



# PETROLEUM AUTHORITY OF UGANDA

## OPPORTUNITIES IN UGANDA'S OIL AND GAS SECTOR

**Aggrey Mugume (FCCA)**  
**National Content Officer**

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# PRESENTATION OUTLINE

1. Legal Framework
2. National Content - Defined
3. National Content Regulatory tools
4. Opportunities & Incentives for investment
5. Enhancing Local Capacity & Success Stories





# KEY ROLE PLAYERS & SUPPORTING LEGAL FRAMEWORK



## MINISTRY OF ENERGY AND MINERAL DEVELOPMENT

- Policy formulation and licensing for petroleum minerals and renewable energy.

## PETROLEUM AUTHORITY OF UGANDA

- Regulating and monitoring compliance in the petroleum sector

## UGANDA NATIONAL OIL COMPANY LTD

- Responsible for the State's commercial interests in the petroleum sector.

## POLICY

- National Oil and Gas Policy 2018 is the key document guiding the sector;

## LAWS

- The Petroleum (Exploration, Development and Production) Act, 2013
- Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013
- Public Finance Act 2015, (Part VIII on Petroleum Revenue Management)
- Other relevant statutes and guidelines such as Environment , Wildlife, Water, Income Tax, Land

## REGULATIONS

- New Petroleum Regulations 2016 to address Exploration, Development, Production, HSE, National Content among others

## OTHER

- Host Government Agreement (Initialed 2020)

