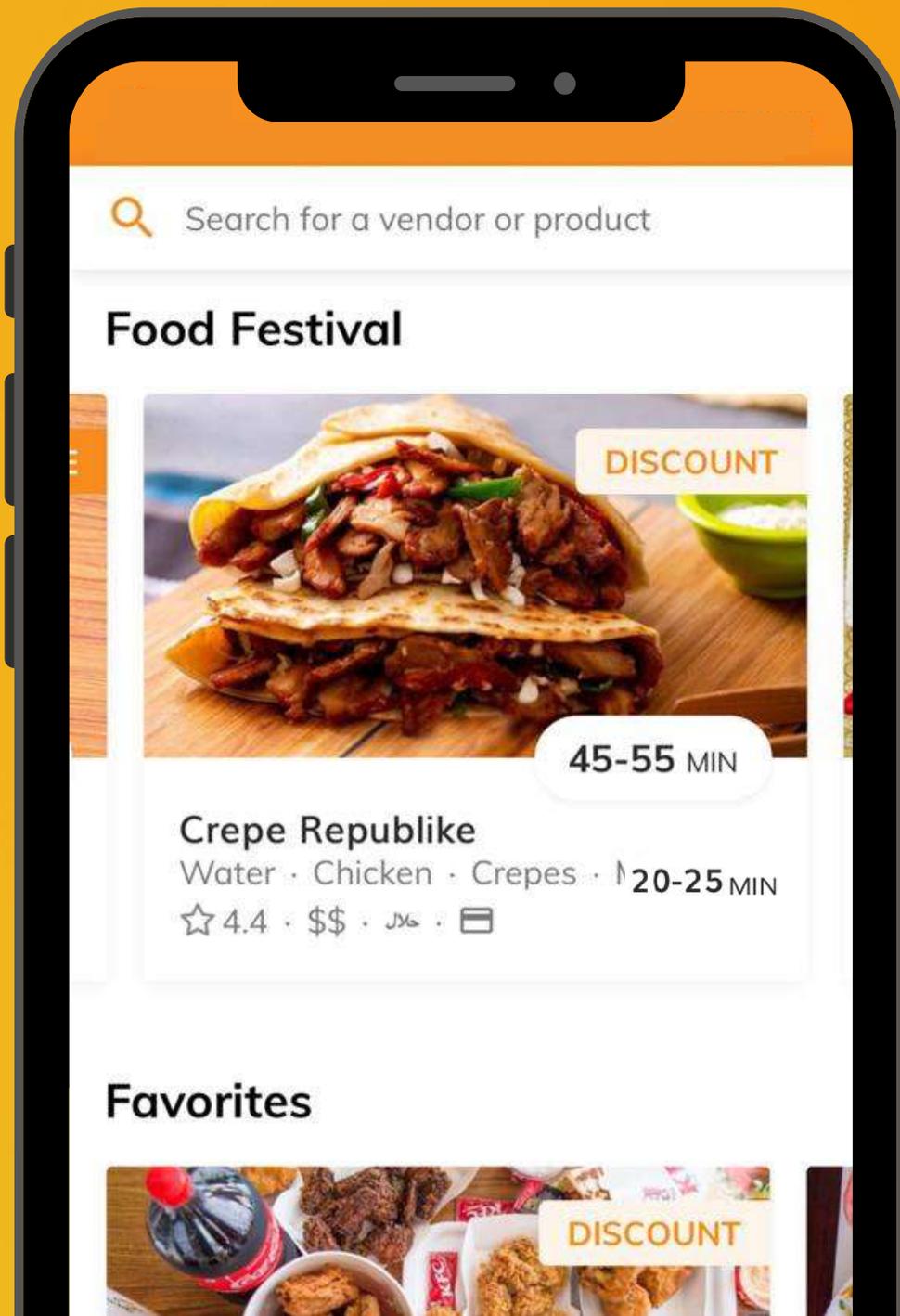




UGANDA

FOOD INDEX 2020



ONLINE FOOD & BEVERAGE DELIVERY IN UGANDA

The **Food & Agriculture sector plays a vital role in Africa where it makes 23% of the continental GDP**. In the Ugandan economy it **accounts for 45% of exports and employs 64% of the Ugandan population**. The sector managed to see a growth of 4.3% in the 2019/2020 financial year. However this is less than the 5.3% growth registered in the 2018/19 financial year, a number that can be attributed to the outbreak of the COVID-19 pandemic.

