



YUMBE DISTRICT

INVESTMENT PROFILE



SUSTAINABLE DEVELOPMENT GOALS



Empowered lives.
Resilient nations.

YUMBE DISTRICT



Figure 1: Map of Uganda showing the location of Yumbe District

SNAPSHOT ON YUMBE

Geography	
Location	Northern Uganda
Neighbours	South Sudan, Moyo, Adjumani, Arua, Maracha and Kobok
District area	2,411sq km2
Arable land area	1931.211 km2
Socio-Economic Characteristics	
Population (2016 projection)	534,300
Refugees and Asylum seekers (April 2017)	272,707
Languages	Aringa Lugbara (majority), Kakwa, BARI, Madi and Alur
Main Economic Activity	Agriculture
Major tradeable	Cassava, beans, groundnuts, Simsim, millet and maize
Market target	71million
Infrastructure and strategic positioning	
Transport network	Road network,
Communication:	MTN, Airtel, Africel, UTL, the internet
Website	www.kamwenge.go.ug

GEOGRAPHY

- ➔ Yumbe District was created in November 2000 from Arua District
- ➔ It is bordered by South Sudan to the north, Moyo District to the east, Adjumani to the southeast, Arua to the south, Maracha to the southwest and Koboko to the west.
- ➔ The district covers a total area of 2,411sq km2, 80.01 percent of which is arable, 17.08 percent forested and 9.9 percent covered by water bodies and wetlands

DEMOGRAPHY

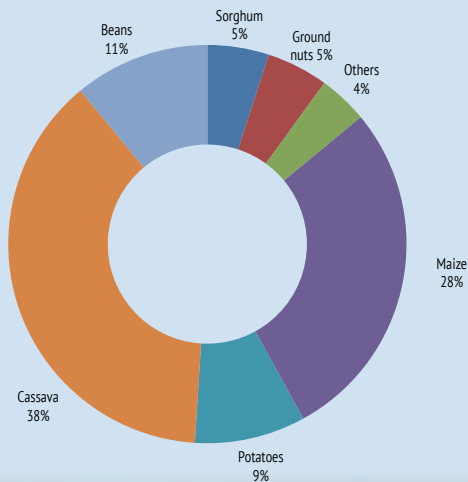
- ➔ The majority (89%) of the people in the district are ethnic Lugbara. Other ethnicities include the Kakwa, Madi and the Alur. The dialects spoken in the district include: Aringa Lugbara (majority), Kakwa, BARI, Madi and Alur. The other spoken languages are Kiswahili and English.
- ➔ The 2014 National Population and Housing Census estimated the district population at 484,822, with 52 percent women and 48 men. In 2016, the population was estimated at 534,300.
- ➔ Yumbe is one of the refugee hosting districts. By May 1, 2017, the refugee population had risen to 272,707, from 144,701 registered at the end of 2016.
- ➔ Refugees in the district mainly come from the South Sudan. They are hosted in Bidi bidi settlement area where they are allocated plots of land to build homes and to farm. They are also encouraged to interact freely, set up shops and other retail businesses.
- ➔ Yumbe promotes the government's exemplary refugee settlement model that allows refugees to interact freely and set up investments, which provides an opportunity to harness their potential to accelerate local economic development. Generally, the refugee and host communities enjoy a cordial relationship, which offers a favourable environment for doing business.



MAIN ECONOMIC ACTIVITY

- ➔ The economy of Yumbe District is heavily dependent on agriculture which employs over 80% of the population.
- ➔ The major food crops include cassava, beans, groundnuts, Simsim, millet and maize.
- ➔ Tobacco is the major cash crop and main source of livelihood for most of the population in the district. It is grown mainly in the fertile highlands areas and river banks/ valleys.

Major crops grown in Yumbe District



- The people also engage in general retail and whole sale, metal and wood fabrication, art and crafts production, fish farming and livestock farming.
- The increasing demand for goats is attracting investment in Animal husbandry. There is enormous demand for goats particularly among the Muslim communities who slaughter them in fulfilment of some religious and cultural ceremonies.

Involvement of Refugees in the Local Economy

- The refugee community is also engaged in economy activity, including farming, retail business and casual labour, to complement relief aid.
- Bidi Bidi settlement has various markets where refugees sell products. Entrepreneurs have set up small shops to fix motorcycles and build furniture and other products.

| *Goat rearing is becoming a lucrative enterprise*



WHY INVEST IN YUMBE DISTRICT??

