



# Report on the Development of Chinese Enterprises in Uganda (2023-2024)

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Joint Conference of Chinese Overseas Chamber of Commerce (JCCOCC)  
China Chamber of Commerce in Uganda

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## Preface

Dear all,

At this hopeful moment, we are thrilled to announce the official publication of the *Report on the Development of Chinese Enterprises in Uganda (2023-2024)*. This report, meticulously compiled by China Chamber of Commerce in Uganda (hereinafter referred to as “SINOCHAM”), is the first of its kind, based on extensive consultations, in-depth research, and elaborative analysis. It marks a significant step forward in our efforts to promote China-Uganda economic and trade cooperation and to serve Chinese enterprises in Uganda.

During the compilation of this report, we fully grasped its importance and mission. We actively drew upon the valuable experiences of fellow chambers of commerce both within China and abroad and established a working group of the editorial committee comprising core members of the chamber. Through thorough research and extensive data collection, we endeavored to present a comprehensive and objective reflection of the current status, challenges, opportunities, and future prospects of Chinese enterprises in Uganda.

The successful publication of this report would not have been possible without the strong support and generous contributions of the Economic and Commercial Office of the Chinese Embassy in Uganda, all member enterprises of SINOCHAM, and numerous Chinese enterprises investing and operating in Uganda. We would like to extend our most sincere appreciations to all the organizations and individuals who participated in and supported the compilation of this report!

The year 2023 is a crucial year for Uganda's comprehensive economic and social recovery and accelerated development. Despite the complex and volatile global economic environment, Chinese enterprises in Uganda have demonstrated strong vitality and adaptability. They have not only injected new energy into the local economy but have also actively fulfilled their social responsibilities, earning widespread praise from all sectors of Ugandan society.

According to the latest data from the Uganda Investment Authority, China has become one of Uganda's most important sources of foreign investment, owing to its continued growth in investment. Significant achievements have been made, particularly in infrastructure construction, agricultural development, manufacturing, and information technology. Meanwhile, the Ugandan government has been continuously optimizing the investment environment by proposing a series of policies and measures to attract foreign investment, and is committed to creating an opener, more transparent, and more convenient investment destination.

Through this report, we not only provide a detailed analysis of Uganda's investment environment, market potential, and industry development trends, but also delve into the potential challenges and issues Chinese enterprises may encounter while doing business in Uganda. We have proposed corresponding solutions and recommendations, offering valuable information for reference for enterprises interested in investing in Uganda.

We firmly believe that the *Report on the Development of Chinese Enterprises in Uganda (2023-2024)* will serve as an important reference tool for readers seeking to understand and invest in Uganda. In the future, the SINOCHAM will continue to uphold the mission of "serving members, fostering cooperation, and pursuing development together," by strengthening communication and collaboration with Ugandan government departments. We will strive to provide even better and more efficient services to Chinese

enterprises in Uganda, contributing to the advancement of China-Uganda economic and trade cooperation to new heights.

Let us work together hand in hand to create a bright future for China-Uganda economic and trade cooperation!

Mr. Li Jincheng  
President of China Chamber of Commerce in Uganda  
August 2024

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# **Chapter 1 Overview of Chinese Enterprises in Uganda**

## **1.1 Development of Chinese Enterprises**

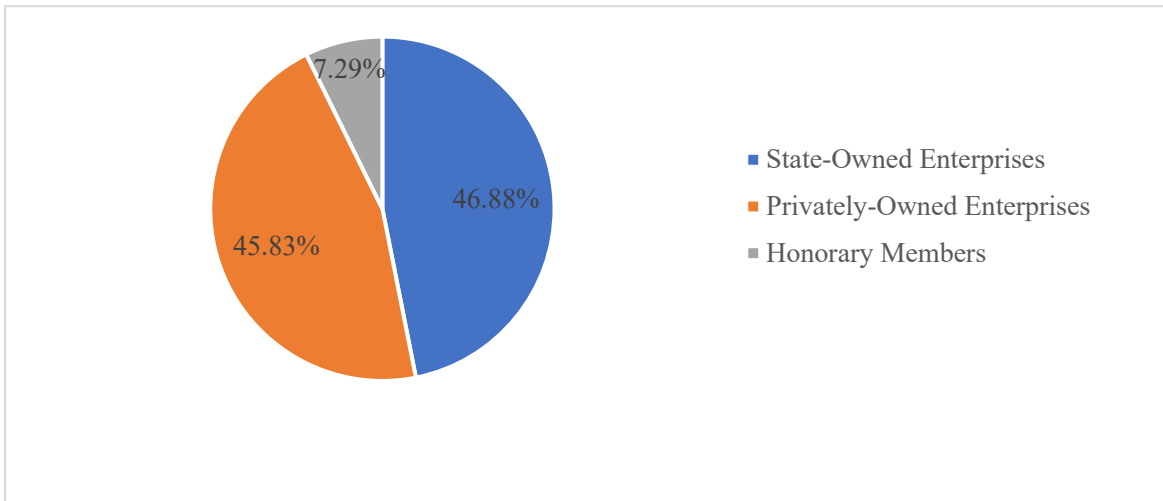
### **【Sectors Distribution】**

According to statistics from the Ministry of Commerce of the People's Republic of China, the first Chinese enterprise registered with the Uganda Investment Authority in 1993, and since then over 800 enterprises had been registered in Uganda by the end of 2023. Chinese enterprises in Uganda are involved in a range of sectors, including energy and mineral development, infrastructure construction, trade, digital television operations, agricultural development, gelatin production, footwear and plastic products manufacturing, steel and other building materials production, and the hospitality industry and so on.

### **【Enterprises Types】**

Concerning the nature of the member enterprises of the China Chamber of Commerce in Uganda, state-owned enterprises account for approximately 46.88% of the total membership, while privately-owned enterprises make up 45.83%.





**Figure 1-1 Member Enterprise Types in SINOCHAM**

**【Geographic Distribution】**

Chinese enterprises in Uganda have a relatively broad geographic distribution, covering major cities and economic centers as well as rural areas and economic zones. When choosing investment locations, enterprises typically consider factors such as market demand, resource advantages, policy support, and cooperation with local governments and communities.

The main concentration is in the following cities and regions:

**Kampala:** As the political, economic, and cultural center of Uganda, the capital city Kampala is one of the key investment destinations for Chinese enterprises. In Kampala, Chinese enterprises are involved in a variety of industries, including manufacturing, financial services, real estate, and information technology. Many enterprises choose to establish their headquarters or branches in Kampala to better conduct business and management.

Apart from the capital Kampala, other major cities in Uganda also attract a certain number of Chinese enterprises. These cities include but are not limited to:

**Entebbe:** Located on the shores of Lake Victoria, Uganda’s largest lake, Entebbe is a major transportation hub and port. Here, Chinese enterprises are

engaged in aviation transport, logistics, and tourism services, etc.

**Mbarara:** Situated in the southwestern region, Mbarara is known for its developed agriculture and livestock industries. Chinese enterprises invest in agricultural product processing and livestock development projects in Mbarara.

**Jinja:** Located on the banks of the Nile River in eastern Uganda, Jinja has abundant water resources and is the country's second-largest city featuring well-developed agriculture and commerce. Key investment projects in Jinja include hydroelectric power, industrial manufacturing, agricultural product processing, trade, and logistics.

## 1.2 Contribution of Chinese Enterprises

Chinese enterprises in Uganda are involved in various sectors, including infrastructure construction, agricultural cooperation, manufacturing, and services. These investments have provided Uganda with significant funding, technology, and employment opportunities. Chinese enterprises actively participate in infrastructure projects, improving conditions in transportation, energy, and communication, which has provided support for Uganda's economic development and cultivated a large number of skilled personnel essential for national development.

