West Nile Investment Summit

BANKABLE INVESTMENT PROJECTS: West Nile Region

Nyaravur-Angal Town Council, Nebbi District

www.ugandainvest.go.ug

Uganda Investment Authority
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West Nile Investment Summit

Head Office:
The Investment Center,
Kampala Industrial and Business Park,
Namanve – Kampala.

Tel:
+256 414 301 100
+256 414 301 104

Email:
info@ugandainvest.go.ug

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BACKGROUND TO THE WEST NILE INVESTMENT SUMMIT

- Uganda Investment Authority (UIA) is mandated with promoting, attracting, facilitating and registering investments in Uganda.
- UIA organizes regional investment summits, to showcase investment opportunities and support investors to license their investment projects.
- UIA works alongside other GoU MDAs to identify and quantify investment opportunities, and packages them into complete and bankable investment profiles.
- The West Nile Investment Summit aims at promoting investment for Local Economic Development of West Nile region. It has been designed to benefit potential investors in the districts of Adjumani, Arua, Nebbi, Koboko, Maracha, Moyo, Yumbe, Zombo, Madi Okollo, Vurra, Terego, Obongi and Ayivua.
- The West Nile region is endowed with natural resources that support commercial agriculture and a consumer base of 2,988,300 people (28% of whom are refugees from South Sudan and DRC).
- IFC's 2021 "Uganda Consumer and Markets Study" estimated that the West Nile region spends over USD 246 million per year to purchase consumer goods. This level of spending presents significant opportunities for investors.

WEST NILE HAS A WIDE RANGE OF INVESTMENT OPPORTUNITIES ACROSS SEVERAL SECTORS

Agriculture and agro-processing

- Honey production and processing
- Shea butter processing
- Cassava processing
- Sim Sim processing
- Fruit drying and packaging
- Tomato sauce making
- Pumpkin processing
- Diary processing
- Poultry processing and packaging

Tourism and hospitality

- Establishment of a camping site
- Establishment of a recreation centre
- Travel agency business
- Establishment of a tourist lodge
- Landscaping and designing

Manufacturing

- Animal feeds
- Paint manufacturing
- Making school bags
- Soap making
- Shoe making
- Making sanitary towels

Services

- Transport and logistics
- Skills building and technical trainings

UIA IS SUPPORTING POTENTIAL INVESTORS TO SEIZE THESE OPPORTUNITIES.

1 Market-proven opportunity

UIA has identified market-tested and proven investment opportunities within West Nile. For each investment opportunity, UIA has conducted a preliminary market analysis that explores a) factors of production; b) domestic and international demand for the produced goods/services; and c) projected growth in demand.

2 Financial analysis

For each of the business cases, UIA used available data to determine the capital investments required, operational costs, the return on investment and payback period. Potential investors can use this indicative information to quickly decide on whether to pursue or not to pursue an investment opportunity.

3 Availability of incentives

UIA has outlined tax and non-tax incentives applicable to the different sectors. Tax incentives, for example, include 10-year tax holidays for investments in commercial and agro-value addition, while non-tax incentives includes provision of land, access to financing and crucial support under the One Stop Centres.

4 Risks and assumptions

To guide potential investors, UIA has outlined key assumptions upon which projected success is dependent. Investors are expected to conduct additional due diligence and make investment decisions that align with their risk tolerance levels.

WHAT ARE THE NEXT STEPS FOR POTENTIAL INVESTORS FOLLOWING THE WEST NILE INVESTMENT SUMMIT?

Potential investors should contact UIA's One Stop Centre for support with the following next steps:

- Obtaining investment licenses.
- Conducting additional due diligence on the viability, profitability and risks associated with the investment opportunity.

Accessing incentives and benefits, including:

- **Tax incentives:** 10-year income tax holidays for investors in commercial agriculture and agro-value addition. In addition, plant and machinery for use in agro-processing are exempted from import duty.
- **Land:** offered within the designated industrial parks, on a first-come, first-serve basis.
- **Financing:** accessing to low interest debt from financial institutions like UDB and Post Bank.
- **Support and utility services from OSC:** registrations, certifications, utility connections et cetera.

- **Setting up within the designated industrial parks:** UIA facilitates the aggregation of business into industrial parks.
- **Exploring joint ventures:** UIA matches domestic investors with suitable foreign investors for potential joint ventures

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Investment Project #1:

HONEY PRODUCTION AND PROCESSING

Market potential

- The global demand for honey is estimated at 1.8 million metric tons, with market value of USD 7.8Bn. Uganda produces 100,000 – 200,000 metric tons of honey per year, with potential for growth to meet domestic and international demands.
- An investment in 50 – 500 beehives produces 420 - 2100 litres of honey per year. Investing in 1000 beehives produces over 6000 litres of honey per year.

Financial viability

- Total capital investment required for 50 – 500 beehives is USD 13,900 – 70,000 for a 5-year project. The capital requirement increases to USD 130,000 for 1000 beehives.
- Cost of capital is 10 – 15% per annum.
- Operational costs range from USD 7,800 for 50 beehives to USD 120,000 for 1000 beehives, over a 5-year project.
- ROI is 22 – 33%, payback period of 3 years.

Competitive advantage

- West Nile has extensive local knowledge and expertise to support bee keeping, honey production, processing and marketing.
- High (and growing) numbers of youth population in West Nile provide investors with plenty of affordable labour.

Government and OSC support to key challenges

- Enhanced enforcement of food safety regulations and quality assurance protocols, and issuance of quality standards certificates, would facilitate access to regional and international markets.
- Continued promotion of import substitution initiatives, including BUBU, would facilitate growth of market share away from international products.

Investment Project #2:

SHEA BUTTER PRODUCTION

Market potential

- Global demand for shea nuts is over 350,000 tons, yet Uganda produces only 3 ton per year (compared to Ghana's 60,000 tons).
- The global shea butter market is expected to reach USD 2.9Bn by 2025, owing to increased demand for organic beauty products in the cosmetic industry.
- The investment opportunity targets production of 2000 tons of shea butter per year.

Financial viability

- The capital investment required is USD 85,000 for a 5-year project, with cost of capital (debt) at 10 - 15% per annum.
- Operational costs are projected at USD 17,800 for the 5 years.
- ROI is projected at 23%.
- Payback period is 5 years.

Competitive advantage

- Shea butter trees are indigenous fruit trees that grow widely in Lango and Acholi sub-regions. They are a protected species under the NEMA Act, and community awareness campaigns and enforcement efforts are conducted to protect them.
- Adoption of modern agricultural practices, including government's support for commercial farming, ensure farmers have access to necessary technical, logistical and administrative support.

Government and OSC support to key challenges

- Enhanced enforcement of regulations on quality assurance would ensure standardization of Shea butter to meet international markets standards.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project #3:

CASSAVA FLOUR PROCESSING

Market potential

- Cassava plants are widely grown in West Nile, with yields of up to 14,000 kgs per acre. Markets include household consumers, brewery industry, pharmaceutical industry and exports to mainly China and EU.
- In 2019, Uganda earned USD 4.9M from cassava flour exports mainly to UK, Rwanda, Belgium, Qatar and Canada.
- The investment opportunity targets production of 246,000 kgs of cassava flour in Year 1, growing to 264,000 kgs by Year 5.

Financial viability

- Total capital investment is estimated at USD 69,300 for a 5-year project, with cost of capital (debt) at 10 – 15% per annum.
- RoI is 23% over 5-years, equivalent to a cumulative profit of USD 72,111.
- Payback period of 5 years.

Competitive advantage

- Cassava plants can thrive in harsh weather conditions and have high yields per acreage.
- Availability of highly effective pesticides to mitigate pests like mealybug ensures high yields are maintained. NARO has also introduced cassava varieties that are more resistant to pests and have higher yields.

Government and OSC support to key challenges

- Government agencies are actively promoting awareness, access and affordability of highly effective pesticides and disease resistant casava varieties to address the challenge of pesticides affecting yields.
- Government agencies (including OSCs and the Uganda Export Promotion Board) are supporting investors and farmers to secure quality standards, certifications and licences for accessing foreign markets.

Investment Project #4:

SIM SIM PROCESSING

Market potential

- Sim sim farming is widely practiced in West Nile, ensuring reliable supply of raw materials (inputs) from local farmers. Demand is high due to high nutritional value.
- Uganda exported 28,438 tons of sim sim in FY2020/21, earning revenue of USD 35M. The 2020/21 earnings more than doubled the USD 16M (from 16,438 tons) earned in FY2016/17.
- The investment opportunity targets processing of 1000 kgs of pea nut butter in Year 1, steadily growing to 1880kgs in Year 5.

