

THE WAVERLEY SERIES

UGANDA

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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UGANDA — AT A GLANCE

Capital	Kampala
Population	≈ 46–50 million
Real GDP growth	6.4–6.7% in the most recent full year; projected between 6.2% and above 10% for 2026/27 depending on source, reflecting the anticipated start of oil production
Balance of payments	A surplus of USD 2.47 billion in the twelve months to March 2026 — the largest in 15 years
Inflation	Expected to rise moderately amid higher commodity prices and global supply-chain pressures; IMF projects around 4.0% for 2026
Fiscal deficit	Projected to widen to 6.9% of GDP in 2025/26 before narrowing to 5.9% in 2026/27 as oil receipts begin
Currency	Ugandan shilling (UGX)
Key milestones	First oil production and graduation from Least Developed Country status are both expected in financial year 2026/27
National ambition	A stated target of building a USD 500 billion economy by 2040
Governing framework	President Yoweri Museveni, in power since 1986; declared winner of the 15 January 2026 presidential election with 71.65% of the vote, a seventh term, in a process the United Nations said was marred by widespread repression and intimidation; opposition leader Bobi Wine went into hiding after his home was raided

Uganda is pursuing one of Africa's most ambitious economic narratives: GDP growth above 6%, a balance-of-payments surplus at a 15-year high, imminent first oil production, expected graduation from Least Developed Country status, and a stated national ambition to build a \$500 billion economy by 2040, backed by active investment roadshows in Kampala and Seoul this month alone. This economic momentum unfolds against a severely strained political backdrop. President Yoweri Museveni, in power since 1986, was declared winner of the January 2026 election with 71.65% of the vote in a process the United Nations itself described as marred by widespread repression and intimidation. Opposition leader Bobi Wine was forced into hiding after his home was raided by security forces, subsequent protests were met with a crackdown that killed dozens and led to thousands of arrests, and the president's own son and army chief made a direct, public threat against the opposition leader's life that drew international alarm. Investors should weigh Uganda's genuine economic scale directly against this severe and unresolved political environment.

1. INVESTMENT & FDI

Uganda is actively courting international capital across multiple continents this month, anchored by an imminent transition to oil-producer status and an ambitious \$500 billion economic target.

More than 150 business leaders, investors and policymakers from 10 countries converged in Kampala for the 2026 Uganda Trade and Investment Roadshow, organised by Equity Group, to explore opportunities in agriculture, manufacturing, mining, technology and the coffee value chain. Days earlier, on 9 September 2026, Uganda opened a trade and investment meeting in Seoul, positioning the country as a low-cost manufacturing base for the wider African market as it pursues its goal of growing the economy to \$500 billion by 2040.

- **A coordinated, multi-continent investment push:** hosting a 150-plus-delegate roadshow in Kampala while simultaneously pitching Korean capital in Seoul reflects a deliberately active investment-promotion strategy this month specifically.
- **A capital-markets deepening challenge:** Finance Minister Henry Musasizi has stated that government spending and bank loans alone cannot deliver the \$500 billion goal, with domestic market capitalisation standing at only about \$6.4 billion and corporate bonds having raised just \$76 million as of August 2026, underscoring the substantial gap between current capital-market depth and national ambitions.
- **Positive investor-confidence indicators:** the Purchasing Managers' Index and Business Tendency Index averaged 53.7 and 57.6 respectively in the first three quarters of financial year 2025/26, both above the 50-point expansion threshold, alongside an average return on investment cited at 14%.
- **Targeted sector-specific investment tours:** the Uganda-China Coffee Investment and Destination Tour 2026 offered land allocation, tax holidays and other incentives specifically to boost value addition in coffee and related sectors.

2. TRADE & BUSINESS

A record balance of payments surplus and imminent oil exports are reshaping Uganda's external position ahead of a historic economic transition.

Uganda recorded a balance of payments surplus of \$2.47 billion in the twelve months to March 2026, the largest in 15 years, driven by strong exports, remittances and investment inflows. This external strength arrives just ahead of two genuinely transformative milestones expected in financial year 2026/27: the start of first oil production and Uganda's graduation from Least Developed Country status.

- **A 15-year balance-of-payments high:** the scale and recency of this surplus provides a genuinely strong external buffer heading into the oil-production transition, though its sustainability will depend on how oil revenues and associated imports evolve.
- **Twin transformative milestones approaching:** the simultaneous arrival of first oil production and LDC graduation in FY2026/27 together represent one of the most significant structural transitions any economy in this series is currently undergoing.
- **ATMS sector prioritisation:** Agro-industrialisation, Tourism, Minerals, and Science and Technology together form the government's explicit national budget priority framework for the coming financial year, directing both public and private investment focus.

