Private Sector Investment Survey 2014 Report

March 2015

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Acronyms

BOP	Balance of Payments
BOU	Bank of Uganda
EPRC	Economic Policy Research Centre (Makerere University)
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IIP	International Investment Position
IMF	International Monetary Fund
PSFU	Private Sector Foundation Uganda
PSIS	Private Sector Investment Survey
Shs.	Uganda Shillings (Currency)
UBOS	Uganda Bureau of Statistics
UBA	Uganda Bankers Association
UIA	Uganda Investment Authority
UMA	Uganda Manufacturers' Association
UNCTAD	United Nations Conference on Trade and Development
US$	United States Dollars
UWG	Uganda Working Group on Private Sector Investment Monitoring

Foreword

This report presents the findings of the Annual Private Sector Investment Survey of 2014 covering information on private investment up to 2013. This is the thirteenth in a series of annual surveys jointly conducted by the Bank of Uganda, the Uganda Bureau of Statistics and the Uganda Investment Authority. The survey measured foreign direct investment and foreign borrowing in resident enterprises and collected information on other variables pertaining to private sector investment. The information generated was used in the compilation of the Uganda's balance of payments, international investment position and macroeconomic analysis to inform policy decisions.

The findings of the survey revealed that foreign direct investment amounted to US$1,096.1 million in 2013, a decrease of 9.1 percent compared to the estimate of US$ 1,205.4 million in 2012. The reduction in foreign direct investment in 2013 was mainly on account of lower net borrowings from affiliated enterprises. Foreign borrowing by resident enterprises, from non-affiliated enterprises amounted to a net repayment of US$41.1 million in 2013.

The annual private sector investment survey would not have been successful without the involvement and cooperation of key stakeholders; the enterprises, government agencies, the media and field staff. The Bank of Uganda acknowledges and appreciates the valuable contribution of all stakeholders and the enterprises that participated in the survey.

The respondents to the survey are further reassured that the information provided is used for statistical purposes only and strict confidentiality is ensured for enterprise level data through dissemination of the results in only aggregate form.

Prof. Emmanuel Tumusiime-Mutebile
Governor,
Bank of Uganda

Executive Summary

The Private Sector Investment Survey (PSIS) 2014 was the thirteenth in a series of joint annual surveys conducted by the Bank of Uganda in collaboration with Uganda Bureau of Statistics and Uganda Investment Authority. The objective of the survey was to collect information required for the compilation of Uganda's balance of payments, international investment position and other key macroeconomic statistics for 2013 that are required for policy formulation.

A total of 680 questionnaires were administered during the survey from which 631 enterprises responded, representing a response rate of 92.8 percent. Overall, the 631 enterprises had an estimated contribution to value added in current prices during 2013 of Shs.5,533 billion equivalent to about 8.4 percent of GDP. In addition, the samples' contribution to fixed capital formation during 2013 was estimated at about Shs.2,275 billion representing 16.4 percent of total fixed capital formation and 21.8 percent of private fixed capital formation.

The findings on employment indicated that total employment by the enterprises that responded increased by 4.9 percent from 181,995 employees during 2012 to 190,846 employees during 2013. There was an increase in compensation of employees by 7.6 percent from Shs.3,351.9 billion in 2012 to Shs.3,606.2 billion during 2013. Profitability of enterprises surveyed decreased by 4.6 percent to Shs.772.7 billion during 2013 from Shs.809.9 billion recorded in 2012.

The grossed-up findings on Foreign Direct Investment (FDI) transactions during 2013 declined by US$109.3 million to US$1,096.1 million from the estimate of US$1,205.4 million for 2012. The decreased in FDI in 2013 inflows was mainly on account of lower disbursement of foreign borrowings from affiliated enterprises. Net inflows of other capital which is comprised of borrowings from foreign affiliates decreased by US$89.2 million to US$247.8

million during 2013 compared to US$337.0 million recorded in 2012. Similarly, foreign borrowing by resident enterprises from non-affiliated enterprises reduced to a net repayment of US$41.1 million during 2013 compared to a net inflow of US$116.9 million recorded in 2012. Transactions involving other equity investment (less than 10% equity stake) during 2013 were estimated at US$ 8.7 million.

The major recipient sectors of FDI during the year were mining and quarrying including oil (49.0 percent), I.C.T. (18.1 percent), finance and insurance (16.7 percent), and manufacturing (7.6 percent). The largest inflows/disbursements of foreign debt went to electricity and gas, mining and quarrying and I.C.T sectors. The three sectors jointly accounted for 83.6 percent of the total foreign borrowing from affiliated entities disbursement received during 2013. In terms of source of FDI, Netherlands, Australia, UK, Kenya and Mauritius were the largest sources accounting for 70.2 percent of total FDI inflows received by Uganda during 2013.

CHAPTER ONE
INTRODUCTION

This introductory chapter provides a brief background to the survey; methodology used and highlights global macroeconomic developments and trends in international private capital flows, during 2013. The basis for analysis of the findings and evaluation of the trends in foreign private sector investment is also discussed in this chapter.

1.1. Background

The Private Sector Investment Survey (PSIS) 2014 was the thirteenth in a series of annual surveys conducted by the Uganda Working Group (UWG) on private sector investment monitoring. These regular PSI surveys are intended to provide reliable information for the compilation of Uganda's Balance of Payments (BOP), International Investment Position (IIP), Coordinated Direct Investment Survey (CDIS) and other macroeconomic statistics to guide policy decisions. The PSIS 2014 collected and analysed information on the value of investment, composition, source and destination countries and sector distribution of investment stocks as at end 2012 and 2013 and flows during 2013.

Foreign Private Capital, particularly in the form of foreign direct investment (FDI) is an important source of finance for most developing economies. In these economies, FDI entities have continued to provide the financial, human and technological resources required for private investments, growth and development. In essence, FDI enterprises are associated with increased capital formation, export growth and technological transfer within the host economy. Further, the activities of the FDI enterprises contribute to employment creation, boost demand and improved public revenue. It is therefore important to regularly monitor foreign private investment given its benefits to the economy.

The PSIS 2014 targeted 793 enterprises known to have large foreign liabilities and assets from previous surveys and newly licensed enterprises from the UIA's investor register. The sample size was selected purposively to achieve full coverage of all enterprises with foreign direct investment and foreign borrowing identified from the PSIS 2013 surveys. In addition, all enterprises that were licensed by UIA during 2013 were also incorporated into the sample to determine whether they had foreign direct investment and foreign borrowings from affiliates. The sampling method generated a total of 533 enterprises, which had reported foreign direct investment and foreign borrowing in the previous surveys. These were supplemented with 50 newly licensed enterprises obtained from UIA's investor register, 107 enterprises that did not provide information during the PSIS of 2013, 65 enterprises from URA's top 1,000 tax payers that had never been surveyed and 38 enterprises reported in print media.

The data collection activities involved direct administration of the questionnaires to the respondents by a team of trained enumerators. The data collection exercise was conducted from 25th June to 29th August 2014 by a team of thirty five (35) interviewers supported by five (5) members of staff from the Statistics Department of Bank of Uganda, two staff from UBOS, and one staff from UIA. A team of 15 enumerators were later assigned to follow-up on enterprises that did not respond in the first survey round and to gather more information to improve the data quality for some enterprises.

1.2. The Global Macroeconomic Environment

An overview of the global economy and trends in international private capital flows during 2013 and forecasts for 2014 is presented in this section.

1.2.1. Overview

Global growth will receive a boost from lower oil prices however; downside risk[1] have necessitated downward revision of the growth forecast for 2015 and 2016 (IMF's World Economic Outlook (WEO), January 2015). The growth in 2015 and 2016 was downgraded by 0.3 percent from the October 2014 WEO estimates to grow by 3.5 and 3.7 percent, respectively. Despite the down ward revision, the projection is optimistic compared to the 3.3 percent recorded in both 2013 and 2014. The largest factor shaping the 2015 outlook was the oil prices which have declined by more than 50 percent since September 2014. Much of the benefits of the fall in oil price are likely to accrue to advance economies.

