

Uganda



Uganda officially the **Republic of Uganda**, is a landlocked country in East-Central Africa. It is bordered to the east by Kenya, to the north by South Sudan, to the west by the Democratic Republic of the Congo, to the south-west by Rwanda, and to the south by Tanzania. The southern part of the country includes a substantial portion of Lake Victoria, shared with Kenya and Tanzania. Uganda is in the African Great Lakes region. Uganda also lies within the Nile basin and has a varied but generally a modified equatorial climate.

Beginning in 1894, the area was ruled as a protectorate by the UK, which established administrative law across the territory. Uganda gained independence from the UK on 9 October 1962. The period since then has been marked by violent conflicts, including an eight-year-long military dictatorship led by **Idi Amin**.

Uganda's current president is Yoweri Kaguta Museveni, who took power in January 1986 after a protracted six-year guerrilla war. Following constitutional amendments that removed term limits for the president, he was able to stand and was elected president of Uganda in the 2011, 2016 and in 2021 the general elections.^[13]

Macroeconomic performance and outlook

The Ugandan economy reported strong growth in 2019, estimated at 6.3%, largely driven by the expansion of services. Services growth averaged 7.6% in 2019, and industrial growth 6.2%, driven by construction and mining. Agriculture grew at just 3.8%. Retail, construction, and telecommunications were key economic drivers. Inflation is expected to remain below 5%, strengthening the domestic economy.

Government spending continues to increase, underpinned by public infrastructure and capital investments for the nascent oil and gas industry. Expenditures have increased faster than domestic revenues, widening the fiscal deficit in 2019. The deficit is largely financed through external borrowing, supplemented with domestic securities. Despite the rise in the deficit, Uganda is classified at low risk of debt distress. However, debt reached an estimated 43.6% of GDP in 2019, up from 25% in 2012, raising medium-term concerns. Lending remains within IMF limits, but risks have increased due to higher costs of debt servicing and infrastructure investments.

Exports, dependent on primary products, have not kept up with imports, widening the trade deficit to an estimated 9.4% of GDP in 2019 from 8.3% in 2018. The increasing current account deficit has been largely financed by foreign direct investment (2.6% of GDP) and externally financed projects. External reserves were at a comfortable 4.4 months of imports in 2019, while the exchange rate was stable, averaging 3,727 Ugandan shillings per dollar.

Retail, construction, and telecommunications drive the economy, with mining, transport, and hospitality expected to grow as oil and gas investments are made. Price stability will boost domestic business confidence while fiscal policy is likely to remain accommodating.

Urban development with rapid urbanization, rising population density, increasing market size and access, clustering of skills and technology, and proximity to financial institutions offers opportunities for business development, firm creation, and new jobs. Kampala was, until 2019, Uganda's only urban agglomeration classified as a city. The reclassification of nine municipalities as regional cities can promote new opportunities. The new cities will be phased in over three years, expanding infrastructure such as paved roads, power distribution, water and sanitation services, and waste management.

Poor global growth, affected by the US-China trade tensions and stagnant growth and subdued demand in Europe risks reducing Ugandan exports. Domestically, adverse weather can lower agriculture production, harming the trade balance and current account balance, given the importance to Uganda of exporting food to the East Africa region. Other domestic risks include weak revenue mobilization, weak private sector credit growth, and fiscal expansion in the run-up to the 2021 elections.

Uganda is transitioning to a service economy but faces low productivity and low job creation. The economy has become more productive, but productivity differences across industry, services, and agriculture are large. Industrial productivity is seven to eight times higher than in the other two sectors, but it cannot absorb the 600,000 youths entering the jobs market each year.

* * *

Bilateral Trade Between Uganda and Greece

Product: TOTAL All products

Unit : Euro thousand

Product label	Uganda's imports from Greece		
	Value in 2017	Value in 2018	Value in 2019
All products	6408	4948	3614
Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	81	3053	2438
Aluminium and articles thereof	5011	275	430
Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	173	174	278
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	239	462	184
Pharmaceutical products	64	81	88
Beverages, spirits and vinegar	281	145	28
Plastics and articles thereof	40	44	24
Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal ...	10	35	21
Miscellaneous articles of base metal	21	7	18
Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	9	14	16
Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	9	18	12
Preparations of vegetables, fruit, nuts or other parts of plants	23	25	11
Preparations of cereals, flour, starch or milk; pastrycooks' products	9	23	10
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	2	65	10
Miscellaneous edible preparations	1	10	8

- Sources: African Economic Outlook (AEO) 2020
- African Development Bank
- Trade map; Trade statistics for international business development