Uganda Knowledge Series, Trade and Investment Roadshow

PRE-READ | MAY 2025

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Equity Group Holdings Plc Headquarters Equity Centre, Upperhill, Nairobi

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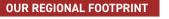
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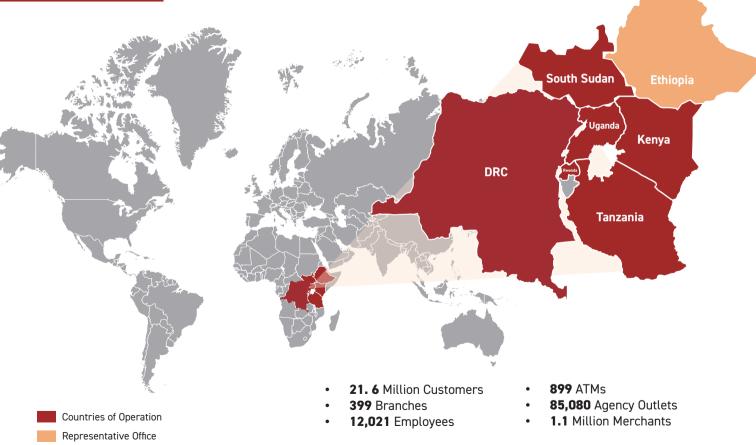
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ABOUT EQUITY

Equity Group Holdings Plc. is a Pan-African financial services holding company listed at the Nairobi Securities Exchange, Uganda Securities Exchange, and Rwanda Stock Exchange. The Group has banking subsidiaries in Kenya, DRC, Rwanda, Uganda, Tanzania, South Sudan, and a Commercial Representative Office in Ethiopia. It has other subsidiaries in investment banking, insurance, telecom, fintech and social impact investments. Equity Group is the largest integrated financial services firm in the region with a market capitalization of USD 1.27 Billion.

The Group has an asset base of USD 13.96 Billion, customer base of 21.6 million supported by a footprint of 399 branches, 85,080 Agents, over 1.1 million Pay with Equity (PWE) merchants, 40,045 Point-of-Sale (POS) Merchants, 899 ATMs and an extensive adoption of digital banking channel. The Group's strong brand recognition, solid liquidity buffers and resilient funding profile, established domestic franchise and extensive adoption of digital and alternative distribution channels have earned it the honor of being the Second Strongest Financial Brand on Earth in 2024 by Brand Finance.





ARRP (Africa Recovery and Resilience Plan)

The "Africa Recovery and Resilience Plan" is aimed at catalyzing a demand-driven synergistic transformation of Africa, underpinned by:

- 1. Capacitating and enhancing productivity of raw material producers
- 2. Integrating primary producers to more co-ordinated African productive / manufacturing capacities
- 3. Connecting these primary and secondary sectors to global supply chains (and capital markets) that are now more focused on reducing concentration risks with increased focused on accessibility.

Equity Group's execution of the "Africa Recovery and Resilience Plan" is underpinned by its Tri Engine business model that includes Social, Economic and Sustainability Engines that serve to capacitate value chains (Social Engine); provide holistic financial solutions to productive ecosystems (Economic Engine) and support development in a sustainable way.

Equity Group's excess liquidity (currently ~2% of cumulative GDP of East and Central Africa) is redirected to the private sector across various value chains.

Objectives of ARRP

The first phase (end-2030) objectives of the plan include:

1. Inclusivity of 100 million businesses and consumers

Economic and social inclusion of more productive households and financially enabled value chains.

- Multiplier effect of 5 million borrowing businesses and 25 million borrowing consumers
 Borrowing businesses to drive value chain expansion and employment, whilst consumer borrowing to enable household aspirations and
 livelihoods
- 3. Employment of 50 million

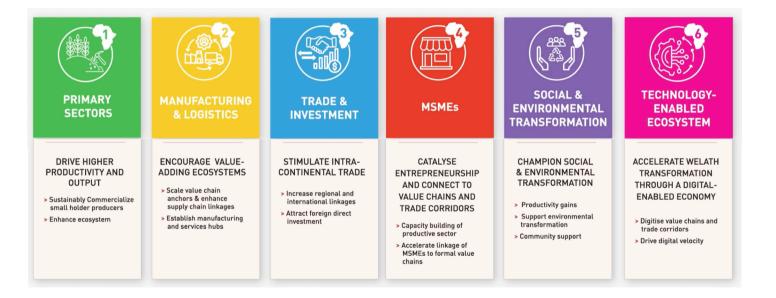
25 million direct jobs to be created as businesses grow and a further 25 million indirect jobs created as value chains expand and deepen

