

HOIMA DISTRICT

Investment Profile



ACCESSIBILITY ▾



MAIN ECONOMIC ACTIVITY ▾



Fishing



Farming



Mining



Tourism



Trade



Transport

BRIEF DISTRICT PROFILE

Geography	
Location	Western Region
Neighbours	Masindi, Buliisa, Kyankwazi, Kikuube, Ntoroko, Kakumiiro-Kagadi and DRC
District area	5,735.3 km ²
Arable land area	1,568.3 km ²
Socio-economic characteristics	
Population (2019 projection)	371,179
Refugees and asylum seekers	45,000
Languages	Runyoro, English
Main economic activity	Agriculture
Major tradeable commodities	Bananas for both food and beer, sweet potatoes, Irish potatoes, cotton, soya bean, groundnuts, pigeon peas, beans, sorghum, maize and tobacco
Infrastructure and strategic positioning	
Transport network	Major roads
Telecommunication network	MTN, Airtel, Africel, UTL, internet



PHOTO CREDIT: <https://observer.ug>

Geography

Hoima District is in the Western region of Uganda, with Hoima Municipality, the seat of the District Headquarters, located around 200 km from Kampala via the direct Kampala – Busunju – Kiboga – Hoima road.



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Demography

- During the period 2002 - 2014, the population of Hoima increased from 343,480 to 573,903 (230,423) over 12 years. Hoima promotes the government's exemplary refugee settlement model that allows refugees to interact freely and set up investments. This has provided the opportunity for both communities to harness their potential to accelerate local economic development. The cordial relationship offers a favourable environment for doing business.
- It should, however, be noted that the area of Kikuube, which hosts the majority of the area's refugees was carved out of Hoima to create another district. Nevertheless, opportunities for investment in Hoima inevitably have a spillover effect in Kikuube and vice versa.

Main economic activity

- Small scale farming is the major economic activity in the district, engaging about 63% of the working population. Production is carried out on a myriad of small farms scattered all over the district with average land holdings of about 10 hectares. The commonly

grown crops are cassava, maize, sweet potatoes and rice, with the total production volume of major crops amounting to 157,498 metric tonnes.

- Fishing is a key activity on Lake Albert, which covers about 2,268.6 km (38%) of the district. Fishing has dramatically influenced the social and economic development in

the sub-counties of Kigoroby, Buseruka, Kabwoya and Kyangwali. There are 22 fish landing sites which serve as significant outlets to markets. Major landing sites include Tonya, Bugoma and Nkondo. Lake Albert has the most diverse fish fauna in Uganda with species of commercial significance.

Involvement of refugees in the local economy

Over the years

Hoima promotes the government's exemplary refugee settlement model that allows refugees to interact freely and set up investments.

Why invest in Hoima District?



| Infrastructure



| Skilled labour force



| Abundant natural resources



| Administrative support



| Attractive incentive regimes



| Tourism



| Oil and Gas discoveries





Road transport: The road network is relatively good. Major roads include:

- Kampala–Hoima Road, connecting to the Central and Western regions.
- Hoima-Kaiso Tonya Road, linking the Albertine oil-area to the rest of the country.
- Kigumba-Masindi-Hoima-Kyenjojo Road, connecting most of the Western Region
- Ikamiro-Kingfisher Road, providing access to the lone oil field.
- Hoima-Wanseko road.
- Masindi-Biiso road.

Air transport: The proposed Hoima Airport is being developed near the Kaiso-Tonya oil fields and the Uganda Oil Refinery, with the capacity to handle large passenger and cargo aircrafts by 2022.

Water transport: Engine-thrust ships will be introduced to upgrade the transportation services across Lake Albert between Uganda and DRC.

Communication: The district accesses major mobile telephone networks including MTN, Airtel, UTL as well as internet connectivity. Almost every major street has an internet kiosk, providing access to a variety of services. There are four radio stations and one local television station. However, with digital service providers, there is access to all pay-tv stations like the rest of the country.

Accommodation: Hoima town has established adequate, decent accommodation, including more than 20 full-service hotels, apartments and bungalows for short and long stays. Some of the high-end hotels include Riviera, Kolping, Glory Summit, Milka Eco Resort, Kijungu Hill, and Crown Hotel.

