



HIGHLIGHTS OF THE PRIVATE SECTOR INVESTMENT SURVEY (PSIS) 2010 FINDINGS



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CONTENT OF THE PRESENTATION

- 1. Background to PSIS 2010**
- 2. General Findings**
- 3. Findings on Foreign Liabilities**
- 4. Trends of FDI Inflows**
- 5. Investor Perceptions**
- 6. Planned Activities**

1. BACKGROUND

- **The PSIS 2010 was the ninth survey conducted by Uganda working group on private sector investment monitoring.**
- **The main aim of the survey was to provide accurate and timely statistics on private sector investment in terms of:**
 - **Volume & composition of investment;**
 - **Direction of investments;**
 - **Investors' perceptions.**
- **The survey targeted a sample of 698 enterprises and registered a response rate of 91.6 percent**

2. GENERAL FINDINGS

- **Total turnover was recorded at Shs.12,316 billion during 2009 – the major contributors were:**
 - **Manufacturing (29%)**
 - **Wholesale (20%)**
 - **Finance (17%)**
 - **I.C.T. (12%)**
- **The stock of capital invested was Shs.5,539 billion. The main form of capital were; plant & machinery, land, building and civil works.**
- **Total employment among the surveyed enterprises as at end 2009 was 100,451 of which 96 percent were Ugandan.**
- **Net profits reported amounted to Shs.557 billion;**
 - **Shs.223 billion was declared as dividends;**
 - **Shs.336 billion was reinvested in the enterprises.**

2. GENERAL FINDINGS ... (Cont.)

Table 1: Selected Statistics

Sectors (based on ISIC)	(Shs. Billion)				
	Turnover	Capital Stock	Profits/loss	Retained Earnings	Employment
Agriculture	559	181	16	16	15,414
Mining & Quarrying	100	109	64	63	782
Manufacturing	3,575	1,806	208	150	34,965
Services	7,839	3,424	266	102	48,694
Others	243	19	3	3	596
Total	12,317	5,539	557	336	100,451
Services include	Construction, Electricity & Gas supply, Water & waste management, Wholesale & Retail trade, Transportation & Storage, Accommodation service, I.C.T, Finance & Insurance, Real Estate, Professional Services, Administrative Services, Education, Health and Arts & Entertainment				

3. FOREIGN LIABILITIES

- **Stock of foreign liabilities increased by 24.5 percent from Shs.6,190 billion as at end 2008 to Shs.7,709 billion as at end 2009. The stock was comprised of:**
 - **FDI - (91.7%);**
 - **Portfolio Investments - (1.1%);**
 - **Other Investments - (7.2%).**

- **Equity liabilities rose by 34.5 percent from Shs. 3,994 billion as at end 2008 to Shs.5,373 billion as at end 2009.**
 - **Over 95% was in form of Foreign Direct Equity Investments (FDEI);**
 - **The others were Foreign Portfolio Investments (FPEI).**

3. FOREIGN LIABILITIES ... (Cont.)

- **The main source countries for FDEI were; UK, Canada, Mauritius, and USA.**
- **Private Sector External Debt (PSED) stock increased by 6.4 percent from Shs.2,195 billion as at end 2008 to Shs.2,336 billion as at end 2009.**
 - **75% of total PSED was debt between related entities**

