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## NEWS

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05.07.07

### WB boosts energy sector with \$300m

The World Bank has signed an agreement with the government for the provision of a \$300 million (about Shs500 billion) loan to support the Power Sector Development Operation, which has been set up to deal with the energy constraints the country is currently facing.

The credit, which was signed at the Finance ministry headquarters on May 28, includes a \$220 million investment loan and \$80 million for policy support.



**SUPPORTIVE: (L-R)The Swedish Ambassador to Uganda, Mr Anders Johnson, World Bank Uganda Country Manager, Ms Grace Yabrudy, Finance Minister Dr Ezra Suruma and Energy Minister Daudi Migereko pose after the signing of the \$300 million Power Sector Development Operation credit at the Ministry of Finance headquarters on May 28. Courtesy photo**

Additionally, the scheme will also benefit from an additional \$6.5 million co-financing grant from the Swedish International Development Agency (Sida) to reduce energy consumption in public institutions and buildings.

Speaking at the signing ceremony in the ministry boardroom, World Bank Country Manager Grace Yabrudy said the Power Sector Development Operation (PSDO) credit was approved by the World Bank Board of Directors on April 26 and would ensure that the country's commendable progress on reforms and private investment are not undermined and that the growth agenda remained on track.

"This growth trend cannot be sustained without a sound infrastructure base, including affordable and reliable electricity supply," she said.

"Uganda's current low rate of electrification requires an urgent emphasis on significant investments in the sector both for expanding access and power supply."

She said one of the major components of the PSDO was to put in place a set of investments and policy measures designed to reduce the supply-demand gap until the Bujagali dam comes into service by 2011.

The WB Board of Directors has also approved loan and guarantees agreements worth \$360 to support the project. She commended the government's efforts to restructure the energy sector in order to improve its efficiency and attract private capital.

"These initiatives contribute to poverty alleviation by supporting income and employment generation and improved quality of life, facilitated by modernisation and more effective social services delivery," she said.

Finance minister Dr Ezra Suruma signed on behalf of the government. He said Uganda continues to face a "daunting challenge" of trying to overcome the current acute electricity supply shortage, which has negatively impacted on industrial production and hence the economic growth of the whole economy.

"This negative effect is likely to continue and worsen, if not checked in the medium term," he warned. Part of the credit (\$80 million) would be used to build financial sustainability and promote strategic policies for energy efficiency.

The investment portion of the credit (\$220 million) would support the installation of a new 100MW thermal plant worth \$210 at Mutundwe near Kampala. Sida Sida's \$6.5 million (about Shs5 billion) co-financing grant will be used to finance audits of public buildings in order to identify areas of energy saving.

"The energy efficiency component is a necessary complementary action to the addition of thermal power," said the Swedish Ambassador to Uganda, Mr Anders Johnson.

"Saving energy is far more cost-effective than generating energy and we look forward to a successful implementation of the programme," he added.

02.07.07

### Stanbic Bank to build homes on credit

Stanbic Bank has launched a multi-billion shilling home loan scheme.

It was announced last week by the bank's Managing Director, Kitili Mbathi, at the Sheraton Kampala Hotel.

Speaking to an audience of about 200 professionals, Mbathi said that the facility was designed to stimulate the housing industry by providing long term financing to qualifying customers.

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### - WORKING OUT OF COUNTRY BROADENS MINDS

KENYA-based Humphrey Karamagi views the time he has spent out of Uganda as a good experience building process and not a loss.

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### TORORO POWER SUPPLY TO RISE TO 50MW

UGANDA'S first local power producer, Electro-Maxx, has announced plans to double its electricity generation capacity in Tororo in the next two quarters, increasing cheap power supply on the national grid.

[more...](#)

The scheme will provide funding for first time buyers, provide funding for home improvement, buy houses for investment purposes and refinance existing mortgages. "Qualifying applicants will be Ugandan citizens, Ugandans living abroad, permanent residents, companies and sole proprietors," he said.

This loan scheme has no ceiling, Mbathi said. "The maximum term of the loan should not exceed 20 years or the normal retirement age for salaried persons," he said.

The Communications Manager, Daniel Nsibambi, the loan covers up to 80% with a repayment sum not exceeding 30% of the client's net income. He added: "In the unfortunate incident that a Stanbic home loans client dies, insurance cover will be provided. The client's demise will not affect the family's stay in the house."

**28.06.07**

### **Search for more minerals starts**

By Simon Musasizi  
WEEKLY OBSERVER

Detailed and accurate aerial mineral exploration to confirm commercial quantities of gold and other high value minerals has commenced. The Shs 75.6 billion (\$42million) project is expected to increase the value of Uganda's mineral exports to about \$ 350 million per year from the current \$22 million, Ministry of Energy and Mineral Development officials have said.



**A woman extracts salt in western Uganda  
. A survey is on to establish commercial  
quantities of such minerals**

A foreign firm, Fugro Airborne Surveys, that was contracted to do the survey started work in December last year and will complete it in August.

The aerial surveys involves use of aircraft flying at an altitude of 80 metres and are fitted with gadgets sensitive to various properties of different minerals. Inside these planes are computers that help surveyors to analyse the signals.

The survey is funded by the World Bank, African Development Bank, Nordic Development Fund and the Government of Uganda.

Julius Nyakana, the Project Coordinator Sustainable Management of Mineral Resources Project (SMMRP), said the survey is part of the 5-year SMMRP, which started in 2004.

The objective is to generate high quality airborne geophysical data in order to identify target areas of high mineral resource potential that will be presented to potential investors. The data will enhance the understanding of the geology and Uganda's mineral and petroleum potential, he said.

According to Nyakana, results of surveys done in Abim, Kitgum, Moyo, Pader, Yumbe and Arua Districts have revealed the presence of gold. Other mineral resources that have been found in northwestern Uganda are asbestos (used in making roofing sheets and fertilizers), rock salt, limestone (for cement and lime), and marble, among others.

The survey further indicates that Moroto district has some of the most expensive and most sought after minerals, like platinum used in the making of jewellery and dentistry, as well as long-life platinum-iridium electrodes used to manufacture helicopter spark plugs.

Acholi sub-region will not be surveyed because of the on-going insecurity, Joshua Tuhumwire, the Commissioner Department of Geological Survey and Mines, said.

"We want to create new exploration targets in the known mining districts and indicate new terrains of enhanced mineral potential," Nyakana told The Weekly Observer.

He explained that areas identified to have distinguished magnetic, electromagnetic and radiometric properties that are indicative of certain mineral concentrations would be zeroed in for detailed investigation, such as ground geological mapping, geochemical surveys, as well as drilling by investors.

Some of the known mineral resources that have been mined are copper, clay, glass sands, gold, gypsum, lead-zinc ores, limestone, lithium, marble, mica, phosphates, tin, tungsten, salt and vermiculite.

The ministry officials say there are many more that have not been exploited before, because commercial quantities had not been confirmed.

This is not however, the first time such a survey is being done.

In 1983, an aerial exploration was carried out in western Uganda, resulting in the discovery of petroleum in the rift valley area.

But Nyakana said earlier surveys such as those carried out in 1980 by Geosurvey International and covering the southern parts of the country were done at very wide line spacing of 1 km and using low technology equipment.

"The available data therefore did not have the density and quality required for promotion of mineral exploration," he said. The new survey that involves planes flying at a line spacing of 200 and 500 metres and at a height of 80 metres is expected to get the detailed data.

**26.06.07**

### **Coffee exports get bigger, better**

By Jeff Mbanqa

## WEEKLY OBSERVER

April was a poor coffee month for Uganda after both the value and volume of exports slumped, compared to the same period last year. Among the reasons that may have contributed to the decline in the coffee value was the shilling's strength against the dollar during the time.

Figures released by the Bank of Uganda (BOU) indicate that Uganda's coffee volumes for April, compared to last year, totaled 137,156 bags ( 60 Kg ), posting a 6.5% decline. The value too dropped by 5.5%, to \$13 million.

