Blueprint Consortium Africa

FACT SHEET

October, 2026

Smartson Ainomugisha

How Ugandan and Foreign Businesses can Access Land, Tax Holidays and Other Incentives in Uganda's Industrial Parks and Free Zones







Background

The growth of industrial parks. Uganda's industrial park programme began in 1997, when Government degazetted the Namanve Central Forest Reserve and set aside about 2,200 acres for the Kampala Industrial and Business Park (KIBP). Progress was slow at first, held back by poor infrastructure and difficult terrain. By 2016, only about 22 factories were operating at Namanve. Investment in roads, power and water has since accelerated growth, and the model has been extended to regions across the country. Of the **25 planned industrial parks, 7 are fully operational today**: KIBP (Namanve), Luzira, Bweyogerere, Jinja, Mbale, Soroti and Kasese.

25 planned industrial parks, 7 are fully operational today

The rise of free zones. The Free Zones Act, 2014 created the Uganda Free Zones Authority to license and regulate free zones, opening the way for private developers to set up zones focused on export-oriented production. In January 2021, Uganda's first public free zone was commissioned at Entebbe International Airport. In 2024, the Free Zones (Amendment) Act established the Uganda Free Zones and Export Promotions Authority (UFZEPA), which now oversees both free zones and export promotion. **One (1) public free zone at Entebbe International Airport is operational.** In addition, **43 private free zones are licensed and operational**, though at varying levels of development across the country. This leaves significant room for new local and

43 private free zones are licensed and operational

foreign developers and operators to take part.

Sustained Government commitment. Since 2010, when Uganda launched the first of its five-year National Development Plans (NDPs), Government has steadily expanded its support for industrialisation as a pathway to Vision 2040's goal of becoming an upper middle-income country. It has passed enabling laws, including the free zones legislation and the Investment Code Act, 2019; financed infrastructure in the parks, including upgraded roads and new power and water connections; and introduced a package of tax and non-tax incentives for investors. In the **FY 2026/27 budget**, Government allocated **Shs 1.03 trillion** to the manufacturing programme, including funds for new, fully serviced, plug-and-play industrial parks and Special Economic Zones.

allocated **Shs 1.03** trillion to the manufacturing programme

A gap in awareness, and a misconception. Despite this progress, many Ugandan businesses are still unaware of the golden opportunity that industrial parks and free zones offer them. Others wrongly assume that the parks and free zones, along with their tax and non-tax incentives, are reserved for foreign investors. Yet local investors qualify too, and at much lower minimum investment levels than foreign investors.

local investors qualify too, and at much lower minimum investment levels than foreign investors

This factsheet aims to close the gap by giving local and foreign investors clear, evidence-based information on what industrial parks and free zones offer, who qualifies, and how to access the incentives.



1. Industrial Parks

What they Offer

Industrial parks give local and foreign investors land that is ready to build on: clearly titled, connected to power, water and roads, in an established industrial community.

Major publicly owned industrial parks: Kampala Industrial and Business Park (Namanve), Luzira, Bweyogerere, Jinja, Mbale, Soroti, and Kasese.

Major public-private partnerships: Liaoshen Industrial Park (Kapeeka) and MMP Industrial Park (Buikwe).

How to Access Industrial Park Land

Step 1

Incorporate a company and get an Investment License (www.e-biz.go.ug)

Step 2

Identify your sector and how much space you require. UIA's Industrial Parks Development Division can then guide you to the park best suited to your investment

Step 3

Submit a land request through UIA, stating your project's scope, sector and the acreage you need.

Step 4

UIA will review what is available and allocate serviced plots to qualifying investors.

The investment certificate requirements and minimum investment thresholds: Certificate of Incorporation, TIN, Business Plan, Company address (Title or tenancy agreement), bank statement, Id of shareholders (NID or Passport). USD 50,000 for local (EAC) and USD 250,000 for Foreign investors.



2. Free Zones

What they Offer

Free zones are designed to promote export-led industrialisation and to link Uganda's producers with international markets. By encouraging firms to process and package goods in Uganda rather than export raw materials, they generate quality, long-term jobs, increase foreign exchange earnings, and support the transfer of technology and skills.

Major Public Free Zones: Entebbe International Airport Free Zone. Land is also available for lease in the planned public free zones/ Special Economic Zones at Mubende (100 acres), Kumi (79 acres), Bugiri (60 acres) and Moyo (150 acres).

Major Private Free Zones: Arua Special Economic Zone, Uganda-China (Guangdong) Free Zone of International Cooperation (Sukulu, Tororo), Seco Marine (U) Ltd Free Port Zone, and Yako AI Hub Special Economic Zone .