3. FOREIGN LIABILITIES ... (Cont.)

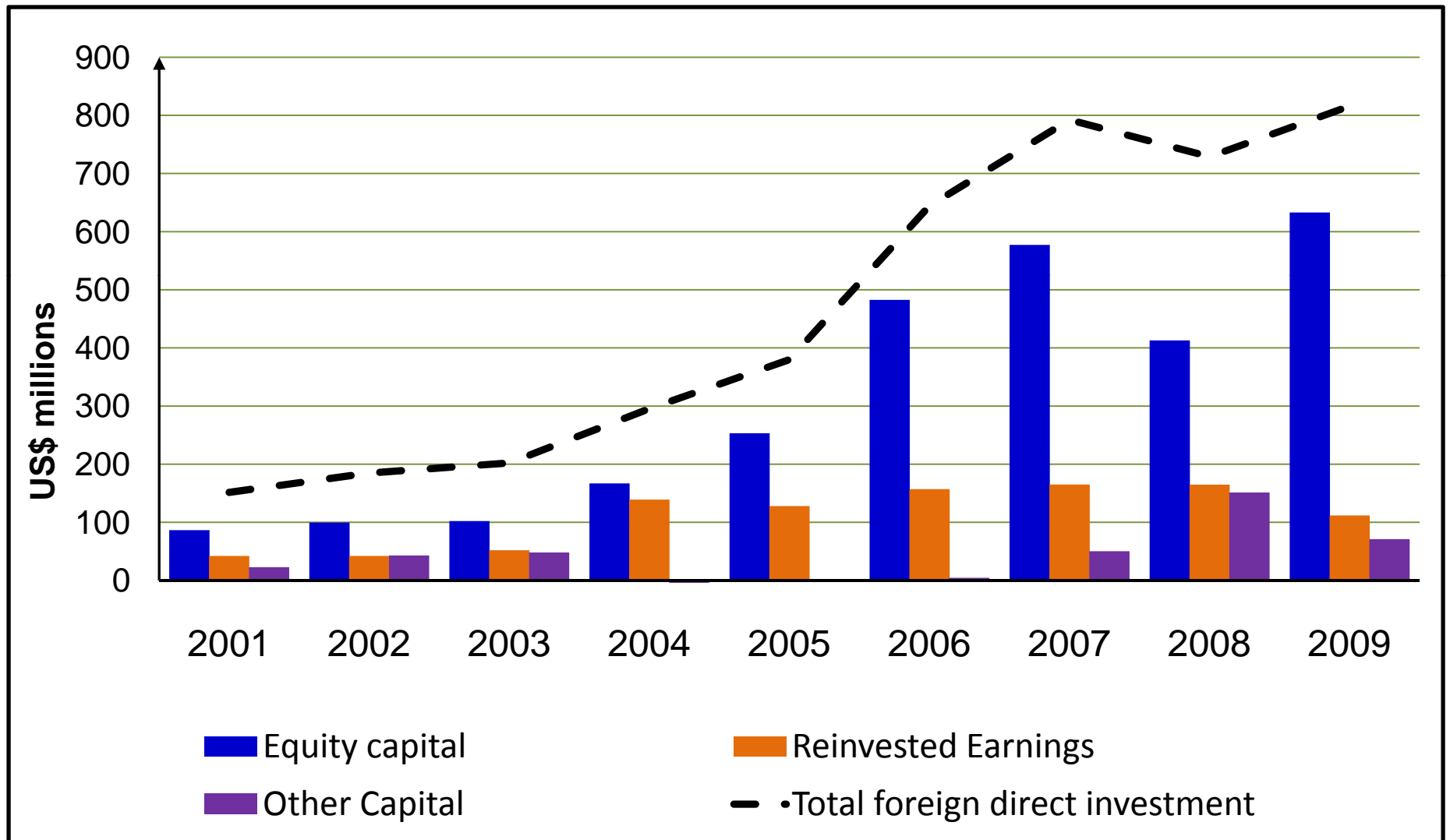
Table 2: Composition of Foreign Liabilities Stocks and Flows (Shs. Billions)

Components	2008		2009	
	Stocks	Transactions	Other Changes	Stocks
Foreign Direct Investment (FDI)	5,586	1,545	-58	7,072
FDEI (Book Value)	3,939	1,338	13	5,289
<i>o/w Equity shares</i>	2,783	1,077	5	3,865
<i>Retained Earnings</i>	510	261	-61	710
<i>Revaluation & Others</i>	645	-	69	714
Non-equity (related party debt)	1,647	207	-71	1,783
Portfolio Investment (PI)	56	12	16	84
Other Investment (OI)	548	191	-186	553
<i>Short-term (Unrelated)</i>	16	8	-1	23
<i>Long-term (Unrelated)</i>	532	183	-185	530
Total Liabilities	6,190	1,748	-228	7,709
<i>o/w Equity Investments</i>	3,995	1,350	29	5,373
<i>Non-equity (PSED)</i>	2,195	398	-257	2,336

4. TRENDS OF FDI INFLOWS

- **Annual FDI inflows rose rapidly between 2003 and 2007. This trend was however slightly checked during 2008 but FDI inflows recovered during 2009.**
- **The up-rated results indicate that the total FDI inflows during 2009 increased by 7% from US\$764 million in 2008 to US\$816 million.**
- **The increase of FDI inflows in 2009 was mainly on account new equity investments in Finance and Mining sector.**

4. TRENDS OF FDI INFLOWS ... (Cont.)



5. INVESTORS' PERCEPTIONS

- **The Investor Perceptions (IPs) indicated that a number of factors had positive effects on business operations and these include:**
 - **Domestic market size, access to international markets and domestic credit; cost and efficiency of telecommunication, banking, insurance and internet services; productivity and availability of both skilled labour and unskilled labour had positive effects on business operations.**
- **Challenges identified related to:**
 - **inflation, exchange and interest rates, cost and efficiency of electricity supplied, infrastructure, impact of the global financial crisis, malaria and staff turnover.**
- **Despite the challenges, most of the entities reported that they intended to expand investment in Uganda's economy in the medium term.**

6. PLANNED ACTIVITIES

Time frame	Activity
21st July 2011	Launch of PSIS 2011
25th July - 31st August 2011	Field Activities
September 2011	Data Processing and Analysis
30th September 2011	Dissemination of results to Bank Management, the Uganda Working Group Institutions and incorporation into economic statistics
October 2011	Further Analysis and Preparation of Final Reports

Thank you