According to the January 2015 WEO, the outturn of global economic activity averaged 3.3 percent in 2014, unchanged from 2013. The weaker than expected growth outlook for 2014 was due to setbacks to economic activity in the advanced economies during the first half of 2014, and a less optimistic outlook for emerging market economies. The growth in 2014 was mainly on account of stronger recovery among some advanced economies despite a slowdown among emerging markets and developing countries. Among the advance economies, considerable recovery was in the United Kingdom (2.6%), United States (2.4%) and Canada (2.4%) in 2014 compared to 1.7, 2.2 and 2.0 percent, respectively in 2013. The recovery in advance economies is likely to improve the demand and prices of commodities, which could stimulate resource seeking FDI flows to developing countries.

In emerging markets and developing economies, growth is projected to remain broadly stable at 4.3 percent in 2015 and increase to 4.7 percent in 2016 (WEO, January 2015). The forecast however indicate a lower growth projection

[1] The downside risks relate to shifts in sentiment and volatility in global financial markets, especially in emerging market economies, where lower oil prices have introduced external and balance sheet vulnerabilities in oil exporters. The risk of stagnation and low inflation are still concerns in the euro area and in Japan.

for China and a weaker outlook for Russia and other developing economies due to the impact of lower oil and other commodities prices on terms of trade and real income.

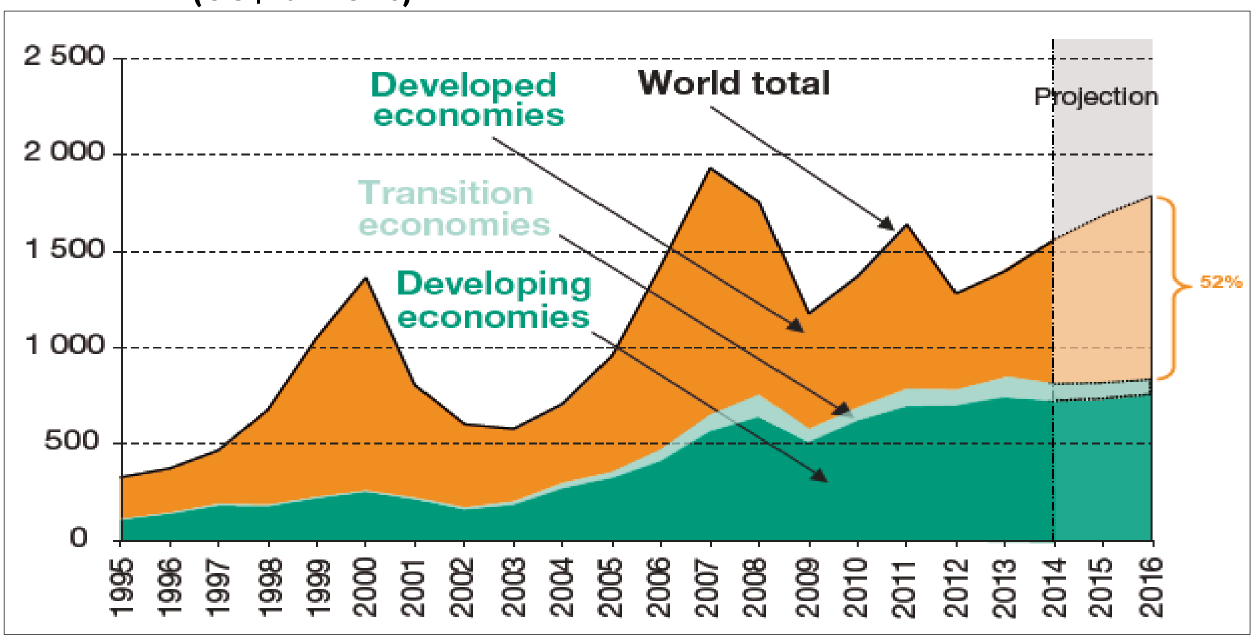
In general, the gradual improvement among the advanced economies and continued growth among emerging markets and developing economies provides optimism for increased FDI flows. In 2013 FDI inflows from advanced economies rebounded by 0.6 percent to US$857.6 billion, accounting for 60.8 percent of global FDI outflows. This was mainly due to the growth in South-to-South FDI flows mainly on account of investments from China, Hong Kong, Republic of Korea, Singapore and India into mining, manufacturing and infrastructure development activities. It is important to note that a sizable amount downside risks to global growth that may negatively affect private capital flows remain. The risks may arise from weaker economic activity in some of the world's largest economies (namely: China, Russia, the Euro zone and Japan), financial market volatility, geopolitical risk and shock to revenue of oil-exporters countries.

1.2.2. International Private Capital Flows Development

Global foreign direct investment (FDI) has begun to recover from the second effect of the global financial crisis. In 2013, global FDI inflows rose by 9.1 percent to US$1,452.0 billion from US$1,330.3 in 2012. The developing economies were the main destination for FDI in 2013 accounting for 53.6 percent (or US$778.4 billion) of the total inflows, although the growth rate slowed to 6.7 percent, compared with an average growth rate over the past 10 years of 17 percent. Flows to developed countries recovered by 9.5 percent to $565.6 billion from the US$516.7 billion received in 2012. Some of the advanced economies have shown signs of recovery albeit at a slower pace. Similarly, global FDI outflows also increased to US$1,410.8 billion in 2013 from US$1,346.7 billion in 2012. The trends and regional breakdown of global FDI flows are summarized in Table 1.1.

Consistent with the projection for global economic recovery, UNCTAD forecasts indicates that global FDI flows could rise to US$1.6 trillion in 2014, US$1.7 trillion in 2015 and US$1.8 trillion in 2016. The rise is expected to be mainly driven by investments in developed economies as their economic recovery starts to take hold. The major downside risks are likely to arise from: the slow pace of recovery in some advanced economies, the fragility in some emerging market economies, risks of policy uncertainty, volatility of commodities prices and geopolitical tension. The trends and forecast of global FDI are as illustrated in Figure 1.1.

Figure 1.1: Global FDI inflows, 1995-2013 and Projection, 2014 -2016 (US$ billions)



Source: UNCTAD, World Investment Report 2013

In terms of regional distribution, FDI flows to developing economies continued to expand at a faster pace reaching a new high of U$778.4 billion in 2013, a difference of US$212.7 billion when compared to FDI flows to advanced economies. This expansion of FDI to developing economies was driven by investments in natural resources. Overall, developing economies accounted for

53.6 percent of global FDI inflows in 2013. The highest recipient of FDI inflows among developing economies in 2013 were the developing Asian economies. Flows to developing Asia expanded by 2.7 percent to US$426.4 billion – accounting for 54.8 percent of total FDI flows to developing countries. The high FDI flows to developing Asia is attributed to, growth of manufacturing activities, developed financial markets, increased consumer demand and exploitation of mineral resources. FDI inflows to the other developing regions also expanded by 3.7 percent for African economies (or US$57.2 billion in 2013) and by 6.1 percent for Latin American economies.

Outward FDI from developing countries grew by 3.2 percent to US$454.1 billion in 2013 from US$440.2 billion in 2012. Over the five years since 2009, the contribution to outward FDI from developing countries increased to 32.2 percent from 23.6 percent of total FDI. The main drivers of developing countries' FDI outflows were investments from the East Asian economies and economies in the Caribbean. The growth in FDI from these economies was due to their cross border investments in consumer-oriented manufacturing industries, mining, wholesale and retail distribution of their products as well as investments in service industries in developing and low income countries. Details are shown in Table 1.1.

Table 1.1: Global FDI flows, by region, 2011-2013 (US$ billions)

Region	FDI Inflows			FDI Outflows		
	2011	2012	2013	2011	2012	2013
World	**1,700.1**	**1,330.3**	**1,452.0**	**1,711.7**	**1,346.7**	**1,410.8**
a). Developed economies	880.4	516.7	565.6	1,215.7	852.7	857.6
b). Transition economies	94.8	84.2	108.0	73.4	53.8	99.2
c). Developing economies	724.8	729.4	778.4	422.6	440.2	454.1
America	243.9	255.9	292.1	110.6	124.4	114.6
Asia	430.6	415.1	426.4	304.3	302.1	326.0
Oceania	2.3	3.3	2.7	0.9	1.7	1.0
Africa	48.0	55.2	57.2	6.8	12.0	12.4
Eastern Africa	9.2	13.4	14.6	0.2	(0.4)	0.4
Middle Africa	5.4	2.8	3.8	2.5	3.0	2.7
Northern Africa	8.5	16.6	15.5	1.6	3.3	1.5
Southern Africa	6.3	5.7	9.2	(0.2)	3.0	5.6
Western Africa	18.6	16.6	14.2	2.7	3.2	2.2

Source: UNCTAD, Foreign Direct Investment Statistics *2014*.

