Private Sector Investment Survey 2016 Report

May 2017

Table of Contents

List of Tables

List of Figures

List of Appendices

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 2016 covering information on private investment in 2015. The survey was the fifteenth 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 collected information on foreign direct investment and borrowing in resident enterprises and on other variables pertaining to private sector investment. The information generated was used in the compilation of Uganda's balance of payments and international investment position statistics and for macroeconomic analysis.

The survey revealed that there was a decrease in foreign direct investment in 2015. This was largely attributed to lower inflows in the mining and quarrying sector which is linked to the declining oil prices; delays in concluding production licenses and the poor performance particularly by enterprises in the ICT sector. The prospects for 2016 are for higher inflows following the issuance of exploration and production licences to the companies in the oil sector.

The annual private sector investment survey would not have been successful without the 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.

Management,
Bank of Uganda

Executive Summary

The Private Sector Investment Survey (PSIS) 2016 was the fifteenth 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 related key macroeconomic statistics for 2015.

A total of 690 questionnaires were administered during the survey from which 634 enterprises responded, representing a response rate of 91.9 percent. Overall, the 634 enterprises had an estimated contribution to value added in current prices during 2015 of Shs.4,127 billion equivalent to about 5.0 percent of GDP. In addition, the samples' contribution to fixed capital formation during 2015 was estimated at about Shs.11,585 billion representing 58.1 percent of total fixed capital formation and 82.4 percent of private fixed capital formation.

The findings on employment indicated that total employment by the enterprises that responded increased by 6.0 percent from 101,873 employees during 2014 to 107,958 employees during 2015. There was also an increase in compensation of employees of 17.9 percent from Shs.1,830.0 billion in 2014 to Shs.2,156.8 billion during 2015. Profitability of enterprises surveyed decreased by 4.0 percent to Shs.799.0 billion during 2015 from Shs.832.7 billion recorded in 2014.

The grossed-up findings on Foreign Direct Investment (FDI) transactions during 2015 decreased by US$462.8 million to US$538.5 million from US$1,001.3 million in 2014. The decrease in FDI inflows in 2015 was mainly on account of lower inflows of new equity. Net inflows of other capital which is comprised of borrowings from foreign affiliates decreased to US$185.7 million during 2015 compared to US$317.1 million recorded in 2014. However, foreign borrowing by resident enterprises from non-affiliated enterprises was a net disbursement of US$11.4 million during 2015 compared to a net repayment of US$9.4 million recorded in 2014. Transactions involving other equity investment (equity investment of less than 10% of total equity) during 2015 were estimated at US$ 6.9 million.

The major recipient sectors of FDI during the year were mining and quarrying including oil (52.1 percent), finance and insurance (18.1 percent), electricity and gas (9.3 percent) and manufacturing (6.0 percent). The largest inflows/disbursements of debt from foreign affiliates went to ICT, transport & storage, wholesale & trade and manufacturing sectors. The three sectors jointly accounted for 80.5 percent of the total disbursements from foreign affiliated entities received during 2015. In terms of source of FDI, Netherlands, Australia, Kenya, UK, Mauritius and South Africa were the largest sources accounting for 85.7 percent of total FDI inflows received by Uganda during 2015.

The survey findings also showed that entities in the electricity & gas sector had the largest exposure to foreign debt from unrelated entities, accounting for 71.9 percent of the outstanding stock of debt in this category at the end of 2015. Entities in ICT, manufacturing, electricity and gas and real estate sectors received 87.9 percent of the total disbursements and remitted 71.6 percent of the repayments to non-affiliated entities during 2015.

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 2015. 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) 2016 was the fifteenth 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 related macroeconomic statistics to guide policy decisions. The PSIS 2016 collected and analysed information on the value of investment, composition, source countries and sector distribution of investment stocks as at end 2014 and 2015 and flows during 2015.

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 to complement domestic private investments, and to support 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 improve public revenue.
The PSIS 2016 targeted 757 enterprises known to have large foreign liabilities and assets from previous surveys. The sample size was selected purposively to achieve full coverage of all enterprises with foreign direct investment and foreign borrowing identified from the PSIS 2015 survey.

The data collection activities involved direct administration of the questionnaires to the respondents by a team of trained enumerators. The exercise was conducted from 11th July to 13th November 2016 by a team of forty five (45) interviewers supported by four (4) members of staff from the Statistics Department of Bank of Uganda, one staff from UBOS, and one staff from UIA. After the first phase, a team of 13 enumerators were assigned to follow-up on enterprises that did not respond in the first round of data collection and to gather additional 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 2016 and forecasts for 2017-18 is presented in this section.

1.2.1. Overview of Global Growth in 2016

According to the International Monetary Fund's World Economic Outlook report (IMF's WEO) of April 2017[1], the world economy gained speed in the fourth quarter of 2016 and the momentum is expected to persist. Global growth is projected to increase from an estimated 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018. Activity is projected to pick up markedly in emerging market and developing economies because conditions in commodity exporters experiencing macroeconomic strains are gradually expected to improve, supported by the partial recovery in commodity prices, while growth is projected to remain strong in China and many other commodity importers. In advanced economies, the pickup is primarily driven by higher projected growth in the United States, where activity was held back in 2016 by inventory adjustment and weak investment.

[1] IMF World Economic Outlook Update – April 2017: Gaining Momentum?
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In sub-Saharan Africa, a modest recovery is foreseen in 2017. Growth is projected to rise to 2.6 percent in 2017 and 3.5 percent in 2018, largely driven by specific factors in the largest economies, which faced challenging macroeconomic conditions in 2016.

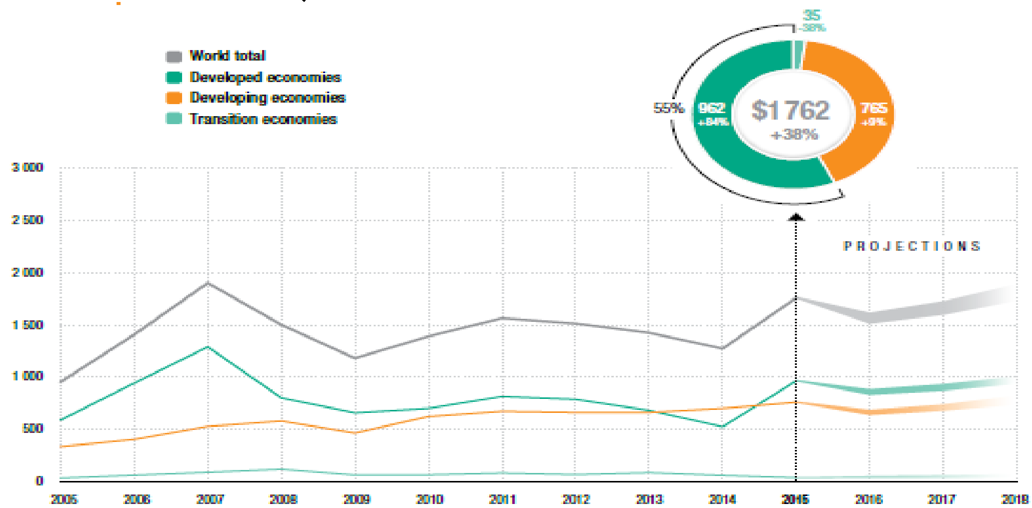
1.2.2. International Private Capital Flows Development

According to the UNCTAD World Investment Report 2016 (WIR-2016)[2], global foreign direct investment (FDI) flows increased by 38.0 percent to $1.76 trillion. This is the highest level since the global economic and financial crisis of 2008–2009. A surge in cross-border mergers and acquisitions (M&As) to $721 billion, from $432 billion in 2014, was the principal factor behind the global rebound. The value of announced greenfield investment remained at a high level, at $766 billion.