(1) **Energy:** Chinese enterprises' investments in Uganda's energy sector have made significant contributions to the local economy. Uganda is an energy-poor country, and unstable electricity supply is one of the key factors hindering economic growth. Chinese enterprises have been involved in Uganda's electricity projects, constructing power plants and grids to enhance the stability and reliability of electricity supply. This has provided reliable power support for Uganda's industries and commerce, promoting production

activities. At the same time, improvements in electricity supply have brought convenience to daily life and raised residents' living standards. Since 2011, major large-scale projects undertaken by Chinese enterprises have involved Karuma Hydropower Station and Isimba Hydropower Station. The projects cost \$1.68 billion and \$568 million respectively, and procure methods are EPC (Engineering, Procurement, and Construction) and design-build. Karuma Hydropower Station, featuring a capacity of 600 MW and built by Sinohydro Corporation Limited, is designed to produce an annual average of about 4 billion kWh. Once all units are put into operation, it will increase Uganda's total power generation by nearly 50%, save approximately 1.31 million tons of coal annually, reduce carbon dioxide emissions by 3.48 million tons, and lower Uganda's electricity prices by 17.5%. Isimba Hydropower Station and related transmission and transformation lines, characterized by a total installed capacity of 183 MW and constructed by China International Water & Electric Corporation, has cumulatively generated over 5 billion kWh of electricity since its commissioning in April 2019. In 2023 and 2024, its generation exceeded the designed level. Before the Isimba Hydropower Station was commissioned, Uganda's average grid electricity price was close to 8 cents per kWh. After the Isimba Hydropower Station began operation, the government set its grid electricity price at 4.16 cents per kWh, significantly reducing the local grid electricity price and providing a foundational guarantee for widespread residential and large-scale industrial electricity use.

In 2006, commercially viable oil deposits were discovered under and around Lake Albert in Western Uganda. Covering an area of 1,518 square kilometers, the oilfield has proven geological reserves of over 6 billion barrels, marking the beginning of oil and gas exploration and development in Uganda and even the entire East Africa. In 2011, China National Offshore Oil Corporation (CNOOC) became involved in the Albert Lake Oil Fields Development Project. This project represents a significant achievement in

deepening China-Africa cooperation and is of great importance in promoting the Belt and Road Initiative and international energy cooperation. The first phase of this project includes the upstream Tilenga oil fields, Kingfisher oil field, and the midstream East African Crude Oil Pipeline (EACOP). CNOOC has created numerous employment opportunities for local personnel, significantly expanding the local job market. At the same time, it has fulfilled its social responsibilities by supporting local livelihoods and contributing to education. CNOOC is fully committed to implementing the high-quality goals of the Belt and Road Initiative, actively advancing the project development. While promoting investment and production capacity in Uganda, it has also led dozens of Chinese enterprises to participate in the construction of the Belt and Road project.



**Figure 1-2 Isimba Hydropower Station**



**Figure 1-3 Karuma Hydropower Station**



**Figure 1-4 Aerial View of the Albert Lake Oil Fields Development Project**

(2) **Financing and Loans:** Chinese enterprises in Uganda have engaged in financing and loan services, providing crucial financial support and business development opportunities to local businesses. By offering financing

services, Chinese companies have helped local companies expand production capacity, improve facilities, and introduce new technologies and equipment, thereby driving Uganda's industrial development and economic growth. Additionally, the financing and loans from Chinese enterprises have provided startup capital for entrepreneurs, fostering innovation and entrepreneurial spirit. Moreover, Chinese enterprises have actively collaborated with the Ugandan government to support financing for infrastructure projects, promoting Uganda's economic transformation and modernization process.

(3) **Telecommunications:** Chinese enterprises including Huawei and ZTE have made significant contributions to Uganda's economic development through investments in the telecommunications sector. By building telecom base stations and fiber optic networks, these companies have improved Uganda's communication network coverage and quality, facilitating the adoption and application of information technology, enhancing the country's communication capabilities, and driving the growth of e-commerce and digital economy. They have brought faster internet speeds, broader network access, and more convenient communication options, providing Ugandan businesses and individuals with more opportunities for business and growth. In addition, through talent training and technical support, they have enhanced Uganda's human resource capacity in the telecommunications sector, contributing to the country's sustainable development. By training Ugandan telecom professionals, they have enhanced the skills and employability of the local workforce.

(4) Chinese enterprises have made significant contributions to Uganda's economic development and transportation convenience through their investments in the country's transportation sector. The major Chinese engineering contractors in Uganda include CCCC, CCECC, Sinohydro, CWE, CR5, CRSG, CR18, CSCEC, CAMCE, CICO, CHICO, CJIC and ZHONGMEI, etc.

In terms of road transportation, Chinese enterprises have participated in various road and bridge construction projects in Uganda, improving traffic conditions, reducing travel times between regions, and facilitating the flow of goods and people. In 2012, CCCC commenced the construction of the Kampala-Entebbe Expressway, which officially commissioned in June 2018. Spanning 49.56 kilometers, it is Uganda's first-ever expressway and is celebrated as Uganda's Gateway.

As a landlocked country, Uganda relies heavily on road and rail transport for freight transportation. The current railway system extends approximately 1,266 kilometers and features meter-gauge tracks. The Ugandan government aims to upgrade the existing railway to a standard-gauge railway, connecting Kenya, South Sudan, the Democratic Republic of the Congo, and Rwanda. Two Chinese companies have signed commercial contracts with the Ugandan government for the Eastern and Northern lines of the standard-gauge railway, and memorandums of understanding have been signed for cooperation on the Western and Southern lines. Additionally, Uganda plans to restore the Kampala-Malaba meter-gauge railway to better integrate with Kenya's meter-gauge network, and Chinese companies have engaged in this project.

Uganda's air transport infrastructure is relatively underdeveloped, with a limited number of airports and low operational efficiency. As of the end of 2016, Uganda had 47 airports, 14 of which were operated by the Uganda Civil Aviation Authority. Entebbe International Airport is the main large international airport and the only port of entry airport, located about 45 kilometers from Kampala. In the future, Uganda plans to build five new international airports to promote trade and tourism. The upgrading and expansion of Entebbe International Airport Project, undertaken by CCCC, are currently underway. As of the end of 2023, the project reached 91% completion.



**Figure 1-5 Kampala Entebbe Expressway**



**Figure 1-6 The Upgrading and Expansion of Entebbe International Airport Project**

**Tax Compliance and Job Creation:** In terms of tax compliance, Chinese enterprises contribute significantly to Uganda by paying taxes in accordance with local laws and regulations. These enterprises provide essential financial resources to the Ugandan government, supporting national infrastructure projects, social services, and public utilities. Corporate income tax payments directly enhance Uganda's fiscal health and its delivery of public services, supporting development in education, healthcare, and



infrastructure and so on. Chinese companies also comply with Uganda's Value Added Tax (VAT) regulations, which is one of the country's key tax sources. By paying VAT, these enterprises contribute to the government's revenue from consumption taxes. According to Uganda's personal income tax laws, companies shall deduct and remit personal income tax from employees' wages, bonuses, and other earnings. Personal income tax is a crucial component of Uganda's tax system, and through these contributions, Chinese enterprises help provide revenue for the government. In addition to these taxes, Chinese enterprises also pay other taxes and fees required by Ugandan laws and regulations, such as business tax and land use fees. These payments provide additional financial resources for the Ugandan government to support various expenditures and development projects.

Facing a surge in youth unemployment, Ugandan government sees industrialization as a remedy. In response, Chinese companies in Uganda actively hire local employees to support industrial development. It is estimated that around 85% of employees at Chinese enterprises in Uganda are Ugandans. These companies offer a wide range of job opportunities across various fields, including engineering, technical positions, management, design, procurement, and driving. By employing local staff, Chinese enterprises provide practical experience, enhance employment skills, and improve professional capabilities. Through local hiring, skill training, and industry development, Chinese enterprises make significant contributions to Uganda's economic growth, social stability, and sustainable development.