Consistent with the growth rates among the African economies, FDI inflows to Africa continued to grow. FDI inflows to Africa expanded by 3.7 percent to US$57.2 billion in 2013 from US$55.2 billion a year earlier, driven by international and regional market-seeking and infrastructure investments. The major driver was expectations for sustained growth of an emerging middle class, which attracted FDI into consumer-oriented industries, such as: finance, ICT, tourism, and retail distribution.

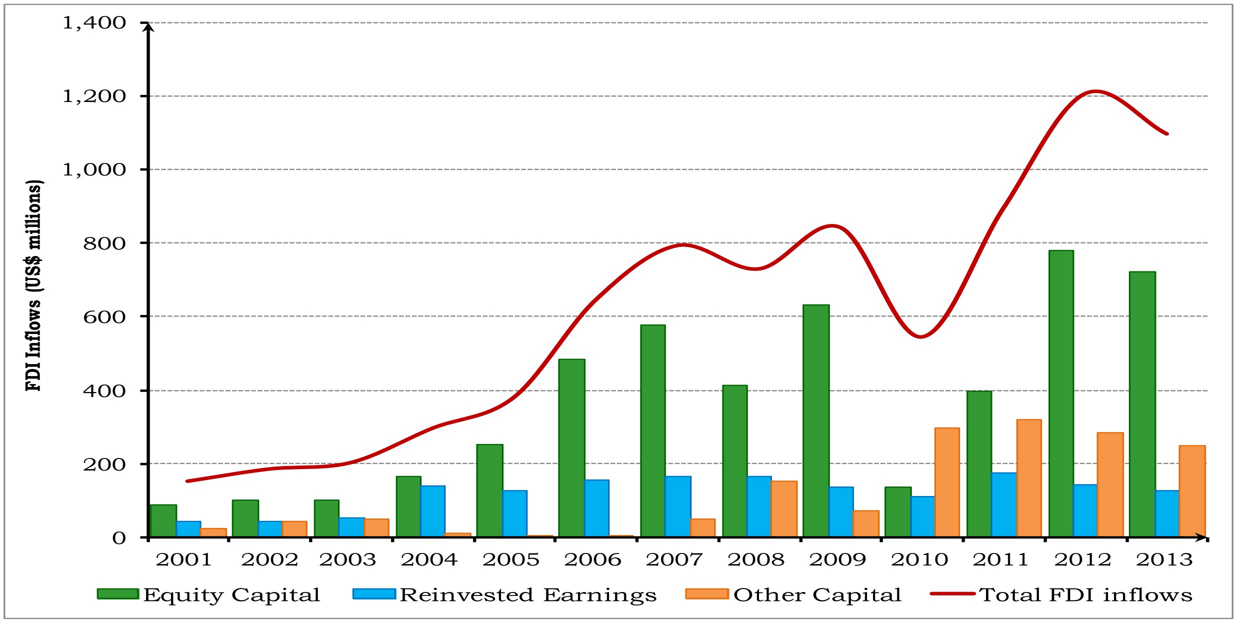
Overall, the increase in Africa was driven by the Eastern and Southern African sub-regions, as other regions recorded falling investments during 2013. FDI to Eastern African countries increased by 15 percent to US$6.2 billion as a result of rising flows to Ethiopia and Kenya. FDI inflows to Kenya were mainly driven by investments in oil and gas exploration, manufacturing and transport. Ethiopia on the other hand attracted Asian FDI into its manufacturing enterprises and construction. Similarly, FDI inflows to Southern Africa almost doubled in 2013, jumping to US$13.2 billion from US$6.7 billion in 2012, mainly owing to record-high inflows to South Africa and Mozambique.

In contrast, FDI inflows to North Africa decreased by 7 percent to US$15.5 billion in 2013; FDI to Egypt declined by 19 percent to US$5.6 billion, while Morocco attracted increased investment estimated at US$3.4 billion. FDI flows to West Africa fell by 14 percent, to US$14.2 billion, mostly owing to decreasing flows to Nigeria. Central Africa attracted FDI worth US$8.2 billion in 2013, a fall of 18 percent from 2012. The major downside risk to FDI inflows to central African countries was the political unrest in the Central African Republic and the turmoil in the Democratic Republic of the Congo which could have negatively influenced foreign investors' sentiments.

Outward FDI from Africa increased by 3.5 percent in 2013, to US$12.4 billion from US$12.0 billion recorded 2012. The main source for outward FDI was Southern Africa, which contributed 45.3 percent of the total FDI from Africa. There is optimism for increased FDI from Africa as indigenous African Multinational Corporations expand operations across borders within the continent and beyond.

In Uganda, FDI inflows fell in 2013 to US$1,016.7 million from US$1,205.4 million in 2012 on account of mainly a reduction of reinvested earnings and low borrowings from affiliated enterprises. The largest contribution to total FDI inflows was however in mining (mainly driven by investments in oil exploration activities), finance and insurance services, manufacturing, ICT and activities electricity & gas sectors. Despite a slight decline in equity investment, new equity continued to be the main component of FDI inflows to Uganda as illustrated in Figure 1.2.

Figure 1.2: FDI inflows to Uganda, 2001 - 2013 (US$ million)



Source: Computation based on BoU, BOP Statistics

1.3. Organization of the Report

The rest of the report is structured as follows: Chapter 2 provides the general survey findings, while Chapter 3 presents findings on FDI and foreign borrowing and concludes.

CHAPTER TWO
GENERAL FINDINGS

This chapter presents a description of the sample and the survey results relating to the general characteristics of the enterprises surveyed. Also included is an assessment of the sample's contribution to the economy's value added and gross fixed capital formation. The reporting currency used for presenting the survey findings is the Uganda shilling except for the up-rated estimates which are in US dollars (US$). Additional tables in US dollars are provided in Appendix B.

2.1. Survey Sample and Response Rate

The survey sample was selected with the objective of covering all enterprises in Uganda with foreign direct investment, unrelated foreign borrowing and new enterprises licensed during 2013. Subsequently, the sample was comprised of some enterprises with only foreign direct investment or foreign borrowing and some with both.

A total of 680 questionnaires were administered to enterprises during the field activities out of the 793 listed enterprises sampled. Of the 113 enterprise not administered, 43 (or 38.1%) were not located, 30 (or 26.5%) were closed, 11 (9.7%) were not yet operational and 29 (25.7%) did not receive the questionnaires. Of the 680 questionnaires delivered, 631 enterprises responded resulting in a response rate of 92.8 percent of the enterprises targeted. Financial statements for 372 of the respondents were collected and used to validate some of the information submitted. In addition, comparisons were made with the information provided in the previous surveys at enterprise level to check for consistency of the information provided.

The regional distribution of the targeted enterprises and response to the PSIS 2014 is shown in Table 2.1. The Table reveals that 598 enterprises or 94.8 percent of the enterprises that responded were located in the central region followed by 20 enterprises located in the Eastern and Northern region and 13 in Western region.

Table 2.1: Returned questionnaires by region (*number of entities*)

Region	Administered[1/]	Returned	Regional distribution of returned questionnaires (%)
Central[2/]	637	598	94.8
East and North	24	20	3.2
West	19	13	2.1
Grand Total	**680**	**631**	**100.0**

Note

1. *The large number of enterprises targeted from the Central region is explained by the fact that most companies have their head-offices located in Kampala from where the information is collected.*
2. *The difference between targeted and administered questionnaire arose from the fact that during field activities some business enterprises were not found either because they had not commenced business or had relocated or merged/acquired with/by another entity or had closed.*

At sector level, the highest share of respondent enterprises (22.0 percent) was in wholesale and retail activities, followed by manufacturing (21.1 percent), finance and insurance (9.8 percent), I.C.T (6.3 percent), construction (6.2 percent) and transportation and storage (5.5 percent). The distribution by sector reflected a high number of enterprises with foreign direct investment and borrowing in manufacturing and services sectors. The details are presented in Table 2.2.

