

## Uganda Inclusive Growth Diagnostic (IGD) Screening Profile<sup>1</sup>

### Economic Overview

Uganda is a low income country of 35 million people, 38 percent of whom live in extreme poverty (below \$1.25/day). Its average per capita income (PPP GNI) was \$1,310 in 2011, having grown by an average 4.1% annually over the last 10 years, which has resulted in a rapid decline in extreme poverty of 9.6% per year. Its Gini index, at 44.3, indicates a less egalitarian distribution of income than many countries, but not extremely so. The adult labor force participation rate in 2011 was 77.7%, higher than the average for Sub-Saharan Africa (69.6%) and a little higher than the average for low income countries (75.1%). The adult female labor force participation rate of 76.0%, higher than the average for both Sub-Saharan Africa (63.1%) and Low Income countries (67.7%). This is typical of very poor countries where most adults must either work or starve. The ratio of female to male labor participation rate is relatively high at 95.6%, compared with the 84% and 83.5% Sub-Sahara African and Low Income Country averages, respectively. [World Bank World Development Indicators (WB WDI)]

In the 2012-2013 World Economic Forum Global Competitiveness Index (WEF GCI) Uganda received good marks for maintaining a low general government debt (29.2% of GDP), but its 2012 fiscal deficit was too high (-7.2% of GDP, ranking 132 out of 144 countries) and its gross national savings ratio too low (13.6% of GDP, ranking 108). WB WDI reported Uganda's government cash surplus/deficit at having been -3.9% of GDP in both 2010 and 2011. It had a moderately high rate of inflation and a low country credit rating, ranking 94 and 93, respectively, in these two categories of the WEF GCI. This resulted in a fairly low overall ranking for its macroeconomic environment (119 out of 144). (See Tables 1 & 2) WB WDI reported Uganda's consumer price inflation as 18.7% in 2011 and 14.0% in 2012.

Based on the indicators discussed below, there appears to be substantial potential for income growth both in smallholder agriculture and in higher wage non-farm employment. Labor productivity in agriculture, which employs 66% of the workforce, is extremely low and falling, fertilizer use is virtually non-existent, and while cereal yields have been rising they are still well below potential.

Around 80% of all employment is classified as "vulnerable," meaning self-employed and family workers, an understated proxy for informal employment (since some wage employment is informal). This means that a very large proportion of non-farm employment is in the "vulnerable" category, well over 40%, even if all 66% of the agricultural employment were considered self-employed and family workers. Although some informal sector enterprises are no doubt more productive than the stereotypes, there must be some serious disincentives or constraints to becoming part of the formal sector, with the ostensible advantages of credit, marketing and access to technology that would accrue. The indicators reported below point to possible binding constraints in the business climate, including poor infrastructure (especially for electric power), requirements for starting a business, high costs associated with foreign trade, poor access to credit and a high level of corruption.

As for the employability of Uganda's workforce, it compares reasonably well in terms of literacy rates and primary education enrollment, but not so well in secondary and tertiary education. Its health

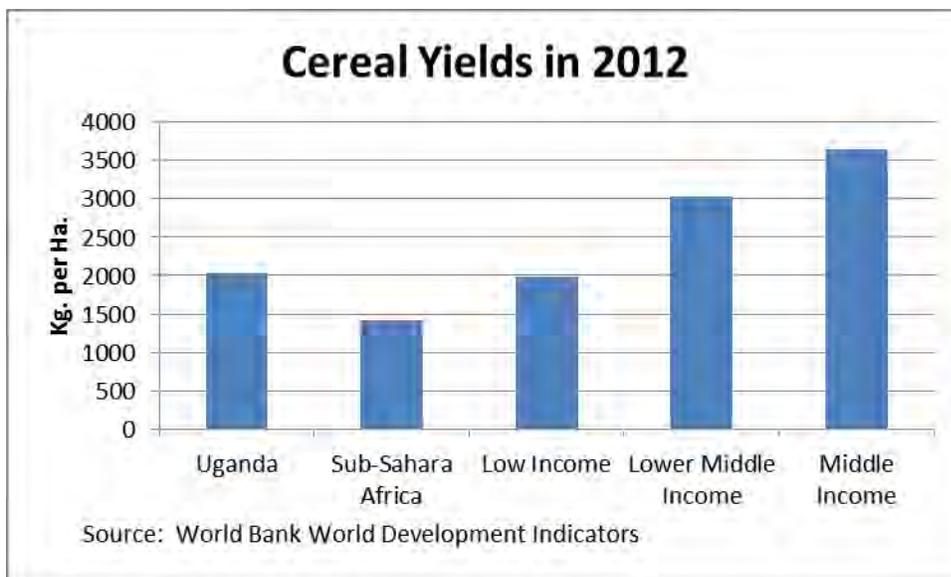
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<sup>1</sup> This country profile presents indicators available online that are relevant to the IGD analytical nodes of the "Analytic Guide for an Inclusive Growth Diagnostic (the productive employment model)," which is available from <https://dec.usaid.gov/dec>

indicators are much more worrisome, however, as is its extremely high rate of population growth (3.4%), the sixth highest in the world as listed in the WB WDI.