However, there was some relief in the sector after coffee volumes for the first seven months of the current season showed signs of bouncing back compared to that of the same period last year.

But overall, according to BOU, exports for the first seven months of the current coffee year amounted to 1.56 million bags worth \$144.2 million, representing an increase of 35.1% and 40.4% in volume and value respectively.

"The improvement in coffee volume," the statement said, "was attributed to new clonal coffee plantings under government's strategic intervention, coupled with an improvement in weather conditions at the critical time of bean formation."

Coffee farmers are starting to realise a change in fortunes after an improvement in the farm gate prices - which ranged between Shs 900 and Shs 1,000 per kilogram for unprocessed coffee (Kiboko).

The value of non-coffee exports, like tobacco, cotton, maize, electricity, tea also rose. However, it is the maize exporters who earned more money after their earnings increased from \$2 million in February to \$3.9 million in March.

It was however, a rugged time for exporters of gold, tea and fish, whose earnings decline. The effect of a decline in coffee exports in April was compounded by an increase in total imports, leading to a wide current account deficit.

The current account balance recorded a deficit of \$62.6 million in March, compared to the \$11 million surplus registered in February.

Domestically, Ugandans spent more money in April than they did during the same time last year after an increase in the value of fruits, vegetables, meat, poultry, fish, milk, and fuel increased the rate of inflation.

Annual headline inflation rate rose from 4.5% in March to 6% hile annual underlying inflation went up from 8.5% in March to 8.9% in April dur to bad weather.

### 22.06.07

#### SSEMBEGUYA GOAT PROJECT ON COURSE

THE Ssembeguya Estates, a multi-billion goat breeding project, is on course despite little funding from the Government, reports **Ben Mugisha**.

According to the memorandum of understanding signed between Ssembeguya and the agriculture ministry, the Government is supposed to fund the five-year project in two phases at a cost of sh6.75b.

The first phase covers the procuring of goats from South Africa and training of farmers in modern commercial goat keeping, disease control and marketing.

"Due to little funding, only three training workshops were done," Paul Ssembeguya, the managing director, said.

Despite the slow start, Ssembeguya has declared that poverty will be history in Sembabule by 2015.

He said sh800m had been spent on the project. It was mainly used on infrastructure development.

### 20.06.07

#### ROTARIANS AID NANSANA ORPHANAGE

THE Rotary Club of Kampala East has constructed a water project worth sh59m for Greenland Orphanage School in Nansana, a city suburb.

Charles Odere, the club president, said during the hand-over that the project was in line with the club's policy of supporting vulnerable communities.

"We are proud to be associated with such a programme which not only spells out the ideals of Rotary, but also brings a new lease of life to the benefiting community," Odere said. He added: "We all know that water is life and what better way to bring a smile to the faces of this little village than to give them access to safe and clean water."

Dr. Francis Tusubira, the Rotary District 9002 governor, hailed the club for its generosity. He appealed to the members to uphold the spirit of giving to the community.

The director of the school, Afur Muhammed Asgar, said the donation would help the school and the neighbouring community.

### 14.06.07

#### CONSTRUCTION OF MALABA PORT STARTS

By James Odomei

CONSTRUCTION of the \$250m about (sh430b) Malaba port has started. Last year, the Government signed a 10-year concession agreement with Kenyan-based Great Lakes Company to handle all Ugandan cargo from Mombasa to Malaba. Great Lakes Company is supposed to build Malaba port.

The port is expected to accommodate all the containers and offices for revenue officials and clearing agents.

The construction, which is expected to take two years, has started with the opening up of roads on the site, grading and fencing of the 350 acres .

Great Lakes ' coordinator at Tororo, James Odwori, said: "This is intended to decongest and ease movement of Uganda 's cargo."

Odwori said Uganda has been losing millions of dollars in unjustified charges paid by importers at Mombasa Port.

The chairman of the Uganda Clearing and Forwarding Association, Kassim Omar, said some of the unjustified charges include manipulated payments for container demurrage, delivery orders, terminal handling charges, transit service charges, on and off load charges and telexes.

Omar said construction of the inland port would boost the economy. "The economy has had serious constraints in terms of transfer of the cargo from Mombasa . You will not have to go and clear goods from there. That is one of the main benefits. The cargo will be delivered within a maximum of 15 days," he said.

Omar said the port has national and regional benefits, which will take the communities ahead.

The Kampala City Traders Association's spokesman, Issa Sekitto, said: "Many of our importers find it expensive to go to Mombasa for their containers. We will be happy when we can find our containers in Tororo."

**11.06.07**

## **DOES LAW AND ORDER PRECEDE DEVT?**

**By Johannes Jutting  
and Denis Drechsler**

ONE of the most pervasive and apparently self-evident assumptions of development economics is that sustainable investment and growth requires the rule of law. Without impersonal, general norms and their enforcement by independent judicial authorities, according to this view, little development, if any, is possible, because the risks facing both labour and capital - including corruption, arbitrariness, and rigid traditions - will be too high. But is this conventional wisdom always right?

Consider an admittedly limited, but nonetheless revealing counter-example: South Africa 's booming mini-bus taxi industry. The mini-bus taxis developed in response to severe shortcomings in the country's public transport system, which was characterised by high prices, low-quality service and a chaotic operating network. The mini-buses, however, operate entirely outside formal laws and regulations. What makes the industry work is a commonly-agreed informal business "culture" that is flexible, innovative, and keeps operating costs down.

The results are undeniable: at peak times, mini-bus taxis hold 65% of the entire commuter market. The mini-bus taxi industry thus illustrates the importance of informal conventions. Local culture and traditions not only matter, but they are decisive in shaping the behaviour of people - all the more so in developing countries, particularly those that are labelled failed or fragile states, where the courts don't work and regulations, assuming they exist, but are inadequately enforced. But malfunctioning formal institutions do not mean that there are no functioning structures at all.

In these societies, the social order is predominantly shaped by informal agreements rather than formal laws and regulations. As the South African example shows, such agreements can even promote a country's development. In many developing countries, village associations that are solely based on trust and peer pressure provide access to credit and insurance, guarantee help in times of distress, and facilitate the construction of public roads and sewage systems. The community-based health insurance schemes that are prospering all over Africa are a good example of this.

Even so, while informal institutions can improve people's lives, they can also be detrimental to development. The very resources that form the basis of informal security systems - solidarity, social capital, and collective action, for example, can have perverse effects. For example, forced solidarity will oblige any hardworking farmer in Benin who has accumulated some wealth over the years to share the fruits of his labour with his enlarged family, including distant relatives.

In economic terms, the "informal institution of sharing" may become a disincentive to invest and thus result into opportunistic behaviour because there is no obligation to reciprocate. For all of their success, South Africa 's mini-taxis could not escape high accident rates, violent incidents over uncommissioned routes and tax evasion, which imposed high costs on society, prompting the government to regulate the service.

Moreover, some informal institutions based on long-standing cultural traditions lead to discrimination and violation of human rights, while undermining the authority of formal institutions like the judiciary, police, or military. In these cases, women are often the victims. They might be excluded from participation in informal networks, or have limited influence in appropriating the accrued benefits of collective action. The reported abuse of micro-credits to pay dowries is one alarming example. Likewise, the tradition of female circumcision is still a common practice in African countries such as Guinea , Sudan , Mali , Somalia , and Eritrea , where more than 85% of young women suffer from it.

Abolishing such customs is a moral obligation, but in other instances, the international community often needs to decide which institutions to change and how. Indeed, one of the most difficult tasks for policy-makers is to identify correctly those institutions that are conducive to development and those that may be harmful. Even then, successfully changing institutions is easier said than done, as they are rooted in deeply-enshrined norms and values.

Neither the "romantic preservationist" nor the "bulldozing moderniser" approach promises an adequate solution. Institutional reform is a delicate affair that needs to be done with caution and sometimes against the conventional reform dogma. In some cases, good intentions may even aggravate the *status quo* . For example, trying to eliminate corruption in environments with strong patronage-based power and redistribution mechanisms while failing to address the root problems can do more harm than good, and might lead to violent conflicts over new resources.

