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# PRIVATE SECTOR INVESTMENT SURVEY REPORT

(PSIS) 2025

# **PRIVATE SECTOR INVESTMENT SURVEY REPORT**

**(PSIS) 2025**

**To ensure a stable macroeconomic environment for  
conducive sustainable growth and development.**

## Foreword

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This report details the findings of the 2025 Private Sector Investment Survey (PSIS), the twenty-third edition in the annual series. The survey gathered data on foreign private investment for calendar years 2023 and 2024 to support the compilation of Uganda's Balance of Payments (BOP) and International Investment Position (IIP) statistics. Beyond this core function, the data serves as a critical resource for research, economic analysis, and evidence-based policy formulation.

As a vital source of external financing, foreign investment plays a pivotal role in advancing Uganda's development agenda, through stimulating private sector expansion, and therefore economic growth. This report offers an analysis of foreign investment in Uganda's private sector by instrument (equity or debt), value, sectoral distribution, and country of origin.

The survey findings indicated that the outstanding stock of private sector foreign investment constituting equity capital and debt increased from US\$19.3 billion in CY2023 to US\$21.6 billion in CY2024, with Foreign Direct Investment (FDI) accounting for the majority share at 94.2 percent. The stock of FDI grew by 11.5 percent, rising from US\$18.2 billion in CY2023 to US\$20.3 billion in CY2024, driven by increased inflows across all components: equity, reinvested earnings, and related debt. Gross inflows increased from US\$3.5 billion in CY2023 to US\$3.9 billion in CY2024, reflecting higher investment activity. At the same time, outflows rose from US\$0.5 billion to US\$0.8 billion, indicating increased repayment of intercompany obligations. Overall, the increase in inflows outpaced the outflows, resulting in a net FDI inflow position.

On a year to year basis, Net FDI inflows experienced a 4.1 percent growth, increasing from US\$3.0 billion in CY2023 to US\$3.1 billion in CY2024. This modest increase stands in contrast to an 11 percent decline in global FDI flows over the same period, reflecting the country's relative resilience in an otherwise challenging global investment environment. This growth was largely attributed to advancements in the mining (oil) sector, transitioning from exploration and appraisal to the development phase in preparation for oil production. The majority of FDI inflows originated from the Netherlands, France, Kenya, Switzerland, United Kingdom and Tanzania. Compared to other cross-border capital flows, FDI remains a key source of external financing for Uganda.

The successful execution of this survey was made possible through the strong partnership and collaboration of Bank of Uganda with key institutions including the Uganda Bureau of Statistics, and the Uganda Investment Authority. We also extend our sincere appreciation to all participating enterprises and field staff whose contributions were essential to the survey's success.

Management,  
**Bank of Uganda**

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## Acronyms

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|        |                                                                                |
|--------|--------------------------------------------------------------------------------|
| ASEAN  | Association of Southeast Asian Nations                                         |
| BOP    | Balance of Payments                                                            |
| BOU    | Bank of Uganda                                                                 |
| BPM6   | Balance of Payments and International Investment Position Manual Sixth Edition |
| CY     | Calendar Year                                                                  |
| EACOP  | East African Crude Oil Pipeline                                                |
| EPRC   | Economic Policy Research Centre (Makerere University)                          |
| FDI    | Foreign Direct Investment                                                      |
| FID    | Final Investment Decision                                                      |
| GDP    | Gross Domestic Product                                                         |
| ICT    | Information and Communications Technology                                      |
| IIP    | International Investment Position                                              |
| IMF    | International Monetary Fund                                                    |
| IOC    | International Oil Companies                                                    |
| LDC    | Least Developing Countries                                                     |
| LLDC   | Landlocked Developing Countries                                                |
| M&As   | Mergers and Acquisitions                                                       |
| MNE    | Multinational Enterprises                                                      |
| PSFU   | Private Sector Foundation Uganda                                               |
| PSIS   | Private Sector Investment Survey                                               |
| Shs.   | Uganda Shillings (Currency)                                                    |
| UBA    | Uganda Bankers Association                                                     |
| UBOS   | Uganda Bureau of Statistics                                                    |
| 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                   |
| WEO    | World Economic Outlook                                                         |

## Executive Summary

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### Background

Foreign private capital flows are an important source of financing for developing economies. It is therefore of paramount importance to understand the magnitude, composition, and direction of both inward and outward investments and design interventions to attract and retain foreign private capital. The Private Sector Investment Surveys conducted annually are a key source to measure the size and nature of these investments. In addition, the surveys provide a platform to collect information on international trade and actual investment.

The surveys are aligned with the recommendations of the Balance of Payments (BOP) and International Investment Position (IIP) Manual, Sixth Edition-BPM6, therefore, the survey results are incorporated in the BOP and IIP Statistics for Uganda, and by extension, provide key input to other related macroeconomic statistics.

The Private Sector Investment Survey (PSIS) 2025 was the twenty third in these annual series and collected data for the calendar years 2023 and 2024. From a sample of 1,172 enterprises, a total of 895 questionnaires were administered. Of the 277 enterprises not administered, 85 were not located, 29 were closed, 4 were not operational, and 159 were unable to respond. Of the questionnaires administered, 787 enterprises responded, translating to a response rate of 87.9 percent. Financial statements from 537 respondents were received and utilized to ensure data quality.

### Key findings

FDI inflows registered growth – expanding by 8.1 percent, rising from net inflows of US\$2,993.5 million in CY2023 to US\$3,115.7 million in CY2024. This increase was primarily driven by sustained activity in the Mining (oil) sector, which has transitioned from the exploration and appraisal phase to now the development and production phase. As a result, approximately 78.5 percent of FDI inflows in CY2024 were linked to oil sector activities, with 56.5 percent directed to the Mining sector and 22.0 percent to the Transportation sector, primarily for pipeline development. Additionally, the manufacturing sector accounted for 8.3 percent of FDI inflows. Key FDI sources included the Netherlands, France, Kenya, Switzerland, United Kingdom and Tanzania.

Attracting foreign private capital remains a key policy priority for Uganda. As part of its tenfold growth strategy, the Government is committed to boosting foreign private investment by developing critical infrastructure to lower business costs, creating conducive environments through the development of industrial parks and special economic zones, removing regulatory hurdles, and prioritising high-potential sectors such as agro-processing, mining, and manufacturing to ensure targeted and impactful growth.

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## CHAPTER ONE

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### 1.0. Introduction

This introductory chapter provides a brief background to the survey and highlights global macroeconomic developments and trends in international private capital flows during 2024, and the outlook going forward.

### 1.1. Background

The Private Sector Investment Survey (PSIS) 2025 was the twenty third in a series of annual surveys conducted by the Uganda Working Group (UWG) to monitor private sector investment in the country. These surveys aim to provide reliable data for compiling Uganda's Balance of Payments (BOP), International Investment Position (IIP), Coordinated Direct Investment Survey (CDIS), and other macroeconomic statistics essential for informed policy making. The PSIS 2025 gathered information on the value, composition, sources, and sectoral distribution of investments made during 2024, as well as the status of investments at the end of 2023.

The PSIS 2025 targeted 1,172 enterprises deemed to have foreign assets and liabilities, purposefully selected from a register of existing and newly licenced enterprises. Data collection was carried out through direct administration of questionnaires by a team of fifty-four (54) trained enumerators. They were supported by four (4) staff members from the Statistics Department of the Bank of Uganda (BOU), one (1) from the Uganda Bureau of Statistics (UBOS), and one (1) from the Uganda Investment Authority (UIA). Fieldwork activities took place from June to September 2025, to align with the finalization and auditing of company annual reports. This timing enabled the collection of data from completed and audited financial statements, thereby enhancing the accuracy and reliability of the survey information.

### 1.2. The Global Macroeconomic Environment

An overview of the global economy and trends in international private capital flows during 2024 as well as forecasts for 2025, are presented in this section.

#### 1.2.1. Overview of Global Growth

According to the International Monetary Fund's World Economic Outlook (IMF's WEO) of October 2025, the global economy is navigating a period of profound transition, as the rules of global trade, fiscal policy, and development cooperation continue to evolve. The introduction of new policy measures particularly higher tariffs by the United States earlier in the year has reshaped growth prospects and amplified uncertainty about the direction of the world economy following supply-chain disruptions due the Russia-Ukraine war. While subsequent trade adjustments and diplomatic resets have moderated the initial impact, the overall policy landscape remains volatile.