On 5<sup>th</sup> January, 2024, Uganda Revenue Authority and China Chamber of Commerce in Uganda signed a Memorandum of Understanding and launched a taxation handbook in Chinese version for the Chinese business community. This Chinese version of the tax manual stands as a testament to the China-Uganda partnership and serves as an effective measure to promote

investment and business operations, reflecting the sincere efforts of both countries to build an open, fair, and just business environment.



Figure 1-7 Group Photo of the Launch Event for the Taxation Handbook in Chinese Version

## 1.3 Corporate Social Responsibility Fulfillment

### 1.3.1 Healthcare

Chinese enterprises in Uganda have invested in and supported the construction and improvement of healthcare facilities. These efforts include actively participating in building hospitals, clinics, and medical centers that provide essential medical services and infrastructure. These facilities are equipped with modern equipment and technology capable of performing various medical procedures, including diagnostics, treatments, and surgeries. By providing advanced medical facilities, Chinese enterprises have enhanced the accessibility and quality of healthcare services for the people of Uganda.

Chinese enterprises also offer training and technical support to Ugandan healthcare institutions. They collaborate with local medical facilities to share advanced medical technologies and management practices. By training local

medical professionals, Chinese enterprises have improved their expertise and medical skills. Additionally, Chinese enterprises undertake health projects to address specific medical needs in Uganda.

Furthermore, Chinese enterprises participate in medical aid activities in Uganda. They provide medical supplies and equipment to meet the needs of local healthcare institutions, including medications, medical instruments, beds, and emergency equipment, contributing to the improvement of healthcare facility infrastructure and capacity. Chinese enterprises are also involved in prevention projects targeting specific diseases and health issues, such as HIV/AIDS prevention and childhood vaccination programs. Through these aid and prevention efforts, Chinese enterprises have provided significant healthcare support, improving the health conditions of local residents.

Since 2014, Chinese medical team, in collaboration with SINOCHAM, has been dedicated to offering free diagnosis and treatment services for common diseases and actively conducting health education. They spread awareness about HIV/AIDS and other infectious diseases and provide psychological counseling services. Chinese medical team organizes free medical clinics once a month on average, setting up clinics in communities and enterprises to offer medical services to the public.



**Figure 1-8 Free Medical Clinic for Local Residents by Chinese Medical Team**



**Figure 1-9 Donation Ceremony of Medical Supplies to China-Uganda Friendship Hospital by SINOCHAM**

### **1.3.2 Education**

Chinese enterprises in Uganda also take on social responsibility in education by investing in and supporting the development of educational facilities. They actively invest in and support the construction and improvement of school facilities in Uganda. These enterprises provide funding, materials, and equipment to local schools, enhancing the teaching environment and facilities. For example, they invest in building classrooms, libraries, laboratories, and computer rooms, and provide necessary equipment and resources for learning and teaching, thereby improving the learning conditions for local students and the quality of education. In addition, Chinese enterprises in Uganda carry out scholarship and financial aid programs to support outstanding and needy students. These scholarships and grants help students from low-income families receive quality education, alleviate their financial burden, and enhance their learning opportunities and academic achievements. Chinese enterprises also provide educational resources to Ugandan schools, including textbooks, books, scientific equipment, and computers. This provision enriches the educational content and learning

materials available in schools, helping students acquire a broader range of knowledge and skills. Furthermore, Chinese enterprises organize education programs for Ugandan communities, offering lifelong learning opportunities. By providing adult education courses, vocational training, and skills development projects, they help adults improve their personal qualifications and employability. Through these initiatives, Chinese enterprises offer broader educational opportunities to Ugandan communities, contributing to community development and poverty alleviation.



**Figure 1-10 Donation Ceremony to Makerere University by SINOCHAM**



**Figure 1-11 Handing-over Ceremony for the Renovation Project of the Confucius Institute at Makerere University**

### **1.3.3 Charity**

Chinese enterprises in Uganda actively participate in social charity activities, providing help and support to communities and disadvantaged groups. They engage in charitable donations, offering financial support, materials, or equipment to local educational institutions, medical facilities, orphanages, and disaster-stricken areas. By collaborating with local partners and non-governmental organizations, Chinese enterprises ensure that donated resources and materials reach those in need effectively. Chinese enterprises also actively participate in community development projects in Uganda. They invest in building schools, libraries, health facilities, and public transportation infrastructure to improve living conditions for local residents. Additionally, they support small businesses such as agriculture and handicraft industry, promoting economic development and job opportunities. They work with local residents and communities to understand their needs and priorities, ensuring the sustainability and benefits of their projects. Moreover, Chinese

enterprises organize employee participation in community volunteer activities, contributing to Ugandan communities through environmental clean-ups, tree planting, medical clinics, health education, and child care. They encourage employees to actively engage in community service, fostering love and care while building mutual trust and cooperation with local residents. Notably, Chinese enterprises provide skills training and career development opportunities to the Ugandan community, helping to enhance residents' employability and living standards. By establishing training centers and offering vocational training courses, they develop local residents' skills and job capabilities, helping reduce poverty and unemployment and improve social stability and development.

On 16<sup>th</sup> April, 2024, the opening ceremony of the Uganda Mid-Level Talent Training Project and the “Seagull Talent Training Project” were successfully held at the headquarter of CCCC Uganda Branch. The “Seagull Talent Training Project” is a collaborative program between CCCC and Wuhan City Polytechnic. It aims to enhance the business knowledge and skill levels of local engineers and foremen through courses in basic theory, practical skills, and language improvement. The training lasted for 12 days and was attended by 32 local employees.



**Figure 1-12 Water Well Donated by Chinese Enterprises to Local Residents**



Figure 1-13 Awards Ceremony for Excellent Ugandan Employees in Chinese Enterprises

### 1.3.4 Environmental Protection

Chinese enterprises in Uganda prioritize social environmental protection and sustainable development. They focus on reducing environmental pollution during production by implementing a series of measures, including adopting clean technologies, using low-carbon energy, and optimizing waste management to minimize pollution of air, water, and soil. For example, some enterprises have installed exhaust gas treatment equipment to reduce harmful gas emissions and adopted advanced water treatment technologies to decrease water pollution. Chinese enterprises are committed to improving resource efficiency and to promoting a circular economy model. They implement measures such as using energy-saving equipment, optimizing production processes, and reducing waste generation to lessen natural resource consumption. Additionally, they encourage the recycling and reuse of waste materials to minimize environmental impact. For instance, some companies engage in waste sorting and reprocessing to convert waste into reusable resources. Moreover, Chinese enterprises emphasize environmental management and monitoring to ensure compliance with environmental regulations and standards. They establish environmental management systems,



implement protection measures, and conduct regular environmental monitoring and assessments. Through internal and external environmental audits, these enterprises ensure that their production and operational activities are effectively managed and controlled to mitigate environmental impacts. Chinese enterprises actively participate in Uganda's environmental protection projects, collaborating with local governments, non-governmental organizations, and communities. These projects focus on forest conservation, water source protection, ecological restoration, and wildlife protection, promoting sustainable development and ecological preservation. By providing financial, technological, and professional support, Chinese enterprises enhance Uganda's environmental protection efforts and improve the ecological quality of local communities. Furthermore, Chinese enterprises engage in environmental education and awareness activities to raise environmental consciousness among Ugandan communities. They regularly organize environmental training sessions and host themed activities to convey the importance of environmental protection to the Chinese community in Uganda. Through these educational initiatives, Chinese enterprises foster widespread environmental awareness and a sense of social responsibility.

In summary, Chinese enterprises have made significant contributions to Ugandan society in the fields of healthcare, education, social charity, and environmental protection. Their investments and support in medical and educational infrastructure, reliable services, charitable activities, and environmental initiatives have brought tangible benefits to the Ugandan people and communities. These practical measures collectively advance Uganda's social progress and sustainable development.