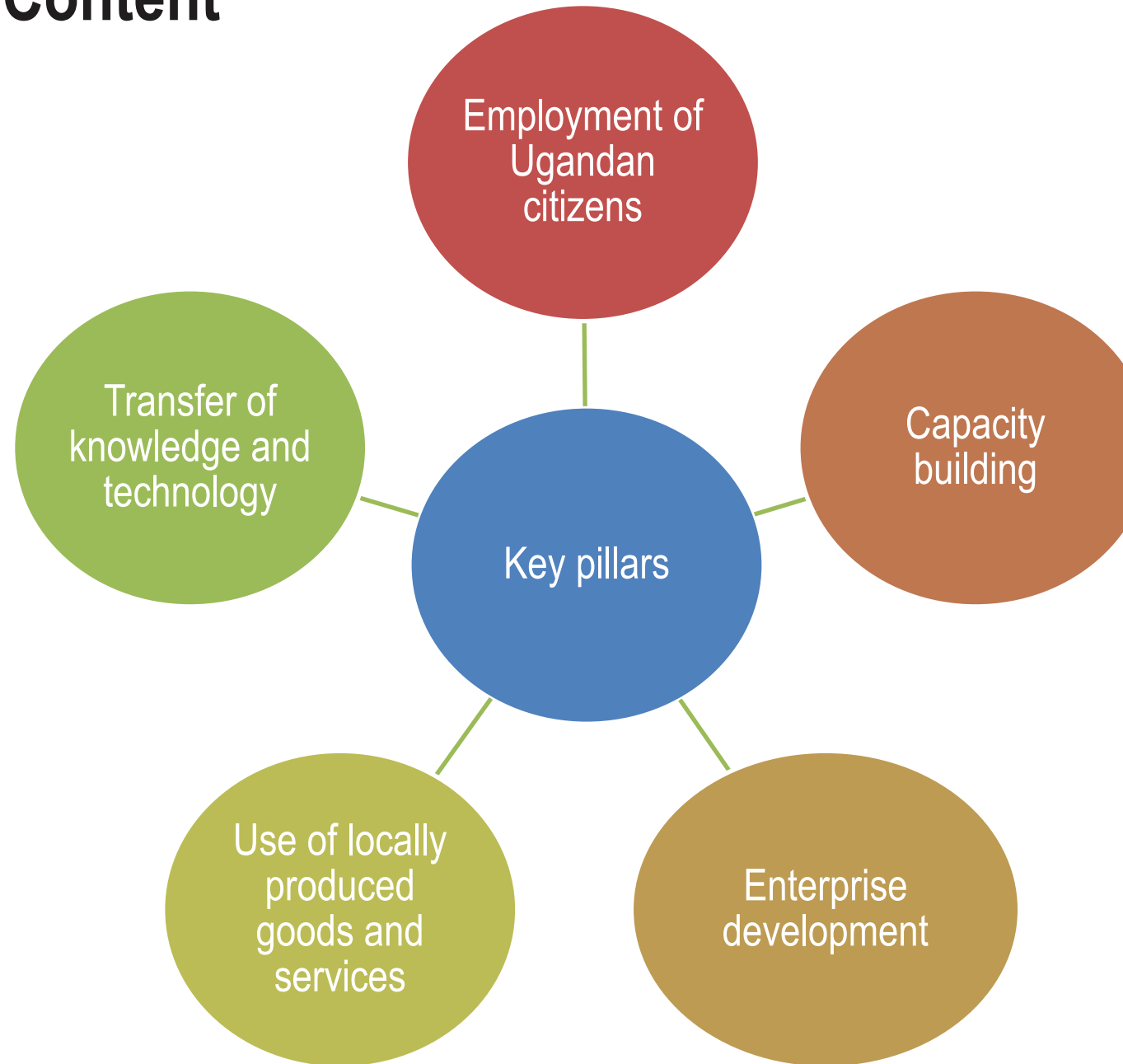
# National Content

## Definition

- Value added or created in the Ugandan economy through the employment of Ugandan workers and the use of goods produced or available in Uganda and services provided by Ugandan citizens and enterprises

## Why Regulate

- National human capital development in oil and gas related disciplines.
- Achieve in-country value creation and retention whilst ensuring competitiveness, efficiency and effectiveness.
- Develop the competitiveness of Ugandan enterprises to supply the Oil and Gas Sector.



