

NOTIFICATION UNDER ARTICLE 5.1 OF THE AGREEMENT
ON TRADE-RELATED INVESTMENT MEASURES

Uganda

The following communication, dated 17 June 1997, has been received from the Permanent Mission of the Republic of Uganda.

Pursuant to provision 1 of this Article and aware of the delay in meeting this notification requirement, the Republic of Uganda hereby notifies the Council for Trade in Goods that Section 13 of our Investment Code, Statute No. I of 1991¹ is not in conformity with the provisions of the Agreement on Trade-Related Investment Measures. For ease of reference the Section states as follows:

"The Authority shall in considering an application for an investment licence under this Code, carry out an appraisal of the capacity of the proposed business enterprise to contribute to the following objectives:

- (a) The generation of new earnings of savings of foreign exchange through exports, resource-based import substitution or service activities;
- (b) the utilisation of local materials, suppliers and services;
- (c) the creation of employment opportunities in Uganda;
- (d) the introduction of advanced technology or up-grading of indigenous technology;
- (e) the contribution to locally or regionally balanced socio-economic development;
or
- (f) any other objectives that the Authority may consider relevant for achieving the objects of this Code."

It is important to note that the TRIMs (paragraphs (a), (b) and (f) above) are of general nature and are applied under discretionary authority by the Uganda Investment Authority (UIA) Board of

¹A copy of the Investment Code is available for inspection by interested delegations in the Intellectual Property and Investment Division.

Directors. The provisions of the Section are points of reference when the UIA Board is appraising an investor for the incentives and facilities under the Investment Code.

However, with regard to provision 3 of this Article, Uganda being a least developed country, while requesting the Council for Trade in Goods to extend the transition period for the elimination of the TRIMs notified above to seven years as provided for in provision 2 of this Article, is in the process of reviewing the Investment Code with intent to amend Section 13 and harmonize it with the Agreement. This will be done within the period as provided in the Agreement and requested for by Uganda through this notification, taking into account the difficulties which may arise in the implementation and our development, financial and trade needs.