Financial viability

- Capital required for the 5-year project is USD 6,500 and is anticipated to be owner's equity.
- Operational costs total USD 4,459 over the 5 years.
- RoI of 35 - 45%, equivalent to cumulative profit of USD 4,208 over the project period.
- Payback period of 5 years.

Competitive advantage

- Sim sim is very drought resistant, and can survive in harsh conditions where other crops struggle.
- The equipment used in sim sim processing are available on the domestic market, at affordable prices.
- West Nile's proximity to DRC and South Sudan provides ready access to markets in those countries.

Government and OSC support to key challenges

- Quality assurance during the production process and preservation is essential for meeting export market standards. UNBS certifications and regulatory guidance facilitate quality assurance.
- Government promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project #5:

CORNFLAKES MANUFACTURING

Market potential

- Maize is grown in large parts of West Nile, ensuring a steady supply of yellow and white corn needed for cornflakes manufacturing.
- The market for cornflakes is high and growing as the product offers a healthy and ready-to-eat meal. Demand is projected to grow as population size increases and urbanization (in West Nile and elsewhere) gains pace.
- Targeted production is 87,360kgs of cornflakes in Year 1 and growing to 118,560kgs by Year 5.

Financial viability

- Capital requirement is USD 69,363 for 5-year project, with cost of capital (debt) at 10% per annum.
- Operational costs of USD 56,750 for 5 years.
- RoI of 37%, equivalent to cumulative profit of USD 52,262 by Year 5.
- Payback period of 5 year.

Competitive advantage

- The equipment used for cleaning, polishing, milling and cooking maize are readily available on the local market and can be operated by local staff.
- The opportunity aligns to and benefits from government policy on agriculture value-addition, and benefits from extensive availability of maize (from local farmers).

Government and OSC support to key challenges

- UNBS's quality assurance enforcement and certifications during production process ensures products meet food safety requirements for domestic and international markets.
- Government efforts and initiatives promoting import substitutions and BUBU would ensure locally produced cornflakes gain market share in a competitive cereal market.

Investment Project **#6:**

YOGHURT MAKING

Market potential

- Availability of cow milk provides opportunity for value addition through yoghurt making. Each year, over a billion litres of milk unconsumed after it is produced.
- Demand for yoghurt is growing among children and health-conscious adults, due to its high nutritional value. Demand is growing both domestically and regional market.
- The investment targets production of 24,000 litres of yoghurt in Year 1, with production growing to 120,000 litres by Year 5.

Financial viability

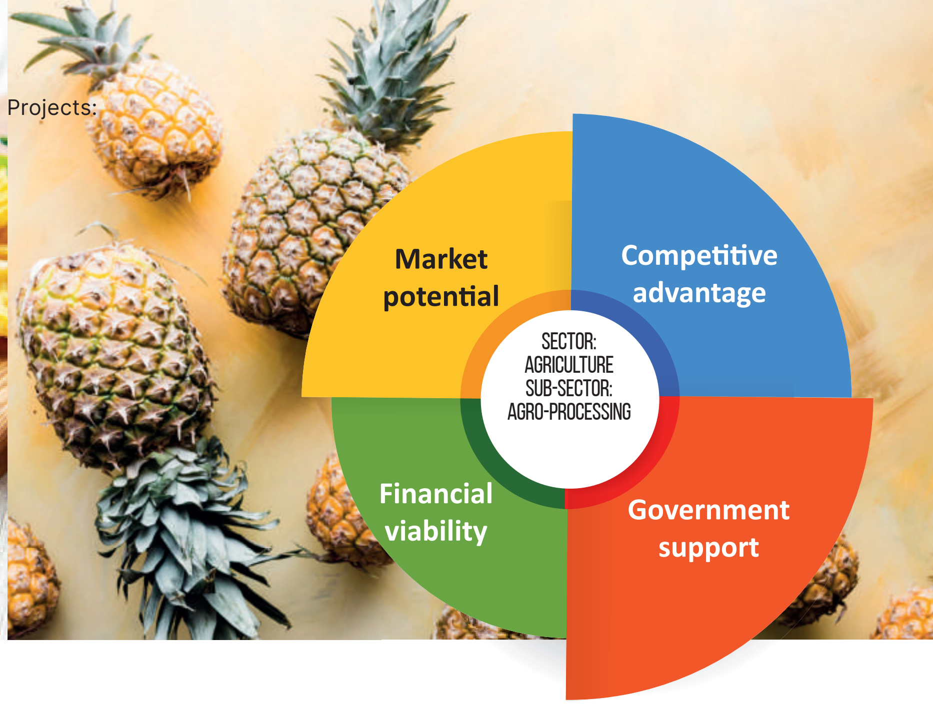
- Capital requirement is USD 38,108 for the 5 year investment, with cost of capital at 10% per annum.
- Operational costs are USD 92,327 over the 5 years.
- RoI of 50%, equivalent to cumulative profit of USD 79,534 for the 5 years.
- Payback period of 4 years.

Competitive advantage

- Readily available milk ensures consistent supply of inputs for the investment, and supports growth in production if demand grows.
- However, consistency in the quality of milk is essential and this might be compromised if the milk is obtained from different sources (with varied quality).

Government and OSC support to key challenges

- Sector regulation and quality assurance along the production cycle would ensure adherence to food safety requirements.
- Knowledge and experience sharing among stakeholders can be coordinated by government agencies.



Investment Project **#7:**

PINEAPPLE DRYING AND PACKAGING

Market potential

- Pineapple production is high in West Nile, often overwhelming the existing market for fresh pineapples. This results in wastage and low-prices during harvest season.
- International demand for organic dried foods is estimated at 5-10 times the current supply capacity.
- This opportunity targets drying, packaging and bringing to market 8000kgs of pineapples in Year 1, growing to 9000kgs by Year 5.

Financial viability

- Capital investment required is USD 68,964 over 5-years, with cost of capital at 10% per annum.
- Operational costs are USD 196,064 over 5 years.
- RoI of 33%, equivalent to cumulative profit of USD 22,566 by Year 5.
- Payback period of 5 year

Competitive advantage

- The opportunity relies on basic technology of solar dryers, which can be locally sourced and are easy to set up and operate.
- West Nile provides great access to markets, including the domestic market of Ugandans and foreign markets in Kenya, South Sudan, DR Congo.

Government and OSC support to key challenges

- Government agencies support and enforce quality assurance procedures and provide certifications for goods that meet international quality standards, thereby facilitating access to regional and international markets.
- Government promotion of BUBU and other import substitution policies facilitate growth the domestic market, which is essential for viability of the investment.

Investment Project **#8:**

DAIRY AGGREGATION AND STORAGE

Market potential

- West Nile has limited infrastructure to support storage and preservation of dairy milk, yet commercial dairy farming is feasible but mostly practiced by small-scale farmers.
- Current supply of fresh dairy milk exceeds local demand, creating a business opportunity to aggregate, preserve and transport milk to other markets.
- The opportunity involves setting up a milk aggregation and storage hub, with technologically advanced preservation and packaging capabilities.

Financial viability

- Required capital investment is USD 750,000 over a 5-year period, with cost of capital at 10 – 15% per annum.
- Operational costs range USD 120,000.
- RoI of 15 – 20%.
- Payback period of 5 years.

Competitive advantage

- Nebbi and Obongi have an estimated 270,000 heads of cattle for dairy farming, yet the market for milk consumption in West Nile is not as strong as in other regions of Uganda.
- Aggregation of milk from various farmers/ producers would require stringent and consistent quality assurance mechanisms.
- Dairy aggregation plant established in West Nile can dominate market share in the entire Northern Uganda, due to limited competition.

Government and OSC support to key challenges

- Enforcement of quality control and quality improvement standards along the value chain is essential in adhering to food safety protocols.
- Government supports farmers to access the most effective dairy farming techniques, technologies and feeds that enhance milk production, further enhancing the RoI.

Investment Project **#9:**

POULTRY DRESSING AND PACKAGING

Market potential

- Chicken consumption in Uganda is very high, with demand (from both domestic and regional markets) far exceeding current supply.
- Demand is projected to keep growing, owing to increased population, increased urbanization, growth in the hospitality industry, and increased preference for white meat.
- This opportunity targets production of 120,000kgs of dressed chicken in Year 1, doubling to 240,000kgs by Year 4.

Financial viability

- Capital requirement is USD 208,900 over 5 years, with cost of capital (debt) at 10 - 15% per annum.
- Operational costs are USD 385,972 over 5 years.
- RoI of 20 – 25%, equivalent to cumulative profit of 143,000 over the 5 years.
- Payback period of 3 years.

