



**Commonwealth
Chamber of
Commerce**

Uganda

Member Countries - Commonwealth Chamber of Commerce

Known as the “Pearl of Africa”, the Republic of Uganda is a East African country located closer to central Africa than its regional counterparts. It is a landlocked state bordered by Rwanda and Tanzania to the south, the Democratic Republic of the Congo to the west, South Sudan to the north and Kenya to the east. The capital of Uganda, Kampala, is situated in the southeastern region of the country surrounded by seven hills that look over the shores of Lake Victoria, the second-largest freshwater river in Africa which is also a source point for the Victoria Nile.

Uganda is predominantly located on a plateau which tapers off in the north and south. The borders of the plateau region are lined with valleys and mountains, with the natural boundary towards the west comprising the volcanic Virunga Mountains, the Ruwenzori Range and the Western Rift Valley. The Ruwenzori Range includes Margherita Peak which is Uganda’s highest point rising to about 16,762 feet surrounded by snow and glaciers. The northeastern lining of the plateau consists of a string of the volcanic Mounts Morungole, Moroto and Kодоmо. To the absolute north of Uganda are the Imatong Mountains that also expand over to the South Sudanese border. Due to the rich and biodiverse regions, the soil of Uganda is very fertile, especially near the northern and western shores of Lake Victoria. In terms of area, Uganda has a total land area of 241,037 kmsq; about the size of Great Britain.



Demographics

2022 estimates peg the population size of Uganda at 46,205,893. Uganda is home to a very ethnically diverse population; 16.5% of the population are Buganda, 9.6% are Banyankole, 8.8% are Basoga, 7.1% are Bakiga, 7.1% are Iteso, 6.3% are Langi, 4.9% are Bagisu, 4.4% are Acholi, 3.3% are Lugbara whilst the remaining population are from several other minority groups. The two official languages of Uganda are English (taught mostly in school and used in official professions) and Swahili, the latter of which is the lingua franca. Other languages also spoken in Uganda are Luganda, Arabic and several Niger-Congo and Nilo-Saharan languages. Uganda has a very youthful population; approximately 70% of the population is below the age of 25.

In terms of religion, the majority of Ugandans are Christian; 45.1% practice Protestantism and 39.3% practice Catholicism. 13.7% of the population is Muslim whilst the remaining belong to other religions or practice no religion.

History

It is said that in about 500 BC the Bantu-speaking people migrated to the region that is present-day Uganda. Similar to the history of other countries in Sub-Saharan Africa, small groups of nomads and tribes traversed the lands for centuries and during this time the cultures and languages of the different groups intermixed. Generally, however, the northern areas were predominantly occupied by the Nilotic and Sudanic language speaking people whilst the central, western and southern areas were inhabited by the Bantu-speaking tribes. By the 15th century, the northern inhabitants, that had organised themselves into their own kingdom-like social structure that was ruled by a *kabaka* (chief) who was also endowed with priest-like characteristics, gradually expanded into the eastward and southward areas. The most notable state that became rather influential was the state of Bunyoro-Kitara, and towards the southeast of the stronghold of the Bunyoro-Kitara was the smaller dominion of the Buganda, which was quite similar in terms of ruling structure to its larger neighbouring counterpart. As time went on and the Bunyoro-Kitara continued to expand its influence, by the 18th century, the authority of the Bunyoro-Kitara began to wane and the smaller state of Buganda grew in might and usurp the larger state's areas of administration partly also due to the well-planned and assertive strategies of Buganda's leaders.

During their rise, Swahili-speaking traders from the east African coastal areas reached the state in the 1840s to establish trade, especially in ivory. As more trade was established with individuals from outside the state, *kabaka* of Buganda who took office in 1854, Mutesa I, met with the first European explorer to enter the territory, Briton John Hanning Speke, in 1862. Subsequently, the British-American explorer, Henry Morton Stanley, reached Buganda in 1875 and met Mutesa I to discuss a proposal of offering Buganda protection from slavers from Egypt and Sudan who had brutally attacked the northern state of Achoiland. When the Egyptian emissary, Linant de Bellefonds, was found to be present in Mutesa's palace before the arrival of Stanely's squadron demanding that Mutesa diverge ivory trade from Zanzibar to Egypt, his anxiety regarding the Egyptian presence made him eager to allow Stanley to allow Christian missionaries into Uganda in efforts to ward off the Egyptians with the British presence. When the first batch of agents of the Church Missionary Society arrived in 1877, Mutesa discovered that their main objective was to spread religious teaching and had no intention to provide military support, much to his chagrin. Mutesa limited the movement of these missionaries within his domain however their influence was spreading rapidly amongst the chiefs (a.k.a the *lukiko*) around Mutesa. Mutesa was said to not fear their rising influence and when the Egyptian forces were defeated by the Sudanese Mahdists, he was able to swiftly drive out the missionaries. Upon his death, his successor, Mwanga, was instated in 1884. Mwanga was not successful in keeping the missionaries out of his jurisdiction and with the help of internal support, the missions were able to depose him in 1888.