 Additional private sector lending of ~2% of regional GDP Loan book to be directed towards agriculture (30%), manufacturing (15%), MSMEs (65%)

Overview of Strategic Pillars and Pillar Programmes

EGH strategic plan has 6 pillars each comprising programmes which in turn comprise of various initiatives that aim to: (i) systematically link, enrich and deepen value chains; and (ii) together provide sequential, holistic and co-ordinated solutioning towards social and economic transformation of Africa.

FOULTY



TRADE MISSIONS

Presenting Trade Missions: Unlocking Opportunities for Growth

At Equity Bank, we believe in the power of strategic trade missions to unlock new frontiers for businesses by facilitating investment, market linkages, and cross-border trade. These missions are designed to connect entrepreneurs and investors with high-potential markets, enabling them to expand, scale, and thrive across Africa.

Through the ARRP's Pillar 3, we are committed to fostering market-driven solutions that enhance regional trade, strengthen value chains, and drive sustainable investments.

As you explore this pre-read, you'll gain valuable insights into Uganda's economic landscape, sectoral opportunities, and key business enablers. We encourage you to delve deeper to understand how Uganda's dynamic market can be a catalyst for your business growth.

Let's shape the future of trade and investment - Together









The Trade Missions demonstrated the Bank's commitment to driving cross-border trade, fostering SME growth, and unlocking strategic partnerships. Key outcomes included:

- · Market expansion: companies secured new clients and entered untapped markets
- Financing solutions: the Bank provided funding for logistics and now looking to agribusiness, and energy projects

Knowledge sharing: Webinars and B2B meetings equipped businesses with insights into regional trade dynamics



OVERVIEW OF UGANDA

Capital:	Kampala	
Area:	200,520 km ²	
Total Population	48.5 million	
GDP (current US\$)	USD 49.4 billion	
GDP per capita (current US\$)	1,100	
GDP growth (annual %)	6.13% (2023 WB)	



(Source: Worldometers and IMF Economic Outlook (2022)

Why Uganda?

Uganda is emerging as a key investment destination in East Africa, driven by its strategic location, abundant natural resources, and business-friendly reforms. As part of Equity Bank's commitment to fostering trade and investment, this webinar aims to connect investors, businesses, and policymakers to explore Uganda's dynamic economic landscape.

Why Invest in Uganda?

- Strategic Market Access: A gateway to East Africa, part of the EAC and AfCFTA.
- Robust Economic Growth: Consistent GDP growth, projected at 5-6% in 2024.
- Investment-Friendly Policies: Government incentives for foreign direct investment (FDI), including tax holidays and repatriation of profits.
- Growing Middle Class: Increasing consumer demand across key sectors.
- Political Stability: A stable macroeconomic environment fostering investor confidence



KEY ECONOMIC INDICATORS

Uganda's economic outlook for 2025 is optimistic, with several key projections indicating robust growth and stability:

GDP Growth

- The International Monetary Fund (IMF) forecasts a real GDP growth rate of 7.5% for Uganda in 2025.
- The World Bank projects a growth rate of 6.2% for the fiscal year 2024/2025, supported by favourable weather conditions, investments in the oil sector, and progress on the Parish Development Model.
- The African Development Bank anticipates a 7.0% growth rate in 2025, driven by normalized global supply chains and increased investments in the oil sector.

Inflation

- The IMF estimates that consumer prices will increase by 4.4% in 2025.
- The African Development Bank expects inflation to stabilize around 5%, attributing this to the Bank of Uganda's tight monetary policy.

Public Debt

Uganda plans to limit its rising debt by curbing commercial loans and focusing on concessional borrowing in the next fiscal year. The country's public debt has climbed to \$24.7 billion and is expected to rise to \$25.7 billion by the end of the month. Debt servicing costs are projected to consume 40.3% of domestic revenue in the upcoming fiscal year.

