

PCF Country Profile: Uganda

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Cooperating Partners

Uganda is a member of MEFMI. Its Working Group (UWG) includes Central Bank (BOU), Bureau of Statistics (UBOS), Investment Authority (UIA), Economic Policy Research Centre (EPRC), Manufacturers' Association (UMA), Bankers' Association (UBA) and Private Sector Foundation Uganda (PSFU). UWG collaborates with several other agencies. UWG has fully funded local costs since 2005, with international costs supported by Seco. Uganda participates in the IMF General Data Dissemination System and Coordinated Direct Investment Survey.

Background

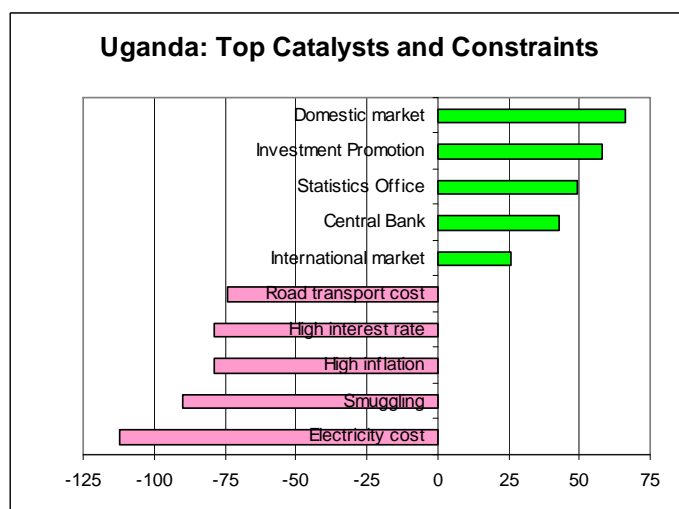
Uganda compiles data in line with IMF BPM5, with breakdown by instrument, source and recipient country, sector and region. It tracks investor perception and corporate social responsibility, and compiles a complementary quarterly *Business Confidence Index*.

Foreign Investment Indicators

Instrument	2006	2007		2008		2009 H1	
	Stock	Flows	Stock	Flows	Stock	Flows	Stock
Liabilities (US\$ m)	1,602	369	2,346	1,145	2,718	173	2,760
FDI	1,144	189	1,838	896	2,213	139	2,244
Portfolio	13	5	20	12	27	3	29
Other	445	176	489	238	478	30	488
Indices							
Liabilities to GDP	16	3	20	8	19	-	-
FDI to GDP	11	2	15	6	15	-	-
FDI Performance Index (2006-8) ¹	-	-	-	1.1	-	-	-

Sources: UWG PSIS 2009 outcome (liabilities); IMF WEO (GDP); UNCTAD FDI Stat (World FDI)

Most FPC stock was held by investors resident in the UK, Kenya and Canada. FDI was the most important means of finance. FDI inflows have been volatile, and performed marginally above the global average relative to GDP during 2006-8 (1.1). Finance, Manufacturing and Wholesale held most FDI equity stock. Finance and Manufacturing reported highest profit. The chart shows top catalysts and constraints to investment.



¹ FDI Performance Index = (National/World FDI Inflows) / (National/World GDP). <1 denotes low performance.

Other positives include: local credit availability, and efficient post, water, insurance, telecom and banking services. Other negatives include: volatile exchange rate, corruption, inefficiency of power and transport supply, malaria and HIV, skilled labour cost, and staff turnover. Most investors planned to expand in the medium term. Policy priorities target prices, long-term finance, electricity supply, roads, telecoms, customs, governance, labour and health.

CBP Support and Achievements

Cycle (Survey)	Support and Achievements
Cycle 1 (PCF2001) Feb 01 – Mar 02	<ul style="list-style-type: none"> • A Demand Assessment Mission (DAM – Feb 01) reviewed institutional arrangements and methods. Opening Awareness and Training (OAT) launched and transferred skills (Apr 01). A Follow Up Mission (FUM – Oct 01) and long distance support assisted in finalising data and analysis. A Closing Dissemination Workshop (CDW) released the findings (Feb 02) • Achievements included political commitment and institutional arrangements, awareness creation, dissemination of data (1999-2000) and analysis
Cycle 2 (PSIS2003) Oct 02 – Sept 03	<ul style="list-style-type: none"> • A DAM (Oct-Nov 02) addressed political, institutional and technical issues. The OAT (Jan 03) transferred skills and launched. A FUM (Apr 03) reviewed progress. A CDW (Sept 03) disseminated results and reviewed next steps • Achievements included greater staff allocation, enhanced fieldwork, reporting from foreign exchange bureaux, dissemination of data and analysis (2000-1)
Cycle 3 (FPC2004) May 04 – Apr 05	<ul style="list-style-type: none"> • The OAT (May 04) transferred skills. A combined FUM/CDW (Nov-Dec 04) assisted in finalising and disseminating data and analysis. Long distance support was given on the final report • Achievements included reinforced institutional arrangements, dissemination of data and analysis (2001-3), and start of a series of predictable survey cycles
Cycle 4 (PSIS2005) Apr 05 – Jun 06	<ul style="list-style-type: none"> • The CBP participated in the OAT (Apr 05); FUM (Apr-May 06) addressing time series and data quality, and CDW (May 07) • Achievements included dissemination of data and analysis for 2002-4
Cycle 5 (FPC2006) Jul 06 – May 07	<ul style="list-style-type: none"> • The CBP participated in the OAT (May 07), and the CDW (May 08), and commented on analytical and data outputs, and institutional arrangements • Achievements included more harmonisation with GDDS, data for 2004-5, and increasingly less intensive external support
Cycle 6 (PSIS2007) Jun 07 – May 08	<ul style="list-style-type: none"> • The CBP participated in the OAT (May 08) and CDW (Jun 09) • Achievements included dissemination of data and analysis for 2005-6
Cycle 7 (PSIS2008) Jun 08 – May 09	<ul style="list-style-type: none"> • The CBP participated in the OAT (Jun 09) • Achievements included dissemination of data and analysis for 2006-7
Cycle 8 (PSIS2009) Jun 09 – Jul 10	<ul style="list-style-type: none"> • Achievements included dissemination of data and analysis for 2007 to 2009 H1, with enhanced timeliness
Cycle 9 (PSIS2010) Jul 10 – Ongoing	<ul style="list-style-type: none"> • UWG launched (Jul 10) collecting data for 2008-9. Work is in progress