Global growth is projected to moderate from 3.3 percent in 2024 to 3.2 percent in 2025 and 3.1 percent in 2026. This remains 0.2 percentage points below the pre-policy-shift forecast from October 2024.

For advanced economies, growth remained subdued at 1.8 percent in 2024 and projected to slow down slightly to 1.6 percent in 2025 and 2026, reflecting slower expansion in the United States, gradual recovery in the euro area, and mixed dynamics in other major economies such as Japan, the United Kingdom, and Canada. In emerging markets and developing economies, growth is expected to ease from 4.3 percent in 2024 to 4.2 percent in 2025 and further to 4.0 percent in 2026, with moderation in emerging and developing Asia including China and India partly offset by stronger growth in the Middle East and Central Asia and gradual acceleration in sub-Saharan Africa. Emerging and developing Europe is expected to experience a sharp slowdown in 2025 due to weak performance in Russia, while growth in Latin America and the Caribbean is projected to remain stable.

In sub-Saharan Africa, growth is expected to remain subdued at 4.1 percent in 2025, unchanged from 2024, before picking up to 4.4 percent in 2026, supported by macroeconomic stabilization and reforms in key economies, amidst an increasingly challenging global trade policy and aid landscape.

### **1.2.2. International Private Capital Flows Development**

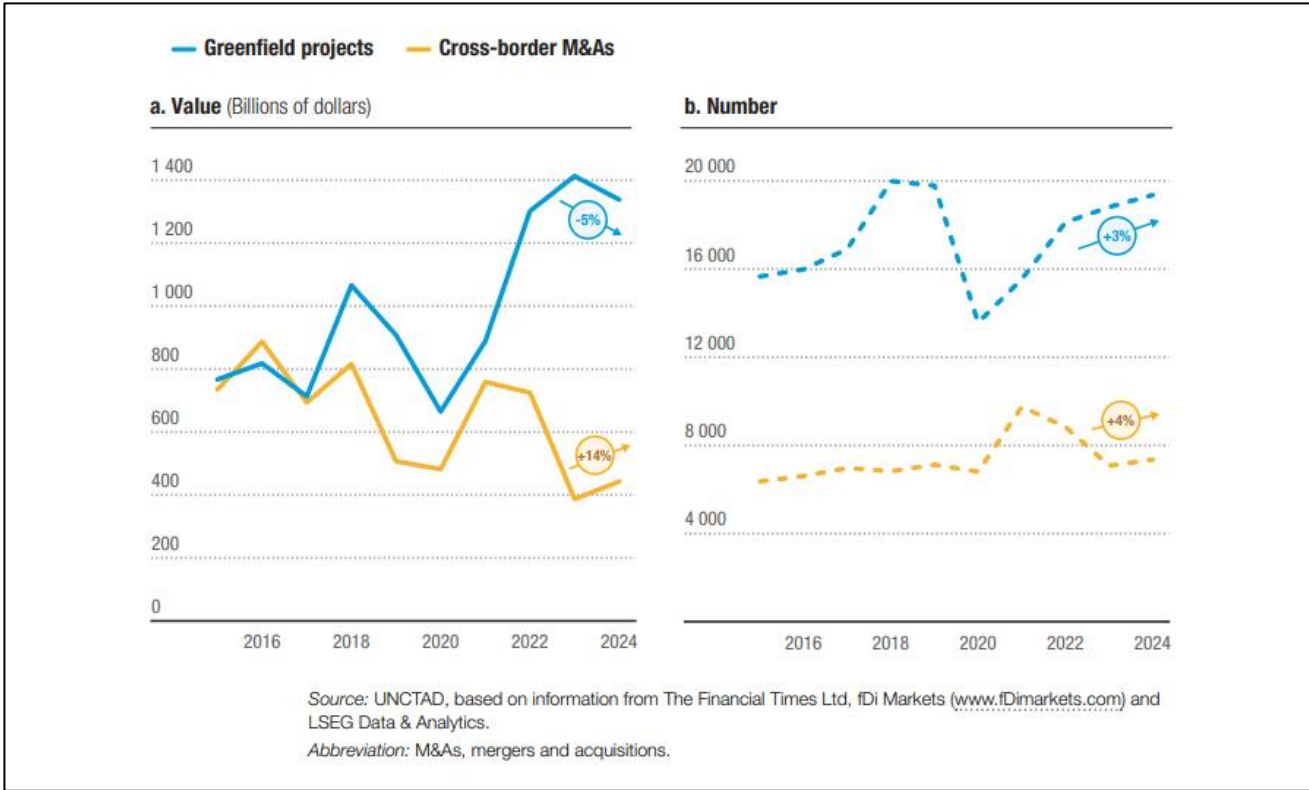
According to the UNCTAD World Investment Report 2025, global foreign direct investment recorded an increase of 4 percent in 2024, rising from US\$1.45 trillion to US\$1.51 trillion. However, this headline growth was elevated by volatile financial flows routed through conduit economies. Excluding these distortions, global FDI fell by 11 percent from US\$1.67 trillion to US\$1.49 trillion, marking a second consecutive year of significant contraction and underscoring continued vulnerability in international investment flows.

The most pronounced decline occurred in international project finance (IPF) transactions, which dropped by 26 percent in 2024 after a steep fall in 2023. IPF is crucial for large-scale infrastructure development, especially in developing countries, and the contraction was largely driven by financing uncertainties, including fluctuations in exchange rates and interest rates. Least developed countries were particularly affected, as IPF flows constitute a relatively large portion of their FDI.

Meanwhile, greenfield investment showed mixed trends: the number of announced projects in the industrial sector rose slightly by 3 percent, but the total value decreased by 5 percent, remaining nonetheless historically high at US\$1.3 trillion. Growth was concentrated in supply chain-oriented manufacturing, notably in Southeast Asia, Eastern Europe, and Central America, reflecting multinational firms' ongoing strategies to diversify production locations amid a changing global trade landscape.

Cross-border mergers and acquisitions (M&As), which mostly shape FDI flows in advanced economies, grew by 14 percent in 2024 to reach US\$443 billion. Despite the increase, M&A activity remains below the past decade’s average, and cross-border deals continue to shrink as a share of total transactions. Companies are increasingly favoring domestic or regional acquisitions to navigate heightened geopolitical risks, regulatory challenges, and evolving industrial policies, signaling a structural shift in global investment patterns.

