic activity, largely in agriculture. The rest are engaged in retail business and providing casual labour. Refugees in the district have gained stability in economic activity, having settled in the area for long.

Why invest in Koboko District?



Strategic location | Enabling environment | Abundant natural resources | Tourism potential



Administrative support | Attractive incentive regimes

Strategic location



- Koboko is a gateway to South Sudan and DRC, which have big market potential within COMESA and IGAD regions.

Infrastructure



Road transport

- The district has great potential as an investment location which government is committed to unlocking through prioritized and strategic infrastructure development.
- There are two major roads from Koboko to the neighbouring districts, and one of them meets the border of the DRC on one end and South Sudan on the other.
- Other roads include: Koboko– Yumbe–Moyo Road about 60 km north of Arua Town (gravel-surfaced); Vurra–Arua–Koboko–Oraba Road connects Vurra town (border with the DRC) with the towns north of Arua, Koboko, and Oraba (border with South Sudan). The tarmacking of these two roads is earmarked in the Vision 2040 Planning Framework.

Energy

- The district benefits from 1.5MW of thermoelectricity serving up to 2,800 customers including in the neighbouring districts of Arua, Paidha, Yumbe and Nebbi. WENERECO is in the process of constructing a 3.5MW hydropower plant on Nyangak River in Paidha to boost the current supply.

Communication

- The district's access to major mobile telephone networks includes MTN, Airtel, UTL as well as internet. There is one radio station (Radio Koboko); however, the community has access to stations in other neighbouring districts. There are opportunities to access Pay-Tv services enjoyed across the country.

Enabling environment



- There is peace and security which promotes trade and free movement of goods and services.
- The community in Koboko is hospitable and speaks many international languages like English, Swahili, Arabic and French.
- Favourable district policies like Koboko Transformation Agenda (KTA) 2018, together with good political will and technical knowledge, provide the much-needed support for trade and investment.
- Koboko has a titled 78.8 hectares industrial park site located in Oraba Town Council near the border with South Sudan. The park site is connected to WENRECO and plans are underway to connect to the main grid.
- Koboko has an international border market located at Oraba-Busia as an inland port for export trade.

Skilled and productive manpower



Koboko has several training institutions that produce skilled manpower. These include:

- Uganda Christian University Centre
- Koboko Health Training Institute
- Koboko Technical Institute
- Koboko Multech Centre
- Koboko Youth Centre
- Jabara Vocational Institute

These institutions produce health, business, agriculture, and service sector professionals.

Abundant natural resources



- The district is endowed with adequate surface and groundwater resources. River Apa, Kaya at the South Sudan border, Kechi, Ora and Kochi are the most important rivers in the district.
- Wetlands cover a proportion of the total district area.
- Koboko District has a bi-modal rainfall pattern with some dry spells in June and between November and March.

Tourism potential



- Koboko is endowed with unique historical and cultural sites, among which are the following:
 - Salia Musala (Tripartite point): Political landscape showing the border point of Uganda, Congo and South – signifies a historical landmark of three sovereign states meeting at a point.
 - The ancestral village where Idi Amin Dada (former President of Uganda infamous for his dictatorship) was born within the DRC-Uganda border in Koboko. The village home reflects the journey of Idi Amin and his ancestors.
 - Graveyard of the former chiefs of Kakwa called Sultans, and the father of Idi Amin Dada also buried at the cemetery of the Sultans.

Administrative support



- Koboko higher government has political and technical staff who guide policy and implementation mechanisms with support from the 12 lower local governments. Plans are underway to create the District Investment Committee.
- Investors are assisted by the different departments in the local government depending on the issues at hand.

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. For the current incentive structure, refer to the link: <https://www.ugandainvest.go.ug/wp-content/uploads/2019/12/Tax-Incentives-for-2019.pdf>

Existing successful enterprises in Koboko

- Queen Logistics is a Ugandan-owned company that began with individual savings engaged in the supply of groundnuts from Koboko to Kampala. The company was boosted by its work to supply the World Food Program's food distribution service to South Sudan. This required the proprietor to hire trucks from private individuals and companies. From the proceeds, Queen Logistics purchased a truck and later added more assets to currently invest in the oil and gas sector.
- The success of Queen Logistics, Ltd., showcases how viable Koboko District can be as an emerging market investment.



PHOTO CREDIT: UNDP Uganda

Viable investment opportunities in Koboko District

- **Tourism potential:** Koboko is endowed with unique natural and cultural sites such as Lake Adolemela (crater lake), the Salia Musala border point, Liru Shrine, the ancestral home of the late former President Idi Amin Dada and Tabi Hot Springs in Dranya sub-county.
- **Agro-processing and value addition** for cassava, cocoa and coffee.
- **Real estate and hotel accommodation:** The district has limited accommodation services and yet the visitor commercial activity traffic to Koboko is increasing.
- **Education services:** Koboko has only one technical institution, which is not sufficient for the growing number of youth in the district.
- **Investment in large-scale tree planting and large-scale tree nurseries** are opportunities for substantial income generation, reforestation and revival of the environment and creation of jobs that can diversify sources of income for the local communities.
- **Health services**

Specific investment project

Making cornflakes



PHOTO CREDIT: Shutterstock

Cornflakes have a high market potential as adults and youths consume them.