**Figure 1-14 The Nambigirwa Bridge Built by Chinese Enterprises in the Swamp**



**Figure 1-15 Paraa Bridge Built by Chinese Enterprises in Paraa National Park**

### **1.3.5 ICT Talent Ecosystem Development**

ICT Talent Ecosystem Development refers to the systematic cultivation and continuous development of professionals in the information and communication technology field, which is of significant importance for societal and economic development. Huawei Technologies Uganda Limited, in collaboration with the Ugandan government, has signed a Memorandum of Understanding on talent ecosystem development, jointly released a talent ecosystem development white paper, and launched a series of

school-enterprise partnerships. These efforts aim to cultivate industry-specific talent through digital talent development services, supporting Uganda's national digital transformation and smart upgrade. The key featured collaborative projects are as follows:

**DigiTruck Project:** Launched by the President of Uganda in 2023, this three-year program focuses on foundational ICT skills training and digital government basic skills training. The goal is to train 10,000 individuals. Over 4,000 people have already been trained to date;

**ICT Academy:** Collaborating with 18 universities nationwide, the academy focuses on developing national communication talent and assisting in the country's informationization transformation. To date, it has provided free training to over 7,000 students;

**Future Seeds Program:** Launched by the President of Uganda, this initiative partners with the Ministry of Education, selecting 10 outstanding university students each year for a two-week training program abroad. Over 40 students have been trained so far.

**ICT Competition:** It aims to create an international platform for university students to compete and exchange ideas, enhancing their ICT knowledge and practical skills, and fostering innovation with new technologies and platforms. Huawei Technologies Uganda Limited organizes students' participation in the Huawei ICT Global Competition annually. The Ugandan team has won global first prize, with awards being presented by the Vice President, Minister of Higher Education, and Chinese Ambassador.

**ICT Talent Job Fair:** It focuses on addressing youth unemployment in Uganda through the ICT sector. Two fairs have been held so far, with the second fair, initiated by the President of Uganda, offering over 1,000 job positions.

**SME ICT Support:** Since 2022, seven small and medium-sized enterprises have been trained to use Huawei Cloud services for free. In 2024,

the Huawei Cloud Entrepreneurship Program will be officially launched, aiming to help Ugandan SMEs innovate and grow using digital solutions.



Figure 1-16 Huawei DigiTruck Project launched by President of Uganda

## 1.4 Introduction of Representative Enterprises in Uganda

### 1.4.1 China Communications Construction Company Limited (Uganda Branch)

China Communications Construction Company Limited (Uganda Branch) is an aider of China Communications Construction Company Limited (referred to as “CCCC”), a leading global comprehensive service provider of ultra-large infrastructure, mainly engaged in the investment, construction and operation of transportation infrastructure, equipment manufacturing, real estate and urban comprehensive development.

CCCC is dedicated to undertaking various transportation infrastructure projects across Uganda, including roads, bridges, airports, railways, industrial infrastructure, and water projects and so on. Their work spans key

transportation infrastructure across the country and includes participation in several road and bridge projects, significantly improving Uganda's road network and transportation conditions. Notable projects include the Kampala-Entebbe Expressway, the MTP Road Project, the SI Road Project, the MKK Road Project, and the KCCA City Roads Project. Additionally, CCCC has been involved in the expansion and upgrade of Entebbe International Airport, enhancing Uganda's air traffic capacity.

Beyond engineering construction, CCCC also emphasizes local human resource development and technology transfer. It is committed to establishing partnerships with the Ugandan government, relevant agencies, and local enterprises to jointly advance Uganda's infrastructure development and economic development. CCCC focuses on training local employees, providing technical training and career development opportunities, thus contributing to the growth and career advancement of Ugandan talent.

Owing to its professional technical strength, extensive experience, and high-quality project outcomes, CCCC has earned a good reputation. It has established a positive image not only in Uganda but also across the African continent, becoming one of the key representatives of Chinese enterprises in Uganda. CCCC will uphold its excellent traditions and apply its professional spirit, continuing to contribute to Uganda's infrastructure development and economic growth.

#### **1.4.2 China National Offshore Oil Corporation Uganda limited**

In 2011, China National Offshore Oil Corporation (CNOOC) actively responded to the national "Go Global" strategy and implemented the group's international development strategy, leading to its entry into the Albert Lake oil and gas project in Uganda. This oil and gas field, discovered progressively in the Albert Lake area of western Uganda since 2006, is Uganda's first commercial oil and gas discovery, marking the beginning of oil and gas

exploration and development in Uganda and across the entire East African region. The Uganda oil and gas project is a key achievement in deepening China-Africa cooperation and holds significant importance for promoting the Belt and Road Initiative and international energy cooperation. CNOOC established CNOOC Uganda Limited to manage the exploration, development, and production operations of oil and gas fields within Uganda.

The Uganda oil and gas project will assist Uganda in making a historic transformation from an oil-importing country to an oil-exporting country and from an agriculture-based economy to an industrialized one. It will play a crucial role in contributing to Uganda's GDP and significantly enhance government revenue. The investment and construction of Uganda's oil and gas industry are driving the growth of the oilfield technical services sector, and businesses including logistics, transportation, and infrastructure construction are providing local companies with excellent development opportunities.

CNOOC fully implements the goals and tasks of high-quality Belt and Road cooperation, actively incorporating Chinese elements into the construction of the oil and gas projects. Upholding the corporate culture of "Energy for a Better Future," CNOOC is committed to fulfilling corporate social responsibility by aligning with the "Nine Programs" of China-Africa cooperation. The company actively engages in various initiatives, such as the "Cultural Exchange and Integration Program," the "Livelihood Support Program," the "Education and Infrastructure Support Program," and the "Job Creation and Empowerment Program," creating numerous job opportunities for local people, significantly expanding the employment market. Additionally, CNOOC has built cliff-crossing roads, expanded water supply projects, organized free medical consultations, and launched educational sponsorship programs, all of which promote community integration.

CNOOC's excellent technical capabilities and diverse social projects have brought tangible benefits to the Ugandan people, communities, and government, earning high recognition from local residents, the Ugandan government, and the Chinese Embassy in Uganda. CNOOC has gained a strong reputation and established a positive image. The company will continue to contribute to fostering closer ties between people along the Belt and Road, enhancing China-Africa friendship, and promoting the construction of a community with a shared future for humanity.

### **1.4.3 Power Construction Corporation of China**

Power Construction Corporation of China (POWERCHINA) is a global leader in the fields of clean and low-carbon energy, water resources and environmental construction, a backbone of global infrastructure interconnection, and a leading enterprise serving the Belt and Road construction. It provides investment financing, planning and designing, engineering construction investment developer that provides integrated services for the entire industry chain including construction contracting, equipment manufacturing, management and operation, and a package of overall solutions.

POWERCHINA entered into the Ugandan market in 2009 and mainly conducts market operations in Uganda under the brands of SINOHYDRO and POWERCHINA. So far, a total of 8 projects have been signed, including 3 projects under construction, with a contract value of US\$ 2 billion, covering multiple fields such as electric power, housing construction, transportation, etc.

As a representative project of the Belt and Road cooperation between China and Uganda, the Karuma Hydropower Station project carries Uganda's century-old dream of enriching its people and strengthening its country. The project consists of the Karuma Hydropower Station and supporting transmission line projects. Its construction work commenced in December

2013. The project has a capacity of 600MW, which is expected to generate 4 billion kWh of electricity annually. The contract value is US\$ 1.688 billion.

After all the units are put into operation, the Karuma Hydropower Plant will increase Uganda's total power generation by nearly 50%, thus reducing the use of raw coal by 1.31 million metric tons and carbon dioxide emissions by 3.48 million tons. This will cut down the country's electricity price by 17.5 percent. It will provide stable electricity not only for Uganda but for neighboring countries as well.