**Figure 1.1: Greenfield projects and Cross-border M&As by Volume and Value trends**

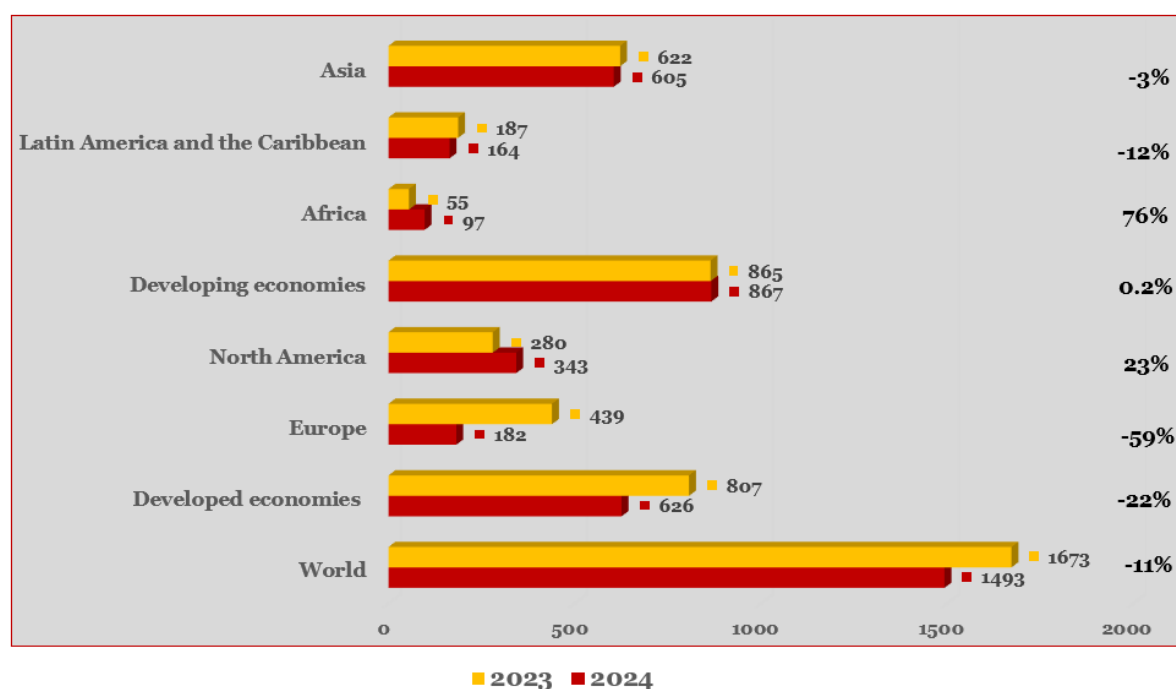


### 1.2.3. Trends by Economic grouping and Region

Global FDI flows fell by 11 percent in 2024, reaching US\$1.5 trillion, but the impact varied widely across regions. Developed economies saw a sharp 22 percent contraction, largely driven by a 58 percent drop in FDI to Europe. China experienced a 29 percent decline, while South America recorded an 18 percent reduction in inflows. In contrast, North America recorded a 23 percent increase in FDI, with inflows to the U.S. rising 20 percent, supported by a surge in M&A activity and major investments in high-tech and clean energy sectors.

Among developing economies, FDI remained broadly stable at US\$867 billion, representing 57 percent of global flows, despite tight financing conditions and geopolitical uncertainties. Developing Asia, the largest recipient region, saw only a slight decline of 3 percent, as strong inflows to major economies offset China’s drop. Latin America and the Caribbean experienced a 12 percent fall, while ASEAN and Central America recorded growth, rising by 10 percent and 4 percent, respectively, reflecting continued investor interest in market-seeking and resource-based opportunities.

**Figure 1.2: FDI Inflows by Economic grouping and Region (Billions of dollars and percentage change)**

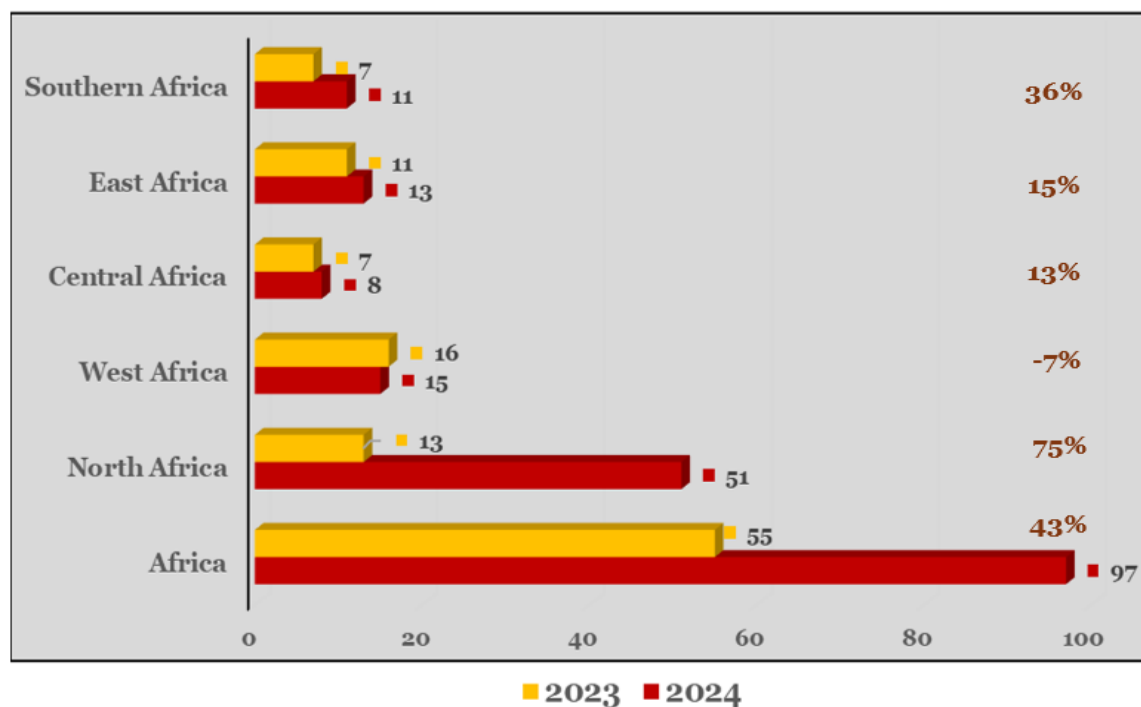


In 2024, Africa experienced a striking rebound in FDI inflows, rising 75 percent to US\$97 billion, accounting for 6 percent of global FDI and 11 percent of total FDI to developing economies. However, much of this growth was driven by a single megaproject (Ras El-Hekma Urban development deal) in Egypt valued at US\$35 billion. Excluding this project, inflows increased by 12 percent, but remained modest at US\$62 billion (4 percent of global FDI). North Africa emerged as the main growth engine, with Egypt, Morocco, and Tunisia leading the gains, while other regions recorded more modest increases. Overall, developing Africa showed resilience despite tight financing and geopolitical uncertainties, reflecting strong investor interest in market-seeking and resource-based opportunities.

On a sectoral basis, investment was concentrated in energy, construction, and extractives, with energy leading greenfield activity. Seven major energy transition projects totaling \$17 billion were announced, primarily in Egypt and Tunisia, including renewable energy and green hydrogen initiatives. Construction saw fewer but larger capital-intensive projects, and IPF deals grew by 15 percent, supported by large-scale energy and transport infrastructure investments. Greenfield project values fell overall, particularly in electricity and gas supply, but manufacturing and strategic sectors such as semiconductors, electric vehicle components, and digital economy services remained active.

Key investors in Africa originated from Netherlands, China, France, the United Arab Emirates, and the United Kingdom etc. European investors continue to hold the largest shares of FDI stock on the continent, occupying three of the top four positions.

**Figure 1.3: FDI Inflows to Africa (Billions of dollars and percentage change))**



#### 1.2.4. Forecast for Global FDI

The outlook for global foreign direct investment (FDI) in 2025 has turned negative amid rising economic and policy uncertainty. Initial expectations of modest growth have been dampened by escalating trade tensions, volatile financial markets, and weakening macroeconomic indicators. Slower global GDP growth, declining capital formation, and reduced trade volumes have all contributed to a sharp fall in investment activity, with first-quarter deal volumes and project announcements hitting record lows. High debt burdens, political instability, and exchange rate fluctuations in several countries have further eroded investor confidence, particularly in emerging and developing markets.

The mergers and acquisitions (M&A) market has been particularly affected, reaching its weakest level since the global financial crisis. Heightened regulatory scrutiny, geopolitical fragmentation, and shifts in corporate strategy have further constrained cross-border investment. However, there are some mitigating factors. The anticipated easing of interest rates in major economies could help revive investment financing, while strong profitability among multinational corporations provides potential for reinvested earnings, an increasingly vital and stable component of FDI flows in an uncertain global environment.

#### 1.3. Organization of the Report

The rest of the report is structured as follows: Chapter Two provides the general survey findings, Chapter Three focuses on FDI trends and analysis for the survey coverage periods, i.e., 2023 and 2024, Chapter Four presents the analysis of both Portfolio and Other Investment inflows throughout the survey periods. The report concludes with a forward-looking assessment of FDI prospects for Uganda.

## CHAPTER TWO

### 2.0. General findings

This chapter provides a description of the sample and presents the survey findings on the general characteristics of the enterprises surveyed. The reporting currency used throughout the report is US dollars. Details of the sampling and grossing-up methodology are given in appendix A.

### 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 from non-residents. Subsequently, the sample comprised some enterprises with only foreign direct investment or foreign borrowing and some with both.

**Figure 2.1: Questionnaire administration and Response Rate**

A total of 895 questionnaires were administered, out of 1,172 enterprises sampled. Of the 277 enterprises not administered, 85 weren't located, 29 were closed, 4 were not operational, and 159 refused to respond. Of the questionnaires administered, 787 enterprises responded, translating to a response rate of 87.9 percent.

Financial statements from 537 respondents were received and utilized to ensure data quality.

