potential... BOU will therefore leave CBR unchanged," he

past five years.

Dr Adam Mugume, the executive director for

The ... supported by tepid demand from market players. Most

obligations," Kaboyo said.

Flower exporters get free zones licence

By Edward Kayiwa

The Uganda Free Zones Authority (UFZA) has issued developers' licences to three flower firms in Entebbe, in the hope this will grow and expand the flower industry.

The firms are Jambo Roses, Ugarose Flowers and Wagagai, with a combined investment of about $27.65m.

"Because these licences relieve their holders of import duties, we expect the three recipients to have a bit of money which they will invest in expansion and job creation," Richard Jabo, the UFZA executive director, said.

He said the free zones will also attract benefits to the communities such as infrastructure development, jobs creation, skills transfer, and security.

A free zone is a designated area where goods are regarded as being outside the customs territory, as far as import duty is concerned.

They usually take the form of manufacturing or processing facilities, science and technology parks or a tourism development zone.

In Uganda, the free zones authority is mandated to develop, manage, market, maintain, supervise and control free zones in the country.

The chief executive of Wagagai, Olav Boenders, said they will increase their investments by $14m in the next five years.

"We have identified five more acres where we shall put green houses and this will be able to give us an additional $2m of export per year," Boenders said, adding that his company will also create approximately 600 new jobs over a five-years period.

Also, Jambo Roses and Ugarose Flowers are expected to create 489 jobs over the next five years, and invest approximately $3.7m more.

With an investment of more than $60m and a growth rate of 14 %, Uganda's cut flower industry now boasts 14 commercial flower farms producing 35 varieties exported mainly to Europe.

(L-R) Pim de Witte, Tumusiime, CEO Jambo Roses Daniel Kiryango, Anite and Boenders after receiving their licences. Photo by Richard Sanya

The licences exempt the holders from import duties

The industry emerged from nearly zero production 10 years ago to Africa's third largest exporter of cut flowers.

Ugarose Flowers chief executive officer Stanley Tumusiime, said a number of challenges such as poor infrastructure and high tariffs still hold the flower industry back.

"Ethiopia, a recent entrant in the flower sector, now has over 1,000 hectares of flower gardens compared to Uganda's 250 hectares because the Ethiopian government intervened with incentives to attract investors.

We pray that the Government improves infrastructure, reduces the tariff and establishes organised agriculture parks to attract more investment," he said.

He said most florists use generators for more than 40% of the time at a cost of sh10 to sh30m a month. This, he said, is worsened by the cost of diesel which has increased by more than 30% in the recent past.

The state minister for investment, Evelyn Anite, said government will provide dedicated power lines to flower farmers and build roads to ease access to markets.

"We want to create 150 million jobs by 2040 and this is only the first step in ensuring that we have enough investments to achieve our dream," she said.