How to Access a Free Zone License

Developer's License Procedure

1. Incorporate or register a company with Uganda Registration Services Bureau (URSB) for the sole purpose of developing and operating a Free Zone.
2. Submit a duly filled Application Form accompanied by the following documents:
   a) Proof of payment of Application fee of **USD 250**
   b) Agreement establishing a Free Zone where several Developers are establishing the Free Zone;
   c) Feasibility Study or Business Plan;
   d) Master Plan; Marketing Plan;
   e) Environment Impact Assessment Clearance;
   f) Project Plan for establishing the Free Zone with clear indicators and timelines;
   g) Memorandum and Articles of Association; Certificate of Incorporation/ Registration;
   h) A copy of Resolution filed with the Registrar of Companies altering Memorandum of Association for already existing companies to provide for Development and Operation within a Free Zone;
   i) Tax Clearance Certificate, where applicable;
   j) Other documents that the Authority may consider necessary.
3. UFZEPA requests applicant to provide additional information or clarify information, within 5 working days of receipt of application.
4. UFZEPA investigates and prepares a detailed report within 3 months of receipt of application or receipt of additional information or clarification.
5. UFZEPA notifies applicant of the decision to grant the license or not within 10 days after the detailed report.
6. Developer is required to start operations within 12 months from the grant of the license.

Fees: Application fee to Develop/establish a Free Zone- **USD 250**; Initial License for 5 years- **USD 5,000** and Subsequent Annual license **USD 1,000**

Operator/Manager's License Procedure

1. Incorporate/Register a company with URSB for the purpose of producing goods or services within a Free Zone.
2. Submit a duly filled Application Form accompanied by the following documents:
   a) Proof of payment of Application fee of **USD 250**
   b) Feasibility Study/Business Plan;
   c) Marketing Plan;
   d) Project Plan for operating or managing a Free Zone with clear indicators and timelines;
   e) A Copy of the Agreement between the Developer and the Operator to operate in a Free Zone;
   f) A copy of Resolution filed with the Registrar of Companies altering Memorandum of Association for already existing companies to provide for Operation within a Free Zone ;
   g) Memorandum and Articles of Association; Certificate of Incorporation/ Registration;
   h) Tax Clearance Certificate, where applicable;
   i) Other documents that the Authority may consider necessary.
3. UFZEPA requests applicant for additional information or clarify information if any within 5 working days of receipt of application.
4. UFZEPA investigates and prepares a detailed report within 45 days of receipt of application or receipt of additional information or clarification.
5. UFZEPA notifies applicant of decision to grant the license or not.
6. The operator shall commence activities after the Commissioner General (Uganda Revenue Authority) issues a certificate conforming that all conditions for keeping records and security of customed goods have been complied with.

Fees: Application fee for Free Zone Operator's license or Manager's License **USD 250**; Annual license payment - **USD 1,000**



3. Tax Incentives for Industrial Parks and Free Zones

The tax incentives below apply to both industrial parks and free zones, and free zones enjoy additional customs and VAT benefits. What you receive depends on your role:

- **Developer:** a company that builds and runs the park or zone, and rents or leases space to businesses.
- **Operator:** a business that sets up and runs its activity (for example, a factory or warehouse) inside the park or zone.

Step 1

Check that you meet the minimum investment

Investor	Developer	Operator
Non-EAC foreign investor	USD 50 million	USD 10 million
East African Community (EAC) citizen	USD 10 million*	USD 300,000 (USD 150,000 if the investment is upcountry)

** For VAT and stamp duty tax incentive, a developer must invest at least USD 50 million, whatever their nationality.*

EAC citizens include Ugandans and citizens of other EAC member states, such as Kenya, Tanzania and Rwanda also referred to as local investors in this factsheet.

Step 2

Operators must also meet the 70-70-70 rule

- At least 70% of raw materials are sourced locally;
- At least 70% of employees are citizens of EAC partner states; and
- These employees earn at least 70% of the total wage bill.

Step 3

Operators must be in an eligible sector

- **Agriculture:** processing of agricultural products; commercial farming.
- **Manufacturing or assembly:** medical appliances, medical sundries and pharmaceuticals; building materials; automobiles; household appliances; furniture; pulp and paper; printing and publishing of instructional materials; chemicals for agricultural and industrial use; textiles; glassware; leather products; industrial machinery; electrical equipment; sanitary pads and diapers; tires; footwear; mattresses; toothpaste.
- **Services:** logistics and warehousing; information technology; establishing or operating vocational or technical institutes.

Note: eligible sectors vary slightly from one tax to another, so it is important to verify your sector in URA's Tax Incentives Guide for Investors in Uganda before applying.

