IOA ACBR 2019

AFRICA COUNTRY BENCHMARK REPORT

Uganda Profile



A busy street scene in Kampala illustrates the activity common throughout the country, from farms to factories. Only the nation's political life has been unchanged for decades under the rule of a single president.



Image courtesy of floschen



UGANDA

#21

UGANDA

OVERVIEW ANALYSIS

In power since 1986, President Yoweri Museveni has ensured political stability for Uganda by using autocratic governance and the suppression of some human rights. The landlocked country's border with Rwanda was closed in 2019 as Museveni clashed with Rwandan President Paul Kagame, with each man accusing the other of trying to overthrow him. Uganda has substantial natural resources, including agriculturally productive lands, newly found oil deposits and mineral deposits, like copper and gold. These assets have reduced chronic poverty to 19% of the population, which is low for mainland Sub-Saharan Africa. Uganda was one of the few countries to retain its overall ranking from the previous survey into ACBR 2019. Across the two reports, Uganda held a position of 21st place.

KEY OPPORTUNITIES

- New oil deposits can start an energy industry
- The industrial sector is growing
- Productive agricultural land is capable of greater commercial farming

KEY CONCERNS

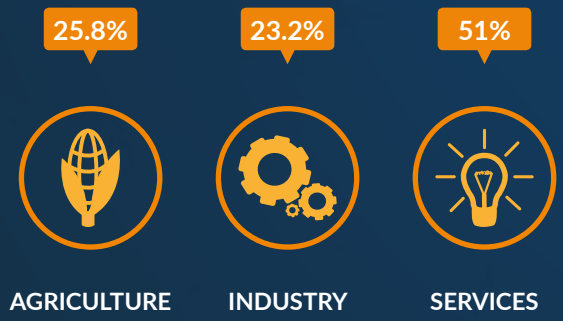
- President Museveni's long hold on power has been retained through force
- Government corruption is a problem for investors
- Inadequate electricity supply is hindering national development

COUNTRY HIGHLIGHTS

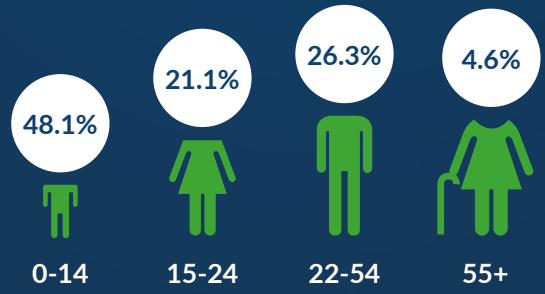
PREDOMINANT RELIGION	PREDOMINANT LANGUAGE	POPULATION WITHOUT ELECTRICITY	LITERACY RATE	PRIMARY ELECTRICITY SOURCE
Christianity	English	73.3% (#41) ▼ -2	78.4% (#17) ▬ 0	Hydroelectric

IMPORT/ EXPORT	EXTERNAL DEBT	ACTIVE CONFLICT	LAND SIZE	INTERNET PENETRATION
Petroleum/Gold	US$ 10.8 billion (#15) ▲ 5	Yes	241,038 km² (#32)	45.9% (#8) ▲ 15

CONTRIBUTIONS TO GDP BY SECTOR



POPULATION AGE BREAKDOWN

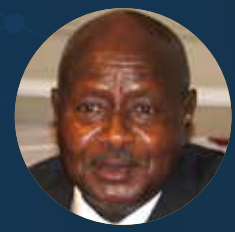


NATIONAL GOVERNANCE

Term:
26/01/1986 - present
5 years (no term limits)

