UGANDA MARKET OUTLOOK | CEO ROUNDTABLE

From cost shock to recovery

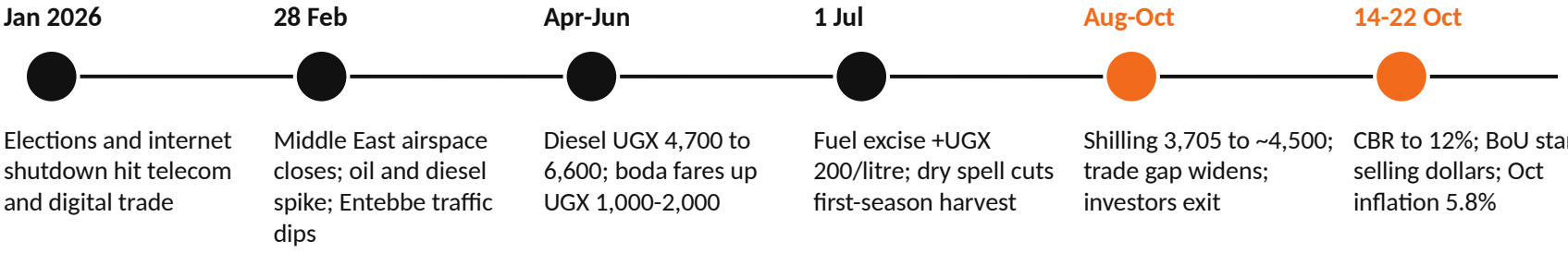
Background, causes, three-year trends, projections and a playbook for seven sectors

Insurance brokers • Airport transfers • Telecoms • Hotels • Apple resellers • Tour & travel • Consultants & data analysts

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Prepared by The Knowledge Engine with Infotrade

Background: how three calm years became a 2026 cost shock



Why it happened

- Structural gap: Uganda buys more abroad than it sells. Goods deficit US$2.8bn and services deficit US$3.3bn in the 12 months to Aug 2026 (BoU)
- August imports +66.5% vs exports +40.6%; monthly trade gap US$817m
- Oil importers need US$620m a quarter; offshore investors pulled money out
- A dry spell pushed up food prices as the shilling fell

Why it matters for your business

- BoU's message: rate rises and dollar sales buy time, but only more exports and fewer imports fix the currency. Plan for a weak shilling, not a quick rebound
- 2023-25 were calm (inflation 2-4%), so many firms priced, borrowed and stocked as if that would last
- The economy still grows (6.0-6.5%), but costs rise faster than clients' budgets

Five problems CEOs face, and what is driving each

Problem	What is driving it	Evidence
Fewer clients	Corporates cut travel, events and discretionary spend; households protect food and transport	BoU cut FY2026/27 growth to 6.0-6.5% from 7.0-7.5%
Lower sales volumes	Real budgets shrink; smaller orders; big-ticket buys postponed	UGX 100,000 of late 2021 now buys ~UGX 78,000 of goods
Rising prices	Food (dry spell), energy and utilities, transport passed through to everything	Inflation 5.8%, food 10.7%, energy & utilities 15.4% (Oct)
Dollar prices	Trade and services deficits (US$6.1bn a year), oil import bill, weaker coffee and cocoa, investor outflows	UGX 3,612 to 4,245 per US$ (shilling -15%), weakest since 1993
Fuel prices	Global diesel spike, Middle East conflict, excise +UGX 200/l, weak shilling	Diesel UGX 4,700 (Apr) to 7,290 (Nov), +55%

Read-out: the economy is still growing, but costs rise faster than clients' budgets. Revenue can rise while units, margins and cash fall.

Three years of BoU and UBOS data, and our 2027 outlook

Indicator	2023	2024	2025	2026 latest	2027 outlook*
Headline inflation, Oct (UBOS)	2.4%	2.9%	3.4%	5.8%	~7% peak Q1, ~5% Q4
Food crops inflation, Oct (UBOS)	n/a	-5.3%	6.1%	10.7%	~12% Dec, ~4% Q3
UGX per US$, year-end (BoU)	3,780	3,671	3,612	4,245 (30 Oct)	4,200-4,400
Diesel, UGX/litre, Kampala	4,992	4,700	4,950	7,290	~6,300 by Dec
Central Bank Rate (BoU)	9.5-10%	9.75%	9.75%	12.0%	11-12%
GDP growth, fiscal year	6.1% (23/24)	6.3% (24/25)	~6.4% (25/26)	6.0-6.5% (26/27 f)	~8% medium term (oil)
Tourist arrivals	~1.27m	1.37m	1.6m+	Hit by Feb airspace closure	Recovery; AFCON 2027
Entebbe int'l passengers	n/a	2.24m	2.49m	Feb +19%, then dip	Growth resumes
Insurance premiums (IRA)	~UGX 1.6trn	UGX 1.76trn	UGX 2.02trn	Life +39% in 2025	Life, medical lead