Oil Sector Developments

The commencement of commercial crude oil production is projected to significantly boost Uganda's economic growth. The IMF projects that Uganda's GDP could surge to 10.8% in the 2025/2026 fiscal year, up from the previously estimated 6.2%, due to the start of oil production.

These projections suggest a positive trajectory for Uganda's economy in 2025, underpinned by strong growth forecasts and the anticipated benefits from the oil sector.



KEY SECTORS FOR INVESTMENT

Agriculture and Agribusiness

Uganda's agricultural sector contributes over 20% of GDP, with key opportunities in:

- · Agro-processing (value addition in coffee, tea, dairy, and horticulture).
- · Irrigation and mechanization for enhanced productivity.
- Export markets leveraging EAC and international trade agreements.

Energy and Infrastructure

With a focus on sustainability, Uganda is investing in:

- · Renewable energy (hydropower, solar, geothermal potential).
- · Transport and logistics (road, railway, and air connectivity enhancements).
- Public-Private Partnerships (PPPs) in infrastructure development.

Manufacturing and Industrialization

Key drivers of Uganda's industrial growth include:

- Textile and apparel production under AGOA and regional trade agreements.
- · Pharmaceutical manufacturing to supply regional healthcare markets.
- Construction materials and steel processing to meet growing demand.

Tourism and Hospitality

Uganda's rich biodiversity presents opportunities in:

- Eco-tourism and conservation (national parks, wildlife safaris, cultural tourism).
- · Luxury hospitality investments targeting high-end travelers.

Technology and Fintech

With a vibrant digital economy, investors can tap into:

- E-commerce and digital payments driven by mobile money penetration.
- Startup ecosystem support for innovative fintech and digital solutions.

Mining and Natural Resources

Uganda boasts vast untapped mineral reserves, including:

- Oil and gas exploration (Albertine Graben reserves with upcoming refinery projects).
- Minerals like gold, cobalt, and lithium for global markets.



INVESTMENT SUPPORT AND INCENTIVES

The Government of Uganda, through the Uganda Investment Authority (UIA), offers:

- Tax incentives for priority sectors, including 10-year tax holidays.
- Industrial parks and special economic zones (SEZs) with infrastructure support.
- Ease of doing business reforms, reducing bureaucratic hurdles.
- Foreign investor protections ensuring repatriation of profits and legal safeguards.

CHALLENGES AND RISK MITIGATION STRATEGIES

While Uganda presents vast opportunities, investors must navigate:

- **Regulatory landscape:** Engage with local experts and legal advisors.
- Infrastructure bottlenecks: Leverage PPP models for logistics solutions.
- Market entry barriers: Build local partnerships for a competitive edge.





KEY TRADE ROUTES AND INFRASTRUCTURE

Regional Trade Routes

- Northern Corridor: Links Uganda to Kenya's Mombasa port, a crucial route for imports and exports.
- **Central Corridor:** Connects Uganda to Tanzania's Dar es Salaam port, an alternative gateway for trade.
- **Great Lakes Trade Routes:** Facilitates commerce with Rwanda, Burundi, and the Democratic Republic of Congo.
- South Sudan Route: Provides access to Juba, supporting regional trade expansion.

International Trade Connectivity

- **Air Transport:** Entebbe International Airport as Uganda's main air hub, with direct cargo and passenger routes.
- **Rail Infrastructure**: Planned improvements under the Standard Gauge Railway (SGR) to enhance freight movement.
- Lake Victoria Transport: Revitalization of ferry and water transport for cost-effective logistics within East Africa.
- **Cross-border Digital Trade:** Leveraging fintech solutions to streamline payments and trade facilitation across global markets.



KEY TRADE PRODUCTS

Uganda's economy is driven by a diverse range of export products, supporting both regional and international trade. The country benefits from its strategic location within the East African Community (EAC) and its access to major trade agreements like the African Continental Free Trade Area (AfCFTA), AGOA (U.S. market), and the European Union's Everything But Arms (EBA) initiative.

