MINISTRY OF FINANCE, PLANNING
AND ECONOMIC DEVELOPMENT

10 FOLD

GROWTH STRATEGY




JUNE, 2025

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TENFOLD
GROWTH STRATEGY
#TenfoldGrowth

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Foreword

A key lesson from the lifecycle of a butterfly is that there is potential for beauty even from the least pleasant seasons of transformation. This lesson, in many respects, describes Uganda's transformation journey over its post-independence period, particularly over the first-half of Vision 2040 (2010 to 2025).

Over the last four decades, Uganda has metamorphosized from being a net importer of essential goods and services to a surplus manufacturer of essential items for household and industrial use. News media headlines that once screamed with stories of economic collapse in Uganda are now riddled with news of abounding economic opportunities in Uganda, and the country's record development achievements.

How did the country turn the tide? A lot can be said in answer to this question. What, however, is unquestionable is the sacrificial and strategic leadership of the country and the resilient spirit of her people. These elements have seen the country stick with some of its early, painful yet foresighted economic reforms. The yields from these reforms are now clearly visible from Uganda's high standing on the African continent, and on the global stage. This is evident in aspects such as the country's sustained economic growth record, currency stability, price stability, poverty and inequality reduction, life expectancy gains and competitive return on investment.

These past economic gains are foundational. They give us reason to be confident that the higher growth rate required for our empirically derived projection of a US$500 billion economy is attainable within a much shorter period than it has taken to recover the economy. As we look ahead into the next 15 years, it is important that we stay committed to the elements that have brought our economy this far. The advent of the Tenfold Growth Strategy is, accordingly, one to be embraced as a period of renaissance for economic management in the country. It is about building a greater legacy for future generations than the one handed to us by the past generation of reformers.

I extend my deep gratitude to His Excellency, the President of Uganda for his timely challenge to the Ministry of Finance, Planning and Economic Development (MFPED) that gave rise to this Strategy. I also thank the political and technical teams at MFPED and the National Planning Authority for collaboratively leading the formulation process of this Strategy. To the households, entrepreneurs and partners that embody our economic growth story and bold dream for the 15 years, thank you for staying the course, and for the confidence to continue investing in Uganda in bigger and better ways..

For God and My Country.

Matia Kasaija (M.P)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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INTRODUCTION

1 The Tenfold Growth Strategy is a blueprint for rapidly expanding Uganda's economy in a transformative, sustainable and inclusive manner. The goal of the Strategy is to grow the capacity of the country's economy to its double-digit growth potential. The strategic target under this goal is to expand the country's GDP from nearly US$ 50 billion (2023) to US$500 billion (2040). This target responds to a direct challenge from H.E the President for managers of the economy to focus on attainment of a qualitative leap in their approach to economic management.

2 In pursuit of the goal of growing the capacity of the country's economy to its double-digit growth potential, Government has prioritized two outcomes: increasing returns from public investment and competitively growing the share of the formal economy for a larger revenue base.

3 The aim of the Tenfold Growth Strategy is to:

a) Rapidly expand the country's export basket and tourism offering of exploratory experiences;

b) Consolidate the country's human, financial, physical and natural capital stocks for increased connectivity and capacity in international trade;

c) Build a knowledge economy as a new source of economic growth based on technological advancements; and

d) Ultimately leverage the country's central continental location for its transformation into a competitive investment, trade and tourism center in Africa, starting with the East African Community (EAC).

4 The operational objectives of the Strategy are to:

a) Increase budget effectiveness and efficiency;

b) Derisk the economy for accelerated private investment;

c) Increase dividends from public enterprises as a share of Government revenue; and

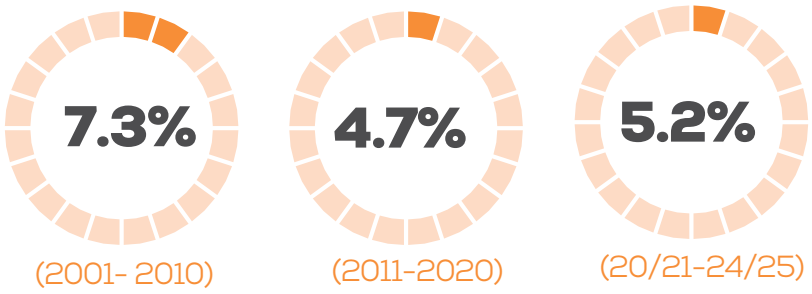
d) Grow the size and quality of the country's entrepreneurial class reflected in its vital registers: Business Register; Investor Register; Exporters Register; Farmer Register and Employee Register.

5 This Strategy duly takes into account lessons from economic history of countries that achieved rapid economic growth rates of the order that the country aspires to achieve as well as a wide range of empirical research works on Uganda.

B

BACKGROUND

6 Over the decade (2011-2020), the country's economic growth averaged 4.7% per annum, which is lower than 7.3% for the previous decade (2001-2010). This trend reversed under NDPIII with economic growth picking up to an average of 5.2%. The national outlook presents new opportunities to accelerate this trend. These new opportunities include new ways of doing things (emerging technologies), new sources of growth (emerging sectors) and new trade and economic relationships (emerging markets).

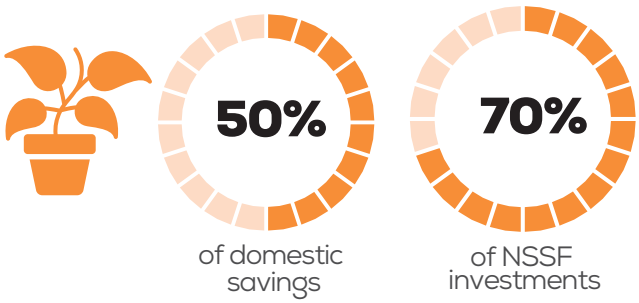


Source: Uganda Bureau of Statistics (UBoS)

7 **Over the period FY 2010/11 to FY 2024/25**

a) The size of the economy more than tripled in nominal terms, from Shs65 trillion (US$ 28 billion, FY 2010/11) to Shs226.3 trillion(US$ 61.3 billion, FY 2024/25);
b) GDP per capita increased from US$ 898 (FY 2010/11) to US$ 1,263 (FY 2024/25);
c) Gross domestic savings as a share of GDP increased from 16% (2011) to 20% (2022);
d) Life expectancy increased from 63 years (2011) to 68 years (2024);
e) Uganda's export basket further diversified (share of coffee is down from 77% in 1994 to 18% in 2024) with an addition of 31 new products; and
f)Uganda met the criteria for graduating from the Least Developed Countries (LDCs) category of the United Nations in March, 2024.

8 Gross savings in the country have increased from less than 5 percent of GDP in 1990 to over 20 percent in 2020 (Figure B1). Over the NDP III period, the government bond market attracted over 50 percent of domestic savings (including 70% of NSSF investments)



Source: Uganda Retirements Benefits Regulatory Authority

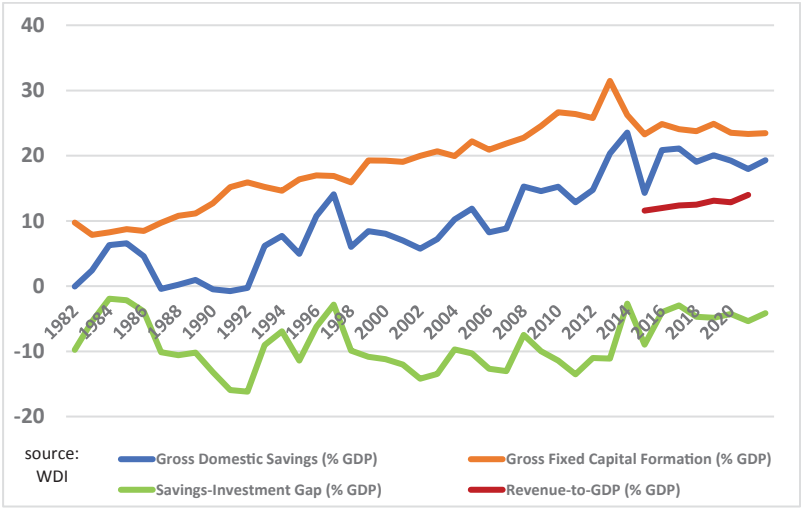


Figure B1: Saving and Investment in Uganda (% of GDP), 1982–2022
Source: World Bank

9 Uganda has also attained an adequate level of effective demand to drive sustainable local manufacturing (at least 50% of installed plant utilization capacity). The average level of local (and regional) demand is now able to generate an acceptable return on equity for investors (Figure B2). This is on account of Uganda's rising per capita income, declining poverty rates and the growing size of the middle class (Box 1). These three elements drive effective demand in an economy. Entrepreneurs capitalize on effective demand from the middle class when mobilizing other factors of production to produce goods and services.

Counter	2018	2019	2020	2021	2022
BATU	33.9	35.7	41.3	26.8	25.9
BOBU	19.6	11.5	18.4	16.3	20
CQCIL		4	-15.9	15.1	11
DFCU	11.7	12.9	4.1	1.6	4.7
MTNU				40.7	44.9
NIC	-5.4	-8.3	5.4	8.3	9.3
NVL	3.5	2.9	3.7	0.6	1.4
SBU	22.5	23.2	19.4	17.6	20
UCL	6.2	-0.3	13.6	14.5	5.7
UMEME	17.2	16.7	5.4	15.6	14.7

Figure B2: Return on Equity for Locally listed Companies in Uganda
Source: Capital Markets Authority of Uganda

10 Uganda's Economic Progress (1962–2024)

Per Capita Income

1962: **$56**

2024: **$1,263**

23x
Increase in 63 Years

92%
of growth occurred after 1992 (when income was $152)

Income Poverty

1992: **56%**

2020: **20.3%**

2024: **16.1%**

(Continued decline)

Middle Class Growth

2013: **12.6 million**

2020: **15.6 million**

(≈38% of population)

Income Inequality (Gini Coefficient)

2020: **0.41**

2024: **0.38** ↓

(Better equality)

Source: UBoS, World Bank

Box 1: Composition of Uganda's Middle Class, 2016/17

The middle class connotes a dignified, secure and aspirational lifestyle. Uganda's middle class comprises of people whose per capita daily consumption expenditure is US$ 2 – US$ 4 (Shs 7,300 – Shs 73,000) in purchasing power parity (PPP) terms. Uganda's middle class is broken down into three categories. First is the floating middle class (FMC), and these are between the poor and the lower middle class. This class is vulnerable and highly unstable and can quickly descend into poverty in the event of economic and other shocks. The per capita consumption level for FMC is $2–$4 (Shs 7,300 – Shs 14,600) per day – just above the developing world's poverty threshold of $2 (Shs 7,300) per day. The second segment is the lower middle class (LMC). This is composed of those with daily per capita consumption of $4 – $10 (Shs 14,600 – Shs 36,500). This class lives above the subsistence level and can save and consume non-essential goods. The third segment is the upper middle class (UMC). This has households whose characteristics are closer to affluent households. The UMC daily per capita consumption ranges between $10 and $20 (Shs 36,500 – Shs 73,000). Out of the total population in

2016/2017, about 8.3 million Ugandans (22%) were in the middle-class. If those in the floating category are included (about 13 million), the size of the middle class rises to 21.3 million, representing close to 57% of the population. The FMC alone represents 34.8% of the total population in Uganda. According to statistics from the Uganda National Household Survey (UNHS) 2016/2017, out of the 21.3 million Ugandans in the middle-class, the share of the FMC, LMC and UMC is 61%, 33% and 6%, respectively.

The FMC is the weakest middle-class category, with characteristics closer to the poor. It constitutes the highest share of the middle class in Uganda, is highly vulnerable or susceptible to any economic shock, and can quickly descend into poverty. It is an unstable sub-group of the middle class that cannot be relied upon to attain and sustain middle-income status, as well as economic growth and development. Unlike the FMC, the UMC is a source of substantial economic power for the country, capable of providing a stable ground for sustained growth and middle-income status.

Source: Economic Policy Research Centre (EPRC)

11 Uganda's Economic Transformation (1992–2024)

Over the last generation (1992 to 2024), the structure of the country's economy significantly evolved. The country has successfully attained its minimum economic recovery (1997-1995); expanded its traditional economy; and diversified its export basket to include items that were formerly considered non-cash commodities.

Manufactured Exports

2010/11: **4.2%**
2023/24: **24.6%**
of total exports

More than **6×** Increase

Still below Vision **2040** target, but improving

Technology Complexity in Exports

High-Tech Exports: Only **2.3%** of manufactured exports (2021)

Very Low Technology Intensity

2018: **(3.5%)**

↑ **Steady Growth** in High-Tech Sector

2013: **(2.1%)**

Source: UBoS, UN Trade and Development (UNCTAD)

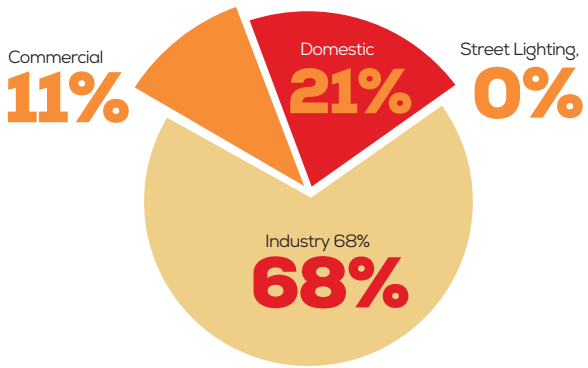
12 **H.E. the President** has noted the fact that much of the economy since independence, has been comprised of raw-materials, which are about 10 percent of the value of the final products. By adding value to this commodity base (coffee, maize, forest products, minerals, etc), the economy will grow exponentially. His summary of the evolution of Uganda's economy through five phases is a compelling case of the essence and motivational factors of the Tenfold Growth Strategy.

The Five Phases of Evolution of Uganda's Economy Since 1986

Phase 1: Minimum economic recovery that entailed restoration of aspects of the small, colonial enclave money economy of the 3Cs (cotton, coffee, copper), and 3Ts (tea, tobacco and tourism);
Phase 2: Expansion of the enclave money economy with more production of traditional cash crops such as coffee and tea;
Phase 3: Diversification of the enclave economy by commercializing production of additional commodities including bananas, maize, cassava, milk, fruits, palm oil, cocoa, fish, beef, etc;
Phase 4: Value addition through manufacturing of the expanded commodities basket. These commodities include cotton, fruits, milk, tea, timber and sugar
Phase 5: The knowledge economy focusing on the pathogen industry, automobile industry, the 4th industrial revolution (machine leaning and artificial intelligence), infrastructure for industrial Research and Development (science parks), Aeronautics and Space Science.

Source: Adapted from State of the National Address by H.E. Yoweri Kaguta, 2024

13 As result of the above factors, industrial demand for grid electricity more than doubled (from 1.356 GWh to 2,833 GWh) in the last decade (2013 to 2023); and the number of industrial consumers of grid electricity increased nearly eight-fold (781%), from 539 to 4,214. This translates to an average growth rate in industrial energy demand of over 7.0% per annum. At the 2023 annual growth rate of 10%, energy demand in the country will nearly triple by 2033. Given this growth rate and the long gestation period required to deliver energy infrastructure investments, this represents a timely opportunity for new investments in clean and renewable energy generation. Partners in this endeavour are welcome. Industrial consumers account for nearly 70% of the electricity (Figure B3), of which only 50 extra-large customers account for 26% of the national demand (2023).



Source: Electricity Regulatory Authority (ERA), UMEME

Figure B3: Electricity Demand Distribution in Uganda (Jan. – June, 2023)

14 Uganda's demographics have changed in support of faster mobilization of domestic savings for inclusive economic growth. During the period 1990–2020, life expectancy in Uganda increased from 43 years in 1991 to 68 years in 2022; fertility rates declined from 7.4 children per women in 1989 to 5.2 children in 2022; average household size steadily declined from 6.6 in 1992 to 4.5 in 2024; and nutritional outcomes in children have continued to improve, promising a higher quality of human capital stock, the quality of education not withstanding (Figure B4).

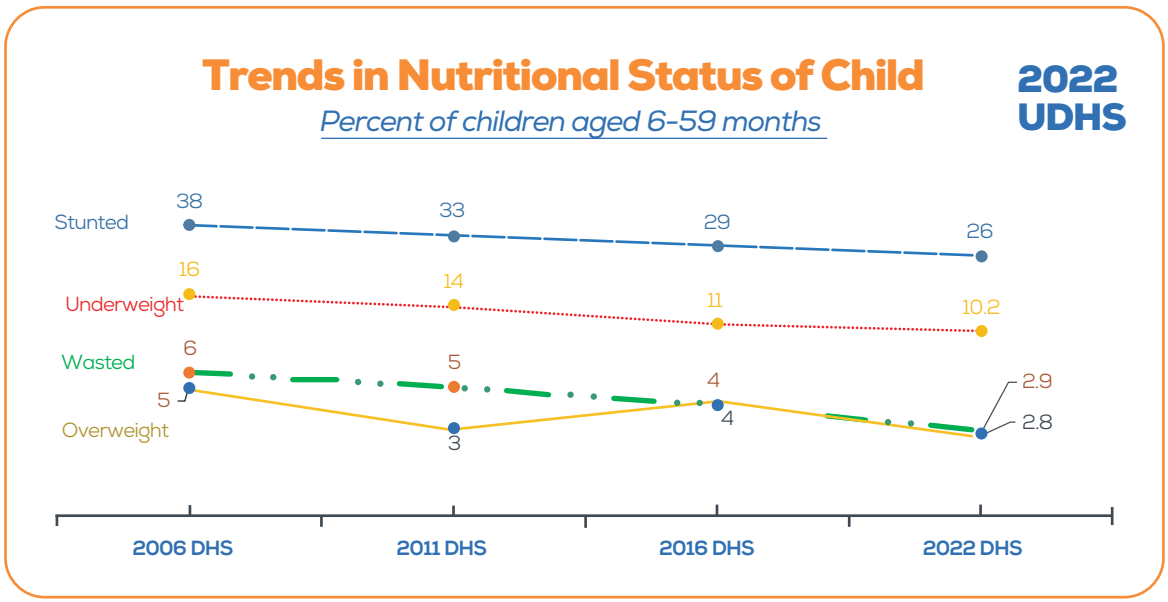


Figure B4: Trends in Nutritional Status of Children, UDHS 2022
Source: UBOS (2022)

15 The above gains have resulted from targeted public investments and guided private investments. Key among the notable outcomes of public investment in the last decade (2013 to 2023) are:

a) An increase in installed capacity for electricity generation from 595 MW (FY 2010/11) to over 2,051 MW (FY 2023/24);
b) A significant improvement in transport infrastructure. The share of the paved national road network has nearly doubled from 15% (3,121 km) in FY 2012/13 to 29% (6,133 km) in FY 2022/23;
c) Expansion of the National Backbone infrastructure from 1,380 km (FY 2010/11) to 4,300 km (FY 2022/23); and a rise in internet penetration from 0.2% (2008) to 59% (2023);
d) An increase in the number of classrooms in primary schools from 164,833 (2017) to 231,238 (2024);
e) An increase in the network of piped water from 14,466 km (FY 2017/18), serving 479,429 household connections, to 22,668 km (FY 2022/23), serving 724,418 household connections;
f)An increase in storage capacity for water for irrigation from 26.5 to 52.6 million cubic meters.

Uganda's Key Development Milestones (2010–2024)

	Sector	Progress Highlight	Visual Metric
01	Electricity	Installed capacity increased from 595 MW - 2,051 MW	+245% Growth
02	Roads	Paved road network rose from 15% - 29% (3,121 - 6,133 km)	2x Increase
03	Internet	Internet penetration jumped from 0.2% - 59%	+58.8% Points
04	ICT Backbone	Fiber optic cable grew from 1,380 - 4,300 km	+211% Network Growth
05	Classrooms	Primary school classrooms rose from 164,833 - 231,238	+66,405 Classrooms
06	Piped Water Network	Water lines extended from 14,466 - 22,668 km	+57% Growth
07	Water Connections	Households connected increased from 479K - 724K	+245K New Connections
08	Irrigation Storage	Capacity increased from 26.5 - 52.6 million m^3	+98.5% Growth

Source: GoU Ministries, Departments & Agencies' Reports

16 As discussed in the next chapter, the above development outcomes are comparable to those of countries that Uganda has benched marked in formulation of this Strategy. This confirms Uganda is ripe for a rapid and sustainable economic growth take off – a development stage that calls for a savings-to-GDP ratio of 30 percent or more.

17 In conclusion, the above state of the economy and cumulative stock of public infrastructure has formed an adequate base for private investments to competitively engage in the production and export of value-added goods and services at the scale and standard for double-digit economic growth. The task at hand is, accordingly, one of mobilizing private investment and entrepreneurs to ably organize the country's factors of production within a safe and low-cost business environment.

18 In developing countries, where poverty and unemployment are major challenges, entrepreneurship supports the process of economic growth and development by creating new businesses and jobs. This, in turn, leads to an increase in gross national product and per capita income. Entrepreneurship is also known to enhance employability, thereby driving economic competitiveness (Nexford University, 2023).

19 The above conclusion resonates with the NRM Manifesto, which notes the need for strengthening the private sector – especially the entrepreneurial class – as the primary mobilizers and organizers of the other factors of production (land, labour, capital, technology). Entrepreneurs help to raise the standard of living in an economy. Research indicates that by creating new businesses and jobs, entrepreneurship improves the quality of life for both individuals and communities, opening pathways for wealth creation.

20 Under the sections on economic objectives and economic focus, the NRM Manifesto specifically devotes attention to diagnosing and detailing:

a) Measures for addressing challenges and opportunities related to the country's factors of production (land, labour, capital, entrepreneurship, knowledge and market);
b) Contrasts between the real and the vulnerable economy (food; clothing; shelter; medicines, vet and crop drugs; defence and security; infrastructure; education; health; and spatiality, morality and humanism); and
c) The need for increasing market access for exports and boosting the knowledge economy with a specific reference to the local pharmaceutical industry.

C

LESSONS FROM ECONOMIC HISTORY

21 The history of the world's economies points to conventional determinants of economic growth (Box 2). These determinants need to be appreciated and appropriately applied in pursuit of any major economic growth agenda. Notable among them is the indispensable role played by capital accumulation in particular, and total factor productivity in general.