UNCTAD forecast a decline in FDI flows of 10-15 percent in 2016, reflecting the fragility of the global economy, persistent weakness of aggregate demand, sluggish growth in some commodity exporting countries, effective policy measures to curb tax inversion deals and a slump in multinational enterprises' profits. Over the medium term, global FDI flows are projected to resume growth in 2017 and to surpass $1.8 trillion in 2018, reflecting an expected pick up in global growth.

[2] UNCTAD World Investment Report 2016: Investor Nationality: Policy Challenges

Figure 1.1: FDI Inflows, Global and by Group Economies, 2005-2015 (US$ billions)



Source: UNCTAD-WIR 2016

Geographically, inflows to developed economies nearly doubled (up 84 percent) from $522.0 billion in 2014 to $962.5 billion. FDI to developing economies excluding Caribbean financial centres increased to $764.7 billion, a rise of 9 per cent, while those to transition economies fell by 38.0 percent to $35.0 billion (Figure 1.1). The net result was that the share of developed economies in world FDI inflows leapt from 40.9 percent in 2014 to 54.6 percent in 2015 (see Table 1.1), reverting to five-year trend that had seen developing and transition economies emerge as majority recipients of these flows.

FDI flows to North America and Europe registered particularly large increases during the year. In North America the increase in foreign investment, which rose 159.5 per cent to $428.5 billion, was driven by a 256.3 per cent increase in flows to the United States.

A large-scale increase in FDI flows to Asia contrasted with a more modest performance in other developing regions. Overall FDI flows to developing and transition economies registered a modest rise (6.0 percent). This increase, however, belies a much more complex picture, as a large increase in FDI to some Asian economies offset significant declines in nearly every developing region and in transition economies.

Investment flows fell in Africa (down 7.2 percent to $54.1 billion), Latin America and the Caribbean (down 1.6 percent to $167.6 billion) and in transition economies (down 38.0 percent to $35.5 billion). These trends notwithstanding, half of the top 10 largest recipients of FDI were from developing economies.

Table 1.1: Global FDI Flows, by Region, 2013-2015 (US$ billions)

Region	FDI Inflows			FDI Outflows		
	2013	2014	2015	2013	2014	2015
World	**1,427.2**	**1,277.0**	**1,762.2**	**1,310.6**	**1,318.5**	**1,474.2**
a). Developed economies	680.3	522.0	962.5	825.9	800.7	1,065.2
b). Transition economies	84.5	56.5	35.0	78.8	72.2	31.1
c). Developing economies	662.4	698.5	764.7	408.9	445.6	377.9
Latin America	176.0	170.3	167.6	32.3	31.4	33.0
Asia	431.4	467.9	540.7	358.9	397.6	331.8
Oceania	2.6	2.0	2.3	2.2	1.4	1.8
Africa	52.2	58.3	54.1	15.5	15.2	11.3
Eastern Africa	6.8	7.9	7.8	0.1	0.2	0.3
Central Africa	7.9	9.1	5.8	0.1	0.2	0.4
Northern Africa	12.0	11.6	12.6	0.4	0.8	1.8
Southern Africa	11.0	17.5	17.9	12.7	11.8	6.8
Western Africa	14.5	12.1	9.9	2.2	2.2	2.0

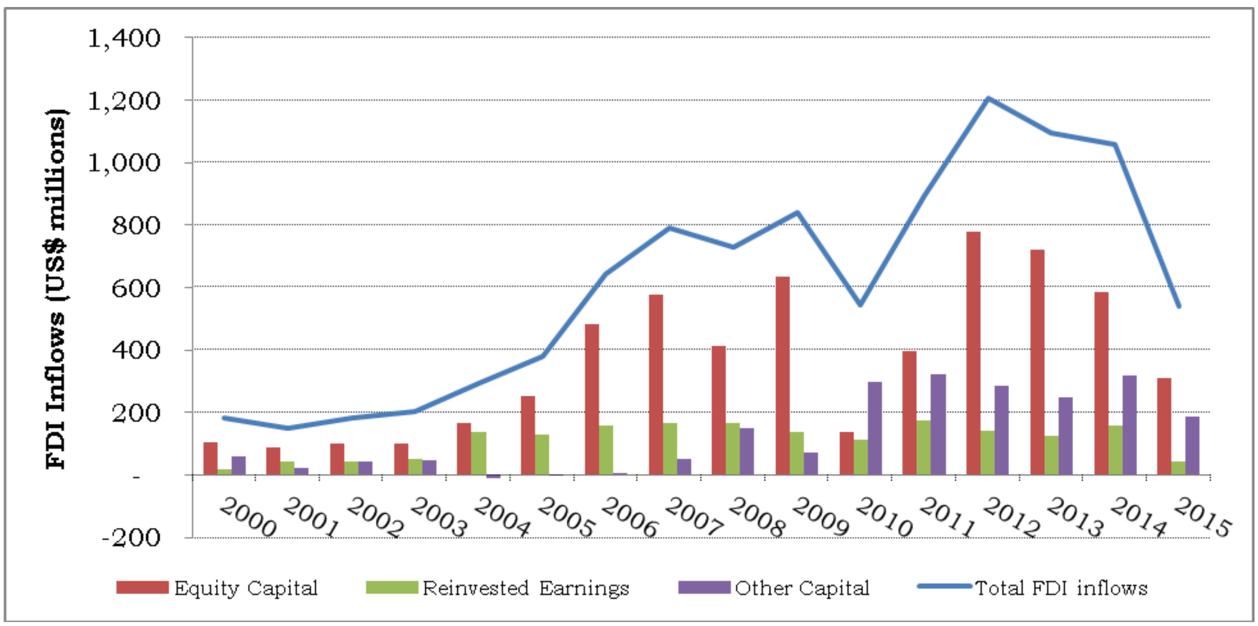
Source: *UNCTAD, Foreign Direct Investment Statistics 2016.*

Outward FDI flows from Africa declined by 25.7 percent to US$11.3 billion in 2015 from US$15.2 billion in 2014. Southern Africa remained the major source of outward FDI despite a decline of 42.4 percent to US$6.8 billion in 2015 from US$11.8 billion in 2014.

In the East African Community, Tanzania registered the highest inflows of $1.4 billion followed by Kenya ($1.4 billion). Outward FDI flows increased to $0.2 billion in 2015 from $0.1 billion in 2014 with South Sudan being the major source.

In Uganda, FDI[3] inflows decreased in 2015 to US$538.5 million from US$1,001.3 million in 2014 mainly on account of a reduction in equity capital. 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 electricity & gas sectors. Despite the 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, 2000 - 2015 (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.

[3] FDI includes Equity (Equity shares, Retained earnings and Revaluations) and Other Capital i.e. Debt (Loans and Trade Credits) from affiliated entities.

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 and unrelated foreign borrowing. Subsequently, the sample was comprised of some enterprises with only foreign direct investment or foreign borrowing and some with both.

A total of 690 questionnaires were administered to enterprises during the field activities out of the 757 enterprises sampled. Of the 67 enterprise not administered, 23 (or 34.3%) could not be located, 21 (or 31.3%) were closed and 23 (34.3%) did not receive the questionnaire. Of the 690 questionnaires delivered, 634 enterprises responded resulting in a response rate of 91.9 percent of the enterprises targeted. Financial statements for 360 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 2016 is shown in Table 2.1. The Table reveals that 602 enterprises or 95.0 percent of the enterprises that responded were in the central region followed by 19 or 3.0 percent in the Eastern and Northern region and 13 or 2.0 percent in the Western region.