**Knowledge Engine base case built on BoU (inflation 7.0-7.5% over 12 months; growth 6.0-6.5%), IMF Article IV 2026 and IEA diesel outlook. 2023 food and some 2023 values estimated or unavailable.*

How the shock hits each sector, and how buyers will react

Sector	Dollar exposure	Fuel exposure	Demand pressure	Likely buyer behaviour (next 6-9 months)
Insurance brokers	**Medium**	Low	**Medium**	Delay renewals, cut cover, ask for instalments; life and medical still growing
Airport transfers	**Medium**	**High**	**Medium**	Share rides, book only essential trips; foreign visitors still pay in dollars
Telecoms	**High**	**Medium**	Low	Smaller daily bundles, keep phones longer; data and mobile money keep growing
Hotels	**Medium**	**High**	**High**	Shorter stays, fewer events, day conferences, hard price shopping
Apple resellers	**High**	Low	**High**	Postpone upgrades; want instalments, repairs, trade-ins, refurbished
Tour & travel	**Medium**	**High**	**Medium**	Locals cut leisure; foreign tourists find Uganda ~15% cheaper
Consultants & data analysts	Low	Low	**Medium**	Drop 'nice-to-have' studies; buy pricing, cost and cash-flow analytics

Across all buyers: trade down, split orders, pay later, protect essentials, and favour suppliers who cut their costs or let them pay over time.

Sector playbook 1: insurance, transport and hospitality

Insurance brokers

Challenge: clients downgrade cover and pay premiums late; claim costs rise with imported parts and medical bills.

Mitigate: instalment and premium-finance plans; re-broke renewals to protect budgets; review sums insured for the weaker shilling; AI-assisted follow-ups.

Opportunity: life and medical (+39% life premiums in 2025); cargo cover for exporters; contractor cover for oil, gas and infrastructure.

Airport transfer services

Challenge: diesel +55%; fewer travellers after the Feb airspace closure; vehicles and spares priced in dollars.

Mitigate: fuel-surcharge clause; dollar tariffs for foreign clients; shared shuttles and route planning; hybrid and fuel-efficient vehicles.

Opportunity: 2.49m Entebbe passengers in 2025 and a new terminal; contracts with hotels, airlines, NGOs; oil and gas crew rotations to Hoima.

Hotels

Challenge: food +10.7%, energy and utilities +15.4%; fewer corporate events; imported supplies.

Mitigate: menu engineering and local sourcing; solar and energy audits; dynamic pricing; dollar rates for foreign guests; day-conference packages.

Opportunity: MICE and AFCON 2027; long-stay deals for oil, gas and construction contractors; international brands entering.

Tour & travel

Challenge: airspace disruption and dear airfares; locals cut leisure; fuel lifts safari costs.

Mitigate: quote inbound packages in US$ and collect early; diversify markets (EAC, France, Spain, Switzerland); fuel clauses with transporters.

Opportunity: weak shilling makes Uganda ~15% cheaper for visitors; record 2025 base (1.6m+ arrivals, US$1.62bn); AFCON 2027; domestic corporate retreats.

Sector playbook 2: technology, knowledge and cross-selling

Telecommunications

Challenge: equipment and handsets priced in dollars; diesel for sites; handset taxes (10% duty + 18% VAT) keep smartphone use at 33%.

Mitigate: small daily bundles; device financing; solar for sites; shilling pricing for consumers, dollar-linked enterprise contracts.

Opportunity: MTN at 25.4m subscribers, H1 profit up over a third; mobile money for collections; enterprise connectivity, cloud, fleet tracking.

Apple computer resellers

Challenge: every unit imported in dollars (~15% dearer); upgrades postponed; stock loses value as the shilling moves.

Mitigate: weekly dollar-linked price lists; lean stock and forward cover; bank instalments; trade-in and certified pre-owned.

Opportunity: device-as-a-service leasing to corporates and schools; repairs and AppleCare (devices kept longer); creative and education segments.

Consultants & data analysts

Challenge: discretionary studies cut; late payment; AI tools lower the price of basic analysis.

Mitigate: fixed-scope and outcome-based fees; retainers; 50% upfront; AI-assisted delivery to cut cost.

Opportunity: pricing intelligence, cash-flow and FX-risk models, procurement savings, market entry for exporters, oil and gas, STI/AI.

Cross-sector bundles (Power Team)

Challenge: single products are easy to cut from a budget.

Mitigate: sell joined-up solutions with shared clients and one account lead.