Competitive advantage

- Extensive practice of poultry farming in West Nile ensures a steady supply of inputs. The investor is also expected to maintain a sizeable poultry farm to support the business.
- Poultry farming is technologically less sophisticated and less capital intensive, with the required equipment accessible on the local market or from China and easy to operate and maintain by skilled local personnel.

Government and OSC support to key challenges

- Poultry diseases (especially Newcastle and coccidiosis – with mortality rates of 30-80%), are significant challenges and require national response.
- Poultry-feed availability, quality and cost are challenges where government regulation would benefit the farmer.

Investment Project **#10:**

TOMATO SAUCE MAKING

Market potential

- Tomato sauce production is facilitated by raw tomatoes that are easily grown in many areas in West Nile.
- Market for tomato sauce is projected to keep growing facilitated by the adoption of fast-food culture, which is also fuelled by rapid urbanization and growth in hospitality sector.
- This opportunity targets production of 36000 tins of tomato sauce in Year 1, growing to 48000 tins in Year 5.

Financial viability

- Capital requirement is USD 36,851 for 5 years, with cost of capital at 10% per annum.
- Operational costs of USD 86,678 over 5 years.
- RoI of 30 - 42%, with cumulative profitability projected at USD 69,346 by Year 5.
- Payback period of 5 years.

Competitive advantage

- Tomatoes used as raw materials are abundantly available (albeit seasonally) in West Nile. Production of high quality tomatoes can be enhanced through access to improved seeds, pesticides and farming techniques.
- Due to existence of large players on the market, obtaining market share would be through provision of low-cost but high quality product to appeal to price-sensitive consumers.

Government and OSC support to key challenges

- Enforcement of quality control and quality improvement standards along the value chain is essential in adhering to food safety protocols.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#11:**

FISH PROCESSING

Market potential

- Uganda exported 15,150 tons of fish and fish products in FY20/21, earning USD 119M.
- Whereas commercial fish farming is currently limited in West Nile, investors should tap into this opportunity to serve the growing domestic, regional international market for fish and fish products.
- The opportunity targets production of 100,000kgs of fish fillets in Year 1, doubling to 200,000kgs by Year 5.

Financial viability

- Capital requirement for this venture is USD 197,292 for a 5-year project, with cost of capital (debt) at 10 – 15% pe annum.
- Operational costs total USD 385,000 over 5 years.
- Average annual RoI of 28%.
- Payback period of 3 years.

Competitive advantage

- Domestic demand for fish is steadily growing, as more people are embracing healthy eating habits. Yet supply of processed fish, especially in West Nile, is limited.
- West Nile's proximity to South Sudan and DRC gives the region direct access to those markets.

Government and OSC support to key challenges

- Access to credit through government institutions like UDB facilitate access to affordable capital for investment in such high capital but lucrative ventures like fish farming and processing, as well as facilitating the operation costs.
- Quality assurance and quality control processes enforced by UNBS ensure investors adhere to quality standards, receive the appropriate certifications to access foreign markets.

Investment Project **#12:**

ANIMAL FEEDS PROCESSING

Market potential

- There is an upsurge in livestock farming as a commercial venture, facilitated by Government's relentless promotion of investment opportunities within the agriculture and agro-processing sector.
- West Nile provides an extensive supply of agricultural products to be used as raw materials for making animal feeds.
- This opportunity targets production of 300,000 kgs of animal feeds per year, including poultry feeds, cattle feeds, swine feed, fish feed, pet feed et cetera.

Financial viability

- Total capital investment is USD 77,386 for the 5 years, with cost of capital at 10 - 15% per annum.
- Operational costs USD 145,013 over 5 years.
- RoI of 24%, with cumulative profit estimated at USD 95,779 after 5 years.
- Payback period of 3 years.

Competitive advantage

- The domestic market for quality animal feeds is growing in tandem with the growth in livestock farming, and the practice of zero-grazing due to limited land. The market is not only limited to West Nile but also other regions of Uganda.
- Because of the agriculture practices of most households in West Nile, there is a steady supply of raw materials (grains, cereals, vegetable, animal by-products) to be used in processing animal feeds.

Government and OSC support to key challenges

- This market segment is currently poorly regulated, creating a risk of challenges relating to new regulations.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#13:**

SANITARY TOWELS MANUFACTURING

Market potential

- Over 11 million people in Uganda require monthly supply of sanitary products. In 2018, Uganda imported USD 29 million worth of sanitary towels and tampons.
- Demand is projected to grow with the growing population and as more (rural and younger) women start affording low-cost sanitary towels.
- The opportunity targets production of 120,000 sanitary towels.

Financial viability

- Total capital investment is USD 350,000 for 5 years, at a cost of capital (debt) of 10 – 15% per annum.
- Operational costs are USD 40,000 over 5 years.
- RoI of 22%, equivalent to total return of USD 31,900 after 5 years.
- Payback period of 5 years.

Competitive advantage

- The domestic market for quality animal feeds is growing in tandem with the growth in livestock farming, and the practice of zero-grazing due to limited land. The market is not only limited to West Nile but also other regions of Uganda.
- Because of the agriculture practices of most households in West Nile, there is a steady supply of raw materials (grains, cereals, vegetable, animal by-products) to be used in processing animal feeds.

Government and OSC support to key challenges

- This market segment is currently poorly regulated, creating a risk of challenges relating to new regulations.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#14:**

HOTELS AND LODGING

Market potential

- West Nile's close proximity to Murchison Falls National Park (boasting of a rich, diverse and unique wildlife), and presence of Paraa Safari Lodge and Chobe Safari Lodge, demonstrate the substantial demand and market potential for hotels and lodging services to serve the growing tourism and hospitality sector.
- Although COVID-19 has significantly impacted the tourism and hospitality industry, growth is projected to return to pre-COVID levels.
- This opportunity targets constructing and operating an expansive 5-star hotel with 150 rooms in West Nile, to cater for routine business travelers and tourism on leisure travels.

Financial viability

- Total capital investment is USD 3.5M.
- Operational costs of USD 250,000 for 5 years.
- RoI of 15 – 20%.
- Payback period of 5 – 10 years.

Competitive advantage

- Proximity to already established tourism and hospitality ventures enables the investor to benefit from already established infrastructure (roads, electricity, internet access, security, skilled local personnel, suppliers et cetera).
- Government of Uganda provides tax and no-tax incentives for business ventures within the tourism industry.
- Abundance of young, educated and knowledge labor force would facilitate skills-transfer to their peers.

Government and OSC support to key challenges

- High cost of capital is mitigated by government's incentives to investors targeting the tourism sector.
- Government efforts to promote domestic tourism, through Uganda Tourism Board, facilitates growth of the industry through improving local demand for hotel services in the region.

Investment Project **#15:**

TRAVEL AGENCY BUSINESS

Market potential

- Uganda earned USD 1.6Bn from tourism in FY18/19, with most tourists coming to experience the biodiversity, landscapes, cultural and religious heritage in Uganda.
- West Nile can tap into this market, with its range of offerings including a unique and rich culture and wildlife.
- This opportunity focuses on travel agency services related to tourism and associated services. The service offerings shall include transportation, lodging, and tour guides.

Financial viability

- Total capital investment is USD 200,414 for a 5-year project, with cost of capital at 10 - 15% per annum.
- Operational costs total USD 164,250 over 5 years.
- Average annual RoI of 55%, equivalent to total return of USD 272,871 over 5 years.
- Payback period of 5 years.

Competitive advantage

- West Nile is near already established tourist destinations and can leverage the existing infrastructure and demand for adjacent services to support the travel agency business.
- Rich, diverse and unique cultural heritage – cuisine, arts, architecture, craft, fashion, dance, faith-based attractions (One UNESCO world heritage site.

Government and OSC support to key challenges

- Enhanced marketing and promotion of Uganda as a tourist destination (including efforts by the Uganda Tourism Board) are increasing tourist traffic to Uganda.
- Government investments in security, infrastructure (roads, electricity, telecommunications, financial services) are facilitating growth of the tourism industry.
- Tax and non-tax incentives are mitigating the cost of doing business in the tourism sector.

Investment Project **#16:**

MINERAL EXTRACTION

Market potential

- Pakwach district is home to sizable deposits of white diatomite, containing large proportions of diatoms in a Kaolin Matrix.
- Extraction of clean coarse beach sand suitable for building and concrete making around the shores of River Namrwodho, Akaba and Kamia in Pakwach.
- Demand is projected to grow fueled by the growing construction sector, feeding off rapid urbanization.
- This opportunity targets production of aggregates and dimension stones.

Financial viability

- Total capital investment is USD 3M for a 5-year project, with cost of capital at 20% per annum.
- Operational costs are USD 250,000 – 400,000 for the 5 years of operation.
- RoI projected at 10 – 15%.
- Payback period of 3 years.

