

Rwenzori

Region

Tourism Investment Profile Briefing

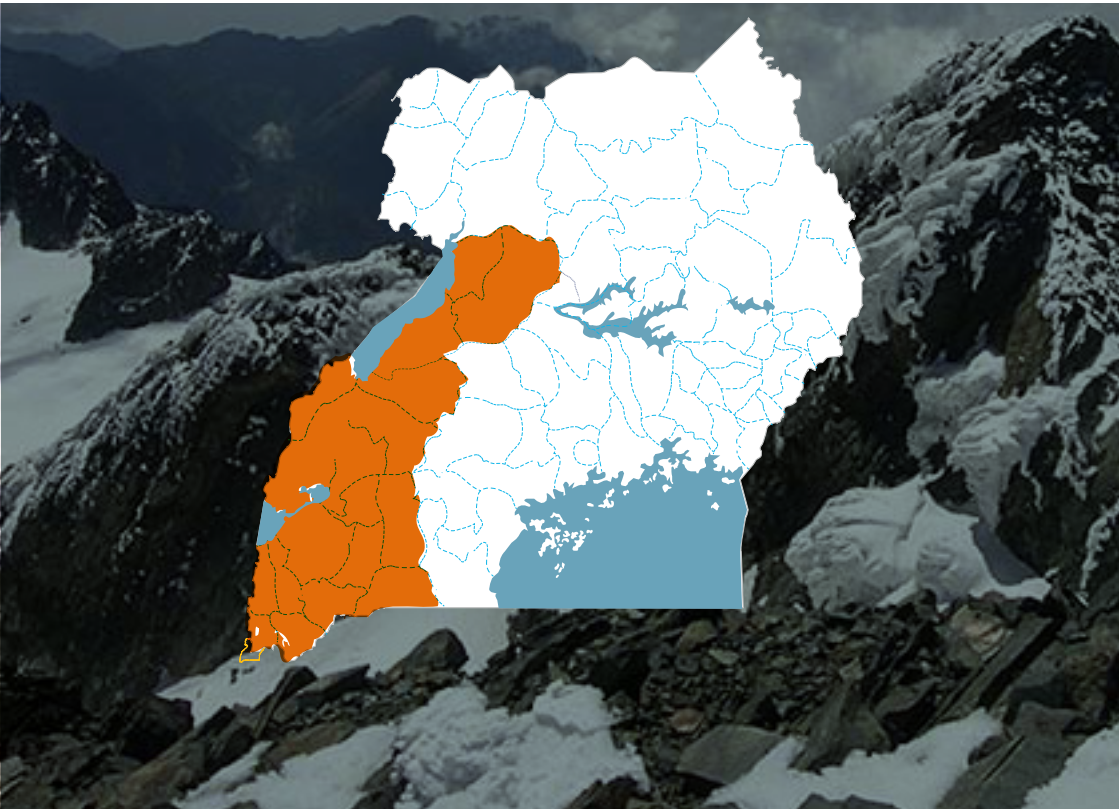
Summary





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Uganda




at a glance




Area
 Total: **241,038 km²**
 Land: **197,100 km²**
 Water: **43,938 km²**




Land boundaries
 Total: **2,729 km** border countries (5):
 Democratic Republic of the Congo **877 km**,
 Kenya **814 km**, Rwanda **172 km**,
 South Sudan **475 km**, Tanzania **391 km**



Climate
 Tropical; generally rainy with two dry seasons (December to February, June to August); semi-arid in northeast




Land use
 Agricultural land: **71.2%**;
 forest: **14.5%**;
 other: **14.3%** (2020 est.)



Natural resources
 Copper, cobalt, hydropower, limestone, salt, arable land, gold



Rwenzori region ethnicity
 Bakiga, Basongora, Bafumbira, indigenous Batooro, Batagwenda, Banyarwanda, Bakonzo, Bamba, Banyabindi.¹



Population growth rate
3.24% (2020 est.)



Population
42,009,100
 (September 2020 est.)