Opportunity: Travel bundle: transfer + hotel + tour + travel insurance. Productivity bundle: Apple devices + connectivity + data analytics + cyber cover.

What to avoid now, and where the new opportunities are

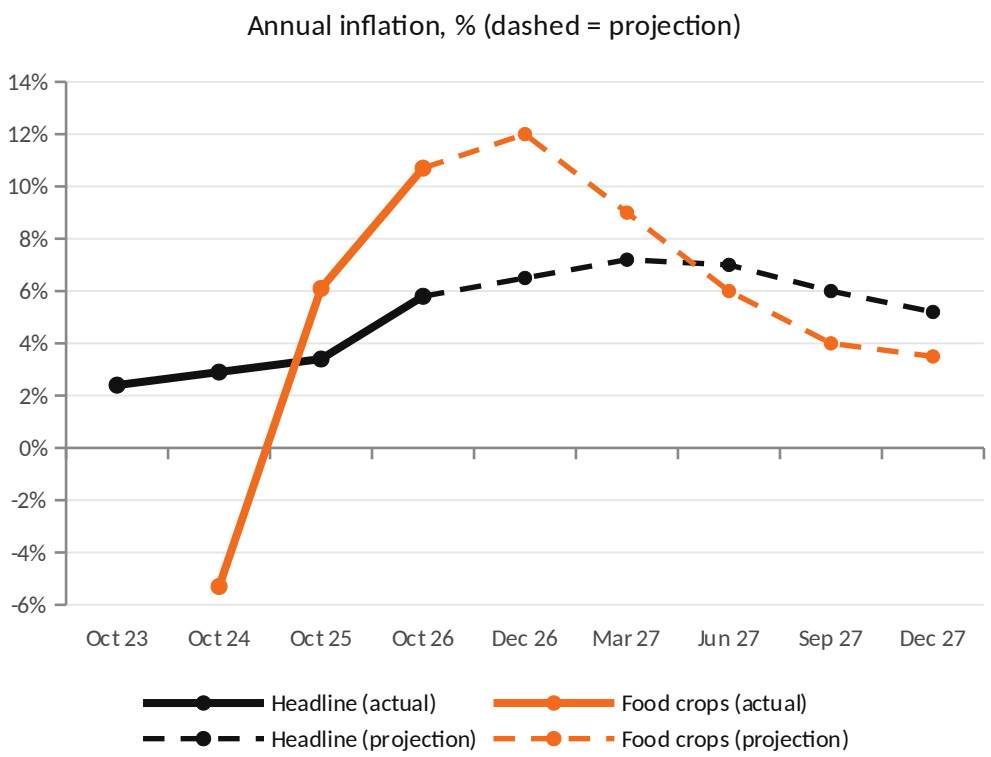
AVOID FOR NOW

- Dollar loans or supplier credit with no dollar income
- Large imported stock: devices, vehicles, spares
- New branches, fleets or renovations on borrowed money at 12%+
- Price wars below replacement cost
- Long unsecured credit to clients
- Fixed prices beyond 30 days
- Marketing spend with no measurable return

NEW OPPORTUNITIES

- Dollar earners as clients: exporters, NGOs, embassies, oil and gas, tourists
- AFCON 2027 and conferences (MICE)
- Oil and gas build-out around Hoima: transfers, rooms, cover, connectivity
- Efficiency sells: solar, automation, analytics, device leasing
- Life and medical insurance growth
- Digital payments and faster collections
- Repairs, refurbished and service plans

Recovery: inflation peaks early 2027, demand returns H2 2027



Base case

Inflation peaks ~7% in Q1 2027, near 5% by end-2027. Shilling 4,200-4,400. Diesel ~6,300 by Dec 2027. Volumes recover from H2 2027.

Downside

Oil shock lasts or bond outflows grow: shilling past 4,700, more rate rises, recovery slips into 2028.

Upside

Oil prices fall, coffee and gold firm, first-oil inflows: shilling below 4,000, recovery by mid-2027.

Direction of growth: what CEOs do now, next and then

DEFEND
Nov 2026 - Jan 2027

- Index quotes to US$ or fuel; 7-day validity
- Deposits on imported orders; collect weekly
- Cut slow stock; no new dollar debt
- Protect top-20 clients with account reviews

ADAPT
Feb - Jun 2027

- Smaller, tiered and instalment offers
- Shared delivery, solar, route planning
- Launch Power Team bundles
- Pipeline review every two weeks

GROW
Jul 2027 - 2028

- Target dollar earners and oil and gas
- AFCON 2027 and MICE packages
- Recurring revenue: leases, retainers, service plans
- Invest as rates and the shilling settle

Each CEO commits within 30 days to:

1. **One cost to cut**
2. **One investment to pursue**
3. **One client-retention action**
4. **One financial risk to close**