

FREE ZONES AND LOGISTICS INDUSTRY IN UGANDA



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Presentation Outline

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Uganda Free Zones Authority

- Is a body corporate created under an Act of Parliament in 2014; Free Zones Act, 2014.

Mandate:

To oversee the establishment, management, marketing, maintenance, supervision and control of Free Zones and other related matters.

VISION: To be Africa's leading facilitator of export-oriented Investment and Trade.

MISSION: To create a competitive client-centric business environment that facilitates the establishment, management and regulation of Free Zones to enhance export-oriented Trade and Industrialisation in Uganda.

CORE VALUES

- Integrity
- Innovation
- Teamwork
- Client Satisfaction
- Efficiency

Logistics in Free Zones

- ❑ **Logistics** management is a part of supply chain management that plans, implements, and controls the efficient, effective forward, and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption **in** order to meet customer's requirements
- ❑ Transport and **Logistics** business is an advanced part requirement for any Free Zone

What is a Free Zone?

- ❑ An **area** within a **country** where imported goods **can** be stored, processed or manufactured without being subject to import duty and export duty.

Examples

- ❑ Export Processing Zones,
- ❑ Free Port Zones,
- ❑ Special Economic Zones,
- ❑ Free Trade Zones etc.



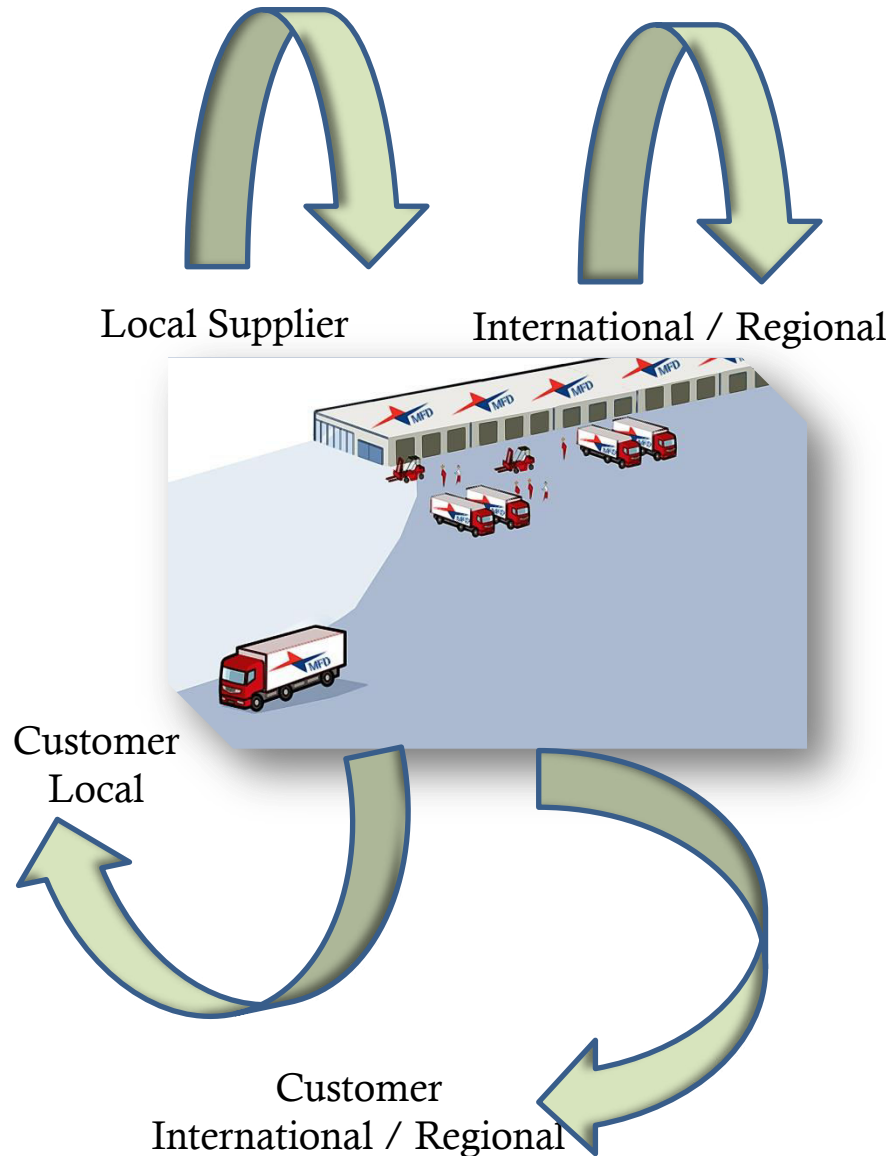
Artistic Impression of a Free Zone



Physical Set-up of a Typical Free Zone

- Pre-built Factory Units
- Warehouses and Storage Facilities
- Office space
- Road & Rail Infrastructure
- Parking Yard
- Administration block
- Police Post Area
- Perimeter Wall or Fence
- Commercial Centre with social facilities & amenities