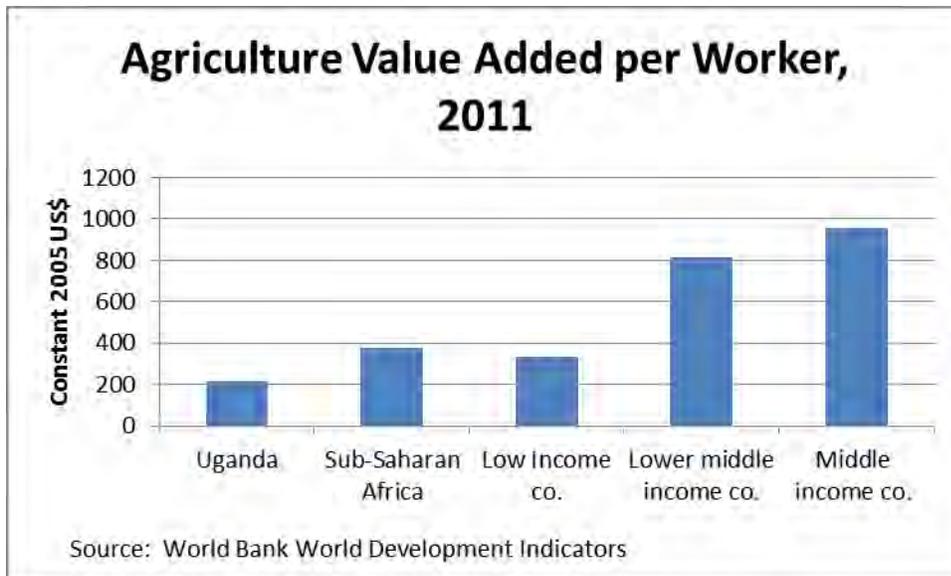
### 1) Potential for higher smallholder agricultural production and rural incomes

Uganda is predominantly rural, with 84% of the population living in rural areas, and 66% of employment is in agriculture. However, agriculture contributes only 23.4% to GDP, indicating much lower productivity per worker than in the non-agricultural sectors. Average cereal yield was 2,029 kg. per hectare in 2012, higher than the averages for Sub-Sahara Africa (1,417 kg.) and low income countries worldwide (1982 kg.) but much lower than that for lower middle income (3029 kg.) and middle income countries (3653 kg.). Crop production slowly increased 22% between 2000 and 2011 and livestock production increased 60%, due in part to a 12% increase in agricultural land, to a 27% increase in arable land,<sup>2</sup> and in part to a 26% improvement in average cereal yields<sup>3</sup>. Total agricultural value added increased 33% in constant price terms between 2000 and 2011, but the labor force increased 39% during this same period and the proportion of total employment in agriculture has remained the same. As a result, total agricultural value added per worker in Uganda has stagnated and actually fell by 10% between 2002 and 2011. It was equal to only US\$217 in 2011 (in constant 2005 US\$), far below the \$375 average for Sub-Saharan Africa countries. (WB WDI)



<sup>2</sup> Agricultural land refers to the share of land area that is arable, under permanent crops, and under permanent pastures. Arable land includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting cultivation is excluded. Land under permanent crops is land cultivated with crops that occupy the land for long periods and need not be replanted after each harvest, such as cocoa, coffee, and rubber. This category includes land under flowering shrubs, fruit trees, nut trees, and vines, but excludes land under trees grown for wood or timber. Permanent pasture is land used for five or more years for forage, including natural and cultivated crops. -- <http://data.worldbank.org/indicator/AG.LND.AGRI.K2>

<sup>3</sup> Three-year average yield for 2010-12 over 2000-02. WB WDI.



1A&B) On-farm productivity & Processing and marketing of farm products

1Aa) Agricultural research & extension services

1Ab) Access to credit for farm inputs & capital improvements

1Ac) Rural infrastructure for irrigation and farm-to-market roads

1Ad) Land tenure and land markets

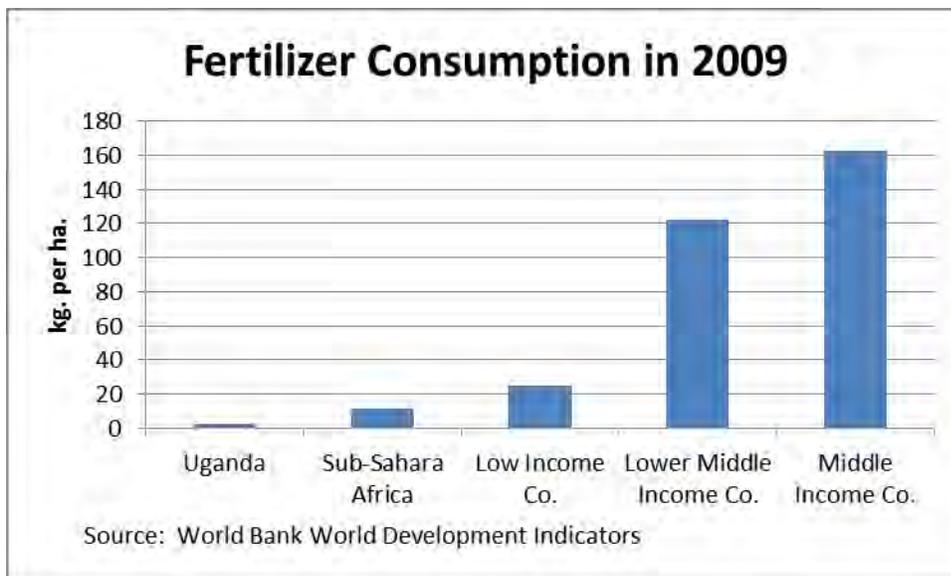
1Ba) Market and pricing policies

1Bb) Availability of information about and contacts with higher value markets

1Bc) Rural infrastructure for transport, electric power, storage, markets, communication

1Bd) Access to rural credit for agriculture product processing, storage, marketing, etc.