Online retail in the Food and Beverage industry in Uganda is emerging as a **fast-growing product category in e-Commerce** and will largely be shaped by e-Commerce and online food delivery as players in the sector discover innovative ways of improving consumer experience. The **pandemic has seen more people in isolation turn online for convenience and affordability** and as the pressure of the pandemic is felt heavily in the restaurant and quick-service industry; the **shift to food delivery becomes more important** as an option for these businesses to get to their consumers. Here in Uganda for example, **UNDP partnered with Jumia Food to support local market vendors affected by COVID-19** and the subsequent lockdown to connect with consumers & sustain their livelihoods.

Rising access to the internet in Uganda, smartphone adoption and a youthful population prioritizing the convenience economy are among the factors driving growth **of the food & beverage industry, The growing popularity of fast food**, coupled with the growing trends for convenience and value for money, have opened up opportunities for Fast Food restaurants in Uganda such as Food Hub, KFC to thrive with the **weekends seeing the highest demand**. Local restaurant are also leveraging on food online platform to grow, with local food emerging as the fastest growing category on Jumia Food. **The grocery (supermarket) category is the second most popular** category seeing an increase in demand as consumers turned online to access daily essentials as result of a government imposed lockdowns. Food is thus important to us in Jumia and we will continue to deploy our capabilities across the food value chain to ensure Ugandans buy food online safely and at the right price.

The digital transformation in the online food & beverage industry has been ignited as consumers and vendors alike turn online to access meals safely and conveniently. While vendors turn online to address ongoing market challenges and tap into already existing infrastructures of online delivery companies such as Jumia Food to boost sales and reach a previously untapped consumer base

Jumia Food is the most used online food delivery service with the widest geographical reach in Uganda operating in Kampala, Entebbe and recently Jinja. It also has a wide reach in Africa, operating in 10 other countries including Nigeria, Egypt, Côte d'Ivoire, Kenya, Morocco, Tunisia, Ghana, Algeria and Senegal.

UGANDA FACTS



POPULATION

41 M

2020

3% growth rate per annum.



GDP GROWTH

3.1%

2019

With 37 Billion USD, GDP is slower than average growth rate of 5.4% in past 4 years.



JOBS & AGRICULTURE

64%

64% of population employed by Agricultural sector. The sector continues to have a social & economic impact



FOOD & BEVERAGE MARKET

\$313 Bn

2019

Projected to reach US\$ 1 trillion by 2030 in Africa. 0.3% of total revenue will be generated through online sales by 2023.

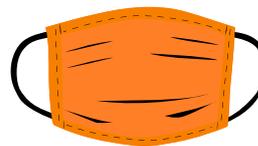


JOB CREATION

3 M

est. 2025

Online marketplaces in Africa can create about 3 million jobs by 2025.



COVID-19

8,808

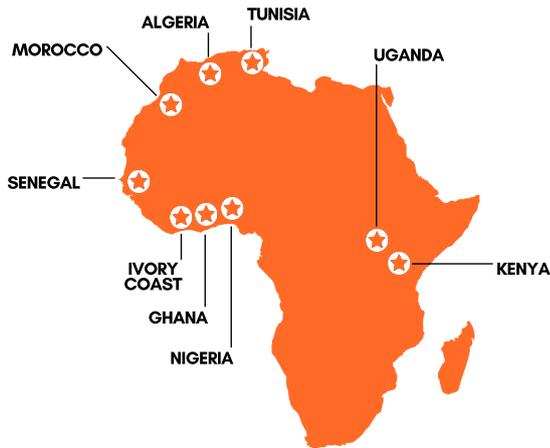
POSITIVE CASES

October 1st 2020

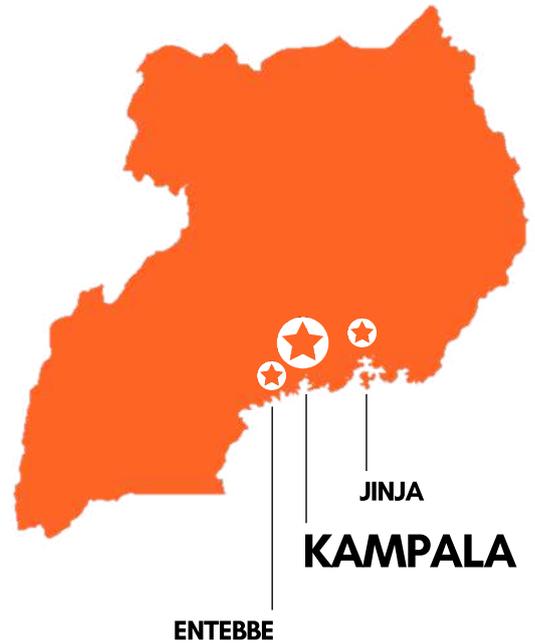
Uganda is one of the least affected countries Africa, but it has still had a strong impact on the economy..