Box 2: Determinants of Economic Growth

The level of income in an economy at any point in time reflects the accumulated growth in incomes over time. Investigating what produces higher incomes therefore equates investigating the determinants of high economic growth. Numerous potential growth determinants have been identified over the years, but mapping reliable channels of growth has been a major problem for analysis. This is partly because what matters for growth differs over time. In the 16th century, geography likely played a major role. In the 19th century, it became the ability to capitalize on technology change – that is, the capacity to partake in and profit from the industrial revolution. After the 2nd World War, reconstruction and American aid likely provided the impetus for growth. And since 1980, the approximate start of the era of globalization, catching up with technological frontier is likely the major reason developing economies have grown at rates of more than 5 percent. Many theories have been advanced to explain this differential pattern of income growth in developed and developing countries. What is common, however, across these different theories is that they all agree on moving away from an emphasis on inheritance (what societies are endowed with), to the importance of hard work and enterprise, and finally to a focus on policy induced changes. Most dominant amongst the popular theories of growth is the theory of factor accumulation: capital, labour and human capital (knowledge or education) whose logic, in simple terms, is that higher inputs can mean higher outputs. This logic should however be coupled with consideration of policies that assist the relocation of labour from lower to higher productivity sectors: appropriate trade policy, economic openness, fiscal policy, institutions, demography; and the self-interests of the middle-class.

Source: Peterson Institute for International Economic:

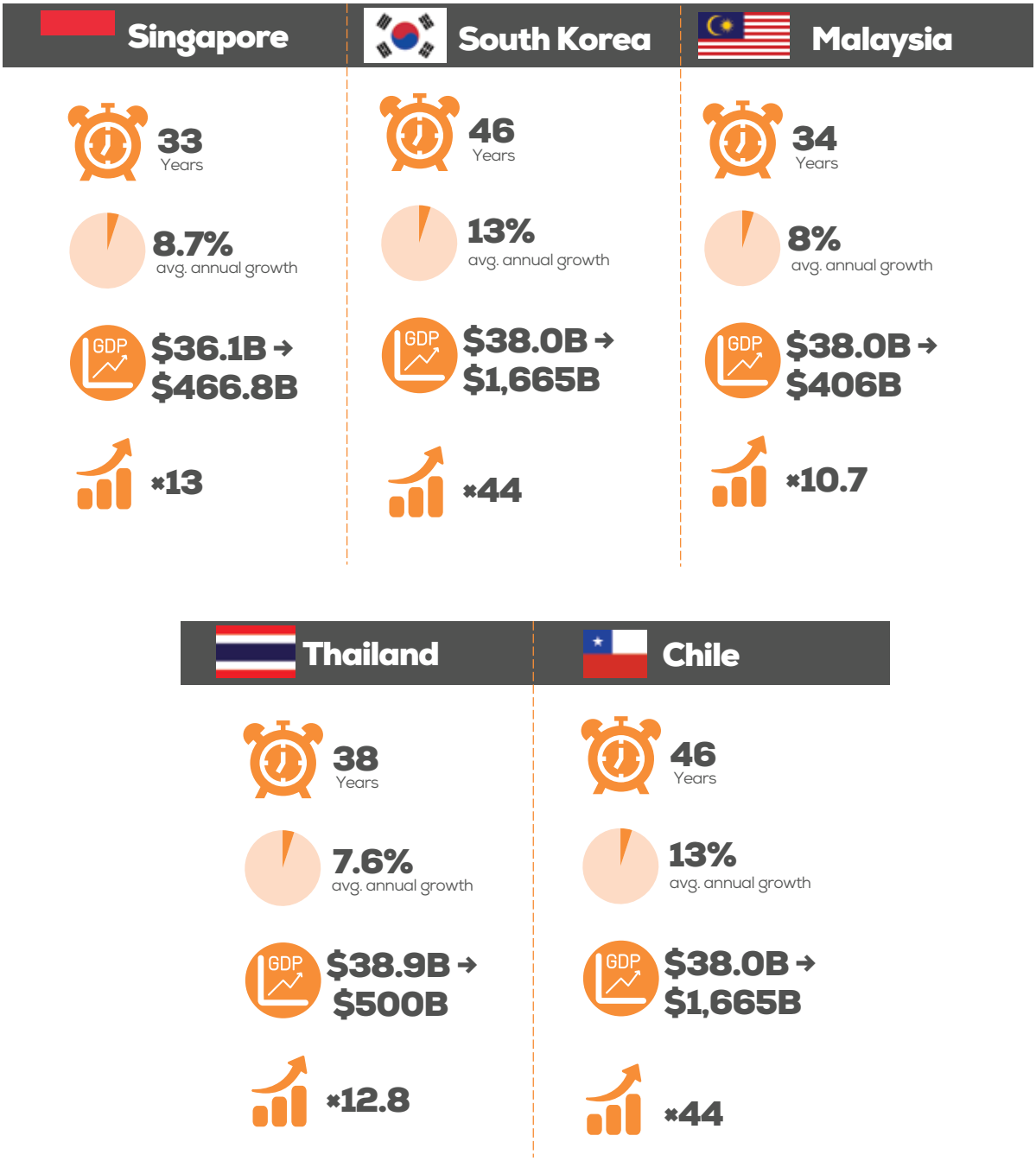
22 Economic growth in industrialized economies was also accompanied and supported by changes in household technology and lifestyle. In other words, the industrial revolution of the 19th century was driven, on the one hand, by an industrial revolution in the use of conventional factors of production on a mass scale, and, on the other, by a technological revolution in the home, as summarized below (Box 3).

Box 3: "Industrial Revolution" in the Home

Before industrialization the family was the basic social unit. Most families were rural, large, and self-sustaining; they produced and processed almost everything that was needed for their own support and for trading in the marketplace, while at the same time performing a host of other functions ranging from mutual protection to entertainment. In these preindustrial families, women (adult women, that is) had a lot to do, and their time was almost entirely absorbed by household tasks. Under industrialization the family is much less important. The household is no longer the focus of production; production for the marketplace and production for sustenance have been removed to other locations. Families are smaller and they are urban rather than rural. The number of social functions they perform is much reduced, until almost all that remains is consumption, socialization of small children, and tension management. As their functions diminished, families became atomized; the social bonds that had held them together were loosened. In these postindustrial families, women have very little to do, and the tasks with which they fill their time have lost the social utility that they once possessed. Modern women are in trouble, the analysis goes, because modern families are in trouble; and modern families are in trouble because industrial technology has either eliminated or eased almost all their former functions, but modern ideologies have not kept pace with the change. The results of this time lag are several: some women suffer from role anxiety, others land in the divorce courts, some enter the labor market, and others take to burning their brassieres and demanding liberation.

Source: John Hopkins University (1976)

23 A global scan of countries that have exponentially grown their GDP to around US$ 500 billion from a base similar to Uganda's (FY 2022/23) locates the following five countries:



Sources: Schmidt-Hebbel, K. (2006); Richter, K. (2006); https://perell.com/story-of-singapore; https://www.stlouisfed/on-the-economy/2018/march/how-south-korea-economy-develop-quickly

24 A fast and large increase in Foreign Direct Investment (FDI) inflows helped the above countries close their savings-investment gaps (Box 4). This, together with a sharp rise in human capital formation (both education attainment levels and skills), allowed rapid factor accumulation in these countries. In addition, these economies were better able than most to allocate these resources to highly productive investments. They did this with combinations of policies, always including market-oriented 'fundamentals', but sometimes relying on tailored government interventions. (IMF, 1994). The leading eight economies of the East Asian growth miracle shared a few common features (Box 5). Notable among them is rapid accumulation of human and physical capital. Countries like Uganda that seek to travel the same path need to be able to adapt this principle in their growth strategies.

Box 4: Understanding Foreign Direct Investment in East Asia

East Asian Foreign Direct Investment began in earnest after the yen appreciated 60% following the Plaza Accord in September 1985. Japanese firms lost their price competitiveness and responded by shifting labor-intensive activities to other Asian countries. Japan then focused on producing technology-intensive parts and components and exporting these to factories in the region for assembly and re-export. There was thus a complementary relationship between Japanese FDI and Japanese exports to East Asia. After the Plaza Accord, Japanese multinational enterprises (MNEs) transferred factories to Republic of Korea and Taipei,China. However, in the late 1980s both wages and exchange rates in these economies skyrocketed.

The locational advantage of assembling labor-intensive goods in the newly industrialized economies (NIEs) declined, and Japanese firms transferred production to the Association of Southeast Asian Nations (ASEAN) countries. Surplus labor in ASEAN held wages down, and exchange rates in these countries were pegged at competitive levels relative to the US dollar. Japanese MNEs provided ASEAN firms with detailed engineering and managerial instructions and specifications, facilitating the assimilation of the new technologies.

A virtuous circle of learning and growth developed that continued until the Asian Economic Crisis of 1997–1998. With the crisis, new Japanese FDI to ASEAN collapsed. However, the flow of parts and components from Japan to ASEAN continued unabated and Japanese firms did not pull out. Thus, Japanese investment in the region was not footloose.

After the People's Republic of China (PRC) joined the World Trade Organization (WTO) in 2001, there was a surge in FDI and parts and components from East Asian countries to the PRC. The PRC's WTO accession gave foreign investors' confidence that the PRC would sustain an FDI- friendly environment. The PRC quickly became the final assembly point of intricate production and distributionnetworks.Itimportedhundredsofbillionsofdollarsofparts and components from East Asia and exported the final assembled products throughouttheworld.

Source: Asian Development Bank (2011)

Box 5: The Role of Human and Physical Capital Accumulation in Rapid and Sustainable Economic Growth

The rapid development gains of the East Asian economies in the 1990s can be attributed to the stellar growth performance of eight economies: Japan; the "four tigers"—Hong Kong, the Republic of Korea, Singapore, and Taiwan Province of China; and the three newly industrializing economies (NIEs) of Southeast Asia—Indonesia, Malaysia, and Thailand). These eight economies share other characteristics that set them apart from other developing economies. These include:

a) More rapid output and productivity growth in agriculture;
b) Higher rates of growth of manufactured exports, with their share of world exports of manufactures leaping from 9 percent in 1965 to 21 percent in 1990;
c) Earlier and steeper declines in fertility;
d) Higher growth rates of physical capital, exceeding 20 percent of GDP on average between 1960 and 1990, supported by higher rates of domestic savings

Source: IMF (1994)

25 In understanding pathways to attaining exponential economic growth within the context of LDCs, Vietnam's success story is a good case to learn from. The state of development in Vietnam and Uganda had a lot in common in the mid-1980s, and so did their ambitions. Vietnam is noted to have started as one of the poorest countries in the mid-1980s but managed, within a 25-year period (1985–2010), to achieve rapid developmental progress; and

a) Expand its GDP ten-fold (from US$ 14 billion to US$ 147 billion), and to reach lower middle-income status (above the 2010 threshold of US$ 1,006);
b) Increase per capita GDP ten-fold and reduce the poverty rate (living from below US$ 1.90 per day) from more than 60% to below 5% (2020).

26 Vietnam achieved the above success despite having started, in 1986, from a period of "...economic collapse and standstill with 700% inflation, starving farmers, and an economy that was kept afloat by $4 million a day aid from the Soviet Union" (IMF, 2020). The growth drivers for this success, aside from the traditional ones (infrastructure, education, investment, macroeconomic stability), were a committed workforce; land reforms that strengthened private land rights; a highly entrepreneurial domestic economy; excellent industrial parks; government ownership of enterprises in key industries (energy, telecoms, transportation); a low public-debt level; and a government committed to investors.

27 The experience of Asia shows that the average gross investment rate in the region increased from 20 percent in the 1960s to around 40 percent by 2010. Asian Development Bank notes that these "...high investments were financed by domestic savings – by households, corporations, and governments; although external financing was an important supplement....Asia's bank-based financial system played a critical role in channeling domestic savings to domestic investment". Asia's gross domestic savings rate correspondingly increased from 18.0% in the 1960s to 41 percent in 2010 (48.3 percent in the case of China). As a result, developing Asia became a net saver, with domestic savings exceeding domestic investment by 3.3 percent of the region's GDP in 2020. Uganda can follow the same path of developing Asia by redirecting domestic savings away from the government bond market to the private equity and corporate debt markets.

28 A major advantage that Uganda has over the above East Asian countries is that it is setting out to deliver its exponential growth ambition in a period when the size of the global market is much larger, new economic sectors have emerged, and industrial technology has significantly advanced. For example, there world is witnessing the emergence and rapid growth of the cultural and creative sectors in global trade. According to UNCTAD, creative services accounted for 21% of total service exports in 2020, a significant leap from 12% a decade earlier. This particular example is one that Uganda identifies with. The sports, music, film and fashion industries in Uganda managed to rapidly sprout in spite of the restrictions triggered by COVID-19. Arts, entertainment and recreation activities realized value addition of Shs 234 billion in FY 2021/22 (0.1% of GDP, UBoS).

29 Based on the above country experiences, Government has identified two clusters of lessons on factors that are vital for the success of the Tenfold Growth Strategy subject adaptation to the Ugandan context. The first cluster is on the policy factors and the second cluster is regulatory factors.

a) Cluster 1: Policy Factors

i) Clarity of Development Philosophy. Under NDP 1, Government determined a mixed economy as Uganda's national developed philosophy as opposed to a pure market economy. This strategy reaffirms this stance.

ii) Urgent Policy Priorities. Government has identified land use and manpower planning as both immediate and critical policy priorities for optimizing factor accumulation and allocation in the economy. Households with smaller landholding (5 acres and below) will be encouraged to focus on high-value crop using intensive farming methods while those with larger landholding (More than 5 acres) can engage in commercial production of industrial crops like maize and sugar cane. In addition, enforcement of physical planning regulations in urban areas is a priority for raising urban productivity and will be treated as such.

iii) Productivity Acceleration. Arresting and reversing the declining trend of labour productivity in particular and total factor productivity in general will form a main pillar in Government's efforts to raise household incomes and free land to feed the growing urban population and regional markets.

iv) Mobilization of Savings. Closing the country's savings- investment gap will form a major consideration in macroeconomic management including both fiscal and monetary policy strategies.

v) Stimulation and Facilitation of Private Investment. As a guiding principle for its support for private sector development under this strategy, Government is committed to more than redouble its commitment to simplifying and sustainably incentivizing private investment.

b) Cluster 2: Regulatory Factors

i) Investment Climate. Measures to further de-risk the country's economy will be continually identified and speedily implemented

ii) Business Environment. Government undertakes to further lower the cost of doing business and enable investors realize a higher return on investment compared to the 2022 national average of 14.1 percent

iii) Markets. Government will work on deepening economic integration and development cooperation for more export products and greater export volumes. This will be done in ways that are mutually beneficial with trading partners.

iv) Standards. Government will expand the requirement for a culture of upholding standards for goods and services to as aspects of societal order as well including in areas of housing, transport and environmental aspects of public life.

D

US$500 BILLION ECONOMY:

WHAT DOES IT MEAN?

30 As shown in table D1, expanding the size of Uganda's economy ten-fold before 2040 is a bold and ambitious Government undertaking which calls for a fundamental and radical change in three aspects: strategic goal consensus on policy focus and targets; a relentless execution culture; and strengthened institutional and human capacity. It implies:

a) Doubling the size of the country's GDP every five (5) years for the remaining three (3) National Development Plans of Vision 2040;
b) Raising per capita GDP six-fold from US$ 1,081 in FY 2022/23 to about US$ 7,000 in FY 2039/40;
c) Doubling the level of saving in the economy from 20% of GDP in 2022 to 40% of GDP in 2040 in order to match the required level of investment (40% of GDP);
d) Rapidly growing the country's value-added exports from their base levels in 2022 using a triplet share principle of 50:50:50 (i.e. raising the share of exports in GDP from 12% to 50%; that of manufactured products in merchandise exports from 24.6% to 50%; and that of medium and high-tech products in manufactured products from 21% to 50%);
e) Rapidly increasing annual FDI inflows from US$ 2.9 billion in 2022 to US$ 50 billion;
f)Rapidly accumulating the stock and quality of human capital (size of the skilled labour force); physical capital (energy, railway, roads, air travel and internet infrastructure); natural capital (forests, swamps, rivers and lakes); and financial capital (Equity and Debt, Private Sector Credit).

Table D1: Macroeconomic assumptions underpinning 10-fold GDP growth

Macroeconomic Assumptions	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Average S/Sh Exchange Rate	3,756.20	3,699.90	3,644.40	3,588.70	3,536.90	3,482.00	3,430.90	3,379.10	3,328.40	3,278.50	3,228.30	3,180.90	3,086.70	3,039.90
Nominal depreciation (period average)	–	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%	-1.50%
Nominal MP GDP growth rate (US$)	–	14.70%	19.50%	21.50%	21.60%	20.00%	18.50%	17.30%	16.00%	15.20%	14.60%	14.00%	13.00%	12.90%
Nominal GDP at market prices (US$ bn)	55.24	63.36	75.71	92.12	110.57	131.53	154.31	180.19	209.45	243.45	282.44	326.75	434.45	500.27
Nominal GDP at Market Prices (Shs bn)	207,480	234,446	275,931	330,675	390,874	459,528	529,863	608,990	687,129	789,143	910,226	1,038,189	1,340,837	1,520,897
Nominal MP GDP growth rate (Shs)	11.60%	13.00%	17.70%	19.80%	18.20%	17.50%	15.30%	14.90%	12.80%	14.90%	15.30%	14.00%	13.40%	13.40%
Real MP GDP growth	6.00%	8.00%	10.00%	12.00%	10.50%	9.50%	8.00%	7.50%	7.00%	7.00%	7.00%	6.80%	6.30%	6.00%
GDP Deflator (Inflation Proxy)	5.30%	4.60%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

Source: Macroeconomic Policy Department, MoFPED (2024)

31 Uganda's savings rate averaged under 20% of GDP in the period 2018 to 2022 (Table D2) while investment, as measured by gross fixed capital formation, averaged 24% of GDP. Attaining double-digit GDP growth requires both of these ratios to reach the range of 40% of GDP, as was the case for the East Asian economies.

Table D2: Savings and Investment Trends in Uganda, 2018-2022

	2018	2019	2020	2021	2022
Gross Domestic Savings (Shs, trillions)	23.0	26.5	26.9	26.6	31.3
Gross Domestic Savings (% GDP)	19.1	20.1	19.2	18	19.2
Foreign Direct Investment (% GDP)	3.2	3.6	2.3	2.7	3.8
Foreign Direct Investment (US$, billions)	1.2	1.0	0.9	1.2	2.2
Gross Fixed Capital Formation (% GDP)	23.8	24.9	23.5	23.3	23.5

Sources: UBoS; URBRA; UIA

32 A manufacturing-based and export-led GDP growth strategy generates significant demand for electricity. As observed in paragraph 13, industrial customers accounted for the largest share of energy demand in 2023 (70%). According to the Electricity Regulatory Authority (ERA), Uganda recorded its highest peak demand for electricity in February 2023 at 863 MW. Assuming a direct correlation between the size of GDP and energy, growing the economy ten-fold based on the current structure of GDP would translate into a ten-fold increase in energy demand, which is equivalent to 8,630 MW. This is more than four (4) times the current installed capacity of approximately 2,051 MW (2024).

33 The tenfold growth strategy, however, assumes a major technology upgrade in the country's manufacturing processes, which calls for more mechanization and automation and, by extension, greater demand for energy. At a minimum, the country will need to increase its energy generation capacity ten-fold to 20,000 MW, which is consistent with the seven-fold increase in labour productivity targeted under Vision 2040. This is below the national target of 52,000 MW. Vietnam, which grew its GDP to US$ 426 billion in 2023, also grew its installed electricity generation capacity to 80,555 MW in the same period.

34 Industrial demand for energy is a strong predictor of the speed, size and scope of Uganda's performance on structural transformation. Other economic indicators related to revenue, employment, poverty and inequality, among others, are simply derivatives of energy powered economic activity.

35 Against the above context, the Tenfold Growth Strategy aims to:

a) Rapidly Expand the Country's Export Basket and Tourism Offering of Exploratory Experiences.To this end, Government will improve Uganda's recognition as a net source of high-value tourism experiences and manufactures. It will also consolidate the portfolio of initiatives under the Investment for Industrial Transformation and Employment (INVITE) programme to drive exports of manufactures to high-income and African continental markets under the auspices of the African Continental Free Trade Area

b) Consolidate the Country's Human, Financial, Physical and Natural Capital Stocks for Increased Connectivity and Capacities and Capabilities in International Trade as explained below.

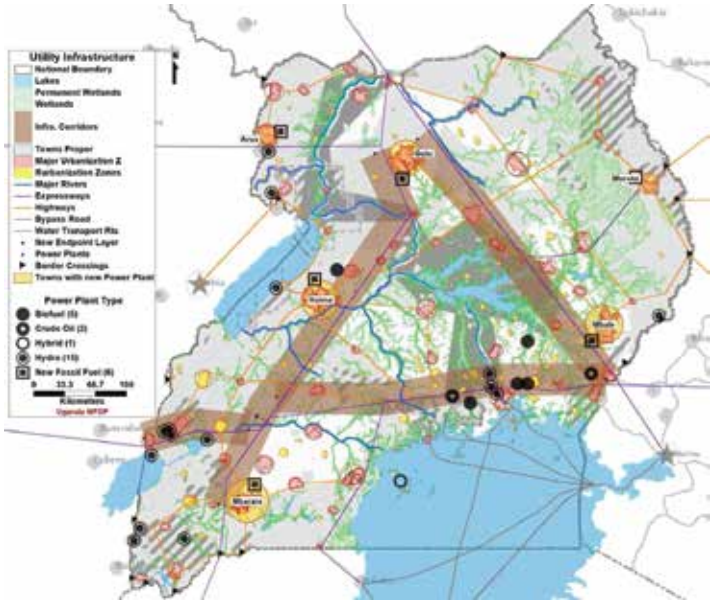
i) Physical Capital: Government will speed up and scale up infrastructure development within the framework of the Growth Triangle adopted under NDPIII. This approach is backed by the infrastructure plan contained in the National Physical Development Plan (2019-2040) approved by Cabinet in 2024 (Figure B1)

ii) Natural Capital: Government will fast track implementation of regulations under the Physical Planning Act (2010) that provide for the treatment of the entire country as a planning area. To this end, Local Authorities and the National Planning Authority, the new home of the National Physical Planning Board, will be supported to enforce land use planning and to further the land administration reforms achieved over the first three NDPs (2010/11-2024/25). This includes making further investment in full digitization of land management and attainment of universal land registration

iii) Human Capital: Government will consolidate its programme on development of Centres of Excellence (CoE) for education and healthcare; Research and Development; Skills Development and the Creatives Industry. This will be in addition to consolidation of gains from Universal Primary Education (UPE) and Universal Secondary Education (USE) programmes using the PDM framework.

