

Forest Financing : Forestry as a Viable Business

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The Uganda Forestry Environment...









Uganda Investment Environment

A. Opportunities

- Planting of soft wood plantations for: timber and poles; pulp etc...
- Value addition of products from both hard and soft wood.
- Planting forests to benefit from carbon credits (CDM)
- Tourism and recreation
- Agricultural –Fodder, Mitigation of Climate change Windbreaks and shelter breaks, Soil erosion checks and soil improvement

B: Incentive Regimes:

General Exemption Regime

- **Seeds for sowing**., Chemical fertilizers
- Imported inputs by persons engaged in horticulture, ***agriculture*** or floriculture,

Capital investment allowances- deductables eg 75% off over 100km from Kampala

Carry forward losses

Tax Exempt income

Non Tax incentives

VAT related incentives

The Business Case... Current efforts on Plantations…







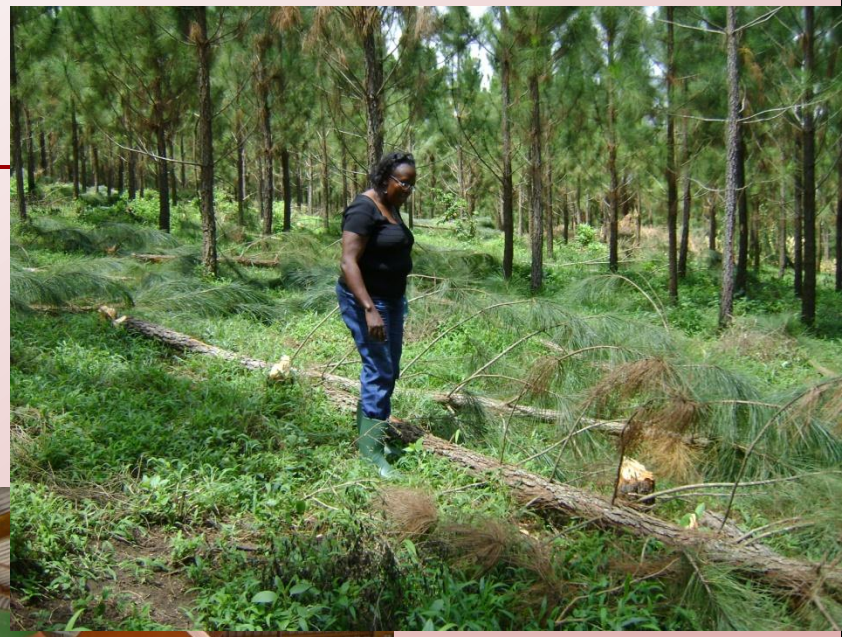
The Business Case … Value Addition

-The country needs Timber and other wood resources

- Need 80,000ha, have only 40,000
- Thinning wasted
- Resource base
- Pressure very high on the natural forests



Does it make Sense.....?



A. Strengths

- IRR = 11 to 18%
- Demand for wood high
- Social – Jobs and RHI
- Increased resource base
- Protected natural forests





B. Weaknesses

- Inadequate financing
- Inadequate Technical support for Value addition

Thank You!!!!!!

Ahsante Sana!!!!!!

Mwebale Nyo!!!!!!!