# NATIONAL CONTENT: REGULATORY TOOLS

## Utilization of Ugandan Goods

Work Program and  
Budget Approval

Procurement Plans

Procurement contracts

National Supplier Data  
base

## Employment

Work Program and  
Budget Approval

Human Resource plans  
& Reports

Work permit  
recommendations

Succession plans

National Talent Register

## Skills Development

Work Program and  
Budget Approval

Training Plans

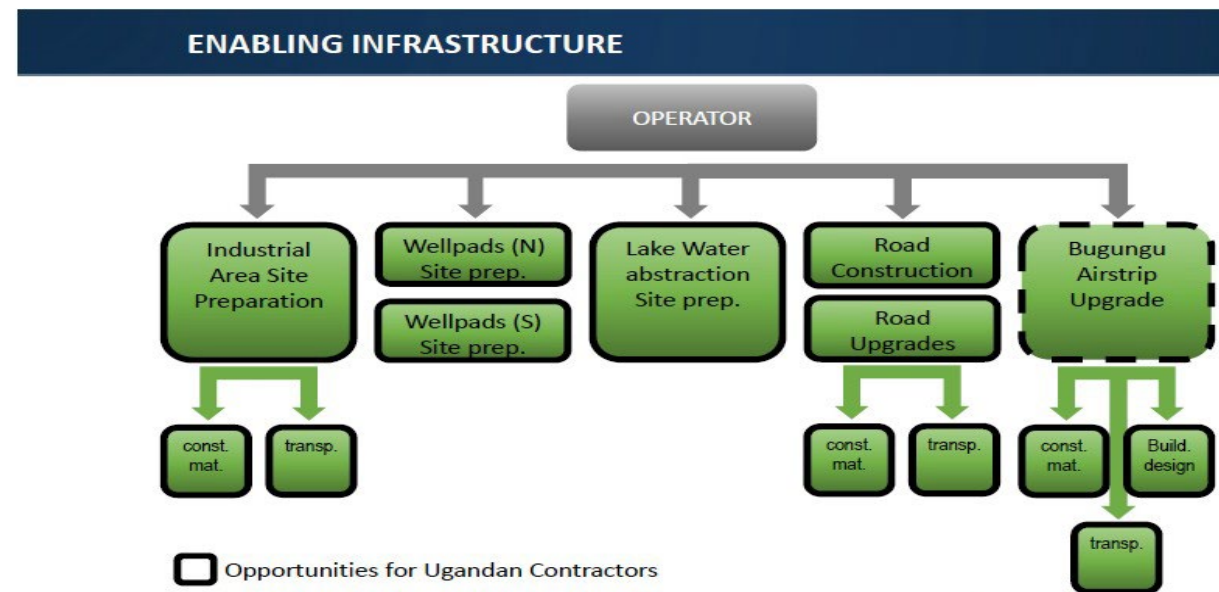
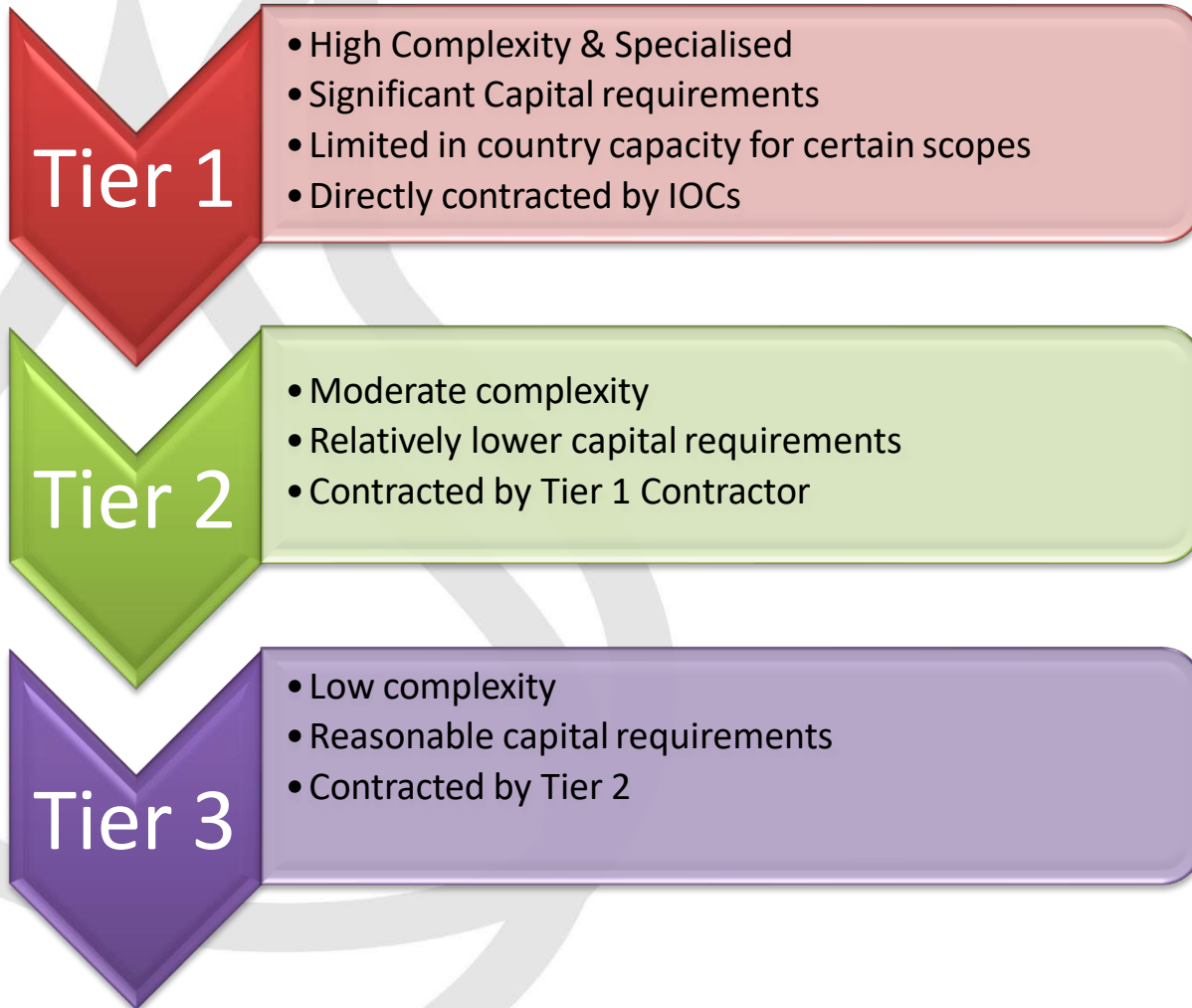
Industry attachments