Table 2.2: Returned questionnaires by economic sector (*number of entities*)

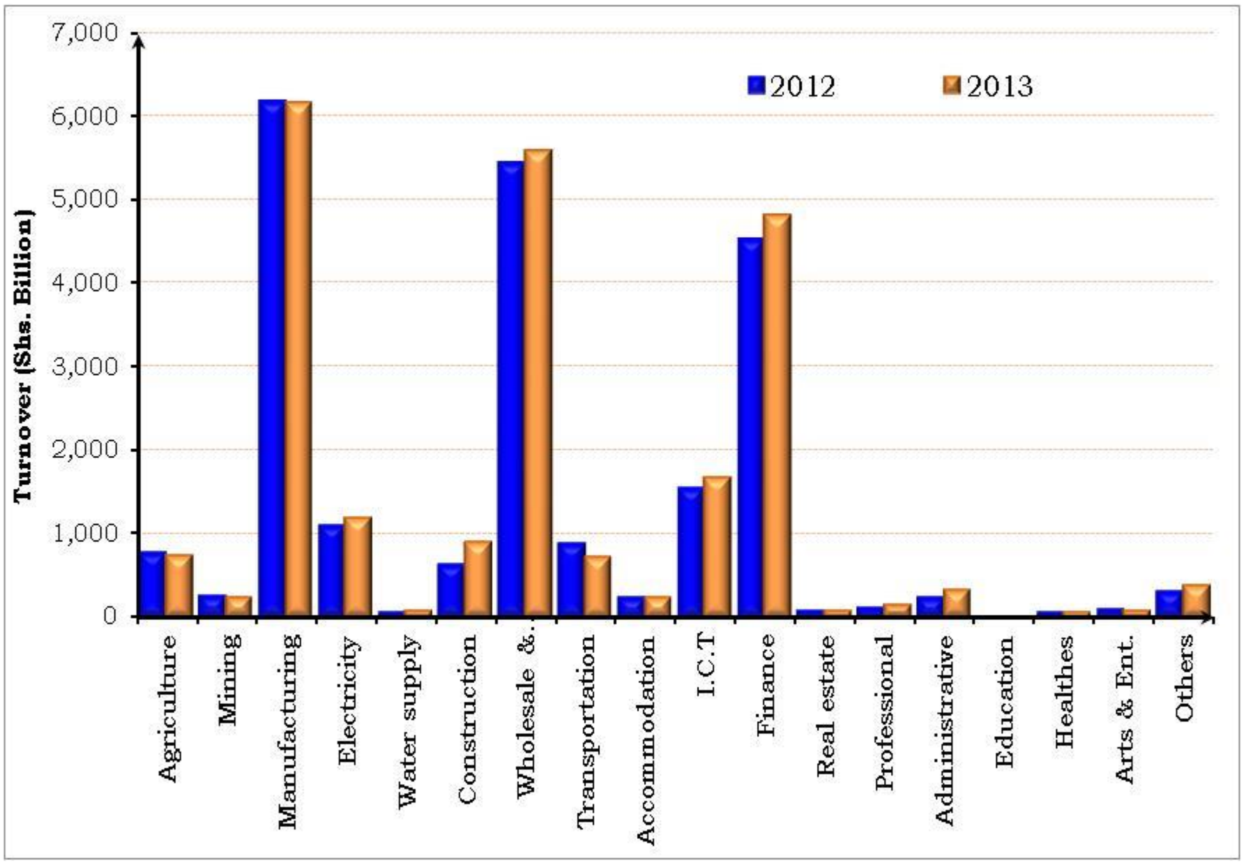
Major Sector	Administered	Returned	Sector distribution of returned questionnaires (%)
Agriculture, forestry and fishing	31	31	4.9
Industry	210	198	31.4
Mining and quarrying	*11*	*9*	*1.4*
Manufacturing	*140*	*133*	*21.1*
Electricity & gas	*14*	*14*	*2.2*
Water supply & sewerage	*3*	*3*	*0.5*
Construction	*42*	*39*	*6.2*
Services	439	402	63.7
Wholesale & retail trade	*145*	*139*	*22.0*
Transportation and Storage	*38*	*35*	*5.5*
Accommodation and food service	*27*	*24*	*3.8*
Information and communication	*41*	*40*	*6.3*
Finance and Insurance activities	*63*	*62*	*9.8*
Real estate activities	*17*	*17*	*2.7*
Professional, scientific & technical	*22*	*22*	*3.5*
Administrative services	*25*	*24*	*3.8*
Education	*6*	*6*	*1.0*
Health and Social work activities	*4*	*4*	*0.6*
Arts, entertainment and recreation	*7*	*7*	*1.1*
Others (include enterprises which had not started operations)	*44*	*22*	*3.5*
Total	**680**	**631**	**100.0**

2.2. Entity turnover

There was an increase in total turnover (sales revenue) of 3.9 percent to Shs.22,998.5 billion in 2013 from Shs.22,134.9 billion recorded in 2012. The increase was largely on account of growth in construction, wholesale and retail trade, finance and insurance and I.C.T. There was however a decline in sales revenue in transportation of 17.8 percent from Shs. 853.8 billion in 2012 to Shs. 701.5 billion in 2013; agriculture of 5.4 percent from Shs.754.0 billion in 2012 to Shs. 713.3 billion in 2013 and in manufacturing of 0.5 percent from Shs.6171.3 billion in 2012 to Shs. 6140.6 billion in 2013. The details are illustrated in Figure 2.1.

In terms of sector contribution to total turnover, manufacturing had the highest share estimated at 26.7 percent of the total reported by the enterprises that responded. This was followed by Wholesale and Retail with a share of 24.2 percent, Finance and insurance (20.9%), I.C.T. (7.2%) and electricity (5.1%). The five sectors combined accounted for about 84.3 percent of the total turnover over the two years.

Figure 2.1: Entity Turnover by Economic activities in 2012 and 2013 (Shs. Billion)



2.3. Contribution to Economic Activity

The results of the PSIS 2014 on compensation of employees (wages and salaries), taxes on production and imports less subsidies, net operating surplus (profit) and consumption of fixed capital were used to estimate the samples' contribution to output. Value added at current prices during 2013 for the 631 enterprises that responded was estimated at Shs.5,533 billion equivalent to about 8.4 percent of GDP. Financial and Insurance services, electricity and manufacturing sectors accounted for most of the value added estimated at 45.0 percent, 31.7 percent and 25.4 percent of the total, respectively (see details in Table 2.3).

Table 2.3: Value added and Fixed Capital Formation of Sampled enterprises (Shs. Billion) during 2013.

Item	*Sample Value Added*	*GDP* (*Current prices*)[1/]	*Sample /Total (in %)*
Value added	**5,533**	**65,997**	**8.4**
o/w Manufacturing	1,635	6,448	25.4
Financial and Insurance services	774	1,721	45.0
Electricity	185	583	31.7
Construction	219	4,971	4.4
Others	2,719	52,274	5.2
Fixed capital formation	**2,275**	**13,914**	**16.4**
o/w Private fixed capital formation	2,275	10,432	21.8

***Note:** **1/**. The GDP at current prices is from: Uganda Bureau of Statistics; Rebased GDP estimates 2009/10*

Source: *PSIS 2014 findings and UBOS Statistical Abstract 2014*

The results on the stock of capital reported by the enterprises during 2013 were used together with the survey results for the period 2012 to estimate the proportion of the survey's contribution to fixed capital formation. An estimate of fixed capital formation of Shs.2,275 billion was derived. The estimate represented about 16.4 percent of total fixed capital formation and 21.8 percent of private gross fixed capital formation estimates for 2013.