He was reinstated a year later with the help of the Baganda people that inhabited southern-central Uganda as well as a treaty of protection signed between him and German adventurer, Carl Peters, in 1889. This was promptly revoked the year after with the signing of the Anglo-German agreement whereby all territory north of latitude 1° S was put under British influence. Subsequently, the Imperial British East Africa Company was administered on behalf of the British government. Mwanga signed a treaty with the British agent, Captain F.D. Lugard, as did the chiefs of the territories of Ankole and Toro. Buganda was declared a protectorate in 1894 and two years later the dominions of Bunyoro, Toro, Ankole and Busoga were also added to the protectorate. The administration of the protectorate was deliberated upon the arrival of Sir Harry Johnston in 1899 which led to the drafting of the Buganda Agreement in 1900. Under the Agreement, the *kabaka* would retain his power on the condition of his cooperation with the colonial authority and his *lukiko* were also provided with their statutory recognition which actually resulted in their greater authority due to the land that was granted to them for their support. Uganda's borders were officially demarcated by 1914 as the northern and eastern areas also came under British influence. Johnston's successor, Sir James Hayes Sadler, was not active in developing the state of Uganda however his own successor, Sir Hesketh Bell, took a more proactive role although he faced opposition from the chairman of the land commission and chief justice, William Morris Carter. Bell persevered in his insistence that the peasant economy would yield cash crops which proved correct as the wealth generated from cotton production in Uganda allowed it to function independently without the grant-in-aid provided by the British Treasury in 1914. Due to the adverse effects of the First World War on the economy of Uganda, the protectorate authorities began to expand its agriculture as Bell had recommended with a special focus on the production of cotton and coffee. The agricultural sector grew in relevancy following the aftermath of the 1920s economic depression. To expedite the process of industrialisation, a railway from Mombasa along the Kenyan coast was extended to reach Kampala, the industrial hub of Uganda which was completed by 1931 and due to the improved transportation and communications infrastructure the economy of Uganda flourished especially in comparison to its neighbours.

In the matter of political representation of the local population, a Legislative Council was set up in 1921; however, representation was scarce and some communities, especially the Indian community, resented such lack of representation and abstained from participation until 1926. For the African communities, the political institution held no significance as they always regarded the *lukiko* and the *kabaka* as the supreme authority regardless. The protectorate administration invested in the protectorate's education sector by establishing schools across the territory which gradually did give rise to a younger generation more cognisant of political representation aside from the tribal leaders, much to the latter's resentment. In the aftermath of World War 2, riots broke out in 1945 against the protectorate administration due to which the governor of the time, Sir Charles Dundas, motioned for greater representation of Africans in the Legislative Council. In 1954, the African council membership representation in the Council was increased to 14 out of the 28 non-official members which were selected from the naturally demarcated provinces. A ministerial system was introduced a year later with Africans constituting 5 of the 11 non-official ministers, though the people of Buganda resisted from participating in it due to their perception of the institution as a means of subjugation, especially due to the fact that Mutesa II was deported in 1953. He was reinstated in 1955 along with the creation of the ministerial system. Uganda continued to perform well economically due to the international demand for coffee and by 1957 it became the country's primary export. A hydroelectric plant was set up in 1954 and in 1962 a five-year development plan was also drafted.

In the late 1950s, the African population increasingly demanded representation and began working towards self-governance. Ultimately, discussions in London in 1961 resulted in complete internal self-governance by March 1962. Former Baganda chief minister, who was a Roman Catholic, became the first Prime Minister though he was defeated by the Lango leader of the Uganda Peoples Congress (UPC), Milton Obote. By June 1962, it was agreed that a federal relationship would be established with Uganda and ultimately by October of the same year, Uganda officially gained independence. The economy at the time of independence continued to improve due to the high demand for coffee and in 1969 Obote published the "Common man's Charter" to remove the remnant of feudalism by having the government take majority holdings of foreign-owned companies' shares. In efforts to unite the country, he also introduced a new electoral system in 1970 whereby parliamentary candidates were required to secure votes from constituencies outside their home districts.

Key Dates

1500s Buganda, Bunyoro and Ankole dominions founded by Nilotic-speaking immigrants

1700s Buganda expands into Bunyoro territories

- 1862** British explorer, John Hanning Speke, is the first European explorer to reach Buganda
- 1877** Missionaries from the British Missionary Society arrive in Buganda.
- 1879** Members of the French Roman Catholic White Fathers arrives in Buganda
- 1890** Anglo-German treaty signed giving Britain administration of Uganda
- 1892** Agent Frederick Lugard of the Imperial British East Africa Company expands the company's control to southern Uganda and helps the Protestant missionaries gain more influence than the Catholics
- 1894** Uganda becomes a British protectorate.
- 1900** Britain signs agreement with Buganda giving it autonomy and turning it into a constitutional monarchy
- 1902** Eastern province of Uganda given to Kenya
- 1904** Commercial cultivation of cotton started
- 1921** Ugandan Legislative Council created
- 1958** Uganda given internal self-government
- 1962** Uganda becomes independent; Milton Obote becomes Prime Minister
- 1963** Uganda becomes a republic with Buganda's King Mutesa as the first President
- 1967** New constitution gives the President considerable power
- 1986** National Resistance Army rebels support and install Yoweri Museveni as president
- 1993** Museveni restores the traditional kings, including the king of Buganda, though their powers are only ceremonial
- 2005** Multiparty political elections introduced