Logistics Services in a Free Zone



- **Freight Management**

- Air / Sea Freight services from all destinations
- Customs clearing Import

- Inland transport to the Free Zone

- **Dry and Cold Warehousing**

- Online stock tracking of goods
- Value Added services

- Inland transport towards customer

- **Freight Management**

- Air / Sea Freight services to all destinations
- Customs clearing Export

Dubai Success Story in Logistics

- ❑ The most eminent Free Zone for Transport and Logistics is Jebel Ali Free Zone and Dubai Logistics City Free Zone.
- ❑ The Dubai Logistics City Free Zone provides direct access to air, sea and road transportation, including a devoted airport-seaport passage that permits cargo to be moved from port to airport in no time.
- ❑ Jebel Ali Free Zone is home to several multi-national logistics companies comprising 314+ logistics companies from 28 countries in Middle East, Africa, Asia, Europe and the Americas.

A competitive Free Zone requires: Dedicated Physical Infrastructure (Roads, Power, Rail & ICT services)



Customized Pre-built factory units for Processing, Manufacturing and Commercial activities



Dry Warehousing Facilities



Cold Storage facilities



Container Park/Shed- Logistics



Truck Fleet Services/Shed



Office Rental services



Rationale for Free Zones

Governments have adopted Free Zones as a complementary economic development tools. Free Zones have the following benefits among others:

Static Benefits

1. Accelerate export-oriented manufacturing
2. Boost Investment (DDI & FDI)
3. Create employment
4. Increase forex earnings

Dynamic Benefits

1. Enhance technology and skills transfer
2. Create backward and forward Linkages
3. Economic growth

Benefits of Free Zones to the Private Sector

- ❑ Fiscal and non-fiscal incentives;
- ❑ Economies of scale resulting from a centralized business structure with access to many clients;
- ❑ Cluster anchoring which ultimately reduces the cost of doing business;
- ❑ Enhanced Technology Uptake and related efficiency gains;
- ❑ Logistical flexibility- Goods may be transferred from the Port of entry directly to the Free Zone and Customs clearance done on site;
- ❑ Business facilitation and dedicated aftercare services in the acquisition of secondary licences, permits and approvals from other Government Ministries, Departments & Agencies;
- ❑ Free Zones create the necessary traffic for Ports – Large volume of manufacturing activities that require logistics services; and
- ❑ Serviced physical infrastructure facilities within the Zones (Public Zones)



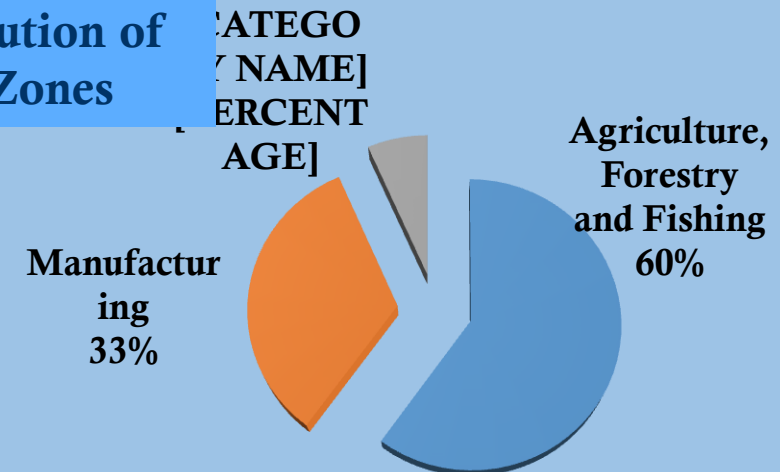
Uganda Free Zones Fact File

- ❑ **Licensed Free Zones to date:** 18 Developers, 3 Operators
- ❑ **Public Free Zones development:** Entebbe (109 Acres), Entebbe International Airport (5 Acres), Jinja (20 Acres). Others in Kasese and Soroti.