Reforms need to acknowledge the mindsets of people and the incentive structures that govern their behaviour. Thus, those who benefit from reforms may champion the process, but losers must be adequately compensated in order to prevent them from resisting the transformation.

Without building public support and providing proper enforcement mechanisms, changing laws alone is bound to be ineffective. Sometimes it might even pose high costs for the

alleged beneficiaries.

Given the complexity of institutional reform, striving for what appears to be optimal might not always be the best approach. Reforms must be adapted to the specific context of each country, and be applied within the boundaries of what is possible. Institutional change requires a long, tedious, and modest implementation of multiple small steps, in which the correct sequencing of reform is crucial. To obtain sustainable results, policy-makers need to accept that sometimes "good enough is enough."

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**07.06.07**

### **DAIRY FARMERS STUCK WITH MILK**

**By Macrines Nyapendi**

SAMEER Agricultural and Livestock, the firm managing the former Dairy Corporation, has suspended buying milk from dairy farmers in the western Uganda citing the current diesel crisis.

Ashok Garg, a director at the Sameer Group, said the farmers should not worry "because we will be in position to collect all their milk as soon as the diesel problem is solved."

He added: "The diesel crisis is hurting our supplies too. We cannot get some of our products to the market on time."

A farmer from Bushenyi said: "Sameer has not been collecting milk from us for the last one week.

"They did not notify us yet we have been spending on collecting, refrigerating and transporting milk to the collection centres."

Transactions between Sameer and the Uganda Crane Creameries Cooperative Union (UCCU) farmers have been based on an agreement the farmers signed with former Dairy Corporation in 2003.

Under this agreement, the farmers were supposed to supply over 100,000 litres of milk daily.

UCCU is an apex body for seven farmers' unions in seven western Uganda districts.

"Sameer has breached the agreement first by not being able to buy 100,000 litres that were agreed upon and secondly, by abruptly stopping milk purchases without notifying stakeholders," George Nuwagira, the UCCU chairman said.

Before the suspension, Sameer was buying 50,000 litres daily which is half of the amount agreed upon. The company offers sh370 as a farm gate price.

Farmers are charged sh50 per litre for buying fuel to run the coolers and sh70 per litre for transporting milk to Kampala .

But Nuwagira said this was the first time Sameer failed to fulfil its obligations.

"We have written to the Sameer Group. If they do not respond in seven days, we shall cut ties with them," Nuwagira said.

**05.06.07**

### **MTN SUBSCRIBERS GROW BY 10%**

**By Emmy Olaki**

MTN Uganda registered a 10% growth in subscriber numbers in the first quarter of the year, bringing the total number to 1,757,000.

The average revenue per user, however, dropped to \$11 from \$12. This was attributed to the increase in the subscriber numbers.

Overall, the MTN Group recorded an 11% growth in the same period, rising from 40,051,000 to 44,301,000 subscribers.

The subscriber base is reported using the group's definition of subscribers who have made a revenue generating call in the last 30 days.

The south and East Africa region increased its subscriber base by 6% for the quarter. Growth in the region was driven principally by MTN South Africa, which showed a healthy improvement in net connections during the period, registering a 4% increase.

In the west and central Africa , the 10% growth is still mainly from MTN Nigeria's contribution and to a lesser extent Cameroon and Ivory Coast . Nigeria achieved subscriber growth of 9%, reaching 13,384,000 subscribers.

"I am pleased with the subscriber growth we have recorded in the first quarter, which is in line with our expectations," Phuthuma Nhleko, the MTN Group chief executive said in a statement.

"Assuming the continuation of our current market conditions, we expect to continue the healthy subscriber growth trend across all our operations and to consolidate our position as market leader in emerging markets," he added. in a statement.

**31.05.07**

### **New Kabale-Kisoro road will change Abafumbira**

**By Nsaba Buturo**

SOME time ago, I shared a joke with the Minister of Works, Transport and Communication, Eng. John Nasasira. I said that when God was creating what later came to be called Uganda , He started with Kisoro district and ended with, among others, Kiruhura district.

Kisoro district has an aesthetic beauty that is the envy of other districts in Uganda . It is one of the very few districts in Uganda that has two international borders. It borders Rwanda and the Democratic Republic of Congo (DRC). It is home to the loved Crested

Crane and the rare Mountain Gorilla, and numerous rare birds. Kisoro is the only district in Uganda that has within its borders four lakes. Its soils are rich and volcanic. Her people, the Abafumbira, are industrious and fiercely loyal. No wonder Kisoro district is increasingly becoming a major tourist attraction. It has rich mineral deposits such as wolfram and tin. The list is long.

In Ecclesiastes, the writer says there is a time for everything. The Abafumbira can attest to this Biblical assertion. They also know what patience means. For many years, they yearned in vain for a modern road to be constructed between Kabale town and the border posts of Cyanika (on Rwanda border) and Bunagana (on the DRC border). The road is Kisoro's only land link with the rest of the world. It is a difficult and tough road.

The dream of Abafumbira has been fulfilled by the National Resistance Movement (NRM) government. Last month the Abafumbira witnessed a historic event, the signing of a contract with SBI International Holdings, a firm that is reknown for its proficiency in road construction. Not that the NRM government has done little for them in terms of service delivery. On the contrary, President Museveni's government has done more for the Abafumbira than its predecessor governments.

The signing ceremony was attended by many Abafumbira, finance minister Dr. Ezra Suruma, MPs, Kabale and Kisoro district leadership and the African Development Bank representative. Nasasira signed on behalf of the government. Clearly, the minister was the man of the moment. It takes two to three hours to drive from Kisoro to Kabale on the 80km tough road. Soon it will be a 45 minute drive.

Before Kisoro became a district, it was known as Bufumbira County. As a county, it was part of Kigezi District which comprised the present Kabale, Rukungiri and Kanungu districts. In 1990, Bufumbira County became a district and was named Kisoro District. Things have never been the same again for the Abafumbira. Today, the district bears no resemblance with the former Bufumbira County. For example, the state of its infrastructure development (roads, schools, hospitals/health centres, water, electricity, etc) is superior to what it used to be in the days of Bufumbira County. It now compares favourably with what is obtaining in most other districts in Uganda. This is why as a statement of appreciation, the Abafumbira have always overwhelmingly voted for both President Museveni and the NRM.

Completion of Kisoro-Kabale road to a highway standard will change the fortunes of Kisoro district forever. Tourism, mineral development and Kisoro's position as a strategic district will be boosted forever. At that point, the lives of the Abafumbira will be catapulted to a higher standard of living. I write without hesitation that the support the Abafumbira have for President Museveni and the NRM will remain unassailable. It is highly improbable that there will be another political force that could ever dislodge the NRM party from the district. The people are optimistic about the future. Soon, they will also have the first ever FM radio station – Kisoro Broadcasting Service. Like the up-graded Kisoro-Kabale road, 90.2 FM radio will accelerate the development of this most beautiful part of God-blessed Uganda.

**The writer is the Minister of State for Ethics and Integrity and MP for Bufumbira East**

**27.05.07**

**Mr President, sanitation too matters**

**By John Byarugaba**

MR President, I read with interest the recent media reports on the launch of the water project for the Kampala urban poor. I was excited by your move to promote accessibility of piped water to the urban poor communities. A lot of effort has been put in to achieve the Millennium Development Goal of halving those without access to safe drinking water by 2015.

The active engagement of your office in this drive is a sign of political commitment. This is also reflected in the good performance of the water sector in Uganda.

However, I am concerned that you did not highlight the issue of sanitation as much as you did on water provision. Studies indicate that the biggest percentage of morbidity especially among the urban poor communities arise out of sanitation-related problems.

There is a wrong impression that improved access to safe water addresses sanitation-related diseases. But in reality, improved water access without appropriate sanitation measures can be a problem.