It has been almost 15 years since POWERCHINA entered into the Ugandan market. From the first mechanical and electrical installation subcontracting project of Bujagali Hydropower Station in 2009 to the current EPC general contracting project of Karuma Hydropower Station, the proportion of local employees has achieved leapfrog growth. During the peak construction period, more than 7,000 local employees were employed, with the proportion of local employees reaching over 90%, and a total of more than 10,000 local employees were employed. Currently, POWERCHINA has 150 Chinese employees and about 720 local employees in Uganda. Localizing employees can not only reduce the company's operating costs in Uganda, but also provide a large number of local employment opportunities and achieve common development between the company and the local society.

#### **1.4.4 China Civil Engineering Construction Corporation Uganda Branch**

China Civil Engineering Construction Corporation (CCECC), formerly the Foreign Aid Office of the Ministry of Railways, was established in 1979 with the approval of the State Council of the People's Republic of China. It is one of the first four Chinese foreign economic enterprises to enter the international market. It has since developed into a large state-owned enterprise with the highest grade of general contracting qualification for railway



engineering construction in China. CCECC has been listed among the top 100 international contractors by ENR for 23 consecutive years.

Since undertaking China's largest foreign aid project, the Tanzania-Zambia Railway, in the 1960s, CCECC has continuously grown and expanded. Currently, its business scope covers engineering contracting, design consulting, real estate development, import and export trade, hotel management, and more, operating in 110 countries and regions across Asia, Europe, Africa, the Americas, and Oceania.

CCECC places great importance on its development in the Ugandan market, where it has been active for over 20 years. Its business activities in Uganda span multiple fields, including highways, railways, building construction, water supply, and municipal projects, with over ten projects and a total contract value exceeding \$200 million. In Uganda, CCECC has been actively promoting localized management, maintaining a local workforce of around 1,000 employees in recent years. The company actively fulfils its social responsibilities by building wells for communities, maintaining local roads, training local management and technical personnel, promoting local skill development and employment, respecting local customs and religious cultures, and fostering good relations with local people, thus establishing a positive image of Chinese enterprises.

Currently, CCECC is constructing the Busega-Mpigi Expressway (23.7km) in Uganda. This project commenced on November 22, 2019, with an original contract value of approximately \$150 million (including taxes) and an original construction period of 36 months. It is the largest project won by CCECC in the Ugandan market and also the largest cash-financed highway project awarded by the Ugandan government since 2016. As an important artery in Uganda's Central Economic Corridor, this project is a key infrastructure construction effort in Uganda in recent years.

#### **1.4.5 Huawei Technologies (Uganda) Co., Ltd.**

Founded in 1987, Huawei is a global leader in ICT (Information and Communication Technology) infrastructure and smart devices. It currently has approximately 207,000 employees, operates in over 170 countries and regions, and serves more than 3 billion people worldwide. Since it entered the Ugandan market in 2001, Huawei Uganda has been deeply involved in the Ugandan ICT market for over 20 years. It is the largest supplier to mainstream operators in Uganda and also a major partner for Ugandan enterprises, providing high-quality ICT products and solutions. As of May 2024, Huawei Uganda has 220 employees.

Huawei Uganda adheres to the concept of local presence and local contribution through multiple school-enterprise cooperation projects to cultivate the ICT talent ecosystem in Uganda. To date, projects such as DigiTruck, ICT Academy, ICT Competition, ICT Talent Job Fair, and SME Cloud Entrepreneurship Program have been launched, continuously contributing to the development of Uganda's ICT industry. Additionally, Huawei actively fulfils its social responsibility as a Chinese enterprise abroad by donating computers, office supplies, food, and other resources to Ugandan schools each year, earning high praise from the Ugandan government and the public.

#### **1.4.6 China International Water & Electric Corporation Uganda Branch**

China International Water & Electric Corporation (CWE) is a state-owned enterprise and the earliest participant in international economic cooperation within China's hydropower industry. Its predecessor dates back to the 1950s as the foreign aid agency under the Ministry of Water Resources and Electric Power. The name "China International Water & Electric Corporation"

was adopted in 1983. Now, CWE is a wholly-owned subsidiary of China Communications Construction Company (CCCC), and it serves as one of CCCC's companies specializing in water conservancy, hydropower, and new energy projects. Currently, the company has permanent branch offices in 32 countries and regions, with 49 ongoing projects; it has eight hydropower plants which are located in Laos, Nepal, Cambodia, and Guinea, with a total installed capacity of 1,180 MW and a total investment of \$2.9 billion.

The Isimba Hydropower Plant and Related Transmission Lines Project in Uganda has a total installed capacity of 183 MW. It was constructed by China International Water & Electric Corporation under an EPC contract, along with the Uganda Ministry of Energy and Mineral Development as the Employer. The project was 85% financed through a concessional loan from the Export-Import Bank of China, with the remaining 15% being funded by the Ugandan government. Since it began commercially generating electricity in April 2019, the plant has produced over 5 billion kWh of electricity, and both the 2023 and 2024 annual generation levels have exceeded the design capacity.

#### Key Significance of the Project:

1. Significantly Reduced Local Electricity Tariffs: Before the Isimba Hydropower Plant came online, Uganda's average grid electricity price was nearly 8 cents per kWh. After its commissioned, the government set the Isimba plant's grid electricity price at 4.16 cents per kWh, greatly reducing local electricity tariffs and providing a foundation for widespread residential electricity access and large-scale industrial electricity use.

2. Job Creation: During its peak construction period, the Isimba project created nearly 3,000 jobs for Ugandans, significantly promoting local employment and improving the living standards of the local population.

3. Training of High-Quality Local Hydropower Talent: As the general contractor, China International Water & Electric Corporation provided

hydropower skills training for 22 Ugandan operational staff members and engineers hired by local contractors. The trained operational and maintenance personnel are now employed at various positions across upstream and downstream power plants.

4. Infrastructure Development: The permanent traffic bridge downstream of the project has become the second major transport link across the White Nile in Uganda, aside from the Jinja Bridge, greatly promoting the social and economic development of both sides of the river.

#### **1.4.7 ZTE Uganda Limited**

ZTE is a world-leading provider of integrated communication information solutions. Founded in 1985, ZTE has been listed in Hong Kong and Shenzhen, covering more than 160 countries and regions. ZTE serves over 1/4 people worldwide, and is committed to achieving a bright future of connectivity and trust everywhere.

Founded in 2010, after long-term stable operation, ZTE Uganda is currently the major equipment supplier of MTN and Airtel which are the current operators in Uganda. And it also provides network-wide O&M services for MTN. ZTE Uganda attaches great importance to local talents, and has signed a school-enterprise cooperation agreement with KYAMBOGO UNIVERSITY. Currently, the localization rate of subsidiary exceeds 80%. By the end of 2023, ZTE Uganda had cultivated more than 1000 local communications professionals and created more than 500 jobs, facilitating local talent development and employment in Uganda.

ZTE Uganda also actively fulfilled its corporate social responsibilities overseas. In October 2023, ZTE Uganda donated a batch of ¥400,000 office furniture to the local Luyanzi Institute of Technology, helping improve teaching conditions and winning praise from all walks of life.

ZTE hopes to rely on its advanced technologies to accelerate the digital

transformation of Uganda in the future.

#### **1.4.8 Chongqing International Construction Corporation (Uganda)**

Chongqing International Construction Corporation (CICO) is a state-owned company established in 1985. CICO is a qualified contractor for overseas project, the management right for labor export service and import & export trade approved by the Ministry of Commerce and the Ministry of Housing and Urban-Rural Development. CICO is Grade A for the foreign aid project implementation and Grade One for general construction contractor. CICO has companies and offices in many overseas countries and undertakes large-scale highway and bridge engineering projects.

