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China to invest \$620 million in Uganda's largest mining project

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China relations have birthed businesses and created employment opportunities that have paid off handsomely.



The bilateral relations between China and Uganda is paying off handsomely, as the latter is looking to increase its investments in the East African nation. China has been a long time supporter of African countries and the recent visit in June by China's top political advisor Wang Yang affirmed the healthy relationship between the two. His

tour was to facilitate stronger cooperation with their trading partners to improve infrastructure investment

Uganda is set to unveil official operations of its probable largest mining venture in over 30 years, the Sukulu Comprehensive Plant. The developing project funded heavily by China manufacture fertilizer to meet the growing demand for the dressing. For the country's agricultural sector to be more productive and competitive, the proper application of such chemicals is vital. Last year, a report established that Uganda is the country with the least use of fertilizer in the world.

\$620 million will be invested in the project to increase the value of Foreign Direct Investments in Uganda. In 2012, the FDI stood at \$1.2 billion but went down in 2016 to record \$541 million. In East Africa, the country has been recording the highest FDI with Tanzania and Rwanda also attracting high investments with their conducive business environment.

With the increasing population in the nation, more pressure is added to the soil which hampers the productivity level. The mass needs to be fed and the Government is limiting its expenditure to import food. The soil fertility level decreases and hence to add more 'strength' to it, fertilizer application is needed. Other measures to sustain the productivity level such as quality seeds are put in place to reduce food insecurity saga.

Built within the parameters of Uganda-China Guangdong Free Zone of International Cooperation, that was unveiled on Thursday, the fertilizer manufacturing plant will as well create jobs for the citizens. Close to 900 Ugandans will benefit from the venture, adding to the productivity of the nation. With the population rising, employment security remains an issue at risk. More citizens can contribute to the general welfare of the economy and build a better country.

The manufacturing plant adds impetus to the industrialization sector in the country and expansion of other business opportunities. Industrial zones have been a primary target for big companies and potential investors to venture into. China's contribution to such facilities has increased foreign investments in the economies and enhanced business environment to breed and expand more businesses.

Uganda seeks to use the opportunity to increase fertilizer use locally and for exports. This will come in handy to increase forex revenues for developing the nation. It would strengthen the local currency to be competitive in the global market.

A steel plant will be integrated as well to revive the mining industry. The Government of Uganda has vowed to offer total support to see the success of the same. They also hope to see the introduction of new technologies to better the performing chances of the sector. Such ventures will reward the Chinese Government with monetary value as they seek to invest more on the African soil.

Source: The Exchange

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