Table 2.1: Returned Questionnaires by Region (*number of entities*)

Region	Administered[1/]	Returned	Regional distribution of returned questionnaires (%)
Central[2/]	650	602	95.0
East and North	24	19	3.0
West	16	13	2.0
Grand Total	**690**	**634**	**100.0**

Note

1. *The difference between targeted and administered questionnaires 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.*
2. *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.*

Source: *PSIS 2016 findings*

At sector level, the highest share of respondent enterprises (22.6 percent) was in manufacturing, followed by wholesale and retail activities (21.0 percent), finance and insurance (10.4 percent), I.C.T (6.9 percent), construction (6.5 percent) and transportation and storage (5.4 percent). The distribution by sector reflected a high number of enterprises with foreign direct investment and borrowing in manufacturing and service 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	**43**	**39**	**6.2**
Industry	**232**	**206**	**32.5**
Mining and quarrying	*9*	*8*	*1.3*
Manufacturing	*160*	*143*	*22.6*
Electricity & gas	*17*	*13*	*2.1*
Water supply & sewerage	*1*	*1*	*0.2*
Construction	*45*	*41*	*6.5*
Services	**415**	**389**	**61.4**
Wholesale & retail trade	*145*	*133*	*21.0*
Transportation and Storage	*35*	*34*	*5.4*
Accommodation and food service	*31*	*29*	*4.6*
Information and communication	*49*	*44*	*6.9*
Finance and Insurance activities	*66*	*66*	*10.4*
Real estate activities	*25*	*24*	*3.8*
Professional, scientific & technical	*30*	*28*	*4.4*
Administrative services	*18*	*16*	*2.5*
Education	*6*	*6*	*0.9*
Health and Social work activities	*8*	*7*	*1.1*
Arts, entertainment and recreation	*2*	*2*	*0.3*
Total	**690**	**634**	**100.0**

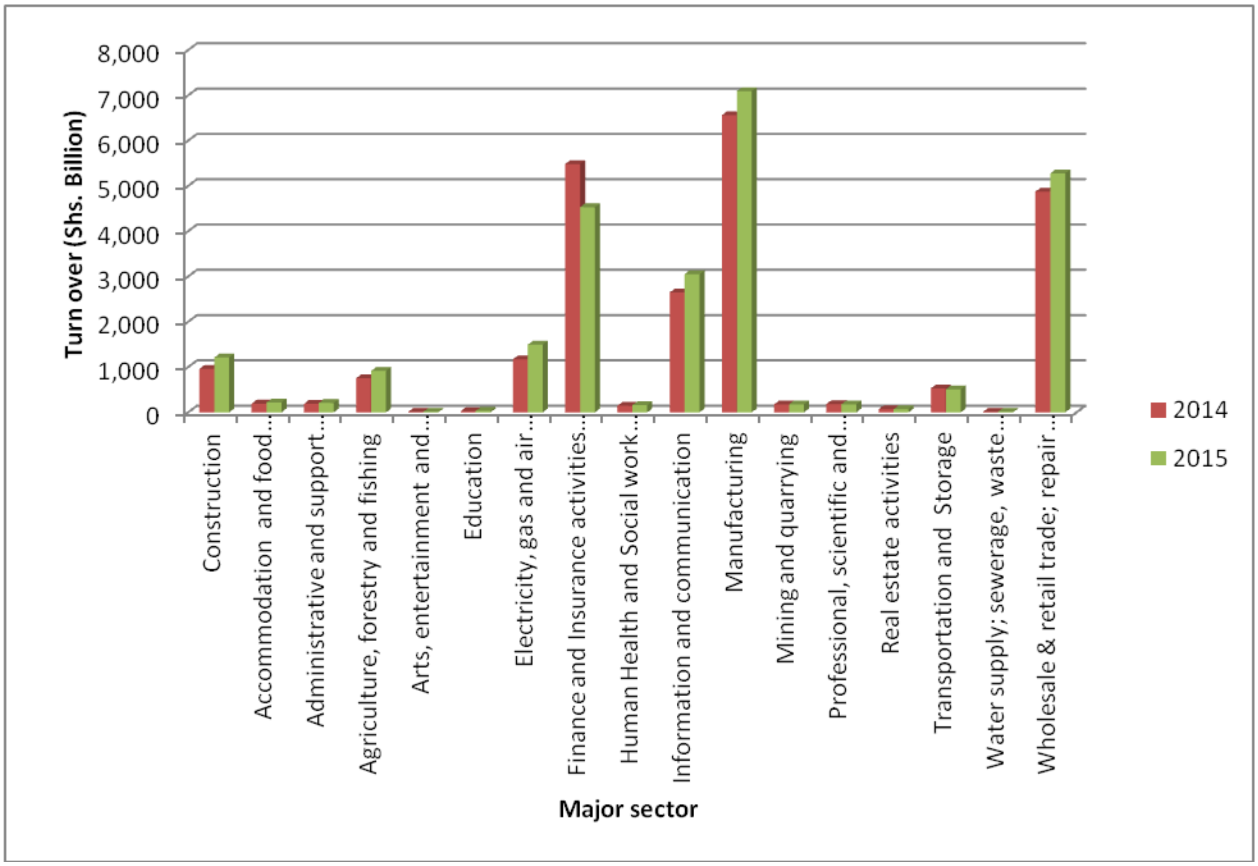
Source: *PSIS 2016 findings*

2.2. Entity turnover

There was an increase in total turnover (sales revenue) of 4.8 percent to Shs.25,148.3 billion in 2015 from Shs.23,992.3 billion recorded in 2014. The increase was largely on account of growth in electricity & gas, education, construction, agriculture, forestry & fishing, and ICT. There was however, a decline in sales revenue in arts, entertainment and recreation of 29.1 percent from Shs. 14.8 billion in 2014 to Shs. 10.5 billion in 2015; finance and insurance activities of 17.4 percent from Shs. 5,483.6 billion in 2014 to Shs. 4,530.6 billion in 2015; transport and storage of 4.1 percent from Shs. 531.5 billion in 2014 to Shs. 509.9 billion in 2015 and professional, scientific and technical activities of 3.8 percent from Shs. 185.3 billion in 2014 to Shs. 178.2 billion in 2015. The details are illustrated in Figure 2.1.

In terms of sector contribution to total turnover, manufacturing had the highest share estimated at 28.2 percent of the total reported by the enterprises that responded. This was followed by wholesale and retail with a share of 21.0 percent, finance and insurance (18.0%), I.C.T. (12.1%) and electricity and gas (5.9%). The five sectors combined accounted for about 85.3 percent of the total turnover over the two years.

Figure 2.1: Entity Turnover by Economic Activity in 2014 and 2015 (Shs. Billion)



Source: *PSIS 2016 findings*

2.3. Contribution to Economic Activity

The results of the PSIS 2016 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 2015 for the 634 enterprises that responded was estimated at Shs.4,127 billion equivalent to about 5.0 percent of GDP. The sampled entities in finance and insurance services and electricity and gas sectors accounted for most of the value added in their respective sectors with estimated contributions of 64.5 percent and 57.5 percent of GDP, respectively (see details in Table 2.3).

Table 2.3: Value added and Fixed Capital Formation of Sampled Enterprises During 2015 (Shs. Billion).

