

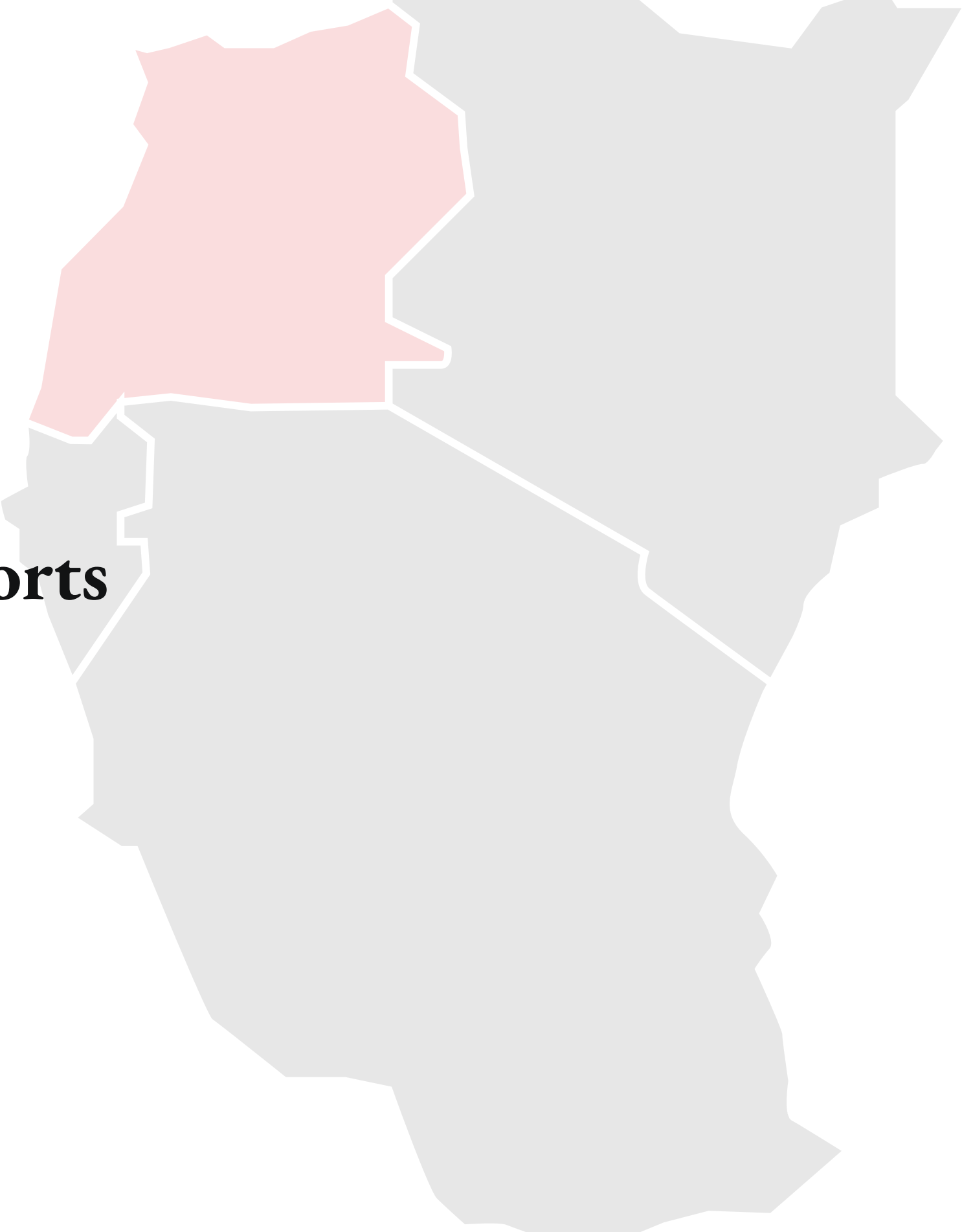


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EAST AFRICA

**Uganda's Textile & Apparel
Industry Snapshot**

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Uganda - Commonly known as “The Pearl Of Africa”

Where Adventure Meets Serenity

From the snow-capped peaks of the Rwenzori Mountains, dubbed the "Mountains of the Moon," to the vast expanse of Lake Victoria, Africa's largest freshwater lake, Uganda's diverse landscapes offer a playground for nature enthusiasts. Hike through lush rainforests teeming with exotic wildlife, spot the majestic Nile crocodiles basking on the shores of Murchison Falls National Park, or unwind on the pristine shores of Sese Islands, a tropical paradise scattered across Lake Victoria.