In addition, comparisons were made with the information from previous surveys at an enterprise level to check for consistency across surveys. The survey collected data for calendar years (CY) 2023 and 2024.

The regional distribution of the enterprises to which questionnaires were administered and responded to is shown in Table 2.1. The survey findings reveal that participation was strongest in the central region, with an 89.6 percent response rate (representing 733 enterprises). The western region followed at 75.0 percent (15 enterprises), while the Eastern and Northern regions combined recorded 68.4 percent (39 enterprises).

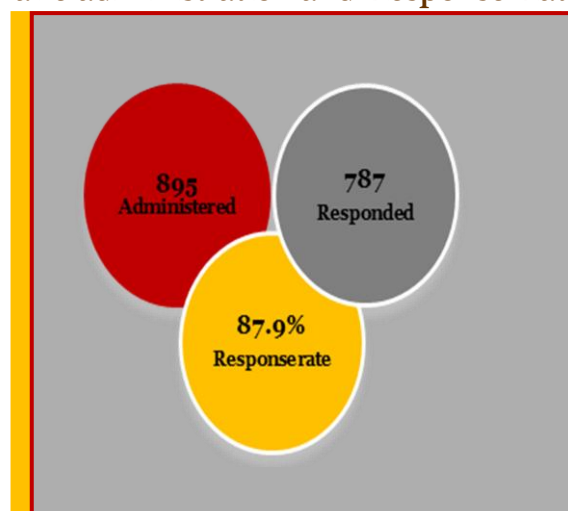


**Table 2.1: Regional administration & response (No. of entities)**

| Region                | Administered | Returned   | Response (%) |
|-----------------------|--------------|------------|--------------|
| Central <sup>1/</sup> | 818          | 733        | 89.6         |
| East and North        | 57           | 39         | 68.4         |
| West                  | 20           | 15         | 75.0         |
| <b>Grand Total</b>    | <b>895</b>   | <b>787</b> | <b>87.9</b>  |

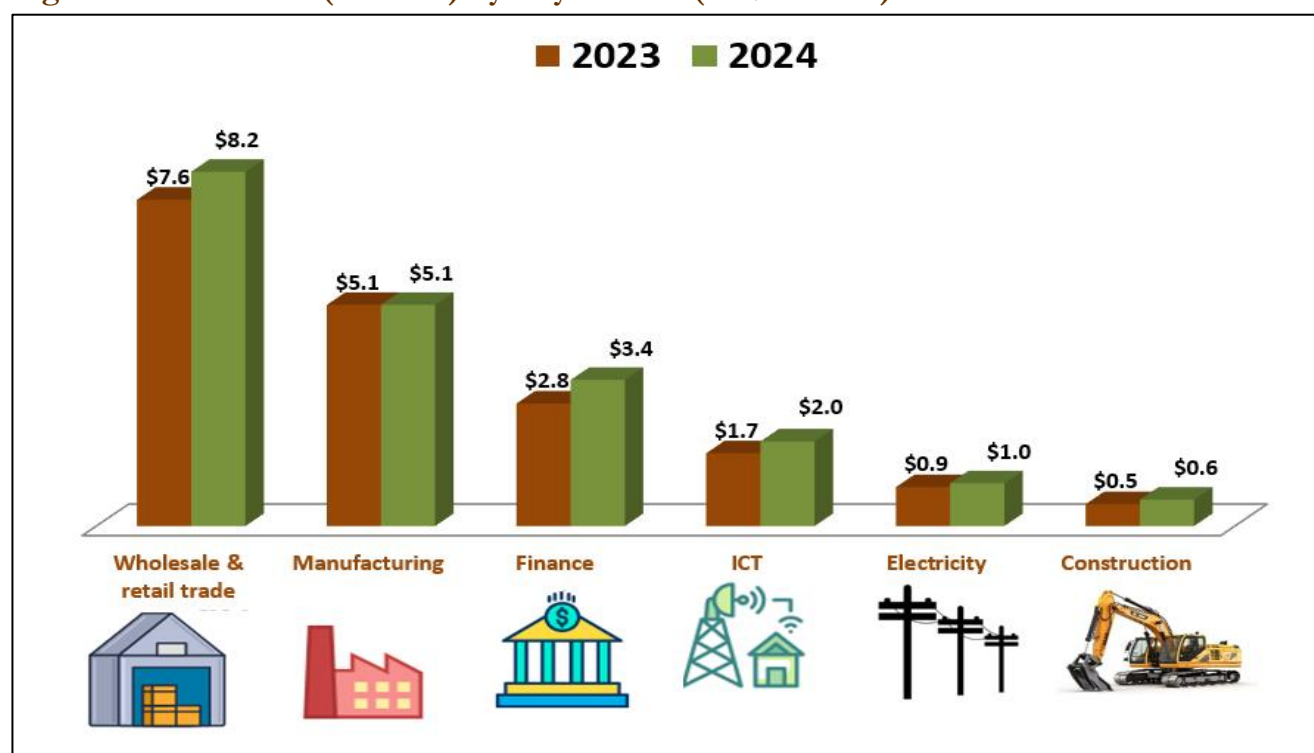
**Note**

1. The large number of enterprises surveyed from the Central region is explained by the fact that most companies have their head offices located in Kampala.

## 2.2. Entity turnover

Total turnover (sales revenue) increased by 9.8 percent to US\$21,891.6 million in 2024 compared to US\$19,939.8 million in 2023. In terms of sector contribution to total turnover, wholesale and retail trade had the highest share estimated at an average of 37.7 percent of total turnover across the two years. This was followed by the manufacturing sector with a share of 24.5 percent, and Finance and Insurance at 14.9 percent. The three sectors combined accounted for 77.0 percent of the total turnover in the two years period. Year-on-year, all sectors registered growth in turnover, with the strongest expansions recorded in the Finance and Insurance sector (19.3 percent) and the ICT sector (16.2 percent), over the same period,

**Figure 2.2: Turnover (revenue) by Key Sectors (US\$ Million)**



*Source: PSIS 2025 findings*

## 2.3. Net-Profits, Dividends and Retained Earnings



Net profits increased by 15.2 percent in 2024 to US\$1,425.9 million, up from US\$1,238.0 million earned during 2023, as summarized in Table 2.2. However, retained earnings decreased to US\$493.0 million in 2024 from US\$534.0 million in 2023 as enterprises declared higher dividends.

**Table 2.2: Net Profits, Dividends, And Retained Earnings**

| Table 2.2: Net Profits, Dividends, and Retained Earnings Item | Amounts (US\$ Millions) |          | % Change |
|---------------------------------------------------------------|-------------------------|----------|----------|
|                                                               | 2023                    | 2024     |          |
| Net profit/loss                                               | 1,238.02                | 1,425.91 | 15.2%    |
| Dividends declared                                            | 704.04                  | 932.96   | 32.5%    |
| Dividends paid/remitted                                       | 600.14                  | 972.92   | 62.1%    |
| Retained earnings <sup>1</sup>                                | 533.99                  | 492.95   | -7.7%    |

**Source:** PSIS 2025 findings

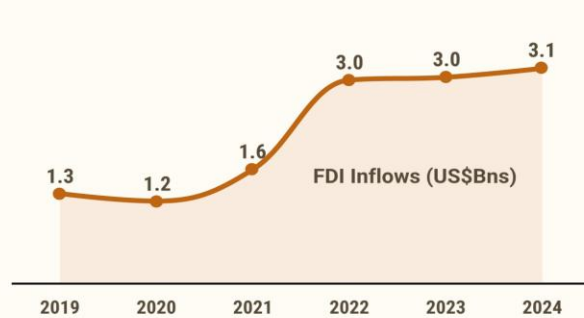
In terms of profitability by sector, Finance and Insurance earned the largest share of total profits (47.5 percent), which increased from US\$548.9 million registered in 2023 to US\$675.4 million in 2024. Enterprises in the Manufacturing and ICT sectors followed, with profits of US\$327.2 million and US\$236.7 million, respectively in 2024. Together, these three sectors accounted for 86.9 percent of the total net profit reported for 2024. However, the electricity sector incurred the largest net losses of US\$54.0 million in 2024. Overall, the positive performance recorded during the year may be attributed to stronger economic activity in 2024, relative to 2023.