City status: According to the National Development Plan (NDPIII, 2015/16-2019/20), Hoima is a strategic area for major planned infrastructure projects. This is because of the vast mineral potential existing in the district.

Energy: Hoima is supplied by Muzizi Hydro Power Station (45 MW).



- Hoima district has industrious, technically capable, trainable and affordable manpower. The district has reputable institutions offering training in fields such as catering, business and accounts, office administration, nursing, as well as oil and gas. The thriving business opportunities and prospects of the oil industry are attracting young people to take advantage of employment opportunities but also start their businesses in the auxiliary sectors within the oil and gas value chains.

Administrative support



- A District Investment Committee (DIC) is in place to spearhead investment attraction, facilitation and after-care in different sectors.

Abundant natural resources



Minerals

- The district is endowed with favourable geological conditions associated with rich and diverse mineral resource base and substantial economic potential. Some of the known mineral resources have a mining history, while others are unexploited. Selected minerals include gold salts, kaolin, sand-stones, siltstones, shale, ilmenite, zircon, monazite, and cassiterites.

Water

- Freshwater resources are in abundance. Lakes and rivers include Lake Albert, Rivers Kafu, Nkusi, Waaki, Wambabya, and Rutoba. It is also endowed with large wetland swamp areas.

Land

- Hoima has abundant land, of which 20% is arable.

Tourism



- The district has rich archaeological and historic cultural sites including, burial grounds for kings, stone-age sites and forts constructed by colonizers to fight resistance. There is also the Bugoma Central Forest Reserve, consisting of 23 mammal species, 225 bird species, and 260 tree species; Budongo Forest Reserve, consisting of 360 bird species, 290 butterflies, 130 moth species, 465 tree species, and 24 mammals, of which nine are primates.

Murchison Falls and other National Parks

- Murchison Falls National Park offers the opportunity to track rhinos and various other species; Kibale National Park is home to a remarkable 13 primate species; the newly established Kabwoya Wildlife Reserve also offers the opportunity to view species such as Jackson's hartebeest, Uganda kob, buffalos, and warthogs.

Attractive incentive regimes

- Uganda's incentive package for both domestic and foreign investors provides generous terms, particularly for medium-and long-term investors whose projects entail significant plant and machinery costs. Below is a snapshot of selected incentives. For details, refer to the link below:

<https://www.ugandainvest.go.ug/wp-content/uploads/2019/12/Tax-Incentives-for-2019.pdf>.

Oil and gas discoveries

- The district has a considerable amount of oil deposits estimated at between 2.5 billion to 3.5 billion barrels in Lake Albert. An oil refinery is planned in Buseruka sub-county, Hoima District, approximately per 40 km from Hoima municipality and is estimated to produce about 60,000 barrels of oil per day. The rest of the oil will be exported through a pipeline via Tanzania. The Uganda-Tanzania Crude Oil Pipeline, also known as the East African Crude Oil Pipeline, is under construction and is intended to transport crude oil from Uganda's oil fields to the Port of Tanga, Tanzania on the Indian Ocean.



Hoima has a considerable amount of oil deposits estimated at between 2.5 billion to 3.5 billion barrels in Lake Albert.

Murchison Falls National park offers the opportunity to track rhinos and various other species



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Specific investment project

Vegetable cooking oil processing



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Vegetable oil processing has become a major industry throughout the world economy as food producers continue to develop more uses for these edible oils. Oil can be derived from such seeds as maize, soya bean, cotton, groundnuts and sunflower, among others. There are approximately 272 million metric tonnes of oilseeds produced annually in the world and of this production over half of the oilseeds grown are soya beans, one of the major commodities in Hoima. Value addition of the soya bean will generate more value in income for the processor and create much-needed jobs in the district.

Production capacity

The project idea is designed with the aim of producing 43,680 liters of vegetable cooking oil with estimated operating costs of USD 54,151 per year, generating revenue of \$56,679 in the first year of active operations.

Setting up

The investment scale varies according to the intended objectives of the entrepreneur and the production capacity of the equipment used. The production process involves drying and cleaning oil seeds, removing the outer coat through a process called dehulling and then grinding using small motor-powered hammer mills. The broken-down components are passed through the expeller, where they are heated to kill enzymes. The oil collects at the bottom of the expeller, and then it is filtered and stored in the storage tank.

