

THE UGANDAN APPROACH TO THE FACILITATION OF FOREIGN DIRECT INVESTMENT (FDI): THE NEED FOR SOME ADJUSTMENTS

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ABSTRACT

This study investigated the effects of investment facilitation on investments, particularly Foreign Direct Investment (FDI), in Uganda, since the enactment of the Investment Code Act in 1991. It used mostly secondary data and interviews on investments facilitation in Uganda. The Research Design was ex post facto, and the Analysis qualitative. The findings showed that investment facilitation impacted on FDI inflow into Uganda in a mixed manner; as with the exception of investment protection, including the swift and equitable resolution of investment disputes, and unrestricted repatriation of investment proceeds, the country fared badly in other aspects of investment facilitation.

To improve the effectiveness of investment facilitation, it was recommended that the Ugandan government and indeed the whole of the East African Community (EAC) region should address the challenges related to the processing of investment applications by adopting the Rwanda's One-Stop Centre strategy of trade and investment facilitation, and granting of waivers to Trans-National Companies (TNCs), amongst others. It was further recommended that political interference and high levels of corruption, the country's and the region's weak infrastructure, and the delay in the resolution of commercial disputes in Uganda need to be resolved also for the country and the region to achieve a reasonable level of retention of foreign investments.

KEYWORDS: Investment Facilitation, Foreign Direct Investment, Trans-National Companies



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