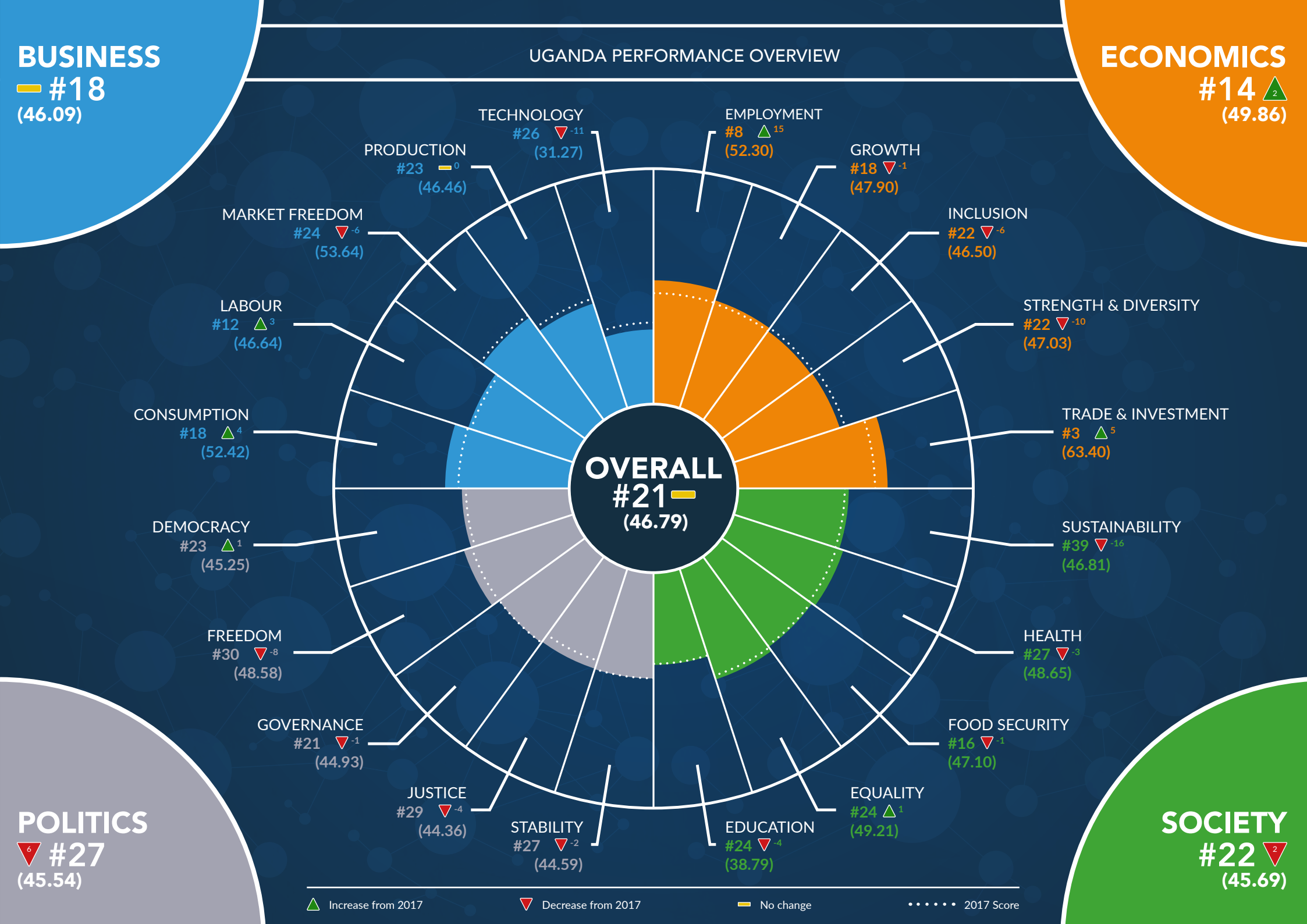
Political Party:
National Resistance Movement

Recent Electoral Information:
18/02/2016
5 971 872 Votes
60.6%
Voter turnout: 67.61%