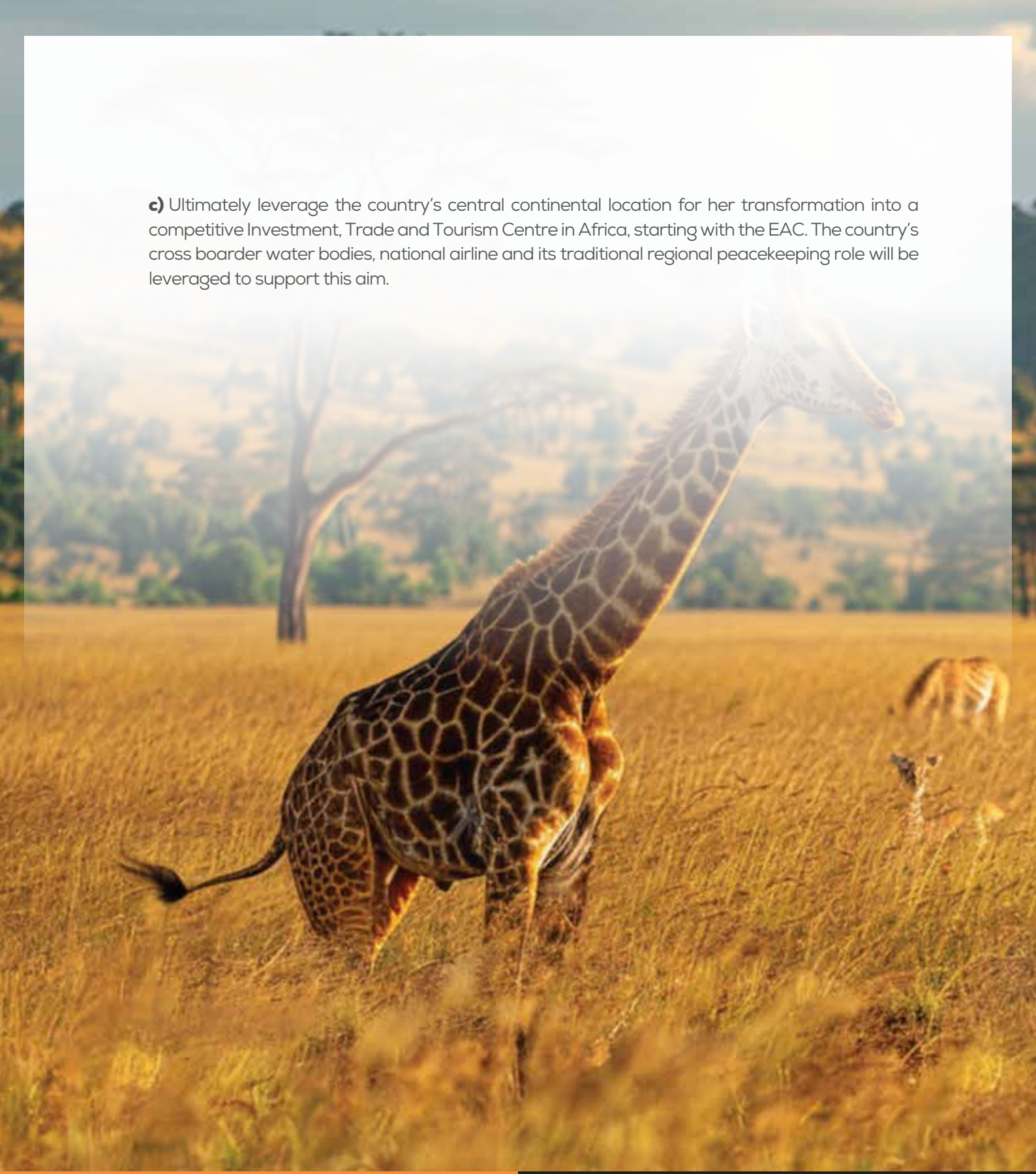
iv) Financial Capital: Capitalise on Uganda's strong record of financial sector stability, macroeconomic stability and her location within the mineral-rich Great Lakes Region to develop the country into an International Financial Centre (IFC) anchored on securitized commodities trade.

Uganda National Physical Development Plan 2019 - 2040



Source: Ministry of Lands, Housing & Urban Development (NPDP Infrastructure Corridors Map)

c) Ultimately leverage the country's central continental location for her transformation into a competitive Investment, Trade and Tourism Centre in Africa, starting with the EAC. The country's cross boarder water bodies, national airline and its traditional regional peacekeeping role will be leveraged to support this aim.



E

STRATEGIC FOCUS:

ANCHOR SECTORS FOR RAPID GROWTH

36 The latest Sectoral Employment Diagnostics Analyses (SEDA) study for Uganda revealed that services have the highest output multiplier (2.61), followed by agriculture (2.55) and, lastly, industry (2.30). According to the study, "the output multiplier represents the total output produced by all industries in response to a shilling increase in final demand for an industry's output. This, therefore, implies that for every shilling invested in a particular sector in Uganda's economy, Shs2.61, Shs2.55 and Shs2.30, are respectively generated in services, agriculture and industry. That is, the original shilling invested and an additional Shs1.61, Shs1.55, and Shs1.3, respectively are recouped".

37 Within the services sector, financial services have the highest output multiplier (3.0), followed by wholesale and retail trade (2.77) and tourism (2.64). Beside output multipliers, the study also generated evidence on sectors with the highest employment multipliers and leakages (import content of sectors).

38 The results are based on the structure of Uganda's economy in 2016/17, when the country's GDP was last rebased. This structure will be updated in FY2025/26 to reflect sectors that have since emerged in the economy. The SEDA analysis remains instructive because it represents the structure of the economic base from which the country is launching its ten-fold growth agenda.

39 Taking into account all the above three multipliers (output, employment and linkages), this strategy frames an action agenda for delivering exponential economic growth in Uganda based on four anchor areas for attaining a sustainable breakthrough into a new and higher economic frontier. These four anchor areas are easily referenced as the **ATMS:**

i) **A**gro-Industrial Development;
ii)**T**ourism Development;
iii) **M**ineral-based Development plus Oil and Gas (petrochemical industry); and
iv)**S**cience, Technology, ICT and Innovation including ICT and the Creatives Industry (Knowledge Economy).

40 The building blocks of the ATMS are threefold: a traditional economy; a new economy and **ENABLERS** such as infrastructure, security, human capital, standards, and law and order.

a) Uganda's Traditional Economy continues to grow quantitatively and to undergo diversification. The growth of the traditional economy, however, needs to benefit from value addition through a systematic upgrade of the country's capacity to apply STI and ICT in the generation of value-added goods and services.

b) Uganda has nascent sectors in its economy whose development can lead to the emergence of a New Economy. These nascent sectors need to be nurtured using STI & ICT in order to increase their contribution to GDP. The priority nascent sectors include Mobility; the Pathogen Economy; Industry 4.0+; Infrastructure Innovations; and Aeronautics & Space Science. These nascent sectors are coupled with a budding creatives industry comprised of the following industries: Music; Literature; Books; Publishing; Performing Arts (theatre, dance, etc); Design and Fashion; Architecture; Archives; Libraries and Museums; Crafts; Audiovisual (film, television, video games and multimedia).

c) Both the Traditional Economy and the New Economy of Uganda require the support of the Enablers that Government has ably developed over the last decade (as discussed in paragraph 8). This infrastructure base should be well maintained and complemented with the following physical and financial capital assets:

i) Railways (both the Meter Gauge Railway and the Standard Gauge Railway) for cheaper access to the coast and reduced depreciation of the road network.
ii) Access to patient and low-cost capital for both the private and the public sectors.
iii) Uninterrupted and affordable electricity supply including from nuclear energy sources
iv) Water for Irrigation to ensure all-year production by both crop and livestock farmers
v) Modern and serviced industrial parks, agro-parks and economic zones

41 The ATMS are highly aligned to the National Industrialization Policy (2020) which classifies Uganda's industrial outlook into three areas: Agro-based Industries; Extractive-based Manufacturing Industries; and Knowledge-Intensive Industries. Science, Technology, ICT and Innovation (STI) is the catalyst for value addition across the ATMS. Simulations by MoFPED suggest that increasing productivity of the key growth-enhancing sub-sectors in the above sectors three-fold in the next 15 years has the potential to generate about 2.5 percentage points of GDP annually. This points to the need to speedily mainstream:
a) Human capital development across the ATMS areas; and
b) Natural capital sustainability for resilience of value chains in the ATMS areas to climate change.

42 Penetrating new global and regional markets, as well as growing Uganda's market share of high value-added goods and services under the ATMS constitute the 'centre of gravity' of the tenfold growth strategy. Whereas the non-tradable sector (banking, telecoms, construction etc.) of the economy will continue to play an important role in supporting productivity gains across the economy, the battle frontier under the economic order for double-digit economic growth lies in advancing the tradable sector as the sure route for introducing new wealth and modern technologies into the country. This is the essence of building a competitive economy – the ability of a country to progressively trade across international borders under favourable terms. It is also the basis of development cooperation based on mutual interests.

43 Under this Strategy, the contribution of manufacturing and technology in Uganda's export basket will be expanded based on the following triple export target and the anchor areas and accelerator actions in Table E1 below.

a) Exports in GDP (from 12% in 2022 to 50%) in line with Vision 2040;
b) Manufactured goods in merchandise exports (from 19% in 2022 to 50%), more than double the target of the 2020 National Industrial Policy; and
c) Medium and high-tech products in manufactured good (from 21% in 2022 to 50%), in line with the likes of Vietnam, against which Uganda is benchmarking (45% by 2030).

Table E1: ATMS Anchor Areas and Accelerator Actions

Anchor Areas	Accelerator Actions
Agro-Industrial Development	**Track 1:** Commercializing and formalizing farming **Track 2:** Developing and deepening structured trade of value-added agricultural commodities
Tourism Development	**Track 3:** Increasing tourist inflows five-fold under the current spend-per-tourist and length-of-stay **Track 4:** Doubling average spend-per-tourist and average stay-per-tourist
Mineral-based Development plus Oil & Gas	**Track 5:** Finalizing the quantification of mineral deposits and their governance regime **Track 6:** Commercializing mining operations and products **Track 7:** Delivering first oil **Track 8:** Commercializing the petrochemical industry **Track 9:** Expanding the capacity for oil exports and the petrochemical products using additional oil discoveries
Science, Technology and Innovation including ICT and Creatives Industry	**Track 10:** Adding value to the traditional economy through a systematic upgrade of the country's capacity to apply STI and ICT in the generation of value-added goods and services **Track 11:** Creating the New Economy using STI, ICT and the Creatives Industry to increase the contribution of nascent sectors to GDP **Track 12:** Building leadership cadres that embody meritocracy and mainstreaming scientific methods of decision-making in the culture of the public service and economic management

Source: MoFPED

44 **Agro-Industrial Development (Annual Target: US$ 20 billion, 4.0% of GDP):** Agro-Industrialisation is the fastest route in the country's drive towards structural transformation. In 2017, agro-manufucturing accounted for 65% of Uganda's Manufacturing Value Added (MVA). Within agro-manufacturing, food products accounted for the largest share of MVA (61%), followed by beverages (13%), wearing apparel (9.3%), tobacco (4.3%) and textiles (3.4%). In 2021, the fastest growing segments in manufacturing based on the annual growth rate of MVA was food products (19.1%), followed by textiles (18.1%) and furniture (9.4%). Considering that the share of manufactured products in Uganda's merchandise export basket was only 15% in 2021 compared to 49% for food items in the same period , there is clearly room for increased processing of agricultural products for export.

45 In 2020, MoFPED through EPRC studied and identified nine potential commodities for fostering a sustainable agro-industrialization agenda in the country: dairy; beef; fish; coffee; cassava; oil palm; maize; cotton; and tea (Table 3). This study informed the design of the Agro-Industrialization Programme of NDP III and MoFPED's in-house strategy for Public Investment Management for Agro-Industrialization (PIMA), hence their collective reference as PIMA commodities. With the exception of the three plantation commodities (cotton, oil palm and tea), the rest of the PIMA commodities are well within the remit of the Parish Development Model (PDM).

46 A total of 39 potential uses (or applications) and 90 food and industrial products (intermediate and final) were also identified under these nine commodity value chains, of which some, such as ethanol, industrial alcohol and edible oil, were already under commercial production. Under the guidance of MoFPED, EPRC further conducted market studies on the above nine commodities. The studies identified, for each commodity, potential industrial linkages; required transformative technologies; and investment areas with a high potential and multiplier effect. The studies also identified the market outlook, risks and threats facing each commodity.

47 Using three of the nine PIMA commodity value chains (coffee, tea and fish), the study confirmed the possibility of increasing export earnings five-fold in 10 years (from a base income of US$ 615 million in 2015/16 to US$ 2.85 billion in 2024/25). By end of year three of NDP III (FY 2022/23), export earnings from these three commodities had already increased to US$ 1.08 billion, representing nearly a two-fold increase. This increase was achieved without any significant manufactured value addition and before full implementation of the PDM commenced. With effective implementation of the PDM and the adoption of measures to increase yields per acre (irrigation, fertilizer use, farmer access to improved plant varieties, and better extension services for better agronomical practices), the five-fold increase in production volumes estimated in the above study is a realistic target for PIMA commodities. Overall, a five-fold increase in volumes under the current technology (productivity) would translate into export revenue of US$ 11 billion.

48 Agricultural commodities and products account for 40% of the country's merchandise exports (US$ 2.2 billion, FY 2022/23). Within agricultural exports, PIMA commodities and products account for nearly 70% of total exports. If the projected increase in commodity volumes is accompanied with value addition that increases the value of the export product by 100%, annual export earnings from agricultural products rises to over US$ 20 billion. This would, in turn, translate into an additional economy-wide nominal GDP of US$ 51 billion. For example, table E2 below identifies the proposed transformative technologies for transitioning the different PIMA commodities into higher value-added products for the export market.

Table E2: Key Value Addition Measures for PIMA Commodities

Commodity	Key Transformative Technologies
Coffee (Million 60 kg bags)	• Establishment of a local soluble coffee plant
Cotton (185 kg bales)	• Establishment of a local cotton spinning mill • Organization of the local garment industry for export readiness
Milk (Billion litres)	• Diversification of export markets • Diversification of dairy products • Increased formalization and regulation of dairy trade
Beef (MT)	• Investment in a combined abattoir and beef processing facility • Investment in small-scale slaughter houses close to livestock
Tea (MT)	• Establishment of a local auction • Packaging technologies to increase export value
Fish (MT)	• Establishment of a local manufacturing plant for high-grade fish feeds
Maize (MT)	• Establishment of more manufacturing plants for the production of high-grade animal feed and industrial products
Cassava (MT)	• Peeling and cleaning equipment in parishes • Flash drying equipment in parishes
Oil Palm (MT)	• Technologies for the production of beauty products

Source: EPRC PIMA Fact Sheets (2020)

49 Table E3 and E4 below also provide a summary of the historical trends in production volumes and export values for PIMA commodities. Both tables further indicate projected target volumes and values for 2030 (subject to the productivity-enhancing and value addition measures elaborated above).

50 The African continental market in which the country aims to expand its share is faced with very high transport and logistics constraints which end up lowering the competitiveness of exports. As regional cooperation efforts to address cross-border non-tariff barriers steadily close these constraints, the country needs to optimally invest in Uganda Airlines Cargo Service to overcome infrastructure barriers. More Bilateral Aviation Safety Agreements (BASAs) need to be reached with key market destinations within Africa. This will benefit some of the PIMA commodity value chains (milk, beef and fish) as well as the fresh fruits and vegetables sector, which supports many smallholder farmers in both urban and rural areas.

Table E3: Production Trends for PIMA Commodities (Volumes)

PIMA Commodity	2016	2017	2018	2019	2020	2021	2022	2030
Coffee (Million 60 kg bags)	5.4	5.6	7.0	7.8	8.1	8.5	9.0	20.0
Cotton (185 kg bales)	151,081	202,357	189,443	173,457	50,708	69,099	115,977	259,460
Milk (Billion litres)	2.1	2.2	2.5	2.5	2.8	2.81	3.2	6.3
Beef (MT)	214,033	211,358	195,700	194,959	228,243	228,243	230,746	364,500
Tea (MT)	61,629	62,468	74,201	79,466	84,446	84,446	84,185	122,000
Fish (MT)	307,149	391,260	449,311	561,065	478,956	621,987	651,719	700,000
Maize (MT)	2,662,000	2,767,000	3,442,000	5,000,000	5,050,000	3,500,000	4,737,900	7,100,000
Cassava (MT)	3,023,000	3,285,000	4,390,000	6,983,000	7,242,000	7,278,900	7,301,200	10,000,000
Oil Palm (MT)	106,900	98,300	150,500	162,300	152,000	189,000	179,000	287,000

*Source: MAAIF Statistical Abstract, FY2019/20| *Proposed Aspiration*

Table E4: Export Revenue Trends for PIMA Commodities (Values in US$, Millions)

Commodity & Products	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2029/30*
Coffee	490.51	492.47	416.19	497.41	554.89	862.22	845.41	3,000
Cotton	48.31	41.16	54.26	41.69	29.01	30.19	22.19	2,500
Milk ***	79.8	74.1	70.1	76.9	88.6	103	-	1,500
Beef ***	6.2	6.9	2.2	2.2	2.3	-	-	500
Tea	67.86	91.61	88.73	71.04	85.49	85.50	90.01	1,000
Fish	168.58	189.16	133.23	178.95	150.35	135.35	144.18	1,500
Maize	124.07	142.98	63.53	122.07	98.93	50.76	182.18	2,000
Cassava	4.67	6.14	8.7	5.5	5.7	5.6	-	1,000
Oil Palm (MT) Plus**	98.20	85.84	95.78	101.99	107.18	115.52	149.21	1,000
Total	**1,088.2**	**1,130.4**	**932.7**	**1,097.8**	**1,122.5**	**1,388.1**	**1,433.2**	**14,000**

*Source: BoU Website|EPRC PIMA Fact Sheet|*Proposed aspirations for all commodity related products (Primary & Manufactured Products) |** Vegetable Oils (Oil Palm, Simsim & Sunflower) |*** International Trade Centre (Calendar Years) | https://oec.word*

Table E5: Market Potential for PIMA Commodities

Commodity	Local Demand 2016/17	Value (US$ million)			Destination Markets	Competitor
		Import	Export	Global		
Cassava	US$ 660 million (Household demand)	US$ 0.15 in 2018	US$ 5.5 (US$ 5.1 -tubers; US$ 0.2 - flour; US$ 0.1 - starch) in 2018	US$ 3,628 million (US$ 1,257 -tubers; US$ 134 - flour, US$ 2,237 -starch) in 2018	Rwanda, DRC, Kenya, South Sudan, Burundi	Tanzania, Nigeria,Ghana, Brazil,Thailand, Indonesia
Maize	US$ 655 million	US$ 765	US$ 89.5	US$ 33,884	Kenya, Sudan , Rwanda, Burundi	Zambia, Tanzania, South Africa, Mozambique, Zimbabwe, Ethiopia, Argentina
Cotton	US$ 251.89 million	US$ 12.39 in 2018 Cotton yarn $0.39; woven fabric $12; cotton lint $0	US$ 47 in 2018 Cotton yarn $0; woven fabric $3; lint $44	US$ 59,134 in 2018	Singapore (29.5%), Portugal (11.2%), Kenya (9.5%), Bangladesh (6.8%), Indonesia (6.8%) in 2018	China, US, India, Vietnam, Brazil in 2018
Tea	US$ 19.2 million	US$ 0.466 in 2018	US$ 88.9 in 2018	US$ 7,802 in 2018	Kenya (96.5%), South Sudan (2.9%), DRC (0.3%), Rwanda	Kenya, Sri Lanka, India and China
Coffee	US$ 47.2 million	US$ 7.85 in 2018	US$ 436 in 2018	US$ 30.6 billion	Italy (21.2%), Germany (19.1%), Sudan (21.1%), Belgium (5.4%), USA (5.4%)]	Brazil, Vietnam, Honduras, Ethiopia, Kenya, Central African Republic
Beef	US$ 351 million	US$ 0.46 in 2018 (Frozen boneless $0.02; live cattle $0.44)	US$ 2.3 million (Frozen boneless $0.8; live cattle $1.5)	US$ 57,331	DRC, Vietnam, Sudan, South Sudan, Rwanda, Egypt	USA, Netherlands, Australia, Ireland, Brazil, India, Kenya

Commodity	Local Demand 2016/17	Value (US$ million)			Destination Markets	Competitor
		Import	Export	Global		
Dairy	US$ 164.8 million	US$ 5	US$ 73	US$ 80,800	Kenya, DRC, S. Sudan	Kenya, India
Fish	US$ 328 million	US$ 11.8 in 2018	US$ 160 in 2018	US$164,000 in 2018	Kenya, Tanzania, Portugal, Spain, Belgium, Netherlands, Italy	China
Oil Palm		US$ 368.6 million	US$ 47.7	US$ 30,753.4	Sudan (50.6%), DRC (41.4%), Rwanda (3.4%), Tanzania (3.4%), Others (1.4%)	Malaysia, Indonesia, Cote d'Ivoire, Kenya, Ghana

Source: EPRC (2020)

51 According to the 2022 EAC Trade and Investment Report, Uganda's total trade with the rest of the world increased by only 2.1% in 2022, driven by a decline in exports of 11% (down to US$ 3,574) and an increase in imports of 6.8% (up to US$ 9,749.6). The main agro-manufactures that featured strongly in the country's export basket in 2022 were sugar, edible oil and beer. Other non-agricultural manufactures were cement, iron and steel, pharmaceuticals and household consumer products. Uganda's widening trade deficit with the rest of the world (20% in 2022) is clearly an opportunity to drive exports of agro-manufactures beyond the EAC region under the AfCFTA.

52 The accelerator actions summarized in Table E6 below are accordingly proposed to deliver the US$ 20 billion target from agriculture and agro-industrial export. Some of these actions already feature in Budget Strategy for FY 2024/25 but will be ring-fenced and given highest priority as measures for growing the economy ten-fold.