2.4. Employment

The number of employees in the enterprises that responded increased by 4.9 percent from 181,995 as at 31st December 2012 to 190,846 employees as at 31st December 2013 with the highest growth among non-resident employees.

In terms of residence of employees, resident employees (all employees working in Uganda for a period of 12 months or more) on average accounted for 99.9 percent of the total employment among the enterprises that responded. The number of non-resident employees was recorded at 268 (or 0.1%) of total employees as at 31st December 2013. Details are provided in Table 2.4.

Table 2.4: Distribution of Employment by Residency

Residency of employees	Number of Employees 2012	Number of Employees 2013	Growth rates 2012-2013 (in %)	Percentage of total in 2013 (in %)
Residents	181,773	190,578	4.8	99.9
Domestic[1/]	*177,378*	*185,949*	*4.8*	*97.4*
Foreign (Long-term)[2/]	*4395*	*4629*	*5.3*	*2.4*
Non-residents	222	268	20.7	0.1
Total No. of Employees	**181,995**	**190,846**	**4.9**	**100**

Note:

[1/] Domestic employees refers to employees of Ugandan nationality, who were engaged by the enterprises that responded for a period of 12 months or more according to BPM6 requirements.

[2/] Foreign (Long term) employment refers to employees of foreign nationality who were engaged by the enterprises that responded for a period of 12 months or more and are treated as residents according to BPM6.

2.5. Compensation of Employees

The PSIS 2014 collected information on compensation of employees during both 2012 and 2013 calendar years. Total compensation of employees (namely; wages, salaries, contribution to pension fund, fringe benefits, etc.) paid out by enterprises that responded increased by 7.6 percent from Shs.3,351.9 billion during 2012 to Shs.3,606.2 billion during 2013. Resident employees received the highest share of total employee's compensation accounting for an average of 82.1 percent of the total compensation during the two years. Compensation to non-residents declined by 10.2 percent to Shs.24.7 billion in 2013 from Shs.27.5 billion in 2012. Details are shown in Table 2.5.

Table 2.5: Compensation of employees by residency and up-rated flows

Residency of Employees	Survey Findings (Shs. Billions)		% Change 2012 - 2013	Up-rated Compensation of Employees (US$ Millions)	
	2012	2013		2012	2013
Residents	3,324.3	3,581.47	7.7	1,668.08	1,739.91
Domestic	*2,731.3*	*2,984.4*	*9.3*	*1,370.5*	*1,449.9*
Foreign (Long-term)	*593.1*	*597.0*	*0.7*	*297.6*	*290.0*
Non-residents	27.5	24.7	-10.2	13.8	12.0
Total compensation	**3,351.90**	**3,606.20**	**7.6**	**1,681.90**	**1,751.90**

To incorporate the findings from compensation of short-term employees into BOP, the findings from the survey were up-rated using a grossing factor of 1.26 to obtain total estimates for 2013. The grossed-up compensation during 2012 and 2013 were converted to US dollars using average exchange rates of Shs.2,504.56 and Shs.2,586.89 per US dollars, respectively. The total estimates of compensation of employees during the year increased by 4.2 percent to US$1,751.9 million in 2013 from US$1,681.9 million estimated for 2012. Compensation of non-resident employees (BOP item) however decreased from US$13.8 million during 2012 to US$ 12.0 million during 2013.

2.5. Net-Profits, Dividends and Retained Earnings

The findings from entities that responded indicate that net profits reported for 2013 decreased by 4.6 percent to Shs. 772.70 billion from Shs. 809.91 billion earned during 2012, as summarized in Table 2.6. In contrast, retained earnings increased by 11.2 percent to Shs. 521.77 billion during 2013 from Shs. 469.37 billion in 2012.

Table 2.6: Net profits, Dividends and Retained Earnings

Item	Amounts (Shs. Billions)		% Change 2012-2013
	2012	2013	
Net profit/loss	809.91	772.70	-4.6
Dividends declared	340.54	250.93	-26.3
Dividends paid/remitted	183.85	429.90	133.8
Retained earnings	469.37	521.77	11.2

In terms of profitability by sector, finance and insurance had the largest share of total profits reported amounting to Shs. 622.5 billion and Shs. 493.6 billion in 2012 and 2013, respectively. Enterprises in electricity and gas, and manufacturing sectors followed with profitability of Shs. 247.7 billion and Shs. 245.9 billion, respectively during 2013.

Large losses amounting to Shs.847.4 billion were recorded in the I.C.T. sector followed by transportation and storage of Shs.54.3 billion and mining and quarrying of Shs.15.6 billion. Enterprises in agriculture had a recovery from the previous year's losses amounting to Shs.23.8 billion to a profit of Shs.101.3 billion in 2013.

CHAPTER THREE

FOREIGN DIRECT INVESTMENT AND FOREIGN BORROWING

A discussion of the survey findings on foreign direct investment and foreign borrowing during 2013 and the respective outstanding stocks as at end 2012 and 2013 is presented in this chapter. Section 3.1 presents the detailed findings on foreign direct investment, Section 3.2 presents the findings on foreign borrowing and Section 3.3 presents the grossed-up estimates of foreign liabilities transactions used in the BOP.

3.1. Foreign Direct Investment in Resident Enterprises

Foreign direct investment[2] is comprised of total equity and other capital which is comprised of debt from foreign affiliates. Total equity is the sum of share capital, retained earnings and revaluations. The findings from the survey revealed that the stock of foreign direct investment in enterprises that responded increased by 10.3 percent from Shs.23,389.0 billion as at end 2012 to Shs.25,794.5 billion as at end 2013. The increase in the FDI stock was mainly on account of new equity investment (share capital) amounting to Shs.1,484.9 billion during 2013 in the mining, finance and I.C.T sectors. In addition, Shs.510.1 billion was received during 2013 in the form of other capital, comprised of net disbursements of loans and trade credits from foreign affiliates. Reinvested earnings during the year amounted to Shs.261.1 billion.

Other changes is financial liabilities on account of revaluation of direct equity amounted to a net gain of Shs.149.4 billion while valuation changes attributed to affiliated enterprise debt resulted into a net loss of Shs.3.2 billion. The detailed findings of FDI composition in terms of flows and stocks of the enterprises that responded are shown in Table 3.1.

[2] According to the IMF BPM6 manual, direct investment relationships arise when a direct investor directly owns equity that entitles it to 10 percent or more of the voting power in the direct investment enterprise

Table 3.1: Composition of Foreign Direct Investment (Shs. billions)

Component of FDI	2012	2013		
	Stocks	Transactions	Other Changes	Stocks
Foreign Direct Investment (FDI)	**23,389.0**	**2,256.1**	**149.4**	**25,794.5**
Total Equity (OFBV)	**20,299.6**	**1,746.0**	**152.6**	**22,198.3**
Share capital	5,388.6	1,484.9	102.2	6,975.8
Retained earnings	1,319.7	261.1	-335.3	1,245.5
Revaluation	13,591.3	-	385.8	13,977.0
Other Capital (Affiliated Debt)	**3,089.3**	**510.1**	**-3.2**	**3,596.2**
Loans	**1,897.0**	**401.5**	**-4.0**	**2,294.5**
Short-term	174.4	20.4	-1.4	193.5
Disbursements	*0.0*	*76.5*	*0.0*	*0.0*
Repayments	*0.0*	*-56.1*	*0.0*	*0.0*
Other changes	*0.0*	*0.0*	*-1.4*	*0.0*
Long-term	1,722.6	381.0	-2.7	2,101.0
Disbursements	*0.0*	*549.9*	*0.0*	*0.0*
Repayments	*0.0*	*-168.9*	*0.0*	*0.0*
Other Changes	*0.0*	*0.0*	*-2.7*	*0.0*
Trade credits	**1,192.3**	**108.7**	**0.8**	**1,301.7**
Short-term	738.3	74.5	-9.3	803.6
Disbursements	*0.0*	*286.7*	*0.0*	*0.0*
Repayments	*0.0*	*-212.2*	*0.0*	*0.0*
Other changes	*0.0*	*0.0*	*-9.3*	*0.0*
Long-term	454.0	34.2	10.0	498.2
Disbursements	*0.0*	*62.2*	*0.0*	*0.0*
Repayments	*0.0*	*-28.0*	*0.0*	*0.0*
Other Changes	*0.0*	*0.0*	*10.0*	*0.0*

The major recipient sectors of foreign direct investment during the year were mining and quarrying accounting for 49.0 percent (or Shs.1,106.5 billion) of the total FDI. This was followed by information and communication technology (18.1 percent or Shs.409.0 billion), finance and insurance (16.7 percent or Shs.377.3 billion), and manufacturing (7.6 percent or Shs.171.0 billion). The details are shown in Table 3.2. There were however net reductions recorded by enterprises involved in wholesale and retail trade (Shs.73.5 billion), accommodation and food (Shs.5.6 billion), professional, scientific and technical activities (Shs.1.2 billion) and arts, entertainment and recreation services

(Shs.1.2 billion). The reductions were as a result of mainly retained losses and net repayments of affiliated debt during the period.