Item	*Sample Value Added*	*GDP* (*Current prices*) [1/]	*Sample /Total (in %)*
Value added	**4,127**	**81,929**	**5.0**
o/w Manufacturing	814	6,942	11.7
Financial and Insurance services	1,466	2,272	64.5
Electricity	422	734	57.5
Construction	177	5,950	3.0
Others	1,248	66,031	1.9
Fixed capital formation	**11,585**	**19,931**	**58.1**
o/w Private fixed capital formation	11,585	14,062	82.4

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

Source: *PSIS 2016 findings and UBOS Statistical Abstract 2016*

The results on the stock of capital reported by the enterprises during 2015 were used together with the survey results for the period 2014 to estimate the proportion of the survey's contribution to fixed capital formation[4]. An estimate of fixed capital formation of Shs.11,585 billion was derived. The estimate represented about 58.1 percent of total fixed capital formation and 82.4 percent of private gross fixed capital formation estimates for 2015.

[4] Gross fixed capital formation measures the value of acquisitions of new or existing fixed assets by an enterprise, less disposals of fixed assets. The estimation involves the computation of total acquisition or revaluation of fixed assets less value disposed.

2.4. Employment

The number of employees in the enterprises that responded increased by 6.0 percent from 101,873 as at 31st December 2014 to 107,958 employees as at 31st December 2015 with the highest growth among resident domestic employees.

In terms of residence of employees, nearly all employees from the enterprises that responded, (99.9 percent); were resident in Uganda. The number of non-resident employees reduced by 4.1 percent to 93 employees as at 31st December 2015. Details are provided in Table 2.4.

Table 2.4: Distribution of Employment by Residency

Residency of employees	Number of Employees		Growth rates 2014-2015 (%)	Percentage of total in 2015 (%)
	2014	2015		
Residents	101,776	107,865	6.0	99.9
Domestic	*98,472*	*104,582*	6.2	96.9
Foreign (Long-term)[1/]	*3,304*	*3,283*	-0.6	3.0
Non-residents	97	93	-4.1	0.1
Total No. of Employees	**101,873**	**107,958**	6.0	100.0

Note:

[1/] 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.

Source: *PSIS 2016 findings*

2.5. Compensation of Employees

The PSIS 2016 collected information on compensation of employees during 2014 and 2015. Total compensation of employees (namely; wages, salaries, contribution to pension fund, fringe benefits, etc.) paid out by enterprises that responded increased by 17.9 percent from Shs.1,830.0 billion during 2014 to Shs.2,156.8 billion during 2015. Domestic employees received the highest share of total employee's compensation accounting for an average of 86.6 percent of the total compensation during the two years. Compensation to non-residents decreased by 6.8 percent to Shs.7.3 billion in 2015 from Shs.7.8 billion in 2014. Details are shown in Table 2.5.

Table 2.5: Compensation of Employees by Residency

Residency of Employees	Survey Findings (Shs. Billions)		% Change 2014 - 2015	Up-rated Compensation of Employees (US$ Millions)	
	2014	2015		2014	2015
Residents	1,822.2	2,149.5	18.0	744.3	669.7
Domestic	*1,572.8*	*1,883.7*	19.8	642.5	586.9
Foreign (Long-term)	*249.4*	*265.8*	6.6	101.9	82.8
Non-residents	7.8	7.3	-6.8	3.2	2.3
Total compensation	**1,830.0**	**2,156.8**	**17.9**	**747.5**	**672.0**

Source: *PSIS 2016 findings*

To incorporate the findings from compensation of short-term employees into the BOP, the results from the survey were up-rated using a grossing-up factor of 1.09 determined from the proportion of responding enterprises relative to the sampling frame (see, details on the derivation of the grossing-up in Appendix A), to obtain total estimates for 2015. The grossed-up compensation during 2014 and 2015 was converted to US dollars using average exchange rates of Shs. 2,773.1 and Shs. 3,377.0 per US dollar, respectively.

The total estimates of compensation of employees decreased by 10.1 percent to US$672.0 million in 2015 from US$747.5 million estimated for 2014. Compensation of non-resident employees (BOP item) decreased from US$3.2 million during 2014 to US$ 2.3 million during 2015.

2.6. Net-Profits, Dividends and Retained Earnings

The findings from entities that responded indicate that net profits reported for 2015 declined by 4.0 percent to Shs. 799.0 billion from Shs. 832.7 billion earned during 2014, as summarized in Table 2.6. In addition, retained earnings decreased by 33.0 percent to Shs. 246.7 billion during 2015 from Shs. 368.2 billion in 2014.

Table 2.6: Net profits, Dividends and Retained Earnings

Item	Amounts (Shs. Billions)		% Change 2014-2015
	2014	2015	
Net profit/loss	832.7	799.0	-4.0
Dividends declared	464.4	552.3	18.9
Dividends paid/remitted	424.7	439.3	3.4
Retained earnings[5]	368.2	246.7	-33.0

Source: *PSIS 2016 findings*

In terms of profitability by sector, finance and insurance had the largest share of total profits estimated at 70.2 percent of total profits for all entities that responded. The total profits for this sector however, declined to Shs. 560.7 billion in 2015 from Shs. 632.5 billion registered in 2014. Enterprises in electricity and gas and manufacturing sectors followed with profitability of Shs. 244.8 billion and Shs. 147.3 billion, respectively during 2015.

However, some entities registered losses in 2015. Large losses amounting to Shs.205.3 billion were recorded in the I.C.T. sector followed by transportation and storage of Shs.48.3 billion, education of Shs.37.9 billion, agriculture, forestry and fishing of Shs.27.4 billion, real estate of Shs.25.2 billion and accommodation of Shs.22.9 billion.

[5] Retained earnings = Net profit/loss – Dividends declared

CHAPTER THREE

FOREIGN DIRECT INVESTMENT AND FOREIGN BORROWING

A discussion of the survey findings on foreign direct investment and foreign borrowing during 2015 and the respective outstanding stocks as at end 2014 and 2015 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[6] is comprised of equity (shareholder's funds) and other capital which constitutes debt from foreign affiliates. Equity is the sum of share capital, retained earnings, share premium and reserves. The findings from the survey revealed that the stock of foreign direct investment in enterprises that responded increased by 4.8 percent from Shs.28,883.4 billion as at end 2014 to Shs.30,270.6 billion as at end 2015. The increase in the FDI stock was mainly on account of new equity investment (share capital) amounting to Shs.923.7 billion during 2015 in the mining and quarrying, finance and insurance, electricity & gas and manufacturing sectors. In addition, Shs.553.1 billion was received during 2015 in the form of other capital, comprised of loans and trade credit from foreign affiliates. Reinvested earnings during the year amounted to Shs.126.6 billion.

Other changes which constitute financial liabilities on account of revaluation amounted to a net revaluation loss of Shs.168.7 billion while valuation changes attributed to debt from affiliated enterprises amounted to Shs.48.6 billion. The detailed findings of FDI composition in terms of flows and stocks of the enterprises that responded are shown in Table 3.1.

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6 According to the IMF BPM6 manual, **Direct Investment (DI)** relationships arise when an investor resident in one economy makes an investment that gives control or a significant degree of influence on the management of an enterprise that is resident in another economy; usually defined as ownership of equity that entitles the investor to 10 percent or more of the voting power in that enterprise. **Fellow Enterprises** (FE) relationships arise when non-resident investors who have less than 10% of the entity's equity but are also owned by another non-resident entity that has interest in an entity.