Table E6: Ongoing and Proposed Priority Interventions for Agro-Industrial Development

Intervention	Accelerator Actions
	Summary
Increasing Farm Productivity	The overall big-ticket interventions for improving farm productivity are: **i)** Fast-tracking land registration towards a titling rate of 100%, up from 30% (2024) **ii)** Sustaining land use reform against land fragmentation based on minimum thresholds of landholdings for registered farms in rural and urban areas; **iii)**Increasing investment in development, inspection and enforcement of standards across the agriculture input production and distribution system; **iv)** Consolidating support systems for farmer uptake of improved agronomical practices including growing the community-based network of skilled extension workers; **v)** Increasing investment in Research and Development for improved productivity and resilience across agriculture value chains
	Specific Areas
Parish Development Model	**a)** Finalise formulation of the **PDM Roadmap.** Preparatory work in this regard has commenced under the auspices of Makerere University which is to advance into a fully-fledged national PDM 'Laboratory' **b)** Modernizing the **value addition hubs** built under the Community Agriculture Infrastructure Improvement Programme (CAIIP I-III) and the 21 urban markets built under the Markets and Agriculture Trade Improvement Project (MATIP I & II) for commercializing agriculture and processing value-added agricultural exports for regional markets. **c)** Updating the country's **National Seed Strategy** (2014/15 to 2019/20) to address quality shortfalls and supply-demand gaps arising from poor quantification of effective seed demand, inspection and the last-mile segment of the distribution network (from the district to the parish). **d) De-risking agriculture:** Agriculture suffers from two major sets of risk: production and market risks. The major production risks are drought, pests and diseases, while the major market risks are price and non-tariff barriers. To counter these risks, PDM financing will be linked to the following private sector related initiatives: **i)** Commodity aggregators such as export cooperatives and the proposed National Marketing Company (NAMCO) to drive structured demand under the AfCFTA and price stability; **ii)** Agriculture insurance under the Uganda Agricultural Insurance Scheme (UAIS); **iii)**Business Development Services under the National BDS Framework and Enterprise Uganda; **iv)** Irrigation systems and extending facilities closer to smallholder farmers.

Intervention	Accelerator Actions
	Summary
	e) Local statistics: Reviving local area statistics under the auspices of the Parish Development Management Information System (PDMIS). The PDMIS will also be used to support registration and regulation of farming enterprises in support of the commercialization of agriculture **f)Local Accountability:** To ensure optimum utility of the PDMIS, every Parish Chief will be required to annually prepare and submit a standardized report on the State of the Parish Economy and Asset Register (SPEAR). Consistent with the Government's digitization and automation drive, the SPEAR report will be system-generated, with the role of the Parish Chief being limited to data capture coupled with explanatory notes where necessary. Parish Chiefs will be equipped with tablets loaded with Community Information System (CIS) data from the 2024 National Population and Housing Census.
Deepening the Area-Based Commodity Development (ABCD) approach	**a)** Working with private sector players to complement the PDM with area-based development of commodity value chains. These players include aggregators, processors and exporters **b)** Development and deployment of an Area-based Commodity Development online portal in collaboration with all relevant MDAs to facilitate collection, cleaning and consolidation of local area data on commodity value chains for use by both the private sector and government **c)** Strengthening collaboration between sub-regional academic institutions, local governments and district private sector actors on commercialization and modernization of local production and marketing systems
Infrastructure and Investment for Industrial-scale Farming	**a) Commercial Farming:** To leverage the capabilities of large-scale commercial farmers, PPP arrangements to increase food security and feedstock for industrial use will be supported in partnership with supervised financial institutions. Government will also speed up the ongoing industrial park development and modernization programme with a stronger export bias. This includes fast-tracking the development of agro-parks to increase FDI inflows into agriculture. **b) Irrigations facilities, mechanization and storage infrastructure:** Improve the asset management framework of the existing stock of equipment distributed across the country and adopt a sustainable financing strategy for expanding the stock of equipment.

Intervention	Accelerator Actions
	Summary
	c) Licensing and regulation: Better organization of agricultural production and trade through: **i)** Enforcement of the trading licence regime to eliminate the practice of informal export of unprocessed agricultural commodities by regional traders who buy commodities directly from gardens. **ii)** Effective implementation of the animal movement permit regime. **iii)**Gazetting land lots for the rearing of animals for beef production and export. **iv)** Limiting animal slaughter and meat processing to licensed abattoirs and food handlers. **v)** Establishment of a commercial farmers' register to aid service delivery targeting. **vi)** Increasing the capacity of farmers and local businesses to clothe the nation within the framework of the National Textile Policy (2020) by: •Progressively increasing the off-take capacity of local tailors by supporting graduates from zonal industrial skilling hubs with shared equipment for garment marking. This will also reduce thre importation of used clothing, and can trigger a vibrant local clothing industry. •Updating and implementing the National Textile Policy (2020) and also implementing the CTA Strategic Plan (2020/21 to 2029/30). •Establishing a public-private partnership for strengthening the garment industry for both the domestic and export markets, including working with leading global fashion labels. Uganda can benchmark against countries like Turkey (or Turkish tailors in the country) on how to blend its high-quality cotton with imported polyester fabric to mass-produce garments for regional markets. •Sustaining the ongoing local manufacture of uniforms for the security forces. •Supporting Uganda Tailors Association to expand points of presence of common user tailoring facilities equipped with modern industrial-scale tailoring equipment. •Concluding a feasibility study for the establishment of a local cotton spinning mill under the auspices of UDC and Nytil. •Promoting a local content national official dress code in both the public and the private sectors including in the civil service.
Cosmetics and Beauty Industry	**a)** Supporting rising Ugandan Pan-African brands in the cosmetics industry to further grow their regional footprint.

53 **Tourism Development (Annual Target: US$50 billion, 10% of GDP):** The global tourism and travel industry is valued at US$9.5 trillion (ITTC, 2023). In 2019, in-bound visitors to Uganda spent over Shs4.6 trillion (US$1.24 billion) on tourism services (UBOS,2023). The number of global tourists was about 965 million in 2021 compared to 1.5 million in-bound tourists in Uganda (2019). A five-fold increase in the annual number of in-bound tourists under the current average spend-per-tourist (Shs 3.0 million) and average length-of-stay (8.3 nights) could potentially translate into foreign earnings of Shs 23.0 trillion per annum (US$ 6.2 billion). If this increase is coupled with a doubling of both the average length-of-stay and average spend-per-tourist in the country, annual revenue from in-bound tourists could surge to Shs 96.1 trillion per annum (or US$ 5 billion). In 2022, US residents spent the highest average number of days in Cyprus (14 days), followed by the United Kingdom (11) and Norway (10.7). This confirms that the expectation to double Uganda's average length-of-stay for tourists is realistic. This target translates into around 625,000 visitors per month and a requirement of at least 313,000 hotel rooms (compared to the current 28,000 rooms).

54 Over the same baseline period (2019), domestic tourists totalled 2.4 million (exceeding in-bound tourists by 0.9 million), and spent about Shs 3.0 trillion (UBoS, 2023). With a population increase from 46 to 73 million people, rising household incomes (GDP per capita of US$ 6,850) and a much larger share of the middle class, the contribution of domestic tourism to the value of internal tourism consumption is targeted to match that of in-bound tourists (US$ 25 billion, a 30-fold increase in value terms). These ratios and targets are comparable to those in Asian countries of similar population size and GDP that Uganda is expected to realize by 2040. For example, Vietnam's population and GDP in 2023 were projected to reach 99 million and US$ 430.88 billion, respectively; and the country aims to serve 110 million tourists in 2023, including eight (8) million foreigners, and to earn around VNĐ 650 trillion (US$ 27.6 billion) from tourism services. (Vietnam National Administration of Tourism).

55 The above tourism targets for Uganda translate into tourism earnings of US$ 50 billion by 2040 (an equivalent of a 25-fold increase from 2023). This magnitude of increase in tourist traffic and expenditure requires a corresponding increase in the level of private investment in tourism services and products, including a significant expansion in hotel and conferencing capacity. In nominal GDP terms, the combined direct and indirect expenditure from tourism translates into a potential annual economy-wide output of US$ 132 billion (26% of target GDP by 2040). In 2019, the direct and indirect contribution of contribution of travel and tourism to GDP (% of GDP) for Uganda was 3.7% and 7.9%, respectively (World Data Atlas).

56 **Constraints to be addressed:** Public perceptions and expectations play a significant role in promoting a country's tourism potential. Uganda's record on road accidents is particularly a major concern for in-bound tourists and travelers, and must be decisively dealt with. According to the 2020 police report, the country's accident severity index stood at 30 people killed per 100 crashes, up from 24 in 2016. The same report noted that ten people die every day in Uganda due to road crashes – the highest level in East Africa. This compares very poorly with the 2008 global average fatalities per 100,000 people for low-income countries (21.5); middle-income countries (19.5) and high-income countries (10.3). In 2018, the overall annual cost of road crashes was estimated at approximately Shs 4.4 trillion ($1.2 billion), representing 5% of Uganda's gross domestic product.

57 On the side of hygiene, the average contamination of household drinking water stood at nearly 90% in 2022; and Kampala is rated very low globally in terms of its air quality (465th place out of all cities ranked worldwide).

58 As the country's largest city and commercial hub, the Greater Kampala Metropolitan Area (GKMA) gives the first impression of Uganda for many in-bound tourists. The high level of informality, poor physical planning and low standards of public health and hygiene within GKMA are, however, a major source of discomfort for health-conscious travelers. GKMA accordingly needs to be treated as an independent tourism circuit with a clear and well-defined tourism value chain and corresponding public investment strategy. Ministry of Tourism, Wildlife and Antiquities (MTWA) has already adopted principles of tourism circuits it its preparation of projects under the Public Investment Plan. The legal and administrative framework to this end is also already in place to a large extent.

59 To realize the above 25-fold increase in tourism earnings, a national effort to clean up the country's image will be implemented to counter both factual and stereotypical perceptions, as summarized in Table E7 below.

Table E7: Ongoing and Proposed Priority Interventions for Tourism Development

Intervention	Accelerator Actions
Civic and Trade Order	To boost confidence amongst tourist and travelers, Government will renew its commitment to implement existing regulations without reservation. Attention will specifically focus on: **i)** Tightening the enforcement of regulations governing road safety, trade order, health and sanitation, building control and environmental protection. Supporting laws for this include the Traffic and Road Safety Act (2023); the Public Health Act (2022); the National Environment Act (2019); and the Food and Drug Act (1964). **ii)** Reversing the trend of the homicide crime rate. Police reported that 4,366 people were murdered in Uganda in 2023, an average of 12 victims a day, a five-percentage point increase compared to 2022. **iii)**Expanding certification of tourism products and facilities. iv) Coordinating public and private investment in the facelift of Greater Kampala Metropolitan Area (GKMA) as the gateway into Uganda. **v)** Facilitating compliance with the National Building Code as defined under the Building Control Act (2013); professional standards and conduct; and industry standards as defined by UNBS. **vi)** Expansion and upgrades of hotel capacity, ratings and competitive pricing. including hotels around the planned Kidepo Airport, Kabalega and other industrial parks. **vii)**Implementation of a special licensing regime for hotel and tour operators, including public health standards and certification of workers (drivers, housekeeping workers).
Facelift and Urban Productive of GKMA and Secondary Cities	GKMA handles a disproportionately higher volume of traffic than any other urban centre in the country (GKMA accounts for 70% of the country's manufacturing plants as well as 30% of national output, and hosts 10% of the population). Closing infrastructure gaps in GKMA is, therefore, an imperative. Increasing the stock and quality of GKMA infrastructure will achieve the dual benefit of raising the country's urban productivity and improving the experiences and impressions of in-bound tourists. Attention will accordingly be directed at: **i)** Speeding up the implementation of ongoing projects that contribute to the closure of infrastructure gaps in GKMA. **ii)** Implementation of public-private partnerships (PPPs) for the delivery of high-quality public services. Areas for urgent implementation of PPPs include Uganda National Ambulance Service (UNAS); the National Emergency Response System (the equivalent of 911 in the USA or the current 999 under the Uganda Police Force); and the National Fire Response Service (a proposed successor outfit to the Fire Brigade under the UPF). **iii)**Immediate resolution of the public transportation situation in GKMA, starting with implementation of the existing plans to streamline the public transport system. This also applies to all secondary cities and will address congestion, road fatalities, air pollution and passenger safety.

Intervention	Accelerator Actions
	iv) Activation of passenger and cargo services at Kabale International Airport (KIP) and upgrade of tourism airfields across the country to target high-net worth individuals. **v)** Meetings, Incentives, Conferences and Events (MICE): Strengthening the Uganda Convention Bureau to deliver a superior, competitive and growing national offering for MICE. **vi)** Language: Rapidly increasing the number of multilingual tour guides. **vii)** Increased use of destination marketing agencies. **viii)** Fast-tracking implementation of the US$150 million PPP project for the redevelopment of Uganda National Theatre. **ix)** Speeding up implementation of the national addressing system to support local travel, tourism and e-commerce.
Grow Traditional Tourism Circuits and Develop New ones	**a) Agro-Tourism:** Increasing return on investment from real estate in rural areas by incentivizing home stays and agro-tourism. **b) Health and Education Tourism:** Establishing and expanding Centres of Excellence in healthcare and education by completing ongoing infrastructure and human resource interventions aimed at upgrading scope and standard of healthcare and education services to internationally competitive standards. **c) Oil and Gas Tourism Circuit:** Uganda's oil and gas story is a powerful story and will be turned into a tourism product with the Albertine Graben tourism circuit. A physical and virtual centre equipped with audio and visual aids for narrations of the country's journey to commercialization of its oil and gas resources will be developed and aggressively marketed as an integral part of Uganda's tourism offering. **d) Military Tourism Circuit:** Uganda's rich political and military history will be systematically developed into a world-class tourism product using a network of both physical and virtual experiences of the journey that the country has travelled in building a professional and modern defence force. This will include speedy completion of the Katonga Museum and popularization of the related creative works (books, films and theatrical productions). **e) Sports Tourism:** Leveraging AFCON27 to grow the stock and quality of sporting facilities, including mountaineering; and also the stock and quality of field, biking, motoring tracks.
Economic and Commercial Diplomacy (ECD)	**a)** Develop a comprehensive Economic and Commercial Diplomacy (ECD) programme that is aligned to the 10-fold growth strategy **b)** Progressively revamping the face and functionality of the country's Missions Abroad to facilitate the growth of Ugandan exports in foreign markets; drive up tourist arrivals; drive up FDI inflows; attract patient and low-cost capital; and deepen educational and cultural ties within the EAC. **c)** Leveraging Uganda Airlines to promote mass tourism using chartered flights.
Human Resource	**a)** Completing the renovation of the Jinja Tourism Institute and concessionairing its operation to a reputable international hotelier. **b)** Supporting tour and travel agents/guides to cater for a multiplicity of global cultures and languages. **c)** Collaborating more and better with the private sector in the diversification of product offerings and improving the quality of hospitality.

60 **Mineral-based Industrial Development (Target: US$20 billion):** In FY 2022/23, mining and quarrying activities in the economy expanded by 7.5% compared to 18.0% in FY 2021/22 and 6.9% in FY 2020/21. The contribution of mining and quarrying activities to GDP, though low (1.4% to GDP in FY2021/22), has significant potential for growth. Recent improvements in the performance of mining and quarrying activities are majorly attributed to increasing support services in the oil and gas sector.

61 In terms of export performance, three mineral products have prominently featured in the country's export basket over the NDP III period: gold, cement and base metals and products (including iron and steel). In FY 2022/23, these three items earned the country US$ 1.471 billion (or 27% of merchandise exports), with gold leading the pack (US$ 1.135 billion). In 2020, Uganda's exports of iron and steel products totalled US$ 68 million, with South Sudan topping the export destinations (Table E8). These gains have been achieved with plants in the iron and steel industry operating at only 50% of their installed capacity of 1,000,000 metric tons (NPA,2018).

62 The Mining and Mineral Policy (2018) indicates increased inflows of FDI resources into the minerals sub-sector prior to NDP III (from US$ 5 million in 2003 to over US$ 800 million in 2017). With the enactment of the Mining Act (2022), the development delays and income leakages instigated by speculators in the sub-sector are expected to be eliminated, with a positive effect of higher economy-wide returns to the country.

Table E8: Uganda's Iron and Steel Exports, 2020

Export Destination	US$, Million	Share (%)
South Sudan	20	30
Tanzania	17	25
DRC	15	21
Kenya	12	18
Burundi	4	6
South Africa	0	0
France	0	0
Central African Republic	0	0
Zambia	0	0
Total	**68**	**100**

Source: trendeconomy.com (Accessed: August, 2023)

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63 According to MEMD (2018), airborne geophysical surveys conducted under NDP II covered 80% of the country, and led to the discovery of a total of eighteen (18) new mineral targets; ten (10) new uranium priority anomalies; 300 million tons of proven iron ore deposits in the country (with inferred reserves of up to a billion tons); an increase in vermiculite reserves from 5 million tons to 54.9 million tons; an increase in limestone and marble reserves from 30 million tons to more than 500 million tons; 7.8 million ounces of gold in Busia, Kamalenge, Mashonga, Kampano and Alupe; 1.7 billion tons of graphite in Orom, Kitgum; 3 billion tons of aluminous clay rich in rare earth elements (REE) in Makuutu, Iganga; 230 MT of phosphate and iron for the Sukulu phosphates and steel project which is under development. Airborne geophysical surveys have since been carried out across the entire country.

64 The above surveys indicate that Uganda has an estimated 27 mineral occurrences. Out of these mineral occurrences, only limestone and iron ore have quantities confirmed by Government. Gold and rare earth metals have partially confirmed quantities based on private sector studies. The remaining minerals will be quantified under the Mineral-Based Industrialization Project, whose implementation commenced in FY 2024/25.

65 The 2023 status update on Uganda's mineral reserves and potential lists a total of 33 minerals by location, reserve quantities, status of development and their potential uses. Out of these, the reserve quantities of nine mineral types are under evaluation (beryl, chromite, lead, lithium, silver, zinc, kyanite, feldspar and diatomite), while those of two minerals remain unknown (manganese and diamond).

66 The scope for mineral development under consideration in this strategy covers a total of 12 minerals: gold, copper, iron ore, cobalt, lithium, phosphates, graphite, uranium, limestone, rare minerals, marble and sand. The country has done market studies on three of these minerals either as the private or the public sector, namely: limestone; iron ore and gold; and commercial operations on the same have been established. Table E9 below summarizes the export status and potential of the 12 minerals identified above.

Table E9: Leading Mineral Presence in Uganda by Volume and Value

S/N	Mineral (and its Related Products)	Confirmed Reserves (Mn MT)	Export Product Potential		Export Values (US$M)	
		2022	2022	2040	2022	2040
1	Gold	7.8[1]	-	-	1,135	5,000
2	Copper	4.5	-	-	-	
3	Iron Ore	300	-	-	247	-
4	Cobalt	-	-	-	-	-
5	Lithium	-	-	-	-	-
6	Phosphates	230	-	100,000[4]	-	-
7	Graphite	1,700	-	-	-	192
8	Uranium	-	-	-	-	-
9	Limestone	500	2.8 Mn Tn	20Mn Tn[5]	89	890
10	Rare Minerals	3,000[2]	-	-	-	-
11	Marble	500[3]	-	-	-	-
12	Sand	-	-	-	-	-

Sources: MFPED Compilation from multiple sources including MEMD

[1]*Million ounces in Busia, Kamalenge, Mashonga, Kampano and Alupe*
[2]*Aluminous clay rich in rare earth elements (REE) in Makuutu)*
[3]*Limestone and marble*
[4]*Organic fertlizers*
[5]*Industry's total production capacity increased from 2.8 to 4 million tons per annum in 2023*

67 With increased capacity utilization, more value addition, product diversification and greater regional trade, export earnings from the three leading mineral products alone (cement, gold and base metals and products) can increase ten-fold by 2040 (from US$ 1.5billion in 2022 to US$ 15 billion). This, in turn, would translate into an additional economy-wide output of between US$ 28 and US$ 38 billion.

68 **Mineral Development and the New Economy**

Mobility: The case for a renewed impetus for mineral-based industrial development in Uganda is well articulated in many post-COVID-19 research studies. Many global automotive manufacturers and high-technology intensive companies have woken up to the need to diversify the energy sources and technology for powering their vehicles on account of the disruptions triggered by COVID-19. The same applies to their logistics and supply-chain bases. Researchers in trade and investment now argue that such a perspective for supply chain diversification provides new opportunities for African economies to position themselves as geographical alternatives and optimize their strategic value for future leading-edge supply chains (see Box 6).

Box 6: Global Supply Chains: Turning Disruption into Opportunity

Key players and stakeholders are looking to strengthen the resilience of existing supply chains by diversifying their sources. This may create an opportunity for African economies to heighten their involvement in global supply chains. For instance, the semiconductor supply chain, which involves hundreds of suppliers and an intricate process of manufacturing microchips and other critical components in the electronics and automotive industries, was negatively affected during the 2008–2009 global financial and economic crisis, as well as the recent coronavirus disease (COVID-19) pandemic. Other industries that came under supply chain pressure during previous global shocks and environmental disasters, with associated difficulties in trade and investment include the automotive, electronics, renewable energy and pharmaceutical product and medical device industries, which are strategic, emerging industries that require the use of critical minerals and high-technology metals for manufacturing and services. Africa, which boasts an abundant supply of raw materials with utility in the energy, automotive and electronics sectors, could provide an opportunity for the diversification and resilience of global supply chains by offering a new regional market for businesses and industries in their quest to further expand their supply chain relationships. Africa accounts for 48 percent of global cobalt reserves and 47.6 percent of global manganese reserves, which are critical metals required to produce batteries and electrical vehicles.

As multinational companies seek to extend their supply chains into diverse regions, African countries could become potential sources of high-technology mineral resources along shorter and simpler supply chains, with the added effect of contributing to the stable development of emerging industries on the continent. More equal investor–State agreements, or host government agreements, especially for the critical minerals and metals that are used in high-technology products and supply chains, will be necessary to develop domestic industries successfully and improve the capability of local firms to design, procure or manufacture necessary parts and components in high-technology-intensive supply chains.

Source: UNCTAD (2023)

69 Sustainable passenger transportation is understood to include both non-motorized transport such as walking, bicycling, as well as motorized transport such as trains, buses, private cars, scooters and motorcycles (CIG Uganda,2021). The low vehicle concentration on the Africa continent is considered to be a major growth opportunity. Africa has 44 vehicles per 1,000 people compared to 180 for the global average and 800 for the USA. Globally, 97 million cars and trucks are manufactured annually, with Africa accounting for only 1.2 million (statista.com,1997). By 2018, the total number of registered vehicles in Uganda was estimated at between 1.4 and 2 million (including motorcycles), with the vehicle fleet nearly doubling from 739,036 in 2012 to 1,355,090 in 2018 and the number of motorcycles increasing by 192% (from 354,000 in 2010 to over one million in 2018). In 2022, Uganda's car market totalled 1,601 new registrations (a 4.1% annual increase). GIG notes that:

a) The Greater Kampala Metropolitan Area (GKMA) has nearly half of all vehicles registered in Uganda.
b) Walking is the predominant mode of mobility in GKMA.
c) Almost 80% of total motorized trips is taken on boda-bodas and private cars, but matatus carry a significant 82% of total riders.
d) The estimated number of motorcycles (boda-bodas) in GKMA are expected to reach more than 3 million by 2050.