President
Yoweri Museveni

UGANDA PERFORMANCE OVERVIEW



UGANDA BUSINESS ANALYSIS

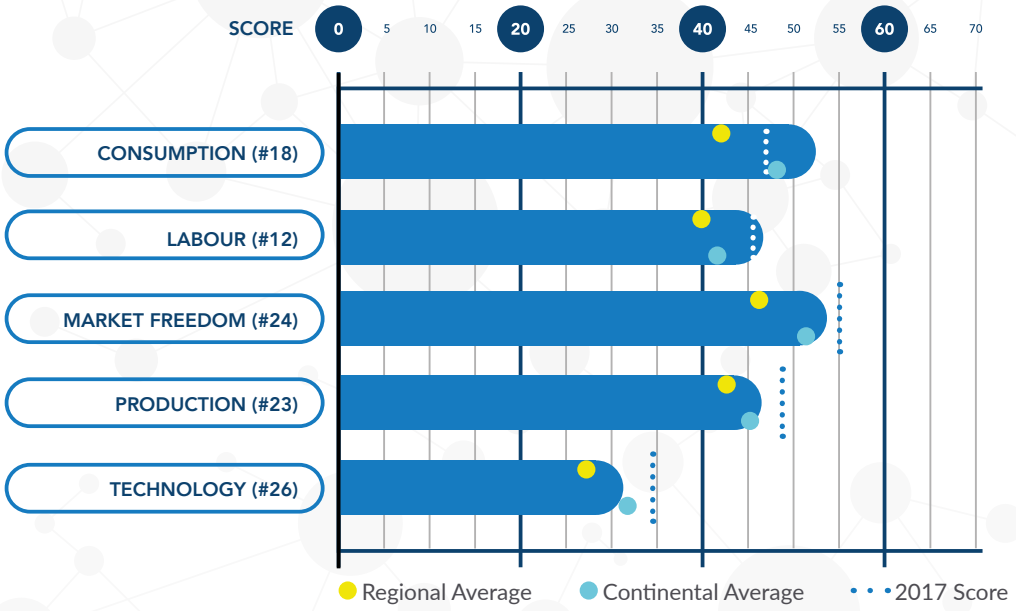
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BUSINESS OVERVIEW

Agriculture employs one-third of the workforce and produces the country's main revenue earner, coffee. Uganda has opportunities in all sectors but for tourism, which has never flourished due to few natural tourist attractions, despite having diverse cultures. Expelled in the 1970s by dictator Idi Amin, the Indian community has returned to populate the retail and small business sectors. Uganda's authoritative government complicates investment in the country and makes the Ugandan market an unattractive place to do business in. Transparency International lists Uganda as one of the most corrupt countries in the world, and the World Bank considers corruption a major impediment to national growth. Doing business in Uganda is not possible without financially benefitting the Museveni regime. During the past decade, Denmark, the European Union, Germany, Ireland, Norway and the UK suspended aid to the country due to government corruption. However, business opportunities continue to exist.

The energy sector is poised to take off, with new oil deposits expected to add significantly to export earnings in the next decade. Currently, Uganda imports all of their petroleum, but this will end when proven reserves of 2.5 billion barrels are accessed. Uganda ranked in 18th place in the Business quadrant. The position has not changed from the previous survey, and represents unchanged business fundamentals despite a slight deterioration in score.

BUSINESS SCORES & RANKINGS



BUSINESS DATA COMMENTARY



Uganda data availability **98.9%**

REGIONAL AVERAGE	AFRICAN AVERAGE	CONTINENTAL RANK
70.97%	77.78%	#11

The highest of all quadrants, Uganda scores a near perfect 98.90% for business data availability, thus ranking 11th continentally along with 6 other countries. This stands far in excess of both the regional average for Eastern Africa, presently at 70.97%, as well as the continental average of 77.78%. With its strong commitment to liberalization making it one of the fastest developing countries in Africa, future commercial growth will require further improvements in business data coverage.

BUSINESS STATISTICS

% POPULATION IN URBAN CENTRES	LABOUR FORCE IN MILLIONS	INDUSTRIAL PRODUCTION GROWTH	PRIME LENDING RATE
23.8% (#46)	20.05 million (#7)	6.5% (#14)	19% (#42)

% ADULTS WITH A BANK ACCOUNT	ANNUAL AIR PASSENGERS	MOBILE SUBSCRIPTIONS	NATIONAL 3G COVERAGE
59.2% (#6)	0.05 million (#35)	55.05 per 100 (#39)	64% (#21)