For example, 75% of water used by a household usually ends up as waste water after use. Kampala's suburbs lack drainage channels and sewer lines to absorb that waste water. This is why diseases like cholera and typhoid, among others, continue to prevail and we lose so many lives in the process.

Improved water should go hand in hand with sanitation if we are to reduce the medical bill in our homes. The Government should intervene as it has done on water.

Since 2001, November 19 is celebrated as the World Toilet Day, an occasion that attempts to draw attention to the fact that good toilet hygiene promotes health. But in Uganda the day is not remembered by the Ministry of Health, development partners nor media. Is sanitation marginalised?

True the water projects you have commissioned in the Kampala will improve access in terms of distances, cost and employment. But access to piped water alone does not totally address the real problem. Many people still go to contaminated sources like springs for lack of money to buy water. More needs to be done.

**The writer is the Executive Director of the Uganda Water and Sanitation NGO Network**

**As told to Carol Natukunda**

**24.05.07**

**Uganda, Ethiopia not stooges of America**

Black Africa has faced three dangers ever since the imperialists were forced by a combination of global events to "give" independence to some of the African countries they had colonised.

The external events that forced the imperialists to beat an ignominious retreat from

Africa were:

- The inter-imperialists wars of 1914-1918 and the one of 1939-1945 (the so-called World Wars)
- The emergence of Communism in Russia in 1917 and in China in 1949
- The defeat of the French imperialists in Vietnam at Bien Dien Phu by the Vietnamese nationalists in 1954

The following external events weakened a number of the European imperialist countries (Britain, France, Holland, Belgium, Germany, etc) through mutual bleeding of one another on account of greed for the re-division of the colonised world (Africa, Asia, Oceania, etc): the emergence of the rival camp of powerful communist countries (China and Russia) that were opposed to the colonial enterprises of the European countries and Japan; and the glorious example of the people of Vietnam that it was possible for the non-industrialised population of the Third World to defeat an industrialised power, provided you organise yourselves well.

Yoweri Museveni



In addition, there was the African resistance in Kenya (Mau Mau) and Algeria (NLF). The mass agitations in all the other colonies such as India, Pakistan, Ghana, South Africa, etc, forced the British Prime Minister, Macmillan, to talk of the 'wind of change'.

The imperialist countries that had more far-sighted rulers ( Britain, France, Belgium, etc) "gave" independence. The ones that tried to cling on to colonies ( Portugal, the white settlers in Zimbabwe, South Africa and Namibia ) were forced by the African freedom fighters to give independence or yield to majority rule.

Thereafter, Africa was paralysed, among other factors, by confused analysis from the Western countries that is imbibed, quite often, by Black people without thinking.

The Western confusionists comprised two categories: the greedy rightists who push the line that the West has 'global' interests that it must defend by force on the one hand and the liberals who, among other distortions, propagate the view that Black Africans do not have interests of their own - they only exist to push the interests of others on the other hand.

In the past, these groups would ask us: "Are you pro-East or pro-West; are you pro-capitalist or pro-communist camp?" Our answer to this arrogant question was always that we are 'pro-ourselves'. We have our destiny and our interests that we shall always defend.

This confusion by the Western liberals as well as other Western groups that Black people do not have their own interests and if they do anything, they will have been told to do so by the external powers still persists.

There is, for instance, one good writer, Gwynne Dyer, who normally writes well on world issues. However, in his article in The New Vision of March 19, 2007, he relapsed into the stereo-type Western paternalism. In his article, on page 12, he makes the following assertions:

- The recent events in Somalia are all orchestrated by the USA •The USA has decided that 'their guy' is Abdallahi Yusuf.
- Ethiopia is the only 'ally' of the USA in the Horn of Africa. •The IGAD initiative in Kenya that resulted into the famous Somali agreement was USA inspired.
- The violence in Somalia now is 'worse than ever', etc. These are falsehoods. The actions by IGAD, Ethiopia and the AU have little to do with outsiders, including the USA. If the USA thinking happens to coincide with a particular stance of African interests, that is not disastrous at all, nor is it strange.

In our anti-colonial struggles, the West was on the opposite side and the USSR and China were on our side. When the Soviets and the Chinese sided with us, we were not fighting for Soviet or Chinese interests; we were fighting for our interests.

If our interests also coincided with some of the interests of the Soviets or the Chinese, that is not a problem at all. Indeed, the Soviets and the Chinese helped our brothers and sisters in Mozambique, Angola, Zimbabwe, Namibia, Guinea Bissau, etc, to defeat the imperialists and the white settler regimes.

Why would a friend of Africa be offended by this phenomenon? When it comes to Somalia, Congo, Burundi, etc, the efforts of AU, IGAD or the Great Lakes Region initiative in these countries had little to do with external forces. In fact, in a number of cases ( Somalia included), our actions were either opposed or disparaged by some of the external forces.

No external force believed that we would succeed in Burundi. When we imposed regional sanctions on the Tutsi regime, all the Western countries, their special envoys for Burundi, were opposed to those sanctions. The UN, normally, addicted to sanctions, refused to take up ours on Burundi.

Nevertheless, we went ahead alone. We got South Africa to put in, not the usual UN peace spectators, like the Belgians who spectated the killing of the Hutu moderate woman Prime Minister, Agatha, but, a robust protection force to protect the new interim Government.

Similarly, in the case of Somalia, the USA, initially, obstructed our regional plans while, apparently, they had their CIA scheme with the Mogadishu warlords.

If their scheme failed and they had to belatedly support our plan, that does not mean that our efforts were at the behest of anybody other than ourselves.

Therefore, if the USA or anybody else supports our efforts, currently, that is most welcome. Anybody to ally himself with the plans for our regional interests is not a problem

at all.

However, for Gwynne Dyer to imply that Ethiopia, Uganda or IGAD are “stooges” of the USA and our actions in Somalia are at the behest of the latter is an insult, not only to us, but, also to himself as a credible analyst.

The past or present leaders of Ethiopia (Mengistu and Meles) can be accused of many things but being “stooges” of especially the West is not correct. To say that we in Uganda are “stooges” of anybody would almost put you in a mental asylum.

I do not think that Mr. Dyer is suffering from such incapacity. However, his problem could be that characteristic of the Western leaders and intellectuals (rightist or liberal). According to them, Black Africans are not able to define and defend their interests at a regional or global level.

If they do something, it must be because some outsider (American, European or Russian and Chinese in the past) has told them to do so. This is all false and the sooner the peddlers of that line abandon it, the better for the region.

Somalia is part of Eastern Africa . The Somalis are a Hamitic people, similar to the ancient Egyptians and to many peoples of Eastern African (the Oromos, the Nilo-Hamitic, the half-Hamitic, etc). Africa will help them to rebuild their shattered State. The Union of Islamic Courts (UIC) are, of course, Somalis.

Initially, they were provoked by the USA schemes of disrupting the IGAD settlement and ceasefire in the whole of Somalia when they were using some warlords to capture some Al-Qaeda elements.

They chased those warlords out of Mogadishu . Why, then, did they continue to attack Kismayu where they had to fire at women who were peacefully demonstrating against imposing sharia law? They continued to attack Baidoa.

Mr. Dyer agrees that they had Al-Qaeda elements among them and, then, they were harbouring anti-Ethiopian dissidents.

The East African region cannot welcome such a cocktail, especially, if it is going against the regional plan of IGAD. The UIC made their own mistakes.

They should now negotiate with other Somalis to broaden the unity achieved in Kaserani Stadium in Kenya , enrich the interim arrangement for an agreed period and, then, hold elections, thereby giving back the Somali people their sovereignty. I hope this helps Mr. Dyer.

**22.05.07**

#### **Paragon Hospital expansion to cost \$10.5m**

Paragon Hospital 's expansion is to cost \$10.5m (about sh18.1b), the hospital's managing director, William Lalobo, has said, writes **David Muwanga**.



**Kigozi led the team**

“We have just completed the first phase of building a sh5b hospital that is soon to be opened,” Lalobo added.

