



Investing in Uganda



Forestry



The Forestry Industry

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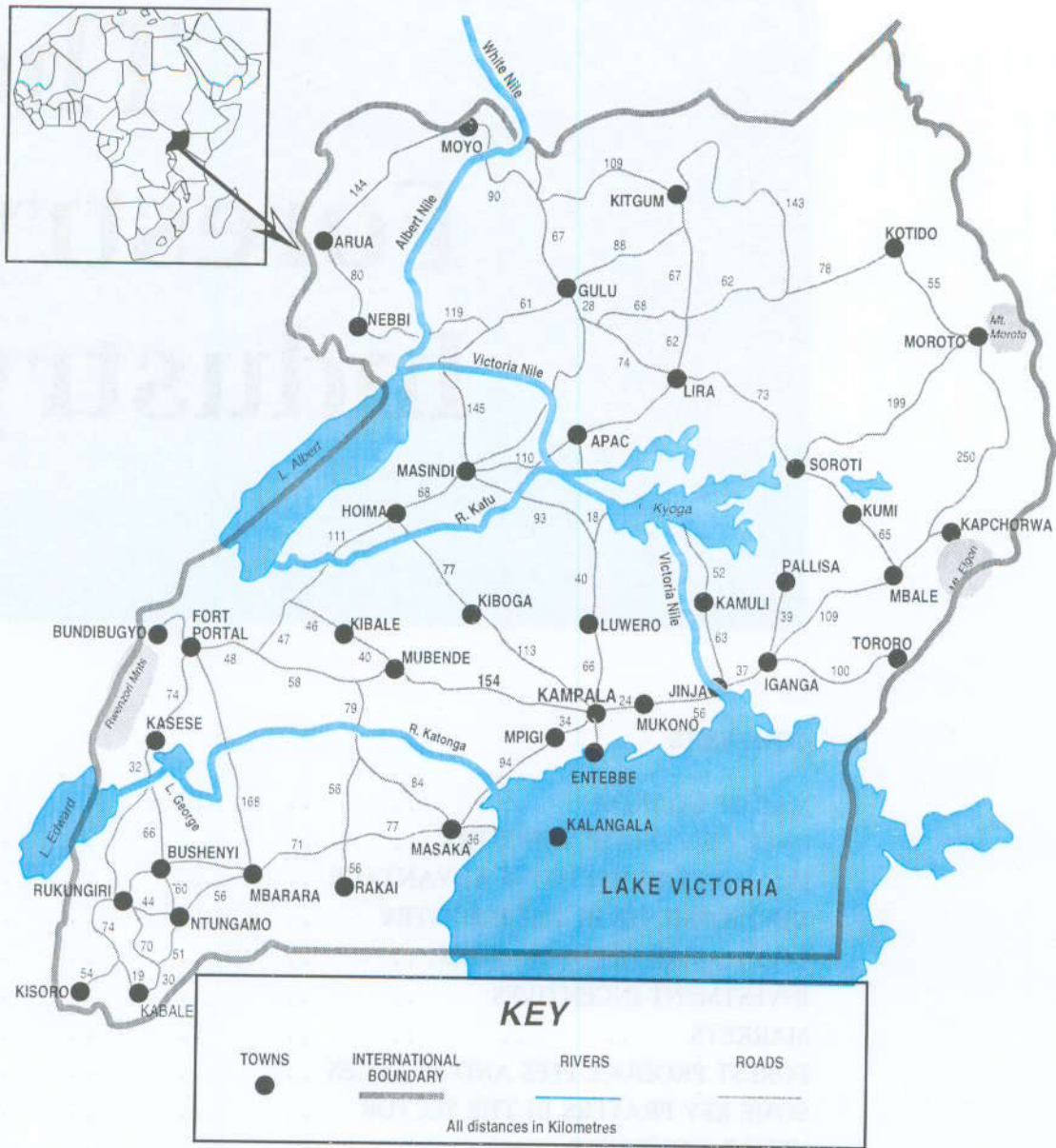


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Overview of the Forestry Industry

TREND/PERFORMANCE

Forestry has been important in Uganda since colonial times. Logging and saw milling were important activities in colonial times and have recently grown in importance once more. Activities in indigenous forests are now more controlled in order to minimize over-exploitation but management of soft wood plantations with exotic species have received much attention.

Forests and trees growing on agricultural land play a big role in satisfying energy and industrial product needs and in providing essential environmental services. About 90% of Uganda's current energy consumption is provided by wood fuels which is equivalent to over 20 million m₃ of wood per annum. There is an additional requirement for energy for tea, tobacco and brick burning industries.