The EIU Global Food Security Index (GFI) indicates Uganda spends 3% of the agricultural contribution to GDP on agricultural research and development, placing it in the top third of the 105 countries covered and above most developing countries. The same index placed Uganda in the middle third in access to finance for farmers, and the bottom fifth in agricultural infrastructure. As components of the latter index, it scored poorly in the existence of crop storage facilities and in the bottom half for road infrastructure. Fertilizer consumption in Uganda was only 2.1 kg. per hectare of arable land in 2009, far below the Sub-Sahara average of 11.4 kg. and the low income country average of 25 kg. The lower middle income average was 122 kg. and middle income countries averaged 162 kg. per ha. (WB WDI), so there is much room for improvement. In 2013 the MCC scored Uganda as better than 98% of a comparable group of 81 developing countries in land rights and access. However, the World Bank Doing Business Indicators 2013 ranked Uganda poorly, 124 out of 185, for registering property, and indicated it had recently undertaken a reform that made it even more difficult to do so. The 2012-2013 WEF Global Competitive Index ranked Uganda 58 out of 144 in agricultural policy costs.



## 2) Potential for more productive, higher wage non-farm employment.

As noted above, adult labor force participation rates are reasonably high. However, vulnerable employment (family workers and self-employed—a proxy for informal sector employment) rates have also been very high: 80.6% of total employment in 2005. (WB WDI). This was among the highest rates in the world. The average rate for lower middle income countries in 2009 was 70.9%. This implies that the more productive formal sectors of the Uganda economy provide only a very small portion of total employment. The UNDP 2010 Human Development Report (HDR) reported Uganda’s formal sector employment as a percent of total employment as only 14.8, and women had only a third as many as men in formal employment status. Of the 85.2% of workers in informal employment, women were 19% more numerous than men. The non-farm sector is hampered by a poor business climate, as the country ranks 120 out of 185 in the 2013 World Bank Ease of Doing Business Index. Women comprised only 39% of total non-agricultural employment, men 61%, despite the relatively high female participation rate in the overall labor force, which implies that women are even more predominantly employed in agriculture than men.

### 2A) Private Sector Demand for More Productive Employment

#### 2Aa) Level of Private Investment (HRV Constraints Analysis)

##### 2Aai) Private returns to economic activity

Gross capital formation in Uganda has been fairly high, reaching 24.6% of GDP in 2011, compared with an average of 21.3% for Sub-Saharan Africa and 24.8% for low income countries, but lower than the 28.9% average for lower middle income countries (WB WDI). The 5-year Uganda average was 23.5% from 2007-2011, up from 19.5% in 2000. Net foreign direct investment was equal to 4.7% of GDP in 2011, and averaged 5.0% over the last 5 years. This is high compared with the 5-year averages of 3.3% for all Sub-Saharan and low income countries and 2.9% for all lower middle income countries. According to the IMF World Economic Outlook, total investment in Uganda reached 22.3% of GDP in 2012, having fallen slightly from a 5-year average of 23.5% in 2007-2011. Uganda was the 91<sup>st</sup> highest in 2012 among 173 countries for this indicator. One bright spot about investment in Uganda is its apparent productivity and lack of wasteful investment spending. Rough incremental capital/output ratio (ICOR) calculations, based on 5-year averages of gross fixed capital formation and subsequent GDP growth rates, indicate relatively low ICORs, below 3.0 from 2000 to 2010.

## 2Aai1) Evidence of low social returns

### Is there inadequate human capital to run a business successfully?

In the 2012-2013 World Economic Forum (WEF) survey of business leaders, only 3.3% listed an inadequately educated workforce as the most problematic factor for doing business in Uganda. (See Table 3) Some 73.2% of the adult population was recorded as literate in 2010, compared with a 63% average in low income countries and in Sub-Sahara Africa and 71% in lower middle income countries (WB WDI). Around 65% of Uganda women were literate in 2010, a number that has been slowly increasing. However, the 2012-13 WEF GCI ranked Uganda relatively low (127 out of 144) in higher education and training.

### Is there a lack of or poor condition of productive infrastructure?

The 2012-2013 WEF survey results about infrastructure placed Uganda a very low 133<sup>rd</sup> out of 144 countries, and 12.8% of respondents (the 4<sup>th</sup> highest) listed an inadequate supply of infrastructure as the most problematic factor for doing business. The country received its lowest marks for the quality of electricity supply and telephone access, but the quality of roads, railroads and air transport infrastructure also received low scores, ranking worse than 100 out of 144 in all cases. (See Tables 1, 3 & 4)

This is supported by other sources. Private firms reported an average of 10.7 power outages per month in 2006 (latest data available in WB WDI). The 2013 World Bank Doing Business Report ranked Uganda 127<sup>th</sup> out of 185 for getting electricity, and indicates it cost an average 4,623% of income per capita to do so. And according to the UNDP Human Development Report only 9.0% of the Ugandan population had access to electric power in 2009. In this statistic Uganda tied with Malawi at the very bottom of a list of 126 countries. The WB WDI reports that 23% of Uganda's roads were paved in 2003 (latest data available in WB WDI), higher than the 18.1% average for Sub-Saharan African countries and 14.4% for low income countries, but still problematic for private business.