JUMIA FOOD

FOOTPRINT IN UGANDA



JUMIA FOOD is the leading Pan-Africa Food delivery company operating in 9 countries in the Continent. The consumers can order restaurant meals, groceries, beverages, pharma care, and supermarket products and have them delivered in less than 45 minutes.



HOW DOES IT WORK?

Delivered as fast as 30min.



CONSUMERS

VENDORS



COVID-19

JUMIA'S ACTIONS



HYGIENE FIRST

Jumia adopted the highest safety standards in its daily operations and delivery services to ensure the safest experience to its consumers.



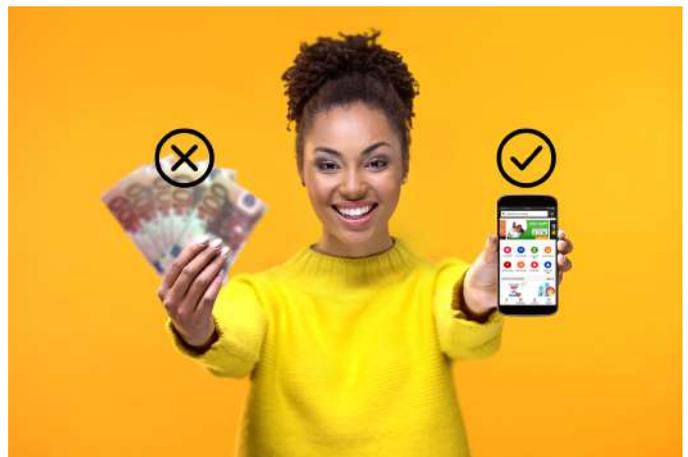
CONTACTLESS DELIVERIES

The #JumiaHeroes deliver millions of items and meals while remaining safe and making consumers safe, thanks to the adoption of contactless delivery methods.



CASHLESS PAYMENTS

Online payment through JumiaPay is the safest payment method, aligned with the governments' bid to reduce the risk of virus transmission through physical cash.



COVID-19

SUPPORTING THE COMMUNITIES



SUPPORTING MARKET VENDORS

Jumia and the United Nations Development Programme launched an e-commerce platform to sustain supply chains for women and youth led micro, small and medium enterprises (MSMEs) and connect them with consumers online to sustain livelihoods in response to COVID-19.



FACE MASK DONATION

To support the Government of Uganda in the fight against COVID-19, Jumia Uganda donated 50,000 face masks to be given to essential health workers.



NEW SAFETY MEASURES

New safety measures were implemented. Riders are now required to wear masks at all times.





INTERVIEW

ELSIE ATTAFUAH
UNDP RESIDENT REPRESENTATIVE IN UGANDA



How do you believe COVID-19 has impacted the food market & communities in Uganda and in Africa?

The COVID-19 pandemic created a global crisis with far reaching health, social and economic impacts: health systems have been strained, national crisis response systems have been tested, social support systems challenged, and pressure on the national budget drastically increased partly due to measures enforced to respond to the pandemic. **Restrictions on movement have led to closure of businesses, impacting supply chains of key sectors and disrupting trade.** This has come at a price, with measures disrupting business flow, cutting off hundreds of informal market vendors from their usual customers, affecting incomes and straining sustenance of livelihoods. **The crisis had devastating effects on the private sector and most especially on the urban informal food markets that are dominated by women and youth** who largely deal in perishable food produce like fruits and vegetables with meagre daily incomes. These urban informal food markets play an **important role in connecting rural farmers with urban markets, keeping the supply chain for agricultural produce active, and providing employment.** According to the National Labour Force Survey (2016/17), the informal economy alone employs 84.9% of the population, 90% of whom are youth (10–30 years). The UN Socio-economic impact assessment of COVID-19 in Uganda has revealed that approximately 1.9 million people are estimated to have fallen into poverty as a result of the first eight weeks of lockdown alone. In addition, the size of the middle class could reduce by 5.2 percentage points, sending many of those households into the non-poor insecure; the increase in unemployment and loss of incomes could increase poverty among wage earners and casual labourers by 15.7 percentage points; the reduction in incomes of informal micro small and medium enterprises (MSMEs) has taken a heavy toll, with potential to push 46% of workers employed in informal businesses, 43% in hospitality industry and 41% in trading and services below the poverty line, with a disproportionate impact on women.