70 According to S&P Mobility, the global Electric Vehicle (EVs) market will grow nearly 30 percent year-over-year with 15.1 million Batter Electric Vehicles (BEVs) expected to be sold in 2025. The global autonomous vehicle market is expected to reach around 60.3 billion in 2025 and project to reach US$ 448.6 billion by 2035 (Allied Market Research). The e-mobility ecosystem is accordingly one of the potential areas for Uganda to position herself as a value chain leader and become a net-source for e-mobility in Africa. The ecosystem of the e-mobility industry exhibits many of the facets of "building an independent, integrated and self-sustaining economy" espoused under the NRM 10-Point Programme (Figure E1). Uganda already has two known private sector companies (Zembo and Bodawerk) and one parastatal company (Kiira Motors) with operational e-mobility services. As an early starter in e-mobility, Uganda's successful transition of even half of its public transport fleet (buses, taxis and bikes) from internal combustion engine (ICE) vehicles to electric vehicles could spur a new product within its export basket for the region in the order of US$ 1.5 to 5.0 billion.

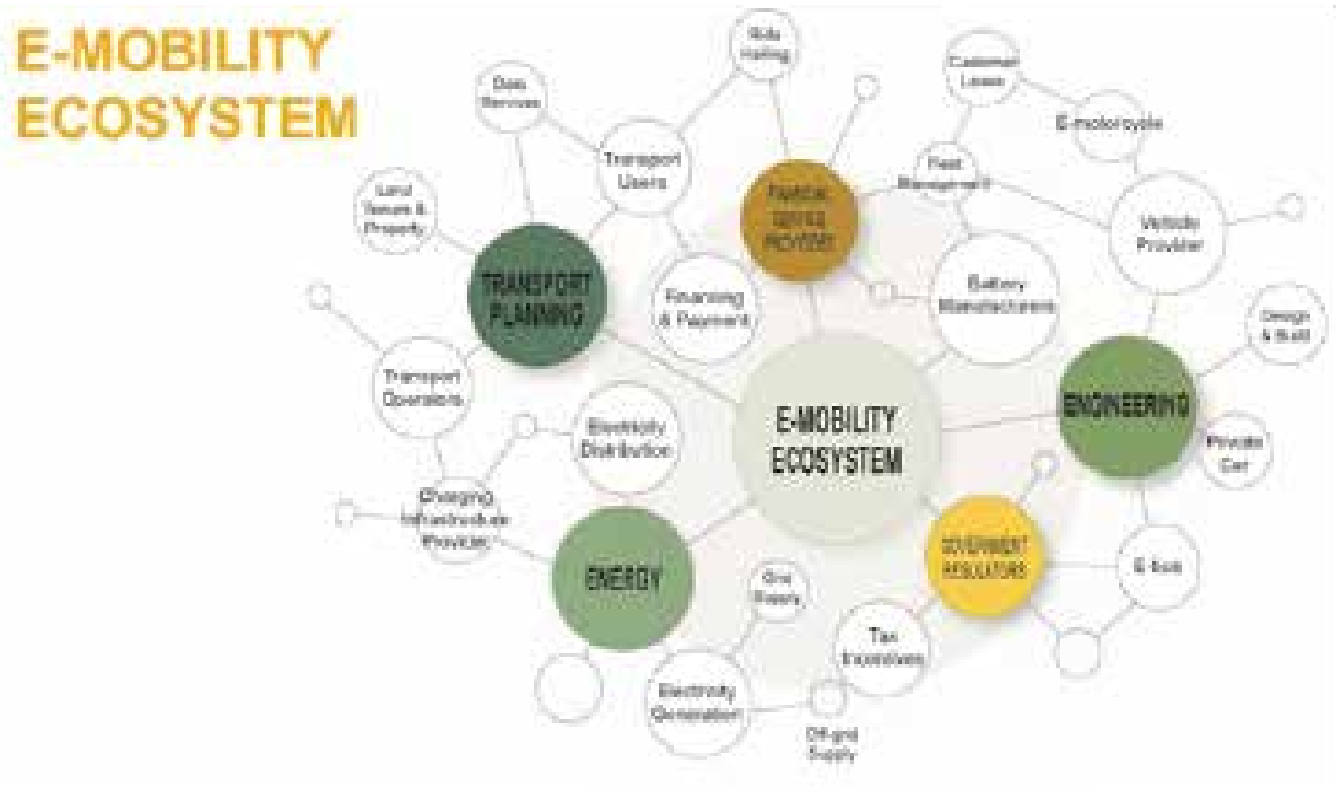

Figure E1: E-Mobility Ecosystem in Uganda

Source: E-Mobility Group on the Transition from Fossil Fuel to Electric Vehicles in Uganda

71

Furthermore, in 2019, Uganda issued a 21-year mining licence to Blencowe Resources, which has since advanced the project to the pre-feasibility stage. The prospects for Uganda to attain commercial operations in graphite exploration based on its graphite deposits in Orum are high, as illustrated in Figure E2 below. About 75% of projected global demand for graphite is expected to come from battery manufacture for use in electric vehicles. Blencowe Resources estimates an end product volume of 147,000 tons per annum by 2023. This translates into US$ 192 million (based on a weighted average price forecast of US$ 1,307). Going by today's trend, demand for lithium-ion batteries is projected to outstrip supply two-fold, as shown in Figure E3.

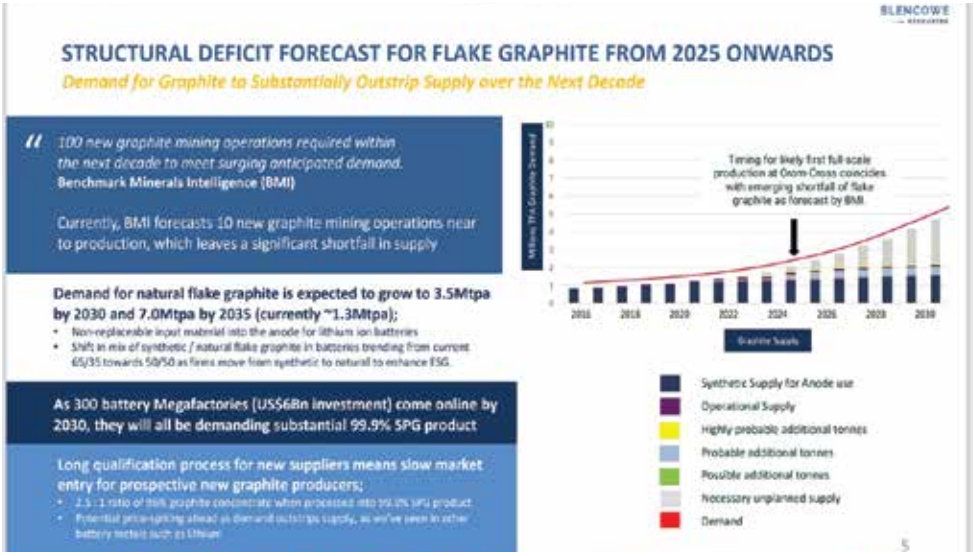

Figure E2: Orom-Cross Graphite Project: Delivering Sustainable Products into an Emerging Green Market

Source: blencoweresourcesplc.com/orom-cross-project

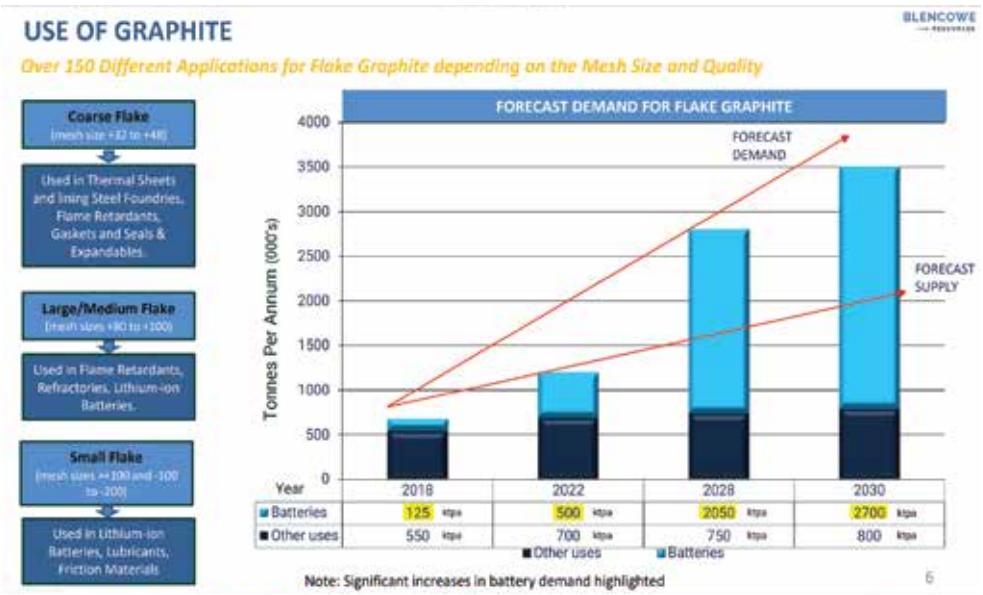

Figure E3: Uses of Graphite: Over 150 Different Applications for Flake Graphite

Source: blencoweresourcesplc.com/orom-cross-project

72 To actualize the above mineral export potential, the accelerator actions summarized in Table E10 below are recommended.

Table E10: Ongoing and Planned Priority Interventions for Minerals Development

Intervention	Accelerator Actions
Policy, Legal and Institutional Frameworks	a) Setting up, capitalizing and operationalizing the National Mining Company. b) Implementing a special incentive scheme for investors in the mineral beneficiation industry based on value of export revenue generated from manufactures made from locally sourced inputs. c) Formulating a model Production Sharing Agreement for use in the minerals and mining sector. d) Fast-tracking quantification of confirmed minerals in the country
Mining Operations	**a) Gold:** Fast-tracking formalization of artisanal mining and implementation of the domestic gold purchase programme under the Central Bank as precursors to the development of a fully-fledged commodities securities market. **b) Graphite:** Supporting commercialization of graphite production at the Orom-Cross Graphite Project for value-added manufactured products under the 21-year mining licence awarded to Blencowe Resources in 2019. The use of graphene batteries in electric vehicles, laptops and phones is expected to overtake lithium because of its many advantages. Compared to lithium batteries, graphene batteries have faster charging times (up 60 times faster), longer life times (5 times longer), higher energy density and improved safety due to its low heating properties. **c) Phosphates:** The Sukulu Fertlizer Plant has a planned production capacity of 100,000 tons of fertilizer per annum. This exceeds the country's current consumption of approximately 77,000 tons of fertilizer annually (NEC). Government will accordingly follow through with the development of the Sukulu Industrial Complex in Tororo. **d) Limestone:** Uganda has a present cement production capacity of over 4.5 million tons per annum and the demand is projected to increase by 15% annually on the back of the booming oil and gas sector and infrastructure development. This, coupled with commercial production of related construction products like marble and limestone, will strengthen forward-and-backward linkages in the construction industry. In addition, this will actualize the 6,000 tons per day production of clinker in Moroto by West International Holding Limited and saving the country an import bill of US$380 million per annum in addition to generating earnings of US$ 900 million per annum at peak production. Uganda imports over 50% of the clinker it uses in the production of cement. **e) Iron Ore:** Commercial mining of iron ore to feed the local and regional iron and steel industry. **f)Copper:** Commercial refinement of copper for cables, transformers, aluminum industries and military equipment in line the Presidential Directive of 28th June 2021.

Intervention	Accelerator Actions
	g) Tin. Supporting the expansion of local refining capacity for tin at Ruti from 1,080 tons per year (2023) to 3,600 tons; and the establishment of a second tin refinery in Ruhaama (Mwirashaniro) to bring total refining capacity to 5,000 tons per annum.
Public Infrastructure	**a) Roads:** Adequately maintaining the existing road network. **b) Railways**: Finalizing the ongoing rehabilitation of the Metre Gauge Railway and commencing works on the Standard Gauge Railway. **c) Electricity:** Continuing to invest in expanding the generation capacity and completing the current portfolio of ongoing transmission and distribution lines. **d) Water Transport:** Completing the implementation of the current portfolio of navigation and landing port facilities. **e) Express Highways:** Implementing the national master plan for express highways in phased manner.
Automotive Manufacturing	a) Transitioning the Government fleet and public commuter transport from ICE to electric vehicles. b) Entering into partnerships for the local production of lithium-ion batteries and graphene batteries.
Research and Development (R&D)	Scale investment in: a) Expanding the national laboratory infrastructure to support export trade in value-added products. b) Capacity building on specialized skills for the mining and minerals sectors.
Markets and Finance	e) Establishing the Uganda Commodities Exchange to drive value-added commodities exports. f) Using the Uganda Commodities Exchange to position Uganda as an International Finance Centre.

73 **Oil and Gas Industrial Development (Annual Target: US$ 5 billion):** Oil and gas has the potential to provide revenues to support productivity enhancement and competitiveness in other areas of the economy as well as to contribute to the country's non-traditional economy (the New Economy). The downstream economic activities include oil refineries, petrochemical plants, distributors of petroleum products, natural gas distribution companies and retail outlets. This strategy focuses on unlocking the potential of the petrochemical industry without losing sight of the significant contribution expected from crude oil exports in closing the country's infrastructure gaps.

74 Compared to the leading producers of crude oil, crude oil exports from Uganda's planned production (0.23 million barrels per day) are not expected to significantly impact global market dynamics (Figure E4).

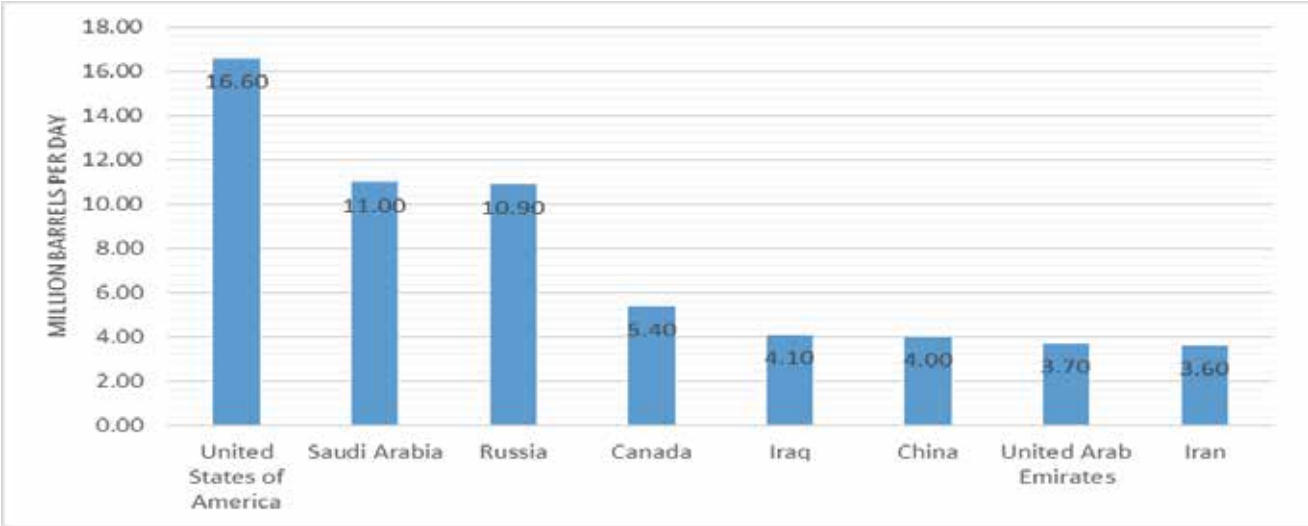

Figure E4: Major Crude Oil Producers

Source: STATISTA, 2021

75 The petrochemical industry is in the process of manufacturing naphtha to make basic petrochemical feedstock (ethylene, propylene etc.) used to produce synthetic resins (plastic), synthetic fibre (polyester and nylon) and synthetic rubber, among other products (Figure E5). These are inputs in the manufacture of plastics, textiles, food preservatives, cosmetics, carpets, fertilizers, adhesives, dyes, detergents and synthetic paints and coatings, safety glass, insecticides, pharmaceutical products and others.

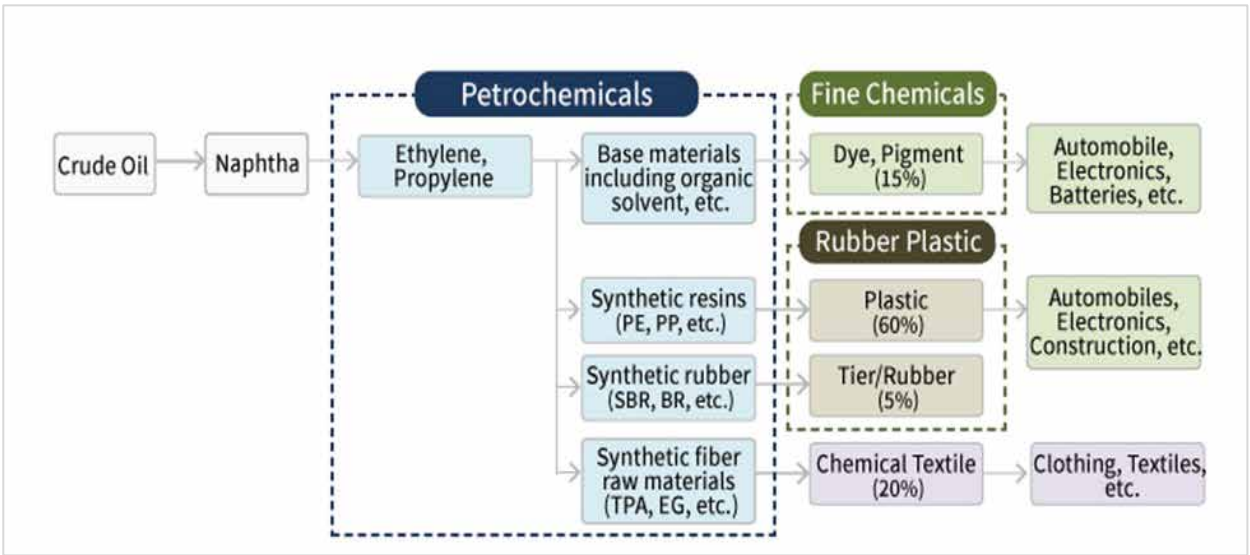

Figure E5: The Petrochemical Value Chain

Source: Korean National Investment Promotion Agency (INVEST KOREA)

76 Naphtha is a flammable liquid hydrocarbon, a fraction of crude oil, but can also be produced from natural gas condensates, petroleum distillates, and the fractional distillation of coal, tar and peat. As a global average, a refinery produces about 8% naphtha per barrel of oil available for chemical production and the conversion rates of naphtha into ethylene and propylene are 25% to 35% and 15% to 20%, respectively. Figure E6 and E7 show the leading global producers of naphtha and exporters of Ethylene respectively, while Figure E8 shows the major importers of Ethylene. Africa's absence among the major producers of Naphtha and exporters of Ethylene could be an opportunity for Uganda to become a pioneer producer of the product on the African continent.

77 Within the petrochemical value chain, ethylene is the most commonly used petrochemical globally. A major part of its production is used to produce polyethylene, a common plastic material that accounts for roughly 30% of global thermoplastic production. Apart from ethylene, other widely produced petrochemicals are propylene, methanol and paraxylene. Together they account for over 80% of the global upstream petrochemical capacity.

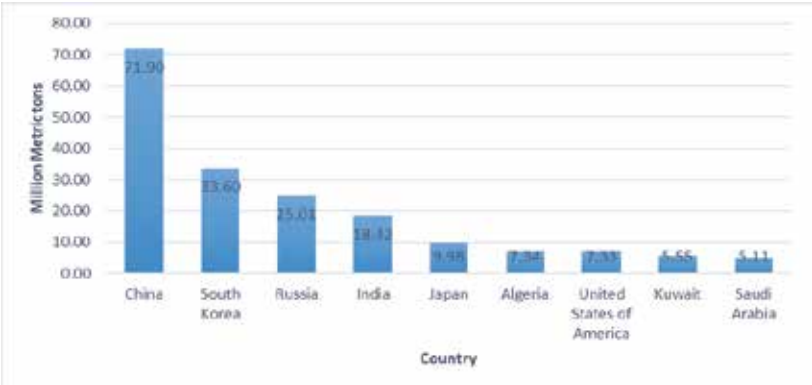

Figure E6: Major Producers of Naphtha

Source: UNdata, 2021

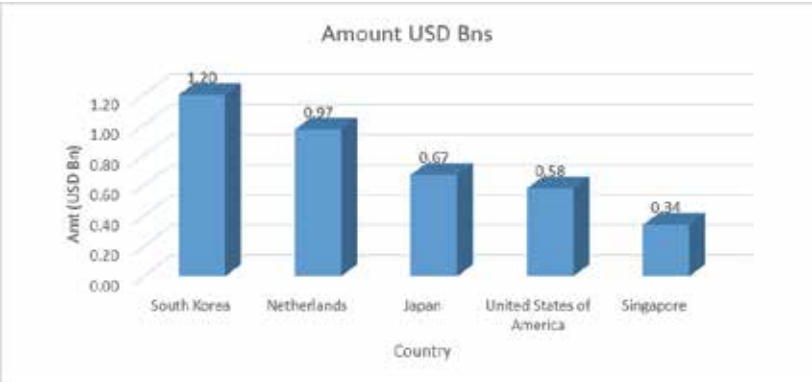

Figure E7: Major Exporters of Ethylene

Source: OEC, 2021

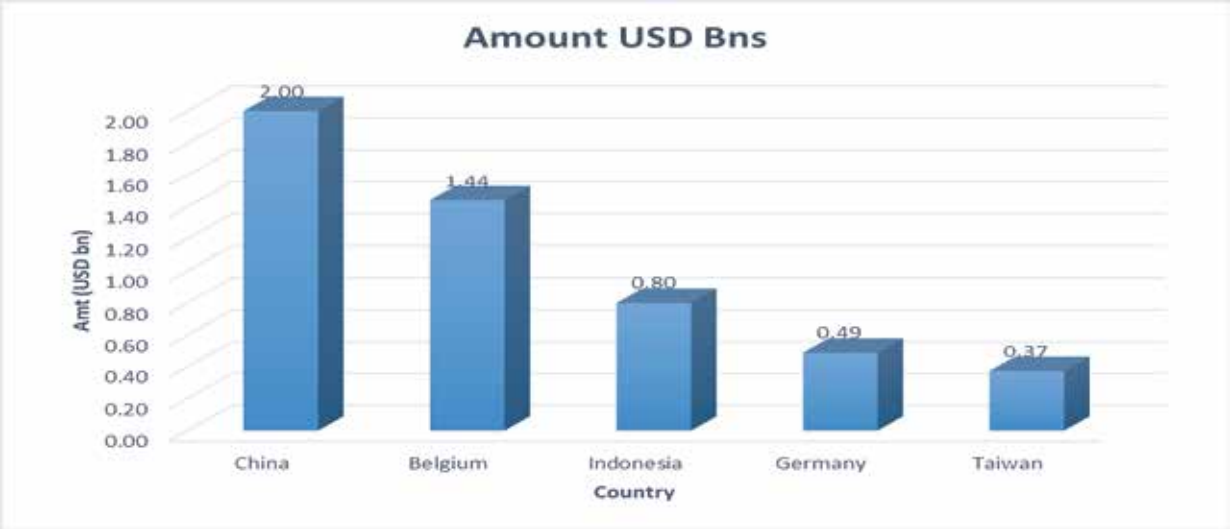

Figure E8: Major Importers of Ethylene

Source: OEC, 2021

78 What does this mean for Uganda's prospects for the petrochemical industry? When the oil refinery at the Kabalega Industrial Park (KIP) is completed, it is projected that 60,000 barrels of crude oil will be processed daily at the refinery. As a global average, a refinery produces about 8% naphtha per barrel of oil available for chemical production, while the conversion rate for naphtha into propylene and ethylene is 15%-20% and 25%-35%, respectively. Based on these conversion rates and the 2022 global prices for naphtha, ethylene and propylene of US$ 789, US$ 1,060 and US$ 997 respectively, Uganda could earn projected export revenue from the 3 products in the order reflected in Table E11 below.

