

Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO)



Welcome to the Manufacturing Africa (MA) Uganda Newsletter

Launched in Uganda in 2020, MA is a UK government initiative to support the growth of the manufacturing sector in Uganda. MA aims to increase foreign direct investment in manufacturing through deals in high-potential manufacturing sectors in Uganda – including coffee, electronics assembly, edible oils, pharmaceuticals, paper and apparel. We also support transactions across the wider manufacturing sector regardless of sub-sector if they generate high development impact.

MA is designed to be a one-stop shop providing transaction facilitation (TF) services to investors, manufacturers and technical assistance (TA) to government agencies, investment promotion agencies and other public institutions to help close deals and attract anchor investments. MA works with the Uganda Investment Authority, Uganda Manufacturers' Association, Ministry of Finance, Planning and Economic Development as well as other important stakeholders in the manufacturing ecosystem.

From April 2020 to January 2021, MA has been supporting seven investment transactions that have the potential to attract more than £67 million in FDI and create or protect 5,000+ direct jobs.

If you are planning a new manufacturing investment in Uganda or expanding your current operations, please reach out to us for transaction facilitation support.

We will be happy to help!



A Snapshot of Our Work



Supporting the ‘waste to value’ industry

The recycling sector carries enormous potential that could deliver both economic and environmental value. It however remains untapped due to insufficient market information and lack of co-ordination. For instance, only 50% of waste generated in Kampala is collected while only 30% is collected across the country.

To formalise the circular economy in Uganda, a recycling company born out of a private-public partnership (PPP) involving a beverage company, a leading plastic manufacturing firm in Uganda and a local Commercial Bank and supported by the Kampala City Council Authority has been formed.

The partnership should improve the collection of used plastic from the environment which will in turn be used as raw material to produce synthetic fiber to meet the demands of a fast-growing textile industry. To achieve this objective, the recycling company needs to raise investment capital.

Manufacturing Africa has provided technical assistance that should enable the company to access the required financing. So far, MA has delivered a recycling sector market assessment that will be instrumental in engagements with potential investors and stakeholders. MA’s support has also facilitated the creation of a deal structure that will secure the viability of the recycling venture.



Enabling Beverage Sector Growth

MA is supporting a partnership between a Ugandan fruit processing company and a multinational beverage company in which the company will supply the multinational company with 2,000MT of mango pulp annually over a three-year period. The beverage company intends to leverage the fruit processor partnership to develop a supply chain to source raw material from Uganda for five other markets in Africa. MA has provided technical assistance by developing an investor memorandum and a valuation model. MA has also mapped out investors and development partners. A restructuring strategy is underway with part of the financing already committed by a local development bank. A due diligence exercise by an international lender is also ongoing.





Lockdown restrictions imposed at the start of the COVID-19 pandemic helped to bring the virus under control but took a heavy toll on Uganda's economy. Production and revenue dropped significantly leading to massive job losses across the board.

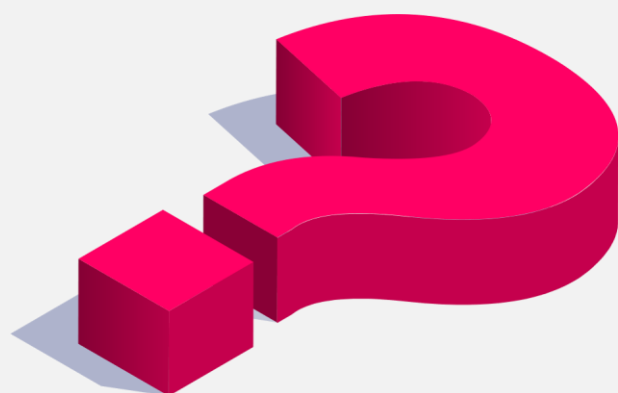
Cognisant of the risk that the COVID-19 crisis posed to the social and economic well-being of the people of Uganda and investors, the Government of Uganda requested Manufacturing Africa's support to set up an Economic Response Unit (ERU) to implement an economic stimulus strategy to reboot the economy and support the country's recovery post COVID-19.

MA provided a robust response consisting of the following concrete actions:

- Setting up and operationalising the ERU within the Ministry of Finance, Planning and Economic Development.
- Supporting the ERU's analysis of the Government's economic stimulus package and exploring how it can address the long-term needs of the manufacturing and private sectors more broadly;
- Designing an MSME Recovery Fund based on consultations with the Bank of Uganda and other financial services organisations and development partners.

The proposed MSME Recovery Fund will help to improve the manufacturing business environment and support long-term policy reform. It will potentially benefit 32,000 MSMEs which have been the most affected by the pandemic.

Your Questions Answered



What are the required criteria for a Company to qualify for MA support?

MA supports manufacturing or manufacturing enabling businesses across sectors with high development impact in their capital raising events of greater than \$2 million where international financing is sought. MA particularly seeks opportunities which could transform a sector or have a high social, environmental or economic impact - be they greenfield or expansion.

Can MA help me obtain regulatory approvals for my manufacturing activities?

MA can provide information on the set of regulatory approvals required for your sector and guide on the necessary steps to obtain the approvals.

Does FCDO provide funding?

No. FCDO funds the MA programme – which provides TF and TA to governments and the private sector.

Will MA introduce me/my company to investors?

MA does not have the mandate to solicit investment on behalf of a company but will identify a suitable set of investors that you/your company can engage.

How does MA collaborate with development partners such as donor organisations?

MA works with partners and development organisations to ensure that the businesses we support integrate social impact considerations such as ethics, environmental stewardship, gender and social inclusion into their business operations.

Upcoming Webinar

WEBINAR

Textiles & Apparel opportunities in East Africa

18 March 2021 at 11:00-13:00 EAT

Hosted by **Manufacturing Africa** - a programme funded by the UK Foreign, Commonwealth & Development Office (FCDO) that aims to reduce poverty by attracting **£1.2 billion** of foreign direct investment into manufacturing and creating **90,000 jobs** across 7 countries in East and West Africa



Despite the decline in growth of the global apparel industry, **East Africa's apparel market is expected to continue to grow at twice the rate of the global apparel industry.** E. Africa boasts a market size of over \$1.5 billion creating multiple opportunities to develop the textile value chain.

Do you want to learn more about the opportunities in the region's textile and apparel sector? Want to see where your next destination could be? **Join the Textiles and Apparel Opportunity in East Africa Workshop and be part of the conversation.**

Workshop agenda

- Update on Manufacturing Africa and why invest in East Africa and Kenya?
- Overview of the landscape and market
- What investment opportunities exist? What is the value at stake?
- What is the path to realising these opportunities?

Participant profile

International investors and businesses with an interest in East Africa's market opportunities in textiles and apparel

Programme details

18 March 2021 at 11:00-13:00 EAT
Join here: [Zoom link](#) (Passcode: 024042)

For more information
For more information, please reach out to info@manufacturingafrica.org

Jointly hosted by:  


This programme is funded by UK aid from the UK government; however, the views expressed do not necessarily express the UK government's official policies.

If you have any questions or would like to subscribe to the newsletter, please reach out to: Manufacturing Africa, Uganda Country Coordinator, fortunate.kwiringira@manufacturingafrica.org or info@manufacturingafrica.org

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