Gross Domestic Product
USD 34 Billion



Terrain
 Mostly plateau with rim of mountains



Foreign Direct Investment
4.9% of Gross Domestic Product



Natural Hazards
 Landslides and Floods



Standard & Poor's Rating
B with Stable Outlook



Fitch, and Moody's Rating
B+ Negative



Number of Households
320,000- Rwenzori Region
9,576,000- Uganda (UBOS 2020 est)



1.2 Rwenzori region



flora



fauna



mountains



bird species



landscapes

The Rwenzori region is a border region with the Democratic Republic of Congo found in mid-Western Uganda and it is comprised of nine districts, namely, Kabarole, Kasese, Bundibugyo, Ntoroko, Kyenjojo, Kyegegwa, Bunyangabu, Kamwenge and Fort portal municipality.

The beautiful flora, fauna, mountains, bird species, and landscapes provide a unique attraction and gateway to the Rwenzori Region. The uniqueness of the tourist attractions provide a basis for world-class investment businesses, attracting tourists and setting the stage for impactful opportunities while providing a healthy return on investment.

With investments in the establishment of luxury accommodation; establishment of cable cars; and conservation of Heritage sites, the tourism sector presents the Rwenzori region with limitless potential for achieving socio-economic transformation within the Rwenzori region.

2. Investment opportunities in tourism



Enormous potential to tap into the **1.4 million** visitors annually

Tourism presents investment opportunities within the region and these include:

Establishment of cable cars: An investor looking to establish a cable car system along Mt. Rwenzori presents enormous potential to tap into the **1.4 million visitors** annually. This cable car system and ancillary facilities in the Rwenzori Mountains National Park will unlock the tourism potential of the Rwenzori and Queen Elizabeth National Parks. Also known as Mountains of the Moon, Mount Rwenzori is situated in Kasese district in the borders of Uganda and the Democratic Republic of Congo.



Luxury accommodation

Establishment of luxury accommodation: With all the tourists visiting the Rwenzori region, there is a shortage of luxury accommodation and beds, especially in the districts of Kasese and Kabarole. There's tremendous opportunity in investing in a chain of hotels across the region, offering increased job opportunities for the locals while guaranteeing an above-average return on investment.



Water transport

Conservation of Heritage sites and development of water transport: The Rwenzori region presents opportunities in the various heritage sites as well as development of water transport. These can be developed and marketed effectively to attract more returns.

“ **These opportunities are supported by existing infrastructure in electricity, road network and a policy and institutional framework that enable investors to operate effectively in the Rwenzori region.** ”

The financial models developed show the cashflows, rate of return for investments, break-even and sensitivity analysis, and the internal rate of return for an investor looking to invest within the respective value chains in the Rwenzori region.

The returns derived are considered acceptable to attract both local and foreign investors into the region. Moreover,

there are several government programs to incentivise investors within the tourism sector in the Rwenzori region.

The Government of Uganda has created an enabling environment for development and investment through establishment of Investment Incentives like tax breaks, creating the requisite infrastructure and an acceptable policy environment to fast track local and foreign investment.



3. Market, profitability and returns



Snow-capped peaks



994
Recorded plant species



217
Bird species



Rwenzori Duiker,
Chimpanzee and the
African Elephant.



Average returns in excess of **30%** and an Internal Rate of Return much higher than the Cost of Capital

Investments in tourism within the Rwenzori region are projected to be profitable for investors but also provide an opportunity to make social, economic and environmental impact.

The region provides unique tourism attractions for tourists worldwide. For example, the Rwenzori Mountains is a UNESCO World Heritage site, with **snow-capped peaks** at the equator endowed with rich and unique flora and fauna as well as outstanding scenic beauty. Among

these are the **994** recorded plant species, **217** bird species, and animal species such as the **Rwenzori duiker, Chimpanzee** and the **African Elephant**.

This makes investment in tourism attractive in three primary areas:

- Establishment of cable cars;
- Establishment of luxury accommodation, and;
- Conservation of Heritage sites and development of water transport.

Average returns in excess of **30%** and an Internal Rate of Return much higher than the Cost of Capital make the above opportunities attractive for local and international investors to come to the region.