Table 3.2: Sector Distribution of Foreign Direct Investment (Shs. billions)

Major Sector	2012	2013		
	Stocks	Transactions	Other Changes	Stocks
Agriculture	431.4	22.0	-1.0	452.4
Mining & quarrying	14,713.1	1,106.5	349.8	16,169.5
Manufacturing	1,918.8	171.0	15.2	2,105.0
Electricity & gas	944.5	41.6	-8.1	977.9
Water supply	31.6	2.8	0.0	34.3
Construction	297.9	40.2	33.6	371.7
Wholesale & retail	917.5	-73.5	19.4	863.4
Transportation & storage	87.0	78.0	2.9	167.9
Accommodation & food	209.0	-5.6	-5.0	198.4
I.C.T.	824.0	409.0	-118.9	1,114.1
Finance & Insurance	2,275.3	377.3	-138.8	2,513.7
Real estate	24.1	4.9	-1.1	28.0
Professional services	15.0	-1.2	-0.1	13.8
Administrative services	642.2	39.8	2.7	684.7
Education	2.1	16.5	0.0	18.5
Health	6.8	3.0	0.0	9.8
Arts & entertainment	6.4	-1.2	0.0	5.2
Others	42.3	25.0	-1.4	66.0
Total	**23,389.0**	**2,256.1**	**149.4**	**25,794.5**

The top ten sources of FDI to Uganda during 2013 in terms of stocks were Netherlands, Australia, UK, Mauritius, Kenya, Switzerland, India, Belgium, United States of America (USA), and Bermuda. These ten countries jointly accounted for 94.9 percent and 92.5 percent of FDI transactions and stocks in 2013, respectively. The details are as shown in Table 3.3.

Table 3.3: Top 10 Foreign Direct Investment Source Countries (Shs. billions)

	FDI, source country	2012	2013		
		Stocks	Transactions	Other Changes	Stocks
1.	Netherlands	10,874.0	1,015.9	429.7	12,319.6
2.	Australia	4,663.4	168.3	0.0	4,831.8
3.	United Kingdom (UK)	2,418.6	162.3	-195.9	2,385.0
4.	Mauritius	1,387.3	146.8	6.9	1,541.0
5.	Kenya	1,077.2	89.8	9.8	1,176.8
6.	Switzerland	334.5	5.4	55.5	395.5
7.	India	337.9	38.5	-8.0	368.4
8.	Belgium	17.7	496.6	-179.1	335.3
9.	United States of America (USA)	303.2	17.4	-44.2	276.4
10.	Bermuda	239.2	1.0	-0.2	240.0
	FDI from Top 10 Countries	**21,653.0**	**2,142.2**	**74.6**	**23,869.7**
	TOTAL	**23,389.0**	**2,256.1**	**149.4**	**25,794.5**

3.2. Foreign borrowing by resident enterprises

The stock of foreign borrowing reported by the responding enterprises decreased by 1.8 percent to Shs.2,517.5 billion as at end 2013 from Shs.2,564.2 billion as at end 2012. The reduction in private sector external debt was on account of higher repayment of loans and trade credits relative to disbursements.

In terms of composition, loans accounted for about 94.2 percent of the stock of private sector debt over the two years period. The stock of outstanding private sector foreign loans decreased by 1.3 percent to Shs.2,377.3 billion as at end 2013 from Shs.2,408.5 billion as at end 2012, largely on account of repayment of long-term debt. Similarly, the stock of trade credit owed to non-residents decreased from Shs.155.8 billion to Shs.140.2 billion at end 2012 and 2013, respectively. The decrease in trade credit was mainly due to large repayments of short-term trade credit during the period, estimated at Shs.119.8 billion as shown in Table 3.4.

Table 3.4: Composition of Foreign Borrowing by Resident Enterprises (Shs. billions)

Component	2012	2013			
	Stocks	Disbursements	Repayments	Other Changes	Stocks
Total Foreign borrowing	**2,564.2**	**223.1**	**-307.7**	**37.8**	**2,517.5**
Loans	**2,408.5**	**112.4**	**-181.4**	**37.8**	**2,377.3**
Short-Term Loan	8.7	4.2	-2.2	-0.1	10.5
Long-Term Loan	2,399.8	108.2	-179.2	38.0	2,366.8
Trade credits	**155.8**	**110.7**	**-126.3**	**-0.0**	**140.2**
Short-Term Loan	115.4	92.0	-119.8	-0.0	87.6
Long-Term Loan	40.4	18.7	-6.5	0.0	52.6

The survey findings also showed that in terms of sector distribution, the largest exposure of foreign debt from unrelated entities in 2013 was in electricity & gas (67.3%) followed by manufacturing (11.4%), I.C.T. (4.9%) and accommodation and food activities (3.4%). However, the sectors that received the highest disbursements were wholesale & retail trade (Shs.81.1 billion), manufacturing (Shs.39.8 billion) and electricity and gas (Shs.34.1 billion). The three sectors jointly accounted for 69.4 percent of the total disbursements received during 2013. The largest debt repayment was recorded in electricity and gas, wholesale & retail trade and manufacturing as shown in Table 3.5.

The main lenders were international organisations (namely, International Finance Corporation (IFC) and European Investment Bank (EIB)), Kenya, United Kingdom and USA. These organisations and countries accounted for 87.3 percent of the outstanding debt stock as at end 2013.

Table 3.5: Foreign Borrowing by resident enterprises by economic sector (Shs. billions)

Major Sector	2012	2013			
	Stocks	Disbursements	Repayments	Other Changes	Stocks
Agriculture	35.7	8.0	-1.5	1.2	43.4
Manufacturing	298.5	39.8	-49.8	-0.4	288.1
Electricity & gas	1,762.8	34.1	-146.5	43.3	1,693.8
Construction	35.8	3.1	-0.2	-3.1	35.7
Wholesale & retail trade	78.1	81.1	-81.8	0.0	77.4
Transportation & Storage	16.4	5.3	-4.3	-0.0	17.4
Accommodation & food	85.8	0.0	0.0	0.0	85.8
I.C.T.	124.2	19.9	-17.7	-3.4	123.0
Finance & Insurance	52.8	14.3	-2.2	0.0	64.9
Real estate activities	5.3	0.2	-0.6	0.0	5.0
Professional services	0.0	0.0	0.0	0.0	0.0
Administrative services	64.6	15.5	-2.4	0.1	77.9
Others	4.2	1.8	-0.9	-0.0	5.1
Grand Total	**2,564.2**	**223.1**	**-307.7**	**37.8**	**2,517.5**

3.3. Incorporating the Results in the Balance of Payments

Incorporation of the survey results for transactions in the BOP involved converting the transactions into US dollars from Uganda Shillings using the annual average exchange rate of Shs. 2,586.89 per US$ for 2013. Transactions relating to total foreign direct investment, foreign borrowing and related income in form of dividends and distributed branch profits were grossed-up using a factor of 1.26 determined from the proportion of responding enterprises relative to the fram (*see,* details on the derivation of the grossing-up in Appendix A). Table 3.6 shows a comparison of the survey results with the corresponding grossed-up BOP estimates, the details are in Appendix B, Table B.4.).