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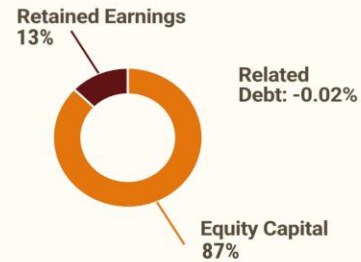
<sup>1</sup> Retained earnings = Net profit/loss – Dividends declared

# Foreign Direct Investment (FDI) In Uganda 2024

## FDI growth: Sustained momentum, y-o-y



## FDI Inflows CY2024: By Component



## FDI Inflows CY2024: Key Source Countries



## FDI performance in CY2024 continued to reflect strong oil-sector investment

**\$1.8bn (56.5%)**  
Mining



**\$0.7bn (22.0%)**  
Transport

**\$0.3bn (8.3%)**  
Manufacturing



**\$0.2bn (7.6%)**  
Finance & Insurance

## Looking ahead, Uganda's FDI outlook remains positive



- Oil sector projects advance toward key milestones
- Recently signed off Oil Refinery Project - reinforces favorable investment climate



Foreign investment in renewable energy: Solar & Hydro



Infrastructure developments continue to unlock investment opportunities

## CHAPTER THREE

### 3.0 Foreign Direct Investment (FDI)

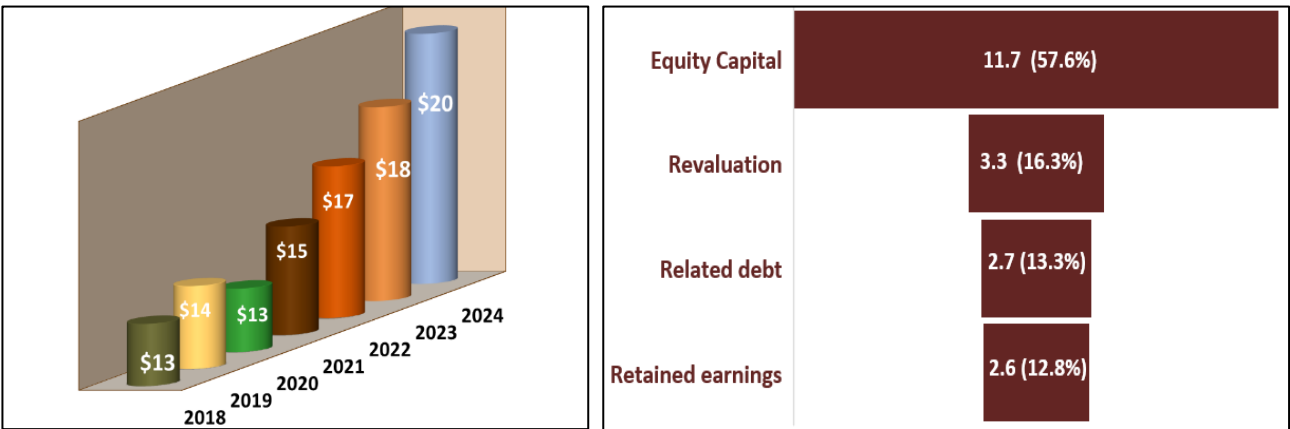
Foreign capital investment in the private sector is broadly categorized into three types, i.e., Foreign Direct Investment (FDI), Portfolio Equity Investment, and Other Investments (largely foreign borrowing from non-affiliates). For Uganda, FDI primarily comprises the largest share of foreign private capital inflows over the years. According to international standards, FDI is defined as ownership by a non-resident investor of 10 percent or more of the voting power in a resident enterprise.

Foreign Direct Investment (FDI) inflows play a vital role in supporting Uganda’s private sector by facilitating technology transfer, driving economic growth, enhancing competition in the domestic market, and providing access to foreign markets, which boosts production and productivity. Additionally, FDI contributes to human capital development and is generally less volatile compared to foreign portfolio investment, making it a more reliable and sustainable driver of economic growth and development. Consistent growth in FDI inflows often signals an improved investment climate.

#### 3.1. FDI Stock

The stock of FDI rose by 11.5 percent to US\$20.3 billion in CY2024, from US\$18.2 billion reported in CY2023, on account of increased capital inflows reflected through all components, i.e., equity capital, retained earnings, and related debt inflows. FDI stock at the end of CY2024 comprised of equity capital (57.7%), outstanding related debt (13.3%), and accumulated retained earnings (12.8%), primarily invested in the Mining, Transportation, Manufacturing, Finance & Insurance sector. Holding gains and losses resulting from movements in exchange rates and stock prices accounted for the remaining share (16.3%).

**Figure 3.1: Trends in FDI Stock and FDI Stock-CY2024 by Component (US\$ billions)**

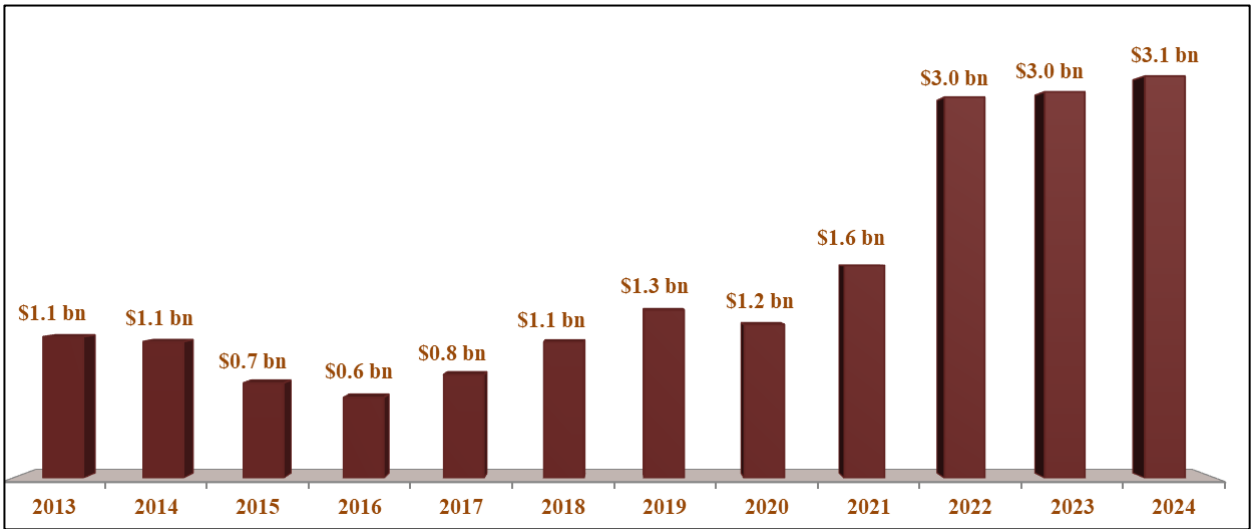


*Source: PSIS 2025 findings*

3.2. FDI Inflows

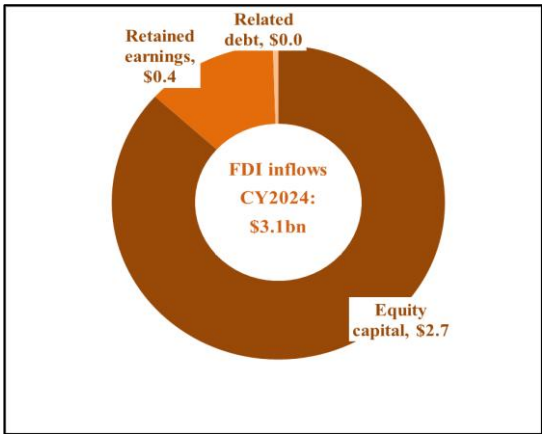
FDI inflows registered a growth of 4.1 percent, from net inflows of US\$2,993.5 million registered in CY2023 to US\$3,115.7 million in CY2024. The growth in FDI inflows during CY2024 stemmed from two key sources: the ongoing development of the mining (oil) sector and capital injections into the financial sector to meet regulatory requirements.

Figure 3.2: Trends in FDI inflows (US\$ Billions)



Source: PSIS 2025 findings

3.2.1. FDI Inflows by Component



Foreign direct investment is comprised of three components: equity capital, reinvestment of earnings, and intracompany debt. Reinvestment of earnings is the portion of earnings that the non-resident parent enterprise decides to reinvest in the affiliate rather than receive as a dividend and can be an important source of financing for affiliates.