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

Components	2014-Shs. Billions	2015-Shs. Billions		
	Stocks	Transactions	Other Changes	Stocks
Foreign Direct Investment (FDI)	**28,884.4**	**1,603.4**	**-217.2**	**30,270.6**
Direct Investor (DI)	**28,042.4**	**1,547.6**	**-229.4**	**29,360.7**
Fellow Enterprise (FE)	**842.0**	**55.8**	**12.1**	**909.9**
Direct Equity (OFBV)	**24,741.9**	**1,050.4**	**-168.7**	**25,623.5**
Direct Investor (DI)	**24,741.0**	**1,050.3**	**-168.7**	**25,622.6**
Equity Shares	8,857.9	923.7	-52.9	9,728.7
Retained Earnings	1,208.7	126.6	-5.1	1,330.1
Revaluation	14,674.4	0.0	-110.7	14,563.7
Fellow Enterprise (FE)	**0.8**	**0.1**	**0.0**	**0.9**
Equity Shares	0.4	0.0	0.0	0.5
Retained Earnings	- 0.0	0.0	0.0	0.0
Revaluation	0.4	0.0	0.0	0.4
Other Capital (Affiliated Debt)	**4,142.5**	**553.1**	**-48.6**	**4,647.0**
Direct Investor (DI)	**3,301.4**	**497.4**	**-60.7**	**3,738.1**
Loans	**2,434.1**	**295.4**	**-61.1**	**2,668.4**
Short-term	221.5	32.0	0.0	253.4
Disbursements	0.0	47.8	0.0	-
Repayments	0.0	-15.8	0.0	-
Other Changes	0.0	0.0	0.0	-
Long-term	2,212.6	263.4	-61.1	2,414.9
Disbursements	0.0	349.6	0.0	-
Repayments	0.0	-86.2	0.0	-
Other Changes	0.0	0.0	-61.1	-
Trade credits	**867.3**	**202.0**	**0.4**	**1,069.7**
Short-term	637.1	155.0	0.4	792.5
Disbursements	0.0	193.0	0.0	-
Repayments	0.0	-37.9	0.0	-
Other Changes	0.0	0.0	0.4	-
Long-term	230.2	46.9	0.0	277.2
Disbursements	0.0	63.0	0.0	-
Repayments	0.0	-16.0	0.0	-
Other Changes	0.0	0.0	0.0	-
Fellow Enterprise (FE)	**841.2**	**55.7**	**12.1**	**909.0**
Loans	**253.8**	**23.4**	**0.1**	**277.3**
Short-term	96.9	-33.7	0.1	63.2
Disbursements	0.0	21.7	0.0	-
Repayments	0.0	-55.4	0.0	-
Other Changes	0.0	0.0	0.1	-
Long-term	156.9	57.2	0.0	214.1
Disbursements	0.0	63.3	0.0	-
Repayments	0.0	-6.1	0.0	-
Other Changes	0.0	0.0	0.0	-
Trade credits	**587.4**	**32.3**	**12.1**	**631.7**
Short-term	442.3	21.2	0.2	463.7
Disbursements	0.0	215.0	0.0	-
Repayments	0.0	-193.8	0.0	-
Other Changes	0.0	0.0	0.2	-
Long-term	145.1	11.1	11.8	168.0
Disbursements	0.0	30.3	0.0	-
Repayments	0.0	-19.2	0.0	-
Other Changes	0.0	0.0	11.8	-

Source: *PSIS 2016 findings*

The major recipient sectors of foreign direct investment during the year were mining and quarrying accounting for 52.1 percent (or Shs.834.8 billion) of the total FDI. This was followed by finance & insurance (18.1 percent or Shs.290.0 billion), electricity & gas (9.3 percent or Shs.148.7 billion), and manufacturing (6.0 percent or Shs.96.9 billion). The details are shown in Table 3.2. There were however net reductions recorded for enterprises involved in ICT (Shs.36.2 billion) and real estate (Shs.4.9 billion). The reductions were mainly due to retained losses and net repayments of affiliated debt during the period.

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

Major Sector	2014	2015		
	Stock	Transactions	Other Changes[7]	Stock
Agriculture	638.4	8.4	5.2	652.0
Mining & quarrying	17,037.7	834.8	-165.0	17,707.4
Manufacturing	2,834.3	96.9	38.6	2,969.9
Electricity & gas	894.1	148.7	-17.3	1,025.5
Water supply	4.2	0.8	0.0	5.1
Construction	1,468.7	31.6	11.3	1,511.7
Wholesale & retail	885.2	88.0	47.2	1,020.4
Transportation & storage	232.0	69.7	-4.8	296.8
Accommodation & food	255.8	-4.7	1.5	252.6
I.C.T.	687.3	-36.2	-81.8	569.2
Finance & Insurance	3,117.2	290.0	-77.7	3,329.5
Real estate	80.9	-4.9	21.2	97.2
Professional services	25.0	5.1	2.6	32.7
Administrative services	660.6	64.0	0.4	725.1
Education	12.0	6.6	0.0	18.6
Health	44.6	2.1	1.3	48.1
Arts & entertainment	6.4	2.5	0.0	8.9
Others	0.0	0.0	0.0	0.0
Total	**28,884.4**	**1,603.4**	**-217.2**	**30,270.6**

Source: *PSIS 2016 findings*

The top ten sources of FDI to Uganda during 2015 in terms of stocks were Netherlands, Australia, Kenya, United Kingdom, Mauritius, South Africa,

[7] Other changes include changes other than transactions i.e. inward/outward, Revaluations, exchange rate gains/losses, debt equity swaps, debt forgiveness etc.

Portugal, Bermuda, India and Switzerland. These ten countries jointly accounted for 93.8 percent and 93.7 percent of FDI stocks in 2014 and 2015, 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[1/]	2014	2015		
		Stock	Transactions	Other Changes	Stock
1.	Netherlands	12,535.0	704.7	25.2	13,264.9
2.	Australia	5,155.6	178.9	29.2	5,363.7
3.	Kenya	1,953.3	183.7	-6.1	2,130.9
4.	United Kingdom (UK)	2,322.3	13.3	-225.6	2,110.0
5.	Mauritius	1,687.2	152.7	-109.3	1,730.6
6.	South Africa	923.1	141.1	59.0	1,123.2
7.	Portugal	1,113.8	-1.9	0.0	1,111.9
8.	Bermuda	558.7	27.9	33.6	620.2
9.	India	431.0	31.6	-5.8	456.7
10.	Switzerland	408.7	23.4	18.7	450.7
	FDI from Top 10 Countries	**27,088.6**	**1,455.4**	**-181.1**	**28,362.9**
	TOTAL	**28,884.4**	**1,603.4**	**-217.2**	**30,270.6**

Source: *PSIS 2016 findings*

Note:
[1/] In line with the IMF BPM6 manual, source countries are identified on the basis of the economy of the immediate investor and not ultimate investor.

3.2. Foreign Borrowing[8] by Resident Enterprises

The stock of foreign borrowing reported by the responding enterprises increased by 17.8 percent to Shs.2,959.3 billion as at end 2015 from Shs.2,512.6 billion as at end 2014. The increase in private sector external debt was largely due to other changes mainly arising from exchange rate movements.

In terms of composition, loans accounted for about 94.5 percent of the stock of private sector external debt at the end of 2015. The stock of outstanding private sector foreign loans increased by 17.6 percent to Shs.2,797.9 billion as at end 2015 from Shs.2,378.3 billion as at end 2014, largely on account of other changes. The stock of trade credit owed to non-residents increased from

[8] Foreign borrowing in this case refers to all forms of external borrowing from non-affiliated/un-related entities.