Table E11: Potential Petrochemical Industry Export Revenue for Uganda

Period	Projected Annual Production (Metric Ton)				Projected Annual Production (Metric Ton)		
	Crude oil (Barrels)	Naphtha	Ethylene	Propylene	Naphtha	Ethylene	Propylene
Daily	60,000	655	196	115	516,671	208,240	114,254
Annual	21,900,000	239,018	71,705	41,828	188,584,993	76,007,640	41,702,619

Source: EDP&RD Staff Computations

79 Table E11 further shows that it is more viable for Uganda to trade in naphtha than its by-products (ethylene and propylene). However, the latter are required to produce synthetic resins, rubber and fibres, which are raw materials in the production of plastics, rubber and textiles. Subject to the outcome of the current and future exploration activities in the Albertine Graben, export revenues from the petrochemical industry could be significantly much higher than those indicated in Table E11 above. Using naphtha as a case in point, a five-fold increase in the size of proven oil reserves translates into nearly US$ 1.0 billion in annual export revenues. This, plus expected annual revenue of US$ 2.0 billion from the export of crude oil and another US$ 2.0 billion from the sale of refined petroleum products locally and regionally, makes a target of US$ 5.0 billion per annum from the oil and gas industry realistic. The economy-wide increase of this magnitude of export revenues is potentially equivalent to US$ 9.5 billion in additional normal GDP.

80 To actualize the export potential of the oil and gas industry and its economic impact, the accelerator actions summarized in Table E12 below are recommended:

Table E12: Ongoing and Planned Priority Interventions for Oil and Gas Development

Intervention	Accelerator Actions
Commercialize Oil & Gas Operations (First Oil)	a) Accelerating construction of the East African Crude Oil Pipeline (EACOP). b) Fast-tracking construction of the Oil Refinery to cut down on the US$1.6 billion import bill on petroleum products (FY2022/23), and also to generate export revenue from within the region. c) Fast-tracking construction of the Kampala Storage Terminal.
Complete Ongoing Value Addition Infrastructure	a) Completing the Kabalega Industrial Park as the flagship zone for the petrochemical industry arising from the Oil Refinery. b) Completing and operationalizing Kabale International Airport.
Commercialize the Petrochemical Industry	Commencing commercial production of: a) Liquefied petroleum gas (LPG) as a source of clean cooking fuel. b) Bitumen for road construction c) Petroleum coke for fertilizer manufacture. d) Naphtha for export and its by-products (ethylene and propylene) for the production of polythene materials.

81 **Science, Technology and Innovation including ICT & the Creatives Industry (Knowledge Economy):** The knowledge economy (formally referred to as the quaternary sector) is considered to be the intellectual aspect of the economy. It is an economy where knowledge is acquired, created, spread and used effectively to enhance economic development, whether for profit or not for profit, private or public (Dang and Umemoto, 2009). It is the process which enables entrepreneurs to innovate better manufacturing processes and improve the quality of services offered in the economy. Without this growth of technology and information, economic development would be slow or non-existent.

82 Using Science, Technology and Innovation (STI), the country will increase the contribution of knowledge-based goods and services to the national economy by increasing domestic productivity, import substitution, and export of products resulting from STI, with an overall contribution of US$136 billion to the national GDP by 2040. Government has developed the National STI Agenda 2024-2030, a visionary and actionable roadmap that sets the stage for Uganda to harness the full potential of STI, positioning the nation for remarkable growth and development in the strategy's period. The strategy posits a Vision of Uganda as the best, most technologically advanced and most innovative nation in the region. The interventions in this strategy are underpinned by a solid ideology and guiding principles, drawing inspiration from successful global models and unique interventions that Government has explored since 2021. Government has accordingly adopted a twin-track approach in its application of STI to grow the economy ten-fold.

83 The first track is adding volumes and value to the traditional economy through a systematic upgrade of the country's capacity to apply STI and ICT to the generation of value-added goods and services. The priority areas value chains under this track include productivity acceleration, import replacement and export growth. The following approaches will be taken to shift away from peasantry and subsistence to industrialization:

a) Commercialization of running innovations across the country. This will involve identifying relevant existing innovations and supporting them to scale, including helping them to complete the journey and transform into viable enterprises.

b) Utilizing cost-effective aggregation approaches such as asset networking, off-taker mapping, market targeting, matchmaking etc., to accelerate eligible innovations along the STI idea-to-market journey.

c) Mentoring a National STI Aggregator System to transition from subsistence to mass production-like systems. The system piggybacks on Uganda's existing structures and programmes such as EMYOOGA, PDM and other SACCOs across all sectors. Government will guide innovators at various levels to aggregate fragmented interventions in STI at district, sub-regional and regional levels so that innovators are nurtured into a viable industrial value chain, building industrial-level, innovation-driven enterprises.

d) Value addition, utilizing the following approaches:

i. Local manufacturing, utilizing mature technology that can be imported, e.g. pharmaceutical starch production from cassava.
ii. Research and Development to improve the quality and quantity of locally manufactured products.
iii. Innovation, leading to novel products for both the import and export markets.
iv. Reverse engineering with a view to locally producing products that are currently imported.
e) Nurturing Innovation Driven Enterprises (IDEs) through implementing a market readiness support programme along the idea-to-market journey.

84 The second track is creating a New Economy using STI & ICT to increase the contribution of nascent sectors to GDP. The priority value chains under this track include Mobility; the Pathogenic Sector; Industry 4.0+; Infrastructure Innovations; and Aeronautics & Space Science. To create this new economy, Government will establish Legacy Pathfinder Projects/Programmes in each value chain, as a foundation for the rest of the value chain. The target pathfinder projects are shown in Table E13.

Table E13: Pathfinder Projects

Industrial Value Chain	Key Components	Pathfinder Projects
Pathogen Economy	Vaccines, Therapeutics, Diagnostics, Medical Equipment, Materials, ICT Tools	Diagnostics Manufacturing, Clinical Trials Platform, Vaccine Manufacturing, Natural Therapeutics Manufacturing, AI for healthcare, Biomedical Plastics, Biomedical Devices, Personal Protective Equipment
Mobility	Manufacturing, Mobility Systems, Operations, Energy	Kiira Motors Corporation, Bingwa (3-in-1 Trike), Engine Manufacturing, EV Batteries Production
Industry 4.0+	Electronics Hardware, Software	Silica Sand to Wafers, Electronics Design and Manufacturing, Enterprise Software Development, Climate Technologies, Deep Tech
Infrastructure Innovations	Minerals, Materials, Industrial Equipment, Energy	Mineral Value Chain Development, Construction Materials, Machines That Make Machines, Petrochemicals, Natural and Synthetic Fibre Engineering, Biofuels, Solar Technologies
Aeronautics & Space Science	Earth Observation, Communications Systems, Aviation, Space Exploration	Observation Products, Geospatial Products Value Chain, Unmanned Aerial Vehicles

Source: STI Secretariat

85 The mobility value chain targets growing national capacity in **automotive manufacture** with a bias on e-mobility. The pathogenic sector, on its part, consists of research, development, technology transfer, and commercialization of innovations targeting pathogen control and management, such as vaccines, diagnostics, therapeutics, and the attendant ecosystem. This is a value chain where Uganda is making good strides and could become, in some segments, a net source of exports to regional and global markets. It also covers the chemical sector, including pharmaceuticals, which account for over 10% of Uganda's manufactured value added, the highest in the East African Community (EAC) region. Uganda Investment Authority (UIA) reports that in 2018, there were over 300 life sciences companies and over 30 pharmaceutical and medical devices companies in Uganda, manufacturing 173 pharmaceutical products. Government, through the Ministry of Health and other stakeholders, is supporting the establishment of a fully serviced flagship pharmaceutical industrial park in Matugga, Wakiso District (Dei Pharmacy) to spur human and veterinary medicine production.

86 The outlook for the **pharmaceutical industry** in Uganda enjoys a number of supportive developments within the EAC region and Africa in general. The EAC imports 70% of its pharmaceuticals, worth over US$1.3 billion per annum, and the total pharma product imports into Sub-Saharan Africa reached a record of US$9.5 billion in 2019. The EAC has also approved a Regional Pharmaceuticals Manufacturing Action Plan that targets having at least 50% of pharmaceutical purchases by EAC national medicines procurement agencies sourced from regional manufacturers. Relatedly, an East African Community Medicines Agency has been established. The agency will provide for the central registration of medicines produced by member countries and harmonization of operations in the region. This is expected to reduce registration times and facilitate the tradability of pharma products from the economic bloc. At continental level, the treaty establishing the African Medical Agency under NEPAD was ratified in 2018, widening harmonization efforts across the continent.

87 **Industry 4.0+** is the next phase in the digitization of the manufacturing sector, driven by disruptive trends, including the rise of data and connectivity, analytics, human-machine interaction, and improvements in robotics. Uganda's ICT sector plays both a direct and indirect role in growing Uganda's exports in general and the development of Industry 4.0+. It enables a significant level of intermediate trade, financial inclusion and skills development within various export value chains, in addition to being an export service. While ICT service exports accounted for only 2.5% of service exports in 2021 (World Bank), the sector has a large growth potential, given the country's large youthful and English-speaking population. With the large public investment than has been sunk into expanding ICT infrastructure over the last two decades, Uganda's readiness to benefit from global trends in telemedicine, virtual learning and the wider 4th Industrial Revolution is high and should be fully exploited for export development.

88 In 2021, Uganda ranked 122nd out of 154 countries in the Global Knowledge Index (GKI), a tool to monitor the knowledge status of countries in key areas, including education, innovation and information and communications technology (ICT). The GKI compares country performance across seven sectors (pre-university education; technical and vocational education and training (TVET); higher education; research, development and innovation (RDI); information and communications technology (ICT); economy; and enabling environment) (see Table E14).

Table E14: Global Knowledge Index Structure (2021)

Sectors	Pillars
Pre-university education	Knowledge capital Educational enabling environment
TVET	TVET components TVET labour market
Higher education	Inputs Learning environment Outputs
RDI	Inputs Outputs Impact
ICT	Infrastructure Access Usage
Economy	Economic competitiveness Economic openness Financing and domestic value added
Enabling environment	Governance Socio-economic Health and environment

Source: UNDP,2021

89 **Infrastructure Innovations:** This includes the measures in Table E15 and establishing:

a) Science and Technology Industrial Parks, in each geographical zone, to accommodate and foster innovation and industrial growth, e.g. the Biosciences Park, and the Automotive Industrial and Technology Park.

b) STI Specialized Common User Central Facilities: Creating facilities that can be utilized by multiple researchers and innovators to encourage collaboration and resource sharing.

c) STI Incubation Centres: These will support the growth of new businesses and innovations, particularly in technology-intensive areas.

d) STI Human Capital Development Centres: Establishing centres dedicated to equipping an industrial STI human capital, thus developing the necessary expertise, skills, knowledge and attitudes required in these new economic sectors, e.g. the Engineering Development and Innovation Centre.

Table E15: Ongoing and Planned Priority Interventions for Knowledge Economy

Intervention	Accelerator Actions
Policy and Strategy	a) Updating the National STI Plan (2012/13-2017/18) and advancing implementation of its 16 strategies.
Education	b) Mainstreaming ICT across all levelsof academic and vocational education in the country to ensure an adequate level of digital literacy to support a digital economy while continuing to lower the cost of the internet.
ICT Infrastructure	c) Completing the pipeline and ongoing projects for last-mile connectivity to homes and public service facilities to spur demand for digital goods and services.
R&D Funding	d) Transitioning public funding from the tradition approach of financing university grants to a competitive approach that draws in greater participation of industry players. e) Scaling up R&D funding in partnership with the private sector and in collaboration with friendly regional and international players.
Intellectual Property	f) Resolving the constrains surrounding the registration of intellectual property and copyright, especially international agreements on the manufacture of generic products (refer to the case of COVIDEX).
Culture and Commerce	g) Cataloguing and commercializing traditional knowledge embedded within the country's cultures. This includes developing support packages for players in the music, film and literary arts industry to inspire the country and to more appropriately project Uganda on the regional and international stages.
STI Parks	h) Speeding up the establishment of the National Science and Technology Park in Kampala and other regional parks for the extension of services to entrepreneurs and the private sector as provided for in the STI Plan.

F

CHANGE MANAGEMENT

FOR RAPID ECONOMIC GROWTH

90 To drive implementation of the Tenfold Growth Strategy, Government will do somethings differently going forward. Implementation success is a function of different factors which ultimately converge around a culture of leadership/management for results. Under the tenfold growth strategy, there has to be a fundamental change in the behaviour of institutions and individuals to be accountable for results. This will require building a national consensus to align all actors (politicians, technical, private sector, diplomatic, bilateral relations) to the strategic objectives of the strategy.

91 Reports point to three broad approaches to implementation of public policy: the top-down, bottom-up and hybrid approaches. Regardless of the approach applied, there are a number of common factors that drive successful policy implementation (Box 7).

Box 7: Drivers of Successful Implementation

The correct standard of implementation success is loyalty to the prescribed goals. When a policy does not have explicitly stated goals, the choice of a standard becomes more difficult, and more general societal norms and values come into play. Accordingly, the following are considered critical success factors for policy implementation:

1) Clarity of goals, objectives and means of delivery: Ambiguity of goals affects bureaucratic behaviour and organizational performance since it leaves implementers with the responsibility of interpreting them; and ambiguity of means gives rise to conflict.

2) Staff recruitment, training and supervision: Beyond academic qualifications or experience factors, certain practitioner characteristics are essential for carrying out successful implementation. These may be addressed through training, on-the-job learning and coaching to ensure that staff members have a comprehensive understanding of the practices being implemented.

3) Internal management support: For effective implementation to take place, effective structures and processes that facilitate it must be established to provide leadership and keep staff focused on desired outcomes. This entails appointing strong leaders for implementing agencies and being clear about where and how decisions are made to keep the staff focused on desired outcomes.

4) Defined roles and responsibilities: For implementation to succeed, there should be clear-cut task responsibilities (and KPIs – key performance indicators) about the concerned actors involved in the implementation process.

5) Evidence-based decision making: It is nearly impossible to make good decisions without a sufficient objective, accurate and timely data on costs, timescales, benefits and risks. Over-optimism persists where little effort is made to either develop robust estimates or be honest and transparent about the assumptions made on limited data. Evidence gathered shows that the GoU tends to be over-optimistic about its ability to align the different views and the amount of time it will take to have sufficient engagement, particularly where a project is complex or involves new ways of working.

6) Stakeholders: Successful implementation is driven by the effective interaction between organizations and people who often have widely varying interests and power. GoU's most common delivery partners are contractors, consultants and agencies/authorities, local governments, the private sector and media. Other groups such as citizens, special interest groups, academic think-tanks and end users also often have a significant impact on the delivery and delay of projects. Understanding the motivations and level of influence of these groups is crucial to the successful delivery of a project.

7) Accountability: Implementation is effective where decision-makers take personal accountability for the decisions they make, and they can be independently challenged on these decisions. There must be a clear and transparent "reward and punishment" mechanism for all frontline implementers. This helps to perform tasks in accordance with standard procedure and stimulate implementation discipline.

8) Proper investment in routines: Given that implementation typically takes place over long periods, to keep implementation on track, it is important that routine is established. This involves conducting regular check-in meetings between officials and delivery partners. It also calls for the avoidance of excessive turnover of officials.

9) Proper coordination of implementing authorities: Complexity in implementation in the form of coordination, negotiation and trade-offs is needed for decision making, managing communication.

10) Effective monitoring and checks on discretionary power: Implementation cannot be done in isolation. Putting in place mechanisms for monitoring the implementation process by internal and external authorities enhances implementation performance. This calls for active leadership.

Source: From Paper to Practice (Ramathan Ggoobi)

To improve performance in policy implementation, Government will implement the following measures in Table F1 during the NDP IV period:

Table F1: Measures to Strengthen Policy Implementation

Policy Area	Measures
Public Service Delivery	**a)** Comprehensively define and implement minimum service delivery standards for all MDAs. **b)** Complete last-mile internet connectivity to all front-line public service facilities. **c)** Complete automation and implementation of MDA data-sharing reforms. **d)** Certification of performance of frontline facility managers (heads of schools, health centres and land administration offices) **e)** Commence reporting on the State of the Parish Economy and Asset Register (SPEAR) by every parish chief
Land Management	**a)** Abolish land fragmentation based on landholding sizes that need to be defined in the regulations of the land use policy. **b)** Achieve universal registration of land **c)** Enforce regulations on land use **d)** Progressively tax unutilized and misused land in cities and municipalities
Domestic Resource Mobilization	**a)** Progressively implement income tax laws for all income sources with the exception of for PDM farmers **b)** Local Service Tax: Implement the principle of 'local services for local residents' in Local Governments to strengthen the social contract between elected local leaders and LG residents. **c)** Prohibit large cash transactions based on defined thresholds **d)** Prohibit undocumented financial transactions based on a defined maximum allowable threshold
Jobs and Employment	**a)** Prohibit undocumented employment **b)** Mandate filing of employment returns

G

POLICY AND GOAL CONSENSUS

FOR RAPID ECONOMIC GROWTH

92 Successful execution of this strategy calls for an equally bold, focused and unified policy agenda that is clear to the population, measurable across the different levels of Government and for which implementers are accountable as individuals and teams. To simplify implementation and unify communication of Government's policy agenda for exponential economic growth, Government has adopted a set of five clear and easy-to-communicate approaches (Table G1).

G1: Policy Goals for Delivering Exponential Economic Growth

Approach	Proposition
Civic and Trade Order (Clean Up)	Uganda's exceptional weather and beauty is a major selling point globally and one of her best avenues for capturing a larger share of the US$ 9.5 trillion global travel and tourism industry (2023). Success on this front, however, depends on what the country does to improve tourists' and travelers' experience of Uganda, and correcting misconceptions about Uganda created by unfriendly and unpatriotic media content. Specific areas of attention include road safety, sanitation and hygiene, orderliness, standards, food handling, etiquette and access to information for visitors. Many of these interventions have to do more with civic and trade order and less with public investment.
Natural Capital (Green Up)	Nature is very dominant in Uganda's economic competitiveness and social cohesion regime. Halting and reversing the current decline in environmental assets is vital for sustaining current and future development gains. Furthermore, Uganda is rapidly and irreversibly urbanizing. However, the key to turning urban centres into growth centers is to continuously improve their suitability for living and working. Kampala and the other 10 secondary cities should expand upwards and not outwards for the country to sustainably regain its ecological balance and reserve adequate land for food security and supplies for industrial development.
Physical Capital (Link Up)	With a per-capita income of US$ 1,093 (2023) and a very low share of high-technology exports in total manufactured exports (2%, 2020) , access to regional and international markets coupled with aggressive integration into regional and global manufacturing value-chains is a must for the country to guarantee the market size required to attract adequate private investment in the economy for rapid socio-economic transformation (and its associated benefits – jobs, R&D, tax revenue, technology).
Human Capital (Skill Up)	People and their productivity are the means for Uganda's development. People are also the end goal of the country's development vision. Unlocking Uganda's development begins with unlocking the productivity potential of the country's population. In absolute terms, labour productivity in Uganda is lower than the world and Sub-Saharan African averages. In purchasing power parity (PPP) terms (2017 PPP), the real GDP per person employed in Uganda was US$ 6,162 in 2021 compared with US$ 10,278 for Sub-Saharan Africa (SSA) and US$ 41,510 for the world. Growing the stock and quality of Uganda's skills set is, therefore, essential for any rapid GDP growth agenda.

Approach	Proposition
Execution Discipline (Team Up)	Growing and modernizing economies are associated with national consensus around two society-wide factors: i) mission goals and gaps; and ii) continuous upgrade of the leadership spectrum (intellectual, entrepreneurial, technical, military, and political). The oil and gas sector is an example of where Uganda has relatively employed the above factors. The country has to keep its eyes on one ball, play as one team and together score in one goal. Beside the traditional three sectors of the economy (primary, secondary and tertiary), economists now acknowledge another sector called the quinary sector. This is the part of the economy where top-level decisions are made, including legislation. This fourth sector of the economy comprises the top decision-makers in industry, commerce and government. Uganda's position in the world and the quality of her institutions cannot, therefore, be separated from her exponential growth agenda. A culture of meritocracy, professionalism, nationalism and discipline must prevail in both the public and the private sectors.

Source: MoFPED (2023)

93 The above approaches will apply to the priority interventions under each of the ATMS areas. They will further be translated into measurable and time-bound annual targets. These targets will form the basis for programme-based planning and budgeting within the content of the next NDP IV, V and VI. Performance contracts for public sector managers will also be derived from these targets.