Chongqing International Construction Corporation (Uganda) is a branch of CICO. It was registered and established in Uganda in 1995 and independently carries out general contracting for highway, bridge and housing construction projects in Uganda. Over the more than 20 years of development in Uganda, CICO (Uganda) has completed a total of 24 road and bridge projects, with a total contract amount of US\$712 million and completed about 642 kilometers of road construction. The main projects are as below:

**Fort Portal-Bundibugyo-Lamia Project:** This project is known as the “Road to Hell”. The project is funded by the African Development Bank. It is the largest and most difficult road upgrading project in Uganda’s history. It is 103 kilometers long and has a contract amount of US\$157 million. This project won the first place in the Uganda African Development Bank project evaluation.

**Vurra-Arua-Koboko-Oraba Project:** The project is funded by the World Bank, with a total length of 92 kilometers and a contract amount of US\$55.51 million. The project is an important link between Uganda, Congo and Sudan.

Acholibu-Kitegon Project: The project is 86 kilometers long and has a contract amount of US\$77.34 million. It is a northern road upgrade project funded by the World Bank.

Hoima-Butiaba-Wanseko Road Project: The main road of the project is 111 kilometers long and has a contract amount of US\$179 million. It is a key infrastructure construction project in the oil field development area in western Uganda. The construction of this project provides a vital guarantee for the transportation hub of oil extraction in western Uganda. This road construction promotes the country's economic development and becomes an important link for industrial and agricultural production, urban and rural interactions, and material and cultural exchanges.

#### **1.4.9 SINOTRUK INTERNATIONAL**

SINOTRUK INTERNATIONAL, a wholly-owned subsidiary of CHINA NATIONAL HEAVY DUTY TRUCK GROUP (CNHTC) which was founded in 2001, is the only foreign trade window of CNHTC.

SINOTRUK adheres to the international development strategy of “going global”. It has continuously improved its vehicle sales, technical services, parts supply as well as modification capabilities, and perfected the overseas marketing network. Up to now, it has exported its heavy trucks to more than 110 countries and regions and formed an international marketing network system that basically covers developing countries and major emerging economies such as Africa, Middle East, Central and South America, Central Asia, Russia and Southeast Asia, as well as BRICS countries and other countries such as Australia, Ireland and New Zealand and some mature markets such as Hong Kong and Taiwan of China. In 2023, 130,000 heavy trucks were exported, creating a new export record for China's heavy truck industry and ranking first in China's heavy truck industry export for 19 consecutive years.

SINOTRUK has been deeply engaged in Uganda market for more than ten years, and the products cover many use scenarios such as sand and gravel transportation, industrial and daily necessities transportation, container transportation, express transportation, and hazardous chemical transportation, meanwhile serve local engineering, logistics, manufacturing, agriculture, service and many other industries. SINOTRUK is the leader of the local heavy truck industry in Uganda, with high brand awareness, high market share, sound distribution network, sufficient spare parts stock with high availability. The products have been verified by the market, which is suitable for local road conditions, climate. And because of reliable quality, durability and cost saving, SINOTRUK products are deeply accepted and loved by local customers.

#### **1.4.10 Tiantang Group Co., Ltd**

Tiantang Group is a large, diversified Chinese enterprise group located in Uganda, with a wide range of business activities spanning eight core sectors: industrial park investment and construction, manufacturing, cultural tourism, real estate development, mineral exploration, trade, international security services, and new retail. The group currently operates over 30 subsidiaries in Uganda, employing more than 10,000 people. Since its inception, Tiantang Group has adhered to a localized development strategy, and after two decades of hard work, it has become a well-known Chinese enterprise group in East Africa.

Tiantang Industrial Park, established in 2009, is located in Mukono, Uganda's industrial park. Covering an area of 400 acres, the park is involved in manufacturing sectors such as steel, foam production, and the wood industry, directly providing employment for over 3,600 people and indirectly driving job creation for more than 15,000. The park's annual output value reaches several hundred million US dollars. As the first industrial park

established by Chinese in Uganda, Tiantang Industrial Park has hosted visits from a number of high-ranking Ugandan government officials, including the president, vice president, and prime minister.

In 2017, in active response to China's Belt and Road Initiative, Tiantang Group invested in and developed the Uganda-China Mbale Industrial Park, a national-level industrial park covering over 5,000 acres. The Ugandan government provides substantial policy support to the park, offering enterprises tax exemptions on imported raw materials, machinery, and factory buildings, ten-year corporate income tax exemptions, and no foreign exchange controls. The park also features a free trade zone, bonded warehouses, and a one-stop service center, providing exclusive and convenient services for resident enterprises. Currently, the industrial park hosts over 40 companies across industries such as home textiles, household appliances, personal care products, electronics, building materials, pharmaceuticals, and automotive manufacturing, creating more than 20,000 jobs locally. It has become the most renowned industrial park in East Africa.

Focusing on manufacturing as its core, Tiantang Group also emphasizes diversified development, with outstanding performance in various industries through its subsidiaries such as Nanjing Hotel, Nanjing Tours and Travel Limited, Larose Investments Limited, Ujia Innovation Technology Ltd, Pearltrac Uganda Ltd (SANY's exclusive agent in Uganda), and Kunlun Lion Security (U) Limited.

While pursuing its own development and progress, Tiantang Group never forgets its social responsibility. The group actively contributes to disaster relief, hospital and school construction, and government donations, demonstrating its commitment to philanthropy. These efforts have significantly contributed to the friendship between the Chinese and African people. Tiantang Group is a successful example of Chinese enterprises "going global," serving as a model and leading force for companies entering Africa.



# **Chapter 2 Business Environment in Uganda and Evaluation by Chinese Enterprises**

## **2.1 Business Environment and Overall Evaluation**

In recent years, Uganda has enjoyed political stability with President Museveni securing consecutive re-elections. The government has been committed to economic and social transformation, strengthening infrastructure, promoting agriculture and agro-industrialization, advocating import substitution, and attracting foreign investment. As a member of the East African Community, Uganda practices economic liberalization, encourages foreign investment, allows free conversion and movement of currencies, and offers tax incentives to technology-advanced industries. Currently, Uganda's economy is growing rapidly, the business environment is continuously improving, and the overall economic situation is favorable. According to authoritative reports from institutions such as the World Bank, Uganda's performance in the business environment ranks at a moderate level, facing challenges in certain areas.

## **2.2 Evaluation of Government Support**

The Ugandan government provides a certain degree of policy support to foreign enterprises, including tax incentives and land concessions. These policies help reduce investment costs and operational risks, enhancing the competitiveness of enterprises in Uganda.

## 2.3 Evaluation of Ease of Doing Business

Chinese enterprises' evaluations of Uganda's ease of doing business may vary, but generally, policy support, approval processes, infrastructure, legal environment, and talent availability are the key areas of concern.

**Approval Processes:** Some Chinese enterprises have reported that obtaining business licenses, construction permits, and other procedures in Uganda takes too long, with cumbersome approval procedures that hinder project initiation and operational plans.

**Infrastructure:** Some companies express concerns about Uganda's inadequate infrastructure (including transportation, energy, and communication), believing it will affect production and transportation efficiency.

**Transportation:** Poor transportation conditions prevail. Uganda's railway and waterway transportation capabilities are weak, relying primarily on road transportation, which costs approximately five times that of China. The roads are mostly two-lane with poor conditions, frequently leading to congestion and accidents.

**Electricity and Water Supply:** Uganda faces nationwide power shortages with unstable voltage, requiring enterprises to have backup generators. Local electricity prices are three times that of China. Only 23 cities have tap water supply, with the rest relying on well water.

**Financing Difficulties:** Uganda features high lending rates as well as complex loan procedures. These adversely affect the long-term development of Chinese enterprises.

**Legal Environment:** Some enterprises express concerns about Uganda's legal system and judicial independence (including legal transparency and enforceability), believing legal environment is unstable and court decisions are unpredictable.

