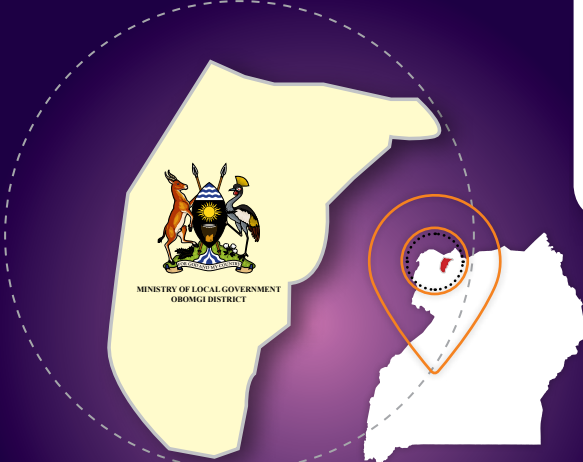


# OBONGI DISTRICT

## Investment Profile



ACCESSIBILITY ▾



MAIN ECONOMIC ACTIVITY ▾



### BRIEF DISTRICT PROFILE

<b>Geography</b>	
Location	West Nile Subregion
Neighbours	Adjumani (east), Moyo (north), Yumbe (west) and Madi-okollo (south).
District area	1,010 km <sup>2</sup>
Arable land area	940 km <sup>2</sup>
<b>Socio-economic characteristics</b>	
Population (Estimate as of 2019)	43,140
Refugees and asylum seekers (2019)	120,000
Languages	Madi, Reli, Gimara, Alur, Aliba, Lugbara, Arabic, Kakwa, Kuku, Bari, Kiswahili, English
Main economic activity	Agriculture (cassava, simsim, cotton), fishing, livestock (milk and beef), retail trade.
Major tradeable	Cassava, simsim, maize, sorghum, soya beans, cotton and milk.
<b>Infrastructure and strategic positioning</b>	
Transport network	Road network, water transport on River Nile
Communication	MTN, Airtel, UTL, Africell



## Geography

- Obongi is a new district carved out of Moyo District located in the Northern region of Uganda. It is composed of five sub-counties, namely: Aliba, Gimara, It-ula, Ewafa, Palorinya, and Obongi Town Council
- It is bordered by Moyo in the north, Adjumani District in the east, Yumbe in the west and Madi-okollo in the south.



## Demography

- The languages spoken in the district are Madi, Reli, Gimara, Alur, Aliba, Lugbara, Arabic, Kakwa, Kuku, Bari, Kiswahili and English.
- The population of Ugandan nationals is estimated as of 2019 to be 43,140. Out of these, 21,740 are female, and 21,400 are male.
- Obongi is a refugee-hosting district. The 2019 estimates indicate the refugee population is at 120,000, meaning that the refugee population now outnumbers the general Ugandan public in the area.

## Main economic activity

- Agriculture is the main economic activity, primarily subsistence.
- The major food crops include cassava, maize, sorghum, soya beans, groundnuts and simsim.
- Cotton is a potential cash crop.
- People also engage in general retail and wholesale, metal works, fish farming and livestock rearing.

## Why invest in Obongi District?



Strategic Location



Abundant natural resources



Peace and Security



Administrative support



Attractive incentive regimes

### Strategic location



- Obongi district is centrally located in the West Nile and on the main road from Arua to Juba via Adjumani.

### Abundant natural resources



- Obongi has abundant natural resources such as River Nile, fertile soils, fauna and flora.
- The district has abundant land and rainfall of about 1250mm, which is sufficient for commercial agriculture.

### Peace and security



- Since the end of the 1980s, the Ugandan Government's focus has been on governance, peace and security as factors that determine the success of economic policies or, more generally, as major factors influencing the level of national development. This has facilitated the growing confidence in communities in the northern districts of Uganda.

### Administrative support



- Obongi District has supportive local government structures which include an interim District Council, lower local government councils, Local Council I and II, District and Sub-County Technical Planning committees, youth, women, disability, elderly councils at district, sub-county, parish and village. All these facilitate the various economic activities in the district.

## 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 MSME enterprises

- Whole and retail businesses
- Service industry (ICT, events management, catering, hairdressing, entertainment, pharmacies, stationery shops and private schools)
- Service providers (contractors and suppliers)
- Metal fabrication
- Brick making

## Investment opportunities in Obongi

- Commercial agriculture
- Services industry (transport, communication, insurance and other financial services)
- Animal rearing
- Fishing
- Sports tourism along the River Nile
- Real estate development
- Quarrying and mining
- Afforestation
- Fruit growing and processing
- Hospitality and accommodation
- Apiculture
- Financial services
- Education and health services
- Power generation and distribution

## Specific investment project

### Simsim processing



*Photo Credit: Shutterstock*

Processing simsim requires gestation periods, packaging, labelling and factory standards. Simsim paste is a household item used by most families throughout the year, so there is a ready market all over the country. It can be sold in supermarkets, small grocery shops and schools. To maximize sales, the business owner should ensure standard packaging, prompt delivery services, high quality and well-refined products, best price offers, and discounts.

#### Production capacity

The simsim business idea is premised on production of 200 kgs of simsim paste per month which translates into 2,400 units for the first year. The production capacity is estimated to grow by 10% per annum for the next four years, resulting into annual production of 2,880 kg by the 5th year. This kind of investment can cost USD13,200 in the first trading year. The investment could be financed by the owner's equity. The profits from the business could later be ploughed back into the business in the subsequent years.

#### Setting up

The process starts with identifying outgrowers to supply raw material (simsim) and then further identifying one acre to set up a processing plant. After site selection, the next process is setting up the small building with the machines and installing electricity and water.

## Capital investment requirements

Capital investment item	Total cost (USD)
Fixed assets	3,000
Vehicle	7,000
Equipment and furnishings	1,000
Computers and electronic equipment	500
Simsim roaster	500
Simsim paste machine	700
Weighing scale	100
Storage containers	400
Total Investment	13,200
Vehicles	12,000
Preliminary Expenses	3,500
Working Capital	50,665
<b>Total Investment (USD)</b>	<b>231,780</b>

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

## Challenges

- Poor infrastructure
- Unpredictable weather patterns
- Low literacy levels
- Land tenure and land management issues (communal land)
- There is limited publicity about the district.

## Cost of doing business

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- Casual labor per hour: **UGX 3,000 – UGX 5,000**
- Cost of processing land title: **UGX 3,000,000 – UGX 5,000,000**
- Cost of ploughing one acre: **UGX 80,000 – UGX 100,000**
- Cost of one acre of rural land: **UGvX 500,000 – UGX 600,000**
- Commercial plots (15 by 30m): **UGX 10,000,000 – UGX 15,000,000**
- Rental of commercial office, per month, per room: **UGX 150,000-UGX 200,000**
- Transport by public means on radius of 80Kms on average: **UGX 15,000**
- Water – Commercial – **UGX 4,220 per m<sup>3</sup>**  
Domestic – **UGX 3,516 per m<sup>3</sup>**
- Electricity – Commercial – **UGX 666.1UGX. /kWh**  
Domestic – **UGX 752 UGX /kWh**

## DISTRICT CONTACT PERSONS

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