## 2Aai2) Private appropriability

### Government failure/poor governance

The Heritage Foundation/Wall Street Journal Business Freedom Index gave Uganda a score of 50.3 in 2011 (with 100 being the best), a decline of 6.7 points from the year before. It ranked 80 out of 183 countries in the overall Economic Freedom Index. It ranked 123 out of 144 in the 2012-2013 WEF Global Competitiveness Index (GCI) (See Table 1). However, the Canadian Fraser Institute, in its annual Economic Freedom of the World Report for 2013, ranked Uganda 40<sup>th</sup> out of 152 countries in its overall index. This was a drop from ranking 29<sup>th</sup> in 2010, but a vast improvement over the ranking of 112 in 1990. The largest improvements in Fraser Institute scores and rankings were in the Sound Money, Freedom to Trade Internationally and Regulation categories. Uganda's rating score also improved in the Legal System and Property Rights area, but its ranking less so, most likely because the scores of other countries in the index also improved. Uganda scored -0.51 in the 2011 Government Effectiveness Estimate of the World Bank Governance Indicators, out of a -2.5 to +2.5 range, ranking 133 in a list of 212 countries. It scored -0.41 in the WB Rule of Law Estimate, in 122<sup>nd</sup> place out of 214.

Corruption was cited by the largest percentage (18.4) of WEF respondents as the most problematic factor in Uganda, followed by access to financing, inflation and inadequate infrastructure. (See Table 3) Uganda was given an average score of 3.5 in the WEF GCI for Institutions, ranking 102 out of 144. Its lowest rankings in this area were in the diversion of public funds, business costs of terrorism, crime and violence, irregular payments and bribes, favoritism in decisions of government officials, and wastefulness of government spending. Its best rankings were in the burden of government regulation,

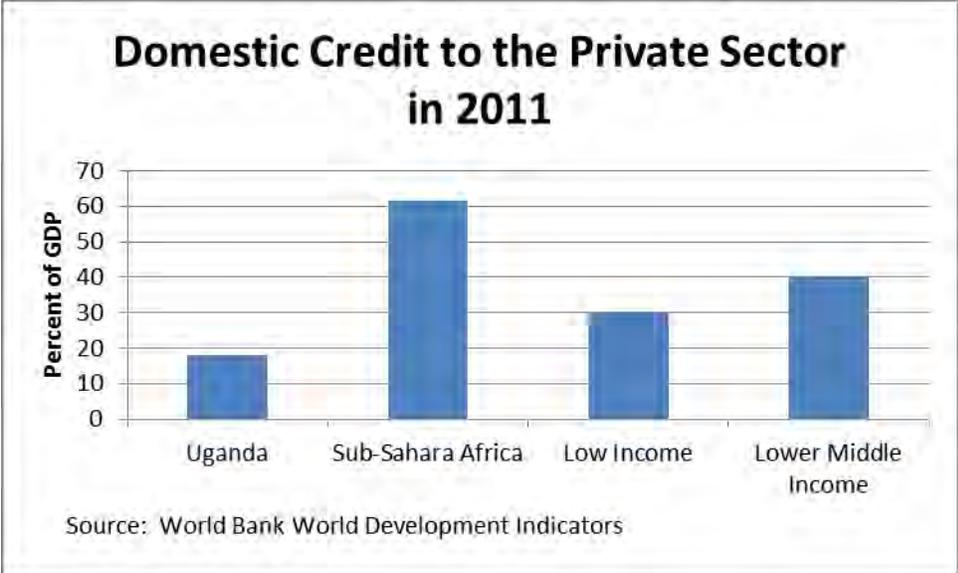
efficacy of corporate boards, and the efficiency of legal framework in settling disputes. Uganda also earned good marks for the efficiency of its legal framework in challenging regulations and transparency of government policymaking. (See Tables 1 & 5) Uganda scored only 29 out of 100 possible points in the Transparency International Corruption Perceptions Index in 2012 and placed in a 3-way tie for 130<sup>th</sup> among 176 countries scored. The World Bank Governance Matters Control of Corruption estimate of 2011 scored Uganda -0.9 in the -2.5 to +2.5 range, ranking 170 out of 212 countries.

Market failures in the availability of information for innovation and “coordination”

Uganda ranked a low 117 (out of 144) in the 2012-13 WEF GCI Technological Readiness Index and a low 101 in its Business Innovation & Sophistication Index. It is particularly weak in the access and use of the internet, extent of marketing, and production process sophistication. (See Tables 1, 6, 7 and 8)

2Aaii) Cost of finance

Domestic credit to the private sector was only 17.9% of GDP in 2011, having increased steadily from only 6.2% in 2000. (WB WDI) Despite the gradual improvement, this still compares unfavorably with the Sub-Sahara African developing country average of 61.4% of GDP. The low income country average was 30.1% in 2011. The lower middle income country average was 40.4%. However, the MCC ranked Uganda as scoring higher than 86% of its “peer” group of 85 developing countries providing access to credit in 2013. Its real interest rate has been volatile, rising from 5.6% in 2009 to 16.2% in 2011. (WB WDI). The lending interest rate has hovered around 20% over the last decade, while the interest rate spread has averaged around 11%, but that spread fell from 12.5% in 2010 to 8.8% in 2011. (WB WDI) The Heritage Foundation/Wall Street Journal Investment Freedom Index scored Uganda a low 45 out of 100 possible points in 2011, indicating fairly strong government influence over the financial sector. In the 2012-13 WEF GCI Uganda scored 4.1 (from 1-7 high) and ranked a respectable 62 out of 144 in Financial Market Development, but access to financing was listed as the most problematic factor for doing business by 16.7 percent of survey responses (the second highest percent). (See Tables 1, 3 & 9)