Shs.134.3 billion to Shs.161.4 billion as at end 2014 and 2015, respectively. The increase in trade credit was mainly due to higher disbursements of short-term trade credit during the period, estimated at Shs.58.68 billion compared to repayments estimated at Shs. 33.3 billion as shown in Table 3.4.

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

Component	2014	2015			
	Stocks	Disbursements	Repayments	Other Changes	Stocks
Total Foreign borrowing	**2,512.6**	**347.0**	**-313.1**	**412.8**	**2,959.3**
Loans	**2,378.3**	**288.5**	**-279.7**	**410.9**	**2,797.9**
Short-Term Loan	31.7	4.2	-15.1	0.2	20.9
Long-Term Loan	2,346.6	284.3	-264.6	410.8	2,777.0
Trade credits	**134.3**	**58.6**	**33.3**	**1.9**	**161.4**
Short-Term Loan	108.4	55.6	-27.0	0.8	137.7
Long-Term Loan	25.9	3.0	-6.3	1.2	23.8

Source: *PSIS 2016 findings*

The survey findings also showed that in terms of sector distribution, the largest exposure to foreign debt from unrelated entities in 2015 was in electricity & gas (71.9%) followed by I.C.T (10.7%), manufacturing (6.1%) and real estate (3.8%). The sectors that received the highest disbursements were ICT which received Shs.139.5 billion, manufacturing Shs.68.3 billion and electricity and gas received Shs.63.1billion. Similarly, the largest debt repayments were reported by entities in electricity and gas, administrative services and ICT sectors as shown in Table 3.5.

The main lenders were international organisations (namely, International Finance Corporation (IFC), European Investment Bank (EIB) and German Investment and Development Corporation (DEG) and USA and Kenya. These organisations and the two countries accounted for 90.7 percent of the outstanding debt stock as at end 2015.

Table 3.5: Foreign Borrowing by Economic Sector of Resident Enterprises (Shs. billions)

Major Sector	2014	2015			
	Stocks	Disbursements	Repayments	Other Changes	Stocks
Agriculture	28.4	14.8	-6.1	0.1	37.2
Manufacturing	128.4	68.2	-16.9	0.5	180.1
Electricity & gas	1,845.9	63.1	-163.4	383.4	2,129.0
Water supply	0.0	0.0	0.0	0.0	0.0
Construction	38.1	11.7	-2.1	7.2	55.0
Wholesale & retail trade	73.4	3.5	-16.7	1.2	61.4
Transportation & Storage	16.4	0.0	-6.7	0.3	10.1
Accommodation & food	3.0	0.0	-0.1	0.0	2.8
I.C.T.	196.7	139.5	35.8	17.6	318.0
Finance & Insurance	38.2	10.9	-14.0	0.0	35.1
Real estate activities	83.9	34.4	-8.0	2.5	112.8
Professional services	0.1	0.0	-0.1	0.0	0.0
Administrative services	59.2	0.5	-43.1	0.0	16.5
Education	0.0	0.0	0.0	0.0	0.0
Health	1.0	0.4	-0.1	0.0	1.2
Arts & entertainment	0.0	0.0	0.0	0.0	0.0
Grand Total	**2,512.6**	**347.0**	**-313.1**	**412.8**	**2,959.3**

Source: *PSIS 2016 findings*

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. 3,240.6 per US$ for 2015. Transactions relating to foreign direct investment, foreign borrowing and related income in form of dividends and distributed branch profits were grossed-up using a factor of 1.09 determined from the proportion of responding enterprises relative to the sampling frame (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	(Shs. billions)				(US$. millions)	
	2014	2015			2015	
	Stocks	Transactions	Other Changers	Stocks	Derived Transactions	Up-rated Transactions
Foreign Direct Investment (FDI)	**28,884.4**	**1,603.4**	**-217.2**	**30,270.6**	**494.8**	**538.5**
Direct Investor (DI)	**28,042.4**	**1,547.6**	**-229.4**	**29,360.7**	**477.6**	**519.8**
Fellow Enterprise (FE)	**842.0**	**55.8**	**12.1**	**909.9**	**17.2**	**18.7**
Direct Equity (OFBV)	**24,741.9**	**1,050.4**	**-168.7**	**25,623.5**	**324.1**	**352.7**
Direct Investor (DI)	**24,741.0**	**1,050.3**	**-168.7**	**25,622.6**	**324.1**	**352.7**
Retained Earnings	1,208.7	126.6	-5.1	1,330.1	39.1	42.5
Equity Shares	8,857.9	923.7	-52.9	9,728.7	285.0	310.2
Revaluation	14,674.4	0.0	-110.7	14,563.7	0.0	0.0
Fellow Enterprise (FE)	**0.8**	**0.1**	**0.0**	**0.9**	**0.0**	**0.0**
Retained Earnings	0.4	0.0	0.0	0.5	0.0	0.0
Equity Shares	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation	0.4	0.0	0.0	0.4	0.0	0.0
Other Capital (Affiliated Debt)	**4,142.5**	**553.1**	**-48.6**	**4,647.0**	**170.7**	**185.7**
Direct Investor (DI)	**3,301.4**	**497.4**	**-60.7**	**3,738.1**	**153.5**	**167.0**
Loans	**2,434.1**	**295.4**	**-61.1**	**2,668.4**	**91.1**	**99.2**
Short-term loan	221.5	32.0	0.0	253.4	9.9	10.7
Long-term loan	2,212.6	263.4	-61.1	2,414.9	81.3	88.5
Trade credits	**867.3**	**202.0**	**0.4**	**1,069.7**	**62.3**	**67.8**
Short-term trade credits	637.1	155.0	0.4	792.5	0.0	0.0
Long-term trade credits	230.2	46.9	0.0	277.2	0.0	0.0
Fellow Enterprise (FE)	**841.2**	**55.7**	**12.1**	**909.0**	**17.2**	**18.7**
Loans	**253.8**	**23.4**	**0.1**	**277.3**	**7.2**	**7.9**
Short-term loan	96.9	-33.7	0.1	63.2	0.0	0.0
Long-term loan	156.9	57.2	0.0	214.1	0.0	0.0
Trade credits	**587.4**	**32.3**	**12.1**	**631.7**	**10.0**	**10.8**
Short-term trade credits	442.3	21.2	0.2	463.7	6.5	7.1
Long-term trade credits	145.1	11.1	11.8	168.0	3.4	3.7
Other Investments	**2,690.8**	**54.5**	**480.5**	**3,225.8**	**16.8**	**18.3**
Other Equity (<10%)	**178.2**	**20.5**	**67.7**	**266.4**	**6.3**	**6.9**
Foreign Borrowings (non-Affiliated)	**2,512.6**	**34.0**	**412.8**	**2,959.3**	**10.5**	**11.4**
Loans	**2,378.3**	**8.7**	**410.9**	**2,797.9**	**2.7**	**2.9**
Short-term loan	31.7	-10.9	0.2	20.9	-3.4	-3.7
Long-term loan	2,346.6	19.7	410.8	2,777.0	6.1	6.6
Trade credits	**134.3**	**25.3**	**1.9**	**161.4**	**7.8**	**8.5**
Short-term trade credits	108.4	28.6	0.8	137.7	8.8	9.6
Long-term trade credits	25.9	-3.3	1.2	23.8	-1.0	-1.1
Dividends paid/remitted	N/A	552.3	N/A	N/A	170.4	185.5

Source: *PSIS 2016 findings*

The up-rated results revealed that foreign direct investment transactions during 2015 decreased to US$538.5 million from the estimated inflow of US$1,001.3 million during 2014 (details are provided in Appendix Table: B.3). The main inflows were in the form of equity recorded at US$352.7 million, representing a 48.4 percent decline from US$684.2 million received during 2014. Other capital (debt from foreign affiliates) decreased to a net disbursement of US$185.7 million during 2015 compared to US$317.12 million estimated for 2014.