“We are planning to spend another \$5.5m (sh9.6b) on construction of a new hospital in the Kampala Business and Industrial Park and an extension of the existing hospital that is estimated to cost between \$4m (sh7b) and \$5m (sh9.6b) that will have 400 beds,” he told a delegation from the Uganda Investment Authority (UIA).

Led by the UIA executive director Dr. Maggie Kigozi, the delegation was on a monitoring exercise of investors within Kampala .

“We took a decision to invest in health in order to fill gaps in the sector that include lack of infrastructure and manpower,” Lalobo said.

He hailed the Government for waiving taxes on medical equipment and materials that will be used in the construction of the two hospitals.

Kigozi asked the hospital's management to work with insurance companies and other health service providers to start an insurance scheme.

**17.05.07**

#### **Madhvani injects sh2b in tea estates**

**By Kiganda Ssonko**

MADHVANI has spent over sh2.7b on its tea estates in Mityana and Wakiso, the Mityana tea estate's general manager, Vijay Kumar, has said.

Kumar said the sh2.7b was spent on Mwera and Nakigalala tea estates in Mityana and Wakiso districts respectively.

“In the next year, sh300m will go to housing structures and sh400m to plantation expansion,” he explained.

Kumar said tea from the two estates would satisfy international demand.

“In the last four years, 313 hectares have been rehabilitated at Mwera and 90 hectares are to be covered in the next three years. Nakigalala Tea Estate has got 508 hectares out of which 190 are under tea. The remaining part is to be covered in three years. Our target is to double production to two million tonnes annually in five years,” Kumar

explained.

He said they had purchased machinery like the Jumbo Withering Troughs, CTC machine, continuous fermenting machine, a drier and sorting machines.

Kumar said they are also to spend sh50m on seedlings.

#### 14.05.07

### Why I support Mabira give-away – Museveni

By Felix Osike & Mary Karugaba

PRESIDENT Yoweri Museveni has for the first time explained why he is in favour of giving 7,100 hectares of Mabira Forest to the Mehta Group for sugarcane production.

In a letter to the NRM MPs, of December 8, 2006, the President argues that his main motive for giving land to investors was job creation.

“Employment creation is one of my main interests when I support manufacturers and hotels in acquiring land,” he writes. “How long shall we go on with this problem of educated people without jobs?”

Apart from job creation, manufacturers bring in added value, export earnings from processed goods and taxes on the manufactured goods as well as on wages.

He gives the example of Madhvani, who employs 6,500 people at Kakira Sugar Works. “Suppose we had 2,000 Madhvanis, we would be able to employ 13 million people.”

As for Mehta, he argues that Amin destroyed the nucleus of the Ugandan economy by expelling Asian entrepreneurs.

“When we came into government, we brought these entrepreneurs back. Many of them have attained their 1972 levels and even surpassed them. They are now facing new challenges.”

One of the challenges, the President observes, is competition from China, India and other developing countries, forcing Ugandan companies to expand and lower costs.

“According to Mehta, in order to be competitive, he should go from his present level of 55,000 tonnes per annum to 110,000 tonnes. He needs 1.2m tonnes of sugarcane per annum, which can only be produced on 22,500 ha of usable land.”

The President explains that Mehta had already 10,000 ha, would buy 1,500 ha from private people, while out-growers would supply him with 60,000 tonnes of sugar cane.

“Therefore, he needs an extra 7,100 ha from the Government... We cannot shift the factory and the present 10,000 ha. When Mehta brought the proposal of the forest land, I supported the idea without hesitation.”

The reason for using forest land, he argues, is that there is no other free land. “Much of the land is occupied by peasants who are engaged in traditional, subsistence farming. Both physically and legally we cannot access this land. That is why I have been using Government land to fill this gap.”

He also emphasises that by-products of sugarcane can be used to produce electricity and to make fuel that can be mixed in petroleum.

Industrialisation is the only way to move away from poverty and backwardness and ultimately to protect the environment, the President believes. He asserts that it is more difficult for a backward country to guard against environmental degradation.

“The Government has no money to police and protect the environment. There are too many people in primitive agriculture techniques who in the process destroy the environment using wrong techniques. And without electricity, the population uses firewood, thereby destroying the bio-mass.”

He, however, notes that there are forests which should not be touched. “The forests next to the lake should never be touched because it helps to filter the water flowing into the lake. Wetlands should never be touched because these are water reservoirs for our country. We should plant forests on all the bare hills of Rwampara, Ssinga, Kabale, Karamoja, Akokoro. We shall end up with more forests, more factories more employment.”

The President was expected to communicate his position to the Cabinet last night after environment minister Maria Mutagamba presented a report in the morning session.

This article can be found on-line at: <http://www.newvision.co.ug/D/8/12/560612>

#### 03.05.07

### Environmentalists soften stance towards Bujagali

Davis Weddi  
& Agencies

Uganda may soon be able to shoot down two birds with one stone when the re-named EASSY (The East African Submarine Cable System) project is actualized. Developments from South Africa indicate that EASSY has been renamed and is now called The Nepad Broadband Infrastructure Network (NBIN).

It is expected that once in operation, the initiative will see communication costs in Africa decreasing.

The renaming follows Kenya's refusal last year to sign the treaty/protocol establishing EASSY. Kenya has since then embarked on creating their own broadband network dubbed The East African Marine Systems (TEAMS).

“Uganda is part of the NEPAD arrangement. We are signatories to the agreement signed last year,” said a top official of the ICT Ministry in Kampala.

A leading civil society player, the CEO Bridges.org Vincent Bagiire told the New Vision that Uganda will benefit either way. He said, “If there is a connection in Kenya, it is inevitable that Uganda's telecom companies will connect to it. Many of them have regional connectivity arrangements like Celtel's regional one network, MTN's arrangement with

Safaricom.”

Bagiire however observed that it will be possible for Uganda to tap into the Kenya 's TEAMS under the auspices of the East African Community. He also noted that already Uganda is a signatory to the NEPAD arrangement.

NBIN is expected to provide a number of landlocked African countries, mainly on the eastern side of the continent, access to two broadband networks. One will run as backbone from South Africa through Botswana , Zimbabwe , Zambia , Malawi and Uganda to terminate in the Rwandan capital of Kigali . The second is an undersea cable that will run up the African east coast and was supposed to land in Kenya . A new landing point is yet to be announced. Other signed up are Lesotho , the Democratic Republic of the Congo , Mauritius , Namibia and Madagascar .

NBIN will have all participatory countries linked up before being linked to the rest of the world, thereby integrating Africa 's communication by synchronizing ICT infrastructure initiatives.

South African Communications Minister Ivy Masepe-Casaburri, is reported to have said NBIN will be controlled through a "golden share" scheme, in which African countries will retain control of the various entities that are to be created to run the entire network and keep it from falling into foreign hands.

Currently, 12 out of 23 African countries have signed the Nepad ICT Broadband infrastructure protocol, which commits them to building the network. South Africa hopes to ratify the protocol by mid 2007.

#### **01.05.07**

##### **Poor quality coffee burnt**

**By Charles Bwogi**

THE Uganda Coffee Development Authority (UCDA) has burnt poor- quality coffee in Bushenyi,” Apollo Kamugisha, an officer, has revealed.

“We found many coffee buyers or middlemen dealing in poorly-harvested and dried coffee and destroyed it to stop it from entering the market,” Kamugisha said. He said last year, they burnt coffee in Sironko.

Kamugisha said poor quality coffee is rejected on the world market. “With consumers rejecting the coffee, farmers, traders and the nation will be the losers,” he said

#### **25.04.07**

##### **NEPAD renames EASSY project**

**Davis Weddi**  
& Agencies

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#### **24.04.07**

##### **Uganda oil can feed EA region**



**PROSPECTS HIGH: Bukenya (3rd left) and members of his delegation inspect the Kingfisher drilling machines**

**By Emmy Olaki and Fred Kayizzi**

Heritage Oil and Gas Company will this week hold negotiations with the Government to construct a refinery that will supply the East African region with petroleum products, a senior company official said.

