

YUMBE DISTRICT

Investment Profile



ACCESSIBILITY



MAIN ECONOMIC ACTIVITY



BRIEF DISTRICT PROFILE

Geography	
Location	North-western Uganda
Neighbours	South Sudan, Moyo, Adjumani, Obongi, Madi-okollo, Arua, Maracha and Koboko
District area	2,411sq km ²
Arable land area	1931.211 km ²
Socio-economic characteristics	
Population (estimate as of 2019)	629,400
Refugees and asylum seekers (estimates as of 2019)	320,000
Languages	Aringa, Arabic, Kiswahili, Lugbara, Kakwa, Bari, Madi, Luo and English
Main economic Activity	Agriculture
Major tradeable	Maize, simsim, cassava, sweet potatoes and millet, sun-flower, sorghum, beans, honey, shea butter, tobacco, cotton, mangoes and livestock
Infrastructure and strategic positioning	
Transport	Major road transport
Telecommunication	MTN, Airtel, Africel, UTL, internet



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Geography

- Yumbe District was created in November 2000 from Arua District.
- South Sudan borders to the north, Moyo District to the east, Adjumani to the south-east, Arua to the south, Maracha to the south-west and Koboko to the west.
- The district covers a total area of 2,411km², 80.01% of which is arable, 17.08% forested and 9.9% covered by water bodies and wetlands.

Demography

- The ethnic majority (89%) in the district are Lugbara. Other ethnicities include the Kakwa, Madi and Alur. The dialects spoken in the district include Arin-ga Lugbara (majority), Kak-wa, Bari, Madi and Alur. The other spoken languages are Kiswahili and English.
- The 2014 National Population and Housing Census estimated the district population at 484,822, with 52% women and 48% men. In 2019, the population was estimated at 629,400.
- Yumbe is one of the refugee host districts in Uganda. By 2019, the refugee population had risen to 320,000 from 272,707 registered at the end of 2017.
- Refugees in the district mainly come from South Sudan. They are hosted in Bidi Bidi settlement area where they are allocated plots of land to build homes and to work on farms. They are also encouraged to interact freely, set up shops and other retail businesses.
- Yumbe promotes the government's exemplary refugee settlement model that allows refugees to interact freely and set up investments, which provides an opportunity to harness their potential to accelerate local economic development. Generally, the refugee and host communities enjoy a cordial relationship, which offers a favourable environment for doing business.

Involvement of refugees in the local economy

320,000

refugees interact freely and set up investments, providing an opportunity to harness their potential to accelerate local economic development.

Main economic activity

- About 80% of the total area of Yumbe is engaged in subsistence agriculture. The main food crops grown are maize, simsim, cassava, sweet potatoes, millet, sunflower, sorghum, beans, honey, shea butter, tobacco, cotton, mangoes and livestock. There are currently no commercial farms.
- The district has recently confirmed that the soils in the belts Ariwa, Kerwa, Lodonga, Odravu and Drajini sub-counties are conducive for cotton-growing, presents a good investment opportunity. Also, fruits such as mangoes and citrus fruits grow well in the district, and a juice processing factory is to be opened soon (Aringa Fruit Factory).
- Tobacco is the major cash crop and main source of livelihood for many in the district. It is grown mainly in the fertile high-land areas.
- The people also engage in general retail and wholesale, metal and wood fabrication, arts and crafts production, fish farming and livestock farming.
- The increasing demand for goats is attracting investment in animal husbandry. There is enormous demand for goats, particularly among the Muslim communities who slaughter them in fulfilment of religious and cultural ceremonies.

Involvement of refugees in the local economy

- The refugee community is also engaged in economic activities including farming, retail business and casual labour to complement relief aid.
- Bidi settlement has various markets where refugees sell products. Entrepreneurs have set up small shops to fix motorcycles, build furniture, and other activities.

Why invest in Yumbe District?



Existing infrastructure



Strategic location



Peace and security



Abundant natural resources



Tourism potential



Administrative support



Attractive incentive regimes



Existing infrastructure



Nyangak Dam generates power for Yumbe

Strategic location



- Yumbe has great potential as an investment location which the government is committed to unlocking through prioritized and strategic infrastructure development. It is close to the border of South Sudan and has four major road networks connecting to South Sudan, and the districts of Koboko, Moyo, Obongi and Arua.
- The district has two major roads from Yumbe town; 81km from Yumbe Town to Arua and 36 km from Yumbe town to Koboko, both of which are gravel surfaced.
- Planning is in place for the tarmacking of two more roads within the Vision 2040 Planning framework.

Peace and security



Since the end of the 1980s, the 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 districts of northern Uganda.

Abundant natural resources



- Yumbe has abundant natural resources which if sustainably exploited, will provide a strong raw materials base:
 - There are three central forest reserves; Mt. Kei natural forest reserve; Lodonga forest and Koloa forest reserve.
 - There are deposits of quality clay for making bricks, tiles and other products.
 - Furthermore, some recent studies have revealed a presence of petroleum deposits in the northern parts of the district.
 - The district has abundant land and rainfall of about 1250mm, enough for commercial agriculture.

Tourism potential



Potential tourist attractions include:

- The Lodonga Basilica: the first Catholic Basilica in Sub-Saharan Africa. Dedicated in 1961, the Basilica attracts guests every 8 December to view the Virgin Mary apparition at the church.