## 2Ab) Conversion from Informal to Formal Sector

A recent World Bank report estimated that “14.1 percent (2.1 million) of the workforce was (in 2009/10) involved in non-agricultural informal sector enterprises, with 54 percent owning and managing their own business. This sector is characterized by self-employed individuals or small, privately owned enterprises producing mainly services or simple consumption products. About 86 percent of the informal sector jobs are household based. Jobs in the informal sector are normally at the lower end of the productivity spectrum.”<sup>4</sup> Another “14 percent of the labor force, or 2 million workers, is employed in the non-agricultural wage sector, mostly within the formal sector...Over the past two decades, the growth rate for private non-agricultural wage and salary jobs averaged about 7.3 percent per year, with the bulk of this growth occurring in the latter part of the decade. The number of wage jobs has increased in all sectors, except finance and insurance. The growth in jobs, however, must be weighed against the rapid expansion of the labor force, with a particularly large influx of young workers with an aspiration to join the white-collar wage sector, and against the very low base. The wage sector has absorbed about 20 percent of the youngest net new entrants into the labor market. Ensuring that this sector continues to grow is important for Uganda, especially given that this sector is to a large extent driving the transformation of the economy.”<sup>5</sup> The World Bank Doing Business Report for 2013 ranked Uganda 120 out of 185 countries in business climate indicators. Trading across borders is the most troublesome area, ranking 159, as it takes 33 days to either export or import a shipment of commodities and costs over \$3,000 per container. Starting a business is also particularly troublesome, ranking 144, as it costs an average 76.7% of income per capita to do so and typically requires around 33 days to clear 15 procedures. Uganda also scores poorly in protecting investors, enforcing contracts and dealing with construction permits, in addition to the getting electricity and registering property areas discussed above.

## 2Ac) Labor Intensity of Production

The 2012-2013 WEF GCI survey in the Goods Market Efficiency category (ranking 103 out of 144 overall) scored Uganda near the bottom in the number of procedures to start a business, ranking 140 out of 144, and fairly low in the number of days to start a business, ranking 109. Its lowest rankings in this “pillar” included buyer sophistication (127), extent of market dominance (115), trade tariffs (percentage duty) (101), and extent and effect of taxation (102). (See Table 10) The World Bank Development Research Group Trade Research Unit calculated a Trade Restrictiveness Index that resulted in a high (not good) score of 14.63 for Uganda in 2006-09 (latest).<sup>6</sup> Its trade with the outside world totaled 58% of GDP in 2011 (WB WDI). Uganda scored its best WEF pillar ranking in Labor Market Efficiency, 23 out of 144, with especially good scores in flexibility of wage determinations (ranking number 1 in the world!), hiring and firing practices, the ratio of women to men in the labor force, and redundancy costs. Its low scores

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<sup>4</sup> World Bank, Uganda Economic Update, Jobs: Key to Prosperity, August 2013, p. 33

<sup>5</sup> Formal sector comprises the public sector, medium and large enterprises that hire workers on the basis of formal contracts. These workers and employers are subject to various labor market regulations, including reasonable working conditions, take home pay (particularly in the public sector), fringe benefits such as pension and health care and job security. – *Ibid.*, pp. 34-35

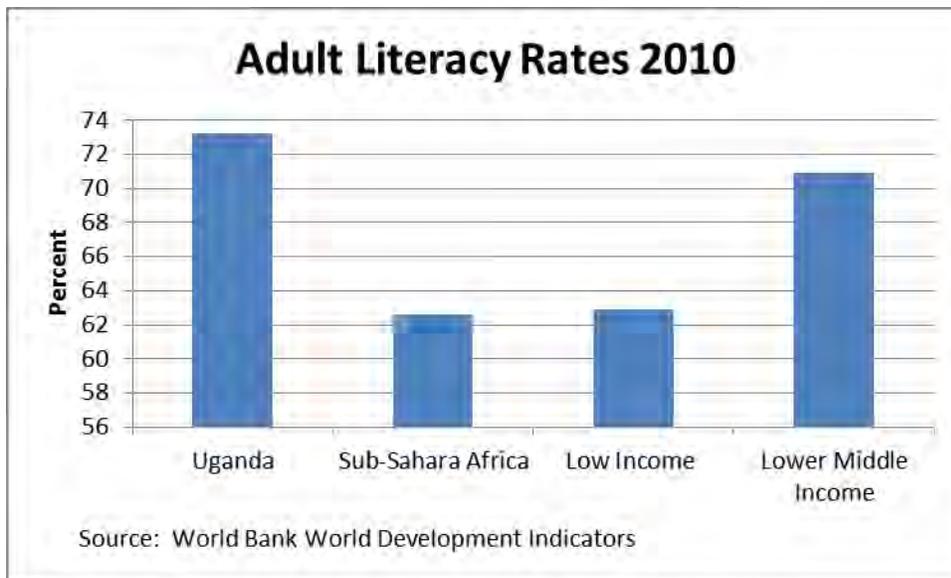
<sup>6</sup> The Trade Restrictiveness Index is an indicator of the trade restrictiveness of the MFN tariff schedule of a country. It calculates the equivalent uniform tariff of a country’s tariff schedule that would keep domestic import levels constant. Product level tariffs are weighted by import shares as well as the responsiveness of imports to price changes (import demand elasticity). It includes preferential rates. It is expressed as a tariff rate. Lower is better. The higher the number, the more restrictive a country’s trade policy, and the less open the country is to international competition. Desirable to be less than 7.0. <http://info.worldbank.org/etools/wti/3a.asp#>

in this category included pay and productivity, reliance on professional management, cooperation in labor-employer relations, and brain drain. (See Table 11)