Last week, Uganda 's single biggest oil find was announced by the oil company at Kingfisher well in Bunyoro with a flow rate close to 14,000 barrels of oil per day.

Bryan Westwood, the company's country director, said: "We cannot accelerate the production time to earlier than 2009. We have, however, considered the possibility of a mini refinery because the cost of constructing a pipeline is much higher."

Westwood was addressing the Vice-President, Prof. Gilbert Bukenya, who was on a tour of the oil site in Buhaguzi sub-county, Hoima district on Sunday.

Westwood said the mini- refinery was capable of producing diesel, paraffin, heavy oils and aviation oil. He, however, said it could not produce petrol. "With this, we can provide the whole of East Africa with fuel and we shall become self-sufficient."

The company is currently in the process of acquiring a bigger rig that can drill deeper.

The Permanent secretary in the Ministry of Energy, Kabagambe Kaliisa, said Uganda currently consumes 12,000 barrels of petroleum products a day.

He explained that the combined discovery of about 26,000 barrels a day is much higher than the country's consumption.

Kabagambe said the country was now moving to evaluation and development of the resource.

Bukenya said the country should thank God for bringing oil at a time when there is a good government. "If we had found oil during the Amin days, God forbid, it would have been a disaster."

He, however, asked the oil companies to speed up the oil discovery exercise so that the government can generate money out of it to fight poverty.

He noted that the government was faced with a big challenge of transforming people's living conditions, especially in rural areas where poverty had escalated.

" Uganda is very poor. As I flew to this area I noticed that everywhere there are grass thatched houses. I ask Heritage company to speed up to ensure that we also ran faster and assist our people out of poverty."

#### **10.04.07**

##### **Exporters told how to access European markets**

EXPORTERS should apply the principles of corporate social responsibility in order to access larger European markets, writes **Alice Kiingi**.

The principles are; people, profit and the environment.

A director at the Uganda Exports Promotion Board, Ben Naturinda, said companies can utilise the principles as a marketing tool.

Naturinda said this during workshop for exporters on the theme: "Managing buyers' requirements," at the Grand Imperial Hotel in Kampala .

The workshop was organised by the board and the Centre for the Promotion of Imports from Developing Countries, an agency of the Netherlands government.

Jim Tersteeg, an expert from the agency, said the principles are also part of the ISO standard that focuses on environmental management. The exporting country should comply with the environmental rules to avoid the usage of hazardous materials like cadmium in plastics.

"Auditors from the importing country will visit factories and access performance on child labour, health and safety, working hours and compensation," he said.

#### **09.04.07**

##### **Traders oppose economic pacts with Europe**

**By Peter Kauju**

THE Economic Partnership Agreements (EPAs) will lead to flooding and dumping of European products on the market, which will suffocate local industries, an official of the African Centre for Trade and Development has warned.

Elly Kamugisha, the executive director of the centre, said: "Free trade agreements should give mutual benefits to both sides. But this is not the case with the EPAs. Uganda is not an equal partner with the European countries, so we stand to lose if we sign the EPAs. We are scared that signing the EPAs will bring us a lot of problems."

He was presenting a paper, "The impact of EPAs on women," at the Hotel Africana in Kampala .

EPAs are trade pacts being negotiated between the European Union and the African, Caribbean and Pacific countries. They are aimed at enhancement and maintenance of

market access and expected to be effected on January 1, 2008 .

"We embraced privatisation and liberalisation but the results have not been very good. Opening up in our infancy will not help us. The argument that consumers will have choice when we sign the EPAs does not hold because local industries will close and unemployment will set in," he warned.

Kamugisha said economies like Uganda 's need access to markets which are not restrictive.

"The European Union only wants to protect its interests and competition," he said.

Uganda 's private sector recently said they need more

#### **04.04.07**

##### **Uganda won't export unrefined oil, says M7**

**By Henry Mukasa**

UGANDA will not export unrefined oil from the wells which were discovered in Hoima district recently, President Museveni has said.

According to a State House statement, Museveni described the exportation of raw materials as part of slavery in Africa .

"He (Museveni) gave assurance that Uganda is going to ensure that its newly discovered petroleum resource will not suffer from the curse of raw materials for export anymore," the statement quoted Museveni as saying.

He was speaking at celebrations to mark Libya 's 30th anniversary of the the establishment of people's authority through the masses on March 2.

Less than eight years after the September revolution on March 2, 1977 , Libyans adopted what has become to be known as "the declaration of Sebha".

The declaration took place in Kahire in the city of Sebha .

President Museveni asserted that Uganda was working with Libya to stop the haemorrhage of Africa caused by the export of unprocessed materials.

He commended the Libyan leader, Col. Muammar Gaddafi, "for his diligent struggle and resistance against selling petroleum oil cheaply in the early 1970s."

He said the resistance led to the rise of crude oil prices on the international market from 40 cents per barrel in 1971 to \$40 in 1973.

The President noted that the struggle led to the massive transfer of money to oil producing countries.

Museveni, who was speaking on behalf of other African leaders at the celebrations - Idris Deby of Chad and Tanja Mamadou of Niger , observed that the major difference between Africa and Europe was that that latter had transformed its society into working and skilled classes.

He commended Gaddafi for the support he gave the protracted people's liberation struggle of Ugandans led by the NRM.

Meanwhile, President Museveni was on Tuesday among the African heads of state who attended Ghana 's 50th Independence anniversary celebrations at the independence square in the capital, Accra .

The President was accompanied by his wife Janet Museveni.

According to a State House statement, the president of Nigeria , Olusegun Obasanjo, was the chief guest.

The president of Ghana , John Kufuor, said the celebrations were not for Ghana alone but for the whole of Africa .

He said Ghana 's independence changed the outlook and status of the African continent.

#### **02.04.07**

##### **Hotels to be graded soon**

**By Charles Bwogi**

CLASSIFICATION of hotels will start next month, trade state minister Serapio Rukundo has revealed.

"We are going to do it in two phases. For ready-to-occupy hotels, we are going to do it between February and March. For those that are not ready, we shall cover them between June and July," Rukundo explained while closing a hotel assessors' workshop.

The workshop was aimed at acquainting hoteliers with classification standards that will guide officials who will select hotels to host the Commonwealth Heads of Government Meeting guests in November.

He said the process is not aimed at punishing hoteliers but ensuring that services conform to international standards.

Rukundo said classifying the hotels builds confidence among clients because they know what to expect. He said the Government would close sub-standard hotels.

Rukundo said next month, the Government and the Uganda Hotel Owners Association, would start training hotel workers in international practices. The classification will be an answer to the outcry of the industry's big players, who have been pestering the trade ministry to conduct it.

The industry players have been asking the ministry for over three decades.

#### **21.03.07**

## Foreign debt declines by 65 percent

By Sylvia Juuko

UGANDA 'S external debt has fallen by 65% to \$1.6b (sh2,824b), the lowest in recent times, the central bank's director of research has revealed.

David Asiimwe Kihangire said the debt stock reduced to the current levels by September last year from highs of \$4.5b (sh7,942b).

"The decline is due to a \$3.2b (sh5,648b) debt waiver by the World Bank," Kihangire told a press briefing in Kampala on Tuesday.

The International Monetary Fund also wrote off about \$110m (sh194b) in January last year. The African Development Bank indicated it would write off \$600m (sh1,059b), further reducing the debt stock during the 2006/07 financial year.

The debt cancellation is part of the Multilateral Debt Relief Initiative (MDRI). Last year's announcements make good promises made by the powerful Group of Eight nations to cancel developing countries' debt during a summit in Gleneagles , Scotland , in July 2005.

Uganda 's disbursed and outstanding external debt had soared to \$4.316b (sh7,617b) by March 30, 2006 , having increased from \$0.7b (sh1,235b) in 1980 and \$1.4b (sh2,471b) in 1986, statistics from the central bank's trade and external debt department showed.