What are some of the digital & tech solutions needed to support relevant stakeholders in the food supply chain? In Uganda and Africa

Digital technologies are transforming our world today more than ever before. The physical world is being digitized rapidly to augment human capabilities. However, half the world today remains offline. These technologies and others offer new means of addressing complex global challenges. Keeping supply chains active for the informal segment of the business sector is an imperative to respond to COVID-19 and build forward better. Online platforms are a viable option to achieve business continuity for MSMEs at scale. **E-commerce has emerged as the answer to sustaining supply chains. Digital solutions offer some of the most powerful avenues to address current supply chain and market challenges while boosting online trading, marketing, and giving the customers a fast, safe and convenient experience.** E-commerce is also an opportunity to position MSMEs to quickly pivot and re-think their online strategies as well as re-purpose their assets and resources to take advantage of the technological dividends. **The COVID-19 disruptions are unleashing the realization of the full**

potential of digital transformation in the developing country context like Uganda where we have big examples of successful digital innovations such as Mobile Money. We still have a big digital divide in areas such as online shopping and the potential for informal trade to go online is huge and must be aggressively harnessed. COVID-19 has woken up many countries to embrace digitization. **Integrating informal businesses into E-Commerce is one of the ways we can support business continuity for micro, small and medium enterprises - especially in the informal sector. We envision the partnership with Jumia Food to provide, “a safe, convenient and fast service to the citizens of Uganda while boosting trade.”** This offer is part of UNDP’s broader effort to deploy digital solutions for business continuity through e-governance and e-commerce, as Uganda responds to the current disruptions and pressures caused by COVID-19. Such innovations will also support the eventual realization of the Africa Continental Free Trade Area (ACFTA) Agreement by connecting Uganda to other markets in the region. **We intend to aggregate other smaller platforms under the Jumia infrastructure** and continue to refine the value proposition based on customer insights in working to bridge the digital divide and sustain supply chains.

The United Nations Development Programme (UNDP) in partnership with Jumia Food Uganda recently launched an initiative that is using e-commerce to connect the informal sector including market vendors to potential consumers, what do you believe the social & economic impact will be on both the vendors and consumers?

The UNDP and Jumia initiative to connect the informal sector including market vendors to potential consumers through e-commerce is bringing vulnerable groups of people in the informal sector such as women, youth and persons with disabilities into the digital economy. On 8th of May 2020 when the initiative was launched, we started off with only 5 markets Nakasero, Nakawa, Wandegaya, Bugolobi and Kalerwe, but only 3 weeks into the partnership, 2 more markets Naalya and Kibuye applied to join the platform given the demand from the residents in those areas. All these seven markets are now online with over 1,500 vendors now registered and selling their assorted produce online. **This has significantly helped to promote business continuity for small informal market vendors in the wake of the lockdown and social distancing measures introduced to curb the spread of COVID-19.** The online platform is sustaining MSME’s. E-commerce presents numerous opportunities. **It is strategic to empower vulnerable groups and those hardest hit in the informal sector connecting them with buyers.** It also connects rural farmers with the urban markets, keeping the supply chain for agricultural produce active and providing employment and mitigate effects of the COVID-19 on the economy. The benefits are targeted to reach the vulnerable businesses through direct and indirect employment; creating opportunities for young innovators, creating jobs in transport and distribution systems for agricultural produce, connecting vendors and farmers to niche markets, promoting the trade and ICT industry, building smart cities and decongesting urban settings. And to the consumer it delivers innovative, convenient, and affordable online services while helping businesses to thrive. On the flip side of the customer, **the e-commerce market is witnessing a huge upsurge in growth from buyers shifting to online shopping.** Many digital platforms are experiencing accelerated activity including an upswing in consumer adoption. Consumers are quickly embracing technology, and the benefits of buying a massive range of goods from numerous categories both perishable and non-perishable, with a single click more easily and conveniently from their homes. Uganda has progressed well in building infrastructure for internet connectivity, with over 14 million users in a population of approximately 45 million people. The Government is prioritizing inclusive digital transformation processes, and we anticipate that the decrease in internet costs will create an enabling environment for businesses to thrive online. I am pleased to say that UNDP’s partnership with JUMIA is already informing collaboration between the government and private sector to shape the regulatory landscape for online markets in Uganda. The learnings gathered from this experiment will feed into the national strategy on e-commerce that is in the pipeline, pointing to a holistic approach for e-commerce and the trade sector development in the country.