The grossed-up net flows (disbursement less principal repayments) of foreign non-affiliated borrowings by resident enterprises was an estimated net inflow of US$11.4 million during 2015 compared to a net outflow of US$9.4 million during 2014. The results further showed that the grossed-up distributed return on investment (dividends) paid to foreign direct investors during 2015 increased to US$ 185.5 million from US$182.9 million reported in 2014. The grossed-up flows and stocks from 2008 – 2015 by source country are presented in Appendix Table B.4 and B.5, respectively.

3.4. Conclusions

Uganda's private sector investment inflows declined sharply during 2015 compared with 2014. The decline in FDI was on account of mainly lower inflows of new equity, which may be in part attributed to the declining oil prices over the period which impacted the investment decisions of entities in the mining and quarrying sector and the poor performance particularly by enterprises in the ICT sector. The prospects for 2016 are for higher inflows especially in the mining and quarrying, electricity and gas and construction sectors following the granting of both exploration and production licenses to enterprises in the oil sector and the on-going and planned public investments in infrastructure.

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 2015, enterprises from URA top 1,000 tax payers not covered in previous private sector investment surveys and the list of new investments received during 2015 reported by print and electronic media were included in the sample. 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 used 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 2016. 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 2014 and 2015 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 1.09, derived as the reciprocal of the response rate of the survey, was applied to all estimates to cater for the non-response of newly licensed enterprises.

APPENDIX – B: Statistical Appendix

Table B.1: Total Employment by Economic Sectors in 2014 and 2015

Major Sector	2014				2015			
	Local	Foreign		Total	Local	Foreign		Total
		Long-Term	Short-Term			Long-Term	Short-Term	
Agriculture	19,615	398	5	20,018	20,101	378	5	20,484
Mining & quarrying	408	27	62	497	3,602	90	0	3,692
Manufacturing	22,610	982	7	23,599	13,198	715	0	13,913
Electricity & gas	1,666	135	0	1,801	324	20	0	344
Water supply	41	-	-	41	970	8	3	981
Construction	5,031	522	6	5,559	18,568	36	0	18,604
Wholesale & retail trade	7,134	207	2	7,343	537	3	13	553
Transportation & storage	2,757	128	0	2,885	508	34	0	542
Accommodation & food	2,713	73	0	2,786	349	0	0	349
I.C.T.	3,074	70	0	3,144	409	27	62	498
Finance & insurance	12,404	649	1	13,054	24,605	950	7	25,562
Real estate	326	20	-	346	1,725	31	0	1,756
Professional	680	6	3	689	58	0	0	58
Administrative services	18,727	36	0	18,763	6,901	561	3	7,465
Education	487	3	11	501	7,325	223	0	7,548
Health	488	48	-	536	2,719	134	0	2,853
Arts & entertainment	311	-	-	311	2,683	73	0	2,756
Total	**98,472**	**3,304**	**97**	**101,873**	**104,582**	**3,283**	**93**	**107,958**

Source: *PSIS 2016 findings*

Table B.2: Compensation of Employees by Economic Sectors in 2014 and 2015-(US$ millions)

Major Sector	2014			2015		
	Foreign		Local	Foreign		Local
	Long-Term	Short-Term		Long-Term	Short-Term	
Agriculture	4.1	-	24.2	1.7	-	21.6
Mining & quarrying	9.6	2.0	10.1	8.6	1.5	6.9
Manufacturing	14.1	0.1	134.3	15.5	0.2	122.8
Electricity & gas	8.7	-	26.5	7.7	-	23.3
Water supply	-	-	0.7	-	-	0.9
Construction	8.8	0.0	13.4	6.3	0.0	10.5
Wholesale & retail trade	6.9	0.4	49.7	5.6	0.3	62.3
Transportation & storage	1.3	-	23.1	1.3	-	20.6
Accommodation & food	1.0	-	9.0	0.8	-	6.8
I.C.T.	13.2	-	67.9	10.4	-	64.1
Finance & Insurance	28.3	0.4	237.6	20.9	0.0	203.1
Real estate	0.3	-	1.4	0.2	-	1.2
Professional	0.3	0.1	15.2	0.3	0.0	13.2
Administrative services	1.6	-	19.7	0.9	-	16.6
Education	1.3	0.2	4.8	0.8	0.2	4.0
Health	2.2	-	3.7	1.9	-	8.3
Arts & entertainment	-	-	0.9	-	-	0.7
Total	**101.9**	**3.2**	**642.5**	**82.8**	**2.3**	**586.9**

Source: *PSIS 2016 findings*

Table B.3: Grossed-up Foreign Direct Investment and Foreign Borrowing during 2014 and 2015-(US$ millions)

Components	2014		2015	
	Derived transactions	Up-rated figures	Derived transactions	Up-rated BOP figures
Foreign Direct Investment	**884.0**	**1001.3**	**494.8**	**538.5**
Total Equity	**604.0**	**684.2**	**324.1**	**352.7**
Share capital	516.6	585.2	285.1	310.2
Retained Earnings	87.4	99.0	39.1	42.5
Revaluation	0.0	0.0	0.0	0.0
Other Capital	**280.0**	**317.1**	**170.7**	**185.7**
Foreign Borrowing *(Loans and Trade credit)*	**-8.3**	**-9.4**	**10.5**	**11.4**
Short-term	-4.3	-4.9	5.4	5.9
Long-term	-4.0	-4.5	5.0	5.5
Dividends paid/remitted	161.5	182.9	170.4	185.5

Source: *PSIS 2016 findings*

Table B.4: Integrated Foreign liabilities, Grossed-up Transactions and their Components during 2015