Table 3.6: Survey Estimates and Respective Grossed-Up Estimates of Foreign Direct Investment and Foreign Borrowing

Components	2012	2013			2013	
	UGX billions				US$ millions	
	Stock	Transactions	Other Changes	Stock	Derived transactions	Up-rated Transactions
Foreign Direct Investments (FDI)	**23,389.0**	**2,256.1**	**149.4**	**25,794.5**	**872.1**	**1,096.1**
Total Direct Equity	**20,299.6**	**1,746.0**	**152.6**	**22,198.3**	**675.0**	**848.2**
Share capital	5,388.6	1,484.9	102.2	6,975.8	574.0	721.4
Retained earnings	1,319.7	261.1	-335.3	1,245.5	100.9	126.8
Revaluation	13,591.3	0.0	385.8	13,977.0	0.0	0.0
Other Capital (Affiliated)	**3,089.3**	**510.1**	**-3.2**	**3,596.2**	**197.2**	**247.8**
Loans	1,897.0	401.5	-4.0	2,294.5	155.2	195.0
Short-term loan	*174.4*	*20.4*	*-1.4*	*193.5*	*7.9*	*9.9*
Long-term loan	*1,722.6*	*381.0*	*-2.7*	*2,101.0*	*147.3*	*185.1*
Trade credits	1,192.3	108.7	0.8	1,301.7	42.0	52.8
Short-term loan	*738.3*	*74.5*	*-9.3*	*803.6*	*28.8*	*36.2*
Long-term loan	*454.0*	*34.2*	*10.0*	*498.2*	*13.2*	*16.6*
Other Investments	**2,749.9**	**-62.0**	**20.9**	**2,708.8**	**-24.0**	**-30.1**
Other Equity (<10%)	**185.7**	**22.6**	**-17.0**	**191.3**	**8.7**	**11.0**
Portfolio Investment (PI)	64.3	14.1	-10.0	68.4	5.5	6.9
Other Equity (OE)	121.4	8.5	-7.0	122.9	3.3	4.1
Foreign Borrowings (non-affiliated)	**2,564.2**	**-84.6**	**37.8**	**2,517.5**	**-32.7**	**-41.1**
Loans	2,408.5	-69.0	37.8	2,377.3	-26.7	-33.5
Short-term loan	*8.7*	*2.0*	*-0.1*	*10.5*	*0.8*	*1.0*
Long-term loan	*2,399.8*	*-70.9*	*38.0*	*2,366.8*	*-27.4*	*-34.5*
Trade credits	155.8	-15.6	0.0	140.2	-6.0	-7.6
Short-term loan	*115.4*	*-27.8*	*0.0*	*87.6*	*-10.7*	*-13.5*
Long-term loan	*40.4*	*12.2*	*0.0*	*52.6*	*4.7*	*5.9*
Dividend paid/remitted	N/A	429.9	N/A	N/A	166.2	208.8

The up-rated results revealed that foreign direct investment transactions during 2013 fell to US$1,096.1 million from the estimated inflow of US$1,205.4 million during 2012 (details are provided in Appendix Table: B.3). The main inflows were in the form of equity (US$848.2 million) despite the decline from US$868.4 million received during 2012. Similarly, other capital (debt from affiliates) fell to US$247.8 million during 2013 compared to net disbursements of US$337.0 million estimated for 2012.

The grossed-up net flows (disbursement less principal repayments) of foreign non-affiliated borrowing by resident enterprises was estimated at a net outflow of US$41.1 million during 2013 compared to a net inflow of US$146.3 million during 2012. Nonetheless, the results showed that the grossed-up distributed return on investment (dividends) paid to foreign direct investors during 2013 doubled to US$ 208.8 million from US$102.7 million reported in 2012. The grossed-up flows and stocks from 2007 – 2013 by source country are presented in Appendix Table B.4 and B.5.

3.4. Conclusions

Uganda's private sector investment inflows fell during 2013 compared with 2012, but remained high. The decline in FDI was on account of mainly lower inflows of affiliated debt received from direct investors during 2013. Similarly, private foreign borrowing (non-affiliated debt) decreased as a result of higher net repayments during 2013. However a recovery is expected during 2014 as growth continues to recover and government projects in energy and infrastructure commence.

APPENDIX – A: Sampling and Grossing-up Methodology

Based on the information available, all enterprises with known foreign assets and liabilities from previous surveys were covered in the survey. Newly licensed enterprises by the UIA during 2013, enterprises from URA top 1,000 tax payers not covered in previous private sector investment surveys and the list of new investments received during 2013 reported in from the print and electronic. This sampling approach was followed to ensure comprehensive coverage of enterprises with foreign direct investment and borrowing as well as to ensure consistency with previous survey estimates. The approach was also to enable comparison of estimates obtained from previous surveys and the development of the data time series of FDI at enterprise level.

The grossing-up methodology was done in two stages with the first stage based on office estimates for non-responding enterprises that had responded to previous surveys but did not respond during PSIS 2014. The office estimates were based on previous survey responses to derive the beginning of period stocks and sector growth factors derived from responding enterprises within the same sector to derive transactions during the year. Financial statements covering 2012 and 2013 were used to augment the estimation for enterprises that provided their statements.

The next stage involved grossing-up for non-response of newly licensed enterprises. Since there were no previous estimates for newly licensed enterprises, it was not possible to make office estimates. The grossing-up was based on their overall share in the sample frame. Subsequently, a grossing-up factor of 1.26 was applied to all estimates to cater for the non-response by the newly licensed enterprises.

APPENDIX – B: Statistical Appendix

Table B.1: Total Employment by Economic Sectors in 2012 and 2013

Major Sector	2012				2013			
	Local	Foreign		Total	Local	Foreign		Total
		Long-Term	Short-Term			Long-Term	Short-Term	
Agriculture	19,564	510		20,074	21,166	530		21,696
Mining & quarrying	1,476	74	62	1,612	1,049	63	62	1,174
Manufacturing	49,846	1,257	121	51,224	50,436	1,391	123	51,950
Electricity & gas	4,855	47	3	4,905	4,794	59	3	4,856
Water supply	212	8		220	222	0		222
Construction	5,888	613		6,501	6,067	637	40	6,744
Wholesale & retail trade	10,814	553	13	11,380	11,267	568	17	11,852
Transportation & storage	6,620	165		6,785	6,261	138		6,399
Accommodation & food	4,000	112	8	4,120	4,168	110	5	4,283
I.C.T.	7,723	191	1	7,915	7,833	177	1	8,011
Finance & insurance	23,827	601		24,428	25,528	675		26,203
Real estate	591	50	10	651	585	48	10	643
Professional	838	8		846	828	9	1	838
Administrative services	38,304	100	4	38,408	42,801	107	4	42,912
Education	482	3		485	550	17		567
Health	496	22		518	464	22		486
Arts & entertainment	480	15		495	471	15		486
Others	1,362	66	0	1,428	1,459	63	2	1,524
Total	**177,378**	**4,395**	**222**	**181,995**	**185,949**	**4,629**	**268**	**190,846**

Table B.2: Compensation of employees by economic sectors (US$ millions) in 2012 and 2013

Major Sector	2012			2013		
	Foreign		Local	Foreign		Local
	Long-Term	Short-Term		Long-Term	Short-Term	
Agriculture	2.5	-	37.4	4.7	-	35.3
Mining & quarrying	17.3	4.8	6.3	17.3	1.9	15.1
Manufacturing	97.7	3.8	154.7	80.4	4.6	169.2
Electricity & gas	13.1	1.4	57.4	17.2	2.2	71.2
Water supply	0.2	-	1.2	0.2	-	1.8
Construction	9.6	0.3	26.7	9.9	0.3	27.8
Wholesale & retail trade	13.1	0.1	63.0	20.8	0.2	70.1
Transportation & storage	4.2	-	53.5	2.7	-	39.1
Accommodation & food	2.2	0.0	18.1	2.9	0.0	20.8
I.C.T.	22.8	0.1	136.3	23.9	0.1	146.5
Finance & Insurance	35.6	0.1	413.8	38.1	0.1	469.6
Real estate	0.3	-	2.2	0.5	-	1.6
Professional	0.1	-	11.9	0.0	0.1	11.3
Administrative services	5.9	0.0	41.9	7.0	0.0	55.7
Education	-	-	2.9	0.5	-	5.5
Health	1.0	-	3.0	0.5	-	3.6
Arts & entertainment	0.8	-	1.4	0.5	-	1.3
Others	2.9	-	24.2	3.6	0.0	8.2
Total	**229.3**	**10.7**	**1,055.8**	**230.8**	**9.6**	**1,153.7**