3. MAJOR ECONOMIC DEVELOPMENTS

A disputed election extending President Museveni's four-decade rule, followed by a deadly crackdown and an extraordinary public threat against the opposition leader, has severely strained Uganda's political environment even as headline economic indicators remain strong.

Uganda's Electoral Commission declared President Yoweri Museveni the winner of the 15 January 2026 presidential election with 71.65% of the vote, extending his rule, which began in 1986, to a seventh term. Main

opposition candidate Robert Kyagulanyi, known as Bobi Wine, of the National Unity Platform, received 24.72%. The election was conducted under a nationwide internet blackout imposed days before voting, and the United Nations stated the vote was marred by 'widespread repression and intimidation'; Bobi Wine said he escaped a police and army raid on his home and went into hiding, and his party alleged ballot stuffing, intimidation and the blocking of party agents from polling stations. Protests that followed between 16 and 20 January were met with a security-force crackdown that killed at least 30 people and led to more than 2,000 arrests according to documented tracking, while authorities separately confirmed seven deaths in one specific incident in Butambala, stating protesters had attempted to attack a polling station and police post. In the days following the announcement, Uganda's army chief, General Muhoozi Kainerugaba, who is President Museveni's son, publicly stated that security forces had killed 22 opposition 'terrorists' and made a direct, public threat against Bobi Wine's life on social media, a development that drew significant international concern.

- **A seventh term extending nearly 40 years in power:** Museveni's 2026 victory margin, at 71.65% against 24.72% for his nearest challenger, represents a widened margin compared with the 2021 election, achieved amid lower overall voter turnout and the specific irregularities described above.
- **Direct UN criticism of the election process:** the United Nations' characterisation of the vote as marred by widespread repression and intimidation represents a serious, sourced international assessment directly relevant to any political-risk evaluation of Uganda.
- **A deadly post-election crackdown:** the documented death toll of at least 30 protesters, alongside more than 2,000 arrests, reflects a scale of state response to post-election unrest that investors should weigh as a direct indicator of the government's tolerance for dissent.
- **An extraordinary, direct threat against the opposition leader:** the army chief's public statement claiming the killing of opposition figures and explicitly threatening the main opposition candidate's life represents an unusually stark and direct escalation, distinct in severity from the post-election tensions seen in most other markets this series covers, and one that international observers found genuinely alarming.
- **A documented pattern predating the election:** opposition veteran Kizza Besigye was renditioned from Nairobi in November 2024 and has since been held in a maximum-security prison, part of a broader pattern of detention and mistreatment of opposition figures reported in the run-up to the vote.
- **Strong headline economic data despite the crisis:** GDP growth remained robust through this period, and investor-confidence indicators stayed above expansion thresholds, indicating that near-term macroeconomic data has not yet reflected the scale of the political crisis, a disconnect investors should monitor rather than assume will persist indefinitely.

4. MAJOR PROJECTS & INFRASTRUCTURE

Imminent first oil production anchors Uganda's infrastructure narrative, alongside continued industrial park development.

- **First oil production:** expected in financial year 2026/27, this remains the single most significant infrastructure and extractive-sector milestone shaping Uganda's near-term economic trajectory.
- **Roofings steel complex inauguration:** President Museveni personally inaugurated the \$120 million Roofings steel complex on 25 August 2026, a concrete, completed industrial investment in domestic value-addition capacity.
- **Sino-Mbale Industrial Park engagement:** the Investment Minister toured the park on 30 August 2026, pledging direct government action on investor concerns, reflecting continued attention to resolving operational obstacles at established industrial sites.

- **Continued steel-sector support:** government reaffirmation of support for Steel and Tube's operational challenges and Roofing's expansion illustrates ongoing, hands-on engagement with the domestic manufacturing sector specifically.

5. CONFERENCES, FORUMS & EXHIBITIONS

Uganda hosted and participated in investment-focused gatherings across two continents this month.

- **2026 Uganda Trade and Investment Roadshow:** held in Kampala this month, drawing more than 150 business leaders, investors and policymakers from 10 countries to explore opportunities across agriculture, manufacturing, mining, technology and coffee.
- **Seoul trade and investment meeting:** held 9 September 2026, specifically pitching Korean capital and technology partnership as part of Uganda's manufacturing and industrialisation ambitions.
- **Uganda-China Coffee Investment and Destination Tour:** a targeted sector-specific event in Kampala offering concrete incentives to Chinese investors interested in coffee value addition.