A Tapestry of Cultures

Uganda is a vibrant melting pot of over 56 ethnicities, each with its own distinct traditions, languages, and customs. Immerse yourself in the rich tapestry of Ugandan culture, from the energetic dances of the Baganda people, the largest ethnic group in Uganda, to the intricate beadwork of the Karamojong communities, nomadic pastoralists known for their vibrant attire and rich cultural heritage.

A Glimpse into the Wild

Uganda is a haven for wildlife enthusiasts. Track chimpanzees in Kibale National Park, the primate capital of the world, or embark on a gorilla trekking adventure in Bwindi Impenetrable National Park, a UNESCO World Heritage Site and home to over half of the world's endangered mountain gorillas. Witness these awe-inspiring creatures in their natural habitat, a once-in-a-lifetime experience that will leave you humbled and inspired by the beauty of the natural world.

Fertile Grounds

The fertile soils and reliable rainfall make Uganda a major producer of cotton, a key raw material for the textile industry. This readily available, high-quality cotton offers a significant advantage for apparel manufacturers, reducing reliance on imports and fostering a self-sufficient textile production chain.



Governmental Support

The Ugandan government recognizes the textile and apparel industry as a key driver of economic development. They actively support the sector through initiatives that improve infrastructure, provide tax incentives, and promote export opportunities. This government backing translates to a more predictable and supportive business environment, minimizing risks and fostering long-term success for investors.

A Workforce Waiting to Shine

Uganda boasts a young and energetic population, eager to contribute to the nation's growth. This abundant workforce presents a valuable resource for the textile and apparel industry, with the potential to fill various roles within the production chain. The government, along with private institutions, actively invests in vocational training programs to further enhance the skills and expertise of this workforce.



Uganda At A Glance

Nestled in the heart of East Africa, Uganda, also known as the "Pearl of Africa," beckons investors with its breathtaking beauty, vibrant culture, and untapped potential.

Overview



By investing in Uganda's textile and apparel industry, you're not just tapping into a promising market; you're becoming part of a nation on the rise, with a rich cultural heritage, a commitment to building a brighter future, and the unforgettable opportunity to encounter the awe-inspiring mountain gorillas.

Economy



GDP

45.5 Billion

As reported by the World Bank



CPI

7.2

As reported by the World Bank



GDP Per Capita

964.4

As reported by the World Bank

Economy



FDI to GDP

6.48%

As reported by the World Bank



CO2 Emissions

20.68Mt

As reported by the World Bank



External Debt to GDP

42.77%

As reported by the World Bank

Demographics



Population

47 Million

As reported by the World Bank



Median Age

16 Years

As reported by the World Bank



Working Age Population

18.2 Million

As reported by the World Bank



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A Thriving Textile and Apparel Landscape

Government Incentives

The Ugandan government actively seeks to attract investment in the textile and apparel sector. Attractive incentives include tax breaks on imported machinery, reduced corporate tax rates for qualifying businesses, and the establishment of special economic zones with streamlined procedures and infrastructure support.

Duty-Free Access to Key Markets

Uganda enjoys duty-free access to major markets like the United States (through AGOA) and the European Union (through Everything But Arms Initiative). This significantly reduces export costs and allows Ugandan apparel manufacturers to compete competitively on the global stage.

Growing Domestic Market

Uganda boasts a rapidly growing domestic market for textiles and apparel, fueled by a rising middle class and increasing disposable incomes. This presents a substantial opportunity for manufacturers to cater to the evolving needs of local consumers.

Vertical Integration Potential

Uganda presents a compelling opportunity for vertical integration within the textile and apparel industry. Investors can establish a presence across the entire production chain, from cotton ginning and spinning to fabric production and garment manufacturing. This vertical approach allows for greater control over quality, cost, and delivery timelines.