UGANDA ECONOMIC ANALYSIS

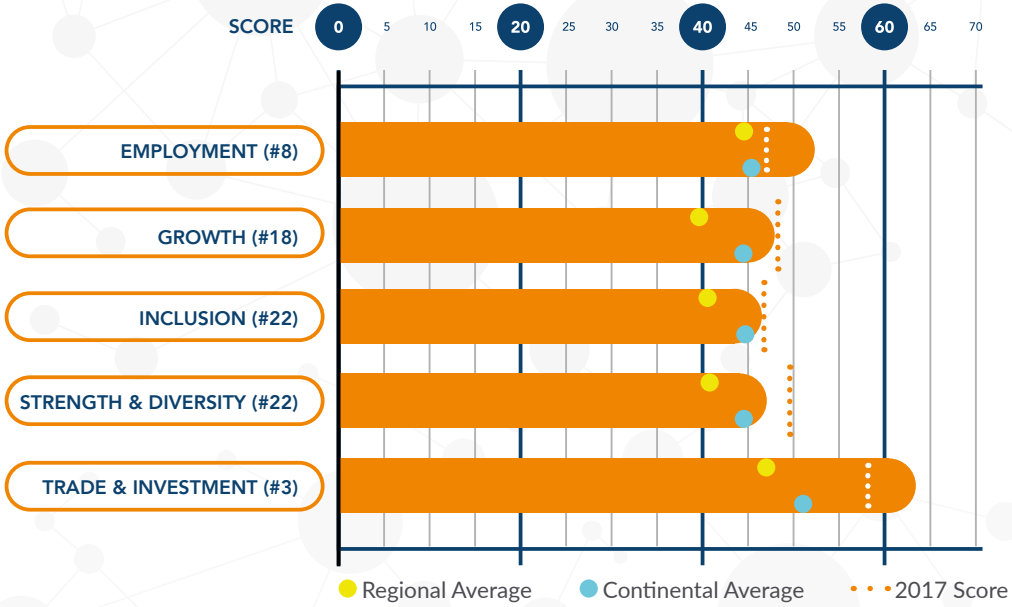


ECONOMIC OVERVIEW

Fluctuating but generally high interest rates seen in recent years, in response to inflationary pressures, validates that the economy has not recovered from a 2015 devaluation of the Ugandan shilling. The drop of 22% of the shilling's value nearly doubled interest rates and tripled inflation. Government's budget has also been hit hard by the currency depreciation. Government revenues in 2017 of US$ 3.8 billion fell far below government's expenditures of US$ 4.9 billion. The imbalance of trade is also high, with Uganda's 2017 imports of US$ 5 billion far outweighing exports worth US$ 3.3 billion.

However, GDP growth has been healthy and consistent in recent years. Growth of 6.8% in 2018 followed 2017's growth of 5.2%. During this time, services expanded to control more than half of GDP (51%), while agriculture contributed 28% and industry added 21%. Coffee processing is Uganda's largest industry, followed by beer brewing and tobacco processing and textile manufacturing from cotton. These industries add value to local agricultural outputs and show the symbiotic relationship between Uganda's agriculture and industry. This is creditable because industry's growth improves the livelihoods for non-sector Ugandans, raising their standards of living. Uganda recorded their highest ranking in ACBR 2019 in the Economics quadrant. Due to a two-position ascent, the country reached 14th place. Efforts at economic diversification assisted to maintain a stable Economics score.

ECONOMIC SCORES & RANKINGS



ECONOMIC DATA COMMENTARY



Uganda data availability **97.44%**

REGIONAL AVERAGE	AFRICAN AVERAGE	CONTINENTAL RANK
69.37%	77.78%	#11

Closely approximating the previous quadrant, Uganda currently scores a high 97.44% for economic data availability, thus ranking 11th continentally along with 1 other country. This too exceeds the respective regional and continental averages of 69.37% and 77.78%. At present, the Uganda Bureau of Statistics, in partnership with the African Development bank, has managed to amass a wealth of open-access macroeconomic data, but with existing levels of corruption, future growth will be difficult.

ECONOMIC STATISTICS

GDP PER CAPITA	UNEMPLOYMENT RATE	TRADE BLOC MEMBERSHIP	INFLATION RATE
US$ 2,400 (#31)	2.1% (#6)	AFTZ, COMESA, EAC	5.8% (#30)

GDP AT PPP	CURRENCY AND GOLD RESERVES	FDI NET INFLOWS	BUDGET SURPLUS (+) OR DEFICIT (-)
US$ 88.7 billion (#15)	US$ 3.05 billion (#16)	US$ 700 million (#17)	-1.1% (#5)

