



Plastic water bottles on a factory line. Barbara Mulwana (inset) says Uganda's crude oil will provide plastics makers with raw materials and save the country a huge import bill

PLASTIC MAKERS EYE RAW MATERIALS FROM CRUDE OIL

By Billy Rwothungeyo

What would we do without plastics? Think about your everyday activities, virtually everyone interacts with plastics in one form or the other.

Did you know that 20% of the vehicle you drive to office is made from plastics? The computer you use at your workplace is made of plastic. What about the television set you watch when you get home from work?

Plastics products are popular because they are resistant to weather conditions such as rain. Plastics are also durable and can be turned into any shape to suit one's application.

Plastics in Uganda

Uganda has two major manufacturers of plastics products; Nice House of Plastics and Mukwano

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The writer with oil workers at a crude oil storage facility in Buliisa district. Crude oil is a raw material in the making of plastics

Uganda's oil a blessing to plastic manufacturers

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Group's A.K Plastics. These two make several plastic products such as basins, plates and cups, jerry-cans, furniture, pens, soda crates among others.

There are also manufacturers that make single plastics products such as water-tanks, beverage bottles among others.

As per the Uganda Manufacturers Association data, there are over 15 companies in Uganda making different plastic products. At the moment, these manufacturers import raw material granules for making these products. Bank of Uganda figures indicate that Uganda spent \$283m (about 900b) on importing plastics, rubber and related products in 2017, up from \$254m (about sh850b) spent on the same items in 2016. A petrochemical industry will significantly reduce this import bill.

Petrochemical industry

Also known as polymers, plastics are made from hydrocarbons that are found in oil and gas.

Besides exporting and refining the crude oil from the Albertine grabben when commercial oil production eventually starts, the oil production will have another off-shoot; the petrochemical industry. This essentially means that companies that import raw material granules for manufacturing plastics will be in position to tap into



In 2017, Uganda spent sh900b on importing granules used in making plastics

the petrochemical industry in Uganda, saving Uganda hundreds of millions of shillings that could have been spent on imports.

As per the National Oil and Gas Policy, the Government has planned for the Lake Albert Development project, an industrial park to be located at Kabaale parish in Hoima to host

petrochemical industries. Also the 29 square kilometre park will be the Hoima International Airport, a refinery, storage facilities for crude oil among others.

Barbara Mulwana, the chief executive officer of Nice House of Plastics, a petrochemical industry would be a massive boost for the manufacturing industry in

Uganda.

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"The raw materials we use for manufacturing our range of products come from the Middle East. Having a source of raw materials in Uganda will definitely be a good thing for us, as this will bring down our cost of doing business," she says.

Mulwana, who is also the chairperson of the Uganda Manufacturers' Association, says beyond the plastics industry, other manufacturing segments of the economy will also stand to benefit from a petrochemical industry in Uganda.

Musa Mugeeri, the head of Luuka Plastics, says the company would be willing to buy raw material granules in Uganda when a petrochemical industry picks up with commercial production of oil and gas. He says this will save them 'a lot of money' in importing raw materials.

"Currently, we import our raw materials from Saudi Arabia. It takes averagely a month for consignments to arrive in the country. Imagine if we had to get our raw materials from Hoima instead. That would be massive for us," he says.

Beverage makers in Uganda also import significant raw-material for their products. Only 4% of global oil production is used for plastics. 87% is used for transport, energy and heating and simply burnt and lost, according to the British Plastics Federation

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Manufacturers
Information from the Uganda Manufacturer's Association indicates that Uganda has a total of 15 companies that are involved in making plastics