Equity capital is often associated with new investments, such as greenfield or mergers & acquisitions, even though it can also reflect extensions of capital or financial restructuring.

Nevertheless, equity capital flows are often taken as a sign of the value of new investments related to FDI. Analysis of FDI inflows received in CY2024 by the three components, i.e., equity capital, retained earnings, and intracompany debt is further expounded in the paragraphs that follow.

3.2.2. Equity Capital Inflows

Foreign Direct Equity (FDI) inflows in the form of Equity capital inflows increased during the reporting year, from US\$2,391.0 million in CY2023 to US\$2,731.7 million in CY2024.

Figure 3.3. Annual trends in Total Equity Capital Inflows

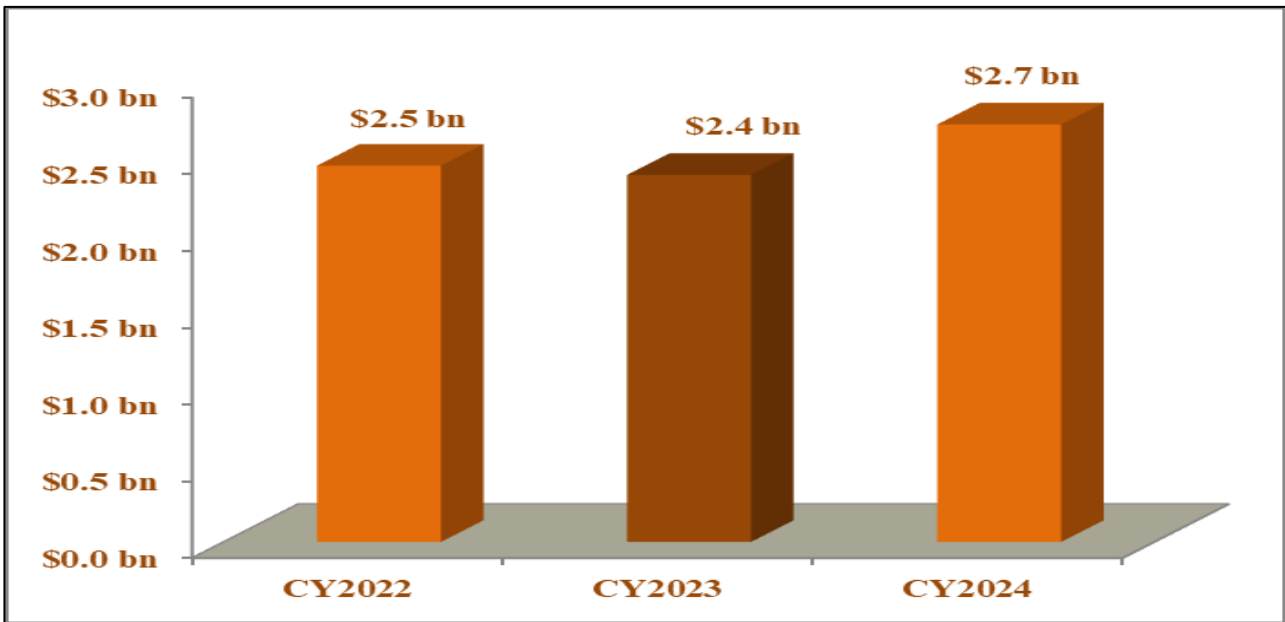
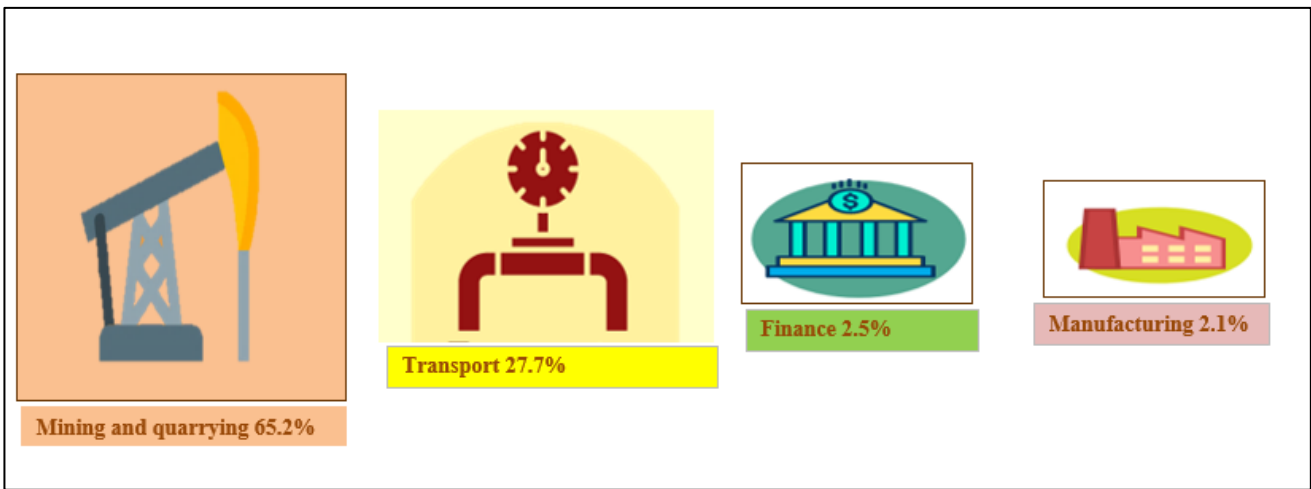
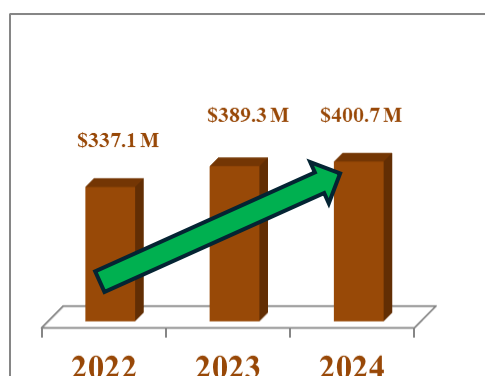


Figure 3.4. FDI CY2024: Share of Total Equity Capital Inflows (US\$2.7bn) by Major Sector



Source: PSIS 2025 findings

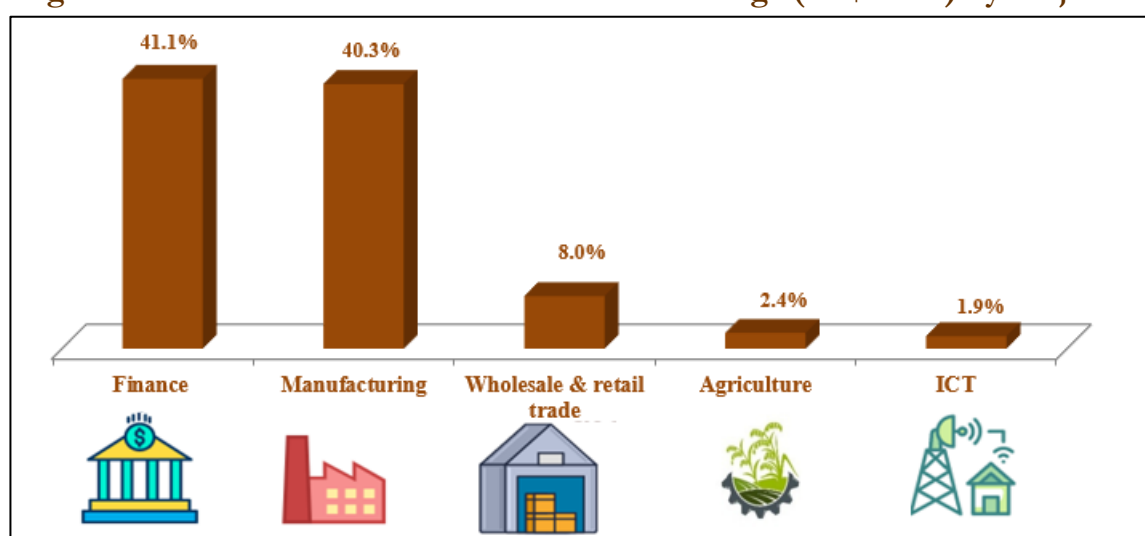
### 3.2.3. Retained Earnings/Losses:



Retained earnings for FDI enterprises grew by 2.9 percent reaching US\$400.7 million in CY2024, up from US\$389.3 million registered in CY2023.