1. Agricultural and Agribusiness Exports

- **Coffee**: Uganda is Africa's largest coffee exporter, with major markets in Europe, the Middle East, and the U.S.
- Tea: High-quality tea varieties, mainly exported to Pakistan, the U.K., and the Middle East.
- Fish and Fisheries: Nile Perch and Tilapia are major exports to the EU and regional markets.
- Fruits and Horticulture: Exports include bananas, pineapples, avocados, and passion fruit.
- Dairy Products: Growing exports of milk and processed dairy to Kenya, Tanzania, and the Middle East.
- Maize and Cereals: Staple grains for regional markets, particularly Kenya, Rwanda, and South Sudan.

2. Minerals and Natural Resources

- **Gold:** Uganda's top export, mainly shipped to the UAE and European markets.
- **Oil and Petroleum Products:** The discovery of commercial oil reserves in the Albertine region is set to boost exports.
- Rare Earth Minerals: Emerging sector with potential in international markets.

3. Industrial and Manufactured Goods

- Pharmaceuticals and Medical Supplies: Uganda is strengthening its capacity to manufacture essential medicines for domestic use and export.
- Textiles and Apparel: Cotton-based textile production is growing, targeting AGOA and EU markets.
- **Construction Materials:** Cement, steel, and other building materials are exported to neighboring countries.





• **Processed Foods and Beverages:** Expanding sector with exports of packaged juices, snacks, and instant coffee.

4. Services and Technology Exports

- · Financial Services: Uganda's banking sector, including Equity Bank, is expanding regionally.
- ICT and Digital Services: Growth in fintech, mobile money solutions, and tech startups, exporting services across Africa.
- **Tourism and Hospitality:** Uganda is a top destination for eco-tourism, wildlife safaris, and adventure travel.

KEY INVESTMENT OPPORTUNITIES IN VALUE ADDITION

While Uganda is rich in raw materials and natural resources, significant investment opportunities exist in value addition across key sectors. By processing and refining products locally before export, investors can unlock higher profit margins, create jobs, and boost Uganda's competitiveness in global markets.

1. Agriculture and Agribusiness

- **Coffee Processing:** Establishment of roasting, packaging, and branding facilities for premium Ugandan coffee exports.
- **Tea Blending and Packaging**: Investment in value-added tea products, including flavored teas and specialty blends.
- Dairy Processing: Expansion of ultra-heat-treated (UHT) milk, cheese, yogurt, and powdered milk
 production for export.
- **Fruit Processing:** Setting up juice extraction, drying, and canning facilities for pineapples, avocados, and mangoes.
- Maize and Grain Milling: Enhancing flour milling capacity for fortified and export-quality flour.

2. Minerals and Natural Resources

- Gold Refining: Establishing refining facilities to process gold before export, increasing its value.
- **Oil and Gas Petrochemicals:** Investment in downstream processing (lubricants, plastics, and refined petroleum products).
- Industrial Mineral Processing: Local value addition for rare earth minerals and other extracted resources.

3. Manufacturing and Industrialization

- **Textile and Apparel Factories:** Establishment of garment manufacturing plants using locally grown cotton.
- **Pharmaceutical Production**: Expanding domestic pharmaceutical production to reduce imports and export to the region.
- **Processed Food and Beverage Industry**: Scaling up food processing, including packaged snacks, instant coffee, and ready-to-eat meals.

4. Technology and Services

- ICT Innovation Hubs: Investment in software development, fintech solutions, and digital outsourcing centers.
- Agri-Tech and Smart Farming: Leveraging AI, blockchain, and IoT for supply chain efficiency and traceability.
- Eco-Tourism and Hospitality Development: Establishment of high-end lodges and sustainable tourism projects.

By investing in value addition, Uganda can increase export earnings, enhance industrialization, and create new job opportunities. This presents a strategic opportunity for businesses, investors, and institutions to invest and leverage market expansion opportunities





FLAGSHIP FEATURE

Company: Pearl Dairy Farms Ltd Transforming Uganda's Dairy Industry

Sector: Dairy Processing and Export

Impact:Expanded Uganda's dairy export market, reduced milk wastage

Overview: Pearl Dairy Farms Ltd, the makers of Lato Milk, has revolutionized Uganda's dairy sector by investing in large-scale processing. Before their intervention, Uganda faced significant milk wastage due to inadequate processing infrastructure. Today, Pearl Dairy exports long-life milk, yogurt, butter, and powdered milk to Kenya, Rwanda, Tanzania, and beyond.