Plans for technology  
transfer



## OPPORTUNITIES & INCENTIVES

## Contracting Layers.



# DOMICILIATION OPPORTUNITIES

## Less than 1 Year

- Fabrication
- Paint manufacturing and painting services.
- Mechanical testing
- Industrial area maintenance services

## 1-3 Years

- Valve testing and repair
- Supply of Chemicals- (Barite, Bentonite) etc.
- Mud logging assembly facility
- Steam truck services
- Detailed engineering.
- Supply and assembly of prefabricated buildings

## Over 3 years

- Pipe coating
- Threading of OCTGs
- Assembly of Christmas trees
- Supply of high- and low-pressure fibre glass pipes and piping accessories.
- Manufacture of flanges and fittings.
- Assembly of distributed control systems and safety instrumented systems.
- Well intervention services.
- Work over rig services




# OPPORTUNITIES FOR INVESTMENT

- Definition of a Ugandan Company – Doesn't Specifically consider ownership but looks at a company incorporated in the country, utilisation of Ugandan goods, Employment of Ugandans and Management & Control of the company exercised within Uganda.
- Support systems in place; Work permit application system to ease the process of mobilising workers.
- Promotion of Joint Ventures to work on key projects

## INCENTIVES FOR INVESTMENT



**Tax Exemptions on imports of approved raw materials and equipment to be used on the Oil and Gas Projects as well as mining.**



**A company providing goods and services to the licensee will charge VAT normally but the licensee doesn't pay that VAT to the company as it will be deemed to have been paid.**

# INCENTIVES FOR INVESTMENT



**Ease of registering businesses at the one stop centre.  
Gov't entities are all under one roof to register the businesses.**



**National Supplier database provides visibility for companies in business.**

# NATIONAL SUPPLIER DATABASE

Reg. 176 of the Petroleum(Exploration, Development & Production) Regulations 2016