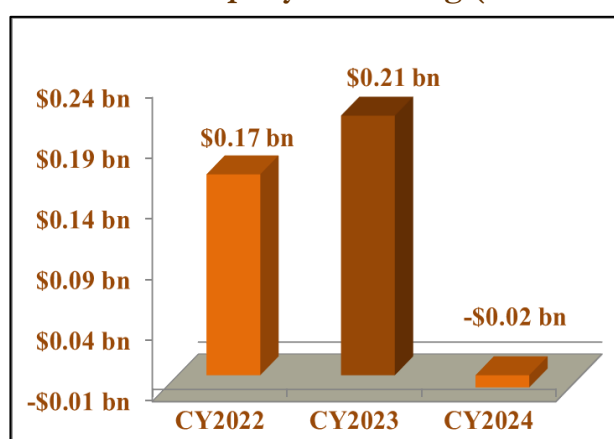
The overall performance of foreign owned enterprises remained positive, supported by notable earnings registered in Finance and Insurance, Manufacturing, Wholesale & Retail trade, Agriculture and ICT sectors during 2024. However, in partial moderation of this positive performance, losses were registered in the Electricity and Real estate sectors during the year.

**Figure 3.5. FDI CY2023: Share of Retained Earnings (US\$0.4bn) by Major Sector.**



*Source: PSIS 2025 findings*

### 3.2.4. Intracompany Borrowing (related debt)



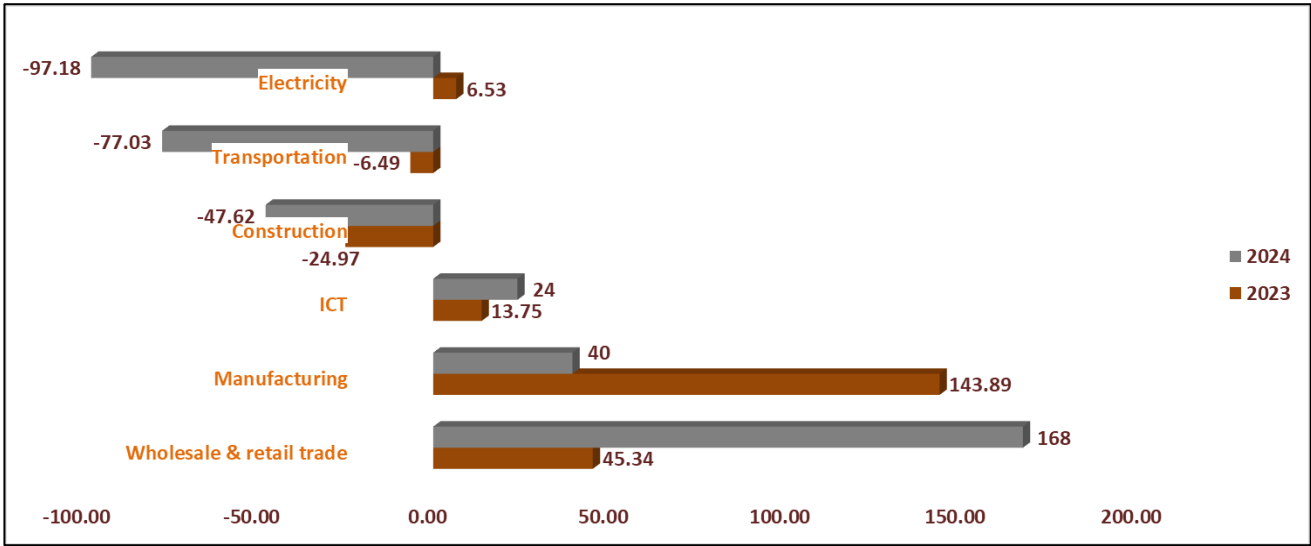
Net intracompany debt inflows of US\$213.3 million registered during CY2023 reversed to net outflows of US\$16.7 million in CY2024. This was mainly driven by higher repayments, which rose by 103.3 percent year-on-year, compared to a 17.5 percent increase in debt disbursements.

Intracompany debt repayments were driven by Electricity, Transport and Construction and Mining sectors, while disbursements were driven by Wholesale & Retail trade, Manufacturing and ICT sectors.

Net inflows of trade credits totaled US\$ 108.7 million, largely channeled to the Wholesale & Retail trade, Manufacturing and ICT sectors. However, loans registered net repayments of US\$ 125.4

million mainly in Electricity and Mining sectors despite disbursements being received in the Manufacturing and ICT sectors.

**Figure 3.6. FDI CY2024: Share of Intracompany Borrowing by Major Sector**

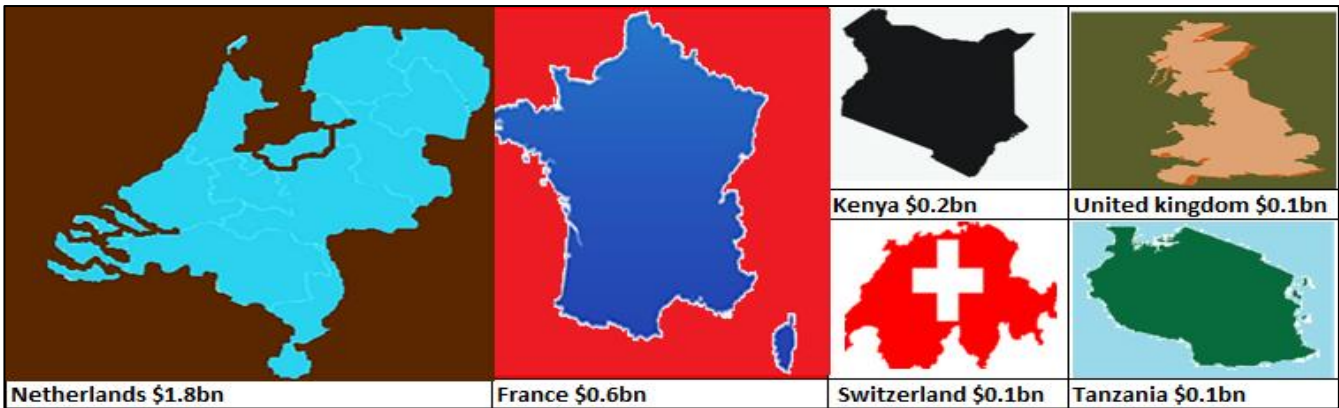


*Source: PSIS 2025 findings*

### 3.3. FDI by Source Country

The Netherlands remained the main source of FDI inflows, accounting for 58.8 percent of total FDI inflows in 2024, followed by France contributing 19.6 percent, while other key source countries included Kenya (5.3%), Switzerland (4.7%), the United Kingdom (4.4%) and Tanzania (2.9%). The bulk of FDI from Netherlands and France was channeled into the mining (oil) sector while the investment from Tanzania was mainly directed toward the transportation and storage sector in support of oil related developments. Investment from Kenya, Switzerland and United Kingdom was largely in the Manufacturing, Finance and Insurance, and Wholesale & Retail trade sectors.