Total wood production (monetary and non-monetary) has registered a steady increase over the years. Fuel wood used by households constitute a big percentage of all wood used. The trends are indicated in table 1 below.

Table 1: Fuel wood and other wood uses by percentage of Total 1995–1999

Category	1995	1996	1997	1998	1999
Wood used as fuel by households	65.9	65.4	64.8	64.3	65.0
Wood for other uses	34.1	34.6	35.2	35.7	35.0
Total	100	100	100	100	100

Source: Forestry Department, Ministry of Water, Lands and Environment.



Production of round wood for timber has also been on the increase. Table 2 shows the trends in production over the last decade.

Table 2: Total production ('000 tonnes) and value of out put (Million Shillings) of round wood timber

Category	1990	1992	1994	1996	1998
MONETARY					
For sawn timber	317 (3,931)	366 (9,077)	434 (12,239)	503 (16,080)	584 (21,024)
For poles	120 (684)	135 (1,486)	151 (2,021)	170 (2,720)	193 (3,200)
For fuel wood — Household	501 (1,202)	529 (2,243)	555 (2,853)	584 (3,590)	639 (4,079)
For fuel wood — commercial	336 (806)	372 (1,579)	410 (2,107)	452 (2,782)	493 (3,147)
For fuel wood — industrial	486 (1,166)	620 (2,631)	697 (3,579)	783 (4,816)	875 (5,585)
For charcoal	2,376 (6,843)	2,644 (13,464)	2,971 (18,312)	3,305 (54,385)	3,784 (28,981)
TOTAL	4,136 (14,633)	4,666 (30,480)	5,219 (41,109)	5,797 (61,089)	6,568 (82,016)

NON-MONETARY					
For poles	318 (1,813)	344 (3,791)	365 4,868	387 (6,186)	411 (6,810)
For fuel wood — Household	11,250 (13,500)	11,871 (25,185)	12,533 (32,184)	13,232 (40,700)	13,970 (44,584)
For fuel wood — commercial	1,290 (3,096)	1,361 (5,776)	1,437 (7,381)	1,517 (9,334)	1,602 (10,225)
For fuel wood — industrial	152 (365)	160 (681)	169 (870)	179 (1,100)	189 (1,205)
TOTAL	13,010 (18,773)	13,737 (35,432)	14,505 (45,303)	15,315 (57,320)	16,172 (62,824)

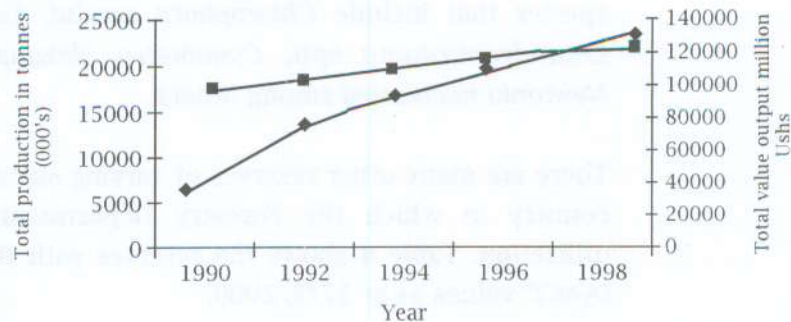
TOTAL					
For sawn timber	317 (3,931)	366 (9,077)	434 (12,239)	503 (16,080)	584 (21,024)
For poles	438 (2,497)	479 (5,277)	516 (6,889)	557 (8,906)	604 (10,010)
For fuel wood — household	11,751 (14,702)	12,400 (27,428)	13,089 (35,037)	13,816 (44,290)	14,609 (48,663)
For fuel wood — Commercial	1,626 (3,902)	1,733 (7,354)	1,847 (9,488)	1,970 (12,116)	2,095 (13,372)
For fuel wood — industrial	638 (1,531)	781 (3,312)	866 (4,448)	962 (5,916)	1,064 (6,790)
For charcoal	2,376 (6,843)	2,644 (13,464)	2,971 (18,312)	3,305 (24,397)	3,536 (28,981)
Total Wood Production	17,146 (33,406)	18,403 (65,912)	19,724 (86,412)	21,112 (111,705)	21,900 (128,840)

Source: Forestry Department, Ministry of Water, Lands and Environment.



The trends in total production and value of output of round wood timber is further illustrated in figure 1 below.