Due to the reduction, Uganda will pay less interest to her creditors, freeing resources that will fund other social sectors and eventually reduce poverty. The Government is expected to use some of the savings from the debt cancellation to fund infrastructure.

"The debt write-off came at the right time," Kihangire.

The MDRI initiative has delivered debt sustainability, which had eluded the country after the highly-billed Heavily Indebted Poor Countries Initiative.

He said Uganda would be able to manage its foreign debt due to stringent conditions set under the International Monetary Fund (IMF)'s three-year Policy Support Instrument.

"Our debt is sustainable. The Government is not allowed to borrow non-concessional loans. There is also a restriction on the central bank and the Government against guaranteeing any debt on the external front," he concluded

### 20.03.07

## 48 power projects ready for development

By Ibrahim Kasita

OVER 48 small hydro-power projects are ready for development, paving way for faster rural electrification, a statement from the energy ministry has said. The projects with a capacity of over 50MW are located in mountainous areas.

Thirty-eight of the sites are not committed, while permits for 10 have expired. The 10 are available for new investors to construct and generate electricity.

Investors interested in the sites can apply through competitive bidding or direct entry.

Competitive bidding is allowed for sites where adequate studies have been carried out.

The best bidder is given exclusive rights to carry out due diligence before negotiation for a Power Purchase Agreement (PPA) and subsequent licensing.

Direct entry applies to sites with no adequate or up todate information. The developer may apply for a permit to carry out detailed feasibility studies, negotiate for the PPA and obtain a licence.

However, no licence is required for sites with capacity equal to or less than 0.5MW.

Hydro-power plants with capacity not exceeding 10MW can be owned by the developer in perpetuity.

Before a licence is issued, the developer should obtain a water permit from the Directorate of Water Development, consent from National Environment Management Authority and a PPA from Uganda Electricity Transmission Company.

### 13.03.07

## India offers free market access

**WE ARE OPEN: Sihag (right) addressing African journalists**



By John Kakande  
in New Delhi , India

INDIA is seeking to enter a free trade arrangement with Uganda and other member states of the Common Market for Eastern and Southern Africa (COMESA), a top Indian commerce ministry official disclosed on Monday.

Bharathi Sihag, the joint secretary of the commerce department in the commerce and industry ministry, revealed that India was keen to negotiate a free trade agreement with COMESA.

She said this was because the Indian government now prefers to deal with African economic blocs rather than individual countries.

Sihag added that her government would also engage the East African Community countries through the bigger economic grouping of COMESA.

"We have written to COMESA, but we have not heard from them yet," Sihag told a group of journalists from the East and Southern African countries on a visit to India. According to her, India wants a "comprehensive economic engagement" with COMESA.

She, however, argued that India was not worried about China's current economic drive in Africa.

Sihag insisted that her country would not embark on an aggressive trade drive to counter China's offensive.

She stressed that India has an economic and social advantage over China such as the "people-to-people contact." Sihag added that India was interested in starting "contract farming" with Uganda.

**10.03.07**

### **Museveni assures investors on business**

**By Cyprian Musoke**

PRESIDENT Yoweri Museveni on Wednesday met a team of industrialists who called on him at State House, Nakasero.

The team comprised the American adviser on the African Growth Opportunity Act, Rosa Whittaker, the proprietor of Phoenix Logistics, Yuishi Kashiwada, and Remmy Edmond of Cool Ideas South Africa, among others.

Museveni appreciated their efforts of linking Uganda to the international business community, and called on Ugandan ministers and MPs to speed up the investment process.

The President assured the investors that Uganda has the potential and capacity to provide raw materials for industries because of the good climate and fertile soils.

He added that farming is done organically, which ensures the high quality and safety of the raw materials.

Museveni decried the practice of land fragmentation and noted that it had hampered productivity in some areas, as farmers cannot engage in commercial farming.

Whittaker said Uganda had a comparative advantage over most of the countries in Sub-Saharan Africa because of its organically produced materials. She promised to start a branding exercise aimed at promoting Uganda's organic cotton.

Kashiwada said the focus for his company in future was to partner with farmers to grow more organic cotton, process it into lint and garments.

He said this would help add value to the cotton industry, create more jobs for Ugandans and increase the price of cotton.

Present at the meeting were ministers Dr. Ezra Suruma and Prof. Ephraim Kamuntu.

**06.03.07**

### **Build ICT skills base, Muliira tells companies**

**PETER NYANZI**

KAMPALA

THERE are still acute gaps in the Information and Communication Technology sector that need to be filled, the Minister of Communication and Information Technology has said.

"There is need for software and human resource skills. There is need for skills provision and awareness creation as well as legal and regulatory environment, which are necessary to ensure protection," Dr Ham Muliira said.

He was speaking as chief guest at the launch of new IBM products on the Ugandan market on January 24.



**CRUCIAL: Dr Muliira**

The products supplied by Southern Business Solutions Uganda Ltd, include Lenovo laptops and computers, which officials said have been rated globally as some of the best in computer industry.

Mr Muliira said the government was keen to implement an e-government policy to link all districts electronically for better service provision and transparency.

"ICT is vital to the future development and we must embrace it and make better use of it," he said.

He said the government recognises that ICT has a big role to play in stimulation of national development, in particular modernisation and globalisation of the economy.

He said ICT presents the business community with numerous opportunities, which they must embrace.

He called for more partnerships for local skills development to enable the manufacture of these machines as well as local staff to build a skills base in the population and ensure universality of access.

Mr Muliira said there is a critical need for a legal and regulatory framework that would ensure a coordinated and regulated approach to overall development of ICT in the country. He revealed that three cyber Bills are now before Cabinet from where they will be tabled before Parliament.

He said the legal framework would guide and direct inward investment desirable for the country.

### 05.03.07

#### Oil pipeline deal concluded

JUDE LUGGYA  
KAMPALA

THE construction of the 358-kilometre oil pipeline from Eldoret in Kenya to Kampala is set to begin by August at a cost of \$78 (Shs138 billion), is set to begin following the signing of the agreement.

Officials of Uganda, Kenya and Tamoil, the company that landed the contract to construct the pipeline; on Saturday signed the agreement at Speke Country Resort Hotel Munyonyo.

Tamoil will provide 51 per cent of the total cost while Kenya and Uganda will both contribute 24.5 percent of the cost.

The Permanent Secretary of Uganda's energy ministry Kabagambe Kaliisa, his Kenyan counterpart Patrick Nyoike, Tamoil East Africa Managing Director Kamel Jarnaz and the Chairman Mr Habib Kagimu are the signatories to the agreement.

Mr Kaliisa, the Chairman of the joint coordinating commission of the pipeline project said Tamoil beat 23 firms to the deal.

"Tamoil Africa emerged the most responsive bidder with very strong financial and technical competency," Mr Kaliisa said.

The deal was hit by allegations of corruption but Mr Kaliisa said although there were some "complaints" from the losing bidders, his commission dismissed the complaints "and we do not expect them again."

Uganda's energy minister Daudi Migereko described the project as a major breakthrough, saying the current tariff on every 1,000 litres of oil is \$35 but the pipeline would reduce the tariff to \$20 per cubic metre.

He said when completed, the pipeline could eventually serve neighbouring countries such as Rwanda, Eastern Democratic Republic of Congo, Burundi and Southern Sudan.

### 21.02.07

#### Tourists get treat gorillas deliver

By Gerald Tenywa

TWO gorillas in Bwindi National Park recently gave tourists more than they had bargained for when they gave birth in their presence. The amazed tourists watched the gorillas for an hour.

According to the Uganda Wildlife Authority (UWA), the two new arrivals bring the population of babies among the habituated groups to 11.

Habituation is the delicate process through which primates get accustomed to human presence without losing their wild character. The Bwindi gorillas have been open to tourism for a long time, but they had never delivered in the presence of tourists.

"We have received the report from Bwindi with a lot of excitement because gorillas are very few and this is an indicator that the population is increasing," said Lillian Nsubuga, UWA's Public Relations Manager, in Kampala.

Gorillas are among the most endangered animals.