4. Key enablers, strength and sustainability



4.1 Strength

The following are key strengths in the tourism sector:

- Rich, diverse and unique wildlife diversity (unique savannah and tropical forest conservation areas – 10 national parks, 2 UNESCO natural world Heritage sites, Ramsar sites, important Bird Areas, Mountain Gorillas ;
- Rich, diverse and unique cultural heritage – cuisine, arts, architecture, craft, fashion, dance, faith-based attractions (One UNESCO world heritage site ;
- Year-round pleasant tropical climate;
- Abundant water resources and attractions – lakes, rivers waterfalls, rapids;
- Scenic landscapes- mountains, rift valley, forest landscapes, beaches;
- Naturally-hospitable people;
- Liberalized and macro-economically stable economy – with investment incentives;
- Enthusiastic, nascent and self-motivated private sector;
- Elaborate institutional tourism development framework – autonomous Ministry of Tourism;
- Diverse range of tourism infrastructure and facilities – accommodation (budget, mid-range and high end , MICE facilities;
- Vibrant entertainment industry;
- Government support to investment in tourism;
- Special incentives for companies engaged in tourism;
- Renowned for unique archaeological and historical places;
- Positive attitude of government to promote tourism;
- Unique traditional handicrafts and handlooms, and;
- Abundant young labor force supply.



Upgrading/tarmacking the **17 KMs** of the road

4.2 Key enablers

Establish and renovate key infrastructure particularly:

- Renovating the Fort Portal — Kasese Road;
- Renovating and upgrading the Kasese airstrip to ease air access to Rwenzori;
- Upgrading/tarmacking the 17 kms of the road to the Rwenzori Park gate to ease access, and;
- Upgrading/tarmacking the road connecting Kasenda crater lakes to Rwimi for easy linking to Fort Portal-Kasese Road.



Providing employment to the **youthful population**

4.3 Sustainability

Investment in tourism provides an opportunity for Social, Economic and Environmental transformation in the region by providing employment to the youthful population, income and capacity building of the population.



5.1 Risks

5. Risk assessment and incentives

The following objectives and strategies have been developed to address any risks, incentivise investors and also align with the Tourism Sector Development Plan . The government has laid down the following broad strategies:

- Tourism marketing and promotion focusing on core international; regional and domestic markets; and improving destination experience focusing on leisure and business segments;
- Tourism Skills Development;
- Natural and Cultural Resource Conservation Tourism development;
- Tourism Management and Regulation, and;
- Tourism product Development.



5.2 Incentives

- Competitive electricity costs in the region averaging **USD 0.085** per KWH;
- Industrial rent averages **USD 4 – 6** per square meter;
- Equipment imported duty free;
- **100%** tax allowable on training costs;
- **10 Year** Income Tax holiday for exporters of finished goods.





6. Policy, legal and institutional framework

6.1 Policy framework

The main policies in Uganda's Tourism Sector include:

- Vision 2040;
- United Nations Sustainable Development Goals;
- National Development Plan III;
- Tourism Sector Development Plan;
- Operation Wealth Creation, and;
- District Local Government Development Plans.

6.3 Institutional framework

- Ministry of Tourism, Wildlife and Antiquities;
- Uganda Tourism Board (UTB, and Uganda Wildlife Authority (UWA);
- Uganda Investment Authority (UIA);
- Ministry of Education and Sports (MOES);
- Ministry of Works and Civil Aviation Authority;
- Ministry of Health;
- Ministry of Works and UNRA - for Tourism Roads.

6.2 Legal framework

- The Constitution of the Republic of Uganda 1995);
- Constitution of the Republic of Uganda (1995);
- Tourism policy (2014);
- Tourism Act (2008);
- Uganda Wildlife Act (2000);
- Historical Monuments Act (1967);
- Universities and other Tertiary; Institutions Act (2001).



7. Additional information

7.1 Financing

- Debt;
- Equity;
- Mezzanine;
- Grant/Aid;
- Asset-backed securities.



Uganda's HDI value for 2018 is

0.528

7.2 Skills level

The skills level in the Rwenzori region is analysed in the context of Uganda's Human Development Index (HDI). Uganda's HDI value for **2018 is 0.528** — which put the country in the low human development category— positioning it at 159 out of 189 countries and territories.

Management roles requiring skilled manpower can be obtained from the capital – Kampala.



7.3 Social, environmental and economic factors

The proposed projects have been made in the context of the Social, Environmental and Economic factors and the Sustainable Development Goals. These projects provide the highest opportunity to maximise the gains in the population within the region.



Get in touch



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