Skilled Workforce

Uganda has a young and eager workforce with a growing pool of talent in the textile and apparel sector. The government, in collaboration with private institutions, is actively investing in vocational training programs to further enhance the skills and expertise of the workforce.

Favorable Labor Costs

Compared to established textile hubs, Uganda offers significantly lower labor costs. This translates to increased profitability for investors while providing competitive wages for Ugandan workers.



Textile And Apparel Industry

Uganda's textile and apparel industry presents a unique confluence of opportunity, natural resources, and government support. With its potential for vertical integration, duty-free access to major markets, and a focus on sustainability, Uganda is poised to become a leading player in the global textile and apparel scene.



Fabric Suppliers

03

These companies provide the raw materials that fuel Uganda's textile production.



Apparel Manufacturing

05

From t-shirts to complex garments, these manufacturers transform fabric into the apparel we wear.



Vertical Solutions

N/A

Offering a one-stop shop, these companies handle various stages of production.



Cotton Production

21

The robust cotton production serves as the cornerstone of its textile and apparel industry.



Uganda's robust cotton production serves as the cornerstone of its textile and apparel industry.

Indigenous Cotton: Uganda is renowned for its indigenous cotton varieties, known for their exceptional strength, luster, and long staple length. This high-quality cotton is ideal for producing premium fabrics, making Ugandan apparel a desirable commodity in the international market.

Reliable Supply Chain: Uganda boasts a well-established cotton ginning and spinning infrastructure, ensuring a reliable supply of raw materials for textile manufacturers. This reduces dependence on external sources and fosters greater control over production costs.

Competitive Advantages

Uganda has several advantages that position it for success

Uganda's textile and apparel industry presents a compelling proposition for investors seeking a dynamic and rewarding market. Here's why you should consider investing in Uganda:

Overview

Unlike established textile hubs, Uganda's industry is still in its early stages. This translates to a unique opportunity for investors to be pioneers. By entering the market now, you can establish your brand recognition and secure a strong foothold before the industry becomes saturated. This first-mover advantage allows you to shape the industry's future and capitalize on its immense potential for growth.

Opportunities in Raw Materials

- Uganda's indigenous cotton varieties are renowned for their strength, luster and long staple length, ideal for premium fabrics.
- A well-established cotton ginning and spinning infrastructure ensures a steady supply of raw materials.

Cost-Effectiveness

- Compared to established textile hubs, Uganda offers significantly lower labor costs, increasing profitability.
- Tax breaks, reduced corporate tax rates, and special economic zones minimize operational costs.

Sustainable Future

- Promotion of sustainable cotton farming practices and eco-friendly production processes ensures long-term viability.

Strategic Location and Market Access

- Access to major markets like the US (AGOA) and EU (EBA) allows for competitive exports.
- Uganda's central location grants access to a vast regional market with a growing population.

Workforce and Skills

- A young and growing talent pool ensures a readily available workforce for the industry.
- Collaboration between government and private institutions enhances skill development.

Minimum Wage

- Uganda's minimum wage is competitive within the region, ensuring fair compensation for workers.

UGANDA'S
OFFERS

Why Invest in Uganda's Textile & Apparel Industry

Government as Your Partner

The Ugandan government recognizes the textile and apparel industry as a key driver of economic development. They actively support foreign investors through a range of attractive incentives. These include tax breaks on imported machinery, reduced corporate tax rates for qualifying businesses, and the establishment of special economic zones with streamlined procedures and readily available infrastructure. This government backing translates to a more predictable and supportive business environment, minimizing risks and fostering long-term success.

Investing in a Sustainable Future

The Ugandan government, along with a growing number of industry players, prioritize sustainable practices throughout the textile and apparel production chain. This translates into promoting sustainable cotton farming methods that minimize environmental impact. Additionally, a focus on eco-friendly production processes ensures the industry's long-term viability while resonating with environmentally conscious consumers. By investing in Uganda's textile and apparel industry, you're not just making a sound financial decision; you're contributing to a future-oriented industry that prioritizes environmental responsibility.