Nsubuga said 11 baby gorillas will get names at a ceremony to take place soon. She called on those interested in helping to conserve gorillas to contribute to the ceremony, adding that they would get a chance to name one of the primates.

### 17.02.07

#### Kenyans find Uganda cheaper

By Jeff Mbangi  
WEEKLY OBSERVER

Kenyans spend more money drinking beer and buying meat than Ugandans, one of the many indicators that the cost living is higher in Kenya .

Average prices of goods and services within the two East African countries indicate that the cost of living is lower in Uganda than it is in Kenya .

Take the example of beer. Although Tusker malt beer is made by East African Breweries Limited, there is no uniformity in prices.

A bottle of 250ml goes for Ksh120 (US\$ 3,120) in Kenya 's bars while in Uganda it is at Shs 2,500. This means that for the same amount of money, a beer drinker in Kampala would be consuming his sixth bottle while the one in Nairobi is at beer number five.



**A food market in Kampala .  
Compared to Nairobi , food in  
Kampala is relatively cheaper**

And yet eating Nyama Choma (roast meat), a much loved delicacy among Kenyans, will see one spend KShs 180 (Shs 4, 680) on a kilo of raw meat, which is US\$ 1,500 more than the Kampala price.

Despite growing concern among Ugandans over the increasing price of rice, a common item on their menus, the cost is yet to come anywhere near Kenya's. Ugandans buy a kilo of rice at Shs 1,500 compared to Kenya 's Shs 70 (US\$ 1,820).

The prices become even more alarming when you visit the restaurants. Don't bother dropping by Palacina, The Residence and the Suites, along Kitale Lane in Nairobi if you are on a shoe string budget.

Palacina, which, for good measure, is similar to Kabira Country Club in Bukoto, sells a 300 ml bottle of soda at Kshs 100 (US\$ 2,600). A soda at Speke Hotel is sold at Shs 1, 500.

A glass of red wine at Palacina is Kshs 250 (US\$ 6, 500), although you could get the same wine at about Shs 5,000 in some of the good joints in Kampala .  
A plate of pork chops at Palacina will leave you Ksh 1,000 (US\$ 26,000) broke although Kabira will serve you Mongolian dish for Shs 17, 000.  
The high prices in Nairobi are understandable.

The tourists that visit Kenya annually are more than twice the numbers that come to Uganda , increasing the demand for goods and services there. On the other hand, the high prices could also explain why Kenya is still struggling to keep its inflation levels below double digits unlike the case in Uganda .

Understandably, landlords charge higher rent fees in Nairobi than in Kampala .  
While some tenants rent a one-bedroom, 'self-contained' at Ksh 8,000 per month (208,000), in a place like Ntinda, Kampala , one could get a two-bedroom 'self-contained' house for the same amount.

Traveling on Akamba Executive bus from Kampala to Nairobi costs Shs 32,000 while the return trip is Kshs 1,450 (Shs 37,700). However, some items are cheaper in Kenya than Uganda partly because they are manufactured there.

An Always Ultra sanitary pad in Mombasa costs about KShs60 (US\$ 1,560), while women in Uganda will have to part with about Shs 2,000 to have one.  
Even though the cell phone mania caught up in Uganda way before it did in Kenya , mobile phones have become cheaper in Nairobi than in Kampala .

But the skyrocketing sugar prices have cut across both countries, with Kenya 's consumers spending between Kshs 90 (US\$ 2,295) and KShs 120 (US\$ 3,060), according to a report in The Standard newspaper recently, more or less the same amount as in Uganda .

On the other hand, Kenyans do not have to fret over the exorbitant electricity bills like it is in Uganda .

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**29.01.07**

### **International calling rates to fall**

**By Davis Weddi**

A new telecom firm, Yo, Uganda Ltd is to provide the cheapest international calling services using Voice over Internet Protocol after successful tests.

"It is an all-embracing service, which enables everyone with a mobile phone to make a cheap international call no matter where they are in the country," Gerald Begumisa, the company's managing director, who is also chief technical officer, said. He is one of the four owners of the company.

This is the second company that has come up with cheaper international calling rates. Last year, Talk Telecom introduced a callings-cards-based solution.

Calls to China and Singapore are the cheapest at sh350, while calls to India and Pakistan are the highest at sh450. Calls to the US and Canada will be at sh380.

However, Yo 's solution is totally digital with no cards to purchase and scratch. Instead, airtime of the parent mobile service provider will be added to the Yo account created for the subscriber and used in processing the call.

Yo is using software developed by the proprietors who have also developed a special telephony billing and routing system, now successfully being used in the United States .

**28.01.07**

### **Chinese eye textiles**



**LED DELEGATION: Jian**

**By James Odome**

UGANDA 's textile industry has a lot of potential for development, a Chinese delegation has observed.

Xuzhou Municipal mayor Li Jian, who led four potential investors from the heavily industrious city, said they are content with the market for their products.

The delegation met members of the Uganda National Chamber of Commerce and Industry (UNCCI) in Kampala .

"We have come to see whether there is a chance to market and set up industries. We also wanted to see the level of industrialisation," Jian said.

UNCCI 's vice-president Kassim Omar said: " China has a lot of goods and services to offer. Uganda also has some resources like iron ore and oil reserves. "

**15.01.07**

## Tourism tops investments

By Jeff Mbanga  
WEEKLY OBSERVER

After more than 10 years of dominance as Uganda 's top investment earner, the manufacturing sector has been toppled by the tourism and real estate sectors. According to the Uganda Investment Authority (UIA) report for the first quarter of the financial year (July to September, 2006), tourism's 17 licensed projects attracted revenues worth \$119,387,000 (Shs220.7 billion) followed by real estate which raked in \$118,935,000 (Shs219.9 billion). There were three projects licensed under the real estate sector.

The government last year carried out a Shs 1 billion six-month campaign on CNN, under the tagline 'Gifted by Nature,' with the aim of polishing the country's image abroad. This tagline was later turned into an independent company but with the same goal of promoting Uganda 's image abroad.

Apparently, the investment paid off, according to Gifted by Nature Vice Chairman, Ignie Igunduura. Igunduura said that the number of visitors on the Uganda Tourism Board website [www.visituganda.com](http://www.visituganda.com) increased by 52 percent after the CNN campaign.

Dr. Maggie Kigozi, UIA boss, attributes the good showing of the real estate industry to the upcoming Commonwealth Heads of Government Meeting (CHOGM) in November 2007.

There were five projects registered under the transport, communication and storage sector. This sector came third and brought in \$95,490,000 (Shs 176.4 billion).

The manufacturing sector lost its number one position but still brought in \$87,000,000 (Shs160 billion). The decline is attributed to the unstable power supply that the country is experiencing.

However, UIA considers the instability in power supply as a blessing in disguise as more investors are expected to get involved in the energy sector. A total of five energy projects worth \$84,482,000 have been registered.

Despite having incentives like a five-year tax holiday for investments worth \$500,000 and more, the mining and quarrying sector recorded the least number of projects and investment value, bringing in \$316,000 (Shs584.6 million) from the one licensed project.

However, a jovial Kigozi told The Weekly Observer that "we have been able to bring in more investment in the last three months than in the whole of last year."

The overall value and projects in the three months is \$584,037,465 (Shs1 billion) and 135 respectively.

Kigozi said that the money for the investments could in fact be more with some of the projects and the funds being rolled out in phases.

Foreign direct investment has grown from \$82 million in 1990 to \$258 million in 2005.

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SECTOR	No. of Projects	Planned investment in \$
Agriculture, forestry, fishing	11	7,190,465
Construction	14	9,659,000
Finance services	4	16,132,000
Manufacturing	58	87,000,000
Mining and quarrying	1	316,000
Other business services	9	16,808,000
Professional services	8	28,638,000
Real estate	3	118,935,000
Tourism	17	119,387,000
Transport, comm., storage	5	95,490,000
Water and energy	5	84,482,000
<b>Totals</b>	<b>135</b>	<b>584,037,465</b>

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