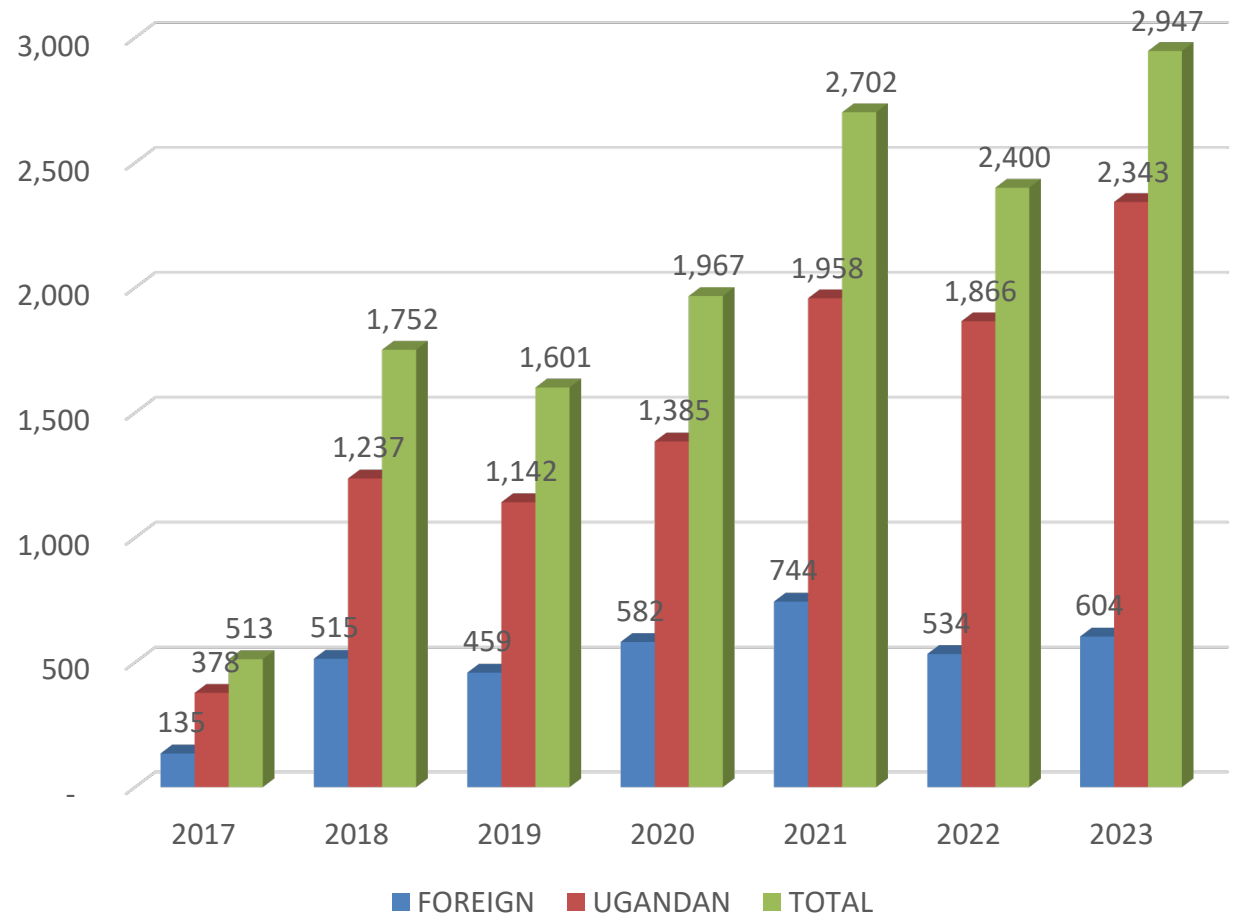
**QUALIFIED COMPANIES- 2,947**

Ugandan Companies- 2,343 (80%)

Foreign Companies- 604 (20%)

10 Nigerian Companies on NSD

NSD REGISTRATION TREND



Registration is done online via our website [www.pau.go.ug](http://www.pau.go.ug)

# Enhancing Local Capacity

## What is being done

- Trained over 500 enterprises from the ten districts where the East African Crude Oil Pipeline (EACOP) traverses. This was the AFDB- MSMEs project aiming at building capacities for enterprises mainly by youth and women. Training in Financial management, bidding procedures and this helped create linkages to access new markets.
- Stanbic Business Incubator on Building of local businesses capacity. Over 1200 enterprises have been supported in Financial management, bidding procedures and this helped create linkages to access new markets
- Industry Enhancement Centre – IEC to be launched next week by Total and other JV partners and will mainly look at supporting enterprises in the sector. Operation Strategy has already been discussed with the PAU.
- Local Content Fund – Still work in progress.



- Status of total employed 13,067 (90% Ugandans) employed 4,595 from community.
- Creation of Joint Ventures (65) with local companies mainly having a participating interest of 48% and Foreigners 52%.
- Value of Contracts to Ugandan companies at 25%.



	Value (USd)	Number of Contracts
<b>Total Value of Contracts reviewed</b>	<b>7,163,370,649</b>	<b>271</b>
Value to Ugandan Level 1 Contractors (A)	<b>1,039,786,217</b>	<b>176</b>
Value to Ugandan Level 2 Subcontractors from International Contractors (B)	<b>757,563,728</b>	<b>N/A</b>
<b>Total Commitment to Ugandan Companies (A +B)</b>	<b>1,797,349,945</b>	
Estimated Percentage Value to UG Companies	<b>25%</b>	

# Thank you



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+256 313 231 600 [www.pau.go.ug](http://www.pau.go.ug) [ed@pau.go.ug](mailto:ed@pau.go.ug)

[@PAU\\_Uganda](#) [Petroleum Authority of Uganda](#)

Head Office: Petroleum House, Plot 21-29 Johnston Road, P.O.Box 833, Entebbe, Uganda