Step 4

Specific tax incentive

Tax	Developer	Operator
Income tax	No tax on income from renting or leasing facilities in the park or zone is exempt. **Period:** 10 years from the start of construction.	No tax on income from any of the listed business activities in the Industrial Park or Free Zone. **Period:** 10 years from the start of the business.
VAT	No VAT on feasibility studies, design and construction services, construction materials, and earth-moving equipment and machinery. **Period:** duration of the development.	No VAT on feasibility study and design services, or on locally produced raw materials and inputs. **Period:** no fixed end date.
Stamp duty	No stamp duty on debentures, land leases, increases in share capital and land transfers. **Period:** duration of the development.	No stamp duty on debentures, land leases, increases in share capital and land transfers. **Period:** duration of the activity.
Excise duty	No excise duty on construction materials used to develop the park or zone. **Period:** duration of the development.	No excise duty on construction materials for a factory or warehouse, excluding those available on the local market, locally produced raw materials and inputs. **Period:** no fixed end date.

Extra tax benefits in free zones.

- **Customs duties and taxes.** A licensed free zone is totally exempt from customs duties, taxes and other charges of equivalent effect on goods brought into the zone to produce for export.
- **VAT.** VAT is zero-rated on all exports, and on goods and services a free zone business buys from the rest of Uganda (the customs territory).
- **Green Channel customs clearance.** Free zone goods are cleared through a dedicated Green Channel Customs Management Platform, cutting border delays.



4. Non-Tax benefits specific to free zones

- **Serviced land and buildings.** Greenfield and serviced industrial land for lease, subsidised land, and buildings for lease.
- **Plug-and-play facilities.** Pre-built industrial sheds, warehouses and office space, ready to move into.
- **Infrastructure and utilities.** Dedicated power, water and ICT, truck parking, cold storage, packaging and logistics (at the Entebbe International Airport Free Zone), plus access to skilled labour.
- **Clustering.** Agglomeration and co-location with other businesses and ancillary services.
- **Faster customs.** On-site customs inspection of goods, people and vehicles, and a Green Channel customs platform for free zone goods.
- **One-Stop Centre.** Fast-track licensing and approvals, including a One-Stop International Trade Facilitation Centre at Entebbe.
- **A Relationship Manager for every free zone.** Simplified procedures for obtaining licences and permits from other Government institutions.
- **Export promotion.** Market linkages, business support, facilitation and aftercare services from UFZEPA.
- **Warehousing.** Storage of non-export goods when capacity allows.
- **Profit repatriation.** Unrestricted repatriation of profits after tax.



5. How to Access the Tax and Non-Tax Incentives

Follow these steps.

Step 1

Register your company. Incorporate with the Uganda Registration Services Bureau (URSB) and get a Taxpayer Identification Number (TIN) from URA.

Step 2

Get a UIA investment certificate. This is required for UIA's non-tax incentives, and UIA's One Stop Centre can guide you on the tax incentives you may qualify for.

Step 3

Step 3 – Secure your location. Apply to UIA for serviced land in an industrial park or apply to UFZEPA for a free zone developer or operator license. Free zone operators also need a Certificate of Conformity from URA.

Step 4

Claim your tax incentives from URA. Apply to URA with evidence that you meet the conditions highlighted above: investment value, eligible sector and the 70-70-70 rule. Keep records, as you must continue to meet the conditions for as long as you benefit.

Who to contact

Organisation	Contact for	Contact details
Uganda Investment Authority (UIA)	Investment license, industrial park land, non-tax incentives	**Uganda Business Facilitation Centre** Plot 1, Baskerville Avenue, Kololo Floors 1, 6, and 7 P.O. Box 7418 Kampala, UGANDA **Tel:** +256 800100038 **Email:** info@ugandainvest.go.ug **Web:** www.ugandainvest.go.ug
Uganda Free Zones and Export Promotions Authority (UFZEPA)	Free zone developer, operator and manager licenses	Communications House, 6th Floor, Plot 1 Colville Street, Kampala **Tel:** +256 417 722 600 **Email:** info@ufzepa.go.ug **Web:** www.ufzepa.go.ug
Uganda Revenue Authority (URA)	TIN, claiming tax incentives, Certificate of Conformity	Uganda Revenue Authority Headquarters, Plot M193/M194, Nakawa Industrial Area P. O. Box 7279, Kampala **Toll-free:** 0800 117 000 **Email:** services@ura.go.ug **Web:** www.ura.go.ug

Sources: Uganda Revenue Authority, A Guide on Tax Incentives/Exemptions; Uganda Investment Authority; and Uganda Free Zones and Export Promotions Authority.

Blueprint Consortium Africa is Africa's Centre of Excellence for applied research, monitoring and evaluation, data science and analytics. The Consortium is headquartered in Kampala, Uganda. We bring together leading experts from government, academia, and the private sector to generate rigorous, actionable evidence that informs policy and decision-making across Uganda and the Continent.

Blueprint Consortium Africa

Learn more about us at:

P.O Box 188120 Kampala (GPO)
Physical address: Kyambogo
Website: www.bcafrika.com
Tel.:+256 706768197
Email: bca@bcafrika.com

https://www.bcafrika.com/

Blueprint Consortium Africa