Market Destination of Free Zone products

- ❑ East Africa
- ❑ The EU
- ❑ Japan
- ❑ Middle East

Sector Distribution of Current Free Zones



Wagagai Free Zone (148.263 acres)



Nilus Free Zone (6.4 acres) - Jinja



Agrivest shipping Uganda (Nilus Free Zone)

The Logistics company is providing services in the Free Zone in Jinja:

- ❑ Procurement;
- ❑ Warehousing support;
- ❑ Stock control; and
- ❑ Freight and shipping

Planned Government Free Zones

UFZA has the following parcels of land;

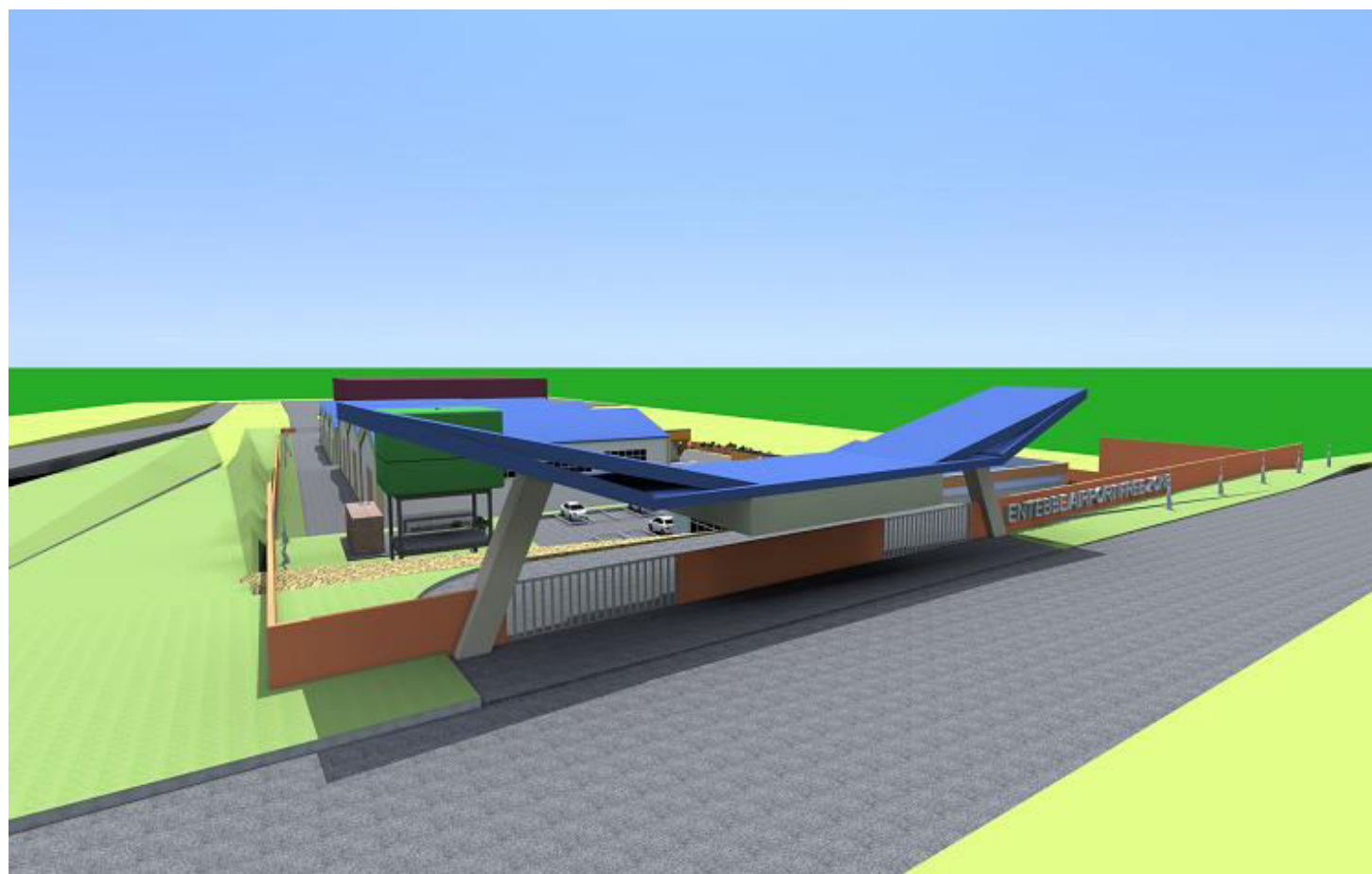
- ❑ 109 acres in Entebbe
- ❑ 5 acres at Entebbe International Airport.
- ❑ 20 acres in Jinja, Kasese and Soroti Industrial Parks.