Production capacity

This business idea aims at the production of 400 kg of cornflakes a day, totalling 124,800 kg in the first year. The revenue potential is estimated at \$299,520 annually at a sales margin of 20 percent. The initial capital investment cost for the project is \$70,857.

Setting up

When purchased directly from Uganda costs will be lower because raw materials can be cheaply procured from the local market.

Capital investment requirements

Capital financing can be raised through savings (equity) or through a bank loan.

Capital investment item	Total cost (USD)
Fixed Assets	15,674
Rent for premises	77,832
Equipment, Furniture	45,184
Delivery Van	5,405
Preliminary Expenses	540
Total Investment	144,635

Source: Uganda Investment Authority's SME Business Ideas Handbook 2019/2020 further details setting up. The phased investment and viability can be accessed from the handbook.

Some existing successful enterprises in Koboko

- **Hotels:** Country Motel, Delambience, Blue Dove, The Pearl, among others
- **Transport industry:** KKT Ropani International, Queen Logistic, Nile Coach
- **Construction and real estate:** Big G, Power Enterprise and Abude Construction
- **General merchandise:** Bait Enterprise, Bomak Traders, among others

Challenges

- Insufficient and unreliable power
- High cost of production
- Limited storage and warehousing

Cost of doing business



- Commercial rentals, per month: **UGX 200,000**
- Commercial land rural acreage – **UGX 500,000**
- Rental residential, per room, per month: **UGX 500,000**
- Labor cost for construction per person, per day: **UGX 15,000**
- Water:
 - Commercial – **UGX 4,220 per m³**
 - Domestic – **UGX 3,516 per m³**
- Electricity:
 - Commercial – **UGX 666.1/kWh**
 - Domestic – **UGX 752/kWh**

“Some refugees are economically well and running businesses across the borders.”

Mr. Bada Fred, District Planner, Koboko District

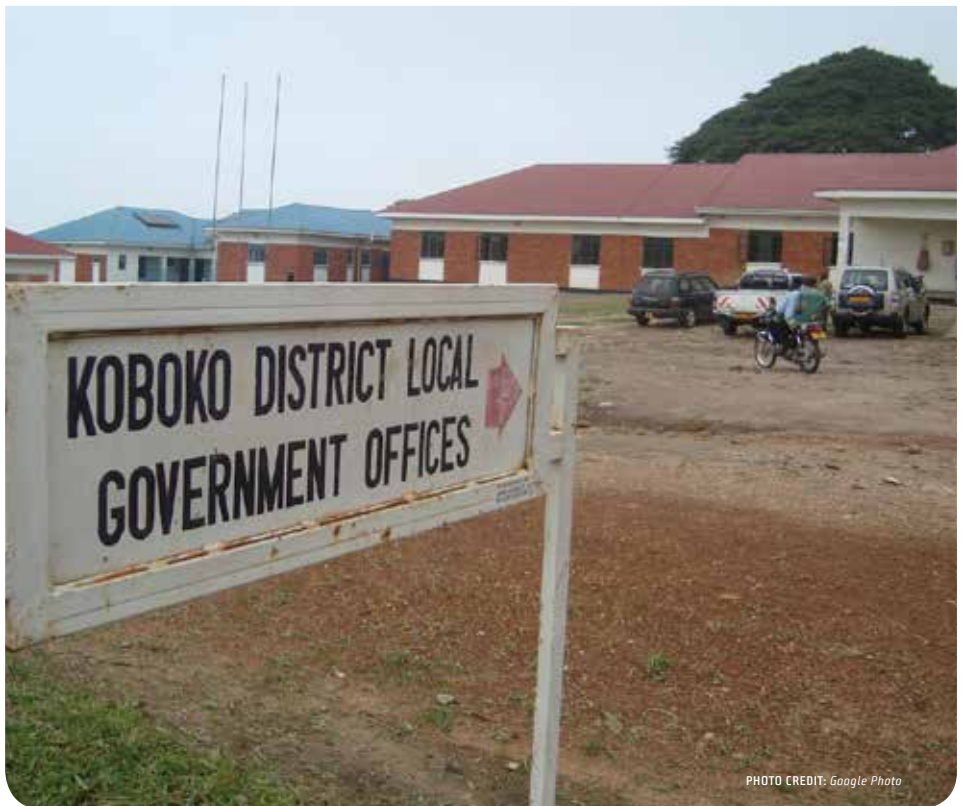


PHOTO CREDIT: Google Photo

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