RESHAPING DAIRY INDUSTRY FOR A SUSTAINABLE FUTURE

Since its establishment in 2009, Pearl Dairy Farms Limited has been a transformative force in Uganda's dairy industry. As one of East Africa's largest dairy processors, they've expanded operations into Kenya, strengthening their regional presence. Pearl Dairy Farms stands out for its commitment to sustainability and innovation, evidenced by their solar-powered milk collection centers and plans for electric trucks.

Their groundbreaking Dairy Farmers Development Program has enrolled 1,000 farmers with approximately 34,000 heads of cattle. They've also employed 50 training extension officers and established 10 model farms, demonstrating their dedication to empowering farmers and driving positive change in the agricultural sector. Pearl Dairy Farms sources milk from over 10,000 smallholder dairy farmers, showcasing their commitment to supporting local communities and sustainable sourcing practices. Pearl Dairy Farms Limited continues to reshape the dairy industry and pave the way for a sustainable future in Uganda, Kenya, and beyond.

Value Addition Strategies

- Built a world-class dairy processing plant with ultra-heat treatment (UHT) technology.
- · Launched powdered milk exports to new markets in the Middle East and South Asia.
- · Partnered with farmers for consistent high-quality milk supply and introduced cold chain logistics.





Key Achievements and Impact

- Expanded Uganda's Dairy Export Market Lato Milk exports to 10+ countries, making Uganda a regional dairy powerhouse.
- Reduced Milk Wastage and Increased Farmer Incomes Created a stable market for 10,000+ farmers, reducing milk losses and boosting earnings.
- Investment in Value-Added Products Introduced UHT milk, powdered milk, yogurt, and butter, enhancing Uganda's dairy value chain.

 Case Study: Pure Grow Africa Transforming Agribusiness in Uganda
 Sector: Agriculture and Agribusiness - Value Addition in Fruits, Vegetables, and Spices
 Impact: Empowering smallholder farmers, enhancing food quality, and expanding export markets



Overview: Pure Grow Africa is a Ugandan agribusiness that specializes in organic farming, value addition, and supply chain solutions for fruits, vegetables, and spices. The company works closely with over 5,000 smallholder farmers to produce high-quality, chemical-free produce for local and export markets.

Pure Grow Africa is addressing post-harvest losses, inconsistent quality, and limited market access major challenges faced by Ugandan farmers. By integrating value addition, the company ensures higher earnings for farmers, access to premium export markets, and the promotion of sustainable agriculture.

Value Addition Strategies

- 1. Food Processing and Packaging:
- Establishment of modern drying, processing, and packaging facilities to extend shelf life and enhance product quality.
- Production of dried fruits, vegetable powders, and spice blends for both local and export markets.



2.Organic Certification and Export Market Access

•Training farmers in organic and Good Agricultural Practices (GAPs) to meet international standards. • Securing certifications (such as organic and fair trade) to access high-value markets in Europe, the Middle East, and Asia.

3. Supply Chain Innovation and Market Linkages

- · Use of digital tools to connect farmers with buyers, ensuring fair pricing.
- Partnerships with supermarkets, hotels, and export companies to guarantee a steady demand for value-added products.

Key Achievements and Impact:

- **Reduced Post-Harvest Losses:** By investing in value-added processing, Pure Grow Africa extends the shelf life of perishable crops, reducing food waste and increasing profits.
- **Farmer Empowerment:** Smallholder farmers benefit from better pricing, market stability, and agronomic training, improving livelihoods.
- **Export Growth:** With improved product quality and certification, Pure Grow Africa has expanded into international markets, making Uganda a competitive player in organic agribusiness.
- **Sustainability and Innovation:** By promoting organic farming and eco-friendly packaging, the company aligns with global trends toward sustainable agriculture.



HOW TO SET UP IN UGANDA

To set Uganda is a fast-growing economy and a gateway to the East African market, offering investment incentives, a skilled workforce, and access to regional trade blocs like the EAC and AfCFTA. Equity Bank provides tailored financial solutions and market entry support to help businesses establish and expand successfully.