Table B.3: Grossed-up Foreign Direct Investment and Foreign Borrowing during 2011 and 2012 (US$ millions)

Components	2012		2013	
	Derived transactions	Up-rated figures	Derived transactions	Up-rated BOP figures
Foreign Direct Investment	**1,068.1**	**1,205.4**	**872.1**	**1,096.1**
Total Equity	**769.5**	**868.4**	**675.0**	**848.2**
Share capital	644.3	727.1	574.0	721.4
Retained Earnings	126.9	143.2	100.9	126.8
Other Capital	**298.6**	**337.0**	**197.2**	**247.8**
Foreign Borrowing *(Loans and Trade credit)*	**103.6**	**116.9**	**-32.7**	**-41.1**
Short-term	7.9	8.9	-10.0	-12.5
Long-term	95.7	108.0	-22.7	-28.5
Dividends and distributed branch profits	91.0	102.7	166.2	208.8

Table B.4: Integrated Foreign liabilities, grossed-up transactions and their component during 2013 (US$ millions)

Components	2012	2013			2013	
	UGX				US$	
	Stock	Transactions	Other Changes	Stock	Derived transactions	Up-rated Transactions
Foreign Direct Investments	**23,389.0**	**2,256.1**	**149.4**	**25,794.5**	**872.1**	**1,096.1**
Direct Equity (OFBV)	**20,299.6**	**1,746.0**	**152.6**	**22,198.3**	**675.0**	**848.2**
Equity Shares	5,388.6	1,484.9	102.2	6,975.8	574.0	721.4
Retained Earnings	1,319.7	261.1	-335.3	1,245.5	100.9	126.8
Revaluation & Others	13,591.3	0.0	385.8	13,977.0	0.0	0.0
Other Capital (affiliated debt)	**3,089.3**	**510.1**	**-3.2**	**3,596.2**	**197.2**	**247.8**
Loans Total	**1,897.0**	**401.5**	**-4.0**	**2,294.5**	**155.2**	**195.0**
Short-Term Loan	174.4	20.4	-1.4	193.5	7.9	9.9
Disbursements	0.0	76.5	0.0	0.0	29.6	37.2
Repayments	0.0	-56.1	0.0	0.0	-21.7	-27.2
Other Changes	0.0	0.0	-1.4	0.0	0.0	0.0
Long-Term Loan	1,722.6	381.0	-2.7	2,101.0	147.3	185.1
Disbursements	0.0	549.9	0.0	0.0	212.6	267.2
Repayments	0.0	-168.9	0.0	0.0	-65.3	-82.1
Other Changes	0.0	0.0	-2.7	0.0	0.0	0.0
Trade credits Total	**1,192.3**	**108.7**	**0.8**	**1,301.7**	**42.0**	**52.8**
Short-Term Loan	738.3	74.5	-9.3	803.6	28.8	36.2
Disbursements	0.0	286.7	0.0	0.0	110.8	139.3
Repayments	0.0	-212.2	0.0	0.0	-82.0	-103.1

Components	2012	2013			2013	
	UGX				US$	
	Stock	Transactions	Other Changes	Stock	Derived transactions	Up-rated Transactions
Other Changes	*0.0*	0.0	-9.3	0.0	0.0	0.0
Long-Term Loan	*454.0*	34.2	10.0	498.2	13.2	16.6
Disbursements	*0.0*	62.2	0.0	0.0	24.0	30.2
Repayments	*0.0*	-28.0	0.0	0.0	-10.8	-13.6
Other Changes	*0.0*	0.0	10.0	0.0	0.0	0.0
Other Investment	**2,749.9**	**-62.0**	**20.9**	**2,708.8**	**-24.0**	**-30.1**
Other Equity Investment (<10%)	**185.7**	**22.6**	**-17.0**	**191.3**	**8.7**	**11.0**
Portfolio Investment (PI)	64.3	14.1	-10.0	68.4	5.5	6.9
Other Equity (OE)	121.4	8.5	-7.0	122.9	3.3	4.1
Other Investment (PSED)	**2,564.2**	**-84.6**	**37.8**	**2,517.5**	**-32.7**	**-41.1**
Loans Total	**2,408.5**	**-69.0**	**37.8**	**2,377.3**	**-26.7**	**-33.5**
Short-Term Loan	8.7	2.0	-0.1	10.5	0.8	1.0
Disbursements	0.0	4.2	0.0	0.0	1.6	2.0
Repayments	0.0	-2.2	0.0	0.0	-0.9	-1.1
Other Changes	0.0	0.0	-0.1	0.0	0.0	0.0
Long-Term Loan	2,399.8	-70.9	38.0	2,366.8	-27.4	-34.5
Disbursements	0.0	108.2	0.0	0.0	41.8	52.6
Repayments	0.0	-179.2	0.0	0.0	-69.3	-87.0
Other Changes	0.0	0.0	38.0	0.0	0.0	0.0
Trade credits Total	**155.8**	**-15.6**	**0.0**	**140.2**	**-6.0**	**-7.6**
Short-Term Loan	115.4	-27.8	0.0	87.6	-10.7	-13.5
Disbursements	0.0	92.0	0.0	0.0	35.6	44.7
Repayments	0.0	-119.8	0.0	0.0	-46.3	-58.2
Other Changes	0.0	0.0	0.0	0.0	0.0	0.0
Long-Term Loan	40.4	12.2	0.0	52.6	4.7	5.9
Disbursements	0.0	18.7	0.0	0.0	7.2	9.1
Repayments	0.0	-6.5	0.0	0.0	-2.5	-3.2
Other Changes	0.0	0.0	0.0	0.0	0.0	0.0

Table B.5: Grossed-up FDI flows by source countries 2007 - 2013 (US$ millions)

	Country	2007	2008	2009	2010	2011	2012	2013
1	Australia	178.19	163.92	189.27	120.12	201.13	203.09	81.77
2	Kenya	116.21	94.21	55.49	86.12	172.55	99.37	43.64
3	Netherlands	21.85	16.76	16.24	121.52	164.41	611.19	493.51
4	UK	262.30	249.72	227.78	126.74	115.81	116.81	78.86
5	UAE	96.78	89.03	102.80	65.24	109.24	64.37	1.62
6	Mauritius	39.99	30.91	54.01	90.56	104.54	6.27	71.33
7	Switzerland	38.77	35.67	41.18	26.14	43.76	-12.92	2.64
8	Bermuda	59.66	50.36	87.41	11.62	38.00	-13.36	0.49
9	Denmark	18.64	17.15	19.80	12.57	21.04	-2.19	-3.54
10	India	29.02	27.41	18.77	38.13	19.15	39.32	18.73
11	Nigeria	16.84	15.49	17.88	11.35	19.00	5.24	-3.71
12	South Africa	66.86	51.14	89.53	16.85	14.40	24.95	11.43
13	Singapore	0.75	1.01	0.10	-1.72	9.49	9.63	2.08
14	IO	7.55	6.95	8.02	5.09	8.52	5.78	8.68
15	Egypt	6.29	5.78	6.68	4.24	7.10	-2.60	9.35
16	Norway	4.72	4.35	5.02	3.18	5.33	2.88	5.56
17	Togo	3.16	2.91	3.36	2.13	3.57	1.09	17.86
18	USA	83.37	69.27	18.83	10.31	3.44	20.36	8.45
19	Canada	2.98	2.74	3.16	2.01	3.36	-6.73	6.33
20	Others	-254.08	-198.99	-115.74	-213.00	-169.56	32.83	241.02
	Total	**792.31**	**728.86**	**841.57**	**534.11**	**894.29**	**1,205.39**	**1,096.1**