2B) Employability of the Workforce:

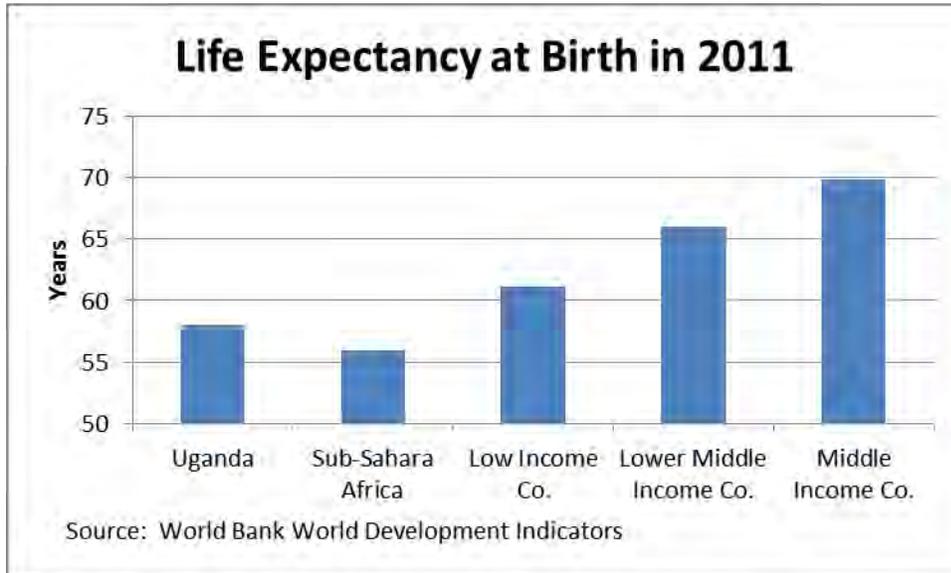
Adult literacy rates are higher in Uganda than in comparator countries, as 73.2% of the adult population was recorded as literate in 2010, compared with a 63% average in low income countries and in Sub-Saharan Africa and 71% in lower middle income countries. Some 64.6% of Uganda women were literate in 2010, a number that has been slowly increasing and which compares favorably with that for Sub-Saharan Africa (54.2%) and low income countries (56%). (WB WDI)

Uganda was ranked 89<sup>th</sup> out of 144 countries in net primary education enrollment in the 2012-2013 WEF GCI with 90.9% enrolled, but was ranked a lower 100<sup>th</sup> in terms of the quality of primary education. The gross percentage of students enrolled in secondary education was only 28.1%, and only 4.2% in tertiary education, ranking Uganda 135<sup>th</sup> and 128<sup>th</sup>, respectively. (See Tables 12 and 13) It ranked a very low 127<sup>th</sup> in the overall pillar for Higher Education and Training, with internet access in schools also scored as very poor along with the quality of math and science education. (See Tables 1 and 13)

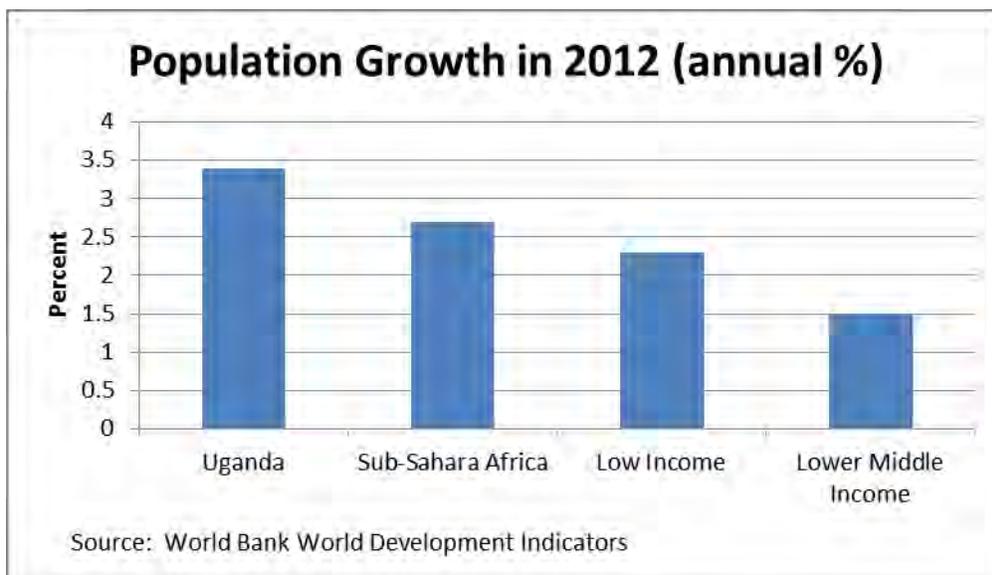


Even more worrying from an employability standpoint, however, is the poor health of the workforce. The 2012-2013 WEF GCI overall ranking for Uganda in Health and Primary Education is 123 out of 144 (Table 1). It ranked worse than 116 in all 8 health indicators surveyed, including the business impacts of malaria, tuberculosis and HIV/AIDS. More than 28% of the entire population has malaria and 6.5% of the adult population has HIV. Uganda scores worse than 124-135 other countries in the business impacts of malaria, HIV/AIDS and tuberculosis. The WEF GCI listed Uganda's life expectancy as only 53.6 years, longer than only 14 other countries in its survey. (See Table 12) A WB WDI table listed the country's life expectancy in 2011 as 58 years, longer than the Sub-Saharan average of 55.9, but less than that of low and middle income countries worldwide. Despite these poor health marks, however, it is interesting that only 1.2% of the WEF survey respondents selected poor public health as one of the most problematic factors for doing business in Uganda (Table 3). Perhaps this is simply indicative of the small

percentage of the workforce utilized by the more successful formal sector entrepreneurs who participated in the survey.