**Land Ownership and Land Acquisition:** Uganda's land ownership system is convoluted. After purchasing land, some enterprises face lawsuits challenging their ownership rights. Land acquisition for certain projects is challenging, with local residents demanding high compensation, forcing some projects to alter plans.

**Talent Supply:** Uganda has a limited talent pool, necessitating more skills training and talent importation.

# **Chapter 3 Obstacles Faced by Chinese Enterprises and Related Claims and Recommendations**

## **3.1 Obstacles Faced by Chinese Enterprises in Uganda**

### **3.1.1 Serious Security Problems**

Although the political situation in Uganda is stable, the public security situation has deteriorated in recent years, with frequent cases of robbery and kidnapping, and Chinese enterprises have also been affected. After 2018, there was a surge in mass crimes against Chinese companies, and the Ugandan president promised to strengthen the military and police forces to deal with it. The impact of the COVID-19 epidemic on the economy has indirectly exacerbated social unrest, and security problems have randomly increased, with a slight increase in crime. As well as commercial areas, remote areas often appear disputes and conflicts, armed robbery frequently. In 2023, a number of attacks against foreigners resulted in casualties, including a terrorist attack in the West that left 41 dead and 8 seriously injured, and security challenges continued.

### **3.1.2 Shortage of Skilled Personnel and Strained Labor Relations**

According to local newspaper New Vision, Uganda's youth unemployment rate is 83%. Uganda has high youth unemployment and a large number of unfilled high-skilled jobs, including management, health care

workers and engineers. Because local unions are powerful and strike frequently, Chinese companies often compromise with unions because of language barriers and lack of legal knowledge. When laying off workers, Chinese companies are vulnerable to legal action and often lose cases due to ignorance of the law, requiring high dissolution fees.

### **3.1.3 Lack of Medical Conditions, Malaria and Other Infectious Diseases Frequent**

According to the World Health Organization (WHO), Uganda's health expenditure accounted for only 9.3% of GDP in 2011, and the per capita health expenditure (on average of purchasing powers) was \$123. Local medical resources are scarce, the average number of pharmacists per 10,000 people from 2006 to 2013 was 1, and the average number of hospital beds per 10,000 people from 2006 to 2012 was 5, far lower than the international level. Only 35% of the population had access to safe sanitation, while the WHO estimated that only 34% of the population had access to a sanitary toilet in 2014. In terms of infectious diseases, malaria is particularly serious. Uganda has one of the highest incidences of malaria in the world, with more than 90% of the population at risk, and malaria is the leading cause of death in the country, especially among children. Malaria not only accounts for 30% to 50% of hospital outpatient visits and 15% to 20% of hospital inpatient visits, but also contributes to an average economic loss of more than US \$500 million per year in Uganda due to malaria. According to WHO, there are approximately 12.7 million cases of malaria in Uganda in 2022, with an estimated death toll of more than 17,556.

### **3.1.4 Uganda Legal EIA Risks**

There are many Chinese enterprises engaged in the field of construction

in Uganda, which is also one of the important areas of Sino-Uganda economic cooperation. The projects of Chinese enterprises in Uganda are mainly concentrated in hydropower station construction, power transmission and transformation, road transportation, housing construction, mobile communication and other industries which are subject to the constraints of EIA. The damage caused by adverse EIA is a major problem for Chinese enterprises to invest in Uganda. In 2019, Uganda amended the Environmental Impact Assessment Regulations based on the new National Environment Law, which further tightened the EIA approval rate by refining and broadening the scope of the EIA. For example, enterprises are required to carry out environmental impact studies throughout the project, provide detailed EIA reports, and set up the active notification obligation of enterprise leaders. In Uganda, the transparency of EIA procedures, post-EIA supervision, and penalties for violations are relatively strict, but in the case of weak corresponding prevention capabilities of Chinese enterprises, the risk of environmental violations of enterprises is sharply increased.

### **3.1.5 Slow Infrastructure Development Leads High Costs**

In the Africa Infrastructure Development Index, Uganda only shows significant growth in ICT infrastructure, while progress in other areas is sluggish, severely constraining economic and social development. Key challenges include:

**Electricity supply inadequate:** The stable electricity coverage is only 23% in major cities and even lower in rural areas (19%), and electricity prices are three times higher than in China. The power supply is unstable throughout the country, and enterprises often need to provide their own generators.

**Water scarcity:** More than 60% of residents lack clean water, and only 23 cities have national water supplies, and the rest rely on well water.

**Weak road infrastructure:** Among the 26,000 kilometers of roads in

the country, paved roads account for a relatively low proportion, and maintenance projects lag behind, leading to traffic congestion and frequent accidents, and even a backward trend.

**Trade and logistics challenges:** As a landlocked country, Uganda relies on imports of high-value commodities and exports of low-value agricultural products, resulting in significant trade deficits. The goods are mainly transported by road, but the transport capacity is insufficient, the efficiency is low, and the logistics cost is as high as five times that of China, weakening the competitiveness of the international market. The COVID-19 has further constrained road construction budgets, and urban traffic problems continue to cause public discontent.

## **3.2 Claims and Recommendations from Chinese Enterprises in Uganda**

### **3.2.1 Claims and Recommendations for the Ugandan Government Regarding Improving the Business Environment**

#### **【Enhance Tax Incentives and Transparency】**

Provide more favorable tax exemption policies for Chinese enterprises investing in industrial, infrastructure, and livelihood projects, while simplifying the tax filing process. Improve the transparency of tax collection and management to boost investors' confidence.

#### **【Strengthen Infrastructure Development】**

Focus on investments in communication and energy sectors to ensure widespread and stable coverage of the internet and communication networks. Additionally, increase the supply of electricity to provide favorable conditions for production and business operations.

### **【Support Industrial Development, Optimize Support and Services】**

Attract investment in factory construction through tax incentives and long-term procurement orders to address gaps in the industrial chain and support the implementation of the Buy Uganda, Build Uganda (BUBU) policy<sup>①</sup> Increase support for overseas industrial parks by providing land and tax incentives and actively participating in park promotion and investment attraction. Offer trade channel support to enterprises located in the parks, promoting cooperation between Chinese and Ugandan companies.

### **【Enhance Security Protection and Fair Law Enforcement】**

Strengthen security protection in remote or less secure areas by increasing police presence and enhancing the legal system to ensure fair and transparent law enforcement. This will help protect the property and personal safety of Chinese enterprises.

### **【Deepen Economic Cooperation and Information Sharing】**

Establish a close economic cooperation mechanism between China and Uganda by regularly holding trade and economic cooperation forums to promote information exchange. The Ugandan government should provide detailed information on foreign trade, taxation, and other regulatory policies, offering convenient consultation channels for Chinese enterprises. This will help reduce compliance costs and jointly promote Uganda's economic development towards diversification and sustainability.

## **3.2.2 Claims and Recommendations for the Chinese Government and China Chamber of Commerce in Uganda**

The Chinese government should serve as a strong backing for Chinese

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<sup>①</sup> BUBU Policy: “Buy Uganda, Build Uganda” is a government policy that was approved by the Cabinet in 2014 and launched in 2017. It aims to promote the consumption and procurement of goods and services produced locally in Uganda. This policy encourages both foreign and local investors to manufacture products within Uganda; enhances the ability of local producers to supply the government, improves the quality and competitiveness of Ugandan products in both local and international markets, creates employment opportunities, and drives Uganda towards achieving its middle-income status goal.



enterprises investing in Uganda. Given the positive relations between China and Uganda, the government is expected to promote more facilitative measures, such as direct flights and simplified immigration procedures, in order to enhance bilateral exchanges. Additionally, the government is urged to expand cooperation with Uganda on tax incentives and trade reductions to support Chinese investments. Considering Uganda's strong economic recovery, it is recommended that the government should actively engage in communication with Uganda to promote cooperation in infrastructure, energy, agriculture, and new energy sectors. Organizing promotional events and high-level exchanges will help facilitate the implementation of key projects.