Competitive advantage

- Uganda is experiencing a surge in foreign direct investment that is targeting the mining sector, specifically addressing gaps in competencies, technology and equipment.
- Government of Uganda is actively enacting laws and regulation to govern operations of the mining sector.

Government and OSC support to key challenges

- Government has completed geological, geophysical, and geochemical mapping for 80% of Uganda. This provides potential investors with good basis for targeted allocation of resources for feasibility studies and mineral exploration.
- Challenges of the land tenure system are being addressed by the respective government agencies.

Investment Project **#17:**

JUICE EXTRACTION AND PROCESSING

Market potential

- Farmers in West Nile grow fruits of different varieties, whose supply can exceed demand during peak season.
- There's growing demand for natural fruit juice as population becomes more health conscious.
- The opportunity targets production of 150,000 litres of fruit juice in Year 1, growing to 450,000 litres per year by Year 5.

Financial viability

- Total capital investment is USD 214,258 for a 5-year project, with cost of capital at 10% per annum.
- Operational costs are USD 445,443 over 5 years.
- Overall RoI of 32%, equivalent cumulative profit of USD 351,017 over 5 years.
- Payback period of 5 years.

Competitive advantage

- Extraction of fruit juice is significant value addition and commercially benefits farmers. The opportunity doesn't require foreign expertise.
- The seasonal nature of fruit-growing creates risks of under supply of fresh fruits during off-season periods.

Government and OSC support to key challenges

- Enhanced enforcement of regulations on quality assurance would ensure standardization of products and ease to regional and international markets.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#18:**

RICE MILLING AND PACKAGING

Market potential

- Uganda exported 25,527 tons of rice in FY2020/21, earning USD 13.2M. This was 40% less than volume exported in previous 5 years, implying unmet demand.
- Domestic demand for rice is high and growing, but local rice has to compete with imported brands. To address local demand, value addition is in milling and packaging rice.
- The investment opportunity targets packaging of 1,554,720 kgs of rice over the 5-year period.

Financial viability

- Total capital investment is USD 143,284 for a 5-year project, with cost of capital at 10 - 15% per annum.
- Average annual RoI of 22%, equivalent to cumulative profit of USD 198,667 over 5 years.
- Payback period of 3 years.

Competitive advantage

- Existence of local knowledge and expertise to support honey production, processing and market-access is a strength. The opportunity doesn't require foreign expertise.
- The seasonal nature of fruit-growing creates risks of under supply of fresh fruits during off-season periods.

Government and OSC support to key challenges

- Government's efforts to promote import substitution reserve market share for locally manufactured paint.
- To access foreign markets, government agencies provide support in quality assurance, product standardization and market access procedures.

Investment Project **#19:**

PAINT MANUFACTURING

Market potential

- The market for paint is fast growing in Uganda with demand from the fast-growing housing and construction sector, fueled by population growth.
- The Uganda National Planning Authority estimates a shortage of 8-million-unit housing units in the country, providing an opportunity for construction investors and a domestic market for paint.
- This opportunity targets production of 11,520 litres of emulsion paint in Year 1, growing to 19,200 litres by Year 5.

Financial viability

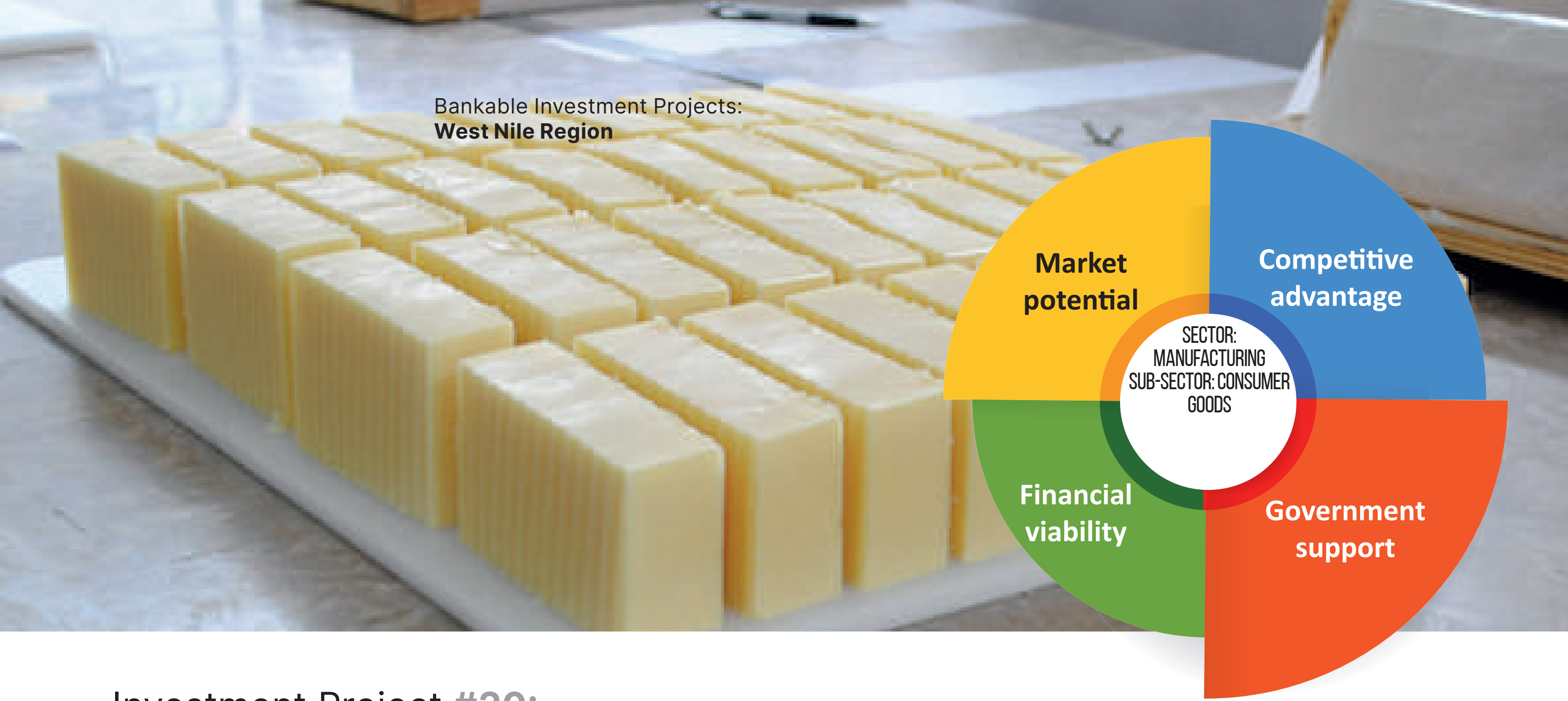
- Capital required is USD 35,000 for 5 years.
- Operational costs total USD 29,027 over the 5 years.
- RoI of 61%, equivalent to cumulative profit of USD 67,845 over the 5 years.
- Payback period of 5 years.

Competitive advantage

- Rapid urbanization and a boom in construction projects (residential and commercial housing, schools et cetera) have facilitated a growth in demand for paint.
- With an estimated 300,000 housing units needed per year, commercial construction and residential construction in Uganda are booming. All these units need paint that is of high quality and appropriately priced.

Government and OSC support to key challenges

- Government's efforts to promote import substitution reserve market share for locally manufactured paint.
- To access foreign markets, government agencies provide support in quality assurance, product standardization and market access procedures.



Investment Project #20:

SOAP MAKING

Market potential

- The market for soap is readily available across domestically and internationally, as the product has multiple uses at households and commercial sectors.
- To gain market share in a competitive industry, the investor should produce a low-cost mass market product that utilizes locally available raw materials, equipment and human resources. These are all present in West Nile.
- This opportunity targets production of 600,000 litres of liquid soap in Year 1, growing to 800,000 litres by Year 5.

Financial viability

- Capital requirement is USD 22,352 over a 5-year period, with cost of capital at 10% per annum.
- Operational costs are USD 84,720 for 5 years.
- RoI is 48%, equivalent to cumulative profit of USD 42,672 by Year 5.
- Payback period of 5 years.

Competitive advantage

- Market and demand for soap is universal as it is not only used at households but also in schools, hospitals, hotels and the cosmetics industry. With increasing population growth and urbanization in West Nile, locally manufactured soap will obtain market share.
- Due to price sensitivity of most consumers, and lack of clear differentiation between different brands, this product should be low-priced and targeted for the mass market.