Existing Infrastructure



| *Nyangak dam that generates power to Yumbe*

- ➔ Yumbe has great potential as an investment location which Government is committed to unlock through prioritized and strategic infrastructure development.
- ➔ The district has two major roads radiating from Yumbe town; 81 km from Yumbe Town to Arua and 36 km from Yumbe town to Koboko, all of which are gravel surfaced.
- ➔ Two roads are earmarked to be tarmacked within the Vision 2040 Planning framework.
- ➔ Yumbe has reliable thermos electricity. a 1.5 MW thermos plan serves up to 2,800 customers in Arua, Paidha, Koboko, Yumbe and Nebbi Districts.
- ➔ Construction of Nyangak II dam in Paidha will provide extra 3.5MW of hydro power to improve access to power in the districts.

Abundant Natural Resources

- Yumbe has abundant natural resources which if sustainably exploited will provide a strong raw materials base.
- A small stretch of River Nile;
- Three central forest reserves Mt Kei natural forest reserve; Lodonga forest and Koloa forest reserve.
- Quality clay for making bricks, tiles and other products.
- Furthermore, some recent studies have revealed a presence of petroleum materials in the northern parts of the district.
- The district has abundant land and rainfall of about 1250mm enough for commercial agriculture.

Tourism Potential



The Lodonga Minor Basilica church is dedicated to Blessed Virgin Mary

- Potential tourist attractions include the following:
- **The Lodonga Basilica:** the first Catholic Basilica in Sub Saharan Africa. Dedicated in 1961, the Basilica attracts pilgrims within and outside Uganda every December 8 because of a Virgin Mary apparition at the church.

➔ **The Takwa Mosque** which annually brings together pilgrims from Kenya, DRC, Tanzania and Rwanda to undertake Mauled and other functions.

➔ **The Kei Forest** has fly, birds and trees which are not found anywhere in the world. A rear type of honey is produced in this forest

Skilled and Productive Workforce

➔ Yumbe district is endowed with industrious, technically capable and affordable manpower. The growing young population is skilled and trainable to engage in farm and non-farm activities.

Administrative Support

➔ A District Investment Committee (DICs) is in place to spearhead investment attraction, facilitation and aftercare in different sectors. The DIC is a 10-member task force comprising five local government representatives: LCV chairman, Chief Administrative Officer, District Commercial Officer, District Planner and the Lands officer while the other 5 members chosen from the private sector.

➔ The district has a one-stop centre led by the District Commercial Officer to facilitate investment start-up.

Attractive Incentive Regimes

➔ Uganda's incentive package for both domestic and foreign investors provides generous terms, particularly for medium- and long-term investors whose projects entail significant plant and machinery costs. Below is a snapshot of selected incentives. The incentive structure is currently under revision. For details, refer to www.ugandainvest.go.ug/downloads/

Category 1- Initial Allowances:

Initial capital expenditures which are deductible once from the Company's Income:

- » 75% of cost of plant and machinery for an investment located outside Kampala, Entebbe, Jinja area;
- » 100% of scientific research expenditure;
- » 100% of training expenditure;
- » 100% of mineral exploration expenditure;
- » 25% of start-up costs are deductible over four years.

Category 2- Annual Depreciation

Allowances: The following allowances, under declining balance method, are provided for assets as specified in 4 classes below:

- » Class 1: 45% on Computers & Data handling equipment;
- » Class 2: 35% on Automobiles, Construction and Earth moving equipment;
- » Class 3: 30% on Buses, Goods Vehicles. Tractors, Trailers, Plant & Machinery for farming, manufacturing and mining;
- » Class 4: 20% on railroad cars, Locomotives, Vessels, Office furniture, fixtures etc.

Category 3 - Other Annual Depreciation Allowances include:

- » 5% on Industrial Buildings, Hotels & Hospitals;
- » 20% on Farming - General farm works;
- » 20% on Horticultural Plant and Construction of Green-houses using straight line depreciation

- ➔ In addition to the above incentives, there is a zero rate of import duty on plant and machinery as well as a uniform corporate tax rate of 30%.

- ➔ The depreciation allowances, plus the deductible initial capital allowances are provided without discretion to eligible investors in order to reduce their taxable income during the crucial early years of a project. The investor therefore keeps a high proportion of its cash flow and income for further investment.