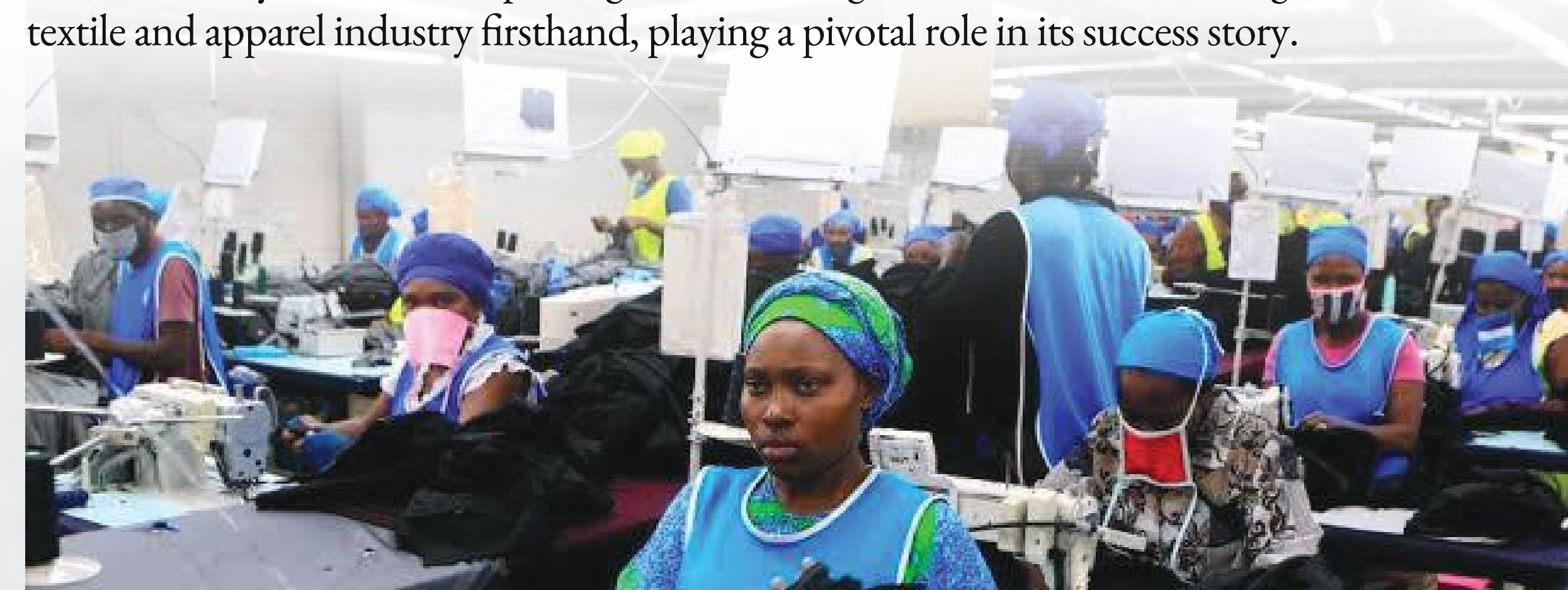


A Gateway to Multiple Markets

Uganda's strategic location offers a dual market advantage. Firstly, the country boasts a rapidly growing domestic market fueled by a rising middle class and increasing disposable incomes. This presents a substantial opportunity to cater to the evolving needs of Ugandan consumers and build a strong local brand presence. Secondly, Uganda's central location within East Africa grants access to a vast regional market with a burgeoning population. Beyond its borders, Uganda enjoys duty-free access to major international markets like the United States (through AGOA) and the European Union (through Everything But Arms Initiative). This eliminates significant export costs and allows Ugandan apparel manufacturers to compete competitively on the global stage.

Beyond Profit - Building a Stronger Uganda

Investing in Uganda's textile and apparel industry extends beyond just financial gains. A thriving textile sector creates significant job opportunities, uplifting local communities and fostering economic growth. By investing in this industry, you're directly contributing to poverty reduction and improved livelihoods for Ugandan citizens. Furthermore, you'll have the privilege of witnessing the transformation of Uganda's textile and apparel industry firsthand, playing a pivotal role in its success story.

