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Business
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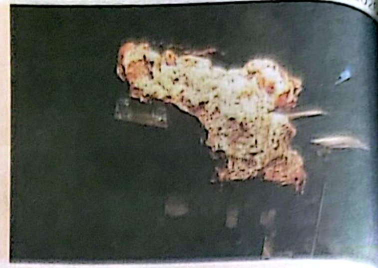
Uganda's merchandise exports hit Shs5 trillion on historic gold boom:

Uganda's merchandise exports grew to Shs5.43 trillion in January 2026, up from Shs5.22 trillion in December 2025. This growth was primarily driven by the export of gold and coffee as well as industrial products, electricity, beans, and oil re-exports, among other commodities.



Markets. |

How chicken became Uganda's lucrative lie

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Ponzi schemes have a way of packaging themselves in whatever garb is most reassuring to their era.

In 1920s America it was postal coupons, basically paper vouchers people bought through the mail and were promised would grow in value. In the 2010s, it was cryptocurrency. In Uganda, apparently, it is chickens.

Two poultry-themed investment frauds are now winding their way through the Ugandan courts, offering a glimpse into the persistent allure of implausible returns, and the sluggish machinery of financial enforcement.

The first, Vetaplan Chicken, promised investors monthly returns of 10 percent on sums between Shs5 million and Shs100 million, ostensibly from broiler sales.

Investigations

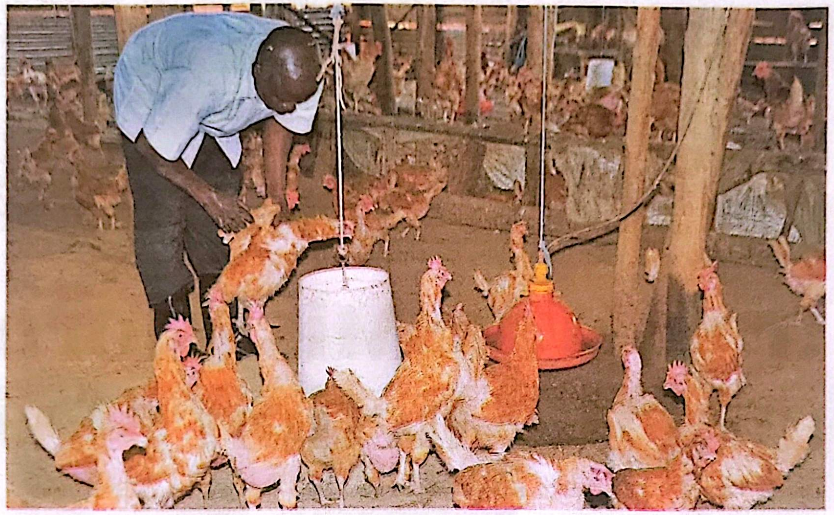
Investigations by the Capital Markets Authority (CMA) found that no meaningful farming was taking place: Early investors were being paid from the funds of later ones, a textbook Ponzi structure.

By the time regulators intervened in September 2023, Shs757.5 million had been collected from 31 investors. But only about Shs159.5 million has been recovered.

The second case is larger and more brazen. Capital Chicken (SMC) Limited invited investors; urban professionals and members of the diaspora among them, to commit sums ranging from Shs1 million upward, promising returns of up to 48 percent over five months through a "poultry contract farming model."

The company further claimed that investments were insured by Sanlam Insurance. When its offices in Kampala shuttered abruptly in late 2023 and its directors allegedly fled the country, more than 372 investors were left nursing losses that now stand at Shs5.7 billion (about $1.5m).

Both cases remain unresolved. Joseph Magala, a senior legal officer at the Capital Markets Authority (CMA), says the Capital Chicken case file is "awaiting sanctioning" before prosecution can begin, a delay that will strike victims as maddening.



A poultyr farmer. More than 372 investors were left nursing losses from poultry themed investment frauds that now stand at Shs5.7 billion (about $1.5m). PHOTO/MICHAEL KAKUMIRIZI

In the Capital Chicken case, delays stem primarily from the flight of the prime suspect, who left Uganda shortly after the scheme collapsed. Police have issued an arrest warrant through Interpol, but he remains at large.

The complication this creates is procedural as much as practical: the Director of Public Prosecutions (DPP) cannot sanction a criminal file and authorise prosecution while the principal accused is still missing. The CMA, having referred the matter, receives periodic updates but can do little more than wait.

Returns

48%

Capital Chicken (SMC) Limited invited investors to commit sums ranging from Shs1 million upward, promising returns of up to 48 percent over five months through a "poultry contract farming model.".

Historically, enforcement of capital-markets offences was left to the Director of Public Prosecutions, an office burdened with far more pressing caseloads.

The CMA has since obtained delegated prosecution powers, allowing it to pursue cases jointly.

Mr Magala credits this with producing actual courtroom activity where cases previously fizzled.

The regulator has also adopted a more aggressive posture: rather than pursuing only directors of fraudulent firms, it is targeting employees as well. Several former Capital Chicken staff are currently on police bond.

These are meaningful reforms. But financial fraud in Uganda takes years to prosecute, by which time most of the money has long since vanished.

The perennial appeal

The deeper puzzle is not why these schemes exist but why educated people keep funding them.

Returns of 40 to 48 percent in five months, compounded, that would imply annualised gains of several hundred percent, ought to trigger immediate scepticism in any financially literate investor.

They do not, and for reasons that are well understood.

Behavioural economists have documented extensively that human beings are loss-averse and return-hungry in ways that override rational calculation.

Schemes like Capital Chicken speak directly to those instincts, offering social proof (friends and family have already invested), institutional-sounding reassurances (insurance cover, registered offices), and the ever-powerful force of the Fear of Missing Out (FOMO).

The question is not whether investors were foolish but whether they were financially equipped to detect what was being done to them.

In Uganda, as in most developing markets, financial literacy remains thin across income groups.

A retired police officer who reportedly invested Shs400 million of his pension in Capital Chicken, attracted by promises of Shs100 million annually in perpetuity, was not necessarily unsophisticated.

He was, more likely, unfamiliar with the basic principle that no legitimate investment offers guaranteed perpetual returns untethered from risk.

Financial literacy extends to asking: Who is behind a scheme, whether they are licensed by the CMA, and how the promised returns are being generated.

In Uganda, any entity collecting public funds for investment purposes requires CMA approval.

That approval does not guarantee profits, but its absence should prompt immediate caution.