Capital investment requirement

Capital investment item	Total cost USD
Fixed assets	176,780
1.0 Fixed assets	16,215
1.1 Land	16,215
1.2 Land concession	13,513
1.3 Site preparation and installation	2,702
2.1 Moisture tester	600
2.2 Huller	2000
2.3 Seed cleaner	3,700
2.4 Oil expeller	3,000
2.5 Filter press	3,700
2.6 Oil tank	1,000
2.7 Weighing scale	500
2.8 Set of steam pipeline	500
2.9 Filling & packing machine	9,375
3.0 Generator	1,400
3.1 Office equipment	2,702
3.2 Delivery van	5,405
3.3 Preliminary Expenses	4,054
Total capital investment	54,151

Source: Uganda Investment Authority's *SME Business Ideas Handbook 2019/2020* (further details on setting up and the phased investment and viability can be accessed from the handbook).

Some existing successful enterprises in Hoima

- Bugambe Tea Estate, which sits on 1400 hectares in Bugambe, sub-county employs about 1800 people.
- Bwendero Breweries in Kitoba sub-county with employment level of about 500 workers.
- Kabalega Dam in Buseruka sub-county.
- There are reputable accommodation facilities in the hospitality industry, especially hotels. These include Glory Summit, Lake Albert Safari, Hoima Resort, Kijungu Hill, Nsamo, Crown Riviera, Kolping, and Millenium, among others.
- Agro-processing, especially of grains, comprises about 220 millers.
- Tobacco companies (Four Companies i.e. Alliance One, Continental, Premier and Uganda Tobacco Services).
- International oil companies (Tullow, CNOOC and TOTAL).
- Education (Private and public schools, technical institutes, nursing schools, Kabalega Royal University).
- There is a sugar factory (under construction) in Kabwoya sub-county.
- Banking services (12 Banks and several microfinance institutions).
- Cooperatives (30 SACCOS, eight others).
- Kolping Holdings Uganda, Ltd.
- Albertine Mineral Water with about 60% market share in Bunyoro region.
- Media (One TV station and three Radios, i.e. Liberty FM Radio, Hoima FM and Spice FM)
- Livestock Farms (Sewali and Kasoro, several medium and small-holder farmers).
- Transport (Three bus companies, i.e. Link, Kasamba and Hoima Coaches) and hundreds of commuter taxi, available through several routes across the country.

Potential investment opportunities

- Mining (iron ore) for processing
- Agro-processing
- Livestock enterprises and value chain
- Fisheries products value chain
- Future petrochemical industry
- Accommodation, conference and recreational facilities
- Developing tourism sites
- Real estate & fabrication
- Waste management and treatment
- Transportation services (including water)

Other specific SME investment opportunities

- Joint ventures
- Storage facilities
- General works, construction and fabrication
- Logistical services
- Salt mining in Kabiga-Kibiro parish, Kigorobya sub-county
- Fish-cage farming along Lake Albert
- Stone quarrying
- Sand mining
- Fertilizer manufacturing
- Clearing and forwarding firms
- Air ticketing and VISA services
- Eco-tourism
- Insurance services
- Geophysical surveys, particularly seismic surveys
- Power generation by independent power producers (BIO-Fuels)
- Future petrochemical industry waste management and treatment
- Provision of ICT services and facilities
- Environmental consultancy including associated Research and Development.
- Investment opportunities in joint ventures with companies holding licenses in the country
- Emerging infrastructure like the refinery, pipelines and storage facilities
- Logistical services

Challenges

- Low levels of development of product lines
- Diversification
- Fragmentation of businesses leading to low levels of production.
- High cost of power and fuel.
- Lack of business incubation centres to facilitate micro and small enterprises.
- Large informal business sector.
- High cost of university education.
- Lack of a regional well-developed private sector association like KACITA that brings together city traders in Kampala.
- Inadequate resource allocation from central government.
- High rate of creation of new administrative units, some of whose economic viability remains in balance.
- Lack of adequate transportation services (trucks, cars, loading vans and trucks).
- Labour contracting (casual and semi-skilled), e.g. painters, carpenters, cleaners.

Almost all the challenges listed above in the district provide great investment opportunities and potential that are unexploited. An appropriate legal, regulatory and institutional framework is in place to support a conducive investment environment.

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