District Specific Direct Incentives:

- ➔ Investors assisted to access suitable land for industrial and agricultural development. The district has earmarked some land for investors across sectors.



EXISTING INVESTORS (SELECTED)

- ➔ In May 2013 the Government of Uganda in partnership with Makerere University Food Technology and Business Incubation Centre, through the Presidential Initiative for value addition, acquired a \$400,000 mobile fruit-processing factory in form of a truck to process raw mangoes into pulp. The pulp is preserved and sold to juice processors downstream. The mobile factory moves from one sub-county to another to process farmers' mangoes and pineapples, absorbing the excess supply of mangoes in the district. Farmers are paid cash on delivery for their mangoes at the prevailing market rates.
- ➔ Some farmers have stated investing in commercial farms in the district regions such as Kululu, Ariwa, Kochi, Kerwa Romogi and Midigo.
- ➔ Existing investments in Tourism sector include two two-star hotels namely Premiar Fedaericus Hotel Ltd. and Praford Hotel Ltd.



Mobile fruit processor in Yumbe District

INVESTMENT OPPORTUNITIES IN YUMBE

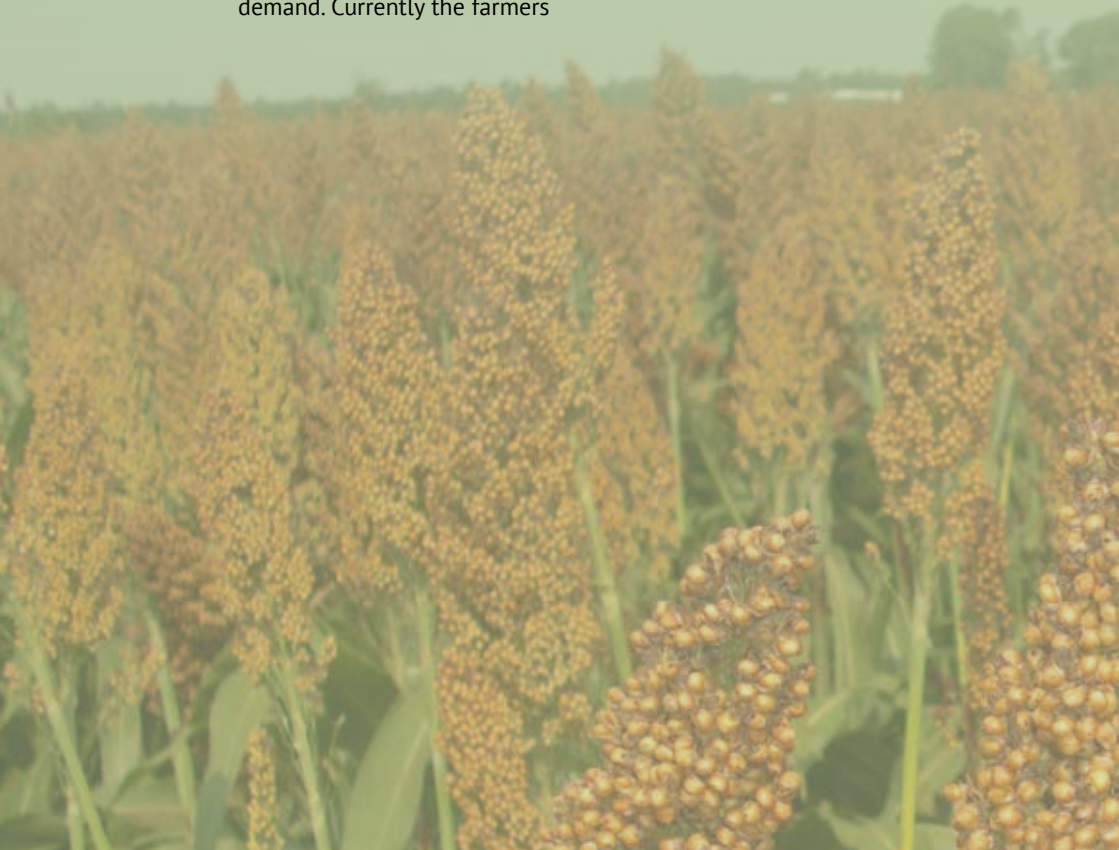
➔ **Commercial crop production:**

Large scale production of highly demanded commodities such as Cassava, Maize and Beans. Other crops that should be grown commercially to meet the consumption demand of increased refugee population are Millet, Sorghum, Groundnuts, and Simsim. High value crops: fruits and vegetables are in high demand. Currently the farmers

in the district are not producing enough of these commodities, for example Yumbe district imports Cassava flour from Soroti and Tanzania.