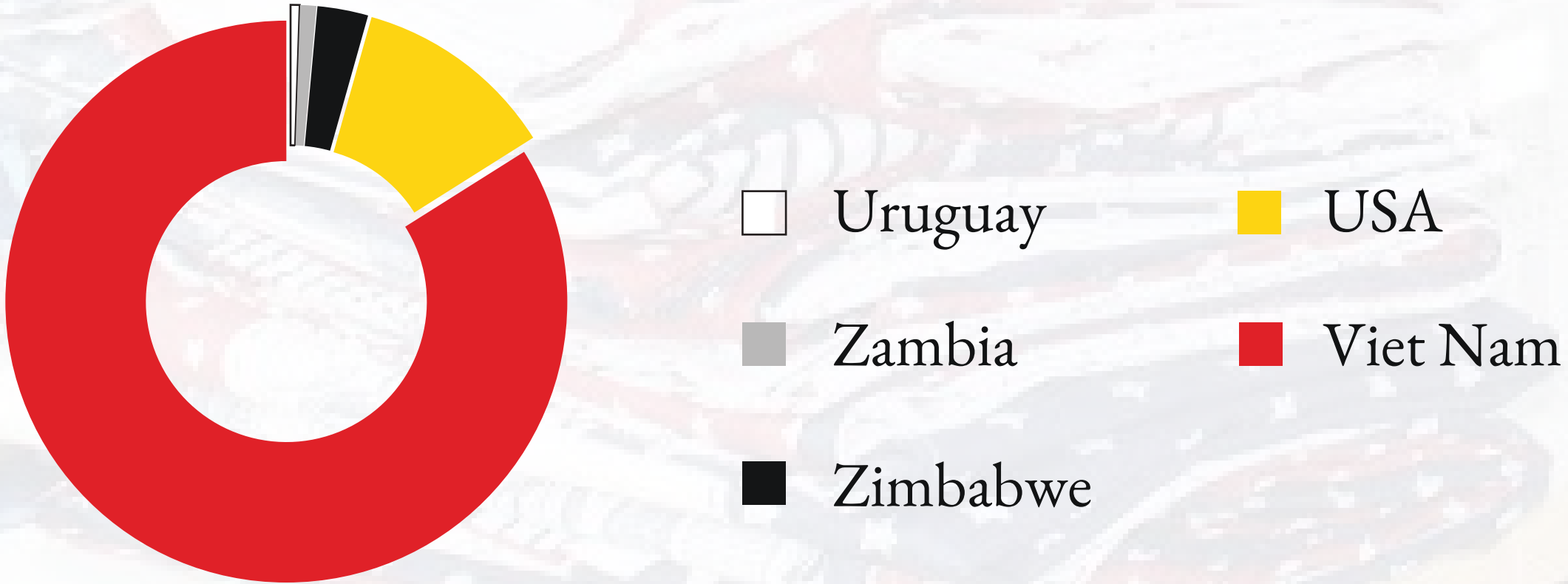


Textile & Apparel Trade Imports

Uganda's textile and apparel industry is not solely reliant on domestic production. Strategic imports play a crucial role in meeting consumer demand and fostering industry growth.

Uganda allows duty-free importation of certain textiles. This enables manufacturers to import raw materials or semi-finished goods for value addition within the country. Investors can establish manufacturing units that utilize imported fabrics to create unique, high-value garments for export or domestic consumption.

Importing certain machinery or specialized components may be necessary for specific production processes. Uganda's open investment climate allows for partnerships with international technology providers. This fosters knowledge transfer and ensures access to cutting-edge technology, enhancing the overall competitiveness of the Ugandan textile and apparel industry.



1.2 Major Importers of textile and apparel In Uganda

Additional Information

Second-Hand Clothing (Mitumba): Uganda has a significant market for second-hand clothing, often referred to as "mitumba." While this presents some competition for domestically produced garments, it also offers valuable insights. The popularity of mitumba highlights the consumer demand for affordable, stylish clothing. Investors can leverage this knowledge to produce high-quality, competitively priced apparel that caters to local preferences.

Uganda imports certain textiles and garments that are not yet produced domestically in sufficient quantities or with the desired quality. This creates a strategic opportunity for investors. By identifying these gaps, you can invest in specific areas of production, like technical fabrics or high-fashion garments, to cater to the evolving needs of the Ugandan market.