Fig. 1: Total Production ('000 tonnes) and value of output (UShs) of round wood timber



The total wood production for 1999 was estimated at about 24 million tonnes, with a gross output, including charcoal making of over 173 billion Uganda shillings.

RESOURCE AVAILABILITY

Uganda has approximately 14,900 Km² of gazetted forest reserves of which 7,500 km² is savanna woodland and forest plantation, 5,900km² is Tropical High Forest and 1,500Km² is montane catchment forest.

The principal forest reserves, location and sizes are shown in tables 3a and 3b. Table 3a shows the principal reserves where concessions can be sought while table 3b shows forest reserves in gazetted National Parks.

Table 3a: Principal Forest Reserves, Location and Sizes

Reserve	Location	Area Km ²
Budongo	Masindi	793
Bugoma	Hoima	365
Kalinzu-Maramagambo	Bushenyi/Rukungiri	580
Kasyoha-Kitomi	Bushenyi/Mbarara	399
Kibaale	Kabarole	560
Mabira	Mukono	306
Sango Bay	Rakai	151

Source: Forestry Department

Table 3b: Principal Forest Reserves, Location and Sizes, in Gazetted National Parks

Reserve	Location	Area Km ²
Bwindi	Kabale/Kanungu	321
Mt. Elgon	Kapchorwa/Mbale	1,145
Rwenzori	Kasese/Kabarole/Bundibugyo	996
Semliki	Bundibugyo	212

The reserves listed above are all indigenous forests with many hard wood species. The high altitude forests of Bwindi, Mt. Elgon, Rwenzori, and Semliki have hard wood species that include *Podocarpus milanjanus*,



Khaya anthotheca, *Prunus africana*, *Entandrophragma* sp and *Celtis* sp. and *Olea welwitschii* among others. Investment opportunities in highland forests remain in recreation and tourism.

The rest of the listed principal reserves are tropical high forests with the species that include *Chlorophora excelsa*, *Celtis* sp, *Maesopsis eminii*, *Entandrophragma* spp, *Cynometra alexandrii*, *Lovoa brownii*, and *Newtonia buchanani* among others.

There are many other reserves of varying sizes scattered throughout the country in which the Forestry Department issues concessions for utilisation. Table 4 shows the reserves with the "Annual Allowable Cut (AAC)" values as at 17/5/2000.

Annual Allowable Cut Approved In Forest Reserves as at 17/5/2000

RESERVE	DISTRICT	AAC (m ³)	BAL (m ³)	FOREST TYPE
Okavu-Reru	Arua	2,900	6,100	Plantation
Opit	Apac	1,500	400	Savanna woodland
Olwal	Apac	1,200	0	Savanna woodland
Abera	Apac	-	2,900	Savanna woodland
Mukihani	Hoima	6,200	300	Plantation
Namafuma	Iganga	-	1,200	Plantation
Namasiga	Jinja	1,800	-	Plantation
Muko	Kabale	1,600	-	Plantation
Mafuga	Kabale	14,900	4,700	Plantation/Montane
Kikumiro	Kabarole	7,100	-	Plantation
Kagorra	Kabarole	2,300	1,400	Plantation
Oruha	Kabarole	7,200	-	Plantation
Kyehara	Kabarole	2,300	700	Plantation
Kikonda	Mubende	3,100	1,700	Plantation/Savanna
Nakwaya	Mubende	3,200	-	Plantation/Savanna
Zimwa	Mubende	900	-	Plantation/Savanna
Kachung	Lira	2,000	-	Moist Savanna
Lukuga	Mubende	-	1,800	Plantation
Nyabyeya	Masindi	1,300	-	Plantation
Bugamba	Mbarara	6,200	14,400	Plantation
Rwoho	Mbarara	9,100	29,300	High forest/Savanna
Katugo	Luwero	7,500	6,300	Pine Plantation
Awang	Nebbi	1,300	1,600	Savanna woodland
Lendu	Nebbi	8,200	15,100	Savanna woodland
Usi	Nebbi	1,300	5,800	Savanna woodland
Pingire-Kateta	Soroti	2,600	1,800	-
Bugoma	Hoima	2,000	-	High forest/Grassland
Budongo	Hoima/Masindi	7,500	5,500	High forest
Towa	Kalangala	1,500	-	High forest
Mwola	Mukono	2,500	-	Savanna
TOTAL		110,200	101,000	

Source: Forestry Department.

