



Prof Maggie Kigozi
Executive Director-Uganda
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Prof Maggie Kigozi a renown socially responsible citizen of Uganda in her CSR statement to **Public Opinions** described Corporate Social Responsibility as a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment. CSR extends beyond the statutory obligation to comply with normal legislation, as organizations voluntarily take further steps to improve the quality of life of their employees and their families as well as for the local community and society at large.

In Uganda today, many people wrongly equate CSR to philanthropy, believing that it is the duty of corporate companies to donate to all the various causes/charities in the country because they are assumed to have vast amounts of money. CSR, however, refers to all the different ways in which a Company's operations impact or contribute to the communities and societies in which they operate: directly through the Company's operations, its services and products; indirectly through social investment; positively, by providing employment to the locals and contributing tax to the Government or negatively, through the resettlement of populations, or through the increase of security and environmental risks.

In 2008, Uganda Investment Authority carried out an assessment on the Corporate Social Responsibility programmes of a number of investors and companies. It was against this background that the winners of the 2008 Investor of the Year Awards were selected. Some of the criteria used included;

1. Creation employment opportunities for Ugandans; including the level of wages, the level of gender balance in the company and the general welfare of the staff members;

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2. Creation of backward and forward linkages through the Project Multiplier effect;
3. Enhancement of job skills through Staff development, i.e.; training at the workplace, among others;
4. Environmental Considerations – Companies that ensure the use of proper procedures and equipment to handle wastes, use cleaner production technologies, have emergency response procedures, and use the media platform to inform the public on environmental issues;
5. Contribution to the social welfare of the community through, *inter alia*, education, community skill-building projects, public health and sports for development;
6. Companies that introduce new or improved products/services on the market were also considered to be socially responsible as well as those that use local raw materials in the production process.
7. Location of the project; projects that are located in rural areas contribute to the development of both the human and social capital of that region.

The impact of businesses on society should, under ideal circumstances, have a positive ripple effect on the communities in which these businesses are established, while their socially responsible activities should create sustainable and self-sufficient societies that will continue to have a life after the corporates have left.

Most corporate companies, however, seem to have completely misunderstood this concept and instead impose programmes on communities without consultation or without clearly understanding what the needs of those communities are. These companies have created a culture of dependency and continue to create unmet expectations for the benefactors of these programmes.

As we go forward, it is important for all businesses to clearly understand and define the boundaries of their Corporate Social Responsibility Programmes, especially, in tandem with the needs of the society.



Uganda Investment Authority

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The Uganda Investment Authority (UIA) is a semi-autonomous government agency operating in partnership with the private sector and government to drive national economic growth and development. The Authority was established by the Investment Code Act, Cap 92 Revised Edition 2000 Laws of Uganda.

UIA'S VISION

"Make Uganda the leading Investment destination".

UIA'S MISSION

"To promote and facilitate investment projects, provide serviced land, and advocate for a competitive business environment".

UIA'S OBJECTIVES

- To attract value adding investment that brings technology, skills and jobs to Uganda
- To promote Uganda as a leading African Investment destination;
- To provide serviced sites, buildings and competitive infrastructure to meet the needs of growing Ugandan based;
- To stimulate and lead key stakeholders in creating a competitive business environment.

UIA'S ROLE

UIA is the agency set up by an Act of Parliament (Investment Code 1991) to promote and facilitate private sector investment in Uganda.

The agency serves to:

- Provide first hand information on investment opportunities in Uganda;
- Issue Investment Licenses;
- Assist in securing other licenses and secondary approvals for investors;

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- Help investors to implement their project ideas through assistance in locating relevant project support services;
- Provide assistance in the acquisition of industrial land;
- Help to obtain work permits and special passes for investors and their expatriate staff;
- Arrange contacts for potential investors and organize itineraries for visiting foreign missions in the country;
- Assist investors in seeking joint venture partners and funding;
- Review and make policy recommendations to Government about investment.

Why Invest in Uganda?

Predictable Environment

Uganda has been able to achieve macro-economic stability when clouds of uncertainty rocked many regions of the world.

- Inflation rate has been controlled and managed at a single digit for over 15 years.
- Stable annual economic growth averaging 6% per annum
- Maintained a competitive real exchange rate that supports export growth

Fully Liberalized Economy

- All sectors liberalized for investment and marketing.
- Free inflow and outflow of capital.
- 100% foreign ownership of investment permitted.
- Ranked the 5th freest economy in Sub-Saharan Africa by the 2007 Index of Economic Freedom.

Market Access

- Uganda enjoys a unique location at the heart of Sub-Saharan Africa giving it a commanding base for regional trade and investment

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- Uganda is a member of the Common Market for Eastern and Southern
- African states (COMESA), a region with a market of over 380 million people in 19 countries.
- Uganda is a member of the East African Community (EAC) comprising Burundi, Kenya, Rwanda, Uganda, and Tanzania with a population of over 115 million people.
- Duty and quota free access into the US (AGOA), Generalized System of Preferences (GSP) scheme and EU (EBA) markets

Strong natural Resource Base

- Rich endowment of rainfall, soils, and favorable temperature range. A number of crops are grown organically.
- Unexploited mineral deposits and tourism opportunities. Confirmed deposits include Phosphate, Gold, Zinc, Wolfram, Petroleum, Diamond, Vermiculite, Silica etc

Government Commitment to Private Sector

- Government and private sector dialogue in policy formulation.
- Continuous improvement in provision of infrastructure and other social services

Trainable Labor

- Uganda presently produces over 15,000 University graduates per year
- Quality of labor is one of the biggest attractions

Security of Investment

- Guaranteed under the Constitution and the Investment Code 1991.
- Uganda is a signatory to major international investment related institutions such as: Multi lateral Investment Guarantee Agency (MIGA), Overseas Private Investment Corporation (OPIC) of USA, Convention on the recognition and enforcement of foreign

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arbitral award (CREFAA), Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), ICSID, TRIMS, GATS, and TRIPS

Investment Incentives

a) Investment Capital Allowances

- Initial Allowance on plant and machinery 50-75%
- Start up cost spread over 4 years 25% p.a
- Scientific research expenditure 100%
- Training expenditure 100%
- Mineral exploration expenditure 100%
- Initial Allowance on hotel, hospitals and Industrial buildings 20%
- Deductible annual Allowances (depreciable assets)
- Depreciation rates of assets range. 20-40%
- Depreciation rate for Hotels, Industrial Buildings and Hospitals 5%

b) Investors who register as investment traders are entitled to VAT refund on building materials for industrial/commercial buildings;

c) Duty and Tax free import of Plant & Machinery

d) First Arrival Privileges in the form of duty exemptions for personal effects and motor vehicle (previously owned for at least 12 months) to all investors and expatriates coming to Uganda

e) Export Promotion Incentives and Facilities

- Manufacturing Under Bond
- Duty exemption on plant and machinery and other inputs
- Stamp duty exemption
- Duty draw back – a refund of all or part of any duty paid on materials, inputs imported to produce for export
- Withholding tax exemptions on plant & machinery, scholastic materials, human & animal drugs and raw materials.
- Ten year tax holiday – duty remission scheme for exporters involved in value addition.

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