Country Progress and Intended Results (Scale of 1-5)

Logical Framework Performance Indicators		Base (Apr 07)	Current (Sept 09)	Target (Sept 09)	Progress
LTR	High level of management	3.4	4.3	4.5	80%
MTR 2.1	Meeting GDDS	3.7	4.7	4.8	87%
MTR 2.2	Policy Action Plan	1.0	3.6	3.5	104%
MTR 2.3	Legal and institutional framework	4.1	4.6	4.8	65%
MTR 3.1	Increased awareness of achievements	2.6	4.2	4.5	84%
STR 3.1	Enhanced knowledge and skills	3.0	5.0	5.0	100%

Uganda has attained high capacity in all areas, progressing 80% to target, and has been providing assistance to other countries. Priorities include further development of policy action plans, more frequent reporting, online surveys, development of early warning systems, enhanced analysis, and incorporation of grossed-up data into IIP/BOP statistics.

Further Reading

Country Reports and Summaries²

- BOU (various issues / quarters) *Business Confidence Survey Results*³
- BOU BOP Statistics and Methodology⁴
- Egesa (2010) “Indigenous firms’ survival in Uganda...” BOU, June⁵
- EPRC (2007) “China-Africa Economic Relations: The Case of Uganda”⁶
- FPC CBP (2006) “Uganda: Investment and profits rise...”, *SFD* #28 pp12-13
- FPC CBP (2004) “Uganda: A Top African Investment Destination” *SFD* #20 p14
- UWG (2010) Cycle 8 (PSIS 2009) Survey Findings Summary Report, July 2010
- UWG (2009) Cycle 7 (PSIS 2008) Preliminary Report, July
- UWG (2008) Cycle 6 (PSIS 2007) Preliminary Report, July
- UWG (2008) Cycle 4 (PSIS 2005) Report: *Harnessing Benefits of Globalisation...*, June
- UWG (2006) Cycle 3 (FPC 2004) Report, March
- UWG (2004) Cycle 2 (PSIS 2003) Report, June
- UWG (2002) Cycle 1 (PCF 2001) Report, July

Other

- The Monitor (2010) “Reliable Statistics Key for Proper Policy Formulation”, 4 Aug⁷
- New Vision (2010) “Inflows Shoot Up”, 3 Aug⁸
- New Vision (2009) “Uganda’s External Debt at \$1.8b”, 13 Jul⁹
- Radio Sapienta (2010) “Private sector investment survey PSIS 2009 report released”, 30 Jul¹⁰

² Download FPC CBP and UWG reports here: www.development-finance.org/en/services/research-analysis/publications-and-technical-briefings/private-capital-publications/country-analysis-and-policy.html

³ BOU Business Confidence: www.bou.or.ug/bouwebsite/opencms/bou/publications_research/surveys.html

⁴ BOU BOP: http://www.bou.or.ug/bouwebsite/opencms/bou/rates_statistics/statistics/bop_statistics.html

⁵ Egesa: [www.bou.or.ug/bouwebsite/export/sites/default/bou/bou-downloads/research/BouWorkingPapers/Indegenous Firmxs Survival in UgandaxIs There a Role for Increase d Technology Use.pdf](http://www.bou.or.ug/bouwebsite/export/sites/default/bou/bou-downloads/research/BouWorkingPapers/Indegenous_Firmxs_Survival_in_UgandaIs_There_a_Role_for_Increase_d_Technology_Use.pdf)

⁶ EPRC www.aercafrica.org/documents/china_africa_relations/Uganda.pdf

⁷ Monitor: <http://allafrica.com/stories/201008040122.html>

⁸ New Vision (2010): www.newvision.co.ug/D/8/220/727700

⁹ New Vision (2009): www.newvision.co.ug/detail.php?newsCategoryId=220&newsId=687773

¹⁰ Radio Sapienta: www.radiosapientia.com/index.php?option=com_content&task=view&id=2931&Itemid=30