Textile & Apparel Trade Exports

Uganda's textile and apparel industry is not just import-driven; it holds immense potential for exports. Here's why you should consider Uganda as a launchpad for your global textile and apparel business:

Duty-Free Access to Major Markets: Uganda enjoys preferential trade agreements with major economic blocs like AGOA for the US market and EBA for the European Union. These agreements eliminate or significantly reduce export duties, giving Ugandan apparel manufacturers a competitive edge in the international market.

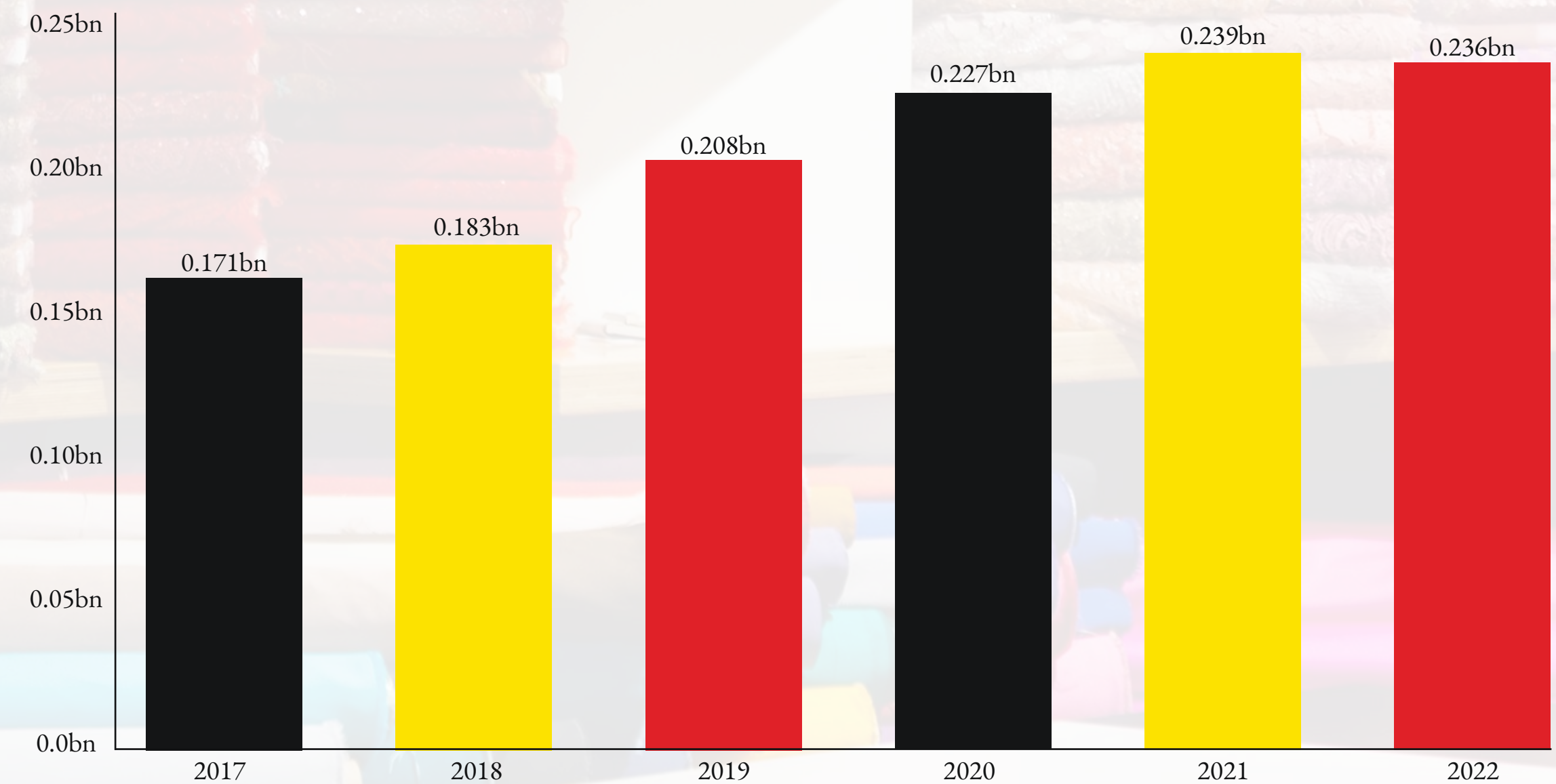
High-Quality Products at Competitive Prices: Uganda's indigenous cotton and skilled workforce enable the production of high-quality garments at competitive prices. This combination is highly attractive to international buyers seeking value for their money. Investors can leverage this advantage to establish export-oriented production units catering to the demands of the global market.