H

INTERGRATED FINANCING

FOR RAPID GROWTH

94 Both the public and private investments needed to deliver the economy to a higher growth path require sustainable financing sources and mechanisms to be in place. This calls for strengthening and expanding components of the country's integrated national financing framework (Table H1). An integrated approach to investment financing in the country considers public and private financing sources from both national and international actors. This understanding is adequately captured within the Public Investment Financing Strategy (2023) by MoFPED.

Table H1: Integrated Financing Strategy for Ten-fold Growth

	National	International
Public	•Tax and Non-Tax Revenue •Domestic Debt •Dividends from Public Enterprises	•External Debt (Bilateral and Multilateral Creditors)
Private	•Household Savings •Private Sector Credit •Capital Markets (Corporate Debt and Private Equity)	•FDI •Remittances •Philanthropic Grants

Source: MoFPED (EDP&RD)

95 The financing strategy for growing the economy ten-fold rests on a number of important assumptions which must be continually monitored to inform routine adjustments in implementation planning and execution. These assumptions are separated into private sector-related and public-sector-related assumptions (Box 8).

Box 8: Assumptions in the Financing Strategy for Ten-fold Growth

Private Sector-Related Assumptions

1. The average Return on Investment (RoI) in the economy continues to improve, as it did between 2017 and 2022 (from 12% to 14%).

2. Property rights are fully secured across all factor markets (land, capital, knowledge/technology).

3. The masses increase their contribution to national savings through formal institutions (SACCOs, banks, capital markets), provident funds and pension schemes.

4. Government is able to attract patient capital to grow its development finance institutions (UDB, UDC, ACF and the INVITE Fund/Trust).

5. Manpower gaps in the economy are sustainably closed.

6. The average annual growth rate of FDI inflows (18%) and remittance inflows (5.0%) in the past decade (2012/13 to 2022/23) is sustained.

7. The share of the informal and subsistence economy rapidly reduces.

Public Sector-Related Assumptions

8. Government is able to sustainably grow domestic revenue to an average of 30% of GDP by 2039/40.

9. Budgets are efficiently allocated and effectively executed in favour of transformative priorities at national and sub-national levels.

10. Pension savings grow much faster and larger than they have so far done (Shs 21.4 trillion in 2023 or 12% of GDP).

11. Coverage of health insurance grows to match the population share of the labour force (from 1% in 2021 to 48% in 2039/40).

12. Government is able to mobilize affordable low-cost and long-term finance (30-40 years, 5% or less).

13. All commercially-run public enterprises and state enterprises undergo successful public listing.

14. Implementation champions multiply across the public sector.

96 Performance and prospects against the above financing sources are summarized in Table H2 below in accordance with the implications of the ten-fold GDP growth targets earlier discussed. The targets for the Tenfold GrowthcStrategy are informed by a set of assumptions related to the private sector and the public sectors.

Table H2: Proposed Financing for Uganda's Economy

Source of Financing	Indicator (% of GDP)			
	2022/23*	2029/30	2034/35	2039/40
Domestic Revenue	13.8	20.0	25.0	30.0
Total Debt	46.9	50.0	45.0	40.0
o/w Domestic Debt	18.7	15.0	10.0	10.0
o/w External Debt	28.2	35.0	35.0	30.0
Market Capitalization	10.0**	20.0	50.0	100.0
Private Sector Credit	11.0	20.0	40.0	100.0
Remittance	2.8	3.0	4.0	5.0
Foreign Direct Investment	6.9	8.0	9.0	10.0

Source: MFPED (EDP&RD)| Baseline (Outturn Figures) |** Total Market Capitalization reached 10% of GDP in 2023 after Airtel's listing*

97 Based on the above assumptions, the financing strategy for growing the economy ten-fold is phased into specific interventions that are sequenced into four periods: immediate (FY 2024/25); short-term (within 3 years); medium-term (within the 5-year period of NDP4); and long-term (before 2040). Some of the actions to be implemented in these periods will overlap each other, while others will have to be sequenced. They are also divided into measures that are cross-cutting (economy-wide) and those that are specific to the priority programmes under the private and the public sectors.

Cross-Cutting Measures (Economy-wide)

98 In the immediate period of FY 2025/26, the measures related to the private sector include:

a) Stimulating business activity through continued settlement of verified arrears.

b) Increasing and speeding up disbursement of concessional funds under UDB, SBRF and INVITE Fund to businesses.

c) Increasing capital inflows through an improved tax and legal regime.

d) Increasing the participation of small businesses in public procurement contracts.

e) Widening the coverage of pension schemes and promoting voluntary savings amongst informal sector actors.

f) Supporting the Judiciary to dispose of the backlog of cases in commercial courts whose transaction value is estimated at Shs 8 trillion (2023).

g) Keeping Uganda out of the list of countries under increased monitoring (grey list) by the Financial Action Task Force.

99 Measures related to the public sector in the immediate period are:

a) Continuing the current fiscal consolidation effort in support of budget credibility;

b) Speeding up implementation of the current Domestic Resource Mobilization Strategy (DRMS), especially tax expenditure reviews and stringent enforcement of fines and penalties under the different regulations;

c) Eliminating all forms of corruption, including "soft corruption" – public sector worker absence from duty – using a mix of supervision mechanisms;

d) Speeding up implementation of externally funded projects to improve absorption from 71% (2022/23) to over 90% (2025/26);

e) Scaling-up concessional borrowing from both traditional and new sources (long-term, low-cost loans with an average tenure of 30 to 40 years and interests of 5% or less);

f)Concluding and consolidating gains from RAPEX for better and more affordable public services; and

g) Reviewing the weight of public administration on the Budget and society.

100 Within the short-term period (3 years), the following measures will be implemented:

Private sector-related measures

a) Increasing national savings through PDM SACCOs;

b) Increasing demand for private Centres of Excellence in the education, healthcare and sports sectors using economic and commercial diplomacy;

c) Developing and supporting SMEs to raise patient capital;

d) Using PPP projects to scale up social and commercial investments in roads, institutional housing and waste management;

e) De-risking lending to MSMEs across the different sectors of the economy;

f)Arresting and reversing the growth of the informal economy; and

g) Attracting technology and R&D funding from leading global brands through joint ventures in the manufacture of high technology export products.

Public sector-related measures

a) Transitioning of the Government-funded pension scheme into a contributory pension scheme;
b) Implementation of the National Health Insurance Scheme;
c) Improving the position of the Government's balance sheet using market mechanisms; and
d) Leveraging new sources of low-cost, long-term financing.

101 Over the medium term (within the 5-year NDPIV period), the following measures will be implemented:

Private sector-related measures

a) Transformation of the Parish Revolving Fund into a PDM Bank.
b) Maximizing FDI inflows and export earnings from high-tech products using the clustering effects of Special Economic Zones;
c) Reducing the dependence ratio in order to raise household savings to finance investments;
d) Growing the middle class in order to increase effective demand and disposable incomes across the economy; and
e) Growing the entrepreneurial class to drive sustainable innovation and investment.

Public sector-related measures

a) Using capital markets to temporarily release revenue-generating public assets that are tied to debt from Government's balance sheet to local investors;
b) Mainstreaming all actors in the agriculture value chains into the income tax bracket;
c) Strengthening corporate governance across public enterprises for improved competitiveness and higher dividends; and
d) Scaling up the use of PPP in management of revenue-generating assets.

102 Over the long-term period (between 2031 and 2040), the following measures will be implemented to finance the ten-fold growth agenda:

Private sector-related measures

a) Consolidating transformation of the Parish Revolving Fund into a PDM Bank;
b) Maximizing FDI inflows and export earnings from high-tech products using clustering effects of Special Economic Zones; and
c) Maximizing gains from the demographic dividend (purchasing power of a large working population and high-income jobs in the economy).

Public sector-related measures

a) Rationalization of regional infrastructure investments (energy grid; transport - rail, air and water; digital grid; and tourism circuits);
b) Maximizing returns from the Petroleum Revenue Investment Reserve; and
c) Maximizing returns from the accumulated stock of physical, human and environmental assets.

103 The specific financing measures under each of the ATMS areas are detailed in Annex 2.

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RISKS TO BE MANAGED

104 The country's success in implementing this strategy requires key risks to be identified in a timely manner and implementation of measures to mitigate against them. The risks identified under this strategy are both internal and external. The internal risks include corruption; inequalities in socio-economic gains; climate change; monetization of politics; and limited appreciation of the country's economic journey by the youth. The external risks, on the other hand, include global economic shocks and resource conflicts fueled by subversive external actors.

105 To mitigate against the identified risks, the following measures will be implemented:

a) Decisive action against corruption and impunity;

b) Proactive use of economic and commercial diplomacy starting with our Missions in the leading economies of the world;

c) Maintaining inclusive and equitable policies and practices in service delivery;

d) Promotion of local content through the Culture and Creatives Industry for deeper cultural integration in the EAC;

e) Digitization of key economic processes through e-payments, e-commerce and e-government;

f) Fast-tracking mass uptake of cleaner energy sources for cooking, including LPG; and

g) Tightening the implementation of environmental regulations.

106 In addition to the above mitigants, the following set of administrative measures will be implemented to institute the execution culture required to drive results for rapid economic growth:

a) Raising visibility and consciousness of the personal dangers of non-performance among elite bureaucrats;

b) Increasing the coverage of parish-level service delivery standards specified in the different policies of government (thereby actualizing the parish as a planning unit);

c) Consolidation of programme-based planning and de-projectization of government operations; and

d) Fast-tracking the completion of automation of Government and last-mile internet connectivity for real-time monitoring and supervision of service delivery (data aggregation for decision dashboards).

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CONDITIONS FOR RAPID ECONOMIC GROWTH

107 The above agenda touches on the roles played by many of Uganda's development stakeholders, including households, investors, traders, academia, researchers, external financiers and political leaders. None of these stakeholders can, however, effectively play their part without the following preconditions in place:

i) National Defence and Security, including regional stability: Uganda's outstanding record as an island of peace with a security apparatus that ensures peace and stability, which are pre-requisites for development, must be sustained. Given the private sector-led economy in partnership with Government, a large share of the investments required to drive rapid growth will come from the private sector and will have to be of a long-term nature. Therefore, the outlook of security of property and persons in the country (and the region) will continue to be a major consideration of investors as well as tourists.

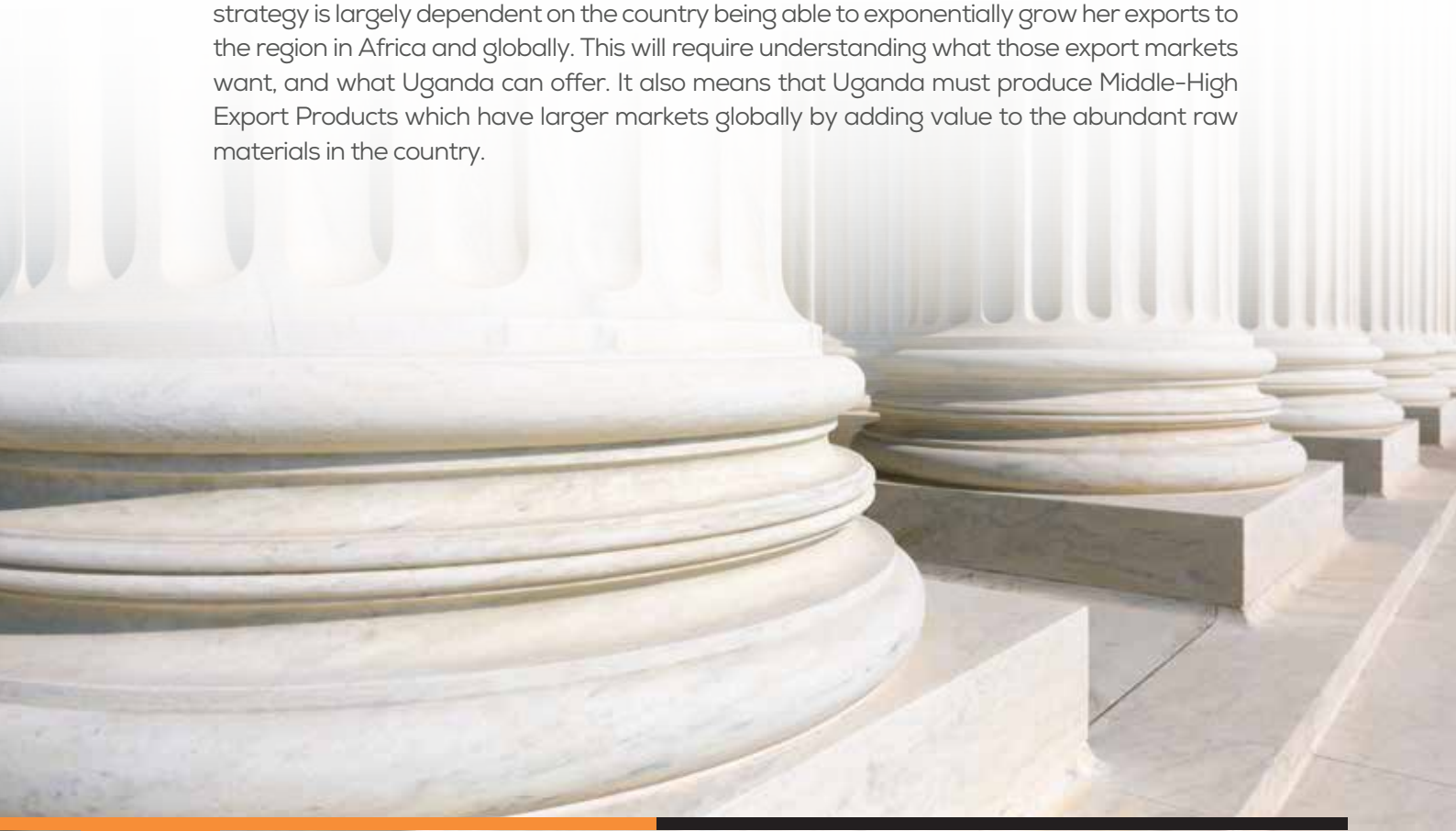
ii) A Strong and Efficient Judiciary: Besides security, market size and infrastructure quality, an efficient and reliable commercial justice system is the other major key consideration that investors look at when making investment decisions and transferring their capital. Minimizing commercial disputes and speedily resolving them when they arise is very important for building investor confidence. It is also critical for unlocking the large sums of money currently tied up in courts of law. Investor confidence ensures sustainable FDI inflows required to close the savings-investment gap for rapid and sustainable economic growth.

iii) Constitutional Order: Economic trends in the country show that investors tend to hold back on investment decisions around the period of national elections. This is, in part, because of policy changes that often come with change of governments worldwide. In the case of the African region, it is also because of the uncertainty that surrounds continuity of the constitutional order during the post-election period. Considering that there will be at least three national elections within the goal-period of this strategy, mechanisms for strengthening democracy and political stability need to be improved. This will ensure continuity and certainty in Government policy which are critical for investors and the flow of FDI to support rapid economic growth.

iv) Economic Stability: Policy and market predictability is critical for long term investment decision-making by the private sector. Avoidable policy reversals and frequent conditions of market instability in the country will deter investors from committing their capital to the anchor sectors identified above. Uganda's good track record on macroeconomic stability, inclusive growth and poverty reduction should therefore be jealously guarded. According to the World Bank, "Uganda's progress in reducing poverty is an African success story. In the last decade, the country recorded one of the fastest rates of extreme poverty reduction in sub-Saharan Africa (SSA) and the developing world."

v) Effective and Accountable Institutions (both public and private): Non-performance should have no room to hide in the public sector. The use of laws, regulations and limited funds to explain away non-performance by implementers and avoiding accountability has to end. This means putting in place an effective incentives and sanctions framework in the conduct of public institutions and public officers, and private sector actors.

vi) More and Deeper Regional Integration: The rapid economic growth envisaged in this strategy is largely dependent on the country being able to exponentially grow her exports to the region in Africa and globally. This will require understanding what those export markets want, and what Uganda can offer. It also means that Uganda must produce Middle-High Export Products which have larger markets globally by adding value to the abundant raw materials in the country.



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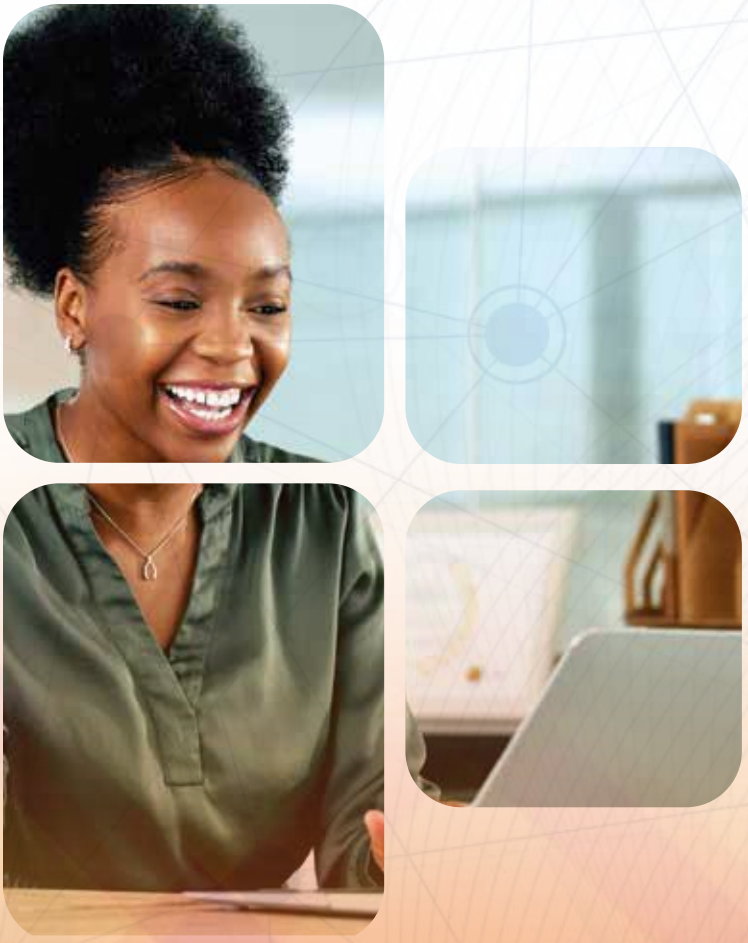
CONCLUSION



108 This strategy affirms Government's ambition to exponentially grow Uganda's GDP ten-fold by 2040. This stance is based on an aggressive drive to upgrade the country's competitiveness in the tradable sector, attraction of a significant amount of FDI, and development of a skilled human resource. This will require relentless implementation of three paradigm shifts:

a) Adherence to lessons from economic history on policy and regulatory factors applicable to Uganda;
b) Consensus on the prioritized five policy approaches (Clean Up, Green Up, Link Up, Skill Up and Team Up) as well as their relentless implementation; and
c) Prioritization of the ATMS and their accelerator actions (Agro-industrial Development; Tourism Development; Mineral-based Development including Oil & Gas; and Science, Technology and Innovation including ICT and the Creatives Industry), including policy pronouncements, budget allocation and execution, and respectful partnerships for Uganda's development.

109 The economic impacts of the above paradigm shift will primarily be judged by their contribution to growing export revenues, which are expected to increase 12-fold (Table J1) and to generate an economy-wide output of US$ 231 billion as part of the targeted US$ 500 billion total economic output in the country by 2040. The remaining US$ 269 billion is expected to be contributed by export revenue from non-ATMS and from the non-tradable sectors, including local housing, clothing, the food industry, healthcare and financial services.

Table J1: Potential Export Review and GDP Impacts by Anchor Sector

Anchor Sector	Export Revenue (US$, Billions)			Economy-wide Impact
	Baseline 2022/23	Target 2039/40	Change (%)	GDP Multiplier Ratio/ Nominal Output
1) Tourism	2.0	50.0	25-fold	2.64/US$ 132
2) Agro-Industry	4.0	20.0	5-fold	2.55/US$ 51
3) Mining and Minerals	1.5	20.0	13-fold	1.9/US$ 28-38
4) Oil & Gas	0.0	5.0	5-fold	1.9/US$ 10
Sub-Total (Anchor)	**7.5**	**95.0**	**12-fold**	**US$ 231**
Sub-Total (Other)	Other Tradable Sectors and Non-Tradable Sectors			**US$ 269**

Source: MFPED Staff Calculations; GoU SEDA Study (2020)

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NEXT STEPS

110 **To implement this strategy, the following will be undertaken immediately:**

a) Annualization of the agenda starting with the National Budget for FY 2025/26.

b) Rebasing of GDP every five years starting in FY 2025/26. This is important to understand the new sources of growth, and changes in the structure of the economy.

c) Detailed planning and programming of the first five years of the strategy under the framework of the NDPIV.

d) Formulation and implementation of a coordination and communication framework for the strategy.

e) Identification of detailed implementation reforms for a more effective execution culture.

f) Restructuring Government to make it "fit-for-ambition" starting with the completion of the ongoing Rationalization of Agencies and Public Expenditure (RAPEX).

g) Delivery and performance tracking, reporting and learning under a reformed and strengthened framework for National Annual Performance Assessment Report (NAPAR), among other mechanisms.

h) Raising budget absorption performance of projects in the Public Investment Plan from an average of 70% (FY2022/23) to over 95% through review of the DC Guidelines/Project SOPs and full activation of the M&E module of the IBP to enable real-time implementation monitoring of projects.