PHOTO CREDIT: UNDP Uganda

The Lodonga Minor Basilica

Tourism potential , cont



- The Takwa Mosque, which annually brings together visitors from Kenya, the Democratic Republic of the Congo (DRC), Tanzania, and Rwanda to undertake Mawlid and other functions.
- The Kei Forest has species which are not found anywhere else in the world.
- A rare type of honey can be produced by bees in the Kei forest.

Administrative support



- A District Investment Committee (DIC) is in place to spearhead investment, facilitation after-care in different sectors. The DIC is a 10-member task force comprising five local government representatives: the LCV Chairman, the Chief Administrative Officer, District Commercial Officer, District Planner, the Lands officer and five members from the private sector.

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.uganda-invest.go.ug/wp-content/uploads/2019/12/Tax-Incentives-for-2019.pdf>.

Specific investment project

Cassava processing



Cassava is a root vegetable and a major staple food in Uganda. Cassava can be processed for flour, alcoholic beverages, biofuels and animal feeds. Cassava flour can also be used to make spaghetti and noodles. It is a gluten-free, wheat flour alternative that can be made by grating and drying the fibrous cassava root. Given its gluten-free nature, cassava flour is the “next generation in grain-free baking” product. It also has an easy-to-use texture and mild taste. The waste (cassava chips) could be sold as animal feed.

Production capacity

This business could start with the production of 20,500 kg of cassava flour per month, which translates into 246,000 kg for the first year. The production is estimated to grow by 10% per year for the next four years, resulting in annual production capacity of 264,000 kg of cassava by the fifth year. An estimated 61 tonnes of raw cassava will be processed monthly to get 20,500 kg of cassava flour per month and 30kg of cassava chips.

Setting up

This business idea is developed with an emphasis on a medium enterprise model as defined by the MSME Policy document. This kind of investment can cost about USD199,280 in the first trading year.

Other existing enterprises

- Marian Brothers – rice sorting and oil manufacturing from sunflower
- Mikiga - packaging materials
- Escape Village – accommodation services
- Bayan Hotel
- Hotel Skyper
- Premium Hotel
- Borussus Hotel

Capital investment requirements

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

Capital investment item	Total cost (USD)
Land	20,000
Land concession	15,000
Site preparation and development	5,000
Building works and development	15,000
Processing equipment	33,000
Furniture, equipment/furnishings	18,280
Vehicles	6,000
Preliminary expenses	2,000
Working capital	5,000
Total Investment	99,280

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).

Successful enterprises in Yumbe

Blessed Bee for Life is an established and registered Community Based Organization (CBO) in Yumbe District. The organization makes beehives, provides harvest gears, tools, trains beekeepers with modern beekeeping techniques, and links the bee farmers to the market and the local authorities. Established in 2013, the organization is now capable of producing more than 17 tonnes of high-quality honey and other bee products annually with the help of modern beekeeping techniques

Blessed Bee for Life products



Viable investment opportunities in Yumbe District

i. Commercial agriculture

- Commercial agriculture is a viable investment due to the availability of vast and fertile soils.

ii. Large scale goat rearing

- Large-scale goat rearing for the markets in southern Sudan, west Nile, DRC, Rwanda and Kenya is a compelling investment opportunity.

iii. Aerial Surveys

- Aerial surveys have been carried out in the south-western part of the district and revealed a potential for the presence of petroleum deposits. Further surveys are being conducted.

iv. Large scale tree planting and tree nurseries

- This is an opportunity for substantial income generation, reforestation and revival of the environment, creation of jobs that can diversify sources of income for the local communities. Deforestation and environmental degradation in the whole of the west Nile Subregion have resulted from tree cutting for firewood, opening land for crop cultivation and using poor farming methods, overgrazing herds of cattle, goats and sheep.

v. Construction of accommodation and restaurants/hospitality industry

vi. Tourism opportunities

- Yumbe cultural sites and ecotourism potential such as the Kei natural forest.

vii. The establishment of technical institutes and skilling centres

viii. Power production

- Investment in power, especially solar, will supplement the hydropower that is being produced.

ix. Apiculture

x. Agricultural industrial parks

xi. Financial services

- There is still room for the establishment of other financial banks to tap into the growing business population, especially commercial banks.
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Challenges

- Road networks are in place, but the roads are in poor condition, especially during the rains since they are murrum. There are plans to tarmac the road linking to Obongi and Moyo, which will improve trade activities.
- Power is only in the town area (only two sub-counties have power out of 13), and due to unsteady power supply, there are no properly functioning factories in Yumbe.
- High-interest rates for bank loans affect capital.

Cost of doing business



- Land cost: UGX 300,000 – **UGX 1,000,000**
- Rental– warehouse – **UGX 500,000 – UGX 600,000**
- Rent for Residential: **UGX 250,000 - UGX 1,00,000**
- Transport per 80 km: **UGX 10,000**
- Water – Commercial: **UGX 4,220 per m³**
- Domestic: **UGX 3,516 per m³**
- Electricity – Commercial: **UGX. 666.1 kWh**
- Domestic: **UGX 752 kWh**
- Average wage per day: **UGX 7,000 – UGX 17,000**

“Yumbe can become a hub for investment, all that is needed are the roads and adequate power to boost trade.”

Andama K. Abdul, District Water Officer



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DISTRICT CONTACT PERSONS

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