Strategic Location: Uganda's central African location offers easy access to neighboring countries within the East African Community (EAC) which boasts a free trade zone. This opens doors to a vast regional market with a growing population and increasing demand for high-quality apparel. Additionally, efficient transportation links facilitate cost-effective export to international markets.

Aligning with Global Trends: The Ugandan government, along with industry stakeholders, is actively promoting ethical and sustainable production practices. This commitment aligns perfectly with the growing global demand for eco-conscious clothing.

Uganda's textiles are diverse! In 2022, raw fibers, used to make yarns and fabrics, were their top export. This highlights their role in the global textile supply chain. They also export clothes and various textiles, showcasing their growing garment industry.

Uganda's textiles are in demand worldwide! The EU, Germany, and France are their biggest buyers, followed by the UK and USA. This global reach shows Uganda's rise as a textile trade player.



1.1 Export trends in the last 6Yrs Uganda

Access To Major Markets

Dominating the East African Market

Uganda is a founding member of the East African Community (EAC), a free trade zone encompassing Burundi, Kenya, Rwanda, South Sudan, Tanzania, and the Democratic Republic of Congo. This regional bloc boasts a population exceeding 200 million with a rapidly growing middle class and a rising demand for high-quality apparel. Investors can leverage Uganda's central location within the EAC to efficiently distribute their products throughout the region, minimizing transportation costs and maximizing reach.

Gateway to Global Trade Agreements

Uganda's participation in regional and international trade bodies positions it as a strategic location for investors seeking to access a wider global market. Through Uganda's membership in organizations like the World Trade Organization (WTO) and the African Continental Free Trade Area (AfCFTA), investors gain access to preferential trade agreements with numerous countries beyond the immediate focus regions. This translates to a multitude of potential export destinations and the ability to build a truly global brand.

Capitalizing on Duty-Free Access

Uganda boasts preferential trade agreements with some of the world's most powerful economic blocs. These agreements eliminate or significantly reduce export duties, making Ugandan apparel significantly more competitive in the international arena.

Everything But Arms Initiative (EBA)

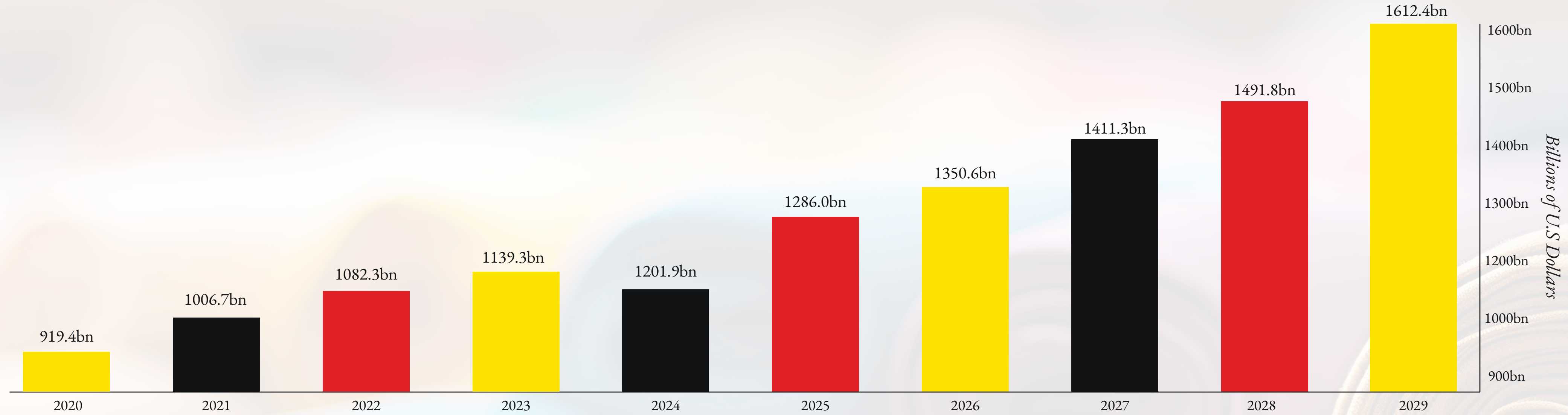
This initiative provides duty-free and quota-free access to the European Union market for a vast array of Ugandan textile and apparel products. This opens doors to a market known for its discerning consumers and high purchasing power. By catering to the specific needs and preferences of European consumers, investors can establish a strong presence in this lucrative market.