➔ **Commercial goat rearing:**

Large scale goat rearing for the markets in Southern Sudan, West Nile, DRC, Rwanda and Kenya and



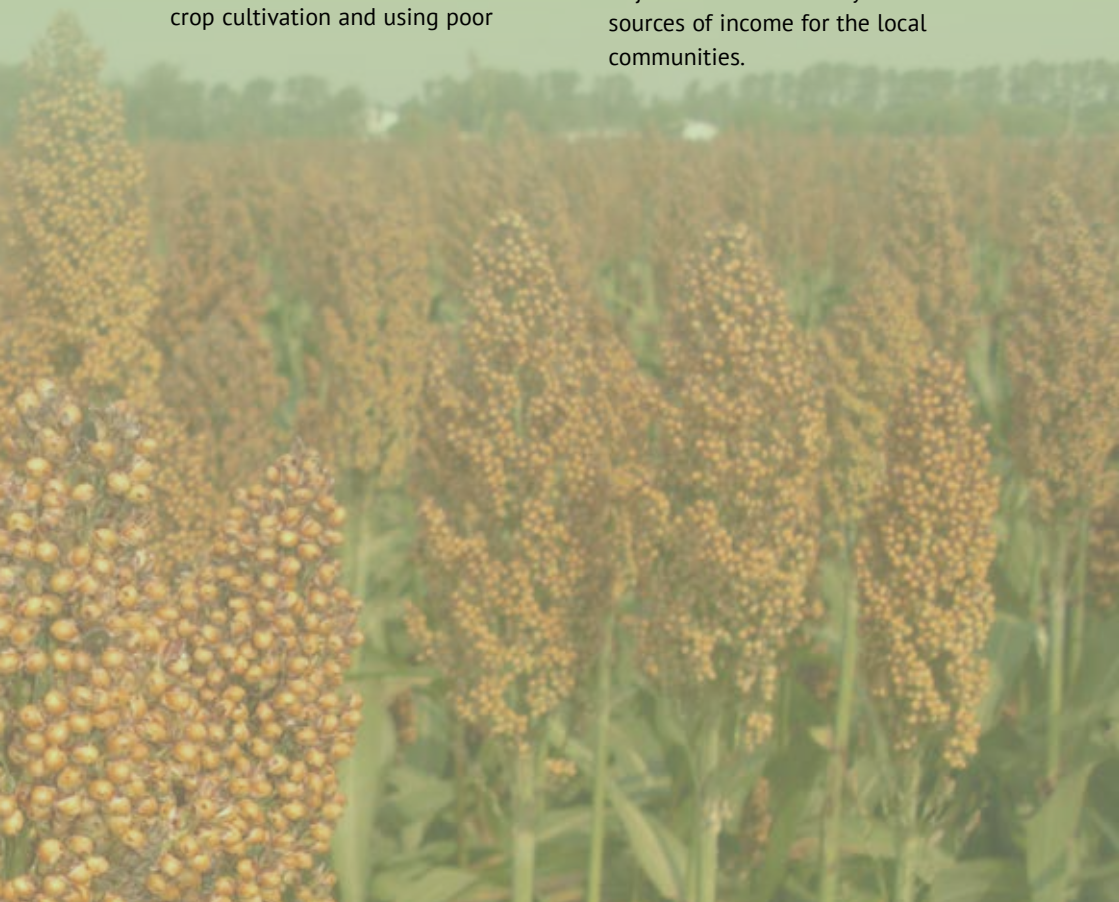
the Middle East countries is a compelling investment opportunity.

➔ **Investing in mineral resources:**

Aerial surveys have been carried out in the south western part of the District and revealed potential for the presence of petroleum products. Further surveys are being conducted.

➔ **Deforestation and environmental degradation in the whole of West Nile region has resulted from tree cutting for firewood, opening land for crop cultivation and using poor**

farming methods, overgrazing herds of cattle, goats and sheep. The pressure of increased population of frequent migrants from Southern Sudan and Eastern Congo, fleeing from civil and political conflicts in those countries has seriously contributed to this situation. Investment in large scale tree planting and large scale tree nurseries is an opportunity for substantial income generation, reforestation and revival of the environment, creation of jobs that can diversify sources of income for the local communities.



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