Government and OSC support to key challenges

- Access to domestic and international markets woud require certifications from national agencies like UNBS. UIA OSC can liaise with government MDA to secure the required authorizations and certificates.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project #21:

SCHOOL BAG MANUFACTURING

Market potential

- There is a growing potential and opportunity of growth in the bags business, and more specifically in school bags in Uganda due to the growing number of school-going children (currently at over 9 million enrolled children in primary schools).
- Domestic manufacturing of school bags is currently so low that the demand requirement is being met through imports from other countries, which leaves good potential for investment. This idea is uniquely drawn for both the manufacturing of customized bags for schools and general market at large.

Financial viability

- Capital required for the 5-year project is USD 25,000 – 35,000.
- Operational costs total USD 45,000 – 55,000 over the 5 years.
- RoI of 20 – 45%.
- Payback period of 5 years.

Competitive advantage

- West Nile has a sizeable targeted market for school bags, which is school going children and individuals in steady employment. The segment of school going children is projected to keep growing as more training institutions open, further facilitated by government programs on universal primary and secondary education.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project #22:

SHOE MAKING

Market potential

- There is a global market for shoes, which is on an upward trajectory as population increases.
- Uganda's leather tanning industry produces about 1 million pairs of shoes, out of the 25 million pairs consumed in the country annually
- Ideas targets assume making 8,000 pairs for men, 8,000 pairs for women and 4,000 for children totaling to 20,000 pairs of shoes annually in the first year of project operation.

Financial viability

- Capital required is USD 70,000 – 98,000 for the 5-year investment, with cost of capital at 10 – 15% per annum.
- Operational costs USD 85,000 – 100,000 over the 5 years.
- RoI of 15 - 55%.
- Payback period of 5 years.

Competitive advantage

- West Nile has a sizeable targeted market for shoe polish, which is school going children and individuals in steady employment. The segment of school going children is projected to keep growing as more training institutions open, further facilitated by government programs on universal primary and secondary education.
- Readily available and cheap labour ensures low labour wages and boosts the ROI.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project #23:

BANANA FLOUR PROCESSING

Market potential

- The global banana flour market is expected to reach USD 730M by 2027, with projected; growth of 4.8% between 2022 and 2029. Surge in demand is fueled by global shift to healthier gluten-free food products, especially for babies and other vulnerable populations.
- Opportunity targets production of 31.2 tons of banana flour per year, for five years.
- Targeted market is domestic household consumption, regional markets within East Africa, and exports to Europe and Asia.

Financial viability

- Capital required is USD 47,729 for the 5-year investment, with cost of capital (debt) as 10% per annum.
- Operational costs USD 99,526 over the 5 years.
- RoI of 60 - 67%.
- Payback period of 3 years.

Competitive advantage

- High productivity of West Nile soils, with 25 -40 tonnes of bananas produced per hectare.
- Banana flour is processed from unripe bananas (as these are richer in dietary fibre and resistant starch) hence limited burden to store the raw bananas until they ripen.
- Market strategy is import substitution for wheat flour, whereby banana flour is cheaper than wheat flour.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#24:**

DRYING, PROCESSING & PACKAGING MANGOES

Market potential

- Growing global demand for organic products, with domestic and regional markets, and foreign markets in Europe and Asia.
- West Nile experiences an oversupply of fresh mangoes during the peak season, often resulting in wastage and/or selling produce at give away prices. The value addition through during, processing and packaging mangoes benefits farmers and offers the market year-round access to mangoes.
- Opportunity targets production of 9,000 kgs of dried; mangoes per year, with production capacity increasing at 10% per annum.

Financial viability

- Capital required is USD 75,000, with cost of capital at 10 – 15% per annum.
- Operational costs USD 30,000 over 5 years.
- RoI of 15 - 20%.
- Payback period of 3 years.

Competitive advantage

- Abundance of fresh supplies of mangoes during peak season, at reasonable prices.
- GoU incentives, especially VAT exemption on agricultural supplies, feasibility studies, and supply of agriculture insurance.
- Access to affordable credit from government financial institutions like UDB and Agricultural Credit Facility.

Government and OSC support to key challenges

- Quality assurance during the production process and preservation to ensure traceability of products and consistency of taste, as required by international/export markets.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#25:**

SWEET POTATO PROCESSING (INTO SNACKS/CRISPS)

Market potential

- Uganda produces an estimated 2.5 metric tons of sweet potatoes per year, ranking it as one of the top 5 producers globally.
- Global demand for sweat potatoes is projected to keep growing, with a CAGR of 5.5% between 2021 and 2028 with a market projected to reach USD 47Bn by 2028.
- Opportunity targets production of 30,000 to 39,000 kgs per annum, for domestic consumption (as simple snacks for the fast-growing young and urban population).

Financial viability

- Capital required is USD 96,652 for the 5-year investment.
- Operational costs USD 85,000 – 100,000 over the 5 years.
- RoI of 15 – 23%, equivalent to USD 5,842 by Year 5.
- Payback period of 5 years.

Competitive advantage

- Farmers (and investors) have access to a wide variety of high-yield and disease-resistant potatoes that grow easily in West Nile.
- GoU incentives to facilitate agro-processing and value addition.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.
- NARO is supporting R&D for improved varieties, which are then shared with farmers.

Investment Project **#26:**

PUMPKIN FLOUR PROCESSING

Market potential

- Pumpkin farmers are affected by drop in prices during peak season, and consumers are affected by scarcity of supplies during off-season. Long term storage of pumpkins is difficult due to degradation of carotenoids.
- Demand for pumpkins is growing due to high nutritious value. Consumption is both domestic (households, schools, hotels) and exports (to regional and international markets)
- Opportunity targets production of 38,000kgs of pumpkin flour per year, for 5 years.

Financial viability

- Capital required is USD 88,263 for the 5-year investment, with cost of capital (debt) at 10% per annum.
- Operational costs USD 569,761 over the 5 years.
- RoI of 26%, equivalent to cumulative total of USD 91,732.
- Payback period of 5 years.

Competitive advantage

- Opportunity requires basic equipment and technology (huller machine, mixer and solar dryers) that can be manned by local (non-expert) personnel. The equipment are available on the local market.
- Readily available and cheap labour ensures low labour wages and boosts the ROI.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project #27:

WATER DISTILLATION AND DISTRIBUTION

Market potential

- UBOS reports indicate that residents of West Nile have challenges of reliable access to clean water for household use. Coverage of piped water is limited.
- The opportunity involves developing and operating water distillation and distribution facilities, to supply high quality water to households for domestic use.
- Targeted production and distribution of 44,400 litres per annum.

Financial viability

- Capital required is USD 45,000 for the 4-year investment, with cost of capital at 15% per annum.
- Operational costs USD 10,000 – 20,000 over the 4 years.
- RoI of 10 - 15%, equivalent to a cumulative total of USD 69,920.
- Payback period of 4 years.

Competitive advantage

- Growing demand for clean and high-quality water due to increasing urbanization and population growth.
- Enabling policy environment, for example the Water and Environment Sector Support Programme under the National Water Policy.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#28:**

SOLAR ENERGY TECHNOLOGY

Market potential

- Much of West Nile is not covered on the national grid. Energy consumption in Uganda is at 75 kilowatts per hour (kWh) per capita, much lower than Africa's average of 578 kWh per capita.
- The global market for solar energy was valued at USD 52.5Bn in 2018 and is projected to reach USD 223.3Bn by 2026.
- The opportunity targets annual production of 48,000 units of energy efficient solar equipment.

Financial viability

- Capital required is USD 15M for the 5-year investment, with cost of capital at 15 - 20% per annum.
- Operational costs USD 450,000 over the 5 years.
- RoI of 20 - 25%.
- Payback period of 5 years.

Competitive advantage

- Opportunity targets production of well-known items like lamps, water heaters and stoves for use at households, schools, hospitals, recreation facilities and hotel facilities.
- Leverage government efforts and supportive regulation towards rural electrification, industrialization and job creation.

Government and OSC support to key challenges

- High upfront costs to support the initial set up might deter some investors, but it is mitigated by access to low-interest investment capital from government institutions like UDB.
- Government policies on waste management provide clarity and guidance on appropriate mechanisms for storage and disposal of used photovoltaic (PV) panels and avoid harmful effects to people and the planet.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project #29:

MILLET FLOUR PROCESSING

Market potential

- Millet flour is consumed by households as porridge or food, and demand is projected to increase in tandem with population growth and increased demand for organic foods.
- This opportunity targets production of 300,000kgs of millet flour per year in Year 1, doubling to 600,000kgs per year in Year 5.