UGANDA ONLINE FOOD TRENDS



ONLINE FOOD CONSUMERS TRENDS

J U M I A D A T A *



MOST POPULAR CUISINES

1. CHICKEN
2. PIZZA
3. CONTINENTAL

Fast food emerges as most popular food for its value for money.



GROWING CUISINES

1. LOCAL FOOD
2. SHAWARMAS
3. BURGER

More consumers are starting to opt for local food as it becomes more available.



DAY OF DELIVERY

MONDAY	15%	<div style="width: 15%;"></div>
TUESDAY	11%	<div style="width: 11%;"></div>
WEDNESDAY	12%	<div style="width: 12%;"></div>
THURSDAY	13%	<div style="width: 13%;"></div>
FRIDAY	15%	<div style="width: 15%;"></div>
SATURDAY	18%	<div style="width: 18%;"></div>
SUNDAY	16%	<div style="width: 16%;"></div>

Weekends are the most popular days for consumers.



TIME OF MEALS

BREAKFAST	1%
LUNCH	74%
DINNER	25%

Lunch dominates in orders & with the introduction of curfew, dinner orders saw a decline with COVID-19 context.



CONSUMERS % BY GENDER

MALE	54%
FEMALE	46%

Male consumers order slightly more than their female counterparts with 8% difference between the two.



CONSUMERS' AGE

18 - 24	33%	<div style="width: 33%;"></div>
24 - 34	45%	<div style="width: 45%;"></div>
34 - 44	15%	<div style="width: 15%;"></div>
44 - 64	7%	<div style="width: 7%;"></div>
54+	5%	<div style="width: 5%;"></div>

The youth lead in number of orders as they are more tech oriented.



INTERVIEW
RON KAWAMARA
 CEO OF JUMIA UGANDA



How has Jumia Food supported the growth of local business in general & during the COVID-19 pandemic?

E-commerce digital **platforms like Jumia are at the forefront of providing the informal sector and SMEs solutions to keep running and reaching customers during the COVID-19 crisis and beyond.** We are therefore working with our teams to ensure local vendors are well trained to be able to use our platform to access consumers. Early this year in May, we also partnered with UNDP offer to help market vendors access consumers in need of fresh produce and for consumers to be able to access the produce.

What trends have you noticed in the food industry particularly categories such as groceries, Jumia Party and pharmacy during COVID-19?

A lot of consumers have discovered the convenience of shopping essential items during this period. We now see consumers using Jumia Food to purchase food, all their supermarket needs plus alcohol. What that shows is that **Ugandans are relying on technology to save money** because we have the best prices in Uganda.

Post COVID-19, what trends and behavioral changes do you see happening for both food consumers and vendors?

A digital transformation. Both our consumers and our vendors continue to see the benefits of going digital and there was no bigger push than COVID-19 and the subsequent lockdown. Consumers that were unable to move saw the convenience of buying essentials online and **vendors saw the chance to tap into already existing infrastructures like ours to reach more consumers.** Therefore we will see the move online happening sooner rather than later.

ONLINE FOOD BUSINESS

J U M I A D A T A *



TOP AREAS INSIDE KAMPALA

BY VOLUME OF ORDERS

1. KOLOLO
2. BUGOLOBI
3. CBD

Nakasero, Naguru & Ntinda followed closely in orders.



PRICE FOR ESSENTIALS

ON JUMIA

AVERAGE / RANKING FROM THE LOWEST

SUGAR 1kg **RICE 1kg** **FLOUR 1kg**
3,000 UGX **4,000 UGX** **6,500 UGX**

The average price of essentials remains within the 1 - 2 dollar range.