Uganda's population growth rate is extremely high at 3.4% per year, the 6<sup>th</sup> highest rate in the world (only Oman, Qatar, South Sudan, Kuwait and Niger recorded higher rates of population growth in 2012). (WB WDI) It is significantly higher than the averages for Sub-Saharan Africa, low income and lower middle income countries. This makes it very difficult for the country to improve its health and education services fast enough to keep up with the increasing need for them.



## Appendix

<b>Table 1. The Global Competitiveness Index: Uganda</b>	Rank	Score
	(out of 144)	(1–7)
GCI 2012–2013 .....	123	3.5
GCI 2011–2012 (out of 142) .....	121	3.6
GCI 2010–2011 (out of 139) .....	118	3.5
<b>Basic requirements (60.0%) .....</b>	<b>132</b>	<b>3.5</b>
Institutions .....	102	3.5
Infrastructure .....	133	2.3
Macroeconomic environment .....	119	3.8
Health and primary education .....	123	4.4
<b>Efficiency enhancers (35.0%) .....</b>	<b>104</b>	<b>3.7</b>
Higher education and training .....	127	2.9
Goods market efficiency .....	103	4.0
Labor market efficiency .....	23	4.8
Financial market development .....	62	4.1
Technological readiness .....	117	2.9
Market size .....	85	3.2
<b>Innovation and sophistication factors (5.0%) .....</b>	<b>101</b>	<b>3.3</b>
Business sophistication .....	105	3.5
Innovation .....	82	3.0

Source: WEF, *Global Competitiveness Report 2012–2013*, p. 352

<b>Table 2. Macroeconomic environment: Uganda</b>	Rank	Score
	(out of 144)	(1–7)
3.01 Government budget balance, % GDP* .....	132	-7.2
3.02 Gross national savings, % GDP* .....	108	13.6
3.03 Inflation, annual % change* .....	94	6.5
3.05 Country credit rating, 0–100 (best)* .....	93	35.0
3.04 General government debt, % GDP* .....	40	29.2

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (\*).  
SOURCE: WEF, *Global Competitiveness Report 2012-13*, p. 353

<b>Table 3. The most problematic factors for doing business in Uganda</b>	
	<b>(Percent of Responses)</b>
Corruption .....	18.4
Access to financing .....	16.7
Inflation .....	16.3
Inadequate supply of infrastructure .....	12.8
Tax rates .....	9.6
Insufficient capacity to innovate .....	4.5
Poor work ethic in national labor force .....	4.2
Inefficient government bureaucracy .....	4.2
Inadequately educated workforce .....	3.3
Crime and theft .....	2.6
Foreign currency regulations .....	2.2
Policy instability .....	1.6
Poor public health .....	1.2
Government instability/coups .....	1.1
Tax regulations .....	1.1
Restrictive labor regulations .....	0.4

Note: From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

Source: WEF, *Global Competitiveness Report 2012–2013*, p. 352

<b>Table 4. Infrastructure: Uganda</b>	<b>Rank</b>	<b>Score</b>
	<b>(out of 144)</b>	<b>(1–7)</b>
2.08 Mobile telephone subscriptions/100 pop.* .....	130	48.4
2.07 Quality of electricity supply .....	129	2.2
2.09 Fixed telephone lines/100 pop.* .....	123	1.3
2.03 Quality of railroad infrastructure .....	111	1.4
2.01 Quality of overall infrastructure .....	110	3.4
2.02 Quality of roads .....	110	2.9
2.05 Quality of air transport infrastructure.....	107	3.8
2.06 Available airline seat kms/week, millions* .....	102	43.3
2.04 Quality of port infrastructure .....	90	3.8

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (\*).

Source: WEF, *Global Competitiveness Report 2012–2013*, p. 353

<b>Table 5. Institutions: Uganda</b>	Rank	Score
	(out of 144)	(1–7)
1.03 Diversion of public funds .....	139	2.0
1.14 Business costs of terrorism .....	138	3.7
1.15 Business costs of crime and violence .....	126	3.4
1.05 Irregular payments and bribes .....	124	3.0
1.08 Wastefulness of government spending .....	120	2.4
1.07 Favoritism in decisions of government officials .....	113	2.5
1.16 Organized crime .....	112	4.2
1.22 Strength of investor protection, 0–10 (best)* .....	110	4.0
1.19 Strength of auditing and reporting standards .....	105	4.1
1.21 Protection of minority shareholders' interests .....	97	3.9
1.18 Ethical behavior of firms .....	89	3.6
1.17 Reliability of police services .....	87	3.9
1.02 Intellectual property protection .....	84	3.3
1.04 Public trust in politicians .....	83	2.5
1.01 Property rights .....	80	4.1
1.06 Judicial independence .....	80	3.5
1.13 Gov't services for improved business performance.....	63	3.8
1.11 Efficiency of legal framework in challenging regs. ....	59	3.9
1.12 Transparency of government policymaking .....	59	4.4
1.10 Efficiency of legal framework in settling disputes .....	49	4.1
1.20 Efficacy of corporate boards .....	48	4.7
1.09 Burden of government regulation .....	40	3.8

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (\*).