Financial viability

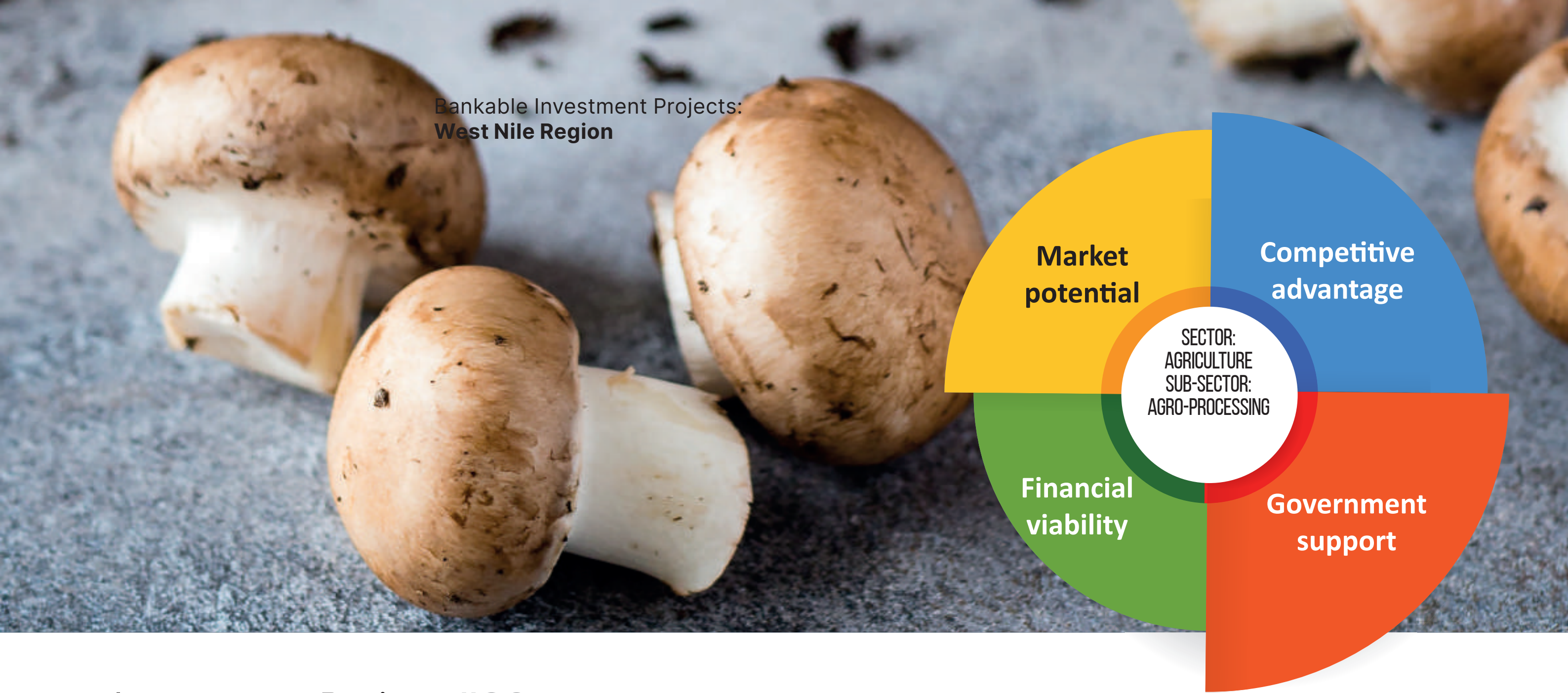
- Capital required is USD 183,000 for the 5-year investment (up-to 40% debt financing at capital cost 10% per annum).
- Operational costs USD 331,000 over the 5 years.
- RoI of 29%, equivalent to cumulative total of USD 458,117 by Year 5.
- Payback period of 5 years.

Competitive advantage

- Steady supply of raw materials (finger millet) from local farmers in West Nile. Packaging materials can be sourced in-country, which reduces costs of production.
- Production process is uses simple and unsophisticated equipment (for hulling, milling and packaging), optimizing local human resources and maximizing profits.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security have reduced barriers to entry for these ventures.
- Knowledge and affordability of highly effective pesticides can be promoted through agricultural extension services
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.



Investment Project **#30:**

MUSHROOM PROCESSING

Market potential

- Mushrooms are widely grown but have a short shelf-life, hence the need for preservation through processing.
- Demand for mushrooms is projected to grow with growth in population and increasing recognition of their high nutrition value of mushrooms. Potential market include households, hotel facilities and recreation centres.
- The opportunity targets production of 33,000kgs of freshly canned and dried mushrooms per year, for 5 years.

Financial viability

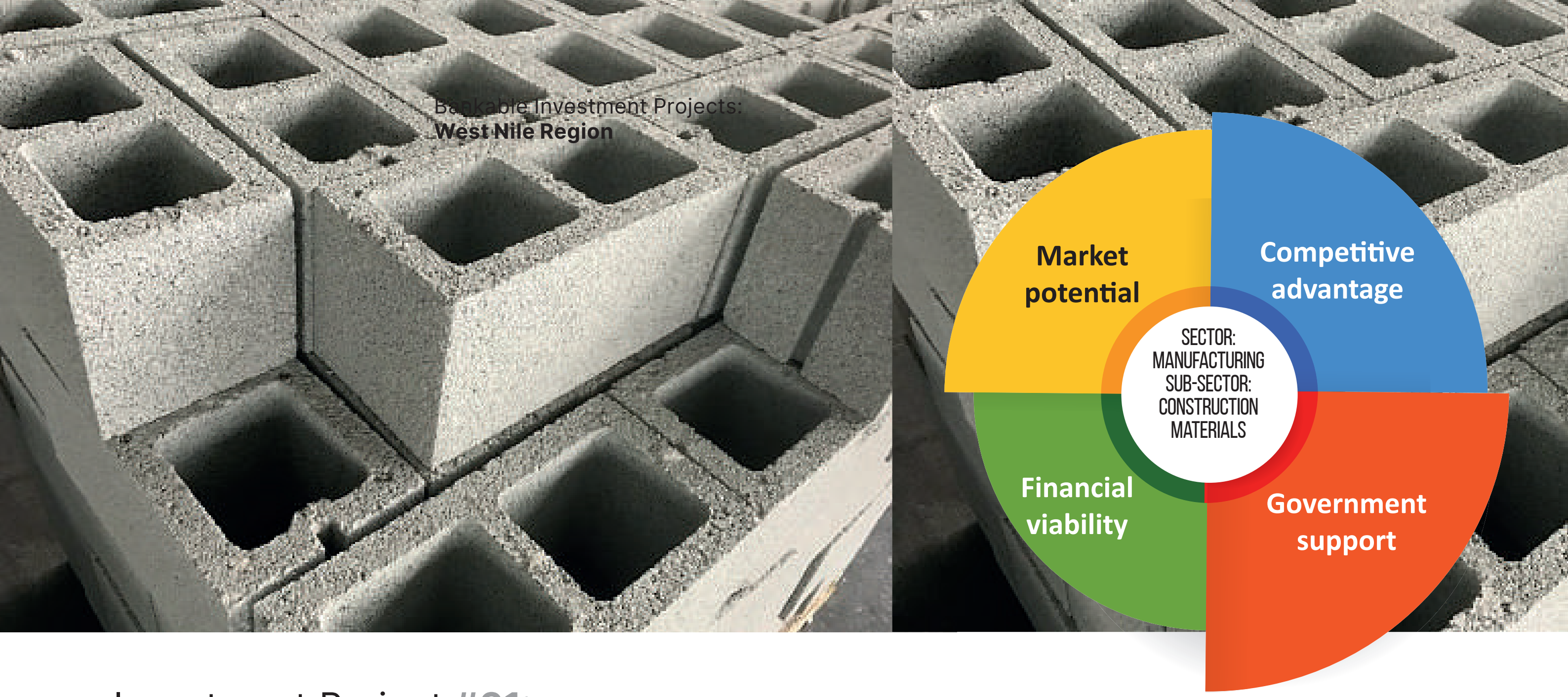
- Capital required is USD 34,416 for the 5-year investment, with 30% debt financing (at cost of capital of 10 - 15% per annum).
- Operational costs USD 74,388 over 5 years.
- RoI of 26.4%, equivalent to USD 76,182 by Year 5.
- Payback period of 5 years.

Competitive advantage

- Steady supply of fresh produce of mushrooms from out-growers in West Nile.
- Use of unsophisticated technology, especially solar dryers that can be manned by local personnel, during processing.
- Availability of stable domestic market.

Government and OSC support to key challenges

- Government incentives (tax and non-tax) on agro-processing have reduced operational costs and freed up resources for capital purchases like solar dryers and refrigerators to facilitate processing.
- Quality assurance during the production process and preservation to increase shelf life of the peanut batter is a challenge to rural producers.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.