By early 1970s, sawmills had been established in most of the principal reserves. Those relatively inaccessible were harvested by pit sawyers. Other forest products include bamboo, fibre, resin, gum, glue, latex, tannin, dyes, oils, and pharmaceutical products.



Uganda's Competitive Advantage

Uganda is the richest in biodiversity among the East African countries and globally is regarded as one of the important centres of biodiversity. It has a diverse of ecological communities because of overlapping between the dry East African savanna and those of West African rain forests. This means that a wide range of forest products can be developed at a lower cost and environmental risks.

Land—Most of the land in the country is suitable for tree plantations and has better soils than neighbouring Kenya and Tanzania.

Water—Uganda is a well watered country richly endowed with renewable natural resources and water shortage is not a constraint especially in tree plantations.

Climate—With a temperature range of 15 - 30°C, and a rainfall range of 750 - 2000 mm, Uganda is best suited for forest production in the East African region.

Human Resource—There is abundant skilled and unskilled labour. Makerere University has a well established Faculty of Forestry and Nature Conservation and had been the leading centre for forestry studies in East Africa prior to the establishment of universities in Kenya and Tanzania. Nyabyeya Forestry College also produces technical cadres in forestry management. There are a number of technical and vocational colleges which produce artisans that add value to forestry products in the fields of carpentry, building and craft making.



The National Agricultural Research Organisation (NARO), has a Forestry Research Institute (FORI), that develops technologies in forestry management and production.

Uganda's competitiveness as a foreign investment attraction is emphasized by the Institutional Investor's Country Credit Ratings for sub-Saharan Africa (SSA) as indicated in table 5a.

Table 5a: Trends Institutional Investor's country Credit Ratings 1993–2000

Comparison of Institutional Investor's country Credit Ratings for Sub Saharan Africa						
Countries	1993	1995	1997	1998	1999	2000
Botswana	41.1	48.5	51.2	51.9	56.0	57.0
Mauritius	38.4	45.4	51.9	53.0	53.9	52.4
South Africa	39.6	42.5	46.4	46.6	45.6	45.2
Namibia	-	-	-	-	38.0	39.7
Seychelles	20.7	23.7	29.5	28.9	29.6	31.9
Swaziland	22.2	28.5	33.3	32.0	30.3	29.7
Kenya	24.7	24.9	28.6	25.6	24.8	26.6
Zimbabwe	27.7	30.7	33.8	29.8	25.1	24.1
Uganda	7.3	12.8	20.1	19.9	21.7	22.9
Malawi	16.2	18.8	21.0	19.8	19.5	19.5
Mozambique	8.4	12.6	14.6	17.9	19.3	19.2
Tanzania	12.9	15.5	18.7	19.9	19.5	19.1
Nigeria	20.3	17.5	15.3	16.4	17.9	18.3
Zambia	11.7	14.6	16.0	17.2	14.9	15.1
Angola	13.7	10.9	13.6	12.3	11.6	12.6

Source: *The Institutional Investor: Various issues 1993–March 2000*

Table 5b: Analysis of changes in investor's perceptions of investment locations

Countries	Institutional Investor's Country Credit Ratings as of March 2000			Annual Average Credit Ratings Improvements			
	African Ranking (Mar. 2000)	Global Ranking (Mar. 2000)	Overall improvement 1993–2000	1993–1997		1998–2000	
				Absolute points	Percentage	Absolute points	Percentage
Botswana	1	39	15.9	2.0	4.9	1.7	2.0
Mauritius	2	44	14.0	2.7	7.0	-0.2	-0.2
South Africa	5	58	5.6	1.4	3.4	-0.5	-0.6
Namibia	6	67	n.a	n.a	n.a	n.a	n.a
Seychelles	7	78	11.2	1.8	8.5	1.0	2.1
Swaziland	10	86	7.5	2.2	10.0	-0.8	-1.4
Kenya	13	95	1.9	0.8	3.2	0.3	0.8
Zimbabwe	15	98	-3.6	1.2	4.4	-1.9	-3.8
Uganda	17	101	15.6	2.6	35.1	1.0	3.0
Malawi	19	104	3.3	1.0	5.9	-0.1	-0.3
Mozambique	21	108	10.8	1.2	14.8	0.4	1.5
Tanzania	22	109	6.2	1.2	9.0	-0.3	-0.8
Nigeria	23	112	-2.0	-1.0	-4.9	0.6	2.3
Zambia	29	124	3.4	0.9	7.4	-0.7	-2.4
Angola	32	130	-1.1	0.0	-0.1	0.1	0.5

Source: *Institutional Investor: Various issues 1993–March 2000*



The improvement in Uganda's competitiveness as a foreign investment attraction comes out of its overall investment policies that include transferability of funds, the favourable political and business environment and the low cost of labour. These factors continue to prevail.