Annex 1: Accelerator Action for the ATMS Areas

1)Ongoing and Proposed Priority Interventions for Agro-Industrial Development

Parish Development Model: As part of the establishment phase of the PDM:
a)Government will repeat the process which H.E. the President led in 2017 for developing the Coffee Roadmap to develop an export-centred PDM Roadmap. Ongoing work in this regard under the auspices of Makerere University will be supported and advanced into a fully-fledged national PDM 'Laboratory' in FY 2024/25.
b) Modernizing the value addition hubs built under the Community Agriculture Infrastructure Improvement Programme (CAIIP I-III) and the 21 urban markets built under the Markets and Agriculture Trade Improvement Project (MATIP I & II) for commercializing agriculture and processing value-added agricultural exports for regional markets.
c) Abolishing land fragmentation based on a minimum viable size of landholding for farming in rural and urban areas; and progressive land registration to 100% coverage from the current 30% (2022, OPM-NAPAR).
d) Updating the Uganda National Seed Strategy (2014/15 to 2019/20) to address quality shortfalls and supply-demand gaps arising from poor quantification of effective seed demand, inspection and the last-mile segment of the distribution network (from the district to the parish)
e) De-risking Agriculture: Agriculture suffers from two major sets of risk: production and market risks. The major production risks are drought, pests and diseases, while the major market risks are price and non-tariff barriers. To counter these risks, PDM financing will be tied to the following services:
i) Completing the establishment of the proposed National Marketing Company to drive structured demand under the AfCFTA and price stability.
ii) Provision of agriculture insurance under the Uganda Agricultural Insurance Scheme (UAIS).
iii) Provision of business development services under the National BDS Framework and EnterpriseUganda.
(iv) Continuing the expansion of irrigation systems and extending facilities closer to smallholder farmers.
f)Statistics: Reviving local area statistics under the auspices of the Parish Development Management Information System (PDMIS). Furthermore, to ensure optimum utility of the PDMIS, every Parish Chief will be required to annually prepare and submit a standardized report on the State of the Parish Economy and Asset Register (SPEAR). In line with the principle of automation of government, this report should be system-generated, with the role of the Parish Chief being limited to data capture coupled with explanatory notes where necessary. The tablets being procured for the 2024 NPHC can be immediately put to use to this end after the Census. The PDMIS will also be used to support the registration and regulation of farming enterprises in order to boost commercialization of agriculture.

Infrastructure and Industrial Parks:
To leverage the capabilities of large-scale commercial farmers, PPP arrangements for increased feedstock to meet industrial input demands will be supported. Government will also speed up the ongoing industrial park development and modernization programme with a stronger export bias. This includes fast-tracking the development of agro-parks to increase FDI inflows into agriculture.

Licensing and Regulation:
Betterorganizationofagriculturalproductionandtradethrough:
a)Enforcement of the trading licence regime to eliminate the practice of informal export of unprocessed agricultural commodities by regional traders who buy commodities directly from gardens.
b) Effective implementation of the animal movement permit regime.
c) Gazetting land lots for the rearing of animals for beef production and export.
d) Limiting animal slaughter and meat processing to licensed abattoirs and food handlers.
e) Establishment of a commercial farmers' register to aid service delivery targeting.

Leveraging Large-Scale Commercial Farmers:
a) Scaling up PPP arrangements to ensure adequate feedstock to meet industrial demand for agriculture commodities;
b) Fast-tracking the development of agro-parks to increase FDI inflows into agriculture;
c) Increasing the capacity of farmers and local businesses to clothe the nation within the framework of the National Textile Policy (2020), and the CTA strategic plan (2020/21 to 2029/30), by progressively increasing the off-take capacity of local tailors by supporting graduates from zonal industrial skilling hubs with shared equipment for garment making;
d) Putting in place a public-private partnership for strengthening the garment industry for the domestic and export market including working with leading global fashion labels will be designed and implemented;
e) Sustaining the ongoing local manufacture of uniforms for security forces;
f)Supporting the Uganda Tailors Association to expand points of presence of common user tailoring facilities equipped with modern industrial-scale tailoring equipment;
g) Concluding a feasibility study for the establishment of a local cotton spinning mill under the auspices of UDC and Nytil; and
h) Promoting a local content national official dress code in both the public and the private sectors, including in the civil service.

Cosmetics and Beauty Industry.
Supporting the rising Ugandan Pan-African brands in the cosmetics industry to further grow their regional market presence.

2) Ongoing and Proposed Priority Interventions for Tourism Development

a) Regulations for Order, Safety and Standards: To boost confidence amongst tourists and travelers, Government will renew its commitment to implement existing regulations without reservation. Attention will specifically focus on:

i) Tightening the enforcement of regulations governing road safety, trade order, health and sanitation, building control and environmental protection. For example, effective and comprehensive enforcement of the Traffic and Road Safety Act (2023), the Public Health Act (2022), the National Environment Act (2019) and the Food and Drug Act (1964);
ii) Strengthening the fight against urban crime and homicide to increase trust and safety of tourists;
iii) Expanding certification of tourism products and facilities;
iv) Coordinating public and private investment in the facelift of the Greater Kampala Metropolitan Area (GKMA) as the gateway into Uganda.
v) Facilitating compliance with National Building Code as defined under the Building Control Act (2013); professional standards and conduct; and industry standards as defined by UNBS.
vi) Expansion and upgrades of hotel capacity, ratings, and competitive pricing, including hotels around the planned Kidepo Airport, Kabalega and other industrial parks.
vii) Implementation of a special licensing regime for hotel and tour operators including public health standards and certification of workers (drivers, housekeeping workers)

b) Closing Infrastructure Gaps in GKMA, Secondary Cities and other areas: GKMA handles a disproportionately higher volume of traffic than any other urban centre in the country, and it accounts for 70% of the country's manufacturing plants. Therefore, priority will be given to closing infrastructure gaps in GKMA. Increasing the stock and quality of GKMA infrastructure will achieve the dual benefit of raising the country's urban productivity and improving the experiences and impressions of in-bound tourists. Attention will accordingly be directed at:

i) Speeding up implementation of ongoing projects that contribute to closing of infrastructure gaps in GKMA.
ii) Implementation of PPPs for the delivery of high-quality public services. Areas for urgent implementation of PPPs include Uganda National Ambulance Service (UNAS); the National Emergency Response System (the equivalent of 911 in the USA or the current 999 under Uganda Police Force); the National Fire Response Service (a proposed successor outfit to the Fire Brigade under UPF);
iii) Immediate improvement of public transportation in GKMA. starting with implementation of the existing plans to streamline the public transport system. This prioritization in improving public transportation applies equally to secondary cities in the country to address congestion, road fatalities, air pollution and passenger safety;

iv) Activation of passenger and cargo services at Kabalega International Airport (KIP) and upgrade of tourism airfields across the country to facilitate quick transportation of tourists;
v) Strengthening Uganda Convention Bureau to deliver a superior, competitive and growing national offering for Meetings, Incentives, Conferences and Events (MICE);
vi) Rapidly increasing the number of multilingual tour guides especially the dominant languages in source countries for tourists such as Swahili, English, French, Arabic, Chinese, Japanese and Korean, by providing incentives as well as targets to hospitality training institutions.
vii) Increasing use of destination marketing agencies
viii) Fast-tracking implementation of the US$150 million PPP project for the redevelopment of Uganda National Theatre.
ix) Speeding up implementation of the national addressing system to support local travel, tourism and e-commerce.

c). Human Resource: Complete renovation of the Jinja Tourism Institute and concession its operation to a reputable international hotelier.

d). Agro-Tourism:
i) Increasing the return on investment from real estate in rural areas by incentivizing home stays and agro-tourism.
ii) Expansion and upgrades of hotel capacity, ratings, and competitive pricing, including hotels around the planned Kidepo Airport, Kabalega and other industrial parks.
iii) Implementation of a special licensing regime for hotel and tour operators including public health standards and certification of workers (drivers, housekeeping workers)
iv) Activation of passenger and cargo services at Kabalega International Airport (KIP) and upgrade of tourism airfields across the country to facilitate quick transportation of tourists;
v) Strengthening Uganda Convention Bureau to deliver a superior, competitive and growing national offering for Meetings, Incentives, Conferences and Events (MICE);
vi) Rapidly increasing the number of multilingual tour guides especially the dominant languages in source countries for tourists such as Swahili, English, French, Arabic, Chinese, Japanese and Korean, by providing incentives as well as targets to hospitality training institutions.
vii) Increasing use of destination marketing agencies
vii) Fast-tracking implementation of the PPP project for the redevelopment of Uganda National Theatre.
viii) Speeding up implementation of the national addressing system to support local travel, tourism and e-commerce.

e). Health and Education Tourism: Establishing and expanding Centres of Excellence in healthcare and education by completing ongoing infrastructure and human resource interventions aimed at upgrading the scope and standard of healthcare and education services to internationally competitive standards.

f). Oil and Gas Tourism Circuit: Uganda's oil and gas story is a powerful story and will be turned into a tourism product with the Albertine Graben tourism circuit. A physical and virtual centre equipped with audio and visual aids for narrations of the country's journey to commercialization of its oil and gas resources will be developed and aggressively marketed as an integral part of Uganda's tourism offerings.

g). Military Tourism Circuit: Uganda's rich political and military history will be systematically developed into a world-class tourism product using a network of both physical and virtual experiences of the journey that the country has travelled in building a professional and modern defence force. This will include speedy completion of the Katonga Museum and popularization of the related creative works (books, films and theatrical productions).

3) Ongoing and Planned Priority Interventions for Mineral Development

a) Policy, Legal and Institutional Frameworks

i) Setting up, capitalizing and operationalizing the National Mining Company

ii) Implementing a special incentive scheme for investors in the mineral beneficiation industry based on the value of export revenue generated from manufactures made from locally sourced inputs

iii) Formulating a model Production Sharing Agreement for use in the minerals and mining sector

iv) Quantification of various mineral reserves/assets across the country

b) Mining Operations: Commercializing the following operations:

i) Graphite: Supporting commercialization of graphite production at the Orom-Cross Graphite Project for value-added manufactured products under the 21-year mining licence awarded to Blencowe Resources in 2019. The use of graphene batteries in electric vehicles, laptops and phones is expected to overtake lithium because of its many advantages. Compared to lithium batteries, graphene batteries have faster charging times (up 60 times faster), longer life times (5 times longer), higher energy density and improved safety due to its low heating properties.

ii) Phosphates: The Sukulu Fertilizer Plant has a planned production capacity of 100,000 tons of fertilizer per annum. This exceeds the country's current consumption of approximately 77,000 tons of fertilizer annually. Government will accordingly continue to promote development of the Sukulu Industrial Complex in Tororo.

iii) Limestone: Uganda has a present cement production capacity of over 4.5 million tons per annum and the demand is projected to increase by 15% annually on the back of the booming oil and gas sector and infrastructure development. This, coupled with commercial production of related construction products like marble and limestone, will strengthen forward-and-backward linkages in the construction industry. In addition, this will actualize the 6,000 tons per day production of clinker in Moroto by West International Holding Limited

iv) Iron Ore: Commercial mining of iron ore to feed the local and regional Iron and Steel industry

v) Copper: Commercial refinement of copper for cables, transformers, aluminum industries and military equipment in line with the Presidential Directive of 28th June 2021.

c) Public Infrastructure:

i) Railways: Finalizing the ongoing rehabilitation of the Metre Gauge Railway (MGR) and commencing construction of the Standard Gauge Railway (SGR).

ii) Electricity: Continuing to invest in expanding the generation capacity and completing the current portfolio of ongoing transmission and distribution lines.

iii) Water Transport: Completing implementation of the current portfolio of navigation and landing port facilities.

iv) Express Highways: Implementing the national master plan for express highways.

d) Automotive Manufacturing: Transitioning the government fleet and public commuter transport from internal combustion engine (ICE) to electric vehicles. In addition, entering into partnerships for the local production of lithium-ion batteries.

e) Research and Development (R&D): Scaling investment in:
)i) Expanding the national laboratory infrastructure to support export trade in value-added products.
)ii) Capacity building on specialized skills for the mining and minerals sectors.

4) Ongoing and Planned Priority Interventions for Oil & Gas Development

a) Commercial Operations:
i) Fast-tracking construction of the East African Crude Oil Pipeline (EACOP).
ii) Fast-tracking construction of the Oil Refinery to reduce the import bill on refined petroleum products and to generate export revenue from within the region.
iii) Fast-tracking construction of the Kampala Storage Terminal.

b) Infrastructure:
i) Completing the Kabalega Industrial Park as the flagship zone for the petrochemical industry arising from the Oil Refinery.
ii) Completing and operationalizing Kabalega International Airport.

c) Forward-and-Backward Linkages: Commencing commercial production of:
i) LPG for cooking fuel.
ii) Bitumen for road construction.
iii) Petroleum coke for fertilizer manufacture.
iv) Naphtha for export and its by-products (ethylene and propylene) for the production of polythene materials.

Annex 2: Financing Strategies For The Ten-fold Growth

2A: Cross-Cutting Measures of the Financing Strategy for Ten-fold Growth	
Period	**Measures**
Immediate (FY2025/26)	**Private Sector** a) Widening the coverage of pension schemes b) Concluding tax and legal reforms in support of location of private equity funds in Uganda. c)Payment of verified arrears to the private sector d) Promoting voluntary savings amongst informal sector actors. including EMYOOGA SACCOs **Public Sector** a) Continuing implementation of ongoing fiscal consolidation including enhancing revenue mobilization, improving allocative efficiency of public expenditure, reforming tax expenditure/exemptions to align with industrial policy, increasing the return on public investments, and curtailing supplementary expenditures b) Speeding up review, enhancement and implementation of the current Domestic Revenue Mobilization Strategy (DRMS), especially tax expenditure reviews, and stringent enforcement of fines and penalties under the different regulations c)Eliminating "soft corruption" such as public sector worker absence from duty using a mix of supervision mechanisms d) Improving implementation and absorption performance of externally funded projects in the Public Investment Plan (PIP) from 71% (2022/23) to over 90%. e) Scaling up concessional borrowing and semi-concessional loans from new and non-traditional sources (low-cost, long-term loans). f) Concluding and consolidating gains from RAPEX for better and more affordable service delivery results. g) Use of dividends from public enterprises. Private Sector a) Enabling savings mobilization by PDM SACCOs. b) Using economic and commercial diplomacy to mobilize demand for private Centres of Excellence in the education, healthcare and sports sectors. c)Developing and supporting a pipeline of SMEs to raise patient capital using private listing. d) Using PPP projects to scale up social and commercial investments in roads, institutional housing and waste management. e) De-risking lending to MSMEs across the different sectors of the economy.
Short-Term (By 2026/27)	**Private Sector** a) Enabling savings mobilization by PDM SACCOs. b) Using economic and commercial diplomacy to mobilize demand for private Centres of Excellence in the education, healthcare and sports sectors.

2A: Cross-Cutting Measures of the financing Strategy for Ten-fold Growth	
Period	**Measures**
	c)Developing and supporting a pipeline of SMEs to raise patient capital using private listing. d) Using PPP projects to scale up social and commercial investments in roads, institutional housing and waste management. e) De-risking lending to MSMEs across the different sectors of the economy. f) Arresting and speedily reversing growth of the informal economy. g) Attracting technology and R&D funding from leading global brands through joint ventures in the manufacture of high technology export products. **Public Sector** a) Implementation of the Public Service Pension Fund Act of 2025 b) Implementation of the National Health Insurance Scheme c)Promote self-financing of revenue-generating public entities to free up fiscal space for public investment programmes and ultimately improve the Government balance sheet. d) Leveraging new sources of low-cost long-term financing including climate finance as detailed in the Public Investment Financing Strategy (PIFS).
Medium Term (By 2029/30)	**Private Sector** a) Transformation of the Parish Revolving Fund into a PDM Bank. b) Maximizing FDI inflows and export earnings from Middle High-Tech Exports (MHTEs) using the clustering effects of Special Economic Zones. c)Reducing the dependence ratio in order to raise household savings to finance investments. d) Growing the middle class in order to increase effective demand and disposable incomes across the economy. e) Growing the entrepreneurial class to drive sustainable innovation and investment. **Public Sector** a) Carrying out further reforms in the pensions, insurance and capital markets b) Continued improvement of the position of the Government's balance sheet using market mechanisms. c)Mainstreaming the entire agricultural value chain into the income tax regime d) Strengthening corporate governance across public enterprises for improved competitiveness and higher dividends e) Use of PPPs in the management of revenue-generating assets f) Improving governance of public enterprises to generate increased revenue to finance the budget g) Strengthening partnerships with the private sector to leverage financing capital, technology and implementation of the Tenfold Growth Strategy

2A: Cross-Cutting Measures of the financing Strategy for Ten-fold Growth	
Period	**Measures**
Long-Term (By 2030-2040)	**Private Sector** a) Transformation of the Parish Revolving Fund into a PDM Bank with the required level of capitalization. b) De-risking export trade and increasing access to export finance using EXIM financing facilities. c)Maximizing gains from the demographic dividend (purchasing power of a large working population and high-income jobs in the economy). **Public Sector** a) Rationalization of regional infrastructure investments (energy grid; transport - rail, air and water; digital grid and tourism circuits). b) Maximizing returns from the Petroleum Revenue Investment Reserve. c)Maximizing returns from the accumulated physical, human and environmental stock of assets.

2B: ATMS Specific Measures of the Financing Strategy for Ten-fold Growth		
Period	**Sector**	**Financing Strategies**
Immediate (FY 2025/26)	**Private**	**Agriculture** a) Improved earnings from structured trade in agricultural commodities. b) Increased earnings from de-risking cross-border trade within the EAC and AfCFTA. c)FDI inflows for capacity enhancement in air cargo transportation and logistical infrastructure for agriculture commodities (and the resultant export earnings). d) Savings from the adoption of digital solutions in agriculture input distribution and supply. **Tourism** a) Private capital for skilling workers in the hostel and hospitality industry. b) Foreign exchange earnings from the recovery of tourist arrivals to pre-COVID-19 levels and from mobilization of new tourists from Asian countries. c)Private capital from joint ventures in the diversification of tourism products and circuits. d) Private capital for AFCON-related commercial ventures. e) Private capital from the construction and real estate industry support of the local market for creative works.

2B: ATMS Specific Measures of the Financing Strategy for Ten-fold Growth		
Period	**Sector**	**Financing Strategies**
		Minerals a) Export revenues from first oil. b) Driving up FDI inflows into the minerals and mining industry. **STI** a) Savings from improved targeting of existing R&D funds under the STI Secretariat. b) Private capital attracted by a conducive STI policy, legal and institutional regime. c)FDI inflows from stronger South-South cooperation in technology and STI skills transfer based on reforms in the Development Cooperation Policy. **Agriculture** a) Private capital attracted by de-risking agricultural production. b) External borrowing of low-cost and long-term financing. c)Revenues from reducing informality in agribusiness.
	Public	**Tourism** a) Revenues from increased usage of newly finished tourism facilities by MICE tourists. b) Revenue gains increase the use of national Centres of Excellence in education, healthcare and sports arising from increased economic and commercial diplomacy regionally and internationally. **Minerals** a) Revenues from commercialization of minerals and mines. b) Revenue gains from supporting institutions in the manufacturing programme to drive the industrial policy. **STI** a) Green finance for commercialization of Uganda's e-mobility transition, starting with the rollout of e-mobility within GKMA. b) Bi-lateral development cooperation on capacity building for commercialization and professionalization of the minerals and mines sector.

2B: ATMS Specific Measures of the Financing Strategy for Ten-fold Growth		
Period	**Sector**	**Financing Strategies**
Short-Term (By 2026/27)	Private	**Agriculture** a) Capital inflows from divesture of UDC from its current agro-industry investment portfolio. b) Capital inflow and retained earnings in the cotton, textile and apparel industry. c)Retained earnings by progressive PDM enterprises. d) Private capital attracted by a supportive public procurement regime for the rural garment industry. **Tourism** a) Tourism earnings from increased demand for private Centres of Excellence in education, healthcare and sports on account of economic and commercial diplomacy regionally and internally. b) Capital inflows attracted to investment in rural ecotourism and agrotourism on account of an improved regulatory and incentive framework. c)Capital inflows into the sports and leisure industry on account of improved and diversified sports products. d) Capital inflows attracted by higher labour productivity in the hotel and hospitality industry. **Minerals** a) Capital inflows attracted to Uganda as an International Financial Centre for Commodity Securities (Minerals and Grains) b) Private equity investment in joint ventures with the National Mining Company
	Public	**STI** a) Private sector grants for technology and skills transfer in STI under South-South development cooperation. **Agriculture** a) Revenues from the stimulus effect of clearing arrears owed to suppliers of agricultural products. b) Savings from deepening programme-based planning and budgeting. c)Revenues from increased land transactions on account of improved land administration and security of tenure. **Tourism** a) Revenue gains from increased efficiency in the operations of the land market in cities. b) Revenue gains from the reform of the Local Service Tax. c)Revenue gains from increased demand for public Centres of Excellence in education, healthcare and sports on account of economic and commercial diplomacy regionally and internationally.

2B: ATMS Specific Measures of the Financing Strategy for Ten-fold Growth		
Period	**Sector**	**Financing Strategies**
		Minerals a) Earnings from the National Mining Company b) Revenue and income gains from an effective knowledge management framework for the minerals and mines sectors. c)Revenue and income gains from Uganda's position as an International Financial Centre for Commodity Securities (Minerals and Grains). **STI** a) International funding from partners attracted by a competitive R&D grant financing regime.

2B: ATMS Specific Measures of the Financing Strategy for Ten-fold Growth		
Period	**Sector**	**Financing Strategies**
Medium Term (By 2029/30)	Private	**Agriculture** a) Household savings. b) Private equity and capital markets. c)Retained earnings. **Tourism** a) Expanding the use of economic and commercial diplomacy to mobilize regional demand for public Centres of Excellence in education and healthcare. b) Strengthening the use of PPP schemes in greening cities – waste management, institutional housing, recreation spaces, community markets. **Minerals** a) FDI inflows. b) Share capitalization enhancements. **STI** a) Private sector grants for R&D, and tertiary institutions.
	Public	**Agriculture** a) Revenue gains from mainstreaming commercial farmers into income tax regime. b) Revenue gains from modernization of agricultural commodity value chains. **Tourism** c)Revenue gains from higher spend and longer stay in the country by tourists. d) Revenue gains from increased domestic tourism. **Minerals** a) Revenue and income gains from regional exports of refined petroleum and petrochemical products. b) Revenue and income gains from exports of high-value added minerals. **STI** a) Revenues from higher-paying jobs, a more competitive economy and higher factor productivity.

2B: ATMS Specific Measures of the Financing Strategy for Ten-fold Growth		
Period	**Sector**	**Financing Strategies**
Long-Term (By 2030-2040)	Private	**Agriculture** a) Household savings. b) Private equity and capital markets. c)Retained earnings. **Tourism** a) Retained earnings. b) Private equity c)Expanded use of economic and commercial diplomacy to mobilize regional and internal demand for private Centres of Excellence in education, healthcare and sports. **Minerals** a) FDI inflows. b) Share capitalization enhancements. **STI** a) Private sector grants for R&D, and tertiary institutions.
	Public	**Agriculture** a) Mainstreaming PDM enterprises and beneficiaries into the income tax regime. b) PPP financing. **Tourism** c)Expanding the use of economic and commercial diplomacy to mobilize regional and internal demand for public Centres of Excellence in education, healthcare and sports. **Minerals** a) Share capitalization enhancements. b) PPP financing. c)Royalties. **STI** a) Private sector grants for R&D, and tertiary institutions.

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