As pioneers of communication among Chinese enterprises, the China Chamber of Commerce in Uganda should strengthen information sharing by compiling Ugandan legal and policy documents and providing risk warnings. For unclear regulatory issues, it is suggested to establish specialized consultation groups on taxation, law, environmental protection, and more to enhance internal support and information sharing. The chambers should conduct market research and regularly publish reports such as the Uganda Outlook to guide investments. Additionally, they should strengthen connections with local associations to voice the concerns of Chinese enterprises and work together to optimize the business environment.

### **3.2.3 Experience Sharing and Suggestions for Chinese Enterprises Investing and Operating in Uganda**

#### **【Thoroughly Study Ugandan Laws and Operate Legally and Compliantly】**

**Legal Study:** Deeply study Ugandan laws, especially labor, tax, and environmental regulations.

**Law-abiding Image:** Resolve labor and tax issues in accordance with the law to establish a good reputation as a law-abiding company.

#### **【Respect Local Culture and the People】**

Respect religious beliefs, learn about local culture and language, and build genuine relationships.

Thoroughly understand Uganda's employment system and labor protection requirements, including the *Labor Act*, *Labor Union Act*, work permits, visa regulations, social security, and unemployment insurance laws, to avoid violations.

**【Deepen industrial integration and achieve complementary advantages】**

Deepen bilateral cooperation on industrial capacity, promote the integration of industries to enhance manufacturing and industrial levels, and jointly pursue the dream of becoming a strong nation in technology and manufacturing. Currently, both countries are undergoing economic structural adjustments, with strong complementarities in raw materials, minerals, equipment manufacturing, infrastructure, and processing industries. Strengthening industrial integration can optimize the trade and industry structure, particularly helping Uganda's industrial upgrade, enhancing the closeness and interdependence of economic and trade cooperation, expanding trade scale, improving cooperation levels, and increasing resilience to external economic risks.

**【Further deepen mutual trust, ease restrictions, and achieve deep integration】**

China and Uganda have significant complementary advantages in raw materials, minerals, equipment manufacturing exports, infrastructure, and processing industries. With a solid foundation of political mutual trust, it is imperative to further strengthen the closeness and interdependence of bilateral cooperation in economic, trade, and other fields, relax investment restrictions, expand trade scale, and address the current issues of low cooperation levels, unreasonable trade structures, and vulnerability to external economic environments.

### **【Leverage the Flexible and Innovative Role of Small and Medium Enterprises (SMEs)】**

SMEs are the source of innovation and development vitality in both China and Uganda and are crucial for boosting the economy and improving livelihoods. It is recommended that Uganda provides active guidance and support to Chinese SMEs facing challenges in financing, operations, recruitment, and channel building, enabling them to become a driving force in bilateral economic and trade cooperation, promoting the expansion and acceleration of trade.

### **【Promote Industry Linkage and Project Cooperation】**

Chinese enterprises are encouraged to actively seek cooperation opportunities with local Ugandan companies to jointly develop projects in the digital economy and green development. By means of technical cooperation, project investment, and joint research and development, companies can drive the optimization and upgrading of the industrial chain, achieving mutual benefits and win-win outcomes.

### **【Technology Transfer and Talent Development】**

Chinese enterprises should collaborate with the Ugandan government and local businesses to launch technology transfer and talent development programs. By establishing training centers, providing technical training, and facilitating exchanges, they can promote the cultivation of local talent and the enhancement of technical skills.

### **【Maintain Good Interaction with Ugandan Media】**

Chinese enterprises in Uganda should establish a harmonious relationship with the media, using it to promote the mutual benefits of China-Africa economic and trade cooperation. They should actively respond to media interviews, respect the right to interview, and face inquiries openly. In case of inaccurate reports, enterprises should take the initiative to clarify, work with local authorities to obtain authoritative evidence to refute false

claims, and maintain a positive image.

**【Disease Prevention】**

**Medical Preparation:** Uganda has limited medical facilities. In case of serious illness, transfer for treatment may be necessary. Regular health check-ups are advised.

**Malaria Prevention:** Protect against mosquito bites by using mosquito nets, repellents, and maintaining personal hygiene.

# **Introduction of China Chamber of Commerce in Uganda**

Established on 4<sup>th</sup> April, 2008, China Chamber of Commerce in Uganda (referred to as “SINOCHAM”) is a non-profit social organization legally registered in Uganda, composed of Chinese enterprises and organizations operating in Uganda. On 8<sup>th</sup> June, 2007, the Ministry of Commerce of the People’s Republic of China approved the establishment of the China Enterprises Chamber of Commerce in Uganda. On 8<sup>th</sup> January, 2020, the China Enterprises Chamber of Commerce in Uganda was officially renamed the China Chamber of Commerce in Uganda.

Currently, SINOCHAM has 102 members, with a total of approximately 3,000 Chinese employees working for these members in Uganda. Among the members, there are 56 state-owned enterprises, 42 private enterprises, and 4 inter-government cooperation and social welfare organizations. SINOCHAM has 21 Council Members, a Chamber President and 4 Chamber Vice Presidents. The Chamber Chairman is China Communications Construction Company Limited Uganda Branch, and the Chamber Vice Chairmen are China National Offshore Oil Corporation Uganda Limited, Sinohydro Corporation Limited Uganda Branch, China Civil Engineering Construction Corporation Uganda Branch, and Huawei Technologies Uganda Company Limited. These members are involved in various fields, including trade, project contracting, oil, information and communication technology, pharmaceuticals, real estate, manufacturing, consulting, warehousing, logistics, hotel, and tourism services.

Since its establishment, SINOCHAM has adhered to the concept of “serving members, fostering cooperation, and pursuing development together,” and organized a series of activities aimed at providing high-quality services to Chinese enterprises and overseas Chinese in Uganda. Through seminars, policy briefings, and other forms of communication, SINOCHAM maintains regular exchanges with the Ugandan government, tax authorities, environmental management agencies, police, Ugandan universities, and think tanks, focusing on topics such as social security, tax policies, safety measures, environmental policies, and economic cooperation. In July 2022, SINOCHAM signed a strategic cooperation agreement with Makerere University in Uganda and donated teaching equipment to support the cultivating of high quality in Uganda. In December 2022, under the leadership of the Chinese Embassy, SINOCHAM published the *Chinese Enterprises in Uganda Social Responsibility Report 2022*, showcasing examples of Chinese enterprises actively fulfilling their social responsibilities, which gained high praise from the Ugandan government and the public. In January 2024, SINOCHAM, in collaboration with the Uganda Revenue Authority, launched a Taxation Handbook in Chinese Version and signed a Memorandum of Understanding to ensure compliance for Chinese enterprises. Additionally, SINOCHAM actively organized a series of cultural and sports activities to enrich the cultural life of overseas Chinese in Uganda, enhance their cohesion, and promote friendly exchanges between the peoples of China and Uganda. In January 2024, SINOCHAM co-organized the “Warm Spring Festival, Celebrating the Chinese New Year Together” temple fair and evening gala for overseas Chinese in Uganda, creating a harmonious and joyful New Year atmosphere and strengthening the cohesion and sense of belonging in Chinese Community. In June 2024, SINOCHAM co-organized the Dragon Boat Race for overseas Chinese in Uganda, showcasing the charm of Chinese culture and bridging the gap between the peoples of China and Uganda.

The Chamber takes serving the development of its member enterprises as its starting point, aligning its own development with the advancement of its members. The Chamber's leadership works in unity and cooperation, with all members making joint efforts, selflessly contributing, and continually improving the Chamber's managerial systems and operational mechanisms, gradually enhancing its service quality and influence. While pursuing development, the Chamber actively fulfils its social responsibilities, promoting the image of responsible Chinese enterprises and earning high recognition from the public in Uganda.