SECTOR PRODUCTS

Uganda is still rich in the various species that provide all the desired categories of timber. The common hard wood species include:

<i>Chlorophora excelsa</i>	Muvule (Luganda)
<i>Khaya anthotheca</i>	African mahogany
<i>Entandrophragma cylindricum</i>	Muyovu (Luganda)
<i>Entandrophragma utile</i>	Feather sepele
<i>E. angolense</i>	Budongo mahogany
<i>Maesopsis eminii</i>	Musizi (Luganda)
<i>Olea welwitschii</i>	Elgon teak/Elgon olive
<i>Lovoa brownii</i>	Uganda walnut
<i>Cynometra alexandri</i>	Uganda ironwood
<i>Newtonia buchanani</i>	Newtonia

The volumes of merchantable growing stock of some of the hard wood has reduced. The Forestry Department offers guidelines on how much of the remaining hard woods can be harvested.

There are various trees that are currently grown in plantations and available at different stages of maturity. The Forestry Department encourages investors in plantations as a way of increasing the country's tree cover, reducing the pressure on indigenous forests and increasing supply to meet the increasing demand for forest products.

The species currently grown include:

Pinus patula—an evergreen tree up to 35m and good for growing in pure stands. The wood is easily worked, fairly light and soft.

Pinus caribaea—an evergreen tree with a straight bole up to 30m high with a straight bole. It is fast growing, the timber is strong, moderately light weight and fairly durable, easy to season, saw and preserve. The tree can be used as pulp for the paper industry and matures within 20 years.

Cupressus lusitanica—an evergreen tree up to 35m and good for growing in pure stands. The wood is easily worked, fairly light and soft.

Eucalyptus grandis—a tall evergreen tree growing up to 40–55m tall. The bole can reach a diameter of 2m with excellent straight trunk. The timber is easily worked and can be used for heavy and light construction, furniture, boxes, veneer, plywood and pulp for paper. In Uganda this is best suitable for moderate to high rainfall areas.

Eucalyptus globulus—a tall tree to 55m. The wood is hard, heavy and strong. Best suitable for upland and high rainfall areas of Uganda.



Developments in the Industry

The Government of Uganda first adopted a forestry policy in 1929, one which placed emphasis on the role of forestry in the protection of the environment. There have been several revisions of the original policy. The government has just inaugurated the Plan for Modernization of Agriculture (PMA) which is a multi-sectoral programme. The PMA is a part of Uganda's broad strategy of poverty eradication and cuts across all the renewable natural resources of the country. Strategically, the PMA objectives relevant to the forest sector are:

- Reduction of public sector activities in favour of the private sector;
- Adoption of productivity enhancing technologies; and
- Enhanced stakeholder participation in the planning and implementation of programmes.

Currently the forest policy seeks:

- To maintain and safeguard enough forest land so as to ensure that:
 - Sufficient supplies of timber, fuel, pulp, paper and poles and other forest products are available in the long term for the needs of the country and where feasible for export;
 - Water supplies and soils are protected, plants and animals are conserved in natural ecosystems, and forests are also available for amenity and recreation.



- To manage the forest estate so as to optimize economic and environmental benefits to the country and ensuring that:
 - The conversion of forest resource into timber, charcoal, fuel wood, poles, pulp and paper and other products is carried out efficiently;
 - The forest estate is protected against encroachment, illegal tree cutting, pests, diseases and fires; and
 - The harvesting of timber, charcoal, fuel wood, poles and other products applies appropriate silvicultural and protection methods needed to regenerate the forests and increase its growth and yield. Research is carried out into new existing forest products including tourism and education with the objective of maximizing their utilization potential. Research is undertaken to monitor and promote the preservation of environmental services and conservation of biotic diversity.
- To promote an understanding of forests and trees by:
 - establishing extension and research services aimed at helping farmers, organization and individuals to grow and protect their own trees for timber, fuel, poles and to encourage agro-forestry practices;
 - Publicizing the availability and sustainability of various types of timber and wood products for domestic and industrial use, and publicizing the importance of environmental services provided by forests; and
 - Holding open days at regular intervals in all districts to demonstrate working techniques and bring attention to the positive benefits of forestry.