UGANDA POLITICAL ANALYSIS

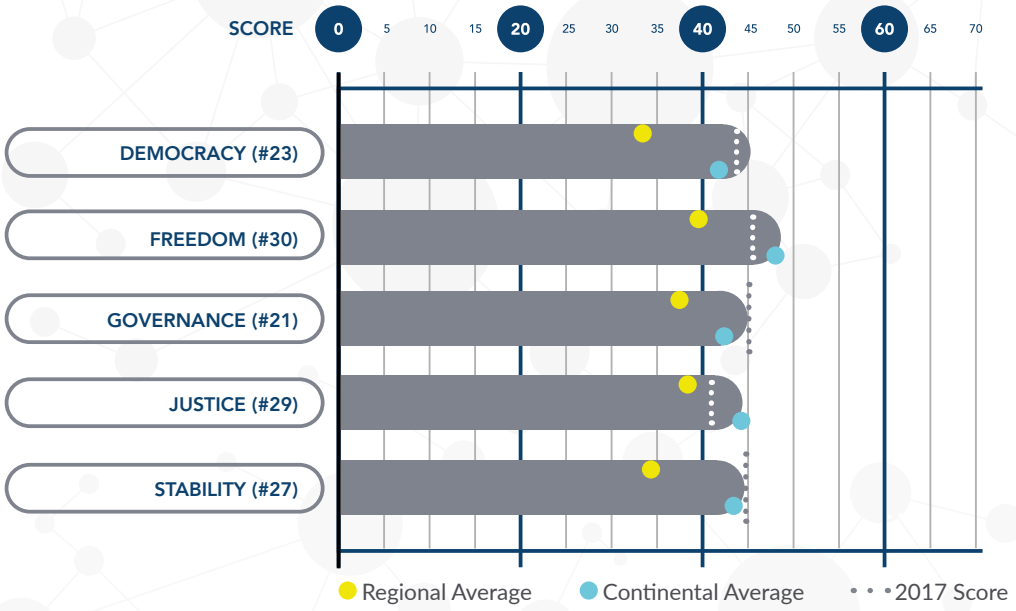
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POLITICAL OVERVIEW

Museveni has transformed the country from a unified federal state into a federation of tribal lands by granting homeland status to ethnic groups in exchange for political support to keep him in power. The national constitution has been changed several times during Museveni's rule to end presidential term and age limits. The patronage system has kept his ruling political party, the National Resistance Movement in power. In February 2019, the NRM endorsed Museveni for another term in the 2021 elections. Nevertheless, challenges to Museveni's status as President-for-Life have arisen. Popular singer Bobi Wine was elected as a member of parliament in 2017 on an anti-Museveni platform. His subsequent arrest on trumped up charges and the torture he suffered while in custody only emboldened his supporters. Wine is mounting a challenge against Museveni in 2021, when Museveni will be 76 and will have held power for 35 years. International human rights groups have documented the use of torture and extra-legal killings in Ugandan prisons against Museveni's political opponents. The courts are not seen as independent of Museveni's control.

Because of a narrowing of the political space under Museveni, Uganda is one of the worst performing countries in the ACBR 2019 Politics quadrant. Uganda dropped six positions in the quadrant. From 21st place, the country now occupies 27th place.

POLITICAL SCORES & RANKINGS



POLITICAL DATA COMMENTARY



Uganda data availability **98.58%**

REGIONAL AVERAGE	AFRICAN AVERAGE	CONTINENTAL RANK
74.88%	82.86%	#12

Another near perfect score, Uganda currently registers at 98.58% for political data availability, thus ranking 12th continentally along with 1 other country. Once again, this too compares highly favourably with the respective regional and continental averages of 74.88% and 82.86%. Despite this, however, the reliability of Uganda's data has gradually come under increasing scrutiny due to increasing corruption and political repression, although this hasn't yet managed to significantly undermine existing watchdogs.

POLITICAL STATISTICS

NUMBER OF POLITICAL PARTIES	MILITARY EXP AS % OF GDP	REFUGEE INFLOW	NUMBER OF RIGHTS
6 (#39)	1.8% (#18)	1,447,426 (#32)	70 (#6)

DATE OF INDEPENDENCE	NET OFFICIAL DEVELOPMENT ASSISTANCE	WOMEN IN PARLIAMENT	CAPITAL PUNISHMENT
09/10/1962	US$ 1,757 million (#8)	34.3% (#10)	Special Cases