(TMEA in partnership with UFZA, is planning to establish a Logistics Hub in Jinja Industrial Park). Facilities to be provided in a Logistics Hub include;

- ❑ Modern warehouses
- ❑ Production areas
- ❑ Administrative buildings
- ❑ Cold Storage
- ❑ Customs facilities



Entebbe Airport Free Port Zone



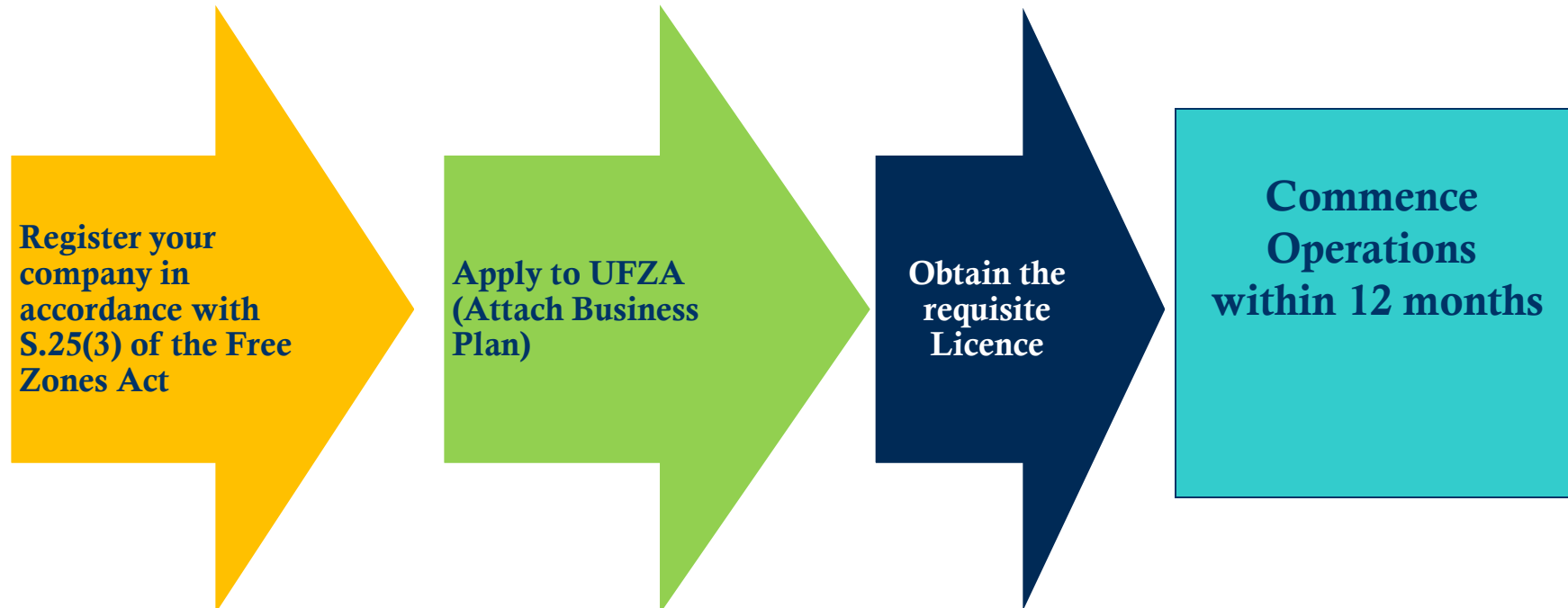
Opportunities for the Logistics Industry

Business Opportunities in Free Zones include:

- ❑ Warehousing and storage
- ❑ Breaking bulk
- ❑ Freight-forwarding services;
- ❑ Warehousing and cold storage; and
- ❑ Distribution
- ❑ Shipping
- ❑ Transportation



Setting up a Logistics company in a Free Zone



UFZA works with you throughout this process

Conclusion

1. All Free Zones require Logistics Services. You can supply logistics to a Free Zone or strategically locate in a multipurpose Free Zone and provide logistics to a range of companies in the Free Zone.
2. Some look into the future, and see disruption, others see collisions, others transformation, and most see **Opportunities.**
3. What does the Logistics industry see when you look to the future?

The Free Zone for the Future requires Logistics companies that will provide speedy, and efficient services to secure a place in the international trade supply chain.

Are you prepared for these opportunities???

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