The Forestry Department is the government agency responsible for the implementation of the national forest policy.

The policies have attracted donor support and an investment from EEC, DANIDA, UNDP, CARE, and IDA in support of the Forestry Rehabilitation Project.

The Norwegian Forestry Society supports the National Biomass Survey, CARE has supported the Village Tree Planting Project. IUCN, and NORAD have also been involved in various sustainable development programmes together with other international and local NGOs.

The Forestry Department has developed a recreation development plan in the forest reserves with the following as the main objectives:

- To introduce recreational development as one aspect of sustainable resource use with in gazetted forest reserves;
- Increase public awareness, both nationally and internationally of outstanding variety of beauty within Uganda's forests and to foster a general understanding of the important relationship between environmental conservation and tourism and the benefits derived therefrom;



- To ensure that recreational development is carried out in a sustainable and orderly fashion, through careful planning, monitoring and control, thus keeping the biodiversity of the forest resource;
- To involve the local communities in the planning and management of recreational development ensuring that their needs and ideas are incorporated; and
- To generate benefits for the Forest Department and for the local communities.



Investment opportunities

Planting of soft wood plantations for timber and poles

Production of round wood for timber from plantations has increasingly become an important alternative to indigenous timber in Uganda because of the increasing demand. There is demand for electric and building poles and these have a wide market.

Planting of soft wood plantation for pulp

Most of the paper products in Uganda are imported. With the available investment climate in Uganda and the potential to produce timber for pulp at lower costs, investing in paper industry is an attractive investment.

Value added products from both hard and soft wood

Furniture—The demand for high quality furniture in Uganda is high. Furniture imports in 1999 alone was about \$5 million.

Flooring and panelling—The construction industry in Uganda has expanded over the years and the demand for good flooring is growing.

Veneer and plywood—Ply wood manufacture in Uganda needs to be expanded to meet the increasing demand.

Particle board mill from saw dust—The saw dust from most of the saw mills is wasted and is one cause of fires in forest reserves. A particle board mill will add value to the saw dust.



Match factory—A match factory is another area that will utilise the timber not suitable for construction.

Pencil factory—A pencil factory is also another investment opportunity that will trap the ever increasing demand from schools in line with the government policy on Universal Primary Education.

Tourism and recreation

Uganda's rain forests offer magnificent scenery and are habitat for a variety of wildlife such as; mountain gorillas at Bwindi, forest birds, insects, that give an ideal opportunity in eco-tourism. The Recreation Development Plan in the forest reserves by the Forestry Department offers opportunities for concessions.

Planting palm trees and processing of palm oil

Uganda has a potential for palm oil that still needs to be tapped.

Planting for medicinal purposes

Medicinal plants such as the Neem tree, have a very high potential in Uganda.



Investment Incentives

Investment incentives are covered under the Income Tax Act 1997. These incentives are administered by the Uganda Revenue Authority as part of the taxation system. The investment incentives are indicated in the following tables:

Table 6: Capital Allowances

• Initial allowances on plant and machinery located in Kampala, Entebbe, Namanve, Jinja and Njeru	50%
• Initial allowances on plant and machinery located outside Kampala, Entebbe, Namanve, Jinja and Njeru	75%
• Start up costs spread over the first 4 years	25%
• Scientific research expenditure	100%
• Training expenditure	100%
• Mineral exploration expenditure	100%

Table 7: Deductible annual allowances

Depreciable assets specified in 4 classes under declining balance method		
Class 1	Computers and data handling equipment	40%
Class 2	Automobiles, construction and earth moving equipment ..	35%
Class 3	Buses, goods vehicles, tractors, trailers, plant and machinery for farming, manufacturing and mining	30%
Class 4	Railroad cars locomotives, vessels, office furniture, fixtures etc.	20%

Table 8: Other annual depreciation allowances

• Industrial buildings, hotels and hospitals	5%
• Farming, general farm works (declining balance depreciation)	20%



Table 9: Priority Investment Areas

● Crop processing	● Storage
● Education	● Forestry and processing of forest products
● Fish processing	● Steel industry
● Electronics	● Cotton and textiles
● Floriculture	● Edible oil
● Metal and Metal products	● Mining industry
● Construction and building industry	● Ceramics industry
● Energy	● Manufacture of industrial spare parts
● Tourism industry	● Meat processing
● Manufacture of building materials industry	● Iron and steel
● Transport and communications	● Real estate development industry
● Pharmaceutical industry	● Packaging industry
● Dairy and Dairy products	● Financial services
● High-technology industry	● Health care
	● Fruits and vegetables

Other incentives

In addition to the incentives listed in tables 6-8, Uganda offers the following:

- **Import Duty Exemptions**—Apply to motor vehicles, personal effects and plant and machinery.
- **Duty drawback facilities**—Allows exporters to claim taxes on inputs used to manufacture exportable products.
- **Corporation tax**—With the exception of mining there is a uniform corporation tax rate of 30%, which allows the “carry forward of losses”. Practically, this means, profits are not taxable until, previous years’ losses are fully covered.