Investment Project #31:

CEMENT BRICK MAKING

Market potential

- The market for cement bricks is fast growing in Uganda with demand from the fast-growing housing and construction sector, fueled by population growth.
- The Uganda National Planning Authority estimates a shortage of 8-million-unit housing units in the country, providing an opportunity for construction investors and a domestic market for local cement bricks.
- This opportunity targets production of 80,000 bricks in Year 1, growing to 200,000 bricks by Year 5.

Financial viability

- Capital required is USD 48,250 for 5 years, with cost of capital at 15% per annum.
- Operational costs total USD 41,769 over the 5 years.
- RoI of 32%, equivalent to cumulative profit of USD 40,523 over the 5 years.
- Payback period of 5 years.

Competitive advantage

- Rapid urbanization and a boom in construction projects (residential and commercial housing, schools et cetera) have facilitated a growth in demand for cement bricks.
- With an estimated 300,000 housing units needed per year, commercial construction and residential construction in Uganda is booming. This includes West Nile.
- Cement bricks are stronger than traditional bricks but must be aptly priced to gain market share from existing players.

Government and OSC support to key challenges

- Government's efforts to promote import substitution reserve market share for locally manufactured cement.
- To access foreign markets, government agencies provide support in quality assurance, product standardization and market access procedures.

Investment Project **#32:**

HONEY WINE PROCESSING

Market potential

- Wine consumption in Uganda is steadily increasing in tandem with increasing size of the middle class and pace of urbanization. Wine is consumed within households and at ceremonial functions, with a thriving export market in East Africa region.
- The business opportunity involves use of honey by-products (such as combs) to make wine.
- The opportunity targets production of 35,000 litres of honey wine per year, over a 5 year period.

Financial viability

- Capital required is USD 32,194 for the 5-year investment, with cost of capital (debt) at 10-15% per annum.
- Operational costs USD 134,000 over 5 years.
- RoI of 10 - 25%, equivalent to cumulative total of USD 42,332 by Year 5.
- Payback period of 3 years.

Competitive advantage

- The opportunity does not require investment in sophisticated technology to set up and operate, thus reducing the size of capital investment. Only storage containers and a few utensils to facilitate fermentation are required, and these are available on the local market.
- Honey combs can be readily obtained from bee farmers in West Nile, many of whom do not storage space and much use for the honey combs.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#33:**

VEGETABLE COOKING OIL PROCESSING

Market potential

- Vegetable oils can be derived from a variety of oil seeds, including soybeans, cotton seeds, ground nuts, peanuts and sunflower seeds.
- In FY2020/21, Uganda exported 16,122 tons of edible fats and oils valued at USD 20.6M (70% more value than USD 12.1M exported in FY2019/20. This speaks to growing external marked for edible fats and oils.
- The opportunity targets production of 43,680 litres of vegetable cooking oil in Year 1, from approximately 47,478 kgs soya bean seeds. Production is expected to double by Year 5.

Financial viability

- Capital investment required is USD 54,755 for the 5 years, at 10% cost of capital.
- Operational costs USD 38,915 over 5 years.
- RoI of 33%, equivalent to cumulative profit of USD 51,381 over 5 year period.
- Payback period of 5 years.

Competitive advantage

- There's a variety of oil seeds that could be used for producing vegetable cooking oil. This ensures a steady supply of inputs as these seeds are widely grown in West Nile, and can be obtained at reasonable costs.
- The equipment used during processing is available on the local market, but could also be imported from India or China, using already established trade routes and platforms.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#34:**

ESTABLISHMENT AND MANAGEMENT OF A CAMPSITE

Market potential

- Camp sites provide outdoor recreational services for individuals and groups of people.
- Demand for established outdoor facilities is projected to grow with the growing middle class, as they seek recreational grounds for their families and/or corporate team-building events. Demand peaks during holiday seasons for education institutions and festive seasons.
- The business idea targets establishment of a camp site in West Nile to accommodate over 100 clients for overnight stay.

Financial viability

- Capital investment required is USD 255,601 for the 5-year investment, with cost of capital (debt) at 10 – 15% per annum.
- Operational costs USD 339,449 over 5 years.
- RoI of 75%, equivalent to cumulative profit of USD 263,597 over 5 years.
- Payback period of 4 years.

Competitive advantage

- Availability of vast amounts of land, closer to town and other social amenities.
- Proximity to natural tourist attractions, including Rive Nile, water falls and national parks.
- Readily available and cheap labour ensures minimal operational costs and higher ROI.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#35:**

CANDLE MAKING

Market potential

- Candles are used for provision of light in households, but also for recreational and aesthetic purposes in hospitality and entertainment industries.
- Market for candles is available in both rural and urban areas, in West Nile and in other regions of the country.
- The opportunity projects production of 300,000 candles per year in Year 1 and 2 and increasing to 350,000 candles in Year 5.

Financial viability

- The required capital investment is USD 7,161 over the 5-year investment period. It is anticipated that capital will be provided through owner's equity, and not debt.
- Operational costs USD 39,217 over 5 years.
- RoI of 22%, equivalent to cumulative profit of USD 3,960 by Year 5.
- Payback period of 5 years.

Competitive advantage

- Simple production process, using domestically available equipment and skilled local personnel. This keeps operational costs low.
- Packaging and distribution are relatively less burdensome, since the candles are neither delicate nor sensitive to weather changes.
- Availability of ready market, provided the pricing is appropriately calibrated.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#36:**

MAKING SHOE POLISH

Market potential

- Market for shoe polish is not only used on footwear but can also be applied to all leather materials including bags. Leading shoe polish brands are imported products, presenting an opportunity for local producers using local technology and personnel.
- The opportunity is to produce 60,000 kgs of shoe polish per annum, targeting domestic and regional markets.

Financial viability

- Capital required is USD 40,580 for the 5-year investment, with cost of capital at 10% per annum
- Operational costs USD 30,203 over 5 years.
- RoI of 53%, equivalent to cumulative profit of USD 54,512 by Year 5.
- Payback period of 5 years.

Competitive advantage

- West Nile has a sizeable targeted market for shoe polish, which is school going children and individuals in steady employment. The segment of school going children is projected to keep growing as more training institutions open, further facilitated by government programs on universal primary and secondary education.
- Equipment used in making shoe polish are domestically available (in Uganda) as well as skilled personnel.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project #37:

MAKING EXERCISE BOOKS

Market potential

- Demand for exercise books is high and projected to keep growing due to increasing population, high school attendance (partly facilitated by government programs).
- Targeted market is not only West Nile but other regions of Uganda, and neighbouring countries like South Sudan and DRC.
- Opportunity targets production of 129,600 books per annum, to be distributed directly to schools or supermarkets, retail shops, donor agencies and other outlets.

Financial viability

- Capital investment is USD 20,511 over 5-year investment cycle, with no debt expected.
- Operational costs USD 78,006 over 5 years.
- RoI of 29%, with cumulative profit of USD 50,891.
- Payback period of 5 years.

Competitive advantage

- West has a sizeable targeted market for exercise books, which is school going children. This market segment is projected to keep growing as more training institutions open, further facilitated by government programs on universal primary and secondary education.
- Equipment used in making exercise books is domestically available (in Uganda) but can also be sourced from China.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#38:**

MANUFACTURING NATURAL LIQUID FERTILIZERS

Market potential

- West Nile, as with most of Uganda, is largely dependant on agriculture for economic empowerment. NDP III emphasizes increasing agriculture production.
- Natural liquid fertilizer is used in organic food production to facilitate plants growth. Investment in this product is a viable one, as it feeds into and facilitates national development priorities.
- Opportunity targets production of 11,000 litres of natural liquid fertilizer in Year 1, increasing to 14,850 by Year 5.

Financial viability

- Capital requirement is USD 44,800 for the 5-year investment.
- Operational costs USD 43,444 over the 5 years.
- RoI of 55%, equivalent to cumulative total of USD 88,839 by Year 5.
- Payback period of 5 years.

Competitive advantage

- The domestic market for quality fertilizers is growing in tandem with the growth in commercial agriculture. The market is not only limited to West Nile but also other regions of Uganda.
- Because of the previous "unhealthy" agriculture practices of most households in West Nile, there is a clear need to fertilizers to enhance soil fertility and improve yields.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#39:**

GROUND NUTS PROCESSING

Market potential

- Domestic demand for processed groundnuts is high, as groundnut paste is used as stew in homesteads, hotels, schools, hospitality industry and others.
- Raw materials (grounds nuts) are heavily cultivated in West Nile and other part of the country and can be obtained at low prices during peak season.
- The opportunity targets production of 1,000 kgs of groundnut paste in Year 1, growing to 1,880 in Year 5.