Source: WEF, *Global Competitiveness Report 2012–2013*, p. 353

<b>Table 6. Technological readiness: Uganda</b>	Rank	Score
	(out of 144)	(1–7)
9.06 Int'l Internet bandwidth, kb/s per user* .....	125	1.8
9.05 Broadband Internet subscriptions/100 pop.* .....	114	0.3
9.04 Individuals using Internet, %* .....	112	13.0
9.01 Availability of latest technologies .....	104	4.5
9.02 Firm-level technology absorption .....	103	4.3
9.07 Mobile broadband subscriptions/100 pop.* .....	96	2.8
9.03 FDI and technology transfer .....	60	4.8

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (\*).

SOURCE: WEF, *Global Competitiveness Report 2012-13*, p. 353

<b>Table 7. Business sophistication: Uganda</b>	Rank	Score
	(out of 144)	(1–7)
11.08 Extent of marketing .....	130	2.9
11.07 Production process sophistication .....	122	2.8
11.03 State of cluster development .....	112	3.1
11.02 Local supplier quality .....	108	4.0
11.05 Value chain breadth .....	103	3.2
11.04 Nature of competitive advantage .....	95	3.1
11.09 Willingness to delegate authority .....	92	3.5
11.06 Control of international distribution .....	74	4.0
11.01 Local supplier quantity .....	41	5.0
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
SOURCE: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 353		

<b>Table 8. Innovation: Uganda</b>	Rank	Score
	(out of 144)	(1–7)
12.07 PCT patents, applications/million pop.* .....	118	0.0
12.01 Capacity for innovation .....	102	2.8
12.03 Company spending on R&D .....	89	2.9
12.06 Availability of scientists and engineers .....	89	3.8
12.02 Quality of scientific research institutions .....	86	3.4
12.04 University-industry collaboration in R&D .....	68	3.6
12.05 Gov't procurement of advanced tech products .....	68	3.6
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
SOURCE: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 353		

<b>Table 9. Financial market development: Uganda</b>	Rank	Score
	(out of 144)	(1–7)
8.02 Affordability of financial services .....	80	4.0
8.05 Venture capital availability .....	74	2.5
8.01 Availability of financial services .....	73	4.5
8.07 Regulation of securities exchanges .....	72	4.0
8.03 Financing through local equity market .....	68	3.5
8.06 Soundness of banks .....	68	5.2
8.04 Ease of access to loans .....	60	3.0
8.08 Legal rights index, 0–10 (best)* .....	43	7.0
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
SOURCE: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 353		

<b>Table 10. Goods market efficiency: Uganda</b>	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
6.06 No. procedures to start a business* .....	140	16
6.16 Buyer sophistication .....	127	2.5
6.02 Extent of market dominance .....	115	3.2
6.07 No. days to start a business* .....	109	34
6.04 Extent and effect of taxation .....	102	3.2
6.10 Trade tariffs, % duty* .....	101	9.0
6.09 Prevalence of trade barriers .....	93	4.0
6.01 Intensity of local competition .....	77	4.7
6.15 Degree of customer orientation .....	73	4.6
6.14 Imports as a percentage of GDP* .....	72	45.0
6.13 Burden of customs procedures .....	64	4.2
6.05 Total tax rate, % profits* .....	63	35.7
6.08 Agricultural policy costs.....	58	4.0
6.03 Effectiveness of anti-monopoly policy .....	46	4.3
6.11 Prevalence of foreign ownership .....	32	5.3
6.12 Business impact of rules on FDI .....	31	5.1
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
SOURCE: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 353		

<b>Table 11. Labor market efficiency: Uganda</b>	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
7.05 Pay and productivity .....	113	3.4
7.07 Brain drain .....	97	3.1
7.06 Reliance on professional management .....	94	3.9
7.01 Cooperation in labor-employer relations .....	86	4.2
7.04 Redundancy costs, weeks of salary* .....	25	9
7.03 Hiring and firing practices .....	7	5.2
7.08 Women in labor force, ratio to men* .....	7	0.96
7.02 Flexibility of wage determination .....	1	6.3
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
SOURCE: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 353		

<b>Table 12. Health and primary education: Uganda</b>	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
4.01 Business impact of malaria .....	136	2.8
4.06 HIV prevalence, % adult pop.* .....	135	6.5
4.02 Malaria cases/100,000 pop.* .....	133	28,037.4
4.05 Business impact of HIV/AIDS .....	132	3.1
4.08 Life expectancy, years* .....	130	53.6
4.07 Infant mortality, deaths/1,000 live births* .....	126	63.0
4.03 Business impact of tuberculosis .....	125	4.0
4.04 Tuberculosis cases/100,000 pop.* .....	117	209.0
4.09 Quality of primary education .....	100	3.3
4.10 Primary education enrollment, net %* .....	89	90.9
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
SOURCE: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 353		

<b>Table 13. Higher education and training: Uganda</b>	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
5.01 Secondary education enrollment, gross %* .....	135	28.1
5.02 Tertiary education enrollment, gross %* .....	128	4.2
5.06 Internet access in schools .....	118	2.9
5.04 Quality of math and science education .....	109	3.4
5.08 Extent of staff training .....	100	3.6
5.07 Availability of research and training services .....	91	3.8
5.05 Quality of management schools .....	89	3.9
5.03 Quality of the educational system .....	69	3.7
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
SOURCE: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 353		