**The economic burden of the Anti-Gay law; Uganda loses US$1.6million in one year**

The Anti-Homosexuality Act (AHA) has made it harder for Uganda to foster a dynamic and diversified middle income or modern economy that is attractive to investors, tourists and skilled workers.

This is according to a new report published by Open for Business (a coalition of leading global businesses advocating for LGBTQ+ inclusion).

The report reveals that in the 12 months following the passage of the AHA, the resulting economic losses are estimated to be between USD$470 million to $1,663 million. The losses according to the report, translates to between 0.9% and 3.2% of Uganda’s GDP, marking a fivefold increase from previous estimates before the legislation was enacted.

The report authors believe that this is just the beginning, noting that combined losses over a five-year period could be between USD$2.3 and $8.3 billion.

Foreign direct investment (FDI), international aid, trade and tourism, as well as impacts on public health and productivity are singled out by the report as the most affected areas.

The report projects that Uganda risks losing $276–$1,024 million USD annually due to halted funding and potential aid cuts – accounting for approximately half of the potential economic burden.

According to the report, the direct cost to the Ugandan economy of reduced Foreign Direct Investment as a result of the AHA is estimated between $48–75 million USD annually, and the longterm indirect economic impact of this may be much higher.

When it comes to Public health, the report notes that AHA exacerbates public health challenges, particularly in managing HIV and AIDS, with projected losses of $70-$312 million USD annually.

“The law’s stigmatization of LGBTQ+ individuals hinders access to essential health services, contributing to a worsening public health crisis” says the report.

Uganda’s tourism sector is a crucial pillar of the country’s economy, but the report findings show that the sector could suffer losses of $9–$99 million USD due to the negative international perceptions fostered by the AHA.

The report cites the suspension of Uganda’s AGOA status by the U.S. noting that this is expected to result in a loss of approximately $0.5 million USD in future tariff payments, with broader implications for exports.

The AHA is likely to drive away 5,000–15,000 skilled individuals, resulting in an annual productivity loss of $3–$24 million USD. The loss of human capital, particularly in a developing economy, can have long-term detrimental effects on Uganda’s growth prospects. The country’s productivity for example is set to reduce by $23-$58 million USD annually.

The enforcement of the AHA alone is projected to incur an additional $0.3–$0.5 million USD annually in over-policing and legal costs. These costs according to the report represent an unnecessary drain on national resources, which could be better invested in inclusive and equitable development initiatives

Uganda continues to enforce the AHA without addressing international concerns; the economic landscape post-AHA is expected to deteriorate further leading to severe economic isolation.

“FDI and aid could decline sharply, tourism might collapse, and trade sanctions could be imposed by key partners”

Under this scenario, the report says that the Economic losses could approach the upper estimate of $1,663 million USD annually, with GDP impacts surpassing 3.2%”.

The economic burden however, can be contained if Uganda takes steps to repeal the AHA, restoring some degree of international confidence. This could result in partial recovery of foreign direct investment and aid, along with stabilization of tourism and trade relations.

Under this scenario, economic losses might be contained within the lower range of $470 million USD annually, with a GDP impact closer to 0.9%.

Without such measures, the report concludes that the Act’s consequences could push Uganda into a cycle of economic stagnation and increased poverty, threatening the country’s long-term economic sustainability.