UGANDA SOCIETAL ANALYSIS

#22
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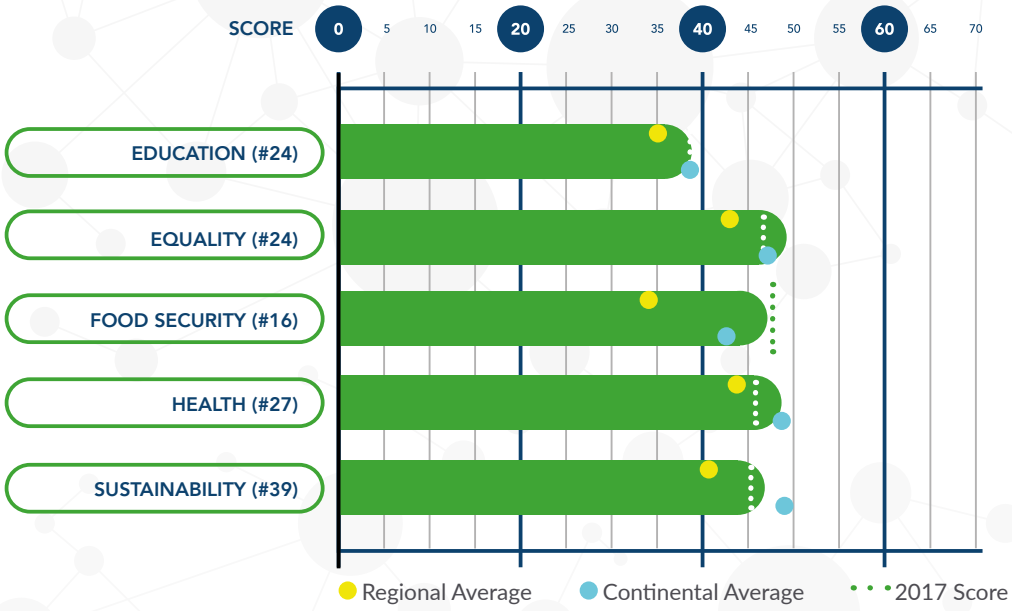
SOCIETAL OVERVIEW

The fertility rate of 5.62 children per Ugandan woman presents a social time bomb. The population growth rate of 3.18% is lower than the fertility rate due to high infant and maternal mortalities and deaths from AIDS-related diseases. With an HIV prevalence rate of 5.9% and 1.3 million people living with HIV/AIDS, Uganda faces a significant public health challenge. Over 26,000 people die annually due to complications with the pandemic. Poverty will expand with the population. Already one out of four children do not attend school and rather engage in child labour, while 11% of children under the age of five are malnourished and underweight.

Uganda is well-watered, with rivers and five major lakes present within the country's borders. Access to clean water is had by 96% of urban and 76% of rural dwellers. However, an indication of widespread poverty is that improved sanitation is only available to 29% of urban and 17% of rural residents. Consequently, diarrhoea and typhoid are prominent diseases. Ugandans are also at high risk of dengue fever, hepatitis, malaria and trypanosomiasis-Gambiense, which is also known as 'African sleeping sickness'.

In the Society quadrant, Uganda fell two positions in ACBR 2019 from the previous survey position of 20th. Uganda now occupies 22nd place. A higher quadrant score suggests the drop was due to better relative performance by other countries.

SOCIETAL SCORES & RANKINGS



SOCIETAL DATA COMMENTARY



Uganda data availability **92.86%**

REGIONAL AVERAGE	AFRICAN AVERAGE	CONTINENTAL RANK
63.78%	75.28%	#15

The lowest of all quadrants, Uganda currently scores 92.86% for societal data availability, thus ranking 15th continentally. As with the previous quadrants, this too stands far above the respective regional and continental averages of 63.78% and 75.28%. At present, Uganda remains saddles with a host of social development challenges, including considerable levels of poverty and inequality, unequal access to basic services, as well as lingering gender inequality.

SOCIETAL STATISTICS

POPULATION SIZE AND GROWTH RATE	LIFE EXPECTANCY	HIV PREVALENCE	SEXUALITY TOLERANCE
39,570,125 at 3.2% p.a (#9) (#5)	55.9 (#10)	6.50% (#41)	Illegal

ACCESS TO DRINKING WATER	HEALTH EXPENDITURE (% OF GDP)	PRIMARY EDUCATION EXPENDITURE (% OF GDP)	SOCIAL MEDIA PENETRATION
79% (#22)	7.3% (#12)	59.16% (#3)	6% (#36)

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