Financial viability

- Capital required is USD 4,257 over the 5-year investment, expected to be owner's equity.
- Operational costs USD 4,459 over 5 years.
- RoI of 40%, equivalent to USD 4,208.
- Payback period of 5 years.

Competitive advantage

- Ground nuts are heavily cultivated in West Nile, ensuring a steady supply of raw materials.
- The equipment used in groundnuts processing are available on the domestic market, at affordable prices.
- West Nile's proximity to DRC and South Sudan provides ready access to markets in those countries.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#40:**

CHILLI SAUCE MAKING

Market potential

- Processed chili has wide applications in household consumption, food processing industry, snacks foods, and a high growing market in hotels, restaurants and fast-food joints.
- Targeted market is both domestically (households, hotels) and regionally (DRC, South Sudan, Kenya)
- The opportunity targets production of 19.6 tons of chili sauce in Year 1, growing to 32.6 tons in Year 5.

Financial viability

- Capital required is USD 46,423 for the 5-year investment.
- Operational costs USD 114,966 over 5 years.
- RoI of 80%, totalling to USD 153,276 by Year 5.
- Payback period of 3 years.

Competitive advantage

- Relatively cheap production processes (equipment, packaging and labour) yet premium value on the market.
- The chili used raw materials are abundantly available (albeit seasonally) in West Nile. Production of high quality chili can be enhanced through access to improved seeds, pesticides and farming techniques.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#41:**

ESTABLISHMENT OF RECREATION CENTERS

Market potential

- The increasing pace of urbanization in West Nile, and increasing middle class, presents an opportunity for a recreation centre to cater for needs of children and adults.
- The center will provide services including wedding venues, children play area, meeting spaces, sports activities and others. There is clear demand for these services but not adequate supply at a high quality.
- The opportunity targets establishment of a multi-purpose recreation center in a busy area, with such amenities as bar, restaurant, swimming pool, and conference facilities.

Financial viability

- Capital required is USD 405,030 for the 5-year investment, with cost of capital (debt) at 10 – 15% per annum.
- Operational costs USD 799,616 over 5 years.
- RoI of 35%, equivalent to cumulative total of USD 292,901 over 5 years.
- Payback period of 5 years.

Competitive advantage

- There is high demand for recreation facilities in West Nile but limited options, especially facilities that offer comprehensive packages for children and adults and corporate events.
- Operation and management by skilled local personnel, no foreign experts required.
- Readily available and cheap labour ensures low labour wages and boosts the ROI.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Investment Project **#42:**

SOYA MEAL PROCESSING

Market potential

- The growth of poultry and livestock farming in Uganda has significantly increased demand for soya bean meal, which is the most important protein for animal feeds.
- MAAIF puts domestic demand at over 30,000 tons annually, with current competition being imported products mainly from China.
- The opportunity targets production of 144 tons in Year 1, growing to 229 tons by Year 5.

Financial viability

- Capital required is USD 58,677 the 5-year investment.
- Operational costs USD 29,571 over 5 years.
- RoI of 52%, equivalent to cumulative profit of 78,881 by Year 5.
- Payback period of 5 years.

Competitive advantage

- Demand is growing with increasing practice of agri-business amongst Ugandans.
- Existing substitute products are largely imported and considered expensive, which can release market share to locally produced and low-cost products.
- Readily available and cheap labour ensures low labour wages and boosts the ROI.

Government and OSC support to key challenges

- Government provision of necessary infrastructure to support industrialization, including provision of roads, electricity, security, access to financing, regulation et cetera have significantly reduced barriers to entry for these ventures.
- Continued promotion of BUBU and other import substitution policies would further grow the domestic market.

Our commitment:
UIA is committed to facilitating investors in West Nile to pursue these opportunities

The One Stop Center (OSC) is ready to support you with:

1. Business registration
2. Licensing
3. Obtaining certifications
4. Accessing financing institutions
5. Utility companies.

Please contact us:

UIA
Uganda Investment Authority
your investment is our business

Head Office:
The Investment Center,
Kampala Industrial and Business Park,
Namanve – Kampala.

Tel:
+256 414 301 100
+256 414 301 104
Email:
info@ugandainvest.go.ug

www.ebiz.go.ug

One Stop Centre Services for Investors

The Government of the Republic of Uganda created a One Stop Centre (OSC) to make it easy for both local and foreign investors and entrepreneurs to easily register, start and operate a business in Uganda.

The following Services are offered at the OSC:

1. Investment Advisory Services
2. Company Registration and Intellectual Property Advisory Services
3. Citizenship and Immigration Control Services
4. Tax Registration and Compliance Advisory Services
5. Environmental Impact Assessment Certificate
6. Application and Issuance of Trading License and Application for Building Permits
7. Banking and Online Payments
8. Distinctive Mark Application and Purchase of Standards from UNBS
9. Free Zone Advisory Services from the Uganda Free Zones Authority
10. Application and Issuance of Trading License and Application for Building Permits
11. Services of Utility Companies (UMEME and NWSC)
12. Land Title Verification Services by the Ministry of Lands
13. Housing and Urban Development
14. Tourism and Investment advisory services by Giants 100 and the Federation of Uganda Employers (FUE) for employer-employee relations.

The OSC currently hosts 16 government agencies and private sector players.

www.ebiz.go.ug

One Stop Centre Agencies

Uganda Registration Services Bureau
Plot 5 George Street,
4th floor, Georgian House
P.O. Box 6848 Kampala, Uganda
Tel: +256-41-235915/233219/345727
Fax: +256-41-4250712
www.ursb.go.ug

Uganda Revenue Authority
Plot M193/M194
Nakawa Industrial Area
P. O. Box 7279 Kampala, Uganda
Tel: +256-41-7440000
Fax: +256-41- 744 2245
Email: info@ura.go.ug
www.ura.go.ug

Directorate of Citizenship and Immigration Control Ministry of Internal Affairs
Plot 75 Jinja Road
P.O.Box 7191 Kampala, Uganda
Tel: +256-41-4231031/231641
Fax: +256-41-4231188
www.mia.go.ug

Uganda National Bureau of Standards
Plot M217 Nakawa Industrial Area
P.O. Box 6329 Kampala, Uganda
Tel: +256-414 -505995, 222367
Fax: +256-414-286123
E-mail: unbs@infocom.co.ug
www.unbs.org

Kampala Capital City Authority
City Hall, Plot 1-3, Apollo Kaggwa Road
PO BOX 7010 Kampala, Uganda
Tel: +256-204-660049
E-mail: info@kcca.go.ug
www.kcca.go.ug

National Water and Sewerage Corporation
Plot 3 Nakasero
P.O Box 7053 Kampala, Uganda
Tel: 0(800) 200 977
E-mail: info@nwsc.co.ug
www.nwsc.co.ug

Ministry of Lands, Housing and Urban Development
Plot 13-15 Parliament Avenue
P.O Box 7096 Kampala, Uganda
Tel: +256-414-373511, 791-622191, 772-463240
E-mail: mlhud@mlhud.go.ug
www.mlhud.go.ug

UMEME
Plot 1 Lumumba Avenue
2 floor Rwenzori House
P.O Box 23841 Kampala, Uganda
Tel: 256-312-360600, 185185
E-mail: callcentre @umeme.co.ug / info@umeme.co.ug
www.umeme.co.ug

Uganda Free Zones Authority
6th floor communications House
Plot 1 colville street
P.O Box 37578, Kampala
Tel: +256-417-722600
E-mail: helpdesk@freezones.go.ug
www.freezones.go.ug

National Environmental Management Authority
NEMA House, 3rd Floor
Plot 17/19/21 Jinja Road
P. O. Box 22255 Kampala, Uganda
Tel: +256-41-4251064/5/8
Fax: +256-41-4257521
Email: info@nemaug.org
www.nemaug.or

Diamond Trust Bank
DTB Centre, Kampala
Plot 17/19, Kampala Road
P.O. Box 7155, Kampala, Uganda.
Tel: +256-314-387 387, Toll Free: 0800242242
E-mail: info@dtbuganda.co.ug
https://dtbu.dtbafrica.com

Space for Giants / Uganda Tourism Board
Lugogo House
Plot 42 Lugogo Bypass
P.O. Box 7211, Kampala, Uganda
Tel: +256 (414) 342 197
Fax: +256 (414) 342 188
Email: utb@tourismuganda.info
www.spaceforgiants.org / www.utb.go.ug

UIA

Uganda Investment Authority

your investment is our business

Head Office:
The Investment Center,
Kampala Industrial and Business Park,
Namanve – Kampala.

Tel:
+256 414 301 100
+256 414 301 104

Email:
info@ugandainvest.go.ug
