

Uganda Industry and Intralogistics: Poised for Growth

by Muhumuza Bageire

Recently, manufacturing journalist and founder of the Manufacturing Media Consortium, Thomas R. Cutler met with Benita Bageire in Entebbe to discuss Uganda and Africa's economic potential. Cutler noted, "It is a dynamic time for Uganda's role in manufacturing and global intralogistics." (Cutler can be reached at trcutler@trcutlerinc.com.)



*Thomas R. Cutler, manufacturing journalist
and founder of the global Manufacturing Media Consortium.*



Benita Bageire (BB), Co-Founder and Managing Director of Albertine Oil and Gas Services LTD. She has over 25 years as a marketing and business development specialist from energy, telecom, and fast-moving consumer goods. Bageire has extensive international business network and has garnered comprehensive experience and knowledge in the oil and gas upstream sector while accruing various awards along the way. She was born in Uganda, educated in Kenya, UK, and France. Bageire can be reached at LinkedIn.



Outlook: Uganda 2021 and Beyond

Uganda has seen some economic transformation, with the industrial sector growing compared with the agriculture sector. The Ugandan government’s focus is on natural domestic resource-based industries (such as petroleum, cement, and fertilizer); agro-processing; knowledge-based industries (information and communication technology, ICT, call centres, pharmaceuticals); and engineering for capital goods, agricultural implements, construction materials and others.

The 2019/20 budget saw an increase in budget allocation towards infrastructure for industrialisation: (\$40 million) for electrification of industrial parks; and (\$28 million) for the development of supportive export infrastructure in export processing zones.

MB: How has the industrial climate shifted in Uganda?

BB: Energy. Two new dams have helped reduce the cost of electricity, and the introduction of energy rebate policies. This has helped businesses be more cost-effective. Uganda has seen some economic transformation, with the industrial sector growing compared with the agriculture sector. The government focus is now on local industries like manufacturing, ICT, engineering, and construction.

MB: *COVID-19 has had a strong impact the world over. How has it changed the Ugandan manufacturing sector?*

BB: Mainly it has reduced importation of raw materials, slowed down the construction sector, caused reduction of supply in requirements like cement and other construction materials. Some of the existing manufacturers diversified their factories to make other products that resulted from the shortage of previously required goods and essentials. For instance, textile companies started making medical (N95) masks, sugar manufacturing companies making sanitizers, others making testing kits and ventilators.

MB: *Why is Uganda on the rise in various manufacturing sectors?*

BB: Uganda is uniquely positioned to be a leader in manufacturing because we are land linked with Kenya, Tanzania, Rwanda, the Democratic Republic of Congo, and South Sudan. We are improving our waterways and will become the logistics hub for the region especially eastern DRC, South Sudan, and Rwanda. We export a vast amount of minerals from DRC and South Sudan; we will add value to these minerals.

Zimbabwe is no longer the food hub of Africa. Uganda will take up that position, such as excess cereal. We grow a lot of sugar and will leverage that as ethanol and biofuel. We have five companies now building electric boda-bodas which are motorbike public transportation. We have built electric buses. We are going green.

There are plenty of opportunities here for both local and international investors. The US already has companies like Citibank, FedEx, General Motors, Caterpillar, Prudential, Marriott, and Sheraton operating in Uganda. There are plenty more opportunities for more American and international companies to invest.

Further, the Government of Uganda has declared its interest in promoting industrialization, and has enshrined this into its long-term development plan, Vision 2040. It has taken important steps towards promoting investment in manufacturing through the creation of policies and institutions. However, the focus has been broader than manufacturing, covering all value addition activities.

MB: *Why is foreign investment in the East African region so attractive for industry and intralogistics?*

BB: Uganda is well regulated and is a liberalized economy in which all sectors are open for investment. There is also free movement of capital to and from the country. Uganda's workforce is highly trainable; English is widely spoken and costs reasonable to do business in Africa.

MB: *What are the opportunities and challenges for Ugandan investment?*

BB: With a market economy, ideal climate, ample arable land, young and largely English-speaking population, and at least 1.4 billion barrels of recoverable oil, Uganda is uniquely positioned for success.

Uganda has large under-exploited mineral deposits of gold, oil, high-grade tin, tungsten/wolfram, salt, beryllium, cobalt, kaolin, iron-ore, glass sand, vermiculite, phosphates (fertilizer), Uranium and rare earth elements along with significant quantities of clay and gypsum.

MB: *Are there any quality control protocols in place in Uganda?*

BB: Health and safety regulations are in place, we have a standards agency, Uganda National Bureau of Standards or UNBS, which is benchmarked on British standards. More and more manufacturers are ISO certified.

MB: *What would help take Uganda to the next level?*

BB: Capital injection, access to high-level expertise, and skill-building are critically important.

Author Bio



Muhumuza Bageire has written for radio, print, live performance, TVCs and proposals, representing PR and marketing firms in both above the line and below the line sectors, as well as for real estate companies. He has been employed by or consulted with various companies that include GQ Group Uganda, Exp. Momentum Uganda, PHAT! Music & Entertainment, Radio One Uganda, Swivel Marketing Uganda, and Knight Frank Uganda. Contact Muhumuza at muhumuza.bageire@gmail.com.