**Figure 3.7. FDI CY2024 by major source country in Billions.**



*Source: PSIS 2025 findings*

## CHAPTER FOUR

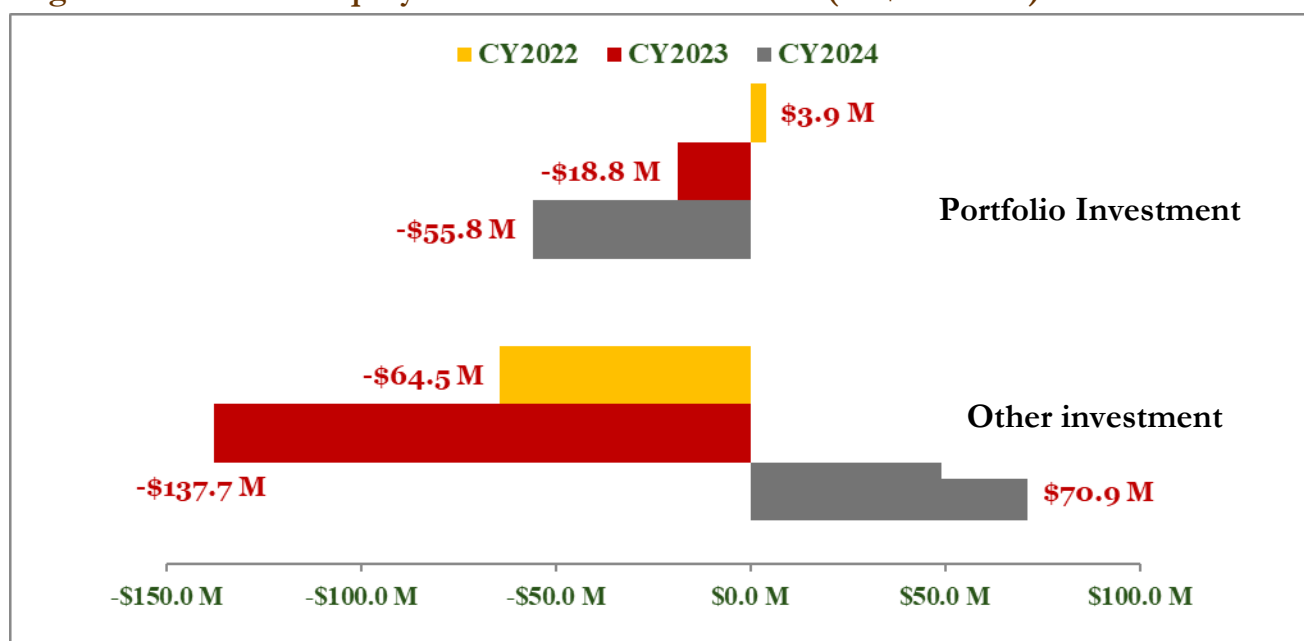
### 4.0 Portfolio Equity and Other investment in the private sector

Portfolio equity investment is defined as cross-border transactions and positions involving tradable equity securities, other than those included in direct investment. Conversely, other investment is comprised of any other equity holdings that are not tradable, as well as borrowing from unrelated foreign entities largely in the form of loans and trade credits.

#### 4.1 Portfolio Equity and Other Investment in CY2024

Both portfolio equity and other investment inflows to the private sector contracted year-on-year, partially moderating the impact of the increase in FDI inflows registered during the year. Portfolio equity investments moved from a net outflow of US\$18.8 million in 2023 to a net outflow of US\$55.8 million, mainly on account of losses made in some sectors during 2024. Other investments reported net inflows of US\$70.9 million during CY2024 from net outflows of US\$137.7 million registered in CY2023 on account of higher loan disbursements.

**Figure 4.1: Portfolio Equity & Other Investment Flows (US\$ Millions)**



**Source:** PSIS 2025 findings

Sector-wise, other investment inflows were largely oriented to the Electricity, Wholesale & Retail trade and Transport sectors, while portfolio inflows were largely invested in the Finance and Insurance sector.

## CHAPTER FIVE

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### 5.0 Conclusion

FDI inflows to Uganda have risen steadily, hinged largely on developments in the oil and gas sector. Oil sector-related flows remained the major driver of FDI in CY2024 and were primarily in the form of equity capital inflows, which amounted to US\$2.5 billion, representing 78.9 percent of total FDI inflows received in 2024.



Uganda's FDI outlook for 2025 and beyond is for higher inflows supported by continued investments in oil and related sectors as well as government infrastructural projects such as highway roads, electricity generation dams and bridges. The oil sector in Uganda is set to continue attracting substantial foreign investment, particularly as the country moves closer to commercial oil production.

There has been significant progress in the development of Uganda's oil sector, with most of the drilling required to begin production under the Kingfisher project already established, indicating the country's readiness to commence oil production. Construction of the central processing facility, which is almost complete, while the East African Crude Oil Pipeline is also advancing, with completion expected in the second half of 2026. As Uganda prepares for oil production, foreign companies are investing in exploration, drilling, and infrastructure to support the oil industry.

The continued oil investments are set to drive expansion in other sectors of the economy, including construction, transport, logistics, and support services.

**- END -**

### 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 2024, enterprises from Uganda Revenue Authority (URA) top 1,000 taxpayers not covered in previous private sector investment surveys and the list of new investments received during 2024 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 2025. The office estimates were based on previous survey responses to derive the beginning and end of period stocks. Financial statements covering 2023 and 2024 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 1.1372, 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: Foreign Direct Investment inflows over the period 2019 to 2024**

| FDI Inflows in US\$ Millions |              |              |              |              |              |              |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                              | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         |
| <b>FDI Inflows</b>           | <b>1,303</b> | <b>1,192</b> | <b>1,648</b> | <b>2,953</b> | <b>2,994</b> | <b>3,116</b> |
| <b>Total Equity</b>          | <b>936</b>   | <b>1,031</b> | <b>1,560</b> | <b>2,788</b> | <b>2,780</b> | <b>3,132</b> |
| Equity Capital               | 616          | 717          | 826          | 2,451        | 2,391        | 2,732        |
| Reinvested earnings          | 320          | 314          | 734          | 337          | 389          | 401          |
| <b>Related debt</b>          | <b>367</b>   | <b>161</b>   | <b>88</b>    | <b>165</b>   | <b>213</b>   | <b>(17)</b>  |

**Table B.2: Foreign Direct Inflows by Sector over the period 2019 to 2024**

| Major Sector                                                   | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         |
|----------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Mining and quarrying                                           | 258          | 471          | 490          | 1,044        | 1,715        | 1,760        |
| Transportation and Storage                                     | 12           | (2)          | 0            | 796          | 716          | 685          |
| Manufacturing                                                  | 75           | 138          | 390          | 156          | 283          | 258          |
| Finance and Insurance activities covered above                 | 411          | 205          | 261          | 214          | 241          | 235          |
| Wholesale & retail trade; repair of motor vehicles and motorcy | 31           | 122          | 104          | 98           | (12)         | 212          |
| Agriculture, forestry and fishing                              | 78           | 37           | 97           | 2            | 3            | 62           |
| Information and communication                                  | 382          | 236          | 188          | 518          | 40           | 33           |
| Administrative and support service activities                  | 2            | 2            | 5            | 13           | 3            | 9            |
| Water supply; sewerage, waste management and remediation a     | 0            | (0)          | -            | (2)          | 7            | 6            |
| Professional, scientific and technical activities              | (2)          | (1)          | 2            | (0)          | 9            | 4            |
| Human Health and Social work activities                        | 0            | (1)          | (1)          | (0)          | 2            | 1            |
| Education                                                      | (5)          | (1)          | (1)          | 0            | 0            | 1            |
| Arts, entertainment and recreation                             | 1            | (3)          | (1)          | 2            | 3            | 0            |
| Real estate activities                                         | (10)         | (10)         | (3)          | 2            | 52           | 0            |
| Accommodation and food service activities services             | (1)          | 2            | 5            | (3)          | 3            | (2)          |
| Construction                                                   | 36           | 23           | (120)        | 114          | (78)         | (41)         |
| Electricity, gas and air conditioning supply                   | 37           | (27)         | 231          | (2)          | 4            | (108)        |
| <b>Grand Total</b>                                             | <b>1,303</b> | <b>1,192</b> | <b>1,648</b> | <b>2,953</b> | <b>2,994</b> | <b>3,116</b> |

**Table B.3: Other Investment; Equity & Foreign borrowing from non-affiliates over the period 2019 to 2024**

| Other Investment Inflows US\$ Millions        |             |           |           |             |              |           |
|-----------------------------------------------|-------------|-----------|-----------|-------------|--------------|-----------|
|                                               | 2019        | 2020      | 2021      | 2022        | 2023         | 2024      |
| <b>Total Other Investment inflows</b>         | <b>(46)</b> | <b>11</b> | <b>12</b> | <b>(64)</b> | <b>(138)</b> | <b>71</b> |
| <b>o/w Foreign Borrowing (non-affiliates)</b> | <b>(55)</b> | <b>5</b>  | <b>4</b>  | <b>(76)</b> | <b>(160)</b> | <b>57</b> |
| Disbursements                                 | 374         | 61        | 92        | 61          | 96           | 171       |
| Repayment                                     | (429)       | (56)      | (88)      | (137)       | (256)        | (114)     |
| <b>o/w Other Equity</b>                       | <b>9</b>    | <b>6</b>  | <b>8</b>  | <b>12</b>   | <b>22</b>    | <b>14</b> |