Legal System and Government

The Republic of Uganda is a presidential republic wherein the President is both the Head of State, the Head of Government and the head of the armed forces. Executive power is exercised by the government which is responsible for implementing laws written by the Parliament. The Prime Minister is selected by the President who aids the President in his executive responsibilities. The legislative power of the nation is vested in the unicameral Parliament which consists of 529 seats most of which are directly elected for five-year terms. Seats are reserved for one female representative from each local district.

The nation's legal system is based on common law and customary law; customary law is implemented provided it does not conflict with statutory law. The Supreme Court is the court of highest appeal as well as the constitutional court. Under the Supreme Court are the Court of Appeal and the High Court. The country also implements Shari'ah and customary law when the situation requires and in 1970 the Magistrates' Courts were instituted to handle civilian and criminal matters.

Economy

According to World Bank estimates, Uganda had an average annual GDP growth of 5.2% from 2010 to 2020 showcasing the robust growth that has led to the nation becoming a middle-income country as of 2021. Due to its fertile land and rich agricultural history, Uganda relies heavily on its agricultural, forestry and fishing sector which contributes 24% of its GDP and employs 73% of its population. The main commodities of export from Uganda are coffee, tea, cotton, copper, oil and fish. Industry contributes 26.5% of Uganda's GDP and employs 6.7% of the population; the main industrial sectors of the nation include the processing of its agricultural products and the manufacturing of cement, fertilisers, metal products, paint, shoes and automobiles.

The remaining 42.8% of the country's GDP comes from its services sector which overtook agriculture as the backbone component of Uganda's economy with an annual growth rate of 9.4%. The tourism sector is an integral part of this sector as 10% of the GDP is sourced from tourism and the industry employs over 600,000 Ugandans. Other notable components of the Ugandan services sector are the wholesale and retail trade, telecommunications, hotels and restaurants, transport and communications subsectors.

Trade

Uganda's GDP for the year 2021 was recorded to be US\$42.5 billion. In terms of product trade, the main exports for 2021 were coffee, tea, maté and spices (40.1%), fish, crustaceans, molluscs and other aquatic invertebrates (7.2%), cocoa and cocoa preparations (6.1%) and live trees and other plants, roots, bulbs and ornamental foliage (5.1%). According to 2020 estimates, primary export destinations for Ugandan products were the United Arab Emirates (44.5%), Kenya (11.2%), South Sudan (8.6%) and the Democratic Republic of the Congo (6.4%). In terms of imports, in 2020, Uganda's top purchased products included pharmaceutical products (11.3%), vehicles other than railways, tramways and rolling stocks (9.9%), machinery, mechanical appliances, nuclear reactors, boilers and parts thereof (9.4%) and electric machinery and equipment (6.7%). The main countries from which these products were sourced were China (16.4%), India (11.6%), Kenya (9.4%) and the United Republic of Tanzania (9.0%).

Uganda is a signatory of the Africa Continental Free Trade Area (AfCFTA), Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC).

Investment Opportunities

Though agriculture remains the backbone of Uganda's economy, the government is actively seeking greater commercialisation and mechanisation of the farming to solve the problem of low productivity caused by the traditional methods and equipment still used today. Investment in more efficient manufacturing, cold storage infrastructure, irrigation schemes and value addition are amongst the primary opportunities for foreign investors looking to invest in the agricultural sector of Uganda. Similar to agriculture, tourism is a robust sector of the Ugandan economy mainly due to its national parks and unique animal species that make it one of the top tourist destinations in Africa. The government wishes to continue developing the fast-growing sector by attracting investment in the construction of high quality eco-community facilities, accommodations and operating tours and circuits across several famous sites within the country. Furthermore, new geo-data has uncovered large amounts of unextracted gold, oil, high grade tin, tungsten/wolfram, salt, beryllium, cobalt, kaolin, iron ore, glass sand, vermiculite, phosphates and other rare elements which showcase golden opportunity for investment in mining and mineral processing for which the government is offering special incentives to foreign investors. Uganda's growing and dynamic ICT sector also offers many opportunities, supported with robust legal and regulatory frameworks, for foreign investors for business process outsourcing and ICT services in agriculture, health, tourism, banks, insurance and public administration.

Sources

<https://www.britannica.com/place/Uganda>

<https://www.cia.gov/the-world-factbook/countries/uganda/#people-and-society>

<https://www.bbc.com/news/world-africa-14112446>

<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=UG>

<https://www.statehouse.go.ug/about-uganda>

<https://www.gou.go.ug/about-uganda/sector/economy>

<https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=UG>

<https://www.imf.org/en/Countries/UGA>

<https://www.trademap.org/>

<https://www.ugandainvest.go.ug/why-uganda/opportunities/>