Investment protection

- **Investment guarantees**—Uganda is a member of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank and VAT deferred payment agreements.
- **Externalization of funds**—Foreign investors are allowed to externalize funds for:
 - Loan repayment in a foreign country.
 - Payment of financial earnings to foreign personnel.
 - Payment of royalties or fees.
 - Payment of profits or proceeds on disposal of assets.
- **Protection against compulsory acquisition.** Compulsory acquisition can only be made in accordance with the Constitution of Uganda. Should compulsory acquisition take place, the investor must be compensated within 12 months from the date of acquisition, based on fair market value of the enterprise.



Markets

The market for timber products is mainly internal. The export market for round wood timber is restricted in order to avoid depleting the indigenous forests. However timber based products such as furniture can be exported.

Within the country, timber is bought by traders from the pitsawyers and saw millers and traded in urban centres for construction and furniture.

The destinations for sawn timber and round wood until the imposition of export restrictions were mainly Kenya, UK, Rwanda, Egypt, UAE and Jeddah.



Forest Produce Fees and Licences

The Forestry Department levies fees on forest products and regularly revises the fees and licences payable by concession holders. Table 10 shows the latest Revised Forest Fees and Licence Order of 1999.

Table 10: Timber Royalty, Forest Produce, Fees and Licences

Item	Produce	Fees	Remarks	
1	TIMBER			
	Class One			
	A—Hardwoods	100,000.00	Per M' true measure	
	B—Hardwoods and Cypress		45,000.00 Over-bark	
1	Class Two			
	Hardwoods and pines	28,100.00	Over- bark	
	Class Three			
Hardwoods	17,000.00	Over- bark		
2	POLES			
	A—Plantation			
	<i>Class</i>	<i>Diameter</i>		
	I	05-09 cm	800.00	Per standing pole
	II	10-14 cm	1,400.00	Per pole in the rest
	III	15-19 cm	1,400.00	Per running metre of length
	IV	20-24 cm	1,800.00	Per running metre of length
	B—Natural Forest—Bush			
	<i>Class</i>	<i>Diameter</i>		
	I	05-09 cm	900.00	Per pole
	II	10-14 cm	1,600.00	Per Pole
	3	C—Cutting charges	200.00	Per pole—class 1
		FAGGOTS (WITHES)	1,000.00	Per head load



Item	Produce	Fees	Remarks
4.	FENCING POSTS		
	A—Treated Posts		
	Class	Diameter	
	II	10-14 cm	1,400.00 Per running metre of post
	III	15-19 cm	1,800.00 Per running metre of post
	IV	20-24 cm	2,700.00 Per running metre of post
	B—Untreated Posts (Plantation)		
	II	10-14 cm	700.00 Per running meter of post
	III	15-19 cm	1,400.00 Per running meter of post
	IV	20-24 cm	1,800.00 Per running metre of post
	C—PALMS (P. Reclinata)	4,000.00	Per running metre of post
5	FIREWOOD		
	A—Plantation	6,000.00	Per stacked cubic metre
	B—Natural Forest	7,500.00	Per stacked cubic metre
	C—Licence fees (Trade in produce from outside Forest Reserves per month)		
	I Petty Trade	22,000.00	Per month per person
	II Large Scale Wood Cutting and Trade	225,000.00	Per month Per person
	D—Licence for firewood transportation		
	I Lorry	45,000.00	Valid from Date of issue of Licence
	II Pick ups/Canoe	17,000.00	Valid from Date of issue of Licence
	III Bicycle	12,000.00	Per month per person
6	CHARCOAL		
	A—Licence to Burn/Sell	36,000.00	Per month per person
	B—Licence for Charcoal Transportation		
	I Lorry	62,000.00	Valid for 3 days w.e.f Date of issue
	II Pick-ups/Canoe	40,000.00	Valid from Date of issue of Licence
	III Bicycle	22,000.00	Per month per person
7	BAMBOO		
	Wild/Plantation Species	500.00	Per pole
8	CHRISTMAS TREE		
	Below 3m High	7,000.00	Per tree
	3-5m High	10,000.00	Per tree
	Over 5m High	14,000.00	Per tree
9	SEEDS AND SEEDLINGS		
	A—Seeds	Min 10,000.00	Per kg. depending on species
	B—Seedlings (including planting materials raised)		
	Forest Tree Species	Min 50.00	Depending on species and size
	Ornamentals	Min. 500.00	Shade/foliage tree/shrub/indoor plants depending on species and size
	C—Fruit plants	Min 1000.00	Depending on species & size
	D—Wildings	Min 50.00	Depending on species
10	PALMS		
	Borassus palm and other palms	12,000.00	Per tree
11	RATAN CANES	45,000.00	Per person per month
12	Timber Grading Fees	22,000.00	Per cubic metre
13	FELLING FEES	4,500.00	Per tree
14	SAWMILLING LICENCE FEES	1,400.00	Per sawmiller per year
15	PITSAWYERS REGISTRATION FEES	350,000.00	Per year per pitsawyer
16	FOREST FEES ON SAWN TIMBER	15% of the value of sawn timber for which Movement permit is issued	To be paid by sawmillers without VAT and Pitsawyers on private forest land dealers buying timber from such sources depending on the timber species.