Expanding into Neighboring Markets

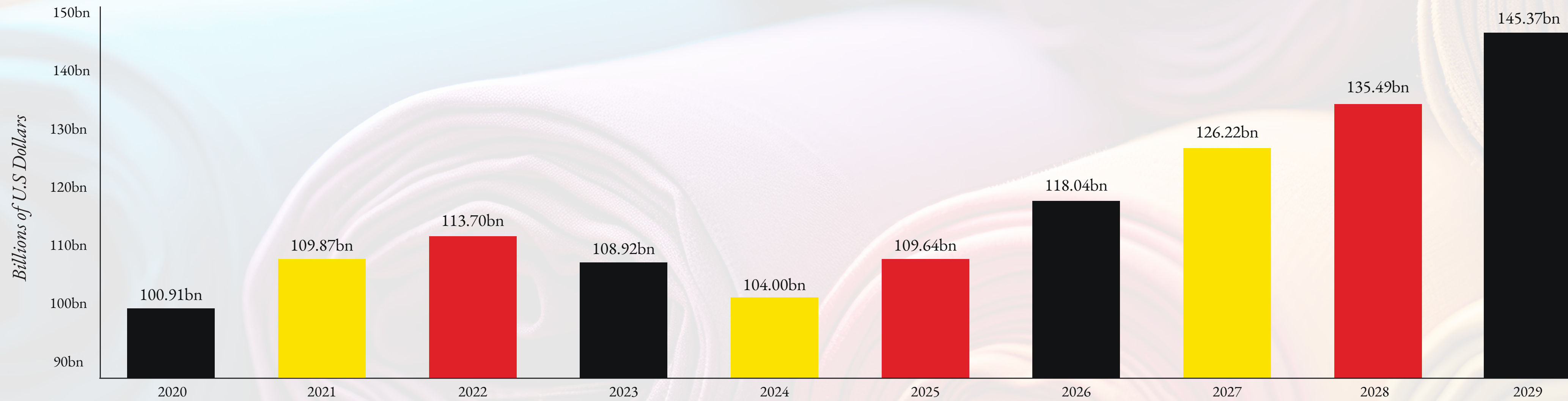
Uganda's strategic location bordering several African nations presents additional market access opportunities. Investors can establish regional hubs in Uganda to cater to the growing demand for apparel in neighboring countries like South Sudan, the Democratic Republic of Congo, and Central African Republic. These markets offer significant potential for investors seeking to diversify their customer base and capitalize on the rising demand for apparel across the continent.



IMF Growth Forecast



1.1 IMF forecast of GDP Per Capita in Kenya



1.2 IMF forecast of GDP in Kenya

Key Agencies in Uganda

Key Agency

Role

Contact

Uganda Investment Authority (UIA)

Houses the physical Operates One-Stop Centre (OSC) with 16 agencies and an electronic One Stop Center (eBiz) where investors can access services online.

Services:

Business and tax registration, Investment advisory and facilitation, work permits and passes, land title verification, product and service certification etc.

Phone : +256 206300968

Email : ebiz@ugandainvest.go.ug

Major Industrial Parks

Industrial Parks	Location	Distance to Nearest Airport (Km)	Distance to Nearest Port (Km)
Jinja Industrial And Business Park	N/A	N/A	N/A
Tangshan Mbale Industrial Park	N/A	N/A	N/A
Luzira Industrial Park	N/A	N/A	N/A
Kampala Industrial And Business Park	N/A	N/A	N/A



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