SERVICE CATEGORY INDEX

AVERAGE BASKET SIZE

2020

RESTAURANT	43,500 UGX
BEVERAGE	82,000 UGX
PHARMACY	55,000 UGX
GROCERIES	82,000 UGX

Meals on the Jumia Food App go for as low as 5,000 UGX.



MOST POPULAR INTERNATIONAL BRANDS



1. KFC



2. PIZZA HUT

Fast food restaurants most popular among consumers



MOST POPULAR LOCAL RESTAURANTS

- CAFESSERIE
- THE FOOD HUB

Local Brands represents more than 98 % of the restaurant partners.



INTERVIEW
TIMOTHY MUGUME
COUNTRY MANAGER \ JUMIA FOOD

How can you explain that Fast Food is the most preferred meal ordered in Uganda?

Fast food remains very popular among Ugandan consumers because of its wide variety & affordable price. A typical fast food meal ranges between 10 - 15,000 UGX and this can consist of chicken, burgers, sandwiches which come accompanied with a side dish. It is for this reason we see it be so popular. However local restaurants such as Super Lunch are emerging as a popular option, offering local food for as low as 5,000 UGX with a free soda, so it won't be surprising if the popular food is very different a few months from now.

What are the most popular areas for delivery for Jumia Food & why?

Kampala areas continue to dominate in number of orders most especially the central Kampala area at lunchtime. One of the reasons why I believe this is the case is because there are a lot of offices in these locations, where people find it more convenient to have food delivered and eat at their desks or for meetings than wasting time in traffic.

What is the expansion plan for Jumia Food Uganda in the next few years?

So far, Jumia Food delivers in over 50+ areas in Kampala, 20+ areas in Entebbe and we just recently launched in Jinja delivering in at least 10 locations. However we don't plan on stopping there, we will be increasing our footprint across the country.

TECH TRENDS



INTERNET PENETRATION

45%

est. 2020

Ugandan comes in 3rd in East Africa following Kenya and Rwanda respectively.



SMARTPHONE ADOPTION IN UGANDA

2020

20%

More than 7M monthly smartphone users.



MOBILE SUBSCRIPTIONS

68%

2020

There were 1.8 million new subscriptions between Q4 2019 and Q1 2020.



JUMIA FOOD TRAFFIC SOURCE

- | | |
|------------|------------|
| 1. MOBILE | 86% |
| 2. DESKTOP | 12% |

Consumers largely place orders on Jumia Food via their smartphones



APP VS. MOBILE SITE

JUMIA FOOD APP	65%
MOBILE SITE	35%

The easy to use Jumia Food is a favorite for consumers



DIGITAL PAYMENT

JumiaPay has accelerated the digital payment solutions.



INTERVIEW
HOPE KWIYOCWINY
MARKETING MANAGER \ YO KUKU!

What are you doing together with Jumia to ensure customers enjoy affordable pricing for your products?

Working with Jumia has made it easier for us, providing our consumers with a convenient platform to access our products. **We have also ensured that our consumers enjoy the same prices both in our offline stores and online on Jumia Food.**

In such a competitive market, how have you managed to stay top of mind for your consumers?

Price is a very important point for our consumers so we ensure that they enjoy quality products at good pricing. We also run different promotions together with Jumia for Yo Kuku consumers such as free delivery and buy 1 get free offers during selected periods.

In your view, what is the role deliveries play in growing your business?

Before COVID-19 we were relying on walk in customers, however with the lockdown we realized that particular business model was not sustainable. **Online delivery companies like Jumia Food helped us reach our consumers that were unable to access our physical stores** and also tap into a previously untapped market for us.



VIDEOS



UNDP SUPPORT THE MARKET VENDORS



SUPPORT RESTAURANTS



STAY SAFE WITH JUMIA



UGANDA

FOOD INDEX 2020

S O U R C E S

Africa Development Bank
United Nations Development Programme
Jumia Data 2020 - Q1 & Q2
GSMA
The World Factbook - CIA
World Bank
FAO
BCG
McKinsey & Company
Internet World Stats
Uganda Bureau of Statistics World Population Day
Ministry of Finance 2020/21 Budget
UCC Q1 2020 Market Performance Report

C R E D I T S

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 @JumiaFoodUG

 Jumia Uganda

STAY SAFE

JUMIA  **FOOD**

#SupportRestaurants