Item	Produce	Fees	Remarks
17	CASUAL TRADE LICENCES (Petty Trade)		
	Beds and Chairs	45,000.00	Per year per person
	Walking Sticks, Stool, Wood carvings, Wooden tools and Tool Handles, Mortar/Pestle	45,000.00	Per year per person
	Non Wood Products e.g. products of grasses, palm fronds forestlians and climbers mats, baskets, winnowers	45,000.00	Per year per person
	Forest based food Bamboø shoots, palm oil and other forest fruit trees and vegetables	45,000.00	Per year per person
18	WILD COFFEE	25,000.00	Per month per person
19	GUM ARABIC	800.00	Per Kg
20	RESINS	150.00	Per Kg
21	FOREST MINERALS (licences per month per person)		
	A—Bricks	300,000.00	Mpigi/Entebbe/Kampala areas
	B—Bricks	100,000.00	Other areas
	C—Sand	300,000.00	Mpigi/Entebbe/Kampala areas
	D—Sand	100,000.00	Other areas
	E—Stones	68,000.00	All areas
	F—Murram	11,250.00	Per tonne



Some Key Players in the Sector

Firm	Address	Telephone
Budongo Saw Mills	19, Buganda Rd Kampala	41-236223
Buwa Saw Mills	97A, seventh St, Kampala	41-230077
Bukenya Estates Ltd,	305, Gaba Rd, Kampala	41-268609
Ama Ply Saw Mills	182, Kalitunsi Rd, Kampala	41-341099
Kapkwata Saw Mills	99/101, Seventh Street, Kampala	41-232196 233411 254705
Capital Saw Mills Ltd.	14/16, Muhumuza Rd, Kabale	486-23460
Nile Ply Woods (U) Ltd.	7/11, Gailey Rd, Jinja	43-30126 43-20574
	12/16 Nkrumah Rd, Kampala	41-234042
Associated Paper Industries Ltd.	12, Madhvani Rd, Jinja	43-21250 43-20271 43-20078 43-21733



Useful Contacts

Name	Address	Telephone	Fax
Ministry of Water, Lands and Environment	P.O. Box 7122, Kampala	41-342931 41-342933 41-258191	41-230891
National Research Organisation (NARO), Forestry Research Institute (FORI)	P.O. Box, 1752, Kampala	41-255163 41-255164	41-255165
Ministry of Tourism, Trade and Industry	P.O. Box 7103, Kampala	41-343947 41-256395	41-251578
National Environment Management Authority (NEMA)	P. O. Box 22255, Kampala	41-251064 41-251065 41-251068	41-257521
Forestry Department	P.O. Box 7122, Kampala	41-233485	41-251918
Uganda Wildlife Authority	P.O. Box 3530 Kampala	41-346287 41-346288 41-346290	
Uganda Investment Authority (UIA)	P.O. Box 7418, Kampala.	41-251562/6	41-342903



Sources for further information

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Forestry Department, (1995) *Recreation in Forest Reserves - Objectives of the Forest Department*, Ministry of Natural Resources Feb. 1995.

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