6. BUSINESS & INVESTMENT EVENTS

Government ministers have directly engaged investors on specific operational concerns this quarter, alongside broader promotional events.

- **Direct ministerial engagement on investor concerns:** the Investment Minister's Sino-Mbale Industrial Park tour specifically to address investor challenges reflects a hands-on government approach to resolving concrete operational obstacles rather than relying solely on broader promotional messaging.
- **A presidential call for deeper public-private partnership:** President Museveni has directly called for stronger government-private sector partnerships to accelerate industrialisation, reinforcing the investment-promotion messaging from economic ministries.
- **A push for lower lending rates:** on 18 September 2026, the government urged commercial banks to lower lending rates in support of the broader capital-mobilisation strategy, directly challenging bankers to increase lending and adopt innovative financing models.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Uganda's investment-promotion relationships span South Korea, China and regional trade networks, even as the United Nations and international observers have directly criticised the conduct of its January 2026 election.

- **South Korea:** the Seoul trade and investment meeting represents a concrete, active effort to position Uganda as a manufacturing partner for Korean capital and technology specifically.
- **China:** the Coffee Investment and Destination Tour reflects continued, active Chinese commercial engagement with Uganda's agricultural value chain.
- **United Nations:** the direct UN characterisation of the January 2026 election as marred by widespread repression and intimidation represents formal, sourced international criticism that stands in genuine tension with Uganda's simultaneous investment-promotion messaging.
- **IMF:** continued Article IV engagement, with the most recent consultation completed in September 2024, remains Uganda's central multilateral macroeconomic relationship.

- **Equity Group:** the pan-regional financial institution's organisation of the 10-country Trade and Investment Roadshow illustrates continued private-sector-led regional investment facilitation independent of the political situation.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Government programmes targeting grassroots credit access continue expanding even as capital markets remain shallow relative to national ambitions.

The Parish Development Model and the Uganda Development Bank have expanded access to credit and seed capital, cited directly as contributing to recent growth momentum, alongside the complementary Emyooga programme. Despite this progress, youth unemployment remains elevated at 17.9%, driven by skills gaps and limited formal job creation, a structural challenge the government has acknowledged directly.

- **Grassroots credit-access programmes:** the Parish Development Model and Uganda Development Bank together represent a genuine, government-driven effort to expand financial inclusion at the community level, distinct from the larger capital-markets deepening challenge described in Section 1.
- **Persistent youth unemployment despite strong growth:** the 17.9% youth unemployment rate, acknowledged directly in official economic assessments, illustrates that Uganda's strong headline GDP growth has not yet fully translated into proportional formal job creation for its young population.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Oil, ATMS-sector value addition and capital-markets deepening define Uganda's newest formally promoted investment priorities.

- **First oil production and associated extractive investment:** the FY2026/27 start of oil production opens a substantial new investment cycle across upstream, midstream and associated service sectors.
- **ATMS budget priorities:** agro-industrialisation, tourism, minerals, and science, technology and innovation together represent the government's explicit national investment priority framework for the coming financial year.
- **Coffee value-chain incentives:** land allocation and tax holidays offered specifically through the China investment tour represent a concrete, near-term opportunity for investors in coffee processing and value addition.
- **New capital-market instruments:** Finance Minister Musasizi's explicit call for new bond and equity instruments and a broader investor base represents a structural opening for financial-sector investors specifically interested in Uganda's capital-markets development.

SUMMARY ASSESSMENT

Uganda is pursuing one of Africa's most ambitious economic narratives: a \$500 billion economy target by 2040, imminent transition to oil-producer and non-LDC status, a 15-year balance-of-payments surplus high, and an unusually active, multi-continent investment-promotion campaign this month alone spanning Kampala and Seoul.

This genuine economic momentum unfolds against a severely strained political backdrop. President Museveni's January 2026 re-election to a seventh term, extending his rule to nearly 40 years, came in a process the United

Nations itself found marred by widespread repression and intimidation. Opposition leader Bobi Wine was forced into hiding after a raid on his home, subsequent protests were met with a crackdown that killed dozens and led to thousands of arrests, and the president's own son and army chief made a direct, public threat against the opposition leader's life that drew significant international alarm, a level of escalation distinct in severity from the disputed elections seen elsewhere in this series.

For investors, Uganda's genuine economic scale, imminent oil production and ambitious national vision are real, but they should be weighed directly against a political environment that remains severe, unresolved, and marked by conduct that has drawn some of the starkest international criticism of any market covered in this series. The durability of investor confidence in the face of this environment, not the headline growth figures alone, will determine whether Uganda's economic ambitions are realised on the timeline the government has set.