

Developing infrastructure in Uganda

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In his reading of the National Budget Speech 2016/17 on 8 June this year, Finance Minister Matia Kasaijja noted that funding strategic transport, energy and Information Communications Technology (ICT) infrastructure was a key priority of the Ugandan Government. Kasaijja said that infrastructure development contributed immensely to increased productivity by facilitating efficient connectivity and easing the movement of goods and the provision of services. Infrastructure funding currently comprises about 32.8% of the total Ugandan Government expenditure every year. Kasaijja noted that with this amount of investment, considerable progress had already been made. Projects involving agribusiness, transport (road, rail, sea and air) and telecommunications, for example, are all under way in the country.

China Uganda Agricultural Industrial Park

The Government of Uganda (government) has partnered with Kehong Group China for the construction of a \$220 million China-Uganda Agricultural Industrial park, which was recently commissioned by the President. The Park is set on 1000 acres and will provide more than 25,000 employment opportunities on completion. There have also been outlines for plans to establish industrial parks in four other districts. Under the project, China will work with over a million farmers to improve rice farming, poultry, livestock, grain processing, and oil and food processing. The project will also focus on seed treatment, machinery and agricultural technology training.

Uganda National Roads Authority

In the 2016/7 budget, the government allocated more than Shs. 3,827.54 billion to the works and transport sector in order to improve the condition of transport infrastructure nationwide. Government intends to accelerate the construction and completion of on-going road projects and maintenance of the national, district, urban and community access road networks and numerous bridges across the country. The Uganda National Roads Authority (UNRA), the government entity charged with the construction and maintenance of roads, has also undergone a total overhaul of its management in a bid to fight corruption, waste and inefficiency in the construction of roads.

Inland water facilities - infrastructure

In the water transport subsector, the government has continued to prioritise the improvement of inland water facilities through the provision of ferry services and construction of landing sites on Uganda's major water bodies.

Ugandan rail network development

Under the railway subsector, emphasis is mainly on accelerating interventions to revitalise railway transport in Uganda. These will include the design and construction of the Tanga-Arusha-Musoma railway line and the New Kampala Port, as well as the acceleration of the rehabilitation of Tororo-Packwach and Kampala Kasese railway lines. The implementation of the joint Memorandum of Understanding signed between the government, Sudan and South Sudan is also underway. This involves plans for the joint design of the Gulu-Atiak-Nimule-Juba railway line. The redesign of the Kampala–Malaba railway line (251km) into a standard gauge line is also earmarked as a project to be accelerated.

The Standard Gauge Railway was launched in October last year with the route intended to connect Uganda, Rwanda, South Sudan and Burundi. Construction has already started in Mombasa under the operation of China Communication Company.

Kasaijja said in the budget speech that government had proceeded with the development of the railway network to reduce damage to roads, lower cost of freight especially for bulky cargo, and increase competitiveness of the economy.

Entebbe International Airport - upgrade

With regards to air transport; the government intends spending the next five years upgrading Entebbe International Airport, Uganda's principal international gateway, by improving the quality of operation and through maintenance. The scope of the upgrade includes, among other things, the construction of a new cargo centre, a new passenger terminal, the strengthening of runways, and the replacement of navigational aids. The cost of the airport rehabilitation is estimated to be around US\$ 325 million. In addition, several regional aerodromes, including Jinja, and an airport at Kabale (Hoima) will be fast tracked to aid the development of an oil refinery.

Development of the Ugandan ICT sector

The government launched its Information Communication and Technology Sector Export & Marketing Plan in a bid to enhance economic development and the reduction of youth unemployment, with the aim to accelerate wealth creation.

This has been done through initiatives started by the National Information Technology Authority (NITA) of Uganda, which advanced the provision of infrastructure such as the National Backbone Infrastructure (NBI), Business Process Outsourcing (BPO) incubation centres and innovation hubs, which continue to carry out research on how to further support the sectors.

The government aims to export competitiveness and optimise the already existing resources through capacity improvement of companies and associations, as well as through creating opportunities for linkage with potential buyers and partners.

Kasaijja noted in his speech that ICT contributed 2.5% of Uganda's GDP (2015), employed approximately 1.3 million Ugandans and raised Shs. 484.4 billion in tax revenue collection in 2015. He said that telephone subscribers had increased from 19.5 million in 2013 to 23 million in 2015, while internet users grew from 8.5 million to 13 million in the same period. He noted that starting in the next financial year, the sector will improve access to high speed broadband services from 512 Kilobytes per second to 4 Megabytes per second and 30Mbps for rural and urban households respectively.

In addition, the volume of various value added services such as Mobile Money transfers and other data related services are increasing. The government has thus embarked on the operationalisation of the national backbone with over 30 public offices now connected to the National Backbone Infrastructure (NBI) and receiving high speed internet bandwidth. In addition, digital broadcasting migration, which increases the efficiency of the use of the broadcasting spectrum, has commenced with a pilot phase covering Kampala. Digital migration in broadcasting will soon be rolled out nationwide, under a Public Private Partnership arrangement.

Oil Pipeline

During the 13th Summit of the Northern Corridor Integration Projects held in Uganda, a \$ 3.55 billion dollar pipeline deal was signed with terms that included the construction of an oil pipeline from Uganda to Tanzania. The project was awarded to the French Major Total SA which was in favour of constructing the pipeline through the southern route.

In order to enhance the oil development project, a 10 kilometre road was commissioned early in 2016 to provide access to the lone oil field in the Albertine Region. The road was constructed in partnership with the China Communication Construction Company. In addition to the Kingfisher Access Road, the government is currently upgrading other roads in the region to facilitate oil production and commercialisation.

Infrastructure development is clearly progressing rapidly in a country with much to offer in terms of investment and a government investing a significant portion of its budget into infrastructure projects.