	2014-Shs. Billions	2015-Shs. Billions			2015-US$	
Components	**Stocks**	**Transactions**	**Other Changes**	**Stocks**	**Derived Transactions**	**Up-rated Transactions**
Foreign Direct Investment (FDI)	**28,884.4**	**1,603.4**	**-217.2**	**30,270.6**	**494.8**	**538.5**
Direct Investor (DI)	**28,042.4**	**1,547.6**	**-229.4**	**29,360.7**	**477.6**	**519.8**
Fellow Enterprise (FE)	**842.0**	**55.8**	**12.1**	**909.9**	**17.2**	**18.7**
Direct Equity (OFBV)	**24,741.9**	**1,050.4**	**-168.7**	**25,623.5**	**324.1**	**352.7**
Direct Investor (DI)	**24,741.0**	**1,050.3**	**-168.7**	**25,622.6**	**324.1**	**352.7**
Equity Shares	8,857.9	923.7	-52.9	9,728.7	285.0	310.2
Retained Earnings	1,208.7	126.6	-5.1	1,330.1	39.1	42.5
Revaluation	14,674.4	0.0	-110.7	14,563.7	-	0.0
Fellow Enterprise (FE)	**0.8**	**0.1**	**0.0**	**0.9**	**0.0**	**0.0**
Equity Shares	0.4	0.0	0.0	0.5	0.0	0.0
Retained Earnings	- 0.0	0.0	0.0	0.0	0.0	0.0
Revaluation	0.4	0.0	0.0	0.4	-	0.0
Other Capital (Affiliated Debt)	**4,142.5**	**553.1**	**-48.6**	**4,647.0**	**170.7**	**185.7**
Direct Investor (DI)	**3,301.4**	**497.4**	**-60.7**	**3,738.1**	**153.5**	**167.0**
Loans	**2,434.1**	**295.4**	**-61.1**	**2,668.4**	**91.1**	**99.2**
Short-term	221.5	32.0	0.0	253.4	9.9	10.7
Disbursements	0.0	47.8	0.0	-	14.7	16.1
Repayments	0.0	-15.8	0.0	-	- 4.9	-5.3
Other Changes	0.0	0.0	0.0	-	-	0.0
Long-term	2,212.6	263.4	-61.1	2,414.9	81.3	88.5
Disbursements	0.0	349.6	0.0	-	107.9	117.4
Repayments	0.0	-86.2	0.0	-	- 26.6	-29.0
Other Changes	0.0	0.0	-61.1	-	-	0.0
Trade credits	**867.3**	**202.0**	**0.4**	**1,069.7**	**62.3**	**67.8**
Short-term	637.1	155.0	0.4	792.5	47.8	52.1
Disbursements	0.0	193.0	0.0	-	59.5	64.8
Repayments	0.0	-37.9	0.0	-	- 11.7	-12.7
Other Changes	0.0	0.0	0.4	-	-	0.0
Long-term	230.2	46.9	0.0	277.2	14.5	15.8
Disbursements	0.0	63.0	0.0	-	19.4	21.1
Repayments	0.0	-16.0	0.0	-	- 4.9	-5.4
Other Changes	0.0	0.0	0.0	-	-	0.0
Fellow Enterprise (FE)	**841.2**	**55.7**	**12.1**	**909.0**	**17.2**	**18.7**
Loans	**253.8**	**23.4**	**0.1**	**277.3**	**7.2**	**7.9**
Short-term	96.9	-33.7	0.1	63.2	- 10.4	-11.3
Disbursements	0.0	21.7	0.0	-	6.7	7.3
Repayments	0.0	-55.4	0.0	-	- 17.1	-18.6
Other Changes	0.0	0.0	0.1	-	-	0.0
Long-term	156.9	57.2	0.0	214.1	17.6	19.2
Disbursements	0.0	63.3	0.0	-	19.5	21.3
Repayments	0.0	-6.1	0.0	-	- 1.9	-2.1
Other Changes	0.0	0.0	0.0	-	-	0.0
Trade credits	**587.4**	**32.3**	**12.1**	**631.7**	**10.0**	**10.8**
Short-term	442.3	21.2	0.2	463.7	6.5	7.1
Disbursements	0.0	215.0	0.0	-	66.3	72.2
Repayments	0.0	-193.8	0.0	-	- 59.8	-65.1
Other Changes	0.0	0.0	0.2	-	-	0.0
Long-term	145.1	11.1	11.8	168.0	3.4	3.7
Disbursements	0.0	30.3	0.0	-	9.3	10.2
Repayments	0.0	-19.2	0.0	-	- 5.9	-6.4
Other Changes	0.0	0.0	11.8	-	-	0.0
Other Investments	**2,690.8**	**54.5**	**480.5**	**3,225.8**	**16.8**	**18.3**
Other Equity (<10%)	**178.2**	**20.5**	**67.7**	**266.4**	**6.3**	**6.9**
Foreign Borrowings (non-Affiliated)	**2,512.6**	**34.0**	**412.8**	**2,959.3**	**10.5**	**11.4**
Loans	**2,378.3**	**8.7**	**410.9**	**2,797.9**	**2.7**	**2.9**
Short-term loan	31.7	-10.9	0.2	20.9	-3.4	-3.7
Disbursements	0.0	4.2	0.0	-	1.3	1.4
Repayments	0.0	-15.1	0.0	-	- 4.7	-5.1
Other Changes	0.0	0.0	0.2	-	-	0.0
Long-term loan	2,346.6	19.7	410.8	2,777.0	6.1	6.6
Disbursements	0.0	284.3	0.0	-	87.7	95.5
Repayments	0.0	-264.6	0.0	-	- 81.7	-88.9
Other Changes	0.0	0.0	410.8	-	-	0.0
Trade credits	**134.3**	**25.3**	**1.9**	**161.4**	**7.8**	**8.5**
Short-term trade credits	108.4	28.6	0.8	137.7	8.8	9.6
Disbursements	0.0	55.6	0.0	-	17.2	18.7
Repayments	0.0	-27.0	0.0	-	- 8.3	-9.1
Other Changes	0.0	0.0	0.8	-	-	0.0
Long-term trade credits	25.9	-3.3	1.2	23.8	-1.0	-1.1
Disbursements	0.0	3.0	0.0	-	0.9	1.0
Repayments	0.0	-6.3	0.0	-	-1.9	-2.1
Other Changes	0.0	0.0	1.2	-	-	0.0
Dividends paid/remitted	N/A	552.3	N/A	N/A	170.4	185.5

Source: *PSIS 2016 findings*

Table B.5: Grossed-up FDI Flows by Source Countries 2008 – 2015-(US$ millions)

	Country	2008	2009	2010	2011	2012	2013	2014	2015
1	Australia	163.9	189.3	120.1	201.1	203.1	81.8	81.9	60.1
2	Kenya	94.2	55.5	86.1	172.6	99.4	44.5	109.6	61.7
3	Netherlands	16.8	16.2	121.5	164.4	611.2	493.5	491.4	236.7
4	UK	249.7	227.8	126.7	115.8	116.8	78.9	250.3	4.5
5	UAE	89.0	102.8	65.2	109.2	64.4	1.8	16.3	35.8
6	Mauritius	30.9	54.0	90.6	104.5	6.3	71.3	67.1	51.3
7	Switzerland	35.7	41.2	26.1	43.8	-12.9	2.6	28.9	7.9
8	Bermuda	50.4	87.4	11.6	38.0	-13.4	0.5	10.3	9.4
9	Denmark	17.2	19.8	12.6	21.0	-2.2	-3.5	-4.2	10.9
10	India	27.4	18.8	38.1	19.2	39.3	18.7	-39.2	10.6
11	Nigeria	15.5	17.9	11.4	19.0	5.2	-3.7	9.2	-10.0
12	South Africa	51.1	89.5	16.9	14.4	25.0	11.4	-71.4	47.4
13	Singapore	1.0	0.1	-1.7	9.5	9.6	2.1	-17.2	1.6
14	IO	7.0	8.0	5.1	8.5	5.8	8.7	0.1	0.0
15	Egypt	5.8	6.7	4.2	7.1	-2.6	9.4	1.8	0.6
16	Norway	4.4	5.0	3.2	5.3	2.9	5.6	-4.1	-1.9
17	Togo	2.9	3.4	2.1	3.6	1.1	17.9	13.0	-0.3
18	USA	69.3	18.8	10.3	3.4	20.4	8.5	8.4	-25.6
19	Canada	2.7	3.2	2.0	3.4	-6.7	6.3	-0.2	5.6
20	Others	-199.0	-115.7	-213.0	-169.6	32.8	241.0	49.4	32.2
	Total	**728.9**	**841.6**	**534.1**	**894.3**	**1,205.4**	**1,097.1**	**1,001.3**	**538.5**

Source: *PSIS 2016 findings*