Step 1: Understanding the Market and Investment Climate

- Key Sectors for Investment Agribusiness, Manufacturing, Infrastructure, Renewable Energy, ICT, and Financial Services.
- Government Incentives Tax exemptions, industrial parks, and investment protection policies.
- Legal and Regulatory Framework Business laws, labor regulations, and compliance requirements.

How Equity Bank Helps:

- · Provides sector insights, market intelligence, and regulatory guidance.
- · Connects businesses with government agencies and industry stakeholders.

Step 2: Business Registration and Licensing

- Company Registration Register with the Uganda Registration Services Bureau (URSB).
- Investment License Obtain approval from the Uganda Investment Authority (UIA) if investing over \$100,000.
- **Tax and Compliance** Register for a Tax Identification Number (TIN) with the Uganda Revenue Authority (URA).
- **Sector-Specific Permits** Acquire licenses relevant to the industry (e.g., environmental, health, financial approvals).

How Equity Bank Helps:

- Provides guidance on legal and regulatory requirements.
- Facilitates account opening for business transactions.



Step 3: Financing and Capital Mobilization

- **Startup and Expansion Capital** Secure funding through Equity Bank's business loans, trade finance, and asset financing.
- Trade and Working Capital Solutions Access letters of credit, invoice discounting, and supplier credit.
- **Government and Institutional Support** Leverage financing from development finance institutions (DFIs) and donor programs.

How Equity Bank Helps:

- Offers tailored financing solutions for working capital and asset acquisition.
- Facilitates access to local and international funding opportunities.

Step 4: Setting Up Operations and Market Entry

- Location and Infrastructure Choose industrial parks, special economic zones, or commercial hubs.
- Supply Chain and Logistics Identify reliable distributors and transport networks.
- Hiring and Workforce Development Comply with Uganda's labor laws and build a skilled team.

How Equity Bank Helps:

- · Supports business networking and partnership development.
- · Provides payroll solutions and employee banking services.

Step 5: Growth and Market Expansion

- Regional Market Access Utilize Uganda's EAC and AfCFTA membership for duty-free exports.
- Sustainability and ESG Compliance Align with environmental and social governance (ESG) standards.
- Scaling and Innovation Invest in digital transformation, automation, and market research.

How Equity Bank Helps:

- · Facilitates business expansion through trade and investment advisory services.
- Provides cross-border banking solutions for regional trade and growth.

Uganda offers a business-friendly environment, strategic location, and investment incentives. With Equity Bank's financial expertise and market entry support, businesses can seamlessly set up, operate, and scale in the Ugandan market.



PHYSICAL TRADE MISSION

Date	Engagement	Country
Sunday 18 th May 2025	Delegates arrive in Dar-Es-Salam, Tanzania	Tanzania
Monday 19 th May 2025	Business Forum and Business to Business/ Government Meetings in Tanzania	Tanzania
Tuesday 20 th May 2025	Business Forum and Business to Business/ Government Meetings in Zanzibar	Zanzibar
Wednesday 21 st May 2025	Field Visits to Industry and Market and Trav- el from Tanzania to Uganda	Tanzania / Uganda
Thursday 22 nd May 2025	Business Forum and Business to Business/ Government Meetings in Uganda	Uganda
Friday 23 rd May 2025	Field Visits to Industry and Market	Uganda
Saturday 24 th May 2025	Delegates depart Kampala, Uganda	Uganda

To express your interest in participating in this Roadshow, please click link below to register https://forms.office.com/r/e8SKzLPUwb

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NEXT STEPS

- We invite you to take action and be part of this transformative journey:
- Join the Pre-Mission Webinar. Click on the link below to register: https://us02web.zoom.us/webinar/register/WN_0Lju-tUqQeyuCVjKSp_veg#/registration
- ✓ Gain key market insights and hear from industry leaders.
- Register to be on the Mission
- Connect directly with Uganda businesses, policymakers, and investors.
- Engage with key stakeholders during this mission.
- Leverage our financial solutions to support your expansion.
- Take bold steps towards regional growth with Equity as your trusted partner.

Thank you for taking the time to explore this pre-read.

We look forward to partnering with you on this journey of trade, investment, and prosperity.

The Future of African Trade Starts Here - Let's Build It Together







EQUITY



