



A look at business, economic and regulatory activity across the African continent



country focus

Uganda

Location	East Central Africa
Time zone	GMT + 3
Capital	Kampala
Population	40.007 million
Languages	English (official), Luganda, Swahili
Literacy total	78.40%
Currency	Uganda Shilling (UGX)
GNI per capita (USD)	1,970
2019 Projected Real GDP	6.30%
2019 Projected CPI	3.60%
2019 Ease of Doing Business Score	57.06/100 (Rank 127/190)
Life expectancy/birth	62.5 years
Healthy life expectancy	54.9 years
Top 5 leading causes of death	HIV/AIDS; Influenza & Pneumonia; Stroke; Coronary heart disease; Diarrhoeal disease

Source: IMF Data Mapper: July 2019; World Life Expectancy; WHO; World Bank

Political

- Uganda is a landlocked country and originally a British colony until independence in October 1962. Yoweri Museveni is the current president (6th president, in power since 1986) with the next general election scheduled for 2021.
- Since 2006 Uganda has operated a multiparty democracy with a blend of democratic processes and authoritarian intervention by the ruling party.

Economic

- Under President Museveni various structural reforms and investments have led to meaningful economic transformation and a sustained period of high growth and poverty reduction from the early 1990's up to 2010.
- Today Uganda has one of the fastest growing populations in Africa and is on course to exceed 60 million by 2030. This challenges the country to create more than 600,000 jobs a year for its expanding labour force and to ensure that the benefits of growth are shared fairly.
- The government's strategy is to modernise the economy by encouraging private investment (both foreign and domestic), while steadily improving the investment climate, scaling up public investment to address critical infrastructure, fighting corruption and enhancing governance frameworks.

- Infrastructure projects currently underway including the Isimba and Karuma dam power projects which will increase Uganda's power generation capacity by 783MW.
- Other projects include the Kampala-Entebbe express highway, major roads and bridges construction and the expansion of the Entebbe International Airport. The national airline is also expected to become operational in 2019 and will start with regional flights. This will help improve competitiveness by easing connectivity to and from Uganda and support the growth of some important sectors such as tourism, minerals, and oil and gas.

Investment opportunities

Oil and Gas

With one of the largest oil reserves in Sub-Saharan Africa, Uganda is expected to start extracting and exporting oil in FY2023/24, and reserves are expected to last for 25 years.

Minerals

Uganda has many high mineral potential areas which are inadequately explored. Minerals such as limestone for cement, gold, tin, tungsten are available for mining.

Built environment

The high rate of population growth has seen the need for affordable housing in urban and semi-urban areas, mortgage finance and construction equipment and building materials accelerate rapidly in recent years.

Financial services

With around 85% of Ugandans having access to financial services and mobile money, the demand for banking and insurances services and micro-financing is showing steady grow.

Social Security

- Uganda's National Social Security Fund (NSSF) is a compulsory Provident Fund saving scheme for private-sector employees, aged 16 to 55 years and NGOs.
- Employees and employers employing five or more employees must make monthly contributions of 5% and 10% respectively of the employee's gross monthly salary.
- Expatriates resident and working in Uganda for more than 3 years are required to contribute to the NSSF at the same rates as for local employees.



economic news

South Africa

- South African Reserve Bank (SARS) Monetary Policy Committee (MPC) cut the repo rate by 25 basis points to 6,5%.
- The MPC reduced its GDP growth forecast for 2019 to 0,6% (from 1,0% at the May meeting and 1,7% in January 2019).
- National Treasury provided another R59bn to bailout Eskom, on top of the R23bn per year approved in the budget announced in February.
- Fitch Ratings changed the economic outlook to negative from stable due in part to the Eskom bailout. The rating has been kept at junk status BB+.
- Moody's has said the Eskom bailout was credit negative but has not changed its rating or outlook. It may do so after the October Medium Term Budget Policy Statement if no clear strategic turnaround plan is agreed to by all stakeholders.
- The IMF cut its GDP forecast to 0,7% in 2019 and to 1,1% (from 1,5%) for 2020.

- President Ramaphosa's advisory panel on land reform submitted their report which strongly affirms property rights as a cornerstone of the constitution, while recommending land expropriation without compensation in tightly defined parameters.

Rest of Africa

- International Monetary Fund (IMF) cut its growth rate forecasts for sub-Saharan Africa to 3,4% (previously 3,5%) in 2019 and 3,6% (3,7%) in 2020.
- The World Bank announced a US\$300m package of grants and credits to support the fight against the Ebola virus in the Democratic Republic of Congo (DRC).
- The 'MauritiusLeaks' documents exposed extensive use of Mauritius' tax haven status to deprive African tax jurisdictions of revenue. The allegations are denied by the Mauritian government.
- Kenya arrested its finance minister Henry Rotich on corruption charges, the highest-profile corruption case in recent Kenyan history.
- Zimbabwe arrested its tourism minister Prisca Mupfimir on corruption charges.



business update

- Nigeria and Siemens signed an agreement to implement the Nigeria Electrification Roadmap to resolve its energy challenges and expand capacity.
- The IFC announced a USD15-million loan to Stanbic Bank Zambia to help support SME growth in Zambia.
- WorldRemit and Bunna Bank in Ethiopia have joined up to boost digital money transfers to 3 million people sending money back home to 600,000 bank accounts across 205 branches in Ethiopia.
- AgDevCo announced a multi-million Euro investment in Africado, Tanzania to expand its avocado export industry.
- Nigeria's e-health start-up iDHS HealthWise plans to expand operations to Ghana, Kenya, Rwanda and South Africa.
- The operational phase of the Africa Continental Free Trade Agreement (AfCFTA) launched on July 07 and was ratified by 27 countries with 52 countries having signed the

agreement. Nigeria, Africa's largest economy, has so far refused saying it needs to consult with domestic economic stakeholders first.

- AfDB and partners have launched the Africa Digital Financial Inclusion Facility (ADFI) to connect 320 million low-income Africans (60% are women) to digital financial services. The fund is supported by the Bill & Melinda Gates Foundation.
- Automation Anywhere, a global company specialising in Robotic Process Automation (RPA) announced expansion of its operations in Africa with plans to open an office in Johannesburg, South Africa.
- PowerChina will soon complete the last connections to electrify more than 300,000 houses in Luanda and Bengo in Angola, benefiting more than 2.5 million people.
- AfDB and the African Institute for Mathematical Sciences (AIMS) have partnered to strengthen education, training and research